



City of Sanford, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2013



**CITY OF SANFORD, FLORIDA**

**Comprehensive Annual Financial Report**

**For the fiscal year ended**

**September 30, 2013**

**(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, 2013**

**Contents**

	<b><u>Page</u></b>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal .....	i
Organization Chart.....	vi
Principal Officials .....	vii
Certificate of Achievement for Excellence in Financial Reporting.....	viii
<b>FINANCIAL SECTION:</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis .....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	20
Reconciliation of the Balance Sheet to the Statement of Net Position .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in the Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Net Position – Proprietary Funds.....	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	25

**FINANCIAL SECTION: (Continued)**

Basic Financial Statements: (Continued)

Statement of Cash Flows – Proprietary Funds.....	26
Statement of Net Position – Fiduciary Funds .....	28
Statement of Changes in Net Position – Fiduciary Funds .....	29
Notes to the Financial Statements.....	30

Required Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund.....	73
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Sanford CRA.....	74
Schedules of Funding Progress – Defined Benefit Pension Trust Funds .....	75
Schedules of Contributions from the City and other Contributing Entities – Defined Benefit Pension Trust Funds.....	75
Schedule of Funding Progress – Retiree Insurance Continuation Plan .....	76
Schedule of Contributions from the City and other Contributing Entities – Retiree Insurance Continuation Plan .....	76

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds.....	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	84
Budgetary Comparison Schedule – Building Inspection Fund.....	87
Budgetary Comparison Schedule – Local Option Gas Tax Fund.....	88
Budgetary Comparison Schedule – Second Generation Sales Tax Fund .....	89
Budgetary Comparison Schedule – Law Enforcement Trust Fund .....	90
Budgetary Comparison Schedule – Police Education Fund .....	91
Budgetary Comparison Schedule – Cemetery Fund.....	92
Budgetary Comparison Schedule – LIHEAP Grant Fund .....	93
Budgetary Comparison Schedule – Police Impact Fees Fund.....	94

**FINANCIAL SECTION: (Continued)**

Combining and Individual Fund Statements and Schedules: (Continued)

Budgetary Comparison Schedule – Fire Impact Fees Fund.....	95
Budgetary Comparison Schedule – Recreation Impact Fees Fund.....	96
Budgetary Comparison Schedule – ARRA Grant Fund .....	97
Budgetary Comparison Schedule – CDBG Grant Fund .....	98
Budgetary Comparison Schedule – NSP Grant Fund .....	99
Budgetary Comparison Schedule – Youthbuild Grant Fund .....	100

**STATISTICAL SECTION:**

Schedule 1	Net Position by Component – Last Ten Fiscal Years .....	102
Schedule 2	Changes in Net Position – Last Ten Fiscal Years.....	104
Schedule 3	Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	108
Schedule 4	Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	110
Schedule 5	Assessed and Actual Value of Taxable Property – Last Ten Fiscal Years.....	112
Schedule 6	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	113
Schedule 7	Principal Property Taxpayers – Current Year and Nine Years Ago.....	114
Schedule 8	Property Tax Levies and Collections – Last Ten Fiscal Years.....	115
Schedule 9	Ratio of Outstanding Debt by Type – Last Ten Fiscal Years.....	116
Schedule 10	Pledged Revenue Coverage – Last Ten Fiscal Years .....	118
Schedule 11	Computation of Direct and Overlapping Debt – Governmental Activities .....	120
Schedule 12	Demographic and Economic Statistics – Last Ten Fiscal Years .....	121

**STATISTICAL SECTION: (Continued)**

Schedule 13	Principal Employers – Current Year and Nine Years Ago.....	122
Schedule 14	Full-time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years .....	123
Schedule 15	Operating Indicators by Function/Program – Last Ten Fiscal Years.....	124
Schedule 16	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	126

**COMPLIANCE SECTION:**

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 <i>Government Auditing Standards</i> .....	129
Independent Auditor’s Report on Compliance with Requirements for Each Major Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133 .....	131
Schedule of Findings and Questioned Costs.....	133
Schedule of Expenditures of Federal Awards.....	135
Notes to Schedule of Expenditures of Federal Awards .....	136
Independent Auditor’s Management Letter .....	137

## **INTRODUCTORY SECTION:**

This section contains the following subsections:

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





March 12, 2014

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, 2013. State law requires that all general-purpose local governments publish within 9 months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants.

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

The City’s financial statements have been audited by Moore Stephens Lovelace, P.A., a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2013 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

**MAILING ADDRESS**  
CITY OF SANFORD  
POST OFFICE BOX 1788  
SANFORD, FLORIDA 32772-1788

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

TELEPHONE  
407.688.5020

FACSIMILE  
407.688.5022

WEBSITE  
WWW.SANFORDFL.GOV

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.

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, including police, fire and rescue, street construction and maintenance, planning and zoning, building inspections, community and economic development, parks and recreation, cultural events, and general administrative services. In addition, water, sewer and reclaimed water services, stormwater management and solid waste collection are provided under an enterprise fund concept with user charges established by the City Commission to ensure adequate coverage of operating expenses

and payments on outstanding debt. The City is also accountable for two legally separate component units: the Sanford Airport Authority and Community Redevelopment Agency, which are presented as component units of the City.

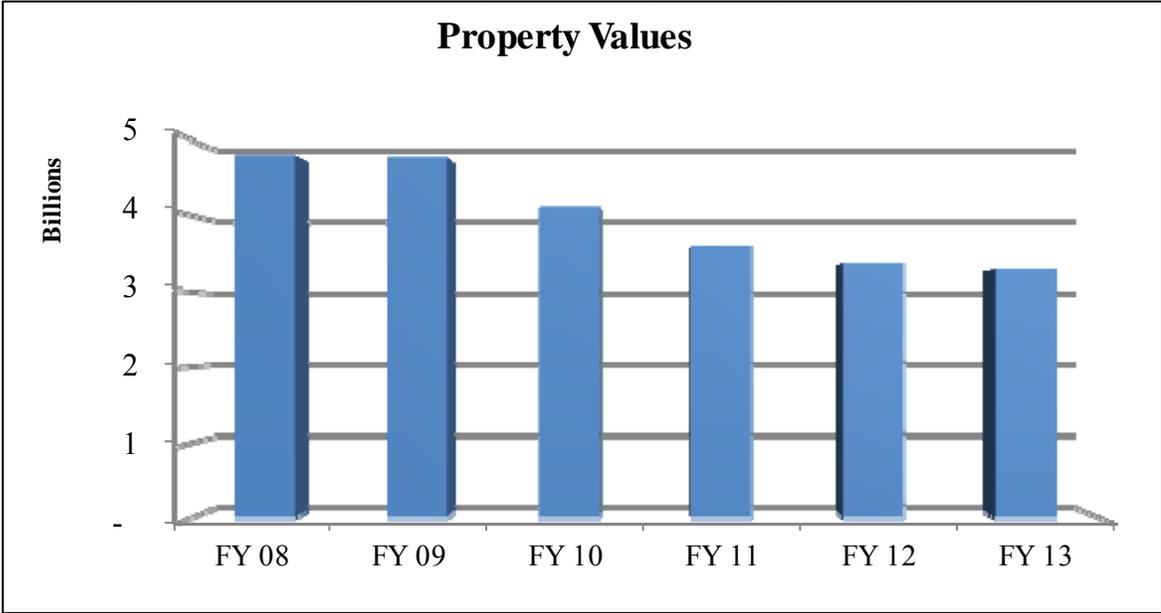
The annual budget serves as the foundation for the City’s financial planning and control. The budget is developed by the City Manager who is required by the Charter to present the proposed budget to the City Commission for review on or before July 1. The City Commission is required to hold public hearings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

**Factors Affecting Financial Condition**

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

**Local Economy.** The City’s current economic environment is somewhat uncertain reflecting instability in the national economy. According to the U.S. Bureau of Labor Statistics, unemployment in Seminole County averaged 6.6% during the fiscal year ended September 30, 2013, which is an improvement over the same average rate of 8.2% in the prior year.

From FY 2008 to FY 2013, the City’s property values decreased from \$4.77 billion to \$3.27 billion, a loss of \$1.5 billion (31.5%) in property values. However, there are signs that the City’s economy is improving and property values have stopped decreasing and are going to turn around. The City’s next fiscal year budget (2014) is based on preliminary values of \$3.31 billion, which is a 1.2% increase from the fiscal year ended September 30, 2013.



Major ad valorem taxpayers in the City include the Seminole Towne Center Regional Mall and Central Florida Regional Hospital. The City's population is currently estimated to be 53,867, making it the largest city in Seminole County as well as the 48<sup>th</sup> largest city in the State of Florida. Population is a factor used in determining the City's distribution from the State Municipal Revenue Sharing Program.

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

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

- Riverwalk Phase 2
- Auxiliary Water Plant Improvements
- Sanford Ave Streetscape
- 17-92 Lighting Upgrades
- Water Line Pipe Bursting and Looping
- AMR Meter Replacements
- Nutrient Reduction Plan
- Lake Jessup & Lake Monroe Basin Management Action Plan
- Continued improvements to parks, roads, sidewalks and drainage
- City-wide stormwater drainage improvement project.

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

### **Relevant Financial Policies**

The City Commission has informally established a reserve requirement for the General Fund to maintain at a minimum, unassigned fund balance equal to 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, 2012. This was the 24<sup>th</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

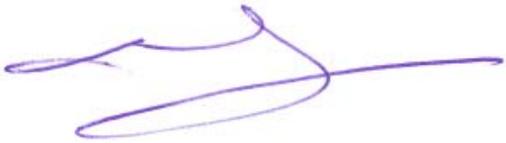
A Certificate of Achievement is valid for a period of one year only. We believe that our CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

The preparation of this report would not have been possible without the efficient and dedicated services of the Financial Services Team. Special thanks are in order for Mr. Ryan Ossowski, Finance Manager, for his tireless efforts in this regard. We would also like to express our appreciation to our auditing firm, Moore Stephens Lovelace, P.A.

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

Respectfully submitted,

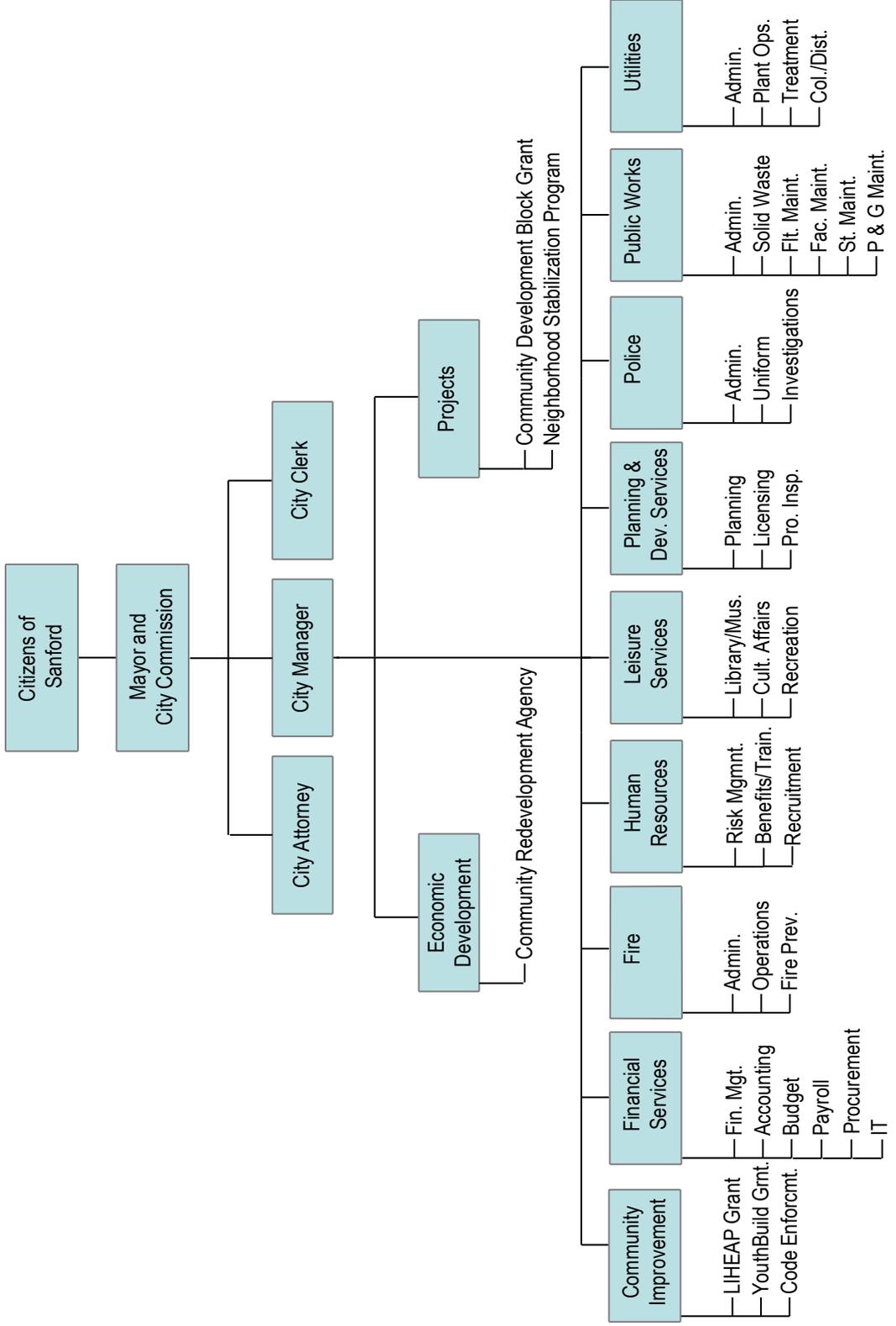


Norton N. Bonaparte, Jr.  
City Manager



Cynthia Lindsay  
Director of Finance

# City of Sanford Organization Chart



**CITY OF SANFORD, FLORIDA**

**PRINCIPAL OFFICIALS**

**Year Ended September 30, 2013**

**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**

**Bob Turk, Director of Economic Development**

**Russell L. Gibson, Director of Planning & Development Services**

**Fred Fosson, Director of Human Resources**

**William M. Kirby, Director of Leisure Services**

**Bilal Iftikhar, Director of Public Works**

**Paul Moore, Director of Utilities**

**Cecil E. Smith, Police Chief**

**Craig Radzak, Fire Chief**



Government Finance Officers Association

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

Presented to

**City of Sanford  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

## **FINANCIAL SECTION:**

This section contains the following subsections:

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



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sanford Airport Authority (the "Airport"), which is the discretely presented component unit of the City. Those financial statements were audited by other auditors, whose report thereon has been furnished to us and our opinion, insofar as it relates to the amounts included for the Airport, is based solely on the report of the 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

**INDEPENDENT AUDITOR'S REPORT**  
*(Concluded)*

**Other Matters**

*Required Supplementary Information*

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

*Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Moore Stephens Lovelace, P.A.*

**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 12, 2014

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Sanford (herein referred to as "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$286,972,448 (net position). Of this amount, \$52,693,657 (18.36%) represents unrestricted net position which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$11,158,976 (or 4.05%). The City's net position in governmental activities increased by \$60,810 while the net position in business-type activities increased by \$11,098,166. The increase is primarily attributable to an accumulation of resources for future purchases of capital assets and debt payments related to capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32,001,136, an increase of \$1,777,135 in comparison with the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned and unassigned components of fund balance) for the General Fund was \$19,020,225, or approximately 60.62% of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$1,082,293 during the current fiscal year. The decrease is attributable to scheduled principal retirements on existing debt, offset partially by increases in capital leases and the liability associated with other postemployment benefits.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide financial statements

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

The statement of net position presents information on all of the City's assets and liabilities, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected franchise fees or earned but unused paid time off, etc.).

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

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

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

### **Fund financial statements**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Sanford Community Redevelopment Agency which are considered to be major funds. Data from the other nineteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements and required supplementary information.

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

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

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

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

The basic proprietary fund financial statements can be found on pages 24-27 of this report.

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They can be found on pages 30-71 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension and other postemployment benefits to its employees. Required Supplementary Information can be found on pages 72-76 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position over time may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$286,972,448, at the close of the most recent fiscal year.

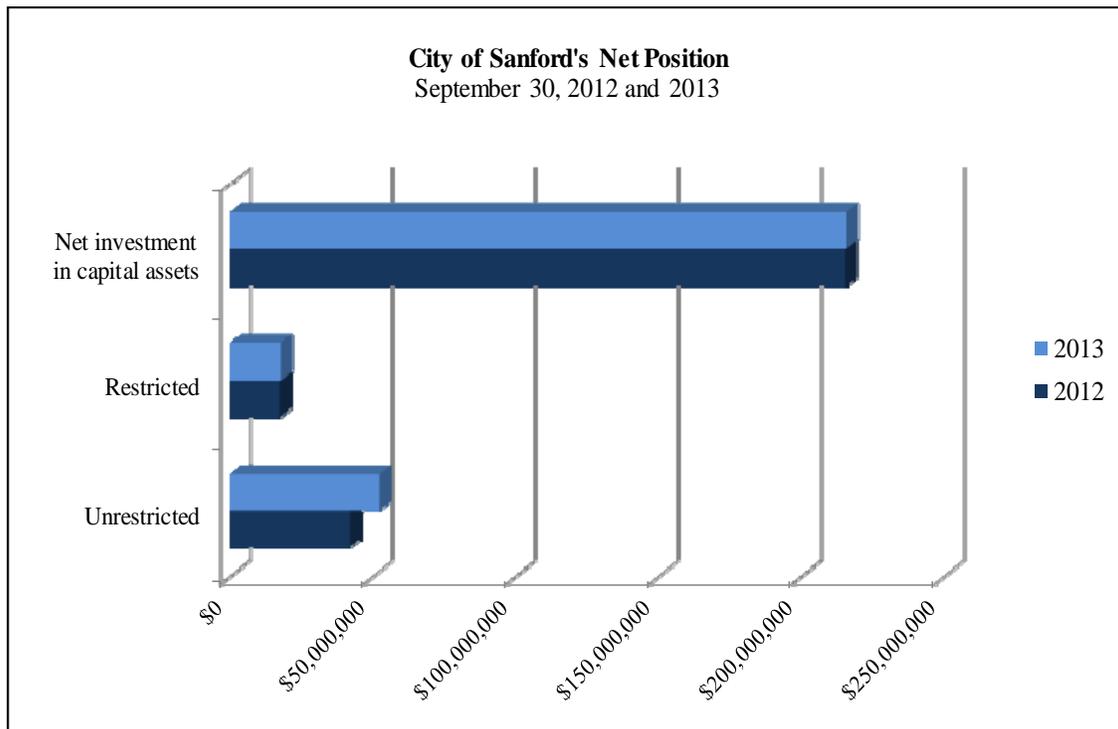
By far, the largest portion of the City's net position, \$216,102,850 (75.30%), are reflected in its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles, and equipment) less any outstanding related debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, \$18,175,941 represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. The remaining balance \$52,693,657 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

**City of Sanford's Net Position**  
As of September 30, 2012 and 2013

	Governmental Activities		Business-type Activities		Total	
	2012 *	2013	2012	2013	2012 *	2013
Current and other assets	\$ 44,528,295	\$ 47,310,570	\$ 29,502,022	\$ 39,851,212	\$ 74,030,317	\$ 87,161,782
Capital assets	123,208,002	120,531,456	157,462,643	159,455,713	280,670,645	279,987,169
Total assets	<u>167,736,297</u>	<u>167,842,026</u>	<u>186,964,665</u>	<u>199,306,925</u>	<u>354,700,962</u>	<u>367,148,951</u>
Current and other liabilities	7,292,738	3,981,921	7,203,664	4,354,174	14,496,402	8,336,095
Long-term liabilities outstanding	18,216,781	21,572,517	46,174,307	50,267,891	64,391,088	71,840,408
Total liabilities	<u>25,509,519</u>	<u>25,554,438</u>	<u>53,377,971</u>	<u>54,622,065</u>	<u>78,887,490</u>	<u>80,176,503</u>
Net position:						
Net investment in capital assets	107,895,143	105,948,864	107,795,107	110,153,986	215,690,250	216,102,850
Restricted	9,633,355	11,289,017	8,137,545	6,886,924	17,770,900	18,175,941
Unrestricted	24,698,280	25,049,707	17,654,042	27,643,950	42,352,322	52,693,657
Total net position	<u>\$142,226,778</u>	<u>\$142,287,588</u>	<u>\$133,586,694</u>	<u>\$144,684,860</u>	<u>\$275,813,472</u>	<u>\$286,972,448</u>

\* Reclassified to include CRA balances, see note 17 to the financial statements.

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



The City's overall net position increased by \$11,158,976 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities. The following is a summary of activities for the City during the most recent and prior fiscal year:

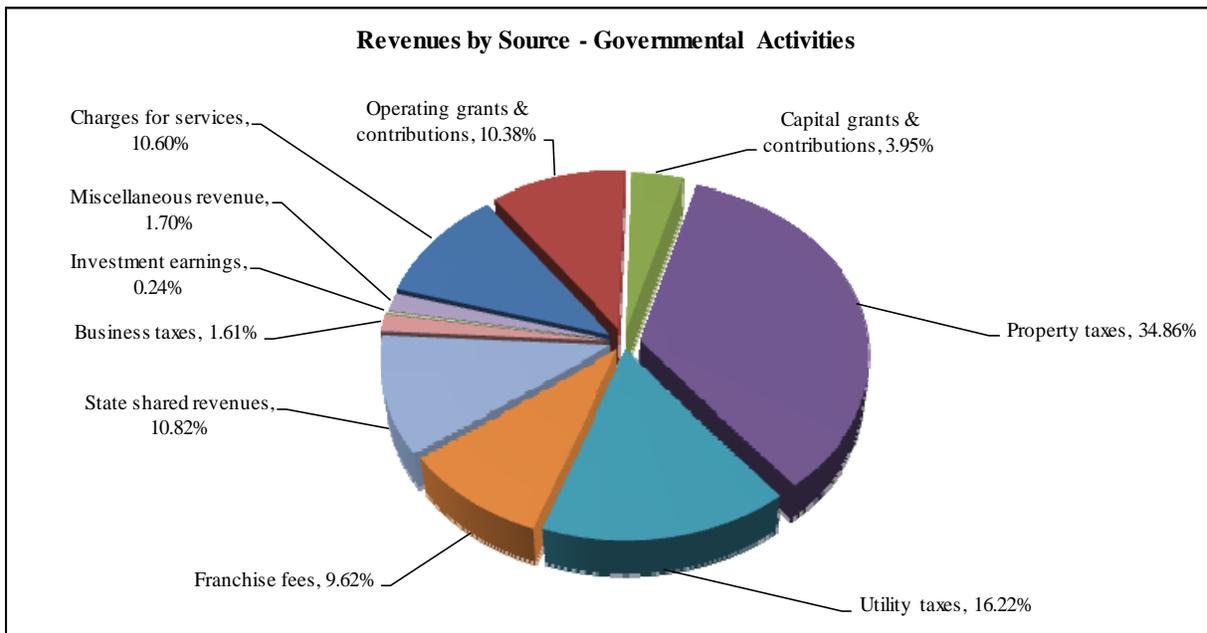
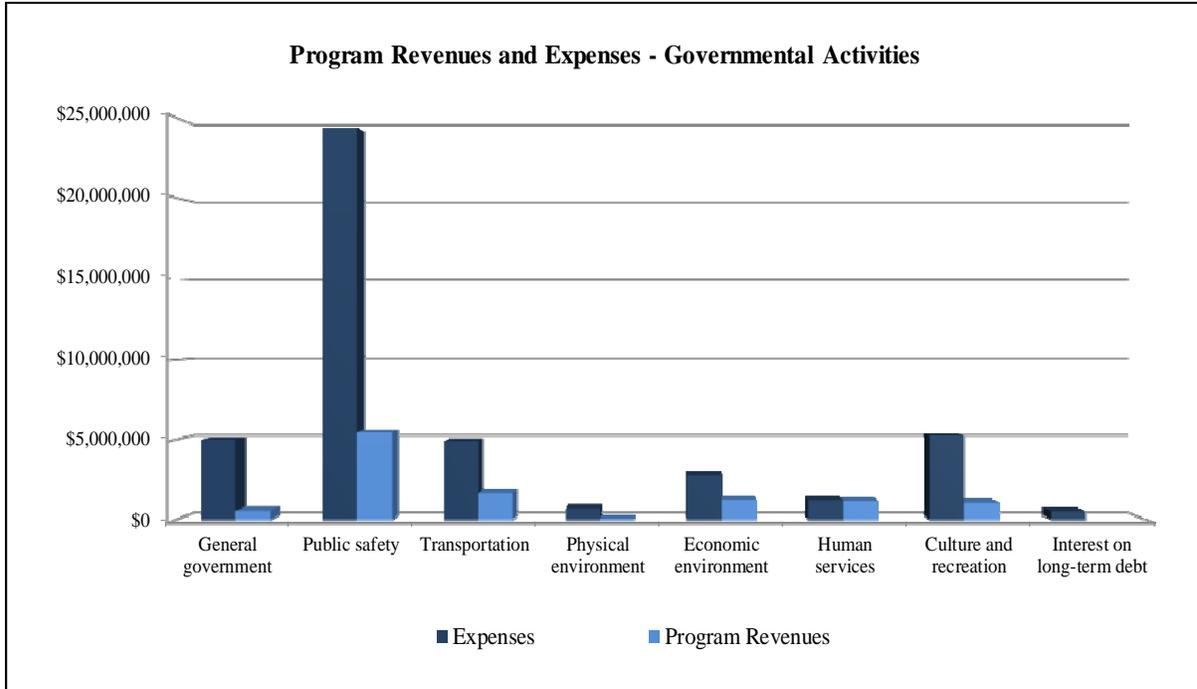
**City of Sanford's Change in Net Position**

For the years ended September 30, 2012 and 2013

	Governmental Activities		Business-type Activities		Total	
	2012 *	2013	2012	2013	2012 *	2013
Revenues:						
Program revenues:						
Charges for services	\$ 6,751,328	\$ 4,717,292	\$ 30,226,381	\$ 31,670,590	\$ 36,977,709	\$ 36,387,882
Operating grants & contributions	2,772,850	4,624,201	802,728	52,814	3,575,578	4,677,015
Capital grants & contributions	1,124,442	1,759,238	1,144,351	4,371,773	2,268,793	6,131,011
General revenues:						
Property taxes	15,970,228	15,522,596	-	-	15,970,228	15,522,596
Utility taxes	6,908,982	7,222,351	-	-	6,908,982	7,222,351
Franchise fees	4,218,463	4,285,378	-	-	4,218,463	4,285,378
State shared revenues	5,008,073	4,820,475	12,697	15,293	5,020,770	4,835,768
Other	2,441,354	1,580,089	274,490	202,815	2,715,844	1,782,904
Total revenues	45,195,720	44,531,620	32,460,647	36,313,285	77,656,367	80,844,905
Expenses:						
General government	5,440,669	4,970,149	-	-	5,440,669	4,970,149
Public safety	24,434,739	24,340,662	-	-	24,434,739	24,340,662
Transportation	4,543,747	4,872,500	-	-	4,543,747	4,872,500
Physical environment	1,554,248	706,703	-	-	1,554,248	706,703
Economic environment	1,718,865	2,740,748	-	-	1,718,865	2,740,748
Human services	72,681	1,208,465	-	-	72,681	1,208,465
Culture and recreation	5,420,586	5,223,926	-	-	5,420,586	5,223,926
Interest on long-term debt	600,742	505,337	-	-	600,742	505,337
Water and sewer	-	-	17,832,210	16,938,957	17,832,210	16,938,957
Stormwater	-	-	2,703,731	2,481,039	2,703,731	2,481,039
Solid waste	-	-	5,101,065	5,286,848	5,101,065	5,286,848
Golf course	-	-	-	410,595	-	410,595
Total Expenses	43,786,277	44,568,490	25,637,006	25,117,439	69,423,283	69,685,929
Change in net position before transfers	1,409,443	(36,870)	6,823,641	11,195,846	8,233,084	11,158,976
Transfers	7,645	97,680	(7,645)	(97,680)	-	-
Change in net position	1,417,088	60,810	6,815,996	11,098,166	8,233,084	11,158,976
Net position, beginning of year *	140,809,690	142,226,778	126,770,698	133,586,694	267,580,388	275,813,472
Net position, end of year *	\$ 142,226,778	\$ 142,287,588	\$ 133,586,694	\$ 144,684,860	\$ 275,813,472	\$ 286,972,448

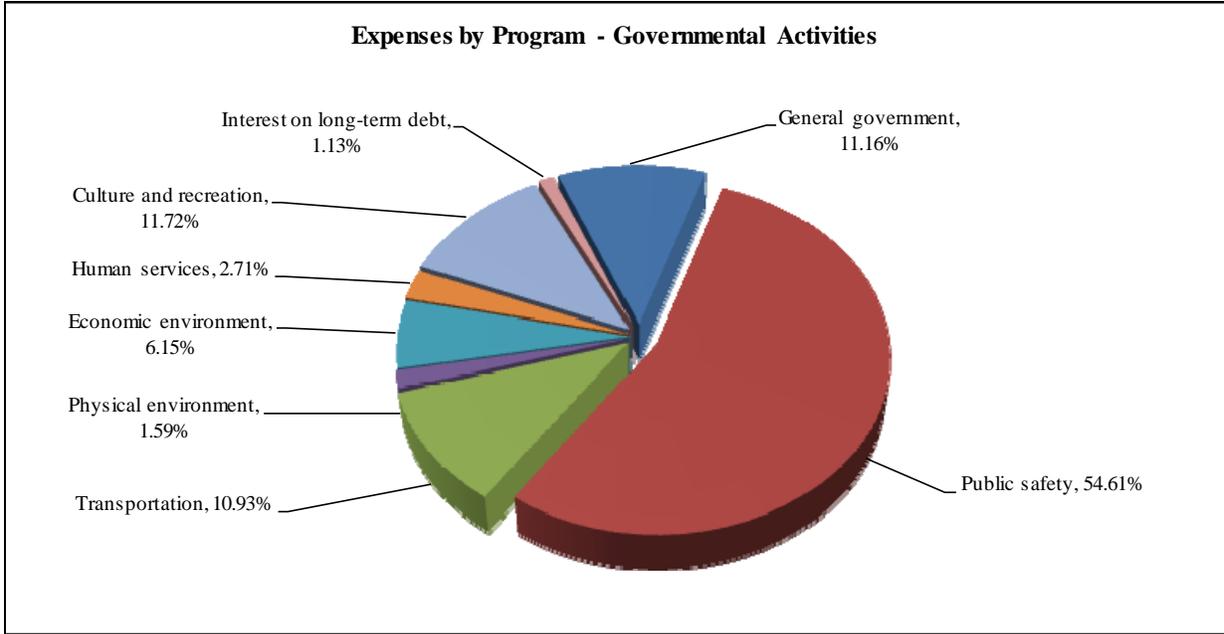
\* Reclassified to include CRA transactions, see note 17 to the financial statements.

**Governmental activities.** During the current fiscal year, net position for governmental activities increased \$60,810 from the prior fiscal year for an ending balance of \$142,287,588. It is also noted that the governmental activities now include the Sanford Community Redevelopment Agency as a blended component unit, and this resulted in an increase of \$7,577,131 in beginning net position. For more information on the changes that occurred as a result of this inclusion, see note 17 to the financial statements.



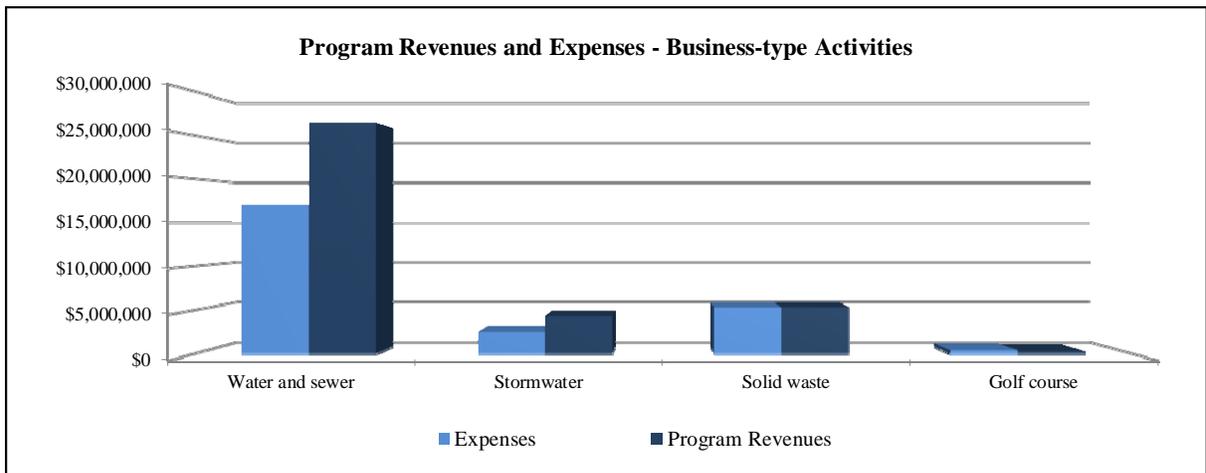
Property taxes, which comprised 34.86% of the City’s governmental activity revenues, decreased by \$571,631; this decrease was primarily due to the drop in taxable value of property in the City.

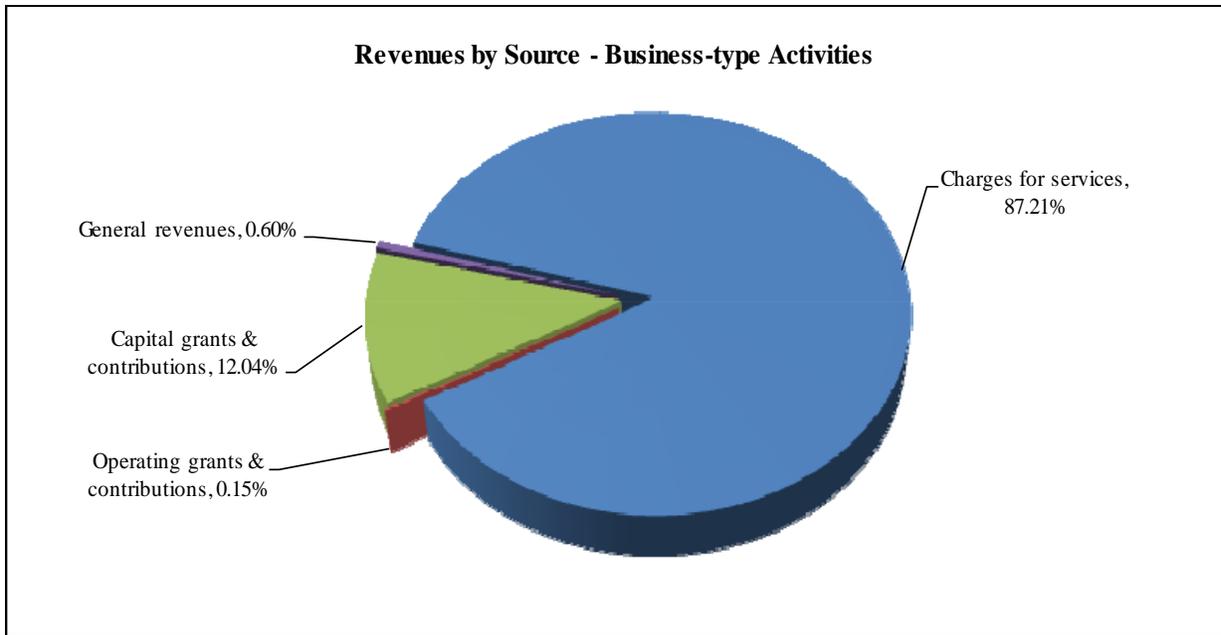
While the recent recession had an impact on the City, management was able to take various actions (including but not limited to furloughs of employees, freezing of positions, delaying capital expenditures, refinancing of debt for lower interest rates, increased grant usage, reducing operating expenses for non-essential programs, increasing rates for certain charges for services) that neutralized its effect on governmental activities.



Overall, the City’s expenses increased this year. Total expenses were \$44,568,490, compared to \$42,911,058 the prior fiscal year; an increase of \$1,657,432 or 3.86%. The increase in expenses was almost entirely met with a corresponding increase in grant program revenues to fund the increases. Public safety expenses of \$24,340,662 comprised 54.61% of the total governmental activities expenses.

**Business-type activities.** Business-type activities increased the City’s net position by \$11,098,166, thereby accounting for 99.5% of the total growth in the City’s net position. This increase primarily is attributable to an increase in capital assets, as well as accumulation of resources for future purchases of capital assets and debt payments related to capital assets.





Charges for services of \$31,670,890 increased over the prior-year total of \$30,226,381 by \$1,444,509, or approximately 4.7%. This was due to rate increases offset by decreases in consumption.

#### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

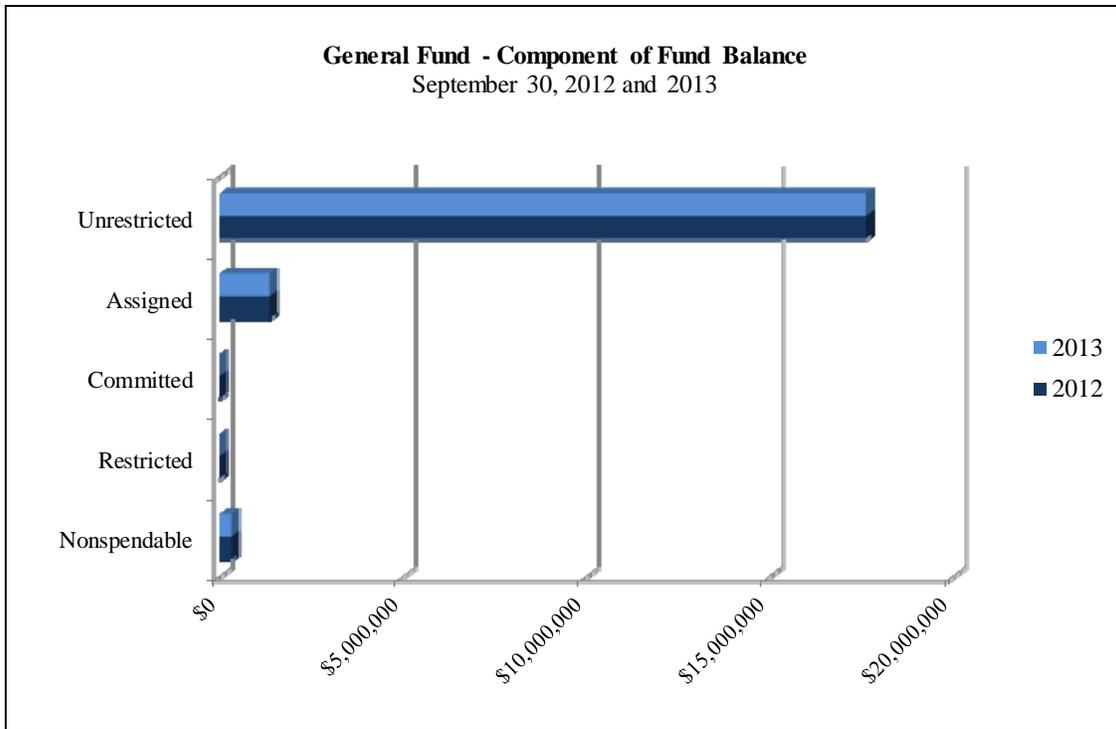
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party or the City itself.

As of the fiscal year end, the City's governmental funds reported combined ending fund balances of \$32,001,136, an increase of \$1,777,135 in comparison with the prior year. Approximately 52.20% of this total amount, \$16,706,132, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$338,008), 2) restricted for particular purposes (\$12,012,041), 3) committed for particular purposes (\$334,440), or 4) assigned for particular purposes (\$2,610,515).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$17,643,761, while the total fund balance was \$19,354,410. 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 56.24% of total General Fund expenditures, while total fund balance represents 61.69% of that same amount.

The fund balance of the City's General Fund increased by \$1,495,318 during the current fiscal year. The increase is primarily attributed to one-time revenue related to the cancellation of a lease as well as savings versus planned expenditures for personnel.



The Sanford Community Redevelopment Agency (herein referred to as “Sanford CRA”), is a blended component unit that is presented as a major special revenue fund and reports the financial activities related to the redevelopment of downtown and the Lake Monroe waterfront. At the end of the current fiscal year, the Sanford CRA’s restricted (and total) fund balance was \$1,631,272. The fund balance of the Sanford CRA increased by \$465,241 during the current fiscal year. The increase is attributed to the accumulation of resources for the Sanford Avenue Streetscape project. The funds of the Sanford CRA are legally restricted for use in the downtown and Lake Monroe redevelopment areas.

Nonmajor governmental funds consisting of Special Revenue Funds, Debt Service Funds and Capital Projects Funds have a combined total fund balance of \$11,015,454 at the end of the current fiscal year. The net decrease during the current year in nonmajor governmental funds was \$183,424.

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

Unrestricted net position at the end of the year was \$19,036,909 in the Water and Sewer Fund, \$7,427,249 in the Stormwater Fund, and \$1,038,625 in the Solid Waste Fund. The total growth of net position for the Water and Sewer Fund and Stormwater Fund was \$9,487,138 and \$1,832,946, respectively. As noted earlier in the discussion of business-type activities the increases are primarily attributable to an increase in capital assets, as well as an accumulation of resources for future purchases of capital assets and debt payments related to capital assets. The Solid Waste Fund had decrease in net position of \$122,952, which was due to a general transfer of funds to the General Fund of \$147,484.

In its first year of operations, the nonmajor Golf Course Fund created a deficit net position of \$81,102 because of expenses in excess of charges for services rendered. Due to net investment in capital assets, the unrestricted net position of the fund is an even larger deficit of \$174,893.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget (\$94,359 increase in revenues and transfers in and \$294,269 increase in appropriations and transfers out) can be briefly summarized as follows:

### Revenues

- \$ 32,059 Increase in grant revenues for justice assistance and historic preservation
- \$ 15,000 Increase in tree mitigation revenues
- \$ 3,408 Increase in memorial brick revenues

### Transfers In:

- \$ 43,892 Budgeted for fund transfer from Building Inspection Fund

### Transfers Out:

- \$ 8,317 Provided budget for several small reimbursement fund transfers

### Expenditures:

- (\$ 163,408) Increase budgeted additions to reserves for anticipated vacancies in departments throughout the City as well as provide a budget to implement a 1% salary increase for City staff.
- \$ 48,900 Added budget for police department promotional process consulting
- \$ 201,284 Budgeted for reappropriation of funds unused in prior fiscal year budget:
  - \$ 128,091 for City vision process
  - \$ 73,193 for other small purchase orders outstanding
- \$ 50,467 Budgeted for increase in expense related to increased revenues (grants, tree mitigation expenses and memorial brick engraving)
- \$ 148,709 Provided budget for various expenses incurred in excess of original budget:
  - \$ 58,151 for additional attorney expense
  - \$ 26,075 for additional professional services
  - \$ 27,906 for unbudgeted AC repairs
  - \$ 33,339 for unbudgeted sick leave payout
  - \$ 3,238 for additional staff budget for overlap in key position

Of the increases in expenditures and transfers out, \$94,359 was offset by increased revenues and transfers in. The remaining increased the use of reserves by \$199,910.

Differences between the final amended budget and actual were a \$1,285,090 increase in revenues and \$1,053,978 decrease in expenditures) can be briefly summarized as follows:

### Revenues

- \$ 700,000 Increase in miscellaneous revenues due to termination of lease with advance payment
- \$ 370,027 Increase in charges for services because of increases in EMS transport fee rates, fire inspection fee rates, special events activity, and development hearing activity. This was offset by a deficit versus estimated revenues in off duty police detail activity.
- \$ 215,063 Net variance in other General Fund revenues including increases in property taxes (\$75,105), utility taxes (\$99,735), franchise fees (\$88,329), business tax receipts (\$68,377), permits and fees (\$4,213), and intergovernmental revenues (\$5,400). The increases were offset by negative variances in investments earnings (\$64,511), fine and forfeitures (\$6,474), and other miscellaneous revenues (\$55,111).

**Expenditures:**

- \$ 720,013 Savings associated with vacant positions resulting from terminations and retirements:
  - \$ 610,835 in the public safety function of which \$475,136 was the Police Department and the remainder was the Fire Department
  - \$ 69,977 in the general government function
  - \$ 39,201 in the remaining functions
- \$ 333,965 Savings associated with operating expenditures budgeted but not incurred in desire to cut spending due to the downturn in the economy:
  - \$ 169,130 in the economic environment function
  - \$ 84,209 in the general government function
  - (\$ 63,393) in the public safety function
  - \$ 70,439 in the human services function
  - \$ 52,667 in the transportation function
  - \$ 20,913 in the remaining functions

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*Capital assets.* The City's investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounted to \$279,987,169 (net of accumulated depreciation). This investment in capital assets included land, buildings, machinery and equipment, infrastructure, water and sewer system, stormwater management system, irrigation rights, and construction in progress. The total change in the City's capital assets, net of related depreciation, for the current fiscal year was a decrease of \$2,676,546 (2.17%) for governmental activities and an increase of \$1,993,070 (1.27%) for business-type activities.

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

**Governmental activities:**

- Acquisition of \$1,382,802 in replacement vehicles, primarily consisting of police cars and a new fire truck.
- Streets and sidewalks projects continued during the fiscal year, adding \$747,523 in new infrastructure.
- Riverwalk Phase II, Marina Day Boat Slips, and Sanford Ave streetscape construction commences adding \$318,028, \$138,323, and \$46,215 respectively in construction in progress.
- Current year depreciation on capital assets of \$5,425,573 offsets the above additions.

**Business-type activities:**

- Acquisition of \$164,243 in replacement vehicles and \$287,655 in heavy machinery.
- Acquisition of land on Kentucky Street, \$189,866.
- Private developers contributed \$496,149 in water and sewer system lines.
- Several disinfection by-products projects continued in the current year adding to construction in progress, including pipelining (\$1,385,097), auxiliary water plant improvements (\$1,586,161), water main looping (\$671,466), well improvements (\$271,342), and automated meters replacement (\$106,307)
- The reclaimed water nutrient reduction project continued, adding \$191,321 in construction in progress.
- Several smaller projects continued to be in progress at the end of the year, adding and additional \$624,685 in construction in progress (some of which was complete and capitalized as of the fiscal year end).
- Current year depreciation on capital assets of \$4,090,669 offsets the above additions.

**City of Sanford's Capital Assets**

(net of accumulated depreciation)

As of September 30, 2012 and 2013

	Governmental Activities		Business-type Activities		Total	
	2012 *	2013	2012	2013	2012 *	2013
Land	\$ 5,582,650	\$ 5,693,956	\$ 6,907,489	\$ 7,146,169	\$ 12,490,139	\$ 12,840,125
Buildings	44,598,816	42,531,724	28,852,977	28,207,764	73,451,793	70,739,488
Machinery and equipment	3,255,962	3,840,378	1,826,919	1,694,301	5,082,881	5,534,679
Infrastructure	68,580,772	66,738,069	-	-	68,580,772	66,738,069
Water and sewer system	-	-	100,381,974	99,153,120	100,381,974	99,153,120
Stormwater system	-	-	17,366,284	16,875,272	17,366,284	16,875,272
Irrigation rights	-	-	333,000	244,200	333,000	244,200
Construction in progress	1,189,802	1,727,329	1,794,000	6,134,887	2,983,802	7,862,216
Total	<u>\$123,208,002</u>	<u>\$120,531,456</u>	<u>\$157,462,643</u>	<u>\$159,455,713</u>	<u>\$280,670,645</u>	<u>\$279,987,169</u>

\* Reclassified to include CRA capital assets, see note 17 to the financial statements.

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

**Long-term debt.** At the fiscal year end, the City had \$29,908,466 in bonded debt outstanding, all of which is secured solely by specified revenues sources or covenants. The City had no debt outstanding backed by the full faith and credit of the City. In addition, the City had debt outstanding in the amount of \$33,513,261 in State Revolving Fund loans and \$1,185,616 in capital leases. The City also had \$7,233,065 in other long-term debt, including claims payable, accrued clean-up and long-term care costs, other postemployment benefits, and compensated absences.

**City of Sanford's Outstanding Long-Term Debt**

As of September 30, 2012 and 2013

	Governmental Activities		Business-type Activities		Total	
	2012 *	2013	2012	2013	2012 *	2013
Structured payment debt:						
Utility revenue bonds:						
Series 2003	\$ -	\$ -	\$ 2,885,000	\$ 1,470,000	\$ 2,885,000	\$ 1,470,000
Less: unamortized discount	-	-	(193,285)	(96,642)	(193,285)	(96,642)
Notes payable:						
Series 2010	-	-	14,720,000	14,720,000	14,720,000	14,720,000
Less: unamortized discount	-	-	(338,768)	(304,892)	(338,768)	(304,892)
Series 2012	14,375,000	13,680,000	-	-	14,375,000	13,680,000
Series 2004 (CRA)	650,000	440,000	-	-	650,000	440,000
State revolving loans	-	-	33,539,228	33,513,261	33,539,228	33,513,261
Capital leases	836,052	1,185,616	-	-	836,052	1,185,616
Total structured payment debt	<u>15,861,052</u>	<u>15,305,616</u>	<u>50,612,175</u>	<u>49,301,727</u>	<u>66,473,227</u>	<u>64,607,343</u>
Other long-term debt:						
Claims payable	1,892,353	1,936,112	-	-	1,892,353	1,936,112
Accrued clean-up and long-term care costs	505,349	709,871	-	-	505,349	709,871
Other postemployment benefits	1,074,264	1,469,580	343,657	470,204	1,417,921	1,939,784
Compensated absences	2,165,870	2,151,338	467,981	495,960	2,633,851	2,647,298
Total other long-term debt	<u>5,637,836</u>	<u>6,266,901</u>	<u>811,638</u>	<u>966,164</u>	<u>6,449,474</u>	<u>7,233,065</u>
Total long-term debt	<u>\$ 21,498,888</u>	<u>\$ 21,572,517</u>	<u>\$ 51,423,813</u>	<u>\$ 50,267,891</u>	<u>\$ 72,922,701</u>	<u>\$ 71,840,408</u>

\* Reclassified to includes CRA note balance, see note 17 to the financial statements.

Total structured payment debt outstanding decreased by \$1,865,884 due to principal retirements in the current period (\$5,260,571) partially offset by proceeds received from new state revolving fund loans (\$2,739,096) and issuance of new capital lease debt (\$655,591).

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when adopting the fiscal year 2014 budget. The following economic factors currently affect the City and were considered:

- The average unemployment rate for Seminole County during the past fiscal year was 6.6%, which is a moderate decrease from the same figure of 8.2% a year ago. The decrease is attributed to the moderate recovery in the economy. The rate is less than the State's average unemployment rate during the same time period of 7.4%. While the unemployment rate has decreased, it is still significantly higher than the pre-recession levels of approximately 4.0%.
- The City's taxable value of commercial and residential real property for the next fiscal year, 2014, is estimated to increase by 2.2% (of which new growth represents 0.9% and existing property values increased 1.3%) compared to a 2.6% decrease experienced in the latest complete fiscal year, 2013. Despite these changes in valuation, the City has maintained the same property tax rate.
- The City implemented an increase in water and wastewater rates for the next fiscal year to adjust for changes in the consumer price index.
- The City has planned for a required increase in public safety and general employee required pension contributions in the 2014 budget of \$334,015 and \$208,325, respectively. These increases were offset by decreases in budgeted personnel to estimate the effect of savings associated with vacant positions resulting from terminations and retirements.

During the current fiscal year, fund balance in the General Fund increased by \$1,495,318 to a total fund balance of \$19,354,410. The City has appropriated \$1,050,000 of this amount for spending in the 2014 fiscal year budget. This appropriation was taken as a measure to mitigate reduced ongoing capital replacement funding allowed for by present projected revenues and expenses.

## **REQUESTS FOR INFORMATION**

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



# **BASIC FINANCIAL STATEMENTS**

**CITY OF SANFORD, FLORIDA**

**Statement of Net Position**

September 30, 2013

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Airport Authority</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 11,116,830	\$ 6,230,419	\$ 17,347,249	\$ 3,861,951
Investments	27,319,273	22,203,160	49,522,433	-
Accounts receivable, net	1,910,906	4,862,304	6,773,210	667,542
Due from other governments	6,791,602	2,195,065	8,986,667	622,939
Internal balances	(899,917)	899,917	-	-
Inventories	230,301	-	230,301	-
Prepaid expenses	377,247	15,367	392,614	39,269
Restricted investments - debt service	-	2,563,002	2,563,002	-
Restricted investments - airport authority	-	-	-	37,171
Net pension asset	99,725	-	99,725	-
Unamortized debt issuance costs	115,438	881,978	997,416	-
Equity interest in joint venture	249,165	-	249,165	-
Capital assets:				
Nondepreciable	7,421,285	13,281,056	20,702,341	58,152,948
Depreciable, net	113,110,171	146,174,657	259,284,828	127,860,654
Total assets	<u>167,842,026</u>	<u>199,306,925</u>	<u>367,148,951</u>	<u>191,242,474</u>
<b>Deferred outflows of resources</b>				
Deferred swap outflow	-	-	-	256,675
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,675</u>
<b>Liabilities</b>				
Accounts payable	2,372,780	2,270,640	4,643,420	961,808
Accrued liabilities	1,083,592	457,420	1,541,012	237,797
Retainage payable	34,796	201,666	236,462	-
Due to other governments	9,434	1,816	11,250	-
Unearned revenue	455,295	132,089	587,384	931,043
Customer deposits	26,024	1,290,543	1,316,567	-
Noncurrent liabilities:				
Due within one year	3,495,741	4,279,331	7,775,072	3,511,499
Due in more than one year	18,076,776	45,988,560	64,065,336	7,212,327
Total liabilities	<u>25,554,438</u>	<u>54,622,065</u>	<u>80,176,503</u>	<u>12,854,474</u>
<b>Net position</b>				
Net investment in capital assets	105,948,864	110,153,986	216,102,850	175,568,423
Restricted for:				
Debt service	-	2,563,002	2,563,002	-
System expansion	2,544,105	4,323,922	6,868,027	-
Transportation	5,109,854	-	5,109,854	-
Downtown redevelopment	1,631,272	-	1,631,272	-
Building inspections	1,755,502	-	1,755,502	-
Other purposes	248,284	-	248,284	37,171
Unrestricted	25,049,707	27,643,950	52,693,657	3,039,081
Total net position	<u>\$ 142,287,588</u>	<u>\$ 144,684,860</u>	<u>\$ 286,972,448</u>	<u>\$ 178,644,675</u>

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Activities**

For the Year Ended September 30, 2013

	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Assets</b>			
	Expenses	Operating		Capital Grants and Contributions	Governmental Activities	Primary Government		Airport Authority
		Charges for Services	Grants and Contributions			Business-type Activities	Total	
<b>Functions/Programs</b>								
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 4,970,149	\$ 536,892	\$ 17,404	\$ -	\$ (4,415,853)	\$ -	\$ (4,415,853)	\$ -
Public safety	24,340,662	3,571,496	1,225,115	643,013	(18,901,038)	-	(18,901,038)	-
Transportation	4,872,500	76,201	1,259,457	298,321	(3,238,521)	-	(3,238,521)	-
Physical environment	706,703	49,250	882	-	(656,571)	-	(656,571)	-
Economic environment	2,740,748	10,622	955,597	256,632	(1,517,897)	-	(1,517,897)	-
Human services	1,208,465	-	1,160,467	-	(47,998)	-	(47,998)	-
Culture and recreation	5,223,926	472,831	5,279	561,272	(4,184,544)	-	(4,184,544)	-
Interest on long-term debt	505,337	-	-	-	(505,337)	-	(505,337)	-
Total governmental activities	44,568,490	4,717,292	4,624,201	1,759,238	(33,467,759)	-	(33,467,759)	-
Business-type activities:								
Water and sewer	16,938,957	21,834,799	52,814	4,331,769	-	9,280,425	9,280,425	-
Stormwater	2,481,039	4,246,961	-	40,004	-	1,805,926	1,805,926	-
Solid waste	5,286,848	5,309,424	-	-	-	22,576	22,576	-
Golf course	410,595	279,406	-	-	-	(131,189)	(131,189)	-
Total business-type activities	25,117,439	31,670,590	52,814	4,371,773	-	10,977,738	10,977,738	-
<b>Total primary government</b>	<b>\$ 69,685,929</b>	<b>\$ 36,387,882</b>	<b>\$ 4,677,015</b>	<b>\$ 6,131,011</b>	<b>(33,467,759)</b>	<b>10,977,738</b>	<b>(22,490,021)</b>	<b>-</b>
<b>Component unit:</b>								
Airport authority	\$ 18,881,724	\$ 13,666,418	\$ -	\$ 18,418,854				13,203,548
General Revenues:								
Property taxes					15,522,596	-	15,522,596	-
Utility taxes					7,222,351	-	7,222,351	-
Franchise fees					4,285,378	-	4,285,378	-
State shared revenues not restricted to specific programs					4,820,475	15,293	4,835,768	-
Business taxes					716,744	-	716,744	-
Investment earnings					106,317	72,963	179,280	4,402
Miscellaneous revenue					757,028	129,852	886,880	-
Transfers					97,680	(97,680)	-	-
Total general revenues and transfers					33,528,569	120,428	33,648,997	4,402
Change in net position					60,810	11,098,166	11,158,976	13,207,950
Net position - beginning (see note 17)					142,226,778	133,586,694	275,813,472	165,436,725
Net position - ending					<b>\$ 142,287,588</b>	<b>\$ 144,684,860</b>	<b>\$ 286,972,448</b>	<b>\$ 178,644,675</b>

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

**CITY OF SANFORD, FLORIDA**

**Balance Sheet**

**Governmental Funds**

September 30, 2013

	General Fund	Sanford Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 4,796,934	\$ 425,734	\$ 3,522,836	\$ 8,745,504
Investments	14,099,329	1,253,965	5,057,043	20,410,337
Accounts receivable, net	1,587,228	3,361	39,697	1,630,286
Due from other governments	812,763	4,274	5,974,565	6,791,602
Due from other funds	821,342	-	-	821,342
Inventories	190,690	-	39,611	230,301
Prepaid items	86,857	-	3,823	90,680
Total assets	<u>\$ 22,395,143</u>	<u>\$ 1,687,334</u>	<u>\$ 14,637,575</u>	<u>\$ 38,720,052</u>
<b>Liabilities</b>				
Accounts payable	912,357	52,792	1,407,631	2,372,780
Accrued liabilities	1,026,934	3,270	52,158	1,082,362
Retainage payable	-	-	34,796	34,796
Due to other funds	603,000	-	802,199	1,405,199
Due to other governments	9,285	-	149	9,434
Unearned revenues	455,146	-	149	455,295
Deferred revenues	7,987	-	1,325,039	1,333,026
Customer deposits	26,024	-	-	26,024
Total liabilities	<u>3,040,733</u>	<u>56,062</u>	<u>3,622,121</u>	<u>6,718,916</u>
<b>Fund balances</b>				
Nonspendable:				
Inventory	\$ 190,690	\$ -	\$ -	\$ 190,690
Prepaid items	86,857	-	3,823	90,680
Long-term receivable	56,638	-	-	56,638
Restricted for:				
Downtown redevelopment	-	1,631,272	-	1,631,272
Building inspections	-	-	1,755,502	1,755,502
Transportation	-	-	5,109,854	5,109,854
Law enforcement	-	-	240,045	240,045
Assistance programs	-	-	8,239	8,239
System expansion	-	-	2,544,105	2,544,105
Capital replacements	-	-	723,024	723,024
Committed for:				
Cemetery purposes	-	-	312,222	312,222
Capital replacements	-	-	22,218	22,218
Assigned for:				
Law enforcement	-	-	40,960	40,960
Debt service	-	-	154,951	154,951
Capital replacements	-	-	1,038,140	1,038,140
Gasification	221,628	-	-	221,628
Appropriations	1,050,000	-	-	1,050,000
Other	104,836	-	-	104,836
Unassigned / (deficit)	<u>17,643,761</u>	<u>-</u>	<u>(937,629)</u>	<u>16,706,132</u>
Total fund balances	<u>19,354,410</u>	<u>1,631,272</u>	<u>11,015,454</u>	<u>32,001,136</u>
Total liabilities and fund balances	<u>\$ 22,395,143</u>	<u>\$ 1,687,334</u>	<u>\$ 14,637,575</u>	<u>\$ 38,720,052</u>

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

**CITY OF SANFORD, FLORIDA**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position**  
September 30, 2013

**Fund Balances - Total Governmental Funds (page 20)** \$ 32,001,136

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

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

Nondepreciable capital assets	\$ 7,421,285	
Depreciable capital assets	201,439,216	
Less: Accumulated depreciation	<u>(88,329,045)</u>	120,531,456

Some deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements 1,333,026

Equity interest in joint venture is not a financial resource and therefore not reported in the funds. 249,165

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. 115,438

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

Governmental note payable	(14,120,000)	
Capital lease payable	(1,185,616)	
Accrued interest payable	(1,230)	
Accrued clean-up costs	(221,628)	
Landfill closure	(488,243)	
Compensated absences	<u>(2,151,338)</u>	(18,168,055)

Net pension assets (obligations) are not recorded in the current period and therefore are not reported in the funds. 99,725

The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet. (1,469,580)

Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position 7,595,277

**Net Position of Governmental Activities (page 18)** \$ 142,287,588

**CITY OF SANFORD, FLORIDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended September 30, 2013

	General Fund	Sanford Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 14,496,697	\$ 1,025,900	\$ -	\$ 15,522,597
Utility taxes	7,222,351	-	-	7,222,351
Franchise fees	4,285,378	-	-	4,285,378
Business taxes	675,748	-	-	675,748
Permits and fees	99,213	-	1,579,503	1,678,716
Intergovernmental	5,530,678	-	4,124,627	9,655,305
Charges for services	2,158,787	-	49,250	2,208,037
Investment earnings	63,755	4,276	32,172	100,203
Fines and forfeitures	131,796	-	135,083	266,879
Service assessments	-	-	1,008,417	1,008,417
Miscellaneous	924,006	-	32,419	956,425
Total revenues	<u>35,588,409</u>	<u>1,030,176</u>	<u>6,961,471</u>	<u>43,580,056</u>
<b>Expenditures</b>				
Current:				
General government	4,355,547	-	295,443	4,650,990
Public safety	20,605,543	-	2,219,136	22,824,679
Physical environment	371,680	-	85,874	457,554
Transportation	887,899	-	1,381,787	2,269,686
Economic environment	1,002,201	276,324	955,747	2,234,272
Human services	36,021	-	1,160,467	1,196,488
Culture and recreation	4,102,495	-	118,236	4,220,731
Debt service:				
Principal	-	210,000	1,001,026	1,211,026
Interest	-	22,685	483,239	505,924
Debt issuance costs	13,000	-	-	13,000
Capital outlay:				
General government	233	-	114,612	114,845
Public safety	-	-	1,296,127	1,296,127
Transportation	-	-	835,970	835,970
Economic environment	-	55,926	256,632	312,558
Culture and recreation	-	-	558,333	558,333
Total expenditures	<u>31,374,619</u>	<u>564,935</u>	<u>10,762,629</u>	<u>42,702,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,213,790</u>	<u>465,241</u>	<u>(3,801,158)</u>	<u>877,873</u>
<b>Other financing sources (uses)</b>				
Capital leases	-	-	655,591	655,591
Transfers in	191,376	-	3,345,030	3,536,406
Transfers out	(2,935,040)	-	(453,882)	(3,388,922)
Proceeds from sale of assets	25,192	-	70,995	96,187
Total other financing sources (uses)	<u>(2,718,472)</u>	<u>-</u>	<u>3,617,734</u>	<u>899,262</u>
Net change in fund balances	<u>1,495,318</u>	<u>465,241</u>	<u>(183,424)</u>	<u>1,777,135</u>
<b>Fund balances</b>				
Beginning of year (see note 17)	17,859,092	1,166,031	11,198,878	30,224,001
End of year	<u>\$ 19,354,410</u>	<u>\$ 1,631,272</u>	<u>\$ 11,015,454</u>	<u>\$ 32,001,136</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, 2013

<b>Net Change in Fund Balances - Total Governmental Funds (page 22)</b>		\$ 1,777,135
<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 and reported as depreciation expense.</p>		
Expenditures for capital assets	\$ 3,117,833	
Less: Current year depreciation	<u>(5,425,573)</u>	(2,307,740)
<p>In the Statement of Activities, only the loss on the sale/disposal of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.</p>		
		(368,805)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		896,806
<p>Debt proceeds are reported as a source of financing in the governmental funds. Debt proceeds are not reported as revenues in the Statement of Activities, but rather are reported as liabilities in the Statement of Net Position.</p>		
Capital lease financing		(655,591)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
		1,211,026
<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>		
		(16,175)
<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	14,532	
Change in accrued interest payable	587	
Change in accrued cleanup costs	(221,628)	
Change in equity in joint venture	(18,724)	
Change in landfill closure liability	17,106	
Change in net pension obligation	71,026	
Change in post employment benefits obligation	<u>(395,316)</u>	(532,417)
<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>		
		56,571
<b>Change in Net Position of Governmental Activities (page 19)</b>		<u><u>\$ 60,810</u></u>

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
September 30, 2013

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 3,913,395	\$ 1,800,606	\$ 510,730	\$ 5,688	\$ 6,230,419	\$ 2,371,326
Investments	10,397,274	5,303,557	-	-	15,700,831	6,908,936
Accounts receivable, net	3,609,674	281,037	965,861	5,732	4,862,304	18,222
Insurance receivable	-	-	-	-	-	262,398
Due from other governments	2,164,375	926	29,640	124	2,195,065	-
Due from other funds	603,000	-	-	-	603,000	-
Prepaid items	14,597	770	-	-	15,367	286,567
Restricted investments for customer deposits	1,177,026	-	113,517	-	1,290,543	-
Restricted investments for debt service	716,749	171,115	-	-	887,864	-
Restricted investments for system expansion	4,323,922	-	-	-	4,323,922	-
Total current assets	<u>26,920,012</u>	<u>7,558,011</u>	<u>1,619,748</u>	<u>11,544</u>	<u>36,109,315</u>	<u>9,847,449</u>
Noncurrent assets:						
Restricted investments for debt service	2,563,002	-	-	-	2,563,002	-
Unamortized debt issuance costs	815,120	66,858	-	-	881,978	-
Capital assets:						
Nondepreciable	11,336,747	1,851,383	-	92,926	13,281,056	-
Depreciable, net	128,750,563	17,423,229	-	865	146,174,657	126,324
Total noncurrent assets	<u>143,465,432</u>	<u>19,341,470</u>	<u>-</u>	<u>93,791</u>	<u>162,900,693</u>	<u>126,324</u>
Total assets	<u>170,385,444</u>	<u>26,899,481</u>	<u>1,619,748</u>	<u>105,335</u>	<u>199,010,008</u>	<u>9,973,773</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	1,630,197	19,637	453,980	166,826	2,270,640	-
Accrued liabilities	367,300	85,962	4,158	-	457,420	-
Compensated absences	130,302	6,918	593	-	137,813	-
Claims payable	-	-	-	-	-	1,394,368
Retainage payable	201,666	-	-	-	201,666	-
Due to other funds	-	-	-	19,143	19,143	-
Due to other governments	1,816	-	-	-	1,816	-
Unearned revenues	131,264	-	357	468	132,089	-
Bonds payable - current	1,470,000	-	-	-	1,470,000	-
Loans payable - current	1,620,220	163,434	-	-	1,783,654	-
Liabilities payable from restricted assets:						
Customer deposits	1,177,026	-	113,517	-	1,290,543	-
Loans payable - current	716,749	171,115	-	-	887,864	-
Total current liabilities	<u>7,446,540</u>	<u>447,066</u>	<u>572,605</u>	<u>186,437</u>	<u>8,652,648</u>	<u>1,394,368</u>
Noncurrent liabilities:						
Bonds payable	14,720,000	-	-	-	14,720,000	-
Less: unamortized bond discount	(401,534)	-	-	-	(401,534)	-
Loans payable	24,883,430	5,958,313	-	-	30,841,743	-
Claims payable	-	-	-	-	-	541,744
Compensated absences	346,136	11,155	856	-	358,147	-
Other postemployment benefits	388,594	73,948	7,662	-	470,204	-
Total noncurrent liabilities	<u>39,936,626</u>	<u>6,043,416</u>	<u>8,518</u>	<u>-</u>	<u>45,988,560</u>	<u>541,744</u>
Total liabilities	<u>47,383,166</u>	<u>6,490,482</u>	<u>581,123</u>	<u>186,437</u>	<u>54,641,208</u>	<u>1,936,112</u>
<b>Net position</b>						
Net investment in capital assets	97,078,445	12,981,750	-	93,791	110,153,986	126,324
Restricted for debt service	2,563,002	-	-	-	2,563,002	-
Restricted for system expansion	4,323,922	-	-	-	4,323,922	-
Unrestricted / (deficit)	19,036,909	7,427,249	1,038,625	(174,893)	27,327,890	7,911,337
Total net position	<u>\$ 123,002,278</u>	<u>\$ 20,408,999</u>	<u>\$ 1,038,625</u>	<u>\$ (81,102)</u>	<u>144,368,800</u>	<u>\$ 8,037,661</u>

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

316,060

Net position of business-type activities

\$ 144,684,860

**CITY OF SANFORD, FLORIDA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
For the Year Ended September 30, 2013

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Operating revenues</b>						
Charges for sales/services	\$ 21,834,799	\$ 4,246,961	\$ 5,309,424	\$ 279,406	\$ 31,670,590	\$ 5,054,125
Miscellaneous	138,591	6,301	(29)	284	145,147	207,744
Total operating revenues	<u>21,973,390</u>	<u>4,253,262</u>	<u>5,309,395</u>	<u>279,690</u>	<u>31,815,737</u>	<u>5,261,869</u>
<b>Operating expenses</b>						
Personnel services	5,722,399	873,606	106,368	-	6,702,373	73,960
Materials and supplies	4,413,828	474,864	49,325	214,078	5,152,095	77,263
Intragovernmental services	1,277,655	274,834	206,382	-	1,758,871	-
Contractual services	1,003,047	63,641	4,921,427	196,339	6,184,454	574,163
Claims and insurance	-	-	-	-	-	4,532,030
Depreciation	3,460,382	609,646	3,135	125	4,073,288	11,843
Total operating expenses	<u>15,877,311</u>	<u>2,296,591</u>	<u>5,286,637</u>	<u>410,542</u>	<u>23,871,081</u>	<u>5,269,259</u>
Operating income (loss)	<u>6,096,079</u>	<u>1,956,671</u>	<u>22,758</u>	<u>(130,852)</u>	<u>7,944,656</u>	<u>(7,390)</u>
<b>Nonoperating revenues (expenses)</b>						
Investment earnings	54,281	16,655	2,026	-	72,962	34,254
Interest expense	(1,461,397)	(175,662)	(252)	(54)	(1,637,365)	-
Amortization of debt issuance costs	(82,557)	(4,722)	-	-	(87,279)	-
Operating grants	52,814	-	-	-	52,814	-
Capital recovery fees	2,987,651	-	-	-	2,987,651	-
Total nonoperating revenues (expenses)	<u>1,550,792</u>	<u>(163,729)</u>	<u>1,774</u>	<u>(54)</u>	<u>1,388,783</u>	<u>34,254</u>
Income (loss) before contributions, grants, and transfers	7,646,871	1,792,942	24,532	(130,906)	9,333,439	26,864
Capital contributions and grants	1,840,267	40,004	-	49,804	1,930,075	-
Transfers out	-	-	(147,484)	-	(147,484)	-
Change in net position	9,487,138	1,832,946	(122,952)	(81,102)	11,116,030	26,864
Total net position - beginning	<u>113,515,140</u>	<u>18,576,053</u>	<u>1,161,577</u>	<u>-</u>		<u>8,010,797</u>
Total net position - ending	<u>\$ 123,002,278</u>	<u>\$ 20,408,999</u>	<u>\$ 1,038,625</u>	<u>\$ (81,102)</u>		<u>\$ 8,037,661</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal services funds are reported with business-type activities.					<u>(17,864)</u>	
Change in net position of business-type activities					<u>\$ 11,098,166</u>	

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended September 30, 2013

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 20,472,781	\$ 4,206,017	\$ 5,269,944	\$ 293,445	\$ 30,242,187	\$ -
Receipts from interfund charges for risk management	-	-	-	-	-	5,272,530
Payments to suppliers	(4,334,360)	(559,722)	(4,926,880)	(243,591)	(10,064,553)	(5,149,686)
Payments to employees	(5,611,764)	(847,929)	(103,072)	-	(6,562,765)	(73,960)
Payments for interfund services used	(1,277,655)	(274,834)	(206,382)	-	(1,758,871)	-
Net cash provided by operating activities	<u>9,249,002</u>	<u>2,523,532</u>	<u>33,610</u>	<u>49,854</u>	<u>11,855,998</u>	<u>48,884</u>
<b>Cash flows from noncapital financing activities:</b>						
Operating grant receipts	52,814	-	-	-	52,814	-
Transfers to other funds	-	-	(147,484)	-	(147,484)	-
Net cash provided by (used for) noncapital financing activities	<u>52,814</u>	<u>-</u>	<u>(147,484)</u>	<u>-</u>	<u>(94,670)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>						
Repayment of notes payable	(2,439,454)	(325,611)	-	-	(2,765,065)	-
Principal paid on capital debt	(1,415,000)	-	-	-	(1,415,000)	-
Capital debt issuance costs	(24,617)	-	-	-	(24,617)	-
Interest paid	(1,330,878)	(175,662)	(252)	(54)	(1,506,846)	-
Proceeds of note payable	2,739,096	-	-	-	2,739,096	-
Purchase of capital assets	(5,279,055)	(224,535)	-	(44,112)	(5,547,702)	-
Developers fees	2,987,651	-	-	-	2,987,651	-
Capital contributions and grants	1,344,118	40,004	-	-	1,384,122	-
Proceeds from sales of capital assets	25,653	1,644	-	-	27,297	-
Net cash used for capital and related financing activities	<u>(3,392,486)</u>	<u>(684,160)</u>	<u>(252)</u>	<u>(44,166)</u>	<u>(4,121,064)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>						
Investment income earned on operating funds	54,281	16,655	2,026	-	72,962	34,254
Net cash provided by investing activities	<u>54,281</u>	<u>16,655</u>	<u>2,026</u>	<u>-</u>	<u>72,962</u>	<u>34,254</u>
Net increase (decrease) in cash and cash equivalents	5,963,611	1,856,027	(112,100)	5,688	7,713,226	83,138
Cash and cash equivalents at beginning of year	<u>17,127,757</u>	<u>5,419,251</u>	<u>736,347</u>	<u>-</u>	<u>23,283,355</u>	<u>9,197,124</u>
Cash and cash equivalents at end of year	<u>\$ 23,091,368</u>	<u>\$ 7,275,278</u>	<u>\$ 624,247</u>	<u>\$ 5,688</u>	<u>\$ 30,996,581</u>	<u>\$ 9,280,262</u>
<b>Reconciliation to cash and pooled investments per Statement of Net Position:</b>						
Cash	3,913,395	1,800,606	510,730	5,688	6,230,419	2,371,326
Investments	10,397,274	5,303,557	-	-	15,700,831	6,908,936
Restricted investments, current	1,893,775	171,115	113,517	-	2,178,407	-
Restricted investments, noncurrent	6,886,924	-	-	-	6,886,924	-
	<u>\$ 23,091,368</u>	<u>\$ 7,275,278</u>	<u>\$ 624,247</u>	<u>\$ 5,688</u>	<u>\$ 30,996,581</u>	<u>\$ 9,280,262</u>

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds (continued)**  
For the Year Ended September 30, 2013

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	\$ 6,096,079	\$ 1,956,671	\$ 22,758	\$ (130,852)	\$ 7,944,656	\$ (7,390)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	3,460,382	609,646	3,135	125	4,073,288	11,843
Changes in assets and liabilities:						
Accounts receivable	42,384	(47,121)	(26,387)	(5,732)	(36,856)	(18,222)
Insurance receivable	-	-	-	-	-	28,883
Due from other governments	(1,738,514)	(124)	(15,600)	(124)	(1,754,362)	-
Prepays	591	(365)	-	-	226	(9,989)
Customer deposits	64,294	-	2,179	-	66,473	-
Accounts payable	878,442	(20,852)	43,872	166,826	1,068,288	-
Retainage payable	201,666	-	-	-	201,666	-
Claims payable	-	-	-	-	-	43,759
Accrued liabilities	5,265	6,556	1,240	-	13,061	-
OPEB obligation	105,370	19,121	2,056	-	126,547	-
Due to other funds	-	-	-	19,143	19,143	-
Due to other governments	1,816	-	-	-	1,816	-
Unearned revenue	131,227	-	357	468	132,052	-
Net cash provided by operating activities	<u>\$ 9,249,002</u>	<u>\$ 2,523,532</u>	<u>\$ 33,610</u>	<u>\$ 49,854</u>	<u>\$ 11,855,998</u>	<u>\$ 48,884</u>
<b>Noncash investing, capital, and financing activities:</b>						
Contributions of capital assets	\$ 496,149	\$ -	\$ -	\$ 49,804	\$ 545,953	\$ -
Decrease in fair value of investments	(104,300)	(31,819)	(3,857)	-	(139,976)	(38,915)
Amortization of discount on capital related debt	130,519	-	-	-	130,519	-
Amortization of debt issuance costs	82,557	4,722	-	-	87,279	-
Capitalized interest on capital debt	51,713	-	-	-	51,713	-

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Net Position**  
**Fiduciary Funds**  
September 30, 2013

	Pension Trust Funds
<b>Assets</b>	
Cash and cash equivalents with trustee	\$ 3,891,807
Investments, at fair value:	
US government obligations	1,841,224
Mortgage & asset backed securities	3,291,235
Corporate debt	4,421,039
Mutual funds	11,485,937
Equity securities	28,286,200
Real estate	4,206,787
Accrued investment income	125,803
Accounts receivable	138
Prepaid items	16,597
Total assets	57,566,767
<b>Liabilities</b>	
Accounts payable	137,608
<b>Net position</b>	
Held in trust for pension benefits	\$ 57,429,159

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
For the Year Ended September 30, 2013

	Pension Trust Funds
<b>Additions</b>	
Contributions:	
Employer	\$ 3,669,712
Plan members	554,745
Total contributions	4,224,457
Investments earnings (losses):	
Interest & dividends	1,256,551
Net increase in fair value of investments	6,021,452
Total investment earnings	7,278,003
Investment expenses	(317,905)
Net investment earnings	6,960,098
Total additions	11,184,555
<b>Deductions</b>	
Benefit payments	3,157,602
Refund of contributions	178,726
Administrative expenses	91,285
Total deductions	3,427,613
Change in net position	7,756,942
Net position - beginning of year	49,672,217
Net position - end of year	\$ 57,429,159

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

**NOTES TO THE  
FINANCIAL STATEMENTS**

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

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

Blended Component Unit

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

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

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

Discretely Presented Component Unit

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

Joint Venture

The City of Sanford participates in a joint venture known as SanGroup, LLC, formed for the purpose to acquire, hold, lease and maintain the Christian Prison Ministry (CPM) Property until completion of the remediation of contamination on the site from a gasification plant, sell or otherwise dispose of the CPM Property, unless the advisory committee otherwise determines, and to do such other things and engage in any other activities that the members determine to be necessary, convenient, or incidental to any of the foregoing purposes. The members of the joint venture are Atlanta Gas Light Company, Florida Power & Light Company, Florida Power Corporation (subsequently Duke Energy), and the City of Sanford with interests of 23.6032%, 16.3374%, 45.0482%, and 15.0112% respectively. The joint venture's advisory committee is composed of one representative from each member organization and has voting rights equal to their interests. The City of Sanford has an equity interest in equity of the joint venture. This interest has been reported using the equity method of accounting. Separate financial statements for this joint venture are available from SanGroup, LLC at 550 South Tryon Street DEC41A, Charlotte, NC 28202. At September 30, 2013, this joint venture had total assets of \$1,934,972, total liabilities of \$275,108 and total equity of \$ 1,659,864.

**B. Basis of Presentation - Government-wide Financial Statements**

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) operating grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) capital grants and contributions, including special assessments, that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**C. Basis of Presentation – Fund Financial Statements**

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

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

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

**D. Measurement Focus and Basis of Accounting**

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 65 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, state shared revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 65 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus and Basis of Accounting (continued)**

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

**E. Cash, Cash Equivalents, and Investments**

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

**F. Receivables**

(1) Property Taxes Receivable - Under Florida law, the assessment of all properties and the collection of all county, municipal, and school board property taxes are consolidated in the offices of the Seminole County Property Appraiser (the "Property Appraiser") and Seminole County Tax Collector (the "Tax Collector"). The laws of the state regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate up to ten (10) mills. The millage rate assessed by the City for the fiscal year ended September 30, 2013 was 6.825 mills.

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**F. Receivables (continued)**

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

**G. Inventories and Prepaid Items**

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

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

**H. Capital Assets**

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

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. This year, State Revolving Fund loans were drawn upon to finance water and sewer improvements. Accordingly, all the interest of \$51,713 charged on the specific loans financing the construction projects was capitalized.

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**I. Compensated Absences**

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

**J. Deferred and Unearned Revenues**

Deferred revenues presented on governmental fund statements consist of grant or other intergovernmental revenues that have met all grant or intergovernmental agreement requirements to be considered earned but not received during the City's availability period. The deferred revenues will be recognized as revenue in the fiscal year they are become available.

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

**K. Unamortized Debt Issuance Costs and Unamortized Bond Discounts**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and refunding gains/losses. Bond issuance costs are reported as unamortized debt issuance costs and amortized over the term of the related debt.

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

**L. Post Employment Benefits Other than Pensions**

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**M. Net Position**

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

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

**N. Fund Balance Policies**

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

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

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

The nonspendable fund balance includes items that cannot be spent because they are not in spendable form, such as long term portions of receivables, inventories, prepaid items. Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation. Residual net resources are reported as unassigned fund balance and are the excess of nonspendable, restricted, committed, and assigned fund balance.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 1 - Summary of Significant Accounting Policies (continued)**

**O. Net Position Flow Assumption**

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

**P. Fund Balance Flow Assumption**

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

**Q. Encumbrances**

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

General Fund	\$ 29,831
Sanford Community Redevelopment Agency	1,398,533
NSP Grant Fund	248,483
CDBG Grant Fund	197,339
Recreation Impact Fee Fund	30,933
Building Inspection Fund	15,733
Second Generation Sales Tax Fund	593,015
Capital Project Fund	5,421,960
Capital Replacement Fund	285,735
	<u>\$ 8,221,562</u>

**R. Minimum Fund Balance Policy**

The City Commission has informally set policy to provide for a 16% minimum fund balance policy for the General Fund based on budgeted expenditures; this amount is currently reported as unassigned and totals \$6,019,601 of the 2014 adopted budget.

**S. Reclassifications**

Certain September 30, 2012 account balances have been reclassified in the report to conform to the financial statement presentation for September 30, 2013.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 2 - Stewardship, Compliance, and Accountability**

**A. Budgets and Budgetary Accounting**

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

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

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

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

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

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

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

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

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

**B. Excess of Expenditures over Appropriations**

For the year ended September 30, 2013, expenditures exceeded appropriations in the Youthbuild Grant Fund by \$7,425. This amount represents unemployment taxes that were not budgeted for incurred as a result of the Youthbuild program. These amounts are expected to be reimbursed by a grantor agency in 2014.

**C. Deficit Fund Equity**

The CDBG Grant Fund, NSP Grant Fund, Youthbuild Grant Fund and Capital Projects Fund had deficit fund balances of \$117,734, \$708,854, \$7,425, and \$103,616 respectively, as of September 30, 2013. These fund deficits are due to timing issues with grants unavailable at the end of the fiscal year, and the City will be reimbursed by the appropriate parties in 2014.

The Golf Course Fund had a deficit net position of \$81,102. This deficit is due to an excess of expenses over revenues collected in golf course operations.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 3 - Deposits and Investments**

The carrying amount (which approximates fair value) of the City's deposits and investments as of September 30, 2013 is as follows:

	Carrying Value
Governmental and Business-type Activities:	
Bank Deposits	\$ 12,145,580
Local Government Surplus Funds Trust	3,145,184
Investment Accounts	54,141,920
Total Governmental and Business-type Activities	69,432,684
Pension Trust Funds:	
Cash	400,816
Money Market Funds	3,490,991
US Government Obligations	1,841,224
Mortgage/Asset Backed Securities	3,291,235
Corporate Debt	4,421,039
Mutual Funds	11,485,937
Equity	28,286,200
Real Estate	4,206,787
Total Pension Trust Funds	57,424,229
Total Primary Government	\$ 126,856,913
Classified as:	
Government-Wide Statement of Net Position:	
Cash and cash equivalents	\$ 17,347,249
Investments	49,522,433
Restricted investments	2,563,002
Statement of Fiduciary Net Position:	
Cash and cash equivalents	3,891,807
Investments	53,532,422
	\$ 126,856,913

**Governmental and Business-type Activities Deposits & Investments**

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 3 - Deposits and Investments (continued)**

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

As of September 30, 2013, the City's Governmental and Business-type investment portfolio is composed of the following investments:

Investment Type	Type	Moody's Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)	
				Less Than 1	1 - 5
Bank Deposits	Cash	NR*	\$ 12,145,580	\$ 12,145,580	\$ -
Money Market Savings	Cash	NR*	376,667	376,667	-
State Board of Administration	LGIP	**	3,145,184	3,145,184	-
U.S. Treasury Bonds/Notes	Fixed Income	Aaa	34,348,576	11,386,262	22,962,314
Government Agency Bonds	Fixed Income	Aaa	15,725,849	3,603,548	12,122,301
Government Agency Bonds	Fixed Income	P-1	665,045	665,045	-
Corporate Debt	Fixed Income	Aaa	583,290	254,280	329,010
Corporate Debt	Fixed Income	Aa3	887,886	174,939	712,947
Corporate Debt	Fixed Income	P-1	1,554,607	1,554,607	-
Total Portfolio			<u>\$ 69,432,684</u>	<u>\$ 33,306,112</u>	<u>\$ 36,126,572</u>

\* Not Rated

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

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 3 - Deposits and Investments (continued)**

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

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

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

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

**Pension Trust Fund Investments**

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. An independent investment manager and custodial bank handles all pension investments and check-writing duties. No investments in loan to, or leases with, any parties related to the pension plans have been made.

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 3 - Deposits and Investments (continued)**

**Pension Trust Fund Investments (continued)**

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

Defined-Benefit Pension Plan investments were as follows at September 30, 2013:

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
<b>Police Pension:</b>							
Money Market Funds	Money Market	NR*	\$ 1,761,118	\$ 1,761,118	\$ -	\$ -	\$ -
US Government Obligations	Fixed Income	Aaa	671,558	-	244,669	-	426,889
US Government Obligations	Fixed Income	NR*	205,815	-	101,031	-	104,784
Mortgage/Asset Backed	Fixed Income	NR*	1,334,586	-	-	211,452	1,123,134
Corporate Debt	Fixed Income	A1	197,158	-	-	197,158	-
Corporate Debt	Fixed Income	A2	198,189	-	-	198,189	-
Corporate Debt	Fixed Income	A3	850,206	-	-	850,206	-
Corporate Debt	Fixed Income	Baa1	194,269	-	-	194,269	-
Corporate Debt	Fixed Income	Baa2	369,515	-	-	369,515	-
<b>Total Police Pension</b>			<b>5,782,414</b>	<b>1,761,118</b>	<b>345,700</b>	<b>2,020,789</b>	<b>1,654,807</b>
<b>Firefighters' Pension:</b>							
Cash	Cash	NR*	400,816	400,816	-	-	-
Money Market Funds	Money Market	NR*	1,729,873	1,729,873	-	-	-
US Government Obligations	Fixed Income	Aaa	354,602	-	354,602	-	-
US Government Obligations	Fixed Income	A2	609,249	-	-	-	609,249
Mortgage/Asset Backed	Fixed Income	NR*	1,956,649	-	-	797,628	1,159,021
Corporate Debt	Fixed Income	A1	261,101	-	-	261,101	-
Corporate Debt	Fixed Income	A2	265,991	-	-	265,991	-
Corporate Debt	Fixed Income	A3	1,258,796	-	-	1,258,796	-
Corporate Debt	Fixed Income	Baa1	277,528	-	-	277,528	-
Corporate Debt	Fixed Income	Baa2	548,286	-	-	548,286	-
<b>Total Firefighters' Pension</b>			<b>7,662,891</b>	<b>2,130,689</b>	<b>354,602</b>	<b>3,409,330</b>	<b>1,768,270</b>
<b>Total Pension Investments</b>			<b>\$ 13,445,305</b>	<b>\$ 3,891,807</b>	<b>\$ 700,302</b>	<b>\$ 5,430,119</b>	<b>\$ 3,423,077</b>

\* Not Rated

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 3 - Deposits and Investments (continued)**

**Investment Income**

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

Investment income for the year ended September 30, 2013 consisted of the following:

	General Fund	Sanford CRA	Nonmajor Govern- mental Funds	Proprietary Funds
Interest income	\$ 173,487	\$ 13,414	\$ 54,255	\$ 282,953
Dividend income	-	-	-	3,154
Net increase (decrease) in fair value of investments	(109,732)	(9,138)	(22,083)	(178,891)
Investment earnings	<u>\$ 63,755</u>	<u>\$ 4,276</u>	<u>\$ 32,172</u>	<u>\$ 107,216</u>

**Note 4 - Receivables**

The following is a detailed listing of receivables by type and fund at September 30, 2013:

	Primary Government	
	Governmental Activities	Business-type Activities
Receivables:		
Accounts Billed	\$ 42,199	\$ 2,046,094
Unbilled Receivables	-	3,053,917
Investment Income	64,205	41,408
Code Enforcement	24,287,503	-
Other Miscellaneous	3,289,901	262,648
Gross Receivables	<u>27,683,808</u>	<u>5,404,067</u>
Less: Allowance for Uncollectables	<u>25,772,902</u>	<u>541,763</u>
	<u>\$ 1,910,906</u>	<u>\$ 4,862,304</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 5 - Capital Assets**

During the year ended September 30, 2013, the following changes in governmental activities capital assets occurred:

	Balance October 1, 2012*	Additions	Reductions/ Transfers	Balance September 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,582,650	\$ 160,120	\$ (48,814)	\$ 5,693,956
Construction in progress	1,189,802	1,182,063	(644,536)	1,727,329
Total capital assets, not being depreciated	<u>6,772,452</u>	<u>1,342,183</u>	<u>(693,350)</u>	<u>7,421,285</u>
Capital assets, being depreciated:				
Buildings	68,025,586	37,585	(475,398)	67,587,773
Machinery and equipment	17,261,847	1,671,630	(1,046,838)	17,886,639
Infrastructure	115,254,865	219,047	490,892	115,964,804
Total capital assets, being depreciated	<u>200,542,298</u>	<u>1,928,262</u>	<u>(1,031,344)</u>	<u>201,439,216</u>
Less accumulated depreciation for:				
Buildings	23,426,770	1,773,852	(144,573)	25,056,049
Machinery and equipment	14,005,885	1,099,079	(1,058,703)	14,046,261
Infrastructure	46,674,093	2,552,642	-	49,226,735
Total accumulated depreciation	<u>84,106,748</u>	<u>5,425,573</u>	<u>(1,203,276)</u>	<u>88,329,045</u>
Total capital assets, being depreciated, net	<u>116,435,550</u>	<u>(3,497,311)</u>	<u>171,932</u>	<u>113,110,171</u>
Governmental activities capital assets, net	<u>\$ 123,208,002</u>	<u>\$ (2,155,128)</u>	<u>\$ (521,418)</u>	<u>\$ 120,531,456</u>

\*See note 17

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

General government	\$ 252,057
Public safety	1,391,743
Physical environment	28,891
Transportation	2,587,866
Economic environment	184,084
Human services	8,372
Culture and recreation	972,560
	<u>\$ 5,425,573</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 5 - Capital Assets (continued)**

During the year ended September 30, 2013, the following changes in business-type activities capital assets occurred:

	Balance October 1, 2012	Additions	Reductions/ Transfers	Balance September 30, 2013
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 6,907,489	\$ 189,866	\$ 48,814	\$ 7,146,169
Construction in progress	1,794,000	4,837,613	(496,726)	6,134,887
Total capital assets, not being depreciated	<u>8,701,489</u>	<u>5,027,479</u>	<u>(447,912)</u>	<u>13,281,056</u>
Capital assets, being depreciated:				
Buildings	36,735,100	37,268	-	36,772,368
Water and sewer system	132,420,691	527,205	480,591	133,428,487
Stormwater management	22,744,209	-	-	22,744,209
Machinery and equipment	8,949,485	451,898	(147,954)	9,253,429
Irrigation rights	2,220,000	-	-	2,220,000
Total capital assets, being depreciated	<u>203,069,485</u>	<u>1,016,371</u>	<u>332,637</u>	<u>204,418,493</u>
Less accumulated depreciation for:				
Buildings	7,882,123	682,481	-	8,564,604
Water and sewer system	32,038,717	2,236,650	-	34,275,367
Stormwater management	5,377,925	491,012	-	5,868,937
Machinery and equipment	7,122,566	591,726	(155,164)	7,559,128
Irrigation rights	1,887,000	88,800	-	1,975,800
Total accumulated depreciation	<u>54,308,331</u>	<u>4,090,669</u>	<u>(155,164)</u>	<u>58,243,836</u>
Total capital assets, being depreciated, net	<u>148,761,154</u>	<u>(3,074,298)</u>	<u>487,801</u>	<u>146,174,657</u>
Business-type activities capital assets, net	<u>\$ 157,462,643</u>	<u>\$ 1,953,181</u>	<u>\$ 39,889</u>	<u>\$ 159,455,713</u>

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

Water and sewer	\$ 3,476,118
Stormwater	611,291
Solid waste	3,135
Golf course	125
	<u>\$ 4,090,669</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 6 - Long-Term Debt**

**A. Changes in Long-Term Debt**

Changes in long-term debt for the year ended September 30, 2013 are summarized as follows:

	Balance October 1, 2012*	Additions	Reductions	Balance September 30, 2013	Long-term Portion	Due Within One Year
<b>Governmental activities:</b>						
Notes payable	\$ 15,025,000	\$ -	\$ (905,000)	\$ 14,120,000	\$ 13,185,000	\$ 935,000
Other post employment benefits	1,074,264	395,316	-	1,469,580	1,469,580	-
Compensated absences	2,165,870	2,277,016	(2,291,548)	2,151,338	1,467,013	684,325
Claims payable	1,892,353	5,153,374	(5,109,615)	1,936,112	541,744	1,394,368
Capital leases	836,052	655,591	(306,027)	1,185,616	769,925	415,691
Accrued clean-up and long-term care costs	505,349	246,253	-	709,871	643,514	66,357
Governmental activity long-term liabilities	<u>\$ 21,498,888</u>	<u>\$ 8,727,550</u>	<u>\$ (8,653,921)</u>	<u>\$ 21,572,517</u>	<u>\$ 18,076,776</u>	<u>\$ 3,495,741</u>
<b>Business-type activities:</b>						
Utility revenue bond and notes	\$ 17,605,000	\$ -	\$ (1,415,000)	\$ 16,190,000	\$ 14,720,000	\$ 1,470,000
Less: Unamortized discount	(532,053)	-	130,519	(401,534)	(401,534)	-
SRF loans	33,539,228	2,739,096	(2,765,063)	33,513,261	30,841,743	2,671,518
Other post employment	343,657	126,547	-	470,204	470,204	-
Compensated absences	467,981	657,803	(629,824)	495,960	358,147	137,813
Business-type activity long-term liabilities	<u>\$ 51,423,813</u>	<u>\$ 3,523,446</u>	<u>\$ (4,679,368)</u>	<u>\$ 50,267,891</u>	<u>\$ 45,988,560</u>	<u>\$ 4,279,331</u>

\* See note 17

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 6 - Long-Term Debt (continued)**

**B. Governmental Activities - Special Facilities Revenue Note**

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

Fiscal Year Ending September 30,	Sales Tax Revenue Note, Series 2012		Total Debt Service
	Principal	Interest	
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	820,000	346,125	1,166,125
2019-2023	4,525,000	1,312,512	5,837,512
2024-2028	5,305,000	528,287	5,833,287
	<u>\$ 13,680,000</u>	<u>\$ 3,821,675</u>	<u>\$ 17,501,675</u>

**C. Governmental Activities – Sanford CRA Revenue Note**

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

Fiscal Year Ending September 30,	Sanford CRA Revenue Note, Series 2004		Total Debt Service
	Principal	Interest	
2014	215,000	15,356	230,356
2015	225,000	7,853	232,853
	<u>\$ 440,000</u>	<u>\$ 23,209</u>	<u>\$ 463,209</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 6 - Long-Term Debt (continued)**

**D. Defeasance of Debt**

The City has bond issues that have been defeased and remain outstanding. The debt is considered extinguished by 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, 2013:

Type	Series	Date Refunded	Outstanding as of Refunding	Outstanding as of September 30, 2013
Revenue Bonds	1993	Sept 2003	\$ 8,575,000	\$ 1,710,000

**E. Water and Sewer Fund Revenue Bonds and Notes**

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

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

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

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 6 - Long-Term Debt (continued)**

**E. Water and Sewer Fund Revenue Bonds and Notes (continued)**

(2) Establishment of Various Accounts (continued)

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

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

(4) Water and Sewer Fund Bonds Issued and Annual Debt Service Requirements - The following is a schedule of annual debt service requirements to maturity for the Water and Sewer Fund Bonds and Notes at September 30, 2013:

Fiscal Year Ending September 30,	Note, Series 2010		Bonds, Series 2003		Total Debt Service
	Principal	Interest	Principal	Interest	
2014	-	569,664	1,470,000	55,125	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	1,955,000	359,136	-	-	2,314,136
2019-2023	7,325,000	650,740	-	-	7,975,740
	<u>\$ 14,720,000</u>	<u>\$ 3,083,423</u>	<u>\$ 1,470,000</u>	<u>\$ 55,125</u>	<u>\$ 19,328,548</u>

**F. Bonds, Notes & Loans Payable**

The City has revenue bonds and notes outstanding at September 30, 2013. 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, 2013**

**Note 6 - Long-Term Debt (continued)**

**F. Bonds, Notes & Loans Payable (continued)**

	<u>Purpose of Issue</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>
Governmental Activities			
Revenue Notes:			
Sales Tax Note, Series 2012	Public safety complex	Sales tax revenues	\$ 15,050,000
CRA Note, Series 2004	First Ave streetscape	CRA ad valorem tax revenues	2,100,000
Capital Leases:			
TD Equipment Finance, Inc.	Fire truck	N/A	582,482
TD Equipment Finance, Inc.	Police vehicles	N/A	540,000
U.S. Bancorp Government	Fire truck	N/A	203,781
Mears Motor Leasing	Police vehicles	N/A	451,810
Total Governmental Activities:			<u>\$ 18,928,073</u>
Business-type Activities			
Water/Sewer Utility Debt:			
Revenue Bonds:			
Series 2003	Refunding	Net revenue of water and sewer system/ water and sewer development charges	12,450,000
Revenue Note:			
Series 2010	Refunding	Net revenue of water and sewer system/ water and sewer development charges	14,720,000
State Revolving Fund Loans:			
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	Net revenues of water and sewer system	1,544,029
CS120586220	Wastewater pollution control facilities	Net revenues of water and sewer system	7,403,173
WW586250	Sanford south water resource center, Phase I	Net revenues of water and sewer system	19,367,124
DW5906010	Drinking water system improvements	Net revenues of water and sewer system	6,599,510
WW590100	Sewer Restoration of underground pipe and	Net revenues of water and sewer system	2,622,385
WW590101	Sewer Restoration of underground pipe and	Net revenues of water and sewer system	205,020
DW590110	Drinking water system improvements	Net revenues of water and sewer system	455,247
DW590120	AMR Water Replacement and pre-chlorinated	Net revenues of water and sewer system	4,222,365
WW590130	Water Treatment facility rehabilitation	Net revenues of water and sewer system	647,711
WW590131	Biological nutrient removal improvements	Net revenues of water and sewer system	2,202
Total Water/Sewer Utility Debt			<u>76,457,132</u>
Stormwater Utility Debt:			
State Revolving Fund Loans:			
SWG12058624P	Stormwater management	Net revenue of the stormwater system	4,623,557
SW586260	Stormwater management	Net revenue of the stormwater system	2,612,309
SW586261	Stormwater management	Net revenue of the stormwater system	452,818
Total Stormwater Utility Debt			<u>7,688,684</u>
Total Business-type Activities:			<u>\$ 84,145,816</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 6 - Long-Term Debt (continued)**

**F. Bonds, Notes & Loans Payable (continued)**

	<u>Amount O/S and/or Pledged</u>	<u>Interest Rate</u>	<u>Debt Service as Portion of Revenue Pledged</u>	<u>Total Debt Service Paid</u>	<u>Annual Pledged Revenues</u>
Governmental Activities					
Revenue Notes:					
Sales Tax Note, Series 2012	\$ 13,680,000	3.25%	36.16%	\$ 1,162,188	\$ 3,213,921
CRA Note, Series 2004	440,000	3.49%	22.68%	232,685	1,025,900
Capital Leases:					
TD Equipment Finance, Inc.	213,269	2.68%	N/A	125,163	N/A
TD Equipment Finance, Inc.	373,243	1.45%	N/A	138,695	N/A
U.S. Bancorp Government	203,781	1.365%	N/A	-	N/A
Mears Motor Leasing	395,323	1.295%	N/A	57,856	N/A
Total Governmental Activities:	<u>\$ 15,305,616</u>			<u>\$ 1,716,587</u>	
Business-type Activities					
Water/Sewer Utility Debt:					
Revenue Bonds:					
Series 2003	1,470,000	2.00%-4.00%	14.49%	1,526,725	10,539,442
Revenue Note:					
Series 2010	14,720,000	3.87%	5.41%	569,664	10,539,442
State Revolving Fund Loans:					
CS120586170	-	2.89%-3.73%	4.17%	400,340	9,610,742
CS120586190	15,672	2.43%	0.33%	31,724	9,610,742
CS120586210	-	2.89%	1.06%	102,120	9,610,742
CS120586220	2,411,881	3.34% - 3.55%	3.10%	298,384	9,610,742
WW586250	13,912,125	2.42% - 2.48%	12.64%	1,215,000	9,610,742
DW5906010	3,471,293	3.55%	4.51%	433,675	9,610,742
WW590100	2,360,049	2.65%	1.76%	169,415	9,610,742
WW590101	183,907	2.28%	0.13%	12,804	9,610,742
DW590110	406,672	2.71%	0.31%	29,730	9,610,742
DW590120	3,808,887	1.98% - 2.66%	4.34%	416,856	9,610,742
WW590130	647,711	2.63% - 2.87%	0.00%	-	9,610,742
WW590131	2,202	2.16%	0.00%	-	9,610,742
Total Water/Sewer Utility Debt	<u>43,410,399</u>			<u>5,206,437</u>	
Stormwater Utility Debt:					
State Revolving Fund Loans:					
SWG12058624P	3,523,796	2.52%-2.90%	11.79%	304,577	2,582,972
SW586260	2,355,515	2.80%	6.63%	171,182	2,582,972
SW586261	413,551	2.28%	1.09%	28,140	2,582,972
Total Stormwater Utility Debt	<u>6,292,862</u>			<u>503,899</u>	
Total Business-type Activities:	<u>\$ 49,703,261</u>			<u>\$ 5,710,336</u>	

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 6 - 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 \$488,243, 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 \$221,628 is currently presented as accrued clean-up costs for governmental activities.

**Note 7 - Loans Payable - Enterprise Funds**

Enterprise Funds loans payable at September 30, 2013 are as follows:

Primary Government: Stormwater:

State Revolving Fund Loan SWG12058624P payable, \$4,623,557 authorized, \$4,623,557 drawn for planning and design for downtown drainage study, payable in 40 equal semiannual installments, including interest at 2.9% on \$899,354, 2.81% on \$2,199,972, and 2.52% on \$1,524,231, on July 15 and January 15 of each year. \$ 3,523,796

State Revolving Fund Loan SW586260 payable, \$2,612,309 authorized, \$2,612,309 drawn for planning and design for downtown drainage, payable in 40 equal semiannual installments, including interest at 2.8%, on October 15 and April 15 of each year. 2,355,515

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. 413,551

Subtotal Primary Government : Stormwater \$ 6,292,862

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 7 - Loans Payable - Enterprise Funds (continued)**

Primary Government: Water and Sewer:

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.	\$ 15,672
State Revolving Fund Loan CS120586220 payable, \$7,403,173 authorized, \$7,403,173 drawn for collection, transmission and treatment facilities, payable in 40 equal semiannual installments, including interest at 1.67%, on October 15 and April 15 of each year.	2,411,881
State Revolving Fund Loan WW586250 payable, \$19,367,124 authorized, \$19,367,124 drawn for construction of wastewater pollution control facilities of South Water Resource Center, payable in 40 semiannual installments, including interest at 2.42% on \$18,520,336 and 2.48% on \$982,324, on February 15 and August 15 of each year.	13,912,125
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.	3,471,293
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.	2,360,049
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.	183,907
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.	406,672
State Revolving Fund Loan DW590120 payable, \$13,322,183 authorized, \$4,222,365 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.	3,808,887
State Revolving Fund Loan WW590130 payable, \$929,690 authorized, \$647,711 drawn for construction of wastewater transmission, collection, reuse, and treatment facilities, payable in 40 equal semiannual installments, including interest at 2.63% to 2.87%, on April 15 and October 15 of each year.	647,711
State Revolving Fund Loan WW590131 payable, \$12,074,443 authorized, \$2,202 drawn for construction of biological nutrient removal improvements, payable in 40 equal semiannual installments, including interest at 2.28%, on April 15 and October 15 of each year.	2,202
Subtotal Primary Government : Water and Sewer:	27,220,399
Total loans payable	\$ 33,513,261

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 7 - Loans Payable - Enterprise Funds (continued)**

Required principal and interest deposits for State Revolving Fund (SRF) loans are presented as part of restricted assets for debt service on the statement of net position. SRF Loan payments for the first years are based upon the full loan amount available, not the monies actually drawn to date. After completion of the project, a final loan dollar amount is established and a final loan payment/amortization schedule is established. Maturity schedules for those loans which have final loan payment/amortization schedules are as follows (loans DW590110, DW590120, DW590130 and DW590131 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2013):

Fiscal Year Ending September 30,	<b>SRF SWG12058624P</b>		
	Principal	Interest	Total
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	233,796	70,781	304,577
2019-2023	1,269,002	253,881	1,522,883
2024-2028	1,146,701	71,605	1,218,306
	<u>\$ 3,523,796</u>	<u>\$ 740,278</u>	<u>\$ 4,264,074</u>

Fiscal Year Ended September 30,	<b>SRF Loan SW586260</b>		
	Principal	Interest	Total
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	118,430	52,752	171,182
2019-2023	644,164	211,746	855,910
2024-2028	740,246	115,664	855,910
2029-2033	410,552	17,403	427,955
	<u>\$ 2,355,515</u>	<u>\$ 640,170</u>	<u>\$ 2,995,685</u>

Fiscal Year Ended September 30,	<b>SRF Loan SW586261</b>		
	Principal	Interest	Total
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	20,604	7,536	28,140
2019-2023	110,327	30,373	140,700
2024-2028	123,569	17,131	140,700
2029-2033	81,151	3,269	84,420
	<u>\$ 413,551</u>	<u>\$ 92,969</u>	<u>\$ 506,520</u>

Fiscal Year Ending September 30,	<b>SRF Loan CS120586190</b>		
	Principal	Interest	Total
2014	\$ 15,672	\$ 190	\$ 15,862
	<u>\$ 15,672</u>	<u>\$ 190</u>	<u>\$ 15,862</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 7 - Loans Payable - Enterprise Funds (continued)**

Fiscal Year Ending September 30,	<b>SRF Loan CS120586220</b>		
	Principal	Interest	Total
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	250,764	47,620	298,384
2019-2023	1,237,144	105,581	1,342,725
	<u>\$ 2,411,881</u>	<u>\$ 422,764</u>	<u>\$ 2,834,645</u>

Fiscal Year Ending September 30,	<b>SRF Loan WW586250</b>		
	Principal	Interest	Total
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	971,724	243,276	1,215,000
2019-2023	5,226,837	848,165	6,075,002
2024-2028	4,053,117	199,385	4,252,502
	<u>\$ 13,912,125</u>	<u>\$ 2,490,381</u>	<u>\$ 16,402,506</u>

Fiscal Year Ending September 30,	<b>SRF Loan DW590601</b>		
	Principal	Interest	Total
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	360,537	73,138	433,675
2019-2023	1,789,036	162,499	1,951,535
	<u>\$ 3,471,293</u>	<u>\$ 648,617</u>	<u>\$ 4,119,910</u>

Fiscal Year Ended September 30,	<b>SRF Loan WW590100</b>		
	Principal	Interest	Total
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	119,528	49,887	169,415
2019-2023	647,203	199,870	847,073
2024-2028	738,256	108,817	847,073
2029-2033	407,209	16,327	423,536
	<u>\$ 2,360,049</u>	<u>\$ 604,708</u>	<u>\$ 2,964,757</u>

Fiscal Year Ended September 30,	<b>SRF Loan WW590101</b>		
	Principal	Interest	Total
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	9,482	3,322	12,804
2019-2023	50,770	13,247	64,017
2024-2028	56,864	7,153	64,017
2029-2033	30,943	1,065	32,008
	<u>\$ 183,907</u>	<u>\$ 40,155</u>	<u>\$ 224,062</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 8 - Operating Leases**

The City is the lessor on numerous building and land leases. The land leases are generally noncancelable leases ranging from ten to seventy-five (10 - 75) years. The land lease rental income, which comprises the largest amount of rental income for the City, is based on gross revenue of the leases. The building leases are low-rent agreements, usually with nonprofit agencies offering public services. In fiscal year 2013, the total lease rental income received in the general fund and the water and sewer enterprise fund was \$164,985 and \$93,899, respectively.

**Note 9 - Capital Leases**

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

On June 1, 2010, the City entered into a lease agreement with a local finance company to finance the acquisition of an aerial fire pumper. The agreement has a 5-year fixed term at 2.68% and calls for quarterly payments of \$31,291. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$630,979 and \$183,557, respectively, as of September 30, 2013.

On July 17, 2012, the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 1.45% and calls for quarterly payments of \$34,674. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment assets acquired through the capital lease are \$540,031 and \$95,992, respectively, as of September 30, 2013.

On June 24, 2013, the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 1.295% and calls for quarterly payments of \$28,928. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment assets acquired through the capital lease are \$270,585, and \$4,510, respectively, as of September 30, 2013.

On August 15, 2013, the City entered into a lease agreement with a local finance company to finance the acquisition of a fire pumper truck. The agreement has a 4-year fixed term at 1.365% and calls for quarterly payments of \$13,109. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$435,850 and \$10,896, respectively, as of September 30, 2013.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2013, were as follows:

Year Ending September 30,	Governmental Activities
2014	\$ 432,005
2015	400,714
2016	272,168
2017	110,291
Total minimum lease payments	1,215,178
Less: Amount representing interest costs	(29,562)
Present value of minimum lease payments	\$ 1,185,616

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 10 - Interfund Accounts and Transfers**

Individual fund interfund receivables and payables at September 30, 2013 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 821,342	\$ 603,000
Nonmajor Governmental Funds:		
NSP Grant Fund	-	598,862
CDBG Grant Fund	-	3,759
LIHEAP Grant Fund	-	97,840
Youthbuild Grant Fund	-	7,425
ARRA Grant Fund	-	94,313
Water / Sewer Utility Fund	603,000	-
Nonmajor Golf Course Fund	-	19,143
	<u>\$ 1,424,342</u>	<u>\$ 1,424,342</u>

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

Interfund transfers for the fiscal year ended September 30, 2013 consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 191,376	\$ 2,935,040
Nonmajor Governmental Funds:		
Recreation Impact Fee Fund	-	96,775
Fire Impact Fee Fund	-	85,664
Police Impact Fee Fund	-	227,551
Building Inspection Fund	2,043	43,892
Second Generation Sales Tax Fund	5,272	-
Youthbuild Grant Fund	1,002	-
Debt Service Fund	1,637,006	-
Capital Project Fund	295,633	-
Capital Replacement Fund	1,404,074	-
Solid Waste Utility Fund	-	147,484
	<u>\$ 3,536,406</u>	<u>\$ 3,536,406</u>

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.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

**Note 11 - Pension Plans**

**A. Florida Retirement System**

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

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

*Funding Policy*

The FRS has nine (9) classes of membership. Only three (3) classes are applicable to the City's eligible employees. These three (3) classes, with descriptions and weighted average contribution rates in effect during the period ended September 30, 2013, 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 (5.56% from 10/01/12 to 9/30/13). Twenty-three (23) employees qualified for DROP - Deferred Retirement Option Program (6.99% from 10/01/12 to 9/30/13).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 9.03% from 10/1/12 to 9/30/13.

Special Risk - Members eligible for this class includes the City's Crime Scene Technicians, and the Evidence Technician. The rate is 15.97% from 10/1/12 to 9/30/13.

The contribution requirements of the City are established and may be amended by the State. The plan became contributory for employees as of July 1, 2011, with passage of SB2100 during the 2011 legislation with a contribution of 3%. The City's contributions to FRS for the years ended September 30, 2011, 2012 and 2013 were, \$1,172,310, \$640,962, and \$788,599, respectively, and equal the required contributions for each year.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 11 - Pension Plans (continued)**

**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.

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 \$1,870,246 and \$1,217,048 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2013. The police officers are required to contribute 5.1% of their gross compensation and the firefighters are required to contribute seven 7% of their base pay compensation (an additional five percent (5%) is paid by the City) for the fire and police employees, and if the employee terminates prior to vesting, this amount is returned to the employee for firefighters hired before July 1, 1999 and all police officer (regardless of date of hire). Both of the plans also receive contributions from the state for insurance premium refunds. The state contributions are not based on covered payroll. The City is required to contribute the remaining amount necessary to pay the annual normal cost plus an amount sufficient to fund any unfunded accrued liability over twenty-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, 2013, membership of each plan consisted of the following:

	Police Officers	Firefighters
Retirees and beneficiaries receiving benefits	49	44
Terminated employees entitled to benefits but not yet receiving them	16	2
DROP members	6	7
Active plan members	118	70
Total	189	123

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 11 - Pension Plans (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
2013	\$ 2,037,163	\$ 2,072,680	101.74%	\$ (35,517)
2012	1,666,150	1,666,150	100.00%	-
2011	1,570,408	1,570,408	100.00%	-
2010	1,510,760	1,510,760	100.00%	-
2009	1,260,841	1,260,841	100.00%	-

Firefighters' Plan

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

The Police Officers' Plan Net Pension Obligation (Asset) (NPO) at September 30, 2013 was comprised of the following components:

Actuarially determined contribution	\$ 2,037,163
Annual pension cost	2,037,163
Contributions made	2,072,680
Change in net pension asset /obligation	(35,517)
NPO (asset), beginning of year	-
NPO (asset), end of year	<u>\$ (35,517)</u>

The Firefighters' Net Pension Obligation (Asset) (NPO) at September 30, 2013 was comprised of the following components:

Actuarially determined contribution	\$ 1,366,856
Interest on NPO	(2,296)
Adjustment to actuarially determined contribution	3,247
Annual pension cost	1,367,807
Contributions made	1,403,316
Change in net pension asset /obligation	(35,509)
NPO (asset), beginning of year	(28,699)
NPO (asset), end of year	<u>\$ (64,208)</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 11 - Pension Plans (continued)**

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

(5) As of October 1, 2013, the most recent actuarial valuation date for each plan, the funded status of each plan was as follows:

Police Officers' Plan:

Actuarial accrued liability (AAL)	\$ 40,315,743
Actuarial value of plan assets	31,714,133
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,601,610</u>
Funded ratio (actuarial value of plan assets/AAL)	78.66%
Covered payroll (active plan members)	\$ 5,662,391
UAAL as a percentage of covered payroll	151.91%

Firefighters' Plan:

Actuarial accrued liability (AAL)	\$ 28,387,529
Actuarial value of plan assets	21,841,746
Unfunded actuarial accrued liability (UAAL)	<u>\$ 6,545,783</u>
Funded ratio (actuarial value of plan assets/AAL)	76.94%
Covered payroll (active plan members)	\$ 3,751,556
UAAL as a percentage of covered payroll	174.48%

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.

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

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

	<u>Police Officers</u>	<u>Firefighters</u>
Valuation date	10/01/2013	10/01/2013
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent, closed	Level percent, closed
Amortization period	10 years	10 years
Asset valuation method	4-year smoothed market	4-year smoothed market
Actuarial Assumptions:		
Investment rate of return	7.75%	8.00%
Projected salary increase (including both cost of living and merit)	5.00%	6.00%
Inflation rate	3.00%	3.00%
Postretirement benefit increases	0.00%	0.00%

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 11 - Pension Plans (continued)**

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

**Pension Trust Fund Financial Statements**

The plans do not issue separate financial statements. Financial statements for the Police Officers' Retirement System and Firefighters' Retirement System at September 30, 2013 and for the year then ended are as follows:

**Combining Statement of Net Position**  
**Fiduciary Funds**  
September 30, 2013

	<u>Police Officers'</u> <u>Retirement</u> <u>System</u>	<u>Firefighters'</u> <u>Retirement</u> <u>System</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents with trustee	\$ 1,761,118	\$ 2,130,689	\$ 3,891,807
Investments, at fair value:			
US government obligations	877,373	963,851	1,841,224
Mortgage & asset backed securities	1,334,586	1,956,649	3,291,235
Corporate debt	1,809,337	2,611,702	4,421,039
Mutual funds	6,734,520	4,751,417	11,485,937
Equity securities	18,589,882	9,696,318	28,286,200
Real estate	3,195,996	1,010,791	4,206,787
Accrued investment income	67,487	58,316	125,803
Accounts receivable	138	-	138
Prepaid items	8,600	7,997	16,597
Total assets	<u>34,379,037</u>	<u>23,187,730</u>	<u>57,566,767</u>
<b>Liabilities</b>			
Accounts payable	<u>71,403</u>	<u>66,205</u>	<u>137,608</u>
<b>Net position</b>			
Held in trust for pension benefits	<u>\$ 34,307,634</u>	<u>\$ 23,121,525</u>	<u>\$ 57,429,159</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 11 - Pension Plans (continued)**

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

**Pension Trust Fund Financial Statements (continued)**

**Combining Statement of Changes in Net Position**  
**Fiduciary Funds**  
For the Year Ended September 30, 2013

	Police Officers' Retirement System	Firefighters' Retirement System	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 2,168,715	\$ 1,500,997	\$ 3,669,712
Plan members	293,324	261,421	554,745
Total contributions	<u>2,462,039</u>	<u>1,762,418</u>	<u>4,224,457</u>
Investments earnings (losses):			
Interest & dividends	692,932	563,619	1,256,551
Net increase in fair value of investments	<u>4,022,372</u>	<u>1,999,080</u>	<u>6,021,452</u>
Total investment earnings	4,715,304	2,562,699	7,278,003
Investment expenses	<u>(205,145)</u>	<u>(112,760)</u>	<u>(317,905)</u>
Net investment earnings	<u>4,510,159</u>	<u>2,449,939</u>	<u>6,960,098</u>
Total additions	<u>6,972,198</u>	<u>4,212,357</u>	<u>11,184,555</u>
<b>Deductions</b>			
Benefit payments	1,701,393	1,456,209	3,157,602
Refund of contributions	122,648	56,078	178,726
Administrative expenses	<u>49,756</u>	<u>41,529</u>	<u>91,285</u>
Total deductions	<u>1,873,797</u>	<u>1,553,816</u>	<u>3,427,613</u>
Change in net position	5,098,401	2,658,541	7,756,942
Net position - beginning of year	<u>29,209,233</u>	<u>20,462,984</u>	<u>49,672,217</u>
Net position - end of year	<u>\$ 34,307,634</u>	<u>\$ 23,121,525</u>	<u>\$ 57,429,159</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 12 - Post Employment Benefits Other than Pensions**

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

The City has chosen pay-as-you-go funding, but is recording the liability in the government-wide financial statements. For the year ended September 30, 2013, 51 retirees were receiving health insurance and 121 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, 2013 is as follows:

Actuarially determined contribution	\$ 1,147,493
Interest on net OPEB obligation	56,717
Adjustment to actuarially determined contribution	(56,349)
Annual OPEB cost	<u>1,147,861</u>
Contributions made	<u>625,998</u>
Change in net OPEB obligation	521,863
Net OPEB obligation, beginning of year	<u>1,417,921</u>
Net OPEB obligation, end of year	<u><u>\$ 1,939,784</u></u>

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

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

As of October 1, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

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

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

Summary of Actuarial Methods & Assumptions

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

**Actuarial Cost Method:**

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

**Amortization Method:**

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

**Decrements:**

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

Disability: None assumed.

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

**Investment Return (Discount Rate):**

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

**Health Care Cost Trend Rates:**

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

---

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

Summary of Actuarial Methods & Assumptions (continued)

Retiree Contributions:

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

Payroll Growth:

3.0% per annum (used for amortization purposes only)

Cost of Living Increases:

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

Future Participation Rates:

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

COBRA Assumption:

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

Summary of Benefits:

Other Post-Employment Benefits (OPEBs)

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

Eligible Individuals:

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 13 - Deferred Compensation Plan**

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

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

**Note 14 - Risk Management**

The City accounts for its risk management activities in an internal service fund that includes self-insurance programs for workers' compensation, general liability, property, auto, and employee healthcare. The City has made the decision to retain up to \$200,000 per incident relating to workers' compensation. Coverage in excess of \$200,000 per incident for workers' compensation has been purchased from an outside carrier. All other liability and property damage insurance is obtained through insurance carriers with a \$25,000 deductible for general liability claims per occurrence and an aggregate stop loss that varies by line-of-coverage for all types of claims for fiscal year 2013. Employee healthcare exposure is subject to aggregate maximum limitations. There have been no significant reductions in insurance coverage from the prior year. No settlements have exceeded the City's insurance coverage for each of the past five (5) fiscal years.

The City utilizes the expertise of the plan administrator in determining the liability for claims incurred and other related costs on a claim-by-claim basis. The determination includes consideration of nonincremental claims adjustment expenditures. The changes in the City's claims liability during the years ended September 30, 2012 and 2013 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
2011 - 2012	\$ 2,126,468	\$ 4,664,400	\$ (4,898,515)	\$ 1,892,353
2012 - 2013	1,892,353	5,153,374	(5,109,615)	1,936,112

**Note 15 - Commitments and Contingencies**

- A. Various lawsuits and claims arising in the ordinary course of the City's operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, management believes, based on the advice of legal counsel, that there will be no material effect on the City's financial position and/or that the City has sufficient insurance coverage to cover any claims.
- B. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. If any expenditures are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the City. In the opinion of management, any such adjustments would not be significant.
- C. The City has various construction contracts outstanding in the Governmental Funds and Enterprise Funds, commitments of which amount to \$16,494,932 at September 30, 2013.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 16 – Net Investment in Capital Assets Calculation**

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Non depreciable	\$ 7,421,285	\$ 13,281,056
Depreciable, net	113,110,171	146,174,657
	120,531,456	159,455,713
Debt related to capital assets:		
Bonds	-	15,788,466
Loans	14,120,000	33,513,261
Capital leases	1,185,616	-
	15,305,616	49,301,727
Difference	105,225,840	110,153,986
Unspent debt proceeds	723,024	
Invested in capital assets	\$ 105,948,864	\$ 110,153,986

**Note 17 – Effect of Implementation of GASB Statement 61**

With the implementation of GASB Statement 61, *The Financial Reporting Entity*, the City has determined that the Sanford Community Redevelopment Agency (“Sanford CRA”) should be reported as a blended component unit. See note 1 for further information on the criteria used to make this determination. In the prior year’s financial statements the Sanford CRA was included as a discrete component unit. The change in treatment of the component unit resulted in an increase of \$1,166,031 in governmental fund balances and \$7,577,131 in governmental activities net position.

The following schedules reconcile previously reported items with those that now include the Sanford CRA as a blended component unit:

<b>Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	Total Governmental Funds
Fund balances, beginning of year before inclusion	\$ 29,057,970
Change in component unit blending	1,166,031
Fund balances, beginning of year after inclusion	\$ 30,224,001
 <b>Statement of Activities</b>	 Total Governmental Activities
Net position, beginning of year before inclusion	\$ 134,649,647
Change in component unit blending	7,577,131
Net position, beginning of year after inclusion	\$ 142,226,778

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2013**

**Note 17 – Effect of Implementation of GASB Statement 61 (continued)**

<b>Capital Assets</b>	Previously Reported October 1, 2012	Change in Component Unit Blending	October 1, 2012 with Component Unit Blending
Governmental activities:			
Capital assets, not being depreciated:			
Land	\$ 5,582,650	\$ -	\$ 5,582,650
Construction in progress	847,607	342,195	1,189,802
Total capital assets, not being depreciated	<u>6,430,257</u>	<u>342,195</u>	<u>6,772,452</u>
Capital assets, being depreciated:			
Buildings	64,651,247	3,374,339	68,025,586
Machinery and equipment	17,234,940	26,907	17,261,847
Infrastructure	107,215,846	8,039,019	115,254,865
Total capital assets, being depreciated	<u>189,102,033</u>	<u>11,440,265</u>	<u>200,542,298</u>
Less accumulated depreciation for:			
Buildings	21,886,382	1,540,388	23,426,770
Machinery and equipment	13,985,113	20,772	14,005,885
Infrastructure	43,507,517	3,166,576	46,674,093
Total accumulated depreciation	<u>79,379,012</u>	<u>4,727,736</u>	<u>84,106,748</u>
Total capital assets, being depreciated, net	<u>109,723,021</u>	<u>6,712,529</u>	<u>116,435,550</u>
Governmental activities capital assets, net	<u>\$ 116,153,278</u>	<u>\$ 7,054,724</u>	<u>\$ 123,208,002</u>
<b>Long-Term Debt</b>	Previously Reported October 1, 2012	Change in Component Unit Blending	October 1, 2012 with Component Unit Blending
Governmental activities:			
Notes payable	\$ 14,375,000	\$ 650,000	\$ 15,025,000
Other post employment benefits	1,074,264	-	1,074,264
Accrued compensated absences	2,165,870	-	2,165,870
Claims payable	1,892,353	-	1,892,353
Capital lease	836,052	-	836,052
Accrued clean-up and long-term care costs	505,349	-	-
Governmental activity long-term liabilities	<u>\$ 20,848,888</u>	<u>\$ 650,000</u>	<u>\$ 21,498,888</u>

**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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 14,393,609	\$ 14,393,609	\$ 14,496,697	\$ 103,088
Utility taxes	7,122,616	7,122,616	7,222,351	99,735
Franchise fees	4,197,049	4,197,049	4,285,378	88,329
Business taxes	607,371	607,371	675,748	68,377
Permits and fees	95,000	95,000	99,213	4,213
Intergovernmental	5,493,219	5,525,278	5,530,678	5,400
Charges for services	1,771,977	1,786,977	2,158,787	371,810
Investment earnings	128,266	128,266	63,755	(64,511)
Fines and forfeitures	138,270	138,270	131,796	(6,474)
Miscellaneous	305,475	308,883	924,006	615,123
Total revenues	<u>34,252,852</u>	<u>34,303,319</u>	<u>35,588,409</u>	<u>1,285,090</u>
<b>Expenditures</b>				
Current:				
General government	4,348,530	4,509,733	4,355,547	154,186
Public safety	21,232,155	21,152,985	20,605,543	547,442
Physical environment	403,605	405,944	371,680	34,264
Transportation	927,725	961,065	887,899	73,166
Economic environment	1,055,533	1,184,294	1,002,201	182,093
Human services	112,768	109,376	36,021	73,355
Culture and recreation	4,062,329	4,105,200	4,102,495	2,705
Debt service:				
Debt issuance costs	-	-	13,000	(13,000)
Capital outlay:				
General government	-	-	233	(233)
Total expenditures	<u>32,142,645</u>	<u>32,428,597</u>	<u>31,374,619</u>	<u>1,053,978</u>
Excess of revenues over expenditures	<u>2,110,207</u>	<u>1,874,722</u>	<u>4,213,790</u>	<u>2,339,068</u>
<b>Other financing sources (uses)</b>				
Capital leases	-	-	-	-
Transfers in	147,484	191,376	191,376	-
Transfers out	(2,926,723)	(2,935,040)	(2,935,040)	-
Proceeds from sale of assets	15,000	15,000	25,192	10,192
Total other financing uses	<u>(2,764,239)</u>	<u>(2,728,664)</u>	<u>(2,718,472)</u>	<u>10,192</u>
Net change in fund balances	<u>(654,032)</u>	<u>(853,942)</u>	<u>1,495,318</u>	<u>2,349,260</u>
<b>Fund balances</b>				
Beginning of year	-	-	17,859,092	17,859,092
Prior carryforward	1,066,000	1,272,292	-	(1,272,292)
Future carryforward	(411,968)	(418,350)	-	418,350
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,354,410</u>	<u>\$ 19,354,410</u>

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

**CITY OF SANFORD, FLORIDA**  
**Sanford Community Redevelopment Agency**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,038,994	\$ 1,038,994	\$ 1,025,900	\$ (13,094)
Investment earnings	9,215	9,215	4,276	(4,939)
Total revenues	<u>1,048,209</u>	<u>1,048,209</u>	<u>1,030,176</u>	<u>(18,033)</u>
<b>Expenditures</b>				
Current:				
Economic environment	393,606	415,353	276,324	139,029
Debt service:				
Principal	210,000	210,000	210,000	-
Interest	22,102	22,102	22,685	(583)
Debt issuance costs	2,731	2,731	-	2,731
Capital outlay:				
Economic environment	419,770	1,568,150	55,926	1,512,224
Total expenditures	<u>1,048,209</u>	<u>2,218,336</u>	<u>564,935</u>	<u>1,653,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,170,127)</u>	<u>465,241</u>	<u>1,635,368</u>
Net change in fund balances	<u>-</u>	<u>(1,170,127)</u>	<u>465,241</u>	<u>1,635,368</u>
<b>Fund balances</b>				
Beginning of year	-	-	1,166,031	1,166,031
Prior carryforward	-	1,170,127	-	(1,170,127)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,631,272</u>	<u>\$ 1,631,272</u>

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

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2013

**Schedule of Funding Progress for**

**Police Officers' Retirement Trust Fund**

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

**Firefighters' Pension Trust Fund**

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

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

Year Ended September 30,	Annual Required Contribution	City Contribution	State *	Percentage Contributed
2013	\$ 2,037,163	\$ 1,896,331	\$ 176,349	101.74%
2012	1,666,150	1,489,801	176,349	100.00%
2011	1,570,408	1,394,059	176,349	100.00%
2010	1,510,760	1,334,411	176,349	100.00%
2009	1,260,841	1,084,492	176,349	100.00%
2008	840,361	664,012	176,349	100.00%
2007	1,098,011	921,662	176,349	100.00%
2006	1,176,733	1,000,384	176,349	100.00%
2005	979,593	822,950	174,728	101.85%

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

Year Ended September 30,	Annual Required Contribution	City Contribution	State **	Percentage Contributed
2013	\$ 1,366,856	\$ 1,234,630	168,686	102.67%
2012	1,224,307	1,055,620	168,686	100.00%
2011	1,211,342	1,042,656	168,686	100.00%
2010	1,098,783	929,583	169,201	100.00%
2009	897,900	728,699	169,201	100.00%
2008	781,192	611,991	169,201	100.00%
2007	684,647	528,079	156,568	100.00%
2006	639,715	483,147	156,568	100.00%
2005	562,102	440,254	153,653	105.66%

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

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

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2013

**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)
10/1/2012	\$ -	\$ 17,869,865	\$ 17,869,865	0.00%	\$ 22,067,474	80.98%
10/1/2010	\$ -	\$ 18,188,528	\$ 18,188,528	0.00%	\$ 21,674,307	83.92%
10/1/2008	-	14,297,942	14,297,942	0.00%	21,342,868	66.99%

**Schedule of Contributions From the Employer and Other Contributing Entities**

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

## **CITY OF SANFORD, FLORIDA**

### **Combining Nonmajor Governmental Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Debt Service Fund**

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

### **Capital Projects Fund**

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

**Capital Project Fund** – To account for funds set aside for capital projects.

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

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



**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
September 30, 2013

	<b>Special Revenue Funds</b>						
	Building Inspection Fund	Local Option Gas Tax Fund	Second Generation Sales Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	LIHEAP Grant Fund
<b>Assets</b>							
Cash and cash equivalents	\$ 461,630	\$ 254,310	\$ 40,724	\$ 276,524	\$ 11,598	\$ -	\$ -
Investments	1,331,644	749,051	-	-	-	329,760	-
Accounts receivable, net	3,571	2,008	-	628	-	11	501
Due from other governments	-	103,259	4,235,496	660	632	-	168,249
Inventories	-	-	-	-	-	-	-
Prepaid items	412	2,136	-	1,275	-	-	-
Total assets	<u>\$ 1,797,257</u>	<u>\$ 1,110,764</u>	<u>\$ 4,276,220</u>	<u>\$ 279,087</u>	<u>\$ 12,230</u>	<u>\$ 329,771</u>	<u>\$ 168,750</u>
<b>Liabilities</b>							
Accounts payable	\$ 16,077	\$ 125,748	\$ 79,065	\$ 9,037	\$ -	\$ 17,549	\$ 56,737
Accrued liabilities	25,266	-	-	-	-	-	5,934
Retainage payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	97,840
Due to other governments	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Deferred revenues	-	-	70,181	-	-	-	-
Total liabilities	<u>41,343</u>	<u>125,748</u>	<u>149,246</u>	<u>9,037</u>	<u>-</u>	<u>17,549</u>	<u>160,511</u>
<b>Fund balances</b>							
Nonspendable:							
Prepaid items	412	2,136	-	1,275	-	-	-
Restricted for:							
Building inspections	1,755,502	-	-	-	-	-	-
Transportation	-	982,880	4,126,974	-	-	-	-
Law enforcement	-	-	-	227,815	12,230	-	-
Assistance programs	-	-	-	-	-	-	8,239
System expansion	-	-	-	-	-	-	-
Capital replacements	-	-	-	-	-	-	-
Committed for:							
Cemetery purposes	-	-	-	-	-	312,222	-
Capital replacements	-	-	-	-	-	-	-
Assigned for:							
Law enforcement	-	-	-	40,960	-	-	-
Debt service	-	-	-	-	-	-	-
Capital replacements	-	-	-	-	-	-	-
Unassigned / (deficit)	-	-	-	-	-	-	-
Total fund balances	<u>1,755,914</u>	<u>985,016</u>	<u>4,126,974</u>	<u>270,050</u>	<u>12,230</u>	<u>312,222</u>	<u>8,239</u>
Total liabilities and fund balances	<u>\$ 1,797,257</u>	<u>\$ 1,110,764</u>	<u>\$ 4,276,220</u>	<u>\$ 279,087</u>	<u>\$ 12,230</u>	<u>\$ 329,771</u>	<u>\$ 168,750</u>

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

**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet (continued)**  
**Nonmajor Governmental Funds**  
September 30, 2013

**Special Revenue Funds**

Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	ARRA Grant Fund	CDBG Grant Fund	NSP Grant Fund	Youthbuild Grant Fund	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,044,786
761,466	634,602	1,250,520	-	-	-	-	5,057,043
24	21	42	-	-	-	-	6,806
-	-	-	114,061	117,389	708,854	7,425	5,456,025
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,823
<u>\$ 761,490</u>	<u>\$ 634,623</u>	<u>\$ 1,250,562</u>	<u>\$ 114,061</u>	<u>\$ 117,389</u>	<u>\$ 708,854</u>	<u>\$ 7,425</u>	<u>\$ 11,568,483</u>
\$ 102,570	\$ -	\$ -	\$ -	\$ 113,018	\$ 109,590	\$ -	\$ 629,391
-	-	-	19,748	808	402	-	52,158
-	-	-	-	-	-	-	-
-	-	-	94,313	3,759	598,862	7,425	802,199
-	-	-	-	149	-	-	149
-	-	-	-	-	-	-	-
-	-	-	-	117,389	708,854	7,425	903,849
<u>102,570</u>	<u>-</u>	<u>-</u>	<u>114,061</u>	<u>235,123</u>	<u>1,417,708</u>	<u>14,850</u>	<u>2,387,746</u>
-	-	-	-	-	-	-	3,823
-	-	-	-	-	-	-	1,755,502
-	-	-	-	-	-	-	5,109,854
-	-	-	-	-	-	-	240,045
-	-	-	-	-	-	-	8,239
658,920	634,623	1,250,562	-	-	-	-	2,544,105
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	312,222
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	40,960
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(117,734)	(708,854)	(7,425)	(834,013)
<u>658,920</u>	<u>634,623</u>	<u>1,250,562</u>	<u>-</u>	<u>(117,734)</u>	<u>(708,854)</u>	<u>(7,425)</u>	<u>9,180,737</u>
<u>\$ 761,490</u>	<u>\$ 634,623</u>	<u>\$ 1,250,562</u>	<u>\$ 114,061</u>	<u>\$ 117,389</u>	<u>\$ 708,854</u>	<u>\$ 7,425</u>	<u>\$ 11,568,483</u>

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

**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet (continued)**  
**Nonmajor Governmental Funds**  
September 30, 2013

	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>			<b>Total Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Debt Service Fund</b>	<b>Capital Project Fund</b>	<b>Capital Recovery Fee Fund</b>	<b>Capital Replacement Fund</b>		
<b>Assets</b>						
Cash and cash equivalents	\$ 154,946	\$ 300,169	\$ 22,051	\$ 2,000,884	\$ 2,323,104	\$ 3,522,836
Investments	-	-	-	-	-	5,057,043
Accounts receivable, net	5	22	319	32,545	32,886	39,697
Due from other governments	-	484,029	-	34,511	518,540	5,974,565
Inventories	-	-	-	39,611	39,611	39,611
Prepaid items	-	-	-	-	-	3,823
<b>Total assets</b>	<b>\$ 154,951</b>	<b>\$ 784,220</b>	<b>\$ 22,370</b>	<b>\$ 2,107,551</b>	<b>\$ 2,914,141</b>	<b>\$ 14,637,575</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 441,850	\$ 3	\$ 336,387	\$ 778,240	\$ 1,407,631
Accrued liabilities	-	-	-	-	-	52,158
Retainage payable	-	34,796	-	-	34,796	34,796
Due to other funds	-	-	-	-	-	802,199
Due to other governments	-	-	-	-	-	149
Unearned revenues	-	-	149	-	149	149
Deferred revenues	-	411,190	-	10,000	421,190	1,325,039
<b>Total liabilities</b>	<b>-</b>	<b>887,836</b>	<b>152</b>	<b>346,387</b>	<b>1,234,375</b>	<b>3,622,121</b>
<b>Fund balances</b>						
Nonspendable:						
Prepaid items	-	-	-	-	-	3,823
Restricted for:						
Building inspections	-	-	-	-	-	1,755,502
Transportation	-	-	-	-	-	5,109,854
Law enforcement	-	-	-	-	-	240,045
Assistance programs	-	-	-	-	-	8,239
System expansion	-	-	-	-	-	2,544,105
Capital replacements	-	-	-	723,024	723,024	723,024
Committed for:						
Cemetery purposes	-	-	-	-	-	312,222
Capital replacements	-	-	22,218	-	22,218	22,218
Assigned for:						
Law enforcement	-	-	-	-	-	40,960
Debt service	154,951	-	-	-	-	154,951
Capital replacements	-	-	-	1,038,140	1,038,140	1,038,140
Unassigned / (deficit)	-	(103,616)	-	-	(103,616)	(937,629)
<b>Total fund balances</b>	<b>154,951</b>	<b>(103,616)</b>	<b>22,218</b>	<b>1,761,164</b>	<b>1,679,766</b>	<b>11,015,454</b>
<b>Total liabilities and fund balances</b>	<b>\$ 154,951</b>	<b>\$ 784,220</b>	<b>\$ 22,370</b>	<b>\$ 2,107,551</b>	<b>\$ 2,914,141</b>	<b>\$ 14,637,575</b>

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



**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2013

	<b>Special Revenue Funds</b>						
	Building Inspection Fund	Local Option Gas Tax Fund	Second Generation Sales Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	Insurance Premium Tax Fund
<b>Revenues</b>							
Permits and fees	\$ 1,579,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,059,091	2,547	13,869	-	-	582,418
Charges for services	-	-	-	-	-	49,250	-
Investment earnings	3,673	2,241	14,625	623	26	881	-
Fines and forfeitures	-	-	-	127,272	7,811	-	-
Service assessments	-	-	-	-	-	-	-
Miscellaneous	19,669	-	3,623	9,127	-	-	-
Total revenues	<u>1,602,845</u>	<u>1,061,332</u>	<u>20,795</u>	<u>150,891</u>	<u>7,837</u>	<u>50,131</u>	<u>582,418</u>
<b>Expenditures</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	710,739	-	-	103,459	5,891	-	582,418
Physical environment	-	-	-	-	-	85,874	-
Transportation	-	589,671	689,345	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	41,308	-	-	-	-	-	-
Transportation	-	155,412	340,938	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>752,047</u>	<u>745,083</u>	<u>1,030,283</u>	<u>103,459</u>	<u>5,891</u>	<u>85,874</u>	<u>582,418</u>
Excess (deficiency) of revenues over (under) expenditures	<u>850,798</u>	<u>316,249</u>	<u>(1,009,488)</u>	<u>47,432</u>	<u>1,946</u>	<u>(35,743)</u>	<u>-</u>
<b>Other financing sources (uses)</b>							
Capital leases	-	-	-	-	-	-	-
Transfers in	2,043	-	5,272	-	-	-	-
Transfers out	(43,892)	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	520	-	-	-
Total other financing sources (uses)	<u>(41,849)</u>	<u>-</u>	<u>5,272</u>	<u>520</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>808,949</u>	<u>316,249</u>	<u>(1,004,216)</u>	<u>47,952</u>	<u>1,946</u>	<u>(35,743)</u>	<u>-</u>
<b>Fund balances</b>							
Beginning of year	946,965	668,767	5,131,190	222,098	10,284	347,965	-
End of year	<u>\$ 1,755,914</u>	<u>\$ 985,016</u>	<u>\$ 4,126,974</u>	<u>\$ 270,050</u>	<u>\$ 12,230</u>	<u>\$ 312,222</u>	<u>\$ -</u>

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

**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2013

**Special Revenue Funds**

LIHEAP Grant Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	ARRA Grant Fund	CDBG Grant Fund	NSP Grant Fund	Youthbuild Grant Fund	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,579,503
1,217,466	-	-	-	430,853	496,441	-	2,987	3,805,672
-	-	-	-	-	-	-	-	49,250
-	1,837	1,423	2,811	-	-	-	-	28,140
-	-	-	-	-	-	-	-	135,083
-	302,859	273,609	423,389	-	-	-	-	999,857
-	-	-	-	-	-	-	-	32,419
<u>1,217,466</u>	<u>304,696</u>	<u>275,032</u>	<u>426,200</u>	<u>430,853</u>	<u>496,441</u>	<u>-</u>	<u>2,987</u>	<u>6,629,924</u>
-	-	-	-	-	-	-	-	-
-	109,447	10,049	-	430,853	-	-	-	1,952,856
-	-	-	-	-	-	-	-	85,874
-	-	-	-	-	-	-	-	1,279,016
-	-	-	-	-	296,859	651,463	7,425	955,747
1,160,467	-	-	-	-	-	-	-	1,160,467
-	-	-	4,735	-	-	-	-	4,735
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	46,432	-	-	-	-	-	87,740
-	-	-	-	-	-	-	-	496,350
-	-	-	-	-	256,632	-	-	256,632
-	-	-	1,000	-	-	-	-	1,000
<u>1,160,467</u>	<u>109,447</u>	<u>56,481</u>	<u>5,735</u>	<u>430,853</u>	<u>553,491</u>	<u>651,463</u>	<u>7,425</u>	<u>6,280,417</u>
56,999	195,249	218,551	420,465	-	(57,050)	(651,463)	(4,438)	349,507
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,002	8,317
-	(227,551)	(85,664)	(96,775)	-	-	-	-	(453,882)
-	-	-	-	-	-	-	-	520
-	(227,551)	(85,664)	(96,775)	-	-	-	1,002	(445,045)
56,999	(32,302)	132,887	323,690	-	(57,050)	(651,463)	(3,436)	(95,538)
(48,760)	691,222	501,736	926,872	-	(60,684)	(57,391)	(3,989)	9,276,275
<u>\$ 8,239</u>	<u>\$ 658,920</u>	<u>\$ 634,623</u>	<u>\$ 1,250,562</u>	<u>\$ -</u>	<u>\$ (117,734)</u>	<u>\$ (708,854)</u>	<u>\$ (7,425)</u>	<u>\$ 9,180,737</u>

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

**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2013

	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>			Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Debt Service Fund	Capital Project Fund	Capital Recovery Fee Fund	Capital Replacement Fund		
<b>Revenues</b>						
Permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,579,503
Intergovernmental	-	294,444	-	24,511	318,955	4,124,627
Charges for services	-	-	-	-	-	49,250
Investment earnings	140	585	46	3,261	3,892	32,172
Fines and forfeitures	-	-	-	-	-	135,083
Service assessments	-	-	8,560	-	8,560	1,008,417
Miscellaneous	-	-	-	-	-	32,419
Total revenues	<u>140</u>	<u>295,029</u>	<u>8,606</u>	<u>27,772</u>	<u>331,407</u>	<u>6,961,471</u>
<b>Expenditures</b>						
Current:						
General government	-	49,690	71	245,682	295,443	295,443
Public safety	-	-	-	266,280	266,280	2,219,136
Physical environment	-	-	-	-	-	85,874
Transportation	-	102,771	-	-	102,771	1,381,787
Economic environment	-	-	-	-	-	955,747
Human services	-	-	-	-	-	1,160,467
Culture and recreation	-	113,501	-	-	113,501	118,236
Debt service:						
Principal	1,001,026	-	-	-	-	1,001,026
Interest	483,239	-	-	-	-	483,239
Capital outlay:						
General government	-	7,274	-	107,338	114,612	114,612
Public safety	-	-	-	1,208,387	1,208,387	1,296,127
Transportation	-	318,028	-	21,592	339,620	835,970
Economic environment	-	-	-	-	-	256,632
Culture and recreation	-	310,760	-	246,573	557,333	558,333
Total expenditures	<u>1,484,265</u>	<u>902,024</u>	<u>71</u>	<u>2,095,852</u>	<u>2,997,947</u>	<u>10,762,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,484,125)</u>	<u>(606,995)</u>	<u>8,535</u>	<u>(2,068,080)</u>	<u>(2,666,540)</u>	<u>(3,801,158)</u>
<b>Other financing sources (uses)</b>						
Capital leases	-	-	-	655,591	655,591	655,591
Transfers in	1,637,006	295,633	-	1,404,074	1,699,707	3,345,030
Transfers out	-	-	-	-	-	(453,882)
Proceeds from sale of assets	-	-	-	70,475	70,475	70,995
Total other financing sources (uses)	<u>1,637,006</u>	<u>295,633</u>	<u>-</u>	<u>2,130,140</u>	<u>2,425,773</u>	<u>3,617,734</u>
Net change in fund balances	<u>152,881</u>	<u>(311,362)</u>	<u>8,535</u>	<u>62,060</u>	<u>(240,767)</u>	<u>(183,424)</u>
<b>Fund balances</b>						
Beginning of year	2,070	207,746	13,683	1,699,104	1,920,533	11,198,878
End of year	<u>\$ 154,951</u>	<u>\$ (103,616)</u>	<u>\$ 22,218</u>	<u>\$ 1,761,164</u>	<u>\$ 1,679,766</u>	<u>\$ 11,015,454</u>

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

**CITY OF SANFORD, FLORIDA**  
**Building Inspection Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Permits and fees	\$ 883,205	\$ 883,205	\$ 1,579,503	\$ 696,298
Investment earnings	100	100	3,673	3,573
Miscellaneous	15,447	15,447	19,669	4,222
Total revenues	<u>898,752</u>	<u>898,752</u>	<u>1,602,845</u>	<u>704,093</u>
<b>Expenditures</b>				
Current:				
Public safety	721,607	761,607	710,739	50,868
Capital outlay:				
Public safety	43,000	43,000	41,308	1,692
Total expenditures	<u>764,607</u>	<u>804,607</u>	<u>752,047</u>	<u>52,560</u>
Excess of revenues over expenditures	<u>134,145</u>	<u>94,145</u>	<u>850,798</u>	<u>756,653</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	2,043	2,043	-
Transfers out	-	(43,892)	(43,892)	-
Total other financing sources (uses)	<u>-</u>	<u>(41,849)</u>	<u>(41,849)</u>	<u>-</u>
Net change in fund balances	<u>134,145</u>	<u>52,296</u>	<u>808,949</u>	<u>756,653</u>
<b>Fund balances</b>				
Beginning of year	-	-	946,965	946,965
Future carryforward	(134,145)	(52,296)	-	52,296
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,755,914</u>	<u>\$ 1,755,914</u>

**CITY OF SANFORD, FLORIDA**  
**Local Option Gas Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,045,597	\$ 1,045,597	\$ 1,059,091	\$ 13,494
Investment earnings	2,685	2,685	2,241	(444)
Total revenues	<u>1,048,282</u>	<u>1,048,282</u>	<u>1,061,332</u>	<u>13,050</u>
<b>Expenditures</b>				
Current:				
Transportation	629,628	637,325	589,671	47,654
Capital outlay:				
Transportation	220,372	220,372	155,412	64,960
Total expenditures	<u>850,000</u>	<u>857,697</u>	<u>745,083</u>	<u>112,614</u>
Excess of revenues over expenditures	<u>198,282</u>	<u>190,585</u>	<u>316,249</u>	<u>125,664</u>
Net change in fund balances	<u>198,282</u>	<u>190,585</u>	<u>316,249</u>	<u>125,664</u>
<b>Fund balances</b>				
Beginning of year	-	-	668,767	668,767
Prior carryforward	-	7,697	-	(7,697)
Future carryforward	(198,282)	(198,282)	-	198,282
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,016</u>	<u>\$ 985,016</u>

**CITY OF SANFORD, FLORIDA**  
**Second Generation Sales Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 550,701	\$ 2,547	\$ (548,154)
Investment earnings	-	-	14,625	14,625
Miscellaneous	-	-	3,623	3,623
Total revenues	<u>-</u>	<u>550,701</u>	<u>20,795</u>	<u>(529,906)</u>
<b>Expenditures</b>				
Current:				
Transportation	-	70,701	689,345	(618,644)
Capital outlay:				
Transportation	-	3,677,627	340,938	3,336,689
Total expenditures	<u>-</u>	<u>3,748,328</u>	<u>1,030,283</u>	<u>2,718,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,197,627)</u>	<u>(1,009,488)</u>	<u>2,188,139</u>
<b>Other financing sources</b>				
Transfers in	-	5,272	5,272	-
Total other financing sources	<u>-</u>	<u>5,272</u>	<u>5,272</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(3,192,355)</u>	<u>(1,004,216)</u>	<u>2,188,139</u>
<b>Fund balances</b>				
Beginning of year	-	-	5,131,190	5,131,190
Prior carryforward	-	5,125,918	-	(5,125,918)
Future carryforward	-	(1,933,563)	-	1,933,563
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,126,974</u>	<u>\$ 4,126,974</u>

**CITY OF SANFORD, FLORIDA**  
**Law Enforcement Trust Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 13,869	\$ 13,869	\$ -
Investment earnings	1,212	1,212	623	(589)
Fines and forfeitures	98,694	98,694	127,272	28,578
Miscellaneous	1,510	1,510	9,127	7,617
Total revenues	<u>101,416</u>	<u>115,285</u>	<u>150,891</u>	<u>35,606</u>
<b>Expenditures</b>				
Current:				
Public safety	40,845	117,536	103,459	14,077
Capital outlay:				
Public safety	13,350	621	-	621
Total expenditures	<u>54,195</u>	<u>118,157</u>	<u>103,459</u>	<u>14,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,221</u>	<u>(2,872)</u>	<u>47,432</u>	<u>50,304</u>
<b>Other financing sources</b>				
Proceeds from sale of assets	1,200	1,200	520	(680)
Total other financing sources	<u>1,200</u>	<u>1,200</u>	<u>520</u>	<u>(680)</u>
Net change in fund balances	<u>48,421</u>	<u>(1,672)</u>	<u>47,952</u>	<u>49,624</u>
<b>Fund balances</b>				
Beginning of year	-	-	222,098	222,098
Prior carryforward	51,588	52,588	-	(52,588)
Future carryforward	(100,009)	(50,916)	-	50,916
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,050</u>	<u>\$ 270,050</u>

**CITY OF SANFORD, FLORIDA**  
**Police Education Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 50	\$ 50	\$ 26	\$ (24)
Fines and forfeitures	12,000	12,000	7,811	(4,189)
Total revenues	<u>12,050</u>	<u>12,050</u>	<u>7,837</u>	<u>(4,213)</u>
<b>Expenditures</b>				
Current:				
Public safety	12,000	12,000	5,891	6,109
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>5,891</u>	<u>6,109</u>
Excess of revenues over expenditures	<u>50</u>	<u>50</u>	<u>1,946</u>	<u>1,896</u>
Net change in fund balances	<u>50</u>	<u>50</u>	<u>1,946</u>	<u>1,896</u>
<b>Fund balances</b>				
Beginning of year	-	-	10,284	10,284
Future carryforward	(50)	(50)	-	50
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,230</u>	<u>\$ 12,230</u>

**CITY OF SANFORD, FLORIDA**  
**Cemetery Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 47,300	\$ 47,300	\$ 49,250	\$ 1,950
Investment earnings	1,879	1,879	881	(998)
Total revenues	<u>49,179</u>	<u>49,179</u>	<u>50,131</u>	<u>952</u>
<b>Expenditures</b>				
Current:				
Physical environment	141,993	141,993	85,874	56,119
Total expenditures	<u>141,993</u>	<u>141,993</u>	<u>85,874</u>	<u>56,119</u>
Deficiency of revenues under expenditures	<u>(92,814)</u>	<u>(92,814)</u>	<u>(35,743)</u>	<u>57,071</u>
Net change in fund balances	<u>(92,814)</u>	<u>(92,814)</u>	<u>(35,743)</u>	<u>57,071</u>
<b>Fund balances</b>				
Beginning of year	-	-	347,965	347,965
Prior carryforward	92,814	92,814	-	(92,814)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,222</u>	<u>\$ 312,222</u>

**CITY OF SANFORD, FLORIDA**  
**LIHEAP Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,160,137	\$ 1,161,137	\$ 1,217,466	\$ 56,329
Total revenues	<u>1,160,137</u>	<u>1,161,137</u>	<u>1,217,466</u>	<u>56,329</u>
<b>Expenditures</b>				
Current:				
Human services	1,160,137	1,161,137	1,160,467	670
Total expenditures	<u>1,160,137</u>	<u>1,161,137</u>	<u>1,160,467</u>	<u>670</u>
Excess of revenues over expenditures	-	-	56,999	56,999
<b>Other financing uses</b>				
Net change in fund balances	-	-	56,999	56,999
<b>Fund balances</b>				
Beginning of year	-	-	(48,760)	(48,760)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,239</u>	<u>\$ 8,239</u>

**CITY OF SANFORD, FLORIDA**  
**Police Impact Fee Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 2,410	\$ 2,410	\$ 1,837	\$ (573)
Service assessments	146,114	146,114	302,859	156,745
Total revenues	<u>148,524</u>	<u>148,524</u>	<u>304,696</u>	<u>156,172</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	109,447	(109,447)
Capital outlay:				
Public safety	119,545	119,545	-	119,545
Total expenditures	<u>119,545</u>	<u>119,545</u>	<u>109,447</u>	<u>10,098</u>
Excess of revenues over expenditures	<u>28,979</u>	<u>28,979</u>	<u>195,249</u>	<u>166,270</u>
<b>Other financing uses</b>				
Transfers out	(172,492)	(391,966)	(227,551)	164,415
Total other financing uses	<u>(172,492)</u>	<u>(391,966)</u>	<u>(227,551)</u>	<u>164,415</u>
Net change in fund balances	<u>(143,513)</u>	<u>(362,987)</u>	<u>(32,302)</u>	<u>330,685</u>
<b>Fund balances</b>				
Beginning of year	-	-	691,222	691,222
Prior carryforward	143,513	362,987	-	(362,987)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,920</u>	<u>\$ 658,920</u>

**CITY OF SANFORD, FLORIDA**  
**Fire Impact Fee Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 1,710	\$ 1,710	\$ 1,423	\$ (287)
Service assessments	115,888	115,888	273,609	157,721
Total revenues	<u>117,598</u>	<u>117,598</u>	<u>275,032</u>	<u>157,434</u>
<b>Expenditures</b>				
Current:				
Public safety	-	-	10,049	(10,049)
Capital outlay:				
Public safety	60,800	60,800	46,432	14,368
Total expenditures	<u>60,800</u>	<u>60,800</u>	<u>56,481</u>	<u>4,319</u>
Excess of revenues over expenditures	<u>56,798</u>	<u>56,798</u>	<u>218,551</u>	<u>161,753</u>
<b>Other financing uses</b>				
Transfers out	(81,508)	(85,758)	(85,664)	94
Total other financing uses	<u>(81,508)</u>	<u>(85,758)</u>	<u>(85,664)</u>	<u>94</u>
Net change in fund balances	<u>(24,710)</u>	<u>(28,960)</u>	<u>132,887</u>	<u>161,847</u>
<b>Fund balances</b>				
Beginning of year	-	-	501,736	501,736
Prior carryforward	24,710	28,960	-	(28,960)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 634,623</u>	<u>\$ 634,623</u>

**CITY OF SANFORD, FLORIDA**  
**Recreation Impact Fee Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 2,386	\$ 2,386	\$ 2,811	\$ 425
Service assessments	177,162	177,162	423,389	246,227
Total revenues	<u>179,548</u>	<u>179,548</u>	<u>426,200</u>	<u>246,652</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	-	3,927	4,735	(808)
Capital outlay:				
Culture and recreation	-	30,933	1,000	29,933
Total expenditures	<u>-</u>	<u>34,860</u>	<u>5,735</u>	<u>29,125</u>
Excess of revenues over expenditures	<u>179,548</u>	<u>144,688</u>	<u>420,465</u>	<u>275,777</u>
<b>Other financing uses</b>				
Transfers out	-	(103,723)	(96,775)	6,948
Total other financing sources (uses)	<u>-</u>	<u>(103,723)</u>	<u>(96,775)</u>	<u>6,948</u>
Net change in fund balances	<u>179,548</u>	<u>40,965</u>	<u>323,690</u>	<u>282,725</u>
<b>Fund balances</b>				
Beginning of year	-	-	926,872	926,872
Future carryforward	(179,548)	(40,965)	-	40,965
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,250,562</u>	<u>\$ 1,250,562</u>

**CITY OF SANFORD, FLORIDA**  
**ARRA Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 424,853	\$ 448,171	\$ 430,853	\$ (17,318)
Total revenues	<u>424,853</u>	<u>448,171</u>	<u>430,853</u>	<u>(17,318)</u>
<b>Expenditures</b>				
Current:				
Public safety	424,853	448,171	430,853	17,318
Total expenditures	<u>424,853</u>	<u>448,171</u>	<u>430,853</u>	<u>17,318</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANFORD, FLORIDA**  
**CDBG Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 381,153	\$ 1,391,438	\$ 496,441	\$ (894,997)
Total revenues	<u>381,153</u>	<u>1,391,438</u>	<u>496,441</u>	<u>(894,997)</u>
<b>Expenditures</b>				
Current:				
Economic environment	381,153	1,011,235	296,859	714,376
Capital outlay:				
Economic environment	-	-	256,632	(256,632)
Total expenditures	<u>381,153</u>	<u>1,011,235</u>	<u>553,491</u>	<u>457,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>380,203</u>	<u>(57,050)</u>	<u>(437,253)</u>
Net change in fund balances	<u>-</u>	<u>380,203</u>	<u>(57,050)</u>	<u>(437,253)</u>
<b>Fund balances</b>				
Beginning of year	-	-	(60,684)	(60,684)
Future carryforward	-	(380,203)	-	380,203
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (117,734)</u>	<u>\$ (117,734)</u>

**CITY OF SANFORD, FLORIDA**  
**NSP Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 650,681	\$ 1,630,987	\$ -	\$ (1,630,987)
Total revenues	<u>650,681</u>	<u>1,630,987</u>	<u>-</u>	<u>(1,630,987)</u>
<b>Expenditures</b>				
Current:				
Economic environment	650,681	964,806	651,463	313,343
Total expenditures	<u>650,681</u>	<u>964,806</u>	<u>651,463</u>	<u>313,343</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>666,181</u>	<u>(651,463)</u>	<u>(1,317,644)</u>
Net change in fund balances	<u>-</u>	<u>666,181</u>	<u>(651,463)</u>	<u>(1,317,644)</u>
<b>Fund balances</b>				
Beginning of year	-	-	(57,391)	(57,391)
Future carryforward	-	(666,181)	-	666,181
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (708,854)</u>	<u>\$ (708,854)</u>

**CITY OF SANFORD, FLORIDA**  
**Youthbuild Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 2,987	\$ 2,987
Total revenues	-	-	2,987	2,987
<b>Expenditures</b>				
Current:				
Economic environment	-	-	7,425	(7,425)
Total expenditures	-	-	7,425	(7,425)
Excess (deficiency) of revenues over (under) expenditures	-	-	(4,438)	(4,438)
<b>Other financing sources</b>				
Transfers in	-	1,002	1,002	-
Total other financing sources	-	1,002	1,002	-
Net change in fund balances	-	1,002	(3,436)	(4,438)
<b>Fund balances</b>				
Beginning of year	-	-	(3,989)	(3,989)
Future carryforward	-	(1,002)	-	1,002
End of year	\$ -	\$ -	\$ (7,425)	\$ (7,425)

## **STATISTICAL SECTION (UNAUDITED):**

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



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

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

	<u>Pages</u>
<b><u>Financial Trends</u></b>	
These schedules contain trend information to help the reader understand how the City’s financial performance and financial position have changed over time.	102-111
<b><u>Revenue Capacity</u></b>	
These schedules contain information to help the reader assess the City’s most significant local revenue source – property taxes.	112-115
<b><u>Debt Capacity</u></b>	
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.	116-120
<b><u>Demographic and Economic Information</u></b>	
These schedules contain demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	121-123
<b><u>Operating Information</u></b>	
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.	124-127

**Schedule 1  
CITY OF SANFORD, FLORIDA**

**NET POSITION BY COMPONENT  
(accrual basis of accounting)**

**Last Ten Fiscal Years**

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

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

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 98,814,290	\$ 105,645,908	\$ 104,250,077	\$ 102,568,745	\$ 101,482,226	\$ 105,948,864
28,464,057	24,120,145	9,680,361	7,924,107	8,469,141	11,289,017
5,361,947	1,555,358	19,401,295	24,915,158	24,698,280	25,049,707
<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>	<u>\$ 142,287,588</u>
\$ 92,584,371	\$ 101,598,575	\$ 105,427,868	\$ 107,512,124	\$ 107,795,107	\$ 110,153,986
2,473,650	7,680,009	7,401,643	7,333,198	8,137,545	6,886,924
14,849,417	4,489,557	6,500,159	12,072,947	17,654,042	27,643,950
<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>	<u>\$ 144,684,860</u>
\$ 191,398,661	\$ 207,244,483	\$ 209,677,945	\$ 210,080,869	\$ 209,277,333	\$ 216,102,850
30,937,707	31,800,154	17,082,004	15,257,305	16,606,686	18,175,941
20,211,364	6,044,915	25,901,454	36,988,105	42,352,322	52,693,657
<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>	<u>\$ 286,972,448</u>

**Schedule 2**  
**CITY OF SANFORD, FLORIDA**

**CHANGES IN NET POSITION**  
*(accrual basis of accounting)*

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

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

*(Continued)*

	2008	2009	2010	2011	2012	2013
\$	6,268	\$ 7,551	\$ 5,839	\$ 6,126	\$ 5,438	\$ 4,970
	22,875	23,600	22,506	22,854	24,434	24,341
	5,748	5,384	4,968	5,004	4,544	4,872
	3,088	2,983	2,325	1,899	1,554	707
	1,354	2,345	1,116	828	844	2,741
	146	214	122	90	73	1,209
	5,779	5,835	5,311	5,188	5,420	5,224
	358	834	749	728	601	505
	45,616	48,746	42,936	42,717	42,908	44,569
	18,646	18,075	17,600	16,585	17,832	16,939
	5,329	1,904	2,022	2,574	2,704	2,481
	2,377	5,163	5,190	5,069	5,101	5,287
	-	-	-	-	-	411
	26,352	25,142	24,812	24,228	25,637	25,118
	71,968	73,888	67,748	66,945	68,545	69,687
	1,110	992	892	1,120	1,248	537
	3,312	3,344	3,175	3,318	4,390	3,572
	61	69	66	68	70	76
	119	103	247	67	13	49
	-	-	-	-	-	11
	480	721	674	647	1,031	473
	1,460	2,097	2,478	3,172	2,773	4,624
	1,100	1,591	972	1,408	1,124	1,759
	7,642	8,917	8,504	9,800	10,649	11,101
	25,156	25,947	28,113	29,097	30,226	31,671
	-	1,580	1,873	1,593	803	53
	3,393	1,171	722	1,074	1,144	4,372
	28,549	28,698	30,708	31,764	32,173	36,096
	36,191	37,615	39,212	41,564	42,822	47,197
	(37,974)	(39,829)	(34,432)	(32,917)	(32,259)	(33,468)
	2,197	3,556	5,896	7,536	6,536	10,978
	(35,777)	(36,273)	(28,536)	(25,381)	(25,723)	(22,490)

**Schedule 2**  
**CITY OF SANFORD, FLORIDA**

**CHANGES IN NET POSITION**  
*(accrual basis of accounting)*

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

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

\* Data not available

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

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$	19,325	\$ 18,644	\$ 16,387	\$ 15,502	\$ 14,956	\$ 15,523
	19,907	18,435	18,706	18,820	17,082	17,045
	1,105	996	401	254	236	106
	86	14	11	33	(3)	-
	329	421	294	169	149	757
	-	-	643	214	8	98
	<u>40,752</u>	<u>38,510</u>	<u>36,442</u>	<u>34,992</u>	<u>32,428</u>	<u>33,529</u>
	481	155	157	122	123	73
	-	-	-	-	-	-
	186	150	152	146	165	145
	-	-	(643)	(214)	(8)	(98)
	<u>667</u>	<u>305</u>	<u>(334)</u>	<u>54</u>	<u>280</u>	<u>120</u>
	<u>41,419</u>	<u>38,815</u>	<u>36,108</u>	<u>35,046</u>	<u>32,708</u>	<u>33,649</u>
	2,778	(1,319)	2,010	2,075	169	61
	2,864	3,861	5,562	7,590	6,816	11,098
\$	<u>5,642</u>	<u>\$ 2,542</u>	<u>\$ 7,572</u>	<u>\$ 9,665</u>	<u>\$ 6,985</u>	<u>\$ 11,159</u>

**Schedule 3  
CITY OF SANFORD, FLORIDA**

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

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b><u>General fund</u></b>				
Reserved	\$ 134	\$ 177	\$ 175	\$ 109
Unreserved	9,990	16,051	19,622	18,525
Total general fund	<u>\$ 10,124</u>	<u>\$ 16,228</u>	<u>\$ 19,797</u>	<u>\$ 18,634</u>
<b><u>All other governmental funds</u></b>				
Reserved	\$ 52	\$ 52	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	2,334	3,019	3,670	3,869
Debt service funds	-	-	-	-
Capital projects funds	9	131	189	585
Various	-	-	-	-
	<u>\$ 2,395</u>	<u>\$ 3,202</u>	<u>\$ 3,859</u>	<u>\$ 4,454</u>
<b><u>General fund</u></b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>All other governmental funds</u></b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

2008	2009	2010	2011	2012	2013
\$ 1,533	\$ -	\$ -	\$ -	\$ -	\$ -
10,222	-	-	-	-	-
<u>\$ 11,755</u>	<u>\$ -</u>				
\$ 33,971	\$ -	\$ -	\$ -	\$ -	\$ -
2,586	-	-	-	-	-
-	-	-	-	-	-
1,384	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 37,941</u>	<u>\$ -</u>				
\$ -	\$ 151	\$ 173	\$ 258	\$ 315	\$ 334
-	2	4	2	-	-
-	3,701	1,277	1,369	1,446	1,376
-	8,331	11,847	16,233	16,098	17,644
<u>\$ -</u>	<u>\$ 12,185</u>	<u>\$ 13,301</u>	<u>\$ 17,862</u>	<u>\$ 17,859</u>	<u>\$ 19,354</u>
\$ -	\$ -	\$ -	\$ 7	\$ 1	\$ 4
-	23,999	9,666	8,203	9,586	12,012
-	-	-	5	362	334
-	5,487	4,878	2,378	1,421	1,234
-	-	-	-	(171)	(937)
<u>\$ -</u>	<u>\$ 29,486</u>	<u>\$ 14,544</u>	<u>\$ 10,593</u>	<u>\$ 11,199</u>	<u>\$ 12,647</u>

it.

**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)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenues</b>						
Taxes	\$ 21,287	\$ 20,158	\$ 23,638	\$ 29,917	\$ 27,272	\$ 26,639
Licenses and permits	1,490	1,564	1,721	1,265	4,408	5,031
Intergovernmental revenues	7,953	12,358	6,737	7,156	11,090	9,976
Charges for services	4,979	5,537	5,835	1,960	2,229	2,277
Fines and forfeitures	362	289	428	422	400	291
Impact fees	747	386	502	648	679	376
Interest earnings	241	574	1,201	1,656	973	926
Administrative services	906	1,060	1,095	1,557	-	-
Miscellaneous revenues	866	697	1,112	944	630	853
Total revenues	<u>38,831</u>	<u>42,623</u>	<u>42,269</u>	<u>45,525</u>	<u>47,681</u>	<u>46,369</u>
<b>Expenditures</b>						
Current:						
General government	4,284	5,481	5,352	6,910	6,131	6,175
Public safety	14,247	15,268	16,327	18,782	21,224	21,335
Transportation	2,538	3,138	3,002	5,414	2,455	2,342
Physical environment	2,975	2,948	3,567	818	2,972	2,692
Economic environment	383	609	560	731	1,885	1,418
Human services	260	147	450	251	167	213
Culture and recreation	3,198	3,339	3,795	4,955	5,108	4,758
Debt Service:						
Principal	90	95	100	110	168	4,354
Interest and fiscal charges	82	77	72	65	456	834
Capital Outlay	7,056	4,301	5,241	5,861	6,114	13,029
Total expenditures	<u>35,113</u>	<u>35,403</u>	<u>38,466</u>	<u>43,897</u>	<u>46,680</u>	<u>57,150</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,718</u>	<u>7,220</u>	<u>3,803</u>	<u>1,628</u>	<u>1,001</u>	<u>(10,781)</u>
<b>Other financing sources (uses)</b>						
Capital Leases	-	-	-	-	-	-
Transfers in	172	551	172	4,658	12,603	4,519
Transfers (out)	(183)	(888)	(347)	(5,257)	(12,603)	(4,519)
Proceeds from sale of property	24	29	44	20	125	20
Issuance of debt	-	-	-	-	18,300	2,736
Issuance of refunding debt	-	-	-	-	-	-
Payment to refunded bond escrow agen	-	-	-	-	-	-
Total other financing sources (uses)	<u>13</u>	<u>(308)</u>	<u>(131)</u>	<u>(579)</u>	<u>18,425</u>	<u>2,756</u>
<b>Extraordinary item</b>						
Hurricane expenditures	(5,281)	-	-	-	-	-
Lease termination	-	-	-	(1,618)	-	-
Total extraordinary items	<u>(5,281)</u>	<u>-</u>	<u>-</u>	<u>(1,618)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,550)</u>	<u>\$ 6,912</u>	<u>\$ 3,672</u>	<u>\$ (569)</u>	<u>\$ 19,426</u>	<u>\$ (8,025)</u>
Debt service as a percentage of non-capital expenditures	<u>0.61%</u>	<u>0.55%</u>	<u>0.52%</u>	<u>0.46%</u>	<u>1.54%</u>	<u>11.76%</u>

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

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
\$ 24,339	\$ 23,242	\$ 22,490	\$ 27,706
5,249	5,829	5,693	1,679
9,380	12,076	10,011	9,655
2,357	1,963	2,290	2,208
246	158	226	267
262	423	1,022	1,008
313	204	185	100
-	-	-	-
562	377	338	957
<u>42,708</u>	<u>44,272</u>	<u>42,255</u>	<u>43,580</u>
4,839	5,280	4,873	4,651
21,806	21,564	22,455	22,825
2,162	1,961	2,065	2,270
3,842	2,149	1,757	457
1,119	825	843	2,234
109	77	61	1,196
4,357	4,093	4,305	4,221
708	822	2,003	1,211
749	728	601	519
18,079	6,523	3,272	3,118
<u>57,770</u>	<u>44,022</u>	<u>42,235</u>	<u>42,702</u>
<u>(15,062)</u>	<u>250</u>	<u>20</u>	<u>878</u>
-	-	540	656
2,846	5,315	5,068	3,536
(2,203)	(5,101)	(5,060)	(3,389)
12	145	35	96
582	-	-	-
-	-	15,050	-
-	-	(15,050)	-
<u>1,237</u>	<u>359</u>	<u>583</u>	<u>899</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ (13,825)</u>	<u>\$ 609</u>	<u>\$ 603</u>	<u>\$ 1,777</u>
<u>3.67%</u>	<u>4.13%</u>	<u>6.68%</u>	<u>4.37%</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					
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%
2013	2,896,666	370,000	3,266,666	(977,066)	2,289,600	6.825	2,310,393	99.10%

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

**Source:** Seminole County Property Appraiser

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

**Schedule 6  
CITY OF SANFORD, FLORIDA**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

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

<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>		
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
2013	6.825	5.045	7.553	0.331	19.754

\* 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**

<b>Taxpayer Name</b>	<b>Fiscal Year 2013</b>			<b>Fiscal Year 2004</b>		
	<b>Taxable Value</b>	<b>Percent of Total Taxable Value</b>	<b>Rank</b>	<b>Taxable Value</b>	<b>Percent of Total Taxable Value</b>	<b>Rank</b>
Seminole Towne Center LP	\$ 79,097,973	3.44%	1	\$ 87,542,663	5.46%	1
Florida Power & Light Co	41,388,573	1.80%	2	19,956,470	1.25%	6
Central Florida Regional Hospital	37,114,057	1.61%	3	30,543,139	1.91%	2
Wal-Mart Stores East LP	32,196,154	1.40%	4	25,218,164	1.57%	4
Lakes Edge Apartments LLC	31,009,708	1.35%	5			
CRLP Twin Lakes LLC	30,662,809	1.33%	6			
Westlake Sanford Assoc LLC	27,358,447	1.19%	7	16,242,071	1.01%	8
WRI Semionle II LLC	23,030,214	1.00%	8			
Bellsouth Telecommunication Inc	19,236,029	0.84%	9	26,132,102	1.63%	3
Sanford Airport Authority	16,209,611	0.70%	10			
Plantation Lakes				21,818,658	1.36%	5
Unicell Paper Mills Inc.				19,271,124	1.20%	7
Arbor Lakes Ltd.				15,760,887	0.98%	9
KIMCO of Merrit Island Inc.				13,688,535	0.85%	10
	<u>\$ 337,303,575</u>	<u>14.66%</u>		<u>\$ 276,173,813</u>	<u>17.22%</u>	

**Source:** Seminole County Property Appraiser - 2012 Top Ten Taxpayer for Sanford and City of Sanford FY 2004 CAFR

**Schedule 8  
CITY OF SANFORD, FLORIDA**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy (1)</b>	<b>Current Tax Collections (2)</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections (3)</b>	<b>Total Tax Collections</b>	<b>Total Collections as a Percent of Current Levy</b>
2004	\$ 9,822,331	\$ 9,415,246	95.9%	\$ 67,644	\$ 9,482,890	96.5%
2005	10,651,667	10,094,787	94.8%	170,532	10,265,319	96.4%
2006	12,542,351	12,063,863	96.2%	37,191	12,101,054	96.5%
2007	17,129,714	16,522,411	96.5%	34,973	16,557,384	96.7%
2008	20,197,247	19,272,717	95.4%	51,814	19,324,531	95.7%
2009	19,225,971	18,570,633	96.6%	72,819	18,643,452	97.0%
2010	17,010,594	16,162,695	95.0%	224,474	16,387,169	96.3%
2011	16,035,942	15,305,619	95.4%	196,872	15,502,491	96.7%
2012	15,500,000	14,864,192	95.9%	91,790	14,955,982	96.5%
2013	15,067,289	14,468,825	96.0%	27,872	14,496,697	96.2%

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

**Schedule 9  
CITY OF SANFORD, FLORIDA**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**Last Ten Fiscal Years**

Fiscal Year	Governmental-type Activities				Business-type Activities		
	Special Facilities Revenue Bonds	Public Safety Complex Revenue Bonds	CRA Bank Loan	Capital Leases	Utility System Revenue Notes	State Revolving Fund Loans	Stormwater System Revenue Bonds
2004	\$ 1,420,000	\$ -	\$ 2,100,000	\$ -	\$ 24,192,633	\$ 15,207,361	\$ 2,210,670
2005	1,325,000	-	1,935,000	-	23,381,500	14,668,181	1,910,228
2006	1,225,000	-	1,770,000	-	22,550,368	24,658,809	1,596,079
2007	1,115,000	-	1,600,000	-	21,699,236	31,505,217	1,267,539
2008	1,000,000	18,000,000	1,425,000	240,065	20,828,102	32,712,870	924,058
2009	-	17,410,000	1,240,000	211,371	19,921,968	30,854,659	564,805
2010	-	16,795,000	1,050,000	700,502	19,107,056	33,717,701	189,126
2011	-	16,155,000	855,000	518,760	18,153,995	34,110,664	-
2012	-	14,375,000	650,000	836,051	16,948,428	32,719,107	-
2013	-	13,680,000	440,000	1,185,616	15,788,466	33,513,261	-

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

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

---

<b>Total Primary Government</b>	<b>Sanford * Personal Income</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$ 45,130,664	\$ 1,627,797,506	2.8%	\$ 979
43,219,909	1,868,719,384	2.3%	878
51,800,256	2,058,915,584	2.5%	1,011
57,186,992	2,260,796,123	2.5%	1,077
75,130,095	2,397,121,146	3.1%	1,383
70,202,803	2,336,529,272	3.0%	1,304
71,559,385	2,140,111,536	3.3%	1,340
69,793,419	2,140,245,586	3.3%	1,306
65,528,586	2,207,000,608	3.0%	1,212
64,607,343	2,272,702,597	2.8%	1,199

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

Schedule 10  
CITY OF SANFORD, FLORIDA

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Proprietary Funds

Water and Sewer Revenue Bonds								
Fiscal Year	Gross Revenues (1), (5)	Water System Development Charges (7)	Operating Expenses (2)	Net Available		Debt Service Requirements (3)		Coverage
				For Debt Service	Principal	Interest		
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	
2013	22,027,671	928,700	12,416,929	10,539,442	1,415,000	681,389	5.03	

Water and Sewer State Revolving Loans

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available		Debt Service Requirements (4)		Coverage
			For Debt Service	Principal	Interest		
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	
2013	22,027,671	12,416,929	9,610,742	2,439,435	649,489	3.11	

General Government

Sales Tax Note

Fiscal Year	Half-Cent Sales Tax	Debt Service Requirements (4),		Coverage
		Principal	Interest	
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
2013	3,213,921	695,000	467,188	2.77

Special Facilities Revenue Bonds

Fiscal Year	Facilities Revenue	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
2004	\$ 62,298	\$ 90,000	\$ 79,040	NA
2005	67,929	95,000	73,860	NA
2006	54,948	100,000	71,400	NA
2007	48,551	110,000	65,710	NA
2008	67,256	115,000	59,064	NA
2009	71,347	1,000,000	51,682	NA
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-

Proprietary Funds

<b>Stormwater Revenue Bonds</b>					
Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage
			Principal	Interest	
\$ 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
-	-	-	-	-	-
-	-	-	-	-	-

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

General Government

**CRA Note**

Fiscal Year	CRA Ad Valorem Taxes	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
2004	-	-	-	-
2005	\$ 441,559	\$ 165,000	\$ 67,793	1.90
2006	751,617	165,000	67,592	3.23
2007	1,307,165	170,000	61,773	5.64
2008	1,378,763	175,000	55,840	5.97
2009	1,587,494	185,000	49,733	6.76
2010	1,342,653	190,000	43,276	5.76
2011	1,097,603	195,000	36,645	4.74
2012	1,014,246	205,000	29,840	4.32
2013	1,025,900	210,000	22,685	4.41

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

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

**Source:** City of Sanford Finance Department.

**Schedule 11  
CITY OF SANFORD, FLORIDA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
September 30, 2013**

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Sanford</u>	<u>Amount Applicable to City of Sanford</u>
Governmental unit			
General obligation debt			
Seminole County Government	\$ 4,340,000.00	10.4%	\$ 451,547.88
Seminole County School Board	-	10.4%	-
Other debt			
Seminole County Government			
Revenue bonds	87,330,000	10.4%	9,086,101
Capital leases	1,335,156	10.4%	138,914
Seminole County School Board			
State education bonds	13,290,000	10.4%	1,384,542
Certificates of participation	194,280,564	10.4%	<u>20,240,007</u>
Subtotal, overlapping debt			31,301,112
City direct debt			<u>15,305,616</u>
Total direct and overlapping debt			<u>\$ 46,606,728</u>

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

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

**Sources** Seminole County Finance Department - the information provided based on the 09/30/12 CAFR. FY 2013 information was not available prior to CAFR publication.

**Schedule 12  
CITY OF SANFORD, FLORIDA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Per Capita Personal Income (2)</b>	<b>Personal Income (2)</b>	<b>Public School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2004	46,078	\$ 35,327	\$ 1,627,797,506	13,326	4.4%
2005	49,252	37,942	1,868,719,384	14,060	3.5%
2006	51,227	40,192	2,058,915,584	13,693	2.9%
2007	53,099	42,577	2,260,796,123	12,966	3.2%
2008	54,306	44,141	2,397,121,146	11,080	4.9%
2009	53,816	43,417	2,336,529,272	12,969	8.8%
2010	53,392	40,083	2,140,111,536	13,139	10.6%
2011	53,422	40,063	2,140,245,586	13,597	9.9%
2012	54,064	40,822	2,207,000,608	13,164	8.2%
2013	53,867	42,191	2,272,702,597	13,605	6.6%

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

**Schedule 13  
CITY OF SANFORD, FLORIDA**

**PRINCIPAL EMPLOYERS**

**Current Year and Nine Years Ago**

<u>Employer</u>	<u>Fiscal Year 2012 / 2013</u>		<u>Fiscal Year 2003 / 2004</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Seminole State College	1,850	1	*	*
Seminole County Public Schools**	1,643	2	*	*
Seminole County Sheriff	1,314	3	*	*
Seminole County Government	1,263	4	*	*
Central Florida Regional Hospital	962	5	*	*
Wal-Mart Stores	690	6	*	*
Orlando Sanford International Airport***	526	7	*	*
City of Sanford	508	8	*	*
Davis Maus Toyota	273	9	*	*
Benada Aluminum Products	193	10	*	*
Total	<u>9,222</u>		<u>*</u>	

\* Data not available

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

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

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

**Schedule 14  
CITY OF SANFORD, FLORIDA**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010 *</u>	<u>2011 *</u>	<u>2012</u>	<u>2013</u>
<b>General Government:</b>										
City Manager	3.00	3.00	6.00	8.50	9.00	7.00	12.00	11.68	7.33	9.33
Code Enforcement	5.00	5.00	9.00	8.00	6.00	8.00	10.00	10.24	12.24	9.24
City Clerk	2.00	2.00	3.00	3.50	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	2.00	2.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Civil Service	-	-	-	-	-	-	-	-	-	-
Finance/IT	16.00	16.00	17.00	16.00	14.00	20.00	20.00	13.73	16.23	16.23
Planning/Development	15.00	15.00	22.00	22.50	13.00	11.00	11.00	8.50	8.00	8.00
<b>Public Safety:</b>										
Police	140.00	140.00	147.00	155.00	153.00	145.00	153.00	143.00	143.00	150.00
Fire	67.50	67.50	69.00	78.20	94.00	90.00	90.20	89.20	89.50	89.50
<b>Public Works</b>	52.00	52.00	86.00	95.00	90.00	86.00	93.20	88.05	88.05	83.05
<b>Utilities</b>	91.00	91.00	97.00	102.00	100.00	99.00	100.50	101.00	101.00	102.50
<b>Recreation</b>	42.00	42.00	31.10	34.10	18.00	18.00	34.60	32.80	33.80	32.80
<b>Total</b>	<u>435.50</u>	<u>435.50</u>	<u>491.10</u>	<u>527.80</u>	<u>505.00</u>	<u>491.00</u>	<u>531.50</u>	<u>505.20</u>	<u>506.15</u>	<u>507.65</u>

**Source:** City of Sanford Budgets 2001-2008, 2010-2013  
City of Sanford Financial Services Department

**Schedule 15  
CITY OF SANFORD, FLORIDA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>Building Inspections</u></b>					
All permits issued**	5,842	6,853	5,490	4,185	3,383
Building permits issued**	2,474	3,277	2,395	2,087	1,696
Inspections completed**	*	26,466	21,597	12,297	10,293
Re-inspections completed**	*	*	*	*	1,270
<b><u>Law Enforcement</u></b>					
Physical arrests	*	*	3,285	6,751	3,258
DUI arrests	333	193	167	234	127
Traffic violations	*	8,127	7,808	7,387	6,419
Traffic crashes	1,894	1,862	1,686	1,837	1,595
Total calls received by agency	*	*	111,089	121,411	100,235
Dispatched calls requiring police service (based on calendar year figures)	79,322	89,083	96,198	95,598	89,339
<b><u>Fire</u></b>					
Emergency responses	8,681	8,813	8,690	8,952	8,929
Number of actual fires suppressed	214	180	268	234	241
Number of commercial building inspections	*	1,420	1,153	1,630	1,022
Number of school inspections	*	*	17	17	17
Number of investigations	*	34	42	37	47
<b><u>Planning &amp; Engineering</u></b>					
Paved streets (miles)	157.33	163.13	156.12	156.12	156.12
Unpaved streets (miles)	*	*	2.10	2.10	2.10
<b><u>Public Works</u></b>					
Street resurfacing (miles)	*	*	1.85	2.85	3.95
Other street repairs (# of potholes, etc.)	87	101	115	133	162

\* Data not available

\*\* Data corrected for previous years.

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

**Source:** Various City Departments

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
3,004	2,564	3,026	3,225	3,383
1,687	1,291	1,408	1,433	1,450
9,035	8,011	8,972	10,396	12,013
1,301	931	1,087	997	1,454
3,516	3,040	2,422	2,394	2,670
102	107	63	94	43
5,306	4,428	5,123	6,922	4,560
1,352	1,261	1,346	1,581	1,564
127,471	72,482	121,149 **	119,018	108,935
96,712	85,281	90,388 **	84,691	85,270
8,632	8,480	8,794	8,977	9,311
265	58	63	56	37
2,178	1,363	2,220	2,100	2,403
19	14	24	24	15
31	23	29	33	31
156.35	156.61	160.64 **	160.64	160.64
2.10	2.10	0.38 **	0.38	0.38
				-
3.25	4.30	4.36	3.53	3.16
150	119	206	231	236

**Schedule 16  
CITY OF SANFORD, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b><u>Transportation</u></b>					
Miles of streets	157.33**	163.13**	158.22	158.22	158.22
<b><u>Public Safety</u></b>					
Number of Fire Stations	3	3	3	3	3
Number of Firefighters and Officers	69.5	72	73	78	80
Number of Police Stations*	5	5	4	4	4
Number of Sworn Officers	116	114	126	125	137
<b><u>Municipal Water System</u></b>					
Number of Customers	13,867	16,256	16,861	17,684	16,781
Average Daily Consumption	6.6 MGD	6.6 MGD	7.31 MGD	7.498 MGD	7.180 MGD
Plant Capacity - All Plants	17.5 MGD	17.5 MGD	17.5 MGD	14.688 MGD	14.688 MGD
Deep Wells	20	20	20	19	19
Number of Fire Hydrants	1,008	1,008	1,200	1,207	1,207
<b><u>Municipal Sewer System</u></b>					
Number of Customers	12,461	14,856	12,850	13,882	14,093
Treatment Facility Capacity	7.3 MGD	7.3 MGD	7.3 MGD	9.3 MGD	9.3 MGD
Annual Average Flow	6.5 MGD	7.6 MGD	5.7 MGD	6.12 MGD	7.57 MGD
<b><u>Municipal Stormwater System</u></b>					
Number of Customers	12,482	12,482	13,530	13,688	13,842
<b><u>Building Permits Issued**</u></b>					
	2,474	3,277	2,395	2,087	1,696
<b><u>Recreation &amp; Culture</u></b>					
Number of Regional Parks	1	1	1	1	1
Number of Neighborhood Parks	36	37	37	37	38
Park Area - #of acres	342	348	348	348	350
Number of Museums	1	1	1	1	1
Number of Books	3,556	3,621	3,621	3,630	3,630

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

\*\* Data corrected for previous years.

**Source:** Various City Departments

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
158.45	158.71	161.02**	161.02**	161.02
3	3	3	3	3
76	75	77	79	75
4	3	2	1	1
125	125	123	124	130
15,443	15,625	15,127	15,207	15,532
7.31 MGD	6.971 MGD	6.513 MGD	6.154 MGD	5.798 MGD
14.688 MGD				
19	19	19	19	18
1,271	1,352	1,281	1,281	1,393
12,843	12,574	14,114	14,182	14,453
9.3 MGD				
6.438 MGD	6.334 MGD	6.05 MGD	6.396 MGD	6.691 MGD
13,260	12,982	13,861	13,909	14,176
1,687	1,291	1,408	1,433	1,450
1	1	1	1	1
36	36	36	36	36
350	350	350	350	350
1	1	1	1	1
3,630	3,630	3,630	3,630	3,630



## **COMPLIANCE SECTION:**

This section contains the following subsections:

- INDEPENDENT AUDITORS' REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
- INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED OMB CIRCULAR A-133
- SCHEDULE OF FINDINGS AND QUESTIONED COSTS
- SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
- NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
- INDEPENDENT AUDITOR'S MANAGEMENT LETTER



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 12, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

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

We noted certain matters that we reported to management of the City in a separate letter dated March 12, 2014.

### **Purpose of this Report**

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



**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 12, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of the City of Sanford, Florida (the "City"), with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013. 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.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the City's compliance based on our audit. The City's basic financial statements include the operations of the Sanford Airport Authority (the "Airport"), a discretely presented component unit of the City, which expended \$16,834,344 in federal awards during the year ended September 30, 2013. These expenditures are not included in the City's schedule of expenditures of federal awards. Our audit, described below, did not include the operations of the Airport because the Airport's 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 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 identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

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

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 12, 2014, which contained unmodified opinions on those financial statements. Our report on the basic financial statements also contained references to the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



**MOORE STEPHENS LOVELACE, P.A.**  
Certified Public Accountants

Orlando, Florida  
March 12, 2014

**CITY OF SANFORD, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For The Year Ended September 30, 2013**

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

Type of Auditor's Report Issued:

**Unmodified Opinion**

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

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

Type of report issued on compliance for major federal programs:

**Unmodified Opinion**

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

**Identification of Major Federal Programs:**

<b><u>CFDA Number</u></b>	<b><u>Name of Federal Program</u></b>
14.218	Community Development Block Grants/Entitlement Grants
16.710	COPS Hiring Recovery Program
16.710 ARRA	COPS Hiring Recovery Program
93.568	Low-Income Home Energy Assistance

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

Auditee qualified as low-risk auditee?                     Yes                     No

**CITY OF SANFORD, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***

**For The Year Ended September 30, 2013**

**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, 2013**

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number / Pass Through Grantor's Number	Reimbursable Expenditures
<b>U.S. Department of Agriculture</b>			
Passed through Florida Department of Education Summer Food Service Program	10.559	04-0720	\$ 5,279
Passed through Florida Department of Agriculture and Consumer Services Cooperative Forestry Assistance	10.664	17978	8,000
Cooperative Forestry Assistance	10.664	19038	10,000
Total Department of Agriculture			<u>23,279</u>
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Block Grant	14.218	B-10-MC-12-0057	266,541
Community Development Block Grant	14.218	B-11-MC-12-0057	106,458
Community Development Block Grant	14.218	B-12-MC-12-0057	180,492
Neighborhood Stabilization Program	14.218	B-11-MN-12-0035	651,463
Total Department of Housing and Urban Development			<u>1,204,954</u>
<b>U.S. Department of the Interior</b>			
Passed through Florida Division of Historical Resources Historic Preservation Grant	15.904	F1207	15,175
Passed through Florida Department of Environmental Protection Land and Water Conservation Fund Grants	15.916	12-00596	60,214
Save America's Treasures	15.929	12-10-AP-5036	970
Total Department of the Interior			<u>76,359</u>
<b>U.S. Department of Justice</b>			
DEA Officer Reimbursement	16.580	DEA Orlando	17,202
Bulletproof Vest Grant - FY 2012	16.607	2012BUBX12060982	10,741
ARRA - COPS Hiring Recovery Program	16.710	2009RKWX0251	407,536
COPS Hiring Recovery Program	16.710	2011UMWX0044	127,389
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0736	24,511
Passed through Florida Department of Law Enforcement BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-JAGC-SEMI-7-D7-132	15,458
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-JAGC-SEMI-7-D7-137	13,869
ARRA - Recovery Act Edward Byrne Memorial JAG	16.804	2009-SB-B9-0716	23,317
Total Department of Justice			<u>640,024</u>
<b>U.S. Department of Labor</b>			
Youthbuild Program	17.274	YB-19111-09-60-A-12	7,425
Total Department of Labor			<u>7,425</u>
<b>U.S. Department of Transportation</b>			
Passed through Florida Department of Transportation Highway Planning & Construction	20.205	AQX68	118,937
Total Department of Transportation			<u>118,937</u>
<b>U.S. Environmental Protection Agency</b>			
Passed through Florida Department of Environmental Protection State Revolving Fund Loan	66.468	DW590120	3,965,499
Total Environmental Protection Agency			<u>3,965,499</u>
<b>U.S. Department of Energy</b>			
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-SC0003175	13,471
Total Department of Energy			<u>13,471</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through Florida Department of Community Affairs LIHEAP Low Income Home Energy Assistance Program	93.568	12EA-0F-06-69-02-028	586,372
LIHEAP Low Income Home Energy Assistance Program	93.568	13EA-0F-06-69-02-028	574,095
Total Department of Health and Human Services			<u>1,160,467</u>
<b>U.S. Department of Homeland Security</b>			
Passed through Florida Department of Financial Services Homeland Security Grant Program	97.067	11-DS-9Z-13-00-16-436	4,276
Total Department of Homeland Security			<u>4,276</u>
<b>Total Expenditure of Federal Awards</b>			<u><u>\$ 7,214,691</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, 2013**

**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**

For State Revolving Fund loans listed on the Schedule of Expenditures of Federal Awards, the City had the following loan balances outstanding at September 30, 2013:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Outstanding</u>
State Revolving Fund	66.468	DW590120	\$3,808,887

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

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

We have audited the basic financial statements of the City of Sanford, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 12, 2014.

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 also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 12, 2014, 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 finding and recommendation made in the preceding annual financial 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, accounting procedures, and internal controls. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., 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)6.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)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.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 12, 2014