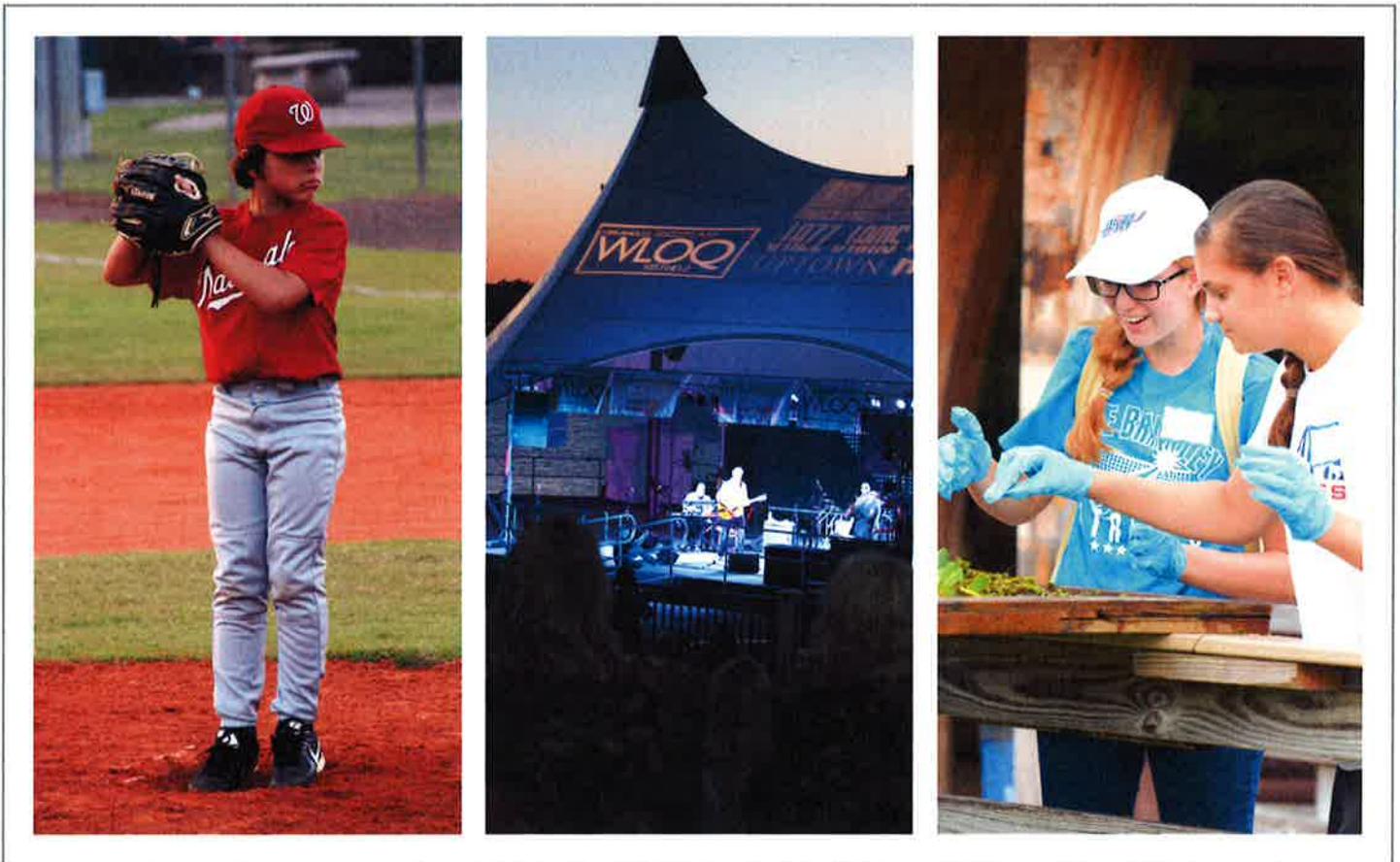




# Comprehensive Annual Financial Report



For the Year Ended September 30, 2014



**The City of  
Altamonte Springs, Florida**

**Comprehensive Annual  
Financial Report**

*For the Year Ended  
September 30, 2014*

**Prepared By:  
Department of Finance**

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**City of Altamonte Springs, Florida**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2014**

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# **INTRODUCTORY SECTION**





**February 2, 2015**

**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, 2014. 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, 2014, 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, 2014, 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 over 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.

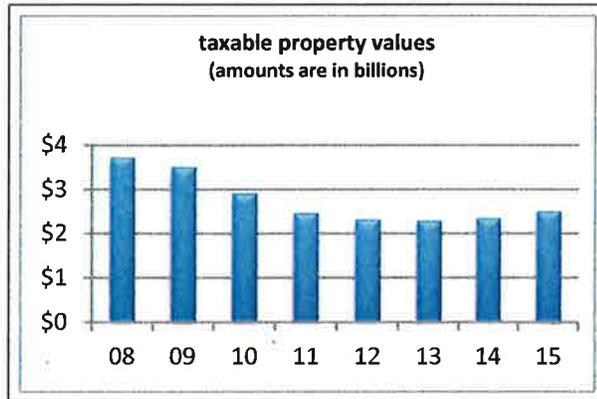
### **Factors Affecting Financial Condition**

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

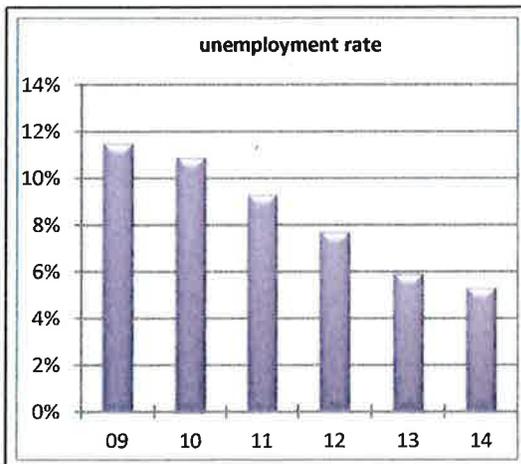
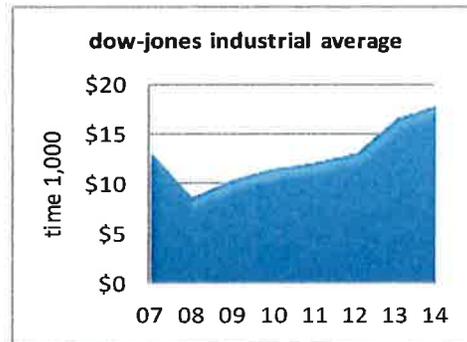
taken in conjunction with the Notes to the Financial Statements and Management’s Discussion and Analysis, help provide this broader context by furnishing information useful in assessing the City’s financial condition.

**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 2015 budget, shows an increase in value of more than \$202 million (9%) from 2013 to 2015. This is a substantial increase which reflects an improved economy.



The recovery of the American economy since the recession of 2008 has been steady and sustained. From the end of 2007 to the end of 2008 the value of the Dow-Jones Industrial Average (DJIA) fell 34% from \$13,265 to \$8,776. At the end of 2014 the value was \$17,823, a remarkable recovery.



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 5.3% and falling. Again another sign the economy is heading in the right direction.

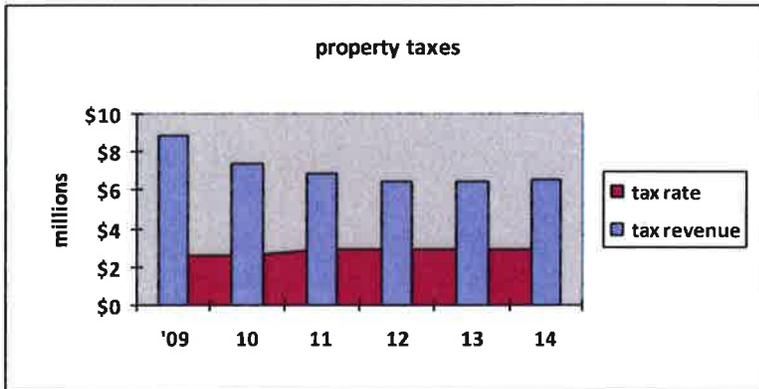
Finally, to tie it all together, we look at the annual GDP (U.S. gross domestic product), a measure of all goods and services. The GDP actually fell in 2009 by 3.1%, indicative of a stagnating economy. Fortunately, since that time the economy has steadily expanded. For the third quarter of 2014 the annualized GDP rate was 5%, far outpacing the past few years and 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	-2.8%
2010	2.5%
2011	1.6%
2012	2.3%
2013	2.2%
2014	5.0%

On a cautionary note we find wage increases have not kept pace with the growth in the economy. Prior to the 2008 wages rose at the rate of 3% to 4% annually. From 2009 through 2014 wages have risen only 2% annually. The lower unemployment rate brought on by the improving economy means employers, and the City is one, will have to pay more to attract and retain quality workers. We believe this upward pressure on wages will increase the City's labor expenses as we continue to match the marketplace.

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 2014 property tax revenues reached \$6.57 million, no longer



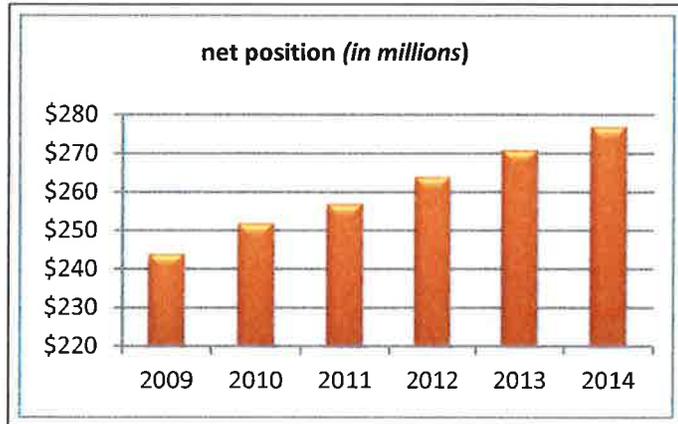
declining. During this period, rather than raise the tax rate, the City chose to reduce expenditures to absorb this loss. Fortunately, going into fiscal year 2015 we expect property tax revenues to slightly increase over the 2014 amount, even with a reduced tax rate.

The largest property taxpayer in the City is the Altamonte Mall with a taxable value of \$93 million which represents 4% of the total assessed valuation. The City's per capita income of nearly \$43,000 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 Disney World, Universal Studios, Adventist Health Systems, Publix Supermarkets, and Orlando Health System. 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 supporting continued economic growth within the City.

**Long-term Financial Planning**

The City continues to maintain a strong financial condition. In 2014 revenues exceeded expenses by \$5.8 million. The value of the City’s net position has risen every year for the past 10 years reaching \$277 million by the end of 2014.



We view 2015 with great optimism. We believe 2012 marked the end of the long downward economic trend. All indications are the economy has largely recovered and is on a path of steady and sustained growth. We are managing and planning the City’s finances in a manner 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 operating expenses from \$45.2 million in 2008 to \$40.7 million by 2012. Since then the economy has improved, revenues have increased, and we have restored some of the selected cuts back to the budget. For the coming year (2015) budgeted operating expenses total \$45.5 million, an increase of just \$300,000 (0.7%). In fact, the 2015 budget is more than 3% less than the 2008 budget of \$50 million. Had we tracked inflation over the last 7 years, today’s budget would be \$56 million. That’s a \$10 million swing.

We believe the economic recovery has been strong and continues. In our own case, we have numerous ongoing capital projects (A-First, East Town Center). 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**

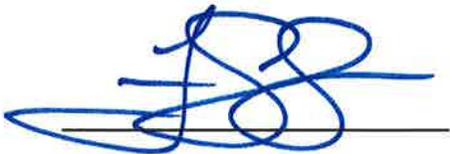
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013. This was the twenty-ninth consecutive year 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, Senior 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,



Franklin W. Martz, II  
City Manager



Mark B. DeBord  
Finance Director

City of Altamonte Springs, Florida

Principal Officials

September 30, 2014

Elected Officials

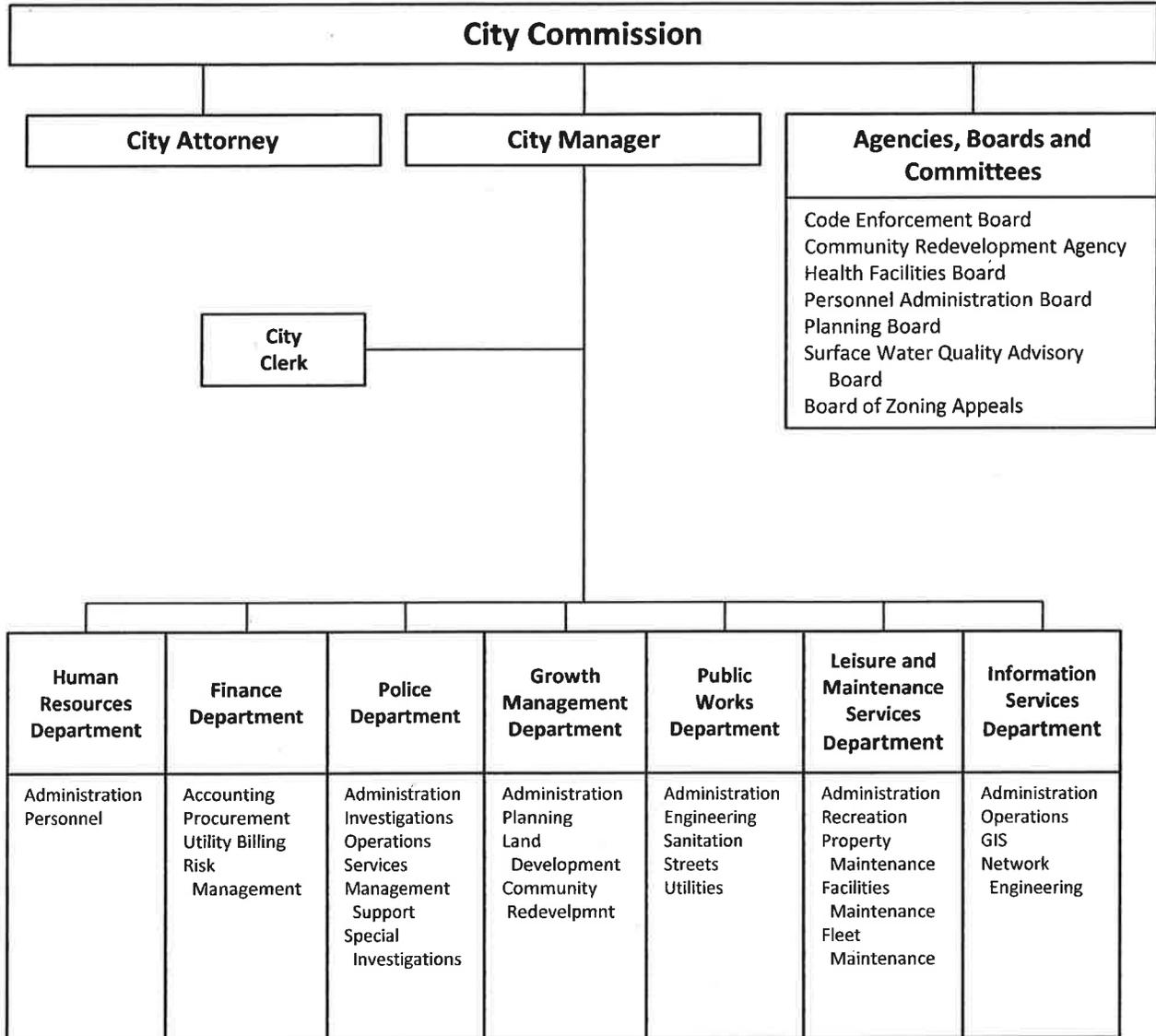
Mayor ..... Pat Bates  
Commissioner ..... Sarah Reece  
Commissioner ..... Jon Batman  
Commissioner ..... Steve Wolfram  
Commissioner ..... Gardner Hussey

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.

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, 2013**

Executive Director/CEO

# **FINANCIAL SECTION**





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, 2014, 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the 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 4, 2015, 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 4, 2015

## City of Altamonte Springs, Florida

### MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

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, 2014. 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 \$277 million (net position). Of this amount, \$102 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.
- Governmental funds reported combined ending fund balances of \$88 million, an increase of \$4 million from the prior year.
- Unassigned fund balance for the General Fund was \$27.5 million, essentially unchanged from the prior year.

During the fiscal year:

- The City spent \$8.2 million on capital acquisitions and construction, down \$5.2 million from last year.
- Revenues from all sources decreased \$600,000 to \$56.2 million.

#### 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 2014. 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 \$277 million at the close of the fiscal year ended September 30, 2014. The City ended the fiscal year with 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>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
<b>Assets</b>						
Current and other assets	\$ 90,186	\$ 93,508	\$ 37,011	\$ 39,927	\$ 127,197	\$ 133,435
Capital assets (net)	80,136	81,367	75,416	74,335	155,552	155,702
Total Assets	<u>\$ 170,322</u>	<u>\$ 174,875</u>	<u>\$ 112,427</u>	<u>\$ 114,262</u>	<u>\$ 282,749</u>	<u>\$ 289,137</u>
<b>Liabilities</b>						
Current and other liabilities	\$ 5,521	\$ 5,201	\$ 2,427	\$ 3,144	\$ 7,948	\$ 8,345
Long-term liabilities	2,722	2,888	603	611	3,325	3,499
Total Liabilities	<u>\$ 8,243</u>	<u>\$ 8,089</u>	<u>\$ 3,030</u>	<u>\$ 3,755</u>	<u>\$ 11,273</u>	<u>\$ 11,844</u>
<b>Net Position</b>						
Investment in capital assets	\$ 80,136	\$ 81,367	\$ 75,416	\$ 74,335	\$ 155,552	\$ 155,702
Restricted	5,967	7,123	12,989	12,612	18,956	19,735
Unrestricted	75,976	78,297	20,993	23,559	96,969	101,856
Total Net Position	<u>\$ 162,079</u>	<u>\$ 166,787</u>	<u>\$ 109,398</u>	<u>\$ 110,506</u>	<u>\$ 271,477</u>	<u>\$ 277,293</u>

The largest portion of the City's net position (56%) 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 \$19.7 million for utility improvements, law enforcement and transportation system improvements. The remaining balance of *unrestricted net position* totaling \$102 million is available to meet the City's ongoing obligations to citizens and creditors.

Net position increased by \$5.8 million during the year. Of this amount, governmental activities added \$4.7 million, accounting for 81% percent of the total growth in net position. Business-type activities added \$1.1 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>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 9,389	\$ 11,752	\$ 18,292	\$ 18,436	\$ 27,681	\$ 30,188
Operating grants & contributions	200	182	-	-	200	182
Capital grants and contributions	-	-	159	925	159	925
General revenues						
Property taxes	6,444	6,578	-	-	6,444	6,578
Other taxes	11,143	11,318	-	-	11,143	11,318
Other	6,243	6,580	4,933	456	11,176	7,036
Total revenues	<u>\$ 33,419</u>	<u>\$ 36,410</u>	<u>\$ 23,384</u>	<u>\$ 19,817</u>	<u>\$ 56,803</u>	<u>\$ 56,227</u>
<b>Expenses</b>						
General government	\$ 10,367	\$ 11,252	\$ -	\$ -	\$ 10,367	\$ 11,252
Public safety	11,648	12,564	-	-	11,648	12,564
Physical environment	1,288	1,288	18,931	18,708	20,219	19,996
Transportation	1,814	1,548	-	-	1,814	1,548
Culture/recreation	4,962	5,051	-	-	4,962	5,051
Total expenses	<u>\$ 30,079</u>	<u>\$ 31,703</u>	<u>\$ 18,931</u>	<u>\$ 18,708</u>	<u>\$ 49,010</u>	<u>\$ 50,411</u>
Increase in net position	\$ 3,340	\$ 4,707	\$ 4,453	\$ 1,109	\$ 7,793	\$ 5,816
<b>Other financing sources (uses)</b>						
Transfers in (out)	(1,000)	-	1,000	-	-	-
<b>Net Position</b>						
Beginning of year	<u>159,739</u>	<u>162,079</u>	<u>103,945</u>	<u>109,398</u>	<u>263,684</u>	<u>271,477</u>
End of year	<u>\$ 162,079</u>	<u>\$ 166,786</u>	<u>\$ 109,398</u>	<u>\$ 110,507</u>	<u>\$ 271,477</u>	<u>\$ 277,293</u>

**Governmental activities**

Fiscal year 2014 expenses for governmental activities totaled over \$31.7 million, an increase of \$1.6 million (5%) from the prior year as shown in the following schedule.

Functions / Programs	2013			2014		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses	Program Revenues	Net (Expense) Revenue
General government	\$ 10,367	\$ 4,788	\$ (5,579)	\$ 11,252	\$ 4,734	\$ (6,518)
Public safety	11,648	1,867	(9,781)	12,564	2,369	(10,195)
Physical environment	1,288	1,959	671	1,288	1,961	673
Transportation	1,814	196	(1,618)	1,548	2,031	483
Culture/recreation	4,962	779	(4,183)	5,051	839	(4,212)
	<u>\$ 30,079</u>	<u>\$ 9,589</u>	<u>\$ (20,490)</u>	<u>\$ 31,703</u>	<u>\$ 11,934</u>	<u>\$ (19,769)</u>

Directly offsetting governmental activities expenses were program revenues. These include charges for services, operating grants, and contributions. Charges for services revenues totaled \$11.8 million in 2014, an increase of \$2.3 million from 2013. This increase is the net result of several increases and decreases. The most significant item is a \$1.5 million dollar payment to the City from a developer. Per a pre-existing agreement the developer reimbursed the City for the construction of a roadway benefiting a particular development (Gateway). Fiscal year 2014 proved to be a banner year for growth in property values from new construction. This was evidenced by an increase from 2013 to 2014 of \$892,000 (66%) in charges for services related to new construction. These included an increase of \$290,000 (140%) in impact fees, \$270,000 (45%) in inspection fees, and \$332,000 (62%) in building permit fees.

General revenues for governmental activities totaled \$24.5 million for 2014, up \$645,000 (2.7%) from the prior year. While total general revenues were up, other miscellaneous revenues within general revenues fell \$1.6 million from 2013 to 2014. Fiscal year 2013 included a one-time receipt of \$1.9 million from a developer as reimbursement for the City's construction of Westtown Parkway.

General revenues for 2014 included a \$928,000 gain on the sale of land within the central business district. Investment income increased \$725,000. The portfolio return on investment for 2013 was 0.51%. Thanks to overall market improvements this number rose to 1.47% for 2014. Additionally, the total investment portfolio balance rose from \$113 million in 2013 to \$124 million in 2014.

	2013	2014	Increase (Decrease)
<b>Program revenues</b>			
Charges for services	\$ 9,389	\$ 11,751	\$ 2,362
Operating grants and contributions	200	182	(18)
	<u>\$ 9,589</u>	<u>\$ 11,933</u>	<u>\$ 2,344</u>
<b>General revenues</b>			
Property tax	\$ 6,444	\$ 6,578	\$ 134
Franchise tax	4,360	4,513	153
Utility tax	3,659	3,842	183
Communications services tax	2,484	2,360	(124)
Local option gas tax	640	604	(36)
Intergovernmental revenues	3,700	3,951	251
Investment income	289	1,014	725
Gain from sale of land	-	928	928
Other miscellaneous revenues	2,255	686	(1,569)
	<u>\$ 23,831</u>	<u>\$ 24,476</u>	<u>\$ 645</u>
	<u>\$ 33,420</u>	<u>\$ 36,409</u>	<u>\$ 2,989</u>

Intergovernmental revenues rose \$251,000 driven primarily by an improving economy. The City receives tax dollars in the form of the half-cent sales tax and municipal revenue sharing, both of which are funded either entirely or primarily from sales taxes. State-wide sales tax collections for 2014 were up considerably over 2013, adding \$228,000 to the City's coffers.

The improving economy also fueled increases in franchise fees and utility tax revenues, which together added an additional \$336,000 to 2014 revenues over 2013. Property taxes were up about 2% (\$134,000) owing to a small tax rate increase. Revenues from communications taxes fell \$124,000 as costs of cell phone services continue to stagnate or decline with increased competition.

**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 \$1.1 million from fiscal year 2013 to 2014.

Expenses for business-type activities totaled just over \$18.7 million for 2014, \$223,000 less than 2013. These decreases included

\$222,000 in cost for repairs and maintenance of facilities and equipment, \$124,000 less for chemicals thanks to changes in the wastewater treatment plant process, and \$88,000 less for engineering services for special projects.

Functions / Programs	2013			2014		
	Expenses	Program Revenues	Net (Expense) Revenue	Expenses	Program Revenues	Net (Expense) Revenue
Water and sewer	\$ 17,185	\$ 16,764	\$ (421)	\$ 16,927	\$ 16,705	\$ (222)
Refuse disposal	1,746	1,687	(59)	1,781	1,731	(50)
	<u>\$ 18,931</u>	<u>\$ 18,451</u>	<u>\$ (480)</u>	<u>\$ 18,708</u>	<u>\$ 18,436</u>	<u>\$ (272)</u>

	2013	2014	Increase (Decrease)
Charges for services	\$ 18,292	\$ 18,436	\$ 144
Capital contributions	159	925	766
Investment income	110	406	296
Gain on disposal of fixed assets	4,760	19	(4,741)
Other income	63	31	(32)
	<u>\$ 23,384</u>	<u>\$ 19,817</u>	<u>\$ (3,567)</u>

Revenues for the City's business-type activities came primarily (92%) from charges to customers for the services provided. Revenues from charges for services were \$18.4 million, up \$144,000 from 2013 reflecting an annual rate increase. Capital contributions for 2014 totaled \$925,000, an increase from the 2013 amount of \$159,000.

Investment income for 2014 was \$406,000, up \$296,000 from 2013. As noted previously this reflects the general change in the bond market, the City's primary investment type.

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. This was a one-time revenue not repeated in 2014.

**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 2014, the City's governmental funds reported combined ending fund balances of \$88 million, an increase of \$3.9 million from the prior year. The City reports fund balance in one of five categories. The specific categories and amounts are as follows; nonspendable (\$183,000), restricted (\$7.1 million), committed (\$44.7 million), assigned (\$8.5 million), and unassigned (\$27.5 million).

The General Fund is the primary operating fund of the City. At the end of fiscal year 2014, unassigned fund balance of the General Fund was \$27.5 million, while total fund balance reached \$28 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 86% of the total budgeted general fund expenditures and transfers out, while total fund balance represents 88% of that same amount.

The fund balance of the City's General Fund decreased \$264,000 during the fiscal year. Revenues totaled \$30.3 million, some \$335,000 (1.1%) more than anticipated. The rebounding economy had a positive effect on the City's General Fund Revenues. Revenues from economically dependent sources including franchise fees, utility, business, and sales taxes were \$675,000 more than anticipated. However, these increases were offset by less than expected revenues from gas taxes (\$96,000) and the communications service tax (\$330,000). Gas consumption continues to fall as our cars become more fuel efficient and communications services total sales dollars continue to fall as the industry becomes more competitive.

State revenue sharing and sales tax revenues, both highly dependent on a vibrant economy added \$340,000 more than expected for 2014. Revenues from charges for services exceeded expectations by \$197,000. These included \$65,000 in additional zoning fees, \$69,000 in unanticipated reimbursement of attorney fees, an additional \$27,000 in lien verification fees, \$20,000 in tree replacement fees, and \$100,000 in additional recreation fees.

Expenditures and transfers out were \$30.5 million, \$1.5 million (5%) less than budgeted. Our efforts to be more effective and efficient continued during 2014. The final costs for employee health care was 12% (\$239,000) less than budgeted as we were able to negotiate lower rates after the budget was developed. Actual salary cost were \$189,000 less than budgeted owing to attrition (positions left vacant during the hiring process). Police performed fewer extra duty assignments than in years past resulting in \$105,000 less being spent than was budgeted. Expenses for repairs and maintenance were \$184,000 less than anticipated. This included \$61,000 less for computer hardware and software contracts and \$24,000 less for repairs to the City's fleet of vehicles.

Utility costs were \$81,000 less than budgeted as anticipated rate increases did not occur. Finally, cost of gasoline and other petroleum products were \$164,000 less than budgeted as anticipated price increases did not materialize. 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. At the end of fiscal year 2014, total fund balance was \$24.7 million, an increase of \$7.5 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 were \$7.9 million (170%) more than the prior year. The bulk of this increase was money received from the sale of surplus land to a developer for \$5,464,000. Investment income totaled \$215,000 or \$164,000 (324%) more than in 2013, again the consequence of the rebounding economy. Revenues from tax increments rose \$145,000 from 2013 to 2014 as taxable values rose from \$679 million to \$699 million.

Expenditures for 2014 were \$136,000 (8%) less than the prior

year. Reductions included \$83,000 in professional services for legal, engineering, and other services. Capital outlays were \$65,000 less with the completion of Cranes Roost Park improvements in 2013.

<b>Tax Increment District</b>			
<b>Tax Increment Values and Payments</b>			
	<b>2013</b>	<b>2014</b>	<b>Increase (Decrease)</b>
Taxable value	\$ 679,622,558	\$ 699,291,581	\$ 19,669,023
Less: base year value	(284,022,787)	(284,022,787)	-
Net taxable value	<u>\$ 395,599,771</u>	<u>\$ 415,268,794</u>	<u>\$ 19,669,023</u>
Combined City/County tax rate per \$1,000 of value)	7.77	7.77	-
Tax increment payments			
County	\$ 1,832,159	\$ 1,923,253	\$ 91,094
City	1,086,119	1,140,121	54,002
Tax increment payments	<u>\$ 2,918,278</u>	<u>\$ 3,063,374</u>	<u>\$ 145,096</u>

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 2014 with a fund balance of \$8.5 million, a decrease of \$612,000 from the prior year. Revenues and transfers in totaled \$4.1 million in 2014. Typically, resources come from an annual transfer from the General Fund of \$2.25 million. In 2014, in addition to this transfer, the fund received revenues from two extraordinary items. The first was money from the Florida Department of Transportation in the amount of \$196,000 to partially fund traffic signal improvements and a developer reimbursement of \$1.5 million for the construction of Gateway Drive. Expenditures included \$1.6 million for resurfacing of City streets, \$1.1 million for renovation of the Public Safety Building, \$785,000 spent towards the Easttown Project, and \$539,000 in park improvements.

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. Collection of this tax, referred to as the "2<sup>nd</sup> Generation Sales Tax" ended in 2012. The tax has been renewed effective January 1, 2015, to be known as the "3<sup>rd</sup> General Sales Tax". There were no taxes collected during fiscal year 2014.

The fund balance at the end of 2014 was \$6.5 million. In 2014 the City generated \$112,000 investment income. Expenditures for 2014 included \$3.5 million for construction of Gateway Drive, \$540,000 for improvements to traffic signals and lighting, and \$224,000 million for roadway improvements.

**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 the unrestricted net position of the enterprise funds at the end of the year was \$23.6 million. Total net position of the enterprise funds at year end was \$110 million, up \$1 million from 2013. 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 2014. 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 \$335,000 (1.1%) more than the budgeted amount owing to a variety of factors. Revenues from taxes were \$119,000 less than budgeted. Within this category revenues from the utility tax and franchise fee on the sale of electricity totaled \$8.4 million in 2014, \$300,000 more than the projected amount of \$8.1 million. The increases in these revenues reflect increased economic activity. Revenues from the communications services tax were \$330,000 less than budgeted as gross sales of communications services continue to fall with increased competition. Local gas tax revenues also fell resulting in actual revenues being \$96,000 less than budgeted. Gas consumption continues to fall as vehicles become more fuel efficient.

Intergovernmental revenues exceeded the budget by \$401,000 (11%). Revenues from the local sales tax were \$214,000 more than the budget. Revenues from the Municipal Revenue Sharing exceeded the budget by \$128,000. Both of these revenues come either fully or primarily from sales taxes. The growing economy has generated additional sales taxes.

<b>General Fund</b>				
<b>Summary Schedule of Revenues, Expenditures and Changes in Fund Balance</b>				
<i>(all amounts are in thousands)</i>				
	<u>Final</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Revenues and transfers in				
Taxes	\$ 18,015	\$ 17,896	\$ (119)	-1%
Licenses and permits	842	878	36	4%
Intergovernmental revenues	3,732	4,133	401	11%
Charges for services	6,019	6,216	197	3%
Fines and forfeitures	405	302	(103)	-25%
Investment income	400	333	(67)	-17%
Miscellaneous revenues	510	500	(10)	-2%
	<u>\$ 29,923</u>	<u>\$ 30,258</u>	<u>\$ 335</u>	<u>1.1%</u>
Expenditures and transfers out				
Current:				
General government	\$ 13,331	\$ 12,472	\$ 859	6%
Public safety	10,352	10,142	210	2%
Transportation	741	692	49	7%
Culture/Recreation	4,048	3,676	372	9%
Transfers out	3,562	3,540	22	1%
	<u>\$ 32,034</u>	<u>\$ 30,522</u>	<u>\$ 1,512</u>	<u>5%</u>
Revenues and transfers over (under) expenditures and transfers out	\$ (2,111)	\$ (264)	\$ 1,847	87%
Fund Balance				
Beginning of year	<u>28,301</u>	<u>28,301</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 26,190</u>	<u>\$ 28,037</u>	<u>\$ 1,847</u>	<u>7%</u>

Charges for service revenues exceeded the budget by \$197,000 (3%). Recreation fees exceeded budgetary expectations by \$99,000 (11%) as new program fees kick in along with greater participation. We received \$69,000 in reimbursements for the time the City Attorney spent negotiating with developers. Zoning fees exceeded the budget by \$64,000.

Investment income totaled \$333,000 in 2014, \$67,000 less than budgeted but far greater than \$88,000 received in 2013.

Expenditures and transfers out were \$30.5 million, \$1.5 million (5%) less than budgeted. Our efforts to be more effective and efficient continued during 2014. The final costs for employee health care was 12% (\$239,000) less than budgeted as we were able to negotiate lower rates after the budget was developed. Actual salary cost were \$189,000 less than budgeted owing to attrition (positions left vacant during the hiring process). Police performed fewer extra duty assignments than in years past resulting in \$105,000 less being spent than was budgeted. Expenses for repairs and maintenance were \$184,000 less than anticipated. This included \$61,000 less for computer hardware and software contracts and \$24,000 less for repairs to the City's fleet of vehicles.

Utility costs were \$81,000 less than budgeted as anticipated rate increases did not occur. Finally, cost of gasoline and other petroleum products were \$164,000 less than budgeted as anticipated price increases did not materialize. 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

**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, 2014 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.

For governmental activities additions to capital assets in fiscal year 2014 totaled \$4.5 million. Construction in progress at the end of the fiscal year totaled \$16.8 million, up \$4.4 million from the previous year’s total of \$12.4 million. This included assets previously classified as construction in progress valued at \$4.6 million being placed into service, as well as new expenditures totaling \$10 million

<b>Capital Assets</b> <i>(all amounts are in thousands)</i>			
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 6,489	\$ 644	\$ 7,133
Buildings and improvements	57,331	12,481	69,812
Water and sewer system	-	143,184	143,184
Infrastructure	38,200	-	38,200
Machinery and equipment	12,055	6,544	18,599
Construction in progress	16,793	3,655	20,448
	<u>\$ 130,868</u>	<u>\$ 166,508</u>	<u>\$ 297,376</u>
Accumulated depreciation	<u>(49,502)</u>	<u>(92,174)</u>	<u>(141,676)</u>
Capital assets, net	<u>\$ 81,366</u>	<u>\$ 74,334</u>	<u>\$ 155,700</u>

incurred during 2014. Significant projects completed and placed into service during 2014 included:

- Construction of West Town Parkway costing \$2.19 million.
- East Town Center improvements totaling \$766,000.
- City-wide paving projects totaling \$406,000.
- Improvements to various parks totaling \$396,000.

In business-type activities the City added capital assets with a value of \$3.7 million in 2014. This included an increase of \$6.2 million in the water and sewer system offset by a \$2.5 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 2014 included:

- Spring Lake Force Main with cost totaling \$796,000.
- Rehabilitation of lift station 19 costing \$693,000.
- Replacement of the high service pumps at water plants 2 and 5 costing \$487,000.
- Replacement of the raw screw pump bypass at the sewer plant costing \$270,000.

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 2014, the City had total long-term liabilities of \$3.4 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, 2014, the City had an outstanding balance of \$2.5 million in compensated absences. Finally, the City reports \$951,000 in other post-employment benefits.

<b>Long-term Debt</b> <i>(all amounts are in thousands)</i>			
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
Compensated absences	\$ 2,085	\$ 406	\$ 2,491
Other post employment benefits	746	205	951
<b>Total</b>	<b>\$ 2,831</b>	<b>\$ 611</b>	<b>\$ 3,442</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 2014 the unassigned fund balance of the City’s primary operating fund, the General Fund, stood at \$27.5 million. The City has appropriated nearly \$3.3 million of this amount for spending in the 2015 fiscal year budget. During 2015 the City plans to transfer \$11.5 million from the General Fund to the Neighborhood Enhancement Program to upgrade and restore public infrastructure within our many neighborhoods. This program is designed to stabilize and enhance the value of the residential communities within the City. The ad valorem tax rate for the General Fund for the 2015 fiscal year budget is 2.74 mills, 5% less than the rate for 2014..

In 2014 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 \$2.1 million, raising the value of net position to \$111 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 2015.

**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, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 3,488,415	\$ 370,010	\$ 3,858,425
Investments	80,065,216	22,486,623	102,551,839
Restricted assets	7,900,907	14,601,428	22,502,335
Special assessments receivable	38,415	-	38,415
Accounts receivable	886,011	2,044,869	2,930,880
Accrued interest receivable	202,098	60,079	262,177
Due from other governments	695,354	-	695,354
Inventories	58,112	263,036	321,148
Prepays	173,269	101,028	274,297
Capital assets not being depreciated	23,282,476	4,299,335	27,581,811
Capital assets net of accumulated depreciation	58,084,397	70,035,395	128,119,792
Total Assets	<u>\$ 174,874,670</u>	<u>\$ 114,261,803</u>	<u>\$ 289,136,473</u>
<b>Liabilities</b>			
Accounts payable	\$ 2,133,871	\$ 1,394,975	\$ 3,528,846
Accrued liabilities	2,042,877	273,825	2,316,702
Due to other governments	9,801	3,910	13,711
Unearned revenues	818,716	-	818,716
Refundable impact fees	120,341	50,830	171,171
Prepaid connection fees	-	106,076	106,076
Deposits	75,884	1,314,469	1,390,353
Long-term liabilities:			
Due within one year			
Compensated absences	834,108	162,358	996,466
Due in more than one year			
Compensated absences	1,251,161	243,539	1,494,700
Net pension obligation	55,908	-	55,908
Other post employment benefits	746,420	205,426	951,846
Total Liabilities	<u>\$ 8,089,087</u>	<u>\$ 3,755,408</u>	<u>\$ 11,844,495</u>
<b>Net Position</b>			
Investment in capital assets	\$ 81,366,873	\$ 74,334,730	\$ 155,701,603
Restricted for:			
Capital improvements	-	12,612,343	12,612,343
Law enforcement	576,111	-	576,111
Transportation improvements	6,545,856	-	6,545,856
Unrestricted	78,296,743	23,559,322	101,856,065
Total Net Position	<u>\$ 166,785,583</u>	<u>\$ 110,506,395</u>	<u>\$ 277,291,978</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, 2014

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 11,251,654	\$ 4,734,383	\$ -	\$ -
Public safety	12,564,313	2,198,311	170,859	-
Physical environment	1,288,150	1,960,754	-	-
Transportation	1,548,148	2,030,874	-	-
Culture/Recreation	5,050,839	827,429	11,499	-
Total Governmental Activities	\$ 31,703,104	\$ 11,751,751	\$ 182,358	\$ -
Business-type Activities:				
Water and sewer	\$ 16,927,444	\$ 16,705,464	\$ -	\$ 924,747
Refuse disposal	1,780,632	1,730,562	-	-
Total Business-type Activities	\$ 18,708,076	\$ 18,436,026	\$ -	\$ 924,747
Total	\$ 50,411,180	\$ 30,187,777	\$ 182,358	\$ 924,747

General Revenues:  
 Property tax  
 Franchise fee tax  
 Utility tax  
 Communications services tax  
 Local option gas tax  
 Intergovernmental revenues - unrestricted  
 Investment income  
 Gain on sale of land  
 Other miscellaneous revenues

Total General Revenues

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>
\$ (6,517,271)	\$ -	\$ (6,517,271)
(10,195,143)	-	(10,195,143)
672,604	-	672,604
482,726	-	482,726
(4,211,911)	-	(4,211,911)
<u>\$ (19,768,995)</u>	<u>\$ -</u>	<u>\$ (19,768,995)</u>
\$ -	\$ 702,767	\$ 702,767
-	(50,070)	(50,070)
<u>\$ -</u>	<u>\$ 652,697</u>	<u>\$ 652,697</u>
<u>\$ (19,768,995)</u>	<u>\$ 652,697</u>	<u>\$ (19,116,298)</u>
\$ 6,577,557	\$ -	\$ 6,577,557
4,512,748	-	4,512,748
3,841,601	-	3,841,601
2,360,224	-	2,360,224
603,662	-	603,662
3,950,825	-	3,950,825
1,014,438	406,239	1,420,677
927,775	-	927,775
686,687	49,649	736,336
<u>\$ 24,475,517</u>	<u>\$ 455,888</u>	<u>\$ 24,931,405</u>
\$ 4,706,522	\$ 1,108,585	\$ 5,815,107
<u>162,079,061</u>	<u>109,397,810</u>	<u>271,476,871</u>
<u>\$ 166,785,583</u>	<u>\$ 110,506,395</u>	<u>\$ 277,291,978</u>

City of Altamonte Springs, Florida

Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2014

	General	Community Redevelopment Agency	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 1,105,861	\$ 929,019	\$ 523,798	\$ 285,328	\$ 840,408	\$ 3,684,414
Investments	27,284,034	23,818,405	8,525,622	7,223,479	19,528,817	86,380,357
Receivables -						
Special assessments	-	-	38,415	-	-	38,415
Accounts receivable	886,011	-	-	-	-	886,011
Accrued interest	68,870	60,122	21,520	18,233	49,294	218,039
Due from other governments	695,354	-	-	-	-	695,354
Inventories	58,112	-	-	-	-	58,112
Prepays	108,651	11,440	-	-	5,047	125,138
<b>Total Assets</b>	<b>\$ 30,206,893</b>	<b>\$ 24,818,986</b>	<b>\$ 9,109,355</b>	<b>\$ 7,527,040</b>	<b>\$ 20,423,566</b>	<b>\$ 92,085,840</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 505,193	\$ 12,726	\$ 525,212	\$ 981,184	\$ 104,497	\$ 2,128,812
Due to other governments	9,801	-	-	-	-	9,801
Accrued liabilities	803,955	30,942	-	-	68,387	903,284
Deposits	70,884	-	-	-	5,000	75,884
Refundable impact fees	-	120,341	-	-	-	120,341
Unearned revenues	779,301	1,000	38,415	-	-	818,716
<b>Total Liabilities</b>	<b>\$ 2,169,134</b>	<b>\$ 165,009</b>	<b>\$ 563,627</b>	<b>\$ 981,184</b>	<b>\$ 177,884</b>	<b>\$ 4,056,838</b>
<b>Fund Balances:</b>						
Nonspendable	\$ 166,763	\$ 11,440	\$ -	\$ -	\$ 5,047	\$ 183,250
Restricted	224,891	-	-	6,545,856	369,608	7,140,355
Committed	164,942	24,642,537	-	-	19,871,027	44,678,506
Assigned	-	-	8,545,728	-	-	8,545,728
Unassigned	27,481,163	-	-	-	-	27,481,163
<b>Total Fund Balances</b>	<b>\$ 28,037,759</b>	<b>\$ 24,653,977</b>	<b>\$ 8,545,728</b>	<b>\$ 6,545,856</b>	<b>\$ 20,245,682</b>	<b>\$ 88,029,002</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 30,206,893</b>	<b>\$ 24,818,986</b>	<b>\$ 9,109,355</b>	<b>\$ 7,527,040</b>	<b>\$ 20,423,566</b>	<b>\$ 92,085,840</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, 2014

Total fund balances of governmental funds \$ 88,029,002

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 \$130,868,671 and the accumulated depreciation is \$49,501,798. 81,366,873

The net pension obligation does not draw upon current financial resources and, therefore, is not reported in the funds. (55,908)

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. 277,305

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 position. Long-term liabilities at year-end consisted of:

Compensated absences	(2,085,269)	
Other post employment benefits	(746,420)	(2,831,689)

Total net position of governmental activities \$ 166,785,583

*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, 2014

	General	Community Redevelopment Agency	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Revenues</b>						
Taxes	\$ 17,895,792	\$ -	\$ -	\$ -	\$ -	\$ 17,895,792
Licenses and permits	877,519	-	-	-	-	877,519
Intergovernmental revenues	4,133,183	1,923,253	195,801	-	309,831	6,562,068
Charges for services	6,216,478	248,289	1,501,014	-	3,674,322	11,640,103
Fines and forfeitures	302,089	-	-	-	59,377	361,466
Impact fees	-	-	-	-	496,778	496,778
Investment income	332,785	215,292	110,964	112,267	225,153	996,461
Miscellaneous revenues	500,408	1,866	76,789	-	4,344	583,407
<b>Total Revenues</b>	<b>\$ 30,258,254</b>	<b>\$ 2,388,700</b>	<b>\$ 1,884,568</b>	<b>\$ 112,267</b>	<b>\$ 4,769,805</b>	<b>\$ 39,413,594</b>
<b>Expenditures</b>						
Current:						
General government	\$ 12,471,705	\$ 1,560,841	\$ 76,348	\$ -	\$ -	\$ 14,108,894
Public safety	10,142,420	-	-	-	1,609,556	11,751,976
Physical environment	-	-	-	-	929,854	929,854
Transportation	692,074	92,423	-	-	-	784,497
Culture/Recreation	3,675,667	-	-	-	-	3,675,667
Capital Outlay	-	-	4,670,653	4,293,169	765,081	9,728,903
<b>Total Expenditures</b>	<b>\$ 26,981,866</b>	<b>\$ 1,653,264</b>	<b>\$ 4,747,001</b>	<b>\$ 4,293,169</b>	<b>\$ 3,304,491</b>	<b>\$ 40,979,791</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,276,388	\$ 735,436	\$ (2,862,433)	\$ (4,180,902)	\$ 1,465,314	\$ (1,566,197)
<b>Other Financing Sources or (Uses)</b>						
Sale of land	\$ -	\$ 5,463,655	\$ -	\$ -	\$ -	\$ 5,463,655
Transfers in	-	1,290,121	2,250,000	-	-	3,540,121
Transfers (out)	(3,540,121)	-	-	-	-	(3,540,121)
<b>Total Other Financing Sources and (Uses)</b>	<b>\$ (3,540,121)</b>	<b>\$ 6,753,776</b>	<b>\$ 2,250,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,463,655</b>
<b>Net Change in Fund Balances</b>	<b>\$ (263,733)</b>	<b>\$ 7,489,212</b>	<b>\$ (612,433)</b>	<b>\$ (4,180,902)</b>	<b>\$ 1,465,314</b>	<b>\$ 3,897,458</b>
<b>Fund Balances</b>						
Beginning of year	28,301,492	17,164,765	9,158,161	10,726,758	18,780,368	84,131,544
End of year	\$ 28,037,759	\$ 24,653,977	\$ 8,545,728	\$ 6,545,856	\$ 20,245,682	\$ 88,029,002

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, 2014

Net change in fund balances - total governmental funds \$ 3,897,458

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 (\$9,993,594) exceeded depreciation (\$4,267,267) in the current period. 5,726,327

Governmental funds do not report gains or losses on sales of fixed assets. (4,495,731)

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 (\$137,353) and other post employment benefits (\$94,809) totaled: (232,162)

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. 66,682

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 decrease in net assets of the internal service fund is reported with governmental activities. (256,052)

Change in net position of governmental activities \$ 4,706,522

*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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes				
Property tax	\$ 6,571,761	\$ 6,571,761	\$ 6,577,557	\$ 5,796
Franchise fees	4,477,200	4,477,200	4,512,748	35,548
Utility tax	3,575,700	3,575,700	3,841,601	265,901
Communications services tax	2,690,000	2,690,000	2,360,224	(329,776)
Local option gas tax	700,000	700,000	603,662	(96,338)
	<u>\$ 18,014,661</u>	<u>\$ 18,014,661</u>	<u>\$ 17,895,792</u>	<u>\$ (118,869)</u>
Licenses and Permits				
Local business licenses	\$ 833,000	\$ 833,000	\$ 865,286	\$ 32,286
Building permits	8,600	8,600	12,233	3,633
	<u>\$ 841,600</u>	<u>\$ 841,600</u>	<u>\$ 877,519</u>	<u>\$ 35,919</u>
Intergovernmental Revenues				
Federal and state grants	\$ -	\$ -	\$ 48,181	\$ 48,181
Local grants	80,000	80,000	81,353	1,353
State revenue sharing	1,150,000	1,150,000	1,277,850	127,850
Sales taxes	2,440,000	2,440,000	2,653,900	213,900
Other intergovernmental revenues	62,000	62,000	71,899	9,899
	<u>\$ 3,732,000</u>	<u>\$ 3,732,000</u>	<u>\$ 4,133,183</u>	<u>\$ 401,183</u>
Charges for Services				
General government charges	\$ 5,031,750	\$ 5,031,750	\$ 5,167,116	\$ 135,366
Public safety charges	315,100	315,100	274,554	(40,546)
Transportation	5,000	5,000	8,965	3,965
Physical environment charges	4,500	4,500	3,547	(953)
Culture/Recreation charges	662,700	662,700	762,296	99,596
	<u>\$ 6,019,050</u>	<u>\$ 6,019,050</u>	<u>\$ 6,216,478</u>	<u>\$ 197,428</u>
Fines and Forfeitures				
	<u>\$ 405,000</u>	<u>\$ 405,000</u>	<u>\$ 302,089</u>	<u>\$ (102,911)</u>
Miscellaneous Revenues				
Investment income	\$ 400,000	\$ 400,000	\$ 332,785	\$ (67,215)
Reimbursement for damages	20,000	20,000	25,746	5,746
Sales of surplus equipment	38,000	38,000	52,581	14,581
Contributions	201,500	201,500	197,753	(3,747)
Other revenue	251,350	251,350	224,328	(27,022)
	<u>\$ 910,850</u>	<u>\$ 910,850</u>	<u>\$ 833,193</u>	<u>\$ (77,657)</u>
Total Revenues				
	<u>\$ 29,923,161</u>	<u>\$ 29,923,161</u>	<u>\$ 30,258,254</u>	<u>\$ 335,093</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Expenditures</b>				
General Government				
City manager's office	\$ 935,407	\$ 935,407	\$ 1,142,436	\$ (207,029)
Human resources	483,607	483,607	480,848	2,759
City clerk	415,465	415,465	386,839	28,626
Finance	1,517,675	1,517,675	1,449,819	67,856
Information services	1,876,088	1,876,088	1,633,891	242,197
Growth management	987,919	987,919	798,425	189,494
Maintenance services	6,069,255	6,069,255	5,647,706	421,549
Non-departmental	1,045,158	1,045,158	931,741	113,417
Total General Government	<u>\$ 13,330,574</u>	<u>\$ 13,330,574</u>	<u>\$ 12,471,705</u>	<u>\$ 858,869</u>
Public Safety				
Police department	\$ 10,217,120	\$ 10,217,120	\$ 10,014,282	\$ 202,838
Building & life safety inspections	134,710	134,710	128,138	6,572
Total Public Safety	<u>\$ 10,351,830</u>	<u>\$ 10,351,830</u>	<u>\$ 10,142,420</u>	<u>\$ 209,410</u>
Transportation				
Streets maintenance division	\$ 740,612	\$ 740,612	\$ 692,074	\$ 48,538
Total Transportation	<u>\$ 740,612</u>	<u>\$ 740,612</u>	<u>\$ 692,074</u>	<u>\$ 48,538</u>
Culture/Recreation				
Administration	\$ 480,765	\$ 480,765	\$ 491,556	\$ (10,791)
Library	403,074	403,074	408,975	(5,901)
Lake Brantley	74,975	74,975	62,810	12,165
Lake Lotus	514,394	514,394	490,639	23,755
Events management	350,417	350,417	349,920	497
Eastmonte park	140,850	140,850	121,456	19,394
Merrill park	108,490	108,490	80,135	28,355
Westmonte park	260,936	260,936	216,231	44,705
Altamonte sports	1,714,138	1,553,638	1,382,693	170,945
Science incubator	-	160,500	71,252	89,248
Total Culture/Recreation	<u>\$ 4,048,039</u>	<u>\$ 4,048,039</u>	<u>\$ 3,675,667</u>	<u>\$ 372,372</u>
Total Expenditures	<u>\$ 28,471,055</u>	<u>\$ 28,471,055</u>	<u>\$ 26,981,866</u>	<u>\$ 1,489,189</u>
Excess of Revenues Over Expenditures	<u>\$ 1,452,106</u>	<u>\$ 1,452,106</u>	<u>\$ 3,276,388</u>	<u>\$ 1,824,282</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers Out				
Community redevelopment agency	\$ (1,312,036)	\$ (1,312,036)	\$ (1,290,121)	\$ 21,915
Capital projects fund	(2,250,000)	(2,250,000)	(2,250,000)	-
Total Transfers Out	<u>\$ (3,562,036)</u>	<u>\$ (3,562,036)</u>	<u>\$ (3,540,121)</u>	<u>\$ 21,915</u>
Total Other Financing Sources (Uses)	<u>\$ (3,562,036)</u>	<u>\$ (3,562,036)</u>	<u>\$ (3,540,121)</u>	<u>\$ 21,915</u>
Net Changes in Fund Balance	\$ (2,109,930)	\$ (2,109,930)	\$ (263,733)	\$ 1,846,197
<b><u>Fund Balance</u></b>				
Beginning of Year	<u>28,301,492</u>	<u>28,301,492</u>	<u>28,301,492</u>	<u>-</u>
End of Year	<u>\$ 26,191,562</u>	<u>\$ 26,191,562</u>	<u>\$ 28,037,759</u>	<u>\$ 1,846,197</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental revenues	\$ 1,960,222	\$ 1,960,222	\$ 1,923,253	\$ (36,969)
Charges for services	240,000	240,000	248,289	8,289
Miscellaneous revenues:				
Investment income	200,000	200,000	215,292	15,292
Sale of land	-	-	5,463,655	5,463,655
Other revenue	-	-	1,866	1,866
<b>Total Revenues</b>	<b>\$ 2,400,222</b>	<b>\$ 2,400,222</b>	<b>\$ 7,852,355</b>	<b>\$ 5,452,133</b>
<b>Expenditures</b>				
Current:				
General government	\$ 1,815,222	\$ 1,815,222	\$ 1,560,841	\$ 254,381
Transportation	3,813,600	3,813,600	92,423	3,721,177
<b>Total Expenditures</b>	<b>\$ 5,628,822</b>	<b>\$ 5,628,822</b>	<b>\$ 1,653,264</b>	<b>\$ 3,975,558</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (3,228,600)</b>	<b>\$ (3,228,600)</b>	<b>\$ 6,199,091</b>	<b>\$ 9,427,691</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
General fund	1,312,036	1,312,036	1,290,121	(21,915)
<b>Net Change in Fund Balance</b>	<b>\$ (1,916,564)</b>	<b>\$ (1,916,564)</b>	<b>\$ 7,489,212</b>	<b>\$ 9,405,776</b>
<b>Fund Balance</b>				
Beginning of year	17,164,765	17,164,765	17,164,765	-
<b>End of year</b>	<b>\$ 15,248,201</b>	<b>\$ 15,248,201</b>	<b>\$ 24,653,977</b>	<b>\$ 9,405,776</b>

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

City of Altamonte Springs, Florida

Statement of Net Position

PROPRIETARY FUNDS

September 30, 2014

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 278,348	\$ 91,662	\$ 370,010	\$ 103,488
Investments	21,104,417	1,382,206	22,486,623	1,267,140
Accounts receivable (net)	2,039,939	2,615	2,042,554	-
Accrued interest receivable	56,590	3,489	60,079	3,198
Restricted cash and cash equivalents	502,152	-	502,152	-
Restricted investments	1,314,469	-	1,314,469	-
Restricted accounts receivable (net)	2,315	-	2,315	-
Restricted accrued interest receivable	32,190	-	32,190	-
Prepays	94,778	6,250	101,028	48,131
Inventory	263,036	-	263,036	-
<b>Total Current Assets</b>	<b>\$ 25,688,234</b>	<b>\$ 1,486,222</b>	<b>\$ 27,174,456</b>	<b>\$ 1,421,957</b>
Non-current Assets:				
Restricted assets - connection/impact fees:				
Restricted investments	\$ 12,752,617	\$ -	\$ 12,752,617	\$ -
Capital assets:				
Land	\$ 644,114	\$ -	\$ 644,114	\$ -
Building and improvements	12,365,192	116,172	12,481,364	-
Water and sewer system	143,183,397	-	143,183,397	-
Machinery and equipment	4,598,135	1,946,293	6,544,428	-
Construction in progress	3,655,221	-	3,655,221	-
Less: accumulated depreciation	(90,690,567)	(1,483,227)	(92,173,794)	-
<b>Total capital assets</b>	<b>\$ 73,755,492</b>	<b>\$ 579,238</b>	<b>\$ 74,334,730</b>	<b>\$ -</b>
<b>Total Noncurrent Assets</b>	<b>\$ 86,508,109</b>	<b>\$ 579,238</b>	<b>\$ 87,087,347</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 112,196,343</b>	<b>\$ 2,065,460</b>	<b>\$ 114,261,803</b>	<b>\$ 1,421,957</b>

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, 2014

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Activities Internal Service Fund
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	\$ 1,367,073	\$ 27,902	\$ 1,394,975	\$ 5,059
Accrued liabilities	234,034	39,791	273,825	1,139,593
Customer deposits	1,314,469	-	1,314,469	-
Due to other governments	3,910	-	3,910	-
Refundable impact fees	50,830	-	50,830	-
Prepaid connection fees	106,076	-	106,076	-
Total Current Liabilities	\$ 3,076,392	\$ 67,693	\$ 3,144,085	\$ 1,144,652
Noncurrent Liabilities:				
Compensated absences payable	\$ 335,344	\$ 70,553	\$ 405,897	\$ -
Other post employment benefits	177,122	28,304	205,426	-
Total Noncurrent Liabilities	\$ 512,466	\$ 98,857	\$ 611,323	\$ -
Total Liabilities	\$ 3,588,858	\$ 166,550	\$ 3,755,408	\$ 1,144,652
<b>Net Position</b>				
Investment in capital assets	\$ 73,755,492	\$ 579,238	\$ 74,334,730	\$ -
Restricted for capital outlay	12,612,343	-	12,612,343	-
Unrestricted	22,239,650	1,319,672	23,559,322	277,305
Total Net Position	\$ 108,607,485	\$ 1,898,910	\$ 110,506,395	\$ 277,305

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, 2014

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Activities Internal Service Fund
<b><u>Operating Revenues</u></b>				
Charges for services	\$ 16,705,464	\$ 1,730,562	\$ 18,436,026	\$ 240,000
<b><u>Operating Expenses</u></b>				
Personal services	\$ 5,024,428	\$ 895,653	\$ 5,920,081	\$ -
Contractual services	640,232	313,286	953,518	-
Supplies	496,841	3,320	500,161	-
Materials and maintenance	548,193	77,489	625,682	-
Utilities	1,057,315	-	1,057,315	-
Claims expense	-	-	-	367,844
Administrative expenses	-	-	-	20,200
Insurance premiums	-	-	-	167,594
Other services and charges	4,470,365	259,084	4,729,449	21,522
Depreciation	4,690,070	231,800	4,921,870	-
Total Operating Expenses	\$ 16,927,444	\$ 1,780,632	\$ 18,708,076	\$ 577,160
Operating Income (Loss)	\$ (221,980)	\$ (50,070)	\$ (272,050)	\$ (337,160)
<b><u>Non-operating Revenues (Expenses)</u></b>				
Investment income	\$ 389,821	\$ 16,418	\$ 406,239	\$ 17,977
Insurance reimbursements	-	-	-	63,131
Other income	30,910	-	30,910	-
Gain on disposal of surplus assets	18,739	-	18,739	-
Total Non-operating Revenues (net)	\$ 439,470	\$ 16,418	\$ 455,888	\$ 81,108
Income Before Contributions and Transfers	\$ 217,490	\$ (33,652)	\$ 183,838	\$ (256,052)
<b><u>Contributions</u></b>				
Capital contributions	\$ 924,747	\$ -	\$ 924,747	\$ -
Change in Net Position	\$ 1,142,237	\$ (33,652)	\$ 1,108,585	\$ (256,052)
<b><u>Net Position</u></b>				
Beginning of Year	107,465,248	1,932,562	109,397,810	533,357
End of Year	\$ 108,607,485	\$ 1,898,910	\$ 110,506,395	\$ 277,305

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, 2014

	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	\$ 16,748,537	\$ 1,744,919	\$ 18,493,456	\$ 240,000
Receipts from other sources	138,601	-	138,601	63,131
Payments to suppliers	(7,380,442)	(674,270)	(8,054,712)	(611,407)
Payments to employees	(5,000,585)	(880,435)	(5,881,020)	-
Net Cash Provided (Used) by Operating Activities	\$ 4,506,111	\$ 190,214	\$ 4,696,325	\$ (308,276)
<b><u>Cash Flows from Capital Activities</u></b>				
Acquisition or construction of capital assets	\$ (2,962,942)	\$ (125,433)	\$ (3,088,375)	\$ -
Capital contributions	892,016	-	892,016	-
Net Cash Used by Capital and Related Financing Activities	\$ (2,070,926)	\$ (125,433)	\$ (2,196,359)	\$ -
<b><u>Cash Flows from Investing Activities</u></b>				
Proceeds from maturity of investments	\$ 394,019	\$ 16,201	\$ 410,220	\$ 18,861
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,829,204	\$ 80,982	\$ 2,910,186	\$ (289,415)
<b><u>Cash and Cash Equivalents</u></b>				
Beginning of Year	33,122,799	1,392,886	34,515,685	1,660,043
End of Year	\$ 35,952,003	\$ 1,473,868	\$ 37,425,871	\$ 1,370,628
Cash and Cash Equivalents Classified As:				
Current assets	\$ 21,382,765	\$ 1,473,868	\$ 22,856,633	\$ 1,370,628
Restricted assets	14,569,238	-	14,569,238	-
Total Cash and Cash Equivalents	\$ 35,952,003	\$ 1,473,868	\$ 37,425,871	\$ 1,370,628

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, 2014

	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)	\$ (221,980)	\$ (50,070)	\$ (272,050)	\$ (337,160)
Depreciation	\$ 4,690,070	\$ 231,800	\$ 4,921,870	\$ -
Miscellaneous non-operating income	30,910	-	30,910	63,130
Change in assets and liabilities:				
Decrease in accounts receivable	43,072	14,357	57,429	-
(Increase) in inventories	(52,825)	-	(52,825)	-
(Increase) decrease in prepaid expenses	(411)	812	401	(9,723)
(Decrease) in accounts payable	(114,261)	(21,904)	(136,165)	-
Increase in due to other governments	839	-	839	-
Increase in accrued liabilities	26,984	3,477	30,461	-
Increase in customer deposits	106,853	-	106,853	-
Increase in claims payable	-	-	-	(24,523)
Increase (decrease) in compensated absences	(25,514)	8,047	(17,467)	-
Increase in other post employment benefits	22,374	3,695	26,069	-
Total Adjustments	\$ 4,728,091	\$ 240,284	\$ 4,968,375	\$ 28,884
Net Cash Provided (Used) by Operating Activities	\$ 4,506,111	\$ 190,214	\$ 4,696,325	\$ (308,276)

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, 2014

<b><u>Assets</u></b>	
Cash and equivalents	\$ 380,982
Investments:	
U. S. Treasuries	155,325
Corporate bonds	1,445,269
Mutual funds	8,353,306
Common stocks	19,964,031
Accrued interest receivable	18,919
Due from other governments	309,831
Prepaid expenses	<u>7,487</u>
Total Assets	<u>\$ 30,635,150</u>
<b><u>Liabilities</u></b>	
Accounts payable	<u>\$ 22,709</u>
Total Liabilities	<u>\$ 22,709</u>
<b><u>Net Position</u></b>	
Held in trust for pension benefits	<u><u>\$ 30,612,441</u></u>

*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, 2014

<b><u>Additions</u></b>	
Employer contributions	\$ 2,052,801
Employee contributions	84,661
Net investment income	
Appreciation in value of plan assets	3,022,676
Interest and dividend income	589,040
Investment expense	<u>(88,206)</u>
Total additions	\$ <u>5,660,972</u>
<b><u>Deductions</u></b>	
Benefits	\$ 261,548
Refund of contributions	2,264
Administrative expenses	<u>43,835</u>
Total deductions	\$ <u>307,647</u>
Change in net position	\$ 5,353,325
<b><u>Net Position</u></b>	
Beginning of year	<u>25,259,116</u>
End of year	\$ <u><u>30,612,441</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, 2014

#### **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 2014) 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. Prepaids**

Prepaids represent payments made to vendors for services that will benefit the City beyond September 30, 2014.

#### **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 Discounts and Premiums**

In the Water and Sewer enterprise fund, bond discounts and premiums are amortized over the term of the bonds using the effective interest method. In the governmental funds, these amounts are reported as other financing sources and uses. At September 30, 2014, the City had no bonded debt.

**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. Management assigns fund balances to the various classifications pursuant to the fund balance policy adopted by the City Commission. The classifications used are nonspendable, restricted, committed, assigned, and unassigned.

*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, 2014.

	General Fund	Community Redevelopment Fund	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Non-spendable:</b>						
Inventories	\$ 58,112	\$ -	\$ -	\$ -	\$ -	\$ 58,112
Prepaid expenditures	108,651	11,440	-	-	5,047	125,138
	166,763	11,440	-	-	5,047	183,250
<b>Restricted:</b>						
Law enforcement	206,503	-	-	-	369,608	576,111
Grants	18,388	-	-	-	-	18,388
Transportation improvements	-	-	-	6,545,856	-	6,545,856
	224,891	-	-	6,545,856	369,608	7,140,355
<b>Committed:</b>						
Contracts payable	-	-	-	-	183,760	183,760
Street lighting	44,968	-	-	-	-	44,968
Road improvements	119,974	-	-	-	-	119,974
Stormwater system	-	-	-	-	9,948,845	9,948,845
Building inspections	-	-	-	-	2,010,117	2,010,117
Capital improvements -						
Central business district	-	24,642,537	-	-	-	24,642,537
Transportation	-	-	-	-	6,944,764	6,944,764
Police department	-	-	-	-	292,995	292,995
Parks	-	-	-	-	490,546	490,546
	164,942	24,642,537	-	-	19,871,027	44,678,506
<b>Assigned</b>						
Assigned for future capital improvements	-	-	8,545,728	-	-	8,545,728
<b>Unassigned</b>						
	27,481,163	-	-	-	-	27,481,163
<b>Total Fund Balances</b>	<b>\$ 28,037,759</b>	<b>\$ 24,653,977</b>	<b>\$ 8,545,728</b>	<b>\$ 6,545,856</b>	<b>\$ 20,245,682</b>	<b>\$ 88,029,002</b>

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. The fund balance policy establishes a targeted minimum unassigned fund balance level of not less than 20% of total budgeted expenditures and transfers out. This target balance applies only to the General Fund.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

As of September 30, 2014, 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	\$ 29,310,871	0.7011
Federal home loan mortgage	5,518,985	0.0454
Federal national mortgage assoc	474,741	0.0283
Federal farm credit banks	2,468,529	0.0575
Corporate bonds	68,946,562	1.7354
Mutual funds	17,460,171	-
Total fair value	<u>\$ 124,179,859</u>	
Portfolio weighted average maturity		<u>2.5677</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, 2014 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, 2014. 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	\$ 886,011	\$ -	\$ -	\$ -	\$ 2,295,323	\$ -	\$ 3,181,334
Special assessments	-	-	38,415	-	-	-	38,415
Accrued interest receivable	68,870	60,122	21,520	18,233	88,780	42,294	299,819
	\$ 954,881	\$ 60,122	\$ 59,935	\$ 18,233	\$ 2,384,103	\$ 42,294	\$ 3,519,568
Less: allowance for doubtful accounts	-	-	-	-	(253,069)	-	(253,069)
Total	\$ 954,881	\$ 60,122	\$ 59,935	\$ 18,233	\$ 2,131,034	\$ 42,294	\$ 3,266,499

#### NOTE 4 – INTERFUND ACCOUNTS

Interfund transfers during the year were as follows:

	Transfers		
	In	Out	
<b>Major Funds</b>			
General fund	\$ -	\$ 1,140,121	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	1,140,121	-	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
Total Transfers In/Out	\$ 3,540,121	\$ 3,540,121	

#### 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, 2014 were as shown.

<b>Customer deposits</b>	
Cash and equivalents	\$ 1,314,469
<b>Connection / impact fees</b>	
Cash and equivalents	502,152
Investments	12,752,617
Accounts receivable	2,315
Accrued interest	32,190
Total	\$ 14,603,743

#### 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>
<b>Capital assets not being depreciated:</b>				
Land	\$ 9,797,241	\$ 1,227,712	\$ (4,535,880)	\$ 6,489,073
Construction in progress	12,389,082	8,998,901	(4,594,580)	16,793,403
	<u>\$ 22,186,323</u>	<u>\$ 10,226,613</u>	<u>\$ (9,130,460)</u>	<u>\$ 23,282,476</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	\$ 17,257,574	\$ 228,683	\$ -	\$ 17,486,257
Improvements other than buildings	39,644,159	200,477	-	39,844,636
Infrastructure	35,262,444	2,937,708	-	38,200,152
Machinery and equipment	12,018,962	994,695	(958,508)	12,055,149
	<u>\$ 104,183,139</u>	<u>\$ 4,361,563</u>	<u>\$ (958,508)</u>	<u>\$ 107,586,194</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	\$ (6,938,905)	\$ (566,596)	\$ -	\$ (7,505,501)
Improvements other than buildings	(13,957,783)	(1,399,221)	-	(15,357,004)
Infrastructure	(16,847,426)	(978,668)	-	(17,826,094)
Machinery and equipment	(8,489,071)	(1,322,782)	998,655	(8,813,198)
	<u>\$ (46,233,185)</u>	<u>\$ (4,267,267)</u>	<u>\$ 998,655</u>	<u>\$ (49,501,797)</u>
<b>Total capital assets being depreciated - net</b>	<u>\$ 57,949,954</u>	<u>\$ 94,296</u>	<u>\$ 40,147</u>	<u>\$ 58,084,397</u>
<b>Governmental activities capital assets - net</b>	<u>\$ 80,136,277</u>	<u>\$ 10,320,909</u>	<u>\$ (9,090,313)</u>	<u>\$ 81,366,873</u>

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Capital assets not being depreciated:</b>				
Land	\$ 644,114	\$ -	\$ -	\$ 644,114
Construction in progress	2,768,287	3,373,615	(2,486,681)	3,655,221
	<u>\$ 3,412,401</u>	<u>\$ 3,373,615</u>	<u>\$ (2,486,681)</u>	<u>\$ 4,299,335</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	\$ 12,481,364	\$ -	\$ -	\$ 12,481,364
Water and sewer system	126,055,400	2,486,681	-	128,542,081
Water and sewer system - contributions	14,603,205	38,111	-	14,641,316
Machinery and equipment	6,282,535	428,550	(166,657)	6,544,428
	<u>\$ 159,422,504</u>	<u>\$ 2,953,342</u>	<u>\$ (166,657)</u>	<u>\$ 162,209,189</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	\$ (4,011,774)	\$ (404,951)	\$ -	\$ (4,416,725)
Water and sewer system	(70,185,078)	(3,760,643)	-	(73,945,721)
Water and sewer system - contributions	(8,221,809)	(315,012)	-	(8,536,821)
Machinery and equipment	(4,999,920)	(441,264)	166,657	(5,274,527)
	<u>\$ (87,418,581)</u>	<u>\$ (4,921,870)</u>	<u>\$ 166,657</u>	<u>\$ (92,173,794)</u>
<b>Total capital assets being depreciated - net</b>	<u>\$ 72,003,923</u>	<u>\$ (1,968,528)</u>	<u>\$ -</u>	<u>\$ 70,035,395</u>
<b>Business-type activities capital assets - net</b>	<u>\$ 75,416,324</u>	<u>\$ 1,405,087</u>	<u>\$ (2,486,681)</u>	<u>\$ 74,334,730</u>

**B. Depreciation**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
General government	\$ 910,490	\$ -
Public safety	754,723	-
Physical environment	367,252	-
Transportation	854,642	-
Culture/Recreation	1,380,160	-
Water and sewer system	-	4,690,070
Refuse disposal	-	231,800
<b>Total</b>	<b>\$ 4,267,267</b>	<b>\$ 4,921,870</b>

**C. Net Capital Assets**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 6,489,073	\$ 644,114	\$ 7,133,187
Buildings and improvements	57,330,893	12,481,364	69,812,257
Water and sewer system	-	143,183,397	143,183,397
Infrastructure	38,200,152	-	38,200,152
Machinery and equipment	12,055,149	6,544,428	18,599,577
Construction in progress	16,793,403	3,655,221	20,448,624
	<b>\$ 130,868,670</b>	<b>\$ 166,508,524</b>	<b>\$ 297,377,194</b>
Less accumulated depreciation	(49,501,797)	(92,173,794)	(141,675,591)
	<b>\$ 81,366,873</b>	<b>\$ 74,334,730</b>	<b>\$ 155,701,603</b>

**D. Construction Commitments**

The City had several active construction projects as of September 30, 2014. 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.

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Water & sewer system		
Water & wastewater improvements	\$ -	\$ 2,065,449
Utility relocations	-	671,809
Stormwater system improvements	-	12,281,179
Central business dist. redevelopment	664,711	-
Stormwater system improvements	1,931,845	-
City buildings	73,734	-
City parks	82,102	-
City streets	1,280,960	-
<b>Total</b>	<b>\$ 4,033,352</b>	<b>\$ 15,018,437</b>

**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, 2014:

	<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	\$ 1,947,916	\$ 1,384,429	\$ (1,247,076)	\$ 2,085,269	\$ 834,108
Other post employment benefits	<u>651,611</u>	<u>94,809</u>	<u>-</u>	<u>746,420</u>	<u>-</u>
Long-term liabilities	<u>\$ 2,599,527</u>	<u>\$ 1,479,238</u>	<u>\$ (1,247,076)</u>	<u>\$ 2,831,689</u>	<u>\$ 834,108</u>
<b><u>Business-type activities</u></b>					
Compensated absences	\$ 423,363	\$ 371,044	\$ (388,510)	\$ 405,897	\$ 162,358
Other post employment benefits	<u>179,358</u>	<u>26,068</u>	<u>-</u>	<u>205,426</u>	<u>-</u>
Long-term liabilities	<u>\$ 602,721</u>	<u>\$ 397,112</u>	<u>\$ (388,510)</u>	<u>\$ 611,323</u>	<u>\$ 162,358</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, 2014 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, 2014 are shown in the table at right.

Accounts payable	\$ 520,024
Refundable impact fees	50,830
Customer deposits	1,314,469
Prepaid connection fees	<u>106,076</u>
Total	<u>\$ 1,991,399</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 benefit plan) but have a one-time option to switch to the General Employees' Investment Plan (a defined contribution plan) at any time 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. The City implemented the provisions of GASB Statement No. 67, "Financial Reporting for Pension Plans" for the year ended September 30, 2014.

#### **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 members 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%. Retirement benefits include a 3% annual cost of living increase for members retired prior to July 1, 2011. Members retiring on or after July 1, 2011 receive an annual cost of living increase calculated by dividing years of service prior to July 1, 2011 by total years of service. This figure is then multiplied by 3%.

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.

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

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, 2014, was \$20,454,196 of which \$6,410,764 was paid to City FRS members. The City's contributions to the FRS for the years ended September 30, 2014, 2013, and 2012, were \$699,641, \$524,494, and \$466,124, respectively. Employee contributions to the FRS for the years ended September 30, 2014, 2013, and 2012, were \$126,721, \$146,470, and \$156,397, 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				
	regular	senior mgmt	special risk	DROP
<b>effective July 1, 2013</b>				
employee	3.00%	3.00%	3.00%	-
city	6.95%	18.31%	19.06%	12.84%
<b>effective July 1, 2014</b>				
employee	3.00%	3.00%	3.00%	-
city	7.37%	21.14%	19.82%	12.28%

Employer contributions include 1.2% for a post-retirement health insurance subsidy. This was raised to 1.26% effective July 1, 2014. 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 administrative fee rate was raised to 0.04% effective July 1, 2014. 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) are single-employer, defined benefit, public employee retirement systems established by the City Commission. Any amendments thereto are at the sole discretion of the City Commission. 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. Retirees receive a 3% annual cost of living increase in monthly benefits.

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. Retirees receive a 3% annual cost of living increase in monthly benefits.

Membership

As of October 1, 2014, 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	111
Non-vested	32	108
Retirees and beneficiaries receiving benefits	1	30
Terminated plan members entitled to, but not receiving, benefits	7	45
Pending refunds	3	2
Limited members	1	15

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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Funding Policy

1) The Altamonte Springs Police Officers' Pension Plan

The Plan 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, 2014, was 18.06% 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 \$309,831 for the year ended September 30, 2014 and are considered an employer contribution.

2) The Altamonte Springs General Employees' Pension Plan

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, 2014, was 12.31% of annual covered payroll

Investments

Investment Policy - Police Officers' Pension Plan. The pension plan's investment policy was established and may be amended by the Board of Trustees. This policy is governed by the Plan, as adopted by the City Commission, and applicable state and federal laws. The Board's stated investment objective is to obtain a reasonable total rate of return, defined as interest and dividend income plus realized and unrealized capital gains or losses, commensurate with the Prudent Investor Rule. The investment policy allows investment in annuity and life insurance contracts, time or savings deposits with banks insured by the Federal Deposit Insurance Corporation, obligations of the U. S. Government or its' agencies, bonds issued by the State of Israel, corporate stocks, corporate bonds, repurchase agreements collateralized by U. S. Treasury securities, SEC registered money market funds, and the Florida Local Government Surplus Funds Trust Fund. Investment in

corporate common stock is limited to not more than 65% of total fund assets, at market. Investment in foreign securities is limited to not more than 10% of the value of the fund at cost. Investment of more than 5% of Plan assets in the common or capital stock of any one issuing company is not allowed.

Investment Policy - General Employees' Pension Plan. The pension plan's investment policy was established and may be amended by the Board of Trustees. This policy is governed by the Plan, as adopted by the City Commission, and applicable state and federal laws. The Board's stated investment objective is to obtain a reasonable total rate of return, defined as interest and dividend income plus realized and unrealized capital gains or losses, commensurate with the Prudent Investor Rule. The investment policy allows investment in annuity and life insurance contracts, time or savings deposits with banks insured by the Federal Deposit Insurance Corporation, obligations of the U. S. Government or its' agencies, bonds issued by the State of Israel, corporate stocks, corporate bonds, repurchase agreements collateralized by U. S. Treasury securities, SEC registered money market funds, and the Florida Local Government Surplus Funds Trust Fund. Investment in corporate common stock is limited to not more than 70% of total fund assets, at market. Investment in foreign securities is limited to not more than 25% of the value of the fund at market. Investment of more than 5% of Plan assets in the common or capital stock of any one issuing company is not allowed. Investment in more than 10% of Plan assets in the bonds of any single corporation is not allowed.

#### Rate of Return

For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.95% for the General Employees' Pension Plan and 14.21% for the Police Officers' Pension Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Accumulated Excess Premium Tax Revenues

In 1953 the Florida Legislature enacted Chapter 185, Florida Statutes to encourage cities to establish police retirement plans by providing cities with the incentive of access to premium tax revenues imposed on the gross premiums of casualty insurance policies. The Division of Retirement (Division) within the Florida Department of Management Services (DMS) is responsible for overseeing and monitoring these plans, but day-to-day operational control rests with local boards of trustees subject to the regulatory authority of the Division. Chapter 185, F. S., specifies certain "minimum benefits" which must be provided in the plans.

In 1999, the Legislature passed legislation authorizing use of premium tax revenues received by the Plan to meet the costs of benefits in effect on March 12, 1999. Each Plan was required to use the premium tax revenues received above the amount received in the 1997 year to meet the costs of any statutory minimums that were not funded as of March 12, 1999, or to fund "extra benefits".

Until August 2012, the Division consistently interpreted "extra benefits" to mean benefits in excess of statutory minimums or benefits in place as of March 12, 1999, whichever were greater. The benefits provided by the City's plan on March 12, 1999, and continuing through today, are considerably in excess of the statutory minimums. Thus, under the Division's interpretation, any premium tax revenues received by the City in excess of the amount received in the 1997 calendar year must be used to fund benefits to fund benefits above the benefits in place as of March 12, 1999.

The City never agreed with the Division's interpretation and never adopted extra benefits consistent with this interpretation. The City's interpretation is "extra benefits" are benefits in excess of the statutory minimums. The benefits provided by the City far exceed the statutory minimums easily outpacing the amount of premium tax revenues. However, the Division has not agreed with the City on this issue and has not allowed the City to use premium tax revenues in excess of the 1997 threshold to fund benefit costs. Thus premium tax revenues received by the City in excess of the 1997 threshold are held in escrow by the Plan.

However, in response to a letter from the City of Naples in August 2012, the Division advised that its historical interpretation of s. 185.35(2), F.S., "appears inaccurate." The division was asked, in essence, whether a city that negotiated and mutually agreed with its police officers to reduce benefits below levels in place on March 12, 1999, would jeopardize its premium tax revenues. In its response, the division advised that for local law

plans in effect on October 1, 1998, the law compels the plan to provide chapter minimum benefits only to the extent that those benefits can be funded with "additional premium tax revenues." Thus, the Division's re-interpretation of the law requires chapter minimum benefits to be provided only to the extent that those benefits can be funded with premium tax revenues received in excess of the amount received for calendar year 1997. Therefore, since the cost of the actual benefits provided by the City's plan are far greater than the total premium tax revenues received all of the premium tax revenues received can be used to fund the plan. This re-interpretation applies prospectively only, that is to periods after August 2012. All premium tax revenues received since that time have been used in their entirety to fund the plan. The balance of accumulated excess premium tax revenues held by the City as of September 30, 2014, totaled \$968,502. Consultations with the Division have produced a method of accessing these funds in the future with certain amendments to the Plan that do not involve additional benefits. The City is pursuing these amendments.

These accumulated excess premium tax revenues have not been included for the purpose of measuring the Plan's net pension liability.

**Net Pension Liability of the City**

The components of the net pension liability of the City at September 30, 2014, were as follows:

	<u>General Employees'</u>	<u>Police Officers'</u>
Total pension liability	\$ 15,432,205	\$ 13,357,722
Plan fiduciary net position	(17,043,951)	(13,568,490)
Accumulated excess premium tax revenues	-	968,502
 City's net pension liability	 <u>\$ (1,611,746)</u>	 <u>\$ 757,734</u>
 Plan fiduciary net position as a percentage of the total pension liability	 110%	 94%

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of September 30, 2014, using the following actuarial assumptions.

Inflation	3%
Salary increases	7% to 3.5%
Investment rate of return	7.5%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the table.

<b>Long-term expected real rate of return</b>		
<u>Asset class</u>	<u>General Employees' Plan</u>	<u>Police Officers' Plan</u>
Domestic equity	7.5%	7.5%
International equity	8.5%	8.5%
Domestic bonds	2.5%	2.5%

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

<u>City's net pension liability</u>	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
General employees' pension plan	\$ 884,800	\$ (1,611,746)	\$ (3,663,190)
Police officers' pension plan	\$ 3,473,021	\$ 757,734	\$ (1,408,802)

Annual Financial Statements

A combining statement of fiduciary net position and changes to fiduciary net position for fiscal year 2014 for both plans follows.

<b>PENSION TRUST FUNDS</b>			
<b>Combining Statement of Fiduciary Net Position September 30, 2014</b>			
	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
<b>Assets</b>			
Cash and equivalents	\$ 63,218	\$ 317,764	\$ 380,982
Investments:			
U.S. Treasuries	93,195	62,130	155,325
Corporate bonds	728,813	716,456	1,445,269
Mutual funds	4,505,713	3,847,593	8,353,306
Common stocks	11,649,666	8,314,365	19,964,031
Accrued interest receivable	10,871	8,048	18,919
Due from other governments	-	309,831	309,831
Prepaid expenses	4,005	3,482	7,487
<b>Total assets</b>	<u>\$ 17,055,481</u>	<u>\$ 13,579,669</u>	<u>\$ 30,635,150</u>
<b>Liabilities</b>			
Accounts payable	11,530	11,179	22,709
<b>Net position restricted for pensions</b>	<u>\$ 17,043,951</u>	<u>\$ 13,568,490</u>	<u>\$ 30,612,441</u>

<b>PENSION TRUST FUNDS</b>			
<b>Combining Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2014</b>			
	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
<b>Additions</b>			
Contributions:			
Employer	\$ 1,069,973	\$ 672,997	\$ 1,742,970
State	-	309,831	309,831
Employee	42,844	41,817	84,661
Investment income:			
Appreciation in value of plan assets	1,691,819	1,330,857	3,022,676
Interest and dividend income	330,535	258,505	589,040
Investment expense	(50,459)	(37,747)	(88,206)
<b>Total additions</b>	<u>\$ 3,084,712</u>	<u>\$ 2,576,260</u>	<u>\$ 5,660,972</u>
<b>Deductions</b>			
Benefits, including refunds of member contributions	\$ 221,019	\$ 42,793	\$ 263,812
Administrative expenses	21,619	22,216	43,835
<b>Total deductions</b>	<u>\$ 242,638</u>	<u>\$ 65,009</u>	<u>\$ 307,647</u>
<b>Net increase in net position</b>	<u>\$ 2,842,074</u>	<u>\$ 2,511,251</u>	<u>\$ 5,353,325</u>
<b>Net position restricted for pensions</b>			
Beginning of year	14,201,877	11,057,239	25,259,116
<b>End of year</b>	<u>\$ 17,043,951</u>	<u>\$ 13,568,490</u>	<u>\$ 30,612,441</u>

Required Supplementary Information

<b>PENSION TRUST FUNDS</b>			
<b>Combining Schedule of Changes in the City's Net Pension Liability and Related Ratios For the Year Ended September 30, 2014</b>			
	<u>General Employees</u>	<u>Police Officers</u>	<u>Total</u>
<b>Change in total pension liability</b>			
Service costs	\$ 965,186	\$ 761,879	\$ 1,727,065
Interest	1,191,693	898,908	2,090,601
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(375,569)	516,164	140,595
Changes of assumptions	-	-	-
Benefit payments, including refunds of member contributions	(221,019)	(42,793)	(263,812)
<b>Net change in total pension liability</b>	<b>\$ 1,560,291</b>	<b>\$ 2,134,158</b>	<b>\$ 3,694,449</b>
<b>Total pension liability:</b>			
Beginning of year	<u>13,871,914</u>	<u>11,223,564</u>	<u>25,095,478</u>
End of year	<u>\$ 15,432,205</u>	<u>\$ 13,357,722</u>	<u>\$ 28,789,927</u>
<b>Change in plan fiduciary net position</b>			
<b>Contributions:</b>			
Employer	\$ 1,069,973	\$ 672,997	\$ 1,742,970
State	-	309,831	309,831
Employees	42,844	41,817	84,661
Net investment income	1,971,895	1,551,615	3,523,510
Benefit payments, including refunds of member contributions	(221,019)	(42,793)	(263,812)
Administrative expense	(21,619)	(22,216)	(43,835)
<b>Net changes in plan fiduciary net position</b>	<b>\$ 2,842,074</b>	<b>\$ 2,511,251</b>	<b>\$ 5,353,325</b>
<b>Plan fiduciary net position:</b>			
Beginning of year	<u>14,201,877</u>	<u>10,088,737 (a)</u>	<u>24,290,614</u>
End of year	<u>\$ 17,043,951</u>	<u>\$ 12,599,988</u>	<u>\$ 29,643,939</u>
<i>(a) Does not include \$968,502 in Accumulated Excess Premium Tax Revenues.</i>			
<b>Plan net pension liability - ending</b>	<b>\$ (1,611,746)</b>	<b>\$ 757,734</b>	<b>\$ (854,012)</b>
<b>Net fiduciary net position as a percentage of the total pension liability</b>	110%	94%	103%
<b>Covered employee payroll</b>	<b>\$ 9,016,971</b>	<b>\$ 4,368,320</b>	<b>\$ 13,385,291</b>
<b>City's net pension liability as a percentage of covered employee payroll</b>	-17.87%	17.35%	-6.38%

**PENSION TRUST FUNDS**

**Schedule of City Contributions  
For the Year Ended September 30th**

	<u>2013</u>	<u>2014</u>
<b>General employees' pension plan</b>		
Actuarially determined contribution	\$ 1,074,730	\$ 1,057,294
Contribution in relation to the actuarially determined contributions	<u>1,141,128</u>	<u>1,112,479</u>
Contribution deficiency (excess)	<u>\$ (66,398)</u>	<u>\$ (55,185)</u>
Covered payroll	\$ 8,286,242	\$ 9,016,971
Contributions as a percentage of covered payroll	13.8%	12.3%
<b>Police officers' pension plan</b>		
Actuarially determined contribution	\$ 1,047,036	\$ 1,001,765
Contribution in relation to the actuarially determined contributions	<u>827,701</u>	<u>1,013,262</u>
Contribution deficiency (excess)	<u>\$ 219,335</u>	<u>\$ (11,497)</u>
Covered payroll	\$ 4,023,718	\$ 4,368,320
Contributions as a percentage of covered payroll	20.6%	23.2%

**Notes to this schedule:**

**Valuation date:**

Actuarially determined contribution rates are determined as of September 30th, one year prior to the end of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contribution rates:**

Actuarial Cost Method	Individual Entry Age, Level Percent of Pay
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	N/A
Asset Valuation Method	Market Value
Inflation	3%
Investment Return	7.5%
Salary Increases	7% to 3.5%
Retirement Age	100% at Normal Retirement Eligibility Date
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females

PENSION TRUST FUNDS		
Schedule of Investment Returns		
Annual money-weighted rate of return, net of investment expense	General Employees	Police Officers
2014	13.95%	14.21%

**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, 2014, there were 5 Plan members. For the year ended September 30, 2014, employer contributions totaled \$61,489 and employee contributions totaled \$5,528.

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, 2014, employer contributions totaled \$19,968.

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

**A. Plan Description**

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. The actuarially determined liability was \$3,107,134 at September 30, 2014. The City’s Other Postemployment Benefit Plan does not issue a stand-alone report.

**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.

The City’s annual OPEB cost, the percentage of annual expected employer contribution toward OPEB cost, and the net OPEB obligation for 2014, 2013, and 2012, with no applicable preceding years were as shown in the table at right.

	<b>Valuation at 9/30/2014</b>
Annual required contribution (ARC)	\$ 246,882
Interest on net OPEB obligation	37,394
Adjustment to ARC	<u>(51,014)</u>
Annual OPEB cost (expense)	\$ 233,262
Employer contributions made	<u>(112,384)</u>
Increase (decrease) in net OPEB obligation	\$ 120,878
Net OPEB obligation:	
Beginning of year	<u>830,968</u>
End of year	<u>\$ 951,846</u>

For the Year Ended September 30	Annual OPEB Cost	Employer Contributions toward the OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 307,994	\$ 163,620	53%	\$ 688,276
2013	282,071	139,379	49%	830,968
2014	233,262	112,384	48%	951,846

In the Statement of Net Position the City reports \$746,420 net OPEB obligation in governmental activities and \$205,426 in business type activities.

**D. Funding Status and Funding Progress**

As of September 30, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$3,107,134 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,107,134. The covered payroll (annual payroll of active employees covered by the plan) was \$21,761,443, and the ratio of the UAAL to the covered payroll was 14.3%. 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.

Other Post Employment Benefits: MULTI-YEAR FUNDING PROGRESS						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued 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)
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%
2014	-	3,107,134	3,107,134	0%	21,761,443	14.3%

**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, 2014, 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 2014. 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 (dollar values are in thousands)</u>	
General / professional liability	\$ 300	each person
Includes errors and omissions, employee benefits program administration, and broad form property damage	\$ 300	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	\$ 200	each person
	\$ 300	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	\$ 300	each occurrence
	\$ 2,000	combined single limit per occurrence
	\$ 10	auto medical payments
Property damage	\$ 87,682	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 \$277,305 at September 30, 2014, and is reported as unrestricted net assets in the Workers' Compensation Self-Insurance Fund. The claims liability of \$1,139,593 reported in the Fund at September 30, 2014, 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 2013 and 2014 were as shown in the chart.

	<u>2013</u>	<u>2014</u>
Balance beginning of year	\$ 1,115,079	\$ 1,164,609
Current year claims and changes in estimates	298,321	367,844
Claims paid	<u>(248,791)</u>	<u>(392,860)</u>
Balance end of year	<u>\$ 1,164,609</u>	<u>\$ 1,139,593</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, 2014

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 522,423	\$ 317,985	\$ 840,408
Investments	11,989,218	7,539,599	19,528,817
Receivables -			
Accrued interest	30,263	19,031	49,294
Prepays	5,047	-	5,047
Total Assets	<u>\$ 12,546,951</u>	<u>\$ 7,876,615</u>	<u>\$ 20,423,566</u>
<b>Liabilities</b>			
Accounts payable	\$ 66,690	\$ 37,807	\$ 104,497
Accrued liabilities	68,387	-	68,387
Deposits	-	5,000	5,000
Total Liabilities	<u>\$ 135,077</u>	<u>\$ 42,807</u>	<u>\$ 177,884</u>
<b>Fund Balances</b>			
Nonspendable	\$ 5,047	\$ -	\$ 5,047
Restricted	369,608	-	369,608
Committed	12,037,219	7,833,808	19,871,027
Total Fund Balances	<u>\$ 12,411,874</u>	<u>\$ 7,833,808</u>	<u>\$ 20,245,682</u>
Total Liabilities and Fund Balances	<u>\$ 12,546,951</u>	<u>\$ 7,876,615</u>	<u>\$ 20,423,566</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, 2014

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>Revenues</b>			
Intergovernmental revenues	\$ 309,831	\$ -	\$ 309,831
Charges for services	3,674,322	-	3,674,322
Fines and forfeitures	59,377	-	59,377
Miscellaneous revenues:			
Impact fees	-	496,778	496,778
Investment income	136,725	88,428	225,153
Other miscellaneous income	4,344	-	4,344
	<u>\$ 4,184,599</u>	<u>\$ 585,206</u>	<u>\$ 4,769,805</u>
<b>Expenditures</b>			
Current:			
Public safety	\$ 1,609,556	\$ -	\$ 1,609,556
Physical environment	929,854	-	929,854
Capital outlay	457,246	307,835	765,081
	<u>\$ 2,996,656</u>	<u>\$ 307,835</u>	<u>\$ 3,304,491</u>
Excess of Revenues Over Expenditures	\$ 1,187,943	\$ 277,371	\$ 1,465,314
<b>Fund Balances</b>			
Beginning of year	<u>11,223,931</u>	<u>7,556,437</u>	<u>18,780,368</u>
End of year	<u>\$ 12,411,874</u>	<u>\$ 7,833,808</u>	<u>\$ 20,245,682</u>

City of Altamonte Springs, Florida

Combining Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

September 30, 2014

	Law Enforcement Trust Fund	Police Premium Tax Trust Fund	Stormwater Management Fund	Building Inspection Fund	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 14,159	\$ -	\$ 450,159	\$ 58,105	\$ 522,423
Investments	358,802	-	9,639,169	1,991,247	11,989,218
Receivables -					
Accrued interest receivable	906	-	24,331	5,026	30,263
Prepays	-	-	2,629	2,418	5,047
<b>Total Assets</b>	<b>\$ 373,867</b>	<b>\$ -</b>	<b>\$ 10,116,288</b>	<b>\$ 2,056,796</b>	<b>\$ 12,546,951</b>
<b>Liabilities</b>					
Accounts payable	\$ 86	\$ -	\$ 63,150	\$ 3,454	\$ 66,690
Accrued liabilities	4,173	-	23,407	40,807	68,387
<b>Total Liabilities</b>	<b>\$ 4,259</b>	<b>\$ -</b>	<b>\$ 86,557</b>	<b>\$ 44,261</b>	<b>\$ 135,077</b>
<b>Fund Balances</b>					
Nonspendable	\$ -	\$ -	\$ 2,629	\$ 2,418	\$ 5,047
Restricted	369,608	-	-	-	369,608
Committed	-	-	10,027,102	2,010,117	12,037,219
<b>Total Fund Balance</b>	<b>\$ 369,608</b>	<b>\$ -</b>	<b>\$ 10,029,731</b>	<b>\$ 2,012,535</b>	<b>\$ 12,411,874</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 373,867</b>	<b>\$ -</b>	<b>\$ 10,116,288</b>	<b>\$ 2,056,796</b>	<b>\$ 12,546,951</b>

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, 2014

	Law Enforcement Trust Fund	Police Premium Tax Trust Fund	Stormwater Management Fund	Building Inspection Fund	Total
<b>Revenues</b>					
Intergovernmental revenues	\$ -	\$ 309,831	\$ -	\$ -	\$ 309,831
Charges for services	-	-	1,933,286	1,741,036	3,674,322
Fines and forfeitures	59,377	-	-	-	59,377
Miscellaneous revenues:					
Investment income	4,575	-	110,900	21,250	136,725
Other miscellaneous income	-	-	-	4,344	4,344
<b>Total Revenues</b>	<b>\$ 63,952</b>	<b>\$ 309,831</b>	<b>\$ 2,044,186</b>	<b>\$ 1,766,630</b>	<b>\$ 4,184,599</b>
<b>Expenditures</b>					
Current:					
Public safety	\$ 108,026	\$ 309,831	\$ -	\$ 1,191,699	\$ 1,609,556
Physical environment	-	-	929,854	-	929,854
Capital outlay	-	-	449,941	7,305	457,246
<b>Total Expenditures</b>	<b>\$ 108,026</b>	<b>\$ 309,831</b>	<b>\$ 1,379,795</b>	<b>\$ 1,199,004</b>	<b>\$ 2,996,656</b>
Excess of Revenues Over (Under) Expenditures	\$ (44,074)	\$ -	\$ 664,391	\$ 567,626	\$ 1,187,943
<b>Fund Balances</b>					
Beginning of year	413,682	-	9,365,340	1,444,909	11,223,931
End of year	<u>\$ 369,608</u>	<u>\$ -</u>	<u>\$ 10,029,731</u>	<u>\$ 2,012,535</u>	<u>\$ 12,411,874</u>

City of Altamonte Springs, Florida

Combining Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS

September 30, 2014

	<u>Impact Fee Fund</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 317,985
Investments	7,539,599
Accrued interest receivable	<u>19,031</u>
Total Assets	<u>\$ 7,876,615</u>
<b><u>Liabilities</u></b>	
Accounts payable	\$ 37,807
Deposits	<u>5,000</u>
Total Liabilities	<u>\$ 42,807</u>
<b><u>Fund Balances</u></b>	
Committed	<u>\$ 7,833,808</u>
Total Fund Balance	<u>\$ 7,833,808</u>
Total Liabilities and Fund Balance	<u>\$ 7,876,615</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, 2014

	<u>Impact Fee Fund</u>
<b><u>Revenues</u></b>	
Miscellaneous revenues:	
Impact fees	\$ 496,778
Investment income	<u>88,428</u>
 Total Revenues	 <u>\$ 585,206</u>
<b><u>Expenditures</u></b>	
Capital outlay	<u>\$ 307,835</u>
 Total Expenditures	 <u>\$ 307,835</u>
 Excess of Revenues Over Expenditures	 <u>\$ 277,371</u>
<b><u>Fund Balances</u></b>	
Beginning of year	<u>7,556,437</u>
 End of year	 <u><u>\$ 7,833,808</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Fines and forfeitures	\$ -	\$ 59,377	\$ 59,377
Miscellaneous revenues:			
Investment income	4,377	4,575	198
Total Revenues	\$ 4,377	\$ 63,952	\$ 59,575
<b>Expenditures</b>			
Current:			
Public safety	\$ 119,933	\$ 108,026	\$ 11,907
Total Expenditures	\$ 119,933	\$ 108,026	\$ 11,907
Excess of Revenues Over (Under) Expenditures	\$ (115,556)	\$ (44,074)	\$ 71,482
<b>Fund Balance</b>			
Beginning of year	413,682	413,682	-
End of year	\$ 298,126	\$ 369,608	\$ 71,482

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, 2014

	<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	\$ 1,953,000	\$ 1,933,286	\$ (19,714)
Miscellaneous revenues:			
Investment income	<u>138,423</u>	<u>110,900</u>	<u>(27,523)</u>
Total Revenues	<u>\$ 2,091,423</u>	<u>\$ 2,044,186</u>	<u>\$ (47,237)</u>
<b><u>Expenditures</u></b>			
Current:			
Physical environment	\$ 2,058,645	\$ 929,854	\$ 1,128,791
Capital outlay	<u>-</u>	<u>449,941</u>	<u>(449,941)</u>
Total Expenditures	<u>\$ 2,058,645</u>	<u>\$ 1,379,795</u>	<u>\$ 678,850</u>
Excess of Revenues Over Expenditures	\$ 32,778	\$ 664,391	\$ 631,613
<b><u>Fund Balance</u></b>			
Beginning of year	<u>9,365,340</u>	<u>9,365,340</u>	<u>-</u>
End of year	<u>\$ 9,398,118</u>	<u>\$ 10,029,731</u>	<u>\$ 631,613</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for services	\$ 696,000	\$ 1,741,036	\$ 1,045,036
Miscellaneous revenues:			
Investment income	15,000	21,250	6,250
Other miscellaneous income	-	4,344	4,344
	<u>711,000</u>	<u>1,766,630</u>	<u>1,055,630</u>
Total Revenues	\$ 711,000	\$ 1,766,630	\$ 1,055,630
<b>Expenditures</b>			
Current:			
Public safety	\$ 1,200,885	\$ 1,191,699	\$ 9,186
Capital outlay	8,400	7,305	1,095
	<u>1,209,285</u>	<u>1,199,004</u>	<u>10,281</u>
Total Expenditures	\$ 1,209,285	\$ 1,199,004	\$ 10,281
Excess of Revenues Over (Under) Expenditures	\$ (498,285)	\$ 567,626	\$ 1,065,911
<b>Fund Balance</b>			
Beginning of year	<u>1,444,909</u>	<u>1,444,909</u>	<u>-</u>
End of year	<u>\$ 946,624</u>	<u>\$ 2,012,535</u>	<u>\$ 1,065,911</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, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental revenues	\$ 400,000	\$ 195,801	\$ (204,199)
Charges for services	-	1,501,014	1,501,014
Miscellaneous revenues:			
Investment income	100,000	110,964	10,964
Other miscellaneous revenues	-	76,789	76,789
	<u>\$ 500,000</u>	<u>\$ 1,884,568</u>	<u>\$ 1,384,568</u>
<b>Expenditures</b>			
Current:			
General government	\$ 74,900	\$ 76,348	\$ (1,448)
Capital outlay	9,545,850	4,670,653	4,875,197
	<u>\$ 9,620,750</u>	<u>\$ 4,747,001</u>	<u>\$ 4,873,749</u>
Excess of Revenues Over (Under) Expenditures	\$ (9,120,750)	\$ (2,862,433)	\$ 6,258,317
<b>Other Financing Sources</b>			
Transfers In:			
General fund	2,250,000	2,250,000	-
Net Change in Fund Balance	\$ (6,870,750)	\$ (612,433)	\$ 6,258,317
<b>Fund Balance</b>			
Beginning of year	9,158,161	9,158,161	-
End of year	<u>\$ 2,287,411</u>	<u>\$ 8,545,728</u>	<u>\$ 6,258,317</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, 2014

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Miscellaneous revenues:			
Impact fees	\$ 25,500	\$ 496,778	\$ 471,278
Investment income	75,044	88,428	13,384
Other miscellaneous income	7,500	-	(7,500)
Total Revenues	<u>\$ 108,044</u>	<u>\$ 585,206</u>	<u>\$ 477,162</u>
<b>Expenditures</b>			
Capital outlay	<u>\$ 725,000</u>	<u>\$ 307,835</u>	<u>\$ 417,165</u>
Excess of Revenues Over (Under) Expenditures	\$ (616,956)	\$ 277,371	\$ 894,327
<b>Fund Balance</b>			
Beginning of year	<u>7,556,437</u>	<u>7,556,437</u>	<u>-</u>
End of year	<u>\$ 6,939,481</u>	<u>\$ 7,833,808</u>	<u>\$ 894,327</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, 2014

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>			
Intergovernmental revenues	\$ 200,000	\$ -	\$ (200,000)
Miscellaneous revenues:			
Investment income	<u>65,000</u>	<u>112,267</u>	<u>47,267</u>
Total Revenues	<u>\$ 265,000</u>	<u>\$ 112,267</u>	<u>\$ (152,733)</u>
<b>Expenditures</b>			
Capital outlay	<u>\$ 7,174,000</u>	<u>\$ 4,293,169</u>	<u>\$ 2,880,831</u>
Total Expenditures	<u>\$ 7,174,000</u>	<u>\$ 4,293,169</u>	<u>\$ 2,880,831</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (6,909,000)</u>	<u>\$ (4,180,902)</u>	<u>\$ 2,728,098</u>
<b>Fund Balance</b>			
Beginning of year	<u>10,726,758</u>	<u>10,726,758</u>	<u>-</u>
End of year	<u>\$ 3,817,758</u>	<u>\$ 6,545,856</u>	<u>\$ 2,728,098</u>

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# **STATISTICAL SECTION**



## 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.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> .....	90
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> .....	97
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity</b> .....	101
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> .....	104
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> .....	106
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)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>Governmental activities</u></b>										
Invested in capital assets, net of related debt	\$ 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	\$ 81,366,873
Restricted	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	7,121,967
Unrestricted	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	78,296,743
Total governmental activities	<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>	<u>\$ 166,785,583</u>
<b><u>Business-type activities</u></b>										
Invested in capital assets, net of related debt	\$ 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	\$ 74,334,730
Restricted	300,000	300,000	300,000	300,000	4,247,972	4,600,586	4,787,292	5,348,990	12,988,753	12,612,343
Unrestricted	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	23,559,322
Total business-type activities	<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>	<u>\$ 110,506,395</u>
<b><u>Primary government</u></b>										
Invested in capital assets, net of related debt	\$ 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	\$ 155,701,603
Restricted	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	19,734,310
Unrestricted	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	101,856,065
Total primary government	<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>	<u>\$ 277,291,978</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)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities</b>										
General government	\$ 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	\$ 11,251,654
Public safety	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	12,564,313
Physical environment	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	1,288,150
Transportation	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	1,548,148
Culture/Recreation	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	5,050,839
Interest on long-term debt	115,962	103,246	90,634	77,362	63,560	49,539	42,316	-	-	-
Total governmental activities	\$ 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	\$ 31,703,104
<b>Business-type activities:</b>										
Water and sewer	\$ 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	\$ 16,927,444
Refuse disposal	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	1,780,632
Total business-type activities	\$ 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	\$ 18,708,076
Total primary government expenses	\$ 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	\$ 50,411,180
<b>Program revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services</b>										
General government	\$ 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	\$ 4,734,383
Public safety	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	2,198,311
Physical environment	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	1,960,754
Transportation	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	2,030,874
Culture / recreation	665,137	720,881	583,072	649,063	583,545	517,046	617,961	684,714	763,670	827,429
Operating grants and contributions	1,570,541	245,198	147,049	127,838	309,655	422,877	240,782	136,510	200,079	182,358
Capital grants grants and contributions	-	-	-	310,955	-	-	-	-	-	-
Total governmental activities	\$ 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	\$ 11,934,109

*Continued next page*

**Schedule 2**

**City of Altamonte Springs, Florida**

**CHANGES IN NET POSITION**

**Last Ten Fiscal Years**

*(accrual basis of accounting)*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>Program revenues (continued)</u></b>										
Business-type activities:										
Charges for services										
Water and sewer	\$ 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	\$ 16,705,464
Refuse disposal	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	1,730,562
Operating grants and contributions	407,464	10,000	-	-	178,611	12,759	-	-	-	-
Capital grants and contributions	1,391,762	935,297	266,809	583,484	491,765	275,591	156,094	475,058	158,950	924,747
Total business-type activities	<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>	<u>\$ 19,360,773</u>
Total primary government	<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>	<u>\$ 31,294,882</u>
<b><u>Net (expense) / revenue</u></b>										
Governmental activities	\$ (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)	\$ (19,768,995)
Business-type activities	<u>1,556,183</u>	<u>790,619</u>	<u>(294,335)</u>	<u>(519,805)</u>	<u>(867,145)</u>	<u>(855,074)</u>	<u>(504,146)</u>	<u>179,721</u>	<u>(480,673)</u>	<u>652,697</u>
Total primary government	<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>	<u>\$ (19,116,298)</u>

*Continued next page*

Schedule 2

City of Altamonte Springs, Florida

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property tax	\$ 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	\$ 6,577,557
Franchise fee tax	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	4,512,748
Utility tax	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	3,841,601
Communications services tax	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	2,360,224
Local option gas tax	982,187	1,067,613	1,071,100	1,143,113	1,014,822	930,732	802,301	714,413	640,025	603,662
Intergovernmental revenues	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	3,950,825
Investment income	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	1,014,438
Gain on sale of surplus land	2,490,092	1,961,587	167	-	-	-	-	-	-	-
Other miscellaneous revenues	239,026	268,587	163,011	478,947	633,122	1,281,391	859,286	523,537	2,254,570	1,614,462
Transfers in (out)	5,811,262	(50,000)	(50,000)	(50,000)	(50,000)	-	-	-	(1,000,000)	-
Total governmental activities	\$ 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	\$ 24,475,517
Business-type activities:										
Investment income	\$ 296,880	\$ 1,122,303	\$ 1,548,995	\$ 873,864	\$ 1,934,886	\$ 922,423	\$ 379,191	\$ 791,634	\$ 109,379	\$ 406,239
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	51,416	26,803	116,543	16,918	20,362	53,386	26,457	12,467	63,623	49,649
Transfers in (out)	(5,811,262)	50,000	50,000	50,000	50,000	-	-	-	1,000,000	-
Total business-type activities	\$ (519,495)	\$ 1,201,404	\$ 1,813,038	\$ 1,010,673	\$ 2,052,700	\$ 971,038	\$ 413,167	\$ 837,087	\$ 5,933,173	\$ 455,888
Total primary government	\$ 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	\$ 24,931,405
<b>Change in net position</b>										
Governmental activities	\$ 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	\$ 4,706,522
Business-type activities	1,036,688	1,992,023	1,518,703	490,868	1,185,555	115,964	(90,979)	1,016,808	5,452,500	1,108,585
	\$ 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	\$ 5,815,107

Schedule 3

City of Altamonte Springs, Florida

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General fund</b>										
Nondisposable	\$ 155,343	\$ 193,835	\$ 209,318	\$ 181,060	\$ 186,918	\$ 215,800	\$ 212,302	\$ 204,452	\$ 221,188	\$ 166,763
Restricted	60,128	68,028	83,000	118,245	150,138	183,765	200,987	223,576	244,962	224,891
Committed	290,318	288,911	249,640	199,314	241,427	197,114	298,027	401,642	218,616	164,942
Unassigned	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	27,481,163
Total general fund	\$ 14,577,393	\$ 18,918,372	\$ 20,387,937	\$ 21,484,428	\$ 24,980,108	\$ 25,297,062	\$ 26,277,779	\$ 27,133,420	\$ 28,301,492	\$ 28,037,759
<b>All other governmental funds</b>										
Nondisposable	\$ 94,176	\$ 14,152	\$ 11,621	\$ 13,902	\$ 19,809	\$ 13,138	\$ 20,515	\$ 16,573	\$ 17,170	\$ 16,487
Restricted	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	6,915,464
Committed	16,044,849	3,306,564	419,971	183,795	180,116	233,406	903,095	36,033,520	40,936,292	44,513,564
Assigned	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	8,545,728
Total all other governmental funds	\$ 34,208,575	\$ 25,993,165	\$ 30,963,262	\$ 36,628,002	\$ 47,296,054	\$ 56,988,163	\$ 57,595,231	\$ 61,798,103	\$ 55,830,052	\$ 59,991,243

**Schedule 4**

**City of Altamonte Springs, Florida**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	<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>2014</b>
<b>Revenues</b>										
Taxes	\$ 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	\$ 17,895,792
Licenses and permits	1,785,980	2,049,284	1,481,828	903,266	922,638	891,697	867,261	845,415	904,405	877,519
Intergovernmental revenues	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	6,562,068
Charges for services	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	11,640,103
Fines and forfeitures	596,161	681,641	631,204	717,628	549,770	504,371	408,653	588,643	487,963	361,466
Impact fees	586,152	521,193	254,984	168,964	123,092	258,617	155,627	461,280	206,977	496,778
Investment income	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	996,461
Miscellaneous revenues	5,723,566	2,377,283	466,281	411,097	636,006	709,319	597,439	525,852	3,354,467	6,047,062
<b>Total revenues</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>\$ 44,877,249</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	\$ 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	\$ 14,108,894
Public safety	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	11,751,976
Physical environment	1,986,047	732,501	842,919	986,580	922,289	856,012	1,038,029	1,120,149	953,087	929,854
Transportation	1,116,997	1,154,283	1,214,663	1,258,563	1,392,481	967,796	5,394,004	672,751	794,693	784,497
Culture/Recreation	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	3,675,667
<b>Debt service:</b>										
Principal retirement	352,798	365,321	377,933	391,205	405,007	419,028	1,112,470	-	-	-
Interest and fiscal charges	115,962	103,246	90,634	77,362	63,560	49,539	42,316	-	-	-
Capital Outlay	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	9,728,903
<b>Total expenditures</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>	<b>\$ 40,979,791</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 6,632,400</b>	<b>\$ (3,824,432)</b>	<b>\$ 6,489,663</b>	<b>\$ 6,811,230</b>	<b>\$ 14,213,732</b>	<b>\$ 10,009,064</b>	<b>\$ 1,587,784</b>	<b>\$ 5,058,513</b>	<b>\$ (3,799,979)</b>	<b>\$ 3,897,458</b>

*Continued*

Schedule 4

City of Altamonte Springs, Florida

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>Other financing sources (uses)</u></b>										
Transfers in	\$ 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	\$ 3,540,121
Transfers (out)	(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)	(3,540,121)
Bank note issued	-	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 5,990,830	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ -
Net Change in Fund Balances	\$ 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)	\$ 3,897,458
Debt service as a percentage of non-capital expenditures	1.7%	1.6%	1.5%	1.5%	1.6%	1.6%	4.1%	0.0%	0.0%	0.0%

Schedule 5

City of Altamonte Springs, Florida

ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years

Fiscal Year	Assessed Values				Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property		Personal Property	Total			
	Residential	Commercial					
2005	\$ 1,170,332,724	\$ 1,397,386,469	\$ 282,980,394	\$ 2,850,699,587	\$ (502,449,184)	\$ 2,348,250,403	2.9000
2006	1,375,255,936	1,493,143,669	291,602,422	3,160,002,027	(594,983,783)	2,565,018,244	2.9000
2007	2,021,565,943	1,820,853,117	309,770,163	4,152,189,223	(884,588,862)	3,267,600,361	2.6500
2008	2,411,082,316	1,999,687,955	315,452,225	4,726,222,496	(996,964,396)	3,729,258,100	2.4343
2009	2,225,236,284	2,059,287,044	317,427,819	4,601,951,147	(1,089,563,038)	3,512,388,109	2.6352
2010	1,635,135,251	1,777,510,068	318,989,190	3,731,634,509	(806,819,238)	2,924,815,271	2.6352
2011	1,296,362,111	1,549,197,120	298,837,759	3,144,396,990	(671,684,097)	2,472,712,893	2.8900
2012	1,157,561,419	1,490,532,283	298,837,759	2,946,931,461	(603,536,444)	2,343,395,017	2.8900
2013	1,102,211,407	1,573,050,733	293,253,937	2,968,516,077	(665,169,807)	2,303,346,270	2.8900
2014	1,181,084,042	1,581,781,657	287,031,889	3,049,897,588	(685,052,624)	2,364,844,964	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)*

Fiscal Year	Direct (a)	Overlapping				Total
	City of Altamonte Springs	Seminole County			St. John's River Water Mgmt. Dist.	
		Government	Fire District	School Board		
2005	2.900	5.171	2.633	8.512	0.462	19.678
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	4.503	2.330	7.413	0.416	17.096
2009	2.635	4.660	2.330	7.543	0.416	17.584
2010	2.635	5.045	2.330	7.723	0.416	18.149
2011	2.890	5.045	2.330	7.801	0.416	18.482
2012	2.890	5.045	2.330	7.722	0.331	18.318
2013	2.890	5.045	2.330	7.553	0.331	18.149
2014	2.890	4.875	2.330	8.361	0.328	18.784

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

**(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 2013 / 2014 (a)				Fiscal Year 2004 / 2005 (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	\$ 93.91	3.97%	\$ 271,386	1	\$ 102.54	4.37%	\$ 297,377	1
Timberlake Multifamily Inv LLC	Timberlake Apts.	Mixed Use	48.07	2.03%	138,937	2	23.24	0.99%	67,392	6
Duke Energy	Electric Utility	Utility	37.93	1.60%	109,604	3	-	-	-	-
Emerson International, Inc.	Cranes Roost Office Park Et Al	Mixed Use	35.47	1.50%	102,519	4	36.11	1.54%	104,713	2
Vineridge Assoc LLC	Vineridge Apartments	Residential	30.81	1.30%	89,049	5	-	-	-	-
Camden Operating LP	Camden Renaissance	Residential	29.81	1.26%	86,162	6	20.84	-	60,433	8
Uptown Lofts at Altamonte LTD	Uptown Lofts @ Altamonte	Residential	28.96	1.22%	83,707	7	-	-	-	-
United Dominion Realty Trst	Los Altos & Lakeside North Apartments	Residential	27.62	1.17%	79,824	8	34.98	1.49%	101,448	3
Embarq	Telephone System	Public Utility	26.58	1.12%	76,808	9	24.92	1.06%	72,263	5
CC Altamonte Joint Venture	West Town Corners	Retail	23.82	1.01%	68,852	10	21.24	0.90%	61,605	7
Paragon Group LP LTD	Renaissance Point	Residential	-	-	-	-	27.52	1.17%	79,807	4
Price Reit Renaissance Ptrn	Renaissance Centre	Retail	-	-	-	-	20.57	0.88%	59,645	9
Teachers Retirement System State of Illinois	Northlake Commerce Park	Mixed Use	-	-	-	-	19.21	0.82%	55,705	10
			<u>\$ 382.98</u>	<u>16.18%</u>	<u>\$1,106,848</u>		<u>\$ 331.17</u>	<u>13.22%</u>	<u>\$ 960,388</u>	

(a) The fiscal year ended September 30, 2014 tax levy is based on the 2013 taxable value.

(b) The fiscal year ended September 30, 2005 tax levy is based on the 2004 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**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (a)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as a Percent of Current Levy</u>
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%
2014	6,834,402	6,570,461	96.1%	7,096	6,577,557	96.2%

**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>
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 *	-	-	-	-	-
2014 *	-	-	-	-	-

**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, 2013, or 2014.

**Schedule 10**

**City of Altamonte Springs, Florida**

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

**September 30, 2014**

<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	\$ 24,292,150,212	\$ 100,416,000	9.7%	\$ 9,775,515
Seminole County School Board	\$ 26,816,810,529	<u>191,651,344</u>	8.8%	<u>16,900,806</u>
		<u>\$ 292,067,344</u>		<u>\$ 26,676,321</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**

<u>Fiscal Year</u>	<u>Operating Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Available For Debt Service</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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)
2014	(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**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Personal Income (2) (in millions)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
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%
2014	42,150	42,986	1,811.86	5,778	5.1%

- 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>2013</b>	<b>2013</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>
Walt Disney Co. (Walt Disney World)	Entertainment/Retail	69,900	6.6%	74,000	6.8%	1	1
Comcast Corp (Universal)	Entertainment/Retail	17,300	1.6%	19,000	1.7%	4	2
Adventist Health System (Florida Hospital)	Hospital	24,888	2.4%	18,668	1.7%	2	3
Publix Supermarkets Inc	Grocery	19,783	1.9%	15,606	1.4%	3	4
Orlando Health	Health Care	14,201	1.3%	15,132	1.4%	5	5
Lockheed Martin Corp	Technology	7,400	0.7%	7,000	0.6%	7	6
Walgreen Co	Retail	6,500	0.6%	6,500	0.6%	8	7
Harris Corp	Aerospace	6,000	0.6%	6,500	0.6%	10	8
Darden Restaurants, Inc.	Restaurant	7,600	0.7%	6,419	0.6%	6	9
Sea World Parks & Entertainment	Theme Parks/Entertainment	6,032	0.6%	6,032	0.6%	9	10

**Source:** Orlando Sentinel Newspaper, Metro Orlando Economic Development Commission

Schedule 14

City of Altamonte Springs, Florida

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>General government</u></b>										
Administration	20	21	22	23	23	22	21	21	20	21
Finance	18	19	19	19	18	17	18	18	18	19
Information Services	9	9	10	9	9	9	10	10	10	11
Growth management	10	10	11	11	9	7	6	6	8	8
Maintenance	45	47	46	46	45	45	45	59	60	61
<b><u>Public safety</u></b>										
Police officers	102	102	105	105	104	102	106	102	99	103
Police civilians	24	24	24	24	20	20	18	18	18	19
Inspections	17	17	16	15	14	12	12	12	12	12
<b><u>Physical environment</u></b>										
Water and sewer operations	87	88	89	88	88	84	84	85	85	85
Residential refuse disposal	16	16	18	18	19	19	20	20	20	20
Stormwater management	8	8	11	11	11	10	11	11	11	12
<b><u>Transportation</u></b>										
Administration	3	3	3	3	2	2	-	-	-	-
Streets	12	12	11	11	10	10	7	7	7	7
<b><u>Culture / Recreation</u></b>										
Administration	3	3	5	5	5	5	5	5	5	5
Library	8	8	8	7	7	7	7	7	7	8
Parks	48	49	46	45	41	34	33	15	16	17
Events	7	7	11	11	11	17	16	19	18	19
<b>Total</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>	<b>425</b>

Source: City Finance Department.

Schedule 15

City of Altamonte Springs, Florida

OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b><u>Water System</u></b>										
Number of customers	11,720	11,474	11,693	11,657	11,530	11,514	11,520	11,570	11,638	11,758
Average daily flow (millions of gallons)	5.90	5.90	5.90	5.57	5.57	4.70	5.00	5.00	4.88	4.76
<b><u>Sewer System</u></b>										
Average daily flow (millions of gallons)	6.82	6.22	6.22	6.40	6.40	6.00	5.80	5.63	5.95	5.88
<b><u>Reclaimed Water System</u></b>										
Average daily demand (millions of gallons)	5.39	5.27	5.27	5.10	5.43	5.43	5.43	5.43	5.62	5.04
Number of customers:										
Single family homes	6,191	5,825	5,825	5,731	5,703	5,829	5,832	5,822	5,829	5,735
Multi-family properties	81	83	83	81	83	83	91	91	91	91
Golf course	1	1	1	1	1	1	1	1	-	-
Commercial properties	441	454	463	427	469	469	470	467	467	467
City properties	16	16	16	16	17	17	16	16	16	16
<b><u>Building Inspections</u></b>										
Building permits issued	779	1,175	689	564	441	456	1,084	951	473	468

Source: Various City Departments.

**Schedule 16**

**City of Altamonte Springs, Florida**

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

	<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>2014</b>
<b><u>Transportation</u></b>										
Miles of streets	68.04	68.04	68.04	68.04	68.04	68.04	68.04	74.15	74.45	74.57
<b><u>Water System</u></b>										
Miles of water mains	109	109	109	109	109	109	109	109	108	130
Plant Capacity - all plants (millions of gallons)	24.19	16.36	24.40	24.40	21.10	21.10	21.10	21.10	21.10	21.10
Number of fire hydrants	1,465	1,485	1,495	1,507	1,507	1,508	1,228	1,230	1,246	1,255
Water plants	3	3	3	3	3	3	3	3	3	3
Deep wells	10	10	10	10	10	10	10	10	12	12
Ground storage tanks	4	5	5	5	5	5	5	6	6	5
Ground storage tank capacity (millions of gallons)	3	3.80	3.88	3.88	3.88	3.88	3.88	3.88	3.88	3.88
Elevated storage tanks	4	4	4	4	4	4	4	4	4	4
Elevated storage tank capacity (millions of gallons)	3	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	106
<b><u>Stormwater System</u></b>										
Number of pumping stations	(a)	2	2	3						
Number of ponds	(a)	79	80	80						
Miles of stormwater lines	96	96	96	96	96	96	96	99	103	103

*Continued*

Schedule 16

City of Altamonte Springs, Florida

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<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	66	75	74	74	75	75	74	73	72	72
Miles of sewer lines	(a)	149	144	144						
<b><u>Parks and Recreation</u></b>										
Park acreage	245	245	290	290	272	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	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	34,582	34,542	30,745	31,789	32,629	32,274	36,463	37,271	37,889	37,720

Source: Various City Departments.

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

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# **COMPLIANCE SECTION**





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 fiscal year ended September 30, 2014, 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 4, 2015.

**Internal Control over Financial Reporting**

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

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

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

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

### **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*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the District in a separate management letter and Independent Accountant's Report dated February 4, 2015.

### **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 4, 2015



MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

### Report on Financial Statements

We have audited the financial statements of the City of Altamonte Springs, Florida (the "City") as of and for the year ended September 30, 2014, and have issued our report thereon dated February 4, 2015.

### Auditor's Responsibility

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; and Chapter 10.550, *Rules of the Auditor General*.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Accountant's Report in accordance with the provisions of Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 4, 2015, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title and Legal Authority

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

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

### **Financial Condition**

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of specific condition(s) met. In conjunction with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

### **Annual Financial Report**

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

### **Special District Component Units**

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Other Matters**

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

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

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

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the City Commission members, 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 4, 2015

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

**CERTIFIED PUBLIC ACCOUNTANTS**

### **INDEPENDENT ACCOUNTANT'S REPORT**

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

We have examined the City of Altamonte Springs, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2014.

*Moore Stephens Lovelace, P.A.*

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

Orlando, Florida  
February 4, 2015

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