



CITY OF  
**SANFORD**  
FLORIDA

City of Sanford, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2019



**CITY OF SANFORD, FLORIDA**

**Comprehensive Annual Financial Report**

**For the fiscal year ended**

**September 30, 2019**

**(With Independent Auditors' Report Thereon)**

Prepared by:  
Department of Finance



CITY OF  
**SANFORD**  
FLORIDA

**CITY OF SANFORD, FLORIDA**  
**Comprehensive Annual Financial Report**  
**Year Ended September 30, 2019**

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## **INTRODUCTORY SECTION:**

This section contains the following subsections:

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





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March 31, 2020

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, 2019. 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 MSL, 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, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

## **Profile of the City**

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

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

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

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

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

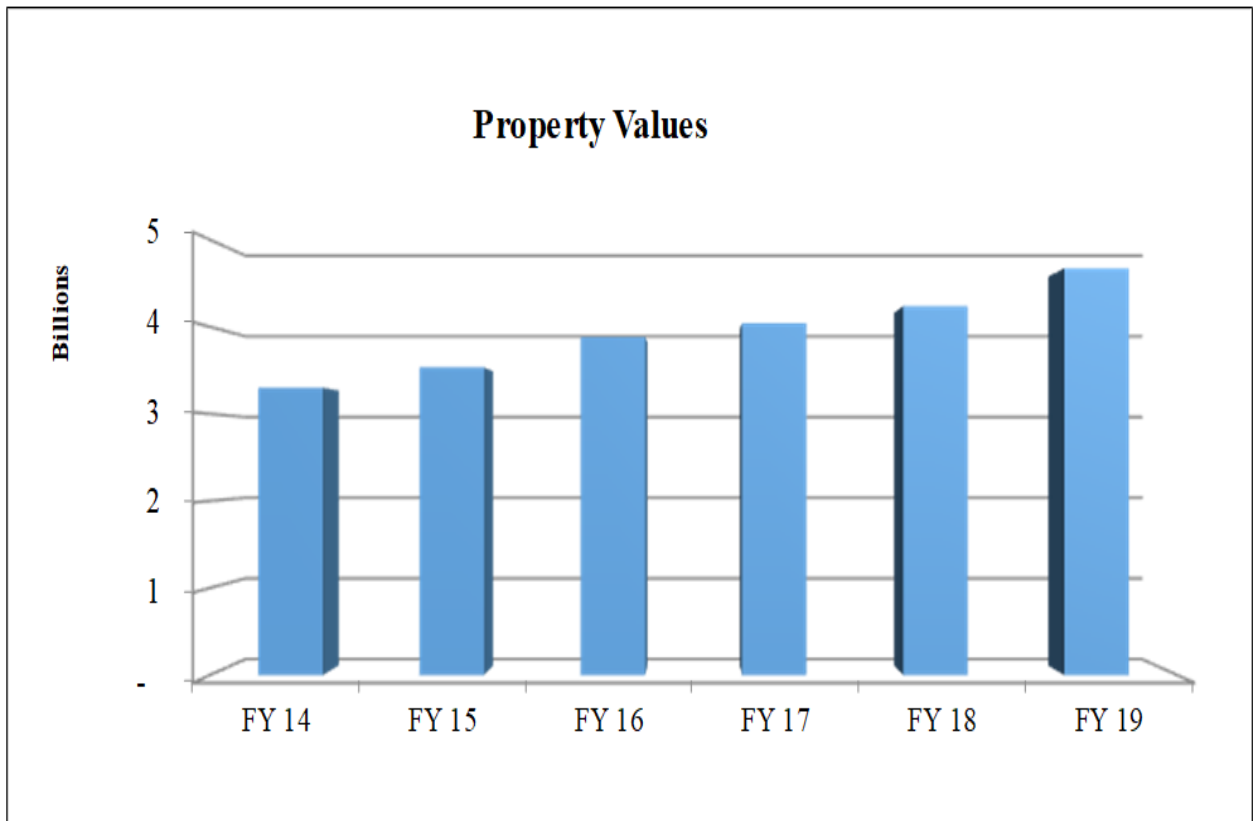
component units of the City.

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

### Factors Affecting Financial Condition

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

**Local Economy.** According to the U.S. Bureau of Labor Statistics, unemployment in Seminole County averaged 3.1% during the fiscal year ended September 30, 2019, which is an improvement over the same average rate of 3.2% in the prior year.



From FY 2014 to FY 2019, the City's property values increased from \$3.30 billion to \$4.67 billion, a gain of \$1.371 billion (42%) in property values. The City's economy is improving and property values have stopped decreasing and are turning around. The City's next fiscal year budget (2020) is based on preliminary values of \$5.15 billion, which is a 10.3% increase from the fiscal year ended September 30, 2019.

Major ad valorem taxpayers in the City include the Seminole Towne Center Regional Mall and Florida Power & Light Co. The City's population is currently estimated to be 60,2433, 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. Several projects are anticipated, many via non-operating funding sources; additionally, several additional projects are in the planning or construction phase:

- Riverwalk Phase III
- Redevelopment of Downtown (Catalyst Site)
- Alleyway Improvements
- Disc Filtration System & Distribution Loop Pressurization System
- Sludge holding tank
- North Water Reclamation Facility Improvements
- 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 fourteen (14%) 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, 2018. This was the 30<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. We would also like to express our appreciation to our auditing firm, MSL, 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, 2019**

**MAYOR**

**Jeff Triplett**

**COMMISSIONERS**

**Art Woodruff**

**Kerry Wiggins, Sr.**

**Patrick Austin**

**Patty Mahany**

**STAFF**

**Norton N. Bonaparte, Jr., City Manager**

**Thomas J. George, Deputy City Manager**

**Cynthia Lindsay, Director of Finance**

**Traci Houchin, City Clerk**

**Darrel Presley, Director of Development Services**

**Bob Turk, Director of Economic Development**

**Fred Fosson, Director of Human Resources**

**Lisa Jones, Director of Parks and Recreation**

**Bilal Iftikhar, Director of Public Works and 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, 2018**

*Christopher P. Morill*

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





Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the City) as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

***Other Matters***

*Required Supplementary Information*

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

*Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2020 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.

***MSL, P.A.***

Certified Public Accountants

Orlando, Florida  
March 31, 2020

## 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, 2019. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$357,415,517 (net position). Of this amount, \$68,975,568 (19.30%) 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 \$26,654,815 (or (8.06)%). The City's net position in governmental activities increased by \$13,198,918 while the net position in business-type activities increased by \$13,455,897. The increase is primarily attributable to an accumulation of resources for future purchases of capital assets and debt payments related to capital assets and an increase in the ad valorem tax rate.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$55,052,994, an increase of \$1,339,355 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 \$25,905,371, or approximately 58.10% of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$1,924,471 during the current fiscal year. The increase is attributable to the an increase in pension liabilities, and a slight increase in compensated absences and then offset by a decrease in outstanding notes, OPEB costs, claims, loans, and leases.

### 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, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported for

some items that will only result in cash flows in future fiscal periods (e.g. uncollected franchise fees or earned but unused paid time off, etc.).

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

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

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

### **Fund financial statements**

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

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

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

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

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



presented as required supplementary information. The basic governmental fund financial statements can be found on pages 20-23 of this report.

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

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

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

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

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

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City's progress in its obligation to provide pension and other postemployment benefits to its employees. Required Supplementary Information can be found on pages 80-90 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

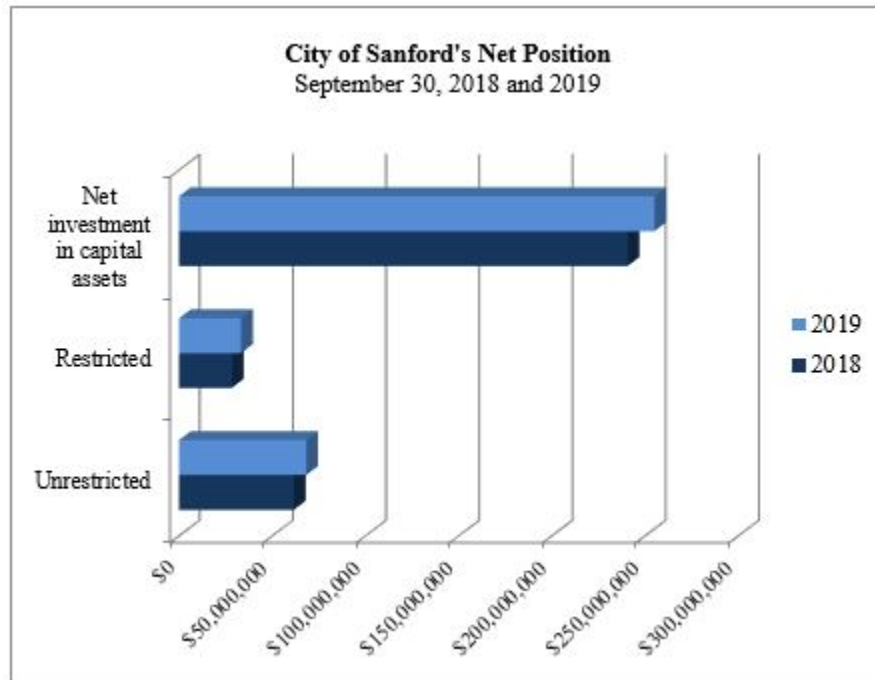
As noted earlier, net position over time may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$357,415,517, at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, \$255,116,270 (71.4%), 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, \$33,323,679 represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. The remaining balance \$68,975,568 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, 2018 and 2019

|                                   | Governmental Activities |                       | Business-type Activities |                       | Total                 |                       |
|-----------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                                   | 2018                    | 2019                  | 2018                     | 2019                  | 2018                  | 2019                  |
| Current and other assets          | \$ 77,995,044           | \$ 75,314,675         | \$ 72,655,146            | \$ 81,209,776         | \$ 150,650,190        | \$ 156,524,451        |
| Capital assets                    | 125,249,682             | 134,216,438           | 189,310,017              | 191,078,488           | 314,559,699           | 325,294,926           |
| Total assets                      | <u>203,244,726</u>      | <u>209,531,113</u>    | <u>261,965,163</u>       | <u>272,288,264</u>    | <u>465,209,889</u>    | <u>481,819,377</u>    |
| Deferred outflows of resources    | <u>11,243,036</u>       | <u>16,471,471</u>     | <u>2,928,466</u>         | <u>3,750,660</u>      | <u>7,893,797</u>      | <u>14,171,502</u>     |
| Current and other liabilities     | 10,792,047              | 5,848,169             | 6,551,887                | 6,009,592             | 17,343,934            | 11,857,761            |
| Long-term liabilities outstanding | 44,402,617              | 48,656,266            | 75,431,884               | 73,102,706            | 119,834,501           | 121,758,972           |
| Total liabilities                 | <u>55,194,664</u>       | <u>54,504,435</u>     | <u>81,983,771</u>        | <u>79,112,298</u>     | <u>137,178,435</u>    | <u>133,616,733</u>    |
| Deferred inflows of resources     | <u>9,500,034</u>        | <u>8,506,169</u>      | <u>1,942,218</u>         | <u>2,503,089</u>      | <u>6,909,369</u>      | <u>11,442,252</u>     |
| Net position:                     |                         |                       |                          |                       |                       |                       |
| Net investment in capital assets  | 115,080,348             | 124,702,281           | 125,624,478              | 130,413,989           | 240,704,826           | 255,116,270           |
| Restricted                        | 17,692,591              | 20,690,716            | 10,757,914               | 12,632,963            | 28,450,505            | 33,323,679            |
| Unrestricted                      | 17,020,123              | 17,598,983            | 44,585,248               | 51,376,585            | 61,605,371            | 68,975,568            |
| Total net position                | <u>\$ 149,793,062</u>   | <u>\$ 162,991,980</u> | <u>\$ 180,967,640</u>    | <u>\$ 194,423,537</u> | <u>\$ 330,760,702</u> | <u>\$ 357,415,517</u> |

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.

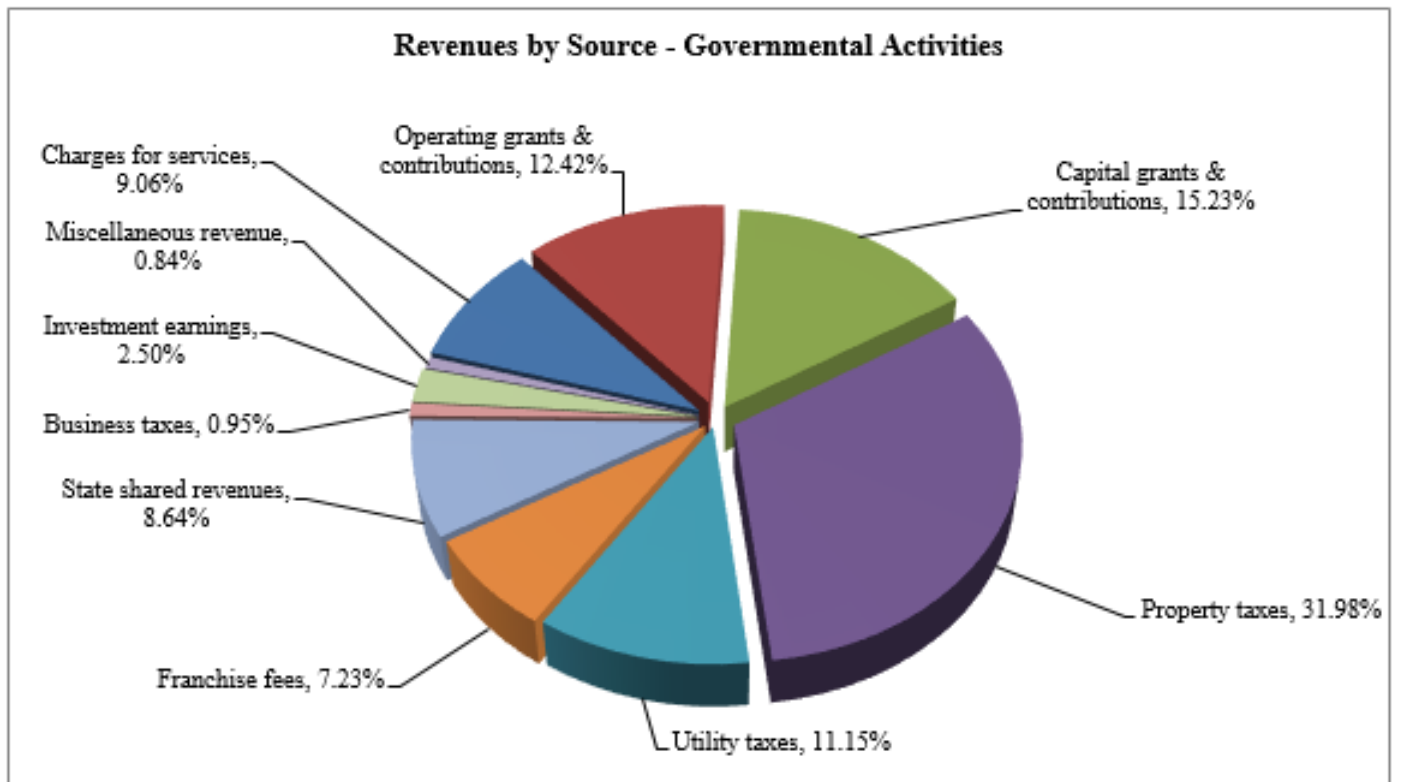
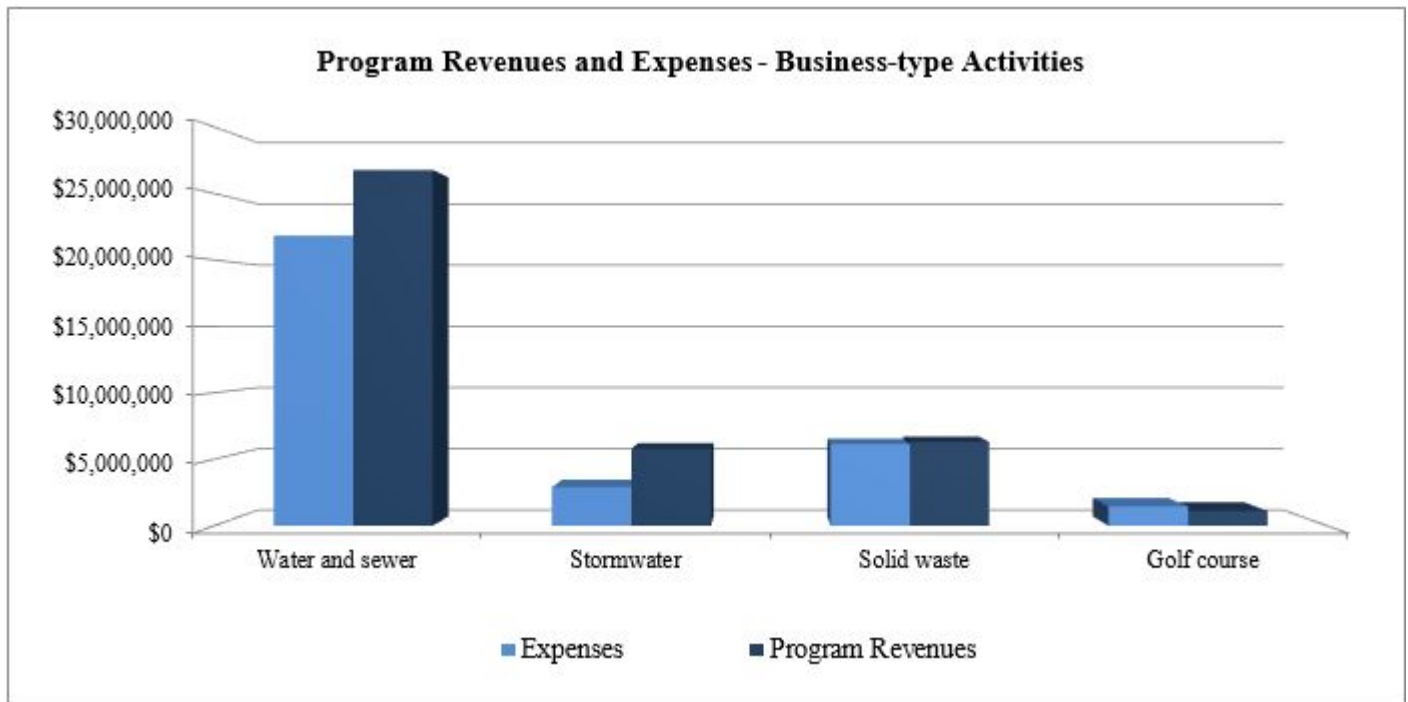


The City's overall net position increased by \$26,654,815 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities. The following is a summary of activities for the City during the most recent and prior fiscal year:

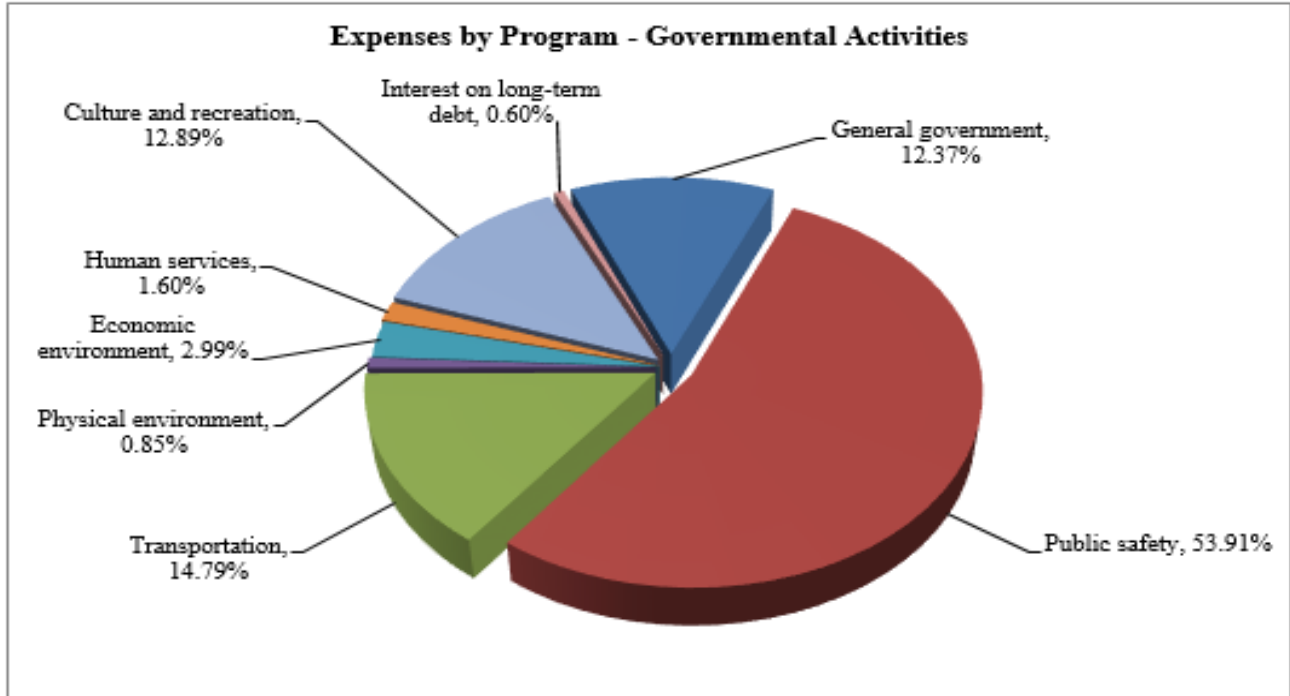
**City of Sanford's Change in Net Position**  
For the years ended September 30, 2018 and 2019

|   | Governmental Activities |                | Business-type Activities |                | Total          |                |
|---|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
|   | 2018                    | 2019           | 2018                     | 2019           | 2018           | 2019           |
| Revenues:                               |                         |                |                          |                |                |                |
| Program revenues:                       |                         |                |                          |                |                |                |
| Charges for services                    | \$ 7,404,870            | \$ 6,418,707   | \$ 36,271,552            | \$ 39,347,604  | \$ 43,676,422  | \$ 45,766,311  |
| Operating grants & contributions        | 13,167,090              | 8,791,448      | 422,947                  | 130,707        | 13,590,037     | 8,922,155      |
| Capital grants & contributions          | 12,574,834              | 10,446,844     | 3,419,016                | 490,290        | 15,993,850     | 10,937,134     |
| General revenues:                       |                         |                |                          |                |                |                |
| Property taxes                          | 20,990,836              | 22,632,027     | -                        | -              | 20,990,836     | 22,632,027     |
| Utility taxes                           | 7,821,946               | 7,891,772      | -                        | -              | 7,821,946      | 7,891,772      |
| Franchise fees                          | 4,981,823               | 5,116,536      | -                        | -              | 4,981,823      | 5,116,536      |
| State shared revenues                   | 6,299,417               | 6,114,727      | 13,480                   | 14,866         | 6,312,897      | 6,129,593      |
| Other                                   | 4,780,773               | 3,035,980      | 653,109                  | 4,492,508      | 5,433,882      | 7,528,488      |
| Total revenues                          | 78,021,589              | 70,448,041     | 40,780,104               | 44,475,975     | 118,801,693    | 114,924,016    |
| Expenses:                               |                         |                |                          |                |                |                |
| General government                      | 7,610,972               | 6,945,001      | -                        | -              | 7,610,972      | 6,945,001      |
| Public safety                           | 27,719,018              | 30,265,192     | -                        | -              | 27,719,018     | 30,265,192     |
| Transportation                          | 8,033,662               | 8,302,818      | -                        | -              | 8,033,662      | 8,302,818      |
| Physical environment                    | 393,452                 | 477,597        | -                        | -              | 393,452        | 477,597        |
| Economic environment                    | 2,499,809               | 1,677,377      | -                        | -              | 2,499,809      | 1,677,377      |
| Human services                          | 901,557                 | 899,399        | -                        | -              | 901,557        | 899,399        |
| Culture and recreation                  | 6,363,218               | 7,236,326      | -                        | -              | 6,363,218      | 7,236,326      |
| Interest on long-term debt              | 365,309                 | 334,802        | -                        | -              | 365,309        | 334,802        |
| Water and sewer                         | -                       | -              | 20,869,153               | 21,655,552     | 20,869,153     | 21,655,552     |
| Stormwater                              | -                       | -              | 2,604,853                | 2,887,108      | 2,604,853      | 2,887,108      |
| Solid waste                             | -                       | -              | 5,998,007                | 6,132,227      | 5,998,007      | 6,132,227      |
| Golf course                             | -                       | -              | 1,320,386                | 1,455,802      | 1,320,386      | 1,455,802      |
| Total Expenses                          | 53,886,997              | 56,138,512     | 30,792,399               | 32,130,689     | 84,679,396     | 88,269,201     |
| Change in net position before transfers | 24,134,592              | 14,309,529     | 9,987,705                | 12,345,286     | 34,122,297     | 26,654,815     |
| Transfers                               | (208,000)               | (1,110,611)    | 208,000                  | 1,110,611      | -              | -              |
| Change in net position                  | 23,926,592              | 13,198,918     | 10,195,705               | 13,455,897     | 34,122,297     | 26,654,815     |
| Net position, beginning of year         | 125,866,470             | 149,793,062    | 170,771,935              | 180,967,640    | 296,638,405    | 330,760,702    |
| Net position, end                       | \$ 149,793,062          | \$ 162,991,980 | \$ 180,967,640           | \$ 194,423,537 | \$ 330,760,702 | \$ 357,415,517 |

**Governmental activities.** During the current fiscal year, net position for governmental activities increased \$13,198,918 from the prior fiscal year for an ending balance of \$162,991,980. The increase is due to donated assets totaling \$545,770, and increased revenues offset by increased expenses.

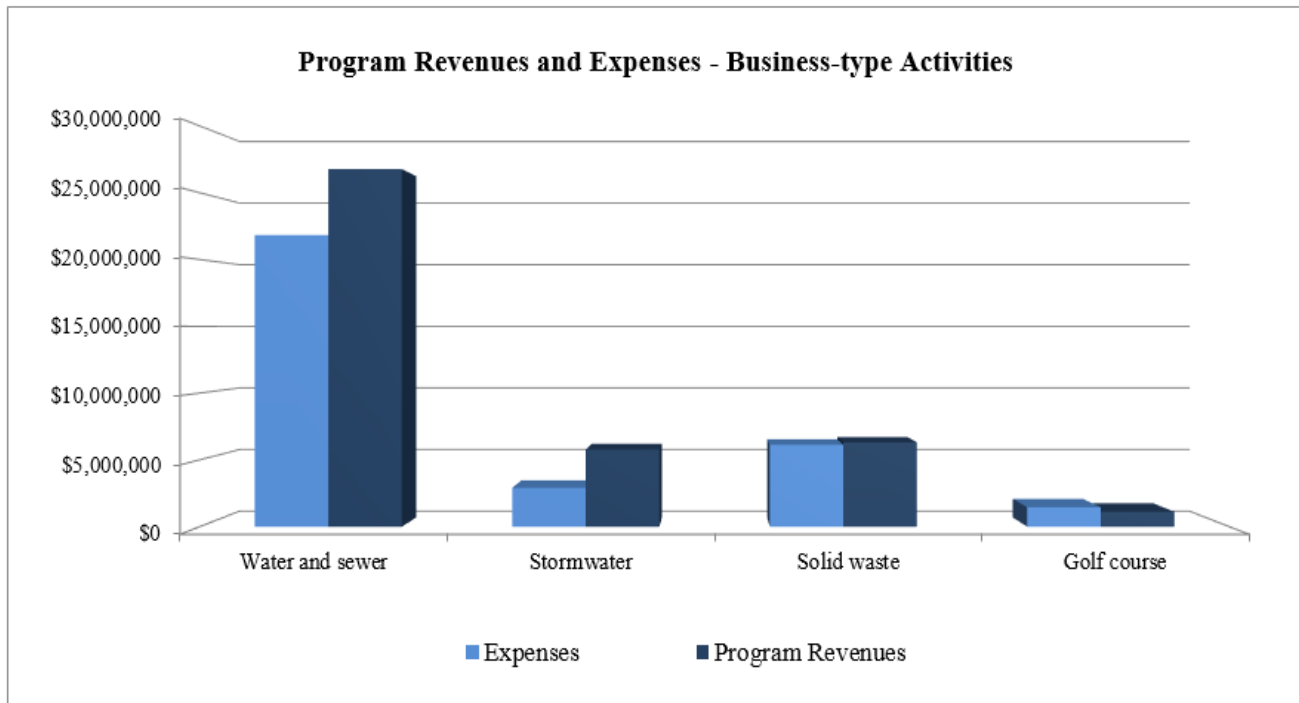


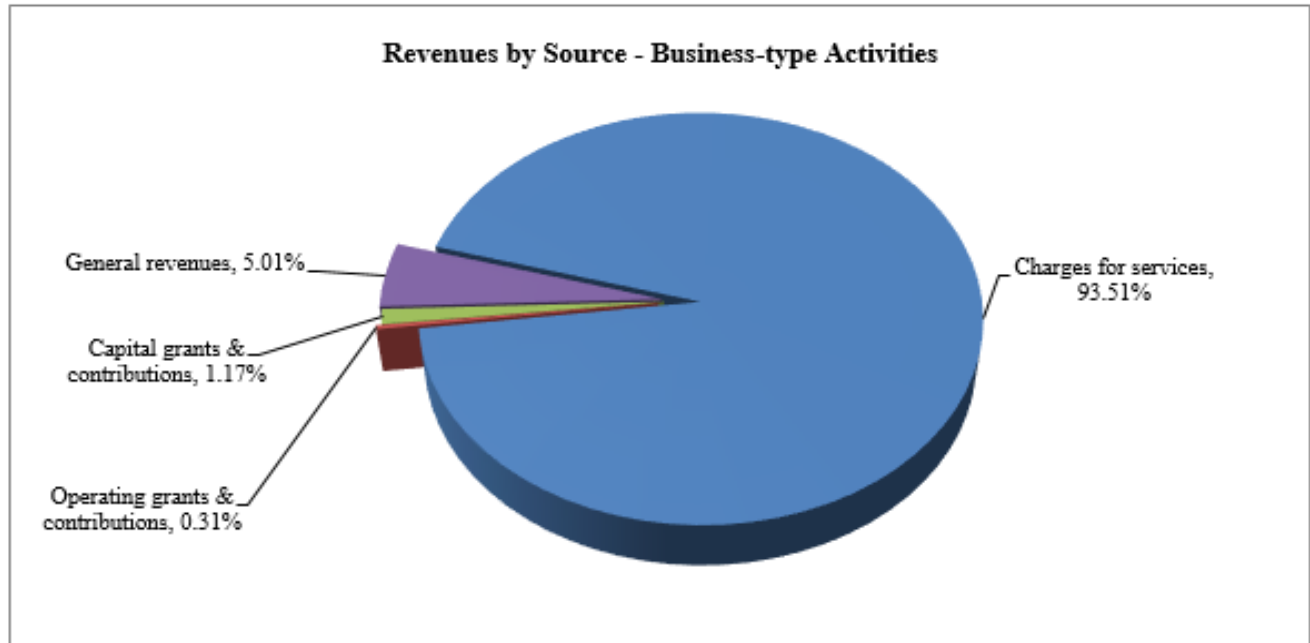
Property taxes, which comprised 32.1% of the City’s governmental activity revenues, increased by \$1,641,191; this increase was primarily due to the increase in taxable value of property in the City.



Overall, the City's expenses increased this year. Total expenses were \$56,138,512, compared to \$53,886,997 the prior fiscal year; an increase of \$2,251,515 or 4.18%. Public safety expenses of \$30,265,192 comprised 53.91% of the total governmental activities expenses.

**Business-type activities.** Business-type activities increased the City's net position by \$13,455,897, thereby accounting for 50% of the total growth in the City's net position. This increase primarily is attributable to a planned accumulation of resources for future purchases of capital assets and debt payments related to capital assets.





Charges for services of \$39,347,604 increased over the prior-year total of \$36,271,552 by \$3,076,052, or approximately 8.48%. This was due to decrease in golf course play and metered water sales from the replacement of water meters.

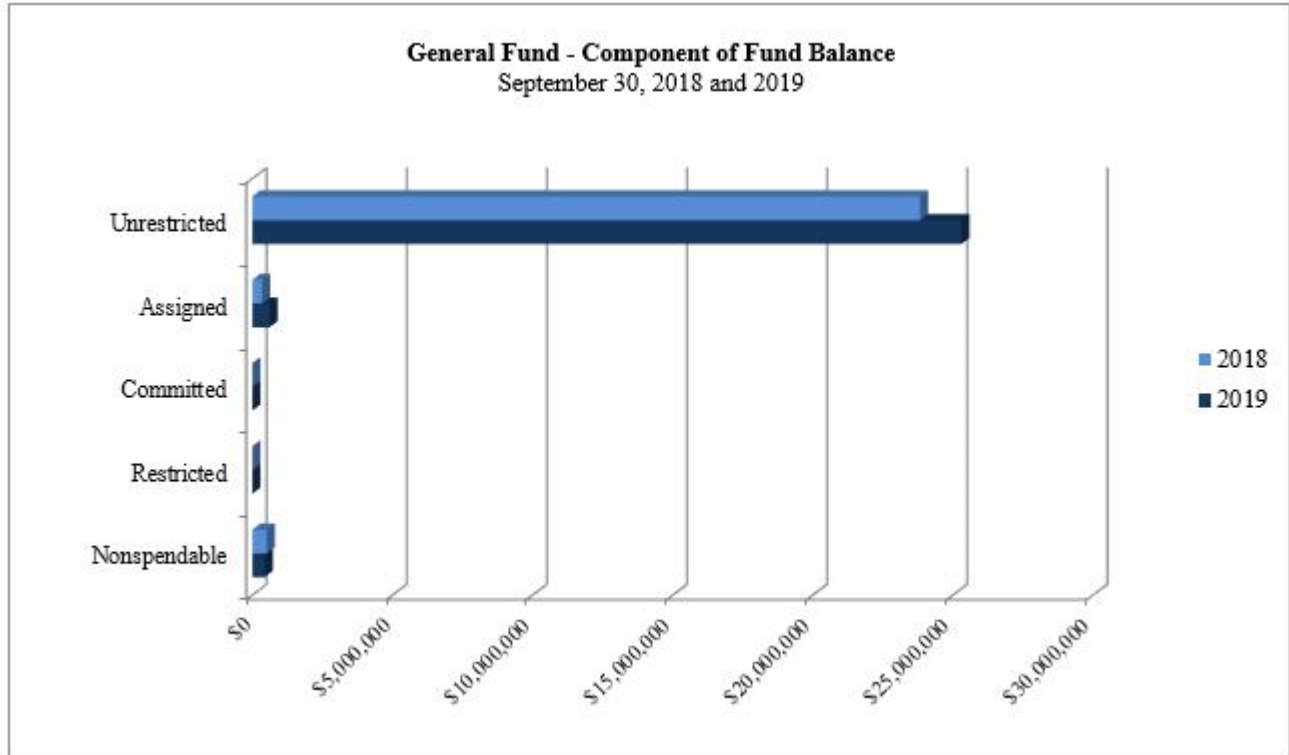
## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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 \$55,052,994, an increase of \$1,339,355 in comparison with the prior year. Approximately 38.18% of this total amount, \$21,020,634, 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 (\$616,864), 2) restricted for particular purposes (\$20,690,716), 3) committed for particular purposes (\$1,578,614), or 4) assigned for particular purposes (\$11,146,166).

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 \$25,291,475, while the total fund balance was \$26,345,888. 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 64.80% of total General Fund expenditures, while total fund balance represents 67.51% of that same amount.



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 total fund balance was \$317,416. The fund balance of the Sanford CRA decreased by \$(145,065) during the current fiscal year. The decrease is attributed to funds used toward the Catalyst Site street projects. The funds of the Sanford CRA are legally restricted for use in the downtown and Lake Monroe redevelopment areas.

Major governmental funds consist of the Capital Replacement Fund and this fund has a total fund balance of \$(4,224,731) at the end of the current fiscal year. The fund balance decreased by \$(6,001,845) during the current fiscal year. The decrease is attributed to expenditures for Riverwalk Phase III. The funds of the Capital Replacement Fund are restricted for city capital needs.

Nonmajor governmental funds consisting of Special Revenue Funds, Debt Service Funds and Capital Project Funds have a combined total fund balance of \$32,614,421 at the end of the current fiscal year. The net increase during the current year in nonmajor governmental funds was \$5,816,368 due to an increase in revenues.

**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 \$31,853,536 in the Water and Sewer Fund, \$19,357,337 in the Stormwater Fund, \$(126,329) in the Solid Waste Fund, and \$218,056 in the Golf Course Fund. The total growth of net position for the Water and Sewer Fund and the Stormwater Fund was \$8,549,507 and \$3,423,993 respectively. The increase in the water and sewer fund is attributable to capital contributions and grants and an increase in rate revenues, the increase in the stormwater fund is attributable to an increase in rate revenues. The Solid Waste Fund had a increase in net position of \$163,580 which due to a decrease in operational expenditures. The Golf Course Fund had an increase in net position of \$756,727 due to an operational transfer from the General Fund to cover past operational losses and capital needs.

## GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget \$80,812 increase in revenues and transfers in and \$11,742,611 increase in appropriations and transfers out can be briefly summarized as follows:

### Revenues

- \$ 10,314 Increase in grant revenue for bulletproof vest grant
- \$ 10,000 Increase in grant revenue for pedestrian bicycles
- \$ 7,368 Increase in recreation revenues for use of grant funds
- \$ 2,200 Increase in revenue due to donations
- \$ 930 Increase in revenue due to brick engraving program
- \$ 50,000 Increase in revenue from tree maintenance revenue

### Transfers Out:

- \$ 9,608,383 Provided budget for the catalyst project
- \$ 849,911 Provided budget for operational expenditures in the Mayfair Golf Fund
- \$ 768,362 Provided budget for additional capital replacements

### Expenditures:

- \$ 10,314 Bullet proof vest expenditures
- \$ 10,000 Pedestrian bicycle expenditures
- \$ 7,368 Recreation grant expenditures
- \$ 2,200 Increased budget for recreations baseball program
- \$ 930 Increased budget for engraved bricks
- \$ 50,000 Increased budget for tree trimming
- \$ 435,143 Budgeted for reappropriation of funds unused in prior fiscal year budget:
  - \$ 101,698 Increased budget for Choice Neighborhoods Grant
  - \$ 2,194 Public Arts Commission grant
  - \$ 51,205 Chamber remodel purchase order
  - \$ 13,402 Lewis Tree Service purchase order
  - \$ 5,316 Goldsboro Front porch grant
  - \$ 11,021 Comprehensive plan amendment purchase order
  - \$ 750 Donations to the fire department
  - \$ 30,851 Public Safety Complex hvac system purchase order
  - \$ 130,500 JGI & QTI purchase orders
  - \$ 88,206 Hurricane IRMA expenditures

Of the increases in expenditures and transfers out, \$80,812 was offset by increased revenues. The remaining increased the use of reserves by \$11,661,799.

Differences between the final amended budget and actual was a \$1,411,729 increase in revenues and \$11,579,967 decrease in expenditures can be briefly summarized as follows:

### Revenues

- \$ 91,918 Increase in property tax revenue due to collections of delinquent prior year amounts
- \$ 162,636 Increase in utility taxes due to increased electrical costs
- \$ 270,879 Increase in franchise fees due to increased electrical costs
- \$ 1,205,963 Net variance in other General Fund revenues including increases charges for services (\$123,120), investment earnings (\$898,408), fines and forfeitures (\$37,972), and miscellaneous (\$146,463). The increases were offset by negative variances in



business taxes \$(30,831), permits and fees \$(48,109), intergovernmental revenues \$(183,163), transfers in \$(31,350), and sales of assets \$(26,214).

#### **Expenditures**

- \$1,282,059 Savings associated with vacant positions resulting from terminations and retirements
- \$9,281,401 Savings due to Catalyst Site project not being complete
- \$1,016,507 Offset by operational expenditures over budget

#### **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, 2019, amounted to \$325,294,926 (net of accumulated depreciation). This investment in capital assets included land, buildings, machinery and equipment, infrastructure, water and sewer system, stormwater management system, irrigation rights, and construction in progress. The total change in the City's capital assets, net of related depreciation, for the current fiscal year was an increase of \$8,966,758 (0.07) for governmental activities and an increase of \$1,768,471 (0.01) for business-type activities.

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

##### Governmental activities:

- Acquisition of \$900,838 in replacement vehicles
- Acquisition of \$207,653 in miscellaneous equipment consisting of computers, golf carts, a trailer, radios, a manikin, and an air conditioner.
- Building and land for \$698,064 for future recreation facilities.
- Sidewalks \$536,992
- Street projects totaling \$3,966,714
- Donated roads totaling \$9,690,102
- Park projects totaling \$866,702
- Catalyst project, Riverwalk Phase III, 17-92 Beautification, and Terwilliger Trail commence or continue adding \$10,292,960 in construction in progress
- Current year depreciation less disposals on capital assets of \$8,802,473 offsets the above additions

##### Business-type activities:

- Acquisition of \$748,727 in replacement vehicles
- Private developers contributed \$769,126 in water and sewer system lines
- Acquisition of generators, pumps, and small equipment totaling \$567,440
- Capitalization of prior CIP projects included Cloud Branch phase III, \$5,547,043 Pipe Lining \$203,119, Northstar Drainage Improvements \$598,542, AMR meters \$31,744 secondary drainage \$234,110, Starke Park \$168,701, sewer line replacements \$490,290 and a reclaimed water line \$12,741
- The Catalyst site at \$1,448,028, pump branch at \$73,174, North Water plant upgrades at \$3,237,360 and other miscellaneous projects at \$111,873 increased construction in progress
- Current year depreciation less disposals on capital assets of \$5,967,266 offsets the above additions

**City of Sanford's Capital Assets**  
(net of accumulated depreciation)  
As of September 30, 2018 and 2019

|                          | Governmental Activities |                       | Business-type Activities |                       | Total                 |                       |
|--------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                          | 2018                    | 2019                  | 2018                     | 2019                  | 2018                  | 2019                  |
| Land                     | \$ 5,750,990            | \$ 6,454,055          | \$ 7,660,929             | \$ 7,508,636          | \$ 13,411,919         | \$ 13,962,691         |
| Buildings                | 44,271,685              | 42,573,824            | 22,506,358               | 20,704,731            | 66,778,043            | 63,278,555            |
| Machinery and equipment  | 4,047,067               | 3,448,657             | 2,317,344                | 2,712,118             | 6,364,411             | 6,160,775             |
| Infrastructure           | 65,239,573              | 65,506,577            | -                        | -                     | 65,239,573            | 65,506,577            |
| Water and sewer system   | -                       | -                     | 113,100,878              | 112,138,878           | 113,100,878           | 112,138,878           |
| Stormwater system        | -                       | -                     | 15,659,191               | 21,234,307            | 15,659,191            | 21,234,307            |
| Construction in progress | 5,940,365               | 16,233,325            | 28,065,317               | 26,779,818            | 34,005,682            | 43,013,143            |
| Total                    | <u>\$ 125,249,680</u>   | <u>\$ 134,216,438</u> | <u>\$ 189,310,017</u>    | <u>\$ 191,078,488</u> | <u>\$ 314,559,697</u> | <u>\$ 325,294,926</u> |

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

**Long-term debt.** At the fiscal year end, the City had \$14,275,000 in bonded debt outstanding, all of which is secured solely by specified revenues sources or covenants. The City had no debt outstanding backed by the full faith and credit of the City. In addition, the City had debt outstanding in the amount of \$55,363,430 in State Revolving Fund loans and \$540,226 in capital leases. The City also had \$51,580,316 in other long-term debt, including claims payable, accrued clean-up and long-term care costs, other postemployment benefits, pension liabilities, and compensated absences.

**City of Sanford's Outstanding Long-Term Debt**  
As of September 30, 2018 and 2019

|   | Governmental Activities |                      | Business-type Activities |                      | Total                 |                       |
|---|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|   | 2018                    | 2019                 | 2018                     | 2019                 | 2018                  | 2019                  |
| Structured payment debt:                  |                         |                      |                          |                      |                       |                       |
| Notes payable:                            |                         |                      |                          |                      |                       |                       |
| Series 2010                               | \$ -                    | \$ -                 | \$ 7,325,000             | \$ 5,295,000         | \$ 7,325,000          | \$ 5,295,000          |
| Series 2012                               | 9,830,000               | 8,980,000            | -                        | -                    | 9,830,000             | 8,980,000             |
| State revolving loans                     | -                       | -                    | 56,344,418               | 55,363,430           | 56,344,418            | 55,363,430            |
| Capital leases                            | 798,657                 | 534,157              | 16,121                   | 6,069                | 814,778               | 540,226               |
| Total structured payment debt             | <u>10,628,657</u>       | <u>9,514,157</u>     | <u>63,685,539</u>        | <u>60,664,499</u>    | <u>74,314,196</u>     | <u>70,178,656</u>     |
| Other long-term debt:                     |                         |                      |                          |                      |                       |                       |
| Claims payable                            | 2,458,014               | 1,966,218            | -                        | -                    | 2,458,014             | 1,966,218             |
| Accrued clean-up and long-term care costs | -                       | -                    | -                        | -                    | -                     | -                     |
| Net pension liability                     | 13,588,889              | 21,409,533           | 6,230,023                | 7,641,728            | 19,818,912            | 29,051,261            |
| Other postemployment benefits*            | 15,736,433              | 13,372,770           | 5,059,434                | 4,305,953            | 20,795,867            | 17,678,723            |
| Compensated absences                      | 1,990,624               | 2,393,588            | 456,888                  | 490,526              | 2,447,512             | 2,884,114             |
| Total other long-term debt                | <u>33,773,960</u>       | <u>39,142,109</u>    | <u>11,746,345</u>        | <u>12,438,207</u>    | <u>45,520,305</u>     | <u>51,580,316</u>     |
| Total long-term debt                      | <u>\$ 44,402,617</u>    | <u>\$ 48,656,266</u> | <u>\$ 75,431,884</u>     | <u>\$ 73,102,706</u> | <u>\$ 119,834,501</u> | <u>\$ 121,758,972</u> |

Total structured payment debt outstanding decreased by \$(4,135,540) due to principal retirements in the current period \$(7,279,322) partially offset by proceeds received from new state revolving fund loans \$2,959,057 and issuance of new capital lease debt \$184,725.

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 2020 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 3.1%, which is a decrease from the same figure of 3.2% a year ago. The decrease is attributed to the recovery in the economy. The rate is less than the State's average unemployment rate during the same time period of 3.4%. The unemployment rate has now decreased lower 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, 2020, is estimated to increase by 9.6% (of which new growth represents 3.18% and existing property values increased 6.42%) compared to a 10.3% increase experienced in the latest complete fiscal year, 2019. The City maintained the same property tax rate from fiscal year 2018 of 7.325%.
- The City implemented an increase in water and wastewater rates for the next fiscal year to adjust for changes in the consumer price index.

During the current fiscal year, fund balance in the General Fund increased by \$1,669,897 to a total fund balance of \$26,345,888.

## **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.



CITY OF  
**SANFORD**  
FLORIDA

# **BASIC FINANCIAL STATEMENTS**

**CITY OF SANFORD, FLORIDA**

**Statement of Net Position**

September 30, 2019

|  | Primary Government      |                          |                       | Component Unit        |
|--|-------------------------|--------------------------|-----------------------|-----------------------|
|  | Governmental Activities | Business-type Activities | Total                 | Airport Authority     |
| <b>Assets</b>                              |                         |                          |                       |                       |
| Cash and cash equivalents                  | \$ 29,442,527           | \$ 18,086,289            | \$ 47,528,816         | \$ 13,529,756         |
| Investments                                | 35,887,914              | 49,475,549               | 85,363,463            | -                     |
| Accounts receivable, net                   | 2,993,766               | 6,585,126                | 9,578,892             | 552,929               |
| Due from other governments                 | 6,378,529               | 5,927,137                | 12,305,666            | 3,185,114             |
| Internal balances                          | (328,672)               | 328,672                  | -                     | -                     |
| Inventories                                | 382,293                 | 24,632                   | 406,925               | -                     |
| Prepaid expenses                           | 454,000                 | 18,128                   | 472,128               | 337,552               |
| Restricted investments - debt service      | -                       | 764,243                  | 764,243               | -                     |
| Restricted investments - airport authority | -                       | -                        | -                     | 2,379,481             |
| Equity interest in joint venture           | 104,318                 | -                        | 104,318               | -                     |
| Capital assets:                            |                         |                          |                       |                       |
| Nondepreciable                             | 22,687,380              | 34,288,454               | 56,975,834            | 106,018,674           |
| Depreciable, net                           | 111,529,058             | 156,790,034              | 268,319,092           | 138,264,700           |
| Total assets                               | <u>209,531,113</u>      | <u>272,288,264</u>       | <u>481,819,377</u>    | <u>264,268,206</u>    |
| <b>Deferred outflows of resources</b>      |                         |                          |                       |                       |
| Deferred outflows related to pensions      | 15,378,902              | 3,400,245                | 18,779,147            | 2,968,046             |
| Deferred outflows related to opeb          | 1,092,569               | 350,415                  | 1,442,984             | -                     |
| Total deferred outflows of resources       | <u>16,471,471</u>       | <u>3,750,660</u>         | <u>20,222,131</u>     | <u>2,968,046</u>      |
| <b>Liabilities</b>                         |                         |                          |                       |                       |
| Accounts payable                           | 3,631,864               | 3,357,878                | 6,989,742             | 10,398,290            |
| Accrued liabilities                        | 951,403                 | 539,135                  | 1,490,538             | 279,335               |
| Retainage payable                          | 422,756                 | 354,104                  | 776,860               | -                     |
| Due to other governments                   | 226,710                 | 1,755                    | 228,465               | -                     |
| Unearned revenue                           | 606,312                 | 89,799                   | 696,111               | 466,057               |
| Customer deposits                          | 9,124                   | 1,666,921                | 1,676,045             | -                     |
| Noncurrent liabilities:                    |                         |                          |                       |                       |
| Due within one year                        | 3,612,942               | 6,699,349                | 10,312,291            | 35,976,973            |
| Due in more than one year                  | 45,043,324              | 66,403,357               | 111,446,681           | -                     |
| Total liabilities                          | <u>54,504,435</u>       | <u>79,112,298</u>        | <u>133,616,733</u>    | <u>47,120,655</u>     |
| <b>Deferred inflows of resources</b>       |                         |                          |                       |                       |
| Deferred inflows related to pensions       | 2,625,433               | 616,632                  | 3,242,065             | 667,140               |
| Deferred inflows related to opeb           | 5,880,736               | 1,886,457                | 7,767,193             | -                     |
| Total deferred inflows of resources        | <u>8,506,169</u>        | <u>2,503,089</u>         | <u>11,009,258</u>     | <u>667,140</u>        |
| <b>Net position</b>                        |                         |                          |                       |                       |
| Net investment in capital assets           | 124,702,281             | 130,413,989              | 255,116,270           | 210,686,369           |
| Restricted for:                            |                         |                          |                       |                       |
| Debt service                               | -                       | 1,896,823                | 1,896,823             | -                     |
| System expansion                           | 2,452,513               | 10,736,140               | 13,188,653            | -                     |
| Transportation                             | 12,036,942              | -                        | 12,036,942            | -                     |
| Downtown redevelopment                     | 310,517                 | -                        | 310,517               | -                     |
| Building inspections                       | 5,691,366               | -                        | 5,691,366             | -                     |
| Other purposes                             | 199,378                 | -                        | 199,378               | 19,182                |
| Unrestricted                               | 17,598,983              | 51,376,585               | 68,975,568            | 8,742,906             |
| Total net position                         | <u>\$ 162,991,980</u>   | <u>\$ 194,423,537</u>    | <u>\$ 357,415,517</u> | <u>\$ 219,448,457</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, 2019

| Functions/Programs  | Program Revenues     |                      |                                    |                                  |                        | Net (Expense) Revenue and Changes in Net Assets |                          |                |                   |  |  |
|---|----------------------|----------------------|------------------------------------|----------------------------------|------------------------|---|--------------------------|----------------|-------------------|--|--|
|   | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total                  | Primary Government                              |                          |                |                   |  |  |
|   |                      |                      |                                    |                                  |                        | Governmental Activities                         | Business-type Activities | Total          | Airport Authority |  |  |
| <b>Primary government:</b>                                |                      |                      |                                    |                                  |                        |   |                          |                |                   |  |  |
| Governmental activities:                                  |                      |                      |                                    |                                  |                        |   |                          |                |                   |  |  |
| General government  | \$ 6,945,001         | \$ 1,121,306         | \$ 1,171,547                       | \$ -                             | \$ (4,652,148)         | \$ -  | \$ (4,652,148)           | \$ -           |                   |  |  |
| Public safety   | 30,265,192           | 4,867,014            | 1,027,109                          | 417,030                          | (23,954,039)           | -   | (23,954,039)             | -              |                   |  |  |
| Transportation  | 8,302,818            | 200                  | 5,460,785                          | 7,224,043                        | 4,382,210              | -   | 4,382,210                | -              |                   |  |  |
| Physical environment                                      | 477,597              | 52,675               | 3,634                              | -                                | (421,288)              | -   | (421,288)                | -              |                   |  |  |
| Economic environment                                      | 1,677,377            | -                    | 328,456                            | (190,109)                        | (1,539,030)            | -   | (1,539,030)              | -              |                   |  |  |
| Human services  | 899,399              | -                    | 789,964                            | -                                | (109,435)              | -   | (109,435)                | -              |                   |  |  |
| Culture and recreation                                    | 7,236,326            | 377,512              | 9,953                              | 2,995,880                        | (3,852,981)            | -   | (3,852,981)              | -              |                   |  |  |
| Interest  | 334,802              | -                    | -                                  | -                                | (334,802)              | -   | (334,802)                | -              |                   |  |  |
| Total governmental activities                             | \$ 56,138,512        | \$ 6,418,707         | \$ 8,791,448                       | \$ 10,446,844                    | \$ (30,481,513)        |   | \$ (30,481,513)          |                |                   |  |  |
| Business-type activities:                                 |                      |                      |                                    |                                  |                        |   |                          |                |                   |  |  |
| Water and sewer   | 21,655,552           | 26,149,194           | 128,441                            | 490,290                          | -                      | 5,112,373                                       | 5,112,373                | -              |                   |  |  |
| Stormwater  | 2,887,108            | 5,779,153            | 2,266                              | -                                | -                      | 2,894,311                                       | 2,894,311                | -              |                   |  |  |
| Solid waste   | 6,132,227            | 6,306,004            | -                                  | -                                | -                      | 173,777   | 173,777                  | -              |                   |  |  |
| Golf course   | 1,455,802            | 1,113,253            | -                                  | -                                | -                      | (342,549)                                       | (342,549)                | -              |                   |  |  |
| Total business-type activities                            | \$ 32,130,689        | \$ 39,347,604        | \$ 130,707                         | \$ 490,290                       |                        | \$ 7,837,912                                    | \$ 7,837,912             |                |                   |  |  |
| <b>Total primary government</b>                           | <b>\$ 88,269,201</b> | <b>\$ 45,766,311</b> | <b>\$ 8,922,155</b>                | <b>\$ 10,937,134</b>             | <b>\$ (30,481,513)</b> | <b>\$ 7,837,912</b>                             | <b>\$ (22,643,601)</b>   | <b>\$ -</b>    |                   |  |  |
| <b>Component unit:</b>                                    |                      |                      |                                    |                                  |                        |   |                          |                |                   |  |  |
| Airport authority   | \$ 25,449,816        | \$ 21,179,800        | \$ -                               | \$ 9,803,342                     |                        |   |                          | 5,533,326      |                   |  |  |
| General Revenues:   |                      |                      |                                    |                                  |                        |   |                          |                |                   |  |  |
| Property taxes  |                      |                      |                                    |                                  | 22,632,027             | -   | 22,632,027               | -              |                   |  |  |
| Utility taxes   |                      |                      |                                    |                                  | 7,891,772              | -   | 7,891,772                | -              |                   |  |  |
| Franchise fees  |                      |                      |                                    |                                  | 5,116,536              | -   | 5,116,536                | -              |                   |  |  |
| State shared revenues not restricted to specific programs |                      |                      |                                    |                                  | 6,114,727              | 14,866  | 6,129,593                | -              |                   |  |  |
| Business taxes  |                      |                      |                                    |                                  | 672,274                | -   | 672,274                  | -              |                   |  |  |
| Capital recovery fees                                     |                      |                      |                                    |                                  | -                      | 2,400,876                                       | 2,400,876                | -              |                   |  |  |
| Investment earnings                                       |                      |                      |                                    |                                  | 1,771,961              | 1,982,315                                       | 3,754,276                | 218,910        |                   |  |  |
| Miscellaneous revenue                                     |                      |                      |                                    |                                  | 591,745                | 109,317   | 701,062                  | 61,713         |                   |  |  |
| Transfers   |                      |                      |                                    |                                  | (1,110,611)            | 1,110,611                                       | -                        | -              |                   |  |  |
| Total general revenues and transfers                      |                      |                      |                                    |                                  | 43,680,431             | 5,617,985                                       | 49,298,416               | 280,623        |                   |  |  |
| Change in net position                                    |                      |                      |                                    |                                  | 13,198,918             | 13,455,897                                      | 26,654,815               | 5,813,949      |                   |  |  |
| Net position - beginning                                  |                      |                      |                                    |                                  | 149,793,062            | 180,967,640                                     | 330,760,702              | 213,634,508    |                   |  |  |
| Net position - ending                                     |                      |                      |                                    |                                  | \$ 162,991,980         | \$ 194,423,537                                  | \$ 357,415,517           | \$ 219,448,457 |                   |  |  |

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

**CITY OF SANFORD, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
September 30, 2019

|  | General Fund         | Capital Project<br>Fund | Sanford CRA<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Assets</b>  |                      |                         |                     |                                   |                                |
| Cash and cash equivalents  | \$ 8,426,865         | \$ -                    | \$ 118,744          | \$ 18,251,115                     | \$ 26,796,724                  |
| Investments  | 16,294,032           | -                       | 230,037             | 14,258,776                        | 30,782,845                     |
| Accounts receivable, net   | 1,737,300            | -                       | 1,371               | 705,787                           | 2,444,458                      |
| Due from other governments   | 1,572,073            | 3,819,762               | 1,797               | 984,897                           | 6,378,529                      |
| Due from other funds   | 1,914,490            | -                       | -                   | -                                 | 1,914,490                      |
| Inventories  | 206,244              | -                       | 6,899               | 169,150                           | 382,293                        |
| Prepaid items  | 135,273              | -                       | -                   | 298                               | 135,571                        |
| <b>Total assets</b>  | <b>\$ 30,286,277</b> | <b>\$ 3,819,762</b>     | <b>\$ 358,848</b>   | <b>\$ 34,370,023</b>              | <b>\$ 68,834,910</b>           |
| <b>Liabilities</b>   |                      |                         |                     |                                   |                                |
| Accounts payable   | \$ 994,736           | \$ 2,053,898            | \$ 37,292           | \$ 545,938                        | \$ 3,631,864                   |
| Accrued liabilities  | 927,229              | -                       | 4,140               | 20,034                            | 951,403                        |
| Retainage payable  | -                    | 415,385                 | -                   | 7,371                             | 422,756                        |
| Due to other funds   | 254,687              | 1,748,464               | -                   | 166,026                           | 2,169,177                      |
| Due to other governments   | 211,818              | -                       | -                   | 14,892                            | 226,710                        |
| Unearned revenues  | 516,456              | 7,234                   | -                   | 82,622                            | 606,312                        |
| Customer deposits  | 9,124                | -                       | -                   | -                                 | 9,124                          |
| <b>Total liabilities</b>   | <b>2,914,050</b>     | <b>4,224,981</b>        | <b>41,432</b>       | <b>836,883</b>                    | <b>8,017,346</b>               |
| <b>Deferred Inflows of Resources</b>                                       |                      |                         |                     |                                   |                                |
| Unavailable revenue  | 1,026,339            | 3,819,512               | -                   | 918,719                           | 5,764,570                      |
| <b>Total deferred inflows of resources</b>                                 | <b>1,026,339</b>     | <b>3,819,512</b>        | <b>-</b>            | <b>918,719</b>                    | <b>5,764,570</b>               |
| <b>Fund balances</b>   |                      |                         |                     |                                   |                                |
| Nonspendable:  |                      |                         |                     |                                   |                                |
| Inventory  | \$ 206,244           | \$ -                    | \$ 6,899            | \$ 169,150                        | \$ 382,293                     |
| Prepaid items  | 135,273              | -                       | -                   | 298                               | 135,571                        |
| Long-term receivable   | 99,000               | -                       | -                   | -                                 | 99,000                         |
| Restricted for:  |                      |                         |                     |                                   |                                |
| Downtown redevelopment   | -                    | -                       | 310,517             | -                                 | 310,517                        |
| Building inspections   | -                    | -                       | -                   | 5,691,366                         | 5,691,366                      |
| Transportation   | -                    | -                       | -                   | 12,036,942                        | 12,036,942                     |
| Law enforcement  | -                    | -                       | -                   | 168,729                           | 168,729                        |
| Assistance programs  | -                    | -                       | -                   | 30,649                            | 30,649                         |
| System expansion   | -                    | -                       | -                   | 2,452,513                         | 2,452,513                      |
| Committed for:   |                      |                         |                     |                                   |                                |
| Cemetery purposes  | -                    | -                       | -                   | 97,393                            | 97,393                         |
| Capital replacements   | -                    | -                       | -                   | 1,481,221                         | 1,481,221                      |
| Assigned for:  |                      |                         |                     |                                   |                                |
| Law enforcement  | -                    | -                       | -                   | 9,383                             | 9,383                          |
| Debt service   | -                    | -                       | -                   | 629,415                           | 629,415                        |
| Capital replacements   | -                    | -                       | -                   | 9,893,472                         | 9,893,472                      |
| Other  | 613,896              | -                       | -                   | -                                 | 613,896                        |
| Unassigned/(Deficit)   | 25,291,475           | (4,224,731)             | -                   | (46,110)                          | 21,020,634                     |
| <b>Total fund balances</b>   | <b>26,345,888</b>    | <b>(4,224,731)</b>      | <b>317,416</b>      | <b>32,614,421</b>                 | <b>55,052,994</b>              |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 30,286,277</b> | <b>\$ 3,819,762</b>     | <b>\$ 358,848</b>   | <b>\$ 34,370,023</b>              | <b>\$ 68,834,910</b>           |

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, 2019

|  |                      |                              |
|--|----------------------|------------------------------|
| <b>Fund Balances - Total Governmental Funds (page 20)</b>  |                      | \$ 55,052,994                |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>  |                      |                              |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>   |                      |                              |
| Nondepreciable capital assets  | \$ 22,687,380        |                              |
| Depreciable capital assets   | 241,225,027          |                              |
| Less: Accumulated depreciation   | <u>(129,695,969)</u> | 134,216,438                  |
| <p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>   |                      |                              |
|  |                      | 5,764,570                    |
| <p>Equity interest in joint venture is not a financial resource and therefore not reported in the funds.</p>   |                      |                              |
|  |                      | 104,318                      |
| <p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>  |                      |                              |
| Governmental note payable  | (8,980,000)          |                              |
| Capital lease payable  | (534,157)            |                              |
| Compensated absences   | <u>(2,393,588)</u>   | (11,907,745)                 |
| <p>On the government fund statements, a net pension liability/asset is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's proportionate share of the net pension liability/asset of the cost-sharing defined benefit pension plans in which the City participates is reported as a noncurrent liability/asset. Additionally deferred outflows and deferred inflows related to pensions are also reported in accordance with GASB Statement No. 68.</p> |                      |                              |
| Net pension liability  | (21,409,533)         |                              |
| Deferred outflows related to pensions  | 15,378,902           |                              |
| Deferred inflows related to pensions   | <u>(2,625,433)</u>   | (8,656,064)                  |
| <p>The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet.</p>   |                      |                              |
| OPEB liability   | (13,372,770)         |                              |
| Deferred outflows related to opebs   | 1,092,569            |                              |
| Deferred inflows related to opebs  | <u>(5,880,736)</u>   | (18,160,937)                 |
| <p>Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.</p>   |                      |                              |
|  |                      | 6,578,406                    |
| <b>Net Position of Governmental Activities (page 18)</b>   |                      | <u><u>\$ 162,991,980</u></u> |

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended September 30, 2019

|                                       | General Fund         | Capital Project Fund  | Sanford CRA Fund  | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------|----------------------|-----------------------|-------------------|-----------------------------|--------------------------|
| <b>Revenues</b>                       |                      |                       |                   |                             |                          |
| Property taxes                        | \$ 21,294,235        | \$ -                  | \$ 1,337,792      | \$ -                        | \$ 22,632,027            |
| Utility taxes                         | 7,891,772            | -                     | -                 | -                           | 7,891,772                |
| Franchise fees                        | 5,116,536            | -                     | -                 | -                           | 5,116,536                |
| Business taxes                        | 627,958              | -                     | -                 | -                           | 627,958                  |
| Permits and fees                      | 118,503              | -                     | -                 | 2,375,726                   | 2,494,229                |
| Intergovernmental                     | 6,956,245            | 7,506,393             | -                 | 7,400,190                   | 21,862,828               |
| Charges for services                  | 2,605,709            | -                     | -                 | 52,675                      | 2,658,384                |
| Investment earnings                   | 1,017,103            | -                     | 37,789            | 1,064,624                   | 2,119,516                |
| Fines and forfeitures                 | 187,843              | -                     | -                 | 43,133                      | 230,976                  |
| Service assessments                   | -                    | -                     | -                 | 672,072                     | 672,072                  |
| Miscellaneous                         | 337,410              | -                     | -                 | 339,137                     | 676,547                  |
| Total revenues                        | <u>46,153,314</u>    | <u>7,506,393</u>      | <u>1,375,581</u>  | <u>11,947,557</u>           | <u>66,982,845</u>        |
| <b>Expenditures</b>                   |                      |                       |                   |                             |                          |
| Current:                              |                      |                       |                   |                             |                          |
| General government                    | 6,173,771            | 13,690                | -                 | 292,057                     | 6,479,518                |
| Public safety                         | 25,402,078           | -                     | -                 | 2,419,792                   | 27,821,870               |
| Physical environment                  | 337,950              | -                     | -                 | 113,229                     | 451,179                  |
| Transportation                        | 1,209,473            | -                     | -                 | 1,866,511                   | 3,075,984                |
| Economic environment                  | 450,849              | -                     | 664,053           | 332,233                     | 1,447,135                |
| Human services                        | 101,523              | -                     | -                 | 789,443                     | 890,966                  |
| Culture and recreation                | 5,351,476            | 111,835               | -                 | 566,975                     | 6,030,286                |
| Debt service:                         |                      |                       |                   |                             |                          |
| Principal                             | -                    | -                     | -                 | 1,299,226                   | 1,299,226                |
| Interest                              | -                    | -                     | -                 | 334,802                     | 334,802                  |
| Capital outlay:                       |                      |                       |                   |                             |                          |
| General government                    | -                    | 1,181,453             | -                 | 126,104                     | 1,307,557                |
| Public safety                         | -                    | -                     | -                 | 892,172                     | 892,172                  |
| Transportation                        | -                    | 12,796,810            | -                 | 550,246                     | 13,347,056               |
| Economic environment                  | -                    | -                     | 131,066           | 164,689                     | 295,755                  |
| Culture and recreation                | -                    | 1,123,060             | -                 | 373,853                     | 1,496,913                |
| Total expenditures                    | <u>39,027,120</u>    | <u>15,226,848</u>     | <u>795,119</u>    | <u>10,121,332</u>           | <u>65,170,419</u>        |
| Excess of revenues over expenditures  | <u>7,126,194</u>     | <u>(7,720,455)</u>    | <u>580,462</u>    | <u>1,826,225</u>            | <u>1,812,426</u>         |
| <b>Other financing sources (uses)</b> |                      |                       |                   |                             |                          |
| Capital leases                        | -                    | -                     | -                 | 184,725                     | 184,725                  |
| Transfers in                          | 84,000               | 1,718,610             | -                 | 5,020,604                   | 6,823,214                |
| Transfers out                         | (5,557,981)          | -                     | (725,527)         | (1,650,317)                 | (7,933,825)              |
| Proceeds from sale of assets          | 17,684               | -                     | -                 | 435,131                     | 452,815                  |
| Total other financing sources (uses)  | <u>(5,456,297)</u>   | <u>1,718,610</u>      | <u>(725,527)</u>  | <u>3,990,143</u>            | <u>(473,071)</u>         |
| Net change in fund balances           | <u>1,669,897</u>     | <u>(6,001,845)</u>    | <u>(145,065)</u>  | <u>5,816,368</u>            | <u>1,339,355</u>         |
| <b>Fund balances</b>                  |                      |                       |                   |                             |                          |
| Beginning of year                     | 24,675,991           | 1,777,114             | 462,481           | 26,798,053                  | 53,713,639               |
| End of year                           | <u>\$ 26,345,888</u> | <u>\$ (4,224,731)</u> | <u>\$ 317,416</u> | <u>\$ 32,614,421</u>        | <u>\$ 55,052,994</u>     |

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

**CITY OF SANFORD, FLORIDA**  
**Reconciliation to the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
For the Year Ended September 30, 2019

|   |                    |                             |
|---|--------------------|-----------------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds (page 22)</b>   |                    | <b>\$ 1,339,355</b>         |
| <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   | \$ 17,339,453      |                             |
| Less: Current year depreciation   | <u>(8,860,469)</u> | 8,478,984                   |
| <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>   |                    |                             |
|   |                    | (57,996)                    |
| <p>Contributed assets reported at acquisition value.</p>  |                    |                             |
|   |                    | 545,770                     |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>  |                    |                             |
|   |                    | 2,249,370                   |
| <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   |                    | (184,725)                   |
| <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>   |                    |                             |
|   |                    | 1,299,226                   |
| <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  | (402,964)          |                             |
| Change in equity in joint venture   | (17,429)           |                             |
| Change in post employment benefits obligation   | <u>840,923</u>     | 420,530                     |
| <p>Government funds report contributions to defined benefit pension plans as expenditures. However, in the Statement of Activities, the amount contributed to defined pension plans reduces future net pension liability and is reported as part of deferred outflows of resources.</p>   |                    |                             |
|   |                    | 2,232,337                   |
| <p>In the Statement of Activities, pension expense is recorded for the City's proportionate share of collective pension expense of the cost-sharing defined benefit plans and all of the pension expense of single employer defined pension plans in which the City participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68.</p> |                    |                             |
|   |                    | (4,922,180)                 |
| <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>   |                    |                             |
|   |                    | 1,798,247                   |
| <b>Change in Net Position of Governmental Activities (page 19)</b>  |                    | <u><u>\$ 13,198,918</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, 2019

|   | <b>Business-Type Activities - Enterprise Funds</b> |                            |                             |                              |                              | <b>Governmental Activities</b> |
|---|--|----------------------------|-----------------------------|------------------------------|------------------------------|--------------------------------|
|   | Water / Sewer<br>Utility Fund                      | Stormwater<br>Utility Fund | Solid Waste<br>Utility Fund | Nonmajor Golf<br>Course Fund | Total<br>Enterprise<br>Funds | Internal<br>Service Fund       |
| <b>Assets</b>   |  |                            |                             |                              |                              |                                |
| Current assets:   |  |                            |                             |                              |                              |                                |
| Cash and cash equivalents                                   | \$ 10,977,587                                      | \$ 7,075,735               | \$ -                        | \$ 32,967                    | \$ 18,086,289                | \$ 2,645,803                   |
| Investments   | 21,253,282   | 13,707,421                 | -                           | 651,919                      | 35,612,622                   | 5,105,069                      |
| Accounts receivable, net                                    | 4,489,260  | 379,681                    | 1,091,505                   | 624,680                      | 6,585,126                    | 29,819                         |
| Insurance receivable  | -  | -                          | -                           | -                            | -                            | 519,489                        |
| Due from other governments                                  | 5,881,415  | 15,579                     | 29,576                      | 567                          | 5,927,137                    | -                              |
| Due from other funds  | 782,198  | -                          | -                           | -                            | 782,198                      | -                              |
| Inventories   | -  | -                          | -                           | 24,632                       | 24,632                       | -                              |
| Prepaid items   | 16,480   | 160                        | 223                         | 1,265                        | 18,128                       | 318,429                        |
| Restricted investments for customer deposits                | 1,519,505  | -                          | 147,416                     | -                            | 1,666,921                    | -                              |
| Restricted investments for debt service                     | 1,143,125  | 316,741                    | -                           | -                            | 1,459,866                    | -                              |
| Restricted investments for system expansion                 | 10,736,140   | -                          | -                           | -                            | 10,736,140                   | -                              |
| <b>Total current assets</b>                                 | <b>56,798,992</b>                                  | <b>21,495,317</b>          | <b>1,268,720</b>            | <b>1,336,030</b>             | <b>80,899,059</b>            | <b>8,618,609</b>               |
| Noncurrent assets:  |  |                            |                             |                              |                              |                                |
| Restricted investments for debt service                     | 764,243  | -                          | -                           | -                            | 764,243                      | -                              |
| Capital assets:   |  |                            |                             |                              |                              |                                |
| Nondepreciable  | 31,332,515   | 2,738,287                  | -                           | 217,652                      | 34,288,454                   | -                              |
| Depreciable, net  | 134,090,020  | 22,556,176                 | 48,151                      | 95,687                       | 156,790,034                  | 110,265                        |
| <b>Total noncurrent assets</b>                              | <b>166,186,778</b>                                 | <b>25,294,463</b>          | <b>48,151</b>               | <b>313,339</b>               | <b>191,842,731</b>           | <b>110,265</b>                 |
| <b>Total assets</b>   | <b>222,985,770</b>                                 | <b>46,789,780</b>          | <b>1,316,871</b>            | <b>1,649,369</b>             | <b>272,741,790</b>           | <b>8,728,874</b>               |
| <b>Deferred outflows of resources</b>                       |  |                            |                             |                              |                              |                                |
| Deferred outflows related to other post employment benefits | 290,582  | 54,152                     | 5,681                       | -                            | 350,415                      | -                              |
| Deferred outflows related to pensions                       | 2,868,100  | 454,934                    | 77,211                      | -                            | 3,400,245                    | -                              |
| <b>Liabilities</b>  |  |                            |                             |                              |                              |                                |
| Current liabilities:  |  |                            |                             |                              |                              |                                |
| Accounts payable  | 1,355,595  | 363,987                    | 532,526                     | 1,105,770                    | 3,357,878                    | -                              |
| Accrued liabilities   | 348,126  | 175,702                    | 3,103                       | 12,204                       | 539,135                      | -                              |
| Compensated absences  | 114,689  | 14,679                     | 2,028                       | -                            | 131,396                      | -                              |
| Claims payable  | -  | -                          | -                           | -                            | -                            | 1,763,125                      |
| Retainage payable   | 351,191  | 2,913                      | -                           | -                            | 354,104                      | -                              |
| Due to other funds  | -  | -                          | 527,511                     | -                            | 527,511                      | -                              |
| Due to other governments                                    | 1,755  | -                          | -                           | -                            | 1,755                        | -                              |
| Unearned revenues   | 89,799   | -                          | -                           | -                            | 89,799                       | -                              |
| Bonds payable - current                                     | 2,105,000  | -                          | -                           | -                            | 2,105,000                    | -                              |
| Capital leases payable - current                            | -  | -                          | -                           | 6,069                        | 6,069                        | -                              |
| Loans payable - current                                     | 2,618,373  | 378,645                    | -                           | -                            | 2,997,018                    | -                              |
| Liabilities payable from restricted assets:                 |  |                            |                             |                              |                              |                                |
| Customer deposits   | 1,519,505  | -                          | 147,416                     | -                            | 1,666,921                    | -                              |
| Loans payable- -current                                     | 1,143,125  | 316,741                    | -                           | -                            | 1,459,866                    | -                              |
| <b>Total current liabilities</b>                            | <b>9,647,158</b>                                   | <b>1,252,667</b>           | <b>1,212,584</b>            | <b>1,124,043</b>             | <b>13,236,452</b>            | <b>1,763,125</b>               |
| Noncurrent liabilities:                                     |  |                            |                             |                              |                              |                                |
| Bonds payable   | 3,190,000  | -                          | -                           | -                            | 3,190,000                    | -                              |
| Loans payable   | 42,351,546   | 8,555,000                  | -                           | -                            | 50,906,546                   | -                              |
| Claims payable  | -  | -                          | -                           | -                            | -                            | 203,093                        |
| Compensated absences  | 328,417  | 28,492                     | 2,221                       | -                            | 359,130                      | -                              |
| Pensions payable  | 6,475,313  | 1,017,751                  | 148,664                     | -                            | 7,641,728                    | -                              |
| Other postemployment benefits                               | 3,567,430  | 669,257                    | 69,266                      | -                            | 4,305,953                    | -                              |
| <b>Total noncurrent liabilities</b>                         | <b>55,912,706</b>                                  | <b>10,270,500</b>          | <b>220,151</b>              | <b>-</b>                     | <b>66,403,357</b>            | <b>203,093</b>                 |
| <b>Total liabilities</b>                                    | <b>65,559,864</b>                                  | <b>11,523,167</b>          | <b>1,432,735</b>            | <b>1,124,043</b>             | <b>79,639,809</b>            | <b>1,966,218</b>               |
| <b>Deferred inflows of resources</b>                        |  |                            |                             |                              |                              |                                |
| Deferred inflows related to other post employment benefits  | 1,564,196  | 291,696                    | 30,565                      | -                            | 1,886,457                    | -                              |
| Deferred inflows related to pensions                        | 519,402  | 82,589                     | 14,641                      | -                            | 616,632                      | -                              |
| <b>Net position</b>   |  |                            |                             |                              |                              |                                |
| Net investment in capital assets                            | 114,014,491  | 16,044,077                 | 48,151                      | 307,270                      | 130,413,989                  | 110,265                        |
| Restricted for debt service                                 | 1,896,823  | -                          | -                           | -                            | 1,896,823                    | -                              |
| Restricted for system expansion                             | 10,736,140   | -                          | -                           | -                            | 10,736,140                   | -                              |
| Unrestricted / (deficit)                                    | 31,853,536   | 19,357,337                 | (126,329)                   | 218,056                      | 51,302,600                   | 6,652,391                      |
| <b>Total net position</b>                                   | <b>\$ 158,500,990</b>                              | <b>\$ 35,401,414</b>       | <b>\$ (78,178)</b>          | <b>\$ 525,326</b>            | <b>194,349,552</b>           | <b>\$ 6,762,656</b>            |

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.

73,985

Net position of business-type activities

\$194,423,537

**CITY OF SANFORD, FLORIDA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
For the Year Ended September 30, 2019

|   | <b>Business-Type Activities - Enterprise Funds</b> |                            |                             |                              | <b>Governmental Activities</b> |                          |
|---|--|----------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------|
|   | Water / Sewer<br>Utility Fund                      | Stormwater<br>Utility Fund | Solid Waste<br>Utility Fund | Nonmajor Golf<br>Course Fund | Total<br>Enterprise<br>Funds   | Internal Service<br>Fund |
| <b>Operating revenues</b>   |  |                            |                             |                              |                                |                          |
| Charges for sales/services  | \$ 26,149,194                                      | \$ 5,779,153               | \$ 6,306,004                | \$ 1,113,253                 | \$ 39,347,604                  | \$ 9,235,817             |
| Miscellaneous   | 112,928  | 5,689                      | 5,566                       | -                            | 124,183                        | 928,180                  |
| Total operating revenues  | <u>26,262,122</u>                                  | <u>5,784,842</u>           | <u>6,311,570</u>            | <u>1,113,253</u>             | <u>39,471,787</u>              | <u>10,163,997</u>        |
| <b>Operating expenses</b>   |  |                            |                             |                              |                                |                          |
| Personnel services  | 7,309,674  | 1,077,196                  | 156,029                     | 518,802                      | 9,061,701                      | 124,116                  |
| Materials and supplies  | 6,231,364  | 479,247                    | 14,994                      | 803,375                      | 7,528,980                      | 169,106                  |
| Intragovernmental services  | 1,761,990  | 270,866                    | 180,761                     | -                            | 2,213,617                      | -                        |
| Contractual services  | 1,098,074  | 47,845                     | 5,783,898                   | 89,868                       | 7,019,685                      | 868,276                  |
| Claims and insurance  | -  | -                          | -                           | -                            | -                              | 6,853,494                |
| Depreciation  | 5,239,977  | 826,312                    | (45)                        | 43,243                       | 6,109,487                      | 4,403                    |
| Total operating expenses  | <u>21,641,079</u>                                  | <u>2,701,466</u>           | <u>6,135,637</u>            | <u>1,455,288</u>             | <u>31,933,470</u>              | <u>8,019,395</u>         |
| Operating income (loss)   | <u>4,621,043</u>                                   | <u>3,083,376</u>           | <u>175,933</u>              | <u>(342,035)</u>             | <u>7,538,317</u>               | <u>2,144,602</u>         |
| <b>Nonoperating revenues (expenses)</b>   |  |                            |                             |                              |                                |                          |
| Investment earnings   | 1,394,495  | 611,355                    | (12,200)                    | (11,335)                     | 1,982,315                      | 211,332                  |
| Interest expense  | (1,254,834)  | (273,004)                  | (153)                       | (514)                        | (1,528,505)                    | -                        |
| Operating grants  | 128,441  | 2,266                      | -                           | -                            | 130,707                        | -                        |
| Capital recovery fees   | 2,400,876  | -                          | -                           | -                            | 2,400,876                      | -                        |
| Total nonoperating revenues (expenses)  | <u>2,668,978</u>                                   | <u>340,617</u>             | <u>(12,353)</u>             | <u>(11,849)</u>              | <u>2,985,393</u>               | <u>211,332</u>           |
| Income (loss) before contributions, grants,<br>extraordinary gain (loss), and transfers | 7,290,021  | 3,423,993                  | 163,580                     | (353,884)                    | 10,523,710                     | 2,355,934                |
| Capital contributions and grants  | 1,259,486  | -                          | -                           | -                            | 1,259,486                      | -                        |
| Transfers in  | -  | -                          | -                           | 1,110,611                    | 1,110,611                      | -                        |
| Change in net position  | 8,549,507  | 3,423,993                  | 163,580                     | 756,727                      | 12,893,807                     | 2,355,934                |
| Net position - beginning  | <u>149,951,483</u>                                 | <u>31,977,421</u>          | <u>(241,758)</u>            | <u>(231,401)</u>             |                                | <u>4,406,722</u>         |
| Total net position - ending   | <u>\$ 158,500,990</u>                              | <u>\$ 35,401,414</u>       | <u>\$ (78,178)</u>          | <u>\$ 525,326</u>            |                                | <u>\$ 6,762,656</u>      |

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

562,090  
\$13,455,897

Change in net position of business-type activities

**CITY OF SANFORD, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended September 30, 2019

|   | <b>Business-Type Activities - Enterprise Funds</b> |                            |                             |                                 |                              | <b>Governmental Activities</b> |
|---|--|----------------------------|-----------------------------|---------------------------------|------------------------------|--------------------------------|
|   | Water / Sewer<br>Utility Fund                      | Stormwater<br>Utility Fund | Solid Waste<br>Utility Fund | Nonmajor<br>Golf Course<br>Fund | Total<br>Enterprise<br>Funds | Internal<br>Service Fund       |
| <b>Cash flows from operating activities:</b>  |  |                            |                             |                                 |                              |                                |
| Receipts from customers and users   | \$ 31,849,581                                      | \$ 7,936,575               | \$ 6,678,610                | \$ 619,702                      | \$ 47,084,468                | \$ -                           |
| Receipts from interfund charges for risk management                                 | -  | -                          | -                           | -                               | -                            | 10,198,844                     |
| Payments to suppliers   | (7,703,835)  | (766,757)                  | (6,319,307)                 | (514,740)                       | (15,304,639)                 | (8,396,247)                    |
| Payments to employees   | (6,884,080)  | (903,688)                  | (142,317)                   | (506,598)                       | (8,436,683)                  | (124,116)                      |
| Payments for interfund services used  | (1,761,990)  | (270,866)                  | (180,761)                   | -                               | (2,213,617)                  | -                              |
| Net cash provided by (used for) operating activities                                | <u>15,499,676</u>                                  | <u>5,995,264</u>           | <u>36,225</u>               | <u>(401,636)</u>                | <u>21,129,529</u>            | <u>1,678,481</u>               |
| <b>Cash flows from noncapital financing activities:</b>                             |  |                            |                             |                                 |                              |                                |
| Operating grant receipts  | 128,441  | 2,266                      | -                           | -                               | 130,707                      | -                              |
| Transfers to other funds  | -  | -                          | -                           | -                               | -                            | -                              |
| Transfers from other funds  | -  | -                          | -                           | 1,110,611                       | 1,110,611                    | -                              |
| Net cash provided by (used for) noncapital financing activities                     | <u>128,441</u>                                     | <u>2,266</u>               | <u>-</u>                    | <u>1,110,611</u>                | <u>1,241,318</u>             | <u>-</u>                       |
| <b>Cash flows from capital and related financing activities:</b>                    |  |                            |                             |                                 |                              |                                |
| Repayment of notes payable  | (3,385,491)  | (554,555)                  | -                           | (10,052)                        | (3,950,098)                  | -                              |
| Principal paid on capital debt  | (2,030,000)  | -                          | -                           | -                               | (2,030,000)                  | -                              |
| Capital debt issuance costs   | (17,383)   | 5,255                      | -                           | -                               | (12,128)                     | -                              |
| Interest paid   | (1,254,834)  | (273,004)                  | (153)                       | (514)                           | (1,528,505)                  | -                              |
| Proceeds of note payable  | 2,968,138  | 3,047                      | -                           | -                               | 2,971,185                    | -                              |
| Purchase of capital assets  | (5,676,363)  | (1,598,929)                | (28,564)                    | (13,111)                        | (7,316,967)                  | -                              |
| Developers fees   | 2,400,876  | -                          | -                           | -                               | 2,400,876                    | -                              |
| Capital contributions and grants  | 490,290  | -                          | -                           | -                               | 490,290                      | -                              |
| Proceeds from sales of capital assets   | 200,531  | -                          | 7,675                       | -                               | 208,206                      | -                              |
| Net cash used for capital and related financing activities                          | <u>(6,304,236)</u>                                 | <u>(2,418,186)</u>         | <u>(21,042)</u>             | <u>(23,677)</u>                 | <u>(8,767,141)</u>           | <u>-</u>                       |
| <b>Cash flows from investing activities:</b>  |  |                            |                             |                                 |                              |                                |
| Investment income earned on operating funds   | 1,394,495  | 611,355                    | (12,200)                    | (11,335)                        | 1,982,315                    | 211,332                        |
| Net cash provided by investing activities   | <u>1,394,495</u>                                   | <u>611,355</u>             | <u>(12,200)</u>             | <u>(11,335)</u>                 | <u>1,982,315</u>             | <u>211,332</u>                 |
| Net increase in cash and cash equivalents   | 10,718,376   | 4,190,699                  | 2,983                       | 673,963                         | 15,586,021                   | 1,889,813                      |
| Cash and cash equivalents at beginning of year                                      | <u>35,675,506</u>                                  | <u>16,909,198</u>          | <u>144,433</u>              | <u>10,923</u>                   | <u>52,740,060</u>            | <u>5,861,057</u>               |
| Cash and cash equivalents at end of year  | <u>\$ 46,393,882</u>                               | <u>\$ 21,099,897</u>       | <u>\$ 147,416</u>           | <u>\$ 684,886</u>               | <u>\$ 68,326,081</u>         | <u>\$ 7,750,870</u>            |
| <b>Reconciliation to cash and pooled investments per Statement of Net Position:</b> |  |                            |                             |                                 |                              |                                |
| Cash  | \$ 10,977,587                                      | \$ 7,075,735               | \$ -                        | \$ 32,967                       | \$ 18,086,289                | \$ 2,645,803                   |
| Investments   | 21,253,282   | 13,707,421                 | -                           | 651,919                         | 35,612,622                   | 5,105,069                      |
| Restricted investments, current   | 13,398,770   | 316,741                    | 147,416                     | -                               | 13,862,927                   | -                              |
| Restricted investments, noncurrent  | 764,243  | -                          | -                           | -                               | 764,243                      | -                              |
|   | <u>\$ 46,393,882</u>                               | <u>\$ 21,099,897</u>       | <u>\$ 147,416</u>           | <u>\$ 684,886</u>               | <u>\$ 68,326,081</u>         | <u>\$ 7,750,872</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, 2019

|  | <b>Business-Type Activities - Enterprise Funds</b> |                            |                             |                                 |                              | <b>Governmental</b>      |
|--|--|----------------------------|-----------------------------|---------------------------------|------------------------------|--------------------------|
|  |  |                            |                             |                                 |                              | <b>Activities</b>        |
|  | Water / Sewer<br>Utility Fund                      | Stormwater<br>Utility Fund | Solid Waste<br>Utility Fund | Nonmajor<br>Golf Course<br>Fund | Total<br>Enterprise<br>Funds | Internal<br>Service Fund |
| <b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b> |  |                            |                             |                                 |                              |                          |
| Operating income (loss)  | \$ 4,621,043                                       | \$ 3,083,376               | \$ 175,933                  | \$ (342,035)                    | 7,538,317                    | \$ 2,144,602             |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: |  |                            |                             |                                 |                              |                          |
| Depreciation   | 5,239,977  | 826,312                    | (45)                        | 43,243                          | 6,109,487                    | 4,403                    |
| Changes in deferred inflows/outflows   | (233,982)  | (18,850)                   | (8,491)                     | -                               | (261,323)                    | -                        |
| Changes in assets and liabilities:   |  |                            |                             |                                 |                              |                          |
| Accounts receivable  | (392,727)  | 44,203                     | 20,654                      | (204,510)                       | (532,380)                    | (2,272)                  |
| Insurance receivable   | -  | -                          | -                           | -                               | -                            | 37,119                   |
| Due from other governments   | 5,939,465  | 2,107,530                  | (14,064)                    | 14,691                          | 8,047,622                    | -                        |
| Prepays  | 3,046  | (160)                      | (11)                        | (1,265)                         | 1,610                        | (13,575)                 |
| Due from other funds   | 22,765   | -                          | -                           | -                               | 22,765                       | -                        |
| Inventories  | -  | -                          | -                           | (7,371)                         | (7,371)                      | -                        |
| Customer deposits  | 26,729   | -                          | 2,983                       | -                               | 29,712                       | -                        |
| Accounts payable   | (564,513)  | (12,169)                   | (520,404)                   | 399,920                         | (697,166)                    | -                        |
| Retainage payable  | 188,168  | (227,336)                  | -                           | -                               | (39,168)                     | -                        |
| Claims payable   | -  | -                          | -                           | -                               | -                            | (491,796)                |
| Accrued liabilities  | 80,656   | 131,830                    | 3,427                       | 12,204                          | 228,117                      | -                        |
| OPEB obligation  | (626,761)  | (114,227)                  | (12,493)                    | -                               | (753,481)                    | -                        |
| Pension obligation   | 1,205,681  | 174,755                    | 31,269                      | -                               | 1,411,705                    | -                        |
| Due to other funds   | -  | -                          | 357,596                     | (296,361)                       | 61,235                       | -                        |
| Due to other governments   | (1,098)  | -                          | -                           | (20,152)                        | (21,250)                     | -                        |
| Unearned revenue   | (8,773)  | -                          | (129)                       | -                               | (8,902)                      | -                        |
| Net cash provided by (used for) operating activities   | <u>\$ 15,499,676</u>                               | <u>\$ 5,995,264</u>        | <u>\$ 36,225</u>            | <u>\$ (401,636)</u>             | <u>\$ 21,129,529</u>         | <u>\$ 1,678,481</u>      |
| <b>Noncash investing, capital, and financing activities:</b>                                   |  |                            |                             |                                 |                              |                          |
| Contributions of capital assets  | \$ 769,196   | \$ -                       | \$ -                        | \$ -                            | \$ 769,196                   | \$ -                     |
| Decrease in fair value of investments  | 484,089  | 211,392                    | (4,314)                     | (3,892)                         | 687,275                      | 72,032                   |
| Capitalized interest on capital debt   | (17,383)   | 5,255                      | -                           | -                               | (12,128)                     | -                        |

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, 2019

|                                      | <u>Pension Trust<br/>Funds</u> |
|--------------------------------------|--------------------------------|
| <b>Assets</b>                        |                                |
| Investments, at fair value:          |                                |
| Cash and Cash Equivalents            | \$ 1,848,389                   |
| US government obligations            | 4,998,498                      |
| Mortgage & asset backed securities   | 479,315                        |
| Corporate debt                       | 7,885,404                      |
| Mutual funds                         | 25,755,755                     |
| Equity securities                    | 28,409,776                     |
| Real estate                          | 13,706,793                     |
| Accrued investment income            | 98,323                         |
| Prepaid items                        | <u>7,723</u>                   |
| Total assets                         | <u>83,189,976</u>              |
| <b>Liabilities</b>                   |                                |
| Accounts payable                     | <u>89,398</u>                  |
| <b>Net position</b>                  |                                |
| Net position restricted for pensions | <u><u>\$ 83,100,578</u></u>    |

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, 2019

|   | Pension Trust<br>Funds |
|---|------------------------|
| <b>Additions</b>                            |                        |
| Contributions:                              |                        |
| Employer                                    | \$ 3,112,530           |
| Plan members                                | 503,848                |
| Total contributions                         | 3,616,378              |
| Investment earnings (losses):               |                        |
| Interest & dividends                        | 2,458,024              |
| Net increase in fair value of investments   | (1,176,934)            |
| Total investment earnings                   | 1,281,090              |
| Investment expenses                         | (505,408)              |
| Net investment earnings                     | 775,682                |
| Total additions                             | 4,392,060              |
| <b>Deductions</b>                           |                        |
| Benefit payments                            | 4,422,699              |
| Refund of contributions                     | 601,663                |
| Administrative expenses                     | 116,741                |
| Total deductions                            | 5,141,103              |
| Change in net position                      | (749,043)              |
| <b>Net position restricted for pensions</b> |                        |
| Beginning of year                           | 83,849,621             |
| End of year                                 | \$ 83,100,578          |

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, 2019**

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

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

**A. Reporting Entity**

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

Blended Component Unit

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

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

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

Discretely Presented Component Unit

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Reporting Entity (continued)**

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

Joint Venture

The City of Sanford participates in a joint venture known as SanGroup, LLC, formed for the purpose to acquire, hold, lease and maintain the Christian Prison Ministry (CPM) Property until completion of the remediation of contamination on the site from a gasification plant, sell or otherwise dispose of the CPM Property, unless the advisory committee otherwise determines, and to do such other things and engage in any other activities that the members determine to be necessary, convenient, or incidental to any of the foregoing purposes. The members of the joint venture are Atlanta Gas Light Company, Florida Power & Light Company, Florida Power Corporation (subsequently Duke Energy), and the City of Sanford with interests of 23.6032%, 16.3374%, 45.0482%, and 15.0112% respectively. The joint venture's advisory committee is composed of one representative from each member organization and has voting rights equal to their interests. The City of Sanford has an equity interest in equity of the joint venture. This interest has been reported using the equity method of accounting. Separate financial statements for this joint venture are available from SanGroup, LLC at 550 South Tryon Street DEC41A, Charlotte, NC 28202. At September 30, 2019, this joint venture had total assets of \$724,769 and total equity of \$724,769.

**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, 2019**

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

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

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

The City reports the following major governmental funds:

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

The *Capital Replacement Fund* accounts for the funds set aside for replacement of equipment and vehicles.

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, 2019**

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**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, 2019**

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**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, 2019 was 7.325 mills.

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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**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 acquisition 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, interest of \$12,128 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, 2019**

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

**I. Compensated Absences**

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

**J. Unearned Revenues**

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

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

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

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

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

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

**M. Net Position**

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

**N. Fund Balance Policies**

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

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

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

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

**O. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has two items that qualify for reporting in this category. They are the *deferred outflows related to pensions* and the *deferred outflows related to OPEB* reported in the government-wide statement of net position. A deferred outflow related to pensions is an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 11. A deferred outflow related to OPEB is an aggregate

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

of items related to OPEB as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. The deferred outflows related to OPEB will be recognized as either OPEB expense or a reduction in the net pension liability in future reporting years. Details on the composition of the deferred outflows related to OPEB are further discussed in Note 12.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only three items, which qualify for reporting as deferred inflows of resources.

The first item reported as deferred inflows of resources is the *deferred outflows related to pensions*, and is reported in the government-wide statement of net position. The deferred inflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. Details on the composition of the deferred outflows related to pensions are further discussed in Note 11.

The second item reported as deferred inflows of resources is the *deferred outflows related to OPEB*, and is reported in the government-wide statement of net position. The deferred inflows related to opeb are an aggregate of items related to opeb as calculated in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for OPEB*. The deferred inflows related to OPEB will be recognized as a reduction to OPEB expense in future reporting years. Details on the composition of the deferred outflows related to OPEB are further discussed in Note 12.

The third and final deferred inflow of resources arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**P. Net Position Flow Assumption**

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

**Q. Pensions / Net Pension Liability**

In the government-wide financial statements as well as the proprietary fund financial statements, net pension liability represents the City's proportionate share of the net pension liability of the cost-sharing pension in which it participates. This proportionate amount represents a share of the present value of projected benefit payments to be provided through the cost-sharing pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the cost-sharing plan's fiduciary net position. The government-wide financial statements also contain the the net pension liability of both of the single employer pension plans in which the City participates.

The City participates in both the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy Program (HIS) defined benefit plan administered by Florida Division of Retirement

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

(collectively, FRS/HIS) as well as two single-employer pension plans for fire (Chapter 175, Florida Statutes) and police (Chapter 185, Florida Statutes).

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the FRS/HIS and additions to/deductions from FRS/HIS's fiduciary net position have been determined on the same basis as they are reported by FRS/HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**R. 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.

**S. 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                | \$ 500,760          |
| Local Option Gas Tax Fund   | 72,451              |
| Fire Impact Fee Fund        | 202,671             |
| Local Option Sales Tax Fund | 262,389             |
| Sanford CRA                 | 138,920             |
| Capital Project Fund        | 1,685,684           |
| Catalyst Fund               | 6,641               |
| Capital Replacement Fund    | 305,424             |
|                             | <u>\$ 3,174,940</u> |

**T. Minimum Fund Balance Policy**

The City Commission has informally set policy to provide for a 14% minimum fund balance policy for the General Fund based on budgeted expenditures; this amount is currently reported as unassigned and totals \$8,505,327 of the 2020 adopted budget.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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**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, Local Option 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, Debt Service Fund, Capital Projects Fund, Capital Recovery Fee Fund, Capital Replacement Fund, Catalyst Fund, Water and Sewer Fund, Solid Waste Fund, and Stormwater Fund. The City does not prepare a budget for the Premium Tax Trust Fund, Youthbuild Grant Fund, CDBG Grant Fund, NSP Grant Fund, or the Golf Course Fund. Due to burial requests exceeding budget and an unexpected fence repair the Cemetery Fund was slightly over budget and will reduce the fund balance reserves by \$3,699 for fiscal year ending September 30, 2019.

(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 of a fund without limit of the number of transactions. 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 and the Commission must approve all items that change a funds total budget. The City's budget is adopted by the fund level.

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

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

**B. Deficit Fund Equity**

The Capital Project Fund, CDBG Grant Fund, NSP Grant Fund, and Youthbuild Grant Fund had deficit fund balances of \$4,224,731, \$35,468, \$3,217, and \$7,425 respectively, as of September 30, 2019. These fund deficits are due to timing issues with grants and interlocals unavailable at the end of the fiscal year, and the City will be reimbursed by the appropriate parties in 2020.

The Solid Waste Fund had a deficit net position of \$78,178. This deficit is due to an excess of expenses over revenues collected in operations. The Solid Waste fund will correct itself in future years, as the alley rehab project is completed.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**Note 3 - Deposits and Investments**

The fair value of the City's deposits and investments as of September 30, 2019 is as follows:

|   | Carrying Value |
|---|----------------|
| Governmental and Business-type Activities:      |                |
| Bank Deposits                                   | \$ 1,526,603   |
| Local Government Surplus Funds Trust            | 46,002,212     |
| Investment Accounts                             | 86,127,707     |
| Total Governmental and Business-type Activities | 133,656,522    |
| Pension Trust Funds:                            |                |
| Cash  | 113,825        |
| Money Market Funds                              | 1,734,564      |
| US Government Obligations                       | 4,998,498      |
| Mortgage/Asset Backed Securities                | 479,315        |
| Corporate Debt                                  | 7,885,404      |
| Mutual Funds                                    | 25,755,755     |
| Equity  | 28,409,776     |
| Real Estate                                     | 13,706,793     |
| Total Pension Trust Funds                       | 83,083,930     |
| Total Primary Government                        | \$ 216,740,452 |
| Classified as:                                  |                |
| Government-Wide Statement of Net Position:      |                |
| Cash and cash equivalents                       | \$ 47,528,816  |
| Investments                                     | 85,363,463     |
| Restricted investments                          | 764,243        |
| Statement of Fiduciary Net Position:            |                |
| Cash and cash equivalents                       | 1,848,389      |
| Investments                                     | 81,235,541     |
|   | \$ 216,740,452 |

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

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

As of September 30, 2019, the City's Governmental and Business-type investment portfolio is composed of the following investments:

| Investment Type               | Type         | Moody's<br>Credit<br>Rating | Fair Value            | Weighted Average<br>Investment Maturities (in Years) |                      |
|-------------------------------|--------------|-----------------------------|-----------------------|--|----------------------|
|                               |              |                             |                       | Less<br>Than 1                                       | 1 - 5                |
| Bank Deposits                 | Cash         | NR*                         | \$ 1,526,603          | \$ 1,526,603   | \$ -                 |
| Cash                          | Cash         | NR*                         | -                     | -  | -                    |
| State Board of Administration | LGIP         | **                          | 46,002,212            | 46,002,212   | -                    |
| U.S. Treasury Bonds/Notes     | Fixed Income | Aaa                         | 40,798,754            | 19,219,083   | 21,579,671           |
| Government Agency Bonds       | Fixed Income | Aaa                         | 19,976,021            | 7,417,121  | 12,558,900           |
| Government Mortgage Backed    | Fixed Income | Aaa                         | 6,440,795             | 2,598,315  | 3,842,480            |
| Government Agency Bonds       | Fixed Income | NR*                         | 662,128               | -  | 662,128              |
| Government Agency Bonds       | Fixed Income | P-1                         | 625,231               | 625,231  | -                    |
| Corporate Debt                | Fixed Income | Aa1                         | -                     | -  | -                    |
| Corporate Debt                | Fixed Income | Aaa                         | -                     | -  | -                    |
| Corporate Debt                | Fixed Income | Aa2                         | 3,627,117             | 2,415,037  | 1,212,080            |
| Corporate Debt                | Fixed Income | Aa3                         | 4,264,332             | 1,626,419  | 2,637,913            |
| Corporate Debt                | Fixed Income | A1                          | 4,475,878             | 2,965,182  | 1,510,696            |
| Corporate Debt                | Fixed Income | A2                          | 4,042,368             | 593,428  | 3,448,940            |
| Foreign Bonds                 | Fixed Income | P-1                         | 1,215,083             | -  | 1,215,083            |
| Total Portfolio               |              |                             | <u>\$ 133,656,522</u> | <u>\$ 84,988,631</u>                                 | <u>\$ 48,667,891</u> |

The City categorizes its fair value measurements within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* with the exception for the position in the Florida State Board of Administration's investment Pool as it qualify's as a 2a7-like pool and is reported at the net asset value per share. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The City uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2019:

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

| <u>Investments by fair value level</u> | Amount               | Quoted Prices<br>In Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|--|----------------------|--|---|--|
| Uninvested Cash                        | \$ 1,526,603         | \$ 1,526,603   | \$ -  | \$ -   |
| Corporate Bonds                        | 16,409,694           | -  | 16,409,694  | -  |
| Federal Agency Bonds                   | 21,263,381           | -  | 16,861,777  | 4,401,604  |
| Government Backed Securities           | 415                  | -  | 415   | -  |
| Foreign Bonds                          | 1,215,083            | -  | 1,215,083   | -  |
| US Government Bonds                    | 40,416,911           | -  | 40,416,911  | -  |
| Asset Backed Securities                | 6,440,380            | -  | 6,440,380   | -  |
| Variable Amount Note                   | 381,843              | -  | 381,843   | -  |
| Total Portfolio                        | <u>\$ 87,654,310</u> | <u>\$ 1,526,603</u>  | <u>\$ 81,726,103</u>                                      | <u>\$ 4,401,604</u>                                |

**Other Investments**

|                         |                       |
|-------------------------|-----------------------|
| Florida PRIME           | <u>\$ 46,002,212</u>  |
| Total other investments | <u>46,002,212</u>     |
| Total Investments       | <u>\$ 133,656,522</u> |

**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.

Florida PRIME uses a weighted average days to maturity (WAM). A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the portfolio to interest rate changes.

Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." As of June 30, 2019, there were no redemption fees or maximum



**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

**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.

**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<br>With Credit Exposure as a Percentage of Total Investments |                        |
|---|------------------------|
| Type of Investment  | Percentage<br>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%                   |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**Pension Trust Fund Investments**

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. An independent investment manager and custodial bank handles all pension investments and check-writing duties. No investments in loan to, or leases with, any parties related to the pension plans have been made. The city commission establishes and amends the investment policy. The following was the the adopted asset allocation policy for both the police and fire pension plans as of September 30, 2019:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|--------------------|--------------------------|
| Large cap equity   | 30%                      |
| Mid cap equity     | 10%                      |
| Small cap equity   | 10%                      |
| Foreign equity     | 15%                      |
| Real estate        | 15%                      |
| Fixed income       | 20%                      |
| Total              | <u>100%</u>              |

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

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

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

***Money-Weighted Rate of Return.*** For the year ended September 30, 2019 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the police officers' and firefighters' plans were .28% and 2.12% respectively.

With the exception of real estate investments that are valued at net asset value, the pension funds categorize their fair value measurements within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The pension funds use a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**Pension Trust Fund Investments (continued)**

Assets or liabilities are classified into one of three levels. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The pension funds have the following recurring fair value measurements as of September 30, 2019.

|   | Total<br>Fair Value<br>9/30/2018 | Quoted Prices<br>In Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|---|----------------------------------|--|---|--|
| Investments by fair value level                   |                                  |  |   |  |
| Cash Equivalents                                  | \$ 1,848,389                     | \$ 1,848,389   | \$ -  | \$ -   |
| US Government Obligations                         | 4,998,498                        | 4,998,498  | -   | -  |
| Mortgage/Asset Backed Securities                  | 479,315                          | -  | 479,315   | -  |
| Corporate Bonds                                   | 7,885,404                        | -  | 7,885,404   | -  |
| Common Stock                                      | 27,482,359                       | 27,482,359   | -   | -  |
| Foreign Stock                                     | 522,449                          | 522,449  | -   | -  |
| Unit Investment Trusts                            | 404,968                          | 404,968  | -   | -  |
| Mutual Funds - Fixed Income                       | 2,379,296                        | 2,379,296  | -   | -  |
| Mutual Funds - Equity                             | 17,209,110                       | 17,209,110   | -   | -  |
| Sundry Assets                                     | 6,167,349                        | -  | -   | 6,167,349  |
| Total investments by fair value level             | <u>69,377,137</u>                | <u>54,845,069</u>  | <u>8,364,719</u>  | <u>6,167,349</u>                                   |
| Investments measured at the net asset value (NAV) |                                  |  |   |  |
| Real Estate Funds                                 | 13,706,793                       | -  | -   | -  |
| Total investments measured at the NAV             | <u>13,706,793</u>                | <u>-</u>   | <u>-</u>  | <u>-</u>   |
| Total investments measured at fair value          | <u>\$ 83,083,930</u>             | <u>\$ 54,845,069</u>   | <u>\$ 8,364,719</u>                                       | <u>\$ 6,167,349</u>                                |

The pension funds have mortgage/asset backed securities as well as corporate bonds categorized as level 2 assets. Level 2 asset inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, interest rates and yield curves observable at commonly quoted intervals; implied volatilities; credit spread, and market-corroborated inputs. The pension funds have four different investments in real estate that are measured at net asset value. The police and fire pension funds both have \$2,447,378 and \$1,652,265 respectively in the ASB and this investment requires a 30-day notice for withdrawal requests and are honored on a quarterly basis. In the event of an exit que, withdrawal requests will be honored on a pro rata basis on fund cash flows. The police and fire funds both have \$2,640,516 and \$3,505,310 respectively in Intercontinental and this investment will process withdrawal requests on the last day of the calendar quarter following the quarter in which notice was received. In the event of a redemption que, redemption requests will be accommodated each calendar quarter on a pro rata basis as the fund's liquid assets permit. The police pension fund has \$1,563,548 invested in FIA and this investment is an illiquid, long-term investment. Investment capital will be returned at the end of the product's investment period that is in approximately 37 years. The police pension fund has \$1,897,776 invested in Ceres and this investment allows withdrawals once per year with a request deadline of September 30. Redemption requests made by that date will be distributed before the end of February of the following year.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**Pension Trust Fund Investments (continued)**

Defined-Benefit Pension Plan investments were as follows at September 30, 2019:

| Investment Type                | Type         | Moody's<br>Credit<br>Quality<br>Rating | Fair Value           | Weighted Average<br>Investment Maturities (in Years) |                      |                   |                 |
|--------------------------------|--------------|--|----------------------|--|----------------------|-------------------|-----------------|
|                                |              |  |                      | Less<br>Than 1                                       | 1 - 5                | 6 - 10            | More than<br>10 |
| <b>Police Pension:</b>         |              |  |                      |  |                      |                   |                 |
| Cash                           | Cash         | NR*                                    | \$ 60,015            | \$ 60,015  | \$ -                 | \$ -              | \$ -            |
| Money Market Funds             | Money Market | NR*                                    | 914,564              | 914,564  | -                    | -                 | -               |
| Money Market Funds             | Money Market | Aaa                                    | 22,011               | -  | 22,011               | -                 | -               |
| US Government Obligations      | Fixed Income | Aaa                                    | 2,375,127            | -  | 2,375,127            | -                 | -               |
| Mortgage/Asset Backed          | Fixed Income | NR*                                    | 293,012              | -  | 237,256              | 55,756            | -               |
| Corporate Debt                 | Fixed Income | A1                                     | 1,077,048            | -  | 1,077,048            | -                 | -               |
| Corporate Debt                 | Fixed Income | A2                                     | 1,190,028            | -  | 1,190,028            | -                 | -               |
| Corporate Debt                 | Fixed Income | A3                                     | 1,536,118            | -  | 1,536,118            | -                 | -               |
| Total Police Pension           |              |  | <u>7,467,923</u>     | <u>974,579</u>                                       | <u>6,437,588</u>     | <u>55,756</u>     | <u>-</u>        |
| <b>Firefighters' Pension:</b>  |              |  |                      |  |                      |                   |                 |
| Cash                           | Cash         | NR*                                    | 53,810               | \$ 53,810  | \$ -                 | \$ -              | \$ -            |
| Money Market Funds             | Money Market | NR*                                    | 778,876              | 778,876  | -                    | -                 | -               |
| Money Market Funds             | Money Market | Aaa                                    | 19,113               | -  | 19,113               | -                 | -               |
| US Government Obligations      | Fixed Income | Aaa                                    | 2,623,371            | -  | 2,623,371            | -                 | -               |
| Mortgage/Asset Backed          | Fixed Income | NR*                                    | 186,303              | -  | 127,454              | 58,849            | -               |
| Corporate Debt                 | Fixed Income | A1                                     | 1,086,686            | -  | 1,086,686            | -                 | -               |
| Corporate Debt                 | Fixed Income | A2                                     | 1,532,058            | -  | 1,532,058            | -                 | -               |
| Corporate Debt                 | Fixed Income | A3                                     | 1,463,466            | -  | 1,463,466            | -                 | -               |
| Total Firefighters'<br>Pension |              |  | <u>7,743,683</u>     | <u>832,686</u>                                       | <u>6,852,148</u>     | <u>58,849</u>     | <u>-</u>        |
| Total Pension Investments      |              |  | <u>\$ 15,211,606</u> | <u>\$ 1,807,265</u>                                  | <u>\$ 13,289,736</u> | <u>\$ 114,605</u> | <u>\$ -</u>     |

\* Not Rated

**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.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**Investment Income (continued)**

Investment income for the year ended September 30, 2019 consisted of the following:

|  | General Fund        | Capital<br>Project<br>Fund | Sanford<br>CRA Fund | Nonmajor<br>Govern-<br>mental Funds | Proprietary<br>Funds |
|--|---------------------|----------------------------|---------------------|-------------------------------------|----------------------|
| Interest income                                      | \$ 661,423          | \$ -                       | \$ 25,044           | \$ 721,637                          | \$ 1,430,253         |
| Net increase (decrease) in fair value of investments | 355,680             | -                          | 12,745              | 342,987                             | 763,394              |
| Investment earnings                                  | <u>\$ 1,017,103</u> | <u>\$ -</u>                | <u>\$ 37,789</u>    | <u>\$ 1,064,624</u>                 | <u>\$ 2,193,647</u>  |

**Note 4 - Receivables**

The following is a detailed listing of receivables by type and fund at September 30, 2019:

|                                       | Primary Government         |                             |
|---------------------------------------|----------------------------|-----------------------------|
|                                       | Governmental<br>Activities | Business-type<br>Activities |
| Receivables:                          |                            |                             |
| Accounts Billed                       | \$ 48,871                  | \$ 2,881,552                |
| Unbilled Receivables                  | -                          | 3,495,271                   |
| Investment Income                     | 194,099                    | 204,264                     |
| Code Enforcement                      | 20,461,718                 | -                           |
| Other Miscellaneous                   | 4,233,887                  | 941,216                     |
| Gross Receivables                     | 24,938,575                 | 7,522,303                   |
| Less: Allowance for<br>Uncollectables | 21,944,807                 | 937,176                     |
|                                       | <u>\$ 2,993,768</u>        | <u>\$ 6,585,127</u>         |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**Note 5 - Capital Assets**

During the year ended September 30, 2019, the following changes in governmental activities capital assets occurred:

|  | Balance<br>October 1,<br>2018 | Additions           | Reductions/<br>Transfers | Balance<br>September 30,<br>2019 |
|--|-------------------------------|---------------------|--------------------------|----------------------------------|
| Governmental activities:                     |                               |                     |                          |                                  |
| Capital assets, not being depreciated:       |                               |                     |                          |                                  |
| Land   | \$ 5,750,990                  | \$ 289,785          | \$ 413,280               | \$ 6,454,055                     |
| Construction in progress                     | 5,940,365                     | 16,076,647          | (5,783,687)              | 16,233,325                       |
| Total capital assets, not being depreciated  | <u>11,691,355</u>             | <u>16,366,432</u>   | <u>(5,370,407)</u>       | <u>22,687,380</u>                |
| Capital assets, being depreciated:           |                               |                     |                          |                                  |
| Buildings                                    | 80,727,494                    | 412,613             | 798,053                  | 81,938,160                       |
| Machinery and equipment                      | 22,984,508                    | 1,106,178           | (1,075,298)              | 23,015,388                       |
| Infrastructure                               | 131,814,141                   | -                   | 4,457,338                | 136,271,479                      |
| Total capital assets, being depreciated      | <u>235,526,143</u>            | <u>1,518,791</u>    | <u>4,180,093</u>         | <u>241,225,027</u>               |
| Less accumulated depreciation for:           |                               |                     |                          |                                  |
| Buildings                                    | 36,455,809                    | 2,980,464           | (71,937)                 | 39,364,336                       |
| Machinery and equipment                      | 18,937,441                    | 1,689,671           | (1,060,381)              | 19,566,731                       |
| Infrastructure                               | 66,574,568                    | 4,190,334           | -                        | 70,764,902                       |
| Total accumulated depreciation               | <u>121,967,818</u>            | <u>8,860,469</u>    | <u>(1,132,318)</u>       | <u>129,695,969</u>               |
| Total capital assets, being depreciated, net | <u>113,558,325</u>            | <u>(7,341,678)</u>  | <u>5,312,411</u>         | <u>111,529,058</u>               |
| Governmental activities capital assets, net  | <u>\$ 125,249,680</u>         | <u>\$ 9,024,754</u> | <u>\$ (57,996)</u>       | <u>\$ 134,216,438</u>            |

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

|                        |                     |
|------------------------|---------------------|
| General government     | \$ 305,219          |
| Public safety          | 1,938,096           |
| Transportation         | 5,240,189           |
| Economic environment   | 199,366             |
| Human services         | 4,002               |
| Culture and recreation | 1,173,597           |
|                        | <u>\$ 8,860,469</u> |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

During the year ended September 30, 2019, the following changes in business-type activities capital assets occurred:

|  | Balance<br>September 30,<br>2018 | Additions           | Reductions/<br>Transfers | Balance<br>September 30,<br>2019 |
|--|----------------------------------|---------------------|--------------------------|----------------------------------|
| Business-type activities:                    |                                  |                     |                          |                                  |
| Capital assets, not being depreciated:       |                                  |                     |                          |                                  |
| Land   | \$ 7,660,929                     | \$ -                | \$ (152,293)             | \$ 7,508,636                     |
| Construction in progress                     | 28,065,317                       | 6,000,800           | (7,286,299)              | 26,779,818                       |
| Total capital assets, not being depreciated  | <u>35,726,246</u>                | <u>6,000,800</u>    | <u>(7,438,592)</u>       | <u>34,288,454</u>                |
| Capital assets, being depreciated:           |                                  |                     |                          |                                  |
| Buildings                                    | 39,846,390                       | -                   | 415,551                  | 40,261,941                       |
| Water and sewer system                       | 159,021,712                      | 769,196             | 713,734                  | 160,504,642                      |
| Stormwater management                        | 24,088,387                       | -                   | 6,157,014                | 30,245,401                       |
| Machinery and equipment                      | 12,387,720                       | 1,316,167           | (201,643)                | 13,502,244                       |
| Total capital assets, being depreciated      | <u>235,344,209</u>               | <u>2,085,363</u>    | <u>7,084,656</u>         | <u>244,514,228</u>               |
| Less accumulated depreciation for:           |                                  |                     |                          |                                  |
| Buildings                                    | 17,340,032                       | 2,217,178           | -                        | 19,557,210                       |
| Water and sewer system                       | 45,920,833                       | 2,444,931           | -                        | 48,365,764                       |
| Stormwater management                        | 8,429,196                        | 581,898             | -                        | 9,011,094                        |
| Machinery and equipment                      | 10,070,377                       | 898,472             | (178,723)                | 10,790,126                       |
| Total accumulated depreciation               | <u>81,760,438</u>                | <u>6,142,479</u>    | <u>(178,723)</u>         | <u>87,724,194</u>                |
| Total capital assets, being depreciated, net | <u>153,583,771</u>               | <u>(4,057,116)</u>  | <u>7,263,379</u>         | <u>156,790,034</u>               |
| Business-type activities capital assets, net | <u>\$ 189,310,017</u>            | <u>\$ 1,943,684</u> | <u>\$ (175,213)</u>      | <u>\$ 191,078,488</u>            |

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

|                 |                     |
|-----------------|---------------------|
| Water and sewer | \$ 5,266,891        |
| Stormwater      | 824,715             |
| Solid Waste     | 7,630               |
| Golf course     | 43,243              |
|                 | <u>\$ 6,142,479</u> |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**Note 6 - Long-Term Debt**

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

Changes in long-term debt for the year ended September 30, 2019 are summarized as follows:

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

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

|   | Balance<br>October 1,<br>2018 | Additions           | Reductions            | Balance<br>September 30,<br>2019 | Long-term<br>Portion | Due Within<br>One Year |
|---|-------------------------------|---------------------|-----------------------|----------------------------------|----------------------|------------------------|
| <b>Governmental activities:</b>                   |                               |                     |                       |                                  |                      |                        |
| Notes payable (Direct placement)                  | \$ 9,830,000                  | \$ -                | \$ (850,000)          | \$ 8,980,000                     | \$ 8,105,000         | \$ 875,000             |
| Other post employment benefits*                   | 15,736,433                    | -                   | (2,363,663)           | 13,372,770                       | 13,372,770           | -                      |
| Net pension liability                             | 13,588,889                    | 12,669,876          | (4,849,232)           | 21,409,533                       | 21,409,533           | -                      |
| Compensated absences                              | 1,990,624                     | 2,639,777           | (2,236,813)           | 2,393,588                        | 1,674,586            | 719,002                |
| Claims payable                                    | 2,458,014                     | 7,422,829           | (7,914,625)           | 1,966,218                        | 203,093              | 1,763,125              |
| Capital leases                                    | 798,657                       | 184,725             | (449,225)             | 534,157                          | 278,342              | 255,815                |
| Governmental activity                             |                               | \$                  | \$                    |                                  |                      |                        |
| long-term liabilities                             | <u>\$ 44,402,617</u>          | <u>22,917,207</u>   | <u>(18,663,558)</u>   | <u>\$ 48,656,266</u>             | <u>\$ 45,043,324</u> | <u>\$ 3,612,942</u>    |
| <b>Business-type activities:</b>                  |                               |                     |                       |                                  |                      |                        |
| Utility revenue bond and notes (Direct placement) | \$ 7,325,000                  | \$ -                | \$ (2,030,000)        | \$ 5,295,000                     | \$ 3,190,000         | \$ 2,105,000           |
| SRF loans (Direct borrowing)                      | 56,344,418                    | 2,959,057           | (3,940,045)           | 55,363,430                       | 50,906,546           | 4,456,884              |
| Other post employment benefits*                   | 5,059,434                     | -                   | (753,481)             | 4,305,953                        | 4,305,953            | -                      |
| Net pension liability                             | 6,230,023                     | 1,990,650           | (578,945)             | 7,641,728                        | 7,641,728            | -                      |
| Capital leases                                    | 16,121                        | -                   | (10,052)              | 6,069                            | -                    | 6,069                  |
| Compensated absences                              | 456,888                       | 728,905             | (695,267)             | 490,526                          | 359,130              | 131,396                |
| Business-type activity                            |                               |                     |                       |                                  |                      |                        |
| long-term liabilities                             | <u>\$ 75,431,884</u>          | <u>\$ 5,678,612</u> | <u>\$ (8,007,790)</u> | <u>\$ 73,102,706</u>             | <u>\$ 66,403,357</u> | <u>\$ 6,699,349</u>    |



**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**B. Governmental Activities - Special Facilities Revenue Note (Direct Placement)**

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. In the event of default, the interest rate shall be adjusted to the Default rate (the interest rate plus two percent 2%) and the pledged funds (sales tax revenue) would be subject to being held by a third party receiver. The Sales Tax Refunding Revenue Note will mature as follows:

| Fiscal Year Ending<br>September 30, | Sales Tax Revenue<br>Note, Series 2012 |                     | Total<br>Debt<br>Service |
|-------------------------------------|--|---------------------|--------------------------|
|                                     | Principal                              | Interest            |                          |
| 2020                                | \$ 875,000                             | \$ 291,850          | \$ 1,166,850             |
| 2021                                | 905,000                                | 263,413             | 1,168,413                |
| 2022                                | 930,000                                | 234,000             | 1,164,000                |
| 2022                                | 965,000                                | 203,775             | 1,168,775                |
| 2023                                | 995,000                                | 172,412             | 1,167,412                |
| 2024-2028                           | 4,310,000                              | 355,875             | 4,665,875                |
|                                     | <u>\$ 8,980,000</u>                    | <u>\$ 1,521,325</u> | <u>\$ 10,501,325</u>     |

**C. Water and Sewer Fund Revenue Bonds and Notes (Direct Placement)**

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, 2016 through October 1, 2022.

(1) Pledge of Revenues - The Series 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.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

b. Bond Sinking Fund:

- Interest Account - To deposit monthly from the Revenue Account one-sixth (1/6) of all interest coming due on the next interest payment date.
- Principal Account - To deposit monthly from the Revenue Account one-twelfth (1/12) of the principal amount, which will become due on such annual maturity date.

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

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

(4) Default Provisions - The default provisions for the 2010 note state that in the event of default the bank will accelerate the Note and will be required to pay the prepayment charges which are calculated as the sum of the differences between (a) each scheduled interest payment which would have been made on the prepaid amount if such prepayment had not occurred and (b) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Bank shall be deemed to have entered into as of the date of such prepayment covering its payment obligations under an interest rate swap which the Bank shall be deemed to have entered into when the prepaid amount was originally funded, with each such difference discounted to a present value as of the date of prepayment using the fixed interest rate of the Replacement Swap as the applicable discount rate.

(5) 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, 2019:

| Fiscal Year Ending<br>September 30, | Note, Series 2010 |            | Total<br>Debt<br>Service |
|-------------------------------------|-------------------|------------|--------------------------|
|                                     | Principal         | Interest   |                          |
| 2020                                | \$ 2,105,000      | \$ 249,052 | \$ 2,354,052             |
| 2021                                | 2,185,000         | 300,086    | \$ 2,485,086             |
| 2022                                | 1,005,000         | 94,541     | \$ 1,099,541             |
|                                     | \$ 5,295,000      | \$ 643,679 | \$ 5,938,679             |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

The City has revenue bonds and notes outstanding at September 30, 2019. The revenue notes and bonds under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

|                                 | <u>Purpose of Issue</u>   | <u>Revenue Pledged</u>  | <u>Amount Issued</u>  |
|---------------------------------|---|---|-----------------------|
| Governmental Activities         |   |   |                       |
| Revenue Notes:                  |   |   |                       |
| Sales Tax Note, Series 2012     | Public safety complex   | Sales tax revenues  | \$ 15,050,000         |
| Capital Leases:                 |   |   |                       |
| City National                   | Police vehicles   | N/A   | 301,310               |
| City National                   | Police vehicles   | N/A   | 184,725               |
| U.S. Bancorp Government         | Police vehicles   | N/A   | 530,500               |
| U.S. Bancorp Government         | Police vehicles   | N/A   | 551,292               |
| U.S. Bancorp Government         | Police vehicles   | N/A   | 489,200               |
| Total Governmental Activities:  |   |   | <u>\$ 17,107,027</u>  |
| Business-type Activities        |   |   |                       |
| Water/Sewer Utility Debt:       |   |   |                       |
| Revenue Bonds:                  |   |   |                       |
| Revenue Note:                   |   |   |                       |
| Series 2010                     | Refunding   | Net revenue of water and sewer system/<br>water and sewer development charges | \$ 14,720,000         |
| State Revolving Fund Loans:     |   |   |                       |
| 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<br>and Manhole Rehabilitation | Net revenues of water and sewer system  | 2,622,385             |
| WW590101                        | Sewer Restoration of underground pipe<br>and Manhole Rehabilitation | 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<br>water pipe bursting    | Net revenues of water and sewer system  | 12,916,149            |
| DW590130                        | Water Treatment facility rehabilitation                             | Net revenues of water and sewer system  | 986,973               |
| DW590131                        | Biological nutrient removal improvements                            | Net revenues of water and sewer system  | 18,395,032            |
| WW590150                        | Water Treatment facility construction                               | Net revenues of water and sewer system  | 7,010,263             |
| WW590191                        | Drinking Water facility construction                                | Net revenues of water and sewer system  | 438,713               |
| Total Water/Sewer Utility Debt  |   |   | <u>91,119,589</u>     |
| Stormwater Utility Debt:        |   |   |                       |
| State Revolving Fund Loans:     |   |   |                       |
| SWG12058624P                    | Stormwater management   | Net revenue of the stormwater system  | 4,623,557             |
| SW586260                        | Stormwater management   | Net revenue of the stormwater system  | 2,612,309             |
| SW586261                        | Stormwater management   | Net revenue of the stormwater system  | 452,818               |
| SW590140                        | Stormwater management   | Net revenue of the stormwater system  | 509,302               |
| SW590141                        | Stormwater management   | Net revenue of the stormwater system  | 4,854,629             |
| Total Stormwater Utility Debt   |   |   | <u>13,052,615</u>     |
| Mayfair Golf Club Debt:         |   |   |                       |
| Capital Leases:                 |   |   |                       |
| Wells Fargo                     | Lawn Maintenance Equipment  | N/A   | 47,526                |
| Total Mayfair Debt              |   |   | <u>47,526</u>         |
| Total Business-type Activities: |   |   | <u>\$ 104,219,730</u> |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

|                                 | <u>Amount O/S<br/>and/or<br/>Pledged</u> | <u>Interest<br/>Rate</u> | <u>Debt Service<br/>as Portion<br/>of Revenue<br/>Pledged</u> | <u>Total<br/>Debt<br/>Service<br/>Paid</u> | <u>Annual<br/>Pledged<br/>Revenues</u> |
|---------------------------------|--|--------------------------|---|--|--|
| Governmental Activities         |  |                          |   |  |  |
| Revenue Notes:                  |  |                          |   |  |  |
| Sales Tax Note, Series 2012     | \$ 8,980,000                             | 3.25%                    | 28.80%  | \$ 1,169,475                               | \$ 3,716,479                           |
| Capital Leases:                 |  |                          |   |  |  |
| City National                   | 172,284                                  | 2.7%                     | N/A   | 79,159                                     | N/A                                    |
| U.S. Bancorp Government         | 173,787                                  | 1.2%                     | N/A   | 12,260                                     | N/A                                    |
| U.S. Bancorp Government         | -  | 1.169%                   | N/A   | 102,098                                    | N/A                                    |
| U.S. Bancorp Government         | -  | 1.619%                   | N/A   | 140,612                                    | N/A                                    |
| U.S. Bancorp Government         | 188,086                                  | 2.020%                   | N/A   | 127,616                                    | N/A                                    |
| Total Governmental Activities:  | <u>\$ 9,514,157</u>                      |                          |   | <u>\$ 1,631,220</u>                        |  |
| Business-type Activities        |  |                          |   |  |  |
| Water/Sewer Utility Debt:       |  |                          |   |  |  |
| Revenue Bonds:                  |  |                          |   |  |  |
| Revenue Note:                   |  |                          |   |  |  |
| Series 2010                     | \$ 5,295,000                             | 3.87%                    | 20.76%  | \$ 2,374,534                               | \$ 13,476,237                          |
| State Revolving Fund Loans:     |  |                          |   |  |  |
| CS120586220                     | 977,935                                  | 3.34% - 3.55%            | 3.76%   | 294,399                                    | 8,700,827                              |
| WW586250                        | 8,284,471                                | 2.42%- 2.48%             | 15.32%  | 1,211,951                                  | 8,700,827                              |
| DW5906010                       | 1,415,587                                | 3.55%                    | 5.47%   | 429,788                                    | 8,700,827                              |
| WW590100                        | 1,669,951                                | 2.65%                    | 2.14%   | 168,461                                    | 8,700,827                              |
| WW590101                        | 128,878                                  | 2.28%                    | 0.16%   | 12,739                                     | 8,700,827                              |
| DW590110                        | 292,616                                  | 2.71%                    | 0.38%   | 29,616                                     | 8,700,827                              |
| DW590120                        | 8,287,210                                | 1.98% - 2.66%            | 10.94%  | 846,697                                    | 8,700,827                              |
| WW590130                        | 907,979                                  | 2.63% - 2.87%            | 0.84%   | 65,926                                     | 8,700,827                              |
| WW590131                        | 16,699,441                               | 2.16%                    | 15.10%  | 1,231,022                                  | 8,700,827                              |
| WW590150                        | 7,010,263                                | .58%-1.09%               | 0.00%   | 5,211                                      | 8,700,827                              |
| WW590191                        | 438,713                                  | 1.04%                    | 0.00%   | -  | 8,700,827                              |
| Total Water/Sewer Utility Debt  | <u>51,408,044</u>                        |                          |   | <u>6,670,344</u>                           |  |
| Stormwater Utility Debt:        |  |                          |   |  |  |
| State Revolving Fund Loans:     |  |                          |   |  |  |
| SWG12058624P                    | 2,175,497                                | 2.52%-2.90%              | 8.05%   | 303,193                                    | 3,883,576                              |
| SW586260                        | 1,673,192                                | 2.80%                    | 4.52%   | 169,613                                    | 3,883,576                              |
| SW586261                        | 293,971                                  | 2.28%                    | 0.74%   | 27,999                                     | 3,883,576                              |
| SW590140                        | 382,041                                  | 2.63%                    | 0.74%   | 28,018                                     | 3,883,576                              |
| SW590141                        | 4,725,685                                | 1.05-1.18%               | 0.00%   | 298,736                                    | 3,883,576                              |
| Total Stormwater Utility Debt   | <u>9,250,386</u>                         |                          |   | <u>827,559</u>                             |  |
| Capital Leases:                 |  |                          |   |  |  |
| Wells Fargo                     | 6,069                                    | 4.350%                   | N/A   | 10,052                                     | N/A                                    |
| Total Stormwater Utility Debt   | <u>6,069</u>                             |                          |   | <u>10,052</u>                              |  |
| Total Business-type Activities: | <u>\$ 60,664,499</u>                     |                          |   | <u>\$ 7,507,955</u>                        |  |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

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 currently the City has no current responsibility. This has been presented as accrued clean-up costs for governmental activities.

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

Enterprise Funds loans are State Revolving Fund loans and are backed by the pledged revenues (gross revenue after payment of operation and maintenance expense) generated by the systems (stormwater and separately water and wastewater). The default remedies include court action and/or accelerating the repayment schedules or increasing the interest rate on the unpaid principal of the loan to as much as 1.667 times the loan interest rate. Enterprise Funds loans payable at September 30, 2019 are as follows:

Primary Government: Stormwater:

|  |                     |
|--|---------------------|
| State Revolving Fund Loan SWG12058624P payable, \$4,623,557 authorized, \$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. | \$ 2,175,497        |
| 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.   | 1,673,192           |
| 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.  | 293,971             |
| State Revolving Fund Loan SW590140 payable, \$509,302 authorized, \$509,302 drawn for planning and design for drainage, payable in 40 equal semiannual installments, including interest at 2.63%, on February 15 and August 15 of each year.   | 382,041             |
| State Revolving Fund Loan SW590141 payable, \$5,847,753 authorized, \$4,871,198 drawn for planning and design for drainage, payable in 40 equal semiannual installments, including interest at 1.18% on \$4,554,300, 1.05% on \$1,293,453 on November 15 and May 15 of each year.  | 4,725,685           |
| Subtotal primary Government: Stormwater  | <u>\$ 9,250,386</u> |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

Primary Government: Water and Sewer:

|   |            |
|---|------------|
| State Revolving Fund Loan CS120586220 payable, \$7,403,173 authorized, \$7,403,173 drawn for collection, transmission and treatment facilities, payable in 40 equal semiannual installments, including interest at 1.67%, on October 15 and April 15 of each year.  | 977,935    |
| 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. | 8,284,471  |
| 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.   | 1,415,587  |
| 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.  | 1,669,951  |
| 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.  | 128,878    |
| 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.   | 292,616    |
| State Revolving Fund Loan DW590120 payable, \$17,105,683 authorized, \$13,019,481 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.                             | 8,287,210  |
| State Revolving Fund Loan WW590130 payable, \$986,973 authorized, \$986,973 drawn for construction of wastewater transmission, collection, reuse, and treatment facilities, payable in 20 equal semiannual installments, including interest at 2.63% to 2.87%, on April 15 and October 15 of each year.                                   | 907,979    |
| State Revolving Fund Loan WW590131 payable, \$18,395,032 authorized, \$18,395,032 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.   | 16,699,441 |
| State Revolving Fund Loan WW590150 payable, \$10,401,065 authorized, \$4,175,406 drawn for construction of wastewater pollution control facilities, payable in 40 equal semiannual installments, including interest at .545% to 1.09%, on May 15 and November 15 of each year.  | 7,010,263  |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

State Revolving Fund Loan WW590191 payable, \$587,650 authorized, \$304,174 drawn for construction of Treatment Plant facilities plans, payable in 20 equal semiannual installments, including interest at 1.04%, on February 15 and August 15 of each year.

438,713

Subtotal Primary Government : Water and Sewer

46,113,044

Total loans payable

\$ 55,363,430

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**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 that have final loan payment/amortization schedules are as follows (loans SW590140, DW590120, DW590130, DW590131, WW590150 and WW590191 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2019):

| Fiscal Year Ending<br>September 30, | SRF SWG12058624P    |                   |                     |
|-------------------------------------|---------------------|-------------------|---------------------|
|                                     | Principal           | Interest          | Total               |
| 2020                                | \$ 246,827          | \$ 57,750         | \$ 304,577          |
| 2021                                | 253,613             | 50,964            | 304,577             |
| 2022                                | 260,587             | 43,990            | 304,577             |
| 2023                                | 267,752             | 36,825            | 304,577             |
| 2024                                | 275,116             | 29,462            | 304,578             |
| 2025-2027                           | 871,590             | 42,142            | 913,732             |
|                                     | <u>\$ 2,175,485</u> | <u>\$ 261,133</u> | <u>\$ 2,436,618</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan SW586260   |                   |                     |
|------------------------------------|---------------------|-------------------|---------------------|
|                                    | Principal           | Interest          | Total               |
| 2020                               | \$ 125,203          | \$ 45,979         | \$ 171,182          |
| 2021                               | 128,733             | 42,449            | 171,182             |
| 2022                               | 132,363             | 38,819            | 171,182             |
| 2023                               | 136,095             | 35,087            | 171,182             |
| 2024                               | 139,932             | 31,250            | 171,182             |
| 2025-2027                          | 761,118             | 94,793            | 855,911             |
| 2028-2031                          | 249,748             | 7,024             | 256,772             |
|                                    | <u>\$ 1,673,192</u> | <u>\$ 295,401</u> | <u>\$ 1,968,593</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan SW586261 |                  |                   |
|------------------------------------|-------------------|------------------|-------------------|
|                                    | Principal         | Interest         | Total             |
| 2020                               | \$ 21,560         | \$ 6,580         | \$ 28,140         |
| 2021                               | 22,054            | 6,086            | 28,140            |
| 2022                               | 22,560            | 5,580            | 28,140            |
| 2023                               | 23,077            | 5,063            | 28,140            |
| 2024                               | 23,606            | 4,534            | 28,140            |
| 2025-2027                          | 126,403           | 14,297           | 140,700           |
| 2028-2031                          | 54,711            | 1,569            | 56,280            |
|                                    | <u>\$ 293,971</u> | <u>\$ 43,709</u> | <u>\$ 337,680</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan SW590141   |                   |                     |
|------------------------------------|---------------------|-------------------|---------------------|
|                                    | Principal           | Interest          | Total               |
| 2020                               | \$ 124,433          | \$ 152,947        | \$ 277,380          |
| 2021                               | 224,106             | 53,274            | 277,380             |
| 2022                               | 226,740             | 50,640            | 277,380             |
| 2023                               | 229,405             | 47,975            | 277,380             |
| 2024                               | 232,102             | 45,278            | 277,380             |
| 2025-2029                          | 1,202,080           | 184,820           | 1,386,900           |
| 2030-2034                          | 1,274,411           | 112,489           | 1,386,900           |
| 2035-2039                          | 1,212,408           | 35,804            | 1,248,212           |
|                                    | <u>\$ 4,725,685</u> | <u>\$ 683,227</u> | <u>\$ 5,408,912</u> |



**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

| Fiscal Year Ending<br>September 30, | SRF Loan CS120586220 |                  |                     |
|-------------------------------------|----------------------|------------------|---------------------|
|                                     | Principal            | Interest         | Total               |
| 2020                                | \$ 267,939           | \$ 30,445        | \$ 298,384          |
| 2021                                | 276,963              | 21,421           | 298,384             |
| 2022                                | 286,291              | 12,093           | 298,384             |
| 2023                                | 146,742              | 2,451            | 149,193             |
|                                     | <u>\$ 977,935</u>    | <u>\$ 66,410</u> | <u>\$ 1,044,345</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan WW586250   |                   |                     |
|------------------------------------|---------------------|-------------------|---------------------|
|                                    | Principal           | Interest          | Total               |
| 2020                               | \$ 1,019,823        | \$ 195,177        | \$ 1,215,000        |
| 2021                               | 1,044,758           | 170,242           | 1,215,000           |
| 2022                               | 1,070,302           | 144,698           | 1,215,000           |
| 2023                               | 1,096,472           | 118,528           | 1,215,000           |
| 2024                               | 1,123,281           | 91,718            | 1,214,999           |
| 2025-2027                          | 2,929,835           | 107,666           | 3,037,501           |
|                                    | <u>\$ 8,284,471</u> | <u>\$ 828,029</u> | <u>\$ 9,112,500</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan DW590601   |                   |                     |
|------------------------------------|---------------------|-------------------|---------------------|
|                                    | Principal           | Interest          | Total               |
| 2020                               | \$ 386,824          | \$ 46,851         | \$ 433,675          |
| 2021                               | 400,678             | 32,997            | 433,675             |
| 2022                               | 415,029             | 18,646            | 433,675             |
| 2023                               | 213,056             | 3,782             | 216,838             |
|                                    | <u>\$ 1,415,587</u> | <u>\$ 102,276</u> | <u>\$ 1,517,863</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan WW590100   |                   |                     |
|------------------------------------|---------------------|-------------------|---------------------|
|                                    | Principal           | Interest          | Total               |
| 2020                               | \$ 125,990          | \$ 43,425         | \$ 169,415          |
| 2021                               | 129,351             | 40,064            | 169,415             |
| 2022                               | 132,802             | 36,613            | 169,415             |
| 2023                               | 136,344             | 33,071            | 169,415             |
| 2024                               | 139,981             | 29,434            | 169,415             |
| 2025-2029                          | 757,949             | 89,124            | 847,073             |
| 2030-2031                          | 247,534             | 6,588             | 254,122             |
|                                    | <u>\$ 1,669,951</u> | <u>\$ 278,319</u> | <u>\$ 1,948,270</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan WW590101 |                  |                   |
|------------------------------------|-------------------|------------------|-------------------|
|                                    | Principal         | Interest         | Total             |
| 2020                               | \$ 9,921          | \$ 2,883         | \$ 12,804         |
| 2021                               | 10,149            | 2,655            | 12,804            |
| 2022                               | 10,382            | 2,422            | 12,804            |
| 2023                               | 10,620            | 2,184            | 12,804            |
| 2024                               | 10,863            | 1,940            | 12,803            |
| 2025-2029                          | 58,168            | 5,851            | 64,019            |
| 2030-2031                          | 18,775            | 430              | 19,205            |
|                                    | <u>\$ 128,878</u> | <u>\$ 18,365</u> | <u>\$ 147,243</u> |

| Fiscal Year Ended<br>September 30, | SRF Loan DW590110 |                  |                   |
|------------------------------------|-------------------|------------------|-------------------|
|                                    | Principal         | Interest         | Total             |
| 2020                               | \$ 22,004         | \$ 7,782         | \$ 29,786         |
| 2021                               | 22,605            | 7,181            | 29,786            |
| 2022                               | 23,221            | 6,565            | 29,786            |
| 2023                               | 23,855            | 5,931            | 29,786            |
| 2024                               | 24,506            | 5,280            | 29,786            |
| 2025-2029                          | 132,930           | 16,000           | 148,930           |
| 2030-2031                          | 43,495            | 1,184            | 44,679            |
|                                    | <u>\$ 292,616</u> | <u>\$ 49,923</u> | <u>\$ 342,539</u> |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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**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 2019, the total lease rental income received in the general fund and the water and sewer enterprise fund was \$62,641 and \$126,783, 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 April 27, 2015 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 1.619% and calls for quarterly payments of \$34,308. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$530,500 and \$412,797, respectively, as of September 30, 2019.

On May 28, 2015 the City entered into a lease agreement with a local finance company to finance the acquisition of lawn maintenance equipment. The agreement has a 4-year fixed term at 4.35% and calls for monthly payments of \$880. The aggregate cost and accumulated depreciation of the business type activities machinery & equipment asset acquired through the capital lease are \$47,526 and \$29,421, respectively, as of September 30, 2019.

On January 1, 2016 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 1.619% and calls for quarterly payments of \$35,509. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$551,292 and \$326,290, respectively, as of September 30, 2019.

On February 27, 2017 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 2.02% and calls for quarterly payments of \$31,904. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$489,200 and \$201,678, respectively, as of September 30, 2019.

On March 30, 2018 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 2.68% and calls for quarterly payments of \$19,790. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$301,310 and \$86,481, respectively, as of September 30, 2019.

On June 10, 2019 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 2.85% and calls for quarterly payments of \$12,260. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$184,725 and \$19,807, respectively, as of September 30, 2019.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**Note 9 - Capital Leases (continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, were as follows:

| Year Ending September 30,                | Governmental<br>Activities | Enterprise<br>Funds |
|--|----------------------------|---------------------|
| 2020                                     | \$ 255,814                 | \$ 6,157            |
| 2021                                     | 192,007                    | -                   |
| 2022                                     | 68,830                     | -                   |
| 2023                                     | 36,780                     | -                   |
| Total minimum lease payments             | 553,431                    | 6,157               |
| Less: Amount representing interest costs | (19,275)                   | (88)                |
| Present value of minimum lease payments  | <u>\$ 534,156</u>          | <u>\$ 6,069</u>     |

**Note 10 - Interfund Accounts and Transfers**

Individual fund interfund receivables and payables at September 30, 2019 consist of the following:

| Fund                         | Due From<br>Other Funds | Due To<br>Other Funds |
|------------------------------|-------------------------|-----------------------|
| General Fund                 | \$ 1,914,490            | \$ 254,687            |
| Nonmajor Governmental Funds: |                         |                       |
| CDBG Grant Fund              | -                       | 18,423                |
| LIHEAP Grant Fund            | -                       | 140,178               |
| Youthbuild Grant Fund        | -                       | 7,425                 |
| Capital Project Fund         | -                       | 1,748,464             |
| Solid Waste Utility Fund     | -                       | 527,511               |
| Water / Sewer Utility Fund   | 782,198                 | -                     |
|                              | <u>\$ 2,696,688</u>     | <u>\$ 2,696,688</u>   |

The interfund receivable and payable of \$254,687 represents a loan from the Water and Sewer Fund to the General Fund to finance the purchase of land. The purchase and the advance were approved by the City Commission on December 12, 2005. The remainder of the amounts represent short-term loans for cash deficiencies.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**Note 10 - Interfund Accounts and Transfers (continued)**

Interfund transfers for the fiscal year ended September 30, 2019 consisted of the following:

| Fund                                 | Transfers In | Transfers Out |
|--------------------------------------|--------------|---------------|
| General Fund                         | \$ 84,000    | \$ 5,557,981  |
| Sanford CRA Fund                     | -            | 725,527       |
| Capital Project Fund                 | 1,718,610    | -             |
| Nonmajor Governmental Funds:         |              |               |
| Recreation Impact Fee Fund           | -            | 467,015       |
| Law Enforcement Trust Fund           | 9,045        | -             |
| Local Option Gas Tax Fund            | -            | 99,302        |
| Debt Service Fund                    | 1,781,714    | -             |
| Local Option Sales Tax Fund          | -            | 1,000,000     |
| Catalyst Fund                        | 890,216      | -             |
| Capital Replacement Fund             | 2,339,629    | 84,000        |
| Total Nonmajor Governmental<br>Funds | 5,020,604    | 1,650,317     |
| Nonmajor Golf Course Fund            | 1,110,611    | -             |
|                                      | \$ 7,933,825 | \$ 7,933,825  |

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, 2019**

**Note 11 - Pension Plans**

City of Sanford Pension Plans, September 30, 2019

|                   | FRS           |              | Police     | Fire         | Totals        |
|-------------------|---------------|--------------|------------|--------------|---------------|
|                   | FRS           | HIS          |            |              |               |
| Pension liability | \$ 20,713,542 | \$ 5,966,912 | \$ 994,350 | \$ 1,376,456 | \$ 29,051,260 |
| Pension asset     | -             | -            | -          | -            | -             |
| Deferred Outflows | 11,025,466    | 1,885,090    | 3,989,692  | 1,878,900    | 18,779,148    |
| Deferred Inflows  | 1,421,140     | 584,099      | 774,839    | 461,987      | 3,242,065     |
| Pension Expense   | 3,941,650     | 312,319      | 2,220,384  | 1,014,746    | 7,489,099     |

**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, (police and fire joined 10/1/17 and the current employees could join or remain with their plans and all new hires must join). Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the costs of health insurance. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 12, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. State Statutes, authorizes 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.

(1) Plan Description - 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 (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.

The HIS Pension Plan provides insurance subsidy payments to persons who are retired under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminated employment with all employers participating in the Florida Retirement System and (1) for a member of the FRS investment plan, the

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Florida Retirement System (continued)**

participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes or (2) for a member of the FRS defined benefit pension plan or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan. Any person retiring on or after July 1, 2001, as a member of the Florida Retirement System, including a member of the investment plan, must satisfy the vesting requirements for his or her membership class under the pension plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit per provisions under Chapter 112, Florida Statutes.

The HIS Pension Plan provides monthly payment assistance to retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the plan may be amended only by the State Legislature with a change in the Statutes governing the Plan.

(2) Contributions - 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, 2019, are as follows (contribution rates are in agreement with the actuarially determined rates, each including an additional 1.66% health insurance subsidy contribution):

Regular Class - Members not qualifying for other classes (8.31% from 10/01/18 to 9/30/19). Fifty-six (56) employees qualified for DROP and twenty (20) were in DROP - Deferred Retirement Option Program (14.17% from 10/01/18 to 9/30/19).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 24.40% from 10/1/18 to 9/30/19.

Special Risk – Members eligible for this class includes police officers, firefighters, the City's Crime Scene Technicians, and the Evidence Technician. The rate is 24.75% from 10/1/18 to 9/30/19.

The HIS Pension Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. There are no employee contributions required for the HIS Pension Plan. HIS Pension Plan contributions are deposited in a separate trust fund from which HIS payments are authorized.

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 and HIS plans for the years ended September 30, 2017, 2018 and 2019 were, \$1,225,494, \$2,060,297, and \$2,461,514 respectively, and equal the required contributions for each year.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Florida Retirement System (continued)**

(3) Pension Liabilities and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2019, the City reported a liability of \$20,713,542 for its proportionate share of the FRS Pension Plan net pension liability and \$5,966,912 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liabilities were measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liabilities were based on accrued retirement contributions for employers that were members of the FRS Pension Plan during the fiscal year ended June 30, 2019. At June 30, 2019, the City's proportionate share was .0601 percent and 0.0533 percent which was an increase of 23 and 11 percent from its proportionate share of 0.0489 and 0.0480 percent measured as of June 30, 2018 for both the FRS and HIS plans respectively.

For the year ended September 30, 2019, the City recognized pension expense of \$3,941,650 for the FRS Pension Plan and \$312,319 for the HIS Pension Plan. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to these plans from the following sources:

|   | FRS                                  |                                     | HIS                                  |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ 1,228,579                         | \$ 12,855                           | \$ 72,475                            | \$ 7,306                            |
| Changes in assumptions  | 5,320,129                            | 1,145,981                           | 690,912                              | 487,687                             |
| Net difference between projected and actual earnings on pension plan investments                          | -                                    | -                                   | 3,850                                | -                                   |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 3,907,537                            | 262,306                             | 1,034,231                            | 89,106                              |
| Contributions subsequent to the measurement date  | 569,221                              | -                                   | 83,622                               | -                                   |
| Total   | <u>\$ 11,025,466</u>                 | <u>\$ 1,421,142</u>                 | <u>\$ 1,885,090</u>                  | <u>\$ 584,099</u>                   |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Florida Retirement System (continued)**

The deferred outflows of resources related to FRS \$569,221 and HIS \$83,622 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported for the Plans as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| FRS                   |                   | HIS                   |                   |
|-----------------------|-------------------|-----------------------|-------------------|
| Fiscal Year<br>Ending | Amount            | Fiscal Year<br>Ending | Amount            |
| September 30,         | <u>Recognized</u> | September 30,         | <u>Recognized</u> |
| 2018                  | \$ 3,276,665      | 2018                  | \$ 518,796        |
| 2019                  | 988,469           | 2019                  | 415,208           |
| 2020                  | 2,388,235         | 2020                  | 227,284           |
| 2021                  | 1,801,596         | 2021                  | (165,045)         |
| 2022                  | 464,624           | 2022                  | 29,979            |
| Thereafter            | 115,514           | Thereafter            | 191,147           |

(4) Actuarial Assumptions - The total pension liability for the both the FRS and HIS Pension Plans was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below:

|   | FRS   | HIS  |
|---|---|--|
| Valuation date  | 7/01/2019   | 7/01/2019  |
| Measurement date  | 6/30/2019   | 6/30/2019  |
| Actuarial cost method   | Individual Entry Age  | Individual Entry Age                                 |
| Discount rate   | 6.90%   | 3.50%  |
| Municipal bond rate   | N/A   | 3.50%  |
| Long-term expected rate of return,<br>net of investment expense | 6.90%   | N/A  |
| Inflation rate  | 2.60%   | 2.60%  |
| Salary increase, including inflation                            | 3.25%   | 3.25%  |
| Mortality   | PUB-2010 base table<br>projected generationally<br>with Scale MP-2018 | Generational RP-<br>2000 with projection<br>scale BB |

The actuarial assumptions that determined the total pension liability of the FRS and HIS Pension Plans as of June 30, 2019, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

(5) Discount Rate - The discount rate used to measure the total pension liability for the FRS Pension Plan disclosed above is based on a projection of cash flows that assumed that employee contributions will be made at the current contribution rate and that contributions from participating members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return of pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Florida Retirement System (continued)**

The discount rate for calculation the total pension liability for the HIS Pension plan is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS pension Plan is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General obligation 20-Bond municipal Bond index was adopted as the applicable municipal bond index.

(6) Long-Term Expected Rate of Return - To develop an analytical basis for the selection of the long-term expected rate of return assumption for the FRS Pension Plan, the 2017 FRS Actuarial Assumptions conference reviews long-term assumptions developed by multiple contracted capital market assumptions teams. The table below shows resulting assumptions for each of the asset classes in which the plan was invested based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The expected real rate of return is presented in arithmetic means.

The HIS pension plan is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the pension plan, or assumed asset allocation. Investments are reported at fair value.

(7) Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability of the FRS and HIS Pension Plans calculated using the discount rate of 6.90 percent and 3.50 percent respectively. Also presented is what the City's proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| Asset Class            | Target<br>Allocation | Long-Term<br>Arithmetic<br>Expected Real<br>Rate of Return |
|------------------------|----------------------|--|
| Cash                   | 1.00%                | 2.90%  |
| Fixed income           | 18.00%               | 4.40%  |
| Global equity          | 54.00%               | 7.60%  |
| Real Estate (Property) | 11.00%               | 6.60%  |
| Private Equity         | 10.00%               | 10.70%   |
| Strategic investments  | 6.00%                | 6.00%  |
| Total                  | 100.00%              |  |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Florida Retirement System (continued)**

| FRS Plan  | 1% Decrease<br>5.90% | Current Discount<br>Rate<br>6.90% | 1% Increase<br>7.90% |
|---|----------------------|-----------------------------------|----------------------|
| City's proportionate share of the net pension liability | \$ 35,806,817        | \$ 20,713,542                     | \$ 8,108,105         |
| HIS Plan  | 1% Decrease<br>2.50% | Current Discount<br>Rate<br>3.50% | 1% Increase<br>4.50% |
| City's proportionate share of the net pension liability | \$ 6,811,536         | \$ 5,966,912                      | \$ 5,263,426         |

(8) Allocation of Pension Related Amounts to Proprietary Funds – Pension related amounts have been allocated to the City's Water/Sewer, Stormwater, and Wastewater Utility Enterprise Funds as well as the City's blended component unit (Sanford CRA). This allocation was made based on the contributions to the FRS by each fund.

**B. Police Officers' and Firefighters' Retirement Systems**

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

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

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

Normal retirement under the system is retirement from employment with the City on or after the normal retirement date. The monthly retirement benefit shall equal (3.50% for service up to September 30, 2017 and 3% for service after September 30, 2017) and 3.08% of average final compensation, defined as the highest five (5) years of salary paid during the last ten (10) years of covered employment, for each year of credited service for police officers and firefighters, respectively.

Members are eligible to participate in the deferred retirement option program (DROP) on the earlier of age 55 with 10 years of credited service or 25 years of credited service for the police officers and firefighter plans respectively. Participation in this program for both plans may not exceed 60 months and the rate of return is the actual net rate of investment return (total return net of brokerage commissions, management

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

fees and transaction costs) credited each fiscal quarter. The DROP balance as of September 30, 2019 is \$0 and \$200,802 in the police officers and firefighter plans.

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

(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 \$1,189,748 and \$1,169,848 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2019. The police officers are required to contribute 6.1% 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 1.85% for firefighters and .85% for police officers. The state contributions are not based on covered payroll. The City is required to contribute the remaining amount necessary to pay the annual normal (current year's) cost plus an amount sufficient to fund any unfunded accrued liability over fifteen (15) years for police officers and fifteen (15) years for firefighters. Funding policy was established and may be amended by City Ordinances.

(3) Plan Membership - At September 30, 2019, membership of each plan consisted of the following:

|   | Police<br>Officers | Firefighters |
|---|--------------------|--------------|
| Inactive plan members or beneficiaries currently receiving benefits | 76                 | 54           |
| Inactive plan members entitled to but not yet receiving benefits    | 25                 | 8            |
| Active plan members   | 66                 | 63           |
| Total   | 167                | 125          |

(4) Pension Liabilities, Pension Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to Pensions.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

The components of the net pension liability of the City at September 30, 2019 were as follows:

Police Officers' Plan:

|  |                     |
|--|---------------------|
| Total pension liability  | \$ 49,192,659       |
| Plan fiduciary net position  | <u>(48,198,309)</u> |
| City's net pension liability/(asset)   | <u>\$ 994,350</u>   |
| Plan fiduciary net position as a percentage of the total pension liability/(asset) | 97.98%              |

Firefighters' Plan:

|  |                     |
|--|---------------------|
| Total pension liability  | \$ 36,013,150       |
| Plan fiduciary net position  | <u>(34,636,694)</u> |
| City's net pension liability/(asset)   | <u>\$ 1,376,456</u> |
| Plan fiduciary net position as a percentage of the total pension liability/(asset) | 96.18%              |

The changes in the net pension liability of the police and firefighters pension plans for fiscal year 2019 are as follows:

**Police Officers' Retirement Trust Fund**  
**Changes in Net Pension Liability**

|   | Total Pension Liability<br>(a) | Increase (Decrease)<br>Plan Fiduciary Net Position<br>(b) | Net Pension Liability/(asset)<br>(a-b) |
|---|--------------------------------|---|--|
| Balances at 9/30/2018   | \$ 46,977,557                  | \$ 49,014,907   | \$ (2,037,350)                         |
| Changes for the year:   |                                |   |  |
| Service cost  | 794,900                        | -   | 794,900                                |
| Interest  | 3,248,998                      | -   | 3,248,998                              |
| Change in Excess State Money                                  | 887,614                        | -   | 887,614                                |
| Contributions - Employer                                      | -                              | 1,189,748   | (1,189,748)                            |
| Contributions-State   | -                              | 450,032   | (450,032)                              |
| Contributions-Employee  | -                              | 246,351   | (246,351)                              |
| Net investment income   | -                              | 75,018  | (75,018)                               |
| Benefit payments, including refunds of employee contributions | (2,716,410)                    | (2,716,410)   | -                                      |
| Administrative Expense  | -                              | (61,337)  | 61,337                                 |
| Net Changes   | <u>2,215,102</u>               | <u>(816,598)</u>  | <u>3,031,700</u>                       |
| Balance at September 30, 2019                                 | <u>\$ 49,192,659</u>           | <u>\$ 48,198,309</u>                                      | <u>\$ 994,350</u>                      |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

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

|  | <b>Firefighters' Pension Trust Fund</b> |   |   |
|--|---|---|---|
|  | <b>Changes in Net Pension Liability</b> |   |   |
|  | Total Pension<br>Liability<br>(a)       | <b>Increase (Decrease)</b><br>Plan Fiduciary Net<br>Position<br>(b) | Net Pension<br>Liability/(asset)<br>(a-b) |
| Balance at 9/30/2018   | \$ 34,180,356                           | \$ 34,757,243   | \$ (576,887)                              |
| Changes for the year:  |   |   |   |
| Service cost   | 706,209                                 | -   | 706,209                                   |
| Interest   | 2,605,737                               | -   | 2,605,737                                 |
| Change in Excess State Money                                     | 134,215                                 | -   | 134,215                                   |
| Differences between Expected and<br>Actual Experience            | (48,942)                                | -   | (48,942)                                  |
| Changes of assumptions   | 949,461                                 | -   | 949,461                                   |
| Changes of benefit terms   | (14,409)                                | -   | (14,409)                                  |
| Contributions - Employer   | -                                       | 1,169,697   | (1,169,697)                               |
| Contributions-State  | -                                       | 302,901   | (302,901)                                 |
| Contributions-Employee   | -                                       | 257,497   | (257,497)                                 |
| Net investment income  | -                                       | 709,334   | (709,334)                                 |
| Benefit payments, including refunds of<br>employee contributions | (2,499,477)                             | (2,499,477)   | -   |
| Administrative Expense   | -                                       | (60,501)  | 60,501                                    |
| Net Changes  | <u>1,832,794</u>                        | <u>(120,549)</u>  | <u>1,953,343</u>                          |
| Balance at September 30, 2019                                    | <u>\$ 36,013,150</u>                    | <u>\$ 34,636,694</u>  | <u>\$ 1,376,456</u>                       |

For the year ended September 30, 2019, the City recognized pension expense of \$2,220,384 and \$1,213,487 for the police and firefighters pension plans. On September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to these plans from the following sources:

|   | Police Officers' Plan                |                                     | Firefighters' Plan                   |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience                                  | \$ 682,967                           | \$ 774,839                          | \$ 195,990                           | \$ 461,987                          |
| Changes in assumptions  | 1,421,412                            | -                                   | 1,299,858                            | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments | 1,885,313                            | -                                   | 383,052                              | -                                   |
| Total   | <u>\$ 3,989,692</u>                  | <u>\$ 774,839</u>                   | <u>\$ 1,878,900</u>                  | <u>\$ 461,987</u>                   |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Florida Retirement System (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Police Officers' Plan |              | Firefighters' Plan                     |            |
|-----------------------|--------------|--|------------|
| Fiscal Year<br>Ending | Amount       | Fiscal Year<br>Ending<br>September 30, | Amount     |
| September 30,         | Recognized   | September 30,                          | Recognized |
| 2020                  | \$ 1,270,448 | 2020                                   | \$ 148,704 |
| 2021                  | 455,049      | 2021                                   | 236,084    |
| 2022                  | 824,392      | 2022                                   | 461,582    |
| 2023                  | 664,964      | 2023                                   | 570,543    |
| 2024                  | -            | 2024                                   | -          |
| Thereafter            | -            | Thereafter                             | -          |

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

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

|  | Police Officers           | Firefighters              |
|--|---------------------------|---------------------------|
| Valuation date   | 10/01/2019                | 10/01/2019                |
| Measurement date   | 10/01/2019                | 10/01/2019                |
| Actuarial cost method  | Entry Age Normal          | Entry Age Normal          |
| Discount rate  | 7.00%                     | 7.50%                     |
| Amortization method  | Level percent, closed     | Level percent, closed     |
| Amortization period  | 15 years                  | 29 years                  |
| Asset valuation method   | 4-year smoothed<br>market | 4-year smoothed<br>market |
| Actuarial Assumptions:   |                           |                           |
| Investment rate of return  | 7.00%                     | 7.50%                     |
| Projected salary increase (including both cost<br>of living and merit) | 4.75%                     | Service based             |
| Inflation rate   | 3.00%                     | 3.00%                     |
| Postretirement benefit increases                                       | 0.00%                     | 0.00%                     |

Mortality assumptions for both the police officers' and firefighters' pension plans used the RP-2000 Generational table, for females: 100% Annuitant White Collar, Sale BB and for males: 10% Annuitant White Collar/90% Annuitant Blue. Disabled Lives used the RP-2000 Generational table for females at 60% set forward two years, 40% Annuitant white collar with no setback and no projection scale and for males 60%, setback four years/40% Annuitant White Collar with no setback, no projection scale.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the police officers' pension plan for the period 1987-2012 and for the firefighters' pension plan 1987-2006.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**A. Florida Retirement System (continued)**

(7) The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in both the police officers' and firefighters' pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

| Fire Pension     |  | Police Pension   |  |
|------------------|--|------------------|--|
| Asset Class      | Long Term<br>Expected Real<br>Rate of Return | Asset Class      | Long Term<br>Expected Real<br>Rate of Return |
| Large cap equity | 5.71%  | Large cap equity | 5.36%  |
| Mid cap equity   | 8.55%  | Mid cap equity   | 8.55%  |
| Small cap equity | 6.99%  | Small cap equity | 6.99%  |
| Foreign equity   | 3.62%  | Foreign equity   | 3.62%  |
| Real estate      | 6.81%  | Real estate      | 6.60%  |
| Fixed income     | 2.88%  | Fixed income     | 2.88%  |

(8) The discount rate used to measure the total pension liability for the police officers' plan was 7.00% and 7.25% for the firefighters' plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the City:

|   |              |                  |                |
|---|--------------|------------------|----------------|
| Police Officers' Plan:                  | 1% Decrease  | Current Discount | 1% Increase    |
|   | 6.00%        | Rate             | 8.00%          |
|   | 6.00%        | 7.00%            | 8.00%          |
| Sponsor's Net Pension Liability/(asset) | \$ 6,920,327 | \$ 994,350       | \$ (3,940,873) |
| <br>                                    |              |                  |                |
| Firefighters' Plan:                     | 1% Decrease  | Current Discount | 1% Increase    |
|   | 6.50%        | Rate             | 8.50%          |
|   | 6.50%        | 7.50%            | 8.50%          |
| Sponsor's Net Pension Liability/(asset) | \$ 5,653,320 | \$ 1,376,456     | \$ (2,188,502) |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**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, 2019 and for the year then ended are as follows:

**Combining Statement of Net Pension  
Fiduciary Funds  
September 30, 2019**

|  | Police Officers'<br>Retirement<br>System | Firefighters'<br>Retirement<br>System | Total                |
|--|--|---------------------------------------|----------------------|
| <b>Assets</b>                          |  |                                       |                      |
| Cash and cash equivalents with trustee | \$ 996,590                               | \$ 851,799                            | \$ 1,848,389         |
| Investments, at fair value:            |  |                                       |                      |
| US government obligations              | 2,375,127                                | 2,623,371                             | 4,998,498            |
| Mortgage & asset backed securities     | 293,012                                  | 186,303                               | 479,315              |
| Corporate debt                         | 3,803,195                                | 4,082,209                             | 7,885,404            |
| Mutual funds                           | 17,723,604                               | 8,032,151                             | 25,755,755           |
| Equity securities                      | 14,407,732                               | 14,002,044                            | 28,409,776           |
| Real estate                            | 8,549,218                                | 5,157,575                             | 13,706,793           |
| Accrued investment income              | 48,267                                   | 50,056                                | 98,323               |
| Prepaid items                          | 3,089                                    | 4,634                                 | 7,723                |
| Total assets                           | <u>48,199,834</u>                        | <u>34,990,142</u>                     | <u>83,189,976</u>    |
| <b>Liabilities</b>                     |  |                                       |                      |
| Accounts payable                       | 49,184                                   | 40,214                                | 89,398               |
| <b>Net position</b>                    |  |                                       |                      |
| Net position restricted for pensions   | <u>\$ 48,150,650</u>                     | <u>\$ 34,949,928</u>                  | <u>\$ 83,100,578</u> |



**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**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, 2019

|   | <u>Police Officers'<br/>Retirement<br/>System</u> | <u>Firefighters'<br/>Retirement<br/>System</u> | <u>Total</u>         |
|---|---|--|----------------------|
| <b>Additions</b>                            |   |  |                      |
| Contributions:                              |   |  |                      |
| Employer                                    | \$ 1,639,780                                      | \$ 1,472,750                                   | \$ 3,112,530         |
| Plan members                                | 246,351   | 257,497  | 503,848              |
| Total contributions                         | <u>1,886,131</u>                                  | <u>1,730,247</u>                               | <u>3,616,378</u>     |
| Investments earnings (losses):              |   |  |                      |
| Interest & dividends                        | 1,398,774   | 1,059,250                                      | 2,458,024            |
| Net decrease in fair value of investments   | <u>(1,009,777)</u>                                | <u>(167,157)</u>                               | <u>(1,176,934)</u>   |
| Total investment earnings                   | 388,997   | 892,093  | 1,281,090            |
| Investment expenses                         | <u>(308,845)</u>                                  | <u>(196,563)</u>                               | <u>(505,408)</u>     |
| Net investment earnings                     | <u>80,152</u>                                     | <u>695,530</u>                                 | <u>775,682</u>       |
| Total additions                             | <u>1,966,283</u>                                  | <u>2,425,777</u>                               | <u>4,392,060</u>     |
| <b>Deductions</b>                           |   |  |                      |
| Benefit payments                            | 2,691,418   | 1,731,281                                      | 4,422,699            |
| Refund of contributions                     | 168,390   | 433,273  | 601,663              |
| Administrative expenses                     | 57,965  | 58,776   | 116,741              |
| Total deductions                            | <u>2,917,773</u>                                  | <u>2,223,330</u>                               | <u>5,141,103</u>     |
| Change in net position                      | (951,490)   | 202,447  | (749,043)            |
| <b>Net position restricted for pensions</b> |   |  |                      |
| Beginning of year                           | <u>49,102,140</u>                                 | <u>34,747,481</u>                              | <u>83,849,621</u>    |
| End of year                                 | <u>\$ 48,150,650</u>                              | <u>\$ 34,949,928</u>                           | <u>\$ 83,100,578</u> |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

The City’s defined benefit OPEB plan provides OPEB for all general and public safety employees of the City. The plan is a single-employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

(1) Plan Description - 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. 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.

(2) Employees covered by benefit terms - At September 30, 2019, the measurement date, the following employees were covered by the benefit terms:

|                     |     |
|---------------------|-----|
| Inactive employees* | 213 |
| Active employees**  | 513 |
| Total               | 726 |

\*Inactive counts include retirees with life insurance only.

\*\*Active counts include those with health care coverage and those without.

(3) Total OPEB Liability – The City’s total OPEB liability of \$17,678,723 was measured as of September 30, 2019, and was determined by an actuarial valuation as of that date.

(4) Actuarial assumptions and other inputs – 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. The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**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.

**Inflation Rate:**

2.6% per year

**Investment Return (Discount Rate):**

4.15% as of October 1, 2018 and 3.58% as of September 30, 2019. The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

**(4) Actuarial assumption and other inputs (continued)**

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> / | Increase | <u>Year</u> / | Increase | <u>Year</u> / | Increase |
|---------------|----------|---------------|----------|---------------|----------|
| 2020          | 8.50%    | 2024          | 6.50%    | 2027          | 5.00%    |
| 2021          | 8.00%    | 2025          | 6.00%    | and           |          |
| 2022          | 7.50%    | 2026          | 5.50%    | after         |          |
| 2023          | 7.00%    |               |          |               |          |

Retiree Contributions:

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

Payroll Growth:

3.25% per annum for general employees and 5% for public safety (used for amortization purposes only)

Mortality Rates:

Mortality rates were based on the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP=2018 (RPH-2018 table is created based on RPH-2014 Total Dataset Mortality Table with 8 years of MP-2014 mortality improvement backed out, projected to 2018 using MP-2018 improvement.)

**(5) 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, 2019**

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

(6) Changes in the Total OPEB Liability

|  | <b>Total OPEB Liability</b> |
|--|-----------------------------|
| Balance at 9/30/2018                               | \$ 20,795,867               |
| Changes for the year:                              |                             |
| Service cost                                       | 399,293                     |
| Interest   | 860,472                     |
| Change in assumptions                              | 820,598                     |
| Differences between expected and actual experience | (4,266,237)                 |
| Benefit payments                                   | (931,270)                   |
| Net changes  | (3,117,144)                 |
| Balance at 9/30/2019                               | \$ 17,678,723               |

There have been no substantive plan provision changes.

Changes of assumptions reflects a change in the discount rate from 4.15% in 2018 to 3.58% in 2019.

(7) Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate of 3.58%.

|                      | 1% Decrease<br>2.58% | Current Discount<br>Rate<br>3.58% | 1% Increase<br>4.58% |
|----------------------|----------------------|-----------------------------------|----------------------|
| Total OPEB liability | \$ 19,261,588        | \$ 17,678,723                     | \$ 16,274,614        |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

(8) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

| OPEB health care discount rate | 1% Decrease<br>(7.5%<br>decreasing to<br>4.0%) | Healthcare<br>Cost Trend<br>Rates<br>(8.5%<br>decreasing to<br>5.0%) | 1% Increase<br>(9.5%<br>decreasing to<br>6.0%) |
|--------------------------------|--|--|--|
| Total OPEB liability           | \$ 15,985,909                                  | \$ 17,678,723  | \$ 19,612,237                                  |

(9) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB— For the year ended September 30, 2019, the City recognized an OPEB expense of \$1,108,9990. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ -                                 | \$ 7,767,193                        |
| Changes in assumptions                             | 1,442,984                            | -                                   |
| Total  | <u>\$ 1,442,984</u>                  | <u>\$ 7,767,193</u>                 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Fiscal Year<br>Ending<br>September 30, | Amount<br>Recognized |
|--|----------------------|
| 2020                                   | \$ (1,437,485)       |
| 2021                                   | (1,437,485)          |
| 2022                                   | (1,437,485)          |
| 2023                                   | (1,437,485)          |
| 2024                                   | (574,269)            |
| Thereafter                             | -                    |

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

**Note 13 - Deferred Compensation Plan**

The City offers its employees three deferred compensation plans two 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. The other deferred compensation plan is a 401(a) and is offered to all employees with no employer contributions.

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 2019. 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, 2018 and 2019 were as follows:

|             | Balance at<br>Fiscal Year<br>Beginning | Current<br>Year Claims<br>and Changes<br>in Estimates | Current Year<br>Claim<br>Payments | Balance at<br>Fiscal Year<br>End |
|-------------|--|---|-----------------------------------|----------------------------------|
| 2017 - 2018 | \$ 2,340,914                           | \$ 7,608,827  | \$ (7,491,727)                    | \$ 2,458,014                     |
| 2018 - 2019 | 2,458,014                              | 7,422,828   | (7,914,625)                       | 1,966,217                        |

**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 \$9,593,608 at September 30, 2019.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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

The elements of this calculation are as follows:

|                                 | Governmental<br>Activities | Business-type<br>Activities |
|---------------------------------|----------------------------|-----------------------------|
| Capital assets:                 |                            |                             |
| Non depreciable                 | \$ 22,687,380              | \$ 34,288,454               |
| Depreciable, net                | 111,529,058                | 156,790,034                 |
|                                 | 134,216,438                | 191,078,488                 |
| Debt related to capital assets: |                            |                             |
| Bonds                           | -                          | 5,295,000                   |
| Loans                           | 8,980,000                  | 55,363,430                  |
| Capital leases                  | 534,157                    | 6,069                       |
|                                 | 9,514,157                  | 60,664,499                  |
| Difference                      | 124,702,281                | 130,413,989                 |
| Unspent debt proceeds           | -                          | -                           |
| Invested in capital assets      | \$ 124,702,281             | \$ 130,413,989              |

**Note 17 – Tax Abatements**

The City of Sanford and the Downtown CRA enters into property tax abatement agreements with local businesses under the Article VII, Section (3)(c), *Constitution of the State of Florida*, as implemented by Section 196.1955, *Florida Statutes*, local governments may provide for ad valorem tax exemptions for a variety of economic development purposes. Localities may grant abatements for up to ten years for up to 100% of the assessed value of all improvements to real property made by or for the use of a new business and of all tangible personal property of such new business, or up to 100% of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and of the net increase in all tangible personal property acquired to facilitate such expansion of an existing business, provided that the improvements to real property are made or the tangible personal property is added or increased on or after the day the ordinance approving the tax abatement is enacted. The City adopted an ordinance allowing for up to \$2,000,000 in abatements over 10 years and applicants would be entitled initially up to 100%, but such abatement awarded shall not be more than an average over the awarded time frame of 50%. If it is determined that a business was not in fact entitled to a tax abatement in any year for which the business received an exemption, the City, Property Appraiser or tax collector or any other governmental agency shall be entitled to recover all taxes not paid on tangible personal property as a result of the exemption, plus interest at the maximum rate allowed by law, plus all costs of collection, including, without limitation, reasonable attorney’s fees.

For the fiscal year ended September 30, 2019, there were no abated property taxes under this program, but the City of Sanford did have two outstanding agreements as follows:

On May 8, 2017, the City entered into an agreement with a developer to develop land in the City’s downtown district via Ordinance 4403. The project is known as the Catalyst Site. This agreement allows for ad valorem tax abatements at 50% of the total annual tax increment revenues generated from development of property cited in the development agreement for tax years through 2025 as well as expenditures by the City for foundation enhancement preparation up to \$4,000,000, relocation of water lines \$392,000, sewer lines \$1,070,000, and power lines \$350,000, and reimbursement of impact fees for the purchase of one of the properties proposed to be developed of \$167,565. The Downtown CRA has agreed to contribute \$5,200,000 for the streetscape identified in their plan that will be within the Catalyst Site’s foot print. For the fiscal year ended September 30, 2019, the City of Sanford and the Downtown CRA did not have abated property taxes but did expend \$188,652 on the agreed upon expenditures for the development of the Catalyst Site.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2019**

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**Note 17 – Tax Abatements (continued)**

On July 11, 2016, the City entered into an agreement with Allegiant Airlines that is effective for ad valorem tax years 2017 through 2026 and allows for a 100% tax abatement. The City also provided a Qualified Target Industry (QTI) award to Allegiant in the amount not to exceed \$5,500 that would be paid once the qualifying factors of job creation has been met.

**Note 18 – Subsequent Events**

On December 31, 2019, the first cases of what would become the COVID-19 virus were reported in China. Since then the virus has spread across the globe and has been declared a global pandemic by the World Health Organization. The City continues to monitor the situation; however, the impact to the City, if any, cannot be determined at this time.





CITY OF  
**SANFORD**  
FLORIDA

**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, 2019

|                                       | Budgeted Amounts   |                     | Actual               | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---------------------------------------|--------------------|---------------------|----------------------|---|
|                                       | Original           | Final               |                      |   |
| <b>Revenues</b>                       |                    |                     |                      |   |
| Property taxes                        | \$ 21,202,317      | \$ 21,202,317       | \$ 21,294,235        | \$ 91,918   |
| Utility taxes                         | 7,729,136          | 7,729,136           | 7,891,772            | 162,636   |
| Franchise fees                        | 4,845,657          | 4,845,657           | 5,116,536            | 270,879   |
| Business taxes                        | 658,789            | 658,789             | 627,958              | (30,831)  |
| Permits and fees                      | 166,612            | 166,612             | 118,503              | (48,109)  |
| Intergovernmental                     | 7,111,726          | 7,139,408           | 6,956,245            | (183,163)   |
| Charges for services                  | 2,432,589          | 2,482,589           | 2,605,709            | 123,120   |
| Investment earnings                   | 118,695            | 118,695             | 1,017,103            | 898,408   |
| Fines and forfeitures                 | 149,871            | 149,871             | 187,843              | 37,972  |
| Miscellaneous                         | 187,817            | 190,947             | 337,410              | 146,463   |
| Total revenues                        | <u>44,603,209</u>  | <u>44,684,021</u>   | <u>46,153,314</u>    | <u>1,469,293</u>  |
| <b>Expenditures</b>                   |                    |                     |                      |   |
| Current:                              |                    |                     |                      |   |
| General government                    | 6,291,325          | 6,462,759           | 6,173,771            | 288,988   |
| Public safety                         | 26,550,374         | 26,602,289          | 25,402,078           | 1,200,211   |
| Physical environment                  | 433,848            | 433,848             | 337,950              | 95,898  |
| Transportation                        | 1,184,676          | 1,229,008           | 1,209,473            | 19,535  |
| Economic environment                  | 639,842            | 770,342             | 450,849              | 319,493   |
| Human services                        | 371,331            | 371,331             | 101,523              | 269,808   |
| Culture and recreation                | 5,338,335          | 5,456,109           | 5,351,476            | 104,633   |
| Debt service:                         |                    |                     |                      |   |
| Capital outlay:                       |                    |                     |                      |   |
| Total expenditures                    | <u>40,809,731</u>  | <u>41,325,686</u>   | <u>39,027,120</u>    | <u>2,298,566</u>  |
| Excess of revenues over expenditures  | <u>3,793,478</u>   | <u>3,358,335</u>    | <u>7,126,194</u>     | <u>3,767,859</u>  |
| <b>Other financing sources (uses)</b> |                    |                     |                      |   |
| Transfers in                          | 115,350            | 115,350             | 84,000               | (31,350)  |
| Transfers out                         | (3,612,726)        | (14,839,382)        | (5,557,981)          | 9,281,401   |
| Proceeds from sale of assets          | 43,898             | 43,898              | 17,684               | (26,214)  |
| Total other financing uses            | <u>(3,453,478)</u> | <u>(14,680,134)</u> | <u>(5,456,297)</u>   | <u>9,223,837</u>  |
| Net change in fund balances           | <u>340,000</u>     | <u>(11,321,799)</u> | <u>1,669,897</u>     | <u>12,991,696</u>   |
| <b>Fund balances</b>                  |                    |                     |                      |   |
| Beginning of year                     | -                  | -                   | 24,675,991           | 24,675,991  |
| Prior carryforward                    | -                  | 11,661,799          | -                    | (11,661,799)  |
| Future carryforward                   | (340,000)          | (340,000)           | -                    | 340,000   |
| End of year                           | <u>\$ -</u>        | <u>\$ -</u>         | <u>\$ 26,345,888</u> | <u>\$ 26,345,888</u>                                      |

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

**CITY OF SANFORD, FLORIDA**  
**Capital Project Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts |               | Actual         | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|---------------|----------------|---|
|  | Original         | Final         |                |   |
| <b>Revenues</b>  |                  |               |                |   |
| Intergovernmental  | \$ -             | \$ 15,687,227 | \$ 7,506,393   | \$ (8,180,834)  |
| Total revenues   | -                | 15,687,227    | 7,506,393      | (8,180,834)   |
| <b>Expenditures</b>  |                  |               |                |   |
| General government   | -                | 48,500        | 13,690         | 34,810  |
| Culture and recreation                                       | -                | -             | 111,835        | (111,835)   |
| General government   | -                | 2,179,321     | 1,181,453      | 997,868   |
| Transportation   | -                | 15,070,037    | 12,796,810     | 2,273,227   |
| Culture and recreation                                       | -                | 1,268,289     | 1,123,060      | 145,229   |
| Total expenditures   | -                | 18,566,147    | 15,226,848     | 3,339,299   |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                | (2,878,920)   | (7,720,455)    | (4,841,535)   |
| <b>Other financing sources (uses)</b>                        |                  |               |                |   |
| Transfers in   | -                | 1,938,818     | 1,718,610      | (220,208)   |
| Transfers out  | (115,350)        | (115,350)     | -              | 115,350   |
| Total other financing sources                                | (115,350)        | 1,823,468     | 1,718,610      | (104,858)   |
| Net change in fund balances                                  | (115,350)        | (1,055,452)   | (6,001,845)    | (4,946,393)   |
| <b>Fund balances</b>   |                  |               |                |   |
| Beginning of year  | -                | -             | 1,777,114      | 1,777,114   |
| Prior carryforward   | 115,350          | 1,055,452     | -              | (1,055,452)   |
| End of year  | \$ -             | \$ -          | \$ (4,224,731) | \$ (4,224,731)  |

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

**CITY OF SANFORD, FLORIDA**  
**Sanford CRA Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts |                  | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|---|
|  | Original         | Final            |                   |   |
| <b>Revenues</b>  |                  |                  |                   |   |
| Property taxes   | \$ 1,362,880     | \$ 1,362,880     | \$ 1,337,792      | \$ (25,088)   |
| Investment earnings  | 6,538            | 6,538            | 37,789            | 31,251  |
| Total revenues   | <u>1,369,418</u> | <u>1,369,418</u> | <u>1,375,581</u>  | <u>6,163</u>  |
| <b>Expenditures</b>  |                  |                  |                   |   |
| Current:   |                  |                  |                   |   |
| Economic environment   | 693,683          | 902,464          | 664,053           | 238,411   |
| Capital outlay:  |                  |                  |                   |   |
| Economic environment   | 15,208           | 203,908          | 131,066           | 72,842  |
| Total expenditures   | <u>708,891</u>   | <u>1,106,372</u> | <u>795,119</u>    | <u>311,253</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>660,527</u>   | <u>263,046</u>   | <u>580,462</u>    | <u>317,416</u>  |
| <b>Other financing sources (uses)</b>                        |                  |                  |                   |   |
| Transfers out  | <u>(725,527)</u> | <u>(725,527)</u> | <u>(725,527)</u>  | <u>-</u>  |
| Total other financing sources                                | <u>(725,527)</u> | <u>(725,527)</u> | <u>(725,527)</u>  | <u>-</u>  |
| Net change in fund balances                                  | <u>(65,000)</u>  | <u>(462,481)</u> | <u>(145,065)</u>  | <u>317,416</u>  |
| <b>Fund balances</b>   |                  |                  |                   |   |
| Beginning of year  | -                | -                | 462,481           | 462,481   |
| Prior carryforward   | 65,000           | 462,481          | -                 | (462,481)   |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 317,416</u> | <u>\$ 317,416</u>   |

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

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**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2019

**Schedule of Changes in Net Pension Liability and Related Ratios**

|  | <b>Police Officers' Retirement Trust Fund</b> |                       |                       |                      |                      |                      |                      |
|--|---|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 09/30/2019                                    | 9/30/2018             | 9/30/2017             | 9/30/2016            | 9/30/2015            | 9/30/2014            | 9/30/2013            |
| <b>Total Pension Liability</b>   |   |                       |                       |                      |                      |                      |                      |
| Service cost   | \$ 794,900                                    | \$ 780,283            | \$ 1,103,531          | \$ 1,146,830         | \$ 1,138,827         | \$ 1,188,045         | \$ 1,102,594         |
| Interest   | 3,248,998                                     | 3,261,533             | 3,239,054             | 3,177,614            | 3,119,988            | 3,003,659            | 2,842,942            |
| Change in excess state money   | -   | -                     | (1,623,181)           | 187,342              | 163,247              | 142,542              | -                    |
|  | -   | -                     | (607,513)             |                      |                      |                      |                      |
| Differences between Expected and Actual                                    |   |                       |                       |                      |                      |                      |                      |
| Experience   | 887,614                                       | 51,766                | (608,510)             | (1,113,615)          | (596,272)            | -                    | -                    |
| Change of assumptions  | -   | 3,225,876             | -                     | 1,038,360            | -                    | -                    | -                    |
| Benefit payments, including refunds of employee contributions              | (2,716,410)                                   | (3,291,827)           | (2,949,734)           | (2,661,451)          | (3,192,534)          | (2,090,399)          | (1,824,041)          |
| Net change in total pension liability                                      | 2,215,102                                     | 4,027,631             | (1,446,353)           | 1,775,080            | 633,256              | 2,243,847            | 2,121,495            |
| Total pension liability- beginning   | 46,977,557                                    | 42,949,926            | 44,396,279            | 42,621,199           | 41,987,943           | 39,744,096           | 37,622,601           |
| Total pension liability - ending (a)                                       | <u>\$ 49,192,659</u>                          | <u>\$ 46,977,557</u>  | <u>\$ 42,949,926</u>  | <u>\$ 44,396,279</u> | <u>\$ 42,621,199</u> | <u>\$ 41,987,943</u> | <u>\$ 39,744,096</u> |
| <b>Plan Fiduciary Net Position</b>   |   |                       |                       |                      |                      |                      |                      |
| Contributions - employer   | 1,189,748                                     | 1,268,270             | 1,860,016             | 1,817,484            | 1,902,187            | 2,176,438            | 1,896,331            |
| Contributions-state  | 450,032                                       | 431,259               | 38,389                | 363,691              | 339,596              | 318,891              | 298,468              |
| Contributions-employee   | 246,351                                       | 266,694               | 326,564               | 312,694              | 296,080              | 292,092              | 293,324              |
| Net investment income  | 75,018  | 3,395,500             | 5,054,852             | 3,885,477            | 538,151              | 3,978,010            | 4,579,654            |
| Benefit payments, including refunds of employee contributions              | (2,716,410)                                   | (3,291,827)           | (2,949,734)           | (2,661,451)          | (3,192,534)          | (2,090,399)          | (1,824,041)          |
| Administrative expense   | (61,337)                                      | (86,161)              | (76,649)              | (70,378)             | (79,842)             | (63,751)             | (55,223)             |
| Net change in plan fiduciary net position                                  | (816,598)                                     | 1,983,735             | 4,253,438             | 3,647,517            | (196,362)            | 4,611,281            | 5,188,513            |
| Plan fiduciary net position - beginning                                    | 49,014,907                                    | 47,031,172            | 42,432,734            | 38,785,217           | 38,981,579           | 34,370,299           | 29,181,786           |
| Plan fiduciary net position - ending (b)                                   | <u>\$ 48,198,309</u>                          | <u>\$ 49,014,907</u>  | <u>\$ 46,686,172</u>  | <u>\$ 42,432,734</u> | <u>\$ 38,785,217</u> | <u>\$ 38,981,580</u> | <u>\$ 34,370,299</u> |
| Net pension liability/(asset) - ending (a) - (b)                           | <u>\$ 994,350</u>                             | <u>\$ (2,037,350)</u> | <u>\$ (3,736,246)</u> | <u>\$ 1,963,545</u>  | <u>\$ 3,835,982</u>  | <u>\$ 3,006,363</u>  | <u>\$ 5,373,797</u>  |
| Plan fiduciary net position as a percentage of the total pension liability | 97.98%  | 104.34%               | 108.70%               | 95.58%               | 91.00%               | 92.84%               | 86.48%               |
| Covered payroll  | \$ 3,646,676                                  | \$ 3,881,447          | \$ 5,622,360          | \$ 5,598,252         | \$ 6,162,354         | \$ 5,379,770         | \$ 5,236,924         |
| Net pension liability as a percentage of covered payroll                   | 27.27%  | -52.49%               | -66.45%               | 35.07%               | 62.25%               | 55.88%               | 102.61%              |

*\*For Fiscal years 2015 Fiscal year, Gross Salary included DROP pay has been reported.*

*Schedule in the Required Supplementary information section are intended to show information for ten years, additional years' information will be displayed as it becomes available.*

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2019

**Schedule of Changes in Net Pension Liability and Related Ratios**

|  | <b>Firefighters' Pension Trust Fund</b> |                      |                      |                      |                      |                      |                      |
|--|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 9/30/2019                               | 9/30/2018            | 9/30/2017            | 9/30/2016            | 9/30/2015            | 9/30/2014            | 9/30/2013            |
| <b>Total Pension Liability</b>   |   |                      |                      |                      |                      |                      |                      |
| Service cost   | \$ 706,209                              | \$ 694,207           | \$ 719,369           | \$ 711,620           | \$ 710,735           | \$ 724,668           | \$ 670,989           |
| Interest   | 2,605,737                               | 2,528,587            | 2,539,282            | 2,421,237            | 2,324,478            | 2,193,825            | 2,077,326            |
| Change in excess state money   | 134,215                                 | -                    | (1,142,947)          | 99,482               | 105,525              | 110,275              | -                    |
| Change in benefit terms  | (14,409)                                | -                    | -                    | -                    | -                    | -                    | -                    |
| Differences between Expected and Actual Experience                         | (48,942)                                | 326,650              | (517,380)            | (388,476)            | (217,912)            | -                    | -                    |
| Change of assumptions  | 949,461                                 | -                    | 578,666              | 752,874              | -                    | -                    | -                    |
| Benefit payments, including refunds of employee contributions              | (2,499,477)                             | (2,603,631)          | (2,214,104)          | (1,854,776)          | (1,362,609)          | (1,180,194)          | (1,511,322)          |
| Net change in total pension liability                                      | 1,832,794                               | 945,813              | (37,114)             | 1,741,961            | 1,560,217            | 1,848,574            | 1,236,993            |
| Total pension liability- beginning   | 34,180,356                              | 33,234,543           | 33,271,657           | 31,524,696           | 29,964,479           | 28,115,905           | 26,878,912           |
| Total pension liability - ending (a)                                       | <u>\$ 36,013,150</u>                    | <u>\$ 34,180,356</u> | <u>\$ 33,234,543</u> | <u>\$ 33,266,657</u> | <u>\$ 31,524,696</u> | <u>\$ 29,964,479</u> | <u>\$ 28,115,905</u> |
| <b>Plan Fiduciary Net Position</b>   |   |                      |                      |                      |                      |                      |                      |
| Contributions - employer   | 1,169,697                               | 1,198,581            | 1,218,852            | 1,137,284            | 1,178,825            | 1,228,369            | 1,234,630            |
| Contributions-state  | 302,901                                 | 275,810              | 278,787              | 268,168              | 274,211              | 278,961              | 283,949              |
| Contributions-employee   | 257,497                                 | 263,961              | 267,482              | 253,690              | 247,193              | 244,226              | 261,421              |
| Net investment income  | 709,334                                 | 3,389,529            | 3,740,487            | 2,399,441            | 628,563              | 2,376,477            | 2,432,487            |
| Benefit payments, including refunds of employee contributions              | (2,499,477)                             | (2,603,631)          | (2,214,104)          | (1,854,776)          | (1,362,609)          | (1,180,194)          | (1,511,322)          |
| Administrative expense   | (60,501)                                | (63,906)             | (67,365)             | (61,121)             | (50,686)             | (48,585)             | (49,016)             |
| Net change in plan fiduciary net position                                  | (120,549)                               | 2,460,344            | 3,224,139            | 2,142,686            | 915,497              | 2,899,254            | 2,652,149            |
| Plan fiduciary net position - beginning                                    | 34,757,243                              | 32,296,899           | 29,072,760           | 26,930,074           | 26,014,577           | 23,115,323           | 20,463,174           |
| Plan fiduciary net position - ending (b)                                   | <u>\$ 34,636,694</u>                    | <u>\$ 34,757,243</u> | <u>\$ 32,296,899</u> | <u>\$ 29,072,760</u> | <u>\$ 26,930,074</u> | <u>\$ 26,014,577</u> | <u>\$ 23,115,323</u> |
| Net pension liability/(asset) - ending (a) - (b)                           | <u>\$ 1,376,456</u>                     | <u>\$ (576,887)</u>  | <u>\$ 937,644</u>    | <u>\$ 4,193,897</u>  | <u>\$ 4,594,622</u>  | <u>\$ 3,949,902</u>  | <u>\$ 5,000,582</u>  |
| Plan fiduciary net position as a percentage of the total pension liability | 96.18%                                  | 101.69%              | 97.18%               | 87.39%               | 85.43%               | 86.82%               | 82.21%               |
| Covered payroll  | \$ 3,676,484                            | \$ 3,770,876         | \$ 3,861,980         | \$ 3,583,344         | \$ 3,884,379         | \$ 3,488,942         | \$ 3,734,581         |
| Net pension liability as a percentage of covered payroll                   | 37.44%                                  | -15.30%              | 24.28%               | 117.04%              | 118.28%              | 113.21%              | 133.90%              |

*\*For Fiscal years 2013 and 2014, the Covered Payroll figures were based on Pensionable Salary.*

*Schedule in the Required Supplementary information section are intended to show information for ten years, additional years' information will be displayed as it becomes available.*



**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2019

**Schedule of Contributions**

**Police Officers' Retirement Trust Fund**

|   | 9/30/2019           | 9/30/2018           | 9/30/2017           | 9/30/2016          | 9/30/2015          | 9/30/2014          | 9/30/2013          |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution                                   | \$ 1,101,296        | \$ 768,526          | \$ 1,613,617        | \$ 1,959,388       | \$ 2,006,273       | \$ 2,307,921       | \$ 2,037,163       |
| Contributions in relation to the actuarially determined contributions | <u>1,366,097</u>    | <u>1,444,619</u>    | <u>2,036,365</u>    | <u>1,993,833</u>   | <u>2,078,536</u>   | <u>2,352,787</u>   | <u>2,072,679</u>   |
| Contribution deficiency (excess)                                      | <u>\$ (264,801)</u> | <u>\$ (676,093)</u> | <u>\$ (422,748)</u> | <u>\$ (34,445)</u> | <u>\$ (72,263)</u> | <u>\$ (44,866)</u> | <u>\$ (35,516)</u> |
| Covered payroll   | \$ 3,646,676        | \$ 3,881,447        | \$ 5,622,360        | \$ 5,598,252       | \$ 6,162,534       | \$ 5,379,770       | \$ 5,236,924       |
| Contributions as a percentage of covered payroll                      | 37.46%              | 37.22%              | 36.22%              | 35.62%             | 33.73%             | 43.73%             | 39.58%             |

**Notes to Schedule**

Valuation date:

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

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Funding method                | Entry age normal actuarial cost method.  |
| Amortization method           | Level percentage of pay, closed.   |
| Remaining amortization period | 19 years (as of 10/01/2017 valuation).   |
| Actuarial asset method        | Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric four-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value of assets  |
| Inflation                     | 3% per year.   |
| Salary increases              | 5% per year until the assumed retirement age.  |
| Investment rate of return     | 7.75% per year, compounded annually, net of investment related expenses.   |
| Payroll increases             | 0.00% per year.  |
| Retirement age                | Earlier of 1) age 56 and 11 years of service or 2) the completion of 26 years of service, regardless of age. Members who are eligible to retire on the valuation date are assumed to retire one year later.  |
| Early retirement              | Commencing with the earliest early retirement age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 2.5% per year.   |
| Termination rates             | See table below.   |
| Disability rates              | See table below.   |
| Mortality                     | Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP-2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue. Disabled lives Female, set forward 2 years and male, setback four years/40% Annuitant White Collar. We feel this assumption sufficiently accomodates mortality improvements. |

| Termination and disability rate table: | % becoming disabled           |                 |
|--|-------------------------------|-----------------|
|  | % terminating during the year | during the year |
| Age                                    |                               |                 |
| 20                                     | 9.9%                          | 0.26%           |
| 30                                     | 8.4%                          | 0.29%           |
| 40                                     | 4.6%                          | 0.61%           |
| 50                                     | 1.2%                          | 2.15%           |

Schedule in the Required Supplementary information section are intended to show information for ten years, additional years' information will be displayed as it becomes available.

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2019

**Schedule of Contributions**

**Firefighters Retirement Trust Fund**

|   | <u>9/30/2019</u>    | <u>9/30/2018</u>    | <u>9/30/2017</u>    | <u>9/30/2016</u>   | <u>9/30/2015</u>   | <u>9/30/2014</u>   | <u>9/30/2013</u>   |
|---|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution                                   | \$ 1,040,445        | \$ 1,138,804        | \$ 1,274,453        | \$ 1,279,254       | \$ 1,313,653       | \$ 1,381,622       | \$ 1,366,856       |
| Contributions in relation to the actuarially determined contributions | <u>1,338,383</u>    | <u>1,367,267</u>    | <u>1,387,538</u>    | <u>1,305,970</u>   | <u>1,347,511</u>   | <u>1,397,055</u>   | <u>1,403,316</u>   |
| Contribution deficiency (excess)                                      | <u>\$ (297,938)</u> | <u>\$ (228,463)</u> | <u>\$ (113,085)</u> | <u>\$ (26,716)</u> | <u>\$ (33,858)</u> | <u>\$ (15,433)</u> | <u>\$ (36,460)</u> |
| Covered payroll*  | \$ 3,676,484        | \$ 3,770,876        | \$ 3,861,980        | \$ 3,583,344       | \$ 3,884,379       | \$ 3,488,942       | \$ 3,734,581       |
| Contributions as a percentage of covered payroll                      | 36.40%              | 36.26%              | 35.93%              | 36.45%             | 34.69%             | 40.04%             | 37.58%             |

\*For Fiscal years 2013 and 2014, the Covered Payroll figures were based on Pensionable Salary.

**Notes to Schedule**

Valuation date:

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

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Funding method                | Entry age normal actuarial cost method.  |
| Amortization method           | Level percentage of pay, closed.   |
| Remaining amortization period | 29 years (as of 10/01/2017 valuation).   |
| Actuarial asset method        | Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric four-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value of assets  |
| Inflation                     | 3% per year.   |
| Salary increases              | Service based.   |
| Investment rate of return     | 7.50% per year, compounded annually, net of investment related expenses.   |
| Payroll increases             | None.  |
| Retirement age                | Earlier of 1) age 55 and 10 years of service or 2) the completion of 25 years of service, regardless of age. Members who are eligible to retire on the valuation date are assumed to retire one year later.  |
| Early retirement              | Commencing with the earliest early retirement age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 2.5% per year.   |
| Termination rates             | See table below.   |
| Disability rates              | See table below.   |
| Mortality                     | Female: RP-2000 Generational, 100% Annuitant White Collar, Scale BB. Male: RP-2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue. Disabled lives Female, set forward 2 years and male, setback four years/40% Annuitant White Collar. We feel this assumption sufficiently accomodates mortality improvements. |

|                         |                        |                        |                        |
|-------------------------|------------------------|------------------------|------------------------|
| Termination rate table: | % terminating          | Disability rate table: | % becoming disabled    |
| <u>Service</u>          | <u>during the year</u> | <u>Age</u>             | <u>during the year</u> |
| <5 Years                | 7.50%                  | 20                     | 0.15%                  |
| 5-9                     | 5.0%                   | 30                     | 0.20%                  |
| 10+                     | 2.0%                   | 40                     | 0.35%                  |
|                         |                        | 50                     | 0.90%                  |

Schedule in the Required Supplementary information section are inteded to show information for ten years, additional years' information will be displayed as it becomes available.

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

For the year Ended September 30, 2019

**Schedule of Investment Returns**

**Police Officers' Retirement Trust Fund**

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|   | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> | <u>9/30/2013</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Annual money-weighted rate of return<br>net of investment expense | 0.28%            | 7.44%            | 12.11%           | 10.29%           | 1.55%            | 11.54%           | 15.52%           |

**Firefighters' Retirement Trust Fund**

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|   | <u>9/30/2019</u> | <u>9/30/2018</u> | <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> | <u>9/30/2014</u> | <u>9/30/2013</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Annual money-weighted rate of return<br>net of investment expense | 2.12%            | 10.75%           | 13.14%           | 9.37%            | 2.56%            | 10.23%           | 11.82%           |

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

For the Year Ended September 30, 2019

**Schedule of Contributions**

**Florida Retirement System (FRS) Defined Benefit Pension Plan\***

| Fiscal Year<br>Ending<br>September 30, | FRS<br>Contractually<br>Required<br>Contribution | FRS Contributions<br>in Relation to the<br>Contractually<br>Required<br>Contribution | FRS<br>Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | FRS<br>Contributions as<br>a Percentage of<br>Covered Payroll |
|--|--|--|---|--------------------|---|
| 2019                                   | \$ 2,158,353                                     | \$ 2,158,353   | \$ -  | \$ 14,856,614      | 14.53%  |
| 2018                                   | 1,783,775  | 1,783,775  | -   | 13,903,098         | 12.83%  |
| 2017                                   | 1,007,807  | 1,007,807  | -   | 10,891,291         | 9.25%   |
| 2016                                   | 924,730  | 924,730  | -   | 11,039,794         | 8.38%   |
| 2015                                   | 956,675  | 956,675  | -   | 10,563,626         | 9.06%   |
| 2014                                   | 951,268  | 951,268  | -   | 10,510,158         | 9.05%   |

**Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan\***

| Fiscal Year<br>Ending<br>September 30, | FRS<br>Contractually<br>Required<br>Contribution | FRS Contributions<br>in Relation to the<br>Contractually<br>Required<br>Contribution | FRS<br>Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | FRS<br>Contributions as<br>a Percentage of<br>Covered Payroll |
|--|--|--|---|--------------------|---|
| 2019                                   | \$ 303,161                                       | \$ 303,161   | \$ -  | \$ 18,262,704      | 1.66%   |
| 2018                                   | 276,522  | 276,522  | -   | 16,657,964         | 1.66%   |
| 2017                                   | 217,687  | 217,687  | -   | 13,113,679         | 1.66%   |
| 2016                                   | 219,392  | 219,392  | -   | 13,216,360         | 1.66%   |
| 2015                                   | 171,823  | 171,823  | -   | 12,634,018         | 1.36%   |
| 2014                                   | 153,359  | 153,359  | -   | 12,622,134         | 1.22%   |

\*The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available.

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

For the Year Ended September 30, 2019

**Schedule of Proportionate Share of the Net Pension Liability**

**Florida Retirement System (FRS) Defined Benefit Pension Plan\***

| Fiscal Year<br>Ending<br>September 30, | Plan Sponsor<br>Measurement<br>Date<br>June 30, | Proportion<br>of the FRS Net<br>Pension<br>Liability | Proportion<br>Share of the FRS<br>Net Pension<br>Liability | Covered<br>Payroll | Proportion<br>Share of the<br>FRS Net Pension<br>Liability as a<br>Percentage of<br>Covered Payroll | FRS Plan<br>Fiduciary Net<br>Position as a<br>Percentage of<br>Total Pension<br>Liability |
|--|---|--|--|--------------------|---|---|
| 2019                                   | 2019  | 0.0601%  | \$ 20,713,542  | \$ 14,621,429      | 141.67%   | 82.61%  |
| 2018                                   | 2018  | 0.0489%  | 14,740,543   | 13,118,012         | 112.37%   | 84.26%  |
| 2017                                   | 2017  | 0.0329%  | 9,749,451  | 10,719,595         | 90.95%  | 83.89%  |
| 2016                                   | 2016  | 0.0341%  | 8,610,651  | 10,628,100         | 81.02%  | 84.88%  |
| 2015                                   | 2015  | 0.0366%  | 4,726,347  | 10,607,035         | 44.56%  | 92.00%  |
| 2014                                   | 2014  | 0.0377%  | 2,300,637  | 10,492,145         | 21.93%  | 96.09%  |

**Retiree Health Insurance Subsidy (HIS) Program Defined Benefit Pension Plan\***

| Fiscal Year<br>Ending<br>September 30, | Plan Sponsor<br>Measurement<br>Date<br>June 30, | Proportion<br>of the HIS Net<br>Pension<br>Liability | Proportion<br>Share of the HIS<br>Net Pension<br>Liability | Covered<br>Payroll | Proportion<br>Share of the<br>HIS Net Pension<br>Liability as a<br>Percentage of<br>Covered Payroll | HIS Plan<br>Fiduciary Net<br>Position as a<br>Percentage of<br>Total Pension<br>Liability |
|--|---|--|--|--------------------|---|---|
| 2019                                   | 2019  | 0.0533%  | \$ 5,966,912   | \$ 22,906,776      | 26.05%  | 2.63%   |
| 2018                                   | 2018  | 0.0480%  | 5,081,713  | 15,687,897         | 32.39%  | 2.15%   |
| 2017                                   | 2017  | 0.0404%  | 4,317,365  | 12,882,164         | 33.51%  | 1.64%   |
| 2016                                   | 2016  | 0.0412%  | 4,799,917  | 12,714,027         | 37.75%  | 0.97%   |
| 2015                                   | 2015  | 0.0418%  | 4,258,567  | 12,695,445         | 33.54%  | 0.50%   |
| 2014                                   | 2014  | 0.0424%  | 3,968,425  | 12,610,125         | 31.47%  | 0.99%   |

\*The City implemented GASB Statement No. 68 for the fiscal year ended September 30, 2015, including a restatement as of September 30, 2014. Information for prior years is not available.

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2019

Schedule of Changes in Net OPEB Liability and Related Ratios

|   | 9/30/2019            | 9/30/2018            |
|---|----------------------|----------------------|
| <b>Total OPEB Liability</b>                             |                      |                      |
| Service cost  | \$ 399,293           | \$ 533,774           |
| Interest  | 860,472              | 904,284              |
| Change of benefit terms                                 | -                    | 625,295              |
| Change in assumptions                                   | 820,598              | 1,138,728            |
| Differences between Expected and Actual Experience      | (4,266,237)          | (6,317,994)          |
| Benefit payments*                                       | (931,270)            | (923,474)            |
| Net change in total OPEB liability                      | (3,117,144)          | (4,039,387)          |
| Total OPEB liability - beginning                        | 20,795,867           | 24,835,254           |
| Total OPEB liability - ending (a)                       | <u>\$ 17,678,723</u> | <u>\$ 20,795,867</u> |
| <br>  |                      |                      |
| Covered payroll   | 24,576,016           | 23,801,468           |
| <br>  |                      |                      |
| Total OPEB liability as a percentage of covered payroll | 71.9%                | 87.4%                |

\*The benefit payment shown above is based on actual pay-go.

**Notes to Schedule**

Change in Assumptions

Discount rate changed from 4.1% to 3.58% causing the decrease in change in assumptions.

Differences between Expected and Actual Experience

The decrease is due to the City health insurance premiums not increasing as much as expected and the aggregate factor per employee decreasing.

*Schedules in the Required Supplementary information section are intended to show information for ten years, additional years' information will be displayed as it becomes available.*

## **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.

**Local Option 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.

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

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

**Catalyst Site Fund** – To account for funds set aside for downtown development.





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**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
September 30, 2019

|  | <b>Special Revenue Funds</b>   |                              |                                   |                                  |                             |                  |                      |
|--|--------------------------------|------------------------------|-----------------------------------|----------------------------------|-----------------------------|------------------|----------------------|
|  | Building<br>Inspection<br>Fund | Local Option<br>Gas Tax Fund | Local Option<br>Sales Tax<br>Fund | Law<br>Enforcement<br>Trust Fund | Police<br>Education<br>Fund | Cemetery<br>Fund | LIHEAP<br>Grant Fund |
| <b>Assets</b>  |                                |                              |                                   |                                  |                             |                  |                      |
| Cash and cash equivalents  | \$ 1,960,069                   | \$ 543,807                   | \$ 3,494,306                      | \$ 117,119                       | \$ 64,115                   | \$ -             | \$ -                 |
| Investments  | 3,777,549                      | 1,053,487                    | 6,769,321                         | -                                | -                           | 99,768           | -                    |
| Accounts receivable, net   | 20,637                         | 6,194                        | 39,825                            | 2,053                            | 2                           | 3                | 30,577               |
| Due from other governments   | -                              | 104,383                      | 284,171                           | 690                              | -                           | -                | 172,686              |
| Inventories  | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| Prepaid items  | 298                            | -                            | -                                 | -                                | -                           | -                | -                    |
| <b>Total assets</b>  | <b>\$ 5,758,553</b>            | <b>\$ 1,707,871</b>          | <b>\$ 10,587,623</b>              | <b>\$ 119,862</b>                | <b>\$ 64,117</b>            | <b>\$ 99,771</b> | <b>\$ 203,263</b>    |
| <b>Liabilities</b>   |                                |                              |                                   |                                  |                             |                  |                      |
| Accounts payable   | \$ 35,215                      | \$ 195,088                   | \$ 43,867                         | \$ 5,867                         | \$ -                        | \$ 2,378         | \$ 1,179             |
| Accrued liabilities  | 16,931                         | -                            | -                                 | -                                | -                           | -                | 3,103                |
| Retainage payable  | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| Due to other funds   | -                              | -                            | -                                 | -                                | -                           | -                | 140,178              |
| Due to other governments   | 14,743                         | -                            | -                                 | -                                | -                           | -                | -                    |
| Unearned revenues  | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| <b>Total liabilities</b>   | <b>66,889</b>                  | <b>195,088</b>               | <b>43,867</b>                     | <b>5,867</b>                     | <b>-</b>                    | <b>2,378</b>     | <b>144,460</b>       |
| <b>Deferred Inflows of Resources</b>                                       |                                |                              |                                   |                                  |                             |                  |                      |
| Unavailable revenue  | -                              | -                            | 19,597                            | -                                | -                           | -                | 28,154               |
| <b>Total deferred inflows of resources</b>                                 | <b>-</b>                       | <b>-</b>                     | <b>19,597</b>                     | <b>-</b>                         | <b>-</b>                    | <b>-</b>         | <b>28,154</b>        |
| <b>Fund balances</b>   |                                |                              |                                   |                                  |                             |                  |                      |
| Nonspendable:  |                                |                              |                                   |                                  |                             |                  |                      |
| Inventory  | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| Prepaid items  | 298                            | -                            | -                                 | -                                | -                           | -                | -                    |
| Restricted for:  |                                |                              |                                   |                                  |                             |                  |                      |
| Building inspections   | 5,691,366                      | -                            | -                                 | -                                | -                           | -                | -                    |
| Transportation   | -                              | 1,512,783                    | 10,524,159                        | -                                | -                           | -                | -                    |
| Law enforcement  | -                              | -                            | -                                 | 104,612                          | 64,117                      | -                | -                    |
| Assistance programs  | -                              | -                            | -                                 | -                                | -                           | -                | 30,649               |
| System expansion   | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| Committed for:   |                                |                              |                                   |                                  |                             |                  |                      |
| Cemetery purposes  | -                              | -                            | -                                 | -                                | -                           | 97,393           | -                    |
| Capital replacements   | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| Assigned for:  |                                |                              |                                   |                                  |                             |                  |                      |
| Law enforcement  | -                              | -                            | -                                 | 9,383                            | -                           | -                | -                    |
| Debt service   | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| Capital replacements   | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| Unassigned   | -                              | -                            | -                                 | -                                | -                           | -                | -                    |
| <b>Total fund balances</b>   | <b>5,691,664</b>               | <b>1,512,783</b>             | <b>10,524,159</b>                 | <b>113,995</b>                   | <b>64,117</b>               | <b>97,393</b>    | <b>30,649</b>        |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 5,758,553</b>            | <b>\$ 1,707,871</b>          | <b>\$ 10,587,623</b>              | <b>\$ 119,862</b>                | <b>\$ 64,117</b>            | <b>\$ 99,771</b> | <b>\$ 203,263</b>    |

**Special Revenue Funds**

| Police Impact<br>Fee Fund | Fire Impact<br>Fee Fund | Recreation<br>Impact Fee<br>Fund | CDBG Grant<br>Fund | NSP Grant<br>Fund | Youthbuild<br>Grant Fund | Total Special<br>Revenue<br>Funds |
|---------------------------|-------------------------|----------------------------------|--------------------|-------------------|--------------------------|-----------------------------------|
| \$ -                      | \$ -                    | \$ -                             | \$ -               | \$ -              | \$ -                     | \$ 6,179,416                      |
| 571,745                   | 897,319                 | 1,010,929                        | -                  | 78,658            | -                        | 14,258,776                        |
| 14                        | 23                      | 38                               | -                  | -                 | -                        | 99,366                            |
| 33,524                    | 73,710                  | 13,126                           | 78,002             | -                 | 7,425                    | 767,717                           |
| -                         | -                       | -                                | -                  | -                 | -                        | -                                 |
| -                         | -                       | -                                | -                  | -                 | -                        | 298                               |
| <u>\$ 605,283</u>         | <u>\$ 971,052</u>       | <u>\$ 1,024,093</u>              | <u>\$ 78,002</u>   | <u>\$ 78,658</u>  | <u>\$ 7,425</u>          | <u>\$ 21,305,573</u>              |
| \$ -                      | \$ 52,299               | \$ 1,408                         | \$ 58,728          | \$ -              | \$ -                     | \$ 396,029                        |
| -                         | -                       | -                                | -                  | -                 | -                        | 20,034                            |
| -                         | 7,371                   | -                                | -                  | -                 | -                        | 7,371                             |
| -                         | -                       | -                                | 18,423             | -                 | 7,425                    | 166,026                           |
| -                         | -                       | -                                | 149                | -                 | -                        | 14,892                            |
| -                         | -                       | -                                | -                  | 81,875            | -                        | 81,875                            |
| -                         | 59,670                  | 1,408                            | 77,300             | 81,875            | 7,425                    | 686,227                           |
| -                         | 73,710                  | 13,127                           | 36,170             | -                 | 7,425                    | 178,183                           |
| -                         | 73,710                  | 13,127                           | 36,170             | -                 | 7,425                    | 178,183                           |
| -                         | -                       | -                                | -                  | -                 | -                        | -                                 |
| -                         | -                       | -                                | -                  | -                 | -                        | 298                               |
| -                         | -                       | -                                | -                  | -                 | -                        | 5,691,366                         |
| -                         | -                       | -                                | -                  | -                 | -                        | 12,036,942                        |
| -                         | -                       | -                                | -                  | -                 | -                        | 168,729                           |
| -                         | -                       | -                                | -                  | -                 | -                        | 30,649                            |
| 605,283                   | 837,672                 | 1,009,558                        | -                  | -                 | -                        | 2,452,513                         |
| -                         | -                       | -                                | -                  | -                 | -                        | 97,393                            |
| -                         | -                       | -                                | -                  | -                 | -                        | -                                 |
| -                         | -                       | -                                | -                  | -                 | -                        | 9,383                             |
| -                         | -                       | -                                | -                  | -                 | -                        | -                                 |
| -                         | -                       | -                                | (35,468)           | (3,217)           | (7,425)                  | (46,110)                          |
| <u>605,283</u>            | <u>837,672</u>          | <u>1,009,558</u>                 | <u>(35,468)</u>    | <u>(3,217)</u>    | <u>(7,425)</u>           | <u>20,441,163</u>                 |
| <u>\$ 605,283</u>         | <u>\$ 971,052</u>       | <u>\$ 1,024,093</u>              | <u>\$ 78,002</u>   | <u>\$ 78,658</u>  | <u>\$ 7,425</u>          | <u>\$ 21,305,573</u>              |

**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
September 30, 2019

|  | <b>Debt Service Fund</b> | <b>Capital Project Funds</b>    |                                  |                      | <b>Total Capital Projects</b> | <b>Total Nonmajor Governmental Funds</b> |
|--|--------------------------|---------------------------------|----------------------------------|----------------------|-------------------------------|--|
|  | <b>Debt Service Fund</b> | <b>Capital Replacement Fund</b> | <b>Capital Recovery Fee Fund</b> | <b>Catalyst Fund</b> |                               |  |
| <b>Assets</b>  |                          |                                 |                                  |                      |                               |  |
| Cash and cash equivalents  | \$ 664,908               | \$ 9,921,903                    | \$ 18,763                        | \$ 1,466,125         | \$ 11,406,791                 | \$ 18,251,115                            |
| Investments  | -                        | -                               | -                                | -                    | -                             | 14,258,776                               |
| Accounts receivable, net   | 17                       | 606,390                         | -                                | 14                   | 606,404                       | 705,787                                  |
| Due from other governments   | -                        | 217,180                         | -                                | -                    | 217,180                       | 984,897                                  |
| Inventories  | -                        | 169,150                         | -                                | -                    | 169,150                       | 169,150                                  |
| Prepaid items  | -                        | -                               | -                                | -                    | -                             | 298                                      |
| <b>Total assets</b>  | <b>\$ 664,925</b>        | <b>\$ 10,914,623</b>            | <b>\$ 18,763</b>                 | <b>\$ 1,466,139</b>  | <b>\$ 12,399,525</b>          | <b>\$ 34,370,023</b>                     |
| <b>Liabilities</b>   |                          |                                 |                                  |                      |                               |  |
| Accounts payable   | \$ 35,510                | \$ 111,465                      | \$ -                             | \$ 2,934             | \$ 114,399                    | \$ 545,938                               |
| Accrued liabilities  | -                        | -                               | -                                | -                    | -                             | 20,034                                   |
| Retainage payable  | -                        | -                               | -                                | -                    | -                             | 7,371                                    |
| Due to other funds   | -                        | -                               | -                                | -                    | -                             | 166,026                                  |
| Due to other governments   | -                        | -                               | -                                | -                    | -                             | 14,892                                   |
| Unearned revenues  | -                        | -                               | 747                              | -                    | 747                           | 82,622                                   |
| <b>Total liabilities</b>   | <b>35,510</b>            | <b>111,465</b>                  | <b>747</b>                       | <b>2,934</b>         | <b>115,146</b>                | <b>836,883</b>                           |
| <b>Deferred Inflows of Resources</b>                                       |                          |                                 |                                  |                      |                               |  |
| Unavailable revenue  | -                        | 740,536                         | -                                | -                    | 740,536                       | 918,719                                  |
| <b>Total deferred inflows of resources</b>                                 | <b>-</b>                 | <b>740,536</b>                  | <b>-</b>                         | <b>-</b>             | <b>740,536</b>                | <b>918,719</b>                           |
| <b>Fund balances</b>   |                          |                                 |                                  |                      |                               |  |
| Nonspendable:  |                          |                                 |                                  |                      |                               |  |
| Inventory  | -                        | 169,150                         | -                                | -                    | 169,150                       | 169,150                                  |
| Prepaid items  | -                        | -                               | -                                | -                    | -                             | 298                                      |
| Restricted for:  |                          |                                 |                                  |                      |                               |  |
| Building inspections   | -                        | -                               | -                                | -                    | -                             | 5,691,366                                |
| Transportation   | -                        | -                               | -                                | -                    | -                             | 12,036,942                               |
| Law enforcement  | -                        | -                               | -                                | -                    | -                             | 168,729                                  |
| Assistance programs  | -                        | -                               | -                                | -                    | -                             | 30,649                                   |
| System expansion   | -                        | -                               | -                                | -                    | -                             | 2,452,513                                |
| Committed for:   |                          |                                 |                                  |                      |                               |  |
| Cemetery purposes  | -                        | -                               | -                                | -                    | -                             | 97,393                                   |
| Capital replacements   | -                        | -                               | 18,016                           | 1,463,205            | 1,481,221                     | 1,481,221                                |
| Assigned for:  |                          |                                 |                                  |                      |                               |  |
| Law enforcement  | -                        | -                               | -                                | -                    | -                             | 9,383                                    |
| Debt service   | 629,415                  | -                               | -                                | -                    | -                             | 629,415                                  |
| Capital replacements   | -                        | 9,893,472                       | -                                | -                    | 9,893,472                     | 9,893,472                                |
| Unassigned   | -                        | -                               | -                                | -                    | -                             | (46,110)                                 |
| <b>Total fund balances</b>   | <b>629,415</b>           | <b>10,062,622</b>               | <b>18,016</b>                    | <b>1,463,205</b>     | <b>11,543,843</b>             | <b>32,614,421</b>                        |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 664,925</b>        | <b>\$ 10,914,623</b>            | <b>\$ 18,763</b>                 | <b>\$ 1,466,139</b>  | <b>\$ 12,399,525</b>          | <b>\$ 34,370,023</b>                     |



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**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2019

|  | <b>Special Revenue Funds</b>   |                              |                                   |                                  |                             |                  |                                  |
|--|--------------------------------|------------------------------|-----------------------------------|----------------------------------|-----------------------------|------------------|----------------------------------|
|  | Building<br>Inspection<br>Fund | Local Option<br>Gas Tax Fund | Local Option<br>Sales Tax<br>Fund | Law<br>Enforcement<br>Trust Fund | Police<br>Education<br>Fund | Cemetery<br>Fund | Insurance<br>Premium Tax<br>Fund |
| <b>Revenues</b>  |                                |                              |                                   |                                  |                             |                  |                                  |
| Permits and fees   | \$ 2,375,726                   | \$ -                         | \$ -                              | \$ -                             | \$ -                        | \$ -             | \$ -                             |
| Intergovernmental  | -                              | 1,305,829                    | 3,784,358                         | -                                | -                           | -                | 752,933                          |
| Charges for services   | -                              | -                            | -                                 | -                                | -                           | 52,675           | -                                |
| Investment earnings  | 155,897                        | 40,818                       | 266,206                           | 3,067                            | 1,774                       | 3,633            | -                                |
| Fines and forfeitures  | -                              | -                            | -                                 | 31,270                           | 11,863                      | -                | -                                |
| Service assessments  | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Miscellaneous  | 27,579                         | -                            | 200                               | 12,484                           | -                           | -                | -                                |
| Total revenues   | <u>2,559,202</u>               | <u>1,346,647</u>             | <u>4,050,764</u>                  | <u>46,821</u>                    | <u>13,637</u>               | <u>56,308</u>    | <u>752,933</u>                   |
| <b>Expenditures</b>  |                                |                              |                                   |                                  |                             |                  |                                  |
| Current:   |                                |                              |                                   |                                  |                             |                  |                                  |
| General government   | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Public safety  | 1,280,073                      | -                            | -                                 | 25,072                           | 619                         | -                | 752,933                          |
| Physical environment   | -                              | -                            | -                                 | -                                | -                           | 113,229          | -                                |
| Transportation   | -                              | 1,057,610                    | 808,901                           | -                                | -                           | -                | -                                |
| Economic environment   | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Human services   | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Culture and recreation                                       | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Debt service:  |                                |                              |                                   |                                  |                             |                  |                                  |
| Principal  | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Interest   | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Capital outlay:  |                                |                              |                                   |                                  |                             |                  |                                  |
| General government   | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Public safety  | -                              | -                            | -                                 | 5,867                            | -                           | -                | -                                |
| Transportation   | -                              | -                            | 550,246                           | -                                | -                           | -                | -                                |
| Economic environment   | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Culture and recreation                                       | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Total expenditures   | <u>1,280,073</u>               | <u>1,057,610</u>             | <u>1,359,147</u>                  | <u>30,939</u>                    | <u>619</u>                  | <u>113,229</u>   | <u>752,933</u>                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,279,129</u>               | <u>289,037</u>               | <u>2,691,617</u>                  | <u>15,882</u>                    | <u>13,018</u>               | <u>(56,921)</u>  | <u>-</u>                         |
| <b>Other financing sources (uses)</b>                        |                                |                              |                                   |                                  |                             |                  |                                  |
| Capital leases   | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Transfers in   | -                              | -                            | -                                 | 9,045                            | -                           | -                | -                                |
| Transfers out  | -                              | (99,302)                     | (1,000,000)                       | -                                | -                           | -                | -                                |
| Proceeds from sale of assets                                 | -                              | -                            | -                                 | -                                | -                           | -                | -                                |
| Total other financing sources (uses)                         | <u>-</u>                       | <u>(99,302)</u>              | <u>(1,000,000)</u>                | <u>9,045</u>                     | <u>-</u>                    | <u>-</u>         | <u>-</u>                         |
| Net change in fund balances                                  | <u>1,279,129</u>               | <u>189,735</u>               | <u>1,691,617</u>                  | <u>24,927</u>                    | <u>13,018</u>               | <u>(56,921)</u>  | <u>-</u>                         |
| <b>Fund balances</b>   |                                |                              |                                   |                                  |                             |                  |                                  |
| Beginning of year  | 4,412,535                      | 1,323,048                    | 8,832,542                         | 89,068                           | 51,099                      | 154,314          | -                                |
| End of year  | <u>\$ 5,691,664</u>            | <u>\$ 1,512,783</u>          | <u>\$ 10,524,159</u>              | <u>\$ 113,995</u>                | <u>\$ 64,117</u>            | <u>\$ 97,393</u> | <u>\$ -</u>                      |

**Special Revenue Funds**

| LIHEAP<br>Grant Fund | Police Impact<br>Fee Fund | Fire Impact<br>Fee Fund | Recreation<br>Impact Fee<br>Fund | CDBG Grant<br>Fund | NSP Grant<br>Fund | Youthbuild<br>Grant Fund | Total Special<br>Revenue |
|----------------------|---------------------------|-------------------------|----------------------------------|--------------------|-------------------|--------------------------|--------------------------|
| \$ -                 | \$ -                      | \$ -                    | \$ -                             | \$ -               | \$ -              | \$ -                     | \$ 2,375,726             |
| 1,015,794            | 33,524                    | -                       | -                                | 326,817            | 341               | -                        | 7,219,596                |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 52,675                   |
| -                    | 14,927                    | 27,647                  | 44,916                           | -                  | -                 | -                        | 558,885                  |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 43,133                   |
| -                    | 167,415                   | 159,859                 | 334,748                          | -                  | -                 | -                        | 662,022                  |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 40,263                   |
| <u>1,015,794</u>     | <u>215,866</u>            | <u>187,506</u>          | <u>379,664</u>                   | <u>326,817</u>     | <u>341</u>        | <u>-</u>                 | <u>10,952,300</u>        |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | -                        |
| -                    | 32,787                    | 76,204                  | -                                | -                  | -                 | -                        | 2,167,688                |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 113,229                  |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 1,866,511                |
| 789,443              | -                         | -                       | -                                | 328,115            | 4,118             | -                        | 332,233                  |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 789,443                  |
| -                    | -                         | -                       | 5,330                            | -                  | -                 | -                        | 5,330                    |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | -                        |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | -                        |
| -                    | -                         | 111,293                 | -                                | -                  | -                 | -                        | 117,160                  |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 550,246                  |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | -                        |
| -                    | -                         | -                       | 188,660                          | -                  | -                 | -                        | 188,660                  |
| <u>789,443</u>       | <u>32,787</u>             | <u>187,497</u>          | <u>193,990</u>                   | <u>328,115</u>     | <u>4,118</u>      | <u>-</u>                 | <u>6,130,500</u>         |
| <u>226,351</u>       | <u>183,079</u>            | <u>9</u>                | <u>185,674</u>                   | <u>(1,298)</u>     | <u>(3,777)</u>    | <u>-</u>                 | <u>4,821,800</u>         |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | -                        |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | 9,045                    |
| -                    | -                         | -                       | (467,015)                        | -                  | -                 | -                        | (1,566,317)              |
| -                    | -                         | -                       | -                                | -                  | -                 | -                        | -                        |
| -                    | -                         | -                       | (467,015)                        | -                  | -                 | -                        | (1,557,272)              |
| <u>226,351</u>       | <u>183,079</u>            | <u>9</u>                | <u>(281,341)</u>                 | <u>(1,298)</u>     | <u>(3,777)</u>    | <u>-</u>                 | <u>3,264,528</u>         |
| (195,702)            | 422,204                   | 837,663                 | 1,290,899                        | (34,170)           | 560               | (7,425)                  | 17,176,635               |
| <u>\$ 30,649</u>     | <u>\$ 605,283</u>         | <u>\$ 837,672</u>       | <u>\$ 1,009,558</u>              | <u>\$ (35,468)</u> | <u>\$ (3,217)</u> | <u>\$ (7,425)</u>        | <u>\$ 20,441,163</u>     |

**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2019

|  | <u>Debt Service</u>  | <u>Capital Projects</u>        |                                 |                     | Total<br>Nonmajor<br>Governmental<br>Funds |                           |
|--|----------------------|--------------------------------|---------------------------------|---------------------|--|---------------------------|
|  | Debt Service<br>Fund | Capital<br>Replacement<br>Fund | Capital<br>Recovery Fee<br>Fund | Catalyst Fund       |  | Total Capital<br>Projects |
| <b>Revenues</b>  |                      |                                |                                 |                     |  |                           |
| Permits and fees   | \$ -                 | \$ -                           | \$ -                            | \$ -                | \$ -                                       | \$ 2,375,726              |
| Intergovernmental  | -                    | 180,594                        | -                               | -                   | 180,594                                    | 7,400,190                 |
| Charges for services   | -                    | -                              | -                               | -                   | -  | 52,675                    |
| Investment earnings  | 20,272               | 472,841                        | 475                             | 12,151              | 485,467                                    | 1,064,624                 |
| Fines and forfeitures  | -                    | -                              | -                               | -                   | -  | 43,133                    |
| Service assessments  | -                    | -                              | 10,050                          | -                   | 10,050                                     | 672,072                   |
| Miscellaneous  | -                    | 298,874                        | -                               | -                   | 298,874                                    | 339,137                   |
| Total revenues   | <u>20,272</u>        | <u>952,309</u>                 | <u>10,525</u>                   | <u>12,151</u>       | <u>974,985</u>                             | <u>11,947,557</u>         |
| <b>Expenditures</b>  |                      |                                |                                 |                     |  |                           |
| Current:   |                      |                                |                                 |                     |  |                           |
| General government   | -                    | 292,038                        | 19                              | -                   | 292,057                                    | 292,057                   |
| Public safety  | -                    | 252,104                        | -                               | -                   | 252,104                                    | 2,419,792                 |
| Physical environment   | -                    | -                              | -                               | -                   | -  | 113,229                   |
| Transportation   | -                    | -                              | -                               | -                   | -  | 1,866,511                 |
| Economic environment   | -                    | -                              | -                               | -                   | -  | 332,233                   |
| Human services   | -                    | -                              | -                               | -                   | -  | 789,443                   |
| Culture and recreation                                       | -                    | 557,156                        | 4,489                           | -                   | 561,645                                    | 566,975                   |
| Debt service:  |                      |                                |                                 |                     |  |                           |
| Principal  | 1,299,226            | -                              | -                               | -                   | -  | 1,299,226                 |
| Interest   | 334,802              | -                              | -                               | -                   | -  | 334,802                   |
| Capital outlay:  |                      |                                |                                 |                     |  |                           |
| General government   | -                    | 126,104                        | -                               | -                   | 126,104                                    | 126,104                   |
| Public safety  | -                    | 775,012                        | -                               | -                   | 775,012                                    | 892,172                   |
| Transportation   | -                    | -                              | -                               | -                   | -  | 550,246                   |
| Economic environment   | -                    | -                              | -                               | 164,689             | 164,689                                    | 164,689                   |
| Culture and recreation                                       | -                    | 185,193                        | -                               | -                   | 185,193                                    | 373,853                   |
| Total expenditures   | <u>1,634,028</u>     | <u>2,187,607</u>               | <u>4,508</u>                    | <u>164,689</u>      | <u>2,356,804</u>                           | <u>10,121,332</u>         |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,613,756)</u>   | <u>(1,235,298)</u>             | <u>6,017</u>                    | <u>(152,538)</u>    | <u>(1,381,819)</u>                         | <u>1,826,225</u>          |
| <b>Other financing sources (uses)</b>                        |                      |                                |                                 |                     |  |                           |
| Capital leases   | -                    | 184,725                        | -                               | -                   | 184,725                                    | 184,725                   |
| Transfers in   | 1,781,714            | 2,339,629                      | -                               | 890,216             | 3,229,845                                  | 5,020,604                 |
| Transfers out  | -                    | (84,000)                       | -                               | -                   | (84,000)                                   | (1,650,317)               |
| Proceeds from sale of assets                                 | -                    | 435,131                        | -                               | -                   | 435,131                                    | 435,131                   |
| Total other financing sources (uses)                         | <u>1,781,714</u>     | <u>2,875,485</u>               | <u>-</u>                        | <u>890,216</u>      | <u>3,765,701</u>                           | <u>3,990,143</u>          |
| Net change in fund balances                                  | <u>167,958</u>       | <u>1,640,187</u>               | <u>6,017</u>                    | <u>737,678</u>      | <u>2,383,882</u>                           | <u>5,816,368</u>          |
| <b>Fund balances</b>   |                      |                                |                                 |                     |  |                           |
| Beginning of year  | 461,457              | 8,422,435                      | 11,999                          | 725,527             | 9,159,961                                  | 26,798,053                |
| End of year  | <u>\$ 629,415</u>    | <u>\$ 10,062,622</u>           | <u>\$ 18,016</u>                | <u>\$ 1,463,205</u> | <u>\$ 11,543,843</u>                       | <u>\$ 32,614,421</u>      |



**CITY OF SANFORD, FLORIDA**  
**Building Inspection Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts   |                    | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|--------------------|--------------------|---------------------|---|
|  | Original           | Final              |                     |   |
| <b>Revenues</b>  |                    |                    |                     |   |
| Permits and fees   | \$ 3,353,000       | \$ 3,346,050       | \$ 2,375,726        | \$ (970,324)  |
| Investment earnings  | 15,030             | 15,030             | 155,897             | 140,867   |
| Miscellaneous  | 33,300             | 33,300             | 27,579              | (5,721)   |
| Total revenues   | <u>3,401,330</u>   | <u>3,394,380</u>   | <u>2,559,202</u>    | <u>(835,178)</u>  |
| <b>Expenditures</b>  |                    |                    |                     |   |
| Current:   |                    |                    |                     |   |
| Public safety  | 1,731,297          | 1,731,297          | 1,280,073           | 451,224   |
| Capital outlay:  |                    |                    |                     |   |
| Total expenditures   | <u>1,731,297</u>   | <u>1,731,297</u>   | <u>1,280,073</u>    | <u>451,224</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,670,033</u>   | <u>1,663,083</u>   | <u>1,279,129</u>    | <u>(383,954)</u>  |
| Net change in fund balances                                  | <u>1,670,033</u>   | <u>1,663,083</u>   | <u>1,279,129</u>    | <u>(383,954)</u>  |
| <b>Fund balances</b>   |                    |                    |                     |   |
| Beginning of year  | -                  | -                  | 4,412,535           | 4,412,535   |
| Prior carryforward   | -                  | 6,950              | -                   | (6,950)   |
| Future carryforward  | <u>(1,670,033)</u> | <u>(1,670,033)</u> | -                   | 1,670,033   |
| End of year  | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 5,691,664</u> | <u>\$ 5,691,664</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, 2019

|  | Budgeted Amounts |                  | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|---------------------|---|
|  | Original         | Final            |                     |   |
| <b>Revenues</b>  |                  |                  |                     |   |
| Intergovernmental  | \$ 1,249,758     | \$ 1,249,758     | \$ 1,305,829        | \$ 56,071   |
| Investment earnings  | 5,000            | 5,000            | 40,818              | 35,818  |
| Total revenues   | <u>1,254,758</u> | <u>1,254,758</u> | <u>1,346,647</u>    | <u>91,889</u>   |
| <b>Expenditures</b>  |                  |                  |                     |   |
| Current:   |                  |                  |                     |   |
| Transportation   | 640,250          | 640,250          | 1,057,610           | (417,360)   |
| Capital outlay:  |                  |                  |                     |   |
| Transportation   | 579,715          | 579,715          | -                   | 579,715   |
| Total expenditures   | <u>1,219,965</u> | <u>1,219,965</u> | <u>1,057,610</u>    | <u>162,355</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>34,793</u>    | <u>34,793</u>    | <u>289,037</u>      | <u>254,244</u>  |
| <b>Other financing sources (uses)</b>                        |                  |                  |                     |   |
| Transfers out  | -                | (99,302)         | (99,302)            | -   |
| Total other financing sources (uses)                         | <u>-</u>         | <u>(99,302)</u>  | <u>(99,302)</u>     | <u>-</u>  |
| Net change in fund balances                                  | <u>34,793</u>    | <u>(64,509)</u>  | <u>189,735</u>      | <u>254,244</u>  |
| <b>Fund balances</b>   |                  |                  |                     |   |
| Beginning of year  | -                | -                | 1,323,048           | 1,323,048   |
| Prior carryforward   | -                | 99,302           | -                   | (99,302)  |
| Future carryforward  | (34,793)         | (34,793)         | -                   | 34,793  |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 1,512,783</u> | <u>\$ 1,512,783</u>                                       |

**CITY OF SANFORD, FLORIDA**  
**Local Option Sales Tax Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts |                    | Actual               | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|--------------------|----------------------|---|
|  | Original         | Final              |                      |   |
| <b>Revenues</b>  |                  |                    |                      |   |
| Intergovernmental  | \$ 4,071,949     | \$ 4,071,949       | \$ 3,784,358         | \$ (287,591)  |
| Investment earnings  | 59,000           | 59,000             | 266,206              | 207,206   |
| Miscellaneous  | -                | -                  | 200                  | 200   |
| Total revenues   | <u>4,130,949</u> | <u>4,130,949</u>   | <u>4,050,764</u>     | <u>(80,185)</u>   |
| <b>Expenditures</b>  |                  |                    |                      |   |
| Current:   |                  |                    |                      |   |
| Transportation   | 1,332,833        | 1,332,833          | 808,901              | 523,932   |
| Capital outlay:  |                  |                    |                      |   |
| Transportation   | 1,522,349        | 2,587,951          | 550,246              | 2,037,705   |
| Culture and recreation                                       | -                | 25,686             | -                    | 25,686  |
| Total expenditures   | <u>2,855,182</u> | <u>3,946,470</u>   | <u>1,359,147</u>     | <u>2,587,323</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,275,767</u> | <u>184,479</u>     | <u>2,691,617</u>     | <u>2,507,138</u>  |
| <b>Other financing sources (uses)</b>                        |                  |                    |                      |   |
| Transfers out  | -                | (1,000,000)        | (1,000,000)          | -   |
| Total other financing sources (uses)                         | <u>-</u>         | <u>(1,000,000)</u> | <u>(1,000,000)</u>   | <u>-</u>  |
| Net change in fund balances                                  | <u>1,275,767</u> | <u>(815,521)</u>   | <u>1,691,617</u>     | <u>2,507,138</u>  |
| <b>Fund balances</b>   |                  |                    |                      |   |
| Beginning of year  | -                | -                  | 8,832,542            | 8,832,542   |
| Prior carryforward   | -                | 2,091,288          | -                    | (2,091,288)   |
| Future carryforward  | (1,275,767)      | (1,275,767)        | -                    | 1,275,767   |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 10,524,159</u> | <u>\$ 10,524,159</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, 2019

|  | Budgeted Amounts |                 | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-----------------|-------------------|---|
|  | Original         | Final           |                   |   |
| <b>Revenues</b>  |                  |                 |                   |   |
| Investment earnings  | \$ 250           | \$ 250          | \$ 3,067          | \$ 2,817  |
| Fines and forfeitures  | 11,000           | 11,000          | 31,270            | 20,270  |
| Miscellaneous  | -                | -               | 12,484            | 12,484  |
| Total revenues   | <u>11,250</u>    | <u>11,250</u>   | <u>46,821</u>     | <u>35,571</u>   |
| <b>Expenditures</b>  |                  |                 |                   |   |
| Current:   |                  |                 |                   |   |
| Public safety  | 35,000           | 44,480          | 25,072            | 19,408  |
| Capital outlay:  |                  |                 |                   |   |
| Public safety  | -                | 6,000           | 5,867             | 133   |
| Total expenditures   | <u>35,000</u>    | <u>50,480</u>   | <u>30,939</u>     | <u>19,541</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(23,750)</u>  | <u>(39,230)</u> | <u>15,882</u>     | <u>55,112</u>   |
| <b>Other financing sources (uses)</b>                        |                  |                 |                   |   |
| Transfers in   | -                | 9,045           | 9,045             | -   |
| Total other financing sources (uses)                         | <u>-</u>         | <u>9,045</u>    | <u>9,045</u>      | <u>-</u>  |
| Net change in fund balances                                  | <u>(23,750)</u>  | <u>(30,185)</u> | <u>24,927</u>     | <u>55,112</u>   |
| <b>Fund balances</b>   |                  |                 |                   |   |
| Beginning of year  | -                | -               | 89,068            | 89,068  |
| Prior carryforward   | 34,850           | 41,285          | -                 | (41,285)  |
| Future carryforward  | (11,100)         | (11,100)        | -                 | 11,100  |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 113,995</u> | <u>\$ 113,995</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, 2019

|  | Budgeted Amounts |                 | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-----------------|------------------|---|
|  | Original         | Final           |                  |   |
| <b>Revenues</b>  |                  |                 |                  |   |
| Investment earnings  | \$ 300           | \$ 300          | \$ 1,774         | \$ 1,474  |
| Fines and forfeitures  | 13,000           | 13,000          | 11,863           | (1,137)   |
| Total revenues   | <u>13,300</u>    | <u>13,300</u>   | <u>13,637</u>    | <u>337</u>  |
| <b>Expenditures</b>  |                  |                 |                  |   |
| Current:   |                  |                 |                  |   |
| Public safety  | 27,000           | 27,000          | 619              | 26,381  |
| Total expenditures   | <u>27,000</u>    | <u>27,000</u>   | <u>619</u>       | <u>26,381</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(13,700)</u>  | <u>(13,700)</u> | <u>13,018</u>    | <u>26,718</u>   |
| Net change in fund balances                                  | <u>(13,700)</u>  | <u>(13,700)</u> | <u>13,018</u>    | <u>26,718</u>   |
| <b>Fund balances</b>   |                  |                 |                  |   |
| Beginning of year  | -                | -               | 51,099           | 51,099  |
| Prior carryforward   | <u>13,700</u>    | <u>13,700</u>   | <u>-</u>         | <u>(13,700)</u>   |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 64,117</u> | <u>\$ 64,117</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, 2019

|  | Budgeted Amounts |                 | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|-----------------|------------------|---|
|  | Original         | Final           |                  |   |
| <b>Revenues</b>  |                  |                 |                  |   |
| Charges for services   | \$ 80,970        | \$ 80,970       | \$ 52,675        | \$ (28,295)   |
| Investment earnings  | 1,500            | 1,500           | 3,633            | 2,133   |
| Total revenues   | <u>82,470</u>    | <u>82,470</u>   | <u>56,308</u>    | <u>(26,162)</u>   |
| <b>Expenditures</b>  |                  |                 |                  |   |
| Current:   |                  |                 |                  |   |
| Physical environment   | -                | -               | 113,229          | (113,229)   |
| Culture and recreation                                       | 127,253          | 109,530         | -                | 109,530   |
| Total expenditures   | <u>127,253</u>   | <u>109,530</u>  | <u>113,229</u>   | <u>(3,699)</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(44,783)</u>  | <u>(27,060)</u> | <u>(56,921)</u>  | <u>(29,861)</u>   |
| Net change in fund balances                                  | <u>(44,783)</u>  | <u>(27,060)</u> | <u>(56,921)</u>  | <u>(29,861)</u>   |
| <b>Fund balances</b>   |                  |                 |                  |   |
| Beginning of year  | -                | -               | 154,314          | 154,314   |
| Prior carryforward   | 44,783           | 27,060          | -                | (27,060)  |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ 97,393</u> | <u>\$ 97,393</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, 2019

|  | Budgeted Amounts |                | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|----------------|------------------|---|
|  | Original         | Final          |                  |   |
| <b>Revenues</b>  |                  |                |                  |   |
| Intergovernmental  | \$ 983,456       | \$ 983,456     | \$ 1,015,794     | \$ 32,338   |
| Total revenues   | <u>983,456</u>   | <u>983,456</u> | <u>1,015,794</u> | <u>32,338</u>   |
| <b>Expenditures</b>  |                  |                |                  |   |
| Current:   |                  |                |                  |   |
| Human services   | 983,456          | 983,456        | 789,443          | 194,013   |
| Total expenditures   | <u>983,456</u>   | <u>983,456</u> | <u>789,443</u>   | <u>194,013</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>-</u>         | <u>-</u>       | <u>226,351</u>   | <u>226,351</u>  |
| Net change in fund balances                                  | <u>-</u>         | <u>-</u>       | <u>226,351</u>   | <u>226,351</u>  |
| <b>Fund balances</b>   |                  |                |                  |   |
| Beginning of year  | -                | -              | (195,702)        | (195,702)   |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 30,649</u> | <u>\$ 30,649</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, 2019

|  | Budgeted Amounts |                | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|----------------|-------------------|---|
|  | Original         | Final          |                   |   |
| <b>Revenues</b>  |                  |                |                   |   |
| Intergovernmental  | \$ -             | \$ 8,653       | \$ 33,524         | \$ 24,871   |
| Investment earnings  | 1,500            | 1,500          | 14,927            | 13,427  |
| Service assessments  | 291,000          | 291,000        | 167,415           | (123,585)   |
| Total revenues   | <u>292,500</u>   | <u>301,153</u> | <u>215,866</u>    | <u>(85,287)</u>   |
| <b>Expenditures</b>  |                  |                |                   |   |
| Current:   |                  |                |                   |   |
| Public safety  | 3,500            | 3,500          | 32,787            | (29,287)  |
| Capital outlay:  |                  |                |                   |   |
| Public safety  | 26,000           | 99,503         | -                 | 99,503  |
| Total expenditures   | <u>29,500</u>    | <u>103,003</u> | <u>32,787</u>     | <u>70,216</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>263,000</u>   | <u>198,150</u> | <u>183,079</u>    | <u>(15,071)</u>   |
| Net change in fund balances                                  | <u>263,000</u>   | <u>198,150</u> | <u>183,079</u>    | <u>(15,071)</u>   |
| <b>Fund balances</b>   |                  |                |                   |   |
| Beginning of year  | -                | -              | 422,204           | 422,204   |
| Future carryforward  | (263,000)        | (198,150)      | -                 | 198,150   |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 605,283</u> | <u>\$ 605,283</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, 2019

|  | Budgeted Amounts |                | Actual            | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|----------------|-------------------|---|
|  | Original         | Final          |                   |   |
| <b>Revenues</b>  |                  |                |                   |   |
| Intergovernmental  | \$ -             | \$ 236,713     | \$ -              | \$ (236,713)  |
| Investment earnings  | 5,000            | 5,000          | 27,647            | 22,647  |
| Service assessments  | 277,000          | 277,000        | 159,859           | (117,141)   |
| Total revenues   | <u>282,000</u>   | <u>518,713</u> | <u>187,506</u>    | <u>(331,207)</u>  |
| <b>Expenditures</b>  |                  |                |                   |   |
| Current:   |                  |                |                   |   |
| Public safety  | -                | 95,005         | 76,204            | 18,801  |
| Capital outlay:  |                  |                |                   |   |
| Public safety  | 35,000           | 407,616        | 111,293           | 296,323   |
| Total expenditures   | <u>35,000</u>    | <u>502,621</u> | <u>187,497</u>    | <u>315,124</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>247,000</u>   | <u>16,092</u>  | <u>9</u>          | <u>(16,083)</u>   |
| Net change in fund balances                                  | <u>247,000</u>   | <u>16,092</u>  | <u>9</u>          | <u>(16,083)</u>   |
| <b>Fund balances</b>   |                  |                |                   |   |
| Beginning of year  | -                | -              | 837,663           | 837,663   |
| Prior carryforward   | -                | 79,000         | -                 | (79,000)  |
| Future carryforward  | (247,000)        | (95,092)       | -                 | 95,092  |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>    | <u>\$ 837,672</u> | <u>\$ 837,672</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, 2019

|  | Budgeted Amounts |                  | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|------------------|---------------------|---|
|  | Original         | Final            |                     |   |
| <b>Revenues</b>  |                  |                  |                     |   |
| Investment earnings  | \$ 7,000         | \$ 7,000         | \$ 44,916           | \$ 37,916   |
| Service assessments  | 498,243          | 498,243          | 334,748             | (163,495)   |
| Total revenues   | <u>505,243</u>   | <u>505,243</u>   | <u>379,664</u>      | <u>(125,579)</u>  |
| <b>Expenditures</b>  |                  |                  |                     |   |
| Current:   |                  |                  |                     |   |
| Culture and recreation                                       | -                | 205,500          | 5,330               | 200,170   |
| Capital outlay:  |                  |                  |                     |   |
| Culture and recreation                                       | -                | 44,527           | 188,660             | (144,133)   |
| Total expenditures   | <u>-</u>         | <u>250,027</u>   | <u>193,990</u>      | <u>56,037</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>505,243</u>   | <u>255,216</u>   | <u>185,674</u>      | <u>(69,542)</u>   |
| <b>Other financing sources (uses)</b>                        |                  |                  |                     |   |
| Transfers out  | <u>-</u>         | <u>(839,516)</u> | <u>(467,015)</u>    | <u>372,501</u>  |
| Total other financing sources (uses)                         | <u>-</u>         | <u>(839,516)</u> | <u>(467,015)</u>    | <u>372,501</u>  |
| Net change in fund balances                                  | <u>505,243</u>   | <u>(584,300)</u> | <u>(281,341)</u>    | <u>302,959</u>  |
| <b>Fund balances</b>   |                  |                  |                     |   |
| Beginning of year  | -                | -                | 1,290,899           | 1,290,899   |
| Prior carryforward   | -                | 1,089,543        | -                   | (1,089,543)   |
| Future carryforward  | (505,243)        | (505,243)        | -                   | 505,243   |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 1,009,558</u> | <u>\$ 1,009,558</u>                                       |

**CITY OF SANFORD, FLORIDA**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|---|
|  | Original           | Final              |                    |   |
| <b>Revenues</b>  |                    |                    |                    |   |
| Investment earnings  | \$ -               | \$ -               | \$ 20,272          | \$ 20,272   |
| Total revenues   | <u>-</u>           | <u>-</u>           | <u>20,272</u>      | <u>20,272</u>   |
| <b>Expenditures</b>  |                    |                    |                    |   |
| Debt service:  |                    |                    |                    |   |
| Principal  | 1,443,944          | 1,443,944          | 1,299,226          | 144,718   |
| Interest   | 337,770            | 337,770            | 334,802            | 2,968   |
| Total expenditures   | <u>1,781,714</u>   | <u>1,781,714</u>   | <u>1,634,028</u>   | <u>147,686</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,781,714)</u> | <u>(1,781,714)</u> | <u>(1,613,756)</u> | <u>167,958</u>  |
| <b>Other financing sources (uses)</b>                        |                    |                    |                    |   |
| Transfers in   | 1,781,714          | 1,781,714          | 1,781,714          | -   |
| Total other financing sources (uses)                         | <u>1,781,714</u>   | <u>1,781,714</u>   | <u>1,781,714</u>   | <u>-</u>  |
| Net change in fund balances                                  | <u>-</u>           | <u>-</u>           | <u>167,958</u>     | <u>167,958</u>  |
| <b>Fund balances</b>   |                    |                    |                    |   |
| Beginning of year  | -                  | -                  | 461,457            | 461,457   |
| End of year  | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 629,415</u>  | <u>\$ 629,415</u>   |

**CITY OF SANFORD, FLORIDA**  
**Capital Replacement Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts   |                    | Actual               | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|--------------------|--------------------|----------------------|---|
|  | Original           | Final              |                      |   |
| <b>Revenues</b>  |                    |                    |                      |   |
| Intergovernmental  | \$ -               | \$ 17,535          | \$ 180,594           | \$ 163,059  |
| Investment earnings  | -                  | -                  | 472,841              | 472,841   |
| Miscellaneous  | -                  | 293,094            | 591,968              | 298,874   |
| Total revenues   | <u>-</u>           | <u>310,629</u>     | <u>1,245,403</u>     | <u>934,774</u>  |
| <b>Expenditures</b>  |                    |                    |                      |   |
| General government   | 388,317            | 735,303            | 292,038              | 443,265   |
| Public safety  | 416,441            | 543,509            | 252,104              | 291,405   |
| Transportation   | -                  | 55,990             | -                    | 55,990  |
| Culture and recreation                                       | 297,986            | 970,143            | 557,156              | 412,987   |
| General government   | 55,149             | 115,534            | 126,104              | (10,570)  |
| Public safety  | 524,434            | 911,619            | 775,012              | 136,607   |
| Transportation   | 82,000             | 93,115             | -                    | 93,115  |
| Culture and recreation                                       | 197,711            | 694,623            | 185,193              | 509,430   |
| Total expenditures   | <u>1,962,038</u>   | <u>4,119,836</u>   | <u>2,187,607</u>     | <u>1,932,229</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,962,038)</u> | <u>(3,809,207)</u> | <u>(942,204)</u>     | <u>2,867,003</u>  |
| <b>Other financing sources (uses)</b>                        |                    |                    |                      |   |
| Capital leases   | 184,275            | 184,275            | 184,725              | 450   |
| Transfers in   | 1,770,312          | 2,329,629          | 2,339,629            | 10,000  |
| Transfers out  | -                  | -                  | (84,000)             | (84,000)  |
| Proceeds from sale of assets                                 | -                  | -                  | 142,037              | 142,037   |
| Total other financing sources (uses)                         | <u>1,954,587</u>   | <u>2,513,904</u>   | <u>2,582,391</u>     | <u>68,487</u>   |
| Net change in fund balances                                  | <u>(7,451)</u>     | <u>(1,295,303)</u> | <u>1,640,187</u>     | <u>2,935,490</u>  |
| <b>Fund balances</b>   |                    |                    |                      |   |
| Beginning of year  | -                  | -                  | 8,422,435            | 8,422,435   |
| Prior carryforward   | 7,451              | 1,317,708          | -                    | (1,317,708)   |
| Future carryforward  | -                  | (22,405)           | -                    | 22,405  |
| End of year  | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 10,062,622</u> | <u>\$ 10,062,622</u>                                      |

**CITY OF SANFORD, FLORIDA**  
**Capital Recovery Fee Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts |               | Actual           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|---------------|------------------|---|
|  | Original         | Final         |                  |   |
| <b>Revenues</b>  |                  |               |                  |   |
| Investment earnings  | \$ 350           | \$ 350        | \$ 475           | \$ 125  |
| Service assessments  | 10,000           | 10,000        | 10,050           | 50  |
| Total revenues   | <u>10,350</u>    | <u>10,350</u> | <u>10,525</u>    | <u>175</u>  |
| <b>Expenditures</b>  |                  |               |                  |   |
| Current:   |                  |               |                  |   |
| General government   | -                | -             | 19               | (19)  |
| Culture and recreation                                       | -                | -             | 4,489            | (4,489)   |
| Capital outlay:  |                  |               |                  |   |
| Total expenditures   | <u>-</u>         | <u>-</u>      | <u>4,508</u>     | <u>(4,508)</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>10,350</u>    | <u>10,350</u> | <u>6,017</u>     | <u>(4,333)</u>  |
| Net change in fund balances                                  | <u>10,350</u>    | <u>10,350</u> | <u>6,017</u>     | <u>(4,333)</u>  |
| <b>Fund balances</b>   |                  |               |                  |   |
| Beginning of year  | -                | -             | 11,999           | 11,999  |
| Future carryforward  | (10,350)         | (10,350)      | -                | 10,350  |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>   | <u>\$ 18,016</u> | <u>\$ 18,016</u>  |

**CITY OF SANFORD, FLORIDA**  
**Catalyst Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual**  
For the Year Ended September 30, 2019

|  | Budgeted Amounts |                    | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|--------------------|---------------------|---|
|  | Original         | Final              |                     |   |
| <b>Revenues</b>  |                  |                    |                     |   |
| Investment earnings  | \$ -             | \$ -               | \$ 12,151           | \$ 12,151   |
| Total revenues   | <u>-</u>         | <u>-</u>           | <u>12,151</u>       | <u>12,151</u>   |
| <b>Expenditures</b>  |                  |                    |                     |   |
| Capital outlay:  |                  |                    |                     |   |
| Economic environment   | -                | 9,608,383          | 164,689             | 9,443,694   |
| Total expenditures   | <u>-</u>         | <u>9,608,383</u>   | <u>164,689</u>      | <u>9,443,694</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>-</u>         | <u>(9,608,383)</u> | <u>(152,538)</u>    | <u>9,455,845</u>  |
| <b>Other financing sources (uses)</b>                        |                  |                    |                     |   |
| Transfers in   | -                | 9,608,383          | 890,216             | (8,718,167)   |
| Total other financing sources (uses)                         | <u>-</u>         | <u>9,608,383</u>   | <u>890,216</u>      | <u>(8,718,167)</u>  |
| Net change in fund balances                                  | <u>-</u>         | <u>-</u>           | <u>737,678</u>      | <u>737,678</u>  |
| <b>Fund balances</b>   |                  |                    |                     |   |
| Beginning of year  | -                | -                  | 725,527             | 725,527   |
| Future carryforward  | -                | -                  | -                   | -   |
| End of year  | <u>\$ -</u>      | <u>\$ -</u>        | <u>\$ 1,463,205</u> | <u>\$ 1,463,205</u>                                       |

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

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





**CITY OF SANFORD, FLORIDA  
STATISTICAL SECTION CONTENTS  
For The Year Ended September 30, 2019**

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.  | 124-133      |
| <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.   | 134-137      |
| <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. | 138-142      |
| <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.   | 143-145      |
| <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.    | 146-149      |

**Schedule 1**  
**CITY OF SANFORD, FLORIDA**

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

**Last Ten Fiscal Years**

|   | <u>2010</u>           | <u>2011</u>           | <u>2012</u>           | <u>2013</u>           |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>              |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 104,250,077        | \$ 102,568,745        | \$ 101,482,226        | \$ 105,948,864        |
| Restricted                                  | 9,680,361             | 7,924,107             | 8,469,141             | 11,289,017            |
| Unrestricted                                | <u>19,401,295</u>     | <u>24,915,158</u>     | <u>24,698,280</u>     | <u>25,049,707</u>     |
| Total governmental activities net position  | <u>\$ 133,331,733</u> | <u>\$ 135,408,010</u> | <u>\$ 134,649,647</u> | <u>\$ 142,287,588</u> |
| <b>Business-type activities</b>             |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 105,427,868        | \$ 107,512,124        | \$ 107,795,107        | \$ 110,153,986        |
| Restricted                                  | 7,401,643             | 7,333,198             | 8,137,545             | 6,886,924             |
| Unrestricted                                | <u>6,500,159</u>      | <u>12,072,947</u>     | <u>17,654,042</u>     | <u>27,643,950</u>     |
| Total business-type activities net position | <u>\$ 119,329,670</u> | <u>\$ 126,918,269</u> | <u>\$ 133,586,694</u> | <u>\$ 144,684,860</u> |
| <b>Primary government</b>                   |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 209,677,945        | \$ 210,080,869        | \$ 209,277,333        | \$ 216,102,850        |
| Restricted                                  | 17,082,004            | 15,257,305            | 16,606,686            | 18,175,941            |
| Unrestricted                                | <u>25,901,454</u>     | <u>36,988,105</u>     | <u>42,352,322</u>     | <u>52,693,657</u>     |
| Total primary government net position       | <u>\$ 252,661,403</u> | <u>\$ 262,326,279</u> | <u>\$ 268,236,341</u> | <u>\$ 286,972,448</u> |

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

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

Fiscal years prior to 2015 have not been restated due to GASB 68.

Fiscal years prior to 2018 have not been restated due to GASB 75.

| <b>2014</b>           | <b>2015</b>           | <b>2016</b>           | <b>2017</b>           | <b>2018</b>           | <b>2019</b>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 111,151,923        | \$ 111,351,524        | \$ 108,240,437        | \$ 107,019,238        | \$ 115,080,348        | \$ 124,702,281        |
| 7,575,856             | 8,228,377             | 11,433,666            | 12,778,199            | 17,692,591            | 20,690,716            |
| 25,964,838            | 14,281,759            | 16,702,639            | 22,132,870            | 17,020,123            | 17,598,983            |
| <u>\$ 144,692,617</u> | <u>\$ 133,861,660</u> | <u>\$ 136,376,742</u> | <u>\$ 141,930,307</u> | <u>\$ 149,793,062</u> | <u>\$ 162,991,980</u> |
| \$ 114,654,748        | \$ 117,122,656        | \$ 118,789,153        | \$ 123,109,213        | \$ 125,624,478        | \$ 130,413,989        |
| 5,619,365             | 6,398,053             | 6,672,392             | 8,270,058             | 10,757,914            | 12,632,963            |
| 32,858,374            | 34,875,110            | 40,223,179            | 44,558,164            | 44,585,248            | 51,376,585            |
| <u>\$ 153,132,487</u> | <u>\$ 158,395,819</u> | <u>\$ 165,684,724</u> | <u>\$ 175,937,435</u> | <u>\$ 180,967,640</u> | <u>\$ 194,423,537</u> |
| \$ 225,806,671        | \$ 228,474,180        | \$ 227,029,590        | \$ 230,128,451        | \$ 255,116,270        | \$ 255,116,270        |
| 13,195,221            | 14,626,430            | 18,106,058            | 21,048,257            | 28,450,505            | 33,323,679            |
| 58,823,212            | 49,156,869            | 56,925,818            | 66,691,034            | 61,605,371            | 68,975,568            |
| <u>\$ 297,825,104</u> | <u>\$ 292,257,479</u> | <u>\$ 302,061,466</u> | <u>\$ 317,867,742</u> | <u>\$ 345,172,146</u> | <u>\$ 357,415,517</u> |

**Schedule 2  
CITY OF SANFORD, FLORIDA**

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

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

|   | 2010            | 2011            | 2012            | 2013            |
|---|-----------------|-----------------|-----------------|-----------------|
| <b><u>Expenses</u></b>                          |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |
| General government                              | \$ 5,839        | \$ 6,126        | \$ 5,438        | \$ 4,970        |
| Public safety                                   | 22,506          | 22,854          | 24,434          | 24,341          |
| Transportation                                  | 4,968           | 5,004           | 4,544           | 4,872           |
| Physical environment                            | 2,325           | 1,899           | 1,554           | 707             |
| Economic environment                            | 1,116           | 828             | 844             | 2,741           |
| Human services                                  | 122             | 90              | 73              | 1,209           |
| Culture and recreation                          | 5,311           | 5,188           | 5,420           | 5,224           |
| Interest on long-term debt                      | 749             | 728             | 601             | 505             |
|   | <u>42,936</u>   | <u>42,717</u>   | <u>42,908</u>   | <u>44,569</u>   |
| Total governmental activities expenses          |                 |                 |                 |                 |
| Business-type activities:                       |                 |                 |                 |                 |
| Water and sewer                                 | 17,600          | 16,585          | 17,832          | 16,939          |
| Stormwater                                      | 2,022           | 2,574           | 2,704           | 2,481           |
| Solid waste                                     | 5,190           | 5,069           | 5,101           | 5,287           |
| Golf Course                                     | -               | -               | -               | 411             |
|   | <u>24,812</u>   | <u>24,228</u>   | <u>25,637</u>   | <u>25,118</u>   |
| Total business-type activities expenses         |                 |                 |                 |                 |
| Total primary government expenses               | <u>67,748</u>   | <u>66,945</u>   | <u>68,545</u>   | <u>69,687</u>   |
| <b><u>Program revenues</u></b>                  |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |
| Charges for services:                           |                 |                 |                 |                 |
| General government                              | 892             | 1,120           | 1,248           | 537             |
| Public safety                                   | 3,175           | 3,318           | 4,390           | 3,572           |
| Transportation                                  | 66              | 68              | 70              | 76              |
| Physical environment                            | 247             | 67              | 13              | 49              |
| Culture and recreation                          | 674             | 647             | 1,031           | 473             |
| Operating grants and contributions              | 2,478           | 3,172           | 2,773           | 4,624           |
| Capital grants and contributions                | 972             | 1,408           | 1,124           | 1,759           |
|   | <u>8,504</u>    | <u>9,800</u>    | <u>10,649</u>   | <u>11,090</u>   |
| Total governmental activities program revenues  |                 |                 |                 |                 |
| Business-type activities:                       |                 |                 |                 |                 |
| Charges for services                            | 28,113          | 29,097          | 30,226          | 31,671          |
| Operating grants and contributions              | 1,873           | 1,593           | 803             | 53              |
| Capital grants and contributions                | 722             | 1,074           | 1,144           | 4,372           |
|   | <u>30,708</u>   | <u>31,764</u>   | <u>32,173</u>   | <u>36,096</u>   |
| Total business-type activities program revenues |                 |                 |                 |                 |
| Total primary government program revenues       | <u>39,212</u>   | <u>41,564</u>   | <u>42,822</u>   | <u>47,186</u>   |
| <b><u>Net (expense) / revenue</u></b>           |                 |                 |                 |                 |
| Governmental activities                         | (34,432)        | (32,917)        | (32,259)        | (33,479)        |
| Business-type activities                        | 5,896           | 7,536           | 6,536           | 10,978          |
|   | <u>(28,536)</u> | <u>(25,381)</u> | <u>(25,723)</u> | <u>(22,501)</u> |
| Total primary government net expense            |                 |                 |                 |                 |

(Continued)

|    | 2014            | 2015            | 2016            | 2017           | 2018            | 2019            |
|----|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|
| \$ | 4,948           | \$ 5,989        | \$ 6,259        | \$ 6,524       | \$ 7,611        | \$ 6,945        |
|    | 25,271          | 24,402          | 25,129          | 21,357         | 27,719          | 30,265          |
|    | 4,802           | 6,243           | 7,013           | 8,480          | 8,034           | 8,303           |
|    | 503             | (24)            | 479             | 712            | 393             | 478             |
|    | 2,300           | 2,265           | 3,251           | 3,478          | 2,500           | 1,677           |
|    | 998             | 1,165           | 774             | 806            | 902             | 899             |
|    | 5,535           | 5,774           | 4,885           | 5,115          | 6,363           | 7,236           |
|    | 480             | 445             | 418             | 391            | 365             | 335             |
|    | <u>44,837</u>   | <u>46,259</u>   | <u>48,208</u>   | <u>46,863</u>  | <u>53,887</u>   | <u>56,138</u>   |
|    | 16,629          | 19,969          | 20,920          | 19,886         | 20,869          | 21,656          |
|    | 2,454           | 2,584           | 2,679           | 2,636          | 2,605           | 2,887           |
|    | 5,441           | 5,485           | 5,594           | 5,722          | 5,998           | 6,132           |
|    | 1,377           | 1,314           | 1,265           | 1,278          | 1,320           | 1,456           |
|    | <u>25,901</u>   | <u>29,352</u>   | <u>30,458</u>   | <u>29,522</u>  | <u>30,792</u>   | <u>32,131</u>   |
|    | <u>70,738</u>   | <u>75,611</u>   | <u>78,666</u>   | <u>76,385</u>  | <u>84,679</u>   | <u>88,269</u>   |
|    | 391             | 165             | 547             | 630            | 765             | 1,121           |
|    | 2,530           | 2,886           | 3,389           | 4,015          | 6,203           | 4,867           |
|    | 83              | 1               | 1               | 29             | 2               | 1               |
|    | 60              | 68              | 63              | 74             | 93              | 53              |
|    | 377             | 374             | 334             | 308            | 342             | 378             |
|    | 3,893           | 6,247           | 6,229           | 67,000         | 13,167          | 8,791           |
|    | 5,503           | 2,330           | 2,020           | 1,090          | 12,575          | 10,447          |
|    | <u>12,837</u>   | <u>12,071</u>   | <u>12,583</u>   | <u>73,146</u>  | <u>33,147</u>   | <u>25,658</u>   |
|    | 33,192          | 35,071          | 35,270          | 37,676         | 36,272          | 39,348          |
|    | 25              | -               | -               | -              | 423             | 131             |
|    | 2,375           | 2,184           | 1,411           | 1,855          | 3,419           | 490             |
|    | <u>35,592</u>   | <u>37,255</u>   | <u>36,681</u>   | <u>39,531</u>  | <u>40,114</u>   | <u>39,969</u>   |
|    | <u>48,429</u>   | <u>49,326</u>   | <u>49,264</u>   | <u>112,677</u> | <u>73,261</u>   | <u>65,627</u>   |
|    | (32,000)        | (34,188)        | (35,625)        | 26,283         | (20,740)        | (30,480)        |
|    | 9,691           | 7,903           | 6,223           | 10,009         | 9,322           | 7,838           |
|    | <u>(22,309)</u> | <u>(26,285)</u> | <u>(29,402)</u> | <u>36,292</u>  | <u>(11,418)</u> | <u>(22,642)</u> |

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

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

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

*(Continued)*

|  | <u>2010</u>      | <u>2011</u>     | <u>2012</u>      | <u>2013</u>      |
|--|------------------|-----------------|------------------|------------------|
| <b><u>General revenues and other changes in net position</u></b> |                  |                 |                  |                  |
| Governmental activities:   |                  |                 |                  |                  |
| Property tax   | \$ 16,387        | \$ 15,502       | \$ 14,956        | \$ 15,523        |
| Other taxes  | 18,706           | 18,820          | 17,082           | 17,045           |
| Unrestricted investment earnings                                 | 401              | 254             | 236              | 106              |
| Gain on sale of capital assets                                   | 11               | 33              | (3)              | -                |
| Miscellaneous  | 294              | 169             | 149              | 757              |
| Transfers in (out)   | 643              | 214             | 8                | 98               |
| Total governmental activities                                    | <u>36,442</u>    | <u>34,992</u>   | <u>32,428</u>    | <u>33,529</u>    |
| Business-type activities:  |                  |                 |                  |                  |
| Unrestricted investment earnings                                 | 157              | 122             | 123              | 73               |
| Capitol recovery fee   | -                | -               | -                | -                |
| Miscellaneous  | 152              | 146             | 165              | 145              |
| Transfers in (out)   | <u>(643)</u>     | <u>(214)</u>    | <u>(8)</u>       | <u>(98)</u>      |
| Total business-type activities                                   | <u>(334)</u>     | <u>54</u>       | <u>280</u>       | <u>120</u>       |
| Total primary government   | <u>36,108</u>    | <u>35,046</u>   | <u>32,708</u>    | <u>33,649</u>    |
| <b><u>Change in net position</u></b>                             |                  |                 |                  |                  |
| Governmental activities  | 3,525            | 2,733           | (1,040)          | 1,529            |
| Business-type activities   | <u>7,202</u>     | <u>6,590</u>    | <u>11,258</u>    | <u>9,811</u>     |
| Total government   | <u>\$ 10,727</u> | <u>\$ 9,323</u> | <u>\$ 10,218</u> | <u>\$ 11,340</u> |

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

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

Fiscal years prior to 2015 have not been restated due to GASB 68.

Fiscal years prior to 2018 have not been restated due to GASB 75.

|    | <u>2014</u>   | <u>2015</u>     | <u>2016</u>      | <u>2017</u>      | <u>2018</u>      | <u>2019</u>      |
|----|---------------|-----------------|------------------|------------------|------------------|------------------|
| \$ | 15,871        | \$ 16,478       | \$ 19,107        | \$ 19,955        | \$ 20,991        | \$ 22,632        |
|    | 18,024        | 18,381          | 18,586           | 19,053           | 19,790           | 19,795           |
|    | 153           | 193             | 432              | 267              | 507              | 1,772            |
|    | -             | -               | -                | -                | -                | -                |
|    | 137           | 359             | 39               | 112              | 3,587            | 592              |
|    | 335           | 153             | (23)             | 184              | (208)            | (1,111)          |
|    | <u>34,520</u> | <u>35,564</u>   | <u>38,141</u>    | <u>39,571</u>    | <u>44,667</u>    | <u>43,680</u>    |
|    | 128           | 181             | 350              | 294              | 513              | 1,982            |
|    | -             | -               | -                | -                | -                | 2,401            |
|    | 247           | 131             | 692              | 133              | 153              | 124              |
|    | (335)         | (140)           | 23               | (184)            | 208              | 1,111            |
|    | <u>40</u>     | <u>172</u>      | <u>1,065</u>     | <u>243</u>       | <u>874</u>       | <u>5,618</u>     |
|    | <u>34,560</u> | <u>35,736</u>   | <u>39,206</u>    | <u>39,814</u>    | <u>45,541</u>    | <u>49,298</u>    |
|    | 332           | (61)            | 4,124            | 39,571           | 23,927           | 13,200           |
|    | 7,943         | 6,395           | 11,074           | 243              | 10,196           | 13,456           |
| \$ | <u>8,275</u>  | <u>\$ 6,334</u> | <u>\$ 15,198</u> | <u>\$ 39,814</u> | <u>\$ 34,123</u> | <u>\$ 26,656</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>2010</u>      | <u>2011</u>      | <u>2012</u>      | <u>2013</u>      |
|-------------------------------------|------------------|------------------|------------------|------------------|
| <b>General fund</b>                 |                  |                  |                  |                  |
| Nonspendable                        | \$ 173           | \$ 258           | \$ 315           | \$ 334           |
| Restricted                          | 4                | 2                | -                | -                |
| Assigned                            | 1,277            | 1,369            | 1,446            | 1,376            |
| Unassigned                          | <u>11,847</u>    | <u>16,233</u>    | <u>16,098</u>    | <u>17,644</u>    |
| Total general fund                  | <u>\$ 13,301</u> | <u>\$ 17,862</u> | <u>\$ 17,859</u> | <u>\$ 19,354</u> |
| <b>All other governmental funds</b> |                  |                  |                  |                  |
| Nonspendable                        | \$ -             | \$ 7             | \$ 1             | \$ 4             |
| Restricted                          | 9,666            | 8,203            | 9,586            | 12,012           |
| Committed                           | -                | 5                | 362              | 334              |
| Assigned                            | 4,878            | 2,378            | 1,421            | 1,234            |
| Unassigned                          | <u>-</u>         | <u>-</u>         | <u>(171)</u>     | <u>(937)</u>     |
| Total all other government funds    | <u>\$ 14,544</u> | <u>\$ 10,593</u> | <u>\$ 11,199</u> | <u>\$ 12,647</u> |

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



| <b>2014</b>      | <b>2015</b>      | <b>2016</b>      | <b>2017</b>      | <b>2018</b>      | <b>2019</b>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$ 295           | \$ 343           | \$ 358           | \$ 435           | \$ 511           | \$ 441           |
| -                | -                | -                | -                | -                | -                |
| 1,788            | 346              | 380              | 209              | 344              | 614              |
| 14,726           | 16,728           | 19,597           | 21,600           | 23,821           | 25,291           |
| <u>\$ 16,809</u> | <u>\$ 17,417</u> | <u>\$ 20,335</u> | <u>\$ 22,244</u> | <u>\$ 24,676</u> | <u>\$ 26,346</u> |
| \$ 4             | \$ 14            | \$ 1             | \$ 20            | \$ 20            | \$ 176           |
| 8,095            | 8,812            | 11,715           | 13,268           | 18,152           | 20,691           |
| 322              | 317              | 312              | 289              | 167              | 1,579            |
| 4,565            | 4,441            | 4,820            | 4,527            | 10,211           | 10,532           |
| (2,481)          | (312)            | (113)            | (69)             | 488              | (4,271)          |
| <u>\$ 10,505</u> | <u>\$ 13,272</u> | <u>\$ 16,735</u> | <u>\$ 18,035</u> | <u>\$ 29,038</u> | <u>\$ 28,707</u> |

**Schedule 4**  
**CITY OF SANFORD, FLORIDA**

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

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

|  | <u>2010</u>        | <u>2011</u>   | <u>2012</u>   | <u>2013</u>     | <u>2014</u>       | <u>2015</u>     |
|--|--------------------|---------------|---------------|-----------------|-------------------|-----------------|
| <b>Revenues</b>  |                    |               |               |                 |                   |                 |
| Taxes  | \$ 24,339          | \$ 23,242     | \$ 22,490     | \$ 27,706       | \$ 28,687         | \$ 28,693       |
| Licenses and permits   | 5,249              | 5,829         | 5,693         | 1,679           | 715               | 1,709           |
| Intergovernmental revenues                                   | 9,380              | 12,076        | 10,011        | 9,655           | 12,455            | 15,858          |
| Charges for services   | 2,357              | 1,963         | 2,290         | 2,208           | 2,063             | 2,181           |
| Fines and forfeitures  | 246                | 158           | 226           | 267             | 233               | 289             |
| Impact fees  | 262                | 423           | 1,022         | 1,008           | 209               | 212             |
| Interest earnings  | 313                | 204           | 185           | 100             | 147               | 182             |
| Miscellaneous revenues                                       | 562                | 377           | 338           | 957             | 268               | 485             |
| Total revenues   | <u>42,708</u>      | <u>44,272</u> | <u>42,255</u> | <u>43,580</u>   | <u>44,777</u>     | <u>49,609</u>   |
| <b>Expenditures</b>  |                    |               |               |                 |                   |                 |
| Current:   |                    |               |               |                 |                   |                 |
| General government   | 4,839              | 5,280         | 4,873         | 4,651           | 4,742             | 5,595           |
| Public safety  | 21,806             | 21,564        | 22,455        | 22,825          | 23,463            | 23,061          |
| Transportation   | 2,162              | 1,961         | 2,065         | 2,270           | 2,132             | 2,036           |
| Physical environment   | 3,842              | 2,149         | 1,757         | 457             | 485               | 493             |
| Economic environment   | 1,119              | 825           | 843           | 2,234           | 2,119             | 2,066           |
| Human services   | 109                | 77            | 61            | 1,196           | 984               | 1,143           |
| Culture and recreation                                       | 4,357              | 4,093         | 4,305         | 4,221           | 4,468             | 4,499           |
| Debt service:  |                    |               |               |                 |                   |                 |
| Principal  | 708                | 822           | 2,003         | 1,211           | 1,447             | 1,522           |
| Interest and fiscal charges                                  | 749                | 728           | 601           | 519             | 480               | 446             |
| Capital outlay   | 18,079             | 6,523         | 3,272         | 3,118           | 10,029            | 6,325           |
| Total Expenditures   | <u>57,770</u>      | <u>44,022</u> | <u>42,235</u> | <u>42,702</u>   | <u>50,349</u>     | <u>47,186</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(15,062)</u>    | <u>250</u>    | <u>20</u>     | <u>878</u>      | <u>(5,572)</u>    | <u>2,423</u>    |
| <b>Other Financing Sources (Uses)</b>                        |                    |               |               |                 |                   |                 |
| Capital leases   | -                  | -             | 540           | 656             | 519               | 531             |
| Transfers in   | 2,846              | 5,315         | 5,068         | 3,536           | 7,013             | 4,819           |
| Transfers (out)  | (2,203)            | (5,101)       | (5,060)       | (3,389)         | (6,678)           | (4,460)         |
| Proceeds from sale of property                               | 12                 | 145           | 35            | 96              | 31                | 62              |
| Issuance of debt   | 582                | -             | -             | -               | -                 | -               |
| Issuance of refunding debt                                   | -                  | -             | 15,050        | -               | -                 | -               |
| Payment to refunded bond escrow agent                        | -                  | -             | (15,050)      | -               | -                 | -               |
| Total other financing sources (uses)                         | <u>1,237</u>       | <u>359</u>    | <u>583</u>    | <u>899</u>      | <u>885</u>        | <u>952</u>      |
| Net change in fund balances                                  | <u>\$ (13,825)</u> | <u>\$ 609</u> | <u>\$ 603</u> | <u>\$ 1,777</u> | <u>\$ (4,687)</u> | <u>\$ 3,375</u> |
| Debt service as a percentage<br>of noncapital expenditures   | <u>3.67%</u>       | <u>4.13%</u>  | <u>6.68%</u>  | <u>4.37%</u>    | <u>4.78%</u>      | <u>4.82%</u>    |

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

|    | <b>2016</b>   | <b>2017</b>     | <b>2018</b>      | <b>2019</b>     |
|----|---------------|-----------------|------------------|-----------------|
| \$ | 31,279        | \$ 32,292       | \$ 34,439        | \$ 36,268       |
|    | 1,917         | 2,361           | 3,217            | 2,494           |
|    | 15,051        | 13,897          | 19,010           | 21,863          |
|    | 2,465         | 2,723           | 3,411            | 2,658           |
|    | 218           | 269             | 285              | 231             |
|    | 236           | 496             | 1,424            | 672             |
|    | 443           | 339             | 635              | 2,120           |
|    | 171           | 233             | 3,692            | 677             |
|    | <u>51,780</u> | <u>52,610</u>   | <u>66,113</u>    | <u>66,983</u>   |
|    | 5,527         | 5,582           | 7,135            | 6,480           |
|    | 23,393        | 24,715          | 26,539           | 27,822          |
|    | 2,223         | 3,693           | 488              | 451             |
|    | 504           | 448             | 2,985            | 3,076           |
|    | 2,150         | 2,206           | 2,262            | 1,447           |
|    | 747           | 790             | 877              | 891             |
|    | 4,541         | 4,883           | 5,057            | 6,030           |
|    | 1,435         | 1,363           | 1,301            | 1,299           |
|    | 418           | 391             | 365              | 335             |
|    | <u>5,356</u>  | <u>6,035</u>    | <u>6,079</u>     | <u>17,340</u>   |
|    | <u>46,294</u> | <u>50,106</u>   | <u>53,088</u>    | <u>65,171</u>   |
|    | 5,486         | 2,504           | 13,025           | 1,812           |
|    | 551           | 489             | 301              | 185             |
|    | 4,573         | 4,262           | 4,573            | 6,823           |
|    | (4,514)       | (4,078)         | (4,777)          | (7,934)         |
|    | 285           | 302             | 312              | 453             |
|    | -             | -               | -                | -               |
|    | -             | -               | -                | -               |
|    | -             | -               | -                | -               |
|    | <u>895</u>    | <u>975</u>      | <u>409</u>       | <u>(473)</u>    |
| \$ | <u>6,381</u>  | <u>\$ 3,479</u> | <u>\$ 13,434</u> | <u>\$ 1,339</u> |
|    | <u>4.53%</u>  | <u>3.98%</u>    | <u>3.54%</u>     | <u>3.42%</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        |                           |                              |                       |                                |  |
| 2010        | \$ 3,695,403    | \$ 395,393        | \$ 4,090,796 | \$ (1,213,705)            | \$ 2,877,091                 | 6.325                 | \$ 2,920,904                   | 98.50%   |
| 2011        | 3,216,500       | 367,284           | 3,583,784    | (1,077,847)               | 2,505,937                    | 6.825                 | 2,618,554                      | 95.70%   |
| 2012        | 2,905,133       | 370,398           | 3,275,531    | (975,751)                 | 2,299,780                    | 6.825                 | 2,309,016                      | 99.60%   |
| 2013        | 2,896,666       | 370,000           | 3,266,666    | (977,066)                 | 2,289,600                    | 6.825                 | 2,310,393                      | 99.10%   |
| 2014        | 2,927,584       | 373,378           | 3,300,962    | (969,961)                 | 2,331,001                    | 6.825                 | 2,398,149                      | 97.20%   |
| 2015        | 3,151,978       | 380,205           | 3,532,183    | (1,082,248)               | 2,449,935                    | 6.825                 | 2,587,049                      | 94.70%   |
| 2016        | 3,474,534       | 404,224           | 3,878,758    | (1,248,001)               | 2,630,757                    | 7.325                 | 2,777,990                      | 94.70%   |
| 2017        | 3,828,700       | 406,760           | 4,235,460    | (1,336,863)               | 2,898,597                    | 7.325                 | 3,067,298                      | 94.50%   |
| 2018        | 4,224,039       | 445,986           | 4,670,025    | (1,519,327)               | 3,150,698                    | 7.325                 | 3,330,548                      | 94.60%   |
| 2019        | 4,702,028       | 449,071           | 5,151,099    | (1,705,117)               | 3,445,982                    | 7.325                 | 3,642,687                      | 94.60%   |

**Source:** Seminole County Property Appraiser

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

**Schedule 6  
CITY OF SANFORD, FLORIDA**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES\***

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

| Fiscal Year | City of Sanford, Florida | Seminole County   |                               |                  |              | St. Johns River Water Mgmt. Dist. | Total  |
|-------------|--------------------------|-------------------|-------------------------------|------------------|--------------|-----------------------------------|--------|
|             |                          | Operating millage | Natural Lands Trails I&S Fund | Total Government | School Board |                                   |        |
| 2010        | 6.325                    | 4.900             | 0.145                         | 5.045            | 7.723        | 0.416                             | 19.509 |
| 2011        | 6.825                    | 4.875             | 0.170                         | 5.045            | 7.801        | 0.416                             | 20.087 |
| 2012        | 6.825                    | 4.875             | 0.170                         | 5.045            | 7.722        | 0.331                             | 19.923 |
| 2013        | 6.825                    | 4.875             | 0.170                         | 5.045            | 7.553        | 0.331                             | 19.754 |
| 2014        | 6.825                    | 4.875             | 0.000                         | 4.875            | 8.361        | 0.328                             | 20.389 |
| 2015        | 6.825                    | 4.875             | 0.000                         | 4.875            | 7.897        | 0.316                             | 19.913 |
| 2016        | 7.325                    | 4.875             | 0.000                         | 4.875            | 7.849        | 0.302                             | 20.351 |
| 2017        | 7.325                    | 4.875             | 0.000                         | 4.875            | 7.557        | 0.289                             | 20.046 |
| 2018        | 7.325                    | 4.875             | 0.000                         | 4.875            | 6.313        | 0.256                             | 18.769 |
| 2019        | 7.325                    | 4.875             | 0.000                         | 4.875            | 6.133        | 0.241                             | 18.574 |

\*Operating millage only source unless otherwise presented.

**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 2019</b> |                                       |             | <b>Fiscal Year 2010</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> |
| Florida Power & Light Co       | \$ 65,790,405           | 2.87%                                 | 1           | \$ 38,081,911           | 1.39%                                 | 3           |
| Seminole Towne Center LP       | 58,486,306              | 2.56%                                 | 2           | 87,529,278              | 3.20%                                 | 1           |
| Solstice Loop Holdings LLC     | 49,908,120              | 2.18%                                 | 3           |                         |                                       |             |
| Lakes Edge Apartments LLC      | 42,907,026              | 1.87%                                 | 4           |                         |                                       |             |
| CRLP Twin Lakes LLC            | 42,188,554              | 1.84%                                 | 5           | 28,374,329              | 1.04%                                 | 5           |
| WRI Seminole Marketplace LLC   | 41,626,633              | 1.82%                                 | 6           | 23,967,346              | 0.88%                                 | 7           |
| Solara Holdings - CJ LLC       | 38,037,440              | 1.66%                                 | 7           |                         |                                       |             |
| Bre Piper MF Westlake FL LLC   | 33,674,830              | 1.47%                                 | 8           |                         |                                       |             |
| Wal-Mart Stores East LP        | 32,017,528              | 1.40%                                 | 9           | 35,516,675              | 1.30%                                 | 4           |
| Central Florida Regional Hosp  | 26,163,476              | 1.14%                                 | 10          | 38,591,176              | 1.41%                                 | 2           |
| Bellsouth Communications, Inc. |                         |                                       |             | 25,404,986              | 0.93%                                 | 6           |
| CORAC LLC                      |                         |                                       |             | 23,718,667              | 0.87%                                 | 8           |
| Westlake Arbour LLC            |                         |                                       |             | 22,084,086              | 0.81%                                 | 9           |
| Florida Extruders              |                         |                                       |             | 18,377,299              | 0.67%                                 | 10          |
|                                | <u>\$ 430,800,318</u>   | <u>18.81%</u>                         |             | <u>\$ 341,645,753</u>   | <u>12.50%</u>                         |             |

**Source:** Seminole County Property Appraiser - 2019 Top Ten Taxpayer for Sanford and City of Sanford FY 2010 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> |
|--------------------|---------------------------|------------------------------------|----------------------------------|---------------------------------------|------------------------------|---|
| 2010               | \$ 17,010,594             | \$ 16,162,695                      | 95.0%                            | \$ 224,474                            | \$ 16,387,169                | 96.3%   |
| 2011               | 16,035,942                | 15,305,619                         | 95.4%                            | 196,872                               | 15,502,491                   | 96.7%   |
| 2012               | 15,500,000                | 14,864,192                         | 95.9%                            | 91,790                                | 14,955,982                   | 96.5%   |
| 2013               | 15,067,289                | 14,468,825                         | 96.0%                            | 27,872                                | 14,496,697                   | 96.2%   |
| 2014               | 15,339,972                | 14,709,466                         | 95.9%                            | 44,317                                | 14,753,783                   | 96.2%   |
| 2015               | 16,160,907                | 15,473,136                         | 95.7%                            | 53,718                                | 15,526,854                   | 96.1%   |
| 2016               | 18,594,286                | 17,946,522                         | 96.5%                            | 17,510                                | 17,964,032                   | 96.6%   |
| 2017               | 20,506,410                | 18,739,174                         | 91.4%                            | 29,006                                | 18,768,180                   | 91.5%   |
| 2018               | 22,322,408                | 19,741,400                         | 88.4%                            | 11,956                                | 19,753,356                   | 88.5%   |
| 2019               | 25,226,332                | 21,234,990                         | 84.2%                            | 59,245                                | 21,294,235                   | 84.4%   |

**Source:** (1) Total assessed value times millage rate; tax levies prior to 2013 have been corrected from previous years CAFRs.

(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 |
| 2010        | \$ -                             | \$ 16,795,000                       | \$ 1,050,000  | \$ 700,502     | \$ 19,107,056                | \$ 33,717,701              | \$ 189,126                      |
| 2011        | -                                | 16,155,000                          | 855,000       | 518,760        | 18,153,995                   | 34,110,664                 | -                               |
| 2012        | -                                | 14,375,000                          | 650,000       | 836,051        | 16,948,428                   | 32,719,107                 | -                               |
| 2013        | -                                | 13,680,000                          | 440,000       | 1,185,616      | 15,788,466                   | 33,513,261                 | -                               |
| 2014        | -                                | 12,960,000                          | 225,000       | 1,192,447      | 14,720,000                   | 39,807,828                 | -                               |
| 2015        | -                                | 12,215,000                          | -             | 1,170,776      | 12,975,000                   | 43,601,820                 | -                               |
| 2016        | -                                | 11,445,000                          | -             | 1,057,538      | 11,165,000                   | 49,356,037                 | -                               |
| 2017        | -                                | 10,650,000                          | -             | 978,584        | 9,280,000                    | 52,654,250                 | -                               |
| 2018        | -                                | 9,830,000                           | -             | 798,657        | 7,325,000                    | 56,344,418                 | -                               |
| 2019        | -                                | 8,980,000                           | -             | 534,157        | 5,295,000                    | 55,363,430                 | -                               |

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

\*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.

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



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| <b>Total<br/>Primary<br/>Government</b> | <b>Sanford *<br/>Personal<br/>Income</b> | <b>Percentage<br/>of Personal<br/>Income</b> | <b>Per<br/>Capita</b> |
|---|--|--|-----------------------|
| \$ 71,559,385                           | \$ 2,140,111,536                         | 3.3%   | 1,340                 |
| 69,793,419                              | 2,140,245,586                            | 3.3%   | 1,306                 |
| 65,528,586                              | 2,207,000,608                            | 3.0%   | 1,212                 |
| 64,607,343                              | 2,272,702,597                            | 2.8%   | 1,199                 |
| 68,905,275                              | 2,386,109,874                            | 2.9%   | 1,241                 |
| 69,962,596                              | 2,378,761,400                            | 2.9%   | 1,230                 |
| 73,023,575                              | 2,211,604,736                            | 3.3%   | 1,276                 |
| 73,562,834                              | 2,585,576,817                            | 2.8%   | 1,272                 |
| 74,298,075                              | 2,727,351,614                            | 2.7%   | 1,259                 |

**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 For Debt Service | Debt Service Requirements (3) |            | Coverage |  |
|                               |                         |                                      |                        |                                | Principal                     | Interest   |          |  |
| 2010                          | \$ 19,244,661           | \$ 721,961                           | \$ 12,093,933          | \$ 7,872,689                   | \$ 1,095,000                  | \$ 924,297 | 3.90     |  |
| 2011                          | 20,294,405              | 837,165                              | 11,915,644             | 9,215,926                      | 1,120,000                     | 769,764    | 4.88     |  |
| 2012                          | 21,108,818              | 927,715                              | 12,667,718             | 9,368,815                      | 1,365,000                     | 729,164    | 4.47     |  |
| 2013                          | 22,027,671              | 928,700                              | 12,416,929             | 10,539,442                     | 1,415,000                     | 681,389    | 5.03     |  |
| 2014                          | 22,570,956              | 536,916                              | 12,509,032             | 10,598,840                     | 1,470,000                     | 624,789    | 5.06     |  |
| 2015                          | 23,710,035              | 620,429                              | 14,759,306             | 9,571,158                      | 1,745,000                     | 569,664    | 4.14     |  |
| 2016                          | 24,522,417              | 833,080                              | 14,791,336             | 10,564,161                     | 1,810,000                     | 501,945    | 4.57     |  |
| 2017                          | 25,925,613              | 1,262,084                            | 16,475,549             | 10,712,148                     | 1,885,000                     | 431,891    | 4.62     |  |
| 2018                          | 24,069,532              | 3,216,696                            | 16,139,681             | 11,146,547                     | 1,955,000                     | 416,745    | 4.70     |  |
| 2019                          | 27,656,617              | 2,400,876                            | 16,401,102             | 13,656,391                     | 2,030,000                     | 344,534    | 5.75     |  |

| Water and Sewer State Revolving Loans |                    |                               |                                |                               |            |          |  |  |
|---------------------------------------|--------------------|-------------------------------|--------------------------------|-------------------------------|------------|----------|--|--|
| Fiscal Year                           | Gross Revenues (1) | Less: Operating Expenses (2)* | Net Available For Debt Service | Debt Service Requirements (4) |            | Coverage |  |  |
|                                       |                    |                               |                                | Principal                     | Interest   |          |  |  |
| 2010                                  | \$ 19,244,661      | \$ 14,113,230                 | \$ 5,131,431                   | \$ 1,851,177                  | \$ 716,019 | 2.00     |  |  |
| 2011                                  | 20,294,405         | 13,805,408                    | 6,488,997                      | 1,854,547                     | 757,727    | 2.48     |  |  |
| 2012                                  | 21,108,818         | 14,761,882                    | 6,346,936                      | 1,967,848                     | 705,047    | 2.37     |  |  |
| 2013                                  | 22,027,671         | 14,513,318                    | 7,514,353                      | 2,439,435                     | 649,489    | 2.43     |  |  |
| 2014                                  | 22,570,956         | 14,603,821                    | 7,967,135                      | 2,381,877                     | 597,388    | 2.67     |  |  |
| 2015                                  | 23,710,035         | 17,073,970                    | 6,636,065                      | 2,410,939                     | 565,114    | 2.23     |  |  |
| 2016                                  | 24,522,417         | 17,103,281                    | 7,419,136                      | 2,300,903                     | 575,379    | 2.58     |  |  |
| 2017                                  | 25,925,613         | 18,792,440                    | 7,133,173                      | 2,332,799                     | 794,761    | 2.28     |  |  |
| 2018                                  | 24,069,532         | 18,511,426                    | 5,558,106                      | 3,414,129                     | 458,891    | 1.44     |  |  |
| 2019                                  | 27,656,617         | 18,775,636                    | 8,880,981                      | 3,385,491                     | 910,300    | 2.07     |  |  |

| General Government |                     |                                    |            |          |  |
|--------------------|---------------------|------------------------------------|------------|----------|--|
| Sales Tax Note     |                     |                                    |            |          |  |
| Fiscal Year        | Half-Cent Sales Tax | Debt Service Requirements (4), (8) |            | Coverage |  |
|                    |                     | Principal                          | Interest   |          |  |
| 2010               | \$ 2,915,832        | \$ 615,000                         | \$ 734,702 | 2.16     |  |
| 2011               | 2,939,839           | 640,000                            | 708,749    | 2.18     |  |
| 2012               | 3,098,395           | 670,000                            | 585,968    | 2.47     |  |
| 2013               | 3,213,921           | 695,000                            | 467,188    | 2.77     |  |
| 2014               | 3,400,139           | 720,000                            | 444,600    | 2.92     |  |
| 2015               | 3,564,749           | 745,000                            | 421,200    | 3.06     |  |
| 2016               | 3,714,761           | 770,000                            | 396,988    | 3.18     |  |
| 2017               | 3,860,271           | 795,000                            | 371,963    | 3.31     |  |
| 2018               | 4,048,497           | 820,000                            | 346,125    | 3.47     |  |
| 2019               | 3,716,479           | 850,000                            | 319,475    | 3.18     |  |

| Proprietary Funds        |                              |                                |                               |          |          |
|--------------------------|------------------------------|--------------------------------|-------------------------------|----------|----------|
| Stormwater Revenue Bonds |                              |                                |                               |          |          |
| Stormwater Revenues      | Less: Operating Expenses (2) | Net Available For Debt Service | Debt Service Requirements (4) |          | Coverage |
|                          |                              |                                | Principal                     | Interest |          |
| \$ 3,800,074             | \$ 1,574,814                 | \$ 2,225,260                   | \$ 376,471                    | \$ 8,468 | 5.78     |
| 3,731,188                | 1,895,947                    | 1,835,241                      | 191,564                       | 4,239    | 9.37     |
| 4,066,178                | 1,915,200                    | 2,150,978                      | -                             | -        | -        |
| 4,269,917                | 1,686,945                    | 2,582,972                      | -                             | -        | -        |
| 4,474,837                | 1,641,644                    | 2,833,193                      | -                             | -        | -        |
| 4,774,373                | 1,678,762                    | 3,095,611                      | -                             | -        | -        |
| 5,121,169                | 1,746,804                    | 3,374,365                      | -                             | -        | -        |
| 5,451,107                | 1,760,504                    | 3,690,603                      | -                             | -        | -        |
| 5,647,313                | 1,863,116                    | 3,784,197                      | -                             | -        | -        |
| 5,784,842                | 1,875,154                    | 3,909,688                      | -                             | -        | -        |

| Stormwater State Revolving Loans |                               |                                |                               |            |              |
|----------------------------------|-------------------------------|--------------------------------|-------------------------------|------------|--------------|
| Stormwater Revenues              | Less: Operating Expenses (2)* | Net Available For Debt Service | Debt Service Requirements (4) |            | Coverage (9) |
|                                  |                               |                                | Principal                     | Interest   |              |
| \$ 3,800,074                     | \$ 1,959,752                  | \$ 1,840,322                   | \$ 188,215                    | \$ 116,361 | 6.04         |
| 3,731,188                        | 2,091,750                     | 1,639,438                      | 245,250                       | 191,783    | 3.75         |
| 4,066,178                        | 1,915,200                     | 2,150,978                      | 321,442                       | 183,107    | 4.26         |
| 4,269,917                        | 1,686,945                     | 2,582,972                      | 325,628                       | 175,662    | 5.15         |
| 4,474,837                        | 1,641,644                     | 2,833,193                      | 334,549                       | 166,650    | 5.65         |
| 4,774,373                        | 1,678,762                     | 3,095,611                      | 343,733                       | 157,392    | 6.18         |
| 5,121,169                        | 1,746,804                     | 3,374,365                      | 353,171                       | 148,494    | 6.73         |
| 5,451,107                        | 1,760,504                     | 3,690,603                      | 531,716                       | 155,325    | 5.37         |
| 5,647,313                        | 1,863,116                     | 3,784,197                      | 388,885                       | 140,029    | 7.15         |
| 5,784,842                        | 1,875,154                     | 3,909,688                      | 554,555                       | 273,004    | 4.72         |

General Government  
CRA Note

| Fiscal Year | CRA Ad Valorem Taxes | Debt Service Requirements (4) |           | Coverage (6) |
|-------------|----------------------|-------------------------------|-----------|--------------|
|             |                      | Principal                     | Interest  |              |
| 2010        | \$ 1,342,653         | \$ 190,000                    | \$ 43,276 | 5.76         |
| 2011        | 1,097,603            | 195,000                       | 36,645    | 4.74         |
| 2012        | 1,014,246            | 205,000                       | 29,840    | 4.32         |
| 2013        | 1,025,900            | 210,000                       | 22,685    | 4.41         |
| 2014        | 1,117,433            | 215,000                       | 15,397    | 4.85         |
| 2015        | 951,384              | 225,500                       | 7,853     | 4.08         |
| 2016        | -                    | -                             | -         | -            |
| 2017        | -                    | -                             | -         | -            |
| 2018        | -                    | -                             | -         | -            |
| 2019        | -                    | -                             | -         | -            |

- (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, 2019**

| <u>Jurisdiction</u>               | <u>Total<br/>Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable to<br/>City of Sanford</u> | <u>Amount<br/>Applicable to<br/>City of Sanford</u> |
|-----------------------------------|---------------------------------------|---|---|
| Governmental unit                 |                                       |   |   |
| General obligation debt           |                                       |   |   |
| Seminole County Government        | \$ -                                  | 10.4%   | \$ -  |
| Seminole County School Board      | -                                     | 10.6%   | -   |
| Other debt                        |                                       |   |   |
| Seminole County Government        |                                       |   |   |
| Revenue bonds                     | 106,996,000                           | 10.4%   | 11,076,215  |
| Capital leases                    | 2,588,019                             | 10.4%   | 267,911   |
| Seminole County School Board      |                                       |   |   |
| State education bonds             | 6,135,967                             | 10.6%   | 648,582   |
| Certificates of participation     | 155,084,557                           | 10.6%   | 16,392,698  |
| Subtotal, overlapping debt        |                                       |   | 28,385,406  |
| City direct debt                  |                                       |   | 11,628,583  |
| Total direct and overlapping debt |                                       |   | <u>\$ 40,013,989</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 is based on the 9/30/2018 CAFR.  
FY 2019 information was not available prior to CAFR publication.  
Seminole County School Board

**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> |
|--------------------|-----------------------|---------------------------------------|----------------------------|-------------------------------------|------------------------------|
| 2010               | 53,392                | \$ 40,083                             | \$ 2,140,111,536           | 13,139                              | 10.6%                        |
| 2011               | 53,422                | 40,063                                | 2,140,245,586              | 13,597                              | 9.9%                         |
| 2012               | 54,064                | 40,822                                | 2,207,000,608              | 13,164                              | 8.2%                         |
| 2013               | 53,867                | 42,191                                | 2,272,702,597              | 13,605                              | 6.6%                         |
| 2014               | 55,509                | 42,986                                | 2,386,109,874              | 13,788                              | 5.4%                         |
| 2015               | 56,900                | 41,806                                | 2,378,761,400              | 13,671                              | 5.0%                         |
| 2016               | 57,248                | 38,632                                | 2,211,604,736              | 13,724                              | 4.3%                         |
| 2017               | 57,839                | 44,703                                | 2,585,576,817              | 14,003                              | 3.0%                         |
| 2018               | 58,994                | 46,231                                | 2,727,351,614              | 16,629                              | 2.9%                         |
| 2019               | 60,243                | 49,049                                | 2,954,858,907              | 15,264                              | 2.6%                         |

**Source:** (1) Office of Economic and Demographic Research  
Florida Population Estimates for Counties and Municipalities - April 1, 2018  
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 2015 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 2018/2019</u> |             | <u>Fiscal Year 2009/2010</u> |             |
|--|------------------------------|-------------|------------------------------|-------------|
|  | <u>Employees</u>             | <u>Rank</u> | <u>Employees</u>             | <u>Rank</u> |
| Orlando Sanford International Airport*** | 3,500                        | 1           | 430                          | 7           |
| Central Florida Regional Hospital***     | 2,108                        | 2           | 944                          | 4           |
| Seminole County Public Schools**         | 1,723                        | 3           | 1,582                        | 1           |
| Seminole State College                   | 1,602                        | 4           | 1,388                        | 2           |
| Seminole County Sheriff****              | 1,353                        | 5           | *                            | *           |
| Seminole County Government***            | 1,289                        | 6           | 1,287                        | 3           |
| Walmart Stores - Sanford                 | 680                          | 7           | 781                          | 5           |
| Seminole Towne Center                    | 625                          | 8           | 525                          | 6           |
| City of Sanford                          | 504                          | 9           | *                            | *           |
| Waste Pro USA                            | 248                          | 10          | 105                          | 10          |
| Florida Extruders                        | *                            | N/A         | 238                          | 8           |
| Wharton Smith                            | *                            | N/A         | 120                          | 9           |
| <b>Total</b>                             | <b>13,632</b>                |             | <b>7,400</b>                 |             |

\* Data not available

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

\*\*\*Seminole County Government - FY 2018 CAFR Countywide FTEs

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

\*\*\*\*\* Seminole County Sheriff FY 2018 Annual Report

**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>2010</u>   | <u>2011</u>   | <u>2012</u>   | <u>2013</u>   | <u>2014</u>   | <u>2015</u>   | <u>2016</u>   | <u>2017</u>   | <u>2018</u>   | <u>2019</u>   |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Government:</b> |               |               |               |               |               |               |               |               |               |               |
| City Manager               | 12.00         | 11.68         | 7.33          | 9.33          | 10.33         | 9.33          | 9.33          | 7.15          | 8.73          | 8.74          |
| Community Improvement      | 10.00         | 10.24         | 12.24         | 9.24          | 9.14          | 9.00          | 9.00          | 9.00          | 9.00          | 9.50          |
| City Clerk                 | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| Human Resources            | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          |
| Finance/IT                 | 20.00         | 13.73         | 16.23         | 16.23         | 17.33         | 17.47         | 17.47         | 18.47         | 17.47         | 17.47         |
| Planning/Development       | 11.00         | 8.50          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 9.00          | 9.15          |
| <b>Public Safety:</b>      |               |               |               |               |               |               |               |               |               |               |
| Police                     | 153.00        | 143.00        | 143.00        | 150.00        | 149.95        | 149.95        | 149.95        | 149.95        | 149.95        | 152.95        |
| Fire                       | 90.20         | 89.20         | 89.50         | 89.50         | 91.64         | 91.55         | 80.87         | 82.15         | 94.37         | 95.71         |
| <b>Public Works</b>        | 93.20         | 88.05         | 88.05         | 83.05         | 83.25         | 84.25         | 84.25         | 82.35         | 81.90         | 73.75         |
| <b>Utilities</b>           | 100.50        | 101.00        | 101.00        | 102.50        | 103.50        | 104.00        | 103.50        | 105.50        | 108.73        | 109.13        |
| <b>Recreation</b>          | 34.60         | 32.80         | 33.80         | 32.80         | 32.80         | 32.80         | 33.30         | 32.80         | 32.80         | 40.55         |
| <b>Total</b>               | <u>531.50</u> | <u>505.20</u> | <u>506.15</u> | <u>507.65</u> | <u>512.94</u> | <u>513.35</u> | <u>502.67</u> | <u>502.37</u> | <u>518.95</u> | <u>523.95</u> |

**Source:** City of Sanford Budgets 2010-2019  
City of Sanford Financial Services Department

\*Changes made in FY 2012 to agree to revised budget figures.

**Schedule 15  
CITY OF SANFORD, FLORIDA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

|   | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| <b><u>Building Inspections</u></b>  |             |             |             |             |             |
| All permits issued**  | 2,564       | 3,026       | 3,225       | 3,383       | 2,749       |
| Building permits issued**   | 1,291       | 1,408       | 1,433       | 1,450       | 1,464       |
| Inspections completed**   | 8,011       | 8,972       | 10,396      | 12,013      | 7,165       |
| Re-inspections completed**  | 931         | 1,087       | 997         | 1,454       | 946         |
| <b><u>Law Enforcement</u></b>   |             |             |             |             |             |
| Physical arrests  | 3,040       | 2,422       | 2,394       | 2,670       | 3,134**     |
| DUI arrests   | 107         | 63          | 94          | 43          | 40          |
| Traffic violations  | 4,428       | 5,123       | 6,922       | 4,560       | 15,173**    |
| Traffic crashes   | 1,261       | 1,346       | 1,581       | 1,564       | 2,019       |
| Total calls received by agency  | 72,482      | 121,149 **  | 119,018     | 108,935     | 137,298     |
| Dispatched calls requiring police service<br>(based on calendar year figures) | 85,281      | 90,388 **   | 84,691      | 85,270      | 102,516     |
| <b><u>Fire</u></b>  |             |             |             |             |             |
| Emergency responses   | 8,480       | 8,794       | 8,977       | 9,311       | 9,571       |
| Number of actual fires suppressed   | 58          | 63          | 56          | 37          | 94          |
| Number of commercial building inspections                                     | 1,363       | 2,220       | 2,100       | 2,403       | 1,942       |
| Number of school inspections***   | 14          | 24          | 24          | 15          | 14          |
| Number of investigations  | 23          | 29          | 33          | 31          | 30          |
| <b><u>Planning &amp; Engineering</u></b>                                      |             |             |             |             |             |
| Paved streets (miles)   | 156.61      | 160.64 **   | 160.64      | 160.64      | 160.64      |
| Unpaved streets (miles)   | 2.10        | 0.38 **     | 0.38        | 0.38        | 0.38        |
| <b><u>Public Works</u></b>  |             |             |             |             |             |
| Street resurfacing (miles)  | 4.30        | 4.36        | 3.53        | 3.16        | 7.80        |
| Other street repairs (# of potholes, etc.)                                    | 119         | 206         | 231         | 236         | 200         |

\* Data not available

\*\* Data corrected for previous years.

\*\*\* includes daycares only - no longer inspect schools

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

**Source:** Various City Departments



| <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|-------------|-------------|-------------|-------------|-------------|
| 3,630       | 3,614       | 4,409       | 6,113       | 4,409       |
| 2,257       | 2,058       | 2,565       | 6,113       | 4,409       |
| 7,525       | 8,592       | 9,835       | 20,613      | 12,301      |
| 1,206       | 1,537       | 1,587       | 3,460       | 3,114       |
| 3,137       | 3,041       | 3,926       | 2,704       | 3,579       |
| 53          | 65          | 60          | 34          | 49          |
| 17,903      | 16,358      | 10,663      | 21,554      | 7,702       |
| 2,593       | 4,539       | 1,930       | 2,091       | 1,770       |
| 128,309     | 127,543     | 122,610     | 150,225     | 133,416     |
| 92,124      | 92,583      | 75,826      | 120,022     | 78,163      |
| 9,880       | 10,516      | 10,021      | 10,746      | 10,739      |
| 56          | 242         | 255         | 198         | 188         |
| 2,204       | 2,145       | 1,996       | 1,449       | 1,460       |
| 29          | 25          | 27          | 26          | 26          |
| 23          | 30          | 30          | 30          | 29          |
| 160.64      | 160.64      | 160.64      | 160.64      | 160.64      |
| 0.38        | 0.38        | 0.38        | 0.38        | 0.38        |
| 5.90        | 13.70       | 20.95       | 12.13       | 10.11       |
| 202         | 200         | 89          | 105         | 141         |

**Schedule 16  
CITY OF SANFORD, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNTION/PROGRAM**

**Last Ten Fiscal Years**

|   | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| <b><u>Transportation</u></b>              |             |             |             |             |             |
| Miles of streets                          | 158.71      | 161.02**    | 161.02**    | 161.02      | 161.02      |
| <b><u>Public Safety</u></b>               |             |             |             |             |             |
| Number of Fire Stations                   | 3           | 3           | 3           | 3           | 3           |
| Number of Firefighters and Officers       | 75          | 77          | 79          | 75          | 79          |
| Number of Police Stations*                | 3           | 2           | 1           | 1           | 1           |
| Number of Sworn Officers                  | 125         | 123         | 124         | 130         | 129         |
| <b><u>Municipal Water System</u></b>      |             |             |             |             |             |
| Number of Customers                       | 15,625      | 15,127      | 15,207      | 15,532      | 15,654      |
| Average Daily Consumption                 | 6.971 MGD   | 6.513 MGD   | 6.154 MGD   | 5.798 MGD   | 6.193 MGD   |
| Plant Capacity - All Plants               | 14.688 MGD  | 14.688 MGD  | 14.688 MGD  | 14.688 MGD  | 14.688 MGD  |
| Deep Wells                                | 19          | 19          | 19          | 18          | 16          |
| Number of Fire Hydrants                   | 1,352       | 1,281       | 1,281       | 1,393       |             |
| <b><u>Municipal Sewer System</u></b>      |             |             |             |             |             |
| Number of Customers                       | 12,574      | 14,114      | 14,182      | 14,453      | 14,634      |
| Treatment Facility Capacity               | 9.3 MGD     | 9.3 MGD     | 9.3 MGD     | 9.3 MGD     | 9.3 MGD     |
| Annual Average Flow                       | 6.334 MGD   | 6.05 MGD    | 6.396 MGD   | 6.691 MGD   | 6.788 MGD   |
| <b><u>Municipal Stormwater System</u></b> |             |             |             |             |             |
| Number of Customers                       | 12,982      | 13,861      | 13,909      | 14,176      | 14,354      |
| <b><u>Building Permits Issued**</u></b>   |             |             |             |             |             |
|   | 1,291       | 1,408       | 1,433       | 1,450       | 2,749       |
| <b><u>Recreation &amp; Culture</u></b>    |             |             |             |             |             |
| Number of Regional Parks                  | 1           | 1           | 1           | 1           | 1           |
| Number of Neighborhood Parks              | 36          | 36          | 36          | 36          | 36          |
| Park Area - #of acres                     | 350         | 350         | 350         | 350         | 350         |
| Number of Museums                         | 1           | 1           | 1           | 1           | 1           |
| Number of Books                           | 3,630       | 3,630       | 3,630       | 3,630       | 3,630       |

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

\*\* Data corrected for previous years.

Source: Various City Departments

| <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|-------------|-------------|-------------|-------------|-------------|
| 161.02      | 161.02      | 161.02      | 161.02      | 161.02      |
| 3           | 3           | 3           | 3           | 3           |
| 77          | 75          | 74          | 75          | 75          |
| 1           | 1           | 1           | 1           | 1           |
| 124         | 124         | 132         | 132         | 135         |
| 15,908      | 16,065      | 16,226      | 16,710      | 17,169      |
| 6.391 MGD   | 6.424 MGD   | 5.959 MGD   | 6.193 MGD   | 6.435 MGD   |
| 14.688MGD   | 14.688 MGD  | 14.688 MGD  | 14.688 MGD  | 14.688 MGD  |
| 17          | 17          | 19          | 19          | 19          |
| 1,400       | 1,418       | 1,464       | 1475        | 1475        |
| 14,864      | 15,012      | 15,162      | 15,633      | 16,074      |
| 10.3 MGD    | 10.3 MGD    | 10.3 MGD    | 10.3 MGD    | 10.3 MGD    |
| 6.600 MGD   | 6.263 MGD   | 6.329 MGD   | 6.330 MGD   | 6.330 MGD   |
| 14,582      | 14,743      | 14,882      | 15,390      | 15,702      |
| 3,630       | 2,058       | 2,565       | 6,113       | 4,409       |
| 1           | 1           | 1           | 1           | 1           |
| 29          | 28          | 28          | 28          | 28          |
| 129         | 133         | 133         | 133         | 133         |
| 1           | 1           | 1           | 1           | 1           |
| 3,630       | 3,680       | 3,680       | 3,680       | 3,680       |



CITY OF  
**SANFORD**  
FLORIDA

## **COMPLIANCE SECTION:**

This section contains the following subsections:

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





Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the City) as of and for the fiscal year ended September 30, 2019, 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 31, 2020.

**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 31, 2020.

### **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.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 31, 2020





Certified Public Accountants

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL  
OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE IN ACCORDANCE WITH THE  
UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

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

**Report on Compliance for Each Major Federal Program and State Project**

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) *Compliance Supplement* and Department of Financial Services *State Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs and major state projects for the fiscal year ended September 30, 2019. The City’s major federal program and major state project are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

***Management’s Responsibility***

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

***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 \$5,741,641 in federal awards and \$3,889,857 in state financial assistance during the fiscal year ended September 30, 2019. These expenditures are not included in the City’s Schedule of Expenditures of Federal Awards and State Financial Assistance. Our audit, described below, did not include the operations of the Airport because the results of the Airport’s financial statement and compliance audits were reported in separate financial statements.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or major state project identified in the accompanying Schedule of Findings and Questioned Costs occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

### **Opinion on Each Major Federal Program and Major State Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on its major federal program and major state project for the fiscal year ended September 30, 2019.

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

The 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 its major federal program or major state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

### **Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 31, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

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

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General (Cont.)***

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 31, 2020

CITY OF SANFORD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2019

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?
• Significant deficiency(ies) identified?
Noncompliance material to financial statements noted?

Federal Awards and State Financial Assistance

Internal control over major federal programs and major state projects:

- Material weakness(es) identified?
• Significant deficiency(ies) identified?

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

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 200.516 of the Uniform Guidance or Chapter 10.557, Rules of the Auditor General?

Yes No

Identification of Major Federal Programs and Major State Projects:

Table with 2 columns: CFDA Number, Name of Federal Program, CSFA Numbers, Name of State Project. Includes Hurricane Irma Declaration and Wastewater Treatment Facility Construction.

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

Federal \$750,000
State \$750,000

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, 2019**

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

None Reported.

**SECTION III - FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION REPORTED IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

None Reported.

**SECTION IV - PRIOR YEAR AUDIT FINDINGS**

None Reported.

**City of Sanford Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**Year Ended September 30, 2019**

| <u>Federal Grantor/Pass-Through Grantor Program Title</u>   | <u>CFDA Number</u> | <u>Grant Number / Pass Through Grantor's Number</u> | <u>Reimbursable Expenditures</u> |
|---|--------------------|---|----------------------------------|
| <b>U.S. Department of Agriculture</b>   |                    |   |                                  |
| Passed through Florida Department of Education<br>Summer Food Service Program                                 | 10.559             | 04-0720   | \$ 8,375                         |
| Total Department of Agriculture   |                    |   | <u>8,375</u>                     |
| <b>U.S. Department of Housing and Urban Development</b>   |                    |   |                                  |
| Community Development Block Grant   | 14.218             | B-13-MC-12-0057                                     | 35,056                           |
| Community Development Block Grant   | 14.218             | B-15-MC-12-0057                                     | 13,551                           |
| Community Development Block Grant   | 14.218             | B-16-MC-12-0058                                     | 279,507                          |
| Neighborhood Stabilization Program  | 14.218             | B-11-MN-12-0035                                     | 341                              |
| Total Department of Housing and Urban Development   |                    |   | <u>328,455</u>                   |
| <b>U.S. Department of Justice</b>   |                    |   |                                  |
| DEA Officer Reimbursement   | 16.580             | DEA Orlando   | 3,146                            |
| Bulletproof Vest Grant - FY 2018  | 16.607             | 2018BUBX14074532                                    | 4,009                            |
| Bulletproof Vest Grant - FY 2017  | 16.607             | 2017BUBX14074532                                    | 5,157                            |
| Public Safety Partnership and Community Policing Grant  | 16.710             | 2017UMWX0134  | 14,359                           |
| BJA Edward Byrne Memorial Justice Assistance Grant Program  | 16.738             | 2018-DJ-BX-0398                                     | 6,995                            |
| Equitable Sharing   | 16.922             | FL0590500   | 13,440                           |
| Total Department of Justice   |                    |   | <u>47,106</u>                    |
| <b>U.S. Department of Health and Human Services</b>   |                    |   |                                  |
| Passed through Florida Department of Economic Opportunity<br>LIHEAP Low Income Home Energy Assistance Program | 93.568             | 17EA-OF-06-69-02-028                                | 789,442                          |
| Total Department of Health and Human Services   |                    |   | <u>789,442</u>                   |
| <b>U.S. Department of Homeland Security</b>   |                    |   |                                  |
| Passed through Florida Department of Emergency Management<br>Hurricane Irma Declaration                       | 97.036             | FEMA-4337-DR-FL17-PA-00-06-69-01-381                | 1,073,757                        |
| Total Department of Homeland Security   |                    |   | <u>1,073,757</u>                 |
| <b>Federal Emergency Agency</b>   |                    |   |                                  |
| Passed through Florida Department of Emergency Management<br>Hazard Mitigation Grant Program                  | 97.039             | FEMA-4283-43-R                                      | 32,877                           |
| Hazard Mitigation Grant Program   | 97.039             | FEMA-4283-47-R                                      | 40,833                           |
| Total Department of Health and Human Services   |                    |   | <u>73,710</u>                    |
|   |                    | <b>Total Expenditure of Federal Awards</b>          | <u>\$ 2,320,845</u>              |

(continued)

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

**City of Sanford Florida**  
**Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)**  
**Year Ended September 30, 2019**

| <b>State Grantor/Pass-Through Grantor Program Title</b>                    | <b>CSFA<br/>Number</b> | <b>Grant Number / Pass Through<br/>Grantor's Number</b> | <b>Reimbursable<br/>Expenditures</b> |
|--|------------------------|---|--------------------------------------|
| <b>Florida Department of Environmental Protection</b>                      |                        |   |                                      |
| Coastline Park   | 37.017                 | A7002   | 50,000                               |
| Statewide Surface Water Restoration and Wastewater<br>Projects             | 37.039                 | LP5901A   | 490,290                              |
| State Revolving Fund Loan  | 37.076                 | DW590191  | 134,539                              |
| State Revolving Fund Loan  | 37.077                 | SW590141  | 3,047                                |
| State Revolving Fund Loan  | 37.077                 | WW590150  | 3,166,617                            |
| School Board Property  | 37.078                 | UA009-16-010-UA17                                       | 400,000                              |
| Total Department of Environmental Protection                               |                        |   | <b><u>4,244,493</u></b>              |
| <b>Florida Department of Economic Opportunity</b>                          |                        |   |                                      |
| Community Planning Technical Assistance                                    | 40.024                 | P0316   | 48,500                               |
| Total Department of Economic Opportunity                                   |                        |   | <b><u>48,500</u></b>                 |
| <b>Total Expenditures of State Financial Assistance</b>                    |                        |   | <b><u>\$ 4,292,993</u></b>           |
| <b>Total Expenditures of Federal Awards and State Financial Assistance</b> |                        |   | <b><u>\$ 6,613,838</u></b>           |

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

**City of Sanford, Florida**  
**Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance**  
**For the Year Ended September 30, 2019**

**Note 1 – Reporting Entity**

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

**Note 2 – Summary of Significant Accounting Policies**

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

**Note 3 – State Revolving Fund Loans**

For State Revolving Fund loans listed on the Schedule of Expenditures of Federal Awards and State Financial Assistance, the City had the following loan balances outstanding at September 30, 2019.

| <u>Program<br/>Title</u> | <u>Federal<br/>CFDA Number</u> | <u>Grant<br/>Number</u> | <u>Total<br/>Outstanding</u> |
|--------------------------|--------------------------------|-------------------------|------------------------------|
| State Revolving Fund     | 37.076                         | DW590191                | \$ 438,713                   |
| State Revolving Fund     | 37.077                         | SW590141                | \$ 4,725,685                 |
| State Revolving Fund     | 37.077                         | SW590150                | \$ 7,010,263                 |

**Note 4 – Indirect Cost Rate**

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.





## INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Sanford, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2019.

*MSL, P.A.*

Certified Public Accountants

Orlando, Florida  
March 31, 2020



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the basic financial statements of the City of Sanford, Florida (the City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 31, 2020.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; Title 2 *U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance; Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and our Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 31, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, there were no findings or recommendations.

### Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

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

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. 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.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

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

### **Purpose of this Letter**

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

**MSL, P.A.**

Certified Public Accountants

Orlando, Florida  
March 31, 2020

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