



CITY OF  
**SANFORD**  
FLORIDA

City of Sanford, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2017



**CITY OF SANFORD, FLORIDA**

**Comprehensive Annual Financial Report**

**For the fiscal year ended**

**September 30, 2017**

**(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, 2017**

**Contents**

<b>INTRODUCTORY SECTION:</b>	<b><u>Page</u></b>
Letter of Transmittal .....	i
Organization Chart.....	vi
Principal Officials .....	vii
Certificate of Achievement for Excellence in Financial Reporting.....	viii
 <b>FINANCIAL SECTION:</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis .....	3
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	20
Reconciliation of the Balance Sheet to the Statement of Net Position .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in the Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Net Position – Proprietary Funds.....	24
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	25
Statement of Cash Flows – Proprietary Funds.....	26
Statement of Net Position – Fiduciary Funds .....	28

**FINANCIAL SECTION: (Continued)**

Basic Financial Statements: (Continued)

Statement of Changes in Net Position – Fiduciary Funds .....	29
Notes to the Financial Statements.....	31
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund.....	85
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Local Option Sales Tax Fund .....	86
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Sanford CRA.....	87
Schedules of Changes in Net Pension Liability and Related Ratios – Defined Benefit Pension Trust Funds – Police Officers’ Retirement Trust Funds .....	89
Schedules of Changes in Net Pension Liability and Related Ratios – Defined Benefit Pension Trust Funds – Firefighters’ Retirement Trust Funds .....	90
Schedules of Contributions – Police Officers’ Retirement Trust Funds.....	91
Schedules of Contributions – Firefighters’ Retirement Trust Funds .....	92
Schedules of Investment Returns – Defined Benefit Pension Trust Funds .....	93
Schedule of Contributions – Florida Retirement System Defined Benefit Pension Plan.....	94
Schedule of Contributions – Retiree Health Insurance Subsidy Program Defined Benefit Pension Plan.....	94
Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System Defined Benefit Pension Plan.....	95
Schedule of Proportionate Share of the Net Pension Liability – Retiree Health Insurance Subsidy Program Defined Benefit Pension Plan.....	95
Schedule of Funding Progress – Retiree Insurance Continuation Plan .....	96
Schedule of Contributions from the City and other Contributing Entities – Retiree Insurance Continuation Plan .....	96

**FINANCIAL SECTION: (Continued)**

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds .....	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	104
Budgetary Comparison Schedule – Building Inspection Fund.....	107
Budgetary Comparison Schedule – Local Option Gas Tax Fund.....	108
Budgetary Comparison Schedule – Law Enforcement Trust Fund .....	109
Budgetary Comparison Schedule – Police Education Fund .....	110
Budgetary Comparison Schedule – Cemetery Fund.....	111
Budgetary Comparison Schedule – LIHEAP Grant Fund .....	112
Budgetary Comparison Schedule – Police Impact Fees Fund .....	113
Budgetary Comparison Schedule – Fire Impact Fees Fund.....	114
Budgetary Comparison Schedule – Recreation Impact Fees Fund.....	115

**STATISTICAL SECTION:**

Schedule 1	Net Position by Component – Last Ten Fiscal Years.....	117
Schedule 2	Changes in Net Position – Last Ten Fiscal Years.....	119
Schedule 3	Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	123
Schedule 4	Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	125
Schedule 5	Assessed and Actual Value of Taxable Property – Last Ten Fiscal Years.....	127
Schedule 6	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years.....	128
Schedule 7	Principal Property Taxpayers – Current Year and Nine Years Ago.....	129
Schedule 8	Property Tax Levies and Collections – Last Ten Fiscal Years.....	130

**STATISTICAL SECTION: (Continued)**

Schedule 9	Ratio of Outstanding Debt by Type- Last Ten Fiscal Years..	131
Schedule 10	Pledged Revenue Coverage – Last Ten Fiscal Years .....	133
Schedule 11	Computation of Direct and Overlapping Debt – Governmental Activities .....	135
Schedule 12	Demographic and Economic Statistics – Last Ten Fiscal Years .....	136
Schedule 13	Principal Employers – Current Year and Nine Years Ago ....	137
Schedule 14	Full-time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years .....	138
Schedule 15	Operating Indicators by Function/Program – Last Ten Fiscal Years.....	139
Schedule 16	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	141

**COMPLIANCE SECTION:**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	144
Independent Auditor’s Report on Compliance with Requirements 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 .....	146
Schedule of Findings and Questioned Costs.....	149
Schedule of Expenditures of Federal Awards and State Financial Assistance .....	151
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance .....	153
Independent Accountant’s Report.....	154
Independent Auditor’s Management Letter .....	155

## **INTRODUCTORY SECTION:**

This section contains the following subsections:

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





March 27, 2018

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, 2017. State law requires that all general-purpose local governments publish within 9 months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants.

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

The City's financial statements have been audited by Moore Stephens Lovelace, P.A., a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2017 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

Jeff Triplett  
Mayor

Art Woodruff  
District 1

Velma H. Williams  
District 2

Patrick Austin  
District 3

Patty Mahany  
District 4

Norton N. Bonaparte, Jr.  
City Manager

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

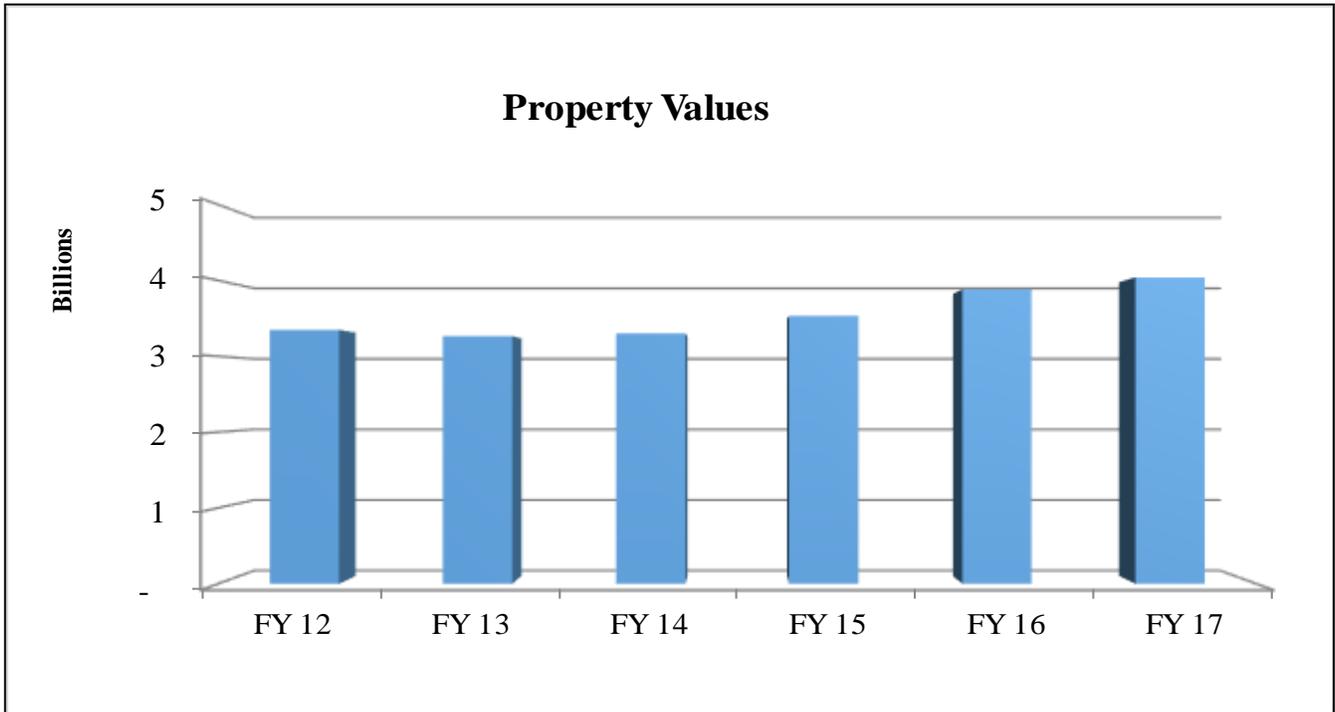
Authority and Community Redevelopment Agency, which are presented as component units of the City.

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 3.9% during the fiscal year ended September 30, 2017, which is an improvement over the same average rate of 4.3% in the prior year.



From FY 2012 to FY 2017, the City's property values increased from \$3.35 billion to \$4.04 billion, a gain of \$693 million (21%) 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 (2018) is based on preliminary values of \$4.24 billion, which is a 4.9% increase from the fiscal year ended September 30, 2017.

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 57,839, 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
- Goldsboro Trailhead and Streetscape
- Redevelopment of Downtown (Catalyst Site)
- Oak Avenue Streetscape
- Alleyway Improvements
- Cloud Branch Basin Improvements Phase III
- Water Line Pipe Bursting and Looping
- AMR Meter Replacements
- Northstar Drainage Improvements
- North Water Plant Upgrade
- 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, 2016. This was the 28<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.

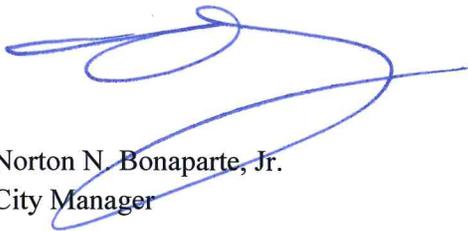
A Certificate of Achievement is valid for a period of one year only. We believe that our CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **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, Moore Stephens Lovelace, P.A.

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

Respectfully submitted,

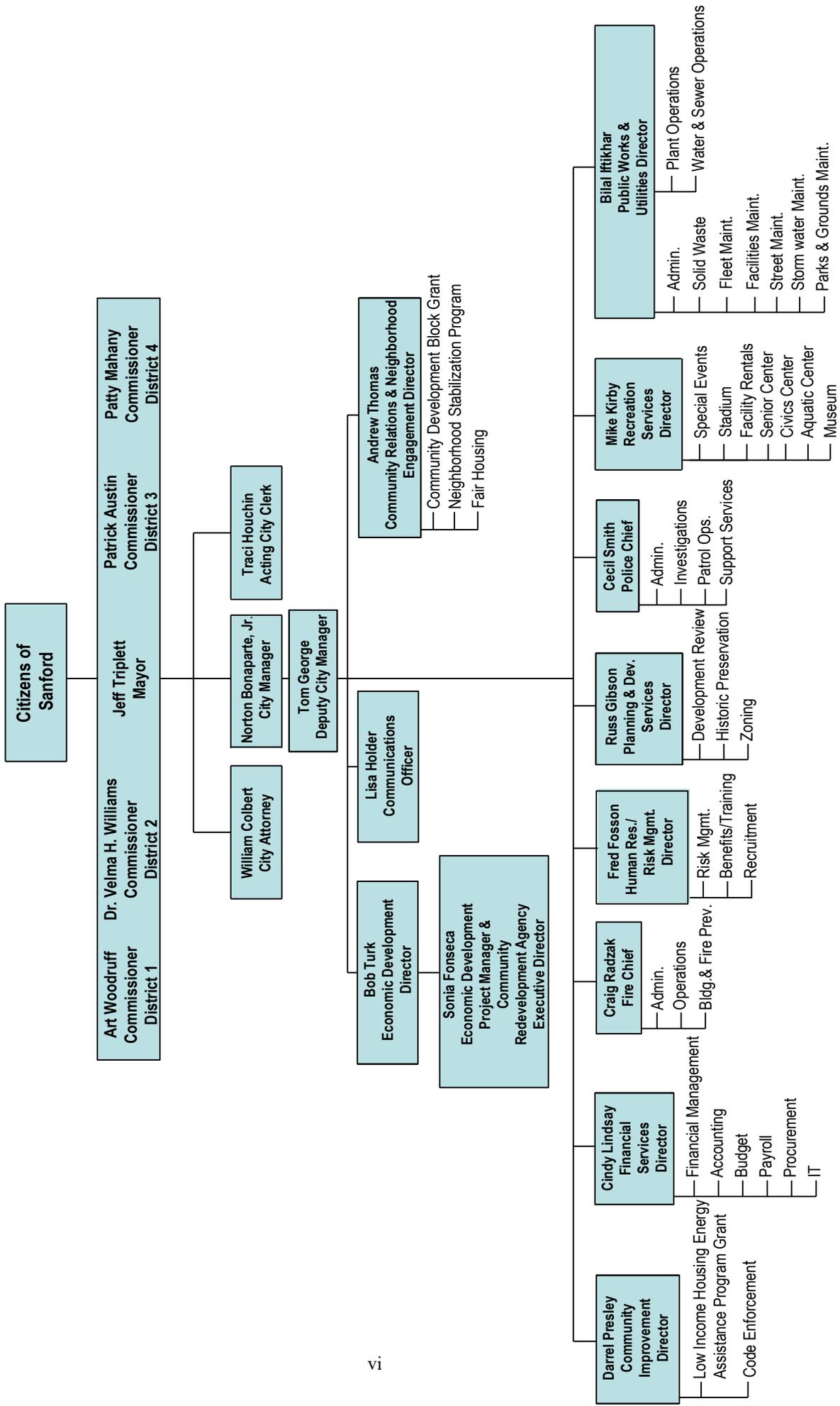


Norton N. Bonaparte, Jr.  
City Manager



Cynthia Lindsay  
Director of Finance

# City of Sanford Organization Chart



**CITY OF SANFORD, FLORIDA**

**PRINCIPAL OFFICIALS**

**Year Ended September 30, 2017**

**MAYOR**

**Jeff Triplett**

**COMMISSIONERS**

**Art Woodruff**

**Velma H. Williams, Ph.D**

**Patrick Austin**

**Patty Mahany**

**STAFF**

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

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

**Cynthia Lindsay, Director of Finance**

**Cynthia Porter, City Clerk**

**Darrel Presley, Director of Community Improvement**

**Bob Turk, Director of Economic Development**

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

**Fred Fosson, Director of Human Resources**

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

**Bilal Iftikhar, Director of Public Works 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, 2016**

*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, 2017, 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, 2017, 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 27, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Moore Stephens Lovelace, P.A.*

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

Certified Public Accountants

Orlando, Florida  
March 27, 2018

## 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, 2017. 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 \$317,867,743 (net position). Of this amount, \$66,690,418 (20.98%) 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 \$15,806,277 (or 5.23%). The City's net position in governmental activities increased by \$5,553,566 while the net position in business-type activities increased by \$10,252,711. 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 \$40,279,700, an increase of \$3,209,378 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 \$21,808,998, or approximately 54.89% of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$7,414,437 during the current fiscal year. The decrease is attributable to scheduled principal payments and a decrease in pension liabilities as well as an offset from increased SRF loan proceeds, increased opeb liabilities, and an increase in compensated absence liabilities.

### 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, Local Option Sales Tax 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**

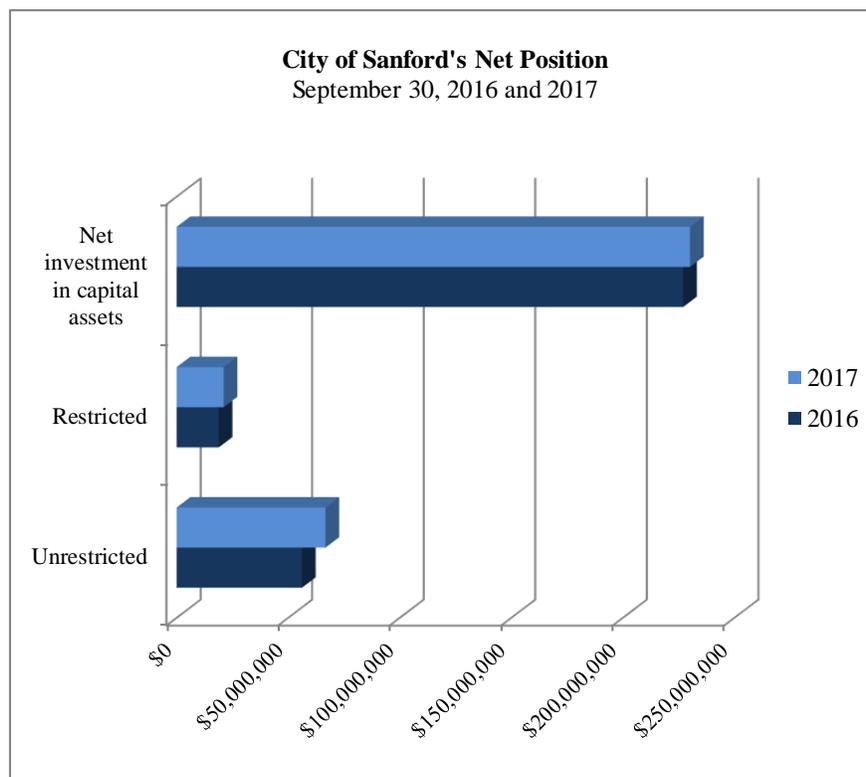
As noted earlier, net position over time may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$317,867,743, at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, \$230,129,068 (72.4%), 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, \$21,048,257 represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. The remaining balance \$66,690,418 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, 2016 and 2017

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 51,707,986	\$ 54,380,603	\$ 55,987,861	\$ 63,827,341	\$ 107,695,847	\$ 118,207,944
Capital assets	120,461,625	118,158,190	179,310,190	185,090,854	299,771,815	303,249,044
Total assets	<u>172,169,611</u>	<u>172,538,793</u>	<u>235,298,051</u>	<u>248,918,195</u>	<u>407,467,662</u>	<u>421,456,988</u>
Deferred outflows of resources	<u>6,369,324</u>	<u>6,263,594</u>	<u>1,369,607</u>	<u>1,630,203</u>	<u>7,738,931</u>	<u>7,893,797</u>
Current and other liabilities	5,018,646	5,650,117	4,363,694	5,879,806	9,382,340	11,529,923
Long-term liabilities outstanding	34,058,198	24,771,095	66,399,988	68,272,655	100,458,186	93,043,750
Total liabilities	<u>39,076,844</u>	<u>30,421,212</u>	<u>70,763,682</u>	<u>74,152,461</u>	<u>109,840,526</u>	<u>104,573,673</u>
Deferred inflows of resources	<u>3,085,349</u>	<u>6,450,867</u>	<u>219,252</u>	<u>458,502</u>	<u>3,304,601</u>	<u>6,909,369</u>
Net position:						
Net investment in capital assets	108,240,437	107,019,239	118,789,153	123,109,829	227,029,590	230,129,068
Restricted	11,433,666	12,778,199	7,436,625	8,270,058	18,870,291	21,048,257
Unrestricted	16,702,639	22,132,870	39,458,946	44,557,548	56,161,585	66,690,418
Total net position	<u>\$ 136,376,742</u>	<u>\$ 141,930,308</u>	<u>\$ 165,684,724</u>	<u>\$ 175,937,435</u>	<u>\$ 302,061,466</u>	<u>\$ 317,867,743</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.



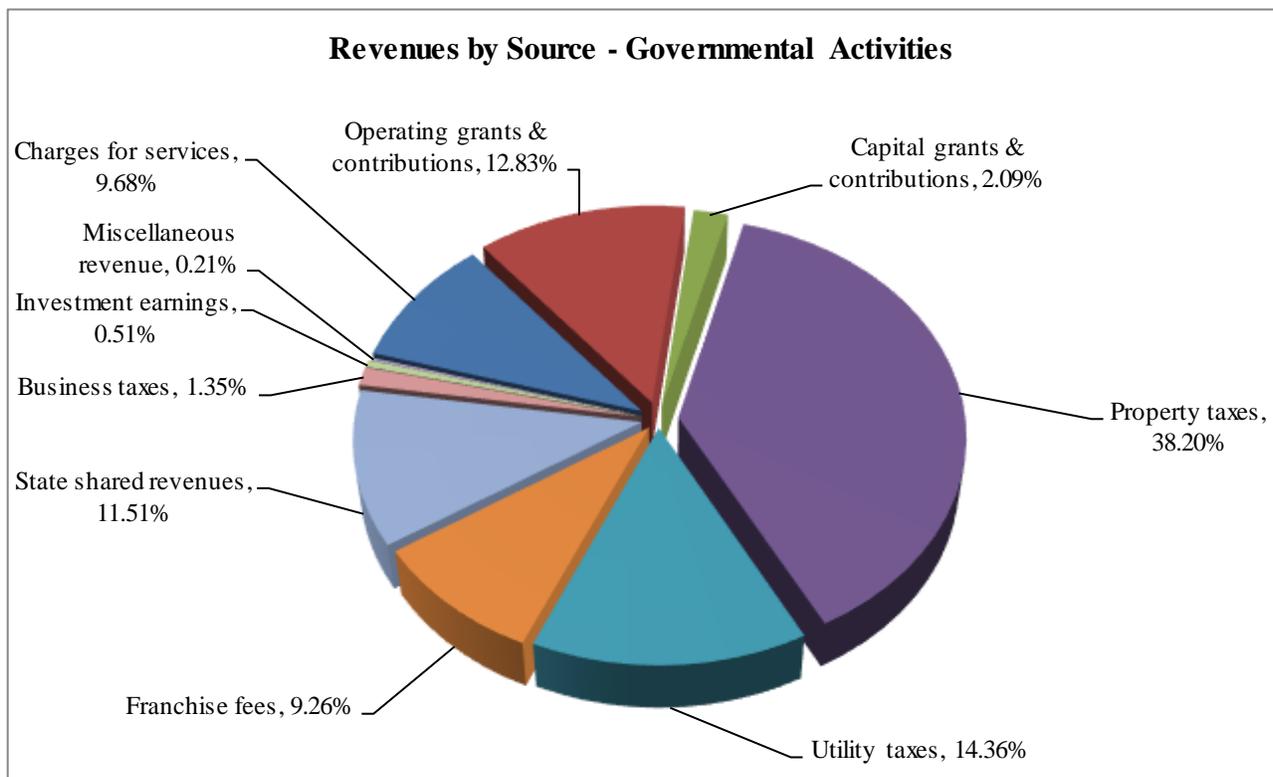
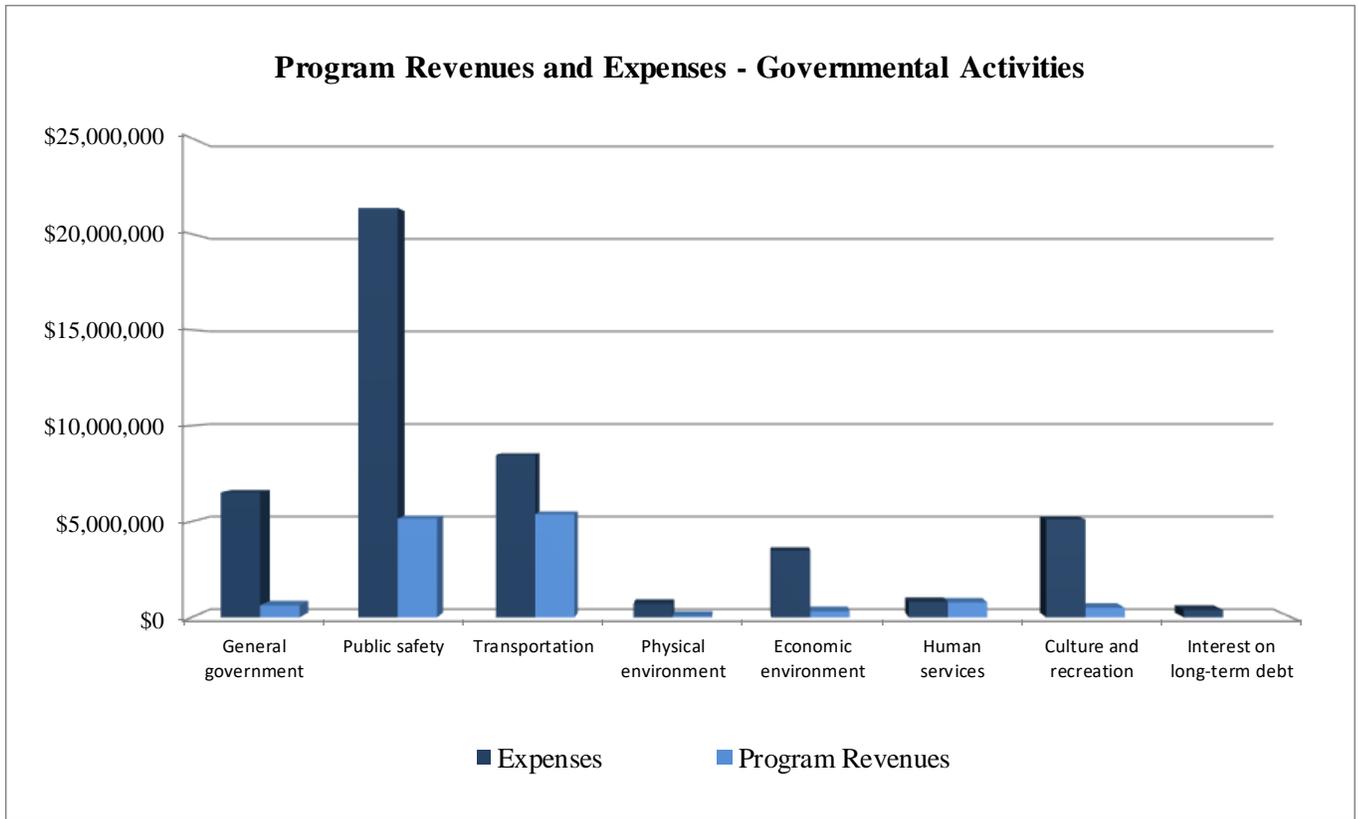
The City's overall net position increased by \$15,806,277 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities. The following is a summary of activities for the City during the most recent and prior fiscal year:

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

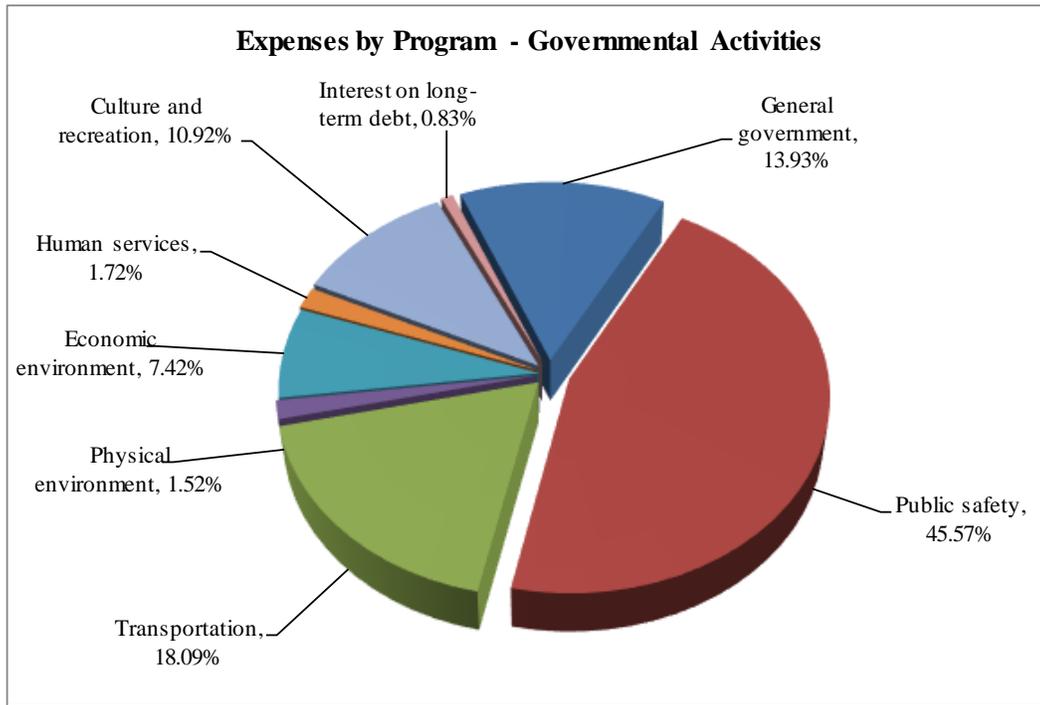
For the years ended September 30, 2016 and 2017

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues:						
Program revenues:						
Charges for services	\$ 4,332,492	\$ 5,055,345	\$ 35,270,218	\$ 37,675,966	\$ 39,602,710	\$ 42,731,311
Operating grants & contributions	6,229,471	6,699,608	-	-	6,229,471	6,699,608
Capital grants & contributions	2,020,421	1,090,141	1,411,219	1,854,751	3,431,640	2,944,892
General revenues:						
Property taxes	19,106,540	19,954,813	-	-	19,106,540	19,954,813
Utility taxes	7,528,365	7,498,973	-	-	7,528,365	7,498,973
Franchise fees	4,644,204	4,837,155	-	-	4,644,204	4,837,155
State shared revenues	5,722,663	6,012,668	13,322	14,209	5,735,985	6,026,877
Other	1,162,055	1,083,702	1,028,980	413,501	2,191,035	1,497,203
Total revenues	<u>50,746,211</u>	<u>52,232,405</u>	<u>37,723,739</u>	<u>39,958,427</u>	<u>88,469,950</u>	<u>92,190,832</u>
Expenses:						
General government	6,258,925	6,523,545	-	-	6,258,925	6,523,545
Public safety	25,129,197	21,356,901	-	-	25,129,197	21,356,901
Transportation	7,013,342	8,479,818	-	-	7,013,342	8,479,818
Physical environment	478,569	712,001	-	-	478,569	712,001
Economic environment	3,250,723	3,477,974	-	-	3,250,723	3,477,974
Human services	774,148	806,023	-	-	774,148	806,023
Culture and recreation	4,885,284	5,115,359	-	-	4,885,284	5,115,359
Interest on long-term debt	417,941	391,218	-	-	417,941	391,218
Water and sewer	-	-	20,919,750	19,885,645	20,919,750	19,885,645
Stormwater	-	-	2,678,843	2,636,044	2,678,843	2,636,044
Solid waste	-	-	5,594,144	5,721,613	5,594,144	5,721,613
Golf course	-	-	1,265,097	1,278,414	1,265,097	1,278,414
Total Expenses	<u>48,208,129</u>	<u>46,862,839</u>	<u>30,457,834</u>	<u>29,521,716</u>	<u>78,665,963</u>	<u>76,384,555</u>
Change in net position before transfers	2,538,082	5,369,566	7,265,905	10,436,711	9,803,987	15,806,277
Transfers	(23,000)	184,000	23,000	(184,000)	-	-
Change in net position	<u>2,515,082</u>	<u>5,553,566</u>	<u>7,288,905</u>	<u>10,252,711</u>	<u>9,803,987</u>	<u>15,806,277</u>
Net position, beginning of year	<u>133,861,660</u>	<u>136,376,742</u>	<u>158,395,819</u>	<u>165,684,724</u>	<u>292,257,479</u>	<u>302,061,466</u>
	<u>\$ 136,376,742</u>	<u>\$ 141,930,308</u>	<u>\$ 165,684,724</u>	<u>\$ 175,937,435</u>	<u>\$ 302,061,466</u>	<u>\$ 317,867,743</u>

**Governmental activities.** During the current fiscal year, net position for governmental activities increased \$5,553,566 from the prior fiscal year for an ending balance of \$141,930,308. The increase is due to a decrease in public safety costs from a change in net pension obligations.

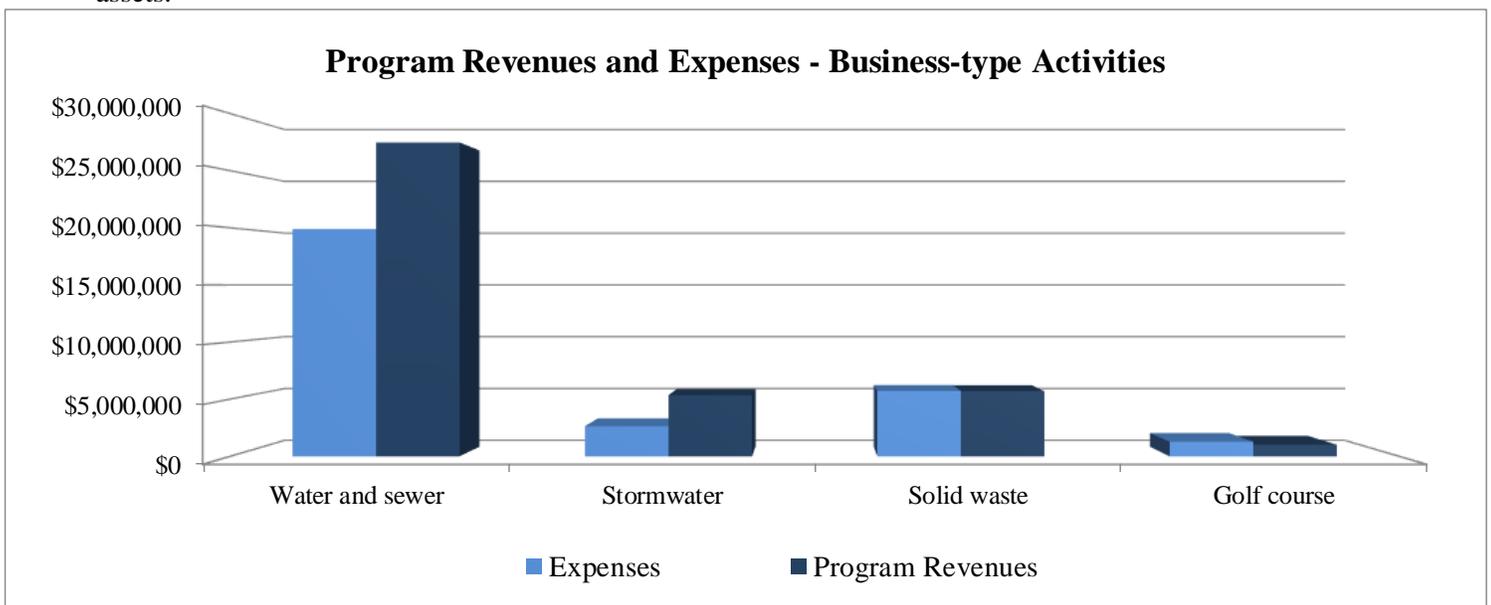


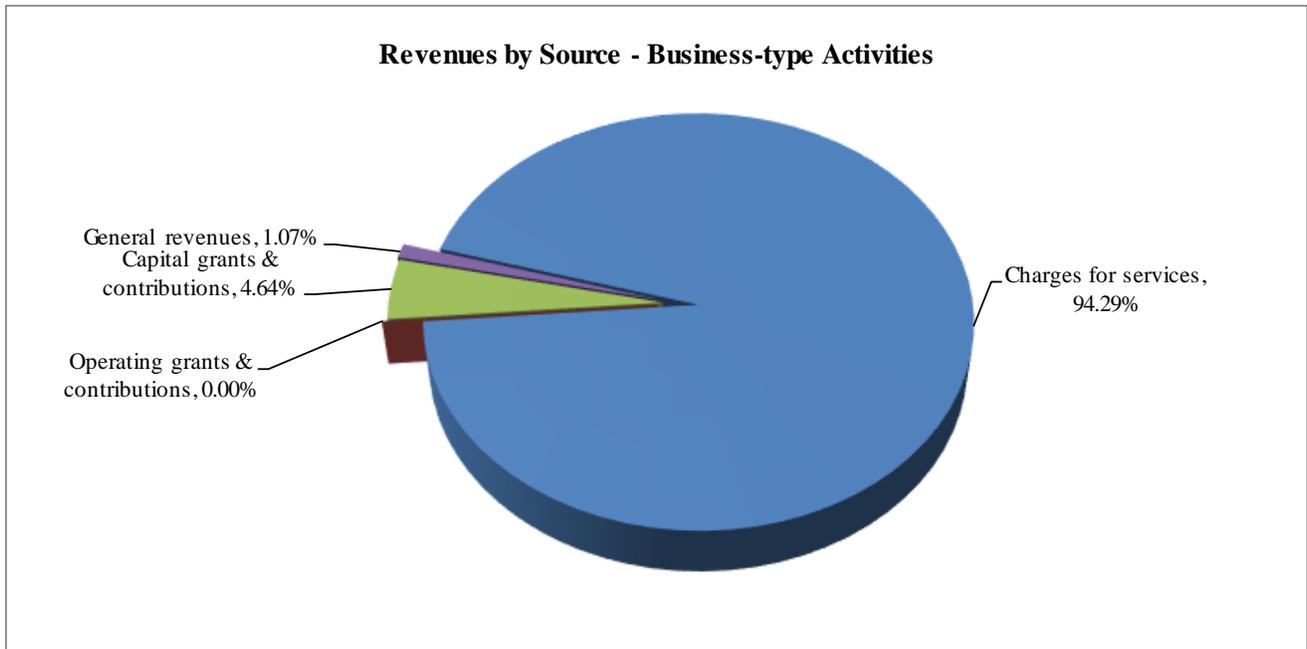
Property taxes, which comprised 38.20% of the City’s governmental activity revenues, increased by \$848,273; this increase was primarily due to the increase in taxable value of property in the City.



Overall, the City’s expenses decreased this year. Total expenses were \$46,862,839, compared to \$48,208,129 the prior fiscal year; an decrease of \$1,345,290 or 2.79%. Public safety expenses of \$21,356,901 comprised 45.57% of the total governmental activities expenses.

**Business-type activities.** Business-type activities increased the City’s net position by \$10,252,711, thereby accounting for 65% 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 \$37,675,966 increased over the prior-year total of \$35,270,218 by \$2,405,748, or approximately 6.82%. This was due to rate increases.

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

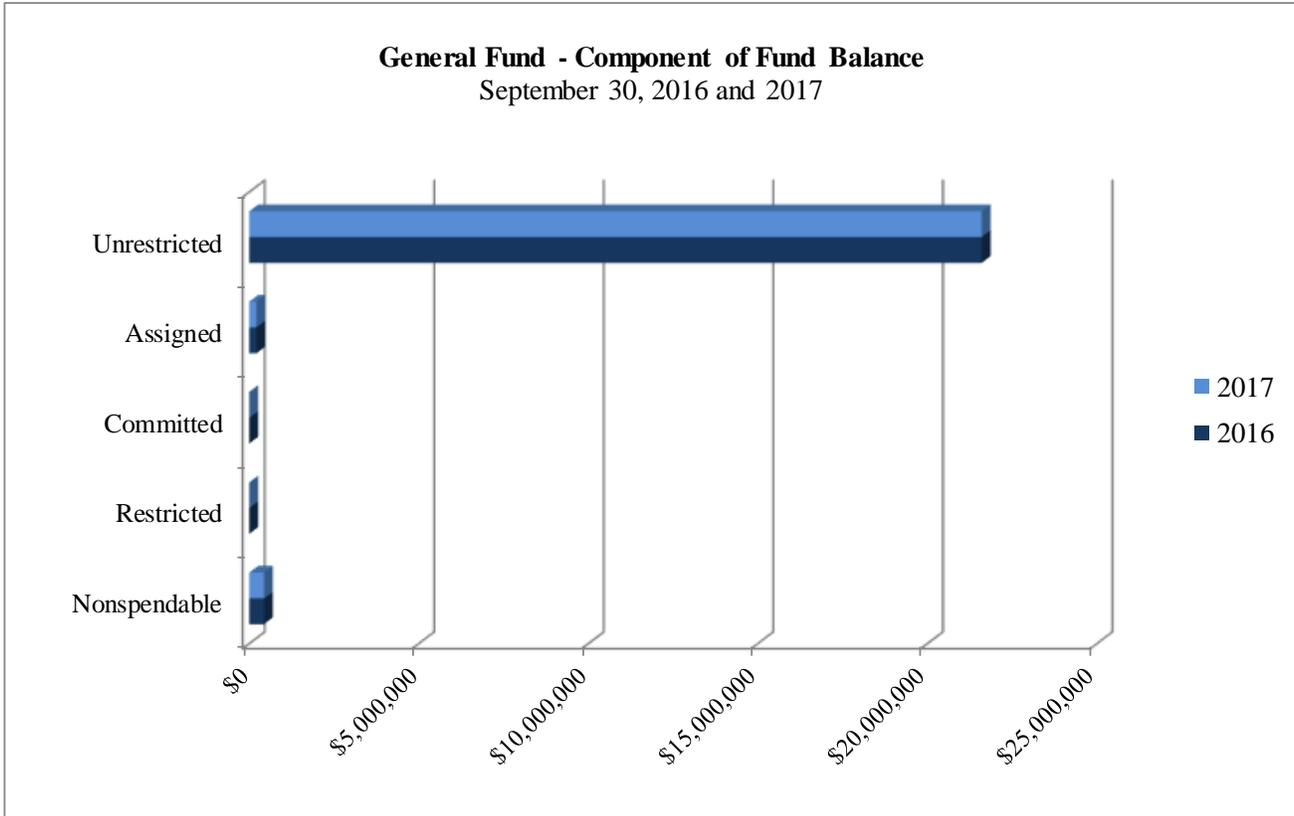
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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 \$40,279,700, an increase of \$3,209,378 in comparison with the prior year. Approximately 53.45% of this total amount, \$21,530,727, 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 (\$455,604), 2) restricted for particular purposes (\$13,267,832), 3) committed for particular purposes (\$289,476), or 4) assigned for particular purposes (\$4,736,061).

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 \$21,599,645, while the total fund balance was \$22,244,477. 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 60.36% of total General Fund expenditures, while total fund balance represents 62.16% of that same amount.

The fund balance of the City's General Fund increased by \$1,909,527 during the current fiscal year. The increase is primarily attributed to increased revenues and savings in estimated operational expenditures (see Budgetary Highlights for details).



The Sanford Community Redevelopment Agency (herein referred to as “Sanford CRA”), is a blended component unit that is presented as a major special revenue fund and reports the financial activities related to the redevelopment of downtown and the Lake Monroe waterfront. At the end of the current fiscal year, the Sanford CRA’s restricted (and total) fund balance was \$1,161,399. The fund balance of the Sanford CRA increased by \$183,349 during the current fiscal year. The increase is attributed to an increase in revenue. 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 Local Option Sales Tax Fund and this fund has a total fund balance of \$6,201,148 at the end of the current fiscal year. The fund balance increased by \$58,425 during the current fiscal year. The increase is attributed to an increase in revenue. The funds of the Local Option Sales Tax Fund are legally restricted for use in transportation needs.

Nonmajor governmental funds consisting of Special Revenue Funds, Debt Service Funds and Capital Projects Funds have a combined total fund balance of \$10,672,676 at the end of the current fiscal year. The net increase during the current year in nonmajor governmental funds was \$1,058,077 due to decrease in expenditures and 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 \$31,696,013 in the Water and Sewer Fund, \$14,497,665 in the Stormwater Fund, (\$90,667) in the Solid Waste Fund, and (\$617,489) in the Golf Course Fund. The total growth of net position for the Water and Sewer Fund and the Stormwater Fund was \$8,043,542 and \$2,840,939 respectively. The increase in the water and sewer fund is attributable to capital contributions and grants and an increase in capital recovery fees, the increase in the stormwater fund is attributable to an increase in rate revenues. The Solid Waste Fund had a decrease in net position of \$200,948 which was due to a general transfer

of funds to the General Fund of \$184,000 from the Solid Waste Fund and an operational loss of \$15,504. The Golf Course Fund had a decrease in net position of (\$255,100) due to an operational loss.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget (\$50,310 increase in revenues and transfers in and \$11,035,902 increase in appropriations and transfers out) can be briefly summarized as follows:

**Revenues**

- \$ 1,310 Increase in memorial brick revenues
- \$ 49,000 Use of tree mitigation revenue

**Transfers Out:**

- \$ 8,887,676 Provided budget for the catalyst project
- \$ 9,382 Provided budget for operational expenditures in the LEFT Fund
- \$ 24,000 Provided budget for the grant match of the tree inventory grant
- \$ 631,452 Provided budget for additional capital replacements

**Expenditures:**

- \$ 1,310 Increased budget for brick print services for veterans memorial park
- \$ 30,000 Increased budget for police promotional process contract
- \$ 86,000 Increased budget for additional parking for the City of Sanford
- \$ 25,000 Increased budget for tree grant
- \$ 881,019 Increased budget for implementation of pay study and union contracts
- \$ 373,033 Budgeted for reappropriation of funds unused in prior fiscal year budget:
  - \$ 6,270 Little John Engineering purchase order
  - \$ 5,730 Nitzan purchase order
  - \$ 33,000 Economic Development incentive
  - \$ 3,850 Nyhart purchase order
  - \$ 57,000 Management Advisory Group purchase order
  - \$ 19,500 Management Partners purchase order
  - \$ 5,000 Cottage homes design
  - \$ 242,683 Choice Neighborhood grant
- \$ 87,030 Budgeted for outsourcing Information Systems helpdesk services

Of the increases in expenditures and transfers out, \$50,310 was offset by increased revenues. The remaining increased the use of reserves by \$10,985,592.

Differences between the final amended budget and actual was a \$1,440,027 increase in revenues and \$10,180,249 decrease in expenditures) can be briefly summarized as follows:

**Revenues**

- \$ 231,492 Increase in property tax revenue due to collections of delinquent prior year amounts
- \$ 164,188 Increase in utility taxes due to increased electrical costs
- \$ 309,494 Increase in franchise fees due to increased electrical costs
- \$ 734,853 Net variance in other General Fund revenues including increases in permits and fees (\$15,943), intergovernmental revenues (\$27,822), charges for services (\$719,657), investment earnings (\$29,946), transfers in (\$75,600), and proceeds from sales of assets (\$27,811). The increases were offset by negative variances in business taxes (\$26,295), fines and forfeitures (\$48,177), and miscellaneous revenues of (\$87,454)

## Expenditures

- \$ 926,494 Savings associated with vacant positions resulting from terminations and retirements
- \$ 498,777 Savings associated with operating expenditures budgeted but not incurred:
  - \$ 209,495 in the economic environment function
  - \$ 492,807 in the general government function
  - \$ 63,305 in the public safety function
  - \$ 35,441 in the human services function
  - (\$302,271) in the remaining functions

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounted to \$303,249,043 (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 decrease of \$2,303,436 (1.91%) for governmental activities and an increase of \$5,780,662 (3.22%) for business-type activities.

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

### Governmental activities:

- Acquisition of \$1,555,782 in replacement vehicles
- Acquisition of \$97,151 in miscellaneous equipment consisting of radios, exercise equipment, cameras, etc.
- Sidewalk projects continued during the fiscal year, adding \$48,260 in new infrastructure
- City Hall HVAC system \$558,654
- Paw Park \$214,267
- Park Improvements \$442,163
- 113 Palmetto Ave. \$119,125
- Catalyst project, Coastline Park renovations, Centennial Park Rehabilitation, Oak Avenue Streetscape, Starke Park, Goldsboro Streetscape, Riverwalk Phase III, and Terwilliger Trail commences adding \$132,698, \$25,514, \$127,096, \$27,636, \$39,563, \$2,456,664, \$400,092, and \$37,389 respectively in construction in progress
- Current year depreciation on capital assets of \$8,252,514 offsets the above additions

### Business-type activities:

- Acquisition of \$347,120 in replacement vehicles and \$127,096 in heavy machinery
- Private developers contributed \$2,814,125 in water and sewer system lines
- Acquisition of generators, pumps, and small equipment totaling \$532,474
- Capitalization of prior CIP projects included Reclaimed Water Nutrients (\$903,571) pipe lining (\$277,144), Land \$96,845, Expansion \$2,463,069, Sewer Line Rehab \$355,123, Reclaimed Water Main \$807,336, and Alternative Water Supply (\$880,278)
- The Northstar Drainage Improvement project continued, adding \$463,174, Cloud Branch phase III continued adding \$2,318,051, the North Plant Upgrade project continued adding \$3,071,581 in construction in progress
- Several smaller projects continued to be in progress at the end of the year (some of which was complete and capitalized as of the fiscal year end)
- Current year depreciation on capital assets of \$5,724,373 offsets the above additions

**City of Sanford's Capital Assets**  
(net of accumulated depreciation)  
As of September 30, 2016 and 2017

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Land	\$ 5,559,696	\$ 5,413,161	\$ 7,146,169	\$ 7,318,337	\$ 12,705,865	\$ 12,731,498
Buildings	45,108,677	44,064,240	24,021,761	24,443,681	69,130,438	68,507,921
Machinery and equipment	4,862,098	4,820,152	2,114,041	2,568,665	6,976,139	7,388,817
Infrastructure	63,271,593	59,352,224	-	-	63,271,593	59,352,224
Water and sewer system	-	-	111,159,845	114,578,808	111,159,845	114,578,808
Stormwater system	-	-	16,310,413	16,066,414	16,310,413	16,066,414
Construction in progress	1,659,561	4,508,413	18,557,963	20,114,949	20,217,524	24,623,362
Total	<u>\$120,461,625</u>	<u>\$118,158,190</u>	<u>\$179,310,192</u>	<u>\$185,090,854</u>	<u>\$299,771,817</u>	<u>\$303,249,044</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 \$19,930,000 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 \$52,654,253 in State Revolving Fund loans and \$1,025,356 in capital leases. The City also had \$19,434,140 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, 2016 and 2017

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Structured payment debt:						
Notes payable:						
Series 2010	\$ -	\$ -	\$ 11,165,000	\$ 9,280,000	\$ 11,165,000	\$ 9,280,000
Series 2012	11,445,000	10,650,000	-	-	11,445,000	10,650,000
State revolving loans	-	-	49,356,037	52,654,253	49,356,037	52,654,253
Capital leases	1,057,538	978,584	-	46,772	1,057,538	1,025,356
Total structured payment debt	<u>12,502,538</u>	<u>11,628,584</u>	<u>60,521,037</u>	<u>61,981,025</u>	<u>73,023,575</u>	<u>73,609,609</u>
Other long-term debt:						
Claims payable	2,449,370	2,340,914	-	-	2,449,370	2,340,914
Accrued clean-up and long-term care costs	73,876	24,625	-	-	73,876	24,625
Net pension liability	14,835,858	5,961,183	4,737,153	4,958,687	19,573,011	10,919,870
Other postemployment benefits	2,320,542	2,728,529	743,693	877,388	3,064,235	3,605,917
Compensated absences	1,876,014	2,087,260	398,105	455,555	2,274,119	2,542,815
Total other long-term debt	<u>21,555,660</u>	<u>13,142,511</u>	<u>5,878,951</u>	<u>6,291,630</u>	<u>27,434,611</u>	<u>19,434,141</u>
Total long-term debt	<u>\$ 34,058,198</u>	<u>\$ 24,771,095</u>	<u>\$ 66,399,988</u>	<u>\$ 68,272,655</u>	<u>\$ 100,458,186</u>	<u>\$ 93,043,749</u>

Total structured payment debt outstanding increased by \$586,034 due to principal retirements in the current period (\$6,027,580) partially offset by proceeds received from new state revolving fund loans (\$6,077,642) and issuance of new capital lease debt (\$535,972).

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 2018 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 3.9%, which is a decrease from the same figure of 4.3% 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 4.5%. 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, 2018, is estimated to increase by 4.9% (of which new growth represents .38% and existing property values increased 4.52%) compared to a 5.44% increase experienced in the latest complete fiscal year, 2017. The City maintained the same property tax rate from fiscal year 2017 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 \$1,909,527 to a total fund balance of \$22,244,477.

## **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, 2017

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Airport Authority</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 15,543,180	\$ 10,022,665	\$ 25,565,845	\$ 10,214,343
Investments	31,338,940	34,012,319	65,351,259	-
Accounts receivable, net	3,572,437	6,486,579	10,059,016	963,870
Due from other governments	2,180,392	13,530,136	15,710,528	9,765
Internal balances	1,016,872	(1,016,872)	-	-
Inventories	199,981	11,230	211,211	-
Prepaid expenses	489,158	17,041	506,199	230,680
Restricted investments - debt service	-	764,243	764,243	-
Restricted investments - airport authority	-	-	-	1,505,400
Equity interest in joint venture	39,643	-	39,643	-
Capital assets:				
Nondepreciable	9,921,574	27,433,286	37,354,860	63,118,042
Depreciable, net	108,236,616	157,657,568	265,894,184	139,619,850
Total assets	<u>172,538,793</u>	<u>248,918,195</u>	<u>421,456,988</u>	<u>215,661,950</u>
<b>Deferred outflows of resources</b>				
Deferred outflows related to pensions	6,263,594	1,630,203	7,893,797	2,516,681
Deferred swap outflow	-	-	-	102,440
Total deferred outflows of resources	<u>6,263,594</u>	<u>1,630,203</u>	<u>7,893,797</u>	<u>2,619,121</u>
<b>Liabilities</b>				
Accounts payable	3,103,324	3,185,436	6,288,760	1,950,272
Accrued liabilities	825,185	348,811	1,173,996	216,334
Retainage payable	129,123	680,451	809,574	-
Due to other governments	2,098	4,300	6,398	-
Unearned revenue	1,588,929	87,635	1,676,564	572,919
Customer deposits	1,458	1,573,173	1,574,631	-
Noncurrent liabilities:				
Due within one year	3,630,441	5,551,358	9,181,799	422,631
Due in more than one year	21,140,654	62,721,297	83,861,951	10,401,820
Total liabilities	<u>30,421,212</u>	<u>74,152,461</u>	<u>104,573,673</u>	<u>13,563,976</u>
<b>Deferred inflows of resources</b>				
Deferred inflows related to pensions	6,450,867	458,502	6,909,369	633,680
Total of deferred inflows or resources	<u>6,450,867</u>	<u>458,502</u>	<u>6,909,369</u>	<u>633,680</u>
<b>Net position</b>				
Net investment in capital assets	107,019,239	123,109,829	230,129,068	198,321,543
Restricted for:				
Debt service	-	1,896,823	1,896,823	-
System expansion	1,698,917	6,373,235	8,072,152	-
Transportation	7,358,796	-	7,358,796	-
Downtown redevelopment	1,161,959	-	1,161,959	-
Building inspections	2,418,930	-	2,418,930	-
Passenger facility charges	-	-	-	1,484,718
Other purposes	139,597	-	139,597	20,682
Unrestricted	22,132,870	44,557,548	66,690,418	4,256,472
Total net position	<u>\$ 141,930,308</u>	<u>\$ 175,937,435</u>	<u>\$ 317,867,743</u>	<u>\$ 204,083,415</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, 2017

	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Assets</b>			
	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities		Airport Authority
		Grants and Contributions	Contributions			Total	Total	
<b>Functions/Programs</b>								
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 6,523,545	\$ 629,601	\$ 300	\$ -	\$ (5,893,644)	\$ -	\$ (5,893,644)	\$ -
Public safety	21,356,901	4,014,762	735,760	408,366	(16,198,013)	-	(16,198,013)	-
Transportation	8,479,818	29,411	4,856,176	496,121	(3,098,110)	-	(3,098,110)	-
Physical environment	712,001	73,875	1,846	-	(636,280)	-	(636,280)	-
Economic environment	3,477,974	-	316,805	-	(3,161,169)	-	(3,161,169)	-
Human services	806,023	-	782,527	-	(23,496)	-	(23,496)	-
Culture and recreation	5,115,359	307,696	6,194	185,654	(4,615,815)	-	(4,615,815)	-
Interest on long-term debt	391,218	-	-	-	(391,218)	-	(391,218)	-
Total governmental activities	<u>46,862,839</u>	<u>5,055,345</u>	<u>6,699,608</u>	<u>1,090,141</u>	<u>(34,017,745)</u>	<u>-</u>	<u>(34,017,745)</u>	<u>-</u>
Business-type activities:								
Water and sewer	19,885,645	25,608,943	-	1,854,751	-	7,578,049	7,578,049	-
Stormwater	2,636,044	5,345,240	-	-	-	2,709,196	2,709,196	-
Solid waste	5,721,613	5,703,968	-	-	-	(17,645)	(17,645)	-
Golf course	1,278,414	1,017,815	-	-	-	(260,599)	(260,599)	-
Total business-type activities	<u>29,521,716</u>	<u>37,675,966</u>	<u>-</u>	<u>1,854,751</u>	<u>-</u>	<u>10,009,001</u>	<u>10,009,001</u>	<u>-</u>
<b>Total primary government</b>	<b><u>\$ 76,384,555</u></b>	<b><u>\$ 42,731,311</u></b>	<b><u>\$ 6,699,608</u></b>	<b><u>\$ 2,944,892</u></b>	<b><u>(34,017,745)</u></b>	<b><u>10,009,001</u></b>	<b><u>(24,008,744)</u></b>	<b><u>-</u></b>
<b>Component unit:</b>								
Airport authority	\$ 21,208,972	\$ 18,166,163	\$ -	\$ 2,473,057				(569,752)
General Revenues:								
Property taxes					19,954,813	-	19,954,813	-
Utility taxes					7,498,973	-	7,498,973	-
Franchise fees					4,837,155	-	4,837,155	-
State shared revenues not restricted to specific programs					6,012,668	14,209	6,026,877	-
Business taxes					704,596	-	704,596	-
Investment earnings					266,859	293,907	560,766	78,028
Miscellaneous revenue					112,247	119,594	231,841	2,515
Transfers					184,000	(184,000)	-	1,871,265
Total general revenues and transfers					<u>39,571,311</u>	<u>243,710</u>	<u>39,815,021</u>	<u>1,951,808</u>
Change in net position					<u>5,553,566</u>	<u>10,252,711</u>	<u>15,806,277</u>	<u>1,382,056</u>
Net position - beginning					<u>136,376,742</u>	<u>165,684,724</u>	<u>302,061,466</u>	<u>202,701,359</u>
Net position - ending					<b><u>\$ 141,930,308</u></b>	<b><u>\$ 175,937,435</u></b>	<b><u>\$ 317,867,743</u></b>	<b><u>\$ 204,083,415</u></b>

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

**CITY OF SANFORD, FLORIDA**

**Balance Sheet**

**Governmental Funds**

September 30, 2017

	General Fund	Local Option Sales Tax Fund	Sanford CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,506,228	\$ 6,081,847	\$ 82,059	\$ 7,499,732	\$ 15,169,866
Investments	20,148,276	-	1,111,461	5,232,591	26,492,328
Accounts receivable, net	2,023,342	6	4,616	1,039,983	3,067,947
Due from other governments	682,513	927,660	3,192	567,026	2,180,391
Due from other funds	631,711	-	-	-	631,711
Inventories	172,246	-	-	27,734	199,980
Prepaid items	169,767	-	-	20,807	190,574
<b>Total assets</b>	<b>\$ 25,334,083</b>	<b>\$ 7,009,513</b>	<b>\$ 1,201,328</b>	<b>\$ 14,387,873</b>	<b>\$ 47,932,797</b>
<b>Liabilities</b>					
Accounts payable	1,316,786	555,489	32,575	1,198,474	3,103,324
Accrued liabilities	800,904	-	7,354	16,927	825,185
Retainage payable	-	129,123	-	-	129,123
Due to other funds	422,687	-	-	120,126	542,813
Due to other governments	1,086	-	-	1,012	2,098
Unearned revenues	541,696	-	-	1,047,233	1,588,929
Customer deposits	1,458	-	-	-	1,458
<b>Total liabilities</b>	<b>3,084,617</b>	<b>684,612</b>	<b>39,929</b>	<b>2,383,772</b>	<b>6,192,930</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	4,989	123,753	-	1,331,425	1,460,167
<b>Total deferred inflows of resources</b>	<b>4,989</b>	<b>123,753</b>	<b>-</b>	<b>1,331,425</b>	<b>1,460,167</b>
<b>Fund balances</b>					
Nonspendable:					
Inventory	\$ 172,246	\$ -	\$ -	\$ -	\$ 172,246
Prepaid items	169,767	-	-	20,125	189,892
Long-term receivable	93,466	-	-	-	93,466
Restricted for:					
Downtown redevelopment	-	-	1,161,399	-	1,161,399
Building inspections	-	-	-	2,418,930	2,418,930
Transportation	-	6,201,148	-	1,157,648	7,358,796
Law enforcement	-	-	-	139,597	139,597
System expansion	-	-	-	1,698,917	1,698,917
Community redevelopment	-	-	-	560	560
Capital replacements	-	-	-	489,633	489,633
Committed for:					
Cemetery purposes	-	-	-	233,945	233,945
Capital replacements	-	-	-	55,531	55,531
Assigned for:					
Law enforcement	-	-	-	9,383	9,383
Debt service	-	-	-	420,098	420,098
Capital projects	-	-	-	473,571	473,571
Capital replacements	-	-	-	3,623,656	3,623,656
Gasification	24,625	-	-	-	24,625
Other	184,728	-	-	-	184,728
Unassigned / (deficit)	21,599,645	-	-	(68,918)	21,530,727
<b>Total fund balances</b>	<b>22,244,477</b>	<b>6,201,148</b>	<b>1,161,399</b>	<b>10,672,676</b>	<b>40,279,700</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 25,334,083</b>	<b>\$ 7,009,513</b>	<b>\$ 1,201,328</b>	<b>\$ 14,387,873</b>	<b>\$ 47,932,797</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, 2017

**Fund Balances - Total Governmental Funds (page 20)** \$ 40,279,700

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

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

Nondepreciable capital assets	\$ 9,921,574	
Depreciable capital assets	222,774,379	
Less: Accumulated depreciation	<u>(114,537,763)</u>	118,158,190

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 1,460,167

Equity interest in joint venture is not a financial resource and therefore not reported in the funds. 39,643

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

Governmental note payable	(10,650,000)	
Capital lease payable	(978,584)	
Accrued clean-up costs	(24,625)	
Compensated absences	<u>(2,087,260)</u>	(13,740,469)

On the government fund statements, a net pension liability 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 of the cost-sharing defined benefit pension plans in which the City participates is reported as a noncurrent liability. Additionally deferred outflows and deferred inflows related to pensions are also reported in accordance with GASB Statement No. 68.

Net pension liability	(5,961,183)	
Deferred outflows related to pensions	6,263,594	
Deferred inflows related to pensions	<u>(6,450,867)</u>	(6,148,456)

The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet. (2,728,529)

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. 4,610,062

**Net Position of Governmental Activities (page 18)** \$ 141,930,308

**CITY OF SANFORD, FLORIDA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended September 30, 2017

	General Fund	Local Option Sales Tax Fund	Sanford CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$ 18,768,180	\$ -	\$ 1,186,633	\$ -	\$ 19,954,813
Utility taxes	7,498,973	-	-	-	7,498,973
Franchise fees	4,837,155	-	-	-	4,837,155
Business taxes	658,219	-	-	-	658,219
Permits and fees	169,570	-	-	1,532,965	1,702,535
Intergovernmental	6,444,272	3,555,334	-	3,897,106	13,896,712
Charges for services	2,649,161	-	-	73,875	2,723,036
Investment earnings	148,764	76,354	8,701	105,555	339,374
Fines and forfeitures	157,442	-	-	111,984	269,426
Service assessments	-	-	-	496,357	496,357
Miscellaneous	174,134	6,854	-	52,492	233,480
Total revenues	<u>41,505,870</u>	<u>3,638,542</u>	<u>1,195,334</u>	<u>6,270,334</u>	<u>52,610,080</u>
<b>Expenditures</b>					
Current:					
General government	5,381,423	-	-	470,139	5,851,562
Public safety	22,795,889	-	-	1,919,005	24,714,894
Physical environment	342,856	-	-	105,597	448,453
Transportation	1,501,045	999,726	-	1,191,908	3,692,679
Economic environment	1,024,928	-	865,223	315,867	2,206,018
Human services	68,494	-	-	721,257	789,751
Culture and recreation	4,664,935	-	-	217,875	4,882,810
Debt service:					
Principal	-	-	-	1,363,154	1,363,154
Interest	-	-	-	391,218	391,218
Capital outlay:					
General government	-	-	-	348,199	348,199
Public safety	7,800	-	-	1,319,175	1,326,975
Transportation	-	2,530,481	-	630,105	3,160,586
Economic environment	-	-	146,762	132,698	279,460
Culture and recreation	-	49,910	-	869,937	919,847
Total expenditures	<u>35,787,370</u>	<u>3,580,117</u>	<u>1,011,985</u>	<u>9,996,134</u>	<u>50,375,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,718,500</u>	<u>58,425</u>	<u>183,349</u>	<u>(3,725,800)</u>	<u>2,234,474</u>
<b>Other financing sources (uses)</b>					
Capital leases	-	-	-	489,200	489,200
Transfers in	75,600	-	-	4,186,347	4,261,947
Transfers out	(3,944,987)	-	-	(132,960)	(4,077,947)
Proceeds from sale of assets	60,414	-	-	241,290	301,704
Total other financing sources (uses)	<u>(3,808,973)</u>	<u>-</u>	<u>-</u>	<u>4,783,877</u>	<u>974,904</u>
Net change in fund balances	<u>1,909,527</u>	<u>58,425</u>	<u>183,349</u>	<u>1,058,077</u>	<u>3,209,378</u>
<b>Fund balances</b>					
Beginning of year	20,334,950	6,142,723	978,050	9,614,599	37,070,322
End of year	<u>\$ 22,244,477</u>	<u>\$ 6,201,148</u>	<u>\$ 1,161,399</u>	<u>\$ 10,672,676</u>	<u>\$ 40,279,700</u>

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

**CITY OF SANFORD, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
For the Year Ended September 30, 2017

<b>Net Change in Fund Balances - Total Governmental Funds (page 22)</b>		\$ 3,209,378
<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	\$ 6,035,067	
Less: Current year depreciation	<u>(8,252,514)</u>	(2,217,447)
<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>		
		(183,310)
<p>Assets acquired in governmental funds are recorded at fair value.</p>		
		97,322
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(528,834)
<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		(489,200)
<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>		
		1,363,154
<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	(211,246)	
Change in accrued cleanup costs	49,251	
Change in equity in joint venture	(182,742)	
Change in post employment benefits obligation	<u>(407,987)</u>	(752,724)
<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>		
		200,221
<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>		
		5,203,206
<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>		
		(348,200)
<b>Change in Net Position of Governmental Activities (page 19)</b>		<u><u>\$ 5,553,566</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, 2017

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental</b>	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 9,084,632	\$ 927,159	\$ -	\$ 10,874	\$ 10,022,665	\$ 373,314
Investments	12,174,249	12,557,916	-	-	24,732,165	4,846,612
Accounts receivable, net	4,999,292	318,071	1,000,718	168,498	6,486,579	19,957
Insurance receivable	-	-	-	-	-	484,533
Due from other governments	11,379,413	2,119,712	31,011	-	13,530,136	-
Due from other funds	826,716	-	-	-	826,716	-
Inventories	-	-	-	11,230	11,230	-
Prepaid items	14,853	-	212	1,976	17,041	298,583
Restricted investments:						
Restricted investments for customer deposits	1,439,715	-	133,458	-	1,573,173	-
Restricted investments for debt service	1,132,580	201,166	-	-	1,333,746	-
Restricted investments for system expansion	6,373,235	-	-	-	6,373,235	-
<b>Total current assets</b>	<b>47,424,685</b>	<b>16,124,024</b>	<b>1,165,399</b>	<b>192,578</b>	<b>64,906,686</b>	<b>6,022,999</b>
Noncurrent assets:						
Restricted investments for debt service	764,243	-	-	-	764,243	-
Capital assets:						
Nondepreciable	21,557,499	5,658,135	-	217,652	27,433,286	-
Depreciable, net	140,550,549	16,939,179	-	167,840	157,657,568	119,071
<b>Total noncurrent assets</b>	<b>162,872,291</b>	<b>22,597,314</b>	<b>-</b>	<b>385,492</b>	<b>185,855,097</b>	<b>119,071</b>
<b>Total assets</b>	<b>210,296,976</b>	<b>38,721,338</b>	<b>1,165,399</b>	<b>578,070</b>	<b>250,761,783</b>	<b>6,142,070</b>
<b>Deferred outflows of resources</b>						
Deferred outflows related to pensions	1,377,989	225,277	26,937	-	1,630,203	-
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	1,646,857	602,464	455,216	480,899	3,185,436	-
Accrued liabilities	286,701	59,279	2,831	-	348,811	-
Compensated absences	116,153	14,573	2,625	-	133,351	-
Claims payable	-	-	-	-	-	1,605,801
Retainage payable	397,713	282,738	-	-	680,451	-
Due to other funds	-	-	588,131	327,483	915,614	-
Due to other governments	2,615	-	-	1,685	4,300	-
Unearned revenues	87,635	-	-	-	87,635	-
Bonds payable - current	1,955,000	-	-	-	1,955,000	-
Capital leases payable - current	-	-	-	31,839	31,839	-
Loans payable - current	1,880,710	216,712	-	-	2,097,422	-
Liabilities payable from restricted assets:						
Customer deposits	1,439,715	-	133,458	-	1,573,173	-
Loans payable - current	1,132,580	201,166	-	-	1,333,746	-
<b>Total current liabilities</b>	<b>8,945,679</b>	<b>1,376,932</b>	<b>1,182,261</b>	<b>841,906</b>	<b>12,346,778</b>	<b>1,605,801</b>
Noncurrent liabilities:						
Bonds payable	7,325,000	-	-	-	7,325,000	-
Loans payable	42,209,801	7,013,284	-	-	49,223,085	-
Capital leases payable	-	-	-	14,933	14,933	-
Claims payable	-	-	-	-	-	735,114
Compensated absences	298,295	22,412	1,497	-	322,204	-
Pensions payable	4,209,580	673,058	76,049	-	4,958,687	-
Other postemployment benefits	727,140	136,095	14,153	-	877,388	-
<b>Total noncurrent liabilities</b>	<b>54,769,816</b>	<b>7,844,849</b>	<b>91,699</b>	<b>14,933</b>	<b>62,721,297</b>	<b>735,114</b>
<b>Total liabilities</b>	<b>63,715,495</b>	<b>9,221,781</b>	<b>1,273,960</b>	<b>856,839</b>	<b>75,068,075</b>	<b>2,340,915</b>
<b>Deferred inflow of resources</b>						
Deferred inflows related to pensions	388,442	61,017	9,043	-	458,502	-
<b>Net position</b>						
Net investment in capital assets	107,604,957	15,166,152	-	338,720	123,109,829	119,071
Restricted for debt service	1,896,823	-	-	-	1,896,823	-
Restricted for system expansion	6,373,235	-	-	-	6,373,235	-
Unrestricted / (deficit)	31,696,013	14,497,665	(90,667)	(617,489)	45,485,522	3,682,086
<b>Total net position</b>	<b>\$ 147,571,028</b>	<b>\$ 29,663,817</b>	<b>\$ (90,667)</b>	<b>\$ (278,769)</b>	<b>176,865,409</b>	<b>\$ 3,801,157</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.

(927,974)

Net position of business-type activities

\$ 175,937,435

**CITY OF SANFORD, FLORIDA**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**

For the Year Ended September 30, 2017

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Operating revenues</b>						
Charges for sales/services	\$ 25,608,943	\$ 5,345,240	\$ 5,703,968	\$ 1,017,815	\$ 37,675,966	\$ 6,619,894
Miscellaneous	127,538	4,583	-	1,680	133,801	80,688
Total operating revenues	<u>25,736,481</u>	<u>5,349,823</u>	<u>5,703,968</u>	<u>1,019,495</u>	<u>37,809,767</u>	<u>6,700,582</u>
<b>Operating expenses</b>						
Personnel services	6,158,081	983,946	143,848	497,391	7,783,266	104,107
Materials and supplies	7,876,284	509,290	16,533	600,552	9,002,659	174,454
Intragovernmental services	1,278,233	245,720	217,505	-	1,741,458	-
Contractual services	1,162,951	21,548	5,341,586	46,353	6,572,438	821,527
Claims and insurance	-	-	-	-	-	6,162,775
Depreciation	4,860,787	694,339	-	134,118	5,689,244	4,403
Total operating expenses	<u>21,336,336</u>	<u>2,454,843</u>	<u>5,719,472</u>	<u>1,278,414</u>	<u>30,789,065</u>	<u>7,267,266</u>
Operating income (loss)	<u>4,400,145</u>	<u>2,894,980</u>	<u>(15,504)</u>	<u>(258,919)</u>	<u>7,020,702</u>	<u>(566,684)</u>
<b>Nonoperating revenues (expenses)</b>						
Investment earnings	189,132	101,284	(328)	3,819	293,907	38,359
Interest expense	(1,214,611)	(155,325)	(1,116)	-	(1,371,052)	-
Capital recovery fees	1,262,084	-	-	-	1,262,084	-
Total nonoperating revenues (expenses)	<u>236,605</u>	<u>(54,041)</u>	<u>(1,444)</u>	<u>3,819</u>	<u>184,939</u>	<u>38,359</u>
Income (loss) before contributions, grants, extraordinary gain (loss), and transfers	4,636,750	2,840,939	(16,948)	(255,100)	7,205,641	(528,325)
Capital contributions and grants	3,406,792	-	-	-	3,406,792	-
Transfers out	-	-	(184,000)	-	(184,000)	-
Change in net position	<u>8,043,542</u>	<u>2,840,939</u>	<u>(200,948)</u>	<u>(255,100)</u>	<u>10,428,433</u>	<u>(528,325)</u>
Net position - beginning	<u>139,527,486</u>	<u>26,822,878</u>	<u>110,281</u>	<u>(23,669)</u>		<u>4,329,482</u>
Total net position - ending	<u>\$ 147,571,028</u>	<u>\$ 29,663,817</u>	<u>\$ (90,667)</u>	<u>\$ (278,769)</u>		<u>\$ 3,801,157</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal services funds are reported with business-type activities.					(175,722)	
Change in net position of business-type activities					<u>\$ 10,252,711</u>	

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

**CITY OF SANFORD, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended September 30, 2017

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 27,359,658	\$ 3,250,650	\$ 5,889,393	\$ 984,587	\$ 37,484,288	\$ -
Receipts from interfund charges for risk management	-	-	-	-	-	6,777,227
Payments to suppliers	(8,651,226)	74,118	(5,348,171)	(265,782)	(14,191,061)	(7,276,884)
Payments to employees	(5,775,064)	(925,563)	(131,766)	(497,391)	(7,329,784)	(104,107)
Payments for interfund services used	(1,278,233)	(245,720)	(217,505)	-	(1,741,458)	-
Net cash provided by (used for) operating activities	<u>11,655,135</u>	<u>2,153,485</u>	<u>191,951</u>	<u>221,414</u>	<u>14,221,985</u>	<u>(603,764)</u>
<b>Cash flows from noncapital financing activities:</b>						
Transfers to other funds	-	-	(184,000)	-	(184,000)	-
Net cash used for noncapital financing activities	<u>-</u>	<u>-</u>	<u>(184,000)</u>	<u>-</u>	<u>(184,000)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>						
Repayment of notes payable	(2,332,799)	(446,627)	-	(45,324)	(2,824,750)	-
Principal paid on capital debt	(1,885,000)	-	-	-	(1,885,000)	-
Capital debt issuance costs	114,092	-	-	-	114,092	-
Interest paid	(1,214,611)	(155,325)	(1,116)	-	(1,371,052)	-
Proceeds of note payable	3,583,661	2,379,887	-	-	5,963,548	-
Purchase of capital assets	(4,887,219)	(3,531,146)	-	(180,451)	(8,598,816)	-
Developers fees	1,262,084	-	-	-	1,262,084	-
Capital contributions and grants	592,667	-	-	-	592,667	-
Proceeds from sales of capital assets	28,659	6,470	-	-	35,129	-
Net cash used for capital and related financing activities	<u>(4,738,467)</u>	<u>(1,746,741)</u>	<u>(1,116)</u>	<u>(225,775)</u>	<u>(6,712,099)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>						
Investment income earned on operating funds	189,132	101,284	(328)	3,819	293,907	38,359
Net cash provided by (used for) investing activities	<u>189,132</u>	<u>101,284</u>	<u>(328)</u>	<u>3,819</u>	<u>293,907</u>	<u>38,359</u>
Net increase (decrease) in cash and cash equivalents	7,105,800	508,028	6,507	(542)	7,619,793	(565,405)
Cash and cash equivalents at beginning of year	<u>23,862,854</u>	<u>13,178,213</u>	<u>126,951</u>	<u>11,416</u>	<u>37,179,434</u>	<u>5,785,331</u>
Cash and cash equivalents at end of year	<u>\$ 30,968,654</u>	<u>\$ 13,686,241</u>	<u>\$ 133,458</u>	<u>\$ 10,874</u>	<u>\$ 44,799,227</u>	<u>\$ 5,219,926</u>
<b>Reconciliation to cash and pooled investments per Statement of Net Position:</b>						
Cash	9,084,632	927,159	-	10,874	10,022,665	373,314
Investments	12,174,249	12,557,916	-	-	24,732,165	4,846,612
Restricted investments, current	8,945,530	201,166	133,458	-	9,280,154	-
Restricted investments, noncurrent	764,243	-	-	-	764,243	-
	<u>\$ 30,968,654</u>	<u>\$ 13,686,241</u>	<u>\$ 133,458</u>	<u>\$ 10,874</u>	<u>\$ 44,799,227</u>	<u>\$ 5,219,926</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, 2017

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	\$ 4,400,145	\$ 2,894,980	\$ (15,504)	\$ (258,919)	\$ 7,020,702	\$ (566,684)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	4,860,787	694,339	-	134,118	5,689,244	4,403
Changes in deferred inflows/outflows	(17,755)	(3,064)	(527)	-	(21,346)	-
Changes in assets and liabilities:						
Accounts receivable	(979,349)	(30,841)	9,770	(146,164)	(1,146,584)	(3,805)
Insurance receivable	-	-	-	-	-	80,450
Due from other governments	2,472,866	(2,068,332)	(14,953)	-	389,581	-
Prepays	(7,774)	126	(212)	(1,976)	(9,836)	(9,673)
Due from other funds	75,601	-	-	-	75,601	-
Inventories	-	-	-	474	474	-
Customer deposits	56,206	-	6,507	-	62,713	-
Accounts payable	441,895	335,608	10,160	403,874	1,191,537	-
Retainage payable	(46,318)	269,222	-	-	222,904	-
Claims payable	-	-	-	-	-	(108,455)
Accrued liabilities	105,312	9,249	5,038	-	119,599	-
OPEB obligation	111,193	20,394	2,108	-	133,695	-
Pension obligation	184,267	31,804	5,463	-	221,534	-
Due to other funds	-	-	184,101	111,256	295,357	-
Due to other governments	206	-	-	(21,249)	(21,043)	-
Unearned revenue	(2,147)	-	-	-	(2,147)	-
Net cash provided by (used for) operating activities	<u>\$ 11,655,135</u>	<u>\$ 2,153,485</u>	<u>\$ 191,951</u>	<u>\$ 221,414</u>	<u>\$ 14,221,985</u>	<u>\$ (603,764)</u>
<b>Noncash investing, capital, and financing activities:</b>						
Contributions of capital assets	\$ 2,814,125	\$ -	\$ -	\$ -	\$ 2,814,125	\$ -
Decrease in fair value of investments	(260,513)	(35,033)	(2,837)	10,786	(287,597)	(14,747)
Capitalized interest on capital debt	114,092	-	-	-	114,092	-

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, 2017

	<u>Pension Trust Funds</u>
<b>Assets</b>	
Cash and cash equivalents with trustee	\$ 1,996,186
Investments, at fair value:	
US government obligations	6,320,000
Mortgage & asset backed securities	2,466,698
Corporate debt	3,949,097
Mutual funds	20,931,278
Equity securities	31,613,869
Real estate	12,381,327
Accrued investment income	59,795
Accounts receivable	-
Prepaid items	<u>6,986</u>
Total assets	<u>79,725,236</u>
<b>Liabilities</b>	
Accounts payable	<u>108,602</u>
<b>Net position</b>	
Net position restricted for pensions	<u><u>\$ 79,616,634</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, 2017

	Pension Trust Funds
<b>Additions</b>	
Contributions:	
Employer	\$ 3,747,749
Plan members	595,551
Total contributions	4,343,300
Investments earnings (losses):	
Interest & dividends	1,339,334
Net increase in fair value of investments	7,960,655
Total investment earnings	9,299,989
Investment expenses	(521,969)
Net investment earnings	8,778,020
Total additions	13,121,320
<b>Deductions</b>	
Benefit payments	3,594,311
Refund of contributions	1,215,814
Administrative expenses	152,881
Total deductions	4,963,006
Change in net position	8,158,314
<b>Net position restricted for pensions</b>	
Beginning of year	71,458,320
End of year	\$ 79,616,634

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, 2017**

---

**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 throughout the downtown and this is the main use 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, 2017**

---

**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, 2017, this joint venture had total assets of \$264,089 and total equity of \$264,089.

**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, 2017**

---

**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 *Local Option Sales Tax Fund* accounts for the City's share of distributions related to the local government infrastructure surtax. Monies are used to fund transportation projects.

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, 2017**

---

**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, 2017**

---

**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, 2017 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, 2017**

---

**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 \$114,092 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, 2017**

---

**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, 2017**

---

**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 one item that qualifies for reporting in this category. It is the *deferred outflows related to pensions* 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.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

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

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 two 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 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 (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.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

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

**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	\$ 94,916
Local Option Gas Tax Fund	64,466
Police Impact Fee Fund	3,930
Local Option Sales Tax Fund	2,596,289
Sanford CRA	19,800
Capital Project Fund	1,317,509
Capital Replacement Fund	417,301
	<u>\$ 4,514,211</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 \$6,268,126 of the 2018 adopted budget.

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

**A. Budgets and Budgetary Accounting**

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

- (1) On or before July 1 of each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1.
- (2) Public hearings are conducted to obtain taxpayer comments.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

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

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

(4) Formal budgetary integration is employed as a management control device during the year for all funds which have a legally adopted budget, including the General Fund, Sanford Community Redevelopment Agency, Building Inspection Fund, Local Option Gas Tax Fund, Second Generation Sales Tax Fund, Law Enforcement Trust Fund, Police Education Fund, Cemetery Fund, LIHEAP Grant Fund, Police Impact Fee Fund, Fire Impact Fee Fund, Recreation Impact Fee Fund, 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.

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

(6) The City Manager is authorized by the City Commission to transfer budgeted funds less than \$50,000 within and/or between functions and/or departments. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation among programs within and/or between functions and/or departments. The classification detail at which expenditures may not legally exceed appropriations is at the fund level. 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 LIHEAP Grant Fund, CDBG Grant Fund, and Youthbuild Grant Fund had deficit fund balances of \$28,393, \$33,100, and \$7,425 respectively, as of September 30, 2017. These fund deficits are due to timing issues with grants unavailable at the end of the fiscal year, and the City will be reimbursed by the appropriate parties in 2018.

The Solid Waste Fund and the Golf Course Fund had a deficit net position of \$90,667 and \$278,769 respectively. These deficits are 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 complete. The Golf Course deficit will be corrected in future years from transfers from the General Fund if operations continue at a loss.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**Note 3 - Deposits and Investments**

The fair value of the City's deposits and investments as of September 30, 2017 is as follows:

	Carrying Value
Governmental and Business-type Activities:	
Bank Deposits	\$ 4,676,837
Local Government Surplus Funds Trust	16,624,449
Investment Accounts	70,380,061
Total Governmental and Business-type Activities	91,681,347
Pension Trust Funds:	
Cash	196,067
Money Market Funds	1,800,119
US Government Obligations	6,595,173
Mortgage/Asset Backed Securities	1,977,012
Corporate Debt	4,163,610
Mutual Funds	20,931,278
Equity	31,613,869
Real Estate	12,381,327
Total Pension Trust Funds	79,658,455
Total Primary Government	\$ 171,339,802
Classified as:	
Government-Wide Statement of Net Position:	
Cash and cash equivalents	\$ 25,565,845
Investments	65,351,259
Restricted investments	764,243
Statement of Fiduciary Net Position:	
Cash and cash equivalents	1,996,186
Investments	77,662,269
	\$ 171,339,802

**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, 2017**

**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, 2017, the City's Governmental and Business-type investment portfolio is composed of the following investments:

Investment Type	Type	Moody's Credit Rating	Fair Value	Weighted Average Investment Maturities (in Years)	
				Than 1	1 - 5
Bank Deposits	Cash	NR*	\$ 4,676,837	\$ 4,676,837	\$ -
Money Market Savings	Cash	Aaa	56,088	56,088	-
State Board of Administration	LGIP	**	16,624,449	16,624,449	-
U.S. Treasury Bonds/Notes	Fixed Income	Aaa	18,291,888	-	18,291,888
U.S. Treasury Bonds/Notes	Fixed Income	Aa1	9,902,596	9,057,738	844,858
Government Agency Bonds	Fixed Income	Aaa	16,959,763	4,453,593	12,506,170
Government Agency Bonds	Fixed Income	P-1	5,370,990	5,370,990	-
Government Agency Bonds	Fixed Income	Aa1	5,969,682	4,523,602	1,446,080
Corporate Debt	Fixed Income	Aa1	1,043,111	820,944	222,167
Corporate Debt	Fixed Income	Aa2	4,408,182	1,366,865	3,041,317
Corporate Debt	Fixed Income	A1	6,250,147	2,335,735	3,914,412
Corporate Debt	Fixed Income	A2	1,378,064	907,616	470,448
Corporate Debt	Fixed Income	P-1	749,550	749,550	-
Total Portfolio			\$ 91,681,347	\$ 50,944,007	\$ 40,737,340

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, 2017:

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

<u>Investments by fair value level</u>	Amount	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Uninvested Cash	\$ 4,676,837	\$ 4,676,837	\$ -	\$ -
Corporate Bonds	11,252,921	-	11,252,921	-
Federal Agency Bonds	26,397,969	-	26,397,969	-
Government Backed Securities	265,930	-	265,930	-
Foreign Bonds	1,826,583	-	1,826,583	-
US Government Bonds	28,194,484	-	28,194,484	-
Asset Backed Securities	1,636,536	-	1,636,536	-
Fixed Maturity Commercial Paper	749,550	-	749,550	-
Total Portfolio	<u>\$ 75,000,810</u>	<u>\$ 4,676,837</u>	<u>\$ 70,323,973</u>	<u>\$ -</u>

**Other Investments**

Florida PRIME	16,624,449
Money market funds	56,088
Total other investments	<u>16,680,537</u>
Total Investments	<u>\$ 91,681,347</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 moneys 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 moneys 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, 2017, there were no redemption

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**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, 2017:

<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, 2017 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 12.11% and 13.14% 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, 2017**

**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, 2017.

	Total Fair Value 9/30/2017	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Cash Equivalents	\$ 1,996,186	1,996,186	\$ -	\$ -
US Government Obligations	6,595,173	6,595,173	-	-
Mortgage/Asset Backed Securities	1,977,012	-	1,977,012	-
Corporate Bonds	4,163,610	-	4,163,610	-
Common Stock	30,209,160	29,975,211	233,949	-
Foreign Stock	1,104,376	1,104,376	-	-
Unit Investment Trusts	300,333	300,333	-	-
Mutual Funds - Fixed Income	2,195,415	2,195,415	-	-
Mutual Funds - Equity	12,693,272	12,693,272	-	-
Sundry Assets	6,042,591	-	-	6,042,591
Total investments by fair value level	<u>67,277,128</u>	<u>54,859,966</u>	<u>6,374,571</u>	<u>6,042,591</u>
Total investments measured at the NAV	<u>12,381,327</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 79,658,455</u>	<u>\$ 54,859,966</u>	<u>\$ 6,374,571</u>	<u>\$ 6,042,591</u>

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 \$2,221,524 and \$1,462,515 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 \$2,687,400 and \$2,970,761 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 \$1,306,077 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 which is in approximately 38 years. The police pension fund has \$1,733,262 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, 2017**

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

**Pension Trust Fund Investments (continued)**

Defined-Benefit Pension Plan investments were as follows at September 30, 2017:

Investment Type	Type	Moody's Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)			
				Less Than 1	1 - 5	6 - 10	More than 10
<b>Police Pension:</b>							
Cash	Cash	NR*	95,381	\$ 95,381	\$ -	\$ -	\$ -
Money Market Funds	Money Market	NR*	1,056,844	1,056,844	-	-	-
Money Market Funds	Money Market	Aaa	36,454	36,454	-	-	-
US Government Obligations	Fixed Income	Aaa	3,507,862	970,448	1,130,379	-	1,407,035
Mortgage/Asset Backed	Fixed Income	NR*	876,020	-	-	508,859	367,161
Corporate Debt	Fixed Income	A1	535,910	-	321,397	214,513	-
Corporate Debt	Fixed Income	A2	479,366	-	259,563	219,803	-
Corporate Debt	Fixed Income	A3	623,508	-	189,107	434,401	-
Corporate Debt	Fixed Income	AA1	160,901	-	160,901	-	-
Corporate Debt	Fixed Income	AA2	237,425	-	237,425	-	-
Total Police Pension			<u>7,609,671</u>	<u>2,159,127</u>	<u>2,298,772</u>	<u>1,377,576</u>	<u>1,774,196</u>
<b>Firefighters' Pension:</b>							
Cash	Cash	NR*	100,686	\$ 100,686	\$ -	\$ -	\$ -
Money Market Funds	Money Market	NR*	675,365	675,365	-	-	-
Money Market Funds	Money Market	Aaa	31,456	31,456	-	-	-
US Government Obligations	Fixed Income	Aaa	2,657,118	235,121	1,051,368	-	1,370,629
US Government Obligations	Fixed Income	NR*	430,192	430,192	-	-	-
Mortgage/Asset Backed	Fixed Income	NR*	1,100,991	-	-	863,885	237,106
Corporate Debt	Fixed Income	A1	653,439	-	433,819	219,620	-
Corporate Debt	Fixed Income	A2	575,839	-	514,390	61,449	-
Corporate Debt	Fixed Income	A3	509,136	-	-	509,136	-
Corporate Debt	Fixed Income	AA1	140,559	-	140,559	-	-
Corporate Debt	Fixed Income	AA2	247,528	-	247,528	-	-
Total Firefighters' Pension			<u>7,122,309</u>	<u>1,472,820</u>	<u>2,387,664</u>	<u>1,654,090</u>	<u>1,607,735</u>
Total Pension Investments			<u>14,731,980</u>	<u>\$ 3,631,947</u>	<u>\$ 4,686,436</u>	<u>\$ 3,031,666</u>	<u>\$ 3,381,931</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, 2017**

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

**Investment Income (continued)**

Investment income for the year ended September 30, 2017 consisted of the following:

	General Fund	Local Option Sales Tax Fund	Sanford CRA Fund	Nonmajor Govern- mental Funds	Proprietary Funds
Interest income	297,983	\$ 55,972	\$ 15,800	\$ 111,472	\$ 634,610
Net increase (decrease) in fair value of investments	(149,219)	20,382	(7,099)	(5,917)	(302,344)
Investment earnings	<u>148,764</u>	<u>\$ 76,354</u>	<u>\$ 8,701</u>	<u>\$ 105,555</u>	<u>\$ 332,266</u>

**Note 4 - Receivables**

The following is a detailed listing of receivables by type and fund at September 30, 2017:

	Primary Government	
	Governmental Activities	Business-type Activities
Receivables:		
Accounts Billed	\$ 57,413	\$ 4,257,284
Unbilled Receivables	-	3,152,224
Investment Income	121,035	101,851
Code Enforcement	22,929,977	-
Other Miscellaneous	4,710,841	256,008
Gross Receivables	<u>27,819,266</u>	<u>7,767,367</u>
Less: Allowance for Uncollectables	<u>24,246,829</u>	<u>1,280,788</u>
	<u>\$ 3,572,437</u>	<u>\$ 6,486,579</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**Note 5 - Capital Assets**

During the year ended September 30, 2017, the following changes in governmental activities capital assets occurred:

	Balance October 1, 2016	Additions	Reductions/ Transfers	Balance September 30, 2017
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,559,696	\$ -	\$ (146,535)	\$ 5,413,161
Construction in progress	1,659,561	4,338,498	(1,489,646)	4,508,413
Total capital assets, not being depreciated	7,219,257	4,338,498	(1,636,181)	9,921,574
Capital assets, being depreciated:				
Buildings	76,471,064	123,091	1,424,411	78,018,566
Machinery and equipment	21,507,156	1,663,265	(824,478)	22,345,943
Infrastructure	122,354,075	7,536	48,260	122,409,870
Total capital assets, being depreciated	220,332,295	1,793,892	648,193	222,774,379
Less accumulated depreciation for:				
Buildings	31,362,387	2,602,604	(10,665)	33,954,326
Machinery and equipment	16,645,058	1,674,746	(794,013)	17,525,791
Infrastructure	59,082,482	3,975,164	-	63,057,646
Total accumulated depreciation	107,089,927	8,252,514	(804,678)	114,537,763
Total capital assets, being depreciated, net	113,242,368	(6,458,622)	1,452,871	108,236,617
Governmental activities capital assets, net	\$ 120,461,625	\$ (2,120,124)	\$ (183,310)	\$ 118,158,190

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

General government	\$ 325,955
Public safety	1,762,964
Physical environment	210,462
Transportation	4,717,990
Economic environment	1,225,162
Human services	3,250
Culture and recreation	6,731
	\$ 8,252,514

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

During the year ended September 30, 2017, the following changes in business-type activities capital assets occurred:

	Balance September 30, 2017	Additions	Reductions/ Transfers	Balance September 30, 2017
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,146,169	\$ 75,323	\$ 96,845	\$ 7,318,337
Construction in progress	18,557,963	7,411,675	(5,854,689)	20,114,949
Total capital assets, not being depreciated	<u>25,704,132</u>	<u>7,486,998</u>	<u>(5,757,844)</u>	<u>27,433,286</u>
Capital assets, being depreciated:				
Buildings	37,058,815	-	2,534,392	39,593,207
Water and sewer system	152,310,739	2,814,125	2,946,308	158,071,172
Stormwater management	23,690,722	-	277,144	23,967,866
Machinery and equipment	11,048,836	1,203,914	(368,262)	11,884,488
Irrigation rights	2,220,000	-	(2,220,000)	-
Total capital assets, being depreciated	<u>226,329,112</u>	<u>4,018,039</u>	<u>3,169,582</u>	<u>233,516,733</u>
Less accumulated depreciation for:				
Buildings	13,037,054	2,112,472	-	15,149,526
Water and sewer system	41,150,895	2,341,468	-	43,492,363
Stormwater management	7,380,310	521,142	-	7,901,452
Machinery and equipment	8,934,795	749,291	(368,262)	9,315,824
Irrigation rights	2,220,000	-	(2,220,000)	-
Total accumulated depreciation	<u>72,723,054</u>	<u>5,724,373</u>	<u>(2,588,262)</u>	<u>75,859,165</u>
Total capital assets, being depreciated, net	<u>153,606,058</u>	<u>(1,706,334)</u>	<u>5,757,844</u>	<u>157,657,568</u>
Business-type activities capital assets, net	<u>\$ 179,310,190</u>	<u>\$ 5,780,664</u>	<u>\$ -</u>	<u>\$ 185,090,854</u>

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

Water and sewer	\$ 4,889,446
Stormwater	700,809
Golf course	134,118
	<u>\$ 5,724,373</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**Note 6 - Long-Term Debt**

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

Changes in long-term debt for the year ended September 30, 2017 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 October 1, 2016	Additions	Reductions	Balance September 30, 2017	Long-term Portion	Due Within One Year
<b>Governmental activities:</b>						
Notes payable	\$ 11,445,000	\$ -	\$ (795,000)	\$ 10,650,000	\$ 9,830,000	\$ 820,000
Other post employment benefits	2,320,542	407,987	-	2,728,529	2,728,529	-
Net pension liability	14,835,858	9,434,504	(18,309,179)	5,961,183	5,961,183	-
Compensated absences	1,876,014	2,597,929	(2,386,683)	2,087,260	1,347,344	739,916
Claims payable	2,449,370	7,052,314	(7,160,770)	2,340,914	735,113	1,605,801
Capital leases	1,057,538	489,200	(568,154)	978,584	538,485	440,099
Accrued clean-up and long-term care costs	73,876	-	(49,251)	24,625	-	24,625
Governmental activity long-term liabilities	<u>\$ 34,058,198</u>	<u>\$ 19,981,934</u>	<u>\$(29,269,037)</u>	<u>\$ 24,771,095</u>	<u>\$ 21,140,654</u>	<u>\$ 3,630,441</u>
<b>Business-type activities:</b>						
Utility revenue bond and notes	\$ 11,165,000	\$ -	\$ (1,885,000)	\$ 9,280,000	\$ 7,325,000	\$ 1,955,000
SRF loans	49,356,037	6,077,642	(2,779,426)	52,654,253	49,223,085	3,431,168
Other post employment	743,693	133,695	-	877,388	877,388	-
Net pension liability	4,737,153	570,354	(348,820)	4,958,687	4,958,687	-
Capital leases	114,689	-	(67,917)	46,772	14,933	31,839
Compensated absences	398,105	642,108	(584,658)	455,555	322,204	133,351
Business-type activity long-term liabilities	<u>\$ 66,514,677</u>	<u>\$ 7,423,799</u>	<u>\$ (5,665,821)</u>	<u>\$ 68,272,655</u>	<u>\$ 62,721,297</u>	<u>\$ 5,551,358</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

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

Fiscal Year Ending September 30,	Sales Tax Revenue Note, Series 2012		Total Debt Service
	Principal	Interest	
2018	\$ 820,000	\$ 346,125	\$ 1,166,125
2019	850,000	319,475	1,169,475
2020	875,000	291,849	1,166,849
2021	905,000	263,412	1,168,412
2022	930,000	233,999	1,163,999
2023-2027	5,140,000	695,337	5,835,337
2028	1,130,000	36,725	1,166,725
	<u>\$ 10,650,000</u>	<u>\$ 2,186,922</u>	<u>\$ 12,836,922</u>

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

On April 28, 2010, the City issued a Water and Sewer Revenue Note, Series 2010, in the amount of \$14,720,000 for the purpose of refunding all of the City's outstanding Water and Sewer Revenue Bonds, Series 1993, to finance \$1,000,000 in capital improvements to the system, and to pay for financing costs of the issuance of the Series 2010 Note. The note bears interest at 3.87%, payable semiannually on April 1 and October 1. Principal payments are due and payable on October 1 of each fiscal year beginning October 1, 2016 through October 1, 2022.

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

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

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

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

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

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

(4) Water and Sewer Fund Bonds Issued and Annual Debt Service Requirements - The following is a schedule of annual debt service requirements to maturity for the Water and Sewer Fund Bonds and Notes at September 30, 2017:

Fiscal Year Ending September 30,	Note, Series 2010		Total Debt Service
	Principal	Interest	
2018	\$ 1,955,000	\$ 359,136	\$ 2,314,136
2019	2,030,000	283,478	2,313,478
2020	2,105,000	204,916	2,309,916
2021	2,185,000	123,452	2,308,452
2022	1,005,000	38,893	1,043,893
	<u>\$ 9,280,000</u>	<u>\$ 1,009,875</u>	<u>\$ 10,289,875</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

The City has revenue bonds and notes outstanding at September 30, 2017. 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>
<b>Governmental Activities</b>			
Revenue Notes:			
Sales Tax Note, Series 2012	Public safety complex	Sales tax revenues	\$ 15,050,000
Capital Leases:			
U.S. Bancorp Government	Fire truck	N/A	203,781
Mears Motor Leasing	Police vehicles	N/A	451,810
U.S. Bancorp Government	Police vehicles	N/A	519,235
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
<b>Total Governmental Activities:</b>			<u><u>\$ 17,795,818</u></u>
<b>Business-type Activities</b>			
Water/Sewer Utility Debt:			
Revenue Bonds:			
Revenue Note:			
Series 2010	Refunding	Net revenue of water and sewer system/ 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 and	Net revenues of water and sewer system	2,622,385
WW590101	Sewer Restoration of underground pipe and	Net revenues of water and sewer system	205,020
DW590110	Drinking water system improvements	Net revenues of water and sewer system	455,247
DW590120	AMR Water Replacement and pre-chlorinated	Net revenues of water and sewer system	13,433,578
WW590130	Water Treatment facility rehabilitation	Net revenues of water and sewer system	986,973
WW590131	Biological nutrient removal improvements	Net revenues of water and sewer system	17,931,599
<b>Total Water/Sewer Utility Debt</b>			<u><u>83,724,609</u></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	2,116,895
<b>Total Stormwater Utility Debt</b>			<u><u>10,314,881</u></u>
May fair Golf Club Debt:			
Capital Leases:			
Everbank	Lawn Maintenance Equipment	N/A	141,144
Everbank	Lawn Maintenance Equipment	N/A	49,785
Everbank	Lawn Maintenance Equipment	N/A	34,092
Wells Fargo	Lawn Maintenance Equipment	N/A	47,526
<b>Total May fair Debt</b>			<u><u>272,547</u></u>
<b>Total Business-type Activities:</b>			<u><u>\$ 94,312,037</u></u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

	<u>Amount O/S and/or Pledged</u>	<u>Interest Rate</u>	<u>Debt Service as Portion of Revenue Pledged</u>	<u>Total Debt Service Paid</u>	<u>Annual Pledged Revenues</u>
Governmental Activities					
Revenue Notes:					
Sales Tax Note, Series 2012	\$ 10,650,000	3.25%	30.23%	\$ 1,166,963	\$ 3,860,271
Capital Leases:					
U.S. Bancorp Government	-	1.365%	N/A	52,436	N/A
Mears Motor Leasing	-	1.295%	N/A	57,856	N/A
U.S. Bancorp Government	33,112	1.2%	N/A	132,745	N/A
U.S. Bancorp Government	236,318	1.169%	N/A	137,234	N/A
U.S. Bancorp Government	278,970	1.619%	N/A	142,038	N/A
U.S. Bancorp Government	430,184	2.020%	N/A	63,808	N/A
Total Governmental Activities:	<u>\$ 11,628,584</u>			<u>\$ 1,753,080</u>	
Business-type Activities					
Water/Sewer Utility Debt:					
Revenue Bonds:					
Revenue Note:					
Series 2010	\$ 9,280,000	3.87%	21.63%	\$ 2,317,086	\$10,712,148
State Revolving Fund Loans:					
CS120586220	1,487,909	3.34% - 3.55%	3.16%	298,384	9,450,064
WW586250	10,251,678	2.42% - 2.48%	12.86%	1,215,000	9,450,064
DW5906010	2,149,573	3.55%	4.59%	433,675	9,450,064
WW590100	1,912,196	2.65%	1.79%	169,415	9,450,064
WW590101	148,059	2.28%	0.14%	12,804	9,450,064
DW590110	334,886	2.71%	0.32%	29,786	9,450,064
DW590120	10,021,250	1.98% - 2.66%	9.19%	868,481	9,450,064
WW590130	985,940	2.63% - 2.87%	0.44%	41,365	9,450,064
WW590131	17,931,599	2.16%	0.61%	57,994	9,450,064
Total Water/Sewer Utility Debt	<u>54,503,090</u>			<u>5,443,990</u>	
Stormwater Utility Debt:					
State Revolving Fund Loans:					
SWG12058624P	2,649,502	2.52%-2.90%	8.25%	304,579	3,690,603
SW586260	1,913,392	2.80%	4.64%	171,182	3,690,603
SW586261	335,651	2.28%	0.76%	28,140	3,690,603
SW590140	415,721	2.63%	2.41%	89,063	3,690,603
SW590141	2,116,894	1.05-1.18%	0.00%	-	3,690,603
Total Stormwater Utility Debt	<u>7,431,160</u>			<u>592,964</u>	
Capital Leases:					
Everbank	13,274	5.65%	N/A	38,795	N/A
Everbank	4,544	5.50%	N/A	13,488	N/A
Everbank	3,207	6.23%	N/A	9,447	N/A
Wells Fargo	25,747	4.350%	N/A	10,555	N/A
Total Stormwater Utility Debt	<u>46,772</u>			<u>61,730</u>	
Total Business-type Activities:	<u>\$ 61,981,022</u>			<u>\$ 6,098,684</u>	

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**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 \$24,625 is currently presented as accrued clean-up costs for governmental activities.

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

Enterprise Funds loans payable at September 30, 2017 are as follows:

Primary Government: Stormwater:

State Revolving Fund Loan SWG12058624P payable, \$4,623,557 authorized, \$4,623,557 drawn for planning and design for downtown drainage study, payable in 40 equal semiannual installments, including interest at 2.9% on \$899,354, 2.81% on \$2,199,972, and 2.52% on \$1,524,231, on July 15 and January 15 of each year.	\$ 2,649,502
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.	1,913,392
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.	335,651
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.	415,721
State Revolving Fund Loan SW590141 payable, \$5,847,753 authorized, \$2,116,895 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.	2,116,894
Subtotal primary Government: Stormwater	\$ 7,431,160

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**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. 1,487,909

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. 10,251,678

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. 2,149,573

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. 1,912,196

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. 148,059

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. 334,886

State Revolving Fund Loan DW590120 payable, \$17,105,683 authorized, \$13,433,578 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. 10,021,250

State Revolving Fund Loan WW590130 payable, \$981,185 authorized, \$986,973 drawn for construction of wastewater transmission, collection, reuse, and treatment facilities, payable in 40 equal semiannual installments, including interest at 2.63% to 2.87%, on April 15 and October 15 of each year. 985,940

State Revolving Fund Loan WW590131 payable, \$18,395,032 authorized, \$17,931,599 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. 17,931,599

Subtotal Primary Government : Water and Sewer: 45,223,090

Total loans payable \$ 52,654,250

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

Required principal and interest deposits for State Revolving Fund (SRF) loans are presented as part of restricted assets for debt service on the statement of net position. SRF Loan payments for the first years are based upon the full loan amount available, not the monies actually drawn to date. After completion of the project, a final loan dollar amount is established and a final loan payment/amortization schedule is established. Maturity schedules for those loans which have final loan payment/amortization schedules are as follows (loans SW590140, SW590141, DW590120, DW590130 and DW590131 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2017):

Fiscal Year Ending September 30,	SRF SWG12058624P		
	Principal	Interest	Total
2018	\$ 233,796	\$ 70,781	\$ 304,577
2019	240,223	64,354	304,577
2020	246,827	57,750	304,577
2021	253,613	50,963	304,576
2022	260,587	43,990	304,577
2023-2027	1,414,456	108,430	1,522,885
	<u>\$ 2,649,502</u>	<u>\$ 396,268</u>	<u>\$ 3,045,769</u>

Fiscal Year Ended September 30,	SRF Loan SW586260		
	Principal	Interest	Total
2018	\$ 118,430	\$ 52,752	\$ 171,182
2019	121,770	49,412	171,182
2020	125,203	45,979	171,182
2021	128,733	42,449	171,182
2022	132,363	38,819	171,182
2023-2027	719,946	135,964	855,910
2028-2031	566,946	32,190	599,136
	<u>\$ 1,913,391</u>	<u>\$ 397,565</u>	<u>\$ 2,310,956</u>

Fiscal Year Ended September 30,	SRF Loan SW586261		
	Principal	Interest	Total
2018	\$ 20,604	\$ 7,536	\$ 28,140
2019	21,076	7,064	28,140
2020	21,560	6,580	28,140
2021	22,054	6,086	28,140
2022	22,560	5,580	28,140
2023-2027	120,799	19,901	140,700
2028-2031	106,998	5,562	112,560
	<u>\$ 335,651</u>	<u>\$ 58,309</u>	<u>\$ 393,960</u>

Fiscal Year Ending September 30,	SRF Loan CS120586220		
	Principal	Interest	Total
2018	\$ 250,764	\$ 47,620	\$ 298,384
2019	259,210	39,174	298,384
2020	267,939	30,444	298,383
2021	276,963	21,420	298,383
2022	286,291	12,093	298,384
2023	146,742	2,451	149,193
	<u>\$ 1,487,909</u>	<u>\$ 153,202</u>	<u>\$ 1,641,111</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

Fiscal Year Ending September 30,	SRF Loan WW586250		
	Principal	Interest	Total
2018	\$ 971,724	\$ 243,277	\$ 1,215,001
2019	995,484	219,518	1,215,002
2020	1,019,823	195,178	1,215,001
2021	1,044,758	170,243	1,215,001
2022	1,070,302	144,698	1,215,000
2023-2027	5,149,587	317,913	5,467,500
	<u>\$ 10,251,678</u>	<u>\$ 1,290,827</u>	<u>\$ 11,542,505</u>

Fiscal Year Ending September 30,	SRF Loan DW590601		
	Principal	Interest	Total
2018	\$ 360,537	\$ 73,138	\$ 433,675
2019	373,450	60,226	433,676
2020	386,824	46,850	433,674
2021	400,678	32,996	433,674
2022	415,030	18,646	433,676
2023	213,054	3,782	216,836
	<u>\$ 2,149,573</u>	<u>\$ 235,638</u>	<u>\$ 2,385,211</u>

Fiscal Year Ended September 30,	SRF Loan WW590100		
	Principal	Interest	Total
2018	\$ 119,528	\$ 49,887	\$ 169,415
2019	122,717	46,698	169,415
2020	125,990	43,425	169,415
2021	129,351	40,064	169,415
2022	132,802	36,613	169,415
2023-2027	719,074	127,999	847,073
2028-2031	562,734	30,217	592,951
	<u>\$ 1,912,196</u>	<u>\$ 374,903</u>	<u>\$ 2,287,099</u>

Fiscal Year Ended September 30,	SRF Loan WW590101		
	Principal	Interest	Total
2018	\$ 9,483	\$ 3,322	\$ 12,805
2019	9,699	3,105	12,804
2020	9,921	2,882	12,803
2021	10,149	2,655	12,804
2022	10,383	2,422	12,805
2023-2027	55,590	8,428	64,018
2028-2031	42,834	1,975	44,809
	<u>\$ 148,059</u>	<u>\$ 24,789</u>	<u>\$ 172,848</u>

Fiscal Year Ended September 30,	SRF Loan DW590110		
	Principal	Interest	Total
2018	\$ 20,851	\$ 8,935	\$ 29,786
2019	21,420	8,366	29,786
2020	22,004	7,782	29,786
2021	22,605	7,181	29,786
2022	23,221	6,565	29,786
2023-2027	125,963	22,967	148,930
2028-2031	98,822	5,428	104,250
	<u>\$ 334,886</u>	<u>\$ 67,224</u>	<u>\$ 402,110</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

**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 2017, the total lease rental income received in the general fund and the water and sewer enterprise fund was \$62,338 and \$115,853, respectively.

**Note 9 - Capital Leases**

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

On June 24, 2013, the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 1.295% and calls for quarterly payments of \$28,928. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment assets acquired through the capital lease are \$451,810, and \$380,245, respectively, as of September 30, 2017.

On August 15, 2013, the City entered into a lease agreement with a local finance company to finance the acquisition of a fire pumper truck. The agreement has a 4-year fixed term at 1.365% and calls for quarterly payments of \$13,109. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$435,850 and \$185,236, respectively, as of September 30, 2017.

On February 26, 2014 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 5.65% and calls for monthly payments of \$3,233. The aggregate cost and accumulated depreciation of the business type activities machinery & equipment asset acquired through the capital lease are \$141,144 and \$72,252, respectively, as of September 30, 2017.

On February 26, 2014 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 5.5% and calls for monthly payments of \$1,124. The aggregate cost and accumulated depreciation of the business type activities machinery & equipment asset acquired through the capital lease are \$49,785 and \$25,485, respectively, as of September 30, 2017.

On February 26, 2014 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 6.23% and calls for monthly payments of \$787. The aggregate cost and accumulated depreciation of the business type activities machinery & equipment asset acquired through the capital lease are \$34,092 and \$17,452, respectively, as of September 30, 2017.

On March 17, 2014 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 1.2% and calls for quarterly payments of \$33,186. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$519,235 and \$277,955, respectively, as of September 30, 2017.

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 \$196,580, respectively, as of September 30, 2017.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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 \$15,842, respectively, as of September 30, 2017.

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 \$133,429, respectively, as of September 30, 2017.

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 \$331,330 and \$14,104, respectively, as of September 30, 2017.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, were as follows:

Year Ending September 30,	Governmental Activities	Enterprise Funds
2018	\$ 440,099	\$ 31,839
2019	372,579	10,555
2020	127,616	6,157
2021	63,808	-
Total minimum lease payments	1,004,102	48,551
Less: Amount representing interest costs	(25,518)	(1,779)
Present value of minimum lease payments	<u>\$ 978,584</u>	<u>\$ 46,772</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**Note 10 - Interfund Accounts and Transfers**

Individual fund interfund receivables and payables at September 30, 2017 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 631,711	\$ 422,687
Nonmajor Governmental Funds:		
CDBG Grant Fund	-	24,704
LIHEAP Grant Fund	-	87,997
Youthbuild Grant Fund	-	7,425
Solid Waste Utility Fund	-	588,131
Water / Sewer Utility Fund	826,716	-
Nonmajor Golf Course Fund	-	327,483
	<u>\$ 1,458,427</u>	<u>\$ 1,458,427</u>

The interfund receivable and payable of \$422,687 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.

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

Interfund transfers for the fiscal year ended September 30, 2017 consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 75,600	\$ 3,944,987
Nonmajor Governmental Funds:		
Recreation Impact Fee Fund	-	57,360
Law Enforcement Trust Fund	9,382	-
Debt Service Fund	1,831,310	-
Capital Project Fund	265,360	75,600
Catalyst Fund	132,698	-
Capital Replacement Fund	1,947,597	-
Total Nonmajor Governmental Funds	<u>4,186,347</u>	<u>132,960</u>
Solid Waste Utility Fund	-	184,000
	<u>\$ 4,261,947</u>	<u>\$ 4,261,947</u>

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

**Note 11 - Pension Plans**

**A. Florida Retirement System**

The City contributes to the Florida Retirement System (FRS); a multiple-employer, cost-sharing, defined-benefit pension plan administered by the State of Florida, for the City's authorized permanent, full-time and part-time employees, except police and fire. 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 112, 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 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, 2017, eligible retirees and

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

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

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

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 payment 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, 2017, 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 (7.62% from 10/01/16 to 9/30/17). Twenty-eight (28) employees qualified for DROP - Deferred Retirement Option Program (13.0575% from 10/01/16 to 9/30/17).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 22.005% from 10/1/16 to 9/30/17.

Special Risk – Members eligible for this class includes the City's Crime Scene Technicians, and the Evidence Technician. The rate is 22.745% from 10/1/16 to 9/30/17.

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, 2016, 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, 2015, 2016 and 2017 were, \$1,128,498, \$1,144,122, and \$1,225,494 respectively, and equal the required contributions for each year.

(3) Pension Liabilities and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2017, the City reported a liability of \$9,746,106 for its proportionate share of the FRS Pension Plan net pension liability and \$4,317,365 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liabilities were measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. 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, 2017. At June 30, 2017, the City's proportionate share was 0.0329 percent and 0.0404 percent which was a decrease of 0.0012 percent and 0.0008 from its proportionate share of 0.0341 and 0.0412 percent measured as of June 30, 2016 for both the FRS and HIS plans respectively.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

For the year ended September 30, 2017, the City recognized pension expense of \$560,263 for the FRS Pension Plan and \$29,725 for the HIS Pension Plan. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to these plans from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 894,458	\$ 53,988	\$ -	\$ 8,989
Changes in assumptions	3,275,380	241,533	606,873	373,327
Net difference between projected and actual earnings on pension plan investments	-	-	2,394	-
Changes in proportion and differences between City contributions and proportionate share of contributions	(533,936)	482,933	(211,857)	143,256
District contributions subsequent to the measurement date	512,031	-	117,796	-
Total	<u>\$ 4,147,933</u>	<u>\$ 778,454</u>	<u>\$ 515,206</u>	<u>\$ 525,572</u>

The deferred outflows of resources related to FRS \$512,031 and HIS \$117,796 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, 2017. 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 Ending September 30,	Amount Recognized	Fiscal Year Ending September 30,	Amount Recognized
2016	\$ 372,970	2016	\$ (39,953)
2017	991,328	2017	(39,697)
2018	693,137	2018	(39,575)
2019	141,624	2019	(29,670)
2020	479,003	2020	(11,700)
Thereafter	179,386	Thereafter	32,432

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

(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	7/01/2017	7/01/2017
Measurement date	6/30/2017	6/30/2017
Actuarial cost method	Individual Entry Age	Individual Entry Age
Discount rate	7.10%	3.58%
Municipal bond rate	N/A	3.80%
Long-term expected rate of return, net of investment expense	7.10%	3.58%
Inflation rate	2.60%	2.60%
Salary increase, including inflation	3.25%	3.25%
Mortality	Generational RP-2000 with projection scale BB	Generational RP- 2000 with projection scale BB

The actuarial assumptions that determined the total pension liability of the FRS and HIS Pension Plans as of June 30, 2017, were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

(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.

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.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

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 7.10 percent and 3.58 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 Allocation	Long-Term Arithmetic Expected Real Rate of Return
Cash	1.00%	3.00%
Fixed income	18.00%	4.50%
Global equity	53.00%	7.80%
Real Estate (Property)	10.00%	6.60%
Private Equity	6.00%	11.50%
Strategic investments	12.00%	6.10%
Total	<u>100.00%</u>	

FRS Plan	Current Discount		
	1% Decrease <u>6.10%</u>	Rate <u>7.10%</u>	1% Increase <u>8.10%</u>
City's proportionate share of the net pension liability	\$ 17,639,863	\$ 9,746,106	\$ 3,192,479

HIS Plan	Current Discount		
	1% Decrease <u>2.58%</u>	Rate <u>3.58%</u>	1% Increase <u>4.58%</u>
City's proportionate share of the net pension liability	\$ 4,926,685	\$ 4,317,365	\$ 3,809,835

(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.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

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

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

The City participates in the Police Officers' and Firefighters' Retirement Systems. Each plan is a single-employer, defined-benefit pension plan for the sole benefit of the Police Officers' and Firefighters' of the City. 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% 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 fees and transaction costs) credited each fiscal quarter. The DROP balance as of September 30, 2017 is \$299,493 and \$1,218,494 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 \$1,860,016 and \$1,225,558 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2017. The police officers are required to contribute 5.1% of their gross compensation and the firefighters are required to contribute seven 7% of their base pay compensation (an additional five percent (5%) is paid by the City) for the fire and police employees, and if the employee terminates prior to vesting, this amount is returned to the employee for firefighters hired before July 1, 1999 and all police officer (regardless of date of hire). Both of the plans also receive contributions from the state for insurance premium refunds 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 twenty-one (21) years for police officers and twenty-two (22) years for firefighters. Funding policy was established and may be amended by City Ordinances.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

(3) Plan Membership - At September 30, 2017, membership of each plan consisted of the following:

	Police Officers	Firefighters
Inactive plan members or beneficiaries currently receiving benefits	68	53
Inactive plan members entitled to but not yet receiving benefits	18	2
Active plan members	124	67
Total	210	122

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

The components of the net pension liability of the City at September 30, 2017 were as follows:

Police Officers' Plan:

Total pension liability	\$ 42,949,926
Plan fiduciary net position	(47,031,172)
City's net pension liability	\$ (4,081,246)
Plan fiduciary net position as a percentage of the total pension liability	109.50%

Firefighters' Plan:

Total pension liability	\$ 33,234,543
Plan fiduciary net position	(32,296,899)
City's net pension liability	\$ 937,644
Plan fiduciary net position as a percentage of the total pension liability	97.18%

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

The changes in the net pension liability of the police and firefighters pension plans for fiscal year 2017 are as follows:

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

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/2016	\$ 44,396,279	\$ 42,432,734	\$ 1,963,545
Changes for the year:			
Service cost	1,103,531	-	1,103,531
Interest	3,239,054	-	3,239,054
Change in Excess State Money	(1,623,181)	-	(1,623,181)
Differences between Expected and Actual Experience	(608,510)	-	(608,510)
Changes of benefit terms	(607,513)	-	(607,513)
Contributions - Employer	-	1,860,016	(1,860,016)
Contributions-State	-	383,389	(383,389)
Contributions-Employee	-	326,564	(326,564)
Net investment income	-	5,054,852	(5,054,852)
Benefit payments, including refunds of employee contributions	(2,949,734)	(2,949,734)	-
Administrative Expense	-	(76,649)	76,649
Net Changes	(1,446,353)	4,598,438	(6,044,791)
Balance at September 30, 2017	\$ 42,949,926	\$ 47,031,172	\$ (4,081,246)

**Firefighters’ Pension Trust Fund**  
**Changes in Net Pension Liability**

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balance at 9/30/2016	\$ 33,271,657	\$ 29,072,760	\$ 4,198,897
Changes for the year:			
Service cost	719,369	-	719,369
Interest	2,539,282	-	2,539,282
Change in Excess State Money	(1,142,947)	-	(1,142,947)
Differences between Expected and Actual Experience	(517,380)	-	(517,380)
Changes of assumptions	578,666	-	578,666
Contributions - Employer	-	1,218,852	(1,218,852)
Contributions-State	-	278,787	(278,787)
Contributions-Employee	-	267,482	(267,482)
Net investment income	-	3,740,487	(3,740,487)
Benefit payments, including refunds of employee contributions	(2,214,104)	(2,214,104)	-
Administrative Expense	-	(67,365)	67,365
Net Changes	(37,114)	3,224,139	(3,261,253)
Balance at September 30, 2017	\$ 33,234,543	\$ 32,296,899	\$ 937,644

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

For the year ended September 30, 2017, the City recognized pension expense of \$3,909,299 and \$1,897,064 for the police and firefighters pension plans. On September 30, 2017, 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 Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,547,638	\$ -	\$ 795,759
Changes in assumptions	692,240	-	984,136	-
Net difference between projected and actual earnings on pension plan investments	-	978,723	-	715,807
<b>Total</b>	<u>\$ 692,240</u>	<u>\$ 2,526,361</u>	<u>\$ 984,136</u>	<u>\$ 1,511,566</u>

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 Ending September 30,	Amount Recognized	Fiscal Year Ending September 30,	Amount Recognized
2018	\$ (257,016)	2018	\$ (9,848)
2019	(257,017)	2019	(9,848)
2020	(747,909)	2020	(302,664)
2021	(470,761)	2021	(215,284)
2022	(101,418)	2022	10,214
Thereafter	-	Thereafter	-

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

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

	<u>Police Officers</u>	<u>Firefighters</u>
Valuation date	10/01/2017	10/01/2017
Measurement date	10/01/2017	10/01/2017
Actuarial cost method	Entry Age Normal	Entry Age Normal
Discount rate	7.75%	7.75%
Amortization method	Level percent, closed	Level percent, closed
Amortization period	21 years	22 years
Asset valuation method	4-year smoothed market	4-year smoothed market
Actuarial Assumptions:		
Investment rate of return	7.75%	7.75%
Projected salary increase (including both cost of living and merit)	5.00%	6.00%
Inflation rate	3.00%	3.00%
Postretirement benefit increases	0.00%	0.00%

Mortality assumptions for both the police officers’ and firefighters’ pension plans used the RP-2000 table with no projections and was based on a study of over 650 public safety funds; this table reflects a 10% margin for future mortality improvements. Disabled lives were set forward 5 years.

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.

(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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>	<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Large cap equity	5.6%	Large cap equity	5.3%
Mid cap equity	7.6%	Mid cap equity	7.6%
Small cap equity	5.9%	Small cap equity	5.9%
Foreign equity	3.7%	Foreign equity	3.7%
Real estate	9.8%	Real estate	9.8%
Fixed income	2.2%	Fixed income	2.2%

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

(8) The discount rate used to measure the total pension liability was for the police officers' plan was 7.75% and 7.75% 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 Rate	1% Increase
	6.75%	7.75%	8.75%
Sponsor's Net Pension Liability	\$ 993,482	\$ (4,081,246)	\$ (8,319,692)

Firefighters' Plan:	1% Decrease	Current Discount Rate	1% Increase
	6.75%	7.75%	8.75%
Sponsor's Net Pension Liability	\$ 4,775,995	\$ 937,644	\$ (2,261,179)

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**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, 2017 and for the year then ended are as follows:

**Combining Statement of Net Position**  
**Fiduciary Funds**  
September 30, 2017

	Police Officers' Retirement System	Firefighters' Retirement System	Total
<b>Assets</b>			
Cash and cash equivalents with trustee	\$ 1,188,679	\$ 807,507	\$ 1,996,186
Investments, at fair value:			
US government obligations	3,507,863	2,812,137	6,320,000
Mortgage & asset backed securities	1,090,533	1,376,165	2,466,698
Corporate debt	1,822,596	2,126,501	3,949,097
Mutual funds	13,282,471	7,648,807	20,931,278
Equity securities	18,508,214	13,105,655	31,613,869
Real estate	7,948,050	4,433,277	12,381,327
Accrued investment income	34,744	25,051	59,795
Prepaid items	2,379	4,607	6,986
Total assets	47,385,529	32,339,707	79,725,236
<b>Liabilities</b>			
Accounts payable	64,138	44,464	108,602
<b>Net position</b>			
Net position restricted for pensions	\$ 47,321,391	\$ 32,295,243	\$ 79,616,634

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**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, 2017

	Police Officers' Retirement System	Firefighters' Retirement System	Total
<b>Additions</b>			
Contributions:			
Employer	\$ 2,243,405	\$ 1,504,344	\$ 3,747,749
Plan members	326,564	268,987	595,551
Total contributions	<u>2,569,969</u>	<u>1,773,331</u>	<u>4,343,300</u>
Investments earnings (losses):			
Interest & dividends	718,989	620,345	1,339,334
Net increase in fair value of investments	4,646,024	3,314,631	7,960,655
Total investment earnings	5,365,013	3,934,976	9,299,989
Investment expenses	(326,934)	(195,035)	(521,969)
Net investment earnings	5,038,079	3,739,941	8,778,020
Total additions	<u>7,608,048</u>	<u>5,513,272</u>	<u>13,121,320</u>
<b>Deductions</b>			
Benefit payments	2,193,435	1,400,876	3,594,311
Refund of contributions	402,690	813,124	1,215,814
Administrative expenses	82,210	70,671	152,881
Total deductions	<u>2,678,335</u>	<u>2,284,671</u>	<u>4,963,006</u>
Change in net position	4,929,713	3,228,601	8,158,314
<b>Net position restricted for pensions</b>			
Beginning of year	42,391,678	29,066,642	71,458,320
End of year	<u>\$ 47,321,391</u>	<u>\$ 32,295,243</u>	<u>\$ 79,616,634</u>

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

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

The City has chosen pay-as-you-go funding, but is recording the liability in the government-wide financial statements. For the year ended September 30, 2017, 54 retirees were receiving health insurance and 78 were receiving life insurance benefits. The nature of the plan is such that no formal trust fund exists. The self-insurance plan pays premiums to an insurance company that maintains no assets or liabilities in the name of the City or on the City's behalf. This plan does not issue stand-alone financial statements.

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

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2017 is as follows:

Actuarially determined contribution	\$ 1,417,126
Interest on net OPEB obligation	122,569
Adjustment to actuarially determined contribution	(121,776)
Annual OPEB cost	1,417,919
Contributions made	876,238
Change in net OPEB obligation	541,681
Net OPEB obligation, beginning of year	3,064,235
Net OPEB obligation, end of year	\$ 3,605,916

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

Fiscal Year Ended September 30,	Annual OPEB Cost	Employer Contributions	Percent Contributed	Net OPEB Obligation
2017	\$ 1,417,919	\$ 876,238	61.80%	\$ 3,605,916
2016	1,245,733	963,486	77.34%	3,064,235
2015	1,135,098	846,771	74.60%	2,781,988
2014	1,225,084	671,207	54.79%	2,493,661
2013	1,147,861	625,998	54.54%	1,939,784
2012	1,207,403	491,172	40.68%	1,417,921
2011	1,180,187	739,782	62.68%	701,691
2010	729,714	677,899	92.90%	261,286

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

As of October 1, 2017, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 23,988,537
Actuarial value of plan assets	N/A
Unfunded actuarial accrued liability (UAAL)	\$ 23,988,537
Funded ratio (actuarial value of plan assets/AAL)	N/A
Covered payroll (active plan members)	\$ 22,490,940
UAAL as a percentage of covered payroll	106.66%

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

Summary of Actuarial Methods & Assumptions

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

**Actuarial Cost Method:**

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

**Amortization Method:**

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

**Decrements:**

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

Disability: None assumed.

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

**Investment Return (Discount Rate):**

4.0% per annum (includes inflation at 3.0% per annum)

**Health Care Cost Trend Rates:**

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

Year	/	Increase	Year	/	Increase	Year	/	Increase
2018	/	9.00%	2022	/	7.00%	2026	/	5.00%
2019	/	8.50%	2023	/	6.50%	and	/	
2020	/	8.00%	2024	/	6.00%	later	/	
2021	/	7.50%	2025	/	5.50%		/	

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

---

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

Summary of Actuarial Methods & Assumptions (continued)

**Retiree Contributions:**

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

**Payroll Growth:**

3.0% per annum (used for amortization purposes only)

**Cost of Living Increases:**

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

**Future Participation Rates:**

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

**COBRA Assumption:**

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

Summary of Benefits:

**Other Post-Employment Benefits (OPEBs)**

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

**Eligible Individuals:**

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

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

**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 401a 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 2017. 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, 2016 and 2017 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
2015 - 2016	\$ 1,900,801	\$ 7,052,314	\$ (7,160,770)	\$ 1,792,345
2016 - 2017	1,792,345	7,052,314	(7,160,770)	1,683,889

**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 \$11,011,006 at September 30, 2017.

**CITY OF SANFORD, FLORIDA**  
**Notes to Financial Statements, Year Ended September 30, 2017**

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

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities
	<u>                    </u>	<u>                    </u>
Capital assets:		
Non depreciable	\$ 9,921,574	\$ 27,433,286
Depreciable, net	108,236,616	157,657,568
	<u>118,158,190</u>	<u>185,090,854</u>
Debt related to capital assets:		
Bonds	-	9,280,000
Loans	10,650,000	52,654,253
Capital leases	978,584	46,772
	<u>11,628,584</u>	<u>61,981,025</u>
Difference	106,529,606	123,109,829
Unspent debt proceeds	489,633	-
Invested in capital assets	<u>\$ 107,019,239</u>	<u>\$ 123,109,829</u>

**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, 2017, 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, 2017, 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, 2017**

---

**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 – New Accounting Pronouncements**

The GASB has issued Statement of Governmental Accounting Standards No. 77, *Tax Abatement Disclosures*. This statements objective is to provide guidance for reporting of tax abatement agreements entered into by governments. As required by the standard, the City of Sanford, Florida implemented this standard for fiscal year ended September 30, 2017.

The GASB has issued Statement of Governmental Accounting Standards No. 79, *Certain External investment Pools and Pool Participants*. This statements objective is to address for certain external investment pools and their participants the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. As required by the standard, the City of Sanford, Florida implemented this standard for fiscal year ended September 30, 2017.

The GASB has issued Statement of Governmental Accounting Standards No. 80, *Blending Requirements for Certain Component Units*. This statements objective is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. As required by the standard, the City of Sanford, Florida implemented this standard for fiscal year ended September 30, 2017.

**Note 19 – Subsequent Events**

- A. During City negotiations during 2017 with the police and fire unions, the unions agreed to close their 175 and 185 pension plans effective 10/1/2017. As of October 1, 2017, all new hires will enter the FRS system with the state. The employees hired prior to October 1, 2017 had the option to opt out of their current 175 or 185 plan and enter the FRS plan; there were 3 firefighters and 45 police officers that chose to enter the FRS. The police department also elected to increase their employee contribution rate from 5.1% to 6.1% of pensionable payroll and decrease their multiplier from 3.2% to 3.0% for all service on or after October 1, 2017. The City and the unions mutually agreed that all Chapter 185 excess premium tax revenues accumulated and received in the future would be used to reduce the unfunded actuarial liability of the chapter 175 and 185 plans as long as such liability exists and thereafter shall be applied to reduce the City's annual required contribution to he plan.
- B. During 2017 the City encountered two state declared disasters, Hurricane Matthew on October 7, 2016, and Hurricane IRMA on September 14, 2017. Although some expenditures have occurred for the cleanup of debris and repairs to damaged city property prior to September 30, 2017 and are thus recorded in these financial statements, not all expenditures are included. The City estimates that approximately \$1,605,000 will be incurred during 2018 to finish the cleanup and repairs due to these two events. The City plans on and has been seeking reimbursement from FEMA for 87.5% of these costs and as of September 30, 2017, has not received reimbursement for any costs related to Matthew and IRMA.
- C. Due to tax reform that was passed in December 2017, the City's interest on the Sales Tax Refunding Revenue Note, Series 2012 changed from 3.25% to 3.9% at an additional cost of approximately \$56,000 per year and the interest rate on the Water and Sewer Revenue Note, Series 2010 changed from 3.87% to 4.7% at an additional cost of approximately \$77,000 per year.



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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 18,536,688	\$ 18,536,688	\$ 18,768,180	\$ 231,492
Utility taxes	7,334,785	7,334,785	7,498,973	164,188
Franchise fees	4,527,661	4,527,661	4,837,155	309,494
Business taxes	684,514	684,514	658,219	(26,295)
Permits and fees	153,627	153,627	169,570	15,943
Intergovernmental	6,416,450	6,416,450	6,444,272	27,822
Charges for services	1,880,504	1,929,504	2,649,161	719,657
Investment earnings	118,818	118,818	148,764	29,946
Fines and forfeitures	205,619	205,619	157,442	(48,177)
Miscellaneous	260,279	261,589	174,135	(87,454)
Total revenues	<u>40,118,945</u>	<u>40,169,255</u>	<u>41,505,871</u>	<u>1,336,616</u>
<b>Expenditures</b>				
Current:				
General government	5,645,592	6,145,352	5,381,423	763,929
Public safety	22,543,421	23,283,663	22,795,889	487,774
Physical environment	452,012	458,143	342,856	115,287
Transportation	1,029,069	1,125,058	1,501,045	(375,987)
Economic environment	1,239,006	1,281,426	1,024,928	256,498
Human services	110,101	110,101	68,494	41,607
Culture and recreation	4,705,049	4,803,899	4,664,936	138,963
Debt service:				
Debt issuance costs	5,000	5,000	-	5,000
Capital outlay:				
Public safety	-	-	7,800	(7,800)
Total expenditures	<u>35,729,250</u>	<u>37,212,642</u>	<u>35,787,371</u>	<u>1,425,271</u>
Excess of revenues over expenditures	<u>4,389,695</u>	<u>2,956,613</u>	<u>5,718,500</u>	<u>2,761,887</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	75,600	75,600
Transfers out	(3,147,455)	(12,699,965)	(3,944,987)	8,754,978
Proceeds from sale of assets	32,603	32,603	60,414	27,811
Total other financing uses	<u>(3,114,852)</u>	<u>(12,667,362)</u>	<u>(3,808,973)</u>	<u>8,858,389</u>
Net change in fund balances	<u>1,274,843</u>	<u>(9,710,749)</u>	<u>1,909,527</u>	<u>11,620,276</u>
<b>Fund balances</b>				
Beginning of year	-	-	20,334,950	20,334,950
Prior carryforward	-	10,015,237	-	(10,015,237)
Future carryforward	(1,274,843)	(304,488)	-	304,488
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,244,477</u>	<u>\$ 22,244,477</u>

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

**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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 3,261,737	\$ 3,261,737	\$ 3,555,334	\$ 293,597
Investment earnings	17,000	17,000	76,354	59,354
Miscellaneous	-	-	6,854	6,854
Total revenues	<u>3,278,737</u>	<u>3,278,737</u>	<u>3,638,542</u>	<u>359,805</u>
<b>Expenditures</b>				
Current:				
Transportation	-	-	999,726	(999,726)
Capital outlay:				
Transportation	<u>3,900,000</u>	<u>10,446,515</u>	<u>2,580,391</u>	<u>7,866,124</u>
Total expenditures	<u>3,900,000</u>	<u>10,446,515</u>	<u>3,580,117</u>	<u>6,866,398</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(621,263)</u>	<u>(7,167,778)</u>	<u>58,425</u>	<u>7,226,203</u>
Net change in fund balances	<u>(621,263)</u>	<u>(7,167,778)</u>	<u>58,425</u>	<u>7,226,203</u>
<b>Fund balances</b>				
Beginning of year	-	-	6,142,723	6,142,723
Prior carryforward	<u>621,263</u>	<u>7,167,778</u>	-	<u>(7,167,778)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,201,148</u>	<u>\$ 6,201,148</u>

**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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,225,852	\$ 1,225,852	\$ 1,186,633	\$ (39,219)
Investment earnings	12,337	12,337	8,700	(3,637)
Total revenues	<u>1,238,189</u>	<u>1,238,189</u>	<u>1,195,333</u>	<u>(42,856)</u>
<b>Expenditures</b>				
Current:				
Economic environment	1,130,892	1,130,892	865,223	265,669
Capital outlay:				
Economic environment	416,121	416,121	146,761	269,360
Total expenditures	<u>1,547,013</u>	<u>1,547,013</u>	<u>1,011,984</u>	<u>535,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(308,824)</u>	<u>(308,824)</u>	<u>183,349</u>	<u>492,173</u>
Net change in fund balances	<u>(308,824)</u>	<u>(308,824)</u>	<u>183,349</u>	<u>492,173</u>
<b>Fund balances</b>				
Beginning of year	-	-	978,050	978,050
Prior carryforward	308,824	308,824	-	(308,824)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,161,399</u>	<u>\$ 1,161,399</u>

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

This page intentionally left blank.

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2017

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

<b>Police Officers' Retirement Trust Fund</b>					
	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
<b>Total Pension Liability</b>					
Service cost	\$ 1,103,531	\$ 1,146,830	\$ 1,138,827	\$ 1,188,045	\$ 1,102,594
Interest	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	(608,510)	(1,113,615)	(596,272)	-	-
Change of assumptions	-	1,038,360	-	-	-
Benefit payments, including refunds of employee contributions	(2,949,734)	(2,661,451)	(3,192,534)	(2,090,399)	(1,824,041)
Net change in total pension liability	(1,446,353)	1,775,080	633,256	2,243,847	2,121,495
Total pension liability- beginning	44,396,279	42,621,199	41,987,943	39,744,096	37,622,601
Total pension liability - ending (a)	<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	1,860,016	1,817,484	1,902,187	2,176,438	1,896,331
Contributions-state	383,389	363,691	339,596	318,891	298,468
Contributions-employee	326,564	312,694	296,080	292,092	293,324
Net investment income	5,054,852	3,885,477	538,151	3,978,010	4,579,654
Benefit payments, including refunds of employee contributions	(2,949,734)	(2,661,451)	(3,192,534)	(2,090,399)	(1,824,041)
Administrative expense	(76,649)	(70,378)	(79,842)	(63,751)	(55,223)
Net change in plan fiduciary net position	4,598,438	3,647,517	(196,362)	4,611,281	5,188,513
Plan fiduciary net position - beginning	42,432,734	38,785,217	38,981,579	34,370,299	29,181,786
Plan fiduciary net position - ending (b)	<u>\$ 47,031,172</u>	<u>\$ 42,432,734</u>	<u>\$ 38,785,217</u>	<u>\$ 38,981,580</u>	<u>\$ 34,370,299</u>
Net pension liability - ending (a) - (b)	<u>\$ (4,081,246)</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	109.50%	95.58%	91.00%	92.84%	86.48%
Covered employee payroll	\$ 5,622,360	\$ 5,598,252	\$ 6,162,354	\$ 5,379,770	\$ 5,236,924
Net pension liability as a percentage of covered employee payroll	-72.59%	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, 2017

**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Firefighters' Pension Trust Fund**

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
<b>Total Pension Liability</b>					
Service cost	\$ 719,369	\$ 711,620	\$ 710,735	\$ 724,668	\$ 670,989
Interest	2,539,282	2,421,237	2,324,478	2,193,825	2,077,326
Change in excess state money	(1,142,947)	99,482	105,525	110,275	-
Differences between Expected and Actual Experience	(517,380)	(383,476)	(217,912)	-	-
Change of assumptions	578,666	752,874	-	-	-
Benefit payments, including refunds of employee contributions	(2,214,104)	(1,854,776)	(1,362,609)	(1,180,194)	(1,511,322)
Net change in total pension liability	(37,114)	1,746,961	1,560,217	1,848,574	1,236,993
Total pension liability- beginning	33,271,657	31,524,696	29,964,479	28,115,905	26,878,912
Total pension liability - ending (a)	<u>\$ 33,234,543</u>	<u>\$ 33,271,657</u>	<u>\$ 31,524,696</u>	<u>\$ 29,964,479</u>	<u>\$ 28,115,905</u>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	1,218,852	1,137,284	1,178,825	1,228,369	1,234,630
Contributions-state	278,787	268,168	274,211	278,961	283,949
Contributions-employee	267,482	253,690	247,193	244,226	261,421
Net investment income	3,740,487	2,399,441	628,563	2,376,477	2,432,487
Benefit payments, including refunds of employee contributions	(2,214,104)	(1,854,776)	(1,362,609)	(1,180,194)	(1,511,322)
Administrative expense	(67,365)	(61,121)	(50,686)	(48,585)	(49,016)
Net change in plan fiduciary net position	3,224,139	2,142,686	915,497	2,899,254	2,652,149
Plan fiduciary net position - beginning	29,072,760	26,930,074	26,014,577	23,115,323	20,463,174
Plan fiduciary net position - ending (b)	<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 - ending (a) - (b)	<u>\$ 937,644</u>	<u>\$ 4,198,897</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	97.18%	87.38%	85.43%	86.82%	82.21%
Covered employee payroll*	\$ 3,861,980	\$ 3,583,344	\$ 3,884,379	\$ 3,488,942	\$ 3,734,581
Net pension liability as a percentage of covered employee payroll	24.28%	117.18%	118.28%	113.21%	133.90%

*\*For Fiscal years 2013 and 2014, the Covered Employee 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, 2017

**Schedule of Contributions**

**Police Officers' Retirement Trust Fund**

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$1,613,617	\$ 1,959,388	\$ 2,006,273	\$ 2,307,921	\$ 2,037,163
Contributions in relation to the actuarially determined contributions	<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>\$ (422,748)</u>	<u>\$ (34,445)</u>	<u>\$ (72,263)</u>	<u>\$ (44,866)</u>	<u>\$ (35,516)</u>
Covered employee payroll	\$5,622,360	\$ 5,598,252	\$ 6,162,534	\$ 5,379,770	\$ 5,236,924
Contributions as a percentage of covered employee payroll	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	21 years (as of 10/01/2015 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	1.93% 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	RP-2000 table with no projection. Disabled lives set forward 5 years. We feel this assumption sufficiently accomodates mortality improvements.

Termination and disability rate table:

Age	% terminating during the year	% terminating during the year
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, 2017

**Schedule of Contributions**

**Firefighters' Retirement Trust Fund**

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 1,274,453	\$ 1,279,254	\$ 1,313,653	\$ 1,381,622	\$ 1,366,856
Contributions in relation to the actuarially determined contributions	1,387,538	1,305,970	1,347,511	1,397,055	1,403,316
Contribution deficiency (excess)	<u>\$ (113,085)</u>	<u>\$ (26,716)</u>	<u>\$ (33,858)</u>	<u>\$ (15,433)</u>	<u>\$ (36,460)</u>
Covered employee payroll*	\$ 3,861,980	\$ 3,583,344	\$ 3,884,379	\$ 3,488,942	\$ 3,734,581
Contributions as a percentage of covered employee payroll	35.93%	36.45%	34.69%	40.04%	37.58%

\*For Fiscal years 2013 and 2014, the Covered Employee 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	22 years (as of 10/01/2015 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	6% per year until the assumed retirement age.
Investment rate of return	8% per year, compounded annually, net of investment related expenses.
Payroll increases	In 2015, capped at 2.8% per year as limited by historical 10 year payroll growth.
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% per year.
Termination rates	See table below.
Disability rates	See table below.
Mortality	RP-2000 table with no projection. Disabled lives set forward 5 years. We feel this assumption sufficiently accommodates mortality improvements.

Termination and disability rate table:

Age	% terminating during the year	% terminating during the year
20	12.0%	0.15%
30	5.2%	0.20%
40	2.8%	0.35%
50	0.9%	0.90%

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, 2017

**Schedule of Investment Returns**

**Police Officers' Retirement Trust Fund**

---

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Annual money-weighted rate of return net of investment expense	12.11%	10.29%	1.55%	11.54%	15.52%

**Firefighters' Retirement Trust Fund**

---

	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Annual money-weighted rate of return net of investment expense	13.14%	9.37%	2.56%	10.23%	11.82%

**CITY OF SANFORD, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
For the Year Ended September 30, 2017

**Schedule of Contributions**

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

Fiscal Year Ending September 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
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 Ending September 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	Covered Employee Payroll	FRS Contributions as a Percentage of Covered Payroll
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, 2017

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

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

Fiscal Year Ending September 30,	Plan Sponsor Measurement Date June 30,	Proportion of the FRS Net Pension Liability	Proportion Share of the FRS Net Pension Liability	Covered Employee Payroll	Proportion Share of the FRS Net Pension Liability as a Percentage of Covered Payroll	FRS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2017	2017	0.0329%	\$ 9,746,106	\$ 10,719,595	90.92%	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 Ending September 30,	Plan Sponsor Measurement Date June 30,	Proportion of the HIS Net Pension Liability	Proportion Share of the HIS Net Pension Liability	Covered Employee Payroll	Proportion Share of the HIS Net Pension Liability as a Percentage of Covered Payroll	HIS Plan Fiduciary Net Position as a Percentage of Total Pension Liability
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, 2017

**Schedule of Funding Progress for**

**Retiree Continuation Insurance Plan**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/1/2016	\$ -	\$ 23,988,537	\$ 23,988,537	0.00%	\$ 22,490,940	106.66%
10/1/2014	-	17,979,432	17,979,432	0.00%	21,733,965	82.73%
10/1/2012	-	17,869,865	17,869,865	0.00%	22,067,474	80.98%
10/1/2010	-	18,188,528	18,188,528	0.00%	21,674,307	83.92%
10/1/2008	-	14,297,942	14,297,942	0.00%	21,342,868	66.99%

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

Year Ended September 30,	Annual Required Contribution	City Contribution	Percentage Contributed	Net Obligation
2017	\$ 1,417,126	\$ 876,238	61.83%	\$ 3,605,917
2016	1,236,657	963,486	77.91%	3,064,235
2015	1,134,453	846,771	74.64%	2,781,988
2014	1,218,756	671,207	55.07%	2,493,661
2013	1,147,493	625,998	54.55%	1,939,784
2012	1,205,113	491,172	40.76%	1,417,921
2011	1,179,335	739,782	62.73%	701,691
2010	751,456	677,899	90.21%	261,286
2009	721,338	511,870	70.96%	209,468

## **CITY OF SANFORD, FLORIDA**

### **Combining Nonmajor Governmental Funds**

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

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

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

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

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

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

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



CITY OF  
**SANFORD**  
FLORIDA

**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
September 30, 2017

	<b>Special Revenue Funds</b>					
	Building Inspection Fund	Local Option Gas Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	LIHEAP Grant Fund
<b>Assets</b>						
Cash and cash equivalents	\$ 168,808	\$ 74,472	\$ 91,181	\$ 35,758	\$ -	\$ -
Investments	2,275,735	1,008,690	-	-	245,260	-
Accounts receivable, net	9,924	4,187	24,676	725	8	-
Due from other governments	-	104,745	525	999	-	185,807
Inventories	-	-	-	-	-	-
Prepaid items	13,740	-	6,505	-	-	-
Total assets	<u>\$ 2,468,207</u>	<u>\$ 1,192,094</u>	<u>\$ 122,887</u>	<u>\$ 37,482</u>	<u>\$ 245,268</u>	<u>\$ 185,807</u>
<b>Liabilities</b>						
Accounts payable	\$ 21,023	\$ 34,446	\$ 4,884	\$ -	\$ 11,323	\$ 25,122
Accrued liabilities	13,772	-	-	-	-	3,155
Due to other funds	-	-	-	-	-	87,997
Due to other governments	862	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Total liabilities	<u>35,657</u>	<u>34,446</u>	<u>4,884</u>	<u>-</u>	<u>11,323</u>	<u>116,274</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	-	-	-	97,926
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,926</u>
<b>Fund balances</b>						
Nonspendable:						
Prepaid items	13,620	-	6,505	-	-	-
Restricted for:						
Building inspections	2,418,930	-	-	-	-	-
Transportation	-	1,157,648	-	-	-	-
Law enforcement	-	-	102,115	37,482	-	-
System expansion	-	-	-	-	-	-
Community redevelopment	-	-	-	-	-	-
Capital replacements	-	-	-	-	-	-
Committed for:						
Cemetery purposes	-	-	-	-	233,945	-
Capital replacements	-	-	-	-	-	-
Assigned for:						
Law enforcement	-	-	9,383	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Capital replacements	-	-	-	-	-	-
Unassigned / (deficit)	-	-	-	-	-	(28,393)
Total fund balances	<u>2,432,550</u>	<u>1,157,648</u>	<u>118,003</u>	<u>37,482</u>	<u>233,945</u>	<u>(28,393)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,468,207</u>	<u>\$ 1,192,094</u>	<u>\$ 122,887</u>	<u>\$ 37,482</u>	<u>\$ 245,268</u>	<u>\$ 185,807</u>

**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet (continued)**  
**Nonmajor Governmental Funds**  
September 30, 2017

<b>Special Revenue Funds</b>						
Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	CDBG Grant Fund	NSP Grant Fund	Youthbuild Grant Fund	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 74,036	\$ -	\$ 444,255
171,296	583,017	948,593	-	-	-	5,232,591
5	19	33	-	-	-	39,577
-	-	53,398	75,406	-	7,425	428,305
-	-	-	-	-	-	-
-	-	-	-	-	-	20,245
<u>\$ 171,301</u>	<u>\$ 583,036</u>	<u>\$ 1,002,024</u>	<u>\$ 75,406</u>	<u>\$ 74,036</u>	<u>\$ 7,425</u>	<u>\$ 6,164,973</u>
\$ -	\$ 4,046	\$ -	\$ 49,697	\$ -	\$ -	\$ 150,541
-	-	-	-	-	-	16,927
-	-	-	24,704	-	7,425	120,126
-	-	-	150	-	-	1,012
-	-	-	-	73,476	-	73,476
-	4,046	-	74,551	73,476	7,425	362,082
-	-	53,398	33,955	-	7,425	192,704
-	-	53,398	33,955	-	7,425	192,704
-	-	-	-	-	-	20,125
-	-	-	-	-	-	2,418,930
-	-	-	-	-	-	1,157,648
-	-	-	-	-	-	139,597
171,301	578,990	948,626	-	-	-	1,698,917
-	-	-	-	560	-	560
-	-	-	-	-	-	-
-	-	-	-	-	-	233,945
-	-	-	-	-	-	-
-	-	-	-	-	-	9,383
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(33,100)	-	(7,425)	(68,918)
<u>171,301</u>	<u>578,990</u>	<u>948,626</u>	<u>(33,100)</u>	<u>560</u>	<u>(7,425)</u>	<u>5,610,187</u>
<u>\$ 171,301</u>	<u>\$ 583,036</u>	<u>\$ 1,002,024</u>	<u>\$ 75,406</u>	<u>\$ 74,036</u>	<u>\$ 7,425</u>	<u>\$ 6,164,973</u>

**CITY OF SANFORD, FLORIDA**  
**Combining Balance Sheet (continued)**  
**Nonmajor Governmental Funds**  
September 30, 2017

	<b>Debt Service Fund</b>	<b>Capital Project Funds</b>				Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Debt Service Fund	Capital Project Fund	Capital Recovery Fee Fund	Capital Replacement Fund	Catalyst Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ 488,778	\$ 1,758,771	\$ 55,810	\$ 4,735,590	\$ 16,528	\$ 6,566,699	\$ 7,499,732
Investments	-	-	-	-	-	-	5,232,591
Accounts receivable, net	16	54	2	1,000,334	-	1,000,390	1,039,983
Due from other governments	-	138,721	-	-	-	138,721	567,026
Inventories	-	-	-	27,734	-	27,734	27,734
Prepaid items	-	562	-	-	-	562	20,807
<b>Total assets</b>	<b>\$ 488,794</b>	<b>\$ 1,898,108</b>	<b>\$ 55,812</b>	<b>\$ 5,763,658</b>	<b>\$ 16,528</b>	<b>\$ 7,734,106</b>	<b>\$ 14,387,873</b>
<b>Liabilities</b>							
Accounts payable	\$ 68,696	\$ 312,315	\$ 25	\$ 650,369	\$ 16,528	\$ 979,237	\$ 1,198,474
Accrued liabilities	-	-	-	-	-	-	16,927
Due to other funds	-	-	-	-	-	-	120,126
Due to other governments	-	-	-	-	-	-	1,012
Unearned revenues	-	973,501	256	-	-	973,757	1,047,233
<b>Total liabilities</b>	<b>68,696</b>	<b>1,285,816</b>	<b>281</b>	<b>650,369</b>	<b>16,528</b>	<b>1,952,994</b>	<b>2,383,772</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	-	138,721	-	1,000,000	-	1,138,721	1,331,425
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>138,721</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,138,721</b>	<b>1,331,425</b>
<b>Fund balances</b>							
Nonspendable:							
Prepaid items	-	-	-	-	-	-	20,125
Restricted for:							
Building inspections	-	-	-	-	-	-	2,418,930
Transportation	-	-	-	-	-	-	1,157,648
Law enforcement	-	-	-	-	-	-	139,597
System expansion	-	-	-	-	-	-	1,698,917
Community redevelopment	-	-	-	-	-	-	560
Capital replacements	-	-	-	489,633	-	489,633	489,633
Committed for:							
Cemetery purposes	-	-	-	-	-	-	233,945
Capital replacements	-	-	55,531	-	-	55,531	55,531
Assigned for:							
Law enforcement	-	-	-	-	-	-	9,383
Debt service	420,098	-	-	-	-	-	420,098
Capital projects	-	473,571	-	-	-	473,571	473,571
Capital replacements	-	-	-	3,623,656	-	3,623,656	3,623,656
Unassigned / (deficit)	-	-	-	-	-	-	(68,918)
<b>Total fund balances</b>	<b>420,098</b>	<b>473,571</b>	<b>55,531</b>	<b>4,113,289</b>	<b>-</b>	<b>4,642,391</b>	<b>10,672,676</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 488,794</b>	<b>\$ 1,898,108</b>	<b>\$ 55,812</b>	<b>\$ 5,763,658</b>	<b>\$ 16,528</b>	<b>\$ 7,734,106</b>	<b>\$ 14,387,873</b>



CITY OF  
**SANFORD**  
FLORIDA

**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2017

	<b>Special Revenue Funds</b>					
	Building Inspection Fund	Local Option Gas Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	Insurance Premium Tax Fund
<b>Revenues</b>						
Permits and fees	\$ 1,532,965	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,270,551	-	-	-	662,175
Charges for services	-	-	-	-	73,875	-
Investment earnings	14,591	4,881	277	253	1,846	-
Fines and forfeitures	-	-	99,943	12,041	-	-
Service assessments	-	-	-	-	-	-
Miscellaneous	35,517	-	2,245	-	-	-
Total revenues	<u>1,583,073</u>	<u>1,275,432</u>	<u>102,465</u>	<u>12,294</u>	<u>75,721</u>	<u>662,175</u>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	933,781	-	80,502	4,337	-	662,175
Physical environment	-	-	-	-	105,597	-
Transportation	-	1,181,634	-	-	-	-
Economic environment	-	-	-	-	-	-
Human services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	22,991	-	2,445	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	<u>956,772</u>	<u>1,181,634</u>	<u>82,947</u>	<u>4,337</u>	<u>105,597</u>	<u>662,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>626,301</u>	<u>93,798</u>	<u>19,518</u>	<u>7,957</u>	<u>(29,876)</u>	<u>-</u>
<b>Other financing sources (uses)</b>						
Capital leases	-	-	-	-	-	-
Transfers in	-	-	9,382	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>626,301</u>	<u>93,798</u>	<u>28,900</u>	<u>7,957</u>	<u>(29,876)</u>	<u>-</u>
<b>Fund balances</b>						
Beginning of year	1,806,249	1,063,850	89,103	29,525	263,821	-
End of year	<u>\$ 2,432,550</u>	<u>\$ 1,157,648</u>	<u>\$ 118,003</u>	<u>\$ 37,482</u>	<u>\$ 233,945</u>	<u>\$ -</u>

**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2017

<b>Special Revenue Funds</b>							
LIHEAP Grant Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	CDBG Grant Fund	NSP Grant Fund	Youthbuild Grant Fund	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,532,965
755,836	-	-	16,028	294,425	21,503	-	3,020,518
-	-	-	-	-	-	-	73,875
-	1,550	4,559	6,564	-	-	-	34,521
-	-	-	-	-	-	-	111,984
-	181,200	151,227	156,584	-	-	-	489,011
-	-	-	-	-	-	-	37,762
<u>755,836</u>	<u>182,750</u>	<u>155,786</u>	<u>179,176</u>	<u>294,425</u>	<u>21,503</u>	<u>-</u>	<u>5,300,636</u>
-	-	-	-	-	-	-	-
-	29,870	23,616	-	-	-	-	1,734,281
-	-	-	-	-	-	-	105,597
-	-	-	-	-	-	-	1,181,634
-	-	-	-	294,364	21,503	-	315,867
721,257	-	-	-	-	-	-	721,257
-	-	-	1,173	-	-	-	1,173
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	22,949	-	-	-	-	-	48,385
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>721,257</u>	<u>52,819</u>	<u>23,616</u>	<u>1,173</u>	<u>294,364</u>	<u>21,503</u>	<u>-</u>	<u>4,108,194</u>
<u>34,579</u>	<u>129,931</u>	<u>132,170</u>	<u>178,003</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>1,192,442</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	9,382
-	-	-	(57,360)	-	-	-	(57,360)
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,978)</u>
<u>34,579</u>	<u>129,931</u>	<u>132,170</u>	<u>120,643</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>1,144,464</u>
(62,972)	41,370	446,820	827,983	(33,161)	560	(7,425)	4,465,723
<u>\$ (28,393)</u>	<u>\$ 171,301</u>	<u>\$ 578,990</u>	<u>\$ 948,626</u>	<u>\$ (33,100)</u>	<u>\$ 560</u>	<u>\$ (7,425)</u>	<u>\$ 5,610,187</u>

**CITY OF SANFORD, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**Nonmajor Governmental Funds**  
For the Year Ended September 30, 2017

	<b>Debt Service Fund</b>	<b>Capital Project Funds</b>				<b>Total Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	Debt Service Fund	Capital Project Fund	Capital Recovery Fee Fund	Capital Replacement Fund	Catalyst Fund		
<b>Revenues</b>							
Permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,532,965
Intergovernmental	-	806,758	-	69,830	-	876,588	3,897,106
Charges for services	-	-	-	-	-	-	73,875
Investment earnings	10,652	17,318	381	42,683	-	60,382	105,555
Fines and forfeitures	-	-	-	-	-	-	111,984
Service assessments	-	-	7,346	-	-	7,346	496,357
Miscellaneous	-	12,330	-	2,400	-	14,730	52,492
Total revenues	<u>10,652</u>	<u>836,406</u>	<u>7,727</u>	<u>114,913</u>	<u>-</u>	<u>959,046</u>	<u>6,270,334</u>
<b>Expenditures</b>							
Current:							
General government	-	98,241	70	371,828	-	470,139	470,139
Public safety	-	750	-	183,974	-	184,724	1,919,005
Physical environment	-	-	-	-	-	-	105,597
Transportation	-	10,274	-	-	-	10,274	1,191,908
Economic environment	-	-	-	-	-	-	315,867
Human services	-	-	-	-	-	-	721,257
Culture and recreation	-	44,464	-	172,238	-	216,702	217,875
Debt service:							
Principal	1,363,154	-	-	-	-	-	1,363,154
Interest	391,218	-	-	-	-	-	391,218
Capital outlay:							
General government	-	-	-	348,199	-	348,199	348,199
Public safety	-	-	-	1,270,790	-	1,270,790	1,319,175
Transportation	-	489,248	-	140,857	-	630,105	630,105
Economic environment	-	-	-	-	132,698	132,698	132,698
Culture and recreation	-	143,433	-	726,504	-	869,937	869,937
Total expenditures	<u>1,754,372</u>	<u>786,410</u>	<u>70</u>	<u>3,214,390</u>	<u>132,698</u>	<u>4,133,568</u>	<u>9,996,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,743,720)</u>	<u>49,996</u>	<u>7,657</u>	<u>(3,099,477)</u>	<u>(132,698)</u>	<u>(3,174,522)</u>	<u>(3,725,800)</u>
<b>Other financing sources (uses)</b>							
Capital leases	-	-	-	489,200	-	489,200	489,200
Transfers in	1,831,310	265,360	-	1,947,597	132,698	2,345,655	4,186,347
Transfers out	-	-	-	(75,600)	-	(75,600)	(132,960)
Proceeds from sale of assets	-	-	-	241,290	-	241,290	241,290
Total other financing sources (uses)	<u>1,831,310</u>	<u>265,360</u>	<u>-</u>	<u>2,602,487</u>	<u>132,698</u>	<u>3,000,545</u>	<u>4,783,877</u>
Net change in fund balances	<u>87,590</u>	<u>315,356</u>	<u>7,657</u>	<u>(496,990)</u>	<u>-</u>	<u>(173,977)</u>	<u>1,058,077</u>
<b>Fund balances</b>							
Beginning of year	<u>332,508</u>	<u>158,215</u>	<u>47,874</u>	<u>4,610,279</u>	<u>-</u>	<u>4,816,368</u>	<u>9,614,599</u>
End of year	<u>\$ 420,098</u>	<u>\$ 473,571</u>	<u>\$ 55,531</u>	<u>\$ 4,113,289</u>	<u>\$ -</u>	<u>\$ 4,642,391</u>	<u>\$ 10,672,676</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Permits and fees	\$ 932,287	\$ 932,287	\$ 1,532,965	\$ 600,678
Investment earnings	14,485	14,485	14,591	106
Miscellaneous	2,500	2,500	35,517	33,017
Total revenues	<u>949,272</u>	<u>949,272</u>	<u>1,583,073</u>	<u>633,801</u>
<b>Expenditures</b>				
Current:				
Public safety	966,063	966,063	933,781	32,282
Total expenditures	<u>990,063</u>	<u>990,063</u>	<u>956,772</u>	<u>33,291</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,791)</u>	<u>(40,791)</u>	<u>626,301</u>	<u>667,092</u>
Net change in fund balances	<u>(40,791)</u>	<u>(40,791)</u>	<u>626,301</u>	<u>667,092</u>
<b>Fund balances</b>				
Beginning of year	-	-	1,806,249	1,806,249
Prior carryforward	40,791	40,791	-	(40,791)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,432,550</u>	<u>\$ 2,432,550</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,185,881	\$ 1,185,881	\$ 1,270,551	\$ 84,670
Investment earnings	13,400	13,400	4,881	(8,519)
Total revenues	<u>1,199,281</u>	<u>1,199,281</u>	<u>1,275,432</u>	<u>76,151</u>
<b>Expenditures</b>				
Current:				
Transportation	601,328	1,468,528	1,181,634	286,894
Capital outlay:				
Transportation	<u>466,672</u>	<u>466,672</u>	<u>-</u>	<u>466,672</u>
Total expenditures	<u>1,068,000</u>	<u>1,935,200</u>	<u>1,181,634</u>	<u>753,566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>131,281</u>	<u>(735,919)</u>	<u>93,798</u>	<u>829,717</u>
Net change in fund balances	<u>131,281</u>	<u>(735,919)</u>	<u>93,798</u>	<u>829,717</u>
<b>Fund balances</b>				
Beginning of year	-	-	1,063,850	1,063,850
Prior carryforward	-	867,200	-	(867,200)
Future carryforward	<u>(131,281)</u>	<u>(131,281)</u>	<u>-</u>	<u>131,281</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,157,648</u>	<u>\$ 1,157,648</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 2,676	\$ 2,676	\$ 277	\$ (2,399)
Fines and forfeitures	38,632	38,632	99,943	61,311
Miscellaneous	4,257	4,257	2,245	(2,012)
Total revenues	<u>45,565</u>	<u>45,565</u>	<u>102,465</u>	<u>56,900</u>
<b>Expenditures</b>				
Current:				
Public safety	103,890	94,920	80,502	14,418
Total expenditures	<u>103,890</u>	<u>94,920</u>	<u>82,947</u>	<u>11,973</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,325)</u>	<u>(49,355)</u>	<u>19,518</u>	<u>68,873</u>
<b>Other financing sources</b>				
Transfers in	-	9,382	9,382	-
Total other financing sources	<u>-</u>	<u>9,382</u>	<u>9,382</u>	<u>-</u>
Net change in fund balances	<u>(58,325)</u>	<u>(39,973)</u>	<u>28,900</u>	<u>68,873</u>
<b>Fund balances</b>				
Beginning of year	-	-	89,103	89,103
Prior carryforward	66,067	57,097	-	(57,097)
Future carryforward	(7,742)	(17,124)	-	17,124
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,003</u>	<u>\$ 118,003</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 352	\$ 352	\$ 253	\$ (99)
Fines and forfeitures	15,650	15,650	12,041	(3,609)
Total revenues	<u>16,002</u>	<u>16,002</u>	<u>12,294</u>	<u>(3,708)</u>
<b>Expenditures</b>				
Current:				
Public safety	7,000	7,000	4,337	2,663
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>4,337</u>	<u>2,663</u>
Excess of revenues over expenditures	<u>9,002</u>	<u>9,002</u>	<u>7,957</u>	<u>(1,045)</u>
Net change in fund balances	<u>9,002</u>	<u>9,002</u>	<u>7,957</u>	<u>(1,045)</u>
<b>Fund balances</b>				
Beginning of year	-	-	29,525	29,525
Future carryforward	(9,002)	(9,002)	-	9,002
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,482</u>	<u>\$ 37,482</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 61,343	\$ 61,343	\$ 73,875	\$ 12,532
Investment earnings	5,000	5,000	1,846	(3,154)
Total revenues	<u>66,343</u>	<u>66,343</u>	<u>75,721</u>	<u>9,378</u>
<b>Expenditures</b>				
Current:				
Physical environment	125,187	125,187	105,597	19,590
Total expenditures	<u>125,187</u>	<u>125,187</u>	<u>105,597</u>	<u>19,590</u>
Deficiency of revenues under expenditures	<u>(58,844)</u>	<u>(58,844)</u>	<u>(29,876)</u>	<u>28,968</u>
Net change in fund balances	<u>(58,844)</u>	<u>(58,844)</u>	<u>(29,876)</u>	<u>28,968</u>
<b>Fund balances</b>				
Beginning of year	-	-	263,821	263,821
Prior carryforward	58,844	58,844	-	(58,844)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,945</u>	<u>\$ 233,945</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 873,500	\$ 873,500	\$ 755,836	\$ (117,664)
Miscellaneous	-	-	-	-
Total revenues	<u>873,500</u>	<u>873,500</u>	<u>755,836</u>	<u>(117,664)</u>
<b>Expenditures</b>				
Current:				
Human services	873,500	873,500	721,257	152,243
Total expenditures	<u>873,500</u>	<u>873,500</u>	<u>721,257</u>	<u>152,243</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>34,579</u>	<u>34,579</u>
<b>Other financing uses</b>				
Net change in fund balances	<u>-</u>	<u>-</u>	<u>34,579</u>	<u>34,579</u>
<b>Fund balances</b>				
Beginning of year	-	-	(62,972)	(62,972)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,393)</u>	<u>\$ (28,393)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 5,120	\$ 5,120	\$ 1,550	\$ (3,570)
Service assessments	27,092	27,092	181,200	154,108
Total revenues	<u>32,212</u>	<u>32,212</u>	<u>182,750</u>	<u>150,538</u>
<b>Expenditures</b>				
Current:				
Public safety	20,475	26,647	29,870	(3,223)
Capital outlay:				
Public safety	<u>25,500</u>	<u>25,500</u>	<u>22,949</u>	<u>2,551</u>
Total expenditures	<u>45,975</u>	<u>52,147</u>	<u>52,819</u>	<u>(672)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,763)</u>	<u>(19,935)</u>	<u>129,931</u>	<u>149,866</u>
Net change in fund balances	<u>(13,763)</u>	<u>(19,935)</u>	<u>129,931</u>	<u>149,866</u>
<b>Fund balances</b>				
Beginning of year	-	-	41,370	41,370
Prior carryforward	<u>13,763</u>	<u>19,935</u>	-	<u>(19,935)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,301</u>	<u>\$ 171,301</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment earnings	\$ 6,400	\$ 6,400	\$ 4,559	\$ (1,841)
Service assessments	25,894	25,894	151,227	125,333
Total revenues	<u>32,294</u>	<u>32,294</u>	<u>155,786</u>	<u>123,492</u>
<b>Expenditures</b>				
Current:				
Public safety	-	94,500	23,616	70,884
Capital outlay:				
Public safety	21,500	-	-	-
Total expenditures	<u>21,500</u>	<u>94,500</u>	<u>23,616</u>	<u>70,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,794</u>	<u>(62,206)</u>	<u>132,170</u>	<u>194,376</u>
<b>Other financing uses</b>				
Transfers out	(12,000)	(12,000)	-	12,000
Total other financing sources (uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>	<u>12,000</u>
Net change in fund balances	<u>(1,206)</u>	<u>(74,206)</u>	<u>132,170</u>	<u>206,376</u>
<b>Fund balances</b>				
Beginning of year	-	-	446,820	446,820
Prior carryforward	1,206	74,206	-	(74,206)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578,990</u>	<u>\$ 578,990</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 16,028	\$ 16,028
Investment earnings	11,400	11,400	6,564	(4,836)
Service assessments	43,830	43,830	156,584	112,754
Miscellaneous	-	-	-	-
Total revenues	<u>55,230</u>	<u>55,230</u>	<u>179,176</u>	<u>123,946</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	-	-	1,173	(1,173)
Capital outlay:				
Culture and recreation	-	27,794	-	27,794
Total expenditures	<u>-</u>	<u>27,794</u>	<u>1,173</u>	<u>26,621</u>
Excess of revenues over expenditures	<u>55,230</u>	<u>27,436</u>	<u>178,003</u>	<u>150,567</u>
<b>Other financing uses</b>				
Transfers out	-	(66,768)	(57,360)	9,408
Total other financing sources (uses)	<u>-</u>	<u>(66,768)</u>	<u>(57,360)</u>	<u>9,408</u>
Net change in fund balances	<u>55,230</u>	<u>(39,332)</u>	<u>120,643</u>	<u>159,975</u>
<b>Fund balances</b>				
Beginning of year	-	-	827,983	827,983
Prior carryforward	-	94,562	-	(94,562)
Future carryforward	(55,230)	(55,230)	-	55,230
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 948,626</u>	<u>\$ 948,626</u>

This page intentionally left blank.

**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, 2017**

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.	115-125
<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.	126-129
<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.	130-133
<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.	134-136
<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.	137-140

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

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

**Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Governmental activities</u></b>				
Net investment in capital assets	\$ 98,814,290	\$ 105,645,908	\$ 104,250,077	\$ 102,568,745
Restricted	28,464,057	24,120,145	9,680,361	7,924,107
Unrestricted	5,361,947	1,555,358	19,401,295	24,915,158
	<u>132,640,294</u>	<u>131,321,411</u>	<u>133,331,733</u>	<u>135,408,010</u>
Total governmental activities net position				
<b><u>Business-type activities</u></b>				
Net investment in capital assets	\$ 92,584,371	\$ 101,598,575	\$ 105,427,868	\$ 107,512,124
Restricted	2,473,650	7,680,009	7,401,643	7,333,198
Unrestricted	14,849,417	4,489,557	6,500,159	12,072,947
	<u>109,907,438</u>	<u>113,768,141</u>	<u>119,329,670</u>	<u>126,918,269</u>
Total business-type activities net position				
<b><u>Primary government</u></b>				
Net investment in capital assets	\$ 191,398,661	\$ 207,244,483	\$ 209,677,945	\$ 210,080,869
Restricted	30,937,707	31,800,154	17,082,004	15,257,305
Unrestricted	20,211,364	6,044,915	25,901,454	36,988,105
	<u>242,547,732</u>	<u>245,089,552</u>	<u>252,661,403</u>	<u>262,326,279</u>
Total primary government net position				

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.

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
\$ 101,482,226	\$ 105,948,864	\$ 111,151,923	\$ 111,351,524	\$ 108,240,437	\$ 107,019,238
8,469,141	11,289,017	7,575,856	8,228,377	11,433,666	12,778,199
24,698,280	25,049,707	25,964,838	14,281,759	16,702,639	22,132,870
<u>\$ 134,649,647</u>	<u>\$ 142,287,588</u>	<u>\$ 144,692,617</u>	<u>\$ 133,861,660</u>	<u>\$ 136,376,742</u>	<u>\$ 141,930,307</u>
\$ 107,795,107	\$ 110,153,986	\$ 114,654,748	\$ 117,122,656	\$ 118,789,153	\$ 123,109,213
8,137,545	6,886,924	5,619,365	6,398,053	6,672,392	8,270,058
17,654,042	27,643,950	32,858,374	34,875,110	40,223,179	44,558,164
<u>\$ 133,586,694</u>	<u>\$ 144,684,860</u>	<u>\$ 153,132,487</u>	<u>\$ 158,395,819</u>	<u>\$ 165,684,724</u>	<u>\$ 175,937,435</u>
\$ 209,277,333	\$ 216,102,850	\$ 225,806,671	\$ 228,474,180	\$ 227,029,590	\$ 230,128,451
16,606,686	18,175,941	13,195,221	14,626,430	18,106,058	21,048,257
42,352,322	52,693,657	58,823,212	49,156,869	56,925,818	66,691,034
<u>\$ 268,236,341</u>	<u>\$ 286,972,448</u>	<u>\$ 297,825,104</u>	<u>\$ 292,257,479</u>	<u>\$ 302,061,466</u>	<u>\$ 317,867,742</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)*

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Expenses</u></b>				
Governmental activities:				
General government	\$ 6,268	\$ 7,551	\$ 5,839	\$ 6,126
Public safety	22,875	23,600	22,506	22,854
Transportation	5,748	5,384	4,968	5,004
Physical environment	3,088	2,983	2,325	1,899
Economic environment	1,354	2,345	1,116	828
Human services	146	214	122	90
Culture and recreation	5,779	5,835	5,311	5,188
Interest on long-term debt	358	834	749	728
Total governmental activities expenses	<u>45,616</u>	<u>48,746</u>	<u>42,936</u>	<u>42,717</u>
Business-type activities:				
Water and sewer	18,646	18,075	17,600	16,585
Stormwater	5,329	1,904	2,022	2,574
Solid waste	2,377	5,163	5,190	5,069
Golf Course	-	-	-	-
Total business-type activities expenses	<u>26,352</u>	<u>25,142</u>	<u>24,812</u>	<u>24,228</u>
Total primary government expenses	<u>71,968</u>	<u>73,888</u>	<u>67,748</u>	<u>66,945</u>
<b><u>Program revenues</u></b>				
Governmental activities:				
Charges for services:				
General government	1,110	992	892	1,120
Public safety	3,312	3,344	3,175	3,318
Transportation	61	69	66	68
Physical environment	119	103	247	67
Economic environment	-	-	-	-
Culture and recreation	480	721	674	647
Operating grants and contributions	1,460	2,097	2,478	3,172
Capital grants and contributions	1,100	1,591	972	1,408
Total governmental activities program revenues	<u>7,642</u>	<u>8,917</u>	<u>8,504</u>	<u>9,800</u>
Business-type activities:				
Charges for services	25,156	25,947	28,113	29,097
Operating grants and contributions	-	1,580	1,873	1,593
Capital grants and contributions	3,393	1,171	722	1,074
Total business-type activities program revenues	<u>28,549</u>	<u>28,698</u>	<u>30,708</u>	<u>31,764</u>
Total primary government program revenues	<u>36,191</u>	<u>37,615</u>	<u>39,212</u>	<u>41,564</u>
<b><u>Net (expense) / revenue</u></b>				
Governmental activities	(37,974)	(39,829)	(34,432)	(32,917)
Business-type activities	2,197	3,556	5,896	7,536
Total primary government net expense	<u>(35,777)</u>	<u>(36,273)</u>	<u>(28,536)</u>	<u>(25,381)</u>

*(Continued)*

	2012	2013	2014	2015	2016	2017
\$	5,438	\$ 4,970	\$ 4,948	\$ 5,989	\$ 6,259	\$ 6,524
	24,434	24,341	25,271	24,402	25,129	21,357
	4,544	4,872	4,802	6,243	7,013	8,480
	1,554	707	503	(24)	479	712
	844	2,741	2,300	2,265	3,251	3,478
	73	1,209	998	1,165	774	806
	5,420	5,224	5,535	5,774	4,885	5,115
	601	505	480	445	418	391
	<u>42,908</u>	<u>44,569</u>	<u>44,837</u>	<u>46,259</u>	<u>48,208</u>	<u>46,863</u>
	17,832	16,939	16,629	19,969	20,920	19,886
	2,704	2,481	2,454	2,584	2,679	2,636
	5,101	5,287	5,441	5,485	5,594	5,722
	-	411	1,377	1,314	1,265	1,278
	<u>25,637</u>	<u>25,118</u>	<u>25,901</u>	<u>29,352</u>	<u>30,458</u>	<u>29,522</u>
	<u>68,545</u>	<u>69,687</u>	<u>70,738</u>	<u>75,611</u>	<u>78,666</u>	<u>76,385</u>
	1,248	537	391	165	547	630
	4,390	3,572	2,530	2,886	3,389	4,015
	70	76	83	1	1	29
	13	49	60	68	63	74
	-	11	-	-	-	-
	1,031	473	377	374	334	308
	2,773	4,624	3,893	6,247	6,229	6,700
	1,124	1,759	5,503	2,330	2,020	1,090
	<u>10,649</u>	<u>11,101</u>	<u>12,837</u>	<u>12,071</u>	<u>12,583</u>	<u>12,846</u>
	30,226	31,671	33,192	35,071	35,270	37,676
	803	53	25	-	-	-
	1,144	4,372	2,375	2,184	1,411	1,855
	<u>32,173</u>	<u>36,096</u>	<u>35,592</u>	<u>37,255</u>	<u>36,681</u>	<u>39,531</u>
	<u>42,822</u>	<u>47,197</u>	<u>48,429</u>	<u>49,326</u>	<u>49,264</u>	<u>52,377</u>
	(32,259)	(33,468)	(32,000)	(34,188)	(35,625)	(34,017)
	6,536	10,978	9,691	7,903	6,223	10,009
	<u>(25,723)</u>	<u>(22,490)</u>	<u>(22,309)</u>	<u>(26,285)</u>	<u>(29,402)</u>	<u>(24,008)</u>

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

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

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>General revenues and other changes in net position</u></b>				
Governmental activities:				
Property tax	\$ 19,325	\$ 18,644	\$ 16,387	\$ 15,502
Other taxes	19,907	18,435	18,706	18,820
Unrestricted investment earnings	1,105	996	401	254
Gain on sale of capital assets	86	14	11	33
Miscellaneous	329	421	294	169
Transfers in (out)	-	-	643	214
Total governmental activities	<u>40,752</u>	<u>38,510</u>	<u>36,442</u>	<u>34,992</u>
Business-type activities:				
Unrestricted investment earnings	481	155	157	122
Gain on sale of capital assets	-	-	-	-
Miscellaneous	186	150	152	146
Transfers in (out)	-	-	(643)	(214)
Total business-type activities	<u>667</u>	<u>305</u>	<u>(334)</u>	<u>54</u>
Total primary government	<u>41,419</u>	<u>38,815</u>	<u>36,108</u>	<u>35,046</u>
<b><u>Change in net position</u></b>				
Governmental activities	2,778	(1,319)	2,010	2,075
Business-type activities	<u>2,864</u>	<u>3,861</u>	<u>5,562</u>	<u>7,590</u>
Total government	<u>\$ 5,642</u>	<u>\$ 2,542</u>	<u>\$ 7,572</u>	<u>\$ 9,665</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.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	14,956	\$ 15,523	\$ 15,871	\$ 16,478	\$ 19,107	\$ 19,955
	17,082	17,045	18,024	18,381	18,586	19,053
	236	106	153	193	432	267
	(3)	-	-	-	-	-
	149	757	137	359	39	112
	8	98	335	153	(23)	184
	<u>32,428</u>	<u>33,529</u>	<u>34,520</u>	<u>35,564</u>	<u>38,141</u>	<u>39,571</u>
	123	73	128	181	350	294
	165	145	247	131	692	133
	(8)	(98)	(335)	(140)	23	(184)
	<u>280</u>	<u>120</u>	<u>40</u>	<u>172</u>	<u>1,065</u>	<u>243</u>
	<u>32,708</u>	<u>33,649</u>	<u>34,560</u>	<u>35,736</u>	<u>39,206</u>	<u>39,814</u>
	169	61	2,520	1,376	2,516	5,554
	6,816	11,098	9,731	8,075	7,288	10,252
\$	<u>6,985</u>	<u>\$ 11,159</u>	<u>\$ 12,251</u>	<u>\$ 9,451</u>	<u>\$ 9,804</u>	<u>\$ 15,806</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>General fund</u></b>				
Reserved	\$ 1,533	\$ -	\$ -	\$ -
Unreserved	10,222	-	-	-
Total general fund	<u>\$ 11,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>All other governmental funds</u></b>				
Reserved	\$ 33,971	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	2,586	-	-	-
Debt service funds	-	-	-	-
Capital projects funds	1,384	-	-	-
Various	-	-	-	-
	<u>\$ 37,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>General fund</u></b>				
Nonspendable	\$ -	\$ 151	\$ 173	\$ 258
Restricted	-	2	4	2
Assigned	-	3,701	1,277	1,369
Unassigned	-	8,331	11,847	16,233
Total general fund	<u>\$ -</u>	<u>\$ 12,185</u>	<u>\$ 13,301</u>	<u>\$ 17,862</u>
<b><u>All other governmental funds</u></b>				
Nonspendable	\$ -	\$ -	\$ -	\$ 7
Restricted	-	23,999	9,666	8,203
Committed	-	-	-	5
Assigned	-	5,487	4,878	2,378
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 29,486</u>	<u>\$ 14,544</u>	<u>\$ 10,593</u>

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

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

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 315	\$ 334	\$ 295	\$ 343	\$ 358	\$ 435
-	-	-	-	-	-
1,446	1,376	1,788	346	380	209
16,098	17,644	14,726	16,728	19,597	21,600
\$ 17,859	\$ 19,354	\$ 16,809	\$ 17,417	\$ 20,335	\$ 22,244
\$ 1	\$ 4	\$ 4	\$ 14	\$ 1	\$ 20
9,586	12,012	8,095	8,812	11,715	13,268
362	334	322	317	312	289
1,421	1,234	4,565	4,441	4,820	4,527
(171)	(937)	(2,481)	(312)	(113)	(69)
\$ 11,199	\$ 12,647	\$ 10,505	\$ 13,272	\$ 16,735	\$ 18,035

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b><u>Revenues</u></b>						
Taxes	\$ 27,272	\$ 26,639	\$ 24,339	\$ 23,242	\$ 22,490	\$ 27,706
Licenses and permits	4,408	5,031	5,249	5,829	5,693	1,679
Intergovernmental revenues	11,090	9,976	9,380	12,076	10,011	9,655
Charges for services	2,229	2,277	2,357	1,963	2,290	2,208
Fines and forfeitures	400	291	246	158	226	267
Impact fees	679	376	262	423	1,022	1,008
Interest earnings	973	926	313	204	185	100
Miscellaneous revenues	630	853	562	377	338	957
Total revenues	<u>47,681</u>	<u>46,369</u>	<u>42,708</u>	<u>44,272</u>	<u>42,255</u>	<u>43,580</u>
<b><u>Expenditures</u></b>						
Current:						
General government	6,131	6,175	4,839	5,280	4,873	4,651
Public safety	21,224	21,335	21,806	21,564	22,455	22,825
Transportation	2,455	2,342	2,162	1,961	2,065	2,270
Physical environment	2,972	2,692	3,842	2,149	1,757	457
Economic environment	1,885	1,418	1,119	825	843	2,234
Human services	167	213	109	77	61	1,196
Culture and recreation	5,108	4,758	4,357	4,093	4,305	4,221
Debt Service:						
Principal	168	4,354	708	822	2,003	1,211
Interest and fiscal charges	456	834	749	728	601	519
Capital Outlay	6,114	13,029	18,079	6,523	3,272	3,118
Total expenditures	<u>46,680</u>	<u>57,150</u>	<u>57,770</u>	<u>44,022</u>	<u>42,235</u>	<u>42,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,001</u>	<u>(10,781)</u>	<u>(15,062)</u>	<u>250</u>	<u>20</u>	<u>878</u>
<b><u>Other financing sources (uses)</u></b>						
Capital Leases	-	-	-	-	540	656
Transfers in	12,603	4,519	2,846	5,315	5,068	3,536
Transfers (out)	(12,603)	(4,519)	(2,203)	(5,101)	(5,060)	(3,389)
Proceeds from sale of property	125	20	12	145	35	96
Issuance of debt	18,300	2,736	582	-	-	-
Issuance of refunding debt	-	-	-	-	15,050	-
Payment to refunded bond escrow agent	-	-	-	-	(15,050)	-
Total other financing sources (uses)	<u>18,425</u>	<u>2,756</u>	<u>1,237</u>	<u>359</u>	<u>583</u>	<u>899</u>
Net change in fund balances	<u>\$ 19,426</u>	<u>\$ (8,025)</u>	<u>\$ (13,825)</u>	<u>\$ 609</u>	<u>\$ 603</u>	<u>\$ 1,777</u>
Debt service as a percentage of non-capital expenditures	<u>1.54%</u>	<u>11.76%</u>	<u>3.67%</u>	<u>4.13%</u>	<u>6.68%</u>	<u>4.37%</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>
\$ 28,687	\$ 28,693	\$ 31,279	\$ 32,292
715	1,709	1,917	2,361
12,455	15,858	15,051	13,897
2,063	2,181	2,465	2,723
233	289	218	269
209	212	236	496
147	182	443	339
268	485	171	233
<u>44,777</u>	<u>49,609</u>	<u>51,780</u>	<u>52,610</u>
4,742	5,595	5,527	5,852
23,463	23,061	23,393	24,715
2,132	2,036	2,223	3,693
485	493	504	448
2,119	2,066	2,150	2,206
984	1,143	747	790
4,468	4,499	4,541	4,883
1,447	1,522	1,435	1,363
480	446	418	391
10,029	6,325	5,356	6,035
<u>50,349</u>	<u>47,186</u>	<u>46,294</u>	<u>50,376</u>
<u>(5,572)</u>	<u>2,423</u>	<u>5,486</u>	<u>2,234</u>
519	531	551	489
7,013	4,819	4,573	4,262
(6,678)	(4,460)	(4,514)	(4,078)
31	62	285	302
-	-	-	-
-	-	-	-
-	-	-	-
<u>885</u>	<u>952</u>	<u>895</u>	<u>975</u>
<u>\$ (4,687)</u>	<u>\$ 3,375</u>	<u>\$ 6,381</u>	<u>\$ 3,209</u>
<u>4.78%</u>	<u>4.82%</u>	<u>4.53%</u>	<u>3.96%</u>

**Schedule 5  
CITY OF SANFORD, FLORIDA**

**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY**

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

<b>Fiscal Year</b>	<b>Assessed Values</b>			<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
	<b>Real Property</b>	<b>Personal Property</b>	<b>Total</b>					
2008	\$ 4,388,732	\$ 379,778	\$ 4,768,510	\$ (1,363,021)	\$ 3,405,489	6.325	\$ 3,532,665	96.40%
2009	4,340,613	399,744	4,740,357	(1,483,654)	3,256,703	6.325	3,353,968	97.10%
2010	3,695,403	395,393	4,090,796	(1,213,705)	2,877,091	6.325	2,920,904	98.50%
2011	3,216,500	367,284	3,583,784	(1,077,847)	2,505,937	6.825	2,618,554	95.70%
2012	2,905,133	370,398	3,275,531	(975,751)	2,299,780	6.825	2,309,016	99.60%
2013	2,896,666	370,000	3,266,666	(977,066)	2,289,600	6.825	2,310,393	99.10%
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%

**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)**

<b>Fiscal Year</b>	<b>City of Sanford, Florida</b>	<b>Seminole County</b>				<b>St. Johns River Water Mgmt. Dist.</b>	<b>Total</b>
		<b>Operating millage</b>	<b>Natural Lands</b>		<b>School Board</b>		
	<b>Trails I&amp;S Fund</b>		<b>Total Government</b>				
2008	6.325	4.213	0.145	4.358	7.413	0.416	18.512
2009	6.325	4.515	0.145	4.660	7.543	0.416	18.944
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	19.915
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

\* 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 2017</b>			<b>Fiscal Year 2008</b>		
	<b>Taxable Value</b>	<b>Percent of Total Taxable Value</b>	<b>Rank</b>	<b>Taxable Value</b>	<b>Percent of Total Taxable Value</b>	<b>Rank</b>
Seminole Towne Center LP	\$ 64,226,778	2.81%	1	\$ 107,799,819	3.32%	1
Florida Power & Light Co	54,995,565	2.40%	2	36,658,352	1.13%	6
Solstice Loop Holdings LLC	46,586,156	2.04%	3			
Central FL Regional Hospital	39,472,310	1.72%	4	45,749,345	1.41%	3
CRLP Twin Lakes LLC	37,272,632	1.63%	5			
Lakes Edge Apartments LLC	36,823,032	1.61%	6			
WRI Seminole Marketplace LLC	36,562,792	1.60%	7	53,341,658	1.64%	2
Solara Holdings - CJ LLC	35,868,920	1.57%	8			
Wal-Mart Stores East LP	31,514,696	1.38%	9	43,134,344	1.33%	5
Bre Piper MF Westlake FL LLC	31,414,880	1.37%	10			
Colonial Realty LP				43,783,556	1.35%	4
Plantation Lakes Ltd				34,447,920	1.06%	7
Westlake Arbour LLC				32,263,636	0.99%	8
Bellsouth Communications, Inc.				26,479,603	0.82%	9
MSKP Gateway LLC				25,226,207	0.78%	10
	<u>\$ 414,737,761</u>	<u>18.13%</u>		<u>\$ 448,884,440</u>	<u>13.83%</u>	

**Source:** Seminole County Property Appraiser - 2017 Top Ten Taxpayer for Sanford and City of Sanford FY 2008 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>
2008	\$ 20,197,247	\$ 19,272,717	95.4%	\$ 51,814	\$ 19,324,531	95.7%
2009	19,225,971	18,570,633	96.6%	72,819	18,643,452	97.0%
2010	17,010,594	16,162,695	95.0%	224,474	16,387,169	96.3%
2011	16,035,942	15,305,619	95.4%	196,872	15,502,491	96.7%
2012	15,500,000	14,864,192	95.9%	91,790	14,955,982	96.5%
2013	15,067,289	14,468,825	96.0%	27,872	14,496,697	96.2%
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%

**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
2008	\$ 1,000,000	\$ 18,000,000	\$ 1,425,000	\$ 240,065	\$ 20,828,102	\$ 32,712,870	\$ 924,058
2009	-	17,410,000	1,240,000	211,371	19,921,968	30,854,659	564,805
2010	-	16,795,000	1,050,000	700,502	19,107,056	33,717,701	189,126
2011	-	16,155,000	855,000	518,760	18,153,995	34,110,664	-
2012	-	14,375,000	650,000	836,051	16,948,428	32,719,107	-
2013	-	13,680,000	440,000	1,185,616	15,788,466	33,513,261	-
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	-

**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.

---

	<b>Total Primary Government</b>	<b>Sanford * Personal Income</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$	75,130,095	\$ 2,397,121,146	3.1%	1,383
	70,202,803	2,336,529,272	3.0%	1,304
	71,559,385	2,140,111,536	3.3%	1,340
	69,793,419	2,140,245,586	3.3%	1,306
	65,528,586	2,207,000,608	3.0%	1,212
	64,607,343	2,272,702,597	2.8%	1,199
	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

Schedule 10  
CITY OF SANFORD, FLORIDA

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Proprietary Funds								
Water and Sewer Revenue Bonds								
Fiscal Year	Gross Revenues (1), (5)	water System Development Charges (7)	Operating Expenses (2)	Net Available		Debt Service Requirements (3)		Coverage
				For Debt Service		Principal	Interest	
2008	\$ 17,105,148	\$ 906,018	\$ 13,170,977	\$ 4,840,189	\$ 1,030,000	\$ 969,158	2.42	
2009	17,490,831	907,877	11,691,337	6,707,371	1,065,000	938,258	3.35	
2010	19,244,661	721,961	12,093,933	7,872,689	1,095,000	924,297	3.90	
2011	20,294,405	837,165	11,915,644	9,215,926	1,120,000	769,764	4.88	
2012	21,108,818	927,715	12,667,718	9,368,815	1,365,000	729,164	4.47	
2013	22,027,671	928,700	12,416,929	10,539,442	1,415,000	681,389	5.03	
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	

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		
2008	\$ 17,105,148	\$ 13,170,977	\$ 3,934,171	\$ 1,844,249	\$ 792,010	1.49	
2009	17,490,831	11,691,337	5,799,494	1,796,473	789,846	2.24	
2010	19,244,661	12,093,933	7,150,728	1,851,177	716,019	2.79	
2011	20,294,405	11,915,644	8,378,761	1,854,547	757,727	3.21	
2012	21,108,818	12,667,718	8,441,100	1,967,848	705,047	3.16	
2013	22,027,671	12,416,929	9,610,742	2,439,435	649,489	3.11	
2014	22,570,956	12,509,032	10,061,924	2,381,877	597,388	3.38	
2015	23,710,035	14,759,306	8,950,729	2,410,939	565,114	3.01	
2016	24,522,417	14,791,336	9,731,081	2,300,903	724,762	3.22	
2017	25,925,613	16,475,549	9,450,064	2,332,799	782,720	3.03	

General Government				
Sales Tax Note				
Fiscal Year	Half-Cent Sales Tax	Debt Service Requirements (4),		Coverage
		Principal	Interest	
2008	\$ 3,371,680	\$ -	\$ 286,960	11.75
2009	2,975,011	590,000	759,600	2.20
2010	2,915,832	615,000	734,702	2.16
2011	2,939,839	640,000	708,749	2.18
2012	3,098,395	670,000	585,968	2.47
2013	3,213,921	695,000	467,188	2.77
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

Special Facilities Revenue Bonds				
Fiscal Year	Facilities Revenue	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
2008	\$ 67,256	\$ 115,000	\$ 59,064	NA
2009	71,347	1,000,000	51,682	NA
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-

Proprietary Funds

Stormwater Revenue Bonds					
Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage
			Principal	Interest	
\$ 3,035,556	\$ 1,863,121	\$ 1,172,435	\$ 344,270	\$ 53,618	7.63
3,249,301	1,259,700	1,989,601	360,043	62,662	7.69
3,800,074	1,574,814	2,225,260	376,471	8,468	9.87
3,731,188	1,895,947	1,835,241	191,564	4,239	19.06
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	-	-	-

Stormwater State Revolving Loans					
Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage (9)
			Principal	Interest	
\$ -	\$ -	\$ -	\$ -	\$ -	-
3,249,301	1,259,700	1,989,601	183,184	121,393	6.53
3,800,074	1,574,814	2,225,260	188,215	116,361	7.31
3,731,188	1,895,947	1,835,241	245,250	191,783	4.20
4,066,178	1,915,200	2,150,978	321,442	183,107	4.26
4,269,917	1,686,945	2,582,972	325,628	175,662	5.15
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	446,627	155,325	6.13

General Government

CRA Note

Fiscal Year	CRA Ad Valorem Taxes	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
2008	\$ 1,378,763	\$ 175,000	\$ 55,840	5.97
2009	1,587,494	185,000	49,733	6.76
2010	1,342,653	190,000	43,276	5.76
2011	1,097,603	195,000	36,645	4.74
2012	1,014,246	205,000	29,840	4.32
2013	1,025,900	210,000	22,685	4.41
2014	1,117,433	215,000	15,397	4.85
2015	951,384	225,500	7,853	4.08
2016	-	-	-	-
2017	-	-	-	-

- (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, 2017**

<u>Jurisdiction</u>	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Sanford</u>	<u>Amount Applicable to City of Sanford</u>
Governmental unit			
General obligation debt			
Seminole County Government	\$ -	10.1%	\$ -
Seminole County School Board	-	10.2%	-
Other debt			
Seminole County Government			
Revenue bonds	118,532,000	10.1%	11,918,989
Capital leases	2,365,291	10.1%	237,842
Seminole County School Board			
State education bonds	13,090,275	10.2%	1,337,217
Certificates of participation	192,165,786	10.2%	<u>19,630,398</u>
Subtotal, overlapping debt			33,124,446
City direct debt			<u>11,628,583</u>
Total direct and overlapping debt			<u><u>\$ 44,753,029</u></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 09/30/17 CAFR. FY 2017 information was not available prior to CAFR publication.

**Schedule 12  
CITY OF SANFORD, FLORIDA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Per Capita Personal Income (2)</b>	<b>Personal Income (2)</b>	<b>Public School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2008	54,306	\$ 44,141	\$ 2,397,121,146	11,080	4.9%
2009	53,816	43,417	2,336,529,272	12,969	8.8%
2010	53,392	40,083	2,140,111,536	13,139	10.6%
2011	53,422	40,063	2,140,245,586	13,597	9.9%
2012	54,064	40,822	2,207,000,608	13,164	8.2%
2013	53,867	42,191	2,272,702,597	13,605	6.6%
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%

- Source:**
- (1) Office of Economic and Demographic Research  
Florida Population Estimates for Counties and Municipalities - April 1, 2015  
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 2016 / 2017</u>		<u>Fiscal Year 2007 / 2008</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Seminole State College	1,746	1	1,352	3
Seminole County Public Schools**	1,704	2	1,377	2
Seminole County Government***	1,581	3	1,446	1
Seminole County Sheriff****	1,300	4	*	N/A
Central Florida Regional Hospital	1,120	5	857	4
Walmart Stores - Sanford	646	6	791	5
City of Sanford	540	7	516	8
Orlando Sanford International Airport	480	8	610	6
Benada Aluminum Products	160	9	*	N/A
CPH Engineers	125	10	326	9
Florida Extruders	N/A	N/A	561	7
Featherlite Motorcoach	N/A	N/A	266	10
Total	<u>9,402</u>		<u>8,102</u>	

\* Data not available

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

\*\*\*Seminole County Government - FY 2017 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 2017 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**

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>General Government:</b>										
City Manager	9.00	7.00	12.00	11.68	7.33	9.33	10.33	9.33	9.33	7.15
Community Improvement	6.00	8.00	10.00	10.24	12.24	9.24	9.14	9.00	9.00	9.00
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance/IT	14.00	20.00	20.00	13.73	16.23	16.23	17.33	17.47	17.47	18.47
Planning/Development	13.00	11.00	11.00	8.50	8.00	8.00	8.00	8.00	8.00	8.00
<b>Public Safety:</b>										
Police	153.00	145.00	153.00	143.00	143.00	150.00	149.95	149.95	149.95	149.95
Fire	94.00	90.00	90.20	89.20	89.50	89.50	91.64	91.55	80.87	82.15
<b>Public Works</b>	90.00	86.00	93.20	88.05	88.05	83.05	83.25	84.25	84.25	82.35
<b>Utilities</b>	100.00	99.00	100.50	101.00	101.00	102.50	103.50	104.00	103.50	105.50
<b>Recreation</b>	18.00	18.00	34.60	32.80	33.80	32.80	32.80	32.80	33.30	32.80
<b>Total</b>	<b>505.00</b>	<b>491.00</b>	<b>531.50</b>	<b>505.20</b>	<b>506.15</b>	<b>507.65</b>	<b>512.94</b>	<b>513.35</b>	<b>502.67</b>	<b>502.37</b>

**Source:** City of Sanford Budgets 2001-2008, 2010-2017  
City of Sanford Financial Services Department

**Schedule 15  
CITY OF SANFORD, FLORIDA**

**OPERATING INDICATORS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b><u>Building Inspections</u></b>					
All permits issued**	3,383	3,004	2,564	3,026	3,225
Building permits issued**	1,696	1,687	1,291	1,408	1,433
Inspections completed**	10,293	9,035	8,011	8,972	10,396
Re-inspections completed**	1,270	1,301	931	1,087	997
<b><u>Law Enforcement</u></b>					
Physical arrests	3,258	3,516	3,040	2,422	2,394
DUI arrests	127	102	107	63	94
Traffic violations	6,419	5,306	4,428	5,123	6,922
Traffic crashes	1,595	1,352	1,261	1,346	1,581
Total calls received by agency	100,235	127,471	72,482	121,149 **	119,018
Dispatched calls requiring police service (based on calendar year figures)	89,339	96,712	85,281	90,388 **	84,691
<b><u>Fire</u></b>					
Emergency responses	8,929	8,632	8,480	8,794	8,977
Number of actual fires suppressed	241	265	58	63	56
Number of commercial building inspections	1,022	2,178	1,363	2,220	2,100
Number of school inspections***	17	19	14	24	24
Number of investigations	47	31	23	29	33
<b><u>Planning &amp; Engineering</u></b>					
Paved streets (miles)	156.12	156.35	156.61	160.64 **	160.64
Unpaved streets (miles)	2.10	2.10	2.10	0.38 **	0.38
<b><u>Public Works</u></b>					
Street resurfacing (miles)	3.95	3.25	4.30	4.36	3.53
Other street repairs (# of potholes, etc.)	162	150	119	206	231

\* 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>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
3,383	2,749	3,630	3,614	4,409
1,450	1,464	2,257	2,058	2,565
12,013	7,165	7,525	8,592	9,835
1,454	946	1,206	1,537	1,587
2,670	3,134**	3,137	3,041	3,926
43	40	53	65	60
4,560	15,173**	17,903	16,358	10,663
1,564	2,019	2,593	4,539	1,930
108,935	137,298	128,309	127,543	122,610
85,270	102,516	92,124	92,583	75,826
9,311	9,571	9,880	10,516	10,021
37	94	56	242	255
2,403	1,942	2,204	2145	1,996
15	14	29	25	27
31	30	23	30	30
160.64	160.64	160.64	160.64	160.64
0.38	0.38	0.38	0.38	0.38
-				
3.16	7.80	5.90	13.70	20.95
236	200	202	200	89

**Schedule 16  
CITY OF SANFORD, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

**Last Ten Fiscal Years**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Transportation</u></b>				
Miles of streets	158.22	158.45	158.71	161.02**
<b><u>Public Safety</u></b>				
Number of Fire Stations	3	3	3	3
Number of Firefighters and Officers	80	76	75	77
Number of Police Stations*	4	4	3	2
Number of Sworn Officers	137	125	125	123
<b><u>Municipal Water System</u></b>				
Number of Customers	16,781	15,443	15,625	15,127
Average Daily Consumption	7.180 MGD	7.31 MGD	6.971 MGD	6.513 MGD
Plant Capacity - All Plants	14.688 MGD	14.688 MGD	14.688 MGD	14.688 MGD
Deep Wells	19	19	19	19
Number of Fire Hydrants	1,207	1,271	1,352	1,281
<b><u>Municipal Sewer System</u></b>				
Number of Customers	14,093	12,843	12,574	14,114
Treatment Facility Capacity	9.3 MGD	9.3 MGD	9.3 MGD	9.3 MGD
Annual Average Flow	7.57 MGD	6.438 MGD	6.334 MGD	6.05 MGD
<b><u>Municipal Stormwater System</u></b>				
Number of Customers	13,842	13,260	12,982	13,861
<b><u>Building Permits Issued**</u></b>				
	1,696	1,687	1,291	1,408
<b><u>Recreation &amp; Culture</u></b>				
Number of Regional Parks	1	1	1	1
Number of Neighborhood Parks	38	36	36	36
Park Area - #of acres	350	350	350	350
Number of Museums	1	1	1	1
Number of Books	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>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
161.02**	161.02	161.02	161.02	161.02	161.02
3	3	3	3	3	3
79	75	79	77	75	74
1	1	1	1	1	1
124	130	129	124	124	132
15,207	15,532	15,654	15,908	16,065	16,226
6.154 MGD	5.798 MGD	6.193 MGD	6.391 MGD	6.424 MGD	5.959
14.688 MGD	14.688 MGD	14.688 MGD	14.688MGD	14.688 MGD	14.688 MGD
19	18	16	17	17	19
1,281	1,393		1,400	1418	1464
14,182	14,453	14,634	14,864	15,012	15,162
9.3 MGD	9.3 MGD	9.3 MGD	10.3 MGD	10.3 MGD	10.3 MGD
6.396 MGD	6.691 MGD	6.788 MGD	6.600 MGD	6.263 MGD	6.329 MGD
13,909	14,176	14,354	14,582	14,743	14,882
1,433	1,450	2,749	3,630	2,058	2,565
1	1	1	1	1	1
36	36	36	29	28	28
350	350	350	129	133	133
1	1	1	1	1	1
3,630	3,630	3,630	3,630	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 year ended September 30, 2017, 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 27, 2018.

**Internal Control over Financial Reporting**

Management of the City is responsible for establishing and maintaining effective 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 27, 2018.

### **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.

A handwritten signature in blue ink that reads "Moore Stephens Lovelace, P.A.".

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

Orlando, Florida  
March 27, 2018



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 year ended September 30, 2017. 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 \$1,816,055 in federal awards during the year ended September 30, 2017. 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 year ended September 30, 2017.

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

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on 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 year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 27, 2018, 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, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance, Rules of the Department of Financial Services*, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the 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.

*Moore Stephens Lovelace, P.A.*

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

Orlando, Florida  
March 27, 2018



**CITY OF SANFORD, FLORIDA**

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

**For the Year Ended September 30, 2017**

**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, 2017**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Grant Number / Pass Through Grantor's Number</b>	<b>Reimbursable Expenditures</b>
<b>U.S. Department of Agriculture</b>			
Passed through Florida Department of Education Summer Food Service Program	10.559	04-0720	\$ 6,194
Total Department of Agriculture			<u><b>6,194</b></u>
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Block Grant	14.218	B-15-MC-12-0057	29,947
Community Development Block Grant	14.218	B-16-MC-12-0057	264,009
Neighborhood Stabilization Program	14.218	B-11-MN-12-0035	21,503
Total Department of Housing and Urban Development			<u><b>315,459</b></u>
<b>U.S. Department of Justice</b>			
DEA Officer Reimbursement	16.580	DEA Orlando	17,753
Bulletproof Vest Grant - FY 2015	16.607	2015BUBX14074532	19,858
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0437	30,320
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-JAGC-SEMI-7-H3-043	15,501
Equitable Sharing	16.922	FL0590500	79,265
Total Department of Justice			<u><b>162,697</b></u>
<b>U.S. Environmental Protection Agency</b>			
Brownfields Assessment	66.818	00D32215	96,029
Total Environmental Protection Agency			<u><b>96,029</b></u>
<b>U.S. Department of Health and Human Services</b>			
Passed through Florida Department of Economic Opportunity LIHEAP Low Income Home Energy Assistance Program	93.568	16EA-OF-06-69-02-028	319,477
LIHEAP Low Income Home Energy Assistance Program	93.568	17EA-OF-06-69-02-028	401,781
Total Department of Health and Human Services			<u><b>721,258</b></u>
<b>U.S. Department of Transportation</b>			
Passed through Florida Department of Environmental Protection Recreational Trails Program	20.219	RTP14	18,694
Total Department of Health and Human Services			<u><b>18,694</b></u>
<b>Total Expenditure of Federal Awards</b>			<u><b>\$ 1,320,331</b></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, 2017**

<u>State Grantor/Pass-Through Grantor Program Title</u>	<u>CSFA Number</u>	<u>Grant Number / Pass Through Grantor's Number</u>	<u>Reimbursable Expenditures</u>
<b>Florida Department of Environmental Protection</b>			
Sanford Alternative Water Supply Project	37.039	LP59016	175,051
State Revolving Fund Loan	37.077	WW590131	3,583,661
State Revolving Fund Loan	37.077	SW590140	262,992
State Revolving Fund Loan	37.077	SW590141	2,116,895
			-
Total Department of Environmental Protection			<u><b>6,138,599</b></u>
		<b>Total Expenditures of State Financial Assistance</b>	<u><b>\$ 6,138,599</b></u>
		<b>Total Expenditures of Federal Awards and State Financial Assistance</b>	<u><b>\$ 7,458,930</b></u>

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

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, 2017**

**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, 2017.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Outstanding</u>
State Revolving Fund	37.077	WW590131	\$ 17,931,599
State Revolving Fund	37.077	SW590140	\$ 415,721
State Revolving Fund	37.077	SW590141	\$ 2,116,894

**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.



Certified Public Accountants

## 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, 2017. 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, 2017.

*Moore Stephens Lovelace, P.A.*

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

Certified Public Accountants

Orlando, Florida  
March 27, 2018



Certified Public Accountants

## 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, 2017, and have issued our report thereon dated March 27, 2018.

### 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 27, 2018, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual report.

### 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 that we apply appropriate procedures and report 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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

### **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services, pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

### **Special District Component Units**

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided 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 determined that all special district component units provided 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.



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

Certified Public Accountants

Orlando, Florida  
March 27, 2018

This page intentionally left blank.