



CITY OF
SANFORD
FLORIDA

City of Sanford, Florida

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2021

CITY OF SANFORD, FLORIDA

Annual Comprehensive Financial Report

For the fiscal year ended

September 30, 2021

(With Independent Auditors' Report Thereon)

Prepared by:
Department of Finance



CITY OF
SANFORD
FLORIDA

CITY OF SANFORD, FLORIDA
Annual Comprehensive Financial Report
Year Ended September 30, 2021

Contents

INTRODUCTORY SECTION:	<u>Page</u>
Letter of Transmittal	i
Organization Chart	vi
Principal Officials	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION:	
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet to the Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures and Changes in the Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Net Position – Proprietary Funds	27
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	28
Statement of Cash Flows – Proprietary Funds	29
Statement of Net Position – Fiduciary Funds	31

FINANCIAL SECTION: (Continued)

Basic Financial Statements: (Continued)

Statement of Changes in Net Position – Fiduciary Funds	32
Notes to the Financial Statements	34
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund	90
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – Sanford CRA	91
Schedules of Changes in Net Pension Liability and Related Ratios – Defined Benefit Pension Trust Funds – Police Officers’ Retirement Trust Funds	92
Schedules of Changes in Net Pension Liability and Related Ratios – Defined Benefit Pension Trust Funds – Firefighters’ Retirement Trust Funds	93
Schedules of Contributions – Police Officers’ Retirement Trust Funds	94
Schedules of Contributions – Firefighters’ Retirement Trust Funds	95
Schedules of Investment Returns – Defined Benefit Pension Trust Funds	96
Schedule of Contributions – Florida Retirement System Defined Benefit Pension Plan	97
Schedule of Contributions – Retiree Health Insurance Subsidy Program Defined Benefit Pension Plan	97
Schedule of Proportionate Share of the Net Pension Liability – Florida Retirement System Defined Benefit Pension Plan	98
Schedule of Proportionate Share of the Net Pension Liability – Retiree Health Insurance Subsidy Program Defined Benefit Pension Plan	98
Schedule of Changes in Net OPEB Liability and Related Ratios– Retiree Insurance Continuation Plan	99
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	108

FINANCIAL SECTION: (Continued)

Budget to Actual – Capital Project Fund	111
Budgetary Comparison Schedule – Capital Replacement Fund	112
Budgetary Comparison Schedule – Building Inspection Fund	113
Budgetary Comparison Schedule – Local Option Gas Tax Fund	114
Budgetary Comparison Schedule – Local Option Sales Tax Fund	115
Budgetary Comparison Schedule – Law Enforcement Trust Fund	116
Budgetary Comparison Schedule – Police Education Fund	117
Budgetary Comparison Schedule – Cemetery Fund	118
Budgetary Comparison Schedule – LIHEAP Grant Fund	119
Budgetary Comparison Schedule – Police Impact Fees Fund	120
Budgetary Comparison Schedule – Fire Impact Fees Fund	121
Budgetary Comparison Schedule – Recreation Impact Fees Fund	122
Budgetary Comparison Schedule – CDBG Fund	123
Budgetary Comparison Schedule – Debt Fund	124
Budgetary Comparison Schedule – Capital Recovery Fee Fund	125
Budgetary Comparison Schedule – Catalyst Fund	126

STATISTICAL SECTION:

Schedule 1	Net Position by Component – Last Ten Fiscal Years	128
Schedule 2	Changes in Net Position – Last Ten Fiscal Years	130
Schedule 3	Fund Balances, Governmental Funds – Last Ten Fiscal Years	134
Schedule 4	Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	136
Schedule 5	Assessed and Actual Value of Taxable Property – Last Ten Fiscal Years	138
Schedule 6	Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	139
Schedule 7	Principal Property Taxpayers – Current Year and Nine Years Ago	140

STATISTICAL SECTION: (Continued)

Schedule 8	Property Tax Levies and Collections – Last Ten Fiscal Years	141
Schedule 9	Ratio of Outstanding Debt by Type- Last Ten Fiscal Years	142
Schedule 10	Pledged Revenue Coverage – Last Ten Fiscal Years	144
Schedule 11	Computation of Direct and Overlapping Debt – Governmental Activities	146
Schedule 12	Demographic and Economic Statistics – Last Ten Fiscal Years	147
Schedule 13	Principal Employers – Current Year and Nine Years Ago	148
Schedule 14	Full-time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	149
Schedule 15	Operating Indicators by Function/Program – Last Ten Fiscal Years	150
Schedule 16	Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	152

COMPLIANCE SECTION:

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	155
Independent Auditor’s Report on Compliance with Requirements for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by OMB Circular A-133 and Chapter 10.550, <i>Rules of the Auditor General</i>	157
Schedule of Findings and Questioned Costs	160
Schedule of Expenditures of Federal Awards and State Financial Assistance	162
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	164
Independent Accountant’s Report	165
Independent Auditor’s Management Letter	166

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, 2022

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. 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, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the City

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

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

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

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

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

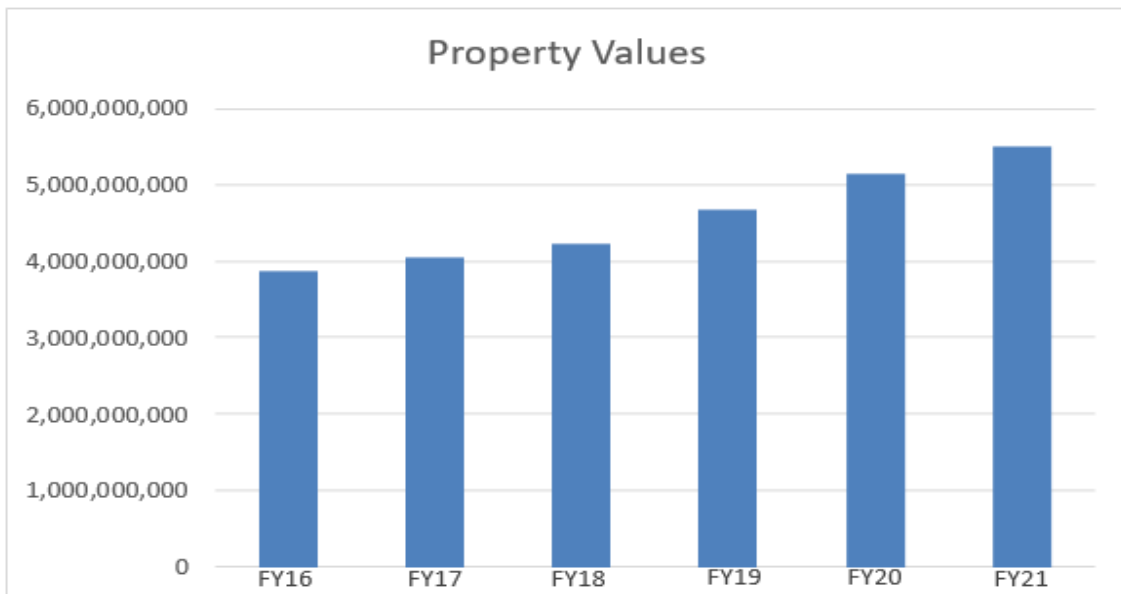
component units of the City.

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

Factors Affecting Financial Condition

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

Local Economy. According to the U.S. Bureau of Labor Statistics, unemployment in Seminole County averaged 4.4% during the fiscal year ended September 30, 2021, which is a decline over the same average rate of 6.5% in the prior year.



From FY 2016 to FY 2021, the City's property values increased from \$3.88 billion to \$5.51 billion, a gain of \$1.620 billion (42%) in property values. The City's economy is improving and property values have stopped decreasing and are turning around. The City's next fiscal year budget (2022) is based on preliminary values of \$6.02 billion, which is a 8.5% increase from the fiscal year ended September 30, 2021.

Major ad valorem taxpayers in the City include Florida Power & Light Co. and the Central Florida Regional Hospital. The City's population is currently estimated to be 62,038, 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:

- Jeff Triplett Center sport fields
- Riverwalk Phase III
- Myrtle Ave Street Scape
- Redevelopment of Downtown (Catalyst Site)
- New Fire Station
- Pump Branch Drainage
- City-wide water meter replacements
- North Water Reclamation Facility Improvements
- Continued improvements to parks, roads, sidewalks and drainage
- Nutrient Reduction
- Mayfair Clubhouse

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, 2020. This was the 32nd 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 ACFR. 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 ACFR 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



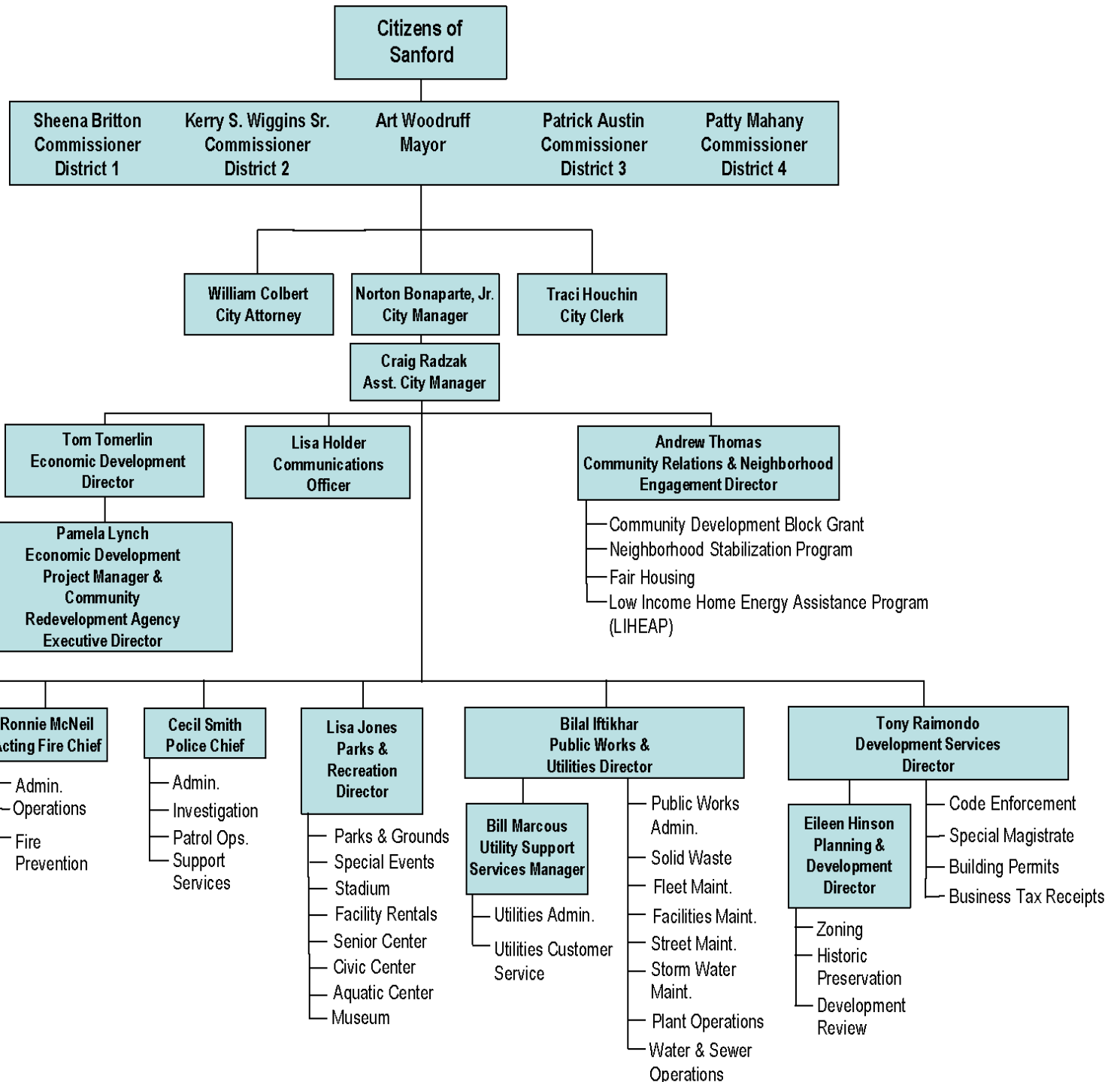
Cynthia Lindsay
Director of Finance



Organization Chart

January 2022

1A



CITY OF SANFORD, FLORIDA

PRINCIPAL OFFICIALS

Year Ended September 30, 2021

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

Anthony Raimondo, 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION:

This section contains the following subsections:

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



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Florida (the City) as of and for the fiscal year ended September 30, 2021, 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, 2021, 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 25, 2022, 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 25, 2022

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, 2021. 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 \$416,845,903 (net position). Of this amount, \$90,700,070 (21.76%) 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 \$39,438,299 (or (10.45)%). The City's net position in governmental activities increased by \$18,396,221 while the net position in business-type activities increased by \$21,042,078. 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 \$74,560,189, an increase of \$16,008,103 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 \$47,763,239, or approximately 71.54% of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$(29,213,117) 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, ARPA Fund, Capital Project Fund, Capital Replacement Fund, and the Sanford Community Redevelopment Agency, which are considered to be major funds. Data from the other sixteen 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 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

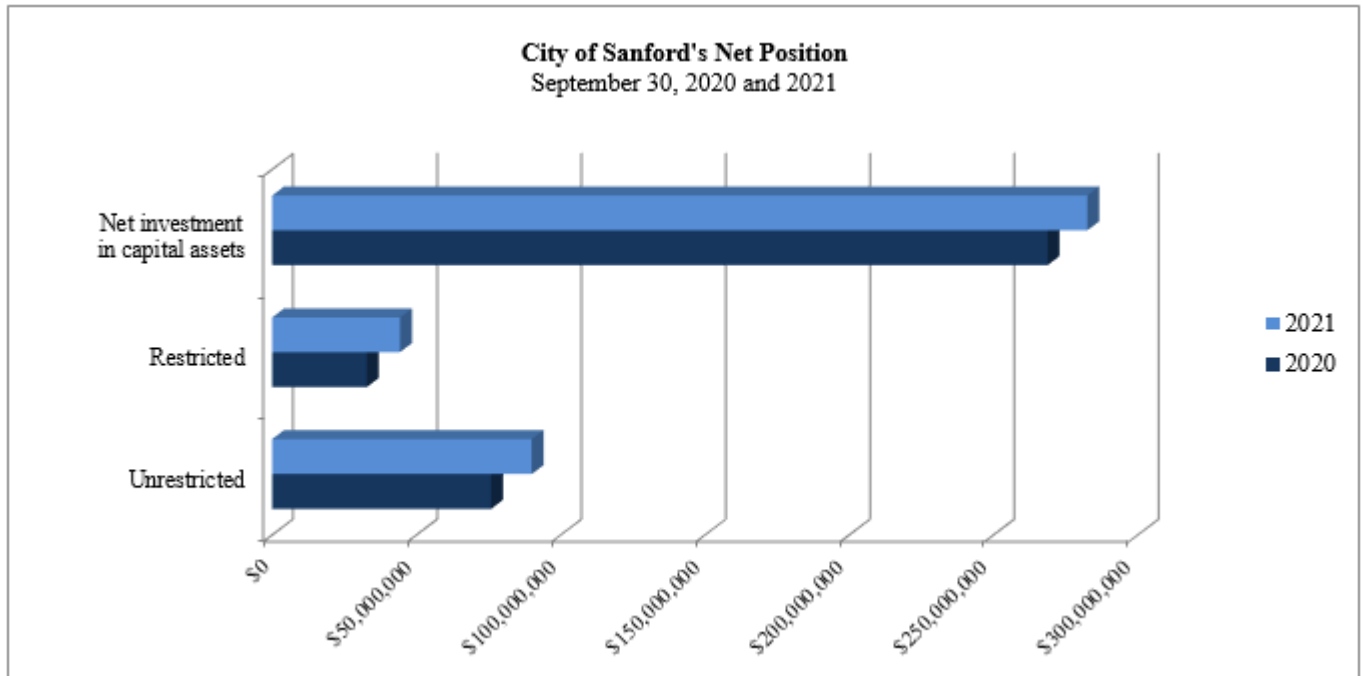
As noted earlier, net position over time may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$416,845,903, at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, \$281,782,600 (67.6%), 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, \$44,363,233 represents resources that are subject to external restrictions on how they may be used, primarily for capital projects. The remaining balance \$90,700,070 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, 2020 and 2021

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 78,366,291	\$ 111,712,524	\$ 87,155,378	\$ 98,074,811	\$ 165,521,669	\$ 209,787,335
Capital assets	134,216,438	135,385,661	200,445,662	207,341,935	334,662,100	342,727,596
Total assets	<u>212,582,729</u>	<u>247,098,185</u>	<u>287,601,040</u>	<u>305,416,746</u>	<u>500,183,769</u>	<u>552,514,931</u>
Deferred outflows of resources	<u>17,387,535</u>	<u>13,163,835</u>	<u>4,097,641</u>	<u>2,985,079</u>	<u>21,485,176</u>	<u>16,148,914</u>
Current and other liabilities	5,410,611	14,092,540	4,873,917	6,649,746	10,284,528	20,742,286
Long-term liabilities outstanding	53,803,494	34,104,352	70,943,653	61,429,678	124,747,147	95,534,030
Total liabilities	<u>59,214,105</u>	<u>48,196,892</u>	<u>75,817,570</u>	<u>68,079,424</u>	<u>135,031,675</u>	<u>116,276,316</u>
Deferred inflows of resources	<u>6,748,598</u>	<u>30,070,183</u>	<u>2,072,231</u>	<u>5,471,443</u>	<u>8,820,829</u>	<u>35,541,626</u>
Net position:						
Net investment in capital assets	125,350,272	127,123,740	143,368,189	154,658,860	268,718,461	281,782,600
Restricted	20,716,585	25,770,562	12,068,097	18,592,671	32,784,682	44,363,233
Unrestricted	17,531,867	29,100,643	58,372,594	61,599,427	75,904,461	90,700,070
Total net position	<u>\$ 163,598,724</u>	<u>\$ 181,994,945</u>	<u>\$ 213,808,880</u>	<u>\$ 234,850,958</u>	<u>\$ 377,407,604</u>	<u>\$ 416,845,903</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.

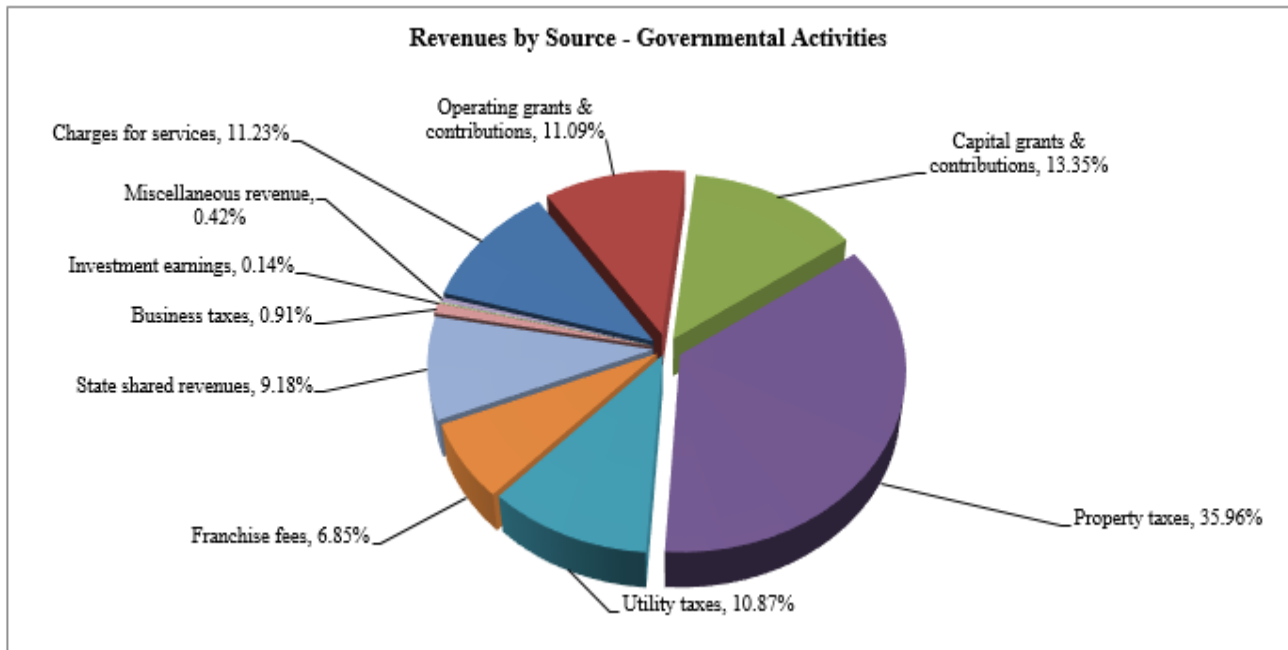
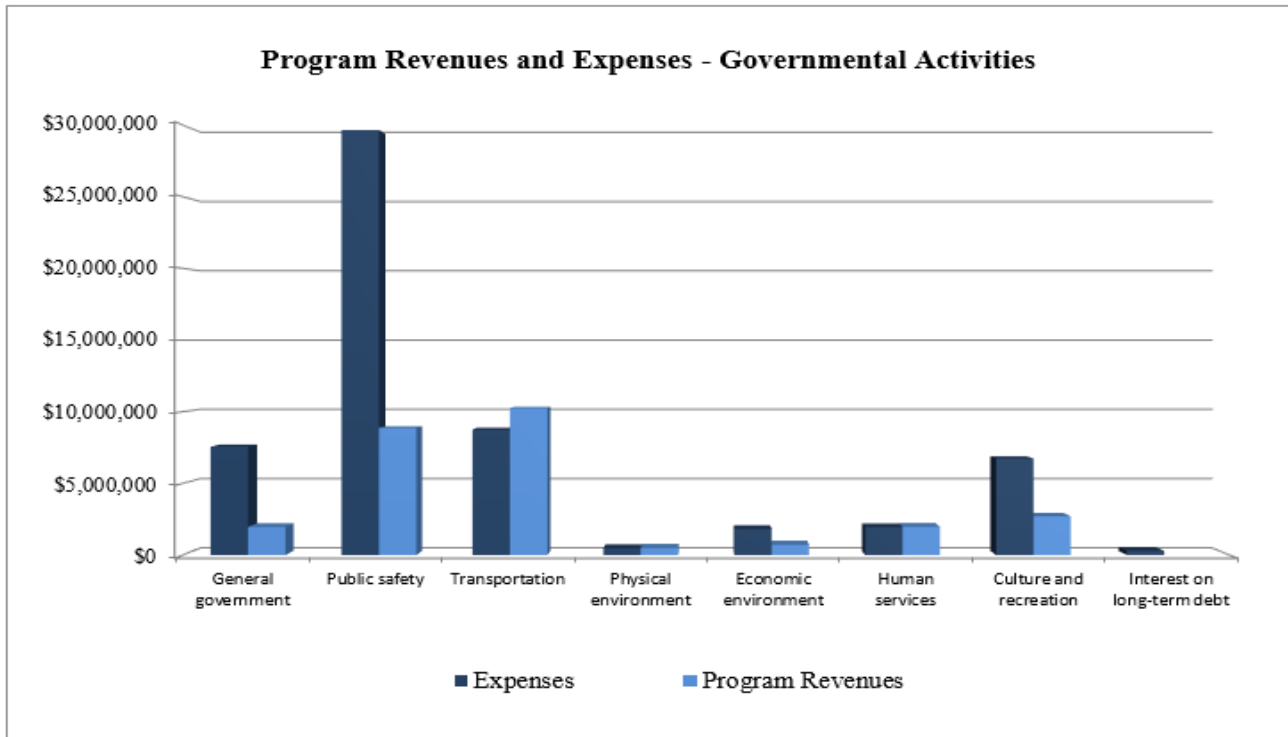


The City's overall net position increased by \$39,438,299 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental and business-type activities. The following is a summary of activities for the City during the most recent and prior fiscal year:

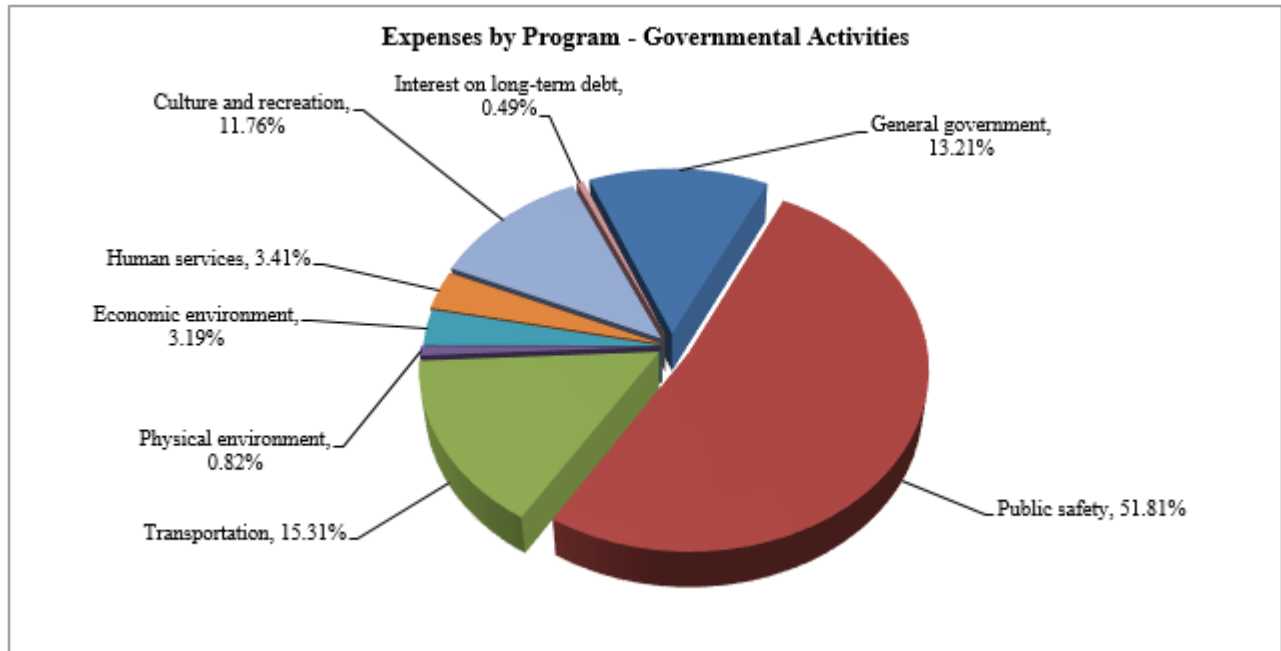
City of Sanford's Change in Net Position
For the years ended September 30, 2020 and 2021

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program revenues:						
Charges for services	\$ 6,572,042	\$ 8,502,009	\$ 40,029,820	\$ 42,468,032	\$ 46,601,862	\$ 50,970,041
Operating grants & contributions	6,112,428	8,397,373	35,399	28,148	6,147,827	8,425,521
Capital grants & contributions	1,050,248	10,106,322	7,051,129	5,892,375	8,101,377	15,998,697
General revenues:						
Property taxes	24,989,553	27,216,744	-	-	24,989,553	27,216,744
Utility taxes	7,955,152	8,225,193	-	-	7,955,152	8,225,193
Franchise fees	4,849,679	5,185,468	-	-	4,849,679	5,185,468
State shared revenues	6,047,007	6,945,219	13,779	13,263	6,060,786	6,958,482
Other	2,903,891	1,114,322	5,185,277	6,693,508	8,089,168	7,807,830
Total revenues	<u>60,480,000</u>	<u>75,692,650</u>	<u>52,315,404</u>	<u>55,095,326</u>	<u>112,795,404</u>	<u>130,787,976</u>
Expenses:						
General government	7,672,529	7,565,165	-	-	7,672,529	7,565,165
Public safety	32,075,953	29,653,573	-	-	32,075,953	29,653,573
Transportation	8,659,878	8,762,014	-	-	8,659,878	8,762,014
Physical environment	449,113	472,079	-	-	449,113	472,079
Economic environment	1,614,349	1,824,388	-	-	1,614,349	1,824,388
Human services	1,092,576	1,949,709	-	-	1,092,576	1,949,709
Culture and recreation	7,534,614	6,728,151	-	-	7,534,614	6,728,151
Interest on long-term debt	309,071	281,350	-	-	309,071	281,350
Water and sewer	-	-	22,083,628	22,708,549	22,083,628	22,708,549
Stormwater	-	-	3,763,127	3,461,605	3,763,127	3,461,605
Solid waste	-	-	6,270,772	6,465,200	6,270,772	6,465,200
Golf course	-	-	1,277,707	1,477,894	1,277,707	1,477,894
Total Expenses	<u>59,408,083</u>	<u>57,236,429</u>	<u>33,395,234</u>	<u>34,113,248</u>	<u>92,803,317</u>	<u>91,349,677</u>
Change in net position before transfers	1,071,917	18,456,221	18,920,170	20,982,078	19,992,087	39,438,299
Transfers	<u>(465,173)</u>	<u>(60,000)</u>	<u>465,173</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
Change in net position	606,744	18,396,221	19,385,343	21,042,078	19,992,087	39,438,299
Net position, beginning of year	162,991,980	163,598,724	194,423,537	213,808,880	357,415,517	377,407,604
Net position, end	<u>\$ 163,598,724</u>	<u>\$ 181,994,945</u>	<u>\$ 213,808,880</u>	<u>\$ 234,850,958</u>	<u>\$ 377,407,604</u>	<u>\$ 416,845,903</u>

Governmental activities. During the current fiscal year, net position for governmental activities increased \$18,396,221 from the prior fiscal year for an ending balance of \$181,994,945. The increase is due to increased revenues offset by increased expenses.

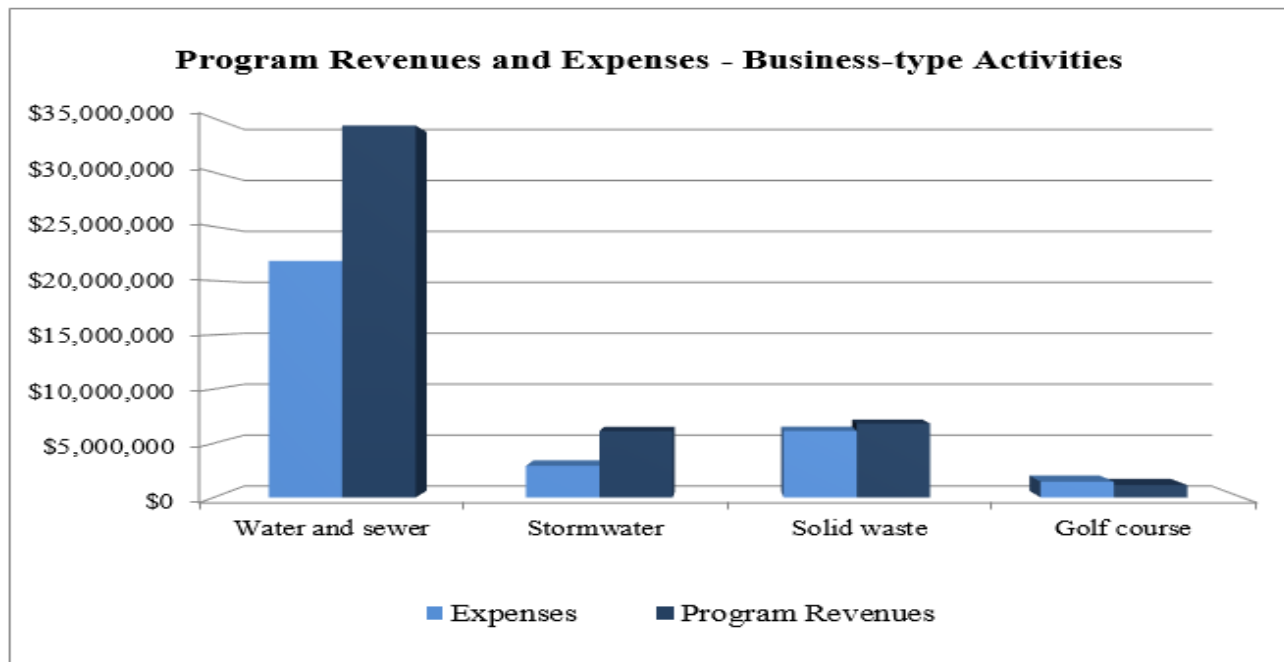


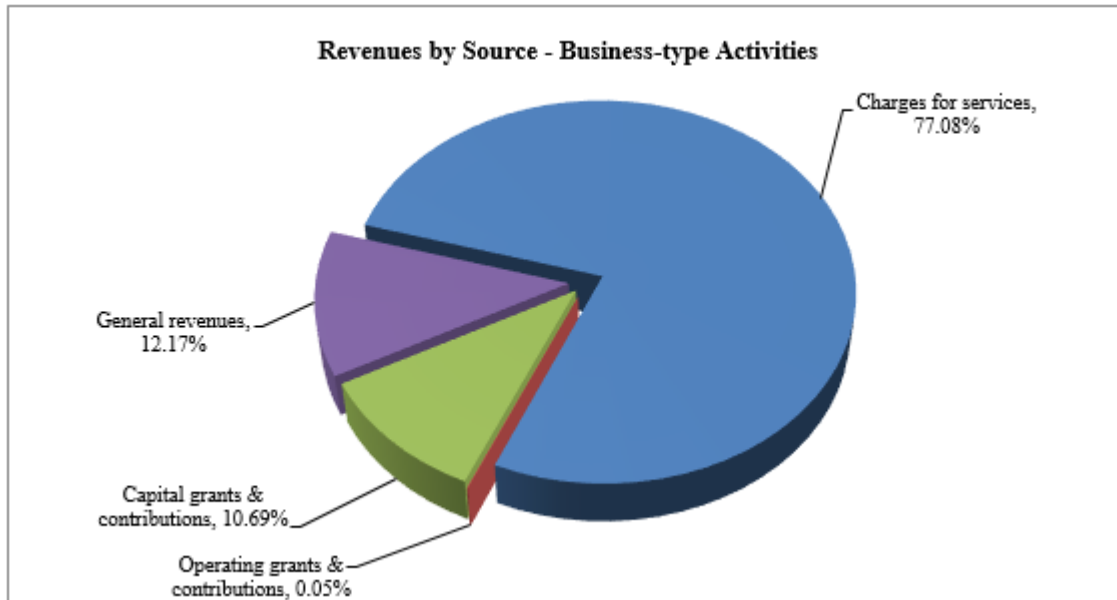
Property taxes, which comprised 36.0% of the City’s governmental activity revenues, increased by \$2,227,191; this increase was primarily due to the increase in taxable value of property in the City.



Overall, the City's expenses decreased this year. Total expenses were \$57,236,429, compared to \$59,408,083 the prior fiscal year; a decrease of \$(2,171,654) or (3.66)%. Public safety expenses of \$29,653,573 comprised 51.81% of the total governmental activities expenses.

Business-type activities. Business-type activities increased the City's net position by \$21,042,078, thereby accounting for 53% 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 \$42,468,032 increased over the prior-year total of \$40,029,820 by \$2,438,212, or approximately 6.09%. This was due to a continued increase in metered water sales from the replacement of water meters as well as rate increases with a slight offset due to a decrease in golf revenue.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

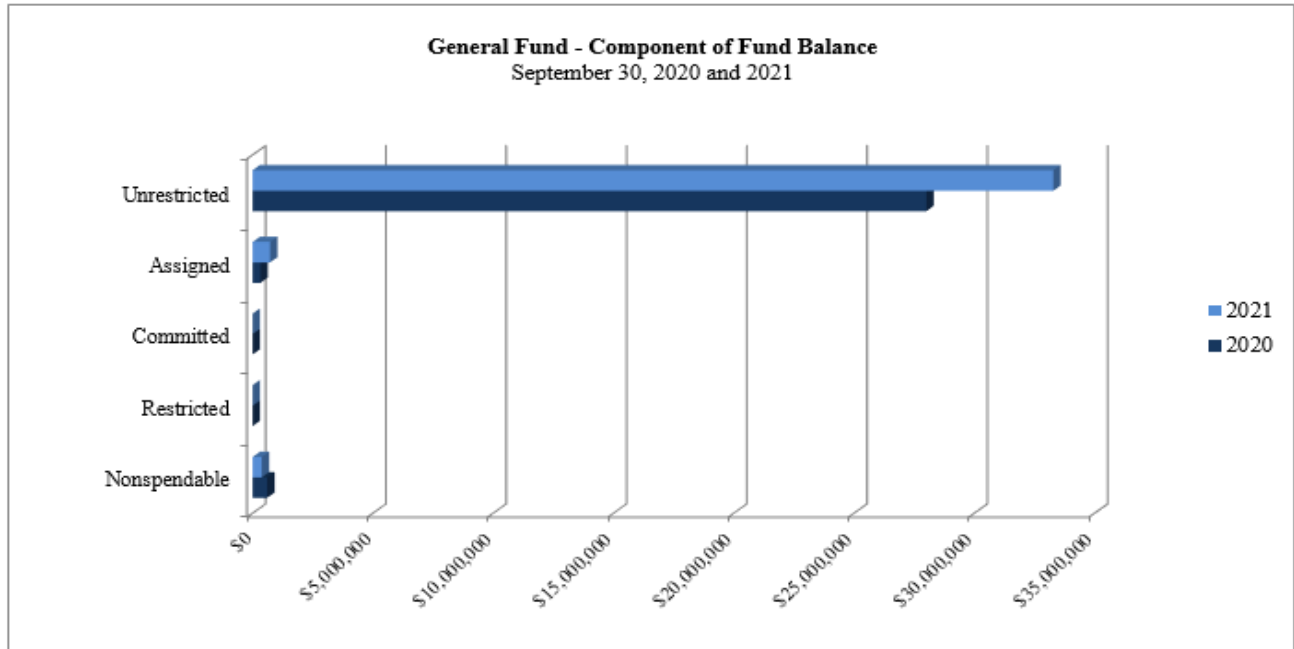
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 \$74,560,189, an increase of \$16,008,103 in comparison with the prior year. Approximately 44.16% of this total amount, \$32,927,419, 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 \$1,026,388, 2) restricted for particular purposes \$25,770,562, 3) committed for particular purposes \$3,045,344, or 4) assigned for particular purposes \$11,790,476.

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 \$33,281,232, while the total fund balance was \$34,389,046. 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 79.72% of total General Fund expenditures, while total fund balance represents 82.38% of that same amount.

The fund balance of the City's General Fund increased by \$5,657,475 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 \$567,843. The fund balance of the Sanford CRA increased by \$185,723 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 ARPA Fund, Capital Replacement Fund and the Capital Project Fund and these funds have a total fund balance of \$65, \$5,361,117, and \$5,052,665 respectively at the end of the current fiscal year. The fund balance changes were \$65, \$17,253,601, and \$(12,989,458) during the current fiscal year. The changes are attributed to expenditures for Riverwalk Phase III offset by reimbursement of grant revenues from the Riverwalk Phase III project. The funds of the Capital Replacement Fund and Capital Project Funds are restricted for city capital needs and the ARPA Fund is restricted based on the ARPA grant requirements.

Nonmajor governmental funds consisting of Special Revenue Funds, Debt Service Funds and Capital Project Funds have a combined total fund balance of \$29,189,453 at the end of the current fiscal year. The net increase during the current year in nonmajor governmental funds was \$5,900,697 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 \$39,236,363 in the Water and Sewer Fund, \$20,525,919 in the Stormwater Fund, \$461,462 in the Solid Waste Fund, and \$1,070,379 in the Golf Course Fund. The total growth of net position for the Water and Sewer Fund and the Stormwater Fund was \$18,058,081 and \$2,730,532 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 \$366,820 which is due to a decrease in operational expenditures as well as an increase in rates. The Golf Course Fund had an increase in net position of \$130,093 due to gains on sales of capital assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget \$369,766 increase in revenues and transfers in and \$10,650,423 increase in appropriations and transfers out can be briefly summarized as follows:

Revenues

- \$ 12,592 Increase in grant revenue for fire services grant
- \$190,000 Increase in recognition of tree mitigation revenue
- \$ 71,700 Increase in grant revenue for professional services grants
- \$ 10,474 Increase in donations for recreational programs
- \$ 1,000 Increase in memorial brick revenue
- \$ 84,000 Increase in revenue for transfers from capital project fund

Transfers Out:

- \$ 8,780,622 Provided budget for the catalyst project
- \$ 879,486 Provided budget for additional capital replacements
- \$ 10,474 Provided budget for cemetery fund operational expenditures

Expenditures:

- \$107,763 Increased budget for additional staffing
- \$114,100 Increased budget for professional services
- \$ 12,592 Increased budget for grant funds in the fire department
- \$ 1,000 Increased budget for use of memorial bricks
- \$190,000 Increased budget for use of tree mitigation funds
- \$516,624 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
 - \$ 25,000 Utility wraps
 - \$ 10,474 Recreation program of donations
 - \$ 71,700 Professional services for grants related to Civic Center
 - \$ 75,776 Professional service expenditures
 - \$ 104,521 Repairs and maintenance expenditures
 - \$ 107,175 JGI & QTI purchase orders
 - \$ 13,922 Diesel Canopy

Of the increases in expenditures and transfers out, \$285,766 was offset by increased revenues. The remaining increased the use of reserves by \$10,364,657.

Differences between the final amended budget and actual was a \$4,228,235 increase in revenues and \$10,758,671 decrease in expenditures can be briefly summarized as follows:

Revenues

- \$ \$383,896 Increase in property tax revenue due to collecting over the 95% budgeted
- \$ 480,200 Increase in utility taxes due to increased electrical costs
- \$ 149,132 Increase in franchise fees
- \$ 3,215,007 Net variance in other General Fund revenues including increases charges for services (\$1,081,051), fines and forfeitures (\$119,340), business taxes (\$16,171), intergovernmental revenue (\$2,013,796) and miscellaneous revenues (\$209,084).

The increases were offset by negative variances in permits and fees \$(119,952), investment earnings \$(90,985) and sales of assets \$(13,498).

Expenditures

- \$ 989,397 Savings associated with vacant positions resulting from terminations and retirements
- \$8,620,133 Savings due to Catalyst Site project not being complete
- \$1,149,141 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, 2021, amounted to \$342,727,596 (net of accumulated depreciation). This investment in capital assets included land, buildings, machinery and equipment, infrastructure, water and sewer system, stormwater management system, irrigation rights, and construction in progress. The total change in the City’s capital assets, net of related depreciation, for the current fiscal year was an increase of \$1,578,060 (0.012) for governmental activities and an increase of \$6,896,273 (0.03) for business-type activities.

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

Governmental activities:

- Acquisition of \$1,462,142 in replacement vehicles
- Acquisition of a \$404,447 excavator
- Acquisition of \$618,028 in miscellaneous equipment consisting of a sprayer, mowers, computer equipment, decontamination equipment, ac diagnostic machine, radios, stump grinder, cot mounting system, backhoe, utility vehicle, trailers, and ems vending machine
- Building improvements \$640,189 for reception area in City Hall, training pavillion for fire, fire station 38 reconstruct, and parks facilities
- Park facility improvements \$178,544
- Sidewalks \$273,459
- Street paving \$143,619
- Donated land \$20,000 and cost associated of \$642
- Catalyst project, Academy Manor Park, Mellonville sports fields, traffic medians, Groveview Park, Derby Park, Riverwalk Phase III, Myrtle Ave Streetscape, Jeff Triplett Center, Station 40, and pool rehab commence or continue adding \$7,058,983 in construction in progress
- Current year depreciation less disposals on capital assets of \$9,318,830 offsets the above additions

Business-type activities:

- Acquisition of \$916,042 in replacement vehicles
- Private developers contributed \$3,937,708 in water and sewer system lines
- Building improvements \$49,377
- Rotor equipment \$361,056
- Acquisition of pumps and small equipment totaling \$258,433
- Capitalization of prior CIP projects included Mayfair Storage facility \$231,437, breackwater walls \$831,911, water system improvements \$3,011,019, and stormwater improvements \$1,665,715
- Georgetown \$104,721, Riverwalk Phase III \$1,588,500, Mellonville \$40,058, Water plant upgrades \$2,509,000, Mayfair Clubhouse \$100,822 Sewer line rehab \$2,132,802, Lift Station replacements \$927,976 and other miscellaneous projects at \$980,157 increased construction in progress
- Current year depreciation less disposals on capital assets of \$6,961,004 offsets the above additions

City of Sanford's Capital Assets
(net of accumulated depreciation)
As of September 30, 2020 and 2021

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Land	\$ 6,461,630	\$ 6,459,398	\$ 7,557,596	\$ 7,557,596	\$ 14,019,226	\$ 14,016,994
Buildings	40,479,630	38,090,751	18,597,629	17,387,994	59,077,259	55,478,745
Machinery and equipment	3,381,006	4,293,915	2,950,748	3,647,430	6,331,754	7,941,345
Infrastructure	61,338,558	57,335,837	-	-	61,338,558	57,335,837
Water and sewer system	-	-	116,697,982	121,157,531	116,697,982	121,157,531
Stormwater system	-	-	20,216,082	20,730,428	20,216,082	20,730,428
Construction in progress	22,146,777	29,205,760	34,425,625	36,860,956	56,572,402	66,066,716
Total	\$ 133,807,601	\$ 135,385,661	\$ 200,445,662	\$ 207,341,935	\$ 334,253,263	\$ 342,727,596

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 \$8,205,000 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 \$51,678,075 in State Revolving Fund loans and \$1,061,921 in capital leases. The City also had \$34,589,034 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, 2020 and 2021

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Structured payment debt:						
Notes payable:						
Series 2010	\$ -	\$ -	\$ 3,190,000	\$ 1,005,000	\$ 3,190,000	\$ 1,005,000
Series 2012	8,105,000	7,200,000	-	-	8,105,000	7,200,000
State revolving loans	-	-	53,887,473	51,678,075	53,887,473	51,678,075
Capital leases	712,913	1,061,921	-	-	712,913	1,061,921
Total structured payment debt	8,817,913	8,261,921	57,077,473	52,683,075	65,895,386	60,944,996
Other long-term debt:						
Claims payable	2,275,080	4,163,132	-	-	2,275,080	4,163,132
Accrued clean-up and long-term care costs	-	-	-	-	-	-
Net pension liability	28,028,845	7,205,386	9,349,020	4,556,347	37,377,865	11,761,733
Other postemployment benefits*	12,402,354	10,959,873	3,998,369	3,540,646	16,400,723	14,500,519
Compensated absences	2,279,302	3,514,040	518,791	649,610	2,798,093	4,163,650
Total other long-term debt	44,985,581	25,842,431	13,866,180	8,746,603	58,851,761	34,589,034
Total long-term debt	\$ 53,803,494	\$ 34,104,352	\$ 70,943,653	\$ 61,429,678	\$ 124,747,147	\$ 95,534,030

Total structured payment debt outstanding decreased by \$(4,950,390) due to principal retirements in the current period \$(8,010,848) partially offset by proceeds received from new state revolving fund loans \$2,315,458 and issuance of new capital lease debt \$745,000.

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 2022 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 4.4%, which is a decrease from the same figure of 6.5% a year ago. The rate is less than the State's average unemployment rate during the same time period of 5.0%.
- The City's taxable value of commercial and residential real property for the next fiscal year, 2022, is estimated to increase by 8.7% (of which new growth represents 2.7% and existing property values increased 6.0%) compared to a 7.1% increase experienced in the latest complete fiscal year, 2021. The City maintained the same property tax rate from fiscal year 2021 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 \$5,657,475 to a total fund balance of \$34,389,046.

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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Airport Authority
Assets				
Cash and cash equivalents	\$ 43,312,146	\$ 22,975,302	\$ 66,287,448	\$ 21,891,259
Investments	43,132,547	60,961,494	104,094,041	-
Accounts receivable, net	2,852,203	8,165,986	11,018,189	653,397
Due from other governments	11,834,491	5,547,401	17,381,892	3,310,963
Internal balances	(391,991)	391,991	-	-
Inventories	446,121	21,414	467,535	-
Prepaid expenses	486,148	11,223	497,371	889,847
Restricted investments - airport authority	-	-	-	511,070
Net pension asset	9,959,633	-	9,959,633	-
Equity interest in joint venture	81,226	-	81,226	-
Capital assets:				
Nondepreciable	35,665,158	44,418,552	80,083,710	154,633,354
Depreciable, net	99,720,503	162,923,383	262,643,886	112,611,400
Total assets	<u>247,098,185</u>	<u>305,416,746</u>	<u>552,514,931</u>	<u>294,501,290</u>
Deferred outflows of resources				
Deferred outflows related to pensions	12,567,120	2,791,919	15,359,039	2,450,383
Deferred outflows related to OPEB	596,715	193,160	789,875	-
Total deferred outflows of resources	<u>13,163,835</u>	<u>2,985,079</u>	<u>16,148,914</u>	<u>2,450,383</u>
Liabilities				
Accounts payable	2,886,484	3,368,091	6,254,575	5,159,829
Accrued liabilities	1,329,628	594,739	1,924,367	344,341
Retainage payable	554,130	606,586	1,160,716	-
Due to other governments	2,525,068	15,118	2,540,186	-
Unearned revenue	6,786,630	241,682	7,028,312	555,519
Customer deposits	10,600	1,823,530	1,834,130	-
Noncurrent liabilities:				
Due within one year	6,386,148	5,915,354	12,301,502	1,189,959
Due in more than one year	27,718,204	55,514,324	83,232,528	43,100,266
Total liabilities	<u>48,196,892</u>	<u>68,079,424</u>	<u>116,276,316</u>	<u>50,349,914</u>
Deferred inflows of resources				
Deferred inflows related to pensions	24,966,713	3,831,450	28,798,163	5,413,860
Deferred inflows related to opeb	5,103,470	1,639,993	6,743,463	-
Total deferred inflows of resources	<u>30,070,183</u>	<u>5,471,443</u>	<u>35,541,626</u>	<u>5,413,860</u>
Net position				
Net investment in capital assets	127,123,740	154,658,860	281,782,600	222,122,050
Restricted for:				
Debt service	-	1,219,034	1,219,034	-
System expansion	3,589,013	17,373,637	20,962,650	-
Transportation	13,073,414	-	13,073,414	-
Downtown redevelopment	207,875	-	207,875	-
Building inspections	8,637,280	-	8,637,280	-
Passenger facility charges	-	-	-	511,070
Other purposes	262,980	-	262,980	-
Unrestricted	29,100,643	61,599,427	90,700,070	18,554,779
Total net position	<u>\$ 181,994,945</u>	<u>\$ 234,850,958</u>	<u>\$ 416,845,903</u>	<u>\$ 241,187,899</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, 2021

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			Airport Authority
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 7,565,165	\$ 853,977	\$ 1,091,682	\$ 20,000	\$ (5,599,506)	\$ -	\$ (5,599,506)	\$ -
Public safety	29,653,573	6,683,058	1,453,028	733,714	(20,783,773)	-	(20,783,773)	-
Transportation	8,762,014	-	3,266,942	6,983,850	1,488,778	-	1,488,778	-
Physical environment	472,079	495,400	131	-	23,452	-	23,452	-
Economic environment	1,824,388	142,303	587,474	-	(1,094,611)	-	(1,094,611)	-
Human services	1,949,709	-	1,987,444	-	37,735	-	37,735	-
Culture and recreation	6,728,151	327,271	10,672	2,368,758	(4,021,450)	-	(4,021,450)	-
Interest	281,350	-	-	-	(281,350)	-	(281,350)	-
Total governmental activities	<u>57,236,429</u>	<u>8,502,009</u>	<u>8,397,373</u>	<u>10,106,322</u>	<u>(30,230,725)</u>		<u>(30,230,725)</u>	<u>-</u>
Business-type activities:								
Water and sewer	22,708,549	28,407,949	20,272	5,892,375	-	11,612,047	11,612,047	-
Stormwater	3,461,605	6,109,508	7,876	-	-	2,655,779	2,655,779	-
Solid waste	6,465,200	6,805,513	-	-	-	340,313	340,313	-
Golf course	1,477,894	1,145,062	-	-	-	(332,832)	(332,832)	-
Total business-type activities	<u>34,113,248</u>	<u>42,468,032</u>	<u>28,148</u>	<u>5,892,375</u>		<u>14,275,307</u>	<u>14,275,307</u>	<u>-</u>
Total primary government	\$ 91,349,677	\$ 50,970,041	\$ 8,425,521	\$ 15,998,697	(30,230,725)	14,275,307	(15,955,418)	-
Component unit:								
Airport authority	\$ 26,651,717	\$ 16,041,431	\$ 13,005,418	\$ 14,227,464				16,622,596
		General Revenues:						
					27,216,744	-	27,216,744	-
					8,225,193	-	8,225,193	-
					5,185,468	-	5,185,468	-
					6,945,219	13,263	6,958,482	-
					685,132	-	685,132	-
					-	6,097,812	6,097,812	-
					107,956	142,855	250,811	16,648
					321,234	452,841	774,075	436,063
					(60,000)	60,000	-	-
					<u>48,626,946</u>	<u>6,766,771</u>	<u>55,393,717</u>	<u>452,711</u>
					18,396,221	21,042,078	39,438,299	17,075,307
					<u>163,598,724</u>	<u>213,808,880</u>	<u>377,407,604</u>	<u>224,112,592</u>
					<u>\$ 181,994,945</u>	<u>\$ 234,850,958</u>	<u>\$ 416,845,903</u>	<u>\$ 241,187,899</u>

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

CITY OF SANFORD, FLORIDA

**Balance Sheet
Governmental Funds
September 30, 2021**

	General Fund	ARPA Grant Fund	Capital Project Fund	Capital Replacement Fund	Sanford CRA Fund	Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	\$ 12,564,352	\$ 2,317,844	\$ -	\$ 4,723,570	\$ 217,186	\$ 19,243,214
Investments	20,994,105	3,882,079	-	-	363,756	10,789,180
Accounts receivable, net	2,145,076	17,075	-	200,046	1,624	89,132
Due from other governments	1,088,625	-	8,823,690	196,653	5,257	1,720,266
Due from other funds	3,097,238	-	-	-	-	-
Inventories	166,435	-	-	279,686	-	-
Prepaid items	96,851	-	-	4,524	6,543	852
Total assets	\$ 40,152,682	\$ 6,216,998	\$ 8,823,690	\$ 5,404,479	\$ 594,366	\$ 31,842,644
Liabilities						
Accounts payable	\$ 1,174,593	\$ 593	\$ 18,728	\$ 150,832	\$ 19,290	\$ 1,522,448
Accrued liabilities	1,286,698	-	-	-	7,233	35,697
Retainage payable	-	-	513,409	-	-	40,721
Due to other funds	86,687	-	2,783,782	-	-	313,456
Due to other governments	2,497,354	-	-	-	-	27,714
Unearned revenues	480,623	6,216,340	7,234	-	-	82,433
Customer deposits	10,600	-	-	-	-	-
Total liabilities	5,536,555	6,216,933	3,323,153	150,832	26,523	2,022,469
Deferred Inflows of Resources						
Unavailable revenue	227,081	-	139,420	200,982	-	630,722
Total deferred inflows of resources	227,081	-	139,420	200,982	-	630,722
Fund balances						
Nonspendable:						
Inventory	\$ 166,436	\$ -	\$ -	\$ 279,686	\$ 353,425	\$ -
Prepaid items	96,851	-	-	4,524	6,543	852
Long-term receivable	118,071	-	-	-	-	-
Restricted for:						
Downtown redevelopment	-	-	-	-	207,875	-
Building inspections	-	-	-	-	-	8,637,280
Transportation	-	-	-	-	-	13,073,414
Law enforcement	-	-	-	-	-	262,915
Assistance programs	-	65	-	-	-	-
System expansion	-	-	-	-	-	3,589,013
Committed for:						
Cemetery purposes	-	-	-	-	-	65,885
Capital replacements	-	-	-	-	-	2,979,459
Assigned for:						
Debt service	-	-	-	-	-	934,448
Capital replacements	-	-	5,361,117	4,768,455	-	-
Other	726,456	-	-	-	-	-
Unassigned/(Deficit)	33,281,232	-	-	-	-	(353,813)
Total fund balances	34,389,046	65	5,361,117	5,052,665	567,843	29,189,453
Total liabilities, deferred inflows of resources, and fund balances	\$ 40,152,682	\$ 6,216,998	\$ 8,823,690	\$ 5,404,479	\$ 594,366	\$ 31,842,644

(continued)

CITY OF SANFORD, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2021
(Continued)

	Total Governmental Funds
Assets	
Cash and cash equivalents	\$ 39,066,166
Investments	36,029,120
Accounts receivable, net	2,452,953
Due from other governments	11,834,491
Due from other funds	3,097,238
Inventories	446,121
Prepaid items	108,770
Total assets	\$ 93,034,859
Liabilities	
Accounts payable	\$ 2,886,484
Accrued liabilities	1,329,628
Retainage payable	554,130
Due to other funds	3,183,925
Due to other governments	2,525,068
Unearned revenues	6,786,630
Customer deposits	10,600
Total liabilities	17,276,465
Deferred Inflows of Resources	
Unavailable revenue	1,198,205
Total deferred inflows of resources	1,198,205
Fund balances	
Nonspendable:	
Inventory	\$ 799,547
Prepaid items	108,770
Long-term receivable	118,071
Restricted for:	
Downtown redevelopment	207,875
Building inspections	8,637,280
Transportation	13,073,414
Law enforcement	262,915
Assistance programs	65
System expansion	3,589,013
Committed for:	
Cemetery purposes	65,885
Capital replacements	2,979,459
Assigned for:	
Debt service	934,448
Capital replacements	10,129,572
Other	726,456
Unassigned/(Deficit)	32,927,419
Total fund balances	74,560,189
Total liabilities, deferred inflows of resources, and fund balances	\$ 93,034,859

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, 2021

Fund Balances - Total Governmental Funds (page 20)		\$ 74,560,189
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Nondepreciable capital assets	\$ 35,665,158	
Depreciable capital assets	245,937,989	
Less: Accumulated depreciation	<u>(146,217,486)</u>	135,385,661
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
		1,198,205
<p>Equity interest in joint venture is not a financial resource and therefore not reported in the funds.</p>		
		81,226
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Governmental note payable	(7,200,000)	
Capital lease payable	(1,061,921)	
Compensated absences	<u>(3,514,040)</u>	(11,775,961)
<p>On the government fund statements, a net pension liability/asset is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's proportionate share of the net pension liability/asset of the cost-sharing defined benefit pension plans in which the City participates is reported as a noncurrent liability/asset. Additionally deferred outflows and deferred inflows related to pensions are also reported in accordance with GASB Statement No. 68.</p>		
Net pension asset	9,959,633	
Net pension liability	(7,205,386)	
Deferred outflows related to pensions	12,567,120	
Deferred inflows related to pensions	<u>(24,966,713)</u>	(9,645,346)
<p>The net other post employment benefits obligation is not recorded as a liability in the governmental funds balance sheet.</p>		
OPEB liability	(10,959,873)	
Deferred outflows related to opebs	596,715	
Deferred inflows related to opebs	<u>(5,103,470)</u>	(15,466,628)
<p>Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.</p>		
		7,657,599
Net Position of Governmental Activities (page 18)		<u><u>\$ 181,994,945</u></u>

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

This page intentionally left blank.

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General Fund	ARPA Grant Fund	Capital Project Fund	Capital Replacement Fund	Sanford CRA Fund	Nonmajor Governmental Funds
Revenues						
Property taxes	\$ 25,749,715	\$ -	\$ -	\$ -	\$ 1,467,029	\$ -
Utility taxes	8,225,193	-	-	-	-	-
Franchise fees	5,185,468	-	-	-	-	-
Business taxes	636,633	-	-	-	-	-
Permits and fees	12,271	-	-	-	-	3,695,696
Intergovernmental	8,664,269	404,102	8,898,439	243,245	-	8,656,426
Charges for services	3,849,171	-	-	-	-	96,398
Investment earnings	57,780	659	221	22,860	1,980	48,354
Fines and forfeitures	313,387	-	-	-	-	61,020
Service assessments	-	-	-	-	-	1,289,210
Miscellaneous	415,537	-	-	-	142,303	43,889
Total revenues	<u>53,109,424</u>	<u>404,761</u>	<u>8,898,660</u>	<u>266,105</u>	<u>1,611,312</u>	<u>13,890,993</u>
Expenditures						
Current:						
General government	6,969,698	594	-	455,803	-	-
Public safety	27,077,323	-	-	233,101	-	2,539,251
Physical environment	345,233	-	-	-	-	120,692
Transportation	1,392,080	-	-	5,533	-	1,815,256
Economic environment	305,478	-	-	-	700,062	589,133
Human services	125,875	-	-	-	-	1,818,052
Culture and recreation	5,483,078	-	-	238,233	-	1,459
Debt service:						
Principal	-	-	-	-	-	1,300,992
Interest	-	-	-	-	-	281,350
Capital outlay:						
General government	-	-	-	300,864	-	-
Public safety	-	-	-	1,558,058	-	290,378
Physical environment	47,726	-	-	-	-	-
Transportation	-	-	5,728,857	590,140	-	1,457,759
Economic environment	-	-	-	-	-	153,428
Culture and recreation	-	-	136,655	591,760	-	77,515
Total expenditures	<u>41,746,491</u>	<u>594</u>	<u>5,865,512</u>	<u>3,973,492</u>	<u>700,062</u>	<u>10,445,265</u>
Excess of revenues over expenditures	<u>11,362,933</u>	<u>404,167</u>	<u>3,033,148</u>	<u>(3,707,387)</u>	<u>911,250</u>	<u>3,445,728</u>
Other financing sources (uses)						
Capital leases	-	-	-	745,000	-	-
Transfers in	84,000	-	14,220,453	3,832,040	-	2,524,390
Transfers out	(5,789,960)	(404,102)	-	(14,135,975)	(725,527)	(69,421)
Proceeds from sale of assets	502	-	-	276,864	-	-
Total other financing sources (uses)	<u>(5,705,458)</u>	<u>(404,102)</u>	<u>14,220,453</u>	<u>(9,282,071)</u>	<u>(725,527)</u>	<u>2,454,969</u>
Net change in fund balances	<u>5,657,475</u>	<u>65</u>	<u>17,253,601</u>	<u>(12,989,458)</u>	<u>185,723</u>	<u>5,900,697</u>
Fund balances						
Beginning of year	28,731,571	-	(11,892,484)	18,042,123	382,120	23,288,756
End of year	<u>\$ 34,389,046</u>	<u>\$ 65</u>	<u>\$ 5,361,117</u>	<u>\$ 5,052,665</u>	<u>\$ 567,843</u>	<u>\$ 29,189,453</u>

(continued)

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021
(Continued)

	Total Governmental Funds
Revenues	
Property taxes	\$ 27,216,744
Utility taxes	8,225,193
Franchise fees	5,185,468
Business taxes	636,633
Permits and fees	3,707,967
Intergovernmental	26,866,481
Charges for services	3,945,569
Investment earnings	131,854
Fines and forfeitures	374,407
Service assessments	1,289,210
Miscellaneous	601,729
Total revenues	78,181,255
Expenditures	
Current:	
General government	7,426,095
Public safety	29,849,675
Physical environment	465,925
Transportation	3,212,869
Economic environment	1,594,673
Human services	1,943,927
Culture and recreation	5,722,770
Debt service:	
Principal	1,300,992
Interest	281,350
Capital outlay:	
General government	300,864
Public safety	1,848,436
Physical environment	47,726
Transportation	7,776,756
Economic environment	153,428
Culture and recreation	805,930
Total expenditures	62,731,416
Excess of revenues over expenditures	15,449,839
Other financing sources (uses)	
Capital leases	745,000
Transfers in	20,660,883
Transfers out	(21,124,985)
Proceeds from sale of assets	277,366
Total other financing sources (uses)	558,264
Net change in fund balances	16,008,103
Fund balances	
Beginning of year	58,552,086
End of year	\$ 74,560,189

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, 2021

Net Change in Fund Balances - Total Governmental Funds (page 22)		\$ 16,008,103
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditures for capital assets	\$ 10,933,140	
Less: Current year depreciation	<u>(9,346,955)</u>	1,586,185
<p>In the Statement of Activities, only the loss on the sale/disposal of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.</p>		
		(28,125)
<p>Contributed assets reported at acquisition value.</p>		
		20,000
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(2,404,080)
<p>Debt proceeds are reported as a source of financing in the governmental funds. Debt proceeds are not reported as revenues in the Statement of Activities, but rather are reported as liabilities in the Statement of Net Position.</p>		
Capital lease financing		(745,000)
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
		1,300,992
<p>Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Change in long-term compensated absences	(1,234,738)	
Change in equity in joint venture	(9,223)	
Change in post employment benefits obligation	<u>1,476,092</u>	232,131
<p>Government funds report contributions to defined benefit pension plans as expenditures. However, in the Statement of Activities, the amount contributed to defined pension plans reduces future net pension liability and is reported as part of deferred outflows of resources.</p>		
		2,934,920
<p>In the Statement of Activities, pension expense is recorded for the City's proportionate share of collective pension expense of the cost-sharing defined benefit plans and all of the pension expense of single employer defined pension plans in which the City participates. Also included in pension expense are amounts required to be amortized in accordance with GASB Statement No. 68.</p>		
		269,276
<p>Internal service funds are used by management to account for the cost of health insurance, long-term disability, and life insurance. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		(778,181)
Change in Net Position of Governmental Activities (page 19)		<u>\$ 18,396,221</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, 2021

	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	\$ 14,910,424	\$ 8,064,878	\$ -	\$ -	\$ 22,975,302	\$ 4,245,980
Investments	24,936,671	13,507,592	-	1,101,692	39,545,955	7,103,427
Accounts receivable, net	6,006,824	544,224	1,474,908	140,030	8,165,986	31,241
Insurance receivable	-	-	-	-	-	368,009
Due from other governments	5,533,810	13,591	-	-	5,547,401	-
Due from other funds	328,082	-	-	-	328,082	-
Inventories	-	-	-	21,414	21,414	-
Prepaid items	9,302	1,921	-	-	11,223	377,378
Restricted investments for customer deposits	1,662,245	-	161,286	-	1,823,531	-
Restricted investments for debt service	1,901,630	316,741	-	-	2,218,371	-
Restricted investments for system expansion	17,373,637	-	-	-	17,373,637	-
Total current assets	72,662,625	22,448,947	1,636,194	1,263,136	98,010,902	12,126,035
Noncurrent assets:						
Capital assets:						
Nondepreciable	38,234,626	5,809,978	-	373,948	44,418,552	-
Depreciable, net	139,825,547	22,634,085	36,726	427,025	162,923,383	101,460
Total noncurrent assets	178,060,173	28,444,063	36,726	800,973	207,341,935	101,460
Total assets	250,722,798	50,893,010	1,672,920	2,064,109	305,352,837	12,227,495
Deferred outflows of resources						
Deferred outflows related to other post employment benefits	158,659	31,365	3,136	-	193,160	-
Deferred outflows related to pensions	2,336,304	390,768	64,847	-	2,791,919	-
Liabilities						
Current liabilities:						
Accounts payable	2,472,995	127,685	580,085	187,326	3,368,091	-
Accrued liabilities	411,761	178,470	4,271	237	594,739	-
Compensated absences	250,443	10,709	2,279	-	263,431	-
Claims payable	-	-	-	-	-	3,634,631
Retainage payable	543,936	62,650	-	-	606,586	-
Due to other funds	-	-	241,395	-	241,395	-
Due to other governments	9,924	-	-	5,194	15,118	-
Unearned revenues	241,682	-	-	-	241,682	-
Bonds payable - current	1,005,000	-	-	-	1,005,000	-
Loans payable - current	3,985,615	661,308	-	-	4,646,923	-
Liabilities payable from restricted assets:						
Customer deposits	1,662,244	-	161,286	-	1,823,530	-
Total current liabilities	10,583,600	1,040,822	989,316	192,757	12,806,495	3,634,631
Noncurrent liabilities:						
Loans payable	39,625,240	7,405,912	-	-	47,031,152	-
Claims payable	-	-	-	-	-	528,501
Compensated absences	367,227	16,910	2,042	-	386,179	-
Pensions payable	3,784,683	686,293	85,371	-	4,556,347	-
Other postemployment benefits	2,925,219	558,530	56,897	-	3,540,646	-
Total noncurrent liabilities	46,702,369	8,667,645	144,310	-	55,514,324	528,501
Total liabilities	57,285,969	9,708,467	1,133,626	192,757	68,320,819	4,163,132
Deferred inflows of resources						
Deferred inflows related to other post employment benefits	1,357,519	255,907	26,567	-	1,639,993	-
Deferred inflows related to pensions	3,300,920	448,008	82,522	-	3,831,450	-
Net position						
Net investment in capital assets	133,444,319	20,376,842	36,726	800,973	154,658,860	101,460
Restricted for debt service	1,219,034	-	-	-	1,219,034	-
Restricted for system expansion	17,373,637	-	-	-	17,373,637	-
Unrestricted / (deficit)	39,236,363	20,525,919	461,462	1,070,379	61,294,123	7,962,903
Total net position	\$ 191,273,353	\$ 40,902,761	\$ 498,188	\$ 1,871,352	234,545,654	\$ 8,064,363

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.

305,304

Net position of business-type activities

\$234,850,958

CITY OF SANFORD, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	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	\$ 28,407,949	\$ 6,109,508	\$ 6,805,513	\$ 1,145,062	\$ 42,468,032	\$ 9,235,437
Miscellaneous	37,213	3,789	24,475	156,224	221,701	607,835
Total operating revenues	<u>28,445,162</u>	<u>6,113,297</u>	<u>6,829,988</u>	<u>1,301,286</u>	<u>42,689,733</u>	<u>9,843,272</u>
Operating expenses						
Personnel services	6,604,069	875,068	129,047	225,001	7,833,185	115,078
Materials and supplies	6,247,531	599,330	5,599	881,291	7,733,751	218,570
Intragovernmental services	1,594,392	287,238	218,426	-	2,100,056	-
Contractual services	1,603,199	67,412	6,103,358	346,163	8,120,132	943,801
Claims and insurance	-	-	-	-	-	10,009,350
Depreciation	5,465,375	1,441,597	5,713	25,439	6,938,124	4,403
Total operating expenses	<u>21,514,566</u>	<u>3,270,645</u>	<u>6,462,143</u>	<u>1,477,894</u>	<u>32,725,248</u>	<u>11,291,202</u>
Operating income (loss)	<u>6,930,596</u>	<u>2,842,652</u>	<u>367,845</u>	<u>(176,608)</u>	<u>9,964,485</u>	<u>(1,447,930)</u>
Nonoperating revenues (expenses)						
Investment earnings	102,564	37,917	76	2,301	142,858	17,795
Interest expense	(985,538)	(157,913)	(1,101)	-	(1,144,552)	-
Gain on Disposal of Property	-	-	-	244,400	244,400	-
Operating grants	20,272	7,876	-	-	28,148	-
Capital recovery fees	6,097,812	-	-	-	6,097,812	-
Total nonoperating revenues (expenses)	<u>5,235,110</u>	<u>(112,120)</u>	<u>(1,025)</u>	<u>246,701</u>	<u>5,368,666</u>	<u>17,795</u>
Income (loss) before contributions, grants, extraordinary gain (loss), and transfers	12,165,706	2,730,532	366,820	70,093	15,333,151	(1,430,135)
Capital contributions and grants	5,892,375	-	-	-	5,892,375	-
Transfers in	-	-	-	60,000	60,000	404,102
Change in net position	18,058,081	2,730,532	366,820	130,093	21,285,526	(1,026,033)
Net position - beginning	<u>173,215,272</u>	<u>38,172,229</u>	<u>131,368</u>	<u>1,741,259</u>		<u>9,090,396</u>
Total net position - ending	<u>\$ 191,273,353</u>	<u>\$ 40,902,761</u>	<u>\$ 498,188</u>	<u>\$ 1,871,352</u>		<u>\$ 8,064,363</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.
Change in net position of business-type activities

(243,448)
\$21,042,078

CITY OF SANFORD, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	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	\$ 27,905,982	\$ 6,181,079	\$ 6,451,691	\$ 1,151,009	\$ 41,689,761	\$ -
Receipts from interfund charges for risk management	-	-	-	-	-	9,595,389
Payments to suppliers	(5,705,829)	(1,053,082)	(6,075,114)	(1,340,008)	(14,174,033)	(9,315,007)
Payments to employees	(7,043,074)	(1,000,839)	(143,996)	(224,764)	(8,412,673)	(115,078)
Payments for interfund services used	(1,594,392)	(287,238)	(218,426)	-	(2,100,056)	-
Net cash provided by (used for) operating activities	<u>13,562,687</u>	<u>3,839,920</u>	<u>14,155</u>	<u>(413,763)</u>	<u>17,002,999</u>	<u>165,304</u>
Cash flows from noncapital financing activities:						
Operating grant receipts	20,272	7,876	-	-	28,148	-
Transfers to other funds	-	-	-	-	-	-
Transfers from other funds	-	-	-	60,000	60,000	404,102
Net cash provided by (used for) noncapital financing activities	<u>20,272</u>	<u>7,876</u>	<u>-</u>	<u>60,000</u>	<u>88,148</u>	<u>404,102</u>
Cash flows from capital and related financing activities:						
Repayment of notes payable	(3,877,793)	(647,064)	-	-	(4,524,857)	-
Principal paid on capital debt	(2,185,000)	-	-	-	(2,185,000)	-
Interest paid	(985,539)	(157,914)	(1,102)	-	(1,144,555)	-
Proceeds of note payable	2,315,458	-	-	-	2,315,458	-
Purchase of capital assets	(7,661,230)	(2,047,571)	-	(210,768)	(9,919,569)	-
Developers fees	6,097,812	-	-	-	6,097,812	-
Capital contributions and grants	1,954,669	-	-	-	1,954,669	-
Proceeds from sales of capital assets	22,880	-	-	244,400	267,280	-
Net cash used for capital and related financing activities	<u>(4,318,743)</u>	<u>(2,852,549)</u>	<u>(1,102)</u>	<u>33,632</u>	<u>(7,138,762)</u>	<u>-</u>
Cash flows from investing activities:						
Investment income earned on operating funds	102,564	37,918	76	2,301	142,859	17,795
Net cash provided by investing activities	<u>102,564</u>	<u>37,918</u>	<u>76</u>	<u>2,301</u>	<u>142,859</u>	<u>17,795</u>
Net increase in cash and cash equivalents	9,366,780	1,033,165	13,129	(317,830)	10,095,244	587,201
Cash and cash equivalents at beginning of year	<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>
Cash and cash equivalents at end of year	<u>\$ 60,784,607</u>	<u>\$ 21,889,211</u>	<u>\$ 161,286</u>	<u>\$ 1,101,692</u>	<u>\$ 83,936,796</u>	<u>\$ 11,349,407</u>
Reconciliation to cash and pooled investments per Statement of Net Position:						
Cash	\$ 14,910,424	\$ 8,064,878	\$ -	\$ -	\$ 22,975,302	\$ 4,245,980
Investments	24,936,671	13,507,592	-	1,101,692	39,545,955	7,103,427
Restricted investments, current	20,937,512	316,741	161,286	-	21,415,539	-
	<u>\$ 60,784,607</u>	<u>\$ 21,889,211</u>	<u>\$ 161,286</u>	<u>\$ 1,101,692</u>	<u>\$ 83,936,796</u>	<u>\$ 11,349,407</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, 2021

	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)	\$ 6,930,596	\$ 2,842,652	\$ 367,845	\$ (176,608)	9,964,485	\$ (1,447,930)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation	5,465,375	1,441,597	5,713	25,439	6,938,124	4,403
Changes in deferred inflows/outflows	3,898,307	517,652	95,815	-	4,511,774	-
Changes in assets and liabilities:						
Accounts receivable	(1,589,620)	(177,675)	(152,179)	(128,863)	(2,048,337)	3,077
Insurance receivable	-	-	-	-	-	(250,960)
Due from other governments	666,216	245,457	164	-	911,837	-
Prepays	7,498	(1,221)	-	-	6,277	(31,338)
Due from other funds	323,411	-	-	-	323,411	-
Inventories	-	-	-	(21,414)	(21,414)	-
Customer deposits	45,732	-	13,129	-	58,861	-
Accounts payable	1,953,115	(377,737)	33,843	(100,921)	1,508,300	-
Retainage payable	174,658	(7,382)	-	(12,149)	155,127	-
Claims payable	-	-	-	-	-	1,888,052
Accrued liabilities	187,986	(27,400)	(1,689)	237	159,134	-
OPEB liability	(384,557)	(65,814)	(7,352)	-	(457,723)	-
Pension liability	(4,140,741)	(550,209)	(101,723)	-	(4,792,673)	-
Due to other funds	-	-	(239,411)	-	(239,411)	-
Due to other governments	9,630	-	-	516	10,146	-
Unearned revenue	15,081	-	-	-	15,081	-
Net cash provided by (used for) operating activities	<u>\$ 13,562,687</u>	<u>\$ 3,839,920</u>	<u>\$ 14,155</u>	<u>\$ (413,763)</u>	<u>\$ 17,002,999</u>	<u>\$ 165,304</u>
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ 3,937,708	\$ -	\$ -	\$ -	\$ 3,937,708	\$ -
Decrease in fair value of investments	(527,518)	(189,989)	(902)	(9,932)	(728,341)	(98,134)
Capitalized interest on capital debt	-	-	-	-	-	-

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, 2021

	Pension Trust Funds
Assets	
Investments, at fair value:	
Cash and Cash Equivalents	\$ 3,862,058
US government obligations	5,012,745
Mortgage & asset backed securities	4,261,824
Corporate debt	3,054,461
Mutual funds	32,948,351
Equity securities	41,075,716
Real estate	15,638,164
Accrued investment income	82,802
Prepaid items	6,692
Total assets	105,942,813
Liabilities	
Accounts payable	104,119
Net position	
Net position restricted for pensions	\$ 105,838,694

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, 2021

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 2,676,533
Plan members	483,460
Total contributions	3,159,993
Investment earnings (losses):	
Interest & dividends	1,579,726
Net increase in fair value of investments	19,468,875
Total investment earnings	21,048,601
Investment expenses	(554,353)
Net investment earnings	20,494,248
Total additions	23,654,241
Deductions	
Benefit payments	4,561,129
Refund of contributions	538,960
Administrative expenses	112,859
Total deductions	5,212,948
Change in net position	18,441,293
Net position restricted for pensions	
Beginning of year	87,397,401
End of year	\$ 105,838,694

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, 2021

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 exclusively 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, 2021

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.

Related Organizations

The City Commission is responsible for appointing a voting majority of the governing board for the Sanford Housing Authority ("Authority"), which makes the Authority a related organization. However, the Authority is not considered a component unit since it is not financially accountable to or fiscally dependent on the City.

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, 2021, this joint venture had total assets of \$565,350 and total equity of \$565,350.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

B. Basis of Presentation - Government-wide Financial Statements (continued)

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*.

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 adopts an annual appropriated budget for its General, Special Revenue, Debt Service, Capital Projects and Enterprise Funds, except for the State Pension Contributions Fund, ARPA 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 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 *ARPA Grant Fund* accounts for the grant funds related to the American Rescue Plan Act.

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:

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Presentation - Fund Financial Statements (continued)

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.

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Presentation - Fund Financial Statements (continued)

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*.

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, 2021 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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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. There was not any capitalized interest for this fiscal year.

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, 2021

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, 2021

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, 2021

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, 2021

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	\$ 337,462
Local Option Gas Tax Fund	125,200
Fire Impact Fee Fund	10,119
Building Inspection Fund	19,600
Local Option Sales Tax Fund	2,081,361
Recreation Impact Fee Fund	342,224
Capital Project Fund	390
Catalyst Fund	56,397
Capital Replacement Fund	2,064,641
	<u>\$ 5,037,394</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 \$7,560,450 of the 2022 adopted budget.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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 LIHEAP, CDBG Grant Fund, and NSP Grant Fund had deficit fund balances of \$(41,214), \$(308,590), and \$(3,217) respectively, as of September 30, 2021. 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 2022.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 3 - Deposits and Investments

The fair value of the City's deposits and investments as of September 30, 2021 is as follows:

	Carrying Value
Governmental and Business-type Activities:	
Bank Deposits	\$ 13,767,228
Local Government Surplus Funds Trust	52,520,220
Investment Accounts	104,094,041
Total Governmental and Business-type Activities	170,381,489
Pension Trust Funds:	
Money Market Funds	3,862,058
US Government Obligations	5,012,745
Mortgage/Asset Backed Securities	4,261,824
Corporate Debt	3,054,461
Mutual Funds	32,948,351
Equity	41,075,716
Real Estate	15,638,164
Total Pension Trust Funds	105,853,319
Total Primary Government	\$ 276,234,808
Classified as:	
Government-Wide Statement of Net Position:	
Cash and cash equivalents	\$ 66,287,448
Investments	82,678,502
Restricted investments	21,415,539
Statement of Fiduciary Net Position:	
Cash and cash equivalents	3,862,058
Investments	101,991,261
	\$ 276,234,808

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, 2021

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, 2021, 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*	\$ 13,767,228	\$ 13,767,228	\$ -
Cash	Cash	NR*	1	1	-
State Board of Administration	LGIP	**	52,520,220	52,520,220	-
U.S. Treasury Bonds/Notes	Fixed Income	Aaa	43,186,263	2,197,410	40,988,853
Government Mortgage Backed	Fixed Income	Aaa	17,815,295	1,959,230	15,856,065
Government Mortgage Backed	Fixed Income	NR*	2,586,132	560,022	2,026,110
Government Agency Bonds	Fixed Income	Aa2	1,527,420	-	1,527,420
Government Agency Bonds	Fixed Income	Aaa	19,169,563	3,257,566	15,911,997
Corporate Debt	Fixed Income	Aa2	802,592	-	802,592
Corporate Debt	Fixed Income	Aa3	4,460,770	2,662,607	1,798,163
Corporate Debt	Fixed Income	A1	3,211,593	1,363,865	1,847,728
Corporate Debt	Fixed Income	A2	9,955,971	2,718,545	7,237,426
Corporate Debt	Fixed Income	A3	527,338	-	527,338
Corporate Debt	Fixed Income	Aaa	851,103	26,612	824,491
Total Portfolio			<u>\$ 170,381,489</u>	<u>\$ 81,033,306</u>	<u>\$ 89,348,183</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, 2021:

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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	\$ 13,767,229	\$ 13,767,229	\$ -	\$ -
Corporate Bonds	19,782,755	-	19,782,755	-
Federal Agency Bonds	17,321,587	-	14,636,587	2,685,000
Government Backed Securities	4,139,503	-	4,139,503	-
US Government Bonds	43,186,263	-	43,186,263	-
Asset Backed Securities	19,637,320	-	19,186,379	450,941
Variable Amount Note	26,612	-	26,612	-
			\$	
Total Portfolio	<u>\$ 117,861,269</u>	<u>\$ 13,767,229</u>	<u>100,958,099</u>	<u>\$ 3,135,941</u>

Other Investments

Florida PRIME	<u>\$ 52,520,220</u>
Total other investments	<u>52,520,220</u>
Total Investments	<u>\$ 170,381,489</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, 2021, there were no redemption fees or maximum

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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 AA Af, money market funds with a rating of AA Am, Aaam, certificates of deposit, and guaranteed investment contracts. All NSRO ratings can be equivalent to those in the policy.

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

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

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

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

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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, 2021:

<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, 2021 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 20.72% and 26.84% 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, 2021

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, 2021:

	Total Fair Value 9/30/2021	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Cash Equivalents	\$ 3,862,058	\$ 3,862,058	\$ -	\$ -
US Government Obligations	5,012,745	5,012,745	-	-
Mortgage/Asset Backed Securities	4,261,824	-	4,261,824	-
Corporate Bonds	3,054,461	-	3,054,461	-
Common Stock	39,848,917	39,848,917	-	-
Foreign Stock	1,226,799	1,226,799	-	-
Mutual Funds - Fixed Income	2,565,201	2,565,201	-	-
Mutual Funds - Equity	22,689,024	22,689,024	-	-
Sundry Assets	7,694,126	-	-	7,694,126
Total investments by fair value level	90,215,155	75,204,744	7,316,285	7,694,126
<u>Investments measured at the net asset value (NAV)</u>				
Real Estate Funds	15,638,164	-	-	-
Total investments measured at the NAV	15,638,164	-	-	-
Total investments measured at fair value	\$ 105,853,319	\$ 75,204,744	\$ 7,316,285	\$ 7,694,126

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 \$2,736,448 and \$1,894,324 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 \$3,089,376 and \$4,098,989 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 \$1,629,258 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 \$2,189,770 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, 2021

Note 3 - Deposits and Investments (continued)

Pension Trust Fund Investments (continued)

Defined-Benefit Pension Plan investments were as follows at September 30, 2021:

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*	907,109	785,299	121,810	-	-
Money Market Funds	Money Market	Aaa	738,674	738,674	-	-	-
US Government Obligations	Fixed Income	Aaa	2,518,240	-	877,237	1,257,755	383,248
Mortgage/Asset Backed	Fixed Income	NR*	1,981,151	-	-	-	1,981,151
Corporate Debt	Fixed Income	A1	627,384	-	-	627,384	-
Corporate Debt	Fixed Income	A2	731,692	-	-	731,692	-
Corporate Debt	Fixed Income	A3	117,823	-	-	117,823	-
Total Police Pension			<u>7,622,073</u>	<u>1,523,973</u>	<u>999,047</u>	<u>2,734,654</u>	<u>2,364,399</u>
Firefighters' Pension:							
Cash	Cash	NR*	-	\$ -	\$ -	\$ -	\$ -
Money Market Funds	Money Market	NR*	1,385,936	1,385,936	-	-	-
Money Market Funds	Money Market	Aaa	830,339	319,988	510,351	-	-
US Government Obligations	Fixed Income	Aaa	2,494,505	-	604,023	1,453,256	437,226
Mortgage/Asset Backed	Fixed Income	NR*	2,280,673	-	-	-	2,280,673
Corporate Debt	Fixed Income	A1	606,473	-	-	606,473	-
Corporate Debt	Fixed Income	A2	668,114	-	-	668,114	-
Corporate Debt	Fixed Income	A3	302,975	-	-	302,975	-
Total Firefighters' Pension			<u>8,569,015</u>	<u>1,705,924</u>	<u>1,114,374</u>	<u>3,030,818</u>	<u>2,717,899</u>
Total Pension Investments			<u>\$ 16,191,088</u>	<u>\$ 3,229,897</u>	<u>\$ 2,113,421</u>	<u>\$ 5,765,472</u>	<u>\$ 5,082,298</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, 2021

Note 3 - Deposits and Investments (continued)

Investment Income (continued)

Investment income for the year ended September 30, 2021 consisted of the following:

	General	ARPA	Capital Project	Capital Replacement	Sanford CRA Fund	Nonmajor Governmental Funds	Proprietary Funds
	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Interest income	\$ 358,666	\$ 659	\$ 23,421	\$ 64,478	\$ 14,593	\$ 384,036	\$ 1,215,754
Dividend income	-	-	-	-	-	(19,749)	(19,749)
Net increase (decrease) in fair value of investments	(300,886)	-	(23,200)	(41,618)	(12,613)	(315,933)	(1,055,101)
Investment earnings	<u>\$ 57,780</u>	<u>\$ 659</u>	<u>\$ 221</u>	<u>\$ 22,860</u>	<u>\$ 1,980</u>	<u>\$ 48,354</u>	<u>\$ 160,653</u>

Note 4 - Receivables

The following is a detailed listing of receivables by type and fund at September 30, 2021:

	Primary Government	
	Governmental Activities	Business-type Activities
Receivables:		
Accounts Billed	\$ 86,227	\$ 4,945,587
Unbilled Receivables	-	4,015,459
Investment Income	173,190	169,241
Code Enforcement	20,414,746	-
Other Miscellaneous	4,064,572	340,727
Gross Receivables	<u>24,738,735</u>	<u>9,471,014</u>
Less: Allowance for Uncollectables	<u>21,886,532</u>	<u>1,305,028</u>
	<u>\$ 2,852,203</u>	<u>\$ 8,165,986</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 5 - Capital Assets

During the year ended September 30, 2021, the following changes in governmental activities capital assets occurred:

	Balance October 1, 2020	Additions	Reductions/ Transfers	Balance September 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,461,630	\$ 20,642	\$ (22,874)	\$ 6,459,398
Construction in progress	22,146,777	8,325,744	(1,266,761)	29,205,760
Total capital assets, not being depreciated	<u>28,608,407</u>	<u>8,346,386</u>	<u>(1,289,635)</u>	<u>35,665,158</u>
Capital assets, being depreciated:				
Buildings	82,870,885	30,614	609,575	83,511,074
Machinery and equipment	23,010,625	2,484,617	(363,160)	25,132,082
Infrastructure	136,699,211	91,523	504,099	137,294,833
Total capital assets, being depreciated	<u>242,580,721</u>	<u>2,606,754</u>	<u>750,514</u>	<u>245,937,989</u>
Less accumulated depreciation for:				
Buildings	42,391,255	3,029,068	-	45,420,323
Machinery and equipment	19,629,619	1,719,544	(510,996)	20,838,167
Infrastructure	75,360,653	4,598,343	-	79,958,996
Total accumulated depreciation	<u>137,381,527</u>	<u>9,346,955</u>	<u>(510,996)</u>	<u>146,217,486</u>
Total capital assets, being depreciated, net	<u>105,199,194</u>	<u>(6,740,201)</u>	<u>1,261,510</u>	<u>99,720,503</u>
Governmental activities capital assets, net	<u>\$ 133,807,601</u>	<u>\$ 1,606,185</u>	<u>\$ (28,125)</u>	<u>\$ 135,385,661</u>

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

General government	\$ 318,859
Public safety	1,953,126
Physical environment	4,110
Transportation	5,591,476
Economic environment	258,201
Human services	3,250
Culture and recreation	1,217,933
	<u>\$ 9,346,955</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 5 - Capital Assets (continued)

During the year ended September 30, 2021, the following changes in business-type activities capital assets occurred:

	Balance September 30, 2020	Additions	Reductions/ Transfers	Balance September 30, 2021
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 7,557,596	\$ -	\$ -	\$ 7,557,596
Construction in progress	34,425,625	8,384,038	(5,948,707)	36,860,956
Total capital assets, not being depreciated	<u>41,983,221</u>	<u>8,384,038</u>	<u>(5,948,707)</u>	<u>44,418,552</u>
Capital assets, being depreciated:				
Buildings	40,417,534	-	1,063,349	41,480,883
Water and sewer system	167,542,074	3,937,708	3,011,020	174,490,802
Stormwater management	30,375,069	-	1,665,715	32,040,784
Machinery and equipment	14,508,926	1,535,531	(1,829)	16,042,628
Total capital assets, being depreciated	<u>252,843,603</u>	<u>5,473,239</u>	<u>5,738,255</u>	<u>264,055,097</u>
Less accumulated depreciation for:				
Buildings	21,819,905	2,272,984	-	24,092,889
Water and sewer system	50,844,091	2,489,180	-	53,333,271
Stormwater management	10,158,987	1,151,369	-	11,310,356
Machinery and equipment	11,558,179	1,047,471	(210,452)	12,395,198
Total accumulated depreciation	<u>94,381,162</u>	<u>6,961,004</u>	<u>(210,452)</u>	<u>101,131,714</u>
Total capital assets, being depreciated, net	<u>158,462,441</u>	<u>(1,487,765)</u>	<u>5,948,707</u>	<u>162,923,383</u>
Business-type activities capital assets, net	<u>\$ 200,445,662</u>	<u>\$ 6,896,273</u>	<u>\$ -</u>	<u>\$ 207,341,935</u>

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

Water and sewer	\$ 5,506,558
Stormwater	1,423,294
Solid Waste	5,713
Golf course	25,439
	<u>\$ 6,961,004</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 6 - Long-Term Debt

A. Changes in Long-Term Debt

Changes in long-term debt for the year ended September 30, 2021 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, 2020	Additions	Reductions	Balance September 30, 2021	Long-term Portion	Due Within One Year
Governmental activities:						
Notes payable (Direct placement)	\$ 8,105,000	\$ -	\$ (905,000)	\$ 7,200,000	\$ 6,270,000	\$ 930,000
Other post employment benefits*	12,402,354	-	(1,442,481)	10,959,873	10,959,873	-
Net pension liability	28,028,845	1,873,284	(22,696,743)	7,205,386	7,205,386	-
Compensated absences	2,279,302	6,231,107	(4,996,369)	3,514,040	2,077,033	1,437,007
Claims payable	2,275,080	13,010,298	(11,122,246)	4,163,132	528,501	3,634,631
Capital leases	712,913	745,000	(395,992)	1,061,921	677,411	384,510
Governmental activity long-term liabilities	<u>\$ 53,803,494</u>	<u>\$ 21,859,689</u>	<u>\$(41,558,831)</u>	<u>\$ 34,104,352</u>	<u>\$ 27,718,204</u>	<u>\$ 6,386,148</u>
Business-type activities:						
Utility revenue bond and notes (Direct placement)	\$ 3,190,000	\$ -	\$ (2,185,000)	\$ 1,005,000	\$ -	\$ 1,005,000
SRF loans (Direct borrowing)	53,887,473	2,315,458	(4,524,856)	51,678,075	47,031,152	4,646,923
Other post employment benefits*	3,998,369	-	(457,723)	3,540,646	3,540,646	-
Net pension liability	9,349,020	509,809	(5,302,482)	4,556,347	4,556,347	-
Capital leases	-	-	-	-	-	-
Compensated absences	518,791	2,915,105	(2,784,286)	649,610	386,179	263,431
Business-type activity long-term liabilities	<u>\$ 70,943,653</u>	<u>\$ 5,740,372</u>	<u>\$(15,254,347)</u>	<u>\$ 61,429,678</u>	<u>\$ 55,514,324</u>	<u>\$ 5,915,354</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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	
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	1,060,000	106,763	1,166,763
2026-2028	2,225,000	109,037	2,334,037
	<u>\$ 7,200,000</u>	<u>\$ 966,063</u>	<u>\$ 8,166,063</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, 2021

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, 2021:

Fiscal Year Ending September 30,	Note, Series 2010		Total Debt Service
	Principal	Interest	
2022	\$ 1,005,000	\$ 47,271	\$ 1,052,271
	\$ 1,005,000	\$ 47,271	\$ 1,052,271

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 6 - Long-Term Debt (continued)

E. Bonds, Notes & Loans Payable

The City has revenue bonds and notes outstanding at September 30, 2021. 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
Truist	Police vehicles	N/A	745,000
U.S. Bancorp Government	Police vehicles	N/A	489,200
Total Governmental Activities:			<u>\$ 17,251,692</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	18,189,734
WW590150	Water Treatment facility construction	Net revenues of water and sewer system	9,646,823
WW590191	Drinking Water facility construction	Net revenues of water and sewer system	511,323
WW590192	Drinking Water facility construction	Net revenues of water and sewer system	2,162,141
Total Water/Sewer Utility Debt			<u>95,757,224</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>
Total Business-type Activities:			<u>\$ 108,809,839</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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	\$ 7,200,000	3.25%	26.87%	\$ 1,168,850	\$ 4,350,235
Capital Leases:					
City National	19,658	2.70%	N/A	79,159	N/A
City National	83,416	2.85%	N/A	49,040	N/A
U.S. Bancorp Government	305,384	2.02%	N/A	62,764	N/A
TRuist	653,463	0.980%	N/A	95,076	N/A
U.S. Bancorp Government	-	2.02%	N/A	126,572	N/A
Total Governmental Activities:	<u>\$ 8,261,921</u>			<u>\$ 1,581,461</u>	
Business-type Activities					
Water/Sewer Utility Debt:					
Revenue Bonds:					
Revenue Note:					
Series 2010	\$ 1,005,000	3.87%	16.38%	\$ 2,335,043	\$ 14,258,578
State Revolving Fund Loans:					
CS120586220	433,033	3.34% - 3.55%	3.20%	298,384	9,318,496
WW586250	6,219,891	2.42%- 2.48%	13.04%	1,215,000	9,318,496
DW5906010	628,084	3.55%	4.65%	433,675	9,318,496
WW590100	1,414,610	2.65%	1.82%	169,415	9,318,496
WW590101	108,808	2.28%	0.14%	12,804	9,318,496
DW590110	248,007	2.71%	0.32%	29,786	9,318,496
DW590120	7,202,241	1.98% - 2.66%	7.75%	722,356	9,318,496
WW590130	825,479	2.63% - 2.87%	0.71%	65,907	9,318,496
WW590131	14,741,503	2.16%	12.79%	1,191,546	9,318,496
WW590150	9,115,736	.58%-1.09%	6.12%	570,645	9,318,496
WW590191	511,322	1.04%	0.00%	-	9,318,496
WW590192	2,162,141	0.05%	0.00%	-	9,318,496
Total Water/Sewer Utility Debt	<u>44,615,855</u>			<u>7,044,561</u>	
Stormwater Utility Debt:					
State Revolving Fund Loans:					
SWG12058624P	1,675,079	2.52%-2.90%	8.17%	304,577	3,728,481
SW586260	1,419,256	2.80%	4.59%	171,182	3,728,481
SW586261	250,357	2.28%	0.75%	28,140	3,728,481
SW590140	345,383	2.63%	0.75%	28,019	3,728,481
SW590141	4,377,145	1.05-1.18%	7.44%	277,380	3,728,481
Total Stormwater Utility Debt	<u>8,067,220</u>			<u>809,298</u>	
Total Business-type Activities:	<u>\$ 52,683,075</u>			<u>\$ 7,853,859</u>	

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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, 2021 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.	\$ 1,675,079
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.	1,419,256
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.	250,357
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.	345,383
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.	4,377,145
Subtotal primary Government: Stormwater	\$ 8,067,220

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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.	433,033
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.	6,219,891
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.	628,084
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.	1,414,610
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.	108,808
State Revolving Fund Loan DW590110 payable, \$455,247 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.	248,007
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.	7,202,241
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.	825,479
State Revolving Fund Loan WW590131 payable, \$18,488,166 authorized, \$18,189,734 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.	14,741,503
State Revolving Fund Loan WW590150 payable, \$10,401,065 authorized, \$9,646,823 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.	9,115,736

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 7 - Loans Payable - Enterprise Funds (continued)

State Revolving Fund Loan WW590191 payable, \$587,650 authorized, \$511,322 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.	511,322
State Revolving Fund Loan WW590192 payable, \$12,399,476 authorized, \$2,162,141 drawn for construction of Treatment Plant facilities plans, payable in 20 equal semiannual installments, including interest at .05%, on February 15 and August 15 of each year.	2,162,141
Subtotal Primary Government : Water and Sewer	<hr/> 43,610,855
Total loans payable	<hr/> <u>\$ 51,678,075</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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 DW590131, WW590150, WW590191, and WW590192 are not closed out and do not have a final loan payment/amortization schedule at September 30, 2021):

Fiscal Year Ending September 30,	SRF SWG12058624P		
	Principal	Interest	Total
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	290,457	14,119	304,576
2027	298,485	6,092	304,577
	<u>\$ 1,675,079</u>	<u>\$ 152,383</u>	<u>\$ 1,827,462</u>
Fiscal Year Ended September 30,	SRF Loan SW586260		
	Principal	Interest	Total
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	147,935	23,247	171,182
2027-2031	719,053	51,266	770,319
	<u>\$ 1,419,256</u>	<u>\$ 206,973</u>	<u>\$ 1,626,229</u>
Fiscal Year Ended September 30,	SRF Loan SW586261		
	Principal	Interest	Total
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	24,701	3,439	28,140
2027-2031	132,266	8,433	140,699
	<u>\$ 250,357</u>	<u>\$ 31,042</u>	<u>\$ 281,399</u>
Fiscal Year Ended September 30,	SRF Loan SW590140		
	Principal	Interest	Total
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	21,158	6,861	28,019
2027-2031	114,496	25,601	140,097
2032-2036	130,413	9,682	140,095
	<u>\$ 345,383</u>	<u>\$ 74,904</u>	<u>\$ 420,287</u>
Fiscal Year Ended September 30,	SRF Loan SW590141		
	Principal	Interest	Total
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	237,590	39,790	277,380
2027-2031	1,230,506	156,395	1,386,901
2032-2036	1,304,548	82,352	1,386,900
2037-2039	681,424	12,026	693,450
	<u>\$ 4,377,145</u>	<u>\$ 477,006</u>	<u>\$ 4,854,151</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 7 – Loans Payable - Enterprise Funds (continued)

Fiscal Year Ending September 30,	SRF Loan CS120586220		
	Principal	Interest	Total
2022	\$ 286,291	\$ 12,093	\$ 298,384
2023	146,742	2,449	149,191
	<u>\$ 433,033</u>	<u>\$ 14,542</u>	<u>\$ 447,575</u>
Fiscal Year Ended September 30,	SRF Loan WW586250		
	Principal	Interest	Total
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
2026	1,779,089	43,414	1,822,503
	<u>\$ 6,219,891</u>	<u>\$ 462,612</u>	<u>\$ 6,682,503</u>
Fiscal Year Ended September 30,	SRF Loan DW590601		
	Principal	Interest	Total
2022	\$ 415,029	\$ 18,646	\$ 433,675
2023	213,055	3,781	216,836
	<u>\$ 628,084</u>	<u>\$ 22,427</u>	<u>\$ 650,511</u>
Fiscal Year Ended September 30,	SRF Loan WW590100		
	Principal	Interest	Total
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	147,549	21,866	169,415
2027-2031	714,219	48,148	762,367
	<u>\$ 1,414,610</u>	<u>\$ 194,832</u>	<u>\$ 1,609,442</u>
Fiscal Year Ended September 30,	SRF Loan WW590101		
	Principal	Interest	Total
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	11,367	1,437	12,804
2027-2031	54,463	3,151	57,614
	<u>\$ 108,808</u>	<u>\$ 12,826</u>	<u>\$ 121,634</u>
Fiscal Year Ended September 30,	SRF Loan DW590110		
	Principal	Interest	Total
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	25,861	3,925	29,786
2027-2031	125,390	8,647	134,037
	<u>\$ 248,007</u>	<u>\$ 34,960</u>	<u>\$ 282,967</u>
Fiscal Year Ended September 30,	SRF Loan DW590120		
	Principal	Interest	Total
2022	\$ 548,206	\$ 175,826	\$ 724,032
2023	561,926	162,106	724,032
2024	575,990	148,042	724,032
2025	590,408	133,624	724,032
2026	605,187	118,845	724,032
2027-2031	3,260,960	359,202	3,620,162
2032-2033	1,059,564	26,485	1,086,049
	<u>\$ 7,202,241</u>	<u>\$ 1,124,130</u>	<u>\$ 8,326,371</u>
Fiscal Year Ended September 30,	SRF Loan DW590130		
	Principal	Interest	Total
2022	\$ 42,870	\$ 23,386	\$ 66,256
2023	44,109	22,147	66,256
2024	45,384	20,872	66,256
2025	46,696	19,560	66,256
2026	48,046	18,210	66,256
2027-2031	261,883	69,397	331,280
2032-2036	305,075	26,205	331,280
2037	31,416	450	31,866
	<u>\$ 825,479</u>	<u>\$ 200,227</u>	<u>\$ 1,025,706</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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 2021, the total lease rental income received in the general fund and the water and sewer enterprise fund was \$65,874 and \$65,050, 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 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 \$399,170, respectively, as of September 30, 2021.

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 \$210,016 respectively, as of September 30, 2021.

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 \$92,465, respectively, as of September 30, 2021.

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 \$481,457 and \$94,205, respectively, as of September 30, 2021.

On March 1, 2021 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 .98% and calls for quarterly payments of \$47,538. The aggregate cost and accumulated depreciation of the governmental activities machinery & equipment asset acquired through the capital lease are \$745,000 and \$59,024, respectively, as of September 30, 2021.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 9 - Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

Year Ending September 30,	Governmental Activities
2022	\$ 384,510
2023	352,460
2024	252,916
2025	95,076
Total minimum lease payments	1,084,962
Less: Amount representing interest costs	(23,041)
Present value of minimum lease payments	\$ 1,061,921

Note 10 - Interfund Accounts and Transfers

Individual fund interfund receivables and payables at September 30, 2021 consist of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 3,097,238	\$ 86,687
Capital Project Fund		2,783,782
Nonmajor Governmental Funds:		
CDBG Grant Fund	-	240,359
LIHEAP Grant Fund	-	70,577
Catalyst Fund	-	2,520
Solid Waste Utility Fund	-	241,395
Water / Sewer Utility Fund	328,082	-
	\$ 3,425,320	\$ 3,425,320

The interfund receivable and payable of \$86,687 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, 2021

Note 10 - Interfund Accounts and Transfers (continued)

Interfund transfers for the fiscal year ended September 30, 2021 consisted of the following:

Fund	Transfers In	Transfers Out
General Fund	\$ 84,000	\$ 5,789,960
Sanford CRA Fund	-	725,527
ARPA Fund	-	404,102
Capital Project Fund	14,220,453	-
Capital Replacement Fund	3,832,040	14,135,975
Nonmajor Governmental Funds:		
Recreation Impact Fee Fund	-	69,421
Cemetery Fund	26,374	-
Debt Service Fund	1,612,000	-
Catalyst Fund	886,016	-
 Total Nonmajor Governmental Funds	 2,524,390	 69,421
Nonmajor Golf Course Fund	\$ 60,000	\$ -
Operating Insurance Internal Service Fund	404,102	-
	<u>\$ 21,124,985</u>	<u>\$ 21,124,985</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, 2021

Note 11 - Pension Plans

City of Sanford Pension Plans, September 30, 2021

	FRS		Police	Fire	Totals
	FRS	HIS			
Pension liability	\$ 4,951,419	\$ 6,810,314	\$ -	\$ -	\$ 11,761,733
Pension asset	-	-	3,789,579	6,170,054	9,959,633
Deferred Outflows	8,279,956	1,704,167	2,254,402	3,120,514	15,359,039
Deferred Inflows	17,485,281	318,409	3,968,483	7,025,988	28,798,161
Pension Expense	(1,674,521)	342,654	869,114	(335,141)	(797,894)

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, 2021

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, 2021, 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, 2021, 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 (10.21% from 10/01/20 to 9/30/21). Thirty-three (71) employees qualified for DROP and twenty (25) were in DROP - Deferred Retirement Option Program (17.32 from 10/01/20 to 9/30/21).

Senior Management Class - Members eligible for this class include the City Manager and Department Heads. The rate is 27.72% from 10/1/20 to 9/30/21.

Special Risk – Members eligible for this class includes police officers, firefighters, the City's Crime Scene Technicians, and the Evidence Technician. The rate is 24.81% from 10/1/20 to 9/30/21.

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, 2021, 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, 2019, 2020 and 2021 were, \$2,461,514, \$2,835,065, and \$3,187,171 respectively, and equal the required contributions for each year.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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, 2021, the City reported a liability of \$4,951,419 for its proportionate share of the FRS Pension Plan net pension liability and \$6,810,314 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liabilities were measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2021. At June 30, 2021, the City's proportionate share was .0655 percent and 0.0555 percent which was a change of (-.00001) and .00005 percent from its proportionate share of .0661 and 0.0550 percent measured as of June 30, 2021 for both the FRS and HIS plans respectively.

For the year ended September 30, 2021, the City recognized pension expense of \$(-1,674,521) for the FRS Pension Plan and \$342,654 for the HIS Pension Plan. At September 30, 2021, 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	\$ 848,681	\$ -	\$ 227,890	\$ 2,852
Changes in assumptions	3,388,006	-	535,138	280,602
Net difference between projected and actual earnings on pension plan investments	-	17,274,255	7,100	-
Changes in proportion and differences between City contributions and proportionate share of contributions	3,276,446	211,028	842,328	34,955
Contributions subsequent to the measurement date	766,823	-	91,711	-
Total	<u>\$ 8,279,956</u>	<u>\$ 17,485,283</u>	<u>\$ 1,704,167</u>	<u>\$ 318,409</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

Note 11 - Pension Plans (continued)

A. Florida Retirement System (continued)

The deferred outflows of resources related to FRS \$766,823 and HIS \$91,711 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, 2022. 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>
2022	\$ (1,756,347)	2022	\$ 356,424
2023	(2,048,063)	2023	113,547
2024	(2,712,894)	2024	234,280
2025	(3,476,384)	2025	310,975
2026	21,538	2026	232,573
Thereafter	-	Thereafter	46,248

(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	7/01/2021	7/01/2021
Measurement date	6/30/2021	6/30/2021
Actuarial cost method	Individual Entry Age	Individual Entry Age
Discount rate	6.80%	2.16%
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, 2021, 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, 2021

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 2.16 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%	2.10%
Fixed income	20.00%	3.80%
Global equity	54.20%	8.20%
Real Estate (Property)	10.30%	7.10%
Private Equity	10.80%	11.70%
Strategic investments	3.70%	5.70%
Total	100.00%	

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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	\$ 22,143,077	\$ 4,951,419	\$ (9,418,880)

HIS Plan	1% Decrease	Current Discount Rate	1% Increase
	1.16%	2.16%	3.16%
City's proportionate share of the net pension liability	\$ 7,873,382	\$ 6,810,314	\$ 5,939,967

(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, 2021

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, 2021 is \$150,736 and \$193,877 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 \$895,864 and \$885,246 to the Police Officers' and Firefighters' Retirement Systems, respectively, during the year ended September 30, 2021. 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, 2021, membership of each plan consisted of the following:

	Police Officers	Firefighters
Inactive plan members or beneficiaries currently receiving benefits	82	50
Inactive plan members entitled to but not yet receiving benefits	25	6
Active plan members	55	56
Total	162	112

(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, 2021

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, 2021 were as follows:

Police Officers' Plan:

Total pension liability	\$ 54,600,250
Plan fiduciary net position	<u>(58,389,829)</u>
City's net pension liability/(asset)	<u>\$ (3,789,579)</u>
Plan fiduciary net position as a percentage of the total pension liability/(asset)	106.94%

Firefighters' Plan:

Total pension liability	\$ 41,335,836
Plan fiduciary net position	<u>(47,505,890)</u>
City's net pension liability/(asset)	<u>\$ (6,170,054)</u>
Plan fiduciary net position as a percentage of the total pension liability/(asset)	114.93%

The changes in the net pension liability of the police and firefighters pension plans for fiscal year 2021 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 9/30/2020	\$ 50,697,657	\$ 49,491,367	\$ 1,206,290
Changes for the year:			
Service cost	755,714	-	755,714
Interest	3,490,692	-	3,490,692
Difference between Expected and Actual Experience	530,028	-	530,028
Changes of assumptions	2,298,855	-	2,298,855
Contribution Buy Back	-	-	-
Contributions - Employer	-	895,864	(895,864)
Contributions-State	-	516,201	(516,201)
Contributions-Employee	-	235,575	(235,575)
Net investment income	-	10,480,702	(10,480,702)
Benefit payments, including refunds of employee contributions	(3,172,696)	(3,172,696)	-
Administrative Expense	-	(57,184)	57,184
Net Changes	<u>3,902,593</u>	<u>8,898,462</u>	<u>(4,995,869)</u>
Balance at September 30, 2021	<u>\$ 54,600,250</u>	<u>\$ 58,389,829</u>	<u>\$ (3,789,579)</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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 9/30/2020	\$ 38,739,130	\$ 37,950,536	\$ 788,594
Changes for the year:			
Service cost	778,185	-	778,185
Interest	2,698,769	-	2,698,769
Change in Excess State Money	-	-	-
Differences between Expected and Actual Experience	(767,867)	-	(767,867)
Changes of assumptions	1,814,552	-	1,814,552
Changes of benefit terms	-	-	-
Contributions - Employer	-	885,246	(885,246)
Contributions-State	-	379,222	(379,222)
Contributions-Employee	-	247,885	(247,885)
Net investment income	-	10,032,301	(10,032,301)
Benefit payments, including refunds of employee contributions	(1,926,933)	(1,926,933)	-
Administrative Expense	-	(62,367)	62,367
Net Changes	<u>2,596,706</u>	<u>9,555,354</u>	<u>(6,958,648)</u>
Balance at September 30, 2021	<u>\$ 41,335,836</u>	<u>\$ 47,505,890</u>	<u>\$ (6,170,054)</u>

For the year ended September 30, 2021, the City recognized pension expense of \$869,114 and \$(-335,141) for the police and firefighters pension plans. On September 30, 2021, 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	\$ 721,832	\$ 101,418	\$ 65,330	\$ 1,095,719
Changes in assumptions	1,532,570	90,906	3,055,184	-
Net difference between projected and actual earnings on pension plan investments	-	3,776,159	-	5,930,269
Total	<u>\$ 2,254,402</u>	<u>\$ 3,968,483</u>	<u>\$ 3,120,514</u>	<u>\$ 7,025,988</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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	September 30,	Recognized
2022	\$ 579,459	2022	\$ (761,233)
2023	364,361	2023	(652,272)
2024	(1,243,564)	2024	(1,222,815)
2025	(1,414,337)	2025	(1,269,154)
2026	-	2026	-
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	10/01/2021	10/01/2021
Measurement date	10/01/2021	10/01/2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Discount rate	6.60%	6.60%
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	6.60%	6.60%
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, 2021

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, 2021 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	8.59%	Large cap equity	8.28%
Mid cap equity	9.77%	Mid cap equity	9.77%
Small cap equity	9.28%	Small cap equity	9.28%
Foreign equity	6.22%	Foreign equity	6.22%
Real estate	6.16%	Real estate	5.94%
Fixed income	2.19%	Fixed income	2.19%

(8) The discount rate used to measure the total pension liability for the police officers' plan was 6.60% and 6.60% for the firefighters' plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability of the City:

Police Officers' Plan:	1% Decrease	Current Discount Rate	1% Increase
	5.60%	6.60%	7.60%
Sponsor's Net Pension Liability/(asset)	\$ 2,767,399	\$ (3,789,579)	\$ (9,261,455)
Firefighters' Plan:	1% Decrease	Current Discount Rate	1% Increase
	5.60%	6.60%	7.60%
Sponsor's Net Pension Liability/(asset)	\$ (968,308)	\$ (6,170,054)	\$ (10,474,598)

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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, 2021 and for the year then ended are as follows:

**Combining Statement of Net Pension
Fiduciary Funds
September 30, 2021**

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Assets			
Cash and cash equivalents with trustee	\$ 1,645,783	\$ 2,216,275	\$ 3,862,058
Investments, at fair value:			
US government obligations	2,518,240	2,494,505	5,012,745
Mortgage & asset backed securities	1,981,151	2,280,673	4,261,824
Corporate debt	1,476,899	1,577,562	3,054,461
Mutual funds	20,081,052	12,867,299	32,948,351
Equity securities	21,024,530	20,051,186	41,075,716
Real estate	9,644,851	5,993,313	15,638,164
Accrued investment income	43,006	39,796	82,802
Prepaid items	1,673	5,019	6,692
Total assets	<u>58,417,185</u>	<u>47,525,628</u>	<u>105,942,813</u>
Liabilities			
Accounts payable	<u>52,278</u>	<u>51,841</u>	<u>104,119</u>
Net position			
Net position restricted for pensions	<u>\$ 58,364,907</u>	<u>\$ 47,473,787</u>	<u>\$ 105,838,694</u>

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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, 2021

	Police Officers' Retirement System	Firefighters' Retirement System	Total
Additions			
Contributions:			
Employer	\$ 1,412,066	\$ 1,264,467	\$ 2,676,533
Plan members	235,575	247,885	483,460
Total contributions	1,647,641	1,512,352	3,159,993
Investments earnings (losses):			
Interest & dividends	841,627	738,099	1,579,726
Net decrease in fair value of investments	9,961,519	9,507,356	19,468,875
Total investment earnings	10,803,146	10,245,455	21,048,601
Investment expenses	(334,640)	(219,713)	(554,353)
Net investment earnings	10,468,506	10,025,742	20,494,248
Total additions	12,116,147	11,538,094	23,654,241
Deductions			
Benefit payments	2,879,894	1,681,235	4,561,129
Refund of contributions	292,802	246,158	538,960
Administrative expenses	55,511	57,348	112,859
Total deductions	3,228,207	1,984,741	5,212,948
Change in net position	8,887,940	9,553,353	18,441,293
Net position restricted for pensions			
Beginning of year	49,476,967	37,920,434	87,397,401
End of year	\$ 58,364,907	\$ 47,473,787	\$ 105,838,694

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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 \$14,500,519 was measured as of September 30, 2021, and was determined by an interim 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, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method:

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

Inflation Rate:

2.60 per year

Investment Return (Discount Rate):

2.41% as of September 30, 2020 and 2.43% as of September 30, 2021. 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, 2021

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>
2022 / 7.50%	2025 / 6.00%	2028 / 4.50%
2023 / 7.00%	2026 / 5.50%	and
2024 / 6.50%	2027 / 5.00%	after

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, 2021

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

(6) Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2020	\$ 16,400,722
Changes for the year:	
Service cost	364,211
Interest	395,395
Change in assumptions	(25,299)
Differences between expected and actual experience	(1,913,225)
Benefit payments	(721,285)
Net changes	(1,900,203)
Balance at 9/30/2021	\$ 14,500,519

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 1.43%	Current Discount Rate 2.43%	1% Increase 3.43%
Total OPEB liability	\$ 15,853,831	\$ 14,500,519	\$ 13,316,890

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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 '(6.5% decreasing to 3.5%)	Healthcare Cost Trend Rates '(7.5% decreasing to 4.5%)	1% Increase '(8.5.0% decreasing to 5.5%)
Total OPEB liability	\$ 13,206,734	\$ 14,500,519	\$ 15,992,716

(9) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB— For the year ended September 30, 2021, the City recognized an OPEB expense of \$1,944,480. At September 30, 2021, 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	\$ -	\$ (5,902,055)
Changes in assumptions	789,875	(841,408)
Total	<u>\$ 789,875</u>	<u>\$ (6,743,463)</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
2022	\$ (1,982,801)
2023	(1,982,801)
2024	(1,119,585)
2025	(545,316)
2026	(323,085)
Thereafter	-

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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, 2020 and 2021 were as follows:

	Balance at Fiscal Year Beginning	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance at Fiscal Year End
2019-2020	\$ 1,966,217	\$ 8,690,875	\$ (8,382,012)	\$ 2,275,080
2020-2021	2,275,080	13,010,298	(11,122,246)	4,163,132

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 \$13,594,988 at September 30, 2021.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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	\$ 35,665,158	\$ 44,418,552
Depreciable, net	99,720,503	162,923,383
	135,385,661	207,341,935
Debt related to capital assets:		
Bonds	-	1,005,000
Loans	7,200,000	51,678,075
Capital leases	1,061,921	-
	8,261,921	52,683,075
Difference	127,123,740	154,658,860
Unspent debt proceeds	-	-
Invested in capital assets	\$ 127,123,740	\$ 154,658,860

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, 2021, 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, 2021, the City of Sanford and the Downtown CRA did not have abated property taxes but did expend \$155,089 on the agreed upon expenditures for the development of the Catalyst Site.

CITY OF SANFORD, FLORIDA
Notes to Financial Statements, Year Ended September 30, 2021

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Property taxes	\$ 25,365,819	\$ 25,365,819	\$ 25,749,715	\$ 383,896
Utility taxes	7,744,993	7,744,993	8,225,193	480,200
Franchise fees	5,036,336	5,036,336	5,185,468	149,132
Business taxes	620,462	620,462	636,633	16,171
Permits and fees	132,223	132,223	12,271	(119,952)
Intergovernmental	6,578,773	6,650,473	8,664,269	2,013,796
Charges for services	2,565,528	2,768,120	3,849,171	1,081,051
Investment earnings	148,765	148,765	57,780	(90,985)
Fines and forfeitures	194,047	194,047	313,387	119,340
Miscellaneous	194,979	206,453	415,537	209,084
Total revenues	<u>48,581,925</u>	<u>48,867,691</u>	<u>53,109,424</u>	<u>4,241,733</u>
Expenditures				
Current:				
General government	6,963,745	7,434,057	6,969,698	464,359
Public safety	27,517,069	27,589,661	27,077,323	512,338
Physical environment	348,690	381,290	345,233	36,057
Transportation	1,260,448	1,403,688	1,392,080	11,608
Economic environment	569,613	676,788	305,478	371,310
Human services	138,668	138,668	125,875	12,793
Culture and recreation	6,070,732	6,210,732	5,483,078	727,654
Debt service:				
Capital outlay:				
CO_Physical Enironment	-	-	47,726	(47,726)
Total expenditures	<u>42,868,965</u>	<u>43,834,884</u>	<u>41,746,491</u>	<u>2,088,393</u>
Excess of revenues over expenditures	<u>5,712,960</u>	<u>5,032,807</u>	<u>11,362,933</u>	<u>6,330,126</u>
Other financing sources (uses)				
Transfers in	-	84,000	84,000	-
Transfers out	(4,775,734)	(14,460,238)	(5,789,960)	8,670,278
Proceeds from sale of assets	14,000	14,000	502	(13,498)
Total other financing uses	<u>(4,761,734)</u>	<u>(14,362,238)</u>	<u>(5,705,458)</u>	<u>8,656,780</u>
Net change in fund balances	<u>951,226</u>	<u>(9,329,431)</u>	<u>5,657,475</u>	<u>14,986,906</u>
Fund balances				
Beginning of year	-	-	28,731,571	28,731,571
Prior carryforward	-	9,787,795	-	(9,787,795)
Future carryforward	(951,226)	(458,364)	-	458,364
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,389,046</u>	<u>\$ 34,389,046</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,504,445	\$ 1,504,445	\$ 1,467,029	\$ (37,416)
Investment earnings	-	-	1,980	1,980
Miscellaneous	-	86,116	142,303	56,187
Total revenues	<u>1,504,445</u>	<u>1,590,561</u>	<u>1,611,312</u>	<u>20,751</u>
Expenditures				
Current:				
Economic environment	778,918	1,247,153	700,062	547,091
Capital outlay:				
Total expenditures	<u>778,918</u>	<u>1,247,153</u>	<u>700,062</u>	<u>547,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>725,527</u>	<u>343,408</u>	<u>911,250</u>	<u>567,842</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>-</u>	<u>(382,119)</u>	<u>185,723</u>	<u>567,842</u>
Fund balances				
Beginning of year	-	-	382,120	382,120
Prior carryforward	-	382,119	-	(382,119)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 567,843</u>	<u>\$ 567,843</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, 2021

Schedule of Changes in Net Pension Liability and Related Ratios

Police Officers' Retirement Trust Fund

	9/30/2021	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	\$ 755,714	\$ 773,251	\$ 794,900	\$ 780,283	\$ 1,103,531	\$ 1,146,830	\$ 1,138,827	\$ 1,188,045	\$ 1,102,594
Interest	3,490,692	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	530,028	439,728	887,614	51,766	(608,510)	(1,113,615)	(596,272)	-	-
Change of assumptions	2,298,855	(272,717)	-	3,225,876	-	1,038,360	-	-	-
Contribution Buy Back	-	67,200	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,172,696)	(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	3,902,593	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	50,697,657	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>\$ 54,600,250</u>	<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	895,864	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	516,201	514,980	450,032	431,259	38,389	363,691	339,596	318,891	298,468
Contributions-employee	235,575	248,010	246,351	266,694	326,564	312,694	296,080	292,092	293,324
Net investment income	3,409,017	2,478,526	75,018	3,395,500	5,054,852	3,885,477	538,151	3,978,010	4,579,654
Pension Plan investments	7,071,685	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(3,172,696)	(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	(57,184)	(55,656)	(61,337)	(86,161)	(76,649)	(70,378)	(79,842)	(63,751)	(55,223)
Net change in plan fiduciary net position	8,898,462	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	49,491,367	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>\$ 58,389,829</u>	<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>\$ (3,789,579)</u>	<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	106.94%	97.62%	97.98%	104.34%	108.70%	95.58%	91.00%	92.84%	86.48%
Covered payroll	\$ 3,439,508	\$ 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	-110.18%	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, 2021

Schedule of Changes in Net Pension Liability and Related Ratios

Firefighters' Pension Trust Fund

	9/30/2021	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	\$ 778,185	\$ 711,672	\$ 706,209	\$ 694,207	\$ 719,369	\$ 711,620	\$ 710,735	\$ 724,668	\$ 670,989
Interest	2,698,769	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	(767,867)	(626,033)	(48,942)	326,650	(517,380)	(388,476)	(217,912)	-	-
Change of assumptions	1,814,552	1,878,862	949,461	-	578,666	752,874	-	-	-
Benefit payments, including refunds of employee contributions	(1,926,933)	(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	2,596,706	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	38,739,130	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>\$ 41,335,836</u>	<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	885,246	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	379,222	343,087	302,901	275,810	278,787	268,168	274,211	278,961	283,949
Contributions-employee	247,885	258,240	257,497	263,961	267,482	253,690	247,193	244,226	261,421
Net investment income	10,032,301	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	(1,926,933)	(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	(62,367)	(51,378)	(60,501)	(63,906)	(67,365)	(61,121)	(50,686)	(48,585)	(49,016)
Net change in plan fiduciary net position	9,555,354	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	37,950,536	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>\$ 47,505,890</u>	<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>\$ (6,170,054)</u>	<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	114.93%	97.96%	96.18%	101.69%	97.18%	87.39%	85.43%	86.82%	82.21%
Covered payroll	\$ 3,541,208	\$ 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	-174.24%	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, 2021

Schedule of Contributions

Police Officers' Retirement Trust Fund

	9/30/2021	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	\$ 529,684	\$ 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	1,412,065	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)	\$ (882,381)	\$ (785,678)	\$ (264,801)	\$ (676,093)	\$ (422,748)	\$ (34,445)	\$ (72,263)	\$ (44,866)	\$ (35,516)
Covered payroll	\$ 3,439,508	\$ 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	41.05%	40.26%	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	6.60% 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:	% becoming disabled during the year
Service		Age	
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, 2021

Schedule of Contributions

Firefighters Retirement Trust Fund

	9/30/2021	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	\$ 825,101	\$ 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	<u>1,053,932</u>	<u>1,106,509</u>	<u>1,338,383</u>	<u>1,367,267</u>	<u>1,387,538</u>	<u>1,305,970</u>	<u>1,347,511</u>	<u>1,397,055</u>	<u>1,403,316</u>
Contribution deficiency (excess)	<u>\$ (228,831)</u>	<u>\$ (231,697)</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*	\$ 3,541,208	\$ 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	29.76%	29.98%	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	6.60% 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:	Service	% terminating during the year	Disability rate table:	Age	% becoming disabled during the year
	<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, 2021

Schedule of Investment Returns

Police Officers' Retirement Trust Fund

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Annual money-weighted rate of return net of investment expense	20.72%	5.51%	0.28%	7.44%	12.11%	10.29%	1.55%	11.54%	15.52%

Firefighters' Retirement Trust Fund

	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Annual money-weighted rate of return net of investment expense	26.84%	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, 2021

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
2021	\$ 2,855,554	\$ 2,855,554	\$ -	\$ 15,886,839	17.97%
2020	2,514,565	2,514,565	-	15,647,852	16.07%
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
2021	\$ 331,617	\$ 331,617	\$ -	\$ 19,976,913	1.66%
2020	320,500	320,500	-	19,307,248	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, 2021

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	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
2021	2021	0.0655%	\$ 4,951,419	\$ 15,760,487	31.42%	96.40%
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	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
2021	2021	0.0555%	\$ 6,810,314	\$ 19,662,827	34.64%	3.56%
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, 2021

Schedule of Changes in Net OPEB Liability and Related Ratios

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability				
Service cost	\$ 364,211	\$ 375,844	\$ 399,293	\$ 533,774
Interest	395,395	629,498	860,472	904,284
Change of benefit terms	-	-	-	625,295
Change in assumptions	(25,299)	(1,230,490)	820,598	1,138,728
Differences between Expected and Actual Experience	(1,913,225)	(102,878)	(4,266,237)	(6,317,994)
Benefit payments*	(721,285)	(949,975)	(931,270)	(923,474)
Net change in total OPEB liability	(1,900,203)	(1,278,001)	(3,117,144)	(4,039,387)
Total OPEB liability - beginning	16,400,722	17,678,723	20,795,867	24,835,254
Total OPEB liability - ending (a)	\$ 14,500,519	\$ 16,400,722	\$ 17,678,723	\$ 20,795,867
Covered-employee payroll	26,775,687	25,094,610	24,576,016	23,801,468
Total OPEB liability as a percentage of covered payroll	54.2%	65.4%	71.9%	87.4%

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

Notes to Schedule

Change in Assumptions

Discount rate changed from 3.58% to 2.41% causing an increase in change in assumptions.

Mortality tables updated from SOA RPH-2017 to MP-2017 causing an increase in change in assumptions.

Salary scale assumption updated based on FRS actuarial valuation as of 7/1/2019 causing an increase in change in assumptions.

Retirement rate assumption updated based on FRS actuarial valuation as of 7/1/2019 causing a decrease in change in assumptions.

Termination rate assumption updated based on FRS actuarial valuation as of 7/1/2019 causing an increase in change in assumptions.

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.

Differences between Expected and Actual Experience

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

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.

This page intentionally left blank.



CITY OF
SANFORD
FLORIDA

CITY OF SANFORD, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	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	\$ 3,292,840	\$ 831,648	\$ 11,104,703	\$ 65,623	\$ 31,457	\$ -	\$ -
Investments	5,476,067	1,392,900	-	109,909	52,686	83,374	-
Accounts receivable, net	57,742	6,165	206	485	234	3	24,160
Due from other governments	-	93,589	278,520	1,744	777	-	973,568
Prepaid items	60	-	-	-	-	-	792
Total assets	<u>\$ 8,826,709</u>	<u>\$ 2,324,302</u>	<u>\$ 11,383,429</u>	<u>\$ 177,761</u>	<u>\$ 85,154</u>	<u>\$ 83,377</u>	<u>\$ 998,520</u>
Liabilities							
Accounts payable	\$ 134,677	\$ 221,259	\$ 372,337	\$ -	\$ -	\$ 17,492	\$ 705,004
Accrued liabilities	27,127	-	-	-	-	-	5,499
Retainage payable	-	-	40,721	-	-	-	-
Due to other funds	-	-	-	-	-	-	70,577
Due to other governments	27,565	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-
Total liabilities	<u>189,369</u>	<u>221,259</u>	<u>413,058</u>	<u>-</u>	<u>-</u>	<u>17,492</u>	<u>781,080</u>
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	-	258,654
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>258,654</u>
Fund balances							
Nonspendable:							
Prepaid items	60	-	-	-	-	-	792
Restricted for:							
Building inspections	8,637,280	-	-	-	-	-	-
Transportation	-	2,103,043	10,970,371	-	-	-	-
Law enforcement	-	-	-	177,761	85,154	-	-
System expansion	-	-	-	-	-	-	-
Committed for:							
Cemetery purposes	-	-	-	-	-	65,885	-
Capital replacements	-	-	-	-	-	-	-
Assigned for:							
Debt service	-	-	-	-	-	-	-
Unassigned/(Deficit)	-	-	-	-	-	-	(42,006)
Total fund balances	<u>8,637,340</u>	<u>2,103,043</u>	<u>10,970,371</u>	<u>177,761</u>	<u>85,154</u>	<u>65,885</u>	<u>(41,214)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,826,709</u>	<u>\$ 2,324,302</u>	<u>\$ 11,383,429</u>	<u>\$ 177,761</u>	<u>\$ 85,154</u>	<u>\$ 83,377</u>	<u>\$ 998,520</u>

Special Revenue Funds

Police Impact Fee Fund	Fire Impact Fee Fund	Recreation Impact Fee Fund	CDBG Grant Fund	NSP Grant Fund	Total Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,326,271
1,078,439	1,095,637	1,421,510	-	78,658	10,789,180
19	20	28	-	-	89,062
-	19,575	-	352,493	-	1,720,266
-	-	-	-	-	852
<u>\$ 1,078,458</u>	<u>\$ 1,115,232</u>	<u>\$ 1,421,538</u>	<u>\$ 352,493</u>	<u>\$ 78,658</u>	<u>\$ 27,925,631</u>
\$ -	\$ 6,640	\$ -	\$ 65,011	\$ -	\$ 1,522,420
-	-	-	3,071	-	35,697
-	-	-	-	-	40,721
-	-	-	240,359	-	310,936
-	-	-	149	-	27,714
-	-	-	-	81,875	81,875
-	6,640	-	308,590	81,875	2,019,363
-	19,575	-	352,493	-	630,722
-	19,575	-	352,493	-	630,722
-	-	-	-	-	852
-	-	-	-	-	8,637,280
-	-	-	-	-	13,073,414
-	-	-	-	-	262,915
1,078,458	1,089,017	1,421,538	-	-	3,589,013
-	-	-	-	-	65,885
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(308,590)	(3,217)	(353,813)
<u>1,078,458</u>	<u>1,089,017</u>	<u>1,421,538</u>	<u>(308,590)</u>	<u>(3,217)</u>	<u>25,275,546</u>
<u>\$ 1,078,458</u>	<u>\$ 1,115,232</u>	<u>\$ 1,421,538</u>	<u>\$ 352,493</u>	<u>\$ 78,658</u>	<u>\$ 27,925,631</u>

CITY OF SANFORD, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	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	\$ 934,419	\$ 30,468	\$ 2,952,056	\$ 2,982,524	\$ 19,243,214
Investments	-	-	-	-	10,789,180
Accounts receivable, net	29	-	41	41	89,132
Due from other governments	-	-	-	-	1,720,266
Prepaid items	-	-	-	-	852
Total assets	\$ 934,448	\$ 30,468	\$ 2,952,097	\$ 2,982,565	\$ 31,842,644
Liabilities					
Accounts payable	\$ -	\$ 28	\$ -	\$ 28	\$ 1,522,448
Accrued liabilities	-	-	-	-	35,697
Retainage payable	-	-	-	-	40,721
Due to other funds	-	-	2,520	2,520	313,456
Due to other governments	-	-	-	-	27,714
Unearned revenues	-	558	-	558	82,433
Total liabilities	-	586	2,520	3,106	2,022,469
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	630,722
Total deferred inflows of resources	-	-	-	-	630,722
Fund balances					
Nonspendable:					
Prepaid items	-	-	-	-	852
Restricted for:					
Building inspections	-	-	-	-	8,637,280
Transportation	-	-	-	-	13,073,414
Law enforcement	-	-	-	-	262,915
System expansion	-	-	-	-	3,589,013
Committed for:					
Cemetery purposes	-	-	-	-	65,885
Capital replacements	-	29,882	2,949,577	2,979,459	2,979,459
Assigned for:					
Debt service	934,448	-	-	-	934,448
Unassigned/(Deficit)	-	-	-	-	(353,813)
Total fund balances	934,448	29,882	2,949,577	2,979,459	29,189,453
Total liabilities, deferred inflows of resources, and fund balances	\$ 934,448	\$ 30,468	\$ 2,952,097	\$ 2,982,565	\$ 31,842,644



CITY OF
SANFORD
FLORIDA

CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	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	\$ 3,695,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,409	1,229,383	4,010,184	-	-	-	895,423
Charges for services	-	-	2,923	-	-	93,475	-
Investment earnings	13,432	3,384	19,120	221	140	131	-
Fines and forfeitures	-	-	-	50,278	10,742	-	-
Service assessments	-	-	-	-	-	-	-
Miscellaneous	40,639	-	-	3,250	-	-	-
Total revenues	<u>3,761,176</u>	<u>1,232,767</u>	<u>4,032,227</u>	<u>53,749</u>	<u>10,882</u>	<u>93,606</u>	<u>895,423</u>
Expenditures							
Current:							
Public safety	1,559,126	-	-	4,154	82	-	895,423
Physical environment	-	-	-	-	-	120,692	-
Transportation	-	818,885	996,371	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Public safety	40,688	-	-	-	-	-	-
Transportation	-	134,529	1,323,230	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	<u>1,599,814</u>	<u>953,414</u>	<u>2,319,601</u>	<u>4,154</u>	<u>82</u>	<u>120,692</u>	<u>895,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,161,362</u>	<u>279,353</u>	<u>1,712,626</u>	<u>49,595</u>	<u>10,800</u>	<u>(27,086)</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	26,374	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,374</u>	<u>-</u>
Net change in fund balances	<u>2,161,362</u>	<u>279,353</u>	<u>1,712,626</u>	<u>49,595</u>	<u>10,800</u>	<u>(712)</u>	<u>-</u>
Fund balances							
Beginning of year	6,475,978	1,823,690	9,257,745	128,166	74,354	66,597	-
End of year	<u>\$ 8,637,340</u>	<u>\$ 2,103,043</u>	<u>\$ 10,970,371</u>	<u>\$ 177,761</u>	<u>\$ 85,154</u>	<u>\$ 65,885</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,695,696
1,715,585	-	265,479	-	528,963	-	-	8,656,426
-	-	-	-	-	-	-	96,398
-	1,430	1,576	2,256	-	-	-	41,690
-	-	-	-	-	-	-	61,020
-	442,388	378,760	462,368	-	-	-	1,283,516
-	-	-	-	-	-	-	43,889
<u>1,715,585</u>	<u>443,818</u>	<u>645,815</u>	<u>464,624</u>	<u>528,963</u>	<u>-</u>	<u>-</u>	<u>13,878,635</u>
-	36,553	43,913	-	-	-	-	2,539,251
-	-	-	-	-	-	-	120,692
-	-	-	-	-	-	-	1,815,256
1,818,052	-	-	-	586,830	-	-	586,830
-	-	-	-	-	-	-	1,818,052
-	-	-	1,431	-	-	-	1,431
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	249,690	-	-	-	-	290,378
-	-	-	-	-	-	-	1,457,759
-	-	-	-	642	-	-	642
-	-	-	77,515	-	-	-	77,515
<u>1,818,052</u>	<u>36,553</u>	<u>293,603</u>	<u>78,946</u>	<u>587,472</u>	<u>-</u>	<u>-</u>	<u>8,707,806</u>
<u>(102,467)</u>	<u>407,265</u>	<u>352,212</u>	<u>385,678</u>	<u>(58,509)</u>	<u>-</u>	<u>-</u>	<u>5,170,829</u>
-	-	-	-	-	-	-	26,374
-	-	-	(69,421)	-	-	-	(69,421)
-	-	-	(69,421)	-	-	-	(43,047)
<u>(102,467)</u>	<u>407,265</u>	<u>352,212</u>	<u>316,257</u>	<u>(58,509)</u>	<u>-</u>	<u>-</u>	<u>5,127,782</u>
61,253	671,193	736,805	1,105,281	(250,081)	(3,217)	-	20,147,764
<u>\$ (41,214)</u>	<u>\$ 1,078,458</u>	<u>\$ 1,089,017</u>	<u>\$ 1,421,538</u>	<u>\$ (308,590)</u>	<u>\$ (3,217)</u>	<u>\$ -</u>	<u>\$ 25,275,546</u>

CITY OF SANFORD, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	<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	\$ -	\$ -	\$ -	\$ -	\$ 3,695,696
Intergovernmental	-	-	-	-	8,656,426
Charges for services	-	-	-	-	96,398
Investment earnings	2,542	46	4,076	4,122	48,354
Fines and forfeitures	-	-	-	-	61,020
Service assessments	-	5,694	-	5,694	1,289,210
Miscellaneous	-	-	-	-	43,889
Total revenues	<u>2,542</u>	<u>5,740</u>	<u>4,076</u>	<u>9,816</u>	<u>13,890,993</u>
Expenditures					
Current:					
Public safety	-	-	-	-	2,539,251
Physical environment	-	-	-	-	120,692
Transportation	-	-	-	-	1,815,256
Economic environment	-	-	2,303	2,303	589,133
Human services	-	-	-	-	1,818,052
Culture and recreation	-	28	-	28	1,459
Debt service:					
Principal	1,300,992	-	-	-	1,300,992
Interest	281,350	-	-	-	281,350
Capital outlay:					
Public safety	-	-	-	-	290,378
Transportation	-	-	-	-	1,457,759
Economic environment	-	-	152,786	152,786	153,428
Culture and recreation	-	-	-	-	77,515
Total expenditures	<u>1,582,342</u>	<u>28</u>	<u>155,089</u>	<u>155,117</u>	<u>10,445,265</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,579,800)</u>	<u>5,712</u>	<u>(151,013)</u>	<u>(145,301)</u>	<u>3,445,728</u>
Other financing sources (uses)					
Transfers in	1,612,000	-	886,016	886,016	2,524,390
Transfers out	-	-	-	-	(69,421)
Total other financing sources (uses)	<u>1,612,000</u>	<u>-</u>	<u>886,016</u>	<u>886,016</u>	<u>2,454,969</u>
Net change in fund balances	<u>32,200</u>	<u>5,712</u>	<u>735,003</u>	<u>740,715</u>	<u>5,900,697</u>
Fund balances					
Beginning 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>
End of year	<u>\$ 934,448</u>	<u>\$ 29,882</u>	<u>\$ 2,949,577</u>	<u>\$ 2,979,459</u>	<u>\$ 29,189,453</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 1,407,058	\$ 8,898,439	\$ 7,491,381
Investment earnings	-	-	221	221
Total revenues	-	1,407,058	8,898,660	7,491,602
Expenditures				
Current:				
General government	-	11,110	-	11,110
Capital outlay:				
Public safety	-	28,720	-	28,720
Physical Environment	-	999,906	-	999,906
Transportation	-	12,220,823	5,728,857	6,491,966
Culture and recreation	-	731,260	136,655	594,605
Total expenditures	-	13,991,819	5,865,512	8,126,307
Excess (deficiency) of revenues over (under) expenditures	-	(12,584,761)	3,033,148	15,617,909
Other financing sources (uses)				
Transfers in	-	14,249,198	14,220,453	(28,745)
Total other financing sources	-	14,249,198	14,220,453	(28,745)
Net change in fund balances	-	1,664,437	17,253,601	15,589,164
Fund balances				
Beginning of year	-	-	(11,892,484)	(11,892,484)
Future carryforward	-	(1,664,437)	-	1,664,437
End of year	\$ -	\$ -	\$ 5,361,117	\$ 5,361,117

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 80,846	\$ 243,245	\$ 162,399
Investment earnings	-	-	22,860	22,860
Total revenues	<u>-</u>	<u>80,846</u>	<u>266,105</u>	<u>185,259</u>
Expenditures				
Current:				
General government	65,000	894,014	455,803	438,211
Public safety	108,880	787,567	233,101	554,466
Transportation	1,500	61,770	5,533	56,237
Culture and recreation	251,259	558,113	238,233	319,880
Capital outlay:				
General government	211,000	547,779	504,014	43,765
Public safety	2,215,000	3,209,313	1,558,058	1,651,255
Physical Environment	-	-	(203,150)	203,150
Transportation	550,000	715,693	590,140	125,553
Culture and recreation	435,050	1,327,969	591,760	736,209
Total expenditures	<u>3,837,689</u>	<u>8,102,218</u>	<u>3,973,492</u>	<u>4,128,726</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,837,689)</u>	<u>(8,021,372)</u>	<u>(3,707,387)</u>	<u>4,313,985</u>
Other financing sources (uses)				
Capital leases	800,000	800,000	745,000	(55,000)
Transfers in	3,037,689	3,762,619	3,832,040	69,421
Transfers out	-	(14,136,000)	(14,135,975)	25
Proceeds from sale of assets	-	-	276,864	276,864
Total other financing sources	<u>3,837,689</u>	<u>(9,573,381)</u>	<u>(9,282,071)</u>	<u>291,310</u>
Net change in fund balances	<u>-</u>	<u>(17,594,753)</u>	<u>(12,989,458)</u>	<u>4,605,295</u>
Fund balances				
Beginning of year	-	-	18,042,123	18,042,123
Prior carryforward	-	17,594,753	-	(17,594,753)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,052,665</u>	<u>\$ 5,052,665</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits and fees	\$ 1,580,665	\$ 1,580,665	\$ 3,695,696	\$ 2,115,031
Intergovernmental	-	-	11,409	11,409
Investment earnings	111,145	111,145	13,432	(97,713)
Miscellaneous	41,750	41,750	40,639	(1,111)
Total revenues	<u>1,733,560</u>	<u>1,733,560</u>	<u>3,761,176</u>	<u>2,027,616</u>
Expenditures				
Current:				
Public safety	1,698,199	2,030,299	1,559,126	471,173
Capital outlay:				
Public safety	32,000	53,495	40,688	12,807
Total expenditures	<u>1,730,199</u>	<u>2,083,794</u>	<u>1,599,814</u>	<u>483,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,361</u>	<u>(350,234)</u>	<u>2,161,362</u>	<u>2,511,596</u>
Net change in fund balances	<u>3,361</u>	<u>(350,234)</u>	<u>2,161,362</u>	<u>2,511,596</u>
Fund balances				
Beginning of year	-	-	6,475,978	6,475,978
Prior carryforward	2,331	355,926	-	(355,926)
Future carryforward	(5,692)	(5,692)	-	5,692
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,637,340</u>	<u>\$ 8,637,340</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,055,079	\$ 1,055,079	\$ 1,229,383	\$ 174,304
Investment earnings	21,000	21,000	3,384	(17,616)
Total revenues	<u>1,076,079</u>	<u>1,076,079</u>	<u>1,232,767</u>	<u>156,688</u>
Expenditures				
Current:				
Transportation	718,927	718,927	818,885	(99,958)
Capital outlay:				
Transportation	525,243	653,126	134,529	518,597
Total expenditures	<u>1,244,170</u>	<u>1,372,053</u>	<u>953,414</u>	<u>418,639</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,091)</u>	<u>(295,974)</u>	<u>279,353</u>	<u>575,327</u>
Net change in fund balances	<u>(168,091)</u>	<u>(295,974)</u>	<u>279,353</u>	<u>575,327</u>
Fund balances				
Beginning of year	-	-	1,823,690	1,823,690
Prior carryforward	168,091	295,974	-	(295,974)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,103,043</u>	<u>\$ 2,103,043</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,739,419	\$ 3,739,419	\$ 4,010,184	\$ 270,765
Charges for services	-	-	2,923	2,923
Investment earnings	209,595	209,595	19,120	(190,475)
Total revenues	<u>3,949,014</u>	<u>3,949,014</u>	<u>4,032,227</u>	<u>83,213</u>
Expenditures				
Current:				
Transportation	-	-	996,371	(996,371)
Capital outlay:				
Transportation	5,327,988	5,527,745	1,323,230	4,204,515
Total expenditures	<u>5,327,988</u>	<u>5,527,745</u>	<u>2,319,601</u>	<u>3,208,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,378,974)</u>	<u>(1,578,731)</u>	<u>1,712,626</u>	<u>3,291,357</u>
Net change in fund balances	<u>(1,378,974)</u>	<u>(1,578,731)</u>	<u>1,712,626</u>	<u>3,291,357</u>
Fund balances				
Beginning of year	-	-	9,257,745	9,257,745
Prior carryforward	1,378,974	1,578,731	-	(1,578,731)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,970,371</u>	<u>\$ 10,970,371</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 1,600	\$ 1,600	\$ 221	\$ (1,379)
Fines and forfeitures	5,000	5,000	50,278	45,278
Miscellaneous	7,000	7,000	3,250	(3,750)
Total revenues	<u>13,600</u>	<u>13,600</u>	<u>53,749</u>	<u>40,149</u>
Expenditures				
Current:				
Public safety	29,500	31,888	4,154	27,734
Capital outlay:				
Public safety	7,600	7,600	-	7,600
Total expenditures	<u>37,100</u>	<u>39,488</u>	<u>4,154</u>	<u>35,334</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,500)</u>	<u>(25,888)</u>	<u>49,595</u>	<u>75,483</u>
Net change in fund balances	<u>(23,500)</u>	<u>(25,888)</u>	<u>49,595</u>	<u>75,483</u>
Fund balances				
Beginning of year	-	-	128,166	128,166
Prior carryforward	23,500	25,888	-	(25,888)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,761</u>	<u>\$ 177,761</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 1,000	\$ 1,000	\$ 140	\$ (860)
Fines and forfeitures	11,500	11,500	10,742	(758)
Total revenues	<u>12,500</u>	<u>12,500</u>	<u>10,882</u>	<u>(1,618)</u>
Expenditures				
Current:				
Public safety	45,000	45,000	82	44,918
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>82</u>	<u>44,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,500)</u>	<u>(32,500)</u>	<u>10,800</u>	<u>43,300</u>
Net change in fund balances	<u>(32,500)</u>	<u>(32,500)</u>	<u>10,800</u>	<u>43,300</u>
Fund balances				
Beginning of year	-	-	74,354	74,354
Prior carryforward	<u>32,500</u>	<u>32,500</u>	<u>-</u>	<u>(32,500)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,154</u>	<u>\$ 85,154</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 60,000	\$ 60,000	\$ 93,475	\$ 33,475
Investment earnings	1,900	1,900	131	(1,769)
Total revenues	<u>61,900</u>	<u>61,900</u>	<u>93,606</u>	<u>31,706</u>
Expenditures				
Current:				
Physical environment	-	-	120,692	(120,692)
Culture and recreation	127,945	138,419	-	138,419
Capital Outlay:				
Total expenditures	<u>127,945</u>	<u>138,419</u>	<u>120,692</u>	<u>17,727</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(66,045)</u>	<u>(76,519)</u>	<u>(27,086)</u>	<u>49,433</u>
Other financing sources (uses)				
Transfers in	<u>66,045</u>	<u>76,519</u>	<u>26,374</u>	<u>(50,145)</u>
Total other financing sources (uses)	<u>66,045</u>	<u>76,519</u>	<u>26,374</u>	<u>(50,145)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(712)</u>	<u>(712)</u>
Fund balances				
Beginning of year	-	-	66,597	66,597
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,885</u>	<u>\$ 65,885</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,172,391	\$ 2,148,857	\$ 1,715,585	\$ (433,272)
Total revenues	<u>1,172,391</u>	<u>2,148,857</u>	<u>1,715,585</u>	<u>(433,272)</u>
Expenditures				
Current:				
Human services	1,172,391	2,148,857	1,818,052	330,805
Total expenditures	<u>1,172,391</u>	<u>2,148,857</u>	<u>1,818,052</u>	<u>330,805</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(102,467)</u>	<u>(102,467)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(102,467)</u>	<u>(102,467)</u>
Fund balances				
Beginning of year	-	-	61,253	61,253
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,214)</u>	<u>\$ (41,214)</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 8,000	\$ 8,000	\$ 1,430	\$ (6,570)
Service assessments	87,700	87,700	442,388	354,688
Total revenues	<u>95,700</u>	<u>95,700</u>	<u>443,818</u>	<u>348,118</u>
Expenditures				
Current:				
Public safety	29,011	40,338	36,553	3,785
Capital outlay:				
Public safety	-	108,607	-	108,607
Total expenditures	<u>29,011</u>	<u>148,945</u>	<u>36,553</u>	<u>112,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,689</u>	<u>(53,245)</u>	<u>407,265</u>	<u>460,510</u>
Net change in fund balances	<u>66,689</u>	<u>(53,245)</u>	<u>407,265</u>	<u>460,510</u>
Fund balances				
Beginning of year	-	-	671,193	671,193
Prior carryforward	-	119,934	-	(119,934)
Future carryforward	<u>(66,689)</u>	<u>(66,689)</u>	-	66,689
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,078,458</u>	<u>\$ 1,078,458</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 112,629	\$ 265,479	\$ 152,850
Investment earnings	11,000	11,000	1,576	(9,424)
Service assessments	88,000	319,793	378,760	58,967
Total revenues	<u>99,000</u>	<u>443,422</u>	<u>645,815</u>	<u>202,393</u>
Expenditures				
Current:				
Public safety	284,500	302,774	43,913	258,861
Capital outlay:				
Public safety	-	848,733	249,690	599,043
Total expenditures	<u>284,500</u>	<u>1,151,507</u>	<u>293,603</u>	<u>857,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(185,500)</u>	<u>(708,085)</u>	<u>352,212</u>	<u>1,060,297</u>
Other financing sources (uses)				
Transfers out	-	(28,720)	-	28,720
Total other financing sources (uses)	<u>-</u>	<u>(28,720)</u>	<u>-</u>	<u>28,720</u>
Net change in fund balances	<u>(185,500)</u>	<u>(736,805)</u>	<u>352,212</u>	<u>1,089,017</u>
Fund balances				
Beginning of year	-	-	736,805	736,805
Prior carryforward	185,500	736,805	-	(736,805)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,089,017</u>	<u>\$ 1,089,017</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 28,800	\$ 28,800	\$ 2,256	\$ (26,544)
Service assessments	139,500	139,500	462,368	322,868
Total revenues	<u>168,300</u>	<u>168,300</u>	<u>464,624</u>	<u>296,324</u>
Expenditures				
Current:				
Culture and recreation	-	-	1,431	(1,431)
Capital outlay:				
Culture and recreation	-	348,780	77,515	271,265
Total expenditures	<u>-</u>	<u>348,780</u>	<u>78,946</u>	<u>269,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>168,300</u>	<u>(180,480)</u>	<u>385,678</u>	<u>566,158</u>
Other financing sources (uses)				
Transfers out	-	-	(69,421)	(69,421)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(69,421)</u>	<u>(69,421)</u>
Net change in fund balances	<u>168,300</u>	<u>(180,480)</u>	<u>316,257</u>	<u>496,737</u>
Fund balances				
Beginning of year	-	-	1,105,281	1,105,281
Prior carryforward	-	348,780	-	(348,780)
Future carryforward	(168,300)	(168,300)	-	168,300
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,421,538</u>	<u>\$ 1,421,538</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 500,001	\$ 1,054,376	\$ 528,963	\$ (525,413)
Total revenues	<u>500,001</u>	<u>1,054,376</u>	<u>528,963</u>	<u>(525,413)</u>
Expenditures				
Current:				
Economic environment	500,001	1,054,376	586,830	467,546
Economic environment	-	-	642	(642)
Total expenditures	<u>500,001</u>	<u>1,054,376</u>	<u>587,472</u>	<u>466,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(58,509)</u>	<u>(58,509)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(58,509)</u>	<u>(58,509)</u>
Fund balances				
Beginning of year	-	-	(250,081)	(250,081)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (308,590)</u>	<u>\$ (308,590)</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 2,542	\$ 2,542
Total revenues	<u>-</u>	<u>-</u>	<u>2,542</u>	<u>2,542</u>
Expenditures				
Debt service:				
Principal	1,374,606	1,374,606	1,300,992	73,614
Interest	287,081	287,081	281,350	5,731
Total expenditures	<u>1,661,687</u>	<u>1,661,687</u>	<u>1,582,342</u>	<u>79,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,661,687)</u>	<u>(1,661,687)</u>	<u>(1,579,800)</u>	<u>81,887</u>
Other financing sources (uses)				
Transfers in	1,661,687	1,612,000	1,612,000	-
Total other financing sources (uses)	<u>1,661,687</u>	<u>1,612,000</u>	<u>1,612,000</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(49,687)</u>	<u>32,200</u>	<u>81,887</u>
Fund balances				
Beginning of year	-	-	902,248	902,248
Prior carryforward	-	49,687	-	(49,687)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 934,448</u>	<u>\$ 934,448</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 306	\$ 306	\$ 46	\$ (260)
Service assessments	5,000	5,000	5,694	694
Total revenues	<u>5,306</u>	<u>5,306</u>	<u>5,740</u>	<u>434</u>
Expenditures				
Current:				
Culture and recreation	-	-	28	(28)
Capital outlay:				
Total expenditures	<u>-</u>	<u>-</u>	<u>28</u>	<u>(28)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,306</u>	<u>5,306</u>	<u>5,712</u>	<u>406</u>
Net change in fund balances	<u>5,306</u>	<u>5,306</u>	<u>5,712</u>	<u>406</u>
Fund balances				
Beginning of year	-	-	24,170	24,170
Future carryforward	<u>(5,306)</u>	<u>(5,306)</u>	<u>-</u>	<u>5,306</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,882</u>	<u>\$ 29,882</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ -	\$ -	\$ 4,076	\$ 4,076
Total revenues	<u>-</u>	<u>-</u>	<u>4,076</u>	<u>4,076</u>
Expenditures				
Current:				
General government	-	725,527	-	725,527
Economic environment	-	-	2,303	(2,303)
Capital outlay:				
Economic environment	-	8,780,622	152,786	8,627,836
Total expenditures	<u>-</u>	<u>9,506,149</u>	<u>155,089</u>	<u>9,351,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(9,506,149)</u>	<u>(151,013)</u>	<u>9,355,136</u>
Other financing sources (uses)				
Transfers in	-	9,506,149	886,016	(8,620,133)
Total other financing sources (uses)	<u>-</u>	<u>9,506,149</u>	<u>886,016</u>	<u>(8,620,133)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>735,003</u>	<u>735,003</u>
Fund balances				
Beginning of year	-	-	2,214,574	2,214,574
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,949,577</u>	<u>\$ 2,949,577</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, 2021**

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 relates 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 101,482,226	\$ 105,948,864	\$ 111,151,923	\$ 111,351,524
Restricted	8,469,141	11,289,017	7,575,856	8,228,377
Unrestricted	<u>24,698,280</u>	<u>25,049,707</u>	<u>25,964,838</u>	<u>14,281,759</u>
Total governmental activities net position	<u>\$ 134,649,647</u>	<u>\$ 142,287,588</u>	<u>\$ 144,692,617</u>	<u>\$ 133,861,660</u>
Business-type activities				
Net investment in capital assets	\$ 107,795,107	\$ 110,153,986	\$ 114,654,748	\$ 117,122,656
Restricted	8,137,545	6,886,924	5,619,365	6,398,053
Unrestricted	<u>17,654,042</u>	<u>27,643,950</u>	<u>32,858,374</u>	<u>34,875,110</u>
Total business-type activities net position	<u>\$ 133,586,694</u>	<u>\$ 144,684,860</u>	<u>\$ 153,132,487</u>	<u>\$ 158,395,819</u>
Primary government				
Net investment in capital assets	\$ 209,277,333	\$ 216,102,850	\$ 225,806,671	\$ 228,474,180
Restricted	16,606,686	18,175,941	13,195,221	14,626,430
Unrestricted	<u>42,352,322</u>	<u>52,693,657</u>	<u>58,823,212</u>	<u>49,156,869</u>
Total primary government net position	<u>\$ 268,236,341</u>	<u>\$ 286,972,448</u>	<u>\$ 297,825,104</u>	<u>\$ 292,257,479</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.

2016	2017	2018	2019	2020	2021
\$ 108,240,437	\$ 107,019,238	\$ 115,080,348	\$ 124,702,281	\$ 125,350,272	\$ 127,123,740
11,433,666	12,778,199	17,692,591	20,690,716	20,716,585	25,770,562
16,702,639	22,132,870	17,020,123	17,598,983	17,531,867	29,100,643
<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>	<u>\$ 181,994,945</u>
\$ 118,789,153	\$ 123,109,213	\$ 125,624,478	\$ 130,413,989	\$ 143,368,189	\$ 154,658,860
6,672,392	8,270,058	10,757,914	12,632,963	12,068,097	18,592,671
40,223,179	44,558,164	44,585,248	51,376,585	58,372,594	61,599,427
<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>	<u>\$ 234,850,958</u>
\$ 227,029,590	\$ 230,128,451	\$ 240,704,826	\$ 255,116,270	\$ 268,718,461	\$ 281,782,600
18,106,058	21,048,257	28,450,505	33,323,679	32,784,682	44,363,233
56,925,818	66,691,034	61,605,371	68,975,568	75,904,461	90,700,070
<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>	<u>\$ 416,845,903</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)

	2012	2013	2014	2015
<u>Expenses</u>				
Governmental activities:				
General government	\$ 5,438	\$ 4,970	\$ 4,948	\$ 5,989
Public safety	24,434	24,341	25,271	24,402
Transportation	4,544	4,872	4,802	6,243
Physical environment	1,554	707	503	(24)
Economic environment	844	2,741	2,300	2,265
Human services	73	1,209	998	1,165
Culture and recreation	5,420	5,224	5,535	5,774
Interest on long-term debt	601	505	480	445
	<u>42,908</u>	<u>44,569</u>	<u>44,837</u>	<u>46,259</u>
Total governmental activities expenses				
Business-type activities:				
Water and sewer	17,832	16,939	16,629	19,969
Stormwater	2,704	2,481	2,454	2,584
Solid waste	5,101	5,287	5,441	5,485
Golf Course	-	411	1,377	1,314
	<u>25,637</u>	<u>25,118</u>	<u>25,901</u>	<u>29,352</u>
Total business-type activities expenses				
Total primary government expenses	<u>68,545</u>	<u>69,687</u>	<u>70,738</u>	<u>75,611</u>
<u>Program revenues</u>				
Governmental activities:				
Charges for services:				
General government	1,248	537	391	165
Public safety	4,390	3,572	2,530	2,886
Transportation	70	76	83	1
Physical environment	13	49	60	68
Economic environment	-	-	-	-
Culture and recreation	1,031	473	377	374
Operating grants and contributions	2,773	4,624	3,893	6,247
Capital grants and contributions	1,124	1,759	5,503	2,330
	<u>10,649</u>	<u>11,090</u>	<u>12,837</u>	<u>12,071</u>
Total governmental activities program revenues				
Business-type activities:				
Charges for services	30,226	31,671	33,192	35,071
Operating grants and contributions	803	53	25	-
Capital grants and contributions	1,144	4,372	2,375	2,184
	<u>32,173</u>	<u>36,096</u>	<u>35,592</u>	<u>37,255</u>
Total business-type activities program revenues				
Total primary government program revenues	<u>42,822</u>	<u>47,186</u>	<u>48,429</u>	<u>49,326</u>
<u>Net (expense) / revenue</u>				
Governmental activities	(32,259)	(33,479)	(32,000)	(34,188)
Business-type activities	6,536	10,978	9,691	7,903
	<u>(25,723)</u>	<u>(22,501)</u>	<u>(22,309)</u>	<u>(26,285)</u>
Total primary government net expense				

(Continued)

	2016	2017	2018	2019	2020	2021
\$	6,259	\$ 6,524	\$ 7,611	\$ 6,945	\$ 7,673	\$ 7,564
	25,129	21,357	27,719	30,265	32,076	29,654
	7,013	8,480	8,034	8,303	8,660	8,762
	479	712	393	478	449	472
	3,251	3,478	2,500	1,677	1,614	1,824
	774	806	902	899	1,093	1,950
	4,885	5,115	6,363	7,236	7,535	6,728
	418	391	365	335	309	281
	<u>48,208</u>	<u>46,863</u>	<u>53,887</u>	<u>56,138</u>	<u>59,409</u>	<u>57,235</u>
	20,920	19,886	20,869	21,656	22,084	22,708
	2,679	2,636	2,605	2,887	3,763	3,462
	5,594	5,722	5,998	6,132	6,271	6,465
	1,265	1,278	1,320	1,456	1,278	1,478
	<u>30,458</u>	<u>29,522</u>	<u>30,792</u>	<u>32,131</u>	<u>33,396</u>	<u>34,113</u>
	<u>78,666</u>	<u>76,385</u>	<u>84,679</u>	<u>88,269</u>	<u>92,805</u>	<u>91,348</u>
	547	630	765	1,121	1,336	854
	3,389	4,015	6,203	4,867	4,949	6,683
	1	29	2	1	1	-
	63	74	93	53	66	495
	-	-	-	-	-	142
	334	308	342	378	220	327
	6,229	67,000	13,167	8,791	6,112	8,397
	2,020	1,090	12,575	10,447	1,050	10,106
	<u>12,583</u>	<u>73,146</u>	<u>33,147</u>	<u>25,658</u>	<u>13,734</u>	<u>27,004</u>
	35,270	37,676	36,272	39,348	40,030	42,468
	-	-	423	131	35	28
	1,411	1,855	3,419	490	7,051	5,892
	<u>36,681</u>	<u>39,531</u>	<u>40,114</u>	<u>39,969</u>	<u>47,116</u>	<u>48,388</u>
	<u>49,264</u>	<u>112,677</u>	<u>73,261</u>	<u>65,627</u>	<u>60,850</u>	<u>75,392</u>
	(35,625)	26,283	(20,740)	(30,480)	(45,675)	(30,231)
	6,223	10,009	9,322	7,838	13,720	14,275
	<u>(29,402)</u>	<u>36,292</u>	<u>(11,418)</u>	<u>(22,642)</u>	<u>(31,955)</u>	<u>(15,956)</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>General revenues and other changes in net position</u>				
Governmental activities:				
Property tax	\$ 14,956	\$ 15,523	\$ 15,871	\$ 16,478
Other taxes	17,082	17,045	18,024	18,381
Unrestricted investment earnings	236	106	153	193
Gain on sale of capital assets	(3)	-	-	-
Miscellaneous	149	757	137	359
Transfers in (out)	8	98	335	153
Total governmental activities	<u>32,428</u>	<u>33,529</u>	<u>34,520</u>	<u>35,564</u>
Business-type activities:				
Unrestricted investment earnings	123	73	128	181
Capital recovery fee	-	-	-	-
Miscellaneous	165	145	247	131
Transfers in (out)	(8)	(98)	(335)	(140)
Total business-type activities	<u>280</u>	<u>120</u>	<u>40</u>	<u>172</u>
Total primary government	<u>32,708</u>	<u>33,649</u>	<u>34,560</u>	<u>35,736</u>
<u>Change in net position</u>				
Governmental activities	(1,040)	1,529	332	(61)
Business-type activities	11,258	9,811	7,943	6,395
Total government	<u>\$ 10,218</u>	<u>\$ 11,340</u>	<u>\$ 8,275</u>	<u>\$ 6,334</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.

	2016	2017	2018	2019	2020	2021
\$	19,107	\$ 19,955	\$ 20,991	\$ 22,632	\$ 24,990	\$ 27,217
	18,586	19,053	19,790	19,795	19,572	21,041
	432	267	507	1,772	1,883	108
	-	-	-	-	-	-
	39	112	3,587	592	300	321
	(23)	184	(208)	(1,111)	(465)	(60)
	<u>38,141</u>	<u>39,571</u>	<u>44,667</u>	<u>43,680</u>	<u>46,280</u>	<u>48,627</u>
	350	294	513	1,982	1,742	143
	-	-	-	2,401	2,586	6,098
	692	133	153	124	871	466
	23	(184)	208	1,111	465	60
	<u>1,065</u>	<u>243</u>	<u>874</u>	<u>5,618</u>	<u>5,664</u>	<u>6,767</u>
	<u>39,206</u>	<u>39,814</u>	<u>45,541</u>	<u>49,298</u>	<u>51,944</u>	<u>55,394</u>
	4,124	39,571	23,927	13,200	605	18,396
	11,074	243	10,196	13,456	19,384	21,042
\$	<u>15,198</u>	<u>\$ 39,814</u>	<u>\$ 34,123</u>	<u>\$ 26,656</u>	<u>\$ 19,989</u>	<u>\$ 39,438</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund				
Nonspendable	\$ 315	\$ 334	\$ 295	\$ 343
Restricted	-	-	-	-
Assigned	1,446	1,376	1,788	346
Unassigned	<u>16,098</u>	<u>17,644</u>	<u>14,726</u>	<u>16,728</u>
Total general fund	<u>\$ 17,859</u>	<u>\$ 19,354</u>	<u>\$ 16,809</u>	<u>\$ 17,417</u>
All other governmental funds				
Nonspendable	\$ 1	\$ 4	\$ 4	\$ 14
Restricted	9,586	12,012	8,095	8,812
Committed	362	334	322	317
Assigned	1,421	1,234	4,565	4,441
Unassigned	<u>(171)</u>	<u>(937)</u>	<u>(2,481)</u>	<u>(312)</u>
Total all other government funds	<u>\$ 11,199</u>	<u>\$ 12,647</u>	<u>\$ 10,505</u>	<u>\$ 13,272</u>

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

2016	2017	2018	2019	2020	2021
\$ 358	\$ 435	\$ 511	\$ 441	\$ 403	\$ 381
-	-	-	-	-	-
380	209	344	614	325	726
19,597	21,600	23,821	25,291	28,003	33,281
<u>\$ 20,335</u>	<u>\$ 22,244</u>	<u>\$ 24,676</u>	<u>\$ 26,346</u>	<u>\$ 28,731</u>	<u>\$ 34,388</u>
\$ 1	\$ 20	\$ 20	\$ 176	\$ 202	\$ 645
11,715	13,268	18,152	20,691	20,717	25,771
312	289	167	1,579	1,554	3,045
4,820	4,527	10,211	10,532	1,384	11,064
(113)	(69)	488	(4,271)	5,964	(354)
<u>\$ 16,735</u>	<u>\$ 18,035</u>	<u>\$ 29,038</u>	<u>\$ 28,707</u>	<u>\$ 29,821</u>	<u>\$ 40,171</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)**

	2012	2013	2014	2015	2016	2017
Revenues						
Taxes	\$ 22,490	\$ 27,706	\$ 28,687	\$ 28,693	\$ 31,279	\$ 32,292
Licenses and permits	5,693	1,679	715	1,709	1,917	2,361
Intergovernmental revenues	10,011	9,655	12,455	15,858	15,051	13,897
Charges for services	2,290	2,208	2,063	2,181	2,465	2,723
Fines and forfeitures	226	267	233	289	218	269
Impact fees	1,022	1,008	209	212	236	496
Interest earnings	185	100	147	182	443	339
Miscellaneous revenues	338	957	268	485	171	233
Total revenues	42,255	43,580	44,777	49,609	51,780	52,610
Expenditures						
Current:						
General government	4,873	4,651	4,742	5,595	5,527	5,582
Public safety	22,455	22,825	23,463	23,061	23,393	24,715
Transportation	2,065	2,270	2,132	2,036	2,223	3,693
Physical environment	1,757	457	485	493	504	448
Economic environment	843	2,234	2,119	2,066	2,150	2,206
Human services	61	1,196	984	1,143	747	790
Culture and recreation	4,305	4,221	4,468	4,499	4,541	4,883
Debt service:						
Principal	2,003	1,211	1,447	1,522	1,435	1,363
Interest and fiscal charges	601	519	480	446	418	391
Capital outlay	3,272	3,118	10,029	6,325	5,356	6,035
Total Expenditures	42,235	42,702	50,349	47,186	46,294	50,106
Excess (deficiency) of revenues over (under) expenditures	20	878	(5,572)	2,423	5,486	2,504
Other Financing Sources (Uses)						
Capital leases	540	656	519	531	551	489
Transfers in	5,068	3,536	7,013	4,819	4,573	4,262
Transfers (out)	(5,060)	(3,389)	(6,678)	(4,460)	(4,514)	(4,078)
Proceeds from sale of property	35	96	31	62	285	302
Issuance of refunding debt	15,050	-	-	-	-	-
Payment to refunded bond escrow agent	(15,050)	-	-	-	-	-
Total other financing sources (uses)	583	899	885	952	895	975
Net change in fund balances	\$ 603	\$ 1,777	\$ (4,687)	\$ 3,375	\$ 6,381	\$ 3,479
Debt service as a percentage of noncapital expenditures	6.68%	4.37%	4.78%	4.82%	4.53%	3.98%

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

	2018	2019	2020	2021
\$	34,439	\$ 36,268	\$ 38,481	\$ 41,264
	3,217	2,494	1,905	3,708
	19,010	21,863	14,769	26,866
	3,411	2,658	3,043	3,946
	285	231	413	374
	1,424	672	453	1,289
	635	2,120	2,201	132
	3,692	677	385	602
	<u>66,113</u>	<u>66,983</u>	<u>61,650</u>	<u>78,181</u>
	7,135	6,481	6,935	7,426
	26,539	27,822	29,395	29,849
	488	451	408	466
	2,985	3,076	3,088	3,213
	2,262	1,447	1,298	1,595
	877	891	1,092	1,944
	5,057	6,030	6,265	5,723
	1,301	1,299	1,178	1,301
	365	335	309	281
	6,079	17,339	8,431	10,933
	<u>53,088</u>	<u>65,171</u>	<u>58,399</u>	<u>62,731</u>
	13,025	1,812	3,251	15,450
	301	185	481	745
	4,573	6,823	17,214	20,661
	(4,777)	(7,934)	(17,679)	(21,125)
	312	453	231	277
	-	-	-	-
	-	-	-	-
	-	-	-	-
	<u>409</u>	<u>(473)</u>	<u>247</u>	<u>558</u>
\$	<u>13,434</u>	<u>\$ 1,339</u>	<u>\$ 3,498</u>	<u>\$ 16,008</u>
	<u>3.54%</u>	<u>3.42%</u>	<u>2.98%</u>	<u>3.05%</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					
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%
2021	5,550,680	465,840	6,016,520	(2,866,656)	3,149,864	7.325	3,333,189	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		
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
2021	7.325	4.875	0.000	4.875	5.934	0.229	18.363

*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 2021			Fiscal Year 2012		
	Taxable Value	Percent of Total Taxable Value	Rank	Taxable Value	Percent of Total Taxable Value	Rank
Florida Power & Light Co	\$ 72,866,714	3.34%	1	\$ 39,366,405	1.64%	2
Solstice Loop Holdings LLC	54,239,192	2.49%	2			
CRLP Twin Lakes LLC	50,780,263	2.33%	3	27,875,281	1.16%	6
SPU8 FB Seminole JV Prop LLC	47,621,120	2.18%	4			
Lake Edge Apartments LLC	46,405,505	2.13%	5	30,880,993	1.29%	5
Seminole Mall Realty Holding LLC	45,915,167	2.10%	6			
Solara Apartments Owner LLC	40,706,402	1.87%	7			
Bre Piper MF Westlake FL LLC	37,551,350	1.72%	8			
Wal-Mart Stores East LP	35,401,091	1.62%	9	33,319,893	1.39%	4
StoneBrook Orlando Apts LLC	28,125,828	1.29%	10			
Seminole Town Center LP				84,442,350	3.53%	1
Central Florida Regional Hospital				39,131,417	1.63%	3
Westlake Sanford Assoc LLC				23,125,830	0.97%	7
WRI Seminole II LLC				22,057,321	0.92%	8
Bellsouth Telecommunication INC				20,221,884	0.84%	9
Sanford Airport Authority				14,751,959	0.62%	10

Source: Seminole County Property Appraiser - 2020 Top Ten Taxpayer for Sanford and City of Sanford FY 2021 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
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%
2021	26,624,985	25,706,262	96.5%	43,452	25,749,714	96.7%

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
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	3,190,000	53,887,473	-
2021	-	7,200,000	-	1,061,921	1,005,000	51,678,075	-

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
\$ 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
65,895,386	3,133,326,005	2.1%	1,073
60,944,996	3,313,015,314	1.8%	982

**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		
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	
2021	28,547,725	6,097,812	16,049,191	18,596,346	2,185,000	150,043	7.96	

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			
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		
2021	28,547,725	18,384,234	10,163,491	3,877,793	835,495	2.16		

General Government
Sales Tax Note

Fiscal Year	Half-Cent Sales Tax	Debt Service Requirements (4), (8)		Coverage
		Principal	Interest	
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
2021	4,350,235	905,000	263,413	3.72

Proprietary Funds					
Stormwater Revenue Bonds					
Stormwater Revenues	Less: Operating Expenses (2)	Net Available For Debt Service	Debt Service Requirements (4)		Coverage
			Principal	Interest	
\$ 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	-	-	-
6,113,296	1,829,048	4,284,248	-	-	-

Stormwater State Revolving Loans					
Stormwater Revenues	Less: Operating Expenses (2)*	Net Available For Debt Service	Debt Service Requirements (4)		Coverage
			Principal	Interest	
\$ 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
6,113,296	1,829,048	4,284,248	647,064	157,913	5.32

General Government
CRA Note

Fiscal Year	CRA Ad Valorem Taxes	Debt Service Requirements (4)		Coverage (6)
		Principal	Interest	
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	-	-	-	-
2021	-	-	-	-

- (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.

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, 2021**

<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	\$ -	10.7%	\$ -
Seminole County School Board	-	11.3%	-
Other debt			
Seminole County Government			
Revenue bonds	94,667,000	10.7%	10,174,248
Seminole County School Board			
State education bonds	4,634,549	11.3%	522,774
Certificates of participation	125,522,748	11.3%	<u>14,158,892</u>
Subtotal, overlapping debt			24,855,915
City direct debt			<u>8,261,921</u>
Total direct and overlapping debt			<u>\$ 33,117,836</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 ACFR.
Seminole County School Board - the information provided is based on the 6/30/2021 ACFR
Seminole County Property Appraiser - the information provided is based on the 10/01/2021 Ad Valorem Assessment Roll

**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)
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	6.5%
2021	62,038	53,403	3,313,015,314	17,857	3.3%

Source: (1) Office of Economic and Demographic Research
Florida Population Estimates for Counties and Municipalities - April 1, 2021
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 2020/2021</u>		<u>Fiscal Year 2011/2012</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Orlando Sanford International Airport***	3,500	1	531	8
Central Florida Regional Hospital***	2,865	2	1,043	5
Seminole County Public Schools**	1,614	3	1,623	1
Seminole State College	1,588	4	1,542	2
Seminole County Sheriff****	1,459	5	1,134	4
Seminole County Government***	1,439	6	1,270	3
Walmart Stores - Sanford	786	7	831	6
City of Sanford	503	8	495	7
Seminole Towne Center	375	9	*	*
Waste Pro USA	248	10	*	*
Sanford Auto Dealers Exchange	*	*	292	9
Davis Maus Toyota	*	*	270	10
Total	<u>14,377</u>		<u>8,536</u>	

* Data not available

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

***Seminole County Government - FY 2020 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 2020 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>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>	<u>2021</u>
General Government:										
City Manager	7.33	9.33	10.33	9.33	9.33	7.15	8.73	8.74	8.49	7.18
Community Improvement	12.24	9.24	9.14	9.00	9.00	9.00	9.00	9.50	9.40	15.38
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	16.23	16.23	17.33	17.47	17.47	18.47	17.47	17.47	17.47	17.47
Planning/Development	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.15	9.15	16.84
CRA	-	-	-	-	-	-	-	-	3.78	3.78
Public Safety:										
Police	143.00	150.00	149.95	149.95	149.95	149.95	149.95	152.95	157.95	157.95
Fire	89.50	89.50	91.64	91.55	80.87	82.15	94.37	95.71	86.05	86.05
Public Works	88.05	83.05	83.25	84.25	84.25	82.35	81.90	73.75	81.50	55.00
Utilities	101.00	102.50	103.50	104.00	103.50	105.50	108.73	109.13	111.63	109.85
Recreation	33.80	32.80	32.80	32.80	33.30	32.80	32.80	40.55	34.80	67.30
Total	<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>527.22</u>	<u>543.80</u>

Source: City of Sanford Budgets 2012-2021
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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Building Inspections</u>				
All permits issued**	3,225	3,383	2,749	3,630
Building permits issued**	1,433	1,450	1,464	2,257
Inspections completed**	10,396	12,013	7,165	7,525
Re-inspections completed**	997	1,454	946	1,206
<u>Law Enforcement</u>				
Physical arrests	2,394	2,670	3,134**	3,137
DUI arrests	94	43	40	53
Traffic violations	6,922	4,560	15,173**	17,903
Traffic crashes	1,581	1,564	2,019	2,593
Total calls received by agency	119,018	108,935	137,298	128,309
Dispatched calls requiring police service (based on calendar year figures)	84,691	85,270	102,516	92,124
<u>Fire</u>				
Emergency responses	8,977	9,311	9,571	9,880
Number of actual fires suppressed	56	37	94	56
Number of commercial building inspections	2,100	2,403	1,942	2,204
Number of school inspections***	24	15	14	29
Number of investigations	33	31	30	23
<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)	3.53	3.16	7.80	5.90
Other street repairs (# of potholes, etc.)	231	236	200	202

* 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

2016	2017	2018	2019	2020	2021
3,614	4,409	6,113	4,409	4986	4699
2,058	2,565	6,113	4,409	4986	4699
8,592	9,835	20,613	12,301	14749	21292
1,537	1,587	3,460	3,114	3036	3940
3,041	3,926	2,704	3,579	3,143	2,045
65	60	34	49	39	37
16,358	10,663	21,554	7,702	11,086	16,175
4,539	1,930	2,091	1,770	1,810	2,302
127,543	122,610	150,225	133,416	83,664	120,185
92,583	75,826	120,022	78,163	118,789	89,023
10,516	10,021	10,746	10,739	11,041	12,630
242	255	198	188	188	165
2,145	1,996	1,449	1,460	1324	1665
25	27	26	26	26	26
30	30	30	29	41	35
160.64	160.64	160.64	160.64	160.64	160.64
0.38	0.38	0.38	0.38	0.38	0.38
13.70	20.95	12.13	10.11	14.65	14.65
200	89	105	141	110	110

**Schedule 16
CITY OF SANFORD, FLORIDA**

CAPITAL ASSET STATISTICS BY FUNTION/PROGRAM

Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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	79	75	79	77
Number of Police Stations*	1	1	1	1
Number of Sworn Officers	124	130	129	124
<u>Municipal Water System</u>				
Number of Customers	15,207	15,532	15,654	15,908
Average Daily Consumption	6.154 MGD	5.798 MGD	6.193 MGD	6.391 MGD
Plant Capacity - All Plants	14.688 MGD	14.688 MGD	14.688 MGD	14.688MGD
Deep Wells	19	18	16	17
Number of Fire Hydrants	1,281	1,393		1,400
<u>Municipal Sewer System</u>				
Number of Customers	14,182	14,453	14,634	14,864
Treatment Facility Capacity	9.3 MGD	9.3 MGD	9.3 MGD	10.3 MGD
Annual Average Flow	6.396 MGD	6.691 MGD	6.788 MGD	6.600 MGD
<u>Municipal Stormwater System</u>				
Number of Customers	13,909	14,176	14,354	14,582
<u>Building Permits Issued**</u>				
	1,433	1,450	2,749	3,630
<u>Recreation & Culture</u>				
Number of Regional Parks	1	1	1	1
Number of Neighborhood Parks	36	36	36	29
Park Area - number of acres	350	350	350	129
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

2016	2017	2018	2019	2020	2021
161.02	161.02	161.02	161.02	161.02	161.02
3	3	3	3	3	3
75	74	75	75	75	79
1	1	1	1	1	1
124	132	132	135	140	140
16,065	16,226	16,710	17,169	16,710	17,553
6.424 MGD	5.959 MGD	6.193 MGD	6.435 MGD	6.193 MGD	7.00 MGD
14.688 MGD	14.688 MGD	14.688 MGD	14.688 MGD	14.688 MGD	14.688 MGD
17	19	19	19	19	17
1,418	1,464	1,475	1,475	1,475	1,578
15,012	15,162	15,633	16,074	15,633	16,215
10.3 MGD	10.3 MGD	10.3 MGD	10.3 MGD	10.3 MGD	10.3 MGD
6.263 MGD	6.329 MGD	6.330 MGD	6.330 MGD	6.330 MGD	7.575 MGD
14,743	14,882	15,390	15,702	16,758	16,068
2,058	2,565	6,113	4,409	4,986	4,699
1	1	1	1	1	1
28	28	28	28	28	28
133	133	133	133	133	133
1	1	1	1	1	1
3,680	3,680	3,680	3,680	2,576	2,577



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



**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, 2021, 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 25, 2022.

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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported we noted certain matters that we reported to management of the City in a separate letter dated March 25, 2022.

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 25, 2022



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, 2021. 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, 2021.

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 25, 2022, 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 25, 2022

CITY OF SANFORD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)

For the Year Ended September 30, 2021

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, 2021

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing 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	\$ 10,672
Total Department of Agriculture			<u>10,672</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218	B-14-MC-12-0057	21,563
Community Development Block Grant	14.218	B-18-MC-12-0057	642
Community Development Block Grant	14.218	B-19-MC-12-0057	333,600
Community Development Block Grant	14.218	B-20-MC-12-0057	231,699
Total Department of Housing and Urban Development			<u>587,504</u>
U.S. Department of Justice			
DEA Officer Reimbursement	16.580	DEA Orlando	7,760
Bulletproof Vest Grant - FY 2018	16.607	2018BUBX14074532	656
Bulletproof Vest Grant - FY 2019	16.607	2019BUBX15078676	12,107
Public Safety Partnership and Community Policing Grant	16.710	2017UMWX0134	184,246
COVID19 - BJA Edward Byrne Memorial Justice Assistance Grant Program	16.034	2020-VD-BX-0755	67,003
Equitable Sharing	16.922	FL0590500	55
Total Department of Justice			<u>271,827</u>
Office of National Drug Control Policy			
Passed through Seminole County Sheriff's Office High Intensity Drug Trafficking Areas Program	95.001	G21CF008A	12,111
Total Office of National Drug Control Policy			<u>12,111</u>
U.S. Department of Health and Human Services			
Passed through Florida Department of Economic Opportunity LIHEAP Low Income Home Energy Assistance Program (2019)	93.568	17EA-OF-06-69-02-028	150,920
LIHEAP Low Income Home Energy Assistance Program (2020)	93.568	17EA-OF-06-69-02-028	1,124,383
COVID19 - Cares Act provider Relief Fund	93.568	17EA-OF-06-69-02-028	542,750
Total Department of Health and Human Services			<u>1,818,053</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 FEMA-4468-DR-FL17-PA-04-FL-4468-PW	8,945
Hurricane Irma Declaration	97.036	0053	3,101
Total Department of Homeland Security			<u>12,046</u>
U.S. Department of Treasury			
COVID19 - American Rescue plan Coronavirus Local Fiscal Recovery Fund	21.027	1505-0271	404,102
Total Department of Treasury			<u>404,102</u>
U.S. Environmental Protection Agency			
Passed through Florida Department of Environmental Protection State Revolving Fund Loan	66.468	DW590192	2,162,141
Total Department of Treasury			<u>2,162,141</u>
Federal Emergency Agency			
Passed through Florida Department of Emergency Management Hazard Mitigation Grant Program	97.039	FEMA-4283-43-R	60,705
Total Department of Health and Human Services			<u>60,705</u>
		Total Expenditure of Federal Awards	<u>\$ 5,339,161</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, 2021

<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>
St. Johns River Water Management District			
Reclaimed Water interconnect Project (33641)	37.100	276552	\$ 26,282
Reclaimed Water interconnect Project (33642)	37.100	276552	63,576
Total Department of Environmental Protection			<u>89,858</u>
Florida Department of Environmental Protection			
Statewide Surface Water Restoration and Wastewater Projects	37.039	LP5901A	1,864,808
State Revolving Fund Loan	37.077	WW590150	751,833
Total Department of Environmental Protection			<u>2,616,641</u>
U.S. Department of Cultural Affairs			
Sanford Museum Digitization and Restoration	45.061	20.c.ps.170.636	3,081
Total Department of Economic Opportunity			<u>3,081</u>
Florida Department of Historical Resources			
Sanford Civic Center Conditions Assessment	45.031	21.h.sm.100.036	31,700
Total Department of Historical Resources			<u>31,700</u>
Florida Department of Economic Opportunity			
Growth Management implementation Rechnical Assistance	40.024	P0378	39,379
Total Department of Historical Resources			<u>39,379</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 2,780,659</u></u>
Total Expenditures of Federal Awards and State Financial Assistance			<u><u>\$ 8,119,820</u></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, 2021

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, 2021.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Total Outstanding</u>
State Revolving Fund	66.468	DW590192	\$ 2,162,141
State Revolving Fund	37.077	SW590150	\$ 9,115,736

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, 2021. 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, 2021.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
March 25, 2022



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, 2021, and have issued our report thereon dated March 25, 2022.

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 in Accordance with 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 25, 2022, 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.

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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the City of Sanford Community Redevelopment Agency (the CRA), a dependent special district of the City, reported:

- a) The total number of CRA employees compensated in the last pay period of the CRA's fiscal year as 0.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the CRA's fiscal year as 0.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e) Each construction project with a total cost of at least \$65,000 approved by the CRA that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$0.
- f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes as \$468,235.

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

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 25, 2022