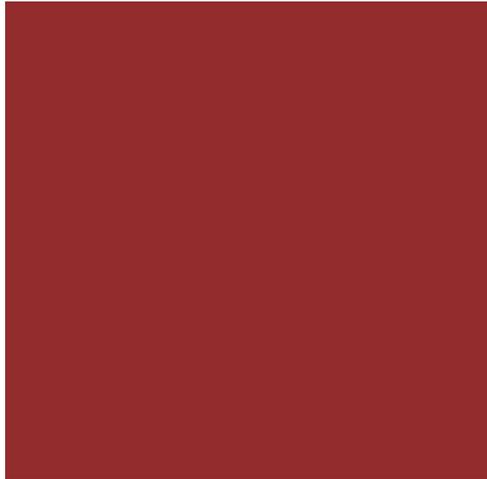




# Comprehensive Annual Financial Report



For the Year Ended September 30, 2013



**The City of  
Altamonte Springs, Florida**

# **Comprehensive Annual Financial Report**

*For the Year Ended  
September 30, 2013*

**Prepared By:  
Department of Finance**

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**City of Altamonte Springs, Florida**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2013**

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# **Introductory Section**

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**February 18, 2014**

**To the Mayor and City Commission**

**City of Altamonte Springs, Florida**

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It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Altamonte Springs, Florida (the "City") for the fiscal year ended September 30, 2013. This report meets the legal requirements of the City Charter, Florida Statutes, and the Rules of the Auditor General as well as continuing in the City's long tradition of full financial disclosure. This report was prepared by the City's Finance Department and is the City's official report of the City's financial position and operations.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

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

The City's financial statements have been audited by Moore, Stephens, Lovelace, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City's fiscal year ended September 30, 2013, 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 principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the same. The City's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the City**

The City is a municipal government providing a full range of services, including police protection, sanitation, road maintenance, water and sewer operations, parks and recreation, planning and community development, and inherent support activities. The City was established in 1920. With the adoption of a new charter in 1980 the City converted from a strong mayor to a commission/city manager form of government, the structure which remains in place today. The four City Commissioners are elected for staggered two-year terms and the Mayor is elected for a three-year term. The City Manager is appointed by the City Commission and serves at its pleasure. 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 City Manager.

The City, located in central Florida, is part of the greater Orlando metropolitan area. With a population of nearly 42,000, the City is one of the largest in the metropolitan Orlando area. The City is primarily a retail, office and residential community with a smattering of light industry and light commercial. The City has consistently been recognized in both articles and awards as a progressive leader amongst local governments. Ongoing in-depth citizen surveys and focus groups indicate that both residents and the business community are generally pleased with the quantity, quality and efficiency of the City government, and both groups indicate that they are happy to be located in Altamonte Springs.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit budget requests to the City Finance Department on or about May 1<sup>st</sup> each year. The Finance Department reviews and edits the requests and prepares a draft department requested budget. This draft budget is submitted to the City Manager.

In mid to late May of each year the City Manager meets with each department director to review the requested budget. Using the submitted requested budget and the information from meeting with each department director, the City Manager develops a recommended budget. The City Manager submits the recommended budget to the City Commission on or about July 1<sup>st</sup> of each year.

During mid-July the City Commission holds one or more public workshops to review the recommended budget. During these workshops the City Manager and each department director present the recommended budget. The City Commission is required to hold public hearings on the proposed budget in September of each year and to adopt a final budget no later than September 30<sup>th</sup>, the close of the City's fiscal year.

The adopted budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Manager. However, changes in the total fund budget require City Commission approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Community Redevelopment Agency Fund (major funds) this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds with adopted annual budgets this comparison is presented in the governmental fund subsection of this report.

## **Factors Affecting Financial Condition**

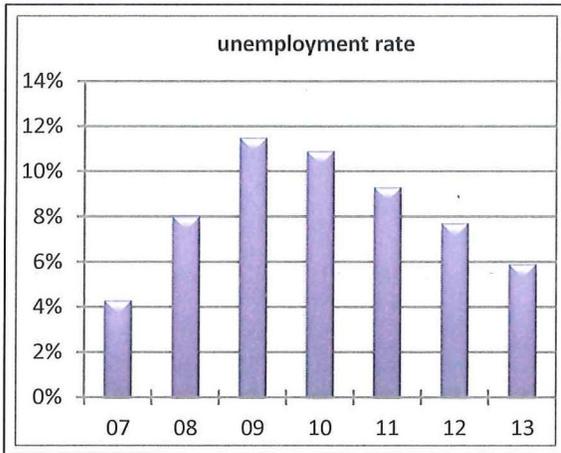
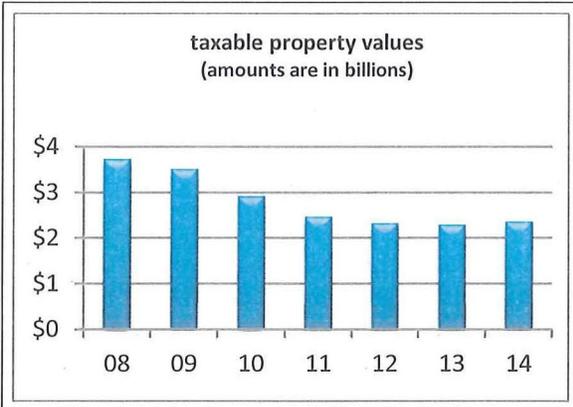
The information presented in the financial statements is perhaps best understood when it is considered in the broader perspective of the specific environment within which the City operates. The basic financial statements focus on the City's financial *position*, which is best appreciated in the broader context of the City's financial *condition*. The concept of financial *position* focuses on the City's existing resources and claims on those resources. The concept of financial *condition*, on the other hand, focuses on both existing *and future* resources and claims on those resources. Consequently, financial position is an essential component of financial condition, which is the broader of the two concepts. The following items, when taken in conjunction with the Notes to the Financial Statements and Management's Discussion and Analysis, help provide this broader context by furnishing information useful in assessing the City's financial condition.

### **Economic Condition and Outlook**

Prior to 1980, Altamonte Springs was a quiet, almost rural bedroom community. However, like much of Central Florida, the City grew up in the twenty years from 1980 to 2000. Population doubled and taxable property values tripled from \$563 million to \$2 billion. This increase continued with values rising to \$3.7 billion by fiscal year 2008. However, since that time values fell for five straight years. Figures for fiscal year

2013 placed the value at \$2.3 billion, a fall of 36% from the 2008 high. But the most recent valuation, used to support the 2014 budget, shows a 3% increase in value from the prior year. Not exactly a windfall but finally moving in the right direction.

Other signals include a falling unemployment rate. The City is within the Orlando-Kissimmee-Sanford metropolitan statistical area. The unemployment



rate for this area peaked in 2009 at 11.5%. It has since fallen every year, standing today at 5.9%. Again another sign the economy is heading in the right direction.

Finally, to tie it all together, we look at the annual GDP (U.S. gross domestic product), a measure of all goods and services. The GDP actually fell in 2009 by 3.1%, indicative of a stagnating economy. Fortunately, since that time the economy has steadily expanded. For 2013 the GDP rate was 2.6%

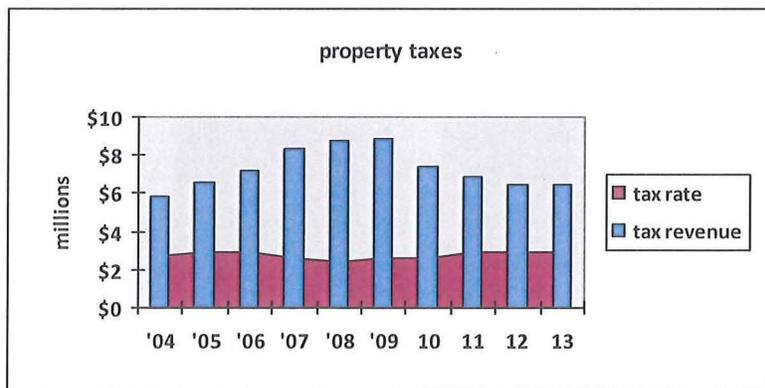
outpacing the two previous years indicating steady accelerating growth. We believe this describes what the future holds for the American and local economies: an economy that is in the process of returning to something approaching normalcy.

2009	-3.1%
2010	2.4%
2011	1.8%
2012	2.1%
2013	2.6%

The City's property tax revenues are a direct function of taxable property values. Property values peaked in 2008 and fell every year

since until bottoming out in 2012. We saw a slight (3%) increase in values for 2013. Likewise our property

tax revenues have followed the exact same path, rising to \$8.9 million by 2009. Like property values, property tax revenues fell to \$6.5 million by 2012, a \$2.4 million swing from 2009. The 2013 property tax revenues reached \$6.5 million, no longer declining. During this period



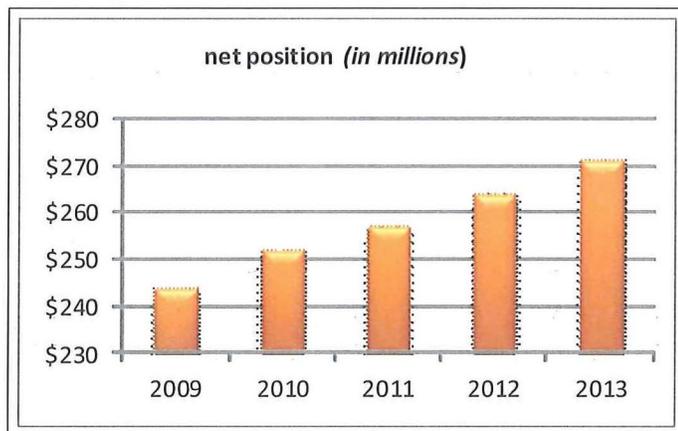
rather than raise the tax rate, the City chose to reduce expenditures to absorb this loss. Fortunately, going

into fiscal year 2014 we expect property tax revenues to hold or even slightly increase over the 2013 amount.

The largest property taxpayer in the City is the Altamonte Mall with a taxable value of \$92 million which represents 3.8% of total assessed valuation. The City's per capita income of nearly \$44,000 is well above both the state and national average. Although many City residents commute to Orlando and other nearby locations for employment, Seminole County has a strong economic base of its own, with numerous high tech manufacturers and corporate operations, such as Adventist Health Systems, the American Automobile Association, Convergys Software Company, and Chase Bankcard Services. Top employers in the central Florida area, all with more than 10,000 employees, include Adventist Health Systems, Disney World, Universal Studios, Publix Supermarkets, and Orlando Health. The median age in the City is 36.5 with more than 47% of the population holding a college degree. These statistics describe a well educated workforce setting the stage for continued economic growth within the City.

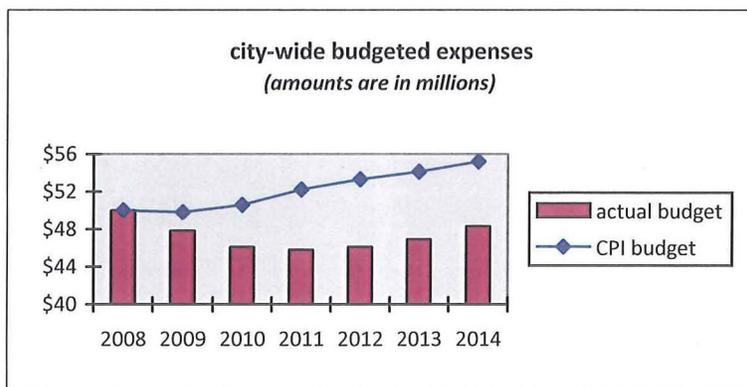
**Long-term Financial Planning**

The City continues to maintain a strong financial condition. In 2013 revenues exceeded expenses by almost \$7.8 million. The value of the City's net position has risen every year for the past 10 years reaching \$271 million by the end of 2013.



We view 2014 and beyond with renewed optimism. We believe 2012 marked the end of the long downward economic trend. All indications are now of a long, steady climb back to a healthy economy. We are molding a financial plan for the City which reflects this belief.

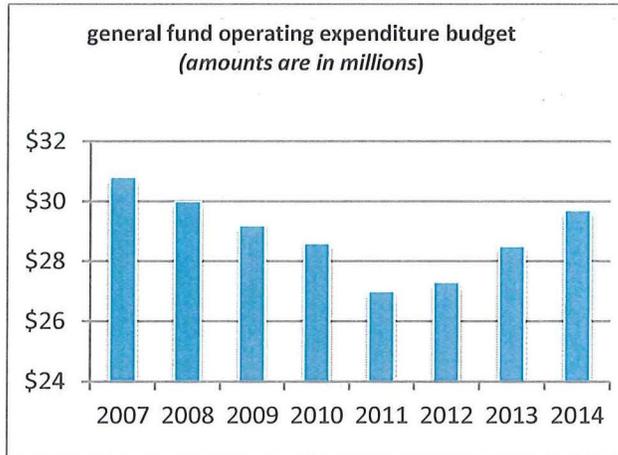
Over the past few years, prompted by declining property values and revenues, the City reduced staff, cut costs and took similar actions to reduce or curtail expenses. This effort was fruitful reducing budgeted expenses from \$50 million in 2008 to less than \$46 million by 2011. Since then,



as noted, the economy has improved, revenues have increased, and we have restored some of the selected

cuts back to the budget. For the coming year (2014) budgeted expenditures total \$48.3 million. In fact, the 2014 City-wide budget of \$48.3 million is more than 3% less than the 2008 budget of \$50 million. Had we tracked inflation over the last 6 years, today's budget would be \$55 million. That's a \$5 million (10%) swing.

With this in mind, the City has over the last several years restructured and redeployed its resources. We have reduced staff by 4%, eliminated programs, and instituted numerous cost-cutting measures. We have



accomplished this without noticeable reductions in services and without sacrifices to core services.

The 2014 operating expenditure budget for the General Fund (the primary operating fund) is 4% less than in 2007, but it is 3.9% greater than the 2013 budget.

We believe the economic recovery has begun and our forecast for the future reflects this position. In our own case, we

have numerous ongoing capital projects (A-First, Sunrail). All of these projects are fully funded and their construction will boost the local economy. We are confident the City has the requisite financial wherewithal to weather any foreseeable storms. Our City remains a vibrant, vigorous community offering a full range of suburban amenities, a strong and growing infrastructure, and a financially secure local government.

### Independent Audit

State Statutes require an annual audit of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Commission. The City's auditors, Moore, Stephens, Lovelace, P.A., have conducted the audit and issued their report which can be found in the financial section of this report.

### Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2012. This was the twenty-fourth consecutive year the City has received this award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

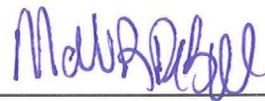
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department staff. Appreciation is extended to all who assisted in the preparation of this report with special recognition to Ms. Cam McCoy, Deputy Finance Director and Ms. Liana Griffiths, Accountant for their tireless efforts in this regard.

Finally, a special acknowledgment goes out to our Mayor and City Commission for their continued support and interest in planning and conducting the financial operations of the City in a responsible and progressive manner. It is a pleasure to work with an elected body with such a real sense of vision.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'F. Martz', written over a horizontal line.

Franklin W. Martz, II  
City Manager

A handwritten signature in blue ink, appearing to be 'Mark B. DeBord', written over a horizontal line.

Mark B. DeBord  
Finance Director

City of Altamonte Springs, Florida

Principal Officials

September 30, 2013

**Elected Officials**

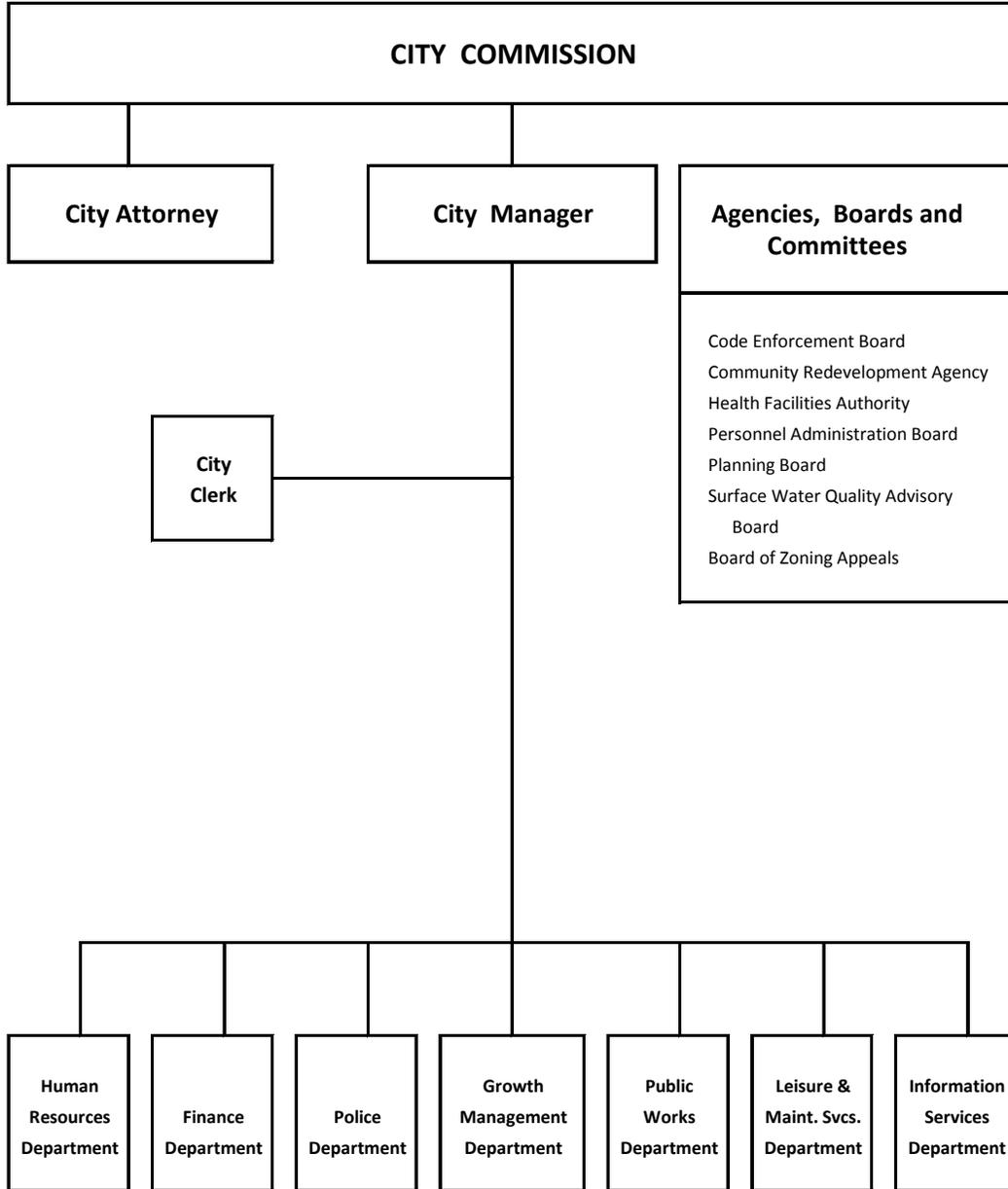
Mayor ..... Pat Bates  
Commissioner ..... Sarah Reece  
Commissioner ..... Jon Batman  
Commissioner ..... Steve Wolfram  
Commissioner ..... Gardner Hussey

**Appointed Officials**

City Manager ..... Franklin W. Martz, II  
City Clerk..... Erin K. O'Donnell  
Director of Finance ..... Mark B. DeBord  
Director of Human Resources..... Allison Marcous  
Director of Leisure and Maintenance Services ..... Shelly Nooft  
Chief of Police ..... Michael J. McCoy  
Director of Public Works..... Eduardo J. Torres  
Director of Growth Management..... Tim Wilson  
Director of Information Services ..... Lawrence DiGioia  
City Attorney ..... James A. Fowler  
Fowler & O'Quinn, P.A.  
City Auditors ..... Moore Stephens Lovelace, P.A.

The City of Altamonte Springs, Florida

Organizational Chart





Government Finance Officers Association

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

Presented to

**City of Altamonte Springs  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

# **Financial Section**

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MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Commission  
Altamonte Springs, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Altamonte Springs, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Honorable Mayor and Members of the City Commission  
Altamonte Springs, 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 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 as a whole. The introductory section, combining and individual fund financial 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 financial statements. The combining and individual major and non-major fund financial 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the 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 February 18, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Moore Stephens Lovelace, P.A.*

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

Orlando, Florida  
February 18, 2014

## City of Altamonte Springs, Florida

### MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2013

The City of Altamonte Springs, Florida's (the "City") Management Discussion and Analysis (the "MD&A") presents an overview of the City's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

#### Financial Highlights

At the close of the fiscal year:

- Assets exceeded liabilities by \$271 million (net position). Of this amount, \$97 million (unrestricted net position) is available to meet the City's ongoing obligations to citizens and creditors.
- Capital assets (land, buildings, infrastructure, etc.) totaled \$156 million net of accumulated depreciation, up \$5 million from the prior year.
- Governmental funds reported combined ending fund balances of \$84 million, a decrease of \$5 million from the prior year.
- Unassigned fund balance for the General Fund was \$27.6 million, up \$1.3 million from the prior year.

During the fiscal year:

- The City spent \$13.4 million on capital acquisitions and construction, up \$3.6 million from last year.
- Revenues from all sources increased \$2.3 million to \$56.8 million, and included \$4.7 million from the sale of certain easements to the Florida Department of Transportation for the widening of Interstate 4.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

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

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, 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 government's net position changed during fiscal year 2013. 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 expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected but earned revenues, and unused vacation leave).

Both of these 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, physical environment, transportation, and culture/recreation. The business-type activities of the City include water and sewer utilities and residential refuse disposal. The government-wide financial statements can be found immediately following the MD&A.

### **Fund financial statements**

A *fund* is a grouping of related accounts that is used to maintain control over 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 a government'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 government'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 several individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Redevelopment Agency Special Revenue Fund, and Infrastructure Sales Tax Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplemental information section of this report.

The City adopts an annual budget for its general and special revenue funds, and project-length budgets for the capital projects funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements may be found immediately following the government-wide financial statements. Budgetary comparisons for the City's General Fund and Community Redevelopment Agency Fund are found within the basic governmental fund financial statements section.

#### *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 two enterprise

funds, one to account for the fiscal activities relating to the water and sewer system and another to account for the fiscal activities of the refuse disposal division. *Internal service funds* are used as an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the City's workers' compensation self-insurance program. Because this fund and reserve predominantly benefit governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds 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 System Fund (which is considered to be a major fund of the City) and the Refuse Disposal Fund.

The basic proprietary fund financial statements follow the statement of revenues, expenditures and changes in fund balances – budget to actual for major governmental funds.

#### *Fiduciary funds*

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting basis used for fiduciary funds is similar to proprietary funds. The City's fiduciary funds consist of two pension trust funds: the Police Officers' Pension Plan fund, and the General Employees' Pension Plan fund. The basic fiduciary fund financial statements can be found in note 9 of the Notes to the Financial Statements.

#### **Notes to the financial statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes can be found after the fiduciary fund financial statements.

#### **Other information**

The combining statements referred to earlier in connection with non-major governmental funds are presented in the other supplemental information section of this report. Combining and individual non-major governmental fund schedules, as well as budgetary comparison schedules for major capital projects funds can be found following the notes to the financial statements.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets of the City exceeded liabilities by \$271 million at the close of the fiscal year ended September 30, 2013. At the end of the fiscal year the City had positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

<b>Statement of Net Position</b> <i>(all amounts are in thousands)</i>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>
<b>Assets</b>						
Current and other assets	\$ 93,630	\$ 90,186	\$ 29,335	\$ 37,011	\$ 122,965	\$ 127,197
Capital assets (net)	72,572	80,136	77,601	75,416	150,173	155,552
Total Assets	<u>\$ 166,202</u>	<u>\$ 170,322</u>	<u>\$ 106,936</u>	<u>\$ 112,427</u>	<u>\$ 273,138</u>	<u>\$ 282,749</u>
<b>Liabilities</b>						
Current and other liabilities	\$ 4,020	\$ 5,521	\$ 2,401	\$ 2,427	\$ 6,421	\$ 7,948
Long-term liabilities	2,443	2,722	591	603	3,034	3,325
Total Liabilities	<u>\$ 6,463</u>	<u>\$ 8,243</u>	<u>\$ 2,992</u>	<u>\$ 3,030</u>	<u>\$ 9,455</u>	<u>\$ 11,273</u>
<b>Net Position</b>						
Invested in capital assets, net of related debt	\$ 72,572	\$ 80,136	\$ 77,601	\$ 75,416	\$ 150,173	\$ 155,552
Restricted	17,782	5,967	5,349	12,989	23,131	18,956
Unrestricted	69,385	75,976	20,995	20,993	90,380	96,969
Total Net Assets	<u>\$ 159,739</u>	<u>\$ 162,079</u>	<u>\$ 103,945</u>	<u>\$ 109,398</u>	<u>\$ 263,684</u>	<u>\$ 271,477</u>

The largest portion of the City's net position (57%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure). The City uses these capital assets to provide services to citizens; consequently, 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.

The City has *restricted net position* totaling \$19 million for utility improvements, law enforcement and transportation system improvements. The remaining balance of *unrestricted net position* totaling \$97 million is available to meet the City's ongoing obligations to citizens and creditors.

Net position increased by \$7.8 million during the year. Of this amount, governmental activities added \$3.3 million, accounting for 43% percent of the total growth in net position. Business-type activities added \$4.5 million to net position. Key elements of the increase in net position follow:

<b>Changes in Net Position</b> <i>(all amounts are in thousands)</i>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 10,622	\$ 9,389	\$ 18,070	\$ 18,292	\$ 28,692	\$ 27,681
Operating grants & contributions	137	200	-	-	137	200
Capital grants and contributions	-	-	475	159	475	159
General revenues						
Property taxes	6,514	6,444	-	-	6,514	6,444
Other taxes	11,095	11,143	-	-	11,095	11,143
Other	6,765	6,243	837	4,933	7,602	11,176
Total revenues	<u>\$ 35,133</u>	<u>\$ 33,419</u>	<u>\$ 19,382</u>	<u>\$ 23,384</u>	<u>\$ 54,515</u>	<u>\$ 56,803</u>
<b>Expenses</b>						
General government	\$ 9,954	\$ 10,367	\$ -	\$ -	\$ 9,954	\$ 10,367
Public safety	11,509	11,648	-	-	11,509	11,648
Physical environment	1,435	1,288	18,365	18,931	19,800	20,219
Transportation	1,762	1,814	-	-	1,762	1,814
Culture/recreation	4,706	4,962	-	-	4,706	4,962
Total expenses	<u>\$ 29,366</u>	<u>\$ 30,079</u>	<u>\$ 18,365</u>	<u>\$ 18,931</u>	<u>\$ 47,731</u>	<u>\$ 49,010</u>
Increase (decrease) in net assets	\$ 5,767	\$ 3,340	\$ 1,017	\$ 4,453	\$ 6,784	\$ 7,793
<b>Other financing sources (uses)</b>						
Transfers in (out)	-	(1,000)	-	1,000	-	-
<b>Net Position</b>						
Beginning of year	<u>153,973</u>	<u>159,739</u>	<u>102,928</u>	<u>103,945</u>	<u>256,901</u>	<u>263,684</u>
End of year	<u>\$ 159,740</u>	<u>\$ 162,079</u>	<u>\$ 103,945</u>	<u>\$ 109,398</u>	<u>\$ 263,685</u>	<u>\$ 271,477</u>

**Governmental activities**

Fiscal year 2013 expenses for governmental activities totaled over \$30.1 million, an increase of \$713,000 (2.4%) from the prior year as shown in the following schedule.

Governmental Activities - Expenses and Program Revenues (all amounts are in thousands)						
Functions / Programs	2012			2013		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses	Program Revenues	Net (Expense) Revenue
General government	\$ 9,954	\$ 5,007	\$ (4,947)	\$ 10,367	\$ 4,788	\$ (5,579)
Public safety	11,509	2,213	(9,296)	11,648	1,867	(9,781)
Physical environment	1,435	2,005	570	1,288	1,959	671
Transportation	1,762	842	(920)	1,814	196	(1,618)
Culture/recreation	4,706	692	(4,014)	4,962	779	(4,183)
	<u>\$ 29,366</u>	<u>\$ 10,759</u>	<u>\$ (18,607)</u>	<u>\$ 30,079</u>	<u>\$ 9,589</u>	<u>\$ (20,490)</u>

Directly offsetting expenses for governmental activities were program revenues. These include charges for services, operating grants, and contributions. Charges for services revenues totaled \$9.4 million in 2013, a decrease of \$1.0 million from 2012. This decrease is the net result of several increases and decreases. Revenues from the local infrastructure sales tax fell \$464,000. Authorization for this 10 year tax expired in 2012. Revenues charged to other funds by the Workers Compensation Fund fell \$306,000 reflecting significant reduction in worker compensation claims paid. Revenues from impact fees, building inspection and permit fees fell collectively \$647,000. The Adventist Health System national headquarters building construction during 2012 included \$1.1 million of fees not completely repeated in 2013. Revenue from special duty for off duty police officers fell \$62,000 and code enforcement fines fell \$48,000. Neither of these sources are predictable or reliable so we seldom give much weight to them in preparing the annual budget.

On a brighter note the City collected an additional \$56,000 in occupational license fee, up 7% from 2012, a welcome trend in the right direction. Finally, we were able to collect reimbursement of City Attorney fees in excess of \$134,000. We now require developers who wish to negotiate complex development agreements to pay the City's attorney fees.

Governmental activities general revenues totaled \$23.8 million for 2013, down \$543,000 from the prior year. This was led by a \$2.4 million decrease in investment income. The City's investment portfolio experienced a \$1.47 million unrealized gain in value in 2012. This was followed by a \$689,000 unrealized loss in 2013, a swing of nearly \$2.2 million from one year to the next. This reflects changes in the bond market. The annual rate of return on the

Governmental Activities - Revenues by Source (all amounts are in thousands)			
	2012	2013	Increase (Decrease)
<b>Program revenues</b>			
Charges for services	\$ 10,622	\$ 9,389	\$ (1,233)
Operating grants and contributions	137	200	63
	<u>\$ 10,759</u>	<u>\$ 9,589</u>	<u>\$ (1,170)</u>
<b>General revenues</b>			
Property tax	\$ 6,514	\$ 6,444	\$ (70)
Franchise tax	4,478	4,360	(118)
Utility tax	3,479	3,659	180
Communications services tax	2,423	2,484	61
Local option gas tax	714	640	(74)
Intergovernmental revenues	3,529	3,700	171
Investment income	2,713	289	(2,424)
Other miscellaneous revenues	524	2,255	1,731
	<u>\$ 24,374</u>	<u>\$ 23,831</u>	<u>\$ (543)</u>
	<u>\$ 35,133</u>	<u>\$ 33,420</u>	<u>\$ (1,713)</u>

Barclay U.S. Aggregate Bond Index was 4.22% in 2012 followed by loss of 2.02% in 2013 as more money left the safe confines of low risk/low return bonds to return to the higher risk/higher return equities markets. Other general revenue items with significant differences include an increase of \$1.7 million in other miscellaneous revenues. This included the return of \$445,000 from the Lynx regional bus system for unused project funds and developer reimbursement of \$1.9 million for the construction of Westtown Parkway.

**Business-type activities**

The City’s business-type activities consist of the City’s water and sewer system and residential refuse disposal operation. These activities increased the City’s total net position by \$5.4 million from fiscal year 2012 to 2013.

Expenses for business-type activities totaled just over \$18.9 million for 2013, \$565,000 more than 2012. Increases included \$100,000

to cover rising employee retirement and health care costs, \$129,000 for repairs to aging equipment, \$111,000 to replace computers and other small electronic devices, and an additional \$100,000 for consulting engineer services. Other increases are the result of ordinary inflationary pressures.

Functions / Programs	2012			2013		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses	Program Revenues	Net (Expense) Revenue
Water and sewer	\$ 16,707	\$ 16,829	\$ 122	\$ 17,185	\$ 16,764	\$ (421)
Refuse disposal	1,658	1,716	58	1,746	1,687	(59)
	<u>\$ 18,365</u>	<u>\$ 18,545</u>	<u>\$ 180</u>	<u>\$ 18,931</u>	<u>\$ 18,451</u>	<u>\$ (480)</u>

	2012	2013	Increase (Decrease)
Charges for services	\$ 18,070	\$ 18,292	\$ 222
Capital contributions	475	159	(316)
Investment income	792	110	(682)
Gain (loss) on disposal of fixed assets	33	4,760	4,727
Other income	12	63	51
	<u>\$ 19,382</u>	<u>\$ 23,384</u>	<u>\$ 4,002</u>

Revenues for the City’s business-type activities came primarily (78%) from charges to customers for the services provided. Revenues from charges for services were \$18.3 million, up \$222,000 from 2012 reflecting an annual rate increase. Capital contributions for 2013 totaled \$159,000, a decrease from the 2012 amount of \$475,000.

Investment income for 2013 was \$110,000, down \$682,000 from 2012. As noted previously this reflects the general change in the bond market, the City’s primary investment types.

During 2013 the City received \$4.7 million from the sale of certain easements to the Florida Department of Transportation for the widening of Interstate 4. This money will be used to partially offset the costs of the construction of the A-First pipeline from Altamonte Springs to the City of Apopka. This pipeline will carry stormwater from Interstate 4 to the City of Apopka to be used for irrigation and other non-potable uses.

**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,

*unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$84 million, a decrease of \$4.8 million in comparison with the prior year. The City reports fund balance in one of five categories. The specific categories and amounts are as follows; nonspendable (\$238,000), restricted (\$6 million), committed (\$41.1 million), assigned (\$9.1 million), and unassigned (\$27.6 million).

The General Fund is the primary operating fund of the City. At the end of fiscal year 2013, unassigned fund balance of the General Fund was \$27.6 million, while total fund balance reached \$28.3 million. 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 and transfers out. Unassigned fund balance represents 96% of the total budgeted general fund expenditures and transfers out, while total fund balance represents 99% of that same amount.

The fund balance of the City's General Fund increased \$1.2 million during the current fiscal year. Revenues totaled \$29.9 million, some \$369,000 (1.2%) more than anticipated. Many of the City's General Fund revenues driven by the economy came in at less than expected. This included a difference of \$294,000 in revenues from franchise taxes, communications services taxes, and local gas taxes. Investment income was \$512,000 less than anticipated reflecting the general downturn in bond investments experienced by all similarly situated investors. Offsetting these decreases were revenues from contributions to the City's Science Incubator program totaling \$400,000, charges for services which exceeded budgetary expectations by \$254,000, new highs in revenues from state shared revenues adding another \$193,000 to City coffers, and a \$70,000 jump in revenues from occupational business licenses

Expenditures and transfers out were \$28.7 million, \$2.2 million (7%) less than budgeted. We continue to make conscious efforts to save money wherever possible. This includes holding vacant positions open a little longer than in the past and really sharpening our pencils on employee benefits. These efforts kept personnel costs \$943,000 (5%) below the budgeted amount. Utility costs were \$102,000 less than budgeted as anticipated rate increases did not occur. We did not spend \$108,000 set aside for sidewalks as we shifted this to our new neighborhood enhancement program. We reigned in \$73,000 (27%) of spending on computer system contracts as we anticipate purchasing a new, comprehensive system in 2014. Insurance premiums for general liability and property insurance fell \$72,000 (19%). We suspended and ultimately instituted wholesale changes to "Life in Altamonte", our citizen magazine, saving \$117,000 in 2013. Cost will increase in 2014 but not to the same extent. Finally, cost of gasoline and other petroleum products were \$98,000 (10%) less than budgeted as price increases were not as steep as anticipated. As we have noted in the past credit for savings like these goes directly to our employees who continue to keep savings to the taxpayer in mind in their everyday work

The Community Redevelopment Agency Fund, a major governmental fund, is used to account for monies from the incremental increase in property tax revenue collected within the designated redevelopment area. Consistent with State law, revenues are utilized and expended in accordance with the community redevelopment plan.

<b>Tax Increment District</b>			
<b>Tax Increment Values and Payments</b>			
	<b>2012</b>	<b>2013</b>	<b>Increase (Decrease)</b>
Taxable value	\$ 684,485,412	\$ 679,622,558	\$ (4,862,854)
Less: base year value	(284,022,787)	(284,022,787)	-
Net taxable value	<u>\$ 400,462,625</u>	<u>\$ 395,599,771</u>	<u>\$ (4,862,854)</u>
Combined City/County tax rate per \$1,000 of value)	7.77	7.77	-
Tax increment payments			
County	\$ 1,854,681	\$ 1,832,159	\$ (22,522)
City	1,099,470	1,086,119	(13,351)
Tax increment payments	<u>\$ 2,954,151</u>	<u>\$ 2,918,278</u>	<u>\$ (35,873)</u>

At the end of fiscal year 2013, total fund balance was \$17.2 million, an increase of \$1.6 million from the prior year.

Total fund balance includes a nonspendable portion of \$11,000 offsetting prepaid expenditures. The remaining balance in total fund balance is committed for the exclusive use of the CRA.

Total revenues fell \$408,000 (16%) from the prior year. The lion's share of this decrease was attributable to investment income which fell \$415,000 (89%) reflecting the general downturn in bond investments experienced by all similarly situated investors. Revenues from events at Cranes Roost Park were up \$30,000 (12%) as this venue becomes more popular. Revenues from tax increments fell \$35,000 from 2012 to 2013 as taxable values fell slightly from \$684 million to \$679 million. Fortunately, values have risen 4% going into 2014. Expenditures for 2013 were \$145,000 more than the prior year. The City spent \$98,000 towards the improvement of Cranes Roost Park and an additional \$63,000 in legal fees as negotiations with large developers continue.

The Capital Projects Fund is used to account for revenues and expenditures for capital acquisition and construction not otherwise accounted for in any other fund. The fund ended fiscal 2013 with a fund balance of \$9.2 million, an increase of \$894,000 from the prior year. Revenues and transfers in totaled \$4.7 million in 2013. Typically, resources come from an annual transfer from the General Fund of \$2.25 million. In 2013, in addition to this transfer, the fund received revenues from two extraordinary items. The first was a refund of \$445,000 from the Lynx regional bus system for unused project funds and developer reimbursement of \$1.9 million for the construction of Westtown Parkway. Expenditures included \$610,000 for vehicle replacements, \$426,000 for repaving of City streets, \$334,000 for improvements to various parks, and, \$200,000 for replacement of computers.

The Infrastructure Sales Tax Fund, the last of the City's major governmental funds, is used to account for the accumulation and use of infrastructure sales tax revenues. This ended in 2012. There was \$14,000 in residual revenues returned to the City in 2013 but nothing else. Expenditures for 2013 included \$6.7 million for construction of Gateway Drive and \$1.03 million for construction of Westtown Parkway. The fund balance at the end of 2013 was \$10.7 million.

#### **Enterprise funds**

The City's enterprise funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The City has two enterprise funds, the Water and Sewer System Fund (which is a major fund) and the Refuse Disposal Fund. The value of unrestricted net position of the enterprise funds at the end of the year was \$21 million. Total net position of the enterprise funds at year end was \$109 million, up \$5.4 million from 2012. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

**General Fund Budgetary Highlights**

There were no material changes to the \$30 million General Fund budget during 2013. A summary of the budgeted and actual revenues, expenditures and changes in fund balance are shown in the following table.

General Fund actual revenues were \$371,000 more than the budgeted amount owing to a variety of factors. Revenues from taxes were \$104,000 less than budgeted. Revenues from the utility tax and franchise fee on the sale of electricity totaled \$6.83 million in 2013, \$170,000 less than the projected amount of \$7 million. The fall in these revenues for 2013 was the result of overall much milder weather reducing electrical demand for cooling and heating. Falling demand for gasoline caused 2013 gas tax revenues to come up \$100,000 short of the budgeted amount of \$740,000.

Intergovernmental revenues exceeded the budget by \$249,000 (7%). Revenues from the local sales tax were \$144,000 more than the budget. Revenues from the Municipal Revenue Sharing exceeded the budget by \$50,000.

Charges for service revenues exceeded the budget by \$254,000 (4%). Recreation fees exceeded budgetary expectations by \$73,000 (11%) as new program fees kick in along with greater participation. We received \$134,000 in reimbursements for the time the City Attorney spent negotiating with developers. Zoning fees exceeded the budget by \$44,000 and money received from Seminole County to reimburse the City for fuel exceeded the budget by \$39,000.

Revenues from fines and forfeitures were \$30,000 more than budgeted. This was the result of code enforcement fines exceeding the budget by \$45,000. On the flip side, revenues from traffic fines were \$14,000 less than budgeted.

Investment income totaled only \$88,000 in 2013, which is \$512,000 less than budgeted. This reflects changes in the bond market. The annual rate of return on the Barclay U.S. Aggregate Bond Index was 4.22% in 2012 followed by a loss of 2.02% in 2013 as more money left the safe confines of low risk/low return bonds to return to the higher risk/higher return equities markets.

Miscellaneous revenues other than investment income totaled \$879,000 in 2013, or \$383,000 more than budgeted. This includes an unanticipated \$216,000 in donations to the Science Incubator program as more and more sponsors climb aboard this exciting new program. Additionally, the City received \$156,000 (vs the \$50,000 budgeted) in reimbursements for prior year insurance premiums from the insurance trust.

<b>General Fund</b>				
<b>Summary Schedule of Revenues, Expenditures and Changes in Fund Balance</b>				
<i>(all amounts are in thousands)</i>				
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	
Revenues and transfers in				
Taxes	\$ 17,691	\$ 17,587	\$ (104)	-1%
Licenses and permits	835	904	69	8%
Intergovernmental revenues	3,651	3,900	249	7%
Charges for services	5,932	6,186	254	4%
Fines and forfeitures	324	354	30	9%
Investment income	600	88	(512)	-85%
Miscellaneous revenues	496	879	383	77%
	<u>\$ 29,529</u>	<u>\$ 29,898</u>	<u>\$ 369</u>	<u>1.2%</u>
Expenditures and transfers out				
Current:				
General government	\$ 12,549	\$ 11,666	\$ 883	7%
Public safety	10,300	9,347	953	9%
Transportation	763	637	126	17%
Culture/Recreation	3,834	3,594	240	6%
Transfers out	3,499	3,486	13	0%
	<u>\$ 30,945</u>	<u>\$ 28,730</u>	<u>\$ 2,215</u>	<u>7%</u>
Revenues and transfers over (under) expenditures and transfers out	\$ (1,416)	\$ 1,168	\$ 2,584	182%
Fund Balance				
Beginning of year	<u>27,133</u>	<u>27,133</u>	-	-
End of year	<u>\$ 25,717</u>	<u>\$ 28,301</u>	<u>\$ 2,584</u>	<u>10%</u>

Actual expenditures in the General Fund were \$2.2 million (7%) less than budgeted. In a continuing effort begun in 2008, City management directed all City departments to hold spending down across the board. This includes keeping vacated positions open longer and reducing or freezing non-essential and non-core service expenses.

For 2013, expenditures for personal services (employee salaries and benefits) were \$18.1 million, or about 95% of the budgeted amount of \$19 million. This is consistent with the historical ratio of actual to budget expenditures for personal services.

Operating expenditures other than personal services were \$1.2 less than budgeted. Utility costs were \$102,000 less than budgeted as anticipated rate increases did not occur. We did not spend \$108,000 set aside for sidewalks as we shifted this to our new neighborhood enhancement program. We suspended and ultimately instituted wholesale changes to “Life in Altamonte”, our citizen magazine, saving \$117, 000 in 2013. Cost will increase in 2014 but not to the same extent. The cost of gasoline and other petroleum products was \$98,000 (10%) less than budgeted as price increases were not as steep as anticipated. We reigned in \$85,000 of spending on computer system contracts as we anticipate purchasing a new, comprehensive system in 2014. Insurance premiums for general liability and property insurance fell \$72,000 (19%). Finally, changes in our phone system yielded annual savings of \$85,000. These and other savings too numerous to mention are the direct result of continued efforts by the City’s rank and file employees to keep costs down.

<b>Capital Assets</b> <i>(all amounts are in thousands)</i>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 9,797	\$ 644	\$ 10,441
Buildings and improvements	56,902	12,481	69,383
Water and sewer system	-	140,659	140,659
Infrastructure	35,262	-	35,262
Machinery and equipment	12,019	6,282	18,301
Construction in progress	12,389	2,768	15,157
	<u>\$ 126,369</u>	<u>\$ 162,834</u>	<u>\$ 289,203</u>
Accumulated depreciation	<u>(46,233)</u>	<u>(87,189)</u>	<u>(133,422)</u>
Capital assets, net	<u>\$ 80,136</u>	<u>\$ 75,645</u>	<u>\$ 155,781</u>

### Capital Assets and Debt Administration

#### Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2013 amounted to \$156 million (net of accumulated depreciation). This investment includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total net increase in the City’s investment in capital assets for the current fiscal year was \$5.4 million.

For governmental activities additions to capital assets in fiscal year 2013 totaled \$13 million. Construction in progress at the end of the fiscal year totaled \$12.4 million, up \$8.8 million from the previous year’s total of \$3.6 million. This included assets previously classified as construction in progress valued at \$1.2 million being placed into service, as well as new expenditures totaling \$10 million incurred during 2013. Significant projects completed and placed into service during 2013 included:

- Upgrades to various City buildings totaling \$396,000.
- Improvements to various City parks and recreation buildings totaling \$367,000.
- Enhancement of burglar and fire alarms and monitoring systems at most City buildings totaling \$365,000.
- Improvement of the railroad crossing at Ballard Road at a cost of \$52,000.

In business-type activities the City added capital assets with a value of just over \$2.6 million in 2013. This included an increase of \$4.4 million in the water and sewer system offset by a \$2.6 million decrease in construction in

progress (projects underway but not completed as of the end of the fiscal year) as several projects were completed and placed into service. Significant projects completed and placed into service during 2013 included:

- Spring Lake Force Main with cost totaling \$588,000.
- Replacement of the roof at one of the buildings at the Wastewater Treatment Facility at \$146,000.

Additional information on the City’s capital assets can be found in Note 6 of this report.

**Long-term debt**

At the end of fiscal year 2013, the City had total long-term liabilities of \$3.2 million. The City has no bonded indebtedness. Long-term debt consists of compensated absences and other post employment benefits (retiree health subsidy). As of September 30, 2013, the City had an outstanding balance of \$2.3 million in compensated absences. Finally, the City reports \$830,969 in other post employment benefits.

<b>Long-term Debt</b> <i>(all amounts are in thousands)</i>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Compensated absences	\$ 1,948	\$ 423	\$ 2,371
Other post employment benefits	652	179	831
<b>Total</b>	<b>\$ 2,600</b>	<b>\$ 602</b>	<b>\$ 3,202</b>

Additional information on the City’s debt can be found in Note 7 of this report. Additional information on other post employment benefits can be found in Note 10 of this report.

**Economic Factors and Future Year’s Budgets and Rates**

The City is in excellent financial condition. At the end of 2013 the unassigned fund balance of the City’s primary operating fund, the General Fund, stood at \$27.6 million, an increase of \$1.3 million from the prior year. The City has appropriated nearly \$2.4 million of this amount for spending in the 2014 fiscal year budget. The ad valorem tax rate for the General Fund for the 2014 fiscal year budget is 2.89 mills, the same rate as 2013.

In 2013 the City’s business-type activities, consisting of the City’s water and sewer fund and refuse disposal fund, saw an increase in net position of \$5.4 million, raising the value of net position to \$109 million. Rates for potable water and sewer services were increased 2.5% for residential customers and 3% for commercial customers. Similar increases were instituted for 2014.

**Requests for Information**

This financial report is designed to present users with a general overview of the City’s finances and to demonstrate the City’s accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City’s Finance Department, 225 Newburyport Avenue, Altamonte Springs, Florida 32701.

City of Altamonte Springs, Florida

STATEMENT OF NET POSITION

September 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 4,580,800	\$ 1,323,787	\$ 5,904,587
Investments	68,592,632	18,878,366	87,470,998
Restricted assets	12,598,081	14,346,229	26,944,310
Special assessments receivable	38,415	-	38,415
Accounts receivable	3,187,702	2,097,577	5,285,279
Accrued interest receivable	183,123	53,624	236,747
Due from other governments	728,261	-	728,261
Inventories	120,422	210,212	330,634
Prepays	156,343	101,430	257,773
Capital assets not being depreciated	22,186,323	3,412,401	25,598,724
Capital assets net of accumulated depreciation	57,949,954	72,003,923	129,953,877
	<u>\$ 170,322,056</u>	<u>\$ 112,427,549</u>	<u>\$ 282,749,605</u>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 2,523,943	\$ 816,060	\$ 3,340,003
Accrued liabilities	2,076,367	243,365	2,319,732
Due to other governments	7,119	3,071	10,190
Unearned revenues	713,715	-	713,715
Refundable impact fees	120,341	50,830	171,171
Prepaid connection fees	-	106,076	106,076
Deposits	79,393	1,207,616	1,287,009
Long-term liabilities:			
Due within one year			
Compensated absences	779,166	169,345	948,511
Due in more than one year			
Compensated absences	1,168,750	254,018	1,422,768
Net pension obligation	122,590	-	122,590
Other post employment benefits	651,611	179,358	830,969
	<u>\$ 8,242,995</u>	<u>\$ 3,029,739</u>	<u>\$ 11,272,734</u>
<b><u>Net Position</u></b>			
Invested in capital assets	\$ 80,136,277	\$ 75,416,324	\$ 155,552,601
Restricted for:			
Capital improvements	-	12,988,753	12,988,753
Law enforcement	639,280	-	639,280
Transportation improvements	5,327,193	-	5,327,193
Unrestricted	75,976,311	20,992,733	96,969,044
	<u>\$ 162,079,061</u>	<u>\$ 109,397,810</u>	<u>\$ 271,476,871</u>

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2013

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 10,367,430	\$ 4,788,065	\$ -	\$ -
Public safety	11,647,867	1,682,678	184,483	-
Physical environment	1,288,459	1,958,704	-	-
Transportation	1,814,099	195,925	-	-
Culture/Recreation	4,961,998	763,670	15,596	-
Total Governmental Activities	\$ 30,079,853	\$ 9,389,042	\$ 200,079	\$ -
Business-type Activities:				
Water and sewer	\$ 17,184,906	\$ 16,604,720	\$ -	\$ 158,950
Refuse disposal	1,746,260	1,686,823	-	-
Total Business-type Activities	\$ 18,931,166	\$ 18,291,543	\$ -	\$ 158,950
Total	\$ 49,011,019	\$ 27,680,585	\$ 200,079	\$ 158,950

General Revenues:  
 Property tax  
 Franchise fee tax  
 Utility tax  
 Communications services tax  
 Local option gas tax  
 Intergovernmental revenues - unrestricted  
 Investment income  
 Other miscellaneous revenues  
 Transfers in (out)  
 Total General Revenues/Transfers  
 Change in Net Position  
 Net Position:  
 Beginning of Year  
 End of Year

The accompanying notes are an integral part of the financial statements.

**Net (Expense) Revenue and  
Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (5,579,365)	\$ -	\$ (5,579,365)
(9,780,706)	-	(9,780,706)
670,245	-	670,245
(1,618,174)	-	(1,618,174)
(4,182,732)	-	(4,182,732)
<u>\$ (20,490,732)</u>	<u>\$ -</u>	<u>\$ (20,490,732)</u>
\$ -	\$ (421,236)	\$ (421,236)
-	(59,437)	(59,437)
<u>\$ -</u>	<u>\$ (480,673)</u>	<u>\$ (480,673)</u>
\$ (20,490,732)	\$ (480,673)	\$ (20,971,405)
\$ 6,443,901	\$ -	\$ 6,443,901
4,359,505	-	4,359,505
3,659,368	-	3,659,368
2,484,421	-	2,484,421
640,025	-	640,025
3,699,946	-	3,699,946
288,752	109,379	398,131
2,254,570	4,823,794	7,078,364
(1,000,000)	1,000,000	-
<u>\$ 22,830,488</u>	<u>\$ 5,933,173</u>	<u>\$ 28,763,661</u>
\$ 2,339,756	\$ 5,452,500	\$ 7,792,256
<u>159,739,305</u>	<u>103,945,310</u>	<u>263,684,615</u>
<u>\$ 162,079,061</u>	<u>\$ 109,397,810</u>	<u>\$ 271,476,871</u>

City of Altamonte Springs, Florida

Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2013

	General	Community Redevelopment Agency	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 1,470,966	\$ 1,158,572	\$ 506,652	\$ 814,822	\$ 1,341,589	\$ 5,292,601
Investments	26,708,603	16,202,743	7,056,329	11,335,535	17,484,359	78,787,569
Receivables -						
Special assessments	-	-	38,415	-	-	38,415
Accounts receivable	1,246,372	-	1,913,939	-	27,391	3,187,702
Accrued interest	71,305	43,257	18,838	30,263	46,678	210,341
Due from other governments	728,261	-	-	-	-	728,261
Inventories	120,422	-	-	-	-	120,422
Prepays	100,766	11,194	-	-	5,976	117,936
<b>Total Assets</b>	<b>\$ 30,446,695</b>	<b>\$ 17,415,766</b>	<b>\$ 9,534,173</b>	<b>\$ 12,180,620</b>	<b>\$ 18,905,993</b>	<b>\$ 88,483,247</b>
<b>Liabilities and Fund Balances</b>						
Liabilities:						
Accounts payable	\$ 563,283	\$ 105,341	\$ 337,597	\$ 1,453,862	\$ 59,294	\$ 2,519,377
Due to other governments	7,119	-	-	-	-	7,119
Accrued liabilities	830,671	19,756	-	-	61,331	911,758
Deposits	74,393	-	-	-	5,000	79,393
Refundable impact fees	-	120,341	-	-	-	120,341
Unearned revenues	669,737	5,563	38,415	-	-	713,715
<b>Total Liabilities</b>	<b>\$ 2,145,203</b>	<b>\$ 251,001</b>	<b>\$ 376,012</b>	<b>\$ 1,453,862</b>	<b>\$ 125,625</b>	<b>\$ 4,351,703</b>
Fund Balances:						
Nonspendable	\$ 221,188	\$ 11,194	\$ -	\$ -	\$ 5,976	\$ 238,358
Restricted	244,962	-	-	5,327,193	413,682	5,985,837
Committed	218,616	17,153,571	22,446	5,399,565	18,360,710	41,154,908
Assigned	-	-	9,135,715	-	-	9,135,715
Unassigned	27,616,726	-	-	-	-	27,616,726
<b>Total Fund Balances</b>	<b>\$ 28,301,492</b>	<b>\$ 17,164,765</b>	<b>\$ 9,158,161</b>	<b>\$ 10,726,758</b>	<b>\$ 18,780,368</b>	<b>\$ 84,131,544</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 30,446,695</b>	<b>\$ 17,415,766</b>	<b>\$ 9,534,173</b>	<b>\$ 12,180,620</b>	<b>\$ 18,905,993</b>	<b>\$ 88,483,247</b>

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Reconciliation of the Balance Sheet to the Statement of Net Position

GOVERNMENTAL FUNDS

September 30, 2013

**Total fund balances of governmental funds** \$ 84,131,544

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$126,369,462 and the accumulated depreciation is \$46,233,185. 80,136,277

The net pension asset is not an available resource and, therefore, is not reported in the funds. (122,590)

The internal service funds are used by management to charge the cost of risk management services and employee health insurance premiums to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. 533,357

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Long-term liabilities at year-end consisted of:

Compensated absences	(1,947,916)	
Other post employment benefits	(651,611)	(2,599,527)
		<hr/>

Total net position of governmental activities \$ 162,079,061

*The accompanying notes are an integral part of the financial statements.*

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2013

	General	Community Redevelopment Agency	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Revenues</b>						
Taxes	\$ 17,587,220	\$ -	\$ -	\$ -	\$ -	\$ 17,587,220
Licenses and permits	904,405	-	-	-	-	904,405
Intergovernmental revenues	3,900,025	1,832,159	-	14,119	291,186	6,037,489
Charges for services	6,185,732	275,056	-	-	3,073,544	9,534,332
Fines and forfeitures	353,741	-	-	-	134,222	487,963
Impact fees	-	-	-	-	206,977	206,977
Investment income	87,725	50,803	27,430	60,404	56,927	283,289
Miscellaneous revenues	879,495	-	2,444,358	-	30,614	3,354,467
Total Revenues	\$ 29,898,343	\$ 2,158,018	\$ 2,471,788	\$ 74,523	\$ 3,793,470	\$ 38,396,142
<b>Expenditures</b>						
Current:						
General government	\$ 11,665,858	\$ 1,631,307	\$ -	\$ -	\$ -	\$ 13,297,165
Public safety	9,347,138	-	-	-	1,537,426	10,884,564
Physical environment	-	-	-	-	953,087	953,087
Transportation	636,863	157,830	-	-	-	794,693
Culture/Recreation	3,594,293	-	-	-	-	3,594,293
Capital Outlay	-	-	3,828,013	7,956,949	887,357	12,672,319
Total Expenditures	\$ 25,244,152	\$ 1,789,137	\$ 3,828,013	\$ 7,956,949	\$ 3,377,870	\$ 42,196,121
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 4,654,191	\$ 368,881	\$ (1,356,225)	\$ (7,882,426)	\$ 415,600	\$ (3,799,979)
<b>Other Financing Sources or (Uses)</b>						
Transfers in	\$ -	\$ 1,236,119	\$ 2,250,000	\$ -	\$ -	\$ 3,486,119
Transfers (out)	(3,486,119)	-	-	-	(1,000,000)	(4,486,119)
Total Other Financing Sources and (Uses)	\$ (3,486,119)	\$ 1,236,119	\$ 2,250,000	\$ -	\$ (1,000,000)	\$ (1,000,000)
Net Change in Fund Balances	\$ 1,168,072	\$ 1,605,000	\$ 893,775	\$ (7,882,426)	\$ (584,400)	\$ (4,799,979)
<b>Fund Balances</b>						
Beginning of year	27,133,420	15,559,765	8,264,386	18,609,184	19,364,768	88,931,523
End of year	\$ 28,301,492	\$ 17,164,765	\$ 9,158,161	\$ 10,726,758	\$ 18,780,368	\$ 84,131,544

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2013

Net change in fund balances - total governmental funds \$ (4,799,979)

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which total capital purchases (\$13,014,371) exceeded depreciation (\$4,329,263) in the current period. 8,685,108

Governmental funds do not report gains or losses on sales of fixed assets. (1,121,081)

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. These adjustments for compensated absences (\$45,718) and other post employment benefits (\$110,986) totaled: (156,704)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (122,590)

The internal service funds are used by management to charge the costs of risk management services and employee health insurance premiums to other funds. The increase in net assets of the internal service fund is reported with governmental activities. (144,998)

Change in net position of governmental activities \$ 2,339,756

*The accompanying notes are an integral part of the financial statements.*

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

GENERAL FUND

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes				
Property tax	\$ 6,407,934	\$ 6,407,934	\$ 6,443,901	\$ 35,967
Franchise fees	4,527,500	4,527,500	4,359,505	(167,995)
Utility tax	3,505,300	3,505,300	3,659,368	154,068
Communications services tax	2,510,000	2,510,000	2,484,421	(25,579)
Local option gas tax	740,000	740,000	640,025	(99,975)
	<u>\$ 17,690,734</u>	<u>\$ 17,690,734</u>	<u>\$ 17,587,220</u>	<u>\$ (103,514)</u>
Licenses and Permits				
Local business licenses	\$ 826,000	\$ 826,000	\$ 890,549	\$ 64,549
Building permits	8,550	8,550	13,856	5,306
	<u>\$ 834,550</u>	<u>\$ 834,550</u>	<u>\$ 904,405</u>	<u>\$ 69,855</u>
Intergovernmental Revenues				
Federal and state grants	\$ -	\$ -	\$ 49,249	\$ 49,249
Local grants	80,800	80,800	79,000	(1,800)
State revenue sharing	1,150,000	1,150,000	1,200,170	50,170
Sales taxes	2,360,000	2,360,000	2,503,928	143,928
Other intergovernmental revenues	60,000	60,000	67,678	7,678
	<u>\$ 3,650,800</u>	<u>\$ 3,650,800</u>	<u>\$ 3,900,025</u>	<u>\$ 249,225</u>
Charges for Services				
General government charges	\$ 4,881,150	\$ 4,881,150	\$ 5,119,459	\$ 238,309
Public safety charges	353,850	353,850	287,780	(66,070)
Transportation	-	2,000	9,233	7,233
Physical environment charges	4,000	4,000	5,590	1,590
Culture/Recreation charges	690,800	690,800	763,670	72,870
	<u>\$ 5,929,800</u>	<u>\$ 5,931,800</u>	<u>\$ 6,185,732</u>	<u>\$ 253,932</u>
Fines and Forfeitures				
	<u>\$ 323,500</u>	<u>\$ 323,500</u>	<u>\$ 353,741</u>	<u>\$ 30,241</u>
Miscellaneous Revenues				
Investment income	\$ 600,000	\$ 600,000	\$ 87,725	\$ (512,275)
Reimbursement for damages	50,000	50,000	154,284	104,284
Sales of surplus equipment	38,000	38,000	59,565	21,565
Contributions	25,500	208,500	419,663	211,163
Other revenue	201,100	201,100	245,983	44,883
	<u>\$ 914,600</u>	<u>\$ 1,097,600</u>	<u>\$ 967,220</u>	<u>\$ (130,380)</u>
Total Revenues	<u>\$ 29,343,984</u>	<u>\$ 29,528,984</u>	<u>\$ 29,898,343</u>	<u>\$ 369,359</u>

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - Continued

GENERAL FUND

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
<b>General Government</b>				
City manager's office	\$ 891,478	\$ 891,478	\$ 972,411	\$ (80,933)
Human resources	454,218	454,218	426,015	28,203
City clerk	412,995	412,995	344,310	68,685
Finance	1,389,103	1,389,103	1,402,973	(13,870)
Information services	1,565,573	1,565,573	1,432,833	132,740
Growth management	858,481	858,481	756,704	101,777
Maintenance services	5,748,801	5,748,801	5,463,915	284,886
Non-departmental	1,228,829	1,228,829	866,697	362,132
<b>Total General Government</b>	<b>\$ 12,549,478</b>	<b>\$ 12,549,478</b>	<b>\$ 11,665,858</b>	<b>\$ 883,620</b>
<b>Public Safety</b>				
Police department	\$ 10,140,466	\$ 10,140,466	\$ 9,210,252	\$ 930,214
Building & life safety inspections	159,561	159,561	136,886	22,675
<b>Total Public Safety</b>	<b>\$ 10,300,027</b>	<b>\$ 10,300,027</b>	<b>\$ 9,347,138</b>	<b>\$ 952,889</b>
<b>Transportation</b>				
Streets maintenance division	\$ 763,497	\$ 763,497	\$ 636,863	\$ 126,634
<b>Total Transportation</b>	<b>\$ 763,497</b>	<b>\$ 763,497</b>	<b>\$ 636,863</b>	<b>\$ 126,634</b>
<b>Culture/Recreation</b>				
Administration	\$ 448,653	\$ 448,653	\$ 450,122	\$ (1,469)
Library	374,124	374,124	389,572	(15,448)
Lake Brantley	68,878	75,378	60,289	15,089
Lake Lotus	463,835	463,835	460,585	3,250
Events management	341,338	341,338	331,915	9,423
Eastmonte park	138,715	138,715	129,186	9,529
Merrill park	107,235	107,235	93,409	13,826
Westmonte park	266,436	266,436	225,655	40,781
Altamonte sports	1,442,233	1,435,733	1,341,452	94,281
Science incubator	-	183,000	112,108	70,892
<b>Total Culture/Recreation</b>	<b>\$ 3,651,447</b>	<b>\$ 3,834,447</b>	<b>\$ 3,594,293</b>	<b>\$ 240,154</b>
<b>Total Expenditures</b>	<b>\$ 27,264,449</b>	<b>\$ 27,447,449</b>	<b>\$ 25,244,152</b>	<b>\$ 2,203,297</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ 2,079,535</b>	<b>\$ 2,081,535</b>	<b>\$ 4,654,191</b>	<b>\$ 2,572,656</b>

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual - Continued

GENERAL FUND

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers Out				
Community redevelopment agency	\$ (1,248,876)	\$ (1,248,876)	\$ (1,236,119)	\$ 12,757
Capital projects fund	(2,250,000)	(2,250,000)	(2,250,000)	-
Total Transfers Out	<u>\$ (3,498,876)</u>	<u>\$ (3,498,876)</u>	<u>\$ (3,486,119)</u>	<u>\$ 12,757</u>
Total Other Financing (Uses)	<u>\$ (3,498,876)</u>	<u>\$ (3,498,876)</u>	<u>\$ (3,486,119)</u>	<u>\$ 12,757</u>
Net Changes in Fund Balance	\$ (1,419,341)	\$ (1,417,341)	\$ 1,168,072	\$ 2,585,413
<b><u>Fund Balance</u></b>				
Beginning of Year	<u>27,133,420</u>	<u>27,133,420</u>	<u>27,133,420</u>	<u>-</u>
End of Year	<u>\$ 25,714,079</u>	<u>\$ 25,716,079</u>	<u>\$ 28,301,492</u>	<u>\$ 2,585,413</u>

*The accompanying notes are an integral part of the financial statements.*

City of Altamonte Springs, Florida

Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

COMMUNITY REDEVELOPMENT AGENCY

For the Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental revenues	\$ 1,853,679	\$ 1,853,679	\$ 1,832,159	\$ (21,520)
Charges for services	242,750	242,750	275,056	32,306
Miscellaneous revenues:				
Investment Income	265,000	265,000	50,803	(214,197)
<b>Total Revenues</b>	<b>\$ 2,361,429</b>	<b>\$ 2,361,429</b>	<b>\$ 2,158,018</b>	<b>\$ (203,411)</b>
<b><u>Expenditures</u></b>				
Current:				
General government	\$ 1,771,700	\$ 1,771,700	\$ 1,631,307	\$ 140,393
Transportation	3,797,500	3,797,500	157,830	3,639,670
<b>Total Expenditures</b>	<b>\$ 5,569,200</b>	<b>\$ 5,569,200</b>	<b>\$ 1,789,137</b>	<b>\$ 3,780,063</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (3,207,771)</b>	<b>\$ (3,207,771)</b>	<b>\$ 368,881</b>	<b>\$ 3,576,652</b>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In:				
General fund	1,248,876	1,248,876	1,236,119	(12,757)
<b>Net Change in Fund Balance</b>	<b>\$ (1,958,895)</b>	<b>\$ (1,958,895)</b>	<b>\$ 1,605,000</b>	<b>\$ 3,563,895</b>
<b><u>Fund Balance</u></b>				
Beginning of year	15,559,765	15,559,765	15,559,765	-
End of year	<u>\$ 13,600,870</u>	<u>\$ 13,600,870</u>	<u>\$ 17,164,765</u>	<u>\$ 3,563,895</u>

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Net Position

PROPRIETARY FUNDS

September 30, 2013

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 1,156,348	\$ 167,439	\$ 1,323,787	\$ 130,894
Investments	17,652,919	1,225,447	18,878,366	1,529,149
Accounts receivable (net)	2,072,910	16,972	2,089,882	-
Accrued interest receivable	50,352	3,272	53,624	4,082
Restricted cash and cash equivalents	858,674	-	858,674	-
Restricted investments	1,207,616	-	1,207,616	-
Restricted accounts receivable (net)	7,695	-	7,695	-
Restricted accrued interest receivable	32,697	-	32,697	-
Prepays	94,368	7,062	101,430	38,407
Inventory	210,212	-	210,212	-
Total Current Assets	<u>\$ 23,343,791</u>	<u>\$ 1,420,192</u>	<u>\$ 24,763,983</u>	<u>\$ 1,702,532</u>
Non-current Assets:				
Restricted assets - connection/impact fees:				
Restricted investments	<u>\$ 12,247,242</u>	<u>\$ -</u>	<u>\$ 12,247,242</u>	<u>\$ -</u>
Capital assets:				
Land	\$ 644,114	\$ -	\$ 644,114	\$ -
Building and improvements	12,365,192	116,172	12,481,364	-
Water and sewer system	140,658,605	-	140,658,605	-
Machinery and equipment	4,461,675	1,820,860	6,282,535	-
Construction in progress	2,768,287	-	2,768,287	-
Less: accumulated depreciation	(86,167,154)	(1,251,427)	(87,418,581)	-
Total capital assets	<u>\$ 74,730,719</u>	<u>\$ 685,605</u>	<u>\$ 75,416,324</u>	<u>\$ -</u>
Total Noncurrent Assets	<u>\$ 86,977,961</u>	<u>\$ 685,605</u>	<u>\$ 87,663,566</u>	<u>\$ -</u>
Total Assets	<u>\$ 110,321,752</u>	<u>\$ 2,105,797</u>	<u>\$ 112,427,549</u>	<u>\$ 1,702,532</u>

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

Statement of Net Position - Continued

PROPRIETARY FUNDS

September 30, 2013

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	\$ 766,254	\$ 49,806	\$ 816,060	\$ 4,566
Accrued liabilities	207,051	36,314	243,365	1,164,609
Customer deposits	1,207,616	-	1,207,616	-
Due to other governments	3,071	-	3,071	-
Refundable impact fees	50,830	-	50,830	-
Prepaid connection fees	106,076	-	106,076	-
Total Current Liabilities	<u>\$ 2,340,898</u>	<u>\$ 86,120</u>	<u>\$ 2,427,018</u>	<u>\$ 1,169,175</u>
Noncurrent Liabilities:				
Compensated absences payable	\$ 360,858	\$ 62,505	\$ 423,363	\$ -
Other post employment benefits	154,748	24,610	179,358	-
Total Noncurrent Liabilities	<u>\$ 515,606</u>	<u>\$ 87,115</u>	<u>\$ 602,721</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 2,856,504</u>	<u>\$ 173,235</u>	<u>\$ 3,029,739</u>	<u>\$ 1,169,175</u>
<b>Net Position</b>				
Invested in capital assets	\$ 74,730,719	\$ 685,605	\$ 75,416,324	\$ -
Restricted for capital outlay	12,988,753	-	12,988,753	-
Unrestricted	19,745,776	1,246,957	20,992,733	533,357
Total Net Position	<u>\$ 107,465,248</u>	<u>\$ 1,932,562</u>	<u>\$ 109,397,810</u>	<u>\$ 533,357</u>

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Revenues, Expenses and Changes in Fund Net Position

PROPRIETARY FUNDS

For the Year Ended September 30, 2013

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b><u>Operating Revenues</u></b>				
Charges for services	\$ 16,604,720	\$ 1,686,823	\$ 18,291,543	\$ 310,901
<b><u>Operating Expenses</u></b>				
Personal services	\$ 4,964,954	\$ 852,880	\$ 5,817,834	\$ -
Contractual services	680,207	314,986	995,193	-
Supplies	620,793	3,725	624,518	-
Materials and maintenance	770,597	78,455	849,052	-
Utilities	1,111,727	-	1,111,727	-
Claims expense	-	-	-	298,321
Administrative expenses	-	-	-	20,200
Insurance premiums	-	-	-	146,295
Other services and charges	4,474,761	266,321	4,741,082	19,710
Depreciation	4,561,867	229,893	4,791,760	-
Total Operating Expenses	\$ 17,184,906	\$ 1,746,260	\$ 18,931,166	\$ 484,526
Operating Income (Loss)	\$ (580,186)	\$ (59,437)	\$ (639,623)	\$ (173,625)
<b><u>Non-operating Revenues (Expenses)</u></b>				
Investment income	\$ 103,925	\$ 5,454	\$ 109,379	\$ 5,463
Insurance reimbursements	-	-	-	23,164
Other income	63,623	-	63,623	-
Gain on disposal of surplus assets	4,744,610	15,561	4,760,171	-
Total Non-operating Revenues (net)	\$ 4,912,158	\$ 21,015	\$ 4,933,173	\$ 28,627
Income Before Contributions and Transfers	\$ 4,331,972	\$ (38,422)	\$ 4,293,550	\$ (144,998)
<b><u>Contributions and Transfers</u></b>				
Capital contributions	\$ 158,950	\$ -	\$ 158,950	\$ -
Transfers in	1,000,000	-	1,000,000	-
Total Contributions and Transfers	\$ 1,158,950	\$ -	\$ 1,158,950	\$ -
Change in Net Position	\$ 5,490,922	\$ (38,422)	\$ 5,452,500	\$ (144,998)
<b><u>Net Position</u></b>				
Beginning of Year	101,974,326	1,970,984	103,945,310	678,355
End of Year	\$ 107,465,248	\$ 1,932,562	\$ 109,397,810	\$ 533,357

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Cash Flows

PROPRIETARY FUNDS

For the Year Ended September 30, 2013

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 16,586,551	\$ 1,677,478	\$ 18,264,029	\$ 310,901
Receipts from other sources	37,640	-	37,640	23,164
Payments to suppliers	(4,931,106)	(665,616)	(5,596,722)	(415,908)
Payments to employees	(7,660,660)	(843,189)	(8,503,849)	-
Net Cash Provided (Used)				
by Operating Activities	\$ 4,032,425	\$ 168,673	\$ 4,201,098	\$ (81,843)
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition or construction of capital assets	\$ 2,419,823	\$ (228,165)	\$ 2,191,658	\$ -
Capital contributions	146,305	-	146,305	-
Transfers from other fund	1,000,000	-	1,000,000	-
Net Cash Used by Capital and Related Financing Activities	\$ 3,566,128	\$ (228,165)	\$ 3,337,963	\$ -
<b><u>Cash Flows from Investing Activities</u></b>				
Proceeds from maturity of investments	\$ 105,136	\$ 6,619	\$ 111,755	\$ 7,000
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 7,703,689	\$ (52,873)	\$ 7,650,816	\$ (74,843)
<b><u>Cash and Cash Equivalents</u></b>				
Beginning of Year	25,419,110	1,445,759	26,864,869	1,734,886
End of Year	\$ 33,122,799	\$ 1,392,886	\$ 34,515,685	\$ 1,660,043
Cash and Cash Equivalents Classified As:				
Current assets	\$ 18,809,267	\$ 1,392,886	\$ 20,202,153	\$ 1,660,043
Restricted assets	14,313,532	-	14,313,532	-
Total Cash and Cash Equivalents	\$ 33,122,799	\$ 1,392,886	\$ 34,515,685	\$ 1,660,043

The accompanying notes are an integral part of the financial statements.

Continued

City of Altamonte Springs, Florida

Statement of Cash Flows - Continued

PROPRIETARY FUNDS

For the Year Ended September 30, 2013

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ (580,186)	\$ (59,437)	\$ (639,623)	\$ (173,625)
Depreciation	\$ 4,561,867	\$ 229,893	\$ 4,791,760	\$ -
Miscellaneous non-operating income	63,623	-	63,623	23,164
Change in assets and liabilities:				
(Increase) in accounts receivable	(18,169)	(9,345)	(27,514)	-
Decrease in inventories	8,685	-	8,685	-
(Increase) Decrease in prepaid expenses	(1,154)	914	(240)	18,265
(Decrease) in accounts payable	(10,106)	(3,044)	(13,150)	-
Increase in due to other governments	76	-	76	-
Increase in accrued liabilities	26,845	4,480	31,325	-
(Decrease) in customer deposits	(26,058)	-	(26,058)	-
Increase in claims payable	-	-	-	50,353
Increase (decrease) in compensated absences	(20,323)	829	(19,494)	-
Increase in other post employment benefits	27,325	4,383	31,708	-
Total Adjustments	\$ 4,612,611	\$ 228,110	\$ 4,840,721	\$ 91,782
Net Cash Provided (Used) by Operating Activities	\$ 4,032,425	\$ 168,673	\$ 4,201,098	\$ (81,843)

The accompanying notes are an integral part of the financial statements.

City of Altamonte Springs, Florida

Statement of Fiduciary Net Position

PENSION TRUST FUNDS

September 30, 2013

**Assets**

Cash and equivalents	\$	19,364
Investments:		
U. S. Treasuries		157,333
U. S. Government agencies		200,127
Corporate bonds		3,533,947
Mutual funds		4,871,376
Common stocks		16,462,594
Accrued interest receivable		27,201
Prepaid expenses		<u>7,275</u>
Total Assets	\$	<u>25,279,217</u>

**Liabilities**

Accounts payable	\$	<u>20,101</u>
Total Liabilities	\$	<u>20,101</u>

**Net Position**

Held in trust for pension benefits	\$	<u><u>25,259,116</u></u>
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*The accompanying notes are an integral part of the financial statements.*

City of Altamonte Springs, Florida

Statement of Changes in Fiduciary Net Position

PENSION TRUST FUNDS

For the Year Ended September 30, 2013

<b><u>Additions</u></b>	
Employer contributions	\$ 1,901,054
Employee contributions	49,911
Net investment income	<u>1,981,788</u>
Total additions	<u>\$ 3,932,753</u>
<b><u>Deductions</u></b>	
Benefits	\$ 257,087
Refund of contributions	3,120
Administrative expenses	<u>37,068</u>
Total deductions	<u>\$ 297,275</u>
Change in net position	\$ 3,635,478
<b><u>Net Position</u></b>	
Beginning of year	<u>21,623,638</u>
End of year	<u><u>\$ 25,259,116</u></u>

*The accompanying notes are an integral part of the financial statements.*

## City of Altamonte Springs, Florida

### NOTES TO THE FINANCIAL STATEMENTS

September 30, 2013

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Altamonte Springs, Florida (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below.

##### A. The Reporting Entity

The City is a municipal corporation located in Seminole County, Florida. The City was created by a vote of Qualified Electors on November 11, 1920 and known as the Town of Altamonte Springs. The original corporate limits were created under State Charter, Chapter 8918 (no. 518). The legislative branch of the City is composed of a five (5) 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 accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. A blended component unit, although legally separate, is, in substance, part of the City’s operations. The City has only one blended component unit, the Community Redevelopment Agency (the “CRA”). For financial reporting purposes, the CRA is reported as if it were a part of the City’s operations. The CRA is an incremental tax district created by City ordinance number 839-85, on September 10, 1985, pursuant to Florida Statutes 163.356. The City Commission serves as the governing board, approves the budget, provides funding and performs all accounting functions for the CRA. The CRA’s services are provided exclusively to the City. The CRA has been presented as a blended component unit classified as a special revenue fund. The CRA does not issue separate financial statements. The City has no discretely presented component units.

##### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

##### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

###### Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds financial statements. 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The City does not employ an indirect administrative cost allocation system. An administrative fee is charged by the General Fund to other operating funds to cover the costs, in part or in whole, of administrative services funded directly by the General Fund but provided city-wide. At the fund-level statements the administrative fee is included. The administrative fee is eliminated in the entity-wide statements. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

#### Fund Financial Statements

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 generally considers revenues to be available if they are collected within 60 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.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 *Community Redevelopment Agency* is an incremental tax district established pursuant to Florida Statutes and accounted for as a special revenue fund. The fund accounts for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment area. Revenues must be utilized and expended in accordance with the community redevelopment plan.
- The *Infrastructure Sales Tax Fund*, a capital projects fund, accounts for revenues and expenditures from the City's share of the County-wide, voter-approved, infrastructure sales tax. Expenditures are limited to transportation improvements
- The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major and non-major enterprise funds:

- The *Water and Sewer System Fund*, a major fund, accounts for the fiscal activities of the City's water and wastewater treatment and distribution operations as well as the funding and payment of related debt. The *Refuse Disposal Fund*, a non-major fund, accounts for the fiscal activities of the City's residential refuse disposal operations.

Additionally, the City reports the following fund types:

- *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to

expenditure for specified purposes.

- *Capital Projects Funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).
- *Internal Service Fund* accounts for certain activities of the City's workers' compensation self-insurance program.
- *Pension Trust Funds* account for the activities of the City's Police Officers' Pension Plan and General Employees' Pension Plan, each of which accumulate resources for pension benefit payments to qualified police officers and general employees.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, claims, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use unrestricted resources first, and then restricted resources, as they are needed for their intended purposes. Resources are reported as restricted when constraints are placed on the use of such resources. These constraints must be externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or, imposed by law through constitutional provisions or enabling legislation.

#### **D. Budgetary Requirements**

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

- 1) Prior to September 30 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 held to obtain taxpayer comments.
- 3) Prior to October 1, the budget is legally enacted through passage of an ordinance or resolution.
- 4) Formal budgetary integration is employed as a management control device during the year for all governmental fund and proprietary fund types.
- 5) Budgets for the governmental fund types are adopted on a basis consistent with GAAP. Budgets for proprietary fund types are adopted on a non-GAAP basis as a result of recognizing debt service principal and capital expenditures within the proprietary fund types budgetary operating statements.
- 6) The City Manager is authorized to transfer part or all of an unencumbered appropriation balance between departments within a fund; however, any revisions that alter the total appropriations of any fund must be approved by the City Commission. The classification detail at which expenditures may not legally exceed appropriations is at the total fund level. During the fiscal year ended, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- 7) Every appropriation, except capital projects, lapse at the close of the fiscal year.
- 8) A budget is not adopted for the Police Premium Tax Trust special revenue fund.

#### **E. Deposits and Investments**

Cash and cash equivalents include cash on hand, demand deposits, money market accounts, and highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. The City's investment policies authorize investment in obligations of the U.S. Treasury, federal agencies, corporate bonds, asset backed securities, money market mutual funds, bankers acceptances, commercial paper, collateralized mortgage obligations, and repurchase agreements. In addition, authorized pension fund investments include common stocks. Investments are stated at fair value.

#### **F. Receivables**

##### 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 County Property Appraiser and County 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 of up to 10 mills. The City's current (fiscal year 2013) millage is 2.89 mills.

All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified by the Seminole County Property Appraiser (levy date). Seminole County mails to each property owner on the assessment roll a notice of the taxes due and the County collects the taxes for the City. Taxes may be paid upon receipt of such notice from the County, 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 property become delinquent on April 1 (the lien date) of the year following the year in which taxes were assessed. Procedures for collecting delinquent taxes, including applicable tax certificate sales, are provided for by the Laws of Florida.

##### Accounts Receivable

Water and Sewer Fund operating revenues are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter readings for the applicable consumption taken at the beginning of October and billed in October.

##### Special Assessments Receivable

Special assessments receivable are recorded at the time the related project is completed and are secured by liens on the property benefited. Revenue in governmental funds is deferred until such time it becomes an available, spendable or appropriable resource. Special assessment revenues are recorded in the government-wide fund financial statements when earned.

#### **G. Inventories**

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

#### **H. Prepays**

Prepays represent payments made to vendors for services that will benefit the City beyond September 30, 2013.

#### **I. Restricted Assets**

The uses of certain assets of the Water and Sewer Fund are restricted by specific provisions of bond resolutions and other agreements. Assets so designated are identified as restricted assets on the Statement of Net Position.

#### **J. Capital Assets**

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and

similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Generally, property, plant, and equipment with initial, individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$5,000 and have estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Machinery and equipment	5
Buildings	4 - 50
Improvements other than buildings	5 - 40
Infrastructure	10 - 100

**K. Amortization of Bond Discount and Issuance Costs**

In the Water and Sewer enterprise fund, bond discount and issuance costs are amortized over the term of the bonds using the effective interest method. In the governmental funds, these costs are charged to current expenditures when bonds are issued.

**L. Compensated Absences**

All full-time and permanent part-time employees are entitled to accrue Paid Leave Time based on the number of years of service. This time is accrued on a monthly basis and is divided into two categories; Active Leave and Catastrophic Leave. Each month 65% of the total accrued leave time is credited to the employee’s Active Leave Bank. This accrued time can be used for vacation, sick or any other leave. Each year the employee must use at least 50% of the Active Leave time accrued during the year. Unused Active Leave time can be banked each year until the employee’s Active Leave Bank reaches a maximum of 600 hours. Alternatively, the employee can choose to receive a cash benefit, in lieu of banking these hours, of 25% of the eligible hours to be banked annually. Upon termination in good standing, the employee can receive a cash benefit for the accrued Active Leave time, up to a maximum of 600 hours at the employee’s current wage rate.

The remaining 35% of the total accrued leave time is credited to the employee’s Catastrophic Leave Bank. This time can only be used for approved leave in excess of 80 hours. This leave includes sickness of the employee or immediate family member, temporary disability or maternity leave. There is a maximum of 480 hours that can be accrued into the employee’s Catastrophic Leave Bank. Hours in the employee’s Catastrophic Leave Bank cannot be exchanged for a cash benefit at any time, including termination or retirement.

The City records compensated absences in the governmental fund types as an expenditure for the amount accrued during the year that would normally be liquidated with expendable, available financial resources. The City accrues compensated absences in the period they are earned in the government-wide and enterprise fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**M. Unearned Revenues**

Unearned revenues in governmental funds include amounts collected before the revenue recognition criteria are met. The unearned items consist primarily of license and permit revenue collected in advance and grant revenues.

**N. Contributions**

Contributions consist primarily of donations from federal and state aid programs, developers, and water and sewer connection fees charged to customers for initial hook-up to the utility system. Contributions are recognized when earned or when legal title is transferred to the City for contributed capital assets.

**O. Fund Balances**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations

requiring use of resources for specific purposes. The classifications used are nonspendable, restricted, committed, assigned, and unassigned.

	General Fund	Community Redevelopment Fund	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Non-spendable:</b>						
Inventories	\$ 120,422	\$ -	\$ -	\$ -	\$ -	\$ 120,422
Prepaid expenditures	100,766	11,194	-	-	5,976	117,936
	221,188	11,194	-	-	5,976	238,358
<b>Restricted:</b>						
Law enforcement	225,598	-	-	-	413,682	639,280
Grants	19,364	-	-	-	-	19,364
Transportation improvements	-	-	-	5,327,193	-	5,327,193
	244,962	-	-	5,327,193	413,682	5,985,837
<b>Committed:</b>						
Contracts payable	53,674	13,120	22,446	5,399,565	170,162	5,658,967
Street lighting	44,968	-	-	-	-	44,968
Road improvements	119,974	-	-	-	-	119,974
Stormwater system	-	-	-	-	9,371,268	9,371,268
Building inspections	-	-	-	-	1,441,848	1,441,848
Capital improvements -						
Central business district	-	17,140,451	-	-	-	17,140,451
Transportation	-	-	-	-	6,578,238	6,578,238
Police department	-	-	-	-	378,812	378,812
Parks	-	-	-	-	420,382	420,382
	218,616	17,153,571	22,446	5,399,565	18,360,710	41,154,908
<b>Assigned</b>						
Assigned for future capital improvements	-	-	9,135,715	-	-	9,135,715
<b>Unassigned</b>						
	27,616,726	-	-	-	-	27,616,726
Total Fund Balances	\$ 28,301,492	\$ 17,164,765	\$ 9,158,161	\$ 10,726,758	\$ 18,780,368	\$ 84,131,544

*Nonspendable* fund balance includes amounts not in spendable form or contractually required to be maintained intact.

*Restricted* fund balances are amounts constrained in use. These constraints are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or, imposed by law through constitutional provisions or enabling legislation.

*Committed* fund balances are constrained in use by action of the City Commission, the City's highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking similar legislative action.

*Assigned* fund balances are amounts constrained by the City's stated intent to use such amounts for a specific purpose. These are intended to be used for the stated purposes but do not meet the criteria to be classified as committed. The Commission has passed the authority to assign fund balances to management.

*Unassigned* fund balance is the residual classification for the general fund. The preceding table shows the classifications and amounts of fund balances within the governmental funds as of September 30, 2013.

The City has no formal policy for assigning fund balances nor is there a minimum fund balance policy. The City

uses restricted amounts first when both restricted and unrestricted fund balance is available. The City first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

As of September 30, 2013, the City’s investment portfolio was as shown below.

Interest Rate Risk. In accordance with its policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than six years. Additionally, the City limits investment of more than 50% of the total portfolio in securities maturing more than five years from the date of purchase and prohibits investment in any security with a maturity date of more than ten years from the date of purchase.

<u>Investment type</u>	<u>Fair Value</u>	<u>Weighted avg. maturity (years)</u>
U.S. Treasuries	\$ 5,025,480	0.1585
Federal home loan mortgage	250,545	0.0156
Federal national mortgage assoc	584,208	0.0441
Federal farm credit banks	15,191,508	0.3155
Corporate bonds	81,760,191	1.3052
Mutual funds	9,838,008	-
Total fair value	<u>\$ 112,649,940</u>	
Portfolio weighted average maturity		<u>1.8389</u>

Credit Risk and Concentration of Credit Risk. To manage exposure to credit risk the City’s investment policy requires at least 35% of the portfolio be invested in U. S. Treasury or federal agency securities. Additional requirements and limitations, including avoidance of concentration of credit risk, are as follows:

Corporate bonds	Rated “A” or better. Not more than 50% of the portfolio; not more than 5% of the portfolio invested in the debt of any one corporation.
Asset backed securities	Rated “AAA”. Not more than 20% of the portfolio; not more than 5% in any one issue.
Money market mutual funds	SEC registered with highest credit rating. Not more than 20% of the portfolio; not more than 5% in any one fund.
Bankers acceptances	Issued by institution with a long-term debt rating of least “A” or better. Not more than 10% of the portfolio; not more than 5% in any one issuer.
Commercial paper	Rating of at least “A-1” or “Prime 1”. Not more than 10% of the portfolio; not more than 5% in any one issuer.
Collateralized mortgage obligations	Restricted to those backed by GNMA, FHLMC or FNMA and must pass FIEC high risk security test. Not more than 10% of the portfolio; not more than 5% in any one issue.

In addition, City policy prohibits investment in reverse purchase agreements, indexed floating rate securities, tranches of collateralized mortgage obligations and leveraging. As of September 30, 2013 the City’s internal investment pool included securities issued by U.S. Agencies all rated AAA, unrated asset backed pools of securities issued by the federal national mortgage association and the federal home loan mortgage agency, corporate bonds all rated at A or better by Moody’s, and AAA rated mutual funds.

**NOTE 3 – RECEIVABLES**

The table on the following page is a detail listing of receivables for the City’s individual major funds and the aggregate of non-major governmental funds, including the applicable allowances for uncollectible accounts at September 30, 2013. Special assessment receivables are secured by liens placed on the benefited properties at the time of the original assessment.

	General Fund	Community Redevelopment Fund	Capital Projects Fund	Infrastructure Sales Tax Fund	Water and Sewer Sys. Fund	Non-major Governmental Funds	Total
Accounts receivable	\$ 1,246,372	\$ -	\$ 1,913,939	\$ -	\$ 2,330,442	\$ 27,391	\$ 5,518,144
Special assessments	-	-	38,415	-	-	-	38,415
Accrued interest receivable	71,305	43,257	18,838	30,263	50,352	46,678	260,693
	\$ 1,317,677	\$ 43,257	\$ 1,971,192	\$ 30,263	\$ 2,380,794	\$ 74,069	\$ 5,817,252
Less: allowance for doubtful accounts	-	-	-	-	(249,837)	-	(249,837)
Total	\$ 1,317,677	\$ 43,257	\$ 1,971,192	\$ 30,263	\$ 2,130,957	\$ 74,069	\$ 5,567,415

**NOTE 4 – INTERFUND ACCOUNTS**

Interfund transfers during the year were as follows:

	Transfers		
	In	Out	
<u>Major Funds</u>			
General fund	\$ -	\$ 1,086,119	Annual tax increment transfer to Community Redevelopment Agency Fund
	-	2,250,000	Annual transfer to the capital projects fund for current and future capital improvements
	-	150,000	Annual subsidy to the Community Redevelopment Agency for year-round community events.
Community redevelopment agency	1,086,119	-	Annual tax increment transfer
	150,000	-	Annual subsidy to the Community Redevelopment Agency for year-round community events.
Capital projects fund	2,250,000	-	Annual transfer to the capital projects fund for current and future capital improvements
Water and sewer fund	1,000,000	-	Transfer to fund stormwater portion of water pipeline to City of Apopka
<u>Non-major Funds</u>			
Stormwater management fund	-	1,000,000	Transfer to fund stormwater portion of water pipeline to City of Apopka
Total Transfers In/Out	\$ 4,486,119	\$ 4,486,119	

**NOTE 5 – RESTRICTED ASSETS**

The use of certain Water and Sewer Fund assets is restricted. The City restricts funds available for repayment of customer deposits. Connection and impact fees collected but unspent for the water and sewer system operation are restricted as these funds are specifically earmarked for capital acquisitions and improvements. Restricted assets at September 30, 2013 were as shown.

<u>Customer deposits</u>	
Cash and equivalents	\$ 1,207,616
<u>Connection / impact fees</u>	
Cash and equivalents	858,674
Investments	12,247,242
Accounts receivable	7,695
Accrued interest	32,697
Total	\$ 14,353,924

**NOTE 6 – CAPITAL ASSETS**

**A. Changes in Capital Assets**

The following tables show the changes in capital assets by governmental activities and business-type activities. Also shown is a summary of depreciation expense by function.

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 9,797,241	\$ -	\$ -	\$ 9,797,241
Construction in progress	3,572,477	9,997,147	(1,180,542)	12,389,082
	<u>\$ 13,369,718</u>	<u>\$ 9,997,147</u>	<u>\$ (1,180,542)</u>	<u>\$ 22,186,323</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 16,827,831	\$ 429,743	\$ -	\$ 17,257,574
Improvements other than buildings	38,893,361	750,798	-	39,644,159
Infrastructure	35,262,444	-	-	35,262,444
Machinery and equipment	10,929,983	3,017,225	(1,928,246)	12,018,962
	<u>\$ 101,913,619</u>	<u>\$ 4,197,766</u>	<u>\$ (1,928,246)</u>	<u>\$ 104,183,139</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (6,377,346)	\$ (561,559)	\$ -	\$ (6,938,905)
Improvements other than buildings	(12,542,385)	(1,415,398)	-	(13,957,783)
Infrastructure	(15,570,429)	(1,276,997)	-	(16,847,426)
Machinery and equipment	(8,220,927)	(1,075,309)	807,165	(8,489,071)
	<u>\$ (42,711,087)</u>	<u>\$ (4,329,263)</u>	<u>\$ 807,165</u>	<u>\$ (46,233,185)</u>
Total capital assets being depreciated - net	<u>\$ 59,202,532</u>	<u>\$ (131,497)</u>	<u>\$ (1,121,081)</u>	<u>\$ 57,949,954</u>
Governmental activities capital assets - net	<u>\$ 72,572,250</u>	<u>\$ 9,865,650</u>	<u>\$ (2,301,623)</u>	<u>\$ 80,136,277</u>

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 644,114	\$ -	\$ -	\$ 644,114
Construction in progress	3,349,718	2,006,303	(2,587,734)	2,768,287
	<u>\$ 3,993,832</u>	<u>\$ 2,006,303</u>	<u>\$ (2,587,734)</u>	<u>\$ 3,412,401</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 12,274,157	\$ 207,207	\$ -	\$ 12,481,364
Water and sewer system	123,674,872	2,380,528	-	126,055,400
Water and sewer system - contributions	14,598,255	4,950	-	14,603,205
Machinery and equipment	5,978,195	595,390	(291,050)	6,282,535
	<u>\$ 156,525,479</u>	<u>\$ 3,188,075</u>	<u>\$ (291,050)</u>	<u>\$ 159,422,504</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (3,606,823)	\$ (404,951)	\$ -	\$ (4,011,774)
Water and sewer system	(66,532,022)	(3,653,056)	-	(70,185,078)
Water and sewer system - contributions	(7,907,560)	(314,249)	-	(8,221,809)
Machinery and equipment	(4,871,466)	(419,504)	291,050	(4,999,920)
	<u>\$ (82,917,871)</u>	<u>\$ (4,791,760)</u>	<u>\$ 291,050</u>	<u>\$ (87,418,581)</u>
Total capital assets being depreciated - net	<u>\$ 73,607,608</u>	<u>\$ (1,603,685)</u>	<u>\$ -</u>	<u>\$ 72,003,923</u>
Business-type activities capital assets - net	<u>\$ 77,601,440</u>	<u>\$ 402,618</u>	<u>\$ (2,587,734)</u>	<u>\$ 75,416,324</u>

**B. Depreciation**

Depreciation was charged to the functions and/or programs of the City as shown in the following table.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General government	\$ 825,215	\$ -
Public safety	642,403	-
Physical environment	314,558	-
Transportation	1,187,408	-
Culture/Recreation	1,359,679	-
Water and sewer system	-	4,561,867
Refuse disposal	-	229,893
Total	<u>\$ 4,329,263</u>	<u>\$ 4,791,760</u>

**C. Net Capital Assets**

The following is a summary of net capital assets as shown on the government-wide statement of net assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 9,797,241	\$ 644,114	\$ 10,441,355
Buildings and improvements	56,901,733	12,481,364	69,383,097
Water and sewer system	-	140,658,605	140,658,605
Infrastructure	35,262,444	-	35,262,444
Machinery and equipment	12,018,962	6,282,535	18,301,497
Construction in progress	12,389,082	2,768,287	15,157,369
	<u>\$ 126,369,462</u>	<u>\$ 162,834,905</u>	<u>\$ 289,204,367</u>
Less accumulated depreciation	<u>(46,233,185)</u>	<u>(87,418,581)</u>	<u>(133,651,766)</u>
	<u>\$ 80,136,277</u>	<u>\$ 75,416,324</u>	<u>\$ 155,552,601</u>

**D. Construction Commitments**

The City had several active construction projects as of September 30, 2013. These include upgrading the sewer treatment plant, various public improvements within the central business district, an evaluation of reclaimed water fire hydrants, and numerous other public improvement projects. At year end the City's commitments with contractors are shown in the table at right.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Water & sewer system		
Water & wastewater improvements	\$ -	\$ 744,629
Utility relocations	-	415,160
Stormwater system improvements	-	450,622
Central business dist. redevelopment	13,120	-
Stormwater system improvements	170,162	-
City parks	16,750	-
City streets	5,405,261	-
Total	<u>\$ 5,605,293</u>	<u>\$ 1,610,411</u>

**NOTE 7 – LONG-TERM DEBT**

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

The City's outstanding long-term debt includes compensated absences and other post-employment benefits. The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2013:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b><u>Governmental activities</u></b>					
Compensated absences	\$ 1,902,198	\$ 1,370,496	\$ (1,324,778)	\$ 1,947,916	\$ 779,166
Other post employment benefits	540,625	110,986	-	651,611	-
Long-term liabilities	<u>\$ 2,442,823</u>	<u>\$ 1,481,482</u>	<u>\$ (1,324,778)</u>	<u>\$ 2,599,527</u>	<u>\$ 779,166</u>
<b><u>Business-type activities</u></b>					
Compensated absences	\$ 442,857	\$ 357,896	\$ (377,390)	\$ 423,363	\$ 169,345
Other post employment benefits	147,650	31,708	-	179,358	-
Long-term liabilities	<u>\$ 590,507</u>	<u>\$ 389,604</u>	<u>\$ (377,390)</u>	<u>\$ 602,721</u>	<u>\$ 169,345</u>

Compensated absences and other post employment benefits will be liquidated in the future by the operating funds in which the liability was incurred. For governmental activities these funds are the General Fund, the Community Redevelopment Agency Fund, the Stormwater Management Fund, the Building Inspection Fund, and the Law Enforcement Trust Fund. For business-type activities these funds are the Water and Sewer Fund, and the Refuse Disposal Fund.

**B. Bonds Payable**

The City has no general obligation debt. As of September 30, 2013 the City had no outstanding bonded indebtedness obligations.

**NOTE 8 – LIABILITIES PAYABLE FROM RESTRICTED ASSETS**

Liabilities payable from restricted assets in the Water and Sewer System enterprise fund at September 30, 2013 are shown in the table at right.

Accounts payable	\$ 724
Refundable impact fees	50,830
Customer deposits	1,207,616
Prepaid connection fees	106,076
Total	<u>\$ 1,365,246</u>

**NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS**

All City full-time employees participate in one of five retirement plans offered by the City. Full-time employees hired before December 31, 1995, participate in the Florida Retirement System. Full-time employees hired after December 31, 1995, participate in (a) the Altamonte Springs Police Officers’ Pension Plan, or (b) the Altamonte Springs General Employees’ Pension Plan, or (c) the General Employees’ Investment Plan, and/or, (d) the Executive Investment Plan. All full-time General Employees are initially enrolled in the General Employees’ Pension Plan (a defined contribution plan) but have a one time option to switch to the General Employees’ Investment Plan at anytime during employment with the City. This decision is irrevocable. The City implemented the disclosure provisions of GASB Statement No. 27 “Accounting for Pensions by State and Local Governmental Employers” for the year ended September 30, 1997.

**A. The Florida Retirement System**

Plan Description

The Florida Retirement System (FRS) is a multiple employer, cost sharing, contributory retirement system, administered by the State of Florida (State). The FRS offers two distinct pension plans. A defined benefit plan, the “FRS Pension Plan”, and a defined contribution plan, the “FRS Investment Plan”. Through these plans the FRS provides retirement, disability and death benefits to members. The State issues a publicly available report that includes financial statements and required supplementary information for FRS. That report may be obtained by writing to Florida Retirement Systems, State of Florida, Tallahassee, Florida, 32399-1560.

The FRS has numerous member categories; City employees who are members of the Plan, fall into one of four such categories. Regular members are full-time employees who are not classified in any other category. Special Risk members are employees who are certified and employed full-time as police officers. Senior management includes the City Manager and department directors. DROP members are employees who have effectively retired but continue to be employed by the City in a full-time capacity.

After vesting, pension benefits are determined by category, length of service and average final

compensation. Average final compensation is the average of the employee's highest five years or eight years, depending on hire date, of compensation. Normal retirement for regular and senior management employees is reached at age 62 or 65 with at least 6 years or 8 years of creditable service, or 30 or 33 years of creditable service regardless of age. For special risk employees normal retirement is reached at age 55 or 60 with at least 6 years of creditable service, or 25 or 30 years of creditable service regardless of age. Regular employees earn benefits at the rate of 1.6% for each year of creditable service, special risk employees at the rate of 3% and senior management employees at the rate of 2%.

On July 1, 1998, the Florida Division of Retirement, the Plan administrator, began the DROP (Deferred Retirement Option Program). Under this program, members who have reached their normal retirement date can effectively retire but continue to be employed by the City for up to five years. During this time the members monthly retirement benefit is paid into an interest bearing account with federal income taxes deferred. Upon final separation from the City the member can receive these funds either in periodic installments or in a lump-sum.

The Florida Division of Retirement has requested a ruling from the Internal Revenue Service that the DROP program does not constitute a separate defined contribution or hybrid plan, but rather, constitutes a methodology for paying accrued defined benefits partly as an annuity and partly as a lump-sum. In an abundance of caution, the Florida Legislature provided that the DROP program legislation will not become effective unless and until the IRS issues a favorable letter ruling and a favorable request for an updated determination letter. This self-kill provision is intended to prevent plan disqualification of the entire FRS plan, should the IRS issue unfavorable rulings.

	<u>enrolled before 7/1/2011</u>	<u>enrolled on or after 7/1/2011</u>
<b><u>Regular employees and senior management</u></b>		
Vesting, years of service required	6	8
Normal retirement age	62	65
Years of service to normal retirement	30	33
<b><u>Special risk</u></b>		
Vesting, years of service required	6	8
Normal retirement age	55	60
Years of service to normal retirement	25	30
Benefit calculation factor (times years of service)	3.0%	3.0%
<b><u>All members</u></b>		
Average final compensation, highest years of service	5 yrs	8 yrs
Benefit calculation factor (times years of service) -		
<b><u>Regular employees enrolled before July 1, 2011</u></b>		
Retirement up to age 62 or up to 30 years of service	1.60%	1.60%
Retirement at age 63 or with 31 years of service	1.63%	1.63%
Retirement at age 64 or with 32 years of service	1.65%	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%	1.68%
<b><u>Regular employees enrolled on or after July 1, 2011</u></b>		
Retirement up to age 65 or up to 33 years of service	1.60%	1.60%
Retirement at age 66 or with 34 years of service	1.63%	1.63%
Retirement at age 67 or with 35 years of service	1.65%	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%	1.68%
Senior management	2.0%	2.0%
Special risk	3.0%	3.0%

Funding Policy

The contribution requirements of the City and FRS members are established and may be amended by the State legislature. Total payroll for the year ended September 30, 2013, was \$19,784,666 of which \$6,417,210 was paid to City FRS members. The City’s contributions to the FRS for the years ended September 30, 2013, 2012, and 2011, were \$524,494, \$466,124, and \$953,264 respectively. Employee contributions to the FRS for the years ended September 30, 2013, 2012, and 2011, were \$146,470, \$156,397, and \$38,116, respectively. Fiscal year 2011 was the first year employee contributions were required. Contributions made were equal to the required contributions for each year.

The four FRS classes of membership which are applicable to the City had the contribution rates as shown at right.

	Florida Retirement System Contribution Rates					
	July 1, 2012 to June 30, 2013			July 1, 2013 to June 30, 2014		
	employee	city	total	employee	city	total
Regular	3.00%	5.18%	8.18%	3.00%	6.95%	9.95%
Senior management	3.00%	6.30%	9.30%	3.00%	18.31%	21.31%
Special risk	3.00%	14.90%	17.90%	3.00%	19.06%	22.06%
Deferred retirement option program	-	5.44%	5.44%	-	12.84%	12.84%

Employer contributions include 1.11% for a post-

retirement health insurance subsidy. This was raised to 1.2% effective July 1, 2013. Employer contributions also include an administrative fee of 0.03%, which is transferred to the State Board of Administration to offset administrative and educational costs of the Public Employee Optional Retirement Program. The system also provides disability and survivor benefits. Benefits are established by State Statute.

**B. Defined Benefit Plans: Altamonte Springs Police Officers’ and General Employees’ Pension Plans**

Plan Descriptions

Both the Altamonte Springs Police Officers’ Pension Plan (POPP) and the General Employees’ Pension Plan (GEPP) were established, and began operations, on January 1, 1996, following approval of State legislation allowing municipalities then participating in the FRS to “opt-out” of that system. The establishment of the Plans, and any amendments thereto, are at the sole discretion of the City Commission. Both Plans are single-employer, defined benefit, public employee retirement systems. Both Plans are component units (reporting as Pension Trust Funds) of the City’s financial reporting entity. Investments are reported at fair value. Neither Plan issues separate financial statements.

1) The Altamonte Springs Police Officers’ Pension Plan

The POPP provides retirement, disability and death benefits to all full-time, certified police officers hired by the City after December 31, 1995. The POPP was established and operates within the parameters of Florida Statute 185 which govern police pension plans in the State of Florida. The POPP is administered by a five-member Board of Trustees (the “Board”). Two members of the Board must be members of the plan elected by a majority of all members of the Plan. Two additional members of the Board are citizens of the City appointed by the City Commission. The fifth, and final, member of the Board is elected by a majority of the other four Board members.

Members are vested after 6 years of creditable service. Benefits, established by the City Commission, are determined by length of service and average final compensation. Average final compensation is the average of the employee’s highest five years of compensation. Normal retirement is reached at age 55 with at least 6 years of creditable service or 25 years of creditable service regardless of age. Employees earn benefits at the rate of 3% for each year of creditable service.

2) The Altamonte Springs General Employees’ Pension Plan

The GEPP provides retirement, disability and death benefits to all full-time employees, other than certified police officers and firefighters, hired by the City after December 31, 1995. The GEPP is administered by a five-member Board of Trustees (the “Board”) consisting of the Mayor and four City Commissioners.

Members are vested after 6 years of creditable service. Benefits, established by the City Commission, are determined by length of service and average final compensation. Average final compensation is the average of the employee's highest five years of compensation. Normal retirement is reached at age 62 with at least 6 years of creditable service or 30 years of creditable service regardless of age. Regular employees earn benefits at the rate of 1.6% for each year of creditable service. Senior Management employees earn benefits at the rate of 2% for each year of creditable service.

Membership

As of October 1, 2013, the date of the latest actuarial valuation, membership in the POPP and the GEPP consisted of the following:

	<u>POPP</u>	<u>GEPP</u>
Active plan members:		
Vested	40	122
Non-vested	33	95
Retirees and beneficiaries receiving benefits	1	22
Terminated plan members entitled to, but not receiving, benefits	7	56
Pending refunds	3	4
Limited members	-	13

For the fiscal year ended September 30, 2013, the total payroll of the City was \$19,784,666. Payroll expenditures for employees covered by the Plans were \$3,871,697 and \$8,239,851 for the POPP and GEPP, respectively.

Accounting Policy

The financial statements of both plans are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The City's contributions are

recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are payable when due in accordance with the terms of the plans. All plan investments are reported at fair value.

Funding Policy

1) The Altamonte Springs Police Officers' Pension Plan

Florida Statutes, Chapter 185, requires members to contribute not less than one-half of one percent of their annual salary. The Plan, as approved by the City Commission, requires members to contribute 1% of their annual compensation to the Plan. The City is required to contribute at an actuarially determined rate; the rate applicable to the fiscal year ended September 30, 2013, was 8.98% of annual covered payroll.

Municipalities that have established pension plans complying with the provisions of Chapter 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from the Pension Fund Excise Tax imposed on the gross receipts of casualty insurance for properties located within the City limits. These revenues amounted to \$291,186 for the year ended September 30, 2013 and are considered an employer contribution. For actuarial measurement purposes, a portion of the tax revenue received is not credited to the employer contribution.

2) The Altamonte Springs General Employees' Pension Plan

The contribution requirements of plan members and the City are established and may be amended by the City Commission. Plan members hired prior to January 1, 2012, are not required to contribute to the Plan. Plan members hired on or after January 1, 2012, are required to contribute 1% of their annual compensation to the Plan. The City is required to contribute at an actuarially determined rate; the rate applicable to the fiscal year ended September 30, 2013, was 12.92% of annual covered payroll

Annual Contributions

The City Commission establishes, and may amend, the contribution requirements of plan members and the City. The City's annual pension cost, contribution rates and related information for the year for each plan is shown in the following table. Police officers pay 1% of their pay in addition to City requirements. Legal and actuarial costs are paid directly by the respective plans. Other administrative services are provided to the plans by the City at no cost.

	<b>Police</b>	<b>General Employees</b>
<b>Contribution rates:</b>		
Employer	8.98%	12.92%
Employee	1.00%	1.00%
Annual pension costs	<u>\$ 1,047,036</u>	<u>\$ 1,074,730</u>
<b>Contributions made:</b>		
City	\$ 803,525	\$ 1,092,529
Plan members	38,717	11,194
State premium tax	291,186	n/a
	<u>\$ 1,133,428</u>	<u>\$ 1,103,723</u>

#### Funded Status

The funded status of the plans as of September 30, 2013 was as shown in the table at right:

	<b>Police Officers</b>	<b>General Employees</b>
Annual required city contribution (ARC)	\$ 1,045,617	\$ 1,081,911
Interest on net pension obligation (NPO)	(11,006)	8,730
Adjustment to ARC	12,425	(15,911)
Annual pension cost (APC)	<u>\$ 1,047,036</u>	<u>\$ 1,074,730</u>
Contributions made	827,701	1,141,128
Decrease in NPO	\$ 219,335	\$ (66,398)
NPO beginning of year	(146,746)	116,399
NPO end of year	<u>\$ 72,589</u>	<u>\$ 50,001</u>

#### Trend Information

The following table shows three-year trend information for both plans.

Fiscal Year Ending Sept. 30th	Police Officers' Pension Plan			General Employees Pension Plan		
	Annual Pension	Percentage of APC	Net Pension Obligation	Annual Pension	Percentage of APC	Net Pension Obligation
	Costs (APC)	Contributed	(Asset)	Costs (APC)	Contributed	(Asset)
2011	978,326	98%	(60,807)	1,114,217	100%	43,606
2012	1,053,849	108%	(146,746)	1,218,514	94%	116,399
2013	1,047,036	79%	72,589	1,074,730	106%	50,001

#### Funding Progress

The two following tables provide a multi-year schedule of funding progress:

Police Officers' Pension Plan: MULTI-YEAR FUNDING PROGRESS						
Actuarial Valuation Date Sept. 30th	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a) (c)	Funded Ratio (a / b) (d)	Covered Payroll (e)	UAAL as a Percentage of Covered Payroll ((b - a)/e) (f)
2005	\$ 2,061,360	\$ 1,943,179	\$(118,181)	106%	\$ 2,259,133	-5.2%
2006	2,614,833	2,543,097	(71,736)	103%	2,788,417	-2.6%
2007	3,644,751	3,588,339	(56,412)	102%	3,053,470	-1.8%
2008	3,433,861	4,559,015	1,125,154	75%	3,362,891	33.5%
2009	4,052,288	5,549,523	1,497,235	73%	3,522,588	42.5%
2010	5,474,818	7,067,028	1,592,210	77%	3,552,290	44.8%
2011	6,135,753	8,668,381	2,532,628	71%	3,633,136	69.7%
2012	8,488,020	10,040,116	1,552,096	85%	3,991,363	38.9%
2013	10,461,600	11,223,564	761,964	93%	4,023,718	18.9%

General Employees' Pension Plan: MULTI-YEAR FUNDING PROGRESS						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b - a)/e)
Sept. 30th	(a)	(b)	(c)	(d)	(e)	(f)
2005	\$ 3,621,341	\$ 3,920,167	\$ 298,826	92%	\$ 6,014,852	5.0%
2006	4,659,807	4,873,396	213,589	96%	6,802,326	3.1%
2007	6,430,844	6,152,106	(278,738)	105%	7,462,520	0.0%
2008	6,173,313	7,352,041	1,178,728	84%	7,924,132	14.9%
2009	7,048,958	8,441,462	1,392,504	84%	7,811,804	17.8%
2010	8,837,719	9,595,455	757,736	92%	7,890,283	9.6%
2011	9,523,673	11,176,673	1,653,000	85%	8,102,284	20.4%
2012	12,188,195	12,429,282	241,087	98%	8,052,707	3.0%
2013	14,219,695	13,871,914	(347,781)	103%	8,286,242	-4.2%

### Employer Contributions

A multi-year schedule of employer contributions is shown below:

Fiscal Year Ending Sept. 30th	Police Officers' Pension Plan			General Employees' Pension Plan		
	Annual Required Employer Contribution	Employer Contribution	Employer Contribution as a % of Total	Annual Required Employer Contribution	Employer Contribution	Employer Contribution as a % of Total
2005	\$ 327,287	\$ 293,245	90%	\$ 773,280	\$ 745,967	96%
2006	364,703	370,857	102%	783,789	829,468	106%
2007	440,023	427,466	97%	877,784	897,579	102%
2008	537,767	532,864	99%	927,312	916,814	99%
2009	766,434	691,654	90%	1,160,962	1,077,385	93%
2010	940,672	981,275	104%	1,177,852	1,129,028	96%
2011	978,326	959,715	98%	1,116,428	1,112,581	100%
2012	1,053,849	1,139,788	108%	1,218,514	1,145,721	94%
2013	1,045,617	827,701	79%	1,081,911	1,141,128	105%

### Actuarial Methods and Significant Assumptions

The information in the foregoing schedule of funding progress and schedule of employer contributions was determined as part of the actuarial valuations at the dates indicated. The underlying actuarial methods and significant assumptions used for the current year are as shown at right:

	Police	General Employees
Actuarial valuation date	9/30/2013	9/30/2013
Actuarial cost method	entry age - level %	entry age - level %
Amortization method	closed	closed
Remaining amortization period	15 years	15 years
Asset valuation method	market	market
Actuarial assumptions:		
Investment rate of return (a)	7.5%	7.5%
Projected salary increases (b)	3% - 6.5%	3.5% - 7%
Post-retirement benefit annual cost-of-living adjustments	3.0%	3.0%
(a) Underlying long-term rate of inflation at 3% per annum		
(b) Higher increases at earlier ages gradually decreasing		

Annual Financial Reports

A combining statement of net position and changes to net position for fiscal year 2013 for both plans follows.

<b>PENSION TRUST FUNDS</b>			
<b>Combining Statement of Net Position</b>			
<b>September 30, 2013</b>			
	<b>General Employees</b>	<b>Police Officers</b>	<b>Total</b>
<u>Assets</u>			
Cash and equivalents	\$ 9,644	\$ 9,720	\$ 19,364
Investments:			
U.S. Treasuries	94,400	62,933	157,333
U.S. Government agencies	115,073	85,054	200,127
Corporate bonds	1,846,754	1,687,193	3,533,947
Mutual funds	2,487,043	2,384,333	4,871,376
Common stocks	9,572,656	6,889,938	16,462,594
Accrued interest receivable	15,312	11,889	27,201
Due from other funds	68,000	-	68,000
Prepaid expenses	3,892	3,383	7,275
Total assets	<u>\$ 14,212,774</u>	<u>\$ 11,134,443</u>	<u>\$ 25,347,217</u>
<u>Liabilities</u>			
Accounts payable	\$ 10,897	\$ 9,204	\$ 20,101
Due to other funds	-	68,000	68,000
Total liabilities	<u>\$ 10,897</u>	<u>\$ 77,204</u>	<u>\$ 88,101</u>
<u>Net Position</u>			
Held in trust for benefits	<u>\$ 14,201,877</u>	<u>\$ 11,057,239</u>	<u>\$ 25,259,116</u>

<b>PENSION TRUST FUNDS</b>			
<b>Combining Statement of Changes to Net Position</b>			
<b>For the Year Ended September 30, 2013</b>			
	<b>General Employees</b>	<b>Police Officers</b>	<b>Total</b>
<u>Additions</u>			
Employer contributions	\$ 1,097,529	\$ 803,525	\$ 1,901,054
Employee contributions	11,194	38,717	49,911
Investment (losses)	1,153,863	827,925	1,981,788
Total additions	<u>\$ 2,262,586</u>	<u>\$ 1,670,167</u>	<u>\$ 3,932,753</u>
<u>Deletions</u>			
Benefits	\$ 215,970	\$ 41,117	\$ 257,087
Refund of contributions	624	3,120	3,744
Administrative expenses	20,582	15,862	36,444
Total deletions	<u>\$ 237,176</u>	<u>\$ 60,099</u>	<u>\$ 297,275</u>
Change in net position	\$ 2,025,410	\$ 1,610,068	\$ 3,635,478
<u>Net Position</u>			
Beginning of year	12,176,467	9,447,171	21,623,638
End of year	<u>\$ 14,201,877</u>	<u>\$ 11,057,239</u>	<u>\$ 25,259,116</u>

**C. Defined Contribution Plans: General Employees' Investment Plan and Executive Investment Plan**

In 2012 the City established the General Employees' Investment Plan, a single-employer, defined contribution, contributory, money purchase plan. This Plan is available to all full-time employees except police officers. Employees are required to contribute 1% of compensation to the Plan. The City contributes 10% for regular employees and 12% for senior management employees. The Plan is administered by the ICMA Retirement Corporation. Employees make individual investment decisions and individual investment gains or losses are the employees' and the employees' alone. The City has no ongoing obligation to participating employees beyond making timely contributions to the Plan. As of September 30, 2013, there were 5 Plan members. For the year ended September 30, 2013, employer contributions totaled \$24,497 and employee contributions totaled \$2,195.

Also in 2012 the City established the Executive Investment Plan, a single-employer, defined contribution, non-contributory, money purchase plan. This Plan is available only to the City Manager. The City contributes an amount equal to 10% of compensation to the Plan. The Plan is administered by the ICMA Retirement Corporation. Employees make individual investment decisions and individual investment gains or losses are the employees and the employees alone. The City has no ongoing obligation to participating employees beyond making timely contributions to the Plan. For the year ended September 30, 2013, employer contributions totaled \$17,500.

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

Effective for the 2009 fiscal year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Reporting for Postemployment Benefits Other than Pensions*, for certain post employment healthcare insurance benefits offered by the City. The requirements of this statement are being implemented prospectively, with the actuarially determined liability of \$3,778,105 at September 30, 2013, (the date of the transition) amortized over 30 years. For financial reporting purposes, no liability is reported for the Postemployment Healthcare Benefit liability at the date of transition (October 1, 2008). The City's Other Postemployment Benefit Plan does not issue a stand-alone report.

The Other Postemployment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are offered continuing healthcare insurance coverage after retirement. Retirees are required to pay the full premium charged by the insurance company. However, premiums are calculated based on blending the claims experience of both employees and retiree's pursuant to Ch. 112.0801, Florida Statutes. The assumption is premiums for retirees would be greater if rated separately from employees (retirees generally have higher average ages and a greater number and severity of health issues than employees). Blending the claims experience of both groups lowers the premium cost for retirees, thus providing an implicit rate subsidy.

**B. Funding Policy**

For the Other Postemployment Benefit Plan, contribution requirements of the City are established and may be amended through action by the City Commission. Currently the City's Other Post Employment Benefits (OPEB) are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate Trust fund or equivalent arrangement into which the City might make contributions to advance-fund the obligation. Therefore, ultimate subsidies provided over time are financed directly by general assets of the City.

**C. Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Unfunded Actuarial Accrued Liability (UAAL) represents an actuarial measurement of the obligation that has accrued so far based on the promise that has been made to current retirees and to current employees. Since the City's OPEB is currently unfunded, the offset to that expense

comes from actual subsidies paid on behalf of the current retirees and their dependents for the current year. This offset is called the Employer Contribution and equals the total age-adjusted costs paid by the City for coverage for the retirees and their dependents for the year (net of the retiree's own payments for the year). The accompanying table shows the components of the City's net obligation to the Other Postemployment Benefit Plan.

	<b>Valuation at 9/30/2013</b>
Normal cost (service cost for one year)	\$ 293,353
Amortization of unfunded actuarial accrued liability (UAAL)	-
Interest on normal cost and amortization	-
Annual required contribution (ARC)	\$ 293,353
Interest on net OPEB obligation	30,973
Adjustment to ARC	(42,254)
Annual OPEB cost (expense)	\$ 282,072
Employer contributions made	(139,379)
Increase (decrease) in net OPEB obligation	\$ 142,693
Net OPEB obligation:	
Beginning of year	688,276
End of year	<u>\$ 830,969</u>

The City's annual OPEB cost, the percentage of annual expected employer contribution toward OPEB cost, and the net OPEB obligation for 2013, 2012, and 2011 with no applicable preceding years were as shown in the table at right.

For the Year Ended September 30	Annual OPEB Cost	Employer Contributions toward the OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 297,510	\$ 104,562	35%	\$ 543,900
2012	307,994	163,620	53%	688,276
2013	282,071	139,379	49%	830,968

In the Statement of Net Position the City reports \$651,611 net OPEB obligation in governmental activities and \$179,358 in business type activities.

#### D. Funding Status and Funding Progress

As of September 30, 2013, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$3,778,105 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,778,105. The covered payroll (annual payroll of active employees covered by the plan) was \$20,924,464, and the ratio of the UAAL to the covered payroll was 18.1%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, termination, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision and actual results are compared with past expectations and new estimates are made about the future.

The following is a schedule of funding progress.

<b>Other Post Employment Benefits: MULTI-YEAR FUNDING PROGRESS</b>						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (e)	UAAL as a Percentage of Covered Payroll ((b - a)/e)
Sept. 30th	(a)	(b)	(c)	(d)	(e)	(f)
2009	\$ -	\$ 3,389,059	\$ 3,389,059	0%	\$ 17,723,228	19.1%
2010	-	3,516,123	3,516,123	0%	18,432,157	19.1%
2011	-	3,647,337	3,647,337	0%	19,169,443	19.0%
2012	-	3,669,928	3,669,928	0%	20,119,677	18.2%
2013	-	3,788,105	3,788,105	0%	20,924,464	18.1%

**E. Actuarial Methods and Assumptions.**

In any long-term Actuarial Valuation, certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates and the benefits provided. These Actuarial Assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided and the contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost. The actuarial assumptions also included a 4.5% discount rate compounded annually, RP-2000 mortality table, and an annual healthcare cost trend rate of 10% initially, reduced annually to an ultimate rate of 5% after 10 years. The economic rates are based on an assumed long-term medical inflation rate of 5% per annum. The remaining amortization period at September 30, 2013, was 29 years.

The results presented as of the Actuarial Valuation date have been derived using the Projected Unit Credit Actuarial Cost Method with a closed amortization of the UAAL as a level dollar amount. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**NOTE 11 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With the exception of workers’ compensation, the City purchases commercial insurance for all types of claims with nominal deductible amounts. There were no material changes to coverage during fiscal year 2013. Settled claims have not exceeded this commercial coverage during any of the past three years. The following is a summary of the City’s significant insurance coverage and limitations:

<u>Coverage</u>	<u>Limitations</u> <i>(dollar values are in thousands)</i>
General / professional liability	\$ 100 each person
Includes errors and omissions, employee benefits program administration, and broad form property damage	\$ 200 each occurrence \$ 2,000 combined single limit per occurrence \$ 25 extra contractual legal \$ 250 public officials fiduciary bond \$ 1,000 pollution liability; general aggregate limit \$ 1,000 petroleum liability - below ground \$ 2,000 petroleum liability - above ground
Law enforcement liability	\$ 100 each person \$ 200 each occurrence \$ 2,000 combined single limit per occurrence
Automobile	\$ 100 each person
Includes bodily injury, property damage, personal injury protection, auto physical damage and auto medical payments	\$ 200 each occurrence \$ 2,000 combined single limit per occurrence \$ 10 auto medical payments
Property damage	\$ 87,753 buildings and personal property; per occurrence \$ 10,000 boiler and machinery

Workers’ Compensation Insurance Fund

In fiscal year 1992 the City established a Workers’ Compensation Self-Insurance Fund (an internal service fund) to account for and finance the uninsured risks of loss. Under this program, the Workers’ Compensation Self-Insurance Fund provides coverage up to a maximum of \$200,000 per claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage in any of the past three years.

All funds of the City participate in the program and make payments to the Workers' Compensation Self-Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. That reserve was \$553,595 at September 30, 2013, and is reported as unrestricted net assets in the Workers' Compensation Self-Insurance Fund. The claims liability of \$1,164,609 reported in the Fund at September 30, 2013, is based provisions of GASB Statement No. 10, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in fiscal years 2012 and 2013 were as shown in the chart.

	<u>2012</u>	<u>2013</u>
Balance beginning of year	\$ 1,162,556	\$ 1,115,079
Current year claims and changes in estimates	183,966	298,321
Claims paid	<u>(231,443)</u>	<u>(248,791)</u>
Balance end of year	<u>\$ 1,115,079</u>	<u>\$ 1,164,609</u>

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

Intergovernmental Grants

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts to be immaterial.

Litigation

Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, the City Attorney has expressed his opinion that there will be no material effect whatsoever on the City's financial position and/or that the City has sufficient insurance coverage to cover any claims.

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## **Non-major Governmental Funds**

### **Special Revenue Funds**

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which are designed to finance particular functions or activities of government. The City has the following non-major Special Revenue Funds:

Law Enforcement Trust Fund – To account for proceeds obtained through the sale of confiscated and unclaimed property turned over to the City through court judgement. The proceeds are to be used solely for crime fighting purposes.

Police Premium Tax Trust Fund – To account for the excise tax imposed on insurance premiums collected by the Florida Department of Revenue and remitted to the City. These tax revenues are to be used as retirement contributions to the Police Officers’ Pension Plan.

Stormwater Management Fund – To account for revenues and expenditures related to stormwater management, i.e. – the collection, storage, treatment and dispersal of rainwater. The City established the program and fund, and began imposing a City-wide stormwater management fee in 1989.

Building Inspection Fund – To account for revenues and expenditures related to acceptance and review of proposed building plans, issuance of building permits and inspection of building projects during construction.

### **Capital Projects Funds**

Capital Projects Funds account for revenues designated for the purpose of financing the acquisition or construction of capital equipment or facilities. The City has the following non-major Capital Projects Fund:

Impact Fee Fund - To account for revenues and expenditures from Impact Fees which are levied on new construction to pay for additional capital facilities required as a result of new development.

City of Altamonte Springs, Florida

Combining Balance Sheet

ALL NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2013

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 835,236	\$ 506,353	\$ 1,341,589
Investments	10,427,912	7,056,447	17,484,359
Receivables -			
Accounts receivable	27,391	-	27,391
Accrued interest	27,839	18,839	46,678
Prepays	5,976	-	5,976
Total Assets	<u>\$ 11,324,354</u>	<u>\$ 7,581,639</u>	<u>\$ 18,905,993</u>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 39,092	\$ 20,202	\$ 59,294
Accrued liabilities	61,331	-	61,331
Deposits	-	5,000	5,000
Total Liabilities	<u>\$ 100,423</u>	<u>\$ 25,202</u>	<u>\$ 125,625</u>
<b><u>Fund Balances</u></b>			
Nonspendable	\$ 5,976	\$ -	\$ 5,976
Restricted	413,682	-	413,682
Committed	10,804,273	7,556,437	18,360,710
Total Fund Balances	<u>\$ 11,223,931</u>	<u>\$ 7,556,437</u>	<u>\$ 18,780,368</u>
Total Liabilities and Fund Balances	<u>\$ 11,324,354</u>	<u>\$ 7,581,639</u>	<u>\$ 18,905,993</u>

City of Altamonte Springs, Florida

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

ALL NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2013

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ 291,186	\$ -	\$ 291,186
Charges for services	3,073,544	-	3,073,544
Fines and forfeitures	134,222	-	134,222
Miscellaneous revenues:			
Impact fees	-	206,977	206,977
Investment income	32,920	24,007	56,927
Other miscellaneous income	30,025	589	30,614
	<u>3,561,897</u>	<u>231,573</u>	<u>3,793,470</u>
Total Revenues	\$ 3,561,897	\$ 231,573	\$ 3,793,470
<b><u>Expenditures</u></b>			
Current:			
Public safety	\$ 1,535,159	\$ 2,267	\$ 1,537,426
Physical environment	953,087	-	953,087
Capital outlay	263,082	624,275	887,357
	<u>2,751,328</u>	<u>626,542</u>	<u>3,377,870</u>
Total Expenditures	\$ 2,751,328	\$ 626,542	\$ 3,377,870
Excess of Revenues Over (Under) Expenditures	<u>\$ 810,569</u>	<u>\$ (394,969)</u>	<u>\$ 415,600</u>
<b><u>Other Financing (Uses)</u></b>			
Transfers Out:			
Water and sewer fund	<u>\$ (1,000,000)</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>
Net Change in Fund Balance	\$ (189,431)	\$ (394,969)	\$ (584,400)
<b><u>Fund Balances</u></b>			
Beginning of year	<u>11,413,362</u>	<u>7,951,406</u>	<u>19,364,768</u>
End of year	<u>\$ 11,223,931</u>	<u>\$ 7,556,437</u>	<u>\$ 18,780,368</u>

City of Altamonte Springs, Florida

Combining Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

September 30, 2013

	<u>Law Enforcement Trust Fund</u>	<u>Police Premium Tax Trust Fund</u>	<u>Stormwater Management Fund</u>	<u>Building Inspection Fund</u>	<u>Total</u>
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ 27,873	\$ -	\$ 709,261	\$ 98,102	\$ 835,236
Investments	388,551	-	8,662,772	1,376,589	10,427,912
Receivables -					
Accounts receivable	-	-	27,391	-	27,391
Accrued interest receivable	1,037	-	23,127	3,675	27,839
Prepays	-	-	2,915	3,061	5,976
	<u>-</u>	<u>-</u>	<u>2,915</u>	<u>3,061</u>	<u>5,976</u>
Total Assets	<u>\$ 417,461</u>	<u>\$ -</u>	<u>\$ 9,425,466</u>	<u>\$ 1,481,427</u>	<u>\$ 11,324,354</u>
<b><u>Liabilities</u></b>					
Accounts payable	\$ 94	\$ -	\$ 38,614	\$ 384	\$ 39,092
Accrued liabilities	3,685	-	21,512	36,134	61,331
	<u>3,685</u>	<u>-</u>	<u>21,512</u>	<u>36,134</u>	<u>61,331</u>
Total Liabilities	<u>\$ 3,779</u>	<u>\$ -</u>	<u>\$ 60,126</u>	<u>\$ 36,518</u>	<u>\$ 100,423</u>
<b><u>Fund Balances</u></b>					
Nonspendable	\$ -	\$ -	\$ 2,915	\$ 3,061	\$ 5,976
Restricted	413,682	-	-	-	413,682
Committed	-	-	9,362,425	1,441,848	10,804,273
	<u>-</u>	<u>-</u>	<u>9,362,425</u>	<u>1,441,848</u>	<u>10,804,273</u>
Total Fund Balance	<u>\$ 413,682</u>	<u>\$ -</u>	<u>\$ 9,365,340</u>	<u>\$ 1,444,909</u>	<u>\$ 11,223,931</u>
Total Liabilities and Fund Balance	<u>\$ 417,461</u>	<u>\$ -</u>	<u>\$ 9,425,466</u>	<u>\$ 1,481,427</u>	<u>\$ 11,324,354</u>

City of Altamonte Springs, Florida

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2013

	<u>Law Enforcement Trust Fund</u>	<u>Police Premium Tax Trust Fund</u>	<u>Stormwater Management Fund</u>	<u>Building Inspection Fund</u>	<u>Total</u>
<b><u>Revenues</u></b>					
Intergovernmental revenues	\$ -	\$ 291,186	\$ -	\$ -	\$ 291,186
Charges for services	-	-	1,934,690	1,138,854	3,073,544
Fines and forfeitures	134,222	-	-	-	134,222
Miscellaneous revenues:					
Investment income	1,016	-	28,016	3,888	32,920
Other miscellaneous income	-	-	27,391	2,634	30,025
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 135,238</u>	<u>\$ 291,186</u>	<u>\$ 1,990,097</u>	<u>\$ 1,145,376</u>	<u>\$ 3,561,897</u>
<b><u>Expenditures</u></b>					
Current:					
Public safety	\$ 107,293	\$ 291,186	\$ -	\$ 1,136,680	\$ 1,535,159
Physical environment	-	-	953,087	-	953,087
Capital outlay	6,383	-	256,699	-	263,082
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 113,676</u>	<u>\$ 291,186</u>	<u>\$ 1,209,786</u>	<u>\$ 1,136,680</u>	<u>\$ 2,751,328</u>
Excess of Revenues Over Expenditures	\$ 21,562	\$ -	\$ 780,311	\$ 8,696	\$ 810,569
<b><u>Other Financing Sources or (Uses)</u></b>					
Transfers (out)	-	-	(1,000,000)	-	(1,000,000)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net Change in Fund Balances	\$ 21,562	\$ -	\$ (219,689)	\$ 8,696	\$ (189,431)
<b><u>Fund Balances</u></b>					
Beginning of year	392,120	-	9,585,029	1,436,213	11,413,362
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
End of year	<u>\$ 413,682</u>	<u>\$ -</u>	<u>\$ 9,365,340</u>	<u>\$ 1,444,909</u>	<u>\$ 11,223,931</u>

City of Altamonte Springs, Florida

Combining Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS

September 30, 2013

	<u>Impact Fee Fund</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 506,353
Investments	7,056,447
Accrued interest receivable	<u>18,839</u>
Total Assets	<u>\$ 7,581,639</u>
<b><u>Liabilities</u></b>	
Accounts payable	\$ 20,202
Deposits	<u>5,000</u>
Total Liabilities	<u>\$ 25,202</u>
<b><u>Fund Balances</u></b>	
Committed	<u>\$ 7,556,437</u>
Total Fund Balance	<u>\$ 7,556,437</u>
Total Liabilities and Fund Balance	<u>\$ 7,581,639</u>

City of Altamonte Springs, Florida

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS

For the Year Ended September 30, 2013

	<u>Impact Fee Fund</u>
<b><u>Revenues</u></b>	
Miscellaneous revenues:	
Impact fees	\$ 206,977
Investment income	24,007
Other miscellaneous income	<u>589</u>
 Total Revenues	 <u>\$ 231,573</u>
<b><u>Expenditures</u></b>	
Public safety	\$ 2,267
Capital outlay	<u>624,275</u>
 Total Expenditures	 <u>\$ 626,542</u>
 Excess of Revenues Over (Under) Expenditures	 \$ (394,969)
<b><u>Fund Balances</u></b>	
Beginning of year	<u>7,951,406</u>
 End of year	 <u><u>\$ 7,556,437</u></u>

City of Altamonte Springs, Florida

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

LAW ENFORCEMENT TRUST FUND

For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ -	\$ 134,222	\$ 134,222
Miscellaneous revenues:			
Investment income	<u>5,000</u>	<u>1,016</u>	<u>(3,984)</u>
Total Revenues	<u>\$ 5,000</u>	<u>\$ 135,238</u>	<u>\$ 130,238</u>
<b><u>Expenditures</u></b>			
Current:			
Public safety	\$ 122,826	\$ 107,293	\$ 15,533
Capital outlay	<u>7,490</u>	<u>6,383</u>	<u>1,107</u>
Total Expenditures	<u>\$ 130,316</u>	<u>\$ 113,676</u>	<u>\$ 16,640</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (125,316)	\$ 21,562	\$ 146,878
<b><u>Fund Balance</u></b>			
Beginning of year	<u>392,120</u>	<u>392,120</u>	<u>-</u>
End of year	<u>\$ 266,804</u>	<u>\$ 413,682</u>	<u>\$ 146,878</u>

City of Altamonte Springs, Florida

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

STORMWATER MANAGEMENT FUND

For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Charges for services	\$ 1,947,188	\$ 1,934,690	\$ (12,498)
Miscellaneous revenues:			
Investment income	177,629	28,016	(149,613)
Other miscellaneous income	-	27,391	27,391
	<u>\$ 2,124,817</u>	<u>\$ 1,990,097</u>	<u>\$ (134,720)</u>
<b><u>Expenditures</u></b>			
Current:			
Physical environment	\$ 1,243,345	\$ 953,087	\$ 290,258
Capital outlay	651,250	256,699	394,551
	<u>\$ 1,894,595</u>	<u>\$ 1,209,786</u>	<u>\$ 684,809</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 230,222	\$ 780,311	\$ 550,089
<b><u>Other Financing Sources or (Uses)</u></b>			
Transfers (out)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Net Change in Fund Balances	\$ (769,778)	\$ (219,689)	\$ 550,089
<b><u>Fund Balance</u></b>			
Beginning of year	<u>9,585,029</u>	<u>9,585,029</u>	<u>-</u>
End of year	<u>\$ 8,815,251</u>	<u>\$ 9,365,340</u>	<u>\$ 550,089</u>

City of Altamonte Springs, Florida

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

BUILDING INSPECTION FUND

For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Charges for services	\$ 786,000	\$ 1,138,854	\$ 352,854
Miscellaneous revenues:			
Investment income	3,500	3,888	388
Other miscellaneous income	-	2,634	2,634
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Revenues	\$ 789,500	\$ 1,145,376	\$ 355,876
<b><u>Expenditures</u></b>			
Current:			
Public safety	\$ 1,157,568	\$ 1,136,680	\$ 20,888
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenditures	\$ 1,157,568	\$ 1,136,680	\$ 20,888
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (368,068)	\$ 8,696	\$ 376,764
<b><u>Fund Balance</u></b>			
Beginning of year	<u>1,436,213</u>	<u>1,436,213</u>	<u>-</u>
End of year	<u>\$ 1,068,145</u>	<u>\$ 1,444,909</u>	<u>\$ 376,764</u>

City of Altamonte Springs, Florida

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

CAPITAL PROJECTS FUND

For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ 500,000	\$ -	\$ (500,000)
Miscellaneous revenues:			
Investment income	150,000	27,430	(122,570)
Other miscellaneous revenues	-	2,444,358	2,444,358
	<u>\$ 650,000</u>	<u>\$ 2,471,788</u>	<u>\$ 1,821,788</u>
<b><u>Expenditures</u></b>			
Capital outlay	\$ 4,762,900	\$ 3,828,013	\$ 934,887
	<u>\$ 4,762,900</u>	<u>\$ 3,828,013</u>	<u>\$ 934,887</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,112,900)	\$ (1,356,225)	\$ 2,756,675
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In:			
General fund	<u>2,250,000</u>	<u>2,250,000</u>	<u>-</u>
Net Change in Fund Balance	\$ (1,862,900)	\$ 893,775	\$ 2,756,675
<b><u>Fund Balance</u></b>			
Beginning of year	<u>8,264,386</u>	<u>8,264,386</u>	<u>-</u>
End of year	<u>\$ 6,401,486</u>	<u>\$ 9,158,161</u>	<u>\$ 2,756,675</u>

City of Altamonte Springs, Florida

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

IMPACT FEE FUND

For the Year Ended September 30, 2013

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous revenues:			
Impact fees	\$ 105,000	\$ 206,977	\$ 101,977
Investment income	154,698	24,007	(130,691)
Other miscellaneous income	-	589	589
	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	\$ 259,698	\$ 231,573	\$ (28,125)
<b>Expenditures</b>			
Public safety	\$ 3,000	\$ 2,267	\$ 733
Capital outlay	3,140,152	624,275	2,515,877
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	\$ 3,143,152	\$ 626,542	\$ 2,516,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,883,454)	\$ (394,969)	\$ 2,488,485
<b>Fund Balance</b>			
Beginning of year	<u>7,951,406</u>	<u>7,951,406</u>	<u>-</u>
End of year	<u>\$ 5,067,952</u>	<u>\$ 7,556,437</u>	<u>\$ 2,488,485</u>

City of Altamonte Springs, Florida

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual

INFRASTRUCTURE SALES TAX FUND

For the Year Ended September 30, 2013

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ 465,000	\$ 14,119	\$ (450,881)
Miscellaneous revenues:			
Investment income	<u>240,000</u>	<u>60,404</u>	<u>(179,596)</u>
Total Revenues	<u>\$ 705,000</u>	<u>\$ 74,523</u>	<u>\$ (630,477)</u>
<b><u>Expenditures</u></b>			
Capital outlay	<u>\$ 14,381,000</u>	<u>\$ 7,956,949</u>	<u>\$ 6,424,051</u>
Total Expenditures	<u>\$ 14,381,000</u>	<u>\$ 7,956,949</u>	<u>\$ 6,424,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (13,676,000)</u>	<u>\$ (7,882,426)</u>	<u>\$ 5,793,574</u>
<b><u>Fund Balance</u></b>			
Beginning of year	<u>18,609,184</u>	<u>18,609,184</u>	<u>-</u>
End of year	<u>\$ 4,933,184</u>	<u>\$ 10,726,758</u>	<u>\$ 5,793,574</u>

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# **Statistical Section**

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## Statistical Section (Unaudited)

This part of the City’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	86
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b> .....	93
These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	
<b>Debt Capacity</b> .....	97
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b> .....	100
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b>Operating Information</b> .....	102
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the City’s Comprehensive Annual Financial Reports for the relevant year.

**Schedule 1**

**City of Altamonte Springs, Florida**

**NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Governmental activities</u></b>										
Invested in capital assets, net of related debt	\$ 47,530,976	\$ 52,637,832	\$ 70,918,971	\$ 72,962,323	\$ 72,303,939	\$ 70,236,557	\$ 68,427,675	\$ 72,109,032	\$ 72,572,250	\$ 80,136,277
Restricted	16,522,230	18,127,573	14,169,503	23,072,449	31,651,826	45,553,857	17,921,681	18,904,947	17,781,765	5,966,473
Unrestricted	19,087,215	28,899,776	26,175,731	24,373,940	25,089,935	25,175,494	62,464,184	62,958,231	69,385,290	75,976,311
Total governmental activities	<u>\$ 83,140,421</u>	<u>\$ 99,665,181</u>	<u>\$ 111,264,205</u>	<u>\$ 120,408,712</u>	<u>\$ 129,045,700</u>	<u>\$ 140,965,908</u>	<u>\$ 148,813,540</u>	<u>\$ 153,972,210</u>	<u>\$ 159,739,305</u>	<u>\$ 162,079,061</u>
<b><u>Business-type activities</u></b>										
Invested in capital assets, net of related debt	\$ 71,887,652	\$ 73,117,034	\$ 74,269,418	\$ 74,476,502	\$ 79,258,209	\$ 78,398,809	\$ 81,154,985	\$ 77,244,518	\$ 77,601,440	\$ 75,416,324
Restricted	300,000	300,000	300,000	300,000	300,000	4,247,972	4,600,586	4,787,292	5,348,990	12,988,753
Unrestricted	24,492,031	24,299,337	25,138,976	26,450,592	22,159,753	20,256,736	17,263,910	20,896,692	20,994,880	20,992,733
Total business-type activities	<u>\$ 96,679,683</u>	<u>\$ 97,716,371</u>	<u>\$ 99,708,394</u>	<u>\$ 101,227,094</u>	<u>\$ 101,717,962</u>	<u>\$ 102,903,517</u>	<u>\$ 103,019,481</u>	<u>\$ 102,928,502</u>	<u>\$ 103,945,310</u>	<u>\$ 109,397,810</u>
<b><u>Primary government</u></b>										
Invested in capital assets, net of related debt	\$ 119,418,628	\$ 125,754,866	\$ 145,188,389	\$ 147,438,825	\$ 151,562,148	\$ 148,635,366	\$ 149,582,660	\$ 149,353,550	\$ 150,173,690	\$ 155,552,601
Restricted	16,822,230	18,427,573	14,469,503	23,372,449	31,951,826	49,801,829	22,522,267	23,692,239	23,130,755	18,955,226
Unrestricted	43,579,246	53,199,113	51,314,707	50,824,532	47,249,688	45,432,230	79,728,094	83,854,923	90,380,170	96,969,044
Total primary government	<u>\$ 179,820,104</u>	<u>\$ 197,381,552</u>	<u>\$ 210,972,599</u>	<u>\$ 221,635,806</u>	<u>\$ 230,763,662</u>	<u>\$ 243,869,425</u>	<u>\$ 251,833,021</u>	<u>\$ 256,900,712</u>	<u>\$ 263,684,615</u>	<u>\$ 271,476,871</u>

In fiscal year 2013, the City adopted Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Accordingly, the term "net position" has replaced "net assets" for the accrual basis of financial data.

**Schedule 2**

**City of Altamonte Springs, Florida**

**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental Activities										
General government	\$ 11,411,185	\$ 12,830,837	\$ 10,584,769	\$ 10,498,990	\$ 10,969,674	\$ 9,895,926	\$ 10,743,347	\$ 9,784,765	\$ 9,954,495	\$ 10,367,430
Public safety	10,307,592	10,230,862	10,827,892	11,547,459	11,976,427	11,939,926	12,047,564	11,399,149	11,509,002	11,647,867
Physical environment	2,053,776	2,230,909	986,036	1,130,980	1,308,794	1,228,867	1,203,775	1,403,646	1,434,694	1,288,459
Transportation	1,880,670	1,810,622	1,962,217	2,316,757	2,387,184	2,250,294	2,056,832	1,734,851	1,762,089	1,814,099
Culture/Recreation	4,907,312	4,876,596	5,246,808	5,749,636	6,027,105	5,670,568	5,531,459	4,929,968	4,705,994	4,961,998
Interest on long-term debt	353,226	115,962	103,246	90,634	77,362	63,560	49,539	42,316	-	-
Total governmental activities	\$ 30,913,761	\$ 32,095,788	\$ 29,710,968	\$ 31,334,456	\$ 32,746,546	\$ 31,049,141	\$ 31,632,516	\$ 29,294,695	\$ 29,366,274	\$ 30,079,853
Business-type activities:										
Water and sewer	\$ 14,327,618	\$ 15,258,443	\$ 15,702,861	\$ 15,998,463	\$ 16,466,693	\$ 16,717,701	\$ 16,280,108	\$ 16,717,106	\$ 16,707,113	\$ 17,184,906
Refuse disposal	1,316,794	1,598,785	1,420,055	1,605,644	1,756,999	1,608,498	1,612,296	1,603,141	1,658,209	1,746,260
Total business-type activities	\$ 15,644,412	\$ 16,857,228	\$ 17,122,916	\$ 17,604,107	\$ 18,223,692	\$ 18,326,199	\$ 17,892,404	\$ 18,320,247	\$ 18,365,322	\$ 18,931,166
Total primary government expenses	\$ 46,558,173	\$ 48,953,016	\$ 46,833,884	\$ 48,938,563	\$ 50,970,238	\$ 49,375,340	\$ 49,524,920	\$ 47,614,942	\$ 47,731,596	\$ 49,011,019
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 6,864,256	\$ 7,772,021	\$ 5,558,718	\$ 6,197,170	\$ 6,825,991	\$ 6,127,424	\$ 5,613,215	\$ 4,488,608	\$ 5,007,318	\$ 4,788,065
Public safety	1,502,531	2,053,791	2,508,066	1,640,858	1,847,923	1,492,836	1,795,044	1,464,805	2,083,567	1,682,678
Physical environment	1,448,156	1,721,869	1,700,125	1,711,999	1,992,864	1,976,115	1,978,367	1,960,230	2,004,721	1,958,704
Transportation	2,261,948	4,105,621	2,509,211	2,265,794	2,088,956	1,828,134	1,906,525	1,869,423	842,154	195,925
Culture / recreation	626,121	665,137	720,881	583,072	649,063	583,545	517,046	617,961	684,714	763,670
Operating grants and contributions	1,767,943	1,570,541	245,198	147,049	127,838	309,655	422,877	240,782	136,510	200,079
Capital grants grants and contributions	-	-	-	-	310,955	-	-	-	-	-
Total governmental activities	\$ 14,470,955	\$ 17,888,980	\$ 13,242,199	\$ 12,545,942	\$ 13,843,590	\$ 12,317,709	\$ 12,233,074	\$ 10,641,809	\$ 10,758,984	\$ 9,589,121

*Continued next page*

**Schedule 2**

**City of Altamonte Springs, Florida**

**CHANGES IN NET POSITION**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Program revenues (continued)</u></b>										
Business-type activities:										
Charges for services										
Water and sewer	\$ 14,616,924	\$ 15,389,266	\$ 15,638,058	\$ 15,615,460	\$ 15,599,956	\$ 15,309,682	\$ 15,194,248	\$ 15,997,991	\$ 16,354,427	\$ 16,604,720
Refuse disposal	1,166,329	1,224,919	1,330,180	1,427,503	1,520,447	1,478,996	1,554,732	1,662,016	1,715,558	1,686,823
Operating grants and contributions	303,278	407,464	10,000	-	-	178,611	12,759	-	-	-
Capital grants and contributions	1,053,497	1,391,762	935,297	266,809	583,484	491,765	275,591	156,094	475,058	158,950
Total business-type activities	<u>\$ 17,140,028</u>	<u>\$ 18,413,411</u>	<u>\$ 17,913,535</u>	<u>\$ 17,309,772</u>	<u>\$ 17,703,887</u>	<u>\$ 17,459,054</u>	<u>\$ 17,037,330</u>	<u>\$ 17,816,101</u>	<u>\$ 18,545,043</u>	<u>\$ 18,450,493</u>
 Total primary government	 <u>\$ 31,610,983</u>	 <u>\$ 36,302,391</u>	 <u>\$ 31,155,734</u>	 <u>\$ 29,855,714</u>	 <u>\$ 31,547,477</u>	 <u>\$ 29,776,763</u>	 <u>\$ 29,270,404</u>	 <u>\$ 28,457,910</u>	 <u>\$ 29,304,027</u>	 <u>\$ 28,039,614</u>
 <b><u>Net (expense) / revenue</u></b>										
Governmental activities	\$ (16,442,806)	\$ (14,206,808)	\$ (16,468,769)	\$ (18,788,514)	\$ (18,902,956)	\$ (18,731,432)	\$ (19,399,442)	\$ (18,652,886)	\$ (18,607,290)	\$ (20,490,732)
Business-type activities	1,495,616	1,556,183	790,619	(294,335)	(519,805)	(867,145)	(855,074)	(504,146)	179,721	(480,673)
 Total primary government	 <u>\$ (14,947,190)</u>	 <u>\$ (12,650,625)</u>	 <u>\$ (15,678,150)</u>	 <u>\$ (19,082,849)</u>	 <u>\$ (19,422,761)</u>	 <u>\$ (19,598,577)</u>	 <u>\$ (20,254,516)</u>	 <u>\$ (19,157,032)</u>	 <u>\$ (18,427,569)</u>	 <u>\$ (20,971,405)</u>

*Continued next page*

**Schedule 2**

**City of Altamonte Springs, Florida**

**CHANGES IN NET POSITION**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property tax	\$ 5,823,586	\$ 6,558,061	\$ 7,192,355	\$ 8,360,583	\$ 8,759,983	\$ 8,909,555	\$ 7,465,255	\$ 6,923,857	\$ 6,514,128	\$ 6,443,901
Franchise fee tax	3,456,109	3,868,264	4,535,539	4,708,435	4,562,474	4,825,691	4,901,111	4,609,726	4,477,914	4,359,505
Utility tax	2,927,091	3,075,172	3,258,491	3,306,210	3,333,916	3,414,053	3,831,409	3,635,164	3,479,166	3,659,368
Communications services tax	2,803,589	2,680,200	2,724,011	2,898,035	3,213,175	2,765,480	2,529,165	2,348,695	2,423,270	2,484,421
Local option gas tax	1,089,361	982,187	1,067,613	1,071,100	1,143,113	1,014,822	930,732	802,301	714,413	640,025
Intergovernmental revenues	4,364,886	4,462,134	4,998,991	4,590,776	4,168,789	3,593,002	3,467,263	3,444,265	6,529,324	3,699,946
Investment income	571,060	565,170	2,110,619	2,884,707	1,929,544	5,545,915	2,840,748	1,188,262	2,712,633	288,752
Gain on sale of surplus land	-	2,490,092	1,961,587	167	-	-	-	-	-	-
Other miscellaneous revenues	486,214	239,026	268,587	163,011	478,947	633,122	1,281,391	859,286	523,537	2,254,570
Transfers in (out)	(73,099)	5,811,262	(50,000)	(50,000)	(50,000)	(50,000)	-	-	-	(1,000,000)
Total governmental activities	\$ 21,448,797	\$ 30,731,568	\$ 28,067,793	\$ 27,933,024	\$ 27,539,941	\$ 30,651,640	\$ 27,247,074	\$ 23,811,556	\$ 27,374,385	\$ 22,830,488
Business-type activities:										
Investment income	\$ 358,057	\$ 296,880	\$ 1,122,303	\$ 1,548,995	\$ 873,864	\$ 1,934,886	\$ 922,423	\$ 379,191	\$ 791,634	\$ 109,379
Gain (loss) on sale of surplus assets	-	4,943,471	2,298	97,500	69,891	47,452	(4,771)	7,519	32,986	4,760,171
Other miscellaneous revenues	72,396	51,416	26,803	116,543	16,918	20,362	53,386	26,457	12,467	63,623
Transfers in (out)	72,297	(5,811,262)	50,000	50,000	50,000	50,000	-	-	-	1,000,000
Total business-type activities	\$ 502,750	\$ (519,495)	\$ 1,201,404	\$ 1,813,038	\$ 1,010,673	\$ 2,052,700	\$ 971,038	\$ 413,167	\$ 837,087	\$ 5,933,173
Total primary government	\$ 21,951,547	\$ 30,212,073	\$ 29,269,197	\$ 29,746,062	\$ 28,550,614	\$ 32,704,340	\$ 28,218,112	\$ 24,224,723	\$ 28,211,472	\$ 28,763,661
<b>Change in net position</b>										
Governmental activities	\$ 5,005,991	\$ 16,524,760	\$ 11,599,024	\$ 9,144,510	\$ 8,636,985	\$ 11,920,208	\$ 7,847,632	\$ 5,158,670	\$ 8,767,095	\$ 2,339,756
Business-type activities	1,998,366	1,036,688	1,992,023	1,518,703	490,868	1,185,555	115,964	(90,979)	1,016,808	5,452,500
	\$ 7,004,357	\$ 17,561,448	\$ 13,591,047	\$ 10,663,213	\$ 9,127,853	\$ 13,105,763	\$ 7,963,596	\$ 5,067,691	\$ 9,783,903	\$ 7,792,256

**Schedule 3**

**City of Altamonte Springs, Florida**

**FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>General fund</u></b>										
Nonspendable	\$ 136,999	\$ 155,343	\$ 193,835	\$ 209,318	\$ 181,060	\$ 186,918	\$ 215,800	\$ 212,302	\$ 204,452	\$ 221,188
Restricted	50,050	60,128	68,028	83,000	118,245	150,138	183,765	200,987	223,576	244,962
Committed	213,710	290,318	288,911	249,640	199,314	241,427	197,114	298,027	401,642	218,616
Unassigned	13,308,269	14,071,604	18,367,598	19,845,979	20,985,809	24,401,625	24,700,383	25,566,463	26,303,750	27,616,726
<b>Total general fund</b>	<b>\$ 13,709,028</b>	<b>\$ 14,577,393</b>	<b>\$ 18,918,372</b>	<b>\$ 20,387,937</b>	<b>\$ 21,484,428</b>	<b>\$ 24,980,108</b>	<b>\$ 25,297,062</b>	<b>\$ 26,277,779</b>	<b>\$ 27,133,420</b>	<b>\$ 28,301,492</b>
<b><u>All other governmental funds</u></b>										
Nonspendable	\$ 2,841	\$ 94,176	\$ 14,152	\$ 11,621	\$ 13,902	\$ 19,809	\$ 13,138	\$ 20,515	\$ 16,573	\$ 17,170
Restricted	4,774,644	5,354,452	7,813,103	9,981,134	12,694,024	15,551,116	17,737,916	18,703,960	17,558,189	5,740,875
Committed	3,864,439	16,044,849	3,306,564	419,971	183,795	180,116	233,406	903,095	36,033,520	40,936,292
Assigned	13,811,787	12,715,098	14,859,346	20,550,536	23,736,281	31,545,013	39,003,703	37,967,661	8,189,821	9,135,715
<b>Total all other governmental funds</b>	<b>\$ 22,453,711</b>	<b>\$ 34,208,575</b>	<b>\$ 25,993,165</b>	<b>\$ 30,963,262</b>	<b>\$ 36,628,002</b>	<b>\$ 47,296,054</b>	<b>\$ 56,988,163</b>	<b>\$ 57,595,231</b>	<b>\$ 61,798,103</b>	<b>\$ 55,830,052</b>

**Schedule 4**

**City of Altamonte Springs, Florida**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Revenues</b>										
Taxes	\$ 16,099,736	\$ 17,163,884	\$ 18,778,009	\$ 20,344,363	\$ 21,012,661	\$ 20,929,601	\$ 19,657,672	\$ 18,319,743	\$ 17,608,891	\$ 17,587,220
Licenses and permits	1,270,420	1,785,980	2,049,284	1,481,828	903,266	922,638	891,697	867,261	845,415	904,405
Intergovernmental revenues	9,799,793	12,715,747	9,979,667	10,428,427	10,297,839	9,447,425	8,810,754	7,776,180	6,307,931	6,037,489
Charges for services	5,808,624	6,732,011	7,583,405	7,070,275	8,750,682	8,189,863	8,790,965	8,628,633	9,561,200	9,534,332
Fines and forfeitures	571,774	596,161	681,641	631,204	717,628	549,770	504,371	408,653	588,643	487,963
Impact fees	406,233	586,152	521,193	254,984	168,964	123,092	258,617	155,627	461,280	206,977
Investment income	546,556	554,515	2,065,487	2,824,160	1,887,891	5,414,839	2,786,028	1,168,646	2,664,909	283,289
Miscellaneous revenues	358,617	5,723,566	2,377,283	466,281	411,097	636,006	709,319	597,439	525,852	3,354,467
<b>Total revenues</b>	<b>\$ 34,861,753</b>	<b>\$ 45,858,016</b>	<b>\$ 44,035,969</b>	<b>\$ 43,501,522</b>	<b>\$ 44,150,028</b>	<b>\$ 46,213,234</b>	<b>\$ 42,409,423</b>	<b>\$ 37,922,182</b>	<b>\$ 38,564,121</b>	<b>\$ 38,396,142</b>
<b>Expenditures</b>										
Current:										
General government	\$ 10,914,933	\$ 11,575,465	\$ 12,461,335	\$ 13,210,471	\$ 13,396,199	\$ 12,190,504	\$ 12,721,890	\$ 12,734,658	\$ 13,484,999	\$ 13,297,165
Public safety	9,711,979	9,557,389	10,136,622	10,896,598	11,331,127	11,390,256	11,638,080	10,961,218	11,011,971	10,884,564
Physical environment	2,722,060	1,986,047	732,501	842,919	986,580	922,289	856,012	1,038,029	1,120,149	953,087
Transportation	3,502,457	1,116,997	1,154,283	1,214,663	1,258,563	1,392,481	967,796	5,394,004	672,751	794,693
Culture/Recreation	4,371,278	4,385,434	4,735,814	4,870,614	4,716,414	4,293,333	4,084,505	3,417,666	3,361,827	3,594,293
Debt service:										
Principal retirement	325,000	352,798	365,321	377,933	391,205	405,007	419,028	1,112,470	-	-
Interest and fiscal charges	353,226	115,962	103,246	90,634	77,362	63,560	49,539	42,316	-	-
Capital Outlay	1,894,022	10,135,524	18,171,279	5,508,027	5,181,348	1,342,072	1,663,509	1,634,037	3,853,911	12,672,319
<b>Total expenditures</b>	<b>\$ 33,794,955</b>	<b>\$ 39,225,616</b>	<b>\$ 47,860,401</b>	<b>\$ 37,011,859</b>	<b>\$ 37,338,798</b>	<b>\$ 31,999,502</b>	<b>\$ 32,400,359</b>	<b>\$ 36,334,398</b>	<b>\$ 33,505,608</b>	<b>\$ 42,196,121</b>
Excess of revenues over expenditures	\$ 1,066,798	\$ 6,632,400	\$ (3,824,432)	\$ 6,489,663	\$ 6,811,230	\$ 14,213,732	\$ 10,009,064	\$ 1,587,784	\$ 5,058,513	\$ (3,799,979)

*Continued*

**Schedule 4**

**City of Altamonte Springs, Florida**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Other financing sources (uses)</u></b>										
Transfers in	\$ 2,320,976	\$ 11,160,714	\$ 2,525,518	\$ 4,487,145	\$ 5,015,109	\$ 4,694,991	\$ 4,863,542	\$ 4,055,322	\$ 3,549,470	\$ 3,486,119
Transfers (out)	(2,299,467)	(5,169,884)	(2,575,518)	(4,537,145)	(5,065,109)	(4,744,991)	(4,863,542)	(4,055,322)	(3,549,470)	(4,486,119)
Bank note issued	3,423,718	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	(3,960,000)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ (514,773)	\$ 5,990,830	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ -	\$ -	\$ -	\$ (1,000,000)
Net Change in Fund Balances	\$ 552,025	\$ 12,623,230	\$ (3,874,432)	\$ 6,439,663	\$ 6,761,230	\$ 14,163,732	\$ 10,009,064	\$ 1,587,784	\$ 5,058,513	\$ (4,799,979)
Debt service as a percentage of non-capital expenditures	2.5%	1.7%	1.6%	1.5%	1.5%	1.6%	1.6%	4.1%	0.0%	0.0%

**Schedule 5**

**City of Altamonte Springs, Florida**

**ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Assessed Values</b>			<b>Less: Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>	<b>Total</b>			
2004	\$ 2,449,310,008	\$ 288,477,187	\$ 2,737,787,195	\$ (461,760,114)	\$ 2,276,027,081	2.6660
2005	2,567,217,804	283,481,783	2,850,699,587	(502,449,184)	2,348,250,403	2.9000
2006	2,868,369,605	291,903,690	3,160,273,295	(595,255,051)	2,565,018,244	2.9000
2007	3,842,118,637	310,070,586	4,152,189,223	(884,588,862)	3,267,600,361	2.6500
2008	4,410,410,733	315,811,763	4,726,222,496	(996,964,396)	3,729,258,100	2.4343
2009	4,284,523,328	317,427,819	4,601,951,147	(1,089,563,038)	3,512,388,109	2.6352
2010	3,412,261,296	319,373,203	3,731,634,499	(806,819,228)	2,924,815,271	2.6352
2011	2,845,170,835	299,226,155	3,144,396,990	(671,684,097)	2,472,712,893	2.8900
2012	2,647,705,306	292,259,560	2,939,964,866	(608,671,612)	2,331,293,254	2.8900
2013	2,674,831,194	293,265,436	2,968,096,630	(665,300,693)	2,302,795,937	2.8900

**Source:** Seminole County Property Appraiser's Office.

**Note:** Property is reassessed each year by the Seminole County Property Appraiser. Property is assessed at actual value, therefore the assessed values are equal to the actual values. Tax rates are per \$1,000 of assessed valuation.

**Schedule 6**

**City of Altamonte Springs, Florida**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**Last Ten Fiscal Years**

*(Per \$1,000 of Assessed Taxable Value)*

<u>Fiscal Year</u>	<u>Direct (a)</u>	<u>Overlapping</u>			<u>St. John's River Water Mgmt. Dist.</u>	<u>Total</u>
	<u>City of Altamonte Springs</u>	<u>Seminole County</u>				
		<u>Government</u>	<u>Fire District</u>	<u>School Board</u>		
2004	2.666	5.190	2.633	8.736	0.462	19.687
2005	2.900	5.171	2.633	8.512	0.462	19.679
2006	2.900	5.203	2.633	7.965	0.462	19.163
2007	2.650	5.144	2.633	7.753	0.462	18.642
2008	2.434	4.660	2.330	7.543	0.416	17.383
2009	2.635	4.660	2.330	7.543	0.416	17.584
2010	2.635	4.900	2.330	7.723	0.416	18.004
2011	2.890	5.045	2.330	7.801	0.416	18.482
2012	2.890	5.045	2.330	7.553	0.331	18.149
2013	2.890	4.875	2.330	8.361	0.328	18.784

**Source:** Seminole County Tax Collector's Office.

- (a) The City had no property tax supported debt during the past ten years. Therefore revenues generated from the direct property tax rate was used only for operating purposes.

**Schedule 7**

**City of Altamonte Springs, Florida**

**PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

Taxpayer	Property Description	Use	Fiscal Year 2012 / 2013 (a)				Fiscal Year 2003 / 2004 (b)			
			Taxable Value *	Percent of Total Taxable Value	Amount of Tax	Rank	Taxable Value *	Percent of Total Taxable Value	Amount of Tax	Rank
Altamonte Mall Joint Venture	Altamonte Mall	Retail	\$ 92.13	3.73%	\$ 266,248	1	\$ 86.90	3.73%	\$ 232,032	1
Timberlake Multifamily Inv LLC	Timberlake Apts.	Mixed Use	48.30	1.95%	139,582	2	23.44	1.01%	62,597	7
Progress Energy Florida	Electric Utility	Utility	37.93	1.53%	109,604	3	-	-	-	
Emerson International, Inc.	Cranes Roost Office Park Et Al	Mixed Use	36.86	1.49%	106,516	4	39.03	1.68%	104,209	2
Embarq	Telephone System	Public Utility	32.07	1.30%	92,678	5	33.22	1.43%	88,708	4
Vineridge Assoc LLC	Vineridge Apartments	Residential	28.68	1.16%	82,895	6	19.41	0.83%	51,831	9
Camden Operating LP	Camden Renaissance	Residential	27.13	1.10%	78,406	7	-	-	-	
Uptown Lofts at Altamonte LTD	Uptown Lofts @ Altamonte	Residential	26.33	1.06%	76,097	8	-	-	-	
United Dominion Realty Trst	Los Altos & Lakeside North Apartments	Residential	25.26	1.02%	73,011	9	34.25	1.47%	91,441	3
CC Altamonte Joint Venture	West Town Corners	Retail	23.26	0.94%	67,213	10	21.18	0.91%	56,559	8
Price Reit Renaissance Ptrn	Renaissance Centre	Retail	-	-	-	-	27.18	1.17%	72,561	5
Paragon Group LP LTD	Renaissance Point	Residential	-	-	-	-	26.86	1.15%	71,722	6
Teachers Retirement System State of Illinois	Northlake Commerce Park	Mixed Use	-	-	-	-	19.14	0.82%	51,105	10
			<u>\$ 377.95</u>	<u>15.28%</u>	<u>\$ 1,092,250</u>		<u>\$ 330.61</u>	<u>14.20%</u>	<u>\$ 882,765</u>	

(a) The fiscal year ended September 30, 2013 tax levy is based on the 2012 taxable value.

(b) The fiscal year ended September 30, 2004 tax levy is based on the 2003 taxable value.

\* In millions

**Source:** Seminole County Property Appraiser's Office.

**Schedule 8**

**City of Altamonte Springs, Florida**

**PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections (a)</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections as a Percent of Current Levy</b>
2004	\$ 6,067,888	\$ 5,805,175	95.7%	\$ 18,411	\$ 5,823,586	96.0%
2005	6,809,926	6,523,487	95.8%	33,713	6,557,200	96.3%
2006	7,438,553	7,167,665	96.4%	24,690	7,192,355	96.7%
2007	8,659,141	8,324,507	96.1%	36,076	8,360,583	96.6%
2008	9,078,133	8,709,917	95.9%	50,065	8,759,982	96.5%
2009	9,255,845	8,890,545	96.1%	17,138	8,907,683	96.2%
2010	7,707,473	7,427,545	96.4%	37,710	7,465,255	96.9%
2011	7,146,140	6,873,873	96.2%	49,984	6,923,857	96.9%
2012	6,737,438	6,490,466	96.3%	23,662	6,514,128	96.7%
2013	6,655,080	6,437,027	96.7%	6,874	6,443,901	96.8%

**Source:** Seminole County Tax Collector's Office.

**(a)** Taxes are due and payable on November 1st of each year. A discount is available for early payment. This discount is 4% if taxes are paid in November, 3% for December, 2% for January and 1% for February. Taxes become delinquent on April 1st.

**Schedule 9**

**City of Altamonte Springs, Florida**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Governmental Activities Tax Increment Revenue Note</u>	<u>Business-type Activity Water &amp; Sewer Revenue Bonds</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2004	\$ 3,423,718	\$ 7,465,000	\$ 10,888,718	0.7%	267
2005	3,070,920	5,680,000	8,750,920	0.5%	213
2006	2,705,774	3,845,000	6,550,774	0.4%	161
2007	2,327,847	1,960,000	4,287,847	0.3%	107
2008	1,936,505	-	1,936,505	0.1%	48
2009	1,531,659	-	1,531,659	0.1%	38
2010	1,112,643	-	1,112,643	0.1%	26
2011 *	-	-	-	-	-
2012 *	-	-	-	-	-
2013 *	-	-	-	-	-

**Sources:** Population and personal income data from University of Florida, Bureau of Economic and Business Research

The City has had no general obligation debt in the past ten years.  
There are no legal debt limits for Florida municipalities.

\* The City had no outstanding debt at September 30, 2011, 2012, or 2013.

**Schedule 10**

**City of Altamonte Springs, Florida**

**COMPUTATION OF OVERLAPPING DEBT (Governmental Activities)**

**September 30, 2013**

<u>Taxing District</u>	<u>Assessed Valuation</u>	<u>Net Debt Outstanding</u>	<u>Overlapping</u>	<u>City's Share of Debt</u>
Seminole County Government	\$ 23,594,964,485	\$ 84,240,000	9.8%	\$ 8,221,565
Seminole Count School Board	\$ 26,110,057,024	<u>195,825,564</u>	8.8%	<u>17,270,982</u>
		<u><u>\$ 280,065,564</u></u>		<u><u>\$ 25,492,547</u></u>

**Sources:** Seminole County Property Appraiser's Office.  
Seminole County Finance Department.

**Note:** Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Altamonte Springs. This process recognizes, when considering a government's ability to issue and repay long-term debt, the entire debt burden borne by property taxpayers 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.

**Schedule 11**

**City of Altamonte Springs, Florida**

**REVENUE BOND COVERAGE  
WATER AND SEWER REVENUE BONDS  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Operating Revenue (1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Available For Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2004	\$ 14,953,243	\$ 7,622,003	\$ 7,331,240	\$ 1,730,000	\$ 314,198	\$ 2,044,198	3.59
2005	15,667,105	8,395,807	7,271,298	1,785,000	260,836	2,045,836	3.55
2006	16,693,940	8,680,770	8,013,170	1,835,000	203,838	2,038,838	3.93
2007	17,089,229	8,550,128	8,539,101	1,885,000	142,450	2,027,450	4.21
2008	16,426,532	9,055,855	7,370,677	1,960,000	75,725	2,035,725	3.62
2009	(3)	(3)	(3)	(3)	(3)	(3)	(3)
2010	(3)	(3)	(3)	(3)	(3)	(3)	(3)
2011	(3)	(3)	(3)	(3)	(3)	(3)	(3)
2012	(3)	(3)	(3)	(3)	(3)	(3)	(3)
2013	(3)	(3)	(3)	(3)	(3)	(3)	(3)

(1) "Operating Revenues", as defined in the Bond Ordinances, includes investment income.

(2) "Direct Operating Expenses", as defined in the Bond Ordinances, are operating expenses less depreciation expense and less the indirect administrative charge paid to the General Fund.

(3) The City retired all water and sewer outstanding bonded indebtedness in 2008.

**Source:** City of Altamonte Springs Finance Department.

**Schedule 12**

**City of Altamonte Springs, Florida**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Per Capita Personal Income (2)</b>	<b>Personal Income (2) (in millions)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2004	40,826	36,668	1,497.01	6,747	4.2%
2005	41,142	38,687	1,591.66	6,709	3.2%
2006	40,779	40,976	1,670.96	6,587	2.6%
2007	40,205	42,223	1,697.58	6,278	3.5%
2008	39,947	44,379	1,772.81	6,330	5.8%
2009	39,947	42,340	1,691.36	5,867	11.5%
2010	42,620	40,133	1,710.47	5,702	11.8%
2011	41,496	41,337	1,715.32	5,729	9.5%
2012	41,727	42,577	1,776.61	4,928	9.5%
2013	41,920	43,854	1,838.38	5,722	5.9%

- Sources:**
- (1) U.S. Census of Population and Housing. University of Florida, Bureau of Economic and Business Research, "Florida Statistical Abstract".
  - (2) U. S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System. The actual per capita personal income for the City is not known. The figures are for Seminole County. The per capita figures are multiplied by the population to determine the total personal income.
  - (3) Seminole County School Board.
  - (4) Florida Agency for Workforce Innovation, Labor Market Statistics, Local Area Unemployment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

**Schedule 13**

**City of Altamonte Springs, Florida**

**PRINCIPAL EMPLOYERS  
CENTRAL FLORIDA**

<b>Employer (local subsidiary)</b>	<b>Business</b>	<b>Number of Employees in Central Florida</b>				<b>Rank</b>	
		<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>
Walt Disney Co. (Walt Disney World)	Entertainment/Retail	66,700	6.3%	69,900	6.4%	1	1
Adventist Health System (Florida Hospital)	Hospital	20,899	2.0%	24,888	2.3%	2	2
Publix Supermarkets Inc	Grocery	19,019	1.8%	19,783	1.8%	3	3
Comcast Corp (Universal)	Entertainment/Retail	16,500	1.6%	17,300	1.6%	4	4
Orlando Health	Health Care	14,869	1.4%	14,201	1.3%	5	5
McDonald's Corp	Restaurant	8,275	0.8%	9,130	0.8%	7	6
Darden Restaurants, Inc.	Restaurant	6,940	0.7%	7,600	0.7%	9	7
Lockheed Martin Corp	Technology	7,510	0.7%	7,400	0.7%	8	8
Walgreen Co	Retail	6,154	0.6%	6,500	0.6%	11	9
Health First Inc	Health Care	-	-	6,265	0.6%	-	10
Sea World Parks & Entertainment	Theme Parks/Entertainment	6,022	0.6%	6,032	0.6%	12	11
Harris Corp	Aerospace	6,500	0.6%	6,000	0.6%	10	12
Hilton Hotels Corp	Hospitality	9,595	0.9%	-	-	6	-

**Source:** Orlando Sentinel

**Schedule 14**

**City of Altamonte Springs, Florida**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM  
Last Ten Fiscal Years**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>General government</u></b>										
Administration	20	20	21	22	23	23	22	21	21	20
Finance	18	18	19	19	19	18	17	18	18	18
Information Services	9	9	9	10	9	9	9	10	10	10
Growth management	10	10	10	11	11	9	7	6	6	8
Maintenance	45	45	47	46	46	45	45	45	59	60
<b><u>Public safety</u></b>										
Police officers	102	102	102	105	105	104	102	106	102	99
Police civilians	23	24	24	24	24	20	20	18	18	18
Inspections	17	17	17	16	15	14	12	12	12	12
<b><u>Physical environment</u></b>										
Water and sewer operations	87	87	88	89	88	88	84	84	85	85
Residential refuse disposal	16	16	16	18	18	19	19	20	20	20
Stormwater management	8	8	8	11	11	11	10	11	11	11
<b><u>Transportation</u></b>										
Administration	4	3	3	3	3	2	2	-	-	-
Streets	12	12	12	11	11	10	10	7	7	7
<b><u>Culture / Recreation</u></b>										
Administration	3	3	3	5	5	5	5	5	5	5
Library	8	8	8	8	7	7	7	7	7	7
Parks	48	48	49	46	45	41	34	33	15	16
Events	7	7	7	11	11	11	17	16	19	18
<b>Total</b>	<b>436</b>	<b>436</b>	<b>441</b>	<b>454</b>	<b>450</b>	<b>435</b>	<b>419</b>	<b>417</b>	<b>414</b>	<b>413</b>

**Source:** City Finance Department.

**Schedule 15**

**City of Altamonte Springs, Florida**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Water System</u></b>										
Number of customers	11,555	11,720	11,474	11,693	11,657	11,530	11,514	11,520	11,570	11,638
Average daily flow (millions of gallons)	5.89	5.90	5.90	5.90	5.57	5.57	4.70	5.00	5.00	4.88
<b><u>Sewer System</u></b>										
Average daily flow (millions of gallons)	5.78	6.82	6.22	6.22	6.40	6.40	6.00	5.80	5.63	5.95
<b><u>Reclaimed Water System</u></b>										
Average daily demand (millions of gallons)	4.66	5.39	5.27	5.27	5.10	5.43	5.43	5.43	5.43	5.62
Number of customers:										
Single family homes	6,127	6,191	5,825	5,825	5,731	5,703	5,829	5,832	5,822	5,829
Multi-family properties	80	81	83	83	81	83	83	91	91	91
Golf course	1	1	1	1	1	1	1	1	1	0
Commercial properties	430	441	454	463	427	469	469	470	467	467
City properties	15	16	16	16	16	17	17	16	16	16
<b><u>Building Inspections</u></b>										
Building permits issued	525	779	1,175	689	564	441	456	1,084	951	473

**Source:** Various City Departments.

**Schedule 16**

**City of Altamonte Springs, Florida**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Transportation</u></b>										
Miles of streets	66.67	68.04	68.04	68.04	68.04	68.04	68.04	68.04	74.15	74.45
<b><u>Water System</u></b>										
Miles of water mains	109	109	109	109	109	109	109	109	109	108
Plant Capacity - all plants (millions of gallons)	24.19	24.19	16.36	24.40	24.40	21.10	21.10	21.10	21.10	21.10
Number of fire hydrants	1,465	1,465	1,485	1,495	1,507	1,507	1,508	1,228	1,230	1,246
Water plants	3	3	3	3	3	3	3	3	3	3
Deep wells	10	10	10	10	10	10	10	10	10	12
Ground storage tanks	3	4	5	5	5	5	5	5	6	6
Ground storage tank capacity (millions of gallons)	3.05	3	3.80	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Elevated storage tanks	3	4	4	4	4	4	4	4	4	4
Elevated storage tank capacity (millions of gallons)	2.5	3	3	3	3	3	3	3	3	3
<b><u>Reclaimed Water System</u></b>										
Ground storage tanks	2	2	2	2	2	2	2	2	2	2
Ground storage tank capacity (millions of gallons)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Miles of reclaimed water lines	105	105	105	105	105	105	105	105	105	105
<b><u>Stormwater System</u></b>										
Number of pumping stations	(a)	2	2							
Number of ponds	(a)	79	80							
Miles of stormwater lines	96	96	96	96	96	96	96	96	99	103

*Continued*

**Schedule 16**

**City of Altamonte Springs, Florida**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b><u>Sewer System</u></b>										
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Daily treatment capacity (millions of gallons)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Number of lift stations	70	66	75	74	74	75	75	74	73	72
Miles of sewer lines	(a)	149	144							
<b><u>Parks and Recreation</u></b>										
Park acreage	245	245	245	290	290	272	272	272	272	272
Number of nature parks	1	1	1	1	1	1	1	1	1	1
Number of urban parks	-	-	-	1	1	1	1	1	1	1
Number of community parks	5	5	5	5	5	5	5	5	5	5
Number of neighborhood parks	3	3	3	3	3	3	3	3	3	3
Number of libraries	1	1	1	1	1	1	1	1	1	1
Library book collection	37,095	34,582	34,542	30,745	31,789	32,629	32,274	36,463	37,271	37,889

**Source:** Various City Departments.

(a) Information prior to 2012 is not readily available.

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# **Compliance Section**

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MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and Members of the City Commission  
Altamonte Springs, 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, each major fund, and the aggregate remaining fund information of the City of Altamonte Springs, Florida (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 18, 2014.

**Internal Control over Financial Reporting**

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

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

Honorable Mayor and Members of the City Commission  
Altamonte Springs, Florida

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.

### **Compliance and Other Matters**

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

We noted certain matters that we have reported to management of the City in a separate letter dated February 18, 2014.

### **Purpose of this Report**

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

*Moore Stephens Lovelace, P.A.*

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

Orlando, Florida  
February 18, 2014



MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Mayor and Members of the City Commission  
Altamonte Springs, Florida

We have audited the financial statements of the City of Altamonte Springs, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated February 18, 2014.

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. We issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated February 18, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

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. There were no such recommendations made in the preceding annual financial audit report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address noncompliance with violations of provisions of contracts or grant agreements, or abuses that have occurred, or likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Honorable Mayor and Members of the City Commission  
Altamonte Springs, Florida

Section 10.554(1)(i)5., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, the results of our tests did not indicate that the City met any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2013, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)6.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures as of September 30, 2013. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

*Moore Stephens Lovelace, P.A.*

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

Orlando, Florida  
February 18, 2014



