



CITY OF
SANFORD
FLORIDA

City of Sanford, Florida

Comprehensive Annual Financial Report

For the fiscal year ended September 30, 2020

CITY OF SANFORD, FLORIDA

Comprehensive Annual Financial Report

For the fiscal year ended

September 30, 2020

(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, 2020

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INTRODUCTORY SECTION:

This section contains the following subsections:

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



March 31, 2021

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, 2020. State law requires that all general-purpose local governments publish within 9 months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants.

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

The City's financial statements have been audited by MSL, P.A., a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Art Woodruff Mayor	Sheena Britton District 1	Kerry Wiggins, Sr. District 2	Patrick Austin District 3	Patty Mahany District 4	Norton N. Bonaparte, Jr. City Manager
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(“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

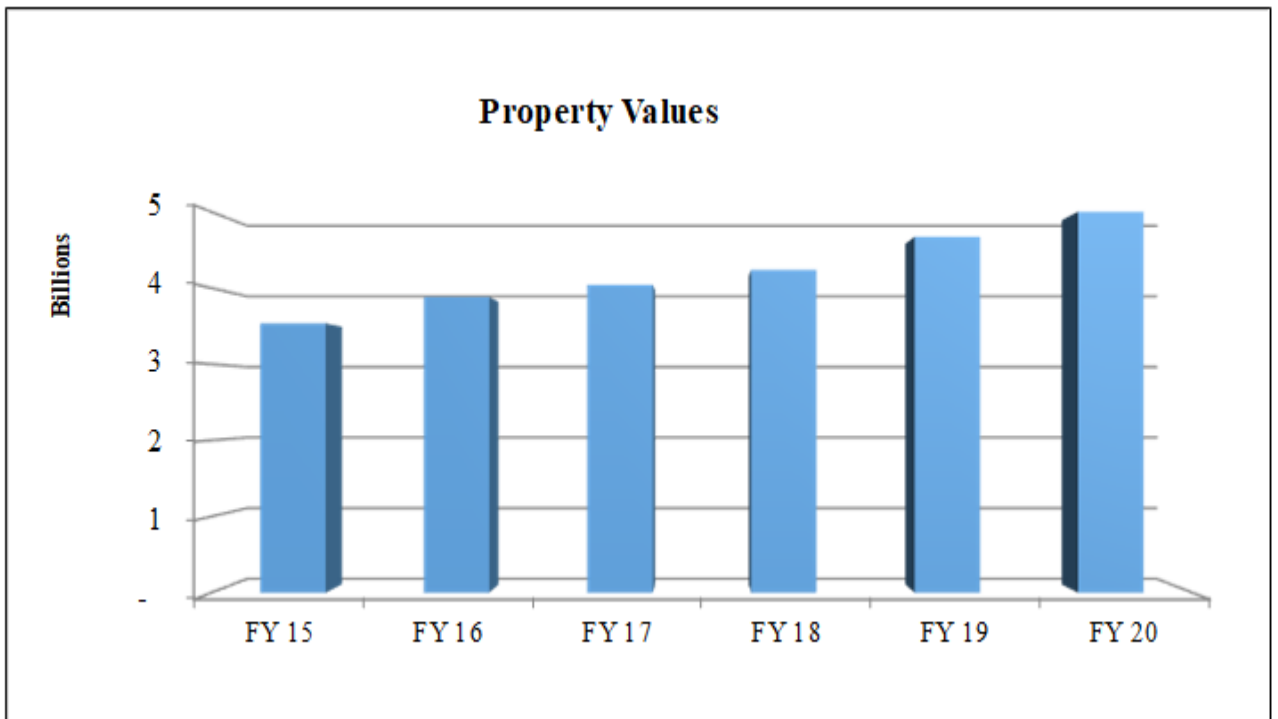
component units of the City.

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 6.5% during the fiscal year ended September 30, 2020, which is a decline over the same average rate of 3.1% in the prior year.



From FY 2015 to FY 2020, the City's property values increased from \$3.53 billion to \$5.15 billion, a gain of \$1.618 billion (46%) 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 (2021) is based on preliminary values of \$5.52 billion, which is a 7.1% increase from the fiscal year ended September 30, 2020.

Major ad valorem taxpayers in the City include Florida Power & Light Co. and the Seminole Towne Center Regional Mall. The City's population is currently estimated to be 61,429, making it the largest city in Seminole County as well as the 48th largest city in the State of Florida. Population is a factor used in determining the City's distribution from the State Municipal Revenue Sharing Program.

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

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

- Riverwalk Phase III
- Redevelopment of Downtown (Catalyst Site)
- New Fire Station
- Alleyway Improvements
- Disc Filtration System & Distribution Loop Pressurization System
- Sludge holding tank
- North Water Reclamation Facility Improvements
- Continued improvements to parks, roads, sidewalks and drainage
- City-wide stormwater drainage improvement project.

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

Relevant Financial Policies

The City Commission has informally established a reserve requirement for the General Fund to maintain at a minimum, unassigned fund balance equal to fourteen (14%) of the annual General Fund budget.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2019. This was the 31st consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Acknowledgments

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

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

Respectfully submitted,

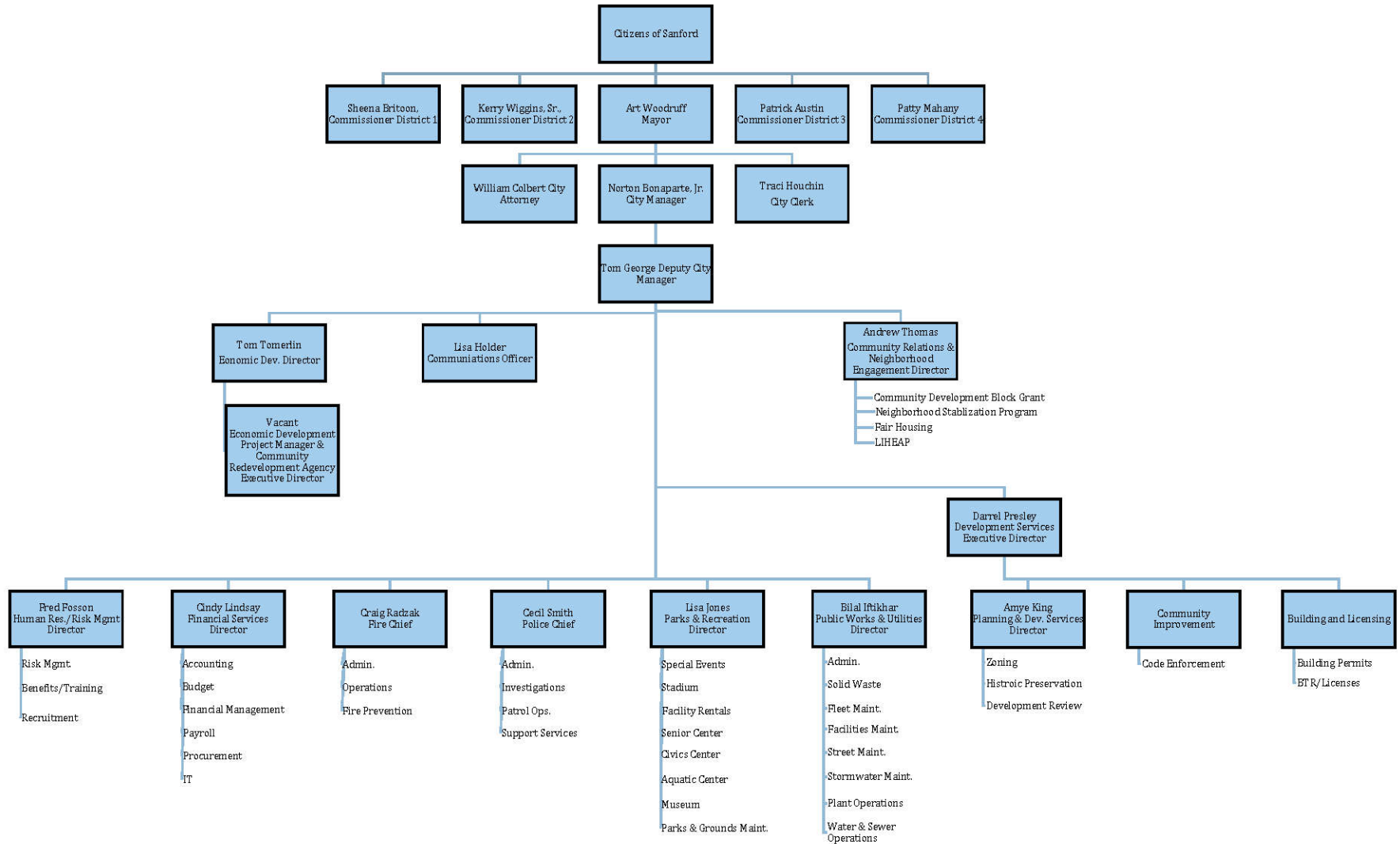


Norton N. Bonaparte, Jr.
City Manager



Cynthia Lindsay
Director of Finance

City of Sanford Organization Chart



CITY OF SANFORD, FLORIDA

PRINCIPAL OFFICIALS

Year Ended September 30, 2020

MAYOR

Art Woodruff

COMMISSIONERS

Sheena Britton

Kerry Wiggins, Sr.

Patrick Austin

Patty Mahany

STAFF

Norton N. Bonaparte, Jr., City Manager

Thomas J. George, Deputy City Manager

Cynthia Lindsay, Director of Finance

Traci Houchin, City Clerk

Darrel Presley, Director of Development Services

Tom Tomerlin, Director of Economic Development

Fred Fosson, Director of Human Resources

Lisa Jones, Director of Parks and Recreation

Bilal Iftikhar, Director of Public Works and Utilities

Cecil E. Smith, Police Chief

Craig Radzak, Fire Chief



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sanford
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

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, 2020, 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 31, 2021

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, 2020. 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 \$377,407,604 (net position). Of this amount, \$75,904,461 (20.11%) 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 \$19,992,087 (or (5.59)%). The City's net position in governmental activities increased by \$606,744 while the net position in business-type activities increased by \$19,385,343. The governmental increase is attributable to an increase in the ad valorem tax rate while the business-type activities increase is due to contribution of capital assets, impact fees, and an accumulation of operational charges created to assist in ongoing and future capital needs.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$58,552,086, an increase of \$3,499,092 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 \$28,328,073, or approximately 59.37% of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$2,988,176 during the current fiscal year. The increase is attributable to the an increase in pension liabilities, and a slight increase in compensated absences and then offset by a decrease in outstanding notes, OPEB costs, claims, loans, and leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

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

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

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

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

Fund financial statements

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

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

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

The City maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Project Fund, Capital Replacement 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, 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

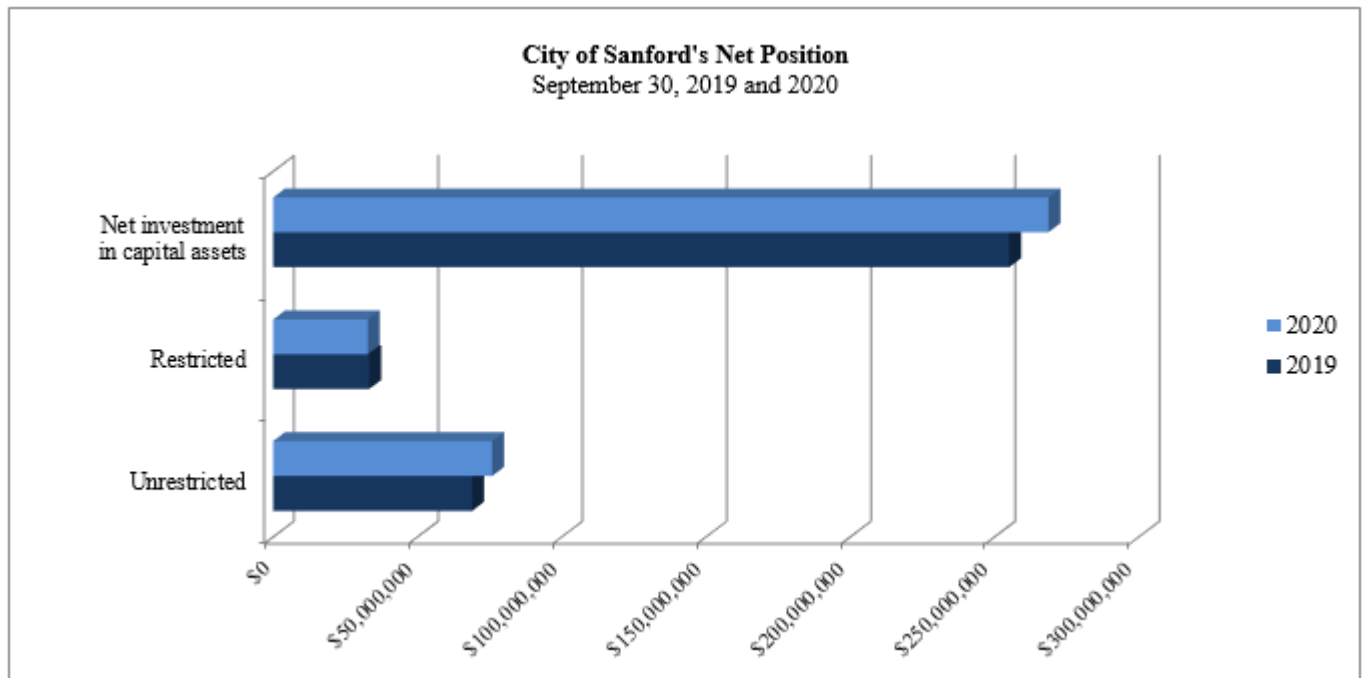
As noted earlier, net position over time may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$377,407,604, at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, \$268,718,461 (71.2%), 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, \$32,784,682 represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. The remaining balance \$75,904,461 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, 2019 and 2020

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 75,314,675	\$ 78,366,291	\$ 81,209,776	\$ 87,155,378	\$ 156,524,451	\$ 165,521,669
Capital assets	134,216,438	133,807,601	191,078,488	200,445,662	325,294,926	334,253,263
Total assets	<u>209,531,113</u>	<u>212,173,892</u>	<u>272,288,264</u>	<u>287,601,040</u>	<u>481,819,377</u>	<u>499,774,932</u>
Deferred outflows of resources	<u>16,471,471</u>	<u>17,387,535</u>	<u>3,750,660</u>	<u>4,097,641</u>	<u>7,893,797</u>	<u>14,171,502</u>
Current and other liabilities	5,848,169	5,410,611	6,009,592	4,873,917	11,857,761	10,284,528
Long-term liabilities outstanding	48,656,266	53,803,494	73,102,706	70,943,653	121,758,972	124,747,147
Total liabilities	<u>54,504,435</u>	<u>59,214,105</u>	<u>79,112,298</u>	<u>75,817,570</u>	<u>133,616,733</u>	<u>135,031,675</u>
Deferred inflows of resources	<u>8,506,169</u>	<u>6,748,598</u>	<u>2,503,089</u>	<u>2,072,231</u>	<u>11,009,258</u>	<u>8,820,829</u>
Net position:						
Net investment in capital assets	124,702,281	125,350,272	130,413,989	143,368,189	255,116,270	268,718,461
Restricted	20,690,716	20,716,585	12,632,963	12,068,097	33,323,679	32,784,682
Unrestricted	17,598,983	17,531,867	51,376,585	58,372,594	68,975,568	75,904,461
Total net position	<u>\$ 162,991,980</u>	<u>\$ 163,598,724</u>	<u>\$ 194,423,537</u>	<u>\$ 213,808,880</u>	<u>\$ 357,415,517</u>	<u>\$ 377,407,604</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.

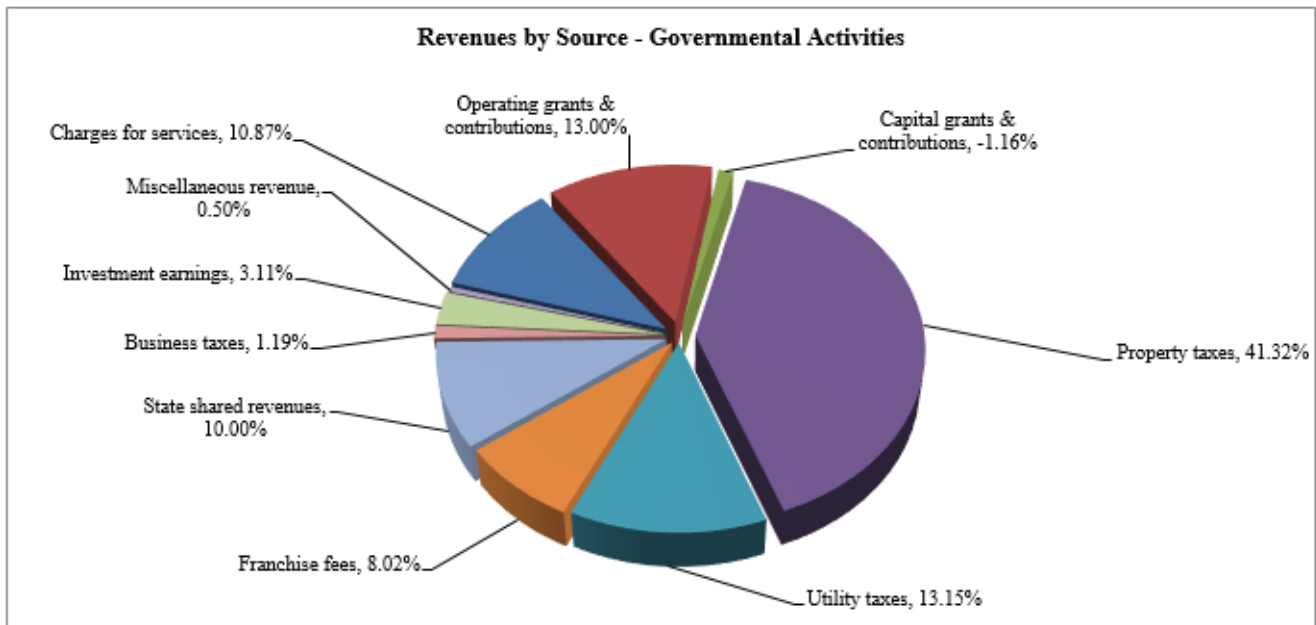
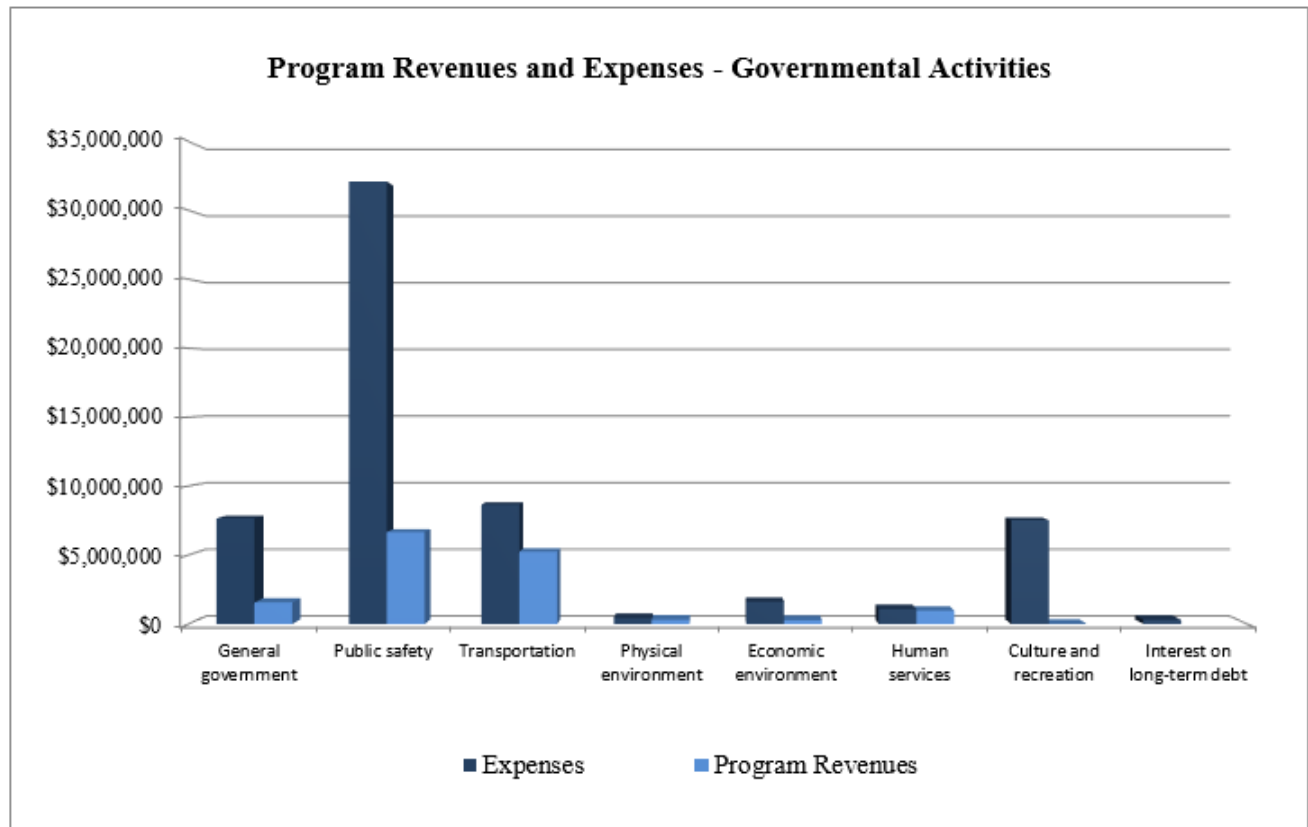


The City's overall net position increased by \$19,992,087 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities. The following is a summary of activities for the City during the most recent and prior fiscal year:

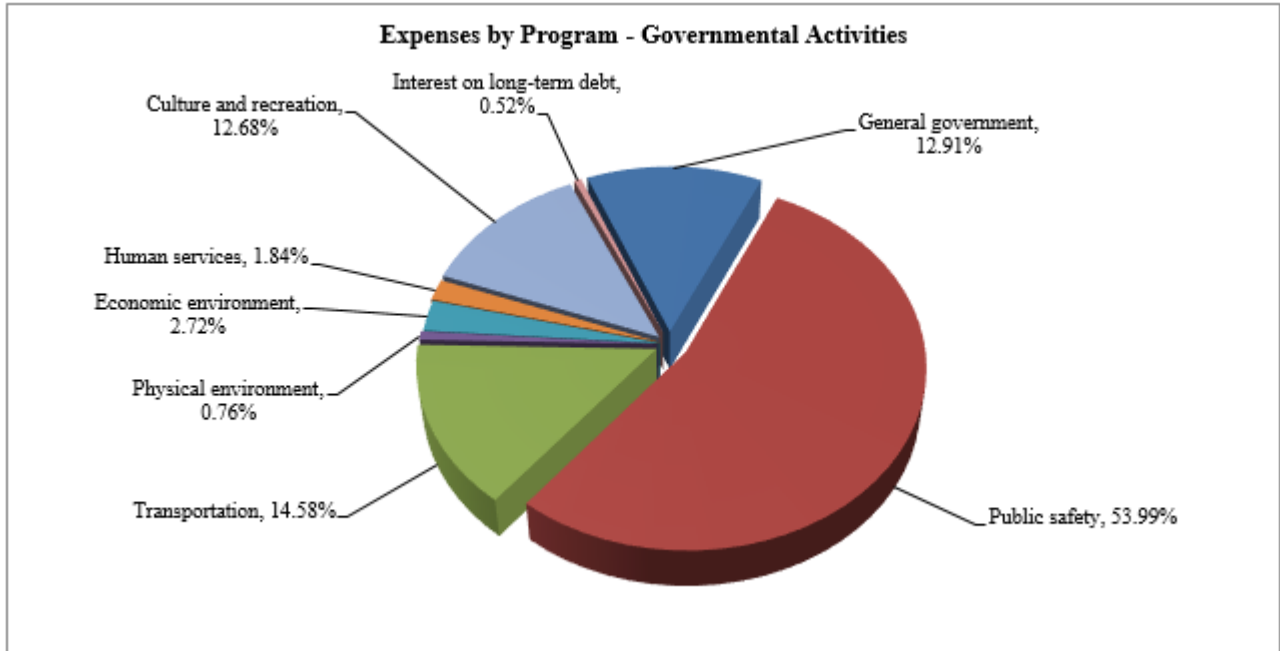
City of Sanford's Change in Net Position
For the years ended September 30, 2019 and 2020

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,418,707	\$ 6,572,042	\$ 39,347,604	\$ 40,029,820	\$ 45,766,311	\$ 46,601,862
Operating grants & contributions	8,791,448	6,112,428	130,707	35,399	8,922,155	6,147,827
Capital grants & contributions	10,446,844	1,050,248	490,290	7,051,129	10,937,134	8,101,377
General revenues:						
Property taxes	22,632,027	24,989,553	-	-	22,632,027	24,989,553
Utility taxes	7,891,772	7,955,152	-	-	7,891,772	7,955,152
Franchise fees	5,116,536	4,849,679	-	-	5,116,536	4,849,679
State shared revenues	6,114,727	6,047,007	14,866	13,779	6,129,593	6,060,786
Other	3,035,980	2,903,891	4,492,508	5,185,277	7,528,488	8,089,168
Total revenues	70,448,041	60,480,000	44,475,975	52,315,404	114,924,016	112,795,404
Expenses:						
General government	6,945,001	7,672,529	-	-	6,945,001	7,672,529
Public safety	30,265,192	32,075,953	-	-	30,265,192	32,075,953
Transportation	8,302,818	8,659,878	-	-	8,302,818	8,659,878
Physical environment	477,597	449,113	-	-	477,597	449,113
Economic environment	1,677,377	1,614,349	-	-	1,677,377	1,614,349
Human services	899,399	1,092,576	-	-	899,399	1,092,576
Culture and recreation	7,236,326	7,534,614	-	-	7,236,326	7,534,614
Interest on long-term debt	334,802	309,071	-	-	334,802	309,071
Water and sewer	-	-	21,655,552	22,083,628	21,655,552	22,083,628
Stormwater	-	-	2,887,108	3,763,127	2,887,108	3,763,127
Solid waste	-	-	6,132,227	6,270,772	6,132,227	6,270,772
Golf course	-	-	1,455,802	1,277,707	1,455,802	1,277,707
Total Expenses	56,138,512	59,408,083	32,130,689	33,395,234	88,269,201	92,803,317
Change in net position before transfers	14,309,529	1,071,917	12,345,286	18,920,170	26,654,815	19,992,087
Transfers	(1,110,611)	(465,173)	1,110,611	465,173	-	-
Change in net position	13,198,918	606,744	13,455,897	19,385,343	26,654,815	19,992,087
Net position, beginning of year	149,793,062	162,991,980	180,967,640	194,423,537	330,760,702	357,415,517
Net position, end	\$ 162,991,980	\$ 163,598,724	\$ 194,423,537	\$ 213,808,880	\$ 357,415,517	\$ 377,407,604

Governmental activities. During the current fiscal year, net position for governmental activities increased \$606,744 from the prior fiscal year for an ending balance of \$163,598,724. The increase is due to donated assets totaling \$274,184, and increased revenues offset by increased expenses.

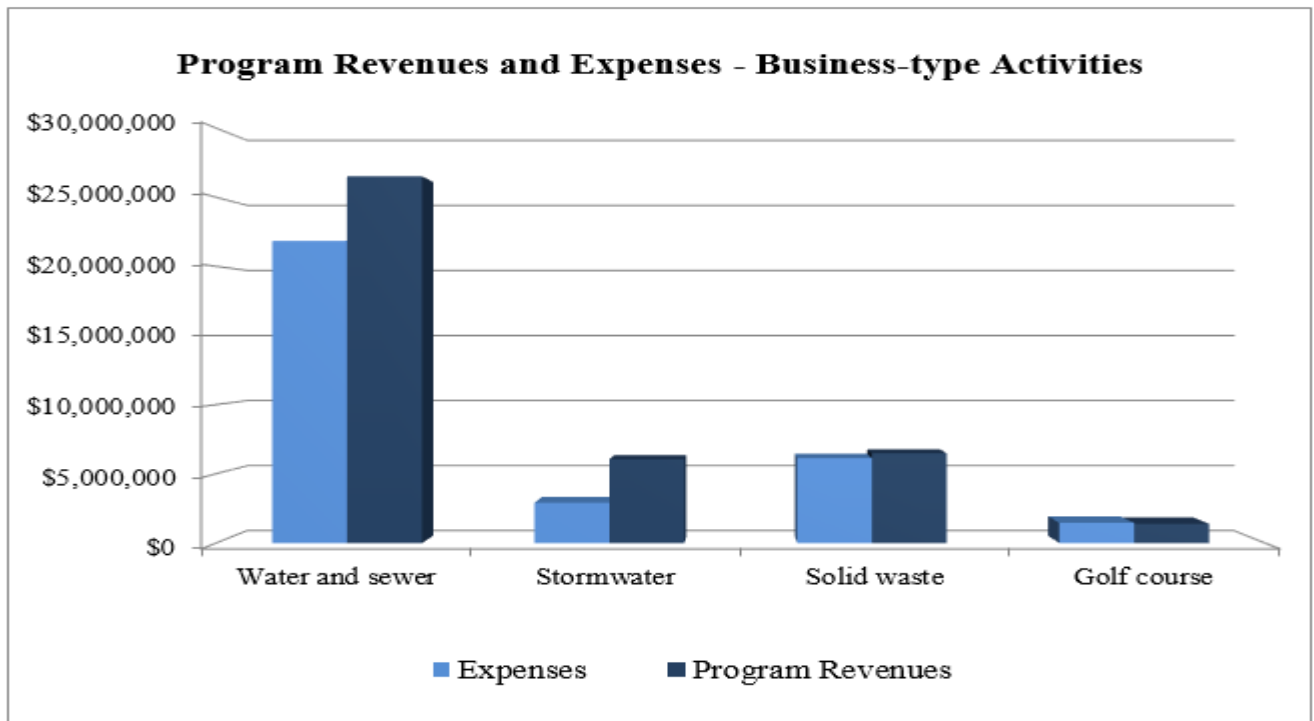


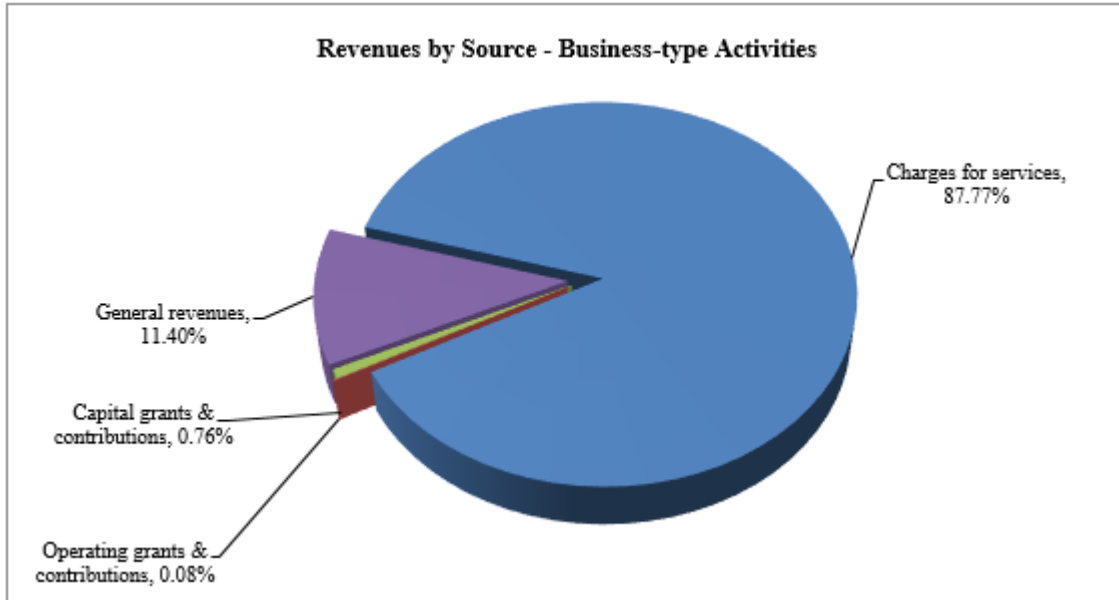
Property taxes, which comprised 41.3% of the City’s governmental activity revenues, increased by \$2,357,526; this increase was primarily due to the increase in taxable value of property in the City.



Overall, the City’s expenses increased this year. Total expenses were \$59,408,083, compared to \$56,138,512 the prior fiscal year; an increase of \$3,269,571 or 5.82%. Public safety expenses of \$32,075,953 comprised 53.99% of the total governmental activities expenses.

Business-type activities. Business-type activities increased the City’s net position by \$19,385,343, thereby accounting for 97% 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 \$40,029,820 increased over the prior-year total of \$39,347,604 by \$682,216, or approximately 1.73%. This was due to decrease in golf course play and metered water sales from the replacement of water meters.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

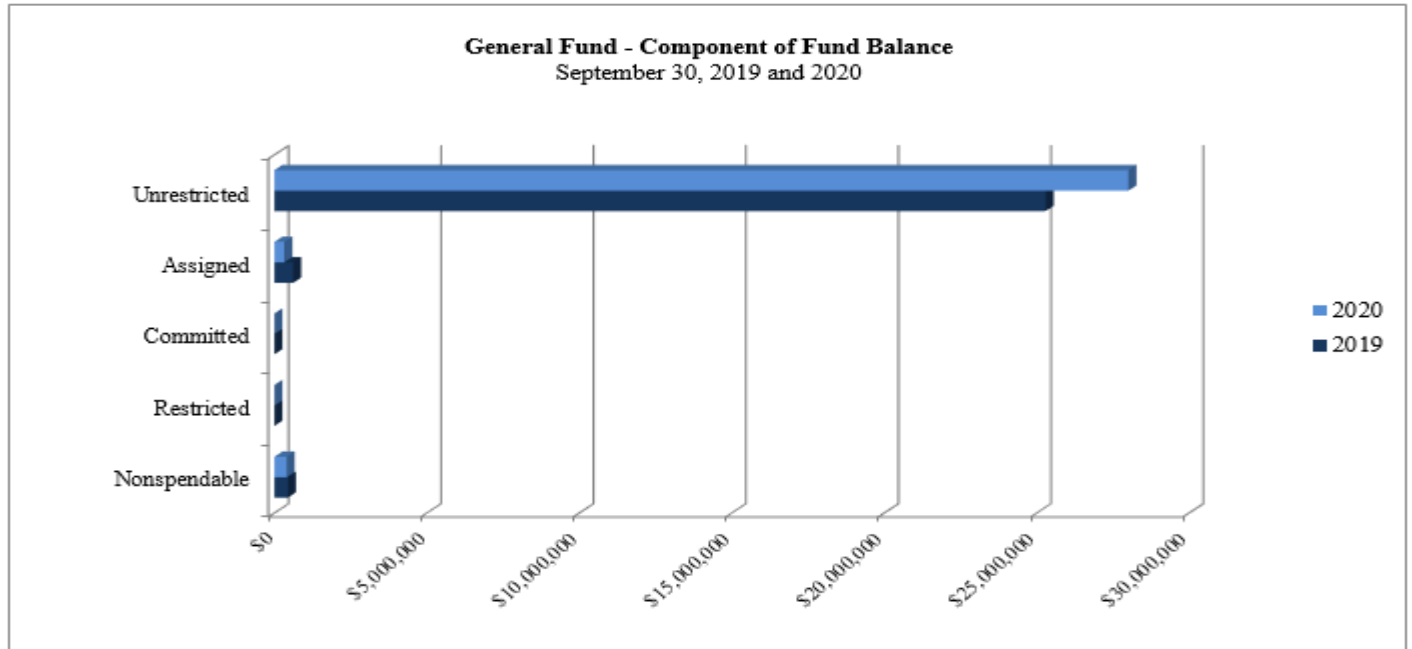
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the fiscal year end, the City’s governmental funds reported combined ending fund balances of \$58,552,086, an increase of \$3,499,092 in comparison with the prior year. Approximately 58.01% of this total amount, \$33,967,825, 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 (\$605,276), 2) restricted for particular purposes (\$20,716,585), 3) committed for particular purposes (\$1,553,972), or 4) assigned for particular purposes (\$1,708,428).

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 \$28,003,432, while the total fund balance was \$28,731,571. 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 68.26% of total General Fund expenditures, while total fund balance represents 70.03% of that same amount.

The fund balance of the City’s General Fund increased by \$2,385,683 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 total) fund balance was \$382,120. The fund balance of the Sanford CRA increased by \$64,704 during the current fiscal year. The increase is attributed to decreased activity due to COVID. The funds of the Sanford CRA are legally restricted for use in the downtown and Lake Monroe redevelopment areas.

Major governmental funds consist of the Capital Replacement Fund and the Capital Project Fund and these funds have a total fund balance of \$(11,892,484) and \$18,042,123 respectively at the end of the current fiscal year. The fund balance changes were \$(7,667,753) and \$7,979,501 during the current fiscal year. The changes are attributed to expenditures for Riverwalk Phase III and transfers from the General Fund. The funds of the Capital Replacement Fund and Capital Project Funds are restricted for city capital needs.

Nonmajor governmental funds consisting of Special Revenue Funds, Debt Service Funds and Capital Project Funds have a combined total fund balance of \$23,288,756 at the end of the current fiscal year. The net increase during the current year in nonmajor governmental funds was \$736,957 due to an increase in revenues.

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

Unrestricted net position at the end of the year was \$37,560,873 in the Water and Sewer Fund, \$19,048,424 in the Stormwater Fund, \$88,930 in the Solid Waste Fund, and \$1,125,615 in the Golf Course Fund. The total growth of net position for the Water and Sewer Fund and the Stormwater Fund was \$14,714,282 and \$2,770,815 respectively. The increase in the water and sewer fund is attributable to capital contributions and grants and an increase in rate revenues, the increase in the stormwater fund is attributable to an increase in rate revenues. The Solid Waste Fund had a increase in net position of \$209,546 which is due to a decrease in operational expenditures. The Golf Course Fund had an increase in net position of \$1,215,933 due to an operational transfer from the General Fund to cover past operational losses and capital needs and gains on sales of capital assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget \$443,150 increase in revenues and transfers in and \$11,827,487 increase in appropriations and transfers out can be briefly summarized as follows:

Revenues

- \$ 3,016 Increase in grant revenue for bulletproof vest grant
- \$ 7,672 Increase in grant revenue for recreational grant
- \$ 71,700 Increase in grant revenue for professional services grants
- \$ 20,000 Increase in donations for recreational programs
- \$340,762 Increase in revenue for transfers from capital project fund

Transfers Out:

- \$ 9,443,694 Provided budget for the catalyst project
- \$ 310,000 Provided budget for operational expenditures in the Mayfair Golf Fund
- \$ 561,527 Provided budget for additional capital replacements
- \$ 25,000 Provided budget for cemetery fund operationa expenditures

Expenditures:

- \$ 7,672 Recreation grant expenditures
- \$ 71,700 Increased budget for professional services grants
- \$ 25,000 Increased budget for Welcome Center reorganization
- \$ 25,000 Increased budget for gant to Public Art Commission
- \$250,000 Increased budget for grants to small business for COVID relief
- \$ 65,000 Increased budget for professional services Goldsboro
- \$340,762 Increased budget for costs associated with police contract
- \$137,738 Increased budget for costs associated with fire contract
- \$ 74,562 Increased budget to remove contaminated soil
- \$ 80,000 Increased budget for tree trimming
- \$ 20,000 Increased budget for recreation programs
- \$389,832 Budgeted for reappropriation of funds unused in prior fiscal year budget:
 - \$ 101,362 Increased budget for Choice Neighborhoods Grant
 - \$ 6,694 Public Arts Commission grant
 - \$ 4,090 Medical supplies
 - \$ 3,016 Bullet Proof Vest expenditures
 - \$ 5,316 Goldsboro Front porch grant
 - \$ 24,423 Utility Reorganization study
 - \$ 14,242 City Hall air condition repairs
 - \$ 25,069 Tree mitigation funds
 - \$ 4,475 Roofing repairs
 - \$ 107,031 JGI & QTI purchase orders
 - \$ 2,614 Cottage home design
 - \$ 91,500 Traffic management study

Of the increases in expenditures and transfers out, \$102,388 was offset by increased revenues. The remaining increased the use of reserves by \$11,384,337.

Differences between the final amended budget and actual was a \$2,035,871 increase in revenues and \$11,768,199 decrease in expenditures can be briefly summarized as follows:

Revenues

- \$ 404,867 Increase in property tax revenue due to collecting over the 95% budgeted
- \$ 78,963 Increase in utility taxes due to increased electrical costs
- \$ (133,903) Decrease in franchise fees
- \$ 1,685,944 Net variance in other General Fund revenues including increases charges for services (\$416,272), investment earnings (\$1,130,927), fines and forfeitures (\$240,345), business taxes (\$63,747), intergovernmental revenue (\$283,682) and miscellaneous (\$48,430). The increases were offset by negative variances in permits and fees \$(111,347), transfers in \$(372,112), and sales of assets \$(14,000).

Expenditures

- \$ 478,811 Savings associated with vacant positions resulting from terminations and retirements
- \$8,780,622 Savings due to Catalyst Site project not being complete
- \$2,508,766 Offset by operational expenditures over budget

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounted to \$334,253,263 (net of accumulated depreciation). This investment in capital assets included land, buildings, machinery and equipment, infrastructure, water and sewer system, stormwater management system, irrigation rights, and construction in progress. The total change in the City's capital assets, net of related depreciation, for the current fiscal year was a decrease of \$(408,837) ((0.003)) for governmental activities and an increase of \$9,367,174 (0.05) for business-type activities.

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

Governmental activities:

- Acquisition of \$350,456 in replacement vehicles
- Acquisition of a \$549,706 pumper truck
- Acquisition of \$499,279 in miscellaneous equipment consisting of cameras, cars, mowers, computer equipment, golf carts, patient simulators, and a speed trailer.
- Building improvements \$932,725 for recreation facilities.
- Sidewalks \$173,548
- Land \$11,384
- Two donated school buses \$20,000
- Donated sidewalks totaling \$254,184
- Catalyst project, Riverwalk Phase III, Mellonville Site, Myrtle Ave Street Scape, Station 38 and 40 hardening, and Touhy Park commence or continue adding \$5,913,452 in construction in progress
- Current year depreciation less disposals on capital assets of \$9,105,954 offsets the above additions

Business-type activities:

- Acquisition of \$960,456 in replacement vehicles
- Private developers contributed \$6,706,227 in water and sewer system lines
- Building improvements \$49,377
- Land \$48,960
- Acquisition of pumps and small equipment totaling \$198,068
- Capitalization of prior CIP projects included Retention pond \$116,741, Well rehab \$94,174, AMR meters \$30,392, main water plant rehab \$71,236, Mayfair lift station \$119,767, and sewer line rehabs \$135,403.
- Riverwalk Phase III \$1,590,155, Marina Breakwater Wall \$799,920, Park Ave Pond improvements \$1,471,671, Water Plant 2 Improvmeents \$2,140,676, Lake Mary Airport Widening \$936,523, Mayfair Clubhouse \$224,312 and other miscellaneous projects at \$1,049,639 increased construction in progress
- Current year depreciation less disposals on capital assets of \$6,808,810 offsets the above additions

City of Sanford's Capital Assets
(net of accumulated depreciation)
As of September 30, 2019 and 2020

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land	\$ 6,454,055	\$ 6,461,630	\$ 7,508,636	\$ 7,557,596	\$ 13,962,691	\$ 14,019,226
Buildings	42,573,824	40,479,630	20,704,731	18,597,629	63,278,555	59,077,259
Machinery and equipment	3,448,657	3,381,006	2,712,119	2,950,747	6,160,776	6,331,753
Infrastructure	65,506,577	61,338,558	-	-	65,506,577	61,338,558
Water and sewer system	-	-	112,138,877	116,697,983	112,138,877	116,697,983
Stormwater system	-	-	21,234,307	20,216,082	21,234,307	20,216,082
Construction in progress	16,233,325	22,146,777	26,779,818	34,425,625	43,013,143	56,572,402
Total	<u>\$ 134,216,438</u>	<u>\$ 133,807,601</u>	<u>\$ 191,078,488</u>	<u>\$ 200,445,662</u>	<u>\$ 325,294,926</u>	<u>\$ 334,253,263</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 \$11,295,000 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 \$53,887,473 in State Revolving Fund loans and \$712,913 in capital leases. The City also had \$58,851,761 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, 2019 and 2020

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Structured payment debt:						
Notes payable:						
Series 2010	\$ -	\$ -	\$ 5,295,000	\$ 3,190,000	\$ 5,295,000	\$ 3,190,000
Series 2012	8,980,000	8,105,000	-	-	8,980,000	8,105,000
State revolving loans	-	-	55,363,430	53,887,473	55,363,430	53,887,473
Capital leases	534,157	712,913	6,069	-	540,226	712,913
Total structured payment debt	<u>9,514,157</u>	<u>8,817,913</u>	<u>60,664,499</u>	<u>57,077,473</u>	<u>70,178,656</u>	<u>65,895,386</u>
Other long-term debt:						
Claims payable	1,966,218	2,275,080	-	-	1,966,218	2,275,080
Accrued clean-up and long-term care costs	-	-	-	-	-	-
Net pension liability	21,409,533	28,028,845	7,641,728	9,349,020	29,051,261	37,377,865
Other postemployment benefits*	13,372,770	12,402,354	4,305,953	3,998,369	17,678,723	16,400,723
Compensated absences	2,393,588	2,279,302	490,526	518,791	2,884,114	2,798,093
Total other long-term debt	<u>39,142,109</u>	<u>44,985,581</u>	<u>12,438,207</u>	<u>13,866,180</u>	<u>51,580,316</u>	<u>58,851,761</u>
Total long-term debt	<u>\$ 48,656,266</u>	<u>\$ 53,803,494</u>	<u>\$ 73,102,706</u>	<u>\$ 70,943,653</u>	<u>\$ 121,758,972</u>	<u>\$ 124,747,147</u>

Total structured payment debt outstanding decreased by \$(4,283,270) due to principal retirements in the current period \$(7,086,902) partially offset by proceeds received from new state revolving fund loans \$2,322,175 and issuance of new capital lease debt \$481,457.

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 2021 budget. The following economic factors currently affect the City and were considered:

- The average unemployment rate for Seminole County during the past fiscal year was 6.5%, which is an increase from the same figure of 3.1% a year ago. The increase is attributed to the COVID virus that spread across the world during 2020. The rate is less than the State's average unemployment rate during the same time period of 6.9%.
- The City's taxable value of commercial and residential real property for the next fiscal year, 2021, is estimated to increase by 7.1% (of which new growth represents 1.48% and existing property values increased 5.62%) compared to a 10.3% increase experienced in the latest complete fiscal year, 2020. The City maintained the same property tax rate from fiscal year 2019 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 \$2,385,683 to a total fund balance of \$28,731,571.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Airport Authority
Assets				
Cash and cash equivalents	\$ 37,104,075	\$ 18,503,465	\$ 55,607,540	\$ 18,742,632
Investments	33,980,223	55,338,087	89,318,310	-
Accounts receivable, net	2,595,362	6,117,649	8,713,011	664,614
Due from other governments	4,463,305	6,459,238	10,922,543	2,165,944
Internal balances	(719,439)	719,439	-	-
Inventories	401,212	-	401,212	-
Prepaid expenses	451,104	17,500	468,604	501,049
Restricted investments - airport authority	-	-	-	313,144
Equity interest in joint venture	90,449	-	90,449	-
Capital assets:				
Nondepreciable	28,608,407	41,983,221	70,591,628	134,649,911
Depreciable, net	105,199,194	158,462,441	263,661,635	125,075,171
Total assets	<u>212,173,892</u>	<u>287,601,040</u>	<u>499,774,932</u>	<u>282,112,465</u>
Deferred outflows of resources				
Deferred outflows related to pensions	16,542,926	3,825,819	20,368,745	3,604,104
Deferred outflows related to OPEB	844,609	271,822	1,116,431	-
Total deferred outflows of resources	<u>17,387,535</u>	<u>4,097,641</u>	<u>21,485,176</u>	<u>3,604,104</u>
Liabilities				
Accounts payable	2,706,950	1,859,791	4,566,741	8,879,081
Accrued liabilities	1,285,814	566,424	1,852,238	355,720
Retainage payable	504,058	451,459	955,517	-
Due to other governments	351,720	4,972	356,692	-
Unearned revenue	548,419	226,601	775,020	478,220
Customer deposits	13,650	1,764,670	1,778,320	-
Noncurrent liabilities:				
Due within one year	3,496,757	6,842,327	10,339,084	714,926
Due in more than one year	50,306,737	64,101,326	114,408,063	50,964,676
Total liabilities	<u>59,214,105</u>	<u>75,817,570</u>	<u>135,031,675</u>	<u>61,392,623</u>
Deferred inflows of resources				
Deferred inflows related to pensions	1,363,623	342,912	1,706,535	211,354
Deferred inflows related to opeb	5,384,975	1,729,319	7,114,294	-
Total deferred inflows of resources	<u>6,748,598</u>	<u>2,072,231</u>	<u>8,820,829</u>	<u>211,354</u>
Net position				
Net investment in capital assets	125,350,272	143,368,189	268,718,461	211,466,876
Restricted for:				
System expansion	2,513,279	12,068,097	14,581,376	-
Transportation	11,081,435	-	11,081,435	-
Downtown redevelopment	382,120	-	382,120	-
Building inspections	6,475,978	-	6,475,978	-
Other purposes	263,773	-	263,773	-
Unrestricted	17,531,867	58,372,594	75,904,461	12,645,716
Total net position	<u>\$ 163,598,724</u>	<u>\$ 213,808,880</u>	<u>\$ 377,407,604</u>	<u>\$ 224,112,592</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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	Airport Authority
Primary government:								
Governmental activities:								
General government	\$ 7,672,529	\$ 1,336,101	\$ 231,879	\$ 445,287	\$ (6,104,549)	\$ -	\$ (6,104,549)	\$ -
Public safety	32,075,953	4,948,625	1,269,276	139,420	(25,412,765)	-	(25,412,765)	-
Transportation	8,659,878	-	3,343,750	254,184	(5,176,708)	-	(5,176,708)	-
Physical environment	449,113	66,450	2,255	-	(126,224)	-	(126,224)	-
Economic environment	1,614,349	750	288,266	-	(1,325,333)	-	(1,325,333)	-
Human services	1,092,576	-	972,432	-	(120,144)	-	(120,144)	-
Culture and recreation	7,534,614	220,116	4,570	211,357	(7,098,571)	-	(7,098,571)	-
Interest	309,071	-	-	-	(309,071)	-	(309,071)	-
Total governmental activities	<u>59,408,083</u>	<u>6,572,042</u>	<u>6,112,428</u>	<u>1,050,248</u>	<u>(45,673,365)</u>		<u>(45,673,365)</u>	<u>-</u>
Business-type activities:								
Water and sewer	22,083,628	26,332,043	25,039	6,851,129	-	11,124,583	11,124,583	-
Stormwater	3,763,127	5,833,653	10,360	200,000	-	2,280,886	2,280,886	-
Solid waste	6,270,772	6,482,068	-	-	-	211,296	211,296	-
Golf course	1,277,707	1,382,056	-	-	-	104,349	104,349	-
Total business-type activities	<u>33,395,234</u>	<u>40,029,820</u>	<u>35,399</u>	<u>7,051,129</u>		<u>13,721,114</u>	<u>13,721,114</u>	<u>-</u>
Total primary government	<u>\$ 92,803,317</u>	<u>\$ 46,601,862</u>	<u>\$ 6,147,827</u>	<u>\$ 8,101,377</u>	<u>(45,673,365)</u>	<u>13,721,114</u>	<u>(31,952,251)</u>	<u>-</u>
Component unit:								
Airport authority	<u>\$ 28,558,600</u>	<u>\$ 15,292,918</u>	<u>\$ 5,182,977</u>	<u>\$ 12,628,555</u>				<u>4,545,850</u>
		General Revenues:						
		Property taxes			24,989,553	-	24,989,553	-
		Utility taxes			7,955,152	-	7,955,152	-
		Franchise fees			4,849,679	-	4,849,679	-
		State shared revenues not restricted to specific programs			6,047,007	13,779	6,060,786	-
		Business taxes			720,539	-	720,539	-
		Capitol recovery fees			-	2,586,030	2,586,030	-
		Investment earnings			1,883,222	1,741,877	3,625,099	114,169
		Miscellaneous revenue			300,130	857,370	1,157,500	4,116
		Transfers			(465,173)	465,173	-	-
		Total general revenues and transfers			<u>46,280,109</u>	<u>5,664,229</u>	<u>51,944,338</u>	<u>118,285</u>
		Change in net position			606,744	19,385,343	19,992,087	4,664,135
		Net position - beginning			162,991,980	194,423,537	357,415,517	219,448,457
		Net position - ending			<u>\$ 163,598,724</u>	<u>\$ 213,808,880</u>	<u>\$ 377,407,604</u>	<u>\$ 224,112,592</u>

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

CITY OF SANFORD, FLORIDA

**Balance Sheet
Governmental Funds
September 30, 2020**

	General Fund	Capital Project Fund	Capital Replacement Fund	Sanford CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 6,030,250	\$ -	\$ 17,566,247	\$ 420,267	\$ 9,071,361	\$ 33,088,125
Investments	12,316,158	-	-	-	14,436,271	26,752,429
Accounts receivable, net	1,931,428	-	456,254	29	56,283	2,443,994
Due from other governments	1,023,221	1,998,404	160,800	-	1,280,880	4,463,305
Due from other funds	10,441,794	-	-	-	-	10,441,794
Inventories	200,374	-	200,838	-	-	401,212
Prepaid items	104,124	-	-	-	940	105,064
Restricted cash for capital	-	-	481,539	-	-	481,539
Total assets	\$ 32,047,349	\$ 1,998,404	\$ 18,865,678	\$ 420,296	\$ 24,845,735	\$ 78,177,462
Liabilities						
Accounts payable	\$ 728,239	\$ 1,220,720	\$ 261,773	\$ 28,271	\$ 467,946	\$ 2,706,949
Accrued liabilities	1,244,506	-	-	9,905	31,403	1,285,814
Retainage payable	-	504,058	-	-	-	504,058
Due to other funds	170,687	10,021,303	-	-	420,491	10,612,481
Due to other governments	335,095	-	-	-	16,625	351,720
Unearned revenues	439,496	7,234	-	-	101,689	548,419
Customer deposits	13,650	-	-	-	-	13,650
Total liabilities	2,931,673	11,753,315	261,773	38,176	1,038,154	16,023,091
Deferred Inflows of Resources						
Unavailable revenue	384,105	2,137,573	561,782	-	518,825	3,602,285
Total deferred inflows of resources	384,105	2,137,573	561,782	-	518,825	3,602,285
Fund balances						
Nonspendable:						
Inventory	\$ 200,374	\$ -	\$ 200,838	\$ -	\$ -	\$ 401,212
Prepaid items	104,124	-	-	-	940	105,064
Long-term receivable	99,000	-	-	-	-	99,000
Restricted for:						
Downtown redevelopment	-	-	-	382,120	-	382,120
Building inspections	-	-	-	-	6,475,978	6,475,978
Transportation	-	-	-	-	11,081,435	11,081,435
Law enforcement	-	-	-	-	202,520	202,520
Assistance programs	-	-	-	-	61,253	61,253
System expansion	-	-	-	-	2,513,279	2,513,279
Committed for:						
Cemetery purposes	-	-	-	-	66,597	66,597
Capital replacements	-	-	-	-	1,487,375	1,487,375
Assigned for:						
Debt service	-	-	-	-	902,248	902,248
Capital replacements	-	-	481,539	-	-	481,539
Other	324,641	-	-	-	-	324,641
Unassigned/(Deficit)	28,003,432	(11,892,484)	17,359,746	-	497,131	33,967,825
Total fund balances	28,731,571	(11,892,484)	18,042,123	382,120	23,288,756	58,552,086
Total liabilities, deferred inflows of resources, and fund balances	\$ 32,047,349	\$ 1,998,404	\$ 18,865,678	\$ 420,296	\$ 24,845,735	\$ 78,177,462

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, 2020

Fund Balances - Total Governmental Funds (page 20) \$ 58,552,086

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	\$ 28,608,407	
Depreciable capital assets	242,580,721	
Less: Accumulated depreciation	<u>(137,381,527)</u>	133,807,601

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 3,602,285

Equity interest in joint venture is not a financial resource and therefore not reported in the funds. 90,449

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	(8,105,000)	
Capital lease payable	(712,913)	
Compensated absences	<u>(2,279,302)</u>	(11,097,215)

On the government fund statements, a net pension liability/asset is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's proportionate share of the net pension liability/asset of the cost-sharing defined benefit pension plans in which the City participates is reported as a noncurrent liability/asset. Additionally deferred outflows and deferred inflows related to pensions are also reported in accordance with GASB Statement No. 68.

Net pension liability	(28,028,845)	
Deferred outflows related to pensions	16,542,926	
Deferred inflows related to pensions	<u>(1,363,623)</u>	(12,849,542)

The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet.

OPEB liability	(12,402,354)	
Deferred outflows related to opebs	844,609	
Deferred inflows related to opebs	<u>(5,384,975)</u>	(16,942,720)

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. 8,435,781

Net Position of Governmental Activities (page 18) \$ 163,598,725

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General Fund	Capital Project Fund	Capital Replacement Fund	Sanford CRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 23,567,574	\$ -	\$ -	\$ 1,421,979	\$ -	\$ 24,989,553
Utility taxes	7,955,152	-	-	-	-	7,955,152
Franchise fees	4,849,679	-	-	-	-	4,849,679
Business taxes	687,048	-	-	-	-	687,048
Permits and fees	56,334	-	-	-	1,848,768	1,905,102
Intergovernmental	8,000,964	-	55,810	-	6,711,892	14,768,666
Charges for services	2,976,825	-	-	-	66,500	3,043,325
Investment earnings	1,279,692	-	282,079	28,798	610,412	2,200,981
Fines and forfeitures	390,078	-	-	-	22,565	412,643
Service assessments	-	-	-	-	452,846	452,846
Miscellaneous	250,560	-	73,710	750	60,299	385,319
Total revenues	<u>50,013,906</u>	<u>-</u>	<u>411,599</u>	<u>1,451,527</u>	<u>9,773,282</u>	<u>61,650,314</u>
Expenditures						
Current:						
General government	6,655,029	-	279,362	-	27	6,934,418
Public safety	26,882,626	-	365,878	-	2,146,376	29,394,880
Physical environment	283,640	-	-	-	124,501	408,141
Transportation	1,322,064	-	3,790	-	1,762,253	3,088,107
Economic environment	382,595	-	-	661,296	254,346	1,298,237
Human services	126,935	-	-	-	965,065	1,092,000
Culture and recreation	5,363,381	475,201	426,250	-	493	6,265,325
Debt service:						
Principal	-	-	-	-	1,177,701	1,177,701
Interest	-	-	-	-	309,071	309,071
Capital outlay:						
General government	-	-	111,998	-	-	111,998
Public safety	-	-	1,041,380	-	290,138	1,331,518
Transportation	10,380	5,197,563	70,497	-	308,425	5,586,865
Economic environment	-	-	-	-	663,072	663,072
Culture and recreation	-	23,709	554,285	-	159,102	737,096
Total expenditures	<u>41,026,650</u>	<u>5,696,473</u>	<u>2,853,440</u>	<u>661,296</u>	<u>8,160,570</u>	<u>58,398,429</u>
Excess of revenues over expenditures	<u>8,987,256</u>	<u>(5,696,473)</u>	<u>(2,441,841)</u>	<u>790,231</u>	<u>1,612,712</u>	<u>3,251,885</u>
Other financing sources (uses)						
Capital leases	-	-	481,457	-	-	481,457
Transfers in	84,000	4,028,720	9,948,135	-	3,152,965	17,213,820
Transfers out	(6,685,573)	(6,000,000)	(239,173)	(725,527)	(4,028,720)	(17,678,993)
Proceeds from sale of assets	-	-	230,923	-	-	230,923
Total other financing sources (uses)	<u>(6,601,573)</u>	<u>(1,971,280)</u>	<u>10,421,342</u>	<u>(725,527)</u>	<u>(875,755)</u>	<u>247,207</u>
Net change in fund balances	<u>2,385,683</u>	<u>(7,667,753)</u>	<u>7,979,501</u>	<u>64,704</u>	<u>736,957</u>	<u>3,499,092</u>
Fund balances						
Beginning of year	26,345,888	(4,224,731)	10,062,622	317,416	22,551,799	55,052,994
End of year	<u>\$ 28,731,571</u>	<u>\$ (11,892,484)</u>	<u>\$ 18,042,123</u>	<u>\$ 382,120</u>	<u>\$ 23,288,756</u>	<u>\$ 58,552,086</u>

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

CITY OF SANFORD, FLORIDA
Reconciliation to the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds (page 22)		\$ 3,499,092
Amounts reported for governmental activities in the Statement of Activities are different because:		
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.		
Expenditures for capital assets	\$ 8,430,549	
Less: Current year depreciation	<u>(9,109,763)</u>	(679,214)
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.		
		(3,809)
Contributed assets reported at acquisition value.		
		274,184
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		(2,162,285)
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.		
Capital lease financing		(481,457)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		1,177,701
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.		
Change in long-term compensated absences	114,286	
Change in equity in joint venture	(13,869)	
Change in post employment benefits obligation	<u>1,218,217</u>	1,318,634
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.		
		2,619,488
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.		
		(6,812,965)
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.		
		1,857,375
Change in Net Position of Governmental Activities (page 19)		<u><u>\$ 606,744</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, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Assets						
Current assets:						
Cash and cash equivalents	\$ 11,732,199	\$ 6,734,142	\$ -	\$ 37,124	\$ 18,503,465	\$ 3,534,411
Investments	26,001,018	13,805,163	-	1,382,398	41,188,579	7,227,795
Accounts receivable, net	4,417,204	366,549	1,322,729	11,167	6,117,649	34,318
Insurance receivable	-	-	-	-	-	117,049
Due from other governments	6,200,026	259,048	164	-	6,459,238	-
Due from other funds	651,493	-	-	-	651,493	-
Prepaid items	16,800	700	-	-	17,500	346,040
Restricted investments for customer deposits	1,616,513	-	148,157	-	1,764,670	-
Restricted investments for debt service	-	316,741	-	-	316,741	-
Restricted investments for system expansion	12,068,097	-	-	-	12,068,097	-
Total current assets	<u>62,703,350</u>	<u>21,482,343</u>	<u>1,471,050</u>	<u>1,430,689</u>	<u>87,087,432</u>	<u>11,259,613</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	35,063,327	6,525,276	-	394,618	41,983,221	-
Depreciable, net	136,886,164	21,312,813	42,438	221,026	158,462,441	105,863
Total noncurrent assets	<u>171,949,491</u>	<u>27,838,089</u>	<u>42,438</u>	<u>615,644</u>	<u>200,445,662</u>	<u>105,863</u>
Total assets	<u>234,652,841</u>	<u>49,320,432</u>	<u>1,513,488</u>	<u>2,046,333</u>	<u>287,533,094</u>	<u>11,365,476</u>
Deferred outflows of resources						
Deferred outflows related to other post employment benefits	224,746	42,676	4,400	-	271,822	-
Deferred outflows related to pensions	3,229,566	509,462	86,791	-	3,825,819	-
Liabilities						
Current liabilities:						
Accounts payable	519,880	505,422	546,242	288,247	1,859,791	-
Accrued liabilities	384,266	177,620	4,538	-	566,424	-
Compensated absences	102,258	14,406	2,467	-	119,131	-
Claims payable	-	-	-	-	-	1,976,906
Retainage payable	369,278	70,032	-	12,149	451,459	-
Due to other funds	-	-	480,806	-	480,806	-
Due to other governments	294	-	-	4,678	4,972	-
Unearned revenues	226,601	-	-	-	226,601	-
Bonds payable - current	2,185,000	-	-	-	2,185,000	-
Loans payable - current	3,891,122	330,333	-	-	4,221,455	-
Liabilities payable from restricted assets:						
Customer deposits	1,616,513	-	148,157	-	1,764,670	-
Loans payable- -current	-	316,741	-	-	316,741	-
Total current liabilities	<u>9,295,212</u>	<u>1,414,554</u>	<u>1,182,210</u>	<u>305,074</u>	<u>12,197,050</u>	<u>1,976,906</u>
Noncurrent liabilities:						
Bonds payable	1,005,000	-	-	-	1,005,000	-
Loans payable	41,282,067	8,067,210	-	-	49,349,277	-
Claims payable	-	-	-	-	-	298,174
Compensated absences	354,921	41,463	3,276	-	399,660	-
Pensions payable	7,925,424	1,236,502	187,094	-	9,349,020	-
Other postemployment benefits	3,309,776	624,344	64,249	-	3,998,369	-
Total noncurrent liabilities	<u>53,877,188</u>	<u>9,969,519</u>	<u>254,619</u>	<u>-</u>	<u>64,101,326</u>	<u>298,174</u>
Total liabilities	<u>63,172,400</u>	<u>11,384,073</u>	<u>1,436,829</u>	<u>305,074</u>	<u>76,298,376</u>	<u>2,275,080</u>
Deferred inflows of resources						
Deferred inflows related to other post employment benefits	1,432,566	268,751	28,002	-	1,729,319	-
Deferred inflows related to pensions	286,915	47,517	8,480	-	342,912	-
Net position						
Net investment in capital assets	123,586,302	19,123,805	42,438	615,644	143,368,189	105,863
Restricted for system expansion	12,068,097	-	-	-	12,068,097	-
Unrestricted / (deficit)	37,560,873	19,048,424	88,930	1,125,615	57,823,842	8,984,533
Total net position	<u>\$ 173,215,272</u>	<u>\$ 38,172,229</u>	<u>\$ 131,368</u>	<u>\$ 1,741,259</u>	<u>213,260,128</u>	<u>\$ 9,090,396</u>

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

548,752

Net position of business-type activities

\$213,808,880

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Operating revenues						
Charges for sales/services	\$ 26,332,043	\$ 5,833,653	\$ 6,482,068	\$ 1,382,055	\$ 40,029,819	\$ 9,986,220
Miscellaneous	154,358	48,022	13,539	12,658	228,577	691,462
Total operating revenues	<u>26,486,401</u>	<u>5,881,675</u>	<u>6,495,607</u>	<u>1,394,713</u>	<u>40,258,396</u>	<u>10,677,682</u>
Operating expenses						
Personnel services	7,629,692	1,192,836	168,172	453,377	9,444,077	122,216
Materials and supplies	5,467,114	586,702	9,640	694,600	6,758,056	196,562
Intragovernmental services	1,756,084	272,145	216,073	-	2,244,302	-
Contractual services	1,201,358	101,511	5,874,319	85,836	7,263,024	959,438
Claims and insurance	-	-	-	-	-	7,304,060
Depreciation	5,309,906	1,419,407	5,713	43,805	6,778,831	4,403
Total operating expenses	<u>21,364,154</u>	<u>3,572,601</u>	<u>6,273,917</u>	<u>1,277,618</u>	<u>32,488,290</u>	<u>8,586,679</u>
Operating income (loss)	<u>5,122,247</u>	<u>2,309,074</u>	<u>221,690</u>	<u>117,095</u>	<u>7,770,106</u>	<u>2,091,003</u>
Nonoperating revenues (expenses)						
Investment earnings	1,240,395	518,656	(11,490)	(5,684)	1,741,877	236,737
Interest expense	(1,111,966)	(269,002)	(654)	(88)	(1,381,710)	-
Gain on Disposal of Property	-	-	-	639,437	639,437	-
Operating grants	26,446	12,087	-	-	38,533	-
Capital recovery fees	2,586,030	-	-	-	2,586,030	-
Total nonoperating revenues (expenses)	<u>2,740,905</u>	<u>261,741</u>	<u>(12,144)</u>	<u>633,665</u>	<u>3,624,167</u>	<u>236,737</u>
Income (loss) before contributions, grants, extraordinary gain (loss), and transfers	7,863,152	2,570,815	209,546	750,760	11,394,273	2,327,740
Capital contributions and grants	6,851,130	200,000	-	-	7,051,130	-
Transfers in	-	-	-	465,173	465,173	-
Change in net position	14,714,282	2,770,815	209,546	1,215,933	18,910,576	2,327,740
Net position - beginning	<u>158,500,990</u>	<u>35,401,414</u>	<u>(78,178)</u>	<u>525,326</u>		<u>6,762,656</u>
Total net position - ending	<u>\$ 173,215,272</u>	<u>\$ 38,172,229</u>	<u>\$ 131,368</u>	<u>\$ 1,741,259</u>		<u>\$ 9,090,396</u>

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

474,767
\$19,385,343

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities	
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Cash flows from operating activities:						
Receipts from customers and users	\$ 26,604,361	\$ 5,651,338	\$ 6,247,831	\$ 2,033,425	\$ 40,536,955	\$ -
Receipts from interfund charges for risk management	-	-	-	-	-	11,075,623
Payments to suppliers	(7,487,881)	(480,199)	(5,870,020)	(1,579,867)	(15,417,967)	(8,178,809)
Payments to employees	(7,046,769)	(1,105,451)	(148,853)	(465,581)	(8,766,654)	(122,216)
Payments for interfund services used	(1,756,084)	(272,145)	(216,073)	-	(2,244,302)	-
Net cash provided by (used for) operating activities	<u>10,313,627</u>	<u>3,793,543</u>	<u>12,885</u>	<u>(12,023)</u>	<u>14,108,032</u>	<u>2,774,598</u>
Cash flows from noncapital financing activities:						
Operating grant receipts	26,446	12,087	-	-	38,533	-
Transfers to other funds	-	-	-	-	-	-
Transfers from other funds	-	-	-	465,173	465,173	-
Net cash provided by (used for) noncapital financing activities	<u>26,446</u>	<u>12,087</u>	<u>-</u>	<u>465,173</u>	<u>503,706</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Repayment of notes payable	(3,262,030)	(536,102)	-	(6,069)	(3,804,201)	-
Principal paid on capital debt	(2,105,000)	-	-	-	(2,105,000)	-
Capital debt issuance costs	24,902	-	-	-	24,902	-
Interest paid	(1,111,966)	(269,002)	(654)	(88)	(1,381,710)	-
Proceeds of note payable	2,297,273	-	-	-	2,297,273	-
Purchase of capital assets	(5,160,614)	(3,963,032)	-	(346,111)	(9,469,757)	-
Developers fees	2,586,030	-	-	-	2,586,030	-
Capital contributions and grants	144,903	-	-	-	144,903	-
Proceeds from sales of capital assets	29,979	-	-	639,438	669,417	-
Net cash used for capital and related financing activities	<u>(6,556,523)</u>	<u>(4,768,136)</u>	<u>(654)</u>	<u>287,170</u>	<u>(11,038,143)</u>	<u>-</u>
Cash flows from investing activities:						
Investment income earned on operating funds	1,240,395	518,655	(11,490)	(5,684)	1,741,876	236,736
Net cash provided by investing activities	<u>1,240,395</u>	<u>518,655</u>	<u>(11,490)</u>	<u>(5,684)</u>	<u>1,741,876</u>	<u>236,736</u>
Net increase in cash and cash equivalents	5,023,945	(443,851)	741	734,636	5,315,471	3,011,334
Cash and cash equivalents at beginning of year	<u>46,393,882</u>	<u>21,099,897</u>	<u>147,416</u>	<u>684,886</u>	<u>68,326,081</u>	<u>7,750,872</u>
Cash and cash equivalents at end of year	<u>\$ 51,417,827</u>	<u>\$ 20,656,046</u>	<u>\$ 148,157</u>	<u>\$ 1,419,522</u>	<u>\$ 73,641,552</u>	<u>\$ 10,762,206</u>
Reconciliation to cash and pooled investments per Statement of Net Position:						
Cash	\$ 11,732,199	\$ 6,734,142	\$ -	\$ 37,124	\$ 18,503,465	\$ 3,534,411
Investments	26,001,018	13,805,163	-	1,382,398	41,188,579	7,227,795
Restricted investments, current	13,684,610	316,741	148,157	-	14,149,508	-
	<u>\$ 51,417,827</u>	<u>\$ 20,856,046</u>	<u>\$ 148,157</u>	<u>\$ 1,419,522</u>	<u>\$ 73,841,552</u>	<u>\$ 10,762,206</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, 2020

	Business-Type Activities - Enterprise Funds					Governmental
						Activities
	Water / Sewer Utility Fund	Stormwater Utility Fund	Solid Waste Utility Fund	Nonmajor Golf Course Fund	Total Enterprise Funds	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 5,122,247	\$ 2,309,074	\$ 221,690	\$ 117,095	7,770,106	\$ 2,091,003
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	5,309,906	1,419,407	5,713	43,805	6,778,831	4,403
Changes in deferred inflows/outflows	(659,747)	(101,069)	(17,023)	-	(777,839)	-
Changes in assets and liabilities:						
Accounts receivable	72,056	13,132	(231,224)	613,513	467,477	(4,499)
Insurance receivable	-	-	-	-	-	402,440
Due from other governments	(318,611)	(243,469)	29,412	567	(532,101)	-
Prepays	(320)	(540)	223	1,265	628	(27,611)
Due from other funds	130,705	-	-	-	130,705	-
Inventories	-	-	-	24,632	24,632	-
Customer deposits	97,008	-	741	-	97,749	-
Accounts payable	(835,715)	141,435	13,716	(817,523)	(1,498,087)	-
Retainage payable	18,087	67,119	-	12,149	97,355	-
Claims payable	-	-	-	-	-	308,862
Accrued liabilities	50,213	14,616	2,929	(12,204)	55,554	-
OPEB liability	(257,654)	(44,913)	(5,017)	-	(307,584)	-
Pension liability	1,450,111	218,751	38,430	-	1,707,292	-
Due to other funds	-	-	(46,705)	-	(46,705)	-
Due to other governments	(1,461)	-	-	4,678	3,217	-
Unearned revenue	136,802	-	-	-	136,802	-
Net cash provided by (used for) operating activities	<u>\$ 10,313,627</u>	<u>\$ 3,793,543</u>	<u>\$ 12,885</u>	<u>\$ (12,023)</u>	<u>\$ 14,108,032</u>	<u>\$ 2,774,598</u>
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ 6,706,227	\$ -	\$ -	\$ -	\$ 6,706,227	\$ -
Decrease in fair value of investments	471,484	199,529	(3,864)	(4,735)	662,414	90,734
Capitalized interest on capital debt	24,902	-	-	-	24,902	-

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, 2020

	Pension Trust Funds
Assets	
Investments, at fair value:	
Cash and Cash Equivalents	\$ 2,500,646
US government obligations	5,659,764
Mortgage & asset backed securities	474,129
Corporate debt	7,715,021
Mutual funds	27,414,451
Equity securities	29,607,194
Real estate	14,036,863
Accrued investment income	75,863
Total assets	87,483,931
Liabilities	
Accounts payable	86,530
Net position	
Net position restricted for pensions	\$ 87,397,401

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, 2020

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 2,734,362
Plan members	573,450
Total contributions	3,307,812
Investment earnings (losses):	
Interest & dividends	1,580,587
Net increase in fair value of investments	5,033,740
Total investment earnings	6,614,327
Investment expenses	(493,503)
Net investment earnings	6,120,824
Total additions	9,428,636
Deductions	
Benefit payments	4,442,803
Refund of contributions	574,513
Administrative expenses	114,497
Total deductions	5,131,813
Change in net position	4,296,823
Net position restricted for pensions	
Beginning of year	83,100,578
End of year	\$ 87,397,401

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, 2020

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Blended Component Unit

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

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

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

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, 2020

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, 2020, this joint venture had total assets of \$629,025 and total equity of \$629,025.

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, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

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

The *Capital Project Fund* accounts for the funds set aside for capital projects.

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

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

The City reports the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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 except property taxes which is limited to 60 days). 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, 2020

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, 2020 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, 2020

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 \$(24,902) 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, 2020

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, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

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

N. Fund Balance Policies

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

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

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

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

O. Deferred outflows/inflows of resources

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

P. Net Position Flow Assumption

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

Q. Pensions / Net Pension Liability

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

R. Fund Balance Flow Assumption

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

S. Encumbrances

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

General Fund	\$ 204,236
Local Option Gas Tax Fund	127,883
Fire Impact Fee Fund	90,091
Local Option Sales Tax Fund	199,758
Capital Project Fund	601,706
Capital Replacement Fund	401,307
	<u>\$ 1,624,981</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 \$7,117,752 of the 2021 adopted budget.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 2 - Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

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

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

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

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

(4) Formal budgetary integration is employed as a management control device during the year for all funds which have a legally adopted budget, including the General Fund, Sanford Community Redevelopment Agency, Building Inspection Fund, Local Option Gas Tax Fund, Local Option Sales Tax Fund, Law Enforcement Trust Fund, Police Education Fund, Cemetery Fund, LIHEAP Grant Fund, Police Impact Fee Fund, Fire Impact Fee Fund, Recreation Impact Fee Fund, CDBG Grant 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, 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 of a fund without limit of the number of transactions. At any time during the fiscal year, the City Manager may transfer part or all of any unencumbered appropriation among programs within and/or between functions and/or departments. The classification detail at which expenditures may not legally exceed appropriations is at the fund level and the Commission must approve all items that change a funds total budget. The City's budget is adopted by the fund level.

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

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

B. Deficit Fund Equity

The Capital Project Fund, CDBG Grant Fund, and NSP Grant Fund had deficit fund balances of \$11,892,484, \$250,081, and \$3,217 respectively, as of September 30, 2020. These fund deficits are due to timing issues with grants and interlocals unavailable at the end of the fiscal year, and the City will be reimbursed by the appropriate parties in 2020.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 3 - Deposits and Investments

The fair value of the City's deposits and investments as of September 30, 2020 is as follows:

	Carrying Value
Governmental and Business-type Activities:	
Bank Deposits	\$ 7,164,967
Local Government Surplus Funds Trust	48,442,575
Investment Accounts	89,318,308
Total Governmental and Business-type Activities	144,925,850
Pension Trust Funds:	
Cash	-
Money Market Funds	2,500,646
US Government Obligations	5,659,764
Mortgage/Asset Backed Securities	474,129
Corporate Debt	7,715,021
Mutual Funds	27,414,451
Equity	29,607,194
Real Estate	14,036,863
Total Pension Trust Funds	87,408,068
Total Primary Government	\$ 232,333,918
Classified as:	
Government-Wide Statement of Net Position:	
Cash and cash equivalents	\$ 55,607,540
Investments	74,687,263
Restricted investments	14,631,047
Statement of Fiduciary Net Position:	
Cash and cash equivalents	2,500,646
Investments	84,907,422
	\$ 232,333,918

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, 2020

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, 2020, 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)	
				Less Than 1	1 - 5
Bank Deposits	Cash	NR*	\$ 7,164,967	\$ 7,164,967	\$ -
State Board of Administration	LGIP	**	48,442,575	48,442,575	-
U.S. Treasury Bonds/Notes	Fixed Income	Aaa	31,336,008	3,937,029	27,398,979
Government Mortgage Backed	Fixed Income	Aaa	6,635,216	-	6,635,216
Government Mortgage Backed	Fixed Income	A2	761,681	-	761,681
Government Agency Bonds	Fixed Income	Aaa	32,506,238	14,390,966	18,115,272
Government Agency Bonds	Fixed Income	P-1	2,000,060	2,000,060	-
Corporate Debt	Fixed Income	Aa2	2,042,060	-	2,042,060
Corporate Debt	Fixed Income	Aa3	5,001,880	767,303	4,234,577
Corporate Debt	Fixed Income	A1	3,498,246	1,904,484	1,593,762
Corporate Debt	Fixed Income	A2	3,343,761	2,021,675	1,322,086
Corporate Debt	Fixed Income	A3	956,969	145,569	811,400
Foreign Bonds	Fixed Income	P-1	1,235,189	1,235,189	-
Total Portfolio			<u>\$ 144,924,850</u>	<u>\$ 82,009,817</u>	<u>\$ 62,915,033</u>

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

Assets or liabilities are classified into one of three levels. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and are valued using the asset-class-based matrix; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of September 30, 2020:

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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	\$ 7,164,967	\$ 7,164,967	\$ -	\$ -
Corporate Bonds	14,843,916	-	14,843,916	-
Federal Agency Bonds	34,506,298	-	30,729,926	3,776,372
Foreign Bonds	1,235,189	-	1,235,189	-
US Government Bonds	31,193,594	-	31,193,594	-
Asset Backed Securities	7,396,897	-	7,396,897	-
Variable Amount Note	142,414	-	142,414	-
Total Portfolio	<u>\$ 96,483,275</u>	<u>\$ 7,164,967</u>	<u>\$ 85,541,936</u>	<u>\$ 3,776,372</u>

Other Investments

Florida PRIME	<u>\$ 48,442,575</u>
Total other investments	<u>48,442,575</u>
Total Investments	<u>\$ 144,925,850</u>

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

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

Florida PRIME, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days." As of June 30, 2020, there were no redemption fees or maximum

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 3 - Deposits and Investments (continued)

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

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

Credit Risk. It is the city's policy to limit its investments to US Treasury Obligations, Federal Agency Securities, Federal Instrumentality Securities, Repurchase Agreements with Primary Dealers reporting to the Federal Reserve Bank of New York and that have a nationally recognized statistical rating organization (NSRO) rating of A or A-1, commercial paper with a NSRO rating of A-1, P-1 or if the issuer has senior debt a rating of at least A or A2, corporate securities with a NSRO of at least A, A2, intergovernmental investment pools and a NSRO rating of AAAM, Aaa, State of Florida Local Government Surplus Funds Trust, money market funds with a NSRO rating of AAAM, Aaa, 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, 2020

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 adopted asset allocation policy for both the police and fire pension plans as of September 30, 2020:

<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, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the police officers' and firefighters' plans were .28% and 2.12% respectively.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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, 2020:

	Total Fair Value 9/30/2020	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Cash Equivalents	\$ 2,500,646	\$ 2,500,646	\$ -	\$ -
US Government Obligations	5,659,764	5,659,764	-	-
Mortgage/Asset Backed Securities	474,129	-	474,129	-
Corporate Bonds	7,715,021	-	7,715,021	-
Common Stock	28,805,362	28,805,362	-	-
Foreign Stock	801,832	801,832	-	-
Mutual Funds - Fixed Income	2,557,574	2,557,574	-	-
Mutual Funds - Equity	18,672,727	18,672,727	-	-
Sundry Assets	6,184,150	-	-	6,184,150
Total investments by fair value level	<u>73,371,205</u>	<u>58,997,905</u>	<u>8,189,150</u>	<u>6,184,150</u>
<u>Investments measured at the net asset value (NAV)</u>				
Real Estate Funds	14,036,863	-	-	-
Total investments measured at the NAV	<u>14,036,863</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 87,408,068</u>	<u>\$ 58,997,905</u>	<u>\$ 8,189,150</u>	<u>\$ 6,184,150</u>

The pension funds have mortgage/asset backed securities as well as corporate bonds categorized as level 2 assets. Level 2 asset inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, interest rates and yield curves observable at commonly quoted intervals; implied volatilities; credit spread, and market-corroborated inputs. The pension funds have four different investments in real estate that are measured at net asset value. The police and fire pension funds both have \$2,479,673 and \$1,695,006 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 \$2,772,425 and \$3,619,696 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 \$1,523,067 invested in FIA and this investment is an illiquid, long-term investment. Investment capital will be returned at the end of the product's investment period that is in approximately 37 years. The police pension fund has \$1,992,210 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, 2020

Note 3 - Deposits and Investments (continued)

Pension Trust Fund Investments (continued)

Defined-Benefit Pension Plan investments were as follows at September 30, 2020:

Investment Type	Type	Moody's Credit Quality Rating	Fair Value	Weighted Average Investment Maturities (in Years)			
				Less Than 1	1 - 5	6 - 10	More than 10
Police Pension:							
Cash	Cash	NR*	\$ -	\$ -	\$ -	\$ -	\$ -
Money Market Funds	Money Market	NR*	1,168,385	1,051,115	117,270	-	-
Money Market Funds	Money Market	Aaa	84,284	84,284	-	-	-
US Government Obligations	Fixed Income	Aaa	2,781,942	-	2,781,942	-	-
Mortgage/Asset Backed	Fixed Income	NR*	223,115	-	178,916	44,199	-
Corporate Debt	Fixed Income	A1	213,429	-	213,429	-	-
Corporate Debt	Fixed Income	A2	1,626,417	-	1,626,417	-	-
Corporate Debt	Fixed Income	A3	1,605,746	-	1,605,746	-	-
Corporate Debt	Fixed Income	NR*	276,702	-	276,702	-	-
Total Police Pension			<u>7,980,020</u>	<u>1,135,399</u>	<u>6,800,422</u>	<u>44,199</u>	<u>-</u>
Firefighters' Pension:							
Cash	Cash	NR*	-	\$ -	\$ -	\$ -	\$ -
Money Market Funds	Money Market	NR*	1,080,357	1,080,357	-	-	-
Money Market Funds	Money Market	Aaa	167,620	-	167,620	-	-
US Government Obligations	Fixed Income	Aaa	2,877,822	-	2,877,822	-	-
Mortgage/Asset Backed	Fixed Income	NR*	251,014	-	215,763	35,251	-
Corporate Debt	Fixed Income	A1	218,511	-	218,511	-	-
Corporate Debt	Fixed Income	A2	1,667,448	-	1,667,448	-	-
Corporate Debt	Fixed Income	A3	2,106,768	-	2,106,768	-	-
Total Firefighters' Pension			<u>8,369,540</u>	<u>1,080,357</u>	<u>7,253,932</u>	<u>35,251</u>	<u>-</u>
Total Pension Investments			<u>\$ 16,349,560</u>	<u>\$ 2,215,756</u>	<u>\$ 14,054,354</u>	<u>\$ 79,450</u>	<u>\$ -</u>

* Not Rated

Investment Income

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 3 - Deposits and Investments (continued)

Investment Income (continued)

Investment income for the year ended September 30, 2020 consisted of the following:

	General Fund	Capital Replacement Fund	Sanford CRA Fund	Nonmajor Govern- mental Funds	Proprietary Funds
Interest income	\$ 755,825	\$ 180,338	\$ 17,238	\$ 564,085	\$ 1,215,754
Net increase (decrease) in fair value of investments	523,867	101,741	11,560	46,327	762,860
Investment earnings	<u>\$ 1,279,692</u>	<u>\$ 282,079</u>	<u>\$ 28,798</u>	<u>\$ 610,412</u>	<u>\$ 1,978,614</u>

Note 4 - Receivables

The following is a detailed listing of receivables by type and fund at September 30, 2020:

	Primary Government	
	Governmental Activities	Business-type Activities
Receivables:		
Accounts Billed	\$ 60,092	\$ 3,485,150
Unbilled Receivables	-	3,758,628
Investment Income	148,411	179,730
Code Enforcement	20,442,272	-
Other Miscellaneous	3,850,444	42,237
Gross Receivables	<u>24,501,219</u>	<u>7,465,745</u>
Less: Allowance for Uncollectables	<u>21,905,857</u>	<u>1,348,096</u>
	<u>\$ 2,595,362</u>	<u>\$ 6,117,649</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 5 - Capital Assets

During the year ended September 30, 2020, the following changes in governmental activities capital assets occurred:

	Balance October 1, 2019	Additions	Reductions/ Transfers	Balance September 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,454,055	\$ 11,384	\$ (3,809)	\$ 6,461,630
Construction in progress	16,233,325	7,019,725	(1,106,273)	22,146,777
Total capital assets, not being depreciated	<u>22,687,380</u>	<u>7,031,109</u>	<u>(1,110,082)</u>	<u>28,608,407</u>
Capital assets, being depreciated:				
Buildings	81,938,160	-	932,725	82,870,885
Machinery and equipment	23,015,388	1,419,442	(1,424,205)	23,010,625
Infrastructure	136,271,479	254,184	173,548	136,699,211
Total capital assets, being depreciated	<u>241,225,027</u>	<u>1,673,626</u>	<u>(317,932)</u>	<u>242,580,721</u>
Less accumulated depreciation for:				
Buildings	39,364,336	3,026,919	-	42,391,255
Machinery and equipment	19,566,731	1,487,093	(1,424,205)	19,629,619
Infrastructure	70,764,902	4,595,751	-	75,360,653
Total accumulated depreciation	<u>129,695,969</u>	<u>9,109,763</u>	<u>(1,424,205)</u>	<u>137,381,527</u>
Total capital assets, being depreciated, net	<u>111,529,058</u>	<u>(7,436,137)</u>	<u>1,106,273</u>	<u>105,199,194</u>
Governmental activities capital assets, net	<u>\$ 134,216,438</u>	<u>\$ (405,028)</u>	<u>\$ (3,809)</u>	<u>\$ 133,807,601</u>

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

General government	\$ 286,688
Public safety	1,812,874
Physical environment	4,110
Transportation	5,552,886
Economic environment	258,201
Human services	3,250
Culture and recreation	1,191,754
	<u>\$ 9,109,763</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 5 - Capital Assets (continued)

During the year ended September 30, 2020, the following changes in business-type activities capital assets occurred:

	Balance September 30, 2019	Additions	Reductions/ Transfers	Balance September 30, 2020
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,508,636	\$ 48,960	\$ -	\$ 7,557,596
Construction in progress	26,779,818	8,212,896	(567,089)	34,425,625
Total capital assets, not being depreciated	<u>34,288,454</u>	<u>8,261,856</u>	<u>(567,089)</u>	<u>41,983,221</u>
Capital assets, being depreciated:				
Buildings	40,261,941	169,144	(13,551)	40,417,534
Water and sewer system	160,504,642	6,586,460	450,972	167,542,074
Stormwater management	30,245,401	-	129,668	30,375,069
Machinery and equipment	13,502,244	1,158,524	(151,842)	14,508,926
Total capital assets, being depreciated	<u>244,514,228</u>	<u>7,914,128</u>	<u>415,247</u>	<u>252,843,603</u>
Less accumulated depreciation for:				
Buildings	19,557,210	2,262,695	-	21,819,905
Water and sewer system	48,365,764	2,478,327	-	50,844,091
Stormwater management	9,011,094	1,147,893	-	10,158,987
Machinery and equipment	10,790,126	919,895	(151,842)	11,558,179
Total accumulated depreciation	<u>87,724,194</u>	<u>6,808,810</u>	<u>(151,842)</u>	<u>94,381,162</u>
Total capital assets, being depreciated, net	<u>156,790,034</u>	<u>1,105,318</u>	<u>567,089</u>	<u>158,462,441</u>
Business-type activities capital assets, net	<u>\$ 191,078,488</u>	<u>\$ 9,367,174</u>	<u>\$ -</u>	<u>\$ 200,445,662</u>

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

Water and sewer	\$ 5,358,188
Stormwater	1,401,104
Solid Waste	5,713
Golf course	43,805
	<u>\$ 6,808,810</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 6 - Long-Term Debt

A. Changes in Long-Term Debt

Changes in long-term debt for the year ended September 30, 2020 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, 2019	Additions	Reductions	Balance September 30, 2020	Long-term Portion	Due Within One Year
Governmental activities:						
Notes payable (Direct placement)	\$ 8,980,000	\$ -	\$ (875,000)	\$ 8,105,000	\$ 7,200,000	\$ 905,000
Other post employment benefits*	13,372,770	-	(970,416)	12,402,354	12,402,354	-
Net pension liability	21,409,533	19,666,110	(13,046,798)	28,028,845	28,028,845	-
Compensated absences	2,393,588	3,520,900	(3,635,186)	2,279,302	1,674,306	604,996
Claims payable	1,966,217	8,690,875	(8,382,012)	2,275,080	605,853	1,669,227
Capital leases	534,157	481,457	(302,701)	712,913	395,379	317,534
Governmental activity long-term liabilities	<u>\$ 48,656,265</u>	<u>\$ 32,359,342</u>	<u>\$(27,212,113)</u>	<u>\$ 53,803,494</u>	<u>\$ 50,306,737</u>	<u>\$ 3,496,757</u>
Business-type activities:						
Utility revenue bond and notes (Direct placement)	\$ 5,295,000	\$ -	\$ (2,105,000)	\$ 3,190,000	\$ 1,005,000	\$ 2,185,000
SRF loans (Direct borrowing)	55,363,430	2,322,175	(3,798,132)	53,887,473	49,349,277	4,538,196
Other post employment benefits*	4,305,953	-	(307,584)	3,998,369	3,998,369	-
Net pension liability	7,641,728	2,346,616	(639,324)	9,349,020	9,349,020	-
Capital leases	6,069	-	(6,069)	-	-	-
Compensated absences	490,526	1,949,961	(1,921,696)	518,791	399,660	119,131
Business-type activity long-term liabilities	<u>\$ 73,102,706</u>	<u>\$ 6,618,752</u>	<u>\$ (8,777,805)</u>	<u>\$ 70,943,653</u>	<u>\$ 64,101,326</u>	<u>\$ 6,842,327</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 6 - Long-Term Debt (continued)

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

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

Fiscal Year Ending September 30,	Sales Tax Revenue Note, Series 2012		Total Debt Service
	Principal	Interest	
2021	\$ 905,000	\$ 263,413	\$ 1,168,413
2022	930,000	234,000	1,164,000
2023	965,000	203,775	1,168,775
2024	995,000	172,413	1,167,413
2025	1,025,000	140,075	1,165,075
2026-2028	3,285,000	215,799	3,500,799
	<u>\$ 8,105,000</u>	<u>\$ 1,229,475</u>	<u>\$ 9,334,475</u>

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

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

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

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

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

- a. Revenue Account - To deposit all gross revenues and provide for payment of costs of operation and maintenance of the System.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 6 - Long-Term Debt (continued)

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

b. Bond Sinking Fund:

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

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

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

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

(5) Water and Sewer Fund Bonds Issued and Annual Debt Service Requirements - The following is a schedule of annual debt service requirements to maturity for the Water and Sewer Fund Bonds and Notes at September 30, 2020:

Fiscal Year Ending September 30,	Note, Series 2010		Total Debt Service
	Principal	Interest	
2021	\$ 2,185,000	\$ 150,043	\$ 2,335,043
2022	1,005,000	94,541	\$ 1,099,541
	\$ 3,190,000	\$ 244,584	\$ 3,434,584

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 6 - Long-Term Debt (continued)

E. Bonds, Notes & Loans Payable

The City has revenue bonds and notes outstanding at September 30, 2020. The revenue notes and bonds under governmental activities are secured by several pledged revenue sources. The following is a summary schedule of these long-term obligations of the City and their impact on those present and future pledged revenue sources:

	<u>Purpose of Issue</u>	<u>Revenue Pledged</u>	<u>Amount Issued</u>
Governmental Activities			
Revenue Notes:			
Sales Tax Note, Series 2012	Public safety complex	Sales tax revenues	\$ 15,050,000
Capital Leases:			
City National	Police vehicles	N/A	301,310
City National	Police vehicles	N/A	184,725
U.S. Bancorp Government	Police vehicles	N/A	481,457
U.S. Bancorp Government	Police vehicles	N/A	489,200
Total Governmental Activities:			<u>\$ 16,506,692</u>
Business-type Activities			
Water/Sewer Utility Debt:			
Revenue Bonds:			
Revenue Note:		Net revenue of water and sewer system/	
Series 2010	Refunding	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 Manhole Rehabilitation	Net revenues of water and sewer system	2,622,385
WW590101	Sewer Restoration of underground pipe and Manhole Rehabilitation	Net revenues of water and sewer system	205,020
DW590110	Drinking water system improvements	Net revenues of water and sewer system	455,247
DW590120	AMR Water Replacement and pre-chlorinated water pipe bursting	Net revenues of water and sewer system	12,887,771
DW590130	Water Treatment facility rehabilitation	Net revenues of water and sewer system	986,973
DW590131	Biological nutrient removal improvements	Net revenues of water and sewer system	18,488,166
WW590150	Water Treatment facility construction	Net revenues of water and sewer system	9,150,939
WW590191	Drinking Water facility construction	Net revenues of water and sewer system	555,458
Total Water/Sewer Utility Debt			<u>93,441,766</u>
Stormwater Utility Debt:			
State Revolving Fund Loans:			
SWG12058624P	Stormwater management	Net revenue of the stormwater system	4,623,557
SW586260	Stormwater management	Net revenue of the stormwater system	2,612,309
SW586261	Stormwater management	Net revenue of the stormwater system	452,818
SW590140	Stormwater management	Net revenue of the stormwater system	509,302
SW590141	Stormwater management	Net revenue of the stormwater system	4,854,629
Total Stormwater Utility Debt			<u>13,052,615</u>
Mayfair Golf Club Debt:			
Capital Leases:			
Wells Fargo	Lawn Maintenance Equipment	N/A	47,526
Total Mayfair Debt			<u>47,526</u>
Total Business-type Activities:			<u>\$ 106,541,907</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 6 - Long-Term Debt (continued)

E. 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	\$ 8,105,000	3.25%	28.80%	\$ 1,168,850	\$ 3,619,530
Capital Leases:					
City National	96,990	2.85%	N/A	79,159	N/A
City National	129,246	2.70%	N/A	49,040	N/A
U.S. Bancorp Government	423,349	1.994%	N/A	62,764	N/A
U.S. Bancorp Government	63,328	2.020%	N/A	127,616	N/A
Total Governmental Activities:	<u>\$ 8,817,913</u>			<u>\$ 1,487,429</u>	
Business-type Activities					
Water/Sewer Utility Debt:					
Revenue Bonds:					
Revenue Note:					
Series 2010	\$ 3,190,000	3.87%	20.76%	\$ 2,354,052	\$ 13,656,391
State Revolving Fund Loans:					
CS120586220	709,996	3.34% - 3.55%	3.76%	298,384	8,880,981
WW586250	7,264,649	2.42% - 2.48%	15.32%	1,215,000	8,880,981
DW5906010	1,028,763	3.55%	5.47%	433,675	8,880,981
WW590100	1,543,961	2.65%	2.14%	169,415	8,880,981
WW590101	118,957	2.28%	0.16%	12,804	8,880,981
DW590110	270,611	2.71%	0.38%	29,786	8,880,981
DW590120	7,737,064	1.98% - 2.66%	10.94%	722,397	8,880,981
WW590130	867,312	2.63% - 2.87%	0.84%	65,916	8,880,981
WW590131	15,925,480	2.16%	15.10%	1,191,662	8,880,981
WW590150	9,150,939	.58% - 1.09%	0.00%	(1,606)	8,880,981
WW590191	555,457	1.04%	0.00%	-	8,880,981
Total Water/Sewer Utility Debt	<u>48,363,189</u>			<u>6,491,485</u>	
Stormwater Utility Debt:					
State Revolving Fund Loans:					
SWG12058624P	1,928,680	2.52% - 2.90%	8.05%	304,577	3,909,688
SW586260	1,547,989	2.80%	4.52%	171,182	3,909,688
SW586261	272,411	2.28%	0.74%	28,140	3,909,688
SW590140	363,952	2.63%	0.74%	277,380	3,909,688
SW590141	4,601,252	1.05% - 1.18%	0.00%	298,736	3,909,688
Total Stormwater Utility Debt	<u>8,714,284</u>			<u>1,080,015</u>	
Capital Leases:					
Wells Fargo	-	4.350%	N/A	6,069	N/A
Total Stormwater Utility Debt	<u>-</u>			<u>6,069</u>	
Total Business-type Activities:	<u>\$ 57,077,473</u>			<u>\$ 7,577,569</u>	

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 6 - Long-Term Debt (continued)

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

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

The cost of clean-up activities has been estimated by an engineer to be \$20 million, of which currently the City has no current responsibility. This has been presented as accrued clean-up costs for governmental activities.

Note 7 - Loans Payable - Enterprise Funds

Enterprise Funds loans are State Revolving Fund loans and are backed by the pledged revenues (gross revenue after payment of operation and maintenance expense) generated by the systems (stormwater and separately water and wastewater). The default remedies include court action and/or accelerating the repayment schedules or increasing the interest rate on the unpaid principal of the loan to as much as 1.667 times the loan interest rate. Enterprise Funds loans payable at September 30, 2020 are as follows:

Primary Government: Stormwater:

State Revolving Fund Loan SWG12058624P payable, \$4,623,557 authorized, \$4,623,557 authorized, \$4,623,557 drawn for planning and design for downtown drainage study, payable in 40 equal semiannual installments, including interest at 2.9% on \$899,354, 2.81% on \$2,199,972, and 2.52% on \$1,524,231, on July 15 and January 15 of each year.	\$ 1,928,680
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.	1,547,989
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.	272,411
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.	363,952
State Revolving Fund Loan SW590141 payable, \$5,847,753 authorized, \$4,854,629 drawn for planning and design for drainage, payable in 40 equal semiannual installments, including interest at 1.18% on \$4,554,300, 1.05% on \$1,293,453 on November 15 and May 15 of each year.	4,601,252
Subtotal primary Government: Stormwater	<u>\$ 8,714,284</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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.	709,996
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.	7,264,649
State Revolving Fund Loan DW5906010 payable, \$6,599,510 authorized, \$6,599,510 drawn for drinking water extension, payable in 40 equal semiannual installments, including interest at 3.55%, on December 15 and June 15 of each year.	1,028,763
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.	1,543,961
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.	118,957
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.	270,611
State Revolving Fund Loan DW590120 payable, \$17,105,683 authorized, \$12,887,771 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.	7,737,064
State Revolving Fund Loan WW590130 payable, \$986,973 authorized, \$986,973 drawn for construction of wastewater transmission, collection, reuse, and treatment facilities, payable in 20 equal semiannual installments, including interest at 2.63% to 2.87%, on April 15 and October 15 of each year.	867,312
State Revolving Fund Loan WW590131 payable, \$18,488,166 authorized, \$18,488,166 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.	15,925,480
State Revolving Fund Loan WW590150 payable, \$10,401,065 authorized, \$9,150,939 drawn for construction of wastewater pollution control facilities, payable in 40 equal semiannual installments, including interest at .545% to 1.09%, on May 15 and November 15 of each year.	9,150,939

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 7 - Loans Payable - Enterprise Funds (continued)

State Revolving Fund Loan WW590191 payable, \$587,650 authorized, \$555,457 drawn for construction of Treatment Plant facilities plans, payable in 20 equal semiannual installments, including interest at 1.04%, on February 15 and August 15 of each year.

555,457

Subtotal Primary Government : Water and Sewer

45,173,189

Total loans payable

\$ 53,887,473

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 7 - Loans Payable - Enterprise Funds (continued)

Required principal and interest deposits for State Revolving Fund (SRF) loans are presented as part of restricted assets for debt service on the statement of net position. SRF Loan payments for the first years are based upon the full loan amount available, not the monies actually drawn to date. After completion of the project, a final loan dollar amount is established and a final loan payment/amortization schedule is established. Maturity schedules for those loans that have final loan payment/amortization schedules are as follows (loans DW590120, DW590130, DW590131, WW590150 and WW590191 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2020):

Fiscal Year Ending September 30,	SRF SWG12058624P		
	Principal	Interest	Total
2021	\$ 253,613	\$ 50,964	\$ 304,577
2022	260,587	43,990	304,577
2023	267,752	36,825	304,577
2024	275,116	29,462	304,578
2025	282,682	21,895	304,577
2026-2027	588,930	20,221	609,151
	<u>\$ 1,928,680</u>	<u>\$ 203,357</u>	<u>\$ 2,132,037</u>
Fiscal Year Ended September 30,	SRF Loan SW586260		
	Principal	Interest	Total
2021	\$ 128,733	\$ 42,449	\$ 171,182
2022	132,363	38,819	171,182
2023	136,095	35,087	171,182
2024	139,932	31,250	171,182
2025	143,878	27,304	171,182
2026-2031	866,988	74,513	941,501
	<u>\$ 1,547,989</u>	<u>\$ 249,422</u>	<u>\$ 1,797,411</u>
Fiscal Year Ended September 30,	SRF Loan SW586261		
	Principal	Interest	Total
2021	\$ 22,054	\$ 6,086	\$ 28,140
2022	22,560	5,580	28,140
2023	23,077	5,063	28,140
2024	23,606	4,534	28,140
2025	24,147	3,993	28,140
2026-2031	156,967	11,873	168,840
	<u>\$ 272,411</u>	<u>\$ 37,129</u>	<u>\$ 309,540</u>
Fiscal Year Ended September 30,	SRF Loan SW590140		
	Principal	Interest	Total
2021	\$ 18,567	\$ 9,452	\$ 28,019
2022	19,059	8,960	28,019
2023	19,563	8,456	28,019
2024	20,081	7,938	28,019
2025	20,613	7,406	28,019
2026-2031	111,543	28,552	140,095
2032-2037	127,110	12,985	140,095
2038-2039	27,416	603	28,019
	<u>\$ 363,952</u>	<u>\$ 84,352</u>	<u>\$ 448,304</u>
Fiscal Year Ended September 30,	SRF Loan SW590141		
	Principal	Interest	Total
2021	\$ 224,106	\$ 53,274	\$ 277,380
2022	226,740	50,640	277,380
2023	229,405	47,975	277,380
2024	232,102	45,278	277,380
2025	234,830	42,550	277,380
2026-2031	1,468,096	196,184	1,664,280
2032-2037	1,574,730	89,550	1,664,280
2038-2039	411,243	4,827	416,070
	<u>\$ 4,601,252</u>	<u>\$ 530,279</u>	<u>\$ 5,131,531</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 7 – Loans Payable - Enterprise Funds (continued)

Fiscal Year Ending September 30,	SRF Loan CS120586220		
	Principal	Interest	Total
2021	\$ 276,963	\$ 21,421	\$ 298,384
2022	286,291	12,093	298,384
2023	146,742	2,449	149,191
	<u>\$ 709,996</u>	<u>\$ 35,963</u>	<u>\$ 745,959</u>

Fiscal Year Ended September 30,	SRF Loan WW586250		
	Principal	Interest	Total
2021	\$ 1,044,758	\$ 170,242	\$ 1,215,000
2022	1,070,302	144,698	1,215,000
2023	1,096,472	118,528	1,215,000
2024	1,123,282	91,718	1,215,000
2025	1,150,746	64,254	1,215,000
2025-2027	1,779,089	43,414	1,822,503
	<u>\$ 7,264,649</u>	<u>\$ 632,854</u>	<u>\$ 7,897,503</u>

Fiscal Year Ended September 30,	SRF Loan DW590601		
	Principal	Interest	Total
2021	\$ 400,678	\$ 32,997	\$ 433,675
2022	415,029	18,646	433,675
2023	213,056	3,781	216,837
	<u>\$ 1,028,763</u>	<u>\$ 55,424</u>	<u>\$ 1,084,187</u>

Fiscal Year Ended September 30,	SRF Loan WW590100		
	Principal	Interest	Total
2021	\$ 129,351	\$ 40,064	\$ 169,415
2022	132,802	36,613	169,415
2023	136,344	33,071	169,415
2024	139,981	29,434	169,415
2025	143,715	25,700	169,415
2026-2030	614,234	63,425	677,659
2031	247,534	6,586	254,120
	<u>\$ 1,543,961</u>	<u>\$ 234,893</u>	<u>\$ 1,778,854</u>

Fiscal Year Ended September 30,	SRF Loan WW590101		
	Principal	Interest	Total
2021	\$ 10,149	\$ 2,655	\$ 12,804
2022	10,382	2,422	12,804
2023	10,620	2,184	12,804
2024	10,864	1,940	12,804
2025	11,112	1,692	12,804
2026-2030	47,056	4,157	51,213
2031	18,774	430	19,204
	<u>\$ 118,957</u>	<u>\$ 15,480</u>	<u>\$ 134,437</u>

Fiscal Year Ended September 30,	SRF Loan DW590110		
	Principal	Interest	Total
2021	\$ 22,605	\$ 7,181	\$ 29,786
2022	23,221	6,565	29,786
2023	23,855	5,931	29,786
2024	24,506	5,280	29,786
2025	25,174	4,612	29,786
2026-2030	107,756	11,388	119,144
2031	43,494	1,185	44,679
	<u>\$ 270,611</u>	<u>\$ 42,142</u>	<u>\$ 312,753</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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 2020, the total lease rental income received in the general fund and the water and sewer enterprise fund was \$64,376 and \$127,653, 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 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 \$36,210, respectively, as of September 30, 2020.

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 \$426,404, respectively, as of September 30, 2020.

On February 27, 2017 the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 2.02% and calls for quarterly payments of \$31,904. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$489,200 and \$300,424, respectively, as of September 30, 2020.

On March 30, 2018 the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 2.68% and calls for quarterly payments of \$19,790. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$301,310 and \$148,2848 respectively, as of September 30, 2020.

On June 10, 2019 the City entered into a lease agreement with a local finance company to finance the acquisition of police vehicles. The agreement has a 4-year fixed term at 2.85% and calls for quarterly payments of \$12,260. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$184,725 and \$56,136, respectively, as of September 30, 2020.

On January 30, 2020 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 1.994% and calls for quarterly payments of \$31,382. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$120,955 and \$11,091, respectively, as of September 30, 2020.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 9 - Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

Year Ending September 30,	Governmental Activities
2021	\$ 317,534
2022	194,357
2023	162,308
2024	62,764
Total minimum lease payments	736,963
Less: Amount representing interest costs	(24,050)
Present value of minimum lease payments	\$ 712,913

Note 10 - Interfund Accounts and Transfers

Individual fund interfund receivables and payables at September 30, 2020 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 10,441,794	\$ 170,687
Capital Project Fund		10,021,303
Nonmajor Governmental Funds:		
CDBG Grant Fund	-	192,975
LIHEAP Grant Fund	-	227,516
Solid Waste Utility Fund	-	480,806
Water / Sewer Utility Fund	651,493	-
	\$ 11,093,287	\$ 11,093,287

The interfund receivable and payable of \$170,687 represents a loan from the Water and Sewer Fund to the General Fund to finance the purchase of land. The purchase and the advance were approved by the City Commission on December 12, 2005. The remainder of the amounts represent short-term loans for cash deficiencies.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 10 - Interfund Accounts and Transfers (continued)

Interfund transfers for the fiscal year ended September 30, 2020 consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 84,000	\$ 6,685,573
Sanford CRA Fund	-	725,527
Capital Project Fund	4,028,720	6,000,000
Capital Replacement Fund	9,948,135	239,173
Nonmajor Governmental Funds:		
Fire Impact Fee Fund	-	28,720
Youthbuild Grant Fund	7,425	-
Cemetery Fund	25,000	-
Debt Service Fund	1,731,941	-
Local Option Sales Tax Fund	-	4,000,000
Catalyst Fund	1,388,599	-
 Total Nonmajor Governmental Funds	 <u>3,152,965</u>	 <u>4,028,720</u>
Nonmajor Golf Course Fund	\$ 465,173	\$ -
	<u>\$ 17,678,993</u>	<u>\$ 17,678,993</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, 2020

Note 11 - Pension Plans

City of Sanford Pension Plans, September 30, 2020

	FRS		Police	Fire	Totals
	FRS	HIS			
Pension liability	\$ 28,661,855	\$ 6,721,124	\$ 1,206,290	\$ 788,594	\$ 37,377,863
Pension asset	-	-	-	-	-
Deferred Outflows	12,982,578	2,097,244	3,309,088	2,521,791	20,910,701
Deferred Inflows	151,991	458,023	570,251	1,068,226	2,248,491
Pension Expense	4,722,051	415,982	687,956	(624,514)	5,201,475

A. Florida Retirement System

The City contributes to the Florida Retirement System (FRS); a multiple-employer, cost-sharing, defined-benefit pension plan administered by the State of Florida, for the City’s authorized permanent, full-time and part-time employees, (police and fire joined 10/1/17 and the current employees could join or remain with their plans and all new hires must join). Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the costs of health insurance. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 12, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. State Statutes, authorizes the State to establish and amend all plan provisions. The State of Florida issues a publicly available report that includes financial statements and required supplementary information for FRS. The report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000.

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

A. Florida Retirement System (continued)

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

The HIS Pension Plan provides monthly payment assistance to retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the plan may be amended only by the State Legislature with a change in the Statutes governing the Plan.

(2) Contributions - The FRS has nine (9) classes of membership. Only three (3) classes are applicable to the City's eligible employees. These three (3) classes, with descriptions and weighted average contribution rates in effect during the period ended September 30, 2020, are as follows (contribution rates are in agreement with the actuarially determined rates, each including an additional 1.66% health insurance subsidy contribution):

Regular Class - Members not qualifying for other classes (8.85% from 10/01/19 to 9/30/20). Thirty-three (71) employees qualified for DROP and twenty (25) were in DROP - Deferred Retirement Option Program (14.6% from 10/01/19 to 9/30/20).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 25.88% from 10/1/19 to 9/30/20.

Special Risk – Members eligible for this class includes police officers, firefighters, the City's Crime Scene Technicians, and the Evidence Technician. The rate is 25.22% from 10/1/19 to 9/30/20.

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, 2020, 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, 2018, 2019 and 2020 were, \$2,060,297, \$2,461,514, and \$2,835,065 respectively, and equal the required contributions for each year.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

A. Florida Retirement System (continued)

(3) Pension Liabilities and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2020, the City reported a liability of \$28,661,855 for its proportionate share of the FRS Pension Plan net pension liability and \$6,721,124 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liabilities were measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2020. At June 30, 2020, the City's proportionate share was .0661 percent and 0.0550 percent which was an increase of 6 and 3.2 percent from its proportionate share of 0.0601 and 0.0533 percent measured as of June 30, 2020 for both the FRS and HIS plans respectively.

For the year ended September 30, 2020, the City recognized pension expense of \$4,722,051 for the FRS Pension Plan and \$415,982 for the HIS Pension Plan. At September 30, 2020, 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	\$ 1,096,947	\$ -	\$ 274,935	\$ 5,185
Changes in assumptions	5,188,708	-	722,712	390,807
Net difference between projected and actual earnings on pension plan investments	1,706,554	-	5,366	-
Changes in proportion and differences between City contributions and proportionate share of contributions	4,333,132	151,993	1,007,646	62,031
Contributions subsequent to the measurement date	657,237	-	86,585	-
Total	<u>\$ 12,982,578</u>	<u>\$ 151,993</u>	<u>\$ 2,097,244</u>	<u>\$ 458,023</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

A. Florida Retirement System (continued)

The deferred outflows of resources related to FRS \$657,237 and HIS \$86,585 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported for the Plans as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

FRS		HIS	
Fiscal Year Ending	Amount	Fiscal Year Ending September 30,	Amount
September 30,	<u>Recognized</u>		<u>Recognized</u>
2021	\$ 2,508,632	2021	\$ 429,702
2022	3,907,046	2022	318,744
2023	3,320,974	2023	87,097
2024	1,985,293	2024	202,248
2025	451,402	2025	275,396
Thereafter	-	Thereafter	239,448

(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	7/01/2020	7/01/2020
Measurement date	6/30/2020	6/30/2020
Actuarial cost method	Individual Entry Age	Individual Entry Age
Discount rate	6.80%	2.21%
Municipal bond rate	N/A	3.50%
Long-term expected rate of return, net of investment expense	6.80%	N/A
Inflation rate	2.40%	2.40%
Salary increase, including inflation	3.25%	3.25%
Mortality	PUB-2010 base table projected generationally with Scale MP-2018	PUB-2010 base table projected generationally with Scale MP-2018

The actuarial assumptions that determined the total pension liability of the FRS and HIS Pension Plans as of June 30, 2020, were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

A. Florida Retirement System (continued)

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

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

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

(7) Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability of the FRS and HIS Pension Plans calculated using the discount rate of 6.80 percent and 2.21 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%	2.20%
Fixed income	18.00%	3.00%
Global equity	53.00%	8.00%
Real Estate (Property)	10.00%	6.40%
Private Equity	6.00%	10.80%
Strategic investments	12.00%	5.50%
Total	100.00%	

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

A. Florida Retirement System (continued)

FRS Plan	1% Decrease	Current Discount Rate	1% Increase
	5.80%	6.80%	7.80%
City's proportionate share of the net pension liability	\$ 45,768,165	\$ 28,661,855	\$ 14,374,590
HIS Plan	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
City's proportionate share of the net pension liability	\$ 7,769,319	\$ 6,721,124	\$ 5,863,179

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

B. Police Officers' and Firefighters' Retirement Systems

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

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

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

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

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

fees and transaction costs) credited each fiscal quarter. The DROP balance as of September 30, 2020 is \$33,767 and \$244,380 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 \$938,624 and \$937,671 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2020. The police officers are required to contribute 6.1% of their gross compensation and the firefighters are required to contribute seven (7%) of their base pay compensation (an additional five percent (5%) is paid by the City) for the fire and police employees, and if the employee terminates prior to vesting, this amount is returned to the employee for firefighters hired before July 1, 1999 and all police officer (regardless of date of hire). Both of the plans also receive contributions from the state for insurance premium refunds 1.85% for firefighters and .85% for police officers. The state contributions are not based on covered payroll. The City is required to contribute the remaining amount necessary to pay the annual normal (current year's) cost plus an amount sufficient to fund any unfunded accrued liability over fifteen (15) years for police officers and fifteen (15) years for firefighters. Funding policy was established and may be amended by City Ordinances.

(3) Plan Membership - At September 30, 2020, membership of each plan consisted of the following:

	Police Officers	Firefighters
Inactive plan members or beneficiaries currently receiving benefits	78	53
Inactive plan members entitled to but not yet receiving benefits	25	6
Active plan members	62	58
Total	165	117

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 – Pension Plans (continued)

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

The components of the net pension liability of the City at September 30, 2020 were as follows:

Police Officers' Plan:

Total pension liability	\$ 50,697,657
Plan fiduciary net position	<u>(49,491,367)</u>
City's net pension liability/(asset)	<u>\$ 1,206,290</u>
Plan fiduciary net position as a percentage of the total pension liability/(asset)	97.62%

Firefighters' Plan:

Total pension liability	\$ 38,739,130
Plan fiduciary net position	<u>(37,950,536)</u>
City's net pension liability/(asset)	<u>\$ 788,594</u>
Plan fiduciary net position as a percentage of the total pension liability/(asset)	97.96%

The changes in the net pension liability of the police and firefighters pension plans for fiscal year 2020 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/(asset) (a-b)
Balances at 9/30/2019	\$ 49,192,659	\$ 48,198,309	\$ 994,350
Changes for the year:			
Service cost	773,251	-	773,251
Interest	3,396,162	-	3,396,162
Difference between Expected and Actual Experience	439,728	-	439,728
Changes of assumptions	(272,717)	-	(272,717)
Contribution Buy Back	67,200	67,200	-
Contributions - Employer	-	938,624	(938,624)
Contributions-State	-	514,980	(514,980)
Contributions-Employee	-	248,010	(248,010)
Net investment income	-	2,478,526	(2,478,526)
Benefit payments, including refunds of employee contributions	(2,898,626)	(2,898,626)	-
Administrative Expense	-	(55,656)	55,656
Net Changes	<u>1,504,998</u>	<u>1,293,058</u>	<u>211,940</u>
Balance at September 30, 2020	<u>\$ 50,697,657</u>	<u>\$ 49,491,367</u>	<u>\$ 1,206,290</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 – Pension Plans (continued)

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

	Firefighters' Pension Trust Fund		
	Changes in Net Pension Liability		
	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(asset)
	(a)	(b)	(a-b)
Balance at 9/30/2019	\$ 36,013,150	\$ 34,636,694	\$ 1,376,456
Changes for the year:			
Service cost	711,672	-	711,672
Interest	2,677,479	-	2,677,479
Change in Excess State Money	(134,215)	-	(134,215)
Differences between Expected and Actual Experience	(626,033)	-	(626,033)
Changes of assumptions	1,878,862	-	1,878,862
Changes of benefit terms	-	-	-
Contributions - Employer	-	937,823	(937,823)
Contributions-State	-	343,087	(343,087)
Contributions-Employee	-	258,240	(258,240)
Net investment income	-	3,607,855	(3,607,855)
Benefit payments, including refunds of employee contributions	(1,781,785)	(1,781,785)	-
Administrative Expense	-	(51,378)	51,378
Net Changes	<u>2,725,980</u>	<u>3,313,842</u>	<u>(587,862)</u>
Balance at September 30, 2020	<u>\$ 38,739,130</u>	<u>\$ 37,950,536</u>	<u>\$ 788,594</u>

For the year ended September 30, 2020, the City recognized pension expense of \$2,141,560 and \$656,396 for the police and firefighters pension plans. On September 30, 2020, 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	\$ 736,960	\$ 388,439	\$ 130,660	\$ 766,565
Changes in assumptions	173,060	181,812	2,391,131	-
Net difference between projected and actual earnings on pension plan investments	2,399,068	-	-	301,661
Total	<u>\$ 3,309,088</u>	<u>\$ 570,251</u>	<u>\$ 2,521,791</u>	<u>\$ 1,068,226</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

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

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

Police Officers' Plan		Firefighters' Plan	
Fiscal Year Ending	Amount	Fiscal Year Ending September 30,	Amount
September 30,	Recognized		Recognized
2021	\$ 681,492	2021	\$ 282,423
2022	1,050,835	2022	507,921
2023	835,737	2023	616,882
2024	170,773	2024	46,339
2025	-	2025	-
Thereafter	-	Thereafter	-

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

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

	Police Officers	Firefighters
Valuation date	10/01/2020	10/01/2020
Measurement date	10/01/2020	10/01/2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Discount rate	7.00%	7.00%
Amortization method	New UAAL	New UAAL
Amortization period	15 years	15 years
Asset valuation method	4-year smoothed market	4-year smoothed market
Actuarial Assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increase (including both cost of living and merit)	4.75%	Service based
Inflation rate	3.00%	3.00%
Postretirement benefit increases	0.00%	0.00%

Mortality assumptions for both the police officers' and firefighters' pension plans used the PUBS.H-2010 (Below Median for Active Lives set forward one year, PUBS.H-2010 for Halthy Retirees, set forward one year, PUBS.H-2010 for Female Beneficiary Lives and set back one year for Male Beneficiary Lives, and 80% PubG.H-2010 for Disables Retirees/20% PubS.H-2010 for Disables Retirees All rates are projected generationally with Mortality Improvement Scale MP-2018.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 11 - Pension Plans (continued)

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

(7) The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in both the police officers' and firefighters' pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Fire Pension		Police Pension	
Asset Class	Long Term Expected Real Rate of Return	Asset Class	Long Term Expected Real Rate of Return
Large cap equity	5.62%	Large cap equity	5.45%
Mid cap equity	7.19%	Mid cap equity	7.19%
Small cap equity	5.84%	Small cap equity	5.84%
Foreign equity	3.54%	Foreign equity	3.54%
Real estate	6.16%	Real estate	5.94%
Fixed income	2.88%	Fixed income	2.88%

(8) The discount rate used to measure the total pension liability for the police officers' plan was 7.00% and 7.00% 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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability/(asset)	\$ 7,181,610	\$ 1,206,290	\$ (3,793,058)
Firefighters' Plan:	1% Decrease 0.60%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability/(asset)	\$ 5,471,896	\$ 788,594	\$ (3,105,755)

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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, 2020 and for the year then ended are as follows:

**Combining Statement of Net Pension
Fiduciary Funds
September 30, 2020**

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Assets			
Cash and cash equivalents with trustee	\$ 1,252,669	\$ 1,247,977	\$ 2,500,646
Investments, at fair value:			
US government obligations	2,781,942	2,877,822	5,659,764
Mortgage & asset backed securities	223,115	251,014	474,129
Corporate debt	3,722,295	3,992,726	7,715,021
Mutual funds	18,419,495	8,994,956	27,414,451
Equity securities	14,361,414	15,245,780	29,607,194
Real estate	8,722,161	5,314,702	14,036,863
Accrued investment income	37,471	38,392	75,863
Total assets	49,520,562	37,963,369	87,483,931
Liabilities			
Accounts payable	43,595	42,935	86,530
Net position			
Net position restricted for pensions	\$ 49,476,967	\$ 37,920,434	\$ 87,397,401

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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, 2020

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Additions			
Contributions:			
Employer	\$ 1,453,604	\$ 1,280,758	\$ 2,734,362
Plan members	315,210	258,240	573,450
Total contributions	1,768,814	1,538,998	3,307,812
Investments earnings (losses):			
Interest & dividends	805,291	775,296	1,580,587
Net decrease in fair value of investments	2,002,813	3,030,927	5,033,740
Total investment earnings	2,808,104	3,806,223	6,614,327
Investment expenses	(293,489)	(200,014)	(493,503)
Net investment earnings	2,514,615	3,606,209	6,120,824
Total additions	4,283,429	5,145,207	9,428,636
Deductions			
Benefit payments	2,757,590	1,685,213	4,442,803
Refund of contributions	141,036	433,477	574,513
Administrative expenses	58,486	56,011	114,497
Total deductions	2,957,112	2,174,701	5,131,813
Change in net position	1,326,317	2,970,506	4,296,823
Net position restricted for pensions			
Beginning of year	48,150,650	34,949,928	83,100,578
End of year	\$ 49,476,967	\$ 37,920,434	\$ 87,397,401

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 12 - Post Employment Benefits Other than Pensions

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

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

The City has chosen pay-as-you-go funding, but is recording the liability in the government-wide financial statements. The self-insurance plan pays premiums to an insurance company that maintains no assets or liabilities in the name of the City or on the City's behalf. This plan does not issue stand-alone financial statements.

(2) Employees covered by benefit terms - At September 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive employees*	223
Active employees**	490
Total	713

*Inactive counts include retirees with life insurance only.

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

(3) Total OPEB Liability – The City's total OPEB liability of \$16,400,722 was measured as of September 30, 2020, and was determined by an actuarial valuation as of that date.

(4) Actuarial assumptions and other inputs – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:

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

Inflation Rate:

3.25 per year

Investment Return (Discount Rate):

3.58% as of September 30, 2019 and 2.41% as of September 30, 2020. The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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

(4) Actuarial assumption and other inputs (continued)

Health Care Cost Trend Rates:

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

<u>Year / Increase</u>	<u>Year / Increase</u>	<u>Year / Increase</u>
2021 8.00%	2025 6.00%	2028 4.50%
2022 7.50%	2026 5.50%	and
2023 7.00%	2027 5.00%	after
2024 0.65%		

Retiree Contributions:

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

Payroll Growth:

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

Mortality Rates:

Public Safety: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020

Non Public Safety: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020

Surviving Spouses: SOA Pub-2020 Contingent Survivor Headcount WEighted Mortality Table fully generational using Scale MP-2020

Disabled Retirees: SOA Pub-2010 Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2020

(5) Summary of Benefits -

Other Post-Employment Benefits (OPEBs)

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

Eligible Individuals:

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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

(6) Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2019	\$ 17,678,723
Changes for the year:	
Service cost	375,844
Interest	629,498
Change in assumptions	(1,230,490)
Differences between expected and actual experience	(102,878)
Benefit payments	(949,975)
Net changes	(1,278,001)
Balance at 9/30/2020	\$ 16,400,722

There have been no substantive plan provision changes.

(7) Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate of 2.41%.

OPEB discount rate	1% Decrease 1.41%	Current Discount Rate 2.41%	1% Increase 3.41%
Total OPEB liability	\$ 18,006,368	\$ 16,400,722	\$ 15,000,019

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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

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

OPEB health care discount rate	1% Decrease (7.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
Total OPEB liability	\$ 14,995,202	\$ 16,400,722	\$ 18,026,288

(9) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB— For the year ended September 30, 2020, the City recognized an OPEB expense of \$1,604,346. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,088,886
Changes in assumptions	1,116,430	1,025,408
Total	<u>\$ 1,116,430</u>	<u>\$ 7,114,294</u>

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

Fiscal Year Ending September 30,	Amount Recognized
2021	\$ (1,659,713)
2022	(1,659,713)
2023	(1,659,713)
2024	(796,497)
2025	(222,228)
Thereafter	-

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 13 - Deferred Compensation Plan

The City offers its employees three deferred compensation plans two created in accordance with Internal Revenue Code Section 457. The City’s main plan is offered to all employees. The second plan was opened as an additional plan that is only offered to Firefighters. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen non-reimbursed emergency. The other deferred compensation plan is a 401(a) and is offered to all employees with no employer contributions.

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

Note 14 - Risk Management

The City accounts for its risk management activities in an internal service fund that includes self-insurance programs for workers’ compensation, general liability, property, auto, and employee healthcare. The City has made the decision to retain up to \$200,000 per incident relating to workers’ compensation. Coverage in excess of \$200,000 per incident for workers’ compensation has been purchased from an outside carrier. All other liability and property damage insurance is obtained through insurance carriers with a \$25,000 deductible for general liability claims per occurrence and an aggregate stop loss that varies by line-of-coverage for all types of claims for fiscal year 2020. 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, 2019 and 2020 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
2018 - 2019	\$ 2,458,014	\$ 7,422,828	\$ (7,914,625)	\$ 1,966,217
2019 - 2020	1,966,217	8,690,875	(8,382,012)	2,275,080

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 \$3,580,677 at September 30, 2020.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

Note 16 – Net Investment in Capital Assets Calculation

The elements of this calculation are as follows:

	Governmental Activities	Business-type Activities
Capital assets:		
Non depreciable	\$ 28,608,407	\$ 41,983,221
Depreciable, net	105,199,194	158,462,441
	133,807,601	200,445,662
Debt related to capital assets:		
Bonds	-	3,190,000
Loans	8,105,000	53,887,473
Capital leases	712,913	-
	8,817,913	57,077,473
Difference	124,989,688	143,368,189
Unspent debt proceeds	360,584	-
Invested in capital assets	\$ 125,350,272	\$ 143,368,189

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, 2020, 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, 2020, the City of Sanford and the Downtown CRA did not have abated property taxes but did expend \$663,072 on the agreed upon expenditures for the development of the Catalyst Site.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2020

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.



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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 23,162,707	\$ 23,162,707	\$ 23,567,574	\$ 404,867
Utility taxes	7,876,189	7,876,189	7,955,152	78,963
Franchise fees	4,983,582	4,983,582	4,849,679	(133,903)
Business taxes	623,301	623,301	687,048	63,747
Permits and fees	167,681	167,681	56,334	(111,347)
Intergovernmental	7,634,894	7,717,282	8,000,964	283,682
Charges for services	2,560,553	2,560,553	2,976,825	416,272
Investment earnings	148,765	148,765	1,279,692	1,130,927
Fines and forfeitures	149,733	149,733	390,078	240,345
Miscellaneous	182,130	202,130	250,560	48,430
Total revenues	<u>47,489,535</u>	<u>47,591,923</u>	<u>50,013,906</u>	<u>2,421,983</u>
Expenditures				
Current:				
General government	6,802,988	7,369,916	6,655,029	714,887
Public safety	26,819,552	27,305,158	26,882,626	422,532
Physical environment	383,041	482,026	283,640	198,386
Transportation	1,268,738	1,454,926	1,322,064	132,862
Economic environment	591,810	703,316	382,595	320,721
Human services	397,645	397,645	126,935	270,710
Culture and recreation	5,861,562	5,889,234	5,363,381	525,853
Debt service:				
Capital outlay:				
CO_Transportation	-	10,381	10,380	1
Total expenditures	<u>42,125,336</u>	<u>43,612,602</u>	<u>41,026,650</u>	<u>2,585,952</u>
Excess of revenues over expenditures	<u>5,364,199</u>	<u>3,979,321</u>	<u>8,987,256</u>	<u>5,007,935</u>
Other financing sources (uses)				
Transfers in	115,350	456,112	84,000	(372,112)
Transfers out	(5,178,549)	(15,518,770)	(6,685,573)	8,833,197
Proceeds from sale of assets	14,000	14,000	-	(14,000)
Total other financing uses	<u>(5,049,199)</u>	<u>(15,048,658)</u>	<u>(6,601,573)</u>	<u>8,447,085</u>
Net change in fund balances	<u>315,000</u>	<u>(11,069,337)</u>	<u>2,385,683</u>	<u>13,455,020</u>
Fund balances				
Beginning of year	-	-	26,345,888	26,345,888
Prior carryforward	-	11,418,387	-	(11,418,387)
Future carryforward	(315,000)	(349,050)	-	349,050
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,731,571</u>	<u>\$ 28,731,571</u>

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

CITY OF SANFORD, FLORIDA
Sanford CRA Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,494,683	\$ 1,494,683	\$ 1,421,979	\$ (72,704)
Investment earnings	35,241	35,241	28,798	(6,443)
Miscellaneous	-	-	750	750
Total revenues	<u>1,529,924</u>	<u>1,529,924</u>	<u>1,451,527</u>	<u>(78,397)</u>
Expenditures				
Current:				
Economic environment	749,745	1,209,726	661,296	548,430
Capital outlay:				
Economic environment	-	2,500	-	2,500
Total expenditures	<u>749,745</u>	<u>1,212,226</u>	<u>661,296</u>	<u>550,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>780,179</u>	<u>317,698</u>	<u>790,231</u>	<u>472,533</u>
Other financing sources (uses)				
Transfers out	<u>(725,527)</u>	<u>(725,527)</u>	<u>(725,527)</u>	<u>-</u>
Total other financing sources	<u>(725,527)</u>	<u>(725,527)</u>	<u>(725,527)</u>	<u>-</u>
Net change in fund balances	<u>54,652</u>	<u>(407,829)</u>	<u>64,704</u>	<u>472,533</u>
Fund balances				
Beginning of year	-	-	317,416	317,416
Prior carryforward	-	462,481	-	(462,481)
Future carryforward	<u>(54,652)</u>	<u>(54,652)</u>	<u>-</u>	<u>54,652</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,120</u>	<u>\$ 382,120</u>

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios

	Police Officers' Retirement Trust Fund							
	9/30/2020	09/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability								
Service cost	\$ 773,251	\$ 794,900	\$ 780,283	\$ 1,103,531	\$ 1,146,830	\$ 1,138,827	\$ 1,188,045	\$ 1,102,594
Interest	3,396,162	3,248,998	3,261,533	3,239,054	3,177,614	3,119,988	3,003,659	2,842,942
Change in excess state money	-	-	-	(1,623,181)	187,342	163,247	142,542	-
Change in benefit terms	-	-	-	(607,513)				
Differences between Expected and Actual								
Experience	439,728	887,614	51,766	(608,510)	(1,113,615)	(596,272)	-	-
Change of assumptions	(272,717)	-	3,225,876	-	1,038,360	-	-	-
Benefit payments, including refunds of employee contributions	67,200							
	(2,898,626)	(2,716,410)	(3,291,827)	(2,949,734)	(2,661,451)	(3,192,534)	(2,090,399)	(1,824,041)
Net change in total pension liability	1,504,998	2,215,102	4,027,631	(1,446,353)	1,775,080	633,256	2,243,847	2,121,495
Total pension liability- beginning	49,192,659	46,977,557	42,949,926	44,396,279	42,621,199	41,987,943	39,744,096	37,622,601
Total pension liability - ending (a)	<u>\$ 50,697,657</u>	<u>\$ 49,192,659</u>	<u>\$ 46,977,557</u>	<u>\$ 42,949,926</u>	<u>\$ 44,396,279</u>	<u>\$ 42,621,199</u>	<u>\$ 41,987,943</u>	<u>\$ 39,744,096</u>
Plan Fiduciary Net Position								
Contributions - employer	938,624	1,189,748	1,268,270	1,860,016	1,817,484	1,902,187	2,176,438	1,896,331
Contributions-state	514,980	450,032	431,259	38,389	363,691	339,596	318,891	298,468
Contributions-employee	248,010	246,351	266,694	326,564	312,694	296,080	292,092	293,324
Net investment income	2,478,526	75,018	3,395,500	5,054,852	3,885,477	538,151	3,978,010	4,579,654
Benefit payments, including refunds of employee contributions	(2,831,426)	(2,716,410)	(3,291,827)	(2,949,734)	(2,661,451)	(3,192,534)	(2,090,399)	(1,824,041)
Administrative expense	(55,656)	(61,337)	(86,161)	(76,649)	(70,378)	(79,842)	(63,751)	(55,223)
Net change in plan fiduciary net position	1,293,058	(816,598)	1,983,735	4,253,438	3,647,517	(196,362)	4,611,281	5,188,513
Plan fiduciary net position - beginning	48,198,309	49,014,907	47,031,172	42,432,734	38,785,217	38,981,579	34,370,299	29,181,786
Plan fiduciary net position - ending (b)	<u>\$ 49,491,367</u>	<u>\$ 48,198,309</u>	<u>\$ 49,014,907</u>	<u>\$ 46,686,172</u>	<u>\$ 42,432,734</u>	<u>\$ 38,785,217</u>	<u>\$ 38,981,580</u>	<u>\$ 34,370,299</u>
Net pension liability/(asset) - ending (a) - (b)	<u>\$ 1,206,290</u>	<u>\$ 994,350</u>	<u>\$ (2,037,350)</u>	<u>\$ (3,736,246)</u>	<u>\$ 1,963,545</u>	<u>\$ 3,835,982</u>	<u>\$ 3,006,363</u>	<u>\$ 5,373,797</u>
Plan fiduciary net position as a percentage of the total pension liability	97.62%	97.98%	104.34%	108.70%	95.58%	91.00%	92.84%	86.48%
Covered payroll	\$ 3,610,410	\$ 3,646,676	\$ 3,881,447	\$ 5,622,360	\$ 5,598,252	\$ 6,162,354	\$ 5,379,770	\$ 5,236,924
Net pension liability as a percentage of covered payroll	33.41%	27.27%	-52.49%	-66.45%	35.07%	62.25%	55.88%	102.61%

**For Fiscal years 2015 Fiscal year, Gross Salary included DROP pay has been reported. Schedule in the Required Supplementary information section are intended to show information for ten years, additional years' information will be displayed as it becomes available.*

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

Schedule of Changes in Net Pension Liability and Related Ratios

	Firefighters' Pension Trust Fund							
	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Total Pension Liability								
Service cost	\$ 711,672	\$ 706,209	\$ 694,207	\$ 719,369	\$ 711,620	\$ 710,735	\$ 724,668	\$ 670,989
Interest	2,677,479	2,605,737	2,528,587	2,539,282	2,421,237	2,324,478	2,193,825	2,077,326
Change in excess state money	(134,215)	134,215	-	(1,142,947)	99,482	105,525	110,275	-
Change in benefit terms	-	(14,409)	-	-	-	-	-	-
Differences between Expected and Actual								
Experience	(626,033)	(48,942)	326,650	(517,380)	(388,476)	(217,912)	-	-
Change of assumptions	1,878,862	949,461	-	578,666	752,874	-	-	-
Benefit payments, including refunds of employee contributions	(1,781,785)	(2,499,477)	(2,603,631)	(2,214,104)	(1,854,776)	(1,362,609)	(1,180,194)	(1,511,322)
Net change in total pension liability	2,725,980	1,832,794	945,813	(37,114)	1,741,961	1,560,217	1,848,574	1,236,993
Total pension liability- beginning	36,013,150	34,180,356	33,234,543	33,271,657	31,524,696	29,964,479	28,115,905	26,878,912
Total pension liability - ending (a)	<u>\$ 38,739,130</u>	<u>\$ 36,013,150</u>	<u>\$ 34,180,356</u>	<u>\$ 33,234,543</u>	<u>\$ 33,266,657</u>	<u>\$ 31,524,696</u>	<u>\$ 29,964,479</u>	<u>\$ 28,115,905</u>
Plan Fiduciary Net Position								
Contributions - employer	937,823	1,169,697	1,198,581	1,218,852	1,137,284	1,178,825	1,228,369	1,234,630
Contributions-state	343,087	302,901	275,810	278,787	268,168	274,211	278,961	283,949
Contributions-employee	258,240	257,497	263,961	267,482	253,690	247,193	244,226	261,421
Net investment income	3,607,855	709,334	3,389,529	3,740,487	2,399,441	628,563	2,376,477	2,432,487
Benefit payments, including refunds of employee contributions	(1,781,785)	(2,499,477)	(2,603,631)	(2,214,104)	(1,854,776)	(1,362,609)	(1,180,194)	(1,511,322)
Administrative expense	(51,378)	(60,501)	(63,906)	(67,365)	(61,121)	(50,686)	(48,585)	(49,016)
Net change in plan fiduciary net position	3,313,842	(120,549)	2,460,344	3,224,139	2,142,686	915,497	2,899,254	2,652,149
Plan fiduciary net position - beginning	34,636,694	34,757,243	32,296,899	29,072,760	26,930,074	26,014,577	23,115,323	20,463,174
Plan fiduciary net position - ending (b)	<u>\$ 37,950,536</u>	<u>\$ 34,636,694</u>	<u>\$ 34,757,243</u>	<u>\$ 32,296,899</u>	<u>\$ 29,072,760</u>	<u>\$ 26,930,074</u>	<u>\$ 26,014,577</u>	<u>\$ 23,115,323</u>
Net pension liability/(asset) - ending (a) - (b)	<u>\$ 788,594</u>	<u>\$ 1,376,456</u>	<u>\$ (576,887)</u>	<u>\$ 937,644</u>	<u>\$ 4,193,897</u>	<u>\$ 4,594,622</u>	<u>\$ 3,949,902</u>	<u>\$ 5,000,582</u>
Plan fiduciary net position as a percentage of the total pension liability	97.96%	96.18%	101.69%	97.18%	87.39%	85.43%	86.82%	82.21%
Covered payroll	\$ 3,691,188	\$ 3,676,484	\$ 3,770,876	\$ 3,861,980	\$ 3,583,344	\$ 3,884,379	\$ 3,488,942	\$ 3,734,581
Net pension liability as a percentage of covered payroll	21.36%	37.44%	-15.30%	24.28%	117.04%	118.28%	113.21%	133.90%

**For Fiscal years 2013 and 2014, the Covered Payroll figures were based on Pensionable Salary. Schedule in the Required Supplementary information section are intended to show information for ten years, additional years' information will be displayed as it becomes available.*

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

Schedule of Contributions

Police Officers' Retirement Trust Fund

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 667,926	\$ 1,101,296	\$ 768,526	\$ 1,613,617	\$ 1,959,388	\$ 2,006,273	\$ 2,307,921	\$ 2,037,163
Contributions in relation to the actuarially determined contributions	1,453,604	1,366,097	1,444,619	2,036,365	1,993,833	2,078,536	2,352,787	2,072,679
Contribution deficiency (excess)	<u>\$ (785,678)</u>	<u>\$ (264,801)</u>	<u>\$ (676,093)</u>	<u>\$ (422,748)</u>	<u>\$ (34,445)</u>	<u>\$ (72,263)</u>	<u>\$ (44,866)</u>	<u>\$ (35,516)</u>
Covered payroll	\$ 3,610,410	\$ 3,646,676	\$ 3,881,447	\$ 5,622,360	\$ 5,598,252	\$ 6,162,534	\$ 5,379,770	\$ 5,236,924
Contributions as a percentage of covered payroll	37.46%	37.46%	37.22%	36.22%	35.62%	33.73%	43.73%	39.58%

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Funding method	Entry age normal actuarial cost method.
Amortization method	UAAL
Remaining amortization period	15 Years
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	4.75% per year until the assumed retirement age.
Investment rate of return	7.00% per year, compounded annually, net of investment related expenses.
Payroll increases	0.00% per year.
Retirement age	Earlier of 1) age 56 and 11 years of service or 2) the completion of 26 years of service, regardless of age. Members who are eligible to retire on the valuation date are assumed to retire one year later.
Early retirement	Commencing with the earliest early retirement age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 2.5% per year.
Termination rates	See table below.
Disability rates	See table below.
Mortality	Healthy Active Lives: PubS.H-2010 (Below Median) for Employees, set forward one year., Halthy Retiree Lives: PubS.H-2010, set forward one year, Beneficiary Lives: PubS.H-2010 and set forward one year for males, Disabled Lives: 80% PubG.H-2010 / 20% PubS.H-2010.

Termination rate table:		% terminating during the year	Disability rate table:	
Service			Age	% becoming disabled during the year
0		10.0%	20	0.26%
1-4		8.0%	25	0.26%
5-9		6.5%	30	0.29%
10-14		5.0%	35	0.33%
15-19		4.0%	40	0.61%
20+		2.0%	45	1.09%
			50	2.15%
			55	4.46%
			60	8.06%
			65	13.99%

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, 2020

Schedule of Contributions

Firefighters Retirement Trust Fund

	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarially determined contribution	\$ 874,812	\$ 1,040,445	\$ 1,138,804	\$ 1,274,453	\$ 1,279,254	\$ 1,313,653	\$ 1,381,622	\$ 1,366,856
Contributions in relation to the actuarially determined contributions	1,103,509	1,338,383	1,367,267	1,387,538	1,305,970	1,347,511	1,397,055	1,403,316
Contribution deficiency (excess)	<u>\$ (228,697)</u>	<u>\$ (297,938)</u>	<u>\$ (228,463)</u>	<u>\$ (113,085)</u>	<u>\$ (26,716)</u>	<u>\$ (33,858)</u>	<u>\$ (15,433)</u>	<u>\$ (36,460)</u>
Covered payroll*	\$ 3,691,188	\$ 3,676,484	\$ 3,770,876	\$ 3,861,980	\$ 3,583,344	\$ 3,884,379	\$ 3,488,942	\$ 3,734,581
Contributions as a percentage of covered payroll	36.40%	36.40%	36.26%	35.93%	36.45%	34.69%	40.04%	37.58%

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

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Funding method	Entry age normal actuarial cost method.
Amortization method	UAAL
Remaining amortization period	15 years.
Actuarial asset method	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric four-year average market value return (net of fees). It is possible that over time this technique will produce an insignificant bias above or below market value of assets
Inflation	3% per year.
Salary increases	Service based.
Investment rate of return	7.00% per year, compounded annually, net of investment related expenses.
Payroll increases	None.
Retirement age	Earlier of 1) age 55 and 10 years of service or 2) the completion of 25 years of service, regardless of age. Members who are eligible to retire on the valuation date are assumed to retire one year later.
Early retirement	Commencing with the earliest early retirement age (45), members are assumed to retire with an immediate subsidized benefit at the rate of 2.5% per year.
Termination rates	See table below.
Disability rates	See table below.
Mortality	Healthy Active Lives: PubS.H-2010 (Below Median) for Employees, set forward one year., Halthy Retiree Lives: PubS.H-2010, set forward ne year, Beneficiary Lives: PubS.H-2010 and set backward one year for males, Disabled Lives: 80% PubG.H-2010 / 20% PubS.H-2010.

Termination rate table:	% terminating during the year	Disability rate table:	% becoming disabled during the year
Service		Age	
<5 Years	7.50%	20	0.15%
5-9	5.0%	25	0.15%
10+	2.0%	30	0.20%
		35	0.25%
		40	0.35%
		45	0.50%
		50	0.90%
		55	1.80%
		60	4.50%
		65	11.10%

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

For the year Ended September 30, 2020

Schedule of Investment Returns

Police Officers' Retirement Trust Fund

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Annual money-weighted rate of return net of investment expense	5.51%	0.28%	7.44%	12.11%	10.29%	1.55%	11.54%	15.52%

Firefighters' Retirement Trust Fund

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>
Annual money-weighted rate of return net of investment expense	10.63%	2.12%	10.75%	13.14%	9.37%	2.56%	10.23%	11.82%

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2020

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 Payroll	FRS Contributions as a Percentage of Covered Payroll
2020	\$ 2,517,450	\$ 2,517,450	\$ -	\$ 15,491,376	16.25%
2019	2,158,353	2,158,353	-	14,856,614	14.53%
2018	1,783,775	1,783,775	-	13,903,098	12.83%
2017	1,007,807	1,007,807	-	10,891,291	9.25%
2016	924,730	924,730	-	11,039,794	8.38%
2015	956,675	956,675	-	10,563,626	9.06%
2014	951,268	951,268	-	10,510,158	9.05%

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

Fiscal Year Ending September 30,	FRS Contractually Required Contribution	FRS Contributions in Relation to the Contractually Required Contribution	FRS Contribution Deficiency (Excess)	Covered Payroll	FRS Contributions as a Percentage of Covered Payroll
2020	\$ 317,615	\$ 317,615	\$ -	\$ 19,133,439	1.66%
2019	303,161	303,161	-	18,262,704	1.66%
2018	276,522	276,522	-	16,657,964	1.66%
2017	217,687	217,687	-	13,113,679	1.66%
2016	219,392	219,392	-	13,216,360	1.66%
2015	171,823	171,823	-	12,634,018	1.36%
2014	153,359	153,359	-	12,622,134	1.22%

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2020

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 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
2020	2020	0.0661%	\$ 28,661,855	\$ 15,491,376	185.02%	78.85%
2019	2019	0.0601%	20,713,542	14,621,429	141.67%	82.61%
2018	2018	0.0489%	14,740,543	13,118,012	112.37%	84.26%
2017	2017	0.0329%	9,749,451	10,719,595	90.95%	83.89%
2016	2016	0.0341%	8,610,651	10,628,100	81.02%	84.88%
2015	2015	0.0366%	4,726,347	10,607,035	44.56%	92.00%
2014	2014	0.0377%	2,300,637	10,492,145	21.93%	96.09%

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

Fiscal Year 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 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
2020	2020	0.0550%	\$ 6,721,124	\$ 19,133,434	35.13%	3.00%
2019	2019	0.0533%	5,966,912	17,863,960	33.40%	2.63%
2018	2018	0.0480%	5,081,713	15,687,897	32.39%	2.15%
2017	2017	0.0404%	4,317,365	12,882,164	33.51%	1.64%
2016	2016	0.0412%	4,799,917	12,714,027	37.75%	0.97%
2015	2015	0.0418%	4,258,567	12,695,445	33.54%	0.50%
2014	2014	0.0424%	3,968,425	12,610,125	31.47%	0.99%

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

CITY OF SANFORD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended September 30, 2020

Schedule of Changes in Net OPEB Liability and Related Ratios

	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability			
Service cost	\$ 375,844	\$ 399,293	\$ 533,774
Interest	629,498	860,472	904,284
Change of benefit terms	-	-	625,295
Change in assumptions	(1,230,490)	820,598	1,138,728
Differences between Expected and Actual Experience	(102,878)	(4,266,237)	(6,317,994)
Benefit payments*	(949,975)	(931,270)	(923,474)
Net change in total OPEB liability	(1,278,001)	(3,117,144)	(4,039,387)
Total OPEB liability - beginning	17,678,723	20,795,867	24,835,254
Total OPEB liability - ending (a)	<u>\$ 16,400,722</u>	<u>\$ 17,678,723</u>	<u>\$ 20,795,867</u>
Covered payroll	25,094,610	24,576,016	23,801,468
Total OPEB liability as a percentage of covered payroll	65.4%	71.9%	87.4%

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

Notes to Schedule

Change in Assumptions	<p>Discount rate changed from 3.58% to 2.41% causing an increase in change in assumptions.</p> <p>Mortality tables updated from SOA RPH-2017 to MP-2017 causing an increase in change in assumptions.</p> <p>Salary scale assumption updated based on FRS actuarial valuation as of 7/1/2019 causing an increase in change in assumptions.</p> <p>Retirement rate assumption updated based on FRS actuarial valuation as of 7/1/2019 causing a decrease in change in assumptions.</p> <p>Termination rate assumption updated based on FRS actuarial valuation as of 7/1/2019 causing an increase in change in assumptions.</p> <p>Health care trend rates reset to an initial rate of 8.00% decreasing by 0.5% annually to an ultimate rate of 4.5% causing a decrease in change in assumptions.</p>
Differences between Expected and Actual Experience	<p>The decrease is due to the City health insurance premiums not increasing as much as expected and the aggregate factor per employee decreasing.</p>

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

CITY OF SANFORD, FLORIDA

Combining Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

Capital Projects Fund

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

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

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



CITY OF
SANFORD
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CITY OF SANFORD, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Special Revenue Funds						
	Building Inspection Fund	Local Option Gas Tax Fund	Local Option Sales Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	LIHEAP Grant Fund
Assets							
Cash and cash equivalents	\$ 2,158,932	\$ 608,458	\$ 2,961,518	\$ 127,317	\$ 73,970	\$ -	\$ -
Investments	4,393,915	1,247,356	6,071,188	-	-	84,235	-
Accounts receivable, net	21,026	5,965	29,148	3	2	1	29
Due from other governments	-	86,282	261,069	846	382	-	378,868
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$ 6,573,873</u>	<u>\$ 1,948,061</u>	<u>\$ 9,322,923</u>	<u>\$ 128,166</u>	<u>\$ 74,354</u>	<u>\$ 84,236</u>	<u>\$ 378,897</u>
Liabilities							
Accounts payable	\$ 56,224	\$ 124,371	\$ 45,581	\$ -	\$ -	\$ 17,639	\$ 88,962
Accrued liabilities	25,195	-	-	-	-	-	3,618
Due to other funds	-	-	-	-	-	-	227,516
Due to other governments	16,476	-	-	-	-	-	-
Unearned revenues	-	-	19,597	-	-	-	-
Total liabilities	<u>97,895</u>	<u>124,371</u>	<u>65,178</u>	<u>-</u>	<u>-</u>	<u>17,639</u>	<u>320,096</u>
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	-	(2,452)
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,452)</u>
Fund balances							
Nonspendable:							
Prepaid items	-	-	-	-	-	-	-
Restricted for:							
Building inspections	6,475,978	-	-	-	-	-	-
Transportation	-	1,823,690	9,257,745	-	-	-	-
Law enforcement	-	-	-	128,166	74,354	-	-
Assistance programs	-	-	-	-	-	-	61,253
System expansion	-	-	-	-	-	-	-
Committed for:							
Cemetery purposes	-	-	-	-	-	66,597	-
Capital replacements	-	-	-	-	-	-	-
Assigned for:							
Debt service	-	-	-	-	-	-	-
Unassigned/(Deficit)	-	-	-	-	-	-	-
Total fund balances	<u>6,475,978</u>	<u>1,823,690</u>	<u>9,257,745</u>	<u>128,166</u>	<u>74,354</u>	<u>66,597</u>	<u>61,253</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,573,873</u>	<u>\$ 1,948,061</u>	<u>\$ 9,322,923</u>	<u>\$ 128,166</u>	<u>\$ 74,354</u>	<u>\$ 84,236</u>	<u>\$ 378,897</u>

Special Revenue Funds

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,930,195
637,653	741,312	1,181,954	-	78,658	-	14,436,271
16	19	30	-	-	-	56,239
33,524	214,168	13,126	292,615	-	-	1,280,880
-	-	-	940	-	-	940
<u>\$ 671,193</u>	<u>\$ 955,499</u>	<u>\$ 1,195,110</u>	<u>\$ 293,555</u>	<u>\$ 78,658</u>	<u>\$ -</u>	<u>\$ 21,704,525</u>
\$ -	\$ 4,526	\$ 76,702	\$ 53,940	\$ -	\$ -	\$ 467,945
-	-	-	2,590	-	-	31,403
-	-	-	192,975	-	-	420,491
-	-	-	149	-	-	16,625
-	-	-	-	81,875	-	101,472
-	4,526	76,702	249,654	81,875	-	1,037,936
-	214,168	13,127	293,982	-	-	518,825
-	214,168	13,127	293,982	-	-	518,825
-	-	-	940	-	-	940
-	-	-	-	-	-	6,475,978
-	-	-	-	-	-	11,081,435
-	-	-	-	-	-	202,520
-	-	-	-	-	-	61,253
671,193	736,805	1,105,281	-	-	-	2,513,279
-	-	-	-	-	-	66,597
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(251,021)	(3,217)	-	(254,238)
<u>671,193</u>	<u>736,805</u>	<u>1,105,281</u>	<u>(250,081)</u>	<u>(3,217)</u>	<u>-</u>	<u>20,147,764</u>
<u>\$ 671,193</u>	<u>\$ 955,499</u>	<u>\$ 1,195,110</u>	<u>\$ 293,555</u>	<u>\$ 78,658</u>	<u>\$ -</u>	<u>\$ 21,704,525</u>

CITY OF SANFORD, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2020

	Debt Service Fund		Capital Project Funds		Total Nonmajor Governmental Funds
	Debt Service Fund	Capital Recovery Fee Fund	Catalyst Fund	Total Capital Projects	
Assets					
Cash and cash equivalents	\$ 902,226	\$ 24,387	\$ 2,214,553	\$ 2,238,940	\$ 9,071,361
Investments	-	-	-	-	14,436,271
Accounts receivable, net	22	1	21	22	56,283
Due from other governments	-	-	-	-	1,280,880
Prepaid items	-	-	-	-	940
Total assets	\$ 902,248	\$ 24,388	\$ 2,214,574	\$ 2,238,962	\$ 24,845,735
Liabilities					
Accounts payable	\$ -	\$ 1	\$ -	\$ 1	\$ 467,946
Accrued liabilities	-	-	-	-	31,403
Due to other funds	-	-	-	-	420,491
Due to other governments	-	-	-	-	16,625
Unearned revenues	-	217	-	217	101,689
Total liabilities	-	218	-	218	1,038,154
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	518,825
Total deferred inflows of resources	-	-	-	-	518,825
Fund balances					
Nonspendable:					
Prepaid items	-	-	-	-	940
Restricted for:					
Building inspections	-	-	-	-	6,475,978
Transportation	-	-	-	-	11,081,435
Law enforcement	-	-	-	-	202,520
Assistance programs	-	-	-	-	61,253
System expansion	-	-	-	-	2,513,279
Committed for:					
Cemetery purposes	-	-	-	-	66,597
Capital replacements	-	24,170	1,463,205	1,487,375	1,487,375
Assigned for:					
Debt service	902,248	-	-	-	902,248
Unassigned/(Deficit)	-	-	751,369	751,369	497,131
Total fund balances	902,248	24,170	2,214,574	2,238,744	23,288,756
Total liabilities, deferred inflows of resources, and fund balances	\$ 902,248	\$ 24,388	\$ 2,214,574	\$ 2,238,962	\$ 24,845,735



CITY OF
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CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	Special Revenue Funds						
	Building Inspection Fund	Local Option Gas Tax Fund	Local Option Sales Tax Fund	Law Enforcement Trust Fund	Police Education Fund	Cemetery Fund	Insurance Premium Tax Fund
Revenues							
Permits and fees	\$ 1,848,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,214,536	3,570,169	2,048	-	-	858,067
Charges for services	-	-	50	-	-	66,450	-
Investment earnings	152,052	41,067	289,349	2,819	1,752	2,255	-
Fines and forfeitures	-	-	-	13,996	8,569	-	-
Service assessments	-	-	-	-	-	-	-
Miscellaneous	55,042	-	-	5,257	-	-	-
Total revenues	<u>2,055,862</u>	<u>1,255,603</u>	<u>3,859,568</u>	<u>24,120</u>	<u>10,321</u>	<u>68,705</u>	<u>858,067</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	1,271,548	-	-	5,778	84	-	858,067
Physical environment	-	-	-	-	-	124,501	-
Transportation	-	944,696	817,557	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Public safety	-	-	-	4,171	-	-	-
Transportation	-	-	308,425	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>1,271,548</u>	<u>944,696</u>	<u>1,125,982</u>	<u>9,949</u>	<u>84</u>	<u>124,501</u>	<u>858,067</u>
Excess (deficiency) of revenues over (under) expenditures	<u>784,314</u>	<u>310,907</u>	<u>2,733,586</u>	<u>14,171</u>	<u>10,237</u>	<u>(55,796)</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	25,000	-
Transfers out	-	-	(4,000,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,000,000)</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Net change in fund balances	<u>784,314</u>	<u>310,907</u>	<u>(1,266,414)</u>	<u>14,171</u>	<u>10,237</u>	<u>(30,796)</u>	<u>-</u>
Fund balances							
Beginning of year	5,691,664	1,512,783	10,524,159	113,995	64,117	97,393	-
End of year	<u>\$ 6,475,978</u>	<u>\$ 1,823,690</u>	<u>\$ 9,257,745</u>	<u>\$ 128,166</u>	<u>\$ 74,354</u>	<u>\$ 66,597</u>	<u>\$ -</u>

Special Revenue Funds

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,848,768
995,669	33,524	-	-	37,879	-	-	6,711,892
-	-	-	-	-	-	-	66,500
-	16,108	21,050	28,043	-	-	-	554,495
-	-	-	-	-	-	-	22,565
-	110,621	109,326	227,275	-	-	-	447,222
-	-	-	-	-	-	-	60,299
<u>995,669</u>	<u>160,253</u>	<u>130,376</u>	<u>255,318</u>	<u>37,879</u>	<u>-</u>	<u>-</u>	<u>9,711,741</u>
-	-	-	-	-	-	-	-
-	5,403	5,496	-	-	-	-	2,146,376
-	-	-	-	-	-	-	124,501
-	-	-	-	-	-	-	1,762,253
-	-	-	-	252,492	-	-	252,492
965,065	-	-	-	-	-	-	965,065
-	-	-	493	-	-	-	493
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	88,940	197,027	-	-	-	-	290,138
-	-	-	-	-	-	-	308,425
-	-	-	-	-	-	-	-
-	-	-	159,102	-	-	-	159,102
<u>965,065</u>	<u>94,343</u>	<u>202,523</u>	<u>159,595</u>	<u>252,492</u>	<u>-</u>	<u>-</u>	<u>6,008,845</u>
<u>30,604</u>	<u>65,910</u>	<u>(72,147)</u>	<u>95,723</u>	<u>(214,613)</u>	<u>-</u>	<u>-</u>	<u>3,702,896</u>
-	-	-	-	-	-	7,425	32,425
-	-	(28,720)	-	-	-	-	(4,028,720)
-	-	(28,720)	-	-	-	7,425	(3,996,295)
<u>30,604</u>	<u>65,910</u>	<u>(100,867)</u>	<u>95,723</u>	<u>(214,613)</u>	<u>-</u>	<u>7,425</u>	<u>(293,399)</u>
<u>30,649</u>	<u>605,283</u>	<u>837,672</u>	<u>1,009,558</u>	<u>(35,468)</u>	<u>(3,217)</u>	<u>(7,425)</u>	<u>20,441,163</u>
<u>\$ 61,253</u>	<u>\$ 671,193</u>	<u>\$ 736,805</u>	<u>\$ 1,105,281</u>	<u>\$ (250,081)</u>	<u>\$ (3,217)</u>	<u>\$ -</u>	<u>\$ 20,147,764</u>

CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2020

	<u>Debt Service</u>		<u>Capital Projects</u>		Total Nonmajor Governmental Funds
	Debt Service Fund	Capital Recovery Fee Fund	Catalyst Fund	Total Capital Projects	
Revenues					
Permits and fees	\$ -	\$ -	\$ -	\$ -	\$ 1,848,768
Intergovernmental	-	-	-	-	6,711,892
Charges for services	-	-	-	-	66,500
Investment earnings	27,664	557	27,696	28,253	610,412
Fines and forfeitures	-	-	-	-	22,565
Service assessments	-	5,624	-	5,624	452,846
Miscellaneous	-	-	-	-	60,299
Total revenues	<u>27,664</u>	<u>6,181</u>	<u>27,696</u>	<u>33,877</u>	<u>9,773,282</u>
Expenditures					
Current:					
General government	-	27	-	27	27
Public safety	-	-	-	-	2,146,376
Physical environment	-	-	-	-	124,501
Transportation	-	-	-	-	1,762,253
Economic environment	-	-	1,854	1,854	254,346
Human services	-	-	-	-	965,065
Culture and recreation	-	-	-	-	493
Debt service:					
Principal	1,177,701	-	-	-	1,177,701
Interest	309,071	-	-	-	309,071
Capital outlay:					
Public safety	-	-	-	-	290,138
Transportation	-	-	-	-	308,425
Economic environment	-	-	663,072	663,072	663,072
Culture and recreation	-	-	-	-	159,102
Total expenditures	<u>1,486,772</u>	<u>27</u>	<u>664,926</u>	<u>664,953</u>	<u>8,160,570</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,459,108)</u>	<u>6,154</u>	<u>(637,230)</u>	<u>(631,076)</u>	<u>1,612,712</u>
Other financing sources (uses)					
Transfers in	1,731,941	-	1,388,599	1,388,599	3,152,965
Transfers out	-	-	-	-	(4,028,720)
Total other financing sources (uses)	<u>1,731,941</u>	<u>-</u>	<u>1,388,599</u>	<u>1,388,599</u>	<u>(875,755)</u>
Net change in fund balances	<u>272,833</u>	<u>6,154</u>	<u>751,369</u>	<u>757,523</u>	<u>736,957</u>
Fund balances					
Beginning of year	629,415	18,016	1,463,205	1,481,221	22,551,799
End of year	<u>\$ 902,248</u>	<u>\$ 24,170</u>	<u>\$ 2,214,574</u>	<u>\$ 2,238,744</u>	<u>\$ 23,288,756</u>

CITY OF SANFORD, FLORIDA
Capital Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 13,661,101	\$ -	\$ (13,661,101)
Investment earnings	31,815	31,815	-	(31,815)
Total revenues	<u>31,815</u>	<u>13,692,916</u>	<u>-</u>	<u>(13,692,916)</u>
Expenditures				
Current:				
Culture and recreation	-	-	475,201	(475,201)
Capital outlay:				
Public safety	-	28,720	-	28,720
Physical Environment	-	999,906	-	999,906
Transportation	-	17,273,228	5,197,563	12,075,665
Culture and recreation	-	625,380	23,709	601,671
Total expenditures	<u>-</u>	<u>18,927,234</u>	<u>5,696,473</u>	<u>13,230,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,815</u>	<u>(5,234,318)</u>	<u>(5,696,473)</u>	<u>(462,155)</u>
Other financing sources (uses)				
Transfers in	-	4,028,720	4,028,720	-
Transfers out	(115,350)	(115,350)	(6,000,000)	(5,884,650)
Total other financing sources	<u>(115,350)</u>	<u>3,913,370</u>	<u>(1,971,280)</u>	<u>(5,884,650)</u>
Net change in fund balances	<u>(83,535)</u>	<u>(1,320,948)</u>	<u>(7,667,753)</u>	<u>(6,346,805)</u>
Fund balances				
Beginning of year	-	-	(4,224,731)	(4,224,731)
Prior carryforward	83,535	1,320,948	-	(1,320,948)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,892,484)</u>	<u>\$ (11,892,484)</u>

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

CITY OF SANFORD, FLORIDA
Capital Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 220,487	\$ 55,810	\$ (164,677)
Investment earnings	131,000	131,000	282,079	151,079
Miscellaneous	-	4,990	73,710	68,720
Total revenues	<u>131,000</u>	<u>356,477</u>	<u>411,599</u>	<u>55,122</u>
Expenditures				
Current:				
General government	360,485	947,003	279,362	667,641
Public safety	191,829	732,379	365,878	366,501
Transportation	3,790	59,780	3,790	55,990
Culture and recreation	407,978	737,069	426,250	310,819
Capital outlay:				
General government	80,000	50,000	111,998	(61,998)
Public safety	1,386,457	1,849,931	1,041,380	808,551
Physical Environment	181,208	221,192	-	221,192
Transportation	46,000	189,115	70,497	118,618
Culture and recreation	597,939	1,251,581	554,285	697,296
Total expenditures	<u>3,255,686</u>	<u>6,038,050</u>	<u>2,853,440</u>	<u>3,184,610</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,124,686)</u>	<u>(5,681,573)</u>	<u>(2,441,841)</u>	<u>3,239,732</u>
Other financing sources (uses)				
Capital leases	481,457	481,457	481,457	-
Transfers in	3,386,608	3,948,135	9,948,135	6,000,000
Transfers out	-	(340,762)	(239,173)	101,589
Proceeds from sale of assets	-	-	230,923	230,923
Total other financing sources	<u>3,868,065</u>	<u>4,088,830</u>	<u>10,421,342</u>	<u>6,332,512</u>
Net change in fund balances	<u>743,379</u>	<u>(1,592,743)</u>	<u>7,979,501</u>	<u>9,572,244</u>
Fund balances				
Beginning of year	-	-	10,062,622	10,062,622
Prior carryforward	-	1,995,360	-	(1,995,360)
Future carryforward	(743,379)	(402,617)	-	402,617
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,042,123</u>	<u>\$ 18,042,123</u>

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

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits and fees	\$ 2,089,819	\$ 2,089,819	\$ 1,848,768	\$ (241,051)
Investment earnings	101,126	101,126	152,052	50,926
Miscellaneous	45,450	45,450	55,042	9,592
Total revenues	<u>2,236,395</u>	<u>2,236,395</u>	<u>2,055,862</u>	<u>(180,533)</u>
Expenditures				
Current:				
Public safety	1,660,094	1,660,094	1,271,548	388,546
Capital outlay:				
Public safety	32,000	32,000	-	32,000
Total expenditures	<u>1,692,094</u>	<u>1,692,094</u>	<u>1,271,548</u>	<u>420,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>544,301</u>	<u>544,301</u>	<u>784,314</u>	<u>240,013</u>
Net change in fund balances	<u>544,301</u>	<u>544,301</u>	<u>784,314</u>	<u>240,013</u>
Fund balances				
Beginning of year	-	-	5,691,664	5,691,664
Prior carryforward	8,559	8,559	-	(8,559)
Future carryforward	(552,860)	(552,860)	-	552,860
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,475,978</u>	<u>\$ 6,475,978</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,239,202	\$ 1,239,202	\$ 1,214,536	\$ (24,666)
Investment earnings	29,306	29,306	41,067	11,761
Total revenues	<u>1,268,508</u>	<u>1,268,508</u>	<u>1,255,603</u>	<u>(12,905)</u>
Expenditures				
Current:				
Transportation	721,377	721,377	944,696	(223,319)
Capital outlay:				
Transportation	494,987	494,987	-	494,987
Total expenditures	<u>1,216,364</u>	<u>1,216,364</u>	<u>944,696</u>	<u>271,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,144</u>	<u>52,144</u>	<u>310,907</u>	<u>258,763</u>
Net change in fund balances	<u>52,144</u>	<u>52,144</u>	<u>310,907</u>	<u>258,763</u>
Fund balances				
Beginning of year	-	-	1,512,783	1,512,783
Future carryforward	(52,144)	(52,144)	-	52,144
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,823,690</u>	<u>\$ 1,823,690</u>

CITY OF SANFORD, FLORIDA
Local Option Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,820,682	\$ 3,820,682	\$ 3,570,169	\$ (250,513)
Charges for services	-	-	50	50
Investment earnings	139,562	139,562	289,349	149,787
Total revenues	<u>3,960,244</u>	<u>3,960,244</u>	<u>3,859,568</u>	<u>(100,676)</u>
Expenditures				
Current:				
Transportation	333,757	333,757	817,557	(483,800)
Capital outlay:				
Transportation	3,076,742	3,076,742	308,425	2,768,317
Total expenditures	<u>3,410,499</u>	<u>3,410,499</u>	<u>1,125,982</u>	<u>2,284,517</u>
Excess (deficiency) of revenues over (under) expenditures	<u>549,745</u>	<u>549,745</u>	<u>2,733,586</u>	<u>2,183,841</u>
Other financing sources (uses)				
Transfers out	-	(4,000,000)	(4,000,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Net change in fund balances	<u>549,745</u>	<u>(3,450,255)</u>	<u>(1,266,414)</u>	<u>2,183,841</u>
Fund balances				
Beginning of year	-	-	10,524,159	10,524,159
Prior carryforward	-	4,000,000	-	(4,000,000)
Future carryforward	(549,745)	(549,745)	-	549,745
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,257,745</u>	<u>\$ 9,257,745</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 2,048	\$ 2,048
Investment earnings	1,363	1,363	2,819	1,456
Fines and forfeitures	20,000	20,000	13,996	(6,004)
Miscellaneous	6,000	6,000	5,257	(743)
Total revenues	<u>27,363</u>	<u>27,363</u>	<u>24,120</u>	<u>(3,243)</u>
Expenditures				
Current:				
Public safety	29,500	35,527	5,778	29,749
Capital outlay:				
Public safety	7,600	7,600	4,171	3,429
Total expenditures	<u>37,100</u>	<u>43,127</u>	<u>9,949</u>	<u>33,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,737)</u>	<u>(15,764)</u>	<u>14,171</u>	<u>29,935</u>
Net change in fund balances	<u>(9,737)</u>	<u>(15,764)</u>	<u>14,171</u>	<u>29,935</u>
Fund balances				
Beginning of year	-	-	113,995	113,995
Prior carryforward	20,691	26,718	-	(26,718)
Future carryforward	(10,954)	(10,954)	-	10,954
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,166</u>	<u>\$ 128,166</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 1,176	\$ 1,176	\$ 1,752	\$ 576
Fines and forfeitures	6,850	6,850	8,569	1,719
Total revenues	<u>8,026</u>	<u>8,026</u>	<u>10,321</u>	<u>2,295</u>
Expenditures				
Current:				
Public safety	45,000	45,000	84	44,916
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>84</u>	<u>44,916</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,974)</u>	<u>(36,974)</u>	<u>10,237</u>	<u>47,211</u>
Net change in fund balances	<u>(36,974)</u>	<u>(36,974)</u>	<u>10,237</u>	<u>47,211</u>
Fund balances				
Beginning of year	-	-	64,117	64,117
Prior carryforward	36,974	36,974	-	(36,974)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,354</u>	<u>\$ 74,354</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 52,450	\$ 52,450	\$ 66,450	\$ 14,000
Investment earnings	1,028	1,028	2,255	1,227
Total revenues	<u>53,478</u>	<u>53,478</u>	<u>68,705</u>	<u>15,227</u>
Expenditures				
Current:				
Physical environment	135,252	160,252	249,002	(88,750)
Culture and recreation	-	-	(124,501)	124,501
Capital Outlay:				
Physical Environment	16,475	16,475	-	16,475
Total expenditures	<u>151,727</u>	<u>176,727</u>	<u>124,501</u>	<u>52,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,249)</u>	<u>(123,249)</u>	<u>(55,796)</u>	<u>67,453</u>
Other financing sources (uses)				
Transfers in	-	25,000	25,000	-
Total other financing sources (uses)	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balances	<u>(98,249)</u>	<u>(98,249)</u>	<u>(30,796)</u>	<u>67,453</u>
Fund balances				
Beginning of year	-	-	97,393	97,393
Prior carryforward	98,249	98,249	-	(98,249)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,597</u>	<u>\$ 66,597</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,299,654	\$ 1,299,654	\$ 995,669	\$ (303,985)
Total revenues	<u>1,299,654</u>	<u>1,299,654</u>	<u>995,669</u>	<u>(303,985)</u>
Expenditures				
Current:				
Human services	1,299,654	1,299,654	965,065	334,589
Total expenditures	<u>1,299,654</u>	<u>1,299,654</u>	<u>965,065</u>	<u>334,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>30,604</u>	<u>30,604</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>30,604</u>	<u>30,604</u>
Fund balances				
Beginning of year	-	-	30,649	30,649
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,253</u>	<u>\$ 61,253</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 33,524	\$ 33,524
Investment earnings	9,832	9,832	16,108	6,276
Service assessments	69,599	69,599	110,621	41,022
Total revenues	<u>79,431</u>	<u>79,431</u>	<u>160,253</u>	<u>80,822</u>
Expenditures				
Current:				
Public safety	15,971	15,971	5,403	10,568
Capital outlay:				
Public safety	197,547	197,547	88,940	108,607
Total expenditures	<u>213,518</u>	<u>213,518</u>	<u>94,343</u>	<u>119,175</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(134,087)</u>	<u>(134,087)</u>	<u>65,910</u>	<u>199,997</u>
Net change in fund balances	<u>(134,087)</u>	<u>(134,087)</u>	<u>65,910</u>	<u>199,997</u>
Fund balances				
Beginning of year	-	-	605,283	605,283
Prior carryforward	134,087	134,087	-	(134,087)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 671,193</u>	<u>\$ 671,193</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 228,367	\$ -	\$ (228,367)
Investment earnings	19,324	19,324	21,050	1,726
Service assessments	69,705	69,705	109,326	39,621
Total revenues	<u>89,029</u>	<u>317,396</u>	<u>130,376</u>	<u>(187,020)</u>
Expenditures				
Current:				
Public safety	-	-	5,496	(5,496)
Capital outlay:				
Public safety	360,000	719,645	197,027	522,618
Total expenditures	<u>360,000</u>	<u>719,645</u>	<u>202,523</u>	<u>517,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(270,971)</u>	<u>(402,249)</u>	<u>(72,147)</u>	<u>330,102</u>
Other financing sources (uses)				
Transfers out	-	(28,720)	(28,720)	-
Total other financing sources (uses)	<u>-</u>	<u>(28,720)</u>	<u>(28,720)</u>	<u>-</u>
Net change in fund balances	<u>(270,971)</u>	<u>(430,969)</u>	<u>(100,867)</u>	<u>330,102</u>
Fund balances				
Beginning of year	-	-	837,672	837,672
Prior carryforward	270,971	430,969	-	(430,969)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 736,805</u>	<u>\$ 736,805</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 33,502	\$ 33,502	\$ 28,043	\$ (5,459)
Service assessments	153,820	153,820	227,275	73,455
Total revenues	<u>187,322</u>	<u>187,322</u>	<u>255,318</u>	<u>67,996</u>
Expenditures				
Current:				
Culture and recreation	-	-	493	(493)
Capital outlay:				
Culture and recreation	146,215	158,948	159,102	(154)
Total expenditures	<u>146,215</u>	<u>158,948</u>	<u>159,595</u>	<u>(647)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,107</u>	<u>28,374</u>	<u>95,723</u>	<u>67,349</u>
Net change in fund balances	<u>41,107</u>	<u>28,374</u>	<u>95,723</u>	<u>67,349</u>
Fund balances				
Beginning of year	-	-	1,009,558	1,009,558
Prior carryforward	-	12,733	-	(12,733)
Future carryforward	(41,107)	(41,107)	-	41,107
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,105,281</u>	<u>\$ 1,105,281</u>

CITY OF SANFORD, FLORIDA
CDBG Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 478,254	\$ 37,879	\$ (440,375)
Total revenues	<u>-</u>	<u>478,254</u>	<u>37,879</u>	<u>(440,375)</u>
Expenditures				
Current:				
Economic environment	-	478,254	252,492	225,762
Total expenditures	<u>-</u>	<u>478,254</u>	<u>252,492</u>	<u>225,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(214,613)</u>	<u>(214,613)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(214,613)</u>	<u>(214,613)</u>
Fund balances				
Beginning of year	-	-	(35,468)	(35,468)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (250,081)</u>	<u>\$ (250,081)</u>

CITY OF SANFORD, FLORIDA
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 27,664	\$ 27,664
Total revenues	<u>-</u>	<u>-</u>	<u>27,664</u>	<u>27,664</u>
Expenditures				
Debt service:				
Principal	1,425,639	1,425,639	1,177,701	247,938
Interest	306,302	306,302	309,071	(2,769)
Total expenditures	<u>1,731,941</u>	<u>1,731,941</u>	<u>1,486,772</u>	<u>245,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,731,941)</u>	<u>(1,731,941)</u>	<u>(1,459,108)</u>	<u>272,833</u>
Other financing sources (uses)				
Transfers in	<u>1,731,941</u>	<u>1,731,941</u>	<u>1,731,941</u>	<u>-</u>
Total other financing sources (uses)	<u>1,731,941</u>	<u>1,731,941</u>	<u>1,731,941</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>272,833</u>	<u>272,833</u>
Fund balances				
Beginning of year	<u>-</u>	<u>-</u>	<u>629,415</u>	<u>629,415</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 902,248</u>	<u>\$ 902,248</u>

CITY OF SANFORD, FLORIDA
Capital Recovery Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 306	\$ 306	\$ 557	\$ 251
Service assessments	10,000	10,000	5,624	(4,376)
Total revenues	<u>10,306</u>	<u>10,306</u>	<u>6,181</u>	<u>(4,125)</u>
Expenditures				
Current:				
General government	-	-	27	(27)
Capital outlay:				
Total expenditures	<u>-</u>	<u>-</u>	<u>27</u>	<u>(27)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,306</u>	<u>10,306</u>	<u>6,154</u>	<u>(4,152)</u>
Net change in fund balances	<u>10,306</u>	<u>10,306</u>	<u>6,154</u>	<u>(4,152)</u>
Fund balances				
Beginning of year	-	-	18,016	18,016
Future carryforward	(10,306)	(10,306)	-	10,306
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,170</u>	<u>\$ 24,170</u>

CITY OF SANFORD, FLORIDA
Catalyst Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 27,696	\$ 27,696
Total revenues	<u>-</u>	<u>-</u>	<u>27,696</u>	<u>27,696</u>
Expenditures				
Current:				
Economic environment	-	-	1,854	(1,854)
Capital outlay:				
Economic environment	-	9,443,694	663,072	8,780,622
Total expenditures	<u>-</u>	<u>9,443,694</u>	<u>664,926</u>	<u>8,778,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(9,443,694)</u>	<u>(637,230)</u>	<u>8,806,464</u>
Other financing sources (uses)				
Transfers in	-	9,443,694	1,388,599	(8,055,095)
Total other financing sources (uses)	<u>-</u>	<u>9,443,694</u>	<u>1,388,599</u>	<u>(8,055,095)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>751,369</u>	<u>751,369</u>
Fund balances				
Beginning of year	-	-	1,463,205	1,463,205
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,214,574</u>	<u>\$ 2,214,574</u>

STATISTICAL SECTION (UNAUDITED):

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

**CITY OF SANFORD, FLORIDA
STATISTICAL SECTION CONTENTS
For The Year Ended September 30, 2020**

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

	<u>Pages</u>
<u>Financial Trends</u>	
These schedules contain trend information to help the reader understand how the City’s financial performance and financial position have changed over time.	124-133
<u>Revenue Capacity</u>	
These schedules contain information to help the reader assess the City’s most significant local revenue source – property taxes.	134-137
<u>Debt Capacity</u>	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt, the ability to issue additional debt in the future, and related historical trend data.	138-142
<u>Demographic and Economic Information</u>	
These schedules contain demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	143-145
<u>Operating Information</u>	
These schedules contain service levels and capital asset data to help the reader understand how the information in the City’s financial report relate to the services the City provides to its citizens and visitors.	146-149

Schedule 1
CITY OF SANFORD, FLORIDA

NET POSITION BY COMPONENT
(modified accrual basis of accounting)

Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 102,568,745	\$ 101,482,226	\$ 105,948,864	\$ 111,151,923
Restricted	7,924,107	8,469,141	11,289,017	7,575,856
Unrestricted	<u>24,915,158</u>	<u>24,698,280</u>	<u>25,049,707</u>	<u>25,964,838</u>
Total governmental activities net position	<u>\$ 135,408,010</u>	<u>\$ 134,649,647</u>	<u>\$ 142,287,588</u>	<u>\$ 144,692,617</u>
Business-type activities				
Net investment in capital assets	\$ 107,512,124	\$ 107,795,107	\$ 110,153,986	\$ 114,654,748
Restricted	7,333,198	8,137,545	6,886,924	5,619,365
Unrestricted	<u>12,072,947</u>	<u>17,654,042</u>	<u>27,643,950</u>	<u>32,858,374</u>
Total business-type activities net position	<u>\$ 126,918,269</u>	<u>\$ 133,586,694</u>	<u>\$ 144,684,860</u>	<u>\$ 153,132,487</u>
Primary government				
Net investment in capital assets	\$ 210,080,869	\$ 209,277,333	\$ 216,102,850	\$ 225,806,671
Restricted	15,257,305	16,606,686	18,175,941	13,195,221
Unrestricted	<u>36,988,105</u>	<u>42,352,322</u>	<u>52,693,657</u>	<u>58,823,212</u>
Total primary government net position	<u>\$ 262,326,279</u>	<u>\$ 268,236,341</u>	<u>\$ 286,972,448</u>	<u>\$ 297,825,104</u>

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

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

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

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

2015	2016	2017	2018	2019	2020
\$ 111,351,524	\$ 108,240,437	\$ 107,019,238	\$ 115,080,348	\$ 124,702,281	\$ 125,350,272
8,228,377	11,433,666	12,778,199	17,692,591	20,690,716	20,716,585
14,281,759	16,702,639	22,132,870	17,020,123	17,598,983	17,531,867
<u>\$ 133,861,660</u>	<u>\$ 136,376,742</u>	<u>\$ 141,930,307</u>	<u>\$ 149,793,062</u>	<u>\$ 162,991,980</u>	<u>\$ 163,598,724</u>
\$ 117,122,656	\$ 118,789,153	\$ 123,109,213	\$ 125,624,478	\$ 130,413,989	\$ 143,368,189
6,398,053	6,672,392	8,270,058	10,757,914	12,632,963	12,068,097
34,875,110	40,223,179	44,558,164	44,585,248	51,376,585	58,372,594
<u>\$ 158,395,819</u>	<u>\$ 165,684,724</u>	<u>\$ 175,937,435</u>	<u>\$ 180,967,640</u>	<u>\$ 194,423,537</u>	<u>\$ 213,808,880</u>
\$ 228,474,180	\$ 227,029,590	\$ 230,128,451	\$ 240,704,826	\$ 255,116,270	\$ 268,718,461
14,626,430	18,106,058	21,048,257	28,450,505	33,323,679	32,784,682
49,156,869	56,925,818	66,691,034	61,605,371	68,975,568	75,904,461
<u>\$ 292,257,479</u>	<u>\$ 302,061,466</u>	<u>\$ 317,867,742</u>	<u>\$ 330,760,702</u>	<u>\$ 357,415,517</u>	<u>\$ 377,407,604</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)

	2011	2012	2013	2014
<u>Expenses</u>				
Governmental activities:				
General government	\$ 6,126	\$ 5,438	\$ 4,970	\$ 4,948
Public safety	22,854	24,434	24,341	25,271
Transportation	5,004	4,544	4,872	4,802
Physical environment	1,899	1,554	707	503
Economic environment	828	844	2,741	2,300
Human services	90	73	1,209	998
Culture and recreation	5,188	5,420	5,224	5,535
Interest on long-term debt	728	601	505	480
	<u>42,717</u>	<u>42,908</u>	<u>44,569</u>	<u>44,837</u>
Total governmental activities expenses				
Business-type activities:				
Water and sewer	16,585	17,832	16,939	16,629
Stormwater	2,574	2,704	2,481	2,454
Solid waste	5,069	5,101	5,287	5,441
Golf Course	-	-	411	1,377
	<u>24,228</u>	<u>25,637</u>	<u>25,118</u>	<u>25,901</u>
Total business-type activities expenses				
Total primary government expenses	<u>66,945</u>	<u>68,545</u>	<u>69,687</u>	<u>70,738</u>
<u>Program revenues</u>				
Governmental activities:				
Charges for services:				
General government	1,120	1,248	537	391
Public safety	3,318	4,390	3,572	2,530
Transportation	68	70	76	83
Physical environment	67	13	49	60
Economic environment	-	-	-	-
Culture and recreation	647	1,031	473	377
Operating grants and contributions	3,172	2,773	4,624	3,893
Capital grants and contributions	1,408	1,124	1,759	5,503
	<u>9,800</u>	<u>10,649</u>	<u>11,090</u>	<u>12,837</u>
Total governmental activities program revenues				
Business-type activities:				
Charges for services	29,097	30,226	31,671	33,192
Operating grants and contributions	1,593	803	53	25
Capital grants and contributions	1,074	1,144	4,372	2,375
	<u>31,764</u>	<u>32,173</u>	<u>36,096</u>	<u>35,592</u>
Total business-type activities program revenues				
Total primary government program revenues	<u>41,564</u>	<u>42,822</u>	<u>47,186</u>	<u>48,429</u>
<u>Net (expense) / revenue</u>				
Governmental activities	(32,917)	(32,259)	(33,479)	(32,000)
Business-type activities	7,536	6,536	10,978	9,691
	<u>(25,381)</u>	<u>(25,723)</u>	<u>(22,501)</u>	<u>(22,309)</u>
Total primary government net expense				

(Continued)

	2015	2016	2017	2018	2019	2020
\$	5,989	\$ 6,259	\$ 6,524	\$ 7,611	\$ 6,945	\$ 7,672
	24,402	25,129	21,357	27,719	30,265	32,076
	6,243	7,013	8,480	8,034	8,303	8,660
	(24)	479	712	393	478	449
	2,265	3,251	3,478	2,500	1,677	1,614
	1,165	774	806	902	899	1,093
	5,774	4,885	5,115	6,363	7,236	7,535
	445	418	391	365	335	309
	<u>46,259</u>	<u>48,208</u>	<u>46,863</u>	<u>53,887</u>	<u>56,138</u>	<u>59,408</u>
	19,969	20,920	19,886	20,869	21,656	22,083
	2,584	2,679	2,636	2,605	2,887	3,763
	5,485	5,594	5,722	5,998	6,132	6,271
	1,314	1,265	1,278	1,320	1,456	1,278
	<u>29,352</u>	<u>30,458</u>	<u>29,522</u>	<u>30,792</u>	<u>32,131</u>	<u>33,395</u>
	<u>75,611</u>	<u>78,666</u>	<u>76,385</u>	<u>84,679</u>	<u>88,269</u>	<u>92,803</u>
	165	547	630	765	1,121	1,336
	2,886	3,389	4,015	6,203	4,867	4,949
	1	1	29	2	1	-
	68	63	74	93	53	66
	-	-	-	-	-	1
	374	334	308	342	378	220
	6,247	6,229	67,000	13,167	8,791	6,112
	2,330	2,020	1,090	12,575	10,447	1,051
	<u>12,071</u>	<u>12,583</u>	<u>73,146</u>	<u>33,147</u>	<u>25,658</u>	<u>13,735</u>
	35,071	35,270	37,676	36,272	39,348	40,030
	-	-	-	423	131	35
	2,184	1,411	1,855	3,419	490	7,051
	<u>37,255</u>	<u>36,681</u>	<u>39,531</u>	<u>40,114</u>	<u>39,969</u>	<u>47,116</u>
	<u>49,326</u>	<u>49,264</u>	<u>112,677</u>	<u>73,261</u>	<u>65,627</u>	<u>60,851</u>
	(34,188)	(35,625)	26,283	(20,740)	(30,480)	(45,673)
	7,903	6,223	10,009	9,322	7,838	13,721
	<u>(26,285)</u>	<u>(29,402)</u>	<u>36,292</u>	<u>(11,418)</u>	<u>(22,642)</u>	<u>(31,952)</u>

Schedule 2
CITY OF SANFORD, FLORIDA

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years
(dollar amounts expressed in thousands)

(Continued)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>General revenues and other changes in net position</u>				
Governmental activities:				
Property tax	\$ 15,502	\$ 14,956	\$ 15,523	\$ 15,871
Other taxes	18,820	17,082	17,045	18,024
Unrestricted investment earnings	254	236	106	153
Gain on sale of capital assets	33	(3)	-	-
Miscellaneous	169	149	757	137
Transfers in (out)	214	8	98	335
Total governmental activities	<u>34,992</u>	<u>32,428</u>	<u>33,529</u>	<u>34,520</u>
Business-type activities:				
Unrestricted investment earnings	122	123	73	128
Capital recovery fee	-	-	-	-
Miscellaneous	146	165	145	247
Transfers in (out)	<u>(214)</u>	<u>(8)</u>	<u>(98)</u>	<u>(335)</u>
Total business-type activities	<u>54</u>	<u>280</u>	<u>120</u>	<u>40</u>
Total primary government	<u>35,046</u>	<u>32,708</u>	<u>33,649</u>	<u>34,560</u>
<u>Change in net position</u>				
Governmental activities	2,733	(1,040)	1,529	332
Business-type activities	<u>6,590</u>	<u>11,258</u>	<u>9,811</u>	<u>7,943</u>
Total government	<u>\$ 9,323</u>	<u>\$ 10,218</u>	<u>\$ 11,340</u>	<u>\$ 8,275</u>

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

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

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

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	16,478	\$ 19,107	\$ 19,955	\$ 20,991	\$ 22,632	\$ 24,990
	18,381	18,586	19,053	19,790	19,795	19,572
	193	432	267	507	1,772	1,883
	-	-	-	-	-	-
	359	39	112	3,587	592	300
	153	(23)	184	(208)	(1,111)	(465)
	<u>35,564</u>	<u>38,141</u>	<u>39,571</u>	<u>44,667</u>	<u>43,680</u>	<u>46,280</u>
	181	350	294	513	1,982	1,742
	-	-	-	-	2,401	2,586
	131	692	133	153	124	871
	(140)	23	(184)	208	1,111	465
	<u>172</u>	<u>1,065</u>	<u>243</u>	<u>874</u>	<u>5,618</u>	<u>5,664</u>
	<u>35,736</u>	<u>39,206</u>	<u>39,814</u>	<u>45,541</u>	<u>49,298</u>	<u>51,944</u>
	(61)	4,124	39,571	23,927	13,200	607
	6,395	11,074	243	10,196	13,456	19,385
\$	<u>6,334</u>	<u>\$ 15,198</u>	<u>\$ 39,814</u>	<u>\$ 34,123</u>	<u>\$ 26,656</u>	<u>\$ 19,992</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund				
Nonspendable	\$ 258	\$ 315	\$ 334	\$ 295
Restricted	2	-	-	-
Assigned	1,369	1,446	1,376	1,788
Unassigned	<u>16,233</u>	<u>16,098</u>	<u>17,644</u>	<u>14,726</u>
Total general fund	<u>\$ 17,862</u>	<u>\$ 17,859</u>	<u>\$ 19,354</u>	<u>\$ 16,809</u>
All other governmental funds				
Nonspendable	\$ 7	\$ 1	\$ 4	\$ 4
Restricted	8,203	9,586	12,012	8,095
Committed	5	362	334	322
Assigned	2,378	1,421	1,234	4,565
Unassigned	<u>-</u>	<u>(171)</u>	<u>(937)</u>	<u>(2,481)</u>
Total all other government funds	<u>\$ 10,593</u>	<u>\$ 11,199</u>	<u>\$ 12,647</u>	<u>\$ 10,505</u>

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

2015	2016	2017	2018	2019	2020
\$ 343	\$ 358	\$ 435	\$ 511	\$ 441	\$ 403
-	-	-	-	-	-
346	380	209	344	614	325
16,728	19,597	21,600	23,821	25,291	28,003
<u>\$ 17,417</u>	<u>\$ 20,335</u>	<u>\$ 22,244</u>	<u>\$ 24,676</u>	<u>\$ 26,346</u>	<u>\$ 28,731</u>
\$ 14	\$ 1	\$ 20	\$ 20	\$ 176	\$ 202
8,812	11,715	13,268	18,152	20,691	20,717
317	312	289	167	1,579	1,554
4,441	4,820	4,527	10,211	10,532	1,384
(312)	(113)	(69)	488	(4,271)	5,964
<u>\$ 13,272</u>	<u>\$ 16,735</u>	<u>\$ 18,035</u>	<u>\$ 29,038</u>	<u>\$ 28,707</u>	<u>\$ 29,821</u>

Schedule 4
CITY OF SANFORD, FLORIDA

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

Last Ten Fiscal Years
(dollar amounts expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues						
Taxes	\$ 23,242	\$ 22,490	\$ 27,706	\$ 28,687	\$ 28,693	\$ 31,279
Licenses and permits	5,829	5,693	1,679	715	1,709	1,917
Intergovernmental revenues	12,076	10,011	9,655	12,455	15,858	15,051
Charges for services	1,963	2,290	2,208	2,063	2,181	2,465
Fines and forfeitures	158	226	267	233	289	218
Impact fees	423	1,022	1,008	209	212	236
Interest earnings	204	185	100	147	182	443
Miscellaneous revenues	377	338	957	268	485	171
Total revenues	<u>44,272</u>	<u>42,255</u>	<u>43,580</u>	<u>44,777</u>	<u>49,609</u>	<u>51,780</u>
Expenditures						
Current:						
General government	5,280	4,873	4,651	4,742	5,595	5,527
Public safety	21,564	22,455	22,825	23,463	23,061	23,393
Transportation	1,961	2,065	2,270	2,132	2,036	2,223
Physical environment	2,149	1,757	457	485	493	504
Economic environment	825	843	2,234	2,119	2,066	2,150
Human services	77	61	1,196	984	1,143	747
Culture and recreation	4,093	4,305	4,221	4,468	4,499	4,541
Debt service:						
Principal	822	2,003	1,211	1,447	1,522	1,435
Interest and fiscal charges	728	601	519	480	446	418
Capital outlay	6,523	3,272	3,118	10,029	6,325	5,356
Total Expenditures	<u>44,022</u>	<u>42,235</u>	<u>42,702</u>	<u>50,349</u>	<u>47,186</u>	<u>46,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>250</u>	<u>20</u>	<u>878</u>	<u>(5,572)</u>	<u>2,423</u>	<u>5,486</u>
Other Financing Sources (Uses)						
Capital leases	-	540	656	519	531	551
Transfers in	5,315	5,068	3,536	7,013	4,819	4,573
Transfers (out)	(5,101)	(5,060)	(3,389)	(6,678)	(4,460)	(4,514)
Proceeds from sale of property	145	35	96	31	62	285
Issuance of debt	-	-	-	-	-	-
Issuance of refunding debt	-	15,050	-	-	-	-
Payment to refunded bond escrow agent	-	(15,050)	-	-	-	-
Total other financing sources (uses)	<u>359</u>	<u>583</u>	<u>899</u>	<u>885</u>	<u>952</u>	<u>895</u>
Net change in fund balances	<u>\$ 609</u>	<u>\$ 603</u>	<u>\$ 1,777</u>	<u>\$ (4,687)</u>	<u>\$ 3,375</u>	<u>\$ 6,381</u>
Debt service as a percentage of noncapital expenditures	<u>4.13%</u>	<u>6.68%</u>	<u>4.37%</u>	<u>4.78%</u>	<u>4.82%</u>	<u>4.53%</u>

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

	2017	2018	2019	2020
\$	32,292	\$ 34,439	\$ 36,268	\$ 38,481
	2,361	3,217	2,494	1,905
	13,897	19,010	21,863	14,769
	2,723	3,411	2,658	3,043
	269	285	231	413
	496	1,424	672	453
	339	635	2,120	2,201
	233	3,692	677	385
	<u>52,610</u>	<u>66,113</u>	<u>66,983</u>	<u>61,650</u>
	5,582	7,135	6,481	6,934
	24,715	26,539	27,822	29,394
	3,693	488	451	408
	448	2,985	3,076	3,088
	2,206	2,262	1,447	1,298
	790	877	891	1,092
	4,883	5,057	6,030	6,265
	1,363	1,301	1,299	1,178
	391	365	335	309
	<u>6,035</u>	<u>6,079</u>	<u>17,339</u>	<u>8,432</u>
	<u>50,106</u>	<u>53,088</u>	<u>65,171</u>	<u>58,398</u>
	<u>2,504</u>	<u>13,025</u>	<u>1,812</u>	<u>3,252</u>
	489	301	185	481
	4,262	4,573	6,823	17,214
	(4,078)	(4,777)	(7,934)	(17,679)
	302	312	453	231
	-	-	-	-
	-	-	-	-
	-	-	-	-
	<u>975</u>	<u>409</u>	<u>(473)</u>	<u>247</u>
\$	<u>3,479</u>	<u>\$ 13,434</u>	<u>\$ 1,339</u>	<u>\$ 3,499</u>
	<u>3.98%</u>	<u>3.54%</u>	<u>3.42%</u>	<u>2.98%</u>

**Schedule 5
CITY OF SANFORD, FLORIDA**

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY

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

Fiscal Year	Assessed Values			Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Total					
2011	\$ 3,216,500	\$ 367,284	\$ 3,583,784	(1,077,847)	\$ 2,505,937	6.825	\$ 2,618,554	95.70%
2012	2,905,133	370,398	3,275,531	(975,751)	2,299,780	6.825	2,309,016	99.60%
2013	2,896,666	370,000	3,266,666	(977,066)	2,289,600	6.825	2,310,393	99.10%
2014	2,927,584	373,378	3,300,962	(969,961)	2,331,001	6.825	2,398,149	97.20%
2015	3,151,978	380,205	3,532,183	(1,082,248)	2,449,935	6.825	2,587,049	94.70%
2016	3,474,534	404,224	3,878,758	(1,248,001)	2,630,757	7.325	2,777,990	94.70%
2017	3,828,700	406,760	4,235,460	(1,336,863)	2,898,597	7.325	3,067,298	94.50%
2018	4,224,039	445,986	4,670,025	(1,519,327)	3,150,698	7.325	3,330,548	94.60%
2019	4,702,028	449,071	5,151,099	(1,705,117)	3,445,982	7.325	3,642,687	94.60%
2020	5,124,917	476,250	5,601,167	(1,888,690)	3,712,477	7.325	3,928,547	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)**

Fiscal Year	City of Sanford, Florida	Seminole County				St. Johns River Water Mgmt. Dist.	Total
		Operating millage	Natural Lands Trails I&S Fund	Total Government	School Board		
2011	6.825	4.875	0.170	5.045	7.801	0.416	20.087
2012	6.825	4.875	0.170	5.045	7.722	0.331	19.923
2013	6.825	4.875	0.170	5.045	7.553	0.331	19.754
2014	6.825	4.875	0.000	4.875	8.361	0.328	20.389
2015	6.825	4.875	0.000	4.875	7.897	0.316	19.913
2016	7.325	4.875	0.000	4.875	7.849	0.302	20.351
2017	7.325	4.875	0.000	4.875	7.557	0.289	20.046
2018	7.325	4.875	0.000	4.875	6.313	0.256	18.769
2019	7.325	4.875	0.000	4.875	6.133	0.241	18.574
2020	7.325	4.875	0.000	4.875	6.133	0.215	18.548

*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

Taxpayer Name	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
Florida Power & Light Co	\$ 66,666,867	2.91%	1	\$ 39,366,405	1.39%	2
Seminole Towne Center LP	55,561,624	2.43%	2	84,442,350	3.20%	1
Solstice Loop Holdings LLC	53,344,614	2.33%	3			
SPUS88 FB Seminole JV Prop LLC	47,635,534	2.08%	4			
CRLP Twin Lakes LLC	46,407,409	2.03%	5	27,875,281	1.16%	6
Lakes Edge Apartments LLC	44,449,172	1.94%	6	30,880,993	1.29%	5
Solara Holdings - CJ LLC	40,651,737	1.78%	7			
Bre Piper MF Westlake FL LLC	35,419,304	1.55%	8			
Wal-Mart Stores East LP	33,183,659	1.45%	9	33,319,893	1.39%	4
Central Florida Regional Hosp	26,714,264	1.17%	10	39,131,417	1.63%	3
Westlake Sanford Assoc LLC				23,125,830	0.97%	7
WRI Seminole Marketplace LLC				22,057,321	0.92%	8
Bellsouth Communications, Inc.				20,211,884	0.84%	9
Sanford Airport Authority				14,751,959	0.62%	10
	<u>\$ 450,034,184</u>	<u>19.67%</u>		<u>\$ 335,163,333</u>	<u>12.12%</u>	

Source: Seminole County Property Appraiser - 2019 Top Ten Taxpayer for Sanford and City of Sanford FY 2020 CAFR

**Schedule 8
CITY OF SANFORD, FLORIDA**

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Total Collections as a Percent of Current Levy
2011	\$ 16,035,942	\$ 15,305,619	95.4%	\$ 196,872	\$ 15,502,491	96.7%
2012	16,531,866	14,864,192	89.9%	91,790	14,955,982	90.5%
2013	15,477,607	14,468,825	93.5%	27,872	14,496,697	93.7%
2014	15,055,684	14,709,466	97.7%	44,317	14,753,783	98.0%
2015	15,374,570	15,473,136	100.6%	53,718	15,526,854	101.0%
2016	17,292,265	17,946,522	103.8%	17,510	17,964,032	103.9%
2017	18,571,153	18,739,174	100.9%	29,006	18,768,180	101.1%
2018	20,475,764	19,741,400	96.4%	11,956	19,753,356	96.5%
2019	22,260,587	21,234,990	95.4%	59,244	21,294,234	95.7%
2020	24,436,137	23,535,658	96.3%	31,916	23,567,574	96.4%

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

(2) Includes general fund 001-0000-311.10-00

(3) Includes general fund 001-0000-311.20-00

**Schedule 9
CITY OF SANFORD, FLORIDA**

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental-type Activities				Business-type Activities		
	Special Facilities Revenue Bonds	Public Safety Complex Revenue Bonds	CRA Bank Loan	Capital Leases	Utility System Revenue Notes	State Revolving Fund Loans	Stormwater System Revenue Bonds
2011	\$ -	\$ 16,155,000	\$ 855,000	\$ 518,760	\$ 18,153,995	\$ 34,110,664	\$ -
2012	-	14,375,000	650,000	836,051	16,948,428	32,719,107	-
2013	-	13,680,000	440,000	1,185,616	15,788,466	33,513,261	-
2014	-	12,960,000	225,000	1,192,447	14,720,000	39,807,828	-
2015	-	12,215,000	-	1,170,776	12,975,000	43,601,820	-
2016	-	11,445,000	-	1,057,538	11,165,000	49,356,037	-
2017	-	10,650,000	-	978,584	9,280,000	52,654,250	-
2018	-	9,830,000	-	798,657	7,325,000	56,344,418	-
2019	-	8,980,000	-	534,157	5,295,000	55,363,430	-
2020	-	8,105,000	-	712,913	5,370,000	60,034,586	-

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.

Total Primary Government	Sanford * Personal Income	Percentage of Personal Income	Per Capita
\$ 69,793,419	\$ 2,140,245,586	3.3%	1,306
65,528,586	2,207,000,608	3.0%	1,212
64,607,343	2,272,702,597	2.8%	1,199
68,905,275	2,386,109,874	2.9%	1,241
69,962,596	2,378,761,400	2.9%	1,230
73,023,575	2,211,604,736	3.3%	1,276
73,562,834	2,585,576,817	2.8%	1,272
74,298,075	2,727,351,614	2.7%	1,259
70,172,587	2,954,858,907	2.4%	1,165
74,222,499	3,133,326,005	2.4%	1,208

**Schedule 10
CITY OF SANFORD, FLORIDA**

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Proprietary Funds								
Water and Sewer Revenue Bonds								
Fiscal Year	Gross Revenues (1), (5)	Water System Development Charges (7)	Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (3)			Coverage
					Principal	Interest		
2011	\$ 20,294,405	\$ 837,165	\$ 11,915,644	\$ 9,215,926	\$ 1,120,000	\$ 769,764	\$ 4.88	
2012	21,108,818	927,715	12,667,718	9,368,815	1,365,000	729,164	4.47	
2013	22,027,671	928,700	12,416,929	10,539,442	1,415,000	681,389	5.03	
2014	22,570,956	536,916	12,509,032	10,598,840	1,470,000	624,789	5.06	
2015	23,710,035	620,429	14,759,306	9,571,158	1,745,000	569,664	4.14	
2016	24,522,417	833,080	14,791,336	10,564,161	1,810,000	501,945	4.57	
2017	25,925,613	1,262,084	16,475,549	10,712,148	1,885,000	431,891	4.62	
2018	24,069,532	3,216,696	16,139,681	11,146,547	1,955,000	416,745	4.70	
2019	27,656,617	2,400,876	16,401,102	13,656,391	2,030,000	344,534	5.75	
2020	27,726,796	2,586,030	16,054,248	14,258,578	2,105,000	249,052	6.06	

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			
2011	\$ 20,294,405	\$ 13,805,408	\$ 6,488,997	\$ 1,854,547	\$ 757,727	\$ 2.48		
2012	21,108,818	14,761,882	6,346,936	1,967,848	705,047	2.37		
2013	22,027,671	14,513,318	7,514,353	2,439,435	649,489	2.43		
2014	22,570,956	14,603,821	7,967,135	2,381,877	597,388	2.67		
2015	23,710,035	17,073,970	6,636,065	2,410,939	565,114	2.23		
2016	24,522,417	17,103,281	7,419,136	2,300,903	575,379	2.58		
2017	25,925,613	18,792,440	7,133,173	2,332,799	794,761	2.28		
2018	24,069,532	18,511,426	5,558,106	3,414,129	458,891	1.44		
2019	27,656,617	18,775,636	8,880,981	3,385,491	910,300	2.07		
2020	27,726,796	18,408,300	9,318,496	3,262,030	862,914	2.26		

General Government
Sales Tax Note

Fiscal Year	Half-Cent Sales Tax	Debt Service Requirements (4), (8)		Coverage
		Principal	Interest	
2011	\$ 2,939,839	\$ 640,000	\$ 708,749	2.18
2012	3,098,395	670,000	585,968	2.47
2013	3,213,921	695,000	467,188	2.77
2014	3,400,139	720,000	444,600	2.92
2015	3,564,749	745,000	421,200	3.06
2016	3,714,761	770,000	396,988	3.18
2017	3,860,271	795,000	371,963	3.31
2018	4,048,497	820,000	346,125	3.47
2019	3,716,479	850,000	319,475	3.18
2020	3,857,320	875,000	291,850	3.31

Proprietary Funds					
Stormwater Revenue Bonds					
Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage
			Principal	Interest	
\$ 3,731,188	\$ 1,895,947	\$ 1,835,241	\$ 191,564	\$ 4,239	9.37
4,066,178	1,915,200	2,150,978	-	-	-
4,269,917	1,686,945	2,582,972	-	-	-
4,474,837	1,641,644	2,833,193	-	-	-
4,774,373	1,678,762	3,095,611	-	-	-
5,121,169	1,746,804	3,374,365	-	-	-
5,451,107	1,760,504	3,690,603	-	-	-
5,647,313	1,863,116	3,784,197	-	-	-
5,784,842	1,875,154	3,909,688	-	-	-
5,881,675	2,153,194	3,728,481	-	-	-

Stormwater State Revolving Loans					
Stormwater Revenues	Less: Operating Expenses (2)*	Net Available For Debt Service	Debt Service Requirements (4)		Coverage (9)
			Principal	Interest	
\$ 3,731,188	\$ 2,091,750	\$ 1,639,438	\$ 245,250	\$ 191,783	3.75
4,066,178	1,915,200	2,150,978	321,442	183,107	4.26
4,269,917	1,686,945	2,582,972	325,628	175,662	5.15
4,474,837	1,641,644	2,833,193	334,549	166,650	5.65
4,774,373	1,678,762	3,095,611	343,733	157,392	6.18
5,121,169	1,746,804	3,374,365	353,171	148,494	6.73
5,451,107	1,760,504	3,690,603	531,716	155,325	5.37
5,647,313	1,863,116	3,784,197	388,885	140,029	7.15
5,784,842	1,875,154	3,909,688	554,555	273,004	4.72
5,881,675	2,153,194	3,728,481	536,102	269,002	4.63

General Government
CRA Note

Fiscal Year	CRA Ad Valorem Taxes	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
2011	\$ 1,097,603	\$ 195,000	\$ 36,645	4.74
2012	1,014,246	205,000	29,840	4.32
2013	1,025,900	210,000	22,685	4.41
2014	1,117,433	215,000	15,397	4.85
2015	951,384	225,500	7,853	4.08
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-

- (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, 2020**

<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	\$ -	10.4%	\$ -
Seminole County School Board	-	10.6%	-
Other debt			
Seminole County Government			
Revenue bonds	106,996,000	10.4%	11,076,215
Capital leases	2,588,019	10.4%	267,911
Seminole County School Board			
State education bonds	6,135,967	10.6%	648,582
Certificates of participation	155,084,557	10.6%	16,392,698
Subtotal, overlapping debt			28,385,406
City direct debt			11,628,583
Total direct and overlapping debt			<u>\$ 40,013,989</u>

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

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

Sources: Seminole County Finance Department - the information provided is based on the 9/30/2020 CAFR.
FY 2020 information was not available prior to CAFR publication.
Seminole County School Board

**Schedule 12
CITY OF SANFORD, FLORIDA**

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)
2011	53,422	\$ 40,063	\$ 2,140,245,586	13,597	9.9%
2012	54,064	40,822	2,207,000,608	13,164	8.2%
2013	53,867	42,191	2,272,702,597	13,605	6.6%
2014	55,509	42,986	2,386,109,874	13,788	5.4%
2015	56,900	41,806	2,378,761,400	13,671	5.0%
2016	57,248	38,632	2,211,604,736	13,724	4.3%
2017	57,839	44,703	2,585,576,817	14,003	3.0%
2018	58,994	46,231	2,727,351,614	16,629	2.9%
2019	60,243	49,049	2,954,858,907	15,264	2.6%
2020	61,429	51,007	3,133,309,003	16,560	2.4%

- Source:** (1) Office of Economic and Demographic Research
Florida Population Estimates for Counties and Municipalities - April 1, 2019
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 2019/2020</u>		<u>Fiscal Year 2010/2011</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Orlando Sanford International Airport***	357	8	419	8
Central Florida Regional Hospital***	901	4	1,024	5
Seminole County Public Schools**	1,687	1	1,639	1
Seminole State College	1,188	3	1,496	2
Seminole County Sheriff****	*	*	1,126	4
Seminole County Government***	1,211	2	1,269	3
Walmart Stores - Sanford	725	5	699	6
Seminole Towne Center	425	7	*	*
CPH Engineers	137	10		
City of Sanford	488	6	490	7
Waste Pro USA	157	9	*	*
Florida Extruders	*	N/A	*	*
Sanford Auto Dealers Exchange	*	N/A	295	9
Davis Maus Toyota	*	N/A	270	10
Wharton Smith	*	N/A	*	*
Total	<u>7,276</u>		<u>8,727</u>	

* Data not available

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

***Seminole County Government - FY 2019 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 2019 Annual Report

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

**Schedule 14
CITY OF SANFORD, FLORIDA**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government:										
City Manager	11.68	7.33	9.33	10.33	9.33	9.33	7.15	8.73	8.74	8.49
Community Improvement	10.24	12.24	9.24	9.14	9.00	9.00	9.00	9.00	9.50	9.40
City Clerk	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Finance/IT	13.73	16.23	16.23	17.33	17.47	17.47	18.47	17.47	17.47	17.47
Planning/Development	8.50	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.15	9.15
Public Safety:										
Police	143.00	143.00	150.00	149.95	149.95	149.95	149.95	149.95	152.95	157.95
Fire	89.20	89.50	89.50	91.64	91.55	80.87	82.15	94.37	95.71	86.05
Public Works	88.05	88.05	83.05	83.25	84.25	84.25	82.35	81.90	73.75	81.50
Utilities	101.00	101.00	102.50	103.50	104.00	103.50	105.50	108.73	109.13	111.63
Recreation	32.80	33.80	32.80	32.80	32.80	33.30	32.80	32.80	40.55	34.80
Total	<u>505.20</u>	<u>506.15</u>	<u>507.65</u>	<u>512.94</u>	<u>513.35</u>	<u>502.67</u>	<u>502.37</u>	<u>518.95</u>	<u>523.95</u>	<u>523.44</u>

Source: City of Sanford Budgets 2010-2020
City of Sanford Financial Services Department

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

**Schedule 15
CITY OF SANFORD, FLORIDA**

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

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

* Data not available

** Data corrected for previous years.

*** includes daycares only - no longer inspect schools

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

Source: Various City Departments

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

**Schedule 16
CITY OF SANFORD, FLORIDA**

CAPITAL ASSET STATISTICS BY FUNTION/PROGRAM

Last Ten Fiscal Years

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

2015	2016	2017	2018	2019	2020
161.02	161.02	161.02	161.02	161.02	161.02
3	3	3	3	3	3
77	75	74	75	75	75
1	1	1	1	1	1
124	124	132	132	135	140
15,908	16,065	16,226	16,710	17,169	16,710
6.391 MGD	6.424 MGD	5.959 MGD	6.193 MGD	6.435 MGD	6.193 MGD
14.688MGD	14.688 MGD	14.688 MGD	14.688 MGD	14.688 MGD	14.688 MGD
17	17	19	19	19	19
1,400	1,418	1,464	1,475	1,475	1,475
14,864	15,012	15,162	15,633	16,074	15,633
10.3 MGD	10.3 MGD	10.3 MGD	10.3 MGD	10.3 MGD	10.3 MGD
6.600 MGD	6.263 MGD	6.329 MGD	6.330 MGD	6.330 MGD	6.330 MGD
14,582	14,743	14,882	15,390	15,702	16,758
3,630	2,058	2,565	6,113	4,409	4986
1	1	1	1	1	1
29	28	28	28	28	28
129	133	133	133	133	133
1	1	1	1	1	1
3,630	3,680	3,680	3,680	3,680	2576



CITY OF
SANFORD
FLORIDA

COMPLIANCE SECTION:

This section contains the following subsections:

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



Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the City) as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2021.

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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated March 31, 2020.

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 31, 2021



Certified Public Accountants

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

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of the City of Sanford, Florida (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* and Department of Financial Services *State Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and major state projects for the fiscal year ended September 30, 2020. 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), which are not included in the City's Schedule of Expenditures of Federal Awards and State Financial Assistance. Our audit, described below, did not include the operations of the Airport because the results of the Airport's financial statement and compliance audits were reported in separate financial statements.

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

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

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

Opinion on Each Major Federal Program and Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on its major federal program and major state project for the fiscal year ended September 30, 2020.

Report on Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on its major federal program or major state project as a basis for designing auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 31, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements.

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

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

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 31, 2021

CITY OF SANFORD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2020

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

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

Federal Awards and State Financial Assistance

Internal control over major federal programs and major state projects:

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

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

Unmodified Opinion

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

___ Yes X No

Identification of Major Federal Programs and Major State Projects:

CFDA Number

93.568

Name of Federal Program

LIHEAP Low Income Home Energy Assistance Program

CSFA Numbers

37.077

Name of State Project

Wastewater Treatment Facility Construction

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

Federal \$750,000

State \$750,000

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

CITY OF SANFORD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*CONTINUED*)

For the Year Ended September 30, 2020

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, 2020

Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grant Number / Pass Through Grantor's Number	Reimbursable Expenditures
U.S. Department of Agriculture			
Passed through Florida Department of Education Summer Food Service Program	10.559	04-0720	\$ 4,570
Total Department of Agriculture			<u>4,570</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	B-17-MC-12-0057	937
Community Development Block Grant	14.218	B-19-MC-12-0057	142,091
Community Development Block Grant	14.218	B-20-MC-12-0057	117,813
Total Department of Housing and Urban Development			<u>260,841</u>
U.S. Department of Justice			
Bulletproof Vest Grant - FY 2018	16.607	2018BUBX14074532	16,816
Public Safety Partnership and Community Policing Grant	16.710	2017UMWX0134	176,395
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0398	35,812
BJA Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0755	31,150
Equitable Sharing	16.922	FL0590500	2,136
Total Department of Justice			<u>262,309</u>
U.S. Department of Health and Human Services			
Passed through Florida Department of Economic Opportunity			
LIHEAP Low Income Home Energy Assistance Program	93.568	17EA-OF-06-69-02-028	688,724
LIHEAP Low Income Home Energy Assistance Program-CARES ACT	93.568	17EA-OF-06-69-02-028	273,640
Cares Act Provider Relief Fund	93.498	17EA-OF-06-69-02-028	14,450
Total Department of Health and Human Services			<u>976,814</u>
U.S. Department of Homeland Security			
Passed through Florida Department of Emergency Management			
Hurricane Irma Declaration	97.036	FEMA-4337-DR-FL17-PA-00-06-69-01-381	281,717
Hurricane Irma Declaration	97.036	FEMA-4468-DR-FL17-PA-04-PW 0053	46,521
Total Department of Homeland Security			<u>328,238</u>
U.S. Department of Treasury			
Passed through Seminole County			
Coronavirus Relief Fund	21.019	Y2262	247,725
Total Department of Treasury			<u>247,725</u>
Federal Emergency Agency			
Passed through Florida Department of Emergency Management			
Hazard Mitigation Grant Program	97.039	FEMA-4283-43-R	39,850
Hazard Mitigation Grant Program	97.039	FEMA-4283-47-R	147,427
Total Department of Health and Human Services			<u>187,277</u>
U.S. Department of Interior			
Passed through National Park Service			
Land and Water Conservation Fund Program	15.916	LW666	200,000
Total Department of Interior			<u>200,000</u>
		Total Expenditure of Federal Awards	\$ <u>2,467,774</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, 2020

<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>
Florida Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP5901A	144,903
State Revolving Fund Loan	37.076	DW590191	116,745
State Revolving Fund Loan	37.077	WW590131	93,134
State Revolving Fund Loan	37.077	WW590150	2,115,774
Total Department of Environmental Protection			<u>2,470,556</u>
U.S. Department of Cultural Affairs			
Sanford Museum Digitization and Restoration	45.061	20.c.ps.170.636	7,368
Total Department of Economic Opportunity			<u>7,368</u>
Total Expenditures of State Financial Assistance			<u>\$ 2,477,924</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 4,945,698</u>

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, 2020

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, 2020.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Outstanding</u>
State Revolving Fund	37.076	DW590191	\$ 555,457
State Revolving Fund	37.077	SW590131	\$ 15,925,480
State Revolving Fund	37.077	SW590150	\$ 9,150,939

Note 4 – Indirect Cost Rate

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



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Sanford, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. 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 is in accordance with those requirements, in all material respects. 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, 2020.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 31, 2021



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, 2020, and have issued our report thereon dated March 31, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

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

Prior Audit Findings

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

Official Title and Legal Authority

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

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 31, 2021

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