

The City of  
Altamonte Springs, Florida

Comprehensive Annual  
Financial Report



For the Year Ended September 30, 2015



**The City of  
Altamonte Springs, Florida**

**Comprehensive Annual  
Financial Report**

*For the Year Ended  
September 30, 2015*

**Prepared By:  
Department of Finance**

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**City of Altamonte Springs, Florida**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2015**

**TABLE OF CONTENTS**

**Introductory Section**

Letter of Transmittal .....	7
Principal Officials .....	14
Organizational Chart.....	15
Certificate of Achievement for Excellence in Financial Reporting.....	16

**Financial Section**

Independent Auditor’s Report.....	17
Management’s Discussion and Analysis .....	19

Basic Financial Statements

*Government-wide Financial Statements -*

Statement of Net Position .....	31
Statement of Activities .....	32

*Fund Financial Statements-*

Governmental Funds

Balance Sheet .....	34
Reconciliation of the Balance Sheet to the Statement of Net Position.....	35
Statement of Revenues, Expenditures and Changes in Fund Balances.....	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of activities .....	37

Statements of Revenues, Expenditures and

Changes in Fund Balance – Budget and Actual:

General Fund .....	38
Community Redevelopment Agency Fund .....	41

Proprietary Funds

Statement of Net Position .....	42
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	44
Statement of Cash Flows .....	45

Pension Trust Funds	
Statement of Fiduciary Net Position .....	47
Statement of Changes in Fiduciary Net Position .....	48
Notes to the Financial Statements .....	49
<u>Required Supplemental Information</u>	
Other Post-Employment Benefits	
Schedule of Contributions .....	77
Schedule of Funding Progress .....	77
Pension Trust Funds	
Schedule of Changes in the City's Net Pension Liability .....	78
Schedule of City Contributions .....	79
Schedule of Investment Returns .....	79
Florida Retirement System	
Schedule of the City's Proportionate Share of the Net Pension Liability .....	80
Schedule of the City's Contributions .....	80
Health Insurance Subsidy	
Schedule of the City's Proportionate Share of the Net Pension Liability .....	81
Schedule of the City's Contributions .....	81
<u>Other Supplemental Information</u>	
<i>Non-major Governmental Funds</i>	
All Non-Major Governmental Funds	
Combining Balance Sheet .....	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	85
Special Revenue Funds	
Combining Balance Sheet .....	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	87
Capital Projects Funds	
Combining Balance Sheet .....	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	89
<i>Schedule of Revenues, Expenditures and Changes in Fund Balance –</i>	
<i>Budget and Actual – Major and Non-major Funds:</i>	
Law Enforcement Trust Fund .....	90
Stormwater Management Fund .....	91
Building Inspection Fund .....	92
Capital Projects Fund (Major Fund) .....	93

Impact Fee Fund .....	94
Infrastructure Sales Tax Fund (Major Fund) .....	95

**Statistical Section**

Schedule 1 – Net Position by Component – Last Ten Fiscal Years .....	98
Schedule 2 – Changes in Net Position – Last Ten Fiscal Years .....	99
Schedule 3 – Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	102
Schedule 4 – Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years .....	103
Schedule 5 – Assessed and Actual Value of Taxable Property – Last Ten Fiscal Years .....	105
Schedule 6 – Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	106
Schedule 7 – Principal Property Taxpayers – Current Year and Nine Years Ago .....	107
Schedule 8 – Property Tax Levies and Collections - Last Ten Fiscal Years .....	108
Schedule 9 – Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	109
Schedule 10 – Computation of Overlapping Debt, Governmental Activities .....	110
Schedule 11 – Revenue Bond Coverage – Water and Sewer Revenue Bonds.....	111
Schedule 12 – Demographic and Economic Statistics – Last Ten Fiscal Years .....	112
Schedule 13 – Principal Employers – Central Florida .....	113
Schedule 14 – Full-time Equivalent City Government	
Employees by Function/Program – Last Ten Fiscal Years.....	114
Schedule 15 – Operating Indicators by Function/Program – Last Ten Fiscal Years .....	115
Schedule 16 – Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....	116

**Compliance Section**

Schedule of State Financial Assistance .....	119
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	121
Independent Auditor’s Report on Compliance for Each Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550, <i>Rules of the Auditor General</i> .....	123
Schedule of Findings and Questioned Costs .....	127
Independent Auditor’s Management Letter .....	129
Independent Accountant’s Report .....	133

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# **INTRODUCTORY SECTION**





**April 30, 2016  
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, 2015. 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 principles (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, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and

significant estimates made by management; and evaluating the overall financial statement presentation. The independent 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, 2015, 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.

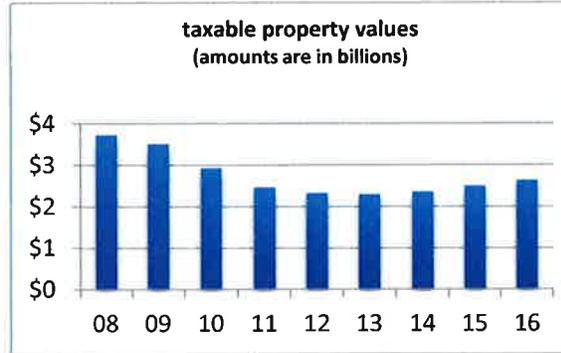
### **Factors Affecting Financial Condition**

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.

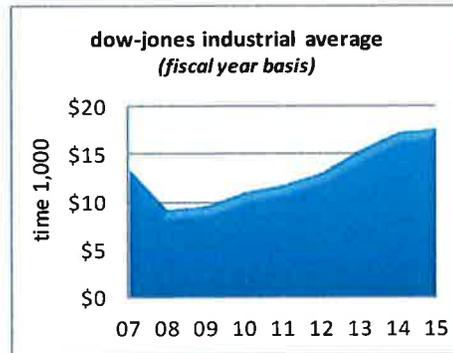
**Economic Condition and Outlook**

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 2016 budget, shows an increase in value of more than \$334 million (15%) from 2013 low. This is a substantial increase which reflects an improved economy.

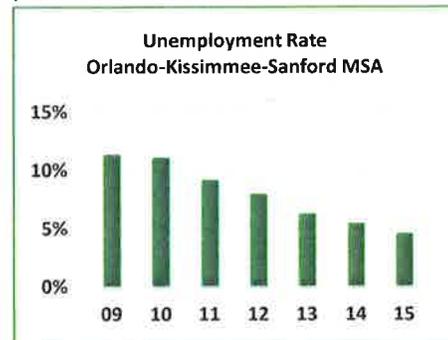
The recovery of the American economy since the recession of 2008 has been steady and sustained. From the end of 2007 to the end of 2008 the value of the Dow-Jones Industrial Average (DJIA) fell 34% from \$13,265 to \$8,776. At the end of fiscal year 2015 the value was \$17,663, a remarkable recovery.



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

U.S. Gross Domestic Product Year over Year Change	
2009	-2.8%
2010	2.5%
2011	1.6%
2012	2.2%
2013	1.5%
2014	2.4%
2015	2.4%

year, standing today at 4.5% and falling. Again another sign the economy is heading in the right direction.



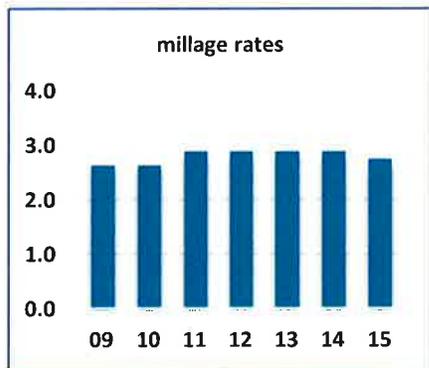
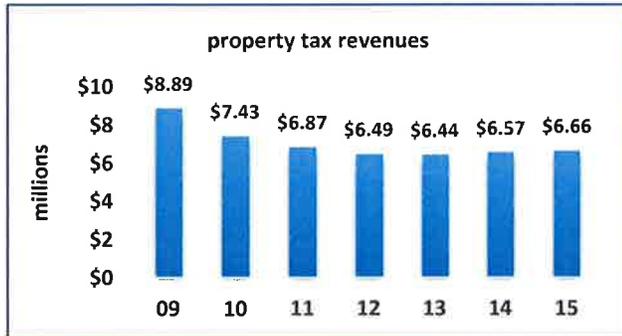
Finally, to tie it all together, we look at the annual GDP (U.S. gross domestic product), a measure of all goods and services. The GDP

actually fell in 2009 by 2.8%, indicative of a stagnating economy. Fortunately, since that time the economy

has steadily expanded. For 2015 the annualized GDP rate was 2.4%, consistent with 2014 and ahead of the previous few years. We believe this indicative of what the future holds for the American and local economies: an economy that is in the process of returning to something approaching normalcy.

We still believe full recovery and return to an unfettered future will not occur until wages catch up, and rise consistently, with the general economy. Prior to the 2008 wages rose at the rate of 3% to 4% annually. From 2009 through 2015 wages have risen only by slightly over 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 thereafter until bottoming out in 2013. Property values have risen every year since then with a corresponding increase in property tax revenues. Property tax revenues fell to \$6.44 million by 2013, a \$2.4 million decrease from 2009. Fortunately, revenues have risen to \$6.7 million by 2015 and are no longer declining. During this period, rather than raise the tax rate, the City chose to reduce expenditures to absorb this loss. The tax (millage) rate was 2.64 in 2009. In 2015 this rate was still only 2.74. Going forward, we believe the local economy is sufficient to support additional revenue. For the 2016



fiscal year the City has raised the tax rate to 3.1 mills. We project this will add \$1.1 million to revenues, thus making up some of the revenues lost over the past few years.

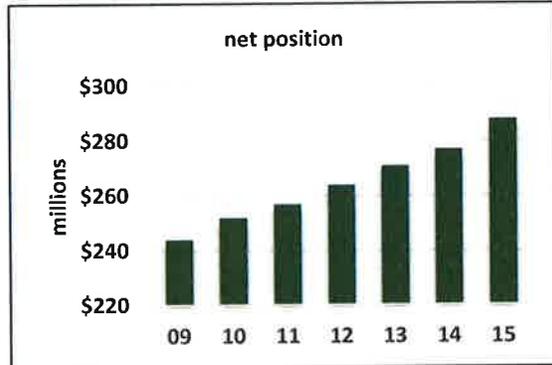
The largest property taxpayer in the City is the Altamonte Mall with a taxable value of \$101 million which represents 4.3% of

the total assessed valuation. The City's per capita income of nearly \$46,525 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 2015 revenues exceeded expenses by \$13.6 million. The value of the City’s net position has risen every year for the past 10 years reaching \$288 million by the end of 2015.



We view 2016 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 (2016) budgeted operating expenses total \$52.5 million, an increase of \$1.8 million (3.5%). Had we tracked inflation over the last 8 years, today’s budget would be \$57 million.

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, 2014. This was the thirtieth 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.

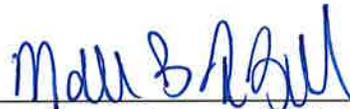
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department staff. Appreciation is extended to all who assisted in the preparation of this report with special recognition to Ms. Cam McCoy, Deputy Finance Director and 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, 2015**

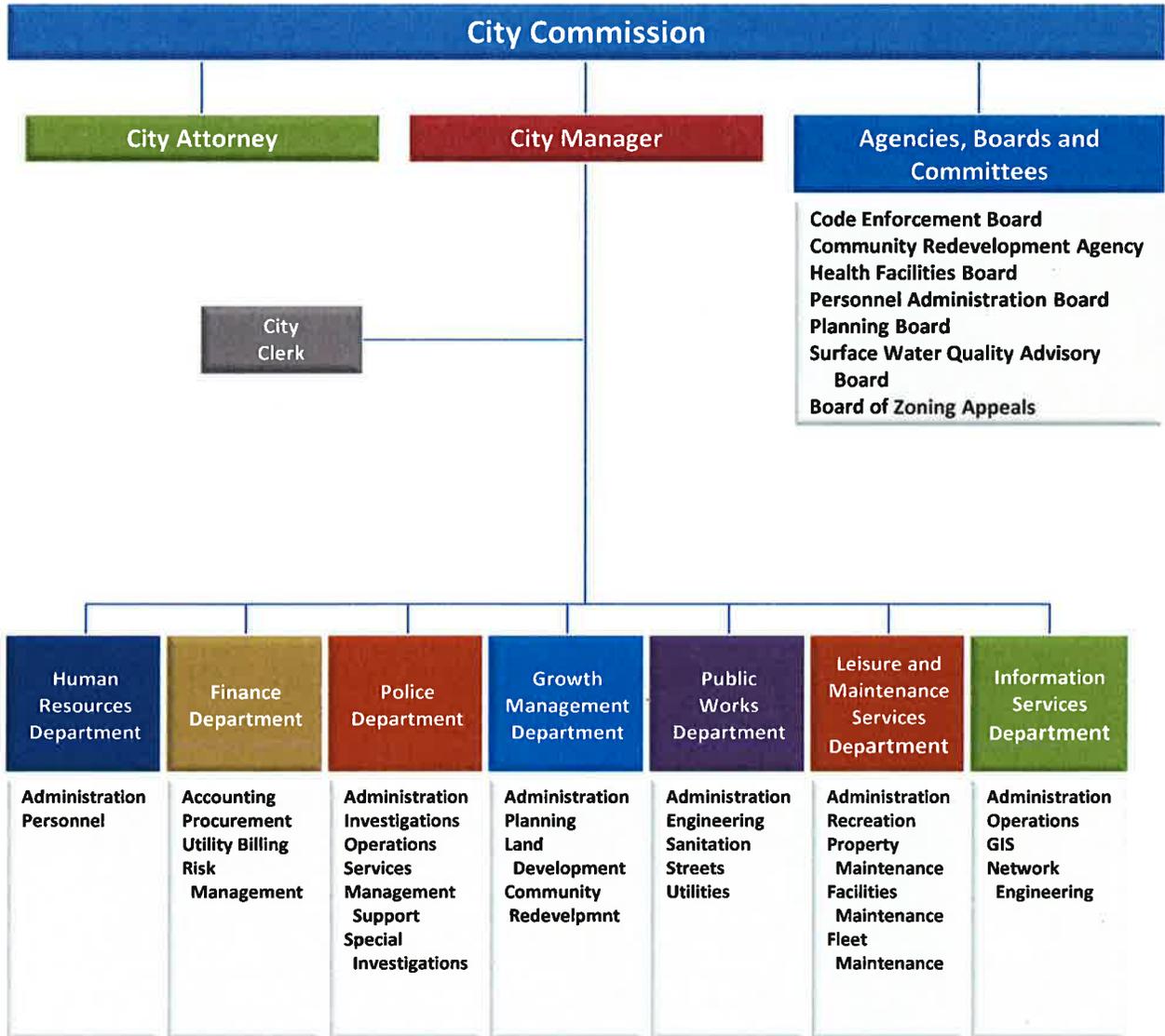
**Elected Officials**

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 ..... John Sember  
Director of Mobility ..... 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.

# 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, 2014**

Executive Director/CEO

# **FINANCIAL SECTION**



## 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, 2015, 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, 2015, 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.

### Emphasis-of-Matter – Change in Accounting Principle

As discussed in Note 13 to the financial statements for the year ended September 30, 2015, the City adopted the provisions of Governmental Accounting Standards Board Statement ("GASBS") 68, "Accounting and Financial Reporting for Pensions" and GASBS 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date." As a result of the implementation of GASBS 68 and 71, the City reported a restatement for the change in accounting principle as of October 1, 2014. Our opinions are not modified with respect to this matter.

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements 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 April 29, 2016, 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  
April 29, 2016

## City of Altamonte Springs, Florida

### MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

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, 2015. 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***

For the 2015 fiscal year the City implemented the provisions of Governmental Accounting Standards Board Statement No.68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). This statement establishes new standards of accounting and financial reporting, but not funding or budgetary standards, for the City's defined benefit pension plans. GASB 68 requires reporting of the City's unfunded pension liability on a full accrual basis of accounting in the government-wide financial statements. GASB 68 also requires new note disclosure requirements and supplementary schedules. These can be found in the notes section of this report.

At the close of the fiscal year:

- Assets exceeded liabilities by \$286 million (net position). Of this amount, \$96 million (unrestricted net position) is available to meet the City's ongoing obligations to citizens and creditors.
- Capital assets (land, buildings, infrastructure, etc.) totaled \$175 million net of accumulated depreciation.
- Recognized the net pension liability totaling \$9.1 million as of September 30, 2015, with the full implementation of the provisions of Governmental Accounting Standards Board Statement No.68, *Accounting and Financial Reporting for Pensions*
- Governmental funds reported combined ending fund balances of \$89 million, an increase of \$1 million from the prior year.
- Unassigned fund balance for the General Fund was \$15 million, \$12 million less than in the prior year as we moved \$11.5 million from the General Fund to the Capital Projects Fund to provide funding for our pay-as-you-go Neighborhood Enhancement Program.

During the fiscal year:

- The City spent \$27.3 million on capital acquisitions and construction, up \$19.2 million from last year.
- Revenues from all sources increased \$10 million to \$66 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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 \$286 million at the close of the fiscal year ended September 30, 2015. 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.

Condensed Statement of Net Position (all amounts are in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
<b>Assets</b>						
Current and other assets	\$ 93,508	\$ 94,898	\$ 39,927	\$ 34,473	\$ 133,435	\$ 129,371
Capital assets (net)	81,367	87,665	74,335	87,714	155,702	175,379
Total Assets	\$ 174,875	\$ 182,563	\$ 114,262	\$ 122,187	\$ 289,137	\$ 304,750
<b>Deferred Outflows</b>						
Deferred pension outflows	\$ -	\$ 1,340	\$ -	\$ 385	\$ -	\$ 1,725
<b>Liabilities</b>						
Current and other liabilities	\$ 5,201	\$ 5,757	\$ 3,144	\$ 3,920	\$ 8,345	\$ 9,677
Long-term liabilities	2,888	10,681	611	2,236	3,499	12,917
Total Liabilities	\$ 8,089	\$ 16,438	\$ 3,755	\$ 6,156	\$ 11,844	\$ 22,594
<b>Deferred Inflows</b>						
Deferred pension inflows	\$ -	\$ (1,825)	\$ -	\$ (258)	\$ -	\$ (2,083)
<b>Net Position</b>						
Investment in capital assets	\$ 81,367	\$ 87,665	\$ 74,335	\$ 87,714	\$ 155,702	\$ 175,379
Restricted	7,122	7,487	12,612	6,760	19,734	14,247
Unrestricted	78,297	74,139	23,559	22,200	101,856	96,339
Total Net Position	\$ 166,786	\$ 169,291	\$ 110,506	\$ 116,674	\$ 277,292	\$ 285,965

With the application of Governmental Accounting Standards Board Statement Number 68, *Accounting and Financial Reporting for Pensions* ("GASB 68") the City restated the beginning net position for both governmental and business-type activities. The significant impact of implementing GASB 68 is reporting the unfunded pension liability on a full accrual basis of accounting on the government-wide financial statements and, more directly, affecting the unrestricted net position as of September 30, 2015.

The largest portion of the City's net position (60%) 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 \$14 million for utility improvements, law enforcement and transportation system improvements. The remaining balance of *unrestricted net position* totaling over \$96 million is available to meet the City's ongoing obligations to citizens and creditors.

Net position increased by \$13.7 million during the year. Of this amount, governmental activities added \$6.6 million, accounting for 48% percent of the total growth in net position. Business-type activities added \$7.1 million to net position. Key elements of the increase in net position follow:

<b>Condensed Statement of Changes in 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>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 11,752	\$ 11,641	\$ 18,436	\$ 19,245	\$ 30,188	\$ 30,886
Operating grants & contributions	182	171	-	-	182	171
Capital grants and contributions	-	3,691	925	6,280	925	9,971
General revenues						
Property taxes	6,578	6,665	-	-	6,578	6,665
Other taxes	11,318	11,145	-	-	11,318	11,145
Other	6,580	6,616	456	636	7,036	7,252
Total revenues	<u>\$ 36,410</u>	<u>\$ 39,929</u>	<u>\$ 19,817</u>	<u>\$ 26,161</u>	<u>\$ 56,227</u>	<u>\$ 66,090</u>
<b>Expenses</b>						
General government	\$ 11,252	\$ 11,798	\$ -	\$ -	\$ 11,252	\$ 11,798
Public safety	12,564	13,172	-	-	12,564	13,172
Physical environment	1,288	1,491	18,709	19,054	19,997	20,545
Transportation	1,548	1,566	-	-	1,548	1,566
Culture/recreation	5,051	5,256	-	-	5,051	5,256
Total expenses	<u>\$ 31,703</u>	<u>\$ 33,283</u>	<u>\$ 18,709</u>	<u>\$ 19,054</u>	<u>\$ 50,412</u>	<u>\$ 52,337</u>
Increase in net position	<u>\$ 4,707</u>	<u>\$ 6,646</u>	<u>\$ 1,108</u>	<u>\$ 7,107</u>	<u>\$ 5,815</u>	<u>\$ 13,753</u>
<b>Net Position</b>						
Beginning of year	\$ 162,079	\$ 166,786	\$ 109,398	\$ 110,506	\$ 271,477	\$ 277,292
Restatement	-	(4,141)	-	(939)	-	(5,080)
Beginning of year - restated	<u>\$ 162,079</u>	<u>\$ 162,645</u>	<u>\$ 109,398</u>	<u>\$ 109,567</u>	<u>\$ 271,477</u>	<u>\$ 272,212</u>
End of year	<u>\$ 166,786</u>	<u>\$ 169,291</u>	<u>\$ 110,506</u>	<u>\$ 116,674</u>	<u>\$ 277,292</u>	<u>\$ 285,965</u>

**Governmental activities**

Fiscal year 2015 expenses for governmental activities totaled over \$33 million, an increase of \$1.7 million (5%) from the prior year. Expenditures for 2015 include \$405,000 in pension expense, an expense not recognized in the prior fiscal year. Expenses and program revenues are shown in the following schedule.

Functions / Programs	2014			2015		
	Expenses	Program Revenues	Net	Expenses	Program Revenues	Net
			(Expense) Revenue			(Expense) Revenue
General government	\$ 11,252	\$ 4,734	\$ (6,518)	\$ 11,832	\$ 5,426	\$ (6,406)
Public safety	12,564	2,369	(10,195)	13,249	1,811	(11,438)
Physical environment	1,288	1,961	673	1,494	5,414	3,920
Transportation	1,548	2,031	483	1,570	2,418	848
Culture/recreation	5,051	839	(4,212)	5,284	778	(4,506)
	<u>\$ 31,703</u>	<u>\$ 11,934</u>	<u>\$ (19,769)</u>	<u>\$ 33,429</u>	<u>\$ 15,847</u>	<u>\$ (17,582)</u>

Program revenues directly offset governmental activities expenses. These revenues include charges for services and grants. Charges for services revenues totaled \$11.6 million in 2015, a decrease of \$141,000 from 2014. This change is the net result of several increases and decreases. The prior fiscal year included a one-time payment of \$1.5 million from a developer. Per a pre-existing agreement the developer reimbursed the City for the construction of a roadway benefiting a particular development (Gateway). During 2014 Seminole County resurrected the One Cent Infrastructure Sales Tax with revenues shared between the School Board, the County, and the cities within the County. Collections began January 1, 2015. For Fiscal Year 2015 the City's share amounted to \$1.6 million.

Revenues from tax increments within the community redevelopment district totaled \$1.9 million for 2014. For 2015 these revenues totaled \$2.1 million, an increase of \$200,000. Revenues directly related to new growth (impact, inspection, and building permit fees) for fiscal year 2015 totaled \$2.1 million. While this was a strong showing it was \$152,000 less than in 2014, a better year.

	2014	2015	Increase
			(Decrease)
<b>Program revenues</b>			
Charges for services	\$ 11,752	\$ 11,611	\$ (141)
Grants and contributions	182	4,236	4,054
	<u>\$ 11,934</u>	<u>\$ 15,847</u>	<u>\$ 3,913</u>
<b>General revenues</b>			
Property tax	\$ 6,578	\$ 6,665	\$ 87
Franchise tax	4,513	4,616	103
Utility tax	3,842	3,771	(71)
Communications services tax	2,360	2,130	(230)
Local option gas tax	604	628	24
Intergovernmental revenues	3,951	4,256	305
Investment income	1,014	1,316	302
Gain from sale of land	928	-	(928)
Other miscellaneous revenues	686	701	15
	<u>\$ 24,476</u>	<u>\$ 24,083</u>	<u>\$ (393)</u>
<b>Total Revenues</b>	<u>\$ 36,410</u>	<u>\$ 39,930</u>	<u>\$ 3,520</u>

Revenues from grants totaled over \$4.2 million in fiscal year 2015, up \$4 million from the prior year. This was primarily the result of the receipt of two new grants. The first was \$3.5 million from the Florida Department of Transportation to help fund the City's A-First project, a multi-million dollar construction to capture and recycle stormwater from a widened Interstate 4. The second was \$400,000 from the Florida Department of Transportation to fund median beautification on State Road 434.

General revenues for governmental activities totaled \$24 million for 2015, down nearly \$400,000 from the prior year. However, the prior year included a one-time gain on the sale of land totaling \$928,000. Absent this gain, prior year general revenues totaled \$23.5 million. Compared to this amended amount the fiscal year 2015 general revenues were \$535,000 more than fiscal year 2014.

Intergovernmental revenues, consisting almost exclusively in revenues collected by the State and shared with the City, increased \$305,000. This reflects additional sales tax collections in fiscal year 2015 and shared with the City via the municipal revenue sharing program (up \$100,000) and the half-cent sales program (up \$153,000).

Investment income rose \$302,000 as market rates increased in fiscal year 2015. An improved collection rate for fiscal year 2015 resulted in an additional \$87,000 in property tax revenues. Franchise and utility taxes come from basically the same source, a tax on sales of utility services. The combined totals for this revenue source was up \$30,000, a small increase.

Revenues from the local option gas tax was up \$24,000 even though prices are down. The tax is imposed on gallons consumed, not sales price. As prices have fallen consumption has risen.

Revenues from the communications service tax were down \$230,000 (10%) from the prior year. This tax is mainly on cable tv and cell phone service. This decrease reflects stiff competition driving prices, and with it tax revenues, down.

**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 \$6.4 million from fiscal year 2014 to 2015.

Expenses for business-type activities totaled slightly more than \$19 million for 2015, \$346,000 more than 2014. These increases included \$152,000 in salaries, \$42,000 in pension expense, and a \$58,000 (9%) increase in employee health care coverage. Maintenance costs increased \$125,000 (20%) as we deal with ever aging plants and equipment. The cost of gasoline and diesel fuel fell \$70,000 (27%) in direct to the falling price of crude oil.

Revenues for the City's business-type activities came primarily (74%) from charges to customers for the services provided. Revenues from charges for services were \$19.2 million, up \$809,000 from 2014 reflecting an annual rate increase. Capital contributions for 2015 totaled \$6.3 million, an increase of \$5.4 million from the 2014 amount. The 2014 amount included almost \$1 million from connection fees owing primarily to just a couple of large development projects. The 2015 amount was only \$280,000. However, in 2015 the City received

Functions / Programs	2014			2015		
	Expenses	Net		Expenses	Net	
		Program Revenues	(Expense) Revenue		Program Revenues	(Expense) Revenue
Water and sewer	\$ 16,927	\$ 16,705	\$ (222)	\$ 17,216	\$ 23,787	\$ 6,571
Refuse disposal	1,781	1,731	(50)	1,838	1,738	(100)
	<u>\$ 18,708</u>	<u>\$ 18,436</u>	<u>\$ (272)</u>	<u>\$ 19,054</u>	<u>\$ 25,525</u>	<u>\$ 6,471</u>

	2014	2015	Increase
			(Decrease)
Charges for services	\$ 18,436	\$ 19,245	\$ 809
Capital contributions	925	6,280	5,355
Investment income	406	459	53
Gain on disposal of fixed assets	19	59	40
Other income	31	117	86
	<u>\$ 19,817</u>	<u>\$ 26,160</u>	<u>\$ 6,343</u>

new capital grants totaling \$6 million all of which are to help finance the construction of the A-First Project, a multi-million dollar stormwater reuse and recycling project.

Investment income for 2015 was \$459,000, up \$53,000 (13%) from 2014. As noted previously this reflects the general uptick in the bond market, the City's primary investment type.

### ***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 2015, the City's governmental funds reported combined ending fund balances of \$88.9 million, an increase of \$934,000 million from the prior year. The City reports fund balance in one of five categories. The specific categories and amounts are as follows; nonspendable (\$224,000), restricted (\$7.7 million), committed (\$49.2 million), assigned (\$16.8 million), and unassigned (\$15 million).

The General Fund is the primary operating fund of the City. At the end of fiscal year 2015, unassigned fund balance of the General Fund was \$15 million, while total fund balance was \$15.7 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 46% of the total budgeted general fund expenditures and transfers out, while total fund balance represents 48% of that same amount.

The fund balance of the City's General Fund decreased \$12.4 million during the fiscal year. This decrease includes a one-time transfer of \$11.5 million from the General Fund to the Capital Projects Fund. This is to finance the Neighborhood Enhancement Program, a pay-as-you-go comprehensive capital improvements project designed to upgrade roads, sidewalks, streetlights, and other amenities within our individual neighborhoods. This multi-year effort began during fiscal year 2015 and is being conducted in conjunction with utility upgrades (potable water, reclaimed water, and sewer lines) within the effected neighborhoods.

General Fund revenues totaled \$30.4 million, some \$3 million (9%) less than the \$33.4 million in projected revenues. Projected revenues included \$3.7 million in grants and fare revenues for the Flex-bus project, a proposed local transit system. Grant funding did not come through and the project has subsequently been abandoned. Absent anticipated funding for the Flex-bus project, projected revenues totaled \$30.16 million. Compared to this amount actual revenues were \$250,000 (less than 1%) more than anticipated.

Revenues from property taxes were slightly higher than projected (\$81,000 or 1.2%) owing to slightly higher collection rates. Revenues from economically dependent sources including sales taxes and state revenue sharing were \$321,000 more than anticipated, reflecting a more vibrant economy. The City received a \$53,000 unanticipated refund of prior year insurance premiums, owing to lower than expected claims. The City also received \$35,000 more than the \$15,000 expected in property damage reimbursements. However, these increases were offset by \$280,000 (11%) less than expected in revenues from the communications services tax as sales continue to fall as the industry becomes more competitive.

Expenditures and transfers out were \$42.8 million, \$5.2 million (11%) less than the budgeted amount of \$48 million. However, the budget includes two extraordinary items. First is a one-time transfer of \$11.5 million from the General Fund to the Capital Projects Fund to provide funding for the Neighborhood Enhancement Program. The second item

is \$3.2 million for the now abandoned Flex Bus Program. Absent these two items the budget is \$33.3 million. The actual amount is \$31.3 million or \$1.9 million (5.9%) less than this revised budget amount.

Of the \$1.9 million the actual expenditures were under the budget amount, \$406,000 was attributable to fuel costs. The budget includes over \$1.04 million for fuel. Thanks to falling fuel prices the City only spent \$632,000. Just over \$19.5 million was budgeted for salaries and benefits. The City

spent a little over \$19 million, or \$469,000 (2.4%) less than budgeted mostly owing to attrition (positions left vacant during the hiring process). Our continued efforts to be more effective and efficient were reflected in the final expenditures. We saved \$226,000 on repairs and maintenance costs and \$92,000 in landscaping costs by rescheduling and doing more in-house. Lower fuel costs also had a positive effect on the City's utility costs as actual expenditures were \$53,000 less than budgeted. We were also able to shave \$60,000 off of temporary labor costs and \$60,000 off of uniform costs by extending the life of existing uniforms. 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 2015, total fund balance was \$26.3 million, an increase of \$1.7 million from the prior year. Total fund balance includes a nonspendable portion of \$16,300 offsetting prepaid expenditures. The remaining balance in total fund balance is committed for the exclusive use of the CRA.

Total revenues were \$2.8 million, \$5 million (64%) less than the prior year amount of \$7.8 million. Prior year revenues included receipts from a one-time sale of surplus land to a developer for \$5,464,000. Prior year revenues without these sale proceeds were \$2.4 million. Compared to this number fiscal year 2015 revenues were \$400,000 more. Fiscal year 2015 investment income totaled \$369,000 or \$154,000 (72%) more than in 2014, again the consequence of the rebounding economy. Revenues from tax increments rose \$199,000 from 2014 to 2015 as taxable values rose from \$43 million to \$742 million. Revenues from charges to promoters for events within the Central Business District rose \$61,000, from \$248,000 in 2014 to \$310,000 in 2015.

Expenditures for 2015 were \$2.5 million, up \$826,000 (50%) from the prior year. Operating expenditures were up \$60,000 as we added a one employee. Capital outlay amounts rose from \$92,000 in 2014 to \$858,000 in 2015, an increase of \$766,000 as rehabilitation of the CBD infrastructure began in earnest. This project continues with a projected completion date of May 31, 2016.

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 2015 with a fund balance of \$18 million, an increase of \$9.5 from the prior year. Revenues and transfers in totaled \$17.7 million in 2015. Typically, resources come from an annual transfer from the General Fund of \$2.25 million. In 2015, in addition to this transfer, the City made a one-time transfer of \$11.5 million to provide funding for the multi-year Neighborhood Enhancement Program. Additionally, the Florida Department of Transportation provided \$3.5 million in grant funding. Finally, investment income increased by \$76,000 (69%). Expenditures for 2015 totaled \$8.2 million. This includes \$1.8

<b>Tax Increment District</b>			
<b>Tax Increment Values and Payments</b>			
	<b>2014</b>	<b>2015</b>	<b>Increase (Decrease)</b>
Taxable value	\$ 699,291,581	\$ 742,348,577	\$ 43,056,996
Less: base year value	(284,022,787)	(284,022,787)	-
Net taxable value	<u>\$ 415,268,794</u>	<u>\$ 458,325,790</u>	<u>\$ 43,056,996</u>
Combined City/County tax rate per \$1,000 of value)	7.77	7.64	(0.13)
Tax increment payments			
County	\$ 1,923,253	\$ 2,122,665	\$ 199,412
City	1,140,121	1,202,775	62,654
Tax increment payments	<u>\$ 3,063,374</u>	<u>\$ 3,325,440</u>	<u>\$ 262,066</u>

million for the Glen Arden Heights Neighborhood Improvement Project, \$3 million for improvements at Eastmonte Park, 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, \$800,000 in ongoing costs of purchasing and installing the Enterprise Resource System, and \$482,000 spent on vehicle replacements.

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. The original collection of this tax, referred to as the "2<sup>nd</sup> Generation Sales Tax", ended in 2012. The tax was renewed effective January 1, 2015, to be known as the "3<sup>rd</sup> General Sales Tax". During 2015 the City received \$1.6 million in tax revenues. Expenditures totaled \$582,000, including \$246,000 for resurfacing of City streets and \$287,000 to improve the railroad crossing at the Sunrail station. The fund balance at the end of 2015 was \$7.6 million.

**Enterprise funds**

The City's enterprise funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The City has two enterprise funds, the Water and Sewer System Fund (which is a major fund) and the Refuse Disposal Fund. The value of the unrestricted net position of the enterprise funds at the end of the year was \$22.2 million. Total net position of the enterprise funds at year end was \$116.7 million, up \$7.1 million from 2014. 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**

The original adopted budget for 2015 was \$44.7 million. During the year the budget was amended adding \$3.3 million for the proposed Flex Bus program. 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 \$3.4 (10.1%) less than the budgeted amount. The budgeted revenues include \$3.7 million for the Flex Bus Program. For this program budgeted revenues include anticipated state and local funding (intergovernmental revenues) of \$2.8 million, \$525,000 in fares from riders (charges for services), and a \$393,000 transfer from the Community Redevelopment Fund. Since the program was abandoned these revenues did not come to pass.

Revenues from the communications services tax were \$280,000 less than budgeted as gross sales of communications services continue to fall with increased competition. Revenues from economically dependent sources including sales taxes and state revenue sharing were \$321,000 more than anticipated, reflecting a more vibrant economy. The City received a \$53,000 unanticipated refund of prior year

<b>General Fund</b>				
<b>Summary Schedule of Revenues, Expenditures and Changes in Fund Balance</b>				
<i>(all amounts are in thousands)</i>				
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	
Revenues and transfers in				
Taxes	\$ 18,018	\$ 17,810	\$ (208)	-1%
Licenses and permits	883	883	-	0%
Intergovernmental revenues	6,789	4,394	(2,395)	-35%
Charges for services	6,728	6,161	(567)	-8%
Fines and forfeitures	255	215	(40)	-16%
Investment income	325	345	20	6%
Miscellaneous revenues	466	608	142	30%
Transfers in	393	17	(376)	-96%
	<u>\$ 33,857</u>	<u>\$ 30,433</u>	<u>\$ (3,424)</u>	<u>-10.1%</u>
Expenditures and transfers out				
Current:				
General government	\$ 14,041	\$ 12,801	\$ 1,240	9%
Public safety	10,593	10,307	286	3%
Transportation	4,056	706	3,350	83%
Culture/Recreation	4,257	3,896	361	8%
Transfers out	15,083	15,103	(20)	-0.1%
	<u>\$ 48,030</u>	<u>\$ 42,813</u>	<u>\$ 5,217</u>	<u>11%</u>
Revenues and transfers over (under) expenditures and transfers out	\$(14,173)	\$(12,380)	\$ 1,793	13%
Fund Balance				
Beginning of year	<u>28,037</u>	<u>28,037</u>	-	-
End of year	<u>\$ 13,864</u>	<u>\$ 15,657</u>	<u>\$ 1,793</u>	<u>13%</u>

insurance premiums, owing to lower than expected claims. The City also received \$35,000 more than the \$15,000 expected in property damage reimbursements. Investment income totaled \$345,000 in 2015, \$20,000 more than budgeted.

Expenditures and transfers out were \$42.8 million, \$5.2 million (11%) less than the budgeted amount of \$48 million. However, the budget includes two extraordinary items. First is a one-time transfer of \$11.5 million from the General Fund to the Capital Projects Fund to provide funding for the Neighborhood Enhancement Program. The second item is \$3.2 million for the now abandoned Flex Bus Program. Absent these two items the budget is \$33.3 million. The actual amount is \$31.3 million or \$1.9 million (5.9%) less than this revised budget amount.

Of the \$1.9 million the actual expenditures were under the budget amount, \$406,000 was attributable to fuel costs. The budget includes over \$1.04 million for fuel. Thanks to falling fuel prices the City only spent \$632,000. Just over \$19.5 million was budgeted for salaries and benefits. The City spent a little over \$19 million, or \$469,000 (2.4%) less than budgeted mostly owing to attrition (positions left vacant during the hiring process). Our continued efforts to be more effective and efficient were reflected in the final expenditures. We saved \$226,000 on repairs and maintenance costs and \$92,000 in landscaping costs by rescheduling and doing more in-house. Lower fuel costs also had a positive effect on the City’s utility costs as actual expenditures were \$53,000 less than budgeted. We were also able to shave \$60,000 off of temporary labor costs and \$60,000 off of uniform costs by extending the life of existing uniforms. 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, 2015 amounted to \$175 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 2015 totaled \$14.1 million. Construction in progress at the end of the fiscal year totaled \$23 million, up \$10.6 million from the previous year’s total of \$12.4 million. This included assets previously classified as construction in progress valued at \$2.7 million being placed into service, as well as new expenditures totaling \$8.9 million incurred during 2015. Significant projects completed and placed into service during 2015 included:

- Refurbishment of the Public Safety Building at a cost of \$1 million.
- City-wide paving projects totaling \$1 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	58,910	12,481	71,391
Water and sewer system	-	145,208	145,208
Infrastructure	39,368	-	39,368
Machinery and equipment	12,758	6,504	19,262
Construction in progress	23,001	19,344	42,345
	<u>\$ 140,526</u>	<u>\$ 184,181</u>	<u>\$ 324,707</u>
Accumulated depreciation	<u>(52,860)</u>	<u>(96,467)</u>	<u>(149,327)</u>
Capital assets, net	<u>\$ 87,666</u>	<u>\$ 87,714</u>	<u>\$ 175,380</u>

In business-type activities the City added capital assets with a value of \$21 million in 2015. This included an increase of \$4.6 million in the water and sewer system and \$16.6 million increase 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 2015 included:

- Rehabilitation of the elevated water tank at Fire Station 12 with cost totaling \$894,000.
- Rehabilitation of the SouthWest elevated tank costing \$319,000.
- Completion of the regional wastewater facility storage and drainage improvements costing \$276,000.

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 2015, the City had total long-term liabilities of \$3.6 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, 2015, the City had an outstanding balance of \$2.7 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	\$ 2,261	\$ 429	\$ 2,690
Other post employment benefits	746	205	951
<b>Total</b>	<b>\$ 3,007</b>	<b>\$ 634</b>	<b>\$ 3,641</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 2015 the unassigned fund balance of the City’s primary operating fund, the General Fund, stood at \$15 million. The City has appropriated nearly \$3.7 million of this amount for spending in the 2016 fiscal year budget. The ad valorem tax rate for the General Fund for the 2016 fiscal year budget is 3.1 mills.

In 2015 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 \$7.1 million, raising the value of net position to \$118 million. Rates for potable water and sewer services were increased 2.5% for residential customers and 3% for commercial customers.

**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, 2015

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,675,761	\$ 527,581	\$ 3,203,342
Investments	81,439,279	21,643,279	103,082,558
Restricted assets	8,169,123	9,409,794	17,578,917
Special assessments receivable	38,415	-	38,415
Accounts receivable	821,992	2,435,446	3,257,438
Accrued interest receivable	228,291	64,409	292,700
Due from other governments	1,254,198	-	1,254,198
Inventories	46,453	289,157	335,610
Prepays	224,646	103,388	328,034
Capital assets not being depreciated	29,490,038	19,987,624	49,477,662
Capital assets net of accumulated depreciation	58,175,296	67,726,280	125,901,576
<b>Total Assets</b>	<b>\$ 182,563,492</b>	<b>\$ 122,186,958</b>	<b>\$ 304,750,450</b>
<b>Deferred Outflows</b>			
Deferred outflows from pensions	\$ 1,339,970	\$ 384,979	\$ 1,724,949
<b>Liabilities</b>			
Accounts payable	\$ 2,541,148	\$ 2,123,314	\$ 4,664,462
Accrued liabilities	2,292,296	302,939	2,595,235
Due to other governments	32,672	3,303	35,975
Unearned revenues	38,415	-	38,415
Refundable impact fees	778,670	50,830	829,500
Prepaid connection fees	-	106,076	106,076
Deposits	73,518	1,333,831	1,407,349
Long-term liabilities:			
Due within one year			
Compensated absences	904,424	171,577	1,076,001
Due in more than one year			
Compensated absences	1,356,636	257,363	1,613,999
Net pension obligation	7,580,203	1,576,433	9,156,636
Other post employment benefits	839,666	230,782	1,070,448
<b>Total Liabilities</b>	<b>\$ 16,437,648</b>	<b>\$ 6,156,448</b>	<b>\$ 22,594,096</b>
<b>Deferred Inflows</b>			
Deferred inflows from pensions	\$ (1,825,095)	\$ (258,187)	\$ (2,083,282)
<b>Net Position</b>			
Investment in capital assets	\$ 87,665,334	\$ 87,713,904	\$ 175,379,238
Restricted for:			
Capital improvements	-	6,760,136	6,760,136
Law enforcement	286,196	-	286,196
Transportation improvements	7,200,550	-	7,200,550
Unrestricted	74,138,829	22,199,636	96,338,465
<b>Total Net Position</b>	<b>\$ 169,290,909</b>	<b>\$ 116,673,676</b>	<b>\$ 285,964,585</b>

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, 2015

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General government	\$ 11,798,199	\$ 5,425,672	\$ -	\$ -
Public safety	13,172,095	1,680,673	130,460	-
Physical environment	1,490,942	1,914,118	-	3,500,000
Transportation	1,565,964	1,827,402	23,080	568,404
Culture/Recreation	5,256,550	762,804	14,702	-
<b>Total Governmental Activities</b>	<b>\$ 33,283,750</b>	<b>\$ 11,610,669</b>	<b>\$ 168,242</b>	<b>\$ 4,068,404</b>
<b>Business-type Activities:</b>				
Water and sewer	\$ 17,215,573	\$ 17,506,740	\$ -	\$ 6,280,457
Refuse disposal	1,838,217	1,737,888	-	-
<b>Total Business-type Activities</b>	<b>\$ 19,053,790</b>	<b>\$ 19,244,628</b>	<b>\$ -</b>	<b>\$ 6,280,457</b>
<b>Total</b>	<b>\$ 52,337,540</b>	<b>\$ 30,855,297</b>	<b>\$ 168,242</b>	<b>\$ 10,348,861</b>

General Revenues:

- Property tax
- Franchise fee tax
- Utility tax
- Communications services tax
- Local option gas tax
- Intergovernmental revenues - unrestricted
- Investment income
- Other miscellaneous revenues

Total General Revenues

Change in Net Position

Net Position:

- Beginning of Year
- Restatement for net pension liability

End of Year

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

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

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (6,372,527)	\$ -	\$ (6,372,527)
(11,360,962)	-	(11,360,962)
3,923,176	-	3,923,176
852,922	-	852,922
<u>(4,479,044)</u>	<u>-</u>	<u>(4,479,044)</u>
<u>\$ (17,436,435)</u>	<u>\$ -</u>	<u>\$ (17,436,435)</u>
\$ -	\$ 6,571,624	\$ 6,571,624
<u>-</u>	<u>(100,329)</u>	<u>(100,329)</u>
\$ -	\$ 6,471,295	\$ 6,471,295
<u>\$ (17,436,435)</u>	<u>\$ 6,471,295</u>	<u>\$ (10,965,140)</u>
\$ 6,665,337	\$ -	\$ 6,665,337
4,616,642	-	4,616,642
3,770,949	-	3,770,949
2,129,703	-	2,129,703
627,285	-	627,285
4,256,032	-	4,256,032
1,315,563	458,683	1,774,246
701,311	176,553	877,864
<u>\$ 24,082,822</u>	<u>\$ 635,236</u>	<u>\$ 24,718,058</u>
<u>\$ 6,646,387</u>	<u>\$ 7,106,531</u>	<u>\$ 13,752,918</u>
\$ 166,785,583	\$ 110,506,395	\$ 277,291,978
(4,141,061)	(939,250)	(5,080,311)
<u>\$ 162,644,522</u>	<u>\$ 109,567,145</u>	<u>\$ 272,211,667</u>
<u>\$ 169,290,909</u>	<u>\$ 116,673,676</u>	<u>\$ 285,964,585</u>

City of Altamonte Springs, Florida

Balance Sheet

GOVERNMENTAL FUNDS

September 30, 2015

	General	Community Redevelopment Agency	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 605,812	\$ 783,222	\$ 550,239	\$ 228,998	\$ 697,528	\$ 2,865,799
Investments	15,729,338	26,139,012	18,252,261	7,625,177	20,390,153	88,135,941
Receivables -						
Special assessments	-	-	38,415	-	-	38,415
Accounts receivable	821,992	-	-	-	-	821,992
Accrued interest	44,093	73,273	51,165	21,374	57,157	247,062
Due from other governments	680,902	-	-	173,001	400,295	1,254,198
Inventories	46,453	-	-	-	-	46,453
Prepays	155,458	16,289	-	-	6,292	178,039
<b>Total Assets</b>	<b>\$ 18,084,048</b>	<b>\$ 27,011,796</b>	<b>\$ 18,892,080</b>	<b>\$ 8,048,550</b>	<b>\$ 21,551,425</b>	<b>\$ 93,587,899</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 608,121	\$ 546,918	\$ 822,354	\$ 401,985	\$ 157,428	\$ 2,536,806
Due to other governments	32,672	-	-	-	-	32,672
Accrued liabilities	1,057,898	32,561	-	-	74,136	1,164,595
Deposits	68,518	-	-	-	5,000	73,518
Refundable impact fees	658,329	120,341	-	-	-	778,670
Unearned revenues	-	-	38,415	-	-	38,415
<b>Total Liabilities</b>	<b>\$ 2,425,538</b>	<b>\$ 699,820</b>	<b>\$ 860,769</b>	<b>\$ 401,985</b>	<b>\$ 236,564</b>	<b>\$ 4,624,676</b>
<b>Fund Balances:</b>						
Nonspendable	\$ 201,911	\$ 16,289	\$ -	\$ -	\$ 6,292	\$ 224,492
Restricted	200,336	-	-	7,200,550	286,196	7,687,082
Committed	243,258	26,295,687	1,240,154	446,015	21,022,373	49,247,487
Assigned	-	-	16,791,157	-	-	16,791,157
Unassigned	15,013,005	-	-	-	-	15,013,005
<b>Total Fund Balances</b>	<b>\$ 15,658,510</b>	<b>\$ 26,311,976</b>	<b>\$ 18,031,311</b>	<b>\$ 7,646,565</b>	<b>\$ 21,314,861</b>	<b>\$ 88,963,223</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,084,048</b>	<b>\$ 27,011,796</b>	<b>\$ 18,892,080</b>	<b>\$ 8,048,550</b>	<b>\$ 21,551,425</b>	<b>\$ 93,587,899</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, 2015**

**Total fund balances of governmental funds** \$ 88,963,223

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 \$140,525,704 and the accumulated depreciation is \$52,860,370. 87,665,334

Deferred outflows of resources reported in the Statement of Net Position 1,339,970

The net pension liability does not draw upon current financial resources and, therefore, is not reported in the funds. (7,580,203)

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. 178,216

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	(2,261,060)	
Other post employment benefits	<u>(839,666)</u>	(3,100,726)

Deferred inflows of resources reported in the Statement of Net Position 1,825,095

**Total net position of governmental activities** \$ 169,290,909

*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, 2015

	General	Community Redevelopment Agency	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Revenues</b>						
Taxes	\$ 17,809,916	\$ -	\$ -	\$ -	\$ -	\$ 17,809,916
Licenses and permits	883,230	-	-	-	-	883,230
Intergovernmental revenues	4,394,378	2,122,665	3,668,109	1,576,902	751,672	12,513,726
Charges for services	6,161,015	309,755	-	-	3,654,938	10,125,708
Fines and forfeitures	215,222	-	-	-	4,762	219,984
Impact fees	-	-	-	-	309,699	309,699
Investment income	345,334	369,198	187,295	105,767	289,646	1,297,240
Miscellaneous revenues	607,831	-	66,615	-	5,000	679,446
<b>Total Revenues</b>	<b>\$ 30,416,926</b>	<b>\$ 2,801,618</b>	<b>\$ 3,922,019</b>	<b>\$ 1,682,669</b>	<b>\$ 5,015,717</b>	<b>\$ 43,838,949</b>
<b>Expenditures</b>						
Current:						
General government	\$ 12,800,962	\$ 1,621,088	\$ 153,145	\$ -	\$ -	\$ 14,575,195
Public safety	10,306,771	-	85,572	-	1,642,320	12,034,663
Physical environment	-	-	-	-	1,117,351	1,117,351
Transportation	706,472	858,386	-	-	-	1,564,858
Culture/Recreation	3,896,115	-	9,270	-	-	3,905,385
Capital Outlay	-	-	7,938,449	581,960	1,186,867	9,707,276
<b>Total Expenditures</b>	<b>\$ 27,710,320</b>	<b>\$ 2,479,474</b>	<b>\$ 8,186,436</b>	<b>\$ 581,960</b>	<b>\$ 3,946,538</b>	<b>\$ 42,904,728</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,706,606	\$ 322,144	\$ (4,264,417)	\$ 1,100,709	\$ 1,069,179	\$ 934,221
<b>Other Financing Sources or (Uses)</b>						
Transfers in	\$ 16,920	\$ 1,352,775	\$ 13,750,000	\$ -	\$ -	\$ 15,119,695
Transfers (out)	(15,102,775)	(16,920)	-	-	-	(15,119,695)
<b>Total Other Financing Sources and (Uses)</b>	<b>\$ (15,085,855)</b>	<b>\$ 1,335,855</b>	<b>\$ 13,750,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Change in Fund Balances</b>	<b>\$ (12,379,249)</b>	<b>\$ 1,657,999</b>	<b>\$ 9,485,583</b>	<b>\$ 1,100,709</b>	<b>\$ 1,069,179</b>	<b>\$ 934,221</b>
<b>Fund Balances</b>						
Beginning of year	28,037,759	24,653,977	8,545,728	6,545,856	20,245,682	88,029,002
End of year	\$ 15,658,510	\$ 26,311,976	\$ 18,031,311	\$ 7,646,565	\$ 21,314,861	\$ 88,963,223

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, 2015

Net change in fund balances - total governmental funds \$ 934,221

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 (\$10,668,843) exceeded depreciation (\$4,342,937) in the current period. 6,325,906

Governmental funds do not report gains or losses on sales of fixed assets. (27,444)

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 (\$172,792) and other post employment benefits (\$94,809) totaled: (269,038)

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. (218,169)

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. (99,089)

Change in net position of governmental activities \$ 6,646,387

*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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
<b>Taxes</b>				
Property tax	\$ 6,583,834	\$ 6,583,834	\$ 6,665,337	\$ 81,503
Franchise fees	4,595,000	4,595,000	4,616,642	21,642
Utility tax	3,793,900	3,793,900	3,770,949	(22,951)
Communications services tax	2,410,000	2,410,000	2,129,703	(280,297)
Local option gas tax	635,000	635,000	627,285	(7,715)
	<u>\$ 18,017,734</u>	<u>\$ 18,017,734</u>	<u>\$ 17,809,916</u>	<u>\$ (207,818)</u>
<b>Licenses and Permits</b>				
Local business licenses	\$ 872,500	\$ 872,500	\$ 869,701	\$ (2,799)
Building permits	10,500	10,500	13,529	3,029
	<u>\$ 883,000</u>	<u>\$ 883,000</u>	<u>\$ 883,230</u>	<u>\$ 230</u>
<b>Intergovernmental Revenues</b>				
Federal and state grants	\$ 11,000	\$ 2,249,000	\$ 29,053	\$ (2,219,947)
Local grants	80,000	615,973	109,293	(506,680)
State revenue sharing	1,230,000	1,230,000	1,373,920	143,920
Sales taxes	2,630,000	2,630,000	2,807,413	177,413
Other intergovernmental revenues	64,000	64,000	74,699	10,699
	<u>\$ 4,015,000</u>	<u>\$ 6,788,973</u>	<u>\$ 4,394,378</u>	<u>\$ (2,394,595)</u>
<b>Charges for Services</b>				
General government charges	\$ 5,191,800	\$ 5,191,800	\$ 5,110,928	\$ (80,872)
Public safety charges	294,000	294,000	281,337	(12,663)
Transportation	5,000	530,000	8,521	(521,479)
Physical environment charges	4,000	4,000	4,822	822
Culture/Recreation charges	708,450	708,450	755,407	46,957
	<u>\$ 6,203,250</u>	<u>\$ 6,728,250</u>	<u>\$ 6,161,015</u>	<u>\$ (567,235)</u>
<b>Fines and Forfeitures</b>	<u>\$ 255,500</u>	<u>\$ 255,500</u>	<u>\$ 215,222</u>	<u>\$ (40,278)</u>
<b>Miscellaneous Revenues</b>				
Investment income	\$ 325,000	\$ 325,000	\$ 345,334	\$ 20,334
Reimbursement for damages	15,000	15,000	102,879	87,879
Sales of surplus equipment	30,000	30,000	33,021	3,021
Contributions	201,400	201,400	199,376	(2,024)
Other revenue	219,750	219,750	272,555	52,805
	<u>\$ 791,150</u>	<u>\$ 791,150</u>	<u>\$ 953,165</u>	<u>\$ 162,015</u>
<b>Total Revenues</b>	<u>\$ 30,165,634</u>	<u>\$ 33,464,607</u>	<u>\$ 30,416,926</u>	<u>\$ (3,047,681)</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures</b>				
General Government				
City manager's office	\$ 952,903	\$ 952,903	\$ 1,184,225	\$ (231,322)
Human resources	524,357	524,357	482,581	41,776
City clerk	435,028	435,028	336,734	98,294
Finance	1,573,478	1,573,478	1,432,529	140,949
Information services	2,104,296	2,104,296	1,980,573	123,723
Growth management	1,005,530	1,050,276	740,584	309,692
Maintenance services	6,280,631	6,280,631	5,583,640	696,991
Non-departmental	1,119,912	1,119,912	1,060,096	59,816
	<u>\$ 13,996,135</u>	<u>\$ 14,040,881</u>	<u>\$ 12,800,962</u>	<u>\$ 1,239,919</u>
Public Safety				
Police department	\$ 10,452,723	\$ 10,452,723	\$ 10,123,741	\$ 328,982
Building & life safety inspections	139,916	139,916	183,030	(43,114)
	<u>\$ 10,592,639</u>	<u>\$ 10,592,639</u>	<u>\$ 10,306,771</u>	<u>\$ 285,868</u>
Transportation				
Streets maintenance division	\$ 804,460	\$ 804,460	\$ 702,961	\$ 101,499
Flex bus program	-	3,252,000	3,511	3,248,489
	<u>\$ 804,460</u>	<u>\$ 4,056,460</u>	<u>\$ 706,472</u>	<u>\$ 3,349,988</u>
Culture/Recreation				
Administration	\$ 515,754	\$ 515,754	\$ 533,625	\$ (17,871)
Library	421,682	421,682	437,596	(15,914)
Lake Brantley	72,475	72,475	64,614	7,861
Lake Lotus	537,588	537,588	522,612	14,976
Events management	431,119	431,119	409,816	21,303
Eastmonte park	146,948	146,948	116,834	30,114
Merrill park	101,490	101,490	82,074	19,416
Westmonte park	254,092	254,092	222,017	32,075
Altamonte sports	1,593,187	1,593,187	1,409,130	184,057
Science incubator	183,000	183,000	97,797	85,203
	<u>\$ 4,257,335</u>	<u>\$ 4,257,335</u>	<u>\$ 3,896,115</u>	<u>\$ 361,220</u>
Total Expenditures	<u>\$ 29,650,569</u>	<u>\$ 32,947,315</u>	<u>\$ 27,710,320</u>	<u>\$ 5,236,995</u>
Excess of Revenues Over Expenditures				
	<u>\$ 515,065</u>	<u>\$ 517,292</u>	<u>\$ 2,706,606</u>	<u>\$ 2,189,314</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers In				
Community redevelopment agency	\$ -	\$ 393,027	\$ 16,920	\$ (376,107)
Transfers Out				
Community redevelopment agency	(1,332,528)	(1,332,528)	(1,352,775)	(20,247)
Capital projects fund	(13,750,000)	(13,750,000)	(13,750,000)	-
Total Transfers Out	<u>\$ (15,082,528)</u>	<u>\$ (14,689,501)</u>	<u>\$ (15,085,855)</u>	<u>\$ (20,247)</u>
Total Other Financing Sources (Uses)	<u>\$ (15,082,528)</u>	<u>\$ (14,689,501)</u>	<u>\$ (15,085,855)</u>	<u>\$ (20,247)</u>
Net Changes in Fund Balance	\$ (14,567,463)	\$ (14,172,209)	\$ (12,379,249)	\$ 2,169,067
<b><u>Fund Balance</u></b>				
Beginning of Year	<u>28,037,759</u>	<u>28,037,759</u>	<u>28,037,759</u>	<u>-</u>
End of Year	<u>\$ 13,470,296</u>	<u>\$ 13,865,550</u>	<u>\$ 15,658,510</u>	<u>\$ 2,169,067</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues	\$ 2,100,954	\$ 2,100,954	\$ 2,122,665	\$ 21,711
Charges for services	240,000	240,000	309,755	69,755
Miscellaneous revenues:				
Investment income	200,000	200,000	369,198	169,198
<b>Total Revenues</b>	<b>\$ 2,540,954</b>	<b>\$ 2,540,954</b>	<b>\$ 2,801,618</b>	<b>\$ 260,664</b>
<b>Expenditures</b>				
Current:				
General government	\$ 1,955,134	\$ 1,955,134	\$ 1,621,088	\$ 334,046
Transportation	4,359,625	4,359,625	858,386	3,501,239
<b>Total Expenditures</b>	<b>\$ 6,314,759</b>	<b>\$ 6,314,759</b>	<b>\$ 2,479,474</b>	<b>\$ 3,835,285</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ (3,773,805)</b>	<b>\$ (3,773,805)</b>	<b>\$ 322,144</b>	<b>\$ 4,095,949</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
General fund	\$ 1,332,528	\$ 1,332,528	\$ 1,352,775	\$ 20,247
Transfers out:				
General fund	-	(393,027)	(16,920)	376,107
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 1,332,528</b>	<b>\$ 939,501</b>	<b>\$ 1,335,855</b>	<b>\$ 396,354</b>
Net Change in Fund Balance	\$ (2,441,277)	\$ (2,834,304)	\$ 1,657,999	\$ 4,492,303
<b>Fund Balance</b>				
Beginning of year	24,653,977	24,653,977	24,653,977	-
End of year	<u>\$ 22,212,700</u>	<u>\$ 21,819,673</u>	<u>\$ 26,311,976</u>	<u>\$ 4,492,303</u>

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

City of Altamonte Springs, Florida

Statement of Net Position

PROPRIETARY FUNDS

September 30, 2015

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 405,580	\$ 122,001	\$ 527,581	\$ 47,076
Investments	20,332,453	1,310,826	21,643,279	1,213,175
Accounts receivable (net)	2,435,446	-	2,435,446	-
Accrued interest receivable	60,735	3,674	64,409	3,401
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	174,306	-	174,306	-
Restricted investments	1,333,831	-	1,333,831	-
Restricted due from other government	2,141,192	-	2,141,192	-
Restricted accrued interest receivable	16,103	-	16,103	-
Prepays	93,675	9,713	103,388	46,607
Inventory	289,157	-	289,157	-
<b>Total Current Assets</b>	<b>\$ 27,282,478</b>	<b>\$ 1,446,214</b>	<b>\$ 28,728,692</b>	<b>\$ 1,310,259</b>
<b>Non-current Assets:</b>				
Restricted assets - connection/impact fees:				
Restricted investments	\$ 5,744,362	\$ -	\$ 5,744,362	\$ -
Capital assets:				
Land	\$ 644,114	\$ -	\$ 644,114	\$ -
Building and improvements	12,365,192	116,172	12,481,364	-
Water and sewer system	145,208,201	-	145,208,201	-
Machinery and equipment	4,477,852	2,025,980	6,503,832	-
Construction in progress	19,343,510	-	19,343,510	-
Less: accumulated depreciation	(94,894,496)	(1,572,621)	(96,467,117)	-
<b>Total capital assets</b>	<b>\$ 87,144,373</b>	<b>\$ 569,531</b>	<b>\$ 87,713,904</b>	<b>\$ -</b>
<b>Total Noncurrent Assets</b>	<b>\$ 92,888,735</b>	<b>\$ 569,531</b>	<b>\$ 93,458,266</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 120,171,213</b>	<b>\$ 2,015,745</b>	<b>\$ 122,186,958</b>	<b>\$ 1,310,259</b>
<b>Deferred outflows</b>				
Deferred outflows from pensions	\$ 367,057	\$ 17,922	\$ 384,979	\$ -

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, 2015

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	\$ 2,093,892	\$ 29,422	\$ 2,123,314	\$ 4,342
Accrued liabilities	257,958	44,981	302,939	1,127,701
Customer deposits	1,333,831	-	1,333,831	-
Due to other governments	3,303	-	3,303	-
Refundable impact fees	50,830	-	50,830	-
Prepaid connection fees	106,076	-	106,076	-
Total Current Liabilities	<u>\$ 3,845,890</u>	<u>\$ 74,403</u>	<u>\$ 3,920,293</u>	<u>\$ 1,132,043</u>
Noncurrent Liabilities:				
Compensated absences payable	\$ 360,104	\$ 68,836	\$ 428,940	\$ -
Net pension liability	1,503,044	73,389	1,576,433	-
Other post employment benefits	198,948	31,834	230,782	-
Total Noncurrent Liabilities	<u>\$ 2,062,096</u>	<u>\$ 174,059</u>	<u>\$ 2,236,155</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 5,907,986</u>	<u>\$ 248,462</u>	<u>\$ 6,156,448</u>	<u>\$ 1,132,043</u>
<b>Deferred inflows</b>				
Deferred inflows from pensions	<u>\$ (246,167)</u>	<u>\$ (12,020)</u>	<u>\$ (258,187)</u>	<u>\$ -</u>
<b>Net Position</b>				
Investment in capital assets	\$ 87,144,373	\$ 569,531	\$ 87,713,904	\$ -
Restricted for capital outlay	6,760,136	-	6,760,136	-
Unrestricted	20,971,942	1,227,694	22,199,636	178,216
Total Net Position	<u>\$ 114,876,451</u>	<u>\$ 1,797,225</u>	<u>\$ 116,673,676</u>	<u>\$ 178,216</u>

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

City of Altamonte Springs, Florida

Statement of Revenues, Expenses and Changes in Fund Net Position

PROPRIETARY FUNDS

For the Year Ended September 30, 2015

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Internal Service Fund
<b><u>Operating Revenues</u></b>				
Charges for services	\$ 17,506,740	\$ 1,737,888	\$ 19,244,628	\$ 444,000
<b><u>Operating Expenses</u></b>				
Personal services	\$ 5,303,222	\$ 918,124	\$ 6,221,346	\$ -
Contractual services	577,455	324,688	902,143	-
Supplies	496,036	2,529	498,565	-
Materials and maintenance	642,853	108,164	751,017	-
Utilities	1,088,313	-	1,088,313	-
Claims expense	-	-	-	391,118
Administrative expenses	-	-	-	19,720
Insurance premiums	-	-	-	180,972
Other services and charges	4,566,063	242,333	4,808,396	18,911
Depreciation	4,541,631	242,379	4,784,010	-
Total Operating Expenses	\$ 17,215,573	\$ 1,838,217	\$ 19,053,790	\$ 610,721
Operating Income (Loss)	\$ 291,167	\$ (100,329)	\$ 190,838	\$ (166,721)
<b><u>Non-operating Revenues (Expenses)</u></b>				
Intergovernmental revenues	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -
Investment income	438,898	19,785	458,683	18,323
Insurance reimbursements	-	-	-	49,309
Other income	117,487	-	117,487	-
Gain on disposal of surplus assets	43,961	15,105	59,066	-
Total Non-operating Revenues (net)	\$ 6,600,346	\$ 34,890	\$ 6,635,236	\$ 67,632
Income Before Contributions and Transfers	\$ 6,891,513	\$ (65,439)	\$ 6,826,074	\$ (99,089)
<b><u>Contributions</u></b>				
Capital contributions	\$ 280,457	\$ -	\$ 280,457	\$ -
Change in Net Position	\$ 7,171,970	\$ (65,439)	\$ 7,106,531	\$ (99,089)
<b><u>Net Position</u></b>				
Beginning of Year	\$ 108,607,485	\$ 1,898,910	\$ 110,506,395	\$ 277,305
Restatement for net pension liability	(903,004)	(36,246)	(939,250)	-
Beginning of Year - restated	\$ 107,704,481	\$ 1,862,664	\$ 109,567,145	\$ 277,305
End of Year	\$ 114,876,451	\$ 1,797,225	\$ 116,673,676	\$ 178,216

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, 2015

	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	\$ 17,111,233	\$ 1,740,503	\$ 18,851,736	\$ 444,000
Receipts from other sources	136,242	-	136,242	49,309
Payments to suppliers	(6,842,266)	(679,656)	(7,521,922)	(621,807)
Payments to employees	(5,245,897)	(903,920)	(6,149,817)	-
Net Cash Provided (Used)				
by Operating Activities	\$ 5,159,312	\$ 156,927	\$ 5,316,239	\$ (128,498)
<b><u>Cash Flows from Capital Activities</u></b>				
Capital grants	\$ 3,858,807	\$ -	\$ 3,858,807	\$ -
Acquisition or construction of capital assets	(17,712,356)	(217,566)	(17,929,922)	-
Capital contributions	282,772	-	282,772	-
Net Cash Used by Capital				
and Related Financing Activities	\$ (13,570,777)	\$ (217,566)	\$ (13,788,343)	\$ -
<b><u>Cash Flows from Investing Activities</u></b>				
Proceeds from maturity of investments	\$ 449,994	\$ 19,598	\$ 469,592	\$ 18,121
Net Increase (Decrease) in Cash				
and Cash Equivalents	\$ (7,961,471)	\$ (41,041)	\$ (8,002,512)	\$ (110,377)
<b><u>Cash and Cash Equivalents</u></b>				
Beginning of Year	35,952,003	1,473,868	37,425,871	1,370,628
End of Year	\$ 27,990,532	\$ 1,432,827	\$ 29,423,359	\$ 1,260,251
<b>Cash and Cash Equivalents Classified As:</b>				
Current assets	\$ 20,738,033	\$ 1,432,827	\$ 22,170,860	\$ 1,260,251
Restricted assets	7,252,499	-	7,252,499	-
Total Cash and Cash Equivalents	\$ 27,990,532	\$ 1,432,827	\$ 29,423,359	\$ 1,260,251

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, 2015

	Business-type Activities			Governmental
	Water and Sewer Fund	Refuse Disposal Fund	Total	Activities Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 291,167	\$ (100,329)	\$ 190,838	\$ (166,721)
Depreciation	\$ 4,541,631	\$ 242,379	\$ 4,784,010	\$ -
Miscellaneous non-operating income	117,487	-	117,487	49,309
Change in assets and liabilities:				
Decrease in accounts receivable	(395,507)	2,615	(392,892)	-
(Increase) in inventories	(26,120)	-	(26,120)	-
(Increase) decrease in prepaid expenses	1,103	(3,462)	(2,359)	1,523
(Decrease) in accounts payable	553,470	1,520	554,990	-
Increase in due to other governments	(606)	-	(606)	-
Increase in accrued liabilities	23,924	5,189	29,113	-
Increase in customer deposits	19,361	-	19,361	-
Increase in claims payable	-	-	-	(12,609)
Increase (decrease) in compensated absences	24,760	(1,716)	23,044	-
Increase in other post employment benefits	21,826	3,530	25,356	-
Increase in net pension liability	(13,184)	7,201	(5,983)	-
Total Adjustments	\$ 4,868,145	\$ 257,256	\$ 5,125,401	\$ 38,223
Net Cash Provided (Used) by Operating Activities	\$ 5,159,312	\$ 156,927	\$ 5,316,239	\$ (128,498)
<b>Non-cash Capital and Related Financing Activities</b>				
Contributions of capital assets	\$ 20,248	\$ -	\$ 20,248	\$ -

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, 2015

<b><u>Assets</u></b>	
Cash and equivalents	\$ 112,087
Investments:	
U. S. Treasuries	149,883
Corporate bonds	199,984
Mutual funds	10,667,347
Common stocks	19,730,862
Receivable from investments sold	456,554
Accrued interest receivable	11,167
Prepaid expenses	7,391
	<hr/>
Total Assets	\$ 31,335,275
<b><u>Liabilities</u></b>	
Accounts payable	\$ 22,987
Payable from investments purchased	459,144
	<hr/>
Total Liabilities	\$ 482,131
<b><u>Net Position</u></b>	
Held in trust for pension benefits	\$ 30,853,144
	<hr/> <hr/>

*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, 2015

<b><u>Additions</u></b>	
Employer contributions	\$ 2,107,151
Employee contributions	98,993
Net investment income	
Depreciation in value of plan assets	(2,026,649)
Interest and dividend income	616,276
Investment expense	<u>(89,850)</u>
 Total additions	 <u>\$ 705,921</u>
<b><u>Deductions</u></b>	
Benefits	\$ 400,932
Administrative expenses	<u>64,286</u>
 Total deductions	 <u>\$ 465,218</u>
 Change in net position	 \$ 240,703
<b><u>Net Position</u></b>	
Beginning of year	<u>30,612,441</u>
 End of year	 <u><u>\$ 30,853,144</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, 2015

**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.

**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.

**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.

**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.

**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.

**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.

**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 2015) millage is 2.7624 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.

**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.

**Prepays.** Prepays represent payments made to vendors for services that will benefit the City beyond September 30, 2015.

**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.

**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:

**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, 2015, the City had no bonded debt.

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

**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.

**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.

**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.

**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 authority granted 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 only fund that reports an unassigned fund balance. The table shows the classifications and amounts of fund balances within the governmental funds as of September 30, 2015.

	General Fund	Community Redevelopment Fund	Capital Projects Fund	Infrastructure Sales Tax Fund	Non-major Governmental Funds	Total
<b>Non-spendable:</b>						
Inventories	\$ 46,453	\$ -	\$ -	\$ -	\$ -	\$ 46,453
Prepaid expenditures	155,458	16,289	-	-	6,292	178,039
	201,911	16,289	-	-	6,292	224,492
<b>Restricted:</b>						
Law enforcement	197,272	-	-	-	286,196	483,468
Grants	3,064	-	-	-	-	3,064
Transportation improvements	-	-	-	7,200,550	-	7,200,550
	200,336	-	-	7,200,550	286,196	7,687,082
<b>Committed:</b>						
Contracts payable	78,316	4,553,717	1,240,154	446,015	543,967	6,862,169
Street lighting	44,968	-	-	-	-	44,968
Road improvements	119,974	-	-	-	-	119,974
Stormwater system	-	-	-	-	10,208,515	10,208,515
Building inspections	-	-	-	-	2,622,546	2,622,546
Capital improvements -						
Central business district	-	21,741,970	-	-	-	21,741,970
Transportation	-	-	-	-	7,038,875	7,038,875
Police department	-	-	-	-	103,554	103,554
Parks	-	-	-	-	504,916	504,916
	243,258	26,295,687	1,240,154	446,015	21,022,373	49,247,487
<b>Assigned</b>						
Assigned for future capital improvements	-	-	16,791,157	-	-	16,791,157
<b>Unassigned</b>	15,013,005	-	-	-	-	15,013,005
<b>Total Fund Balances</b>	<b>\$ 15,658,510</b>	<b>\$ 26,311,976</b>	<b>\$ 18,031,311</b>	<b>\$ 7,646,565</b>	<b>\$ 21,314,861</b>	<b>\$ 88,963,223</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, 2015, 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>Credit Quality</u>
U.S. Treasuries	\$ 23,769,246	0.2013	Aaa
Federal home loan mortgage	6,365,149	0.0180	Aaa
Federal national mortgage assoc	361,042	0.0031	Aaa
Federal farm credit banks	2,504,125	0.0212	Aaa
Corporate bonds	73,386,075	0.6215	A
Mutual funds	11,684,950	0.0990	Aaa-mf
Total fair value	<u>\$ 118,070,587</u>		
Portfolio weighted average maturity		<u>0.9641</u>	

**Credit Risk and Concentration of Credit Risk.** To manage exposure to credit risk the City’s investment policy requires at least 20% 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 at least investment grade. Not more than 80% 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.

**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, 2015. 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	\$ 821,992	\$ -	\$ -	\$ -	\$ 2,725,886	\$ -	\$ 3,547,878
Special assessments	-	-	38,415	-	-	-	38,415
Accrued interest receivable	44,093	73,273	51,165	21,374	76,838	57,157	323,900
	\$ 866,085	\$ 73,273	\$ 89,580	\$ 21,374	\$ 2,802,724	\$ 57,157	\$ 3,910,193
Less: allowance for doubtful accounts	-	-	-	-	(290,440)	-	(290,440)
Total	\$ 866,085	\$ 73,273	\$ 89,580	\$ 21,374	\$ 2,512,284	\$ 57,157	\$ 3,619,753

**NOTE 4 – INTERFUND ACCOUNTS**

Interfund transfers during the year were as follows:

	Transfers		
	In	Out	
<u>Major Funds</u>			
General fund	\$ -	\$ 1,202,775	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.
	-	11,500,000	One time transfer to the Neighborhood Enhancement Capital Projects fund to finance improvements.
Community redevelopment agency	1,202,775	-	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
Neighborhood enhancement fund	11,500,000	-	One time transfer to the Neighborhood Enhancement Capital Projects fund to finance improvements.
Total Transfers In/Out	\$ 15,102,775	\$ 15,102,775	

**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, 2015 were as shown.

<u>Customer deposits</u>	
Cash and equivalents	\$ 1,333,831
<u>Grants</u>	
Due from other governments	2,141,192
<u>Connection / impact fees</u>	
Cash and equivalents	174,506
Investments	5,744,362
Accrued interest	16,103
Total	\$ 9,409,994

**NOTE 6 – CAPITAL ASSETS**

**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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b><u>Governmental Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 6,489,073	\$ -	\$ -	\$ 6,489,073
Construction in progress	16,793,403	8,953,940	(2,746,378)	23,000,965
	<u>\$ 23,282,476</u>	<u>\$ 8,953,940</u>	<u>\$ (2,746,378)</u>	<u>\$ 29,490,038</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 17,486,257	\$ 1,354,171	\$ -	\$ 18,840,428
Improvements other than buildings	39,844,636	224,688	-	40,069,324
Infrastructure	38,200,152	1,167,520	-	39,367,672
Machinery and equipment	12,055,149	1,714,901	(1,011,808)	12,758,242
	<u>\$ 107,586,194</u>	<u>\$ 4,461,280</u>	<u>\$ (1,011,808)</u>	<u>\$ 111,035,666</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (7,505,501)	\$ (637,653)	\$ -	\$ (8,143,154)
Improvements other than buildings	(15,357,004)	(1,362,075)	-	(16,719,079)
Infrastructure	(17,826,094)	(992,955)	-	(18,819,049)
Machinery and equipment	(8,813,198)	(1,350,254)	984,364	(9,179,088)
	<u>\$ (49,501,797)</u>	<u>\$ (4,342,937)</u>	<u>\$ 984,364</u>	<u>\$ (52,860,370)</u>
Total capital assets being depreciated - net	<u>\$ 58,084,397</u>	<u>\$ 118,343</u>	<u>\$ (27,444)</u>	<u>\$ 58,175,296</u>
Governmental activities capital assets - net	<u>\$ 81,366,873</u>	<u>\$ 9,072,283</u>	<u>\$ (2,773,822)</u>	<u>\$ 87,665,334</u>
<b><u>Business-type Activities</u></b>				
Capital assets not being depreciated:				
Land	\$ 644,114	\$ -	\$ -	\$ 644,114
Construction in progress	3,655,221	17,692,846	(2,004,557)	19,343,510
	<u>\$ 4,299,335</u>	<u>\$ 17,692,846</u>	<u>\$ (2,004,557)</u>	<u>\$ 19,987,624</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 12,481,364	\$ -	\$ -	\$ 12,481,364
Water and sewer system	128,542,081	2,004,557	-	130,546,638
Water and sewer system - contributions	14,641,316	20,248	-	14,661,564
Machinery and equipment	6,544,428	450,516	(491,112)	6,503,832
	<u>\$ 162,209,189</u>	<u>\$ 2,475,321</u>	<u>\$ (491,112)</u>	<u>\$ 164,193,398</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (4,416,725)	\$ (360,823)	\$ -	\$ (4,777,548)
Water and sewer system	(73,945,721)	(3,655,785)	-	(77,601,506)
Water and sewer system - contributions	(8,536,821)	(292,548)	-	(8,829,369)
Machinery and equipment	(5,274,527)	(474,854)	490,686	(5,258,695)
	<u>\$ (92,173,794)</u>	<u>\$ (4,784,010)</u>	<u>\$ 490,686</u>	<u>\$ (96,467,118)</u>
Total capital assets being depreciated - net	<u>\$ 70,035,395</u>	<u>\$ (2,308,689)</u>	<u>\$ (426)</u>	<u>\$ 67,726,280</u>
Business-type activities capital assets - net	<u>\$ 74,334,730</u>	<u>\$ 15,384,157</u>	<u>\$ (2,004,983)</u>	<u>\$ 87,713,904</u>

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General government	\$ 869,449	\$ -
Public safety	856,334	-
Physical environment	367,620	-
Transportation	894,641	-
Culture/Recreation	1,354,893	-
Water and sewer system	-	4,541,631
Refuse disposal	-	242,379
Total	<u>\$ 4,342,937</u>	<u>\$ 4,784,010</u>

**Net Capital Assets.** The following is a summary of net capital assets as shown on the government-wide statement of net assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 6,489,073	\$ 644,114	\$ 7,133,187
Buildings and improvements	58,909,752	12,481,364	71,391,116
Water and sewer system	-	145,208,202	145,208,202
Infrastructure	39,367,672	-	39,367,672
Machinery and equipment	12,758,242	6,503,832	19,262,074
Construction in progress	23,000,965	19,343,510	42,344,475
	<u>\$ 140,525,704</u>	<u>\$ 184,181,022</u>	<u>\$ 324,706,726</u>
Less accumulated depreciation	<u>(52,860,370)</u>	<u>(96,467,118)</u>	<u>(149,327,488)</u>
	<u>\$ 87,665,334</u>	<u>\$ 87,713,904</u>	<u>\$ 175,379,238</u>

**Construction Commitments.** The City had several active construction projects as of September 30, 2015. 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 following table.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Water & sewer system		
Water & wastewater improvements	\$ -	\$ 2,713,168
Utility relocations	-	34,726
Stormwater system improvements	-	880,979
Central business dist. redevelopment	3,935,611	-
Stormwater system improvements	923,704	-
City buildings	52,691	-
City parks	642,903	-
City streets	1,215,633	-
Total	<u>\$ 6,770,542</u>	<u>\$ 3,628,873</u>

**NOTE 7 – LONG-TERM DEBT**

**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, 2015:

	<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	\$ 2,085,269	\$ 1,482,462	\$ (1,306,671)	\$ 2,261,060	\$ 904,424
Other post employment benefits	746,420	93,246	-	839,666	-
Net pension liability	<u>55,908</u>	<u>7,524,295</u>	<u>-</u>	<u>7,580,203</u>	<u>-</u>
Long-term liabilities	<u>\$ 2,887,597</u>	<u>\$ 9,100,003</u>	<u>\$ (1,306,671)</u>	<u>\$ 10,680,929</u>	<u>\$ 904,424</u>
<b><u>Business-type activities</u></b>					
Compensated absences	\$ 405,897	\$ 402,995	\$ (379,952)	\$ 428,940	\$ 171,576
Other post employment benefits	205,426	25,356	-	230,782	-
Net pension liability	<u>-</u>	<u>1,576,433</u>	<u>-</u>	<u>1,576,433</u>	<u>-</u>
Long-term liabilities	<u>\$ 611,323</u>	<u>\$ 2,004,784</u>	<u>\$ (379,952)</u>	<u>\$ 2,236,155</u>	<u>\$ 171,576</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.

**Bonds Payable.** The City has no general obligation debt. As of September 30, 2015 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, 2015 are shown in the table below.

Accounts payable	\$ 1,158,922
Refundable impact fees	50,830
Customer deposits	1,333,831
Prepaid connection fees	<u>106,076</u>
Total	<u>\$ 2,649,659</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 (FRS). Full-time employees hired after December 31, 1995, participate in one of the following plans:

- the Altamonte Springs Police Officers’ Pension Plan (POPP),
- the Altamonte Springs General Employees’ Pension Plan (GEPP),
- the General Employees’ Investment Plan (GEIP), or,
- the Executive Investment Plan (EIP).

	FRS	POPP	GEPP	GEIP	EIP
Defined benefit plan					
Active members					
regular, vested	45	-	130	-	-
regular, non-vested	-	-	112	-	-
special risk (police), vested	10	52	-	-	-
special risk (police), non-vested	-	27	-	-	-
senior management, vested	2	-	-	-	-
Retirees and beneficiaries receiving benefits	-	1	35	-	-
Terminated members entitled to, but not receiving benefits	-	8	59	-	-
DROP	25	-	-	-	-
Pending refunds	-	3	6	-	-
Limited members	-	2	-	-	-
Defined contribution plan					
regular	-	-	-	1	-
special risk (police)	1	-	-	-	-
senior management	2	-	-	3	1

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. All full-time police officers are enrolled in the Police Officers’ Pension Plan. There are no opt-out provisions for this plan.

The City implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans* for the year ended September 30, 2014 and provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year ended September 30, 2015.

**The Florida Retirement System (FRS).** The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan. The plan was further amended in 2000 with the creation of the FRS Investment Plan, a defined contribution plan alternative to the defined benefit plan effective July 1, 2002. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan to assist retired members of any state-administered retirement system in paying the costs of health insurance. The FRS is a cost sharing, multiple employer, public-employee retirement system with two defined benefit plans and other nonintegrated programs administered by the Department of Management Services, Division of Retirement. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement. The comprehensive annual financial report of the FRS is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500; by e-mail at rep@dms.myflorida.com; or at the Division’s Web site (www.dms.myflorida.com).

The FRS Investment Plan is administered by the Florida State Board Administration (SBA), and is reported in an SBA annual financial statement and in the State of Florida Comprehensive Annual Financial Report. The State of Florida Comprehensive Annual Financial Report is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department’s Web site (www.myfloridacfo.com).

The City follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, for reporting the employers' proportionate share of the net pension liabilities for the FRS and HIS defined benefit pension plans.

**FRS Defined Benefit Pension Plan**

**Plan Description.** The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer, contributory, defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The Plan provides benefits for several classes of employees. However, the City has only four participating employee classes, which are follows:

- 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.

**Benefits.** 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%.

	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%

Under the DROP 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.

**Funding Policy.** FRS contribution requirements of the City and members are established and may be amended by the State legislature. The four FRS classes of membership applicable to the City had the contribution rates as shown at right.

	regular	senior mgmt	special risk	DROP
<b>Effective July 1, 2014</b>				
employee	3.00%	3.00%	3.00%	-
city	6.11%	19.88%	18.56%	11.02%
<b>Effective July 1, 2015</b>				
employee	3.00%	3.00%	3.00%	-
city	5.60%	19.77%	20.38%	11.22%

Employer contributions include an administrative fee of 0.04%, which is transferred to the State Board of Administration to offset administrative and educational costs of the Public Employee Optional Retirement Program. The system also provides disability and survivor benefits. Benefits are established by State Statute.

Total payroll for the year ended September 30, 2015, was \$21,448,462 of which \$6,251,722 was paid to City FRS members. Contributions to the FRS for the past three years are shown in the chart. Fiscal year 2011 was the first year employee contributions were required. Contributions made were equal to the required contributions for each year.

Fiscal Year	Employer	Employee
2013	\$ 524,494	\$ 146,470
2014	699,641	126,721
2015	700,711	120,610

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At September 30, 2015, the City reported a liability of \$3,264,913 for its proportionate share of the FRS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based on accrued retirement contributions for employers that were members of the FRS Pension Plan during the fiscal year ended June 30, 2015. At June 30, 2015, the City's proportionate share was 0.02528 percent, which was a decrease of 0.0015 percent from its proportionate share of 0.02678 percent measured as of June 30, 2014.

For the year ended September 30, 2015, the City recognized pension expense of \$335,829 for the FRS Pension Plan. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the FRS Pension Plan from the sources and in the amounts listed in the table at right.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expenditures	\$ 344,678	\$ (77,434)
Changes in assumptions	216,703	-
Net difference between projected and actual earnings on pension plan investments	-	(779,607)
Changes in proportion and differences between City contributions and proportionate share of contributions	44,525	(197,898)
City contributions subsequent to the measurement date	128,897	-
<b>Total</b>	<b>\$ 734,803</b>	<b>\$ (1,054,939)</b>

The deferred outflows of resources related to pensions totaling \$128,897 resulting from

City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended September 30, 2015. Other amounts reported for the FRS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending Sept 30,	Amount Recognized
2016	\$(258,280)
2017	(258,280)
2018	(258,280)
2019	384,920
2020	74,750
Thereafter	19,510

**Basis for Allocation.** The employer's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ending June

30, 2013, 2014 and 2015, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2015, in addition to contributions from employers the required accrued contributions for the division (paid on behalf of the division's employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers' projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system's CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer's amounts and will be allocated to the participating employer by the reporting employer.

**Actuarial Methods and Assumptions.** Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2015:

- FRS: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%
- HIS: The municipal rate used to determine total pension liability was decreased from 4.29% to 3.80%.

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Long-Term Expected Rate of Return.** To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2015 the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy’s description of

each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	3.2%	3.1%	1.7%
Fixed income	18%	4.8%	4.7%	4.7%
Global equity	53%	8.5%	7.2%	17.7%
Real Estate (Property)	10%	6.8%	6.2%	12.0%
Private Equity	6%	11.9%	8.2%	30.0%
Strategic investments	12%	6.7%	6.1%	11.4%
Assumed inflation - Mean	-	2.6%	-	1.9%

**Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate.** The following presents the City’s proportionate share of the net pension liability of the FRS Pension Plan calculated using the discount rate of 7.65 percent. Also presented is what the City’s proportionate share of the FRS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

<b>City’s proportionate share of the FRS Pension Plan: Net Pension Liability</b>		
<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<b>6.65%</b>	<b>7.65%</b>	<b>8.65%</b>
\$ 8,460,128	\$ 3,264,913	\$ (1,058,359)

**Pension Plan Fiduciary Net Position.** Detailed information about FRS Pension Plan’s fiduciary net position is available in the separately issued FRS Comprehensive Annual Financial Report. This report is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500.

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

**Plan Description.** The HIS Pension Plan is a cost-sharing, multiple-employer, non-contributory, defined benefit pension plan established to assist retired members in paying the costs of health insurance. Eligibility includes members who retire under a state-administered retirement system, or a beneficiary who is a spouse or financial dependent entitled to receive benefits under a state-administered retirement system except those individuals who are pension recipients under Section 121.40, 237.08(18)(a) and 250.22, Florida Statutes, or recipients of health insurance coverage under Section 110.1232, Florida Statutes or any other special pension or relief act are not eligible for such pension payments. A person is deemed retired from a state-administered retirement system when he or she terminates employment with all employers participating in the Florida Retirement System and:

- For a member of the FRS investment plan, the participant meets the age or service requirements to qualify for normal retirement per Section 121.021(29), Florida Statutes and meets the definition of retiree in Section 121.4501(2), Florida Statutes.

- For a member of the FRS defined benefit pension plan, or any employee who maintains creditable service under the pension plan and the investment plan, the member begins drawing retirement benefits from the pension plan.

Anyone retiring on or after July 1, 2001, as a member of the Florida Retirement System, including a member of the Investment Plan, must satisfy the vesting requirements for his or her membership class under the Pension Plan as administered under Chapter 121, Florida Statutes. Any person retiring due to disability must qualify for a regular or in-line-of-duty disability benefit.

**Benefits Provided.** The benefit of the HIS Pension Plan is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs. The Plan is administered by the Department of Management Services, Division of Retirement. Benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

Eligible retirees and beneficiaries receive a monthly payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month. To be eligible to receive a benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare. Terms of the benefits provided by the Plan may be amended only by the State Legislature.

**Contributions.** The Plan is funded by contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The contribution rate was 1.26%. This rate was increased to 1.66% effective July 1, 2015. There are no required employee contributions. Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. The City's contributions to the Plan totaled \$70,816 for the fiscal year ended September 30, 2015.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At September 30, 2015, the City reported a liability of \$2,034,328 for its proportionate share of the HIS Pension Plan net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The City's proportionate share of the net pension liability was based on accrued retirement contributions for employers that were members of the HIS Pension Plan during the fiscal year ended June 30, 2015. At June 30, 2015, the City's proportionate share was 0.01995 percent, which was an increase of 0.00072 percent from its proportionate share of 0.02067 percent measured as of June 30, 2014.

For the year ended June 30, 2015, the City recognized pension expense of \$178,829 for the HIS Pension Plan. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the HIS Pension Plan from the sources and in the amounts shown in the table at right.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual expenditures	\$ -	\$ -
Changes in assumptions	160,049	-
Net difference between projected and actual earnings on pension plan investments	-	1,101
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(147,450)
City contributions subsequent to the measurement date	21,392	-
Total	<u>\$ 181,441</u>	<u>\$ (146,349)</u>

The deferred outflows of resources related to pensions totaling \$21,392 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported for the HIS Pension plan as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Amount Recognized</b>
2016	\$ 27,872
2017	27,872
2018	27,872
2019	27,648
2020	27,541
Thereafter	22,344

**Basis for Allocation.** The employer’s proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system’s fiscal years ending June 30, 2013, 2014 and 2015, respectively, for employers that were members of the FRS and HIS during those fiscal years. For fiscal year 2015, in addition to contributions from employers the required accrued contributions for the division (paid on behalf of the division’s employees who administer the plans) were allocated to each employer on a proportional basis. The division administers the plans, and therefore, cannot allocate a portion of the liability to itself. Although GASB 68 encourages the use of the employers’ projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is acceptable. The aggregate employer contribution amounts for each fiscal year agree to the employer contribution amounts reported in the system’s CAFR for that fiscal year.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer’s proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

For the purposes of the pension allocation schedules, pension amounts are allocated to reporting employers. The pension amounts of participating employers whose payrolls are reported and contributions are remitted by another entity are included in the reporting employer’s amounts and will be allocated to the participating employer by the reporting employer.

**Actuarial Methods and Assumptions.** Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2014 for the period July 1, 2008, through June 30, 2013. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – see Note 5).

The following changes in actuarial assumptions occurred in 2015:

- FRS: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%
- HIS: The municipal rate used to determine total pension liability was decreased from 4.29% to 3.80%.

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

**Long-Term Expected Rate of Return.** As stated above, the HIS Pension Plan is essentially funded on a pay-as-you-go basis. As such, there is no assumption for a long-term expected rate of return on a portfolio, no assumptions for cash flows into and out of the pension plan, or assumed asset allocation.

**Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate.** The following presents the City's proportionate share of the net pension liability of the HIS Pension Plan calculated using the discount rate of 3.8 percent. Also presented is what the City's proportionate share of the HIS Pension Plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.8 percent) or 1-percentage-point higher (4.8 percent) than the current rate:

City's proportionate share of the HIS Pension Plan: Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase
<u>2.80%</u>	<u>3.80%</u>	<u>4.80%</u>
\$ 2,318,023	\$ 2,034,329	\$ 1,797,770

**Pension Plan Fiduciary Net Position.** Detailed information about HIS Pension Plan's fiduciary net position is available in a separately issued FRS Comprehensive Annual Financial Report. This Report is available by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (844) 377-1888 or (850) 907-6500.

**Florida Retirement System (FRS) Investment Plan**

The City contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the Florida State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report. As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. City employees already participating in DROP are not eligible to participate in this program.

Service retirement benefits are based upon the value of the member's account upon retirement. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2015 fiscal year were as follows:

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. Nonvested employer contributions are placed in a suspense account for up to five

	Percent of Gross Salary		
	Employee	Employer	Total
Regular	3.00%	3.30%	6.30%
Special risk	3.00%	11.00%	14.00%
Senior management	3.00%	4.67%	7.67%

years. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended June 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's FRS Investment Plan contributions and pension expense (not including the 1.26 percent HIS Program Contributions or employee contributions) totaled \$16,253 for the fiscal year ended September 30, 2015. Employee contributions totaled \$2,397 for the same period.

***Altamonte Springs Police Officers' and General Employees' Defined Benefit Pension Plans***

***Plan Description.*** 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.

***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.

***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.

**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.**

**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, 2015, was 15.81% 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 \$321,481 for the year ended September 30, 2015 and are considered an employer contribution.

**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, 2015, was 12.26% of annual covered payroll.

**Investment Policy.**

**The Altamonte Springs 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.

**The Altamonte Springs 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, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a loss of 4.71% for the General Employees' Pension Plan and a loss of 3.89% 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 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, 2015, 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, 2015, were as follows:

	<u>General Employees'</u>	<u>Police Officers'</u>
Total pension liability	\$ 17,787,791	\$ 15,898,338
Plan fiduciary net position	(16,981,487)	(13,871,657)
Accumulated excess premium tax revenues	-	968,502
<b>City's net pension liability</b>	<b>\$ 806,304</b>	<b>\$ 2,995,183</b>
Plan fiduciary net position as a percentage of the total pension liability	95%	81%

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation as of September 30, 2015, 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, 2015 (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 7.5 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<u>General Employees</u>	<u>Police Officers</u>
<b>City's net pension liability</b>		
1% Decrease (6.5%)	\$ 3,672,415	\$ 6,209,131
Current discount rate (7.5%)	\$ 806,304	\$ 2,995,183
1% Increase (8.5%)	\$ (1,545,523)	\$ 435,403

**Annual Financial Statements.** A combining statement of fiduciary net position and changes to fiduciary net position for fiscal year 2015 for both plans follows.

<b>PENSION TRUST FUNDS</b>		
<b>Combining Statement of Fiduciary Net Position September 30, 2015</b>		
	<u>General Employees</u>	<u>Police Officers</u>
<b>Assets</b>		
Cash and equivalents	\$ 62,855	\$ 49,232
Investments:		
U.S. Treasuries	89,930	59,953
Corporate bonds	-	199,984
Mutual funds	5,627,854	5,039,493
Common stocks	11,203,425	8,527,437
Receivable from investments sold	259,358	197,196
Accrued interest receivable	6,724	4,443
Prepaid expenses	3,954	3,437
Total assets	<u>\$ 17,254,100</u>	<u>\$ 14,081,175</u>
<b>Liabilities</b>		
Accounts payable	\$ 11,721	\$ 11,266
Payable from investments purchased	260,892	198,252
Total liabilities	<u>\$ 272,613</u>	<u>\$ 209,518</u>
<b>Net position restricted for pensions</b>	<u>\$ 16,981,487</u>	<u>\$ 13,871,657</u>
<b>PENSION TRUST FUNDS</b>		
<b>Combining Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2015</b>		
	<u>General Employees</u>	<u>Police Officers</u>
<b>Additions</b>		
Contributions:		
Employer	\$ 1,159,350	\$ 626,320
State	-	321,481
Employee	54,453	44,540
Investment income:		
Depreciation in value of plan assets	(1,178,987)	(847,662)
Interest and dividend income	342,241	274,035
Investment expense	(51,062)	(38,788)
Total additions	<u>\$ 325,995</u>	<u>\$ 379,926</u>
<b>Deductions</b>		
Benefits, including refunds of member contributions	\$ 357,311	\$ 43,621
Administrative expenses	31,148	33,138
Total deductions	<u>\$ 388,459</u>	<u>\$ 76,759</u>
Net increase in net position	\$ (62,464)	\$ 303,167
<b>Net position restricted for pensions</b>		
Beginning of year	<u>17,043,951</u>	<u>13,568,490</u>
End of year	<u>\$ 16,981,487</u>	<u>\$ 13,871,657</u>

**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, 2015, there were 4 Plan members. For the year ended September 30, 2015, employer contributions totaled \$68,734 and employee contributions totaled \$5,907.

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, 2015, employer contributions totaled \$21,502.

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**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 \$5,175,740 at September 30, 2015. The City's Other Postemployment Benefit Plan does not issue a stand-alone report.

**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.

**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

<b>Other Post Employment Benefits: FUNDED STATUS</b>	
	<b>Valuation at 9/30/2015</b>
Annual required contribution (ARC)	\$ 257,991
Interest on net OPEB obligation	42,833
Adjustment to ARC	(58,435)
Annual OPEB cost (expense)	\$ 242,389
Employer contributions made	(123,786)
Increase (decrease) in net OPEB obligation	\$ 118,603
Net OPEB obligation:	
Beginning of year	951,846
End of year	<u>\$ 1,070,449</u>

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 2015, 2014, and 2013, with no applicable preceding years were as shown in the table at right.

For the Year Ended September 30,	Annual OPEB Cost	Employer Contributions toward the OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 282,071	\$ 139,379	49%	\$ 830,968
2014	233,262	112,384	48%	951,846
2015	242,389	123,786	51%	1,070,448

In the Statement of Net Position the City reports \$839,666 net OPEB obligation in governmental activities and \$230,782 in business type activities.

**Funding Status and Funding Progress.** As of September 30, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$5,175,740 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,175,740. The covered payroll (annual payroll of active employees covered by the plan) was \$20,589,562, and the ratio of the UAAL to the covered payroll was 25.14%. 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.

**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 3.9% 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, 2015, was 29 years. The amortization periods used are closed.

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 2015. 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	\$ 91,894 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 \$178,246 at September 30, 2015, and is reported as unrestricted net assets in the Workers' Compensation Self-Insurance Fund. The claims liability of \$1,027,701 reported in the Fund at September 30, 2015, 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 2014 and 2015 were as shown in the chart.

	<u>2014</u>	<u>2015</u>
Balance beginning of year	\$ 1,164,609	\$ 1,139,593
Current year claims and changes in estimates	367,844	291,118
Claims paid	<u>(392,860)</u>	<u>(403,010)</u>
Balance end of year	<u>\$ 1,139,593</u>	<u>\$ 1,027,701</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.

**NOTE 13 – RESTATEMENT**

The City implemented GASB Statement Number 68, *Financial Reporting for Pensions – an amendment of Statement Number 27*, and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement Number 68*, for the year ended September 30, 2015. An adjustment of \$5,080,311 to decrease beginning net position has been made to reflect the value of the net pension liability as of September 30, 2014, the end of the prior fiscal year.

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

OTHER POST EMPLOYMENT BENEFITS

Schedule of Contributions

For the Year Ended September 30,	Annual OPEB Cost	Employer Contributions toward the OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 282,071	\$ 139,379	49%	\$ 830,968
2014	233,262	112,384	48%	951,846
2015	242,389	123,786	51%	1,070,448

Schedule of Funding Progress

Actuarial Valuation Date Sept. 30th	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a) (c)	Funded Ratio (a / b) (d)	Covered Payroll (e)	UAAL as a Percentage of Covered Payroll ((b - a)/e) (f)
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%
2015	-	5,175,740	5,175,740	0%	20,589,562	25.1%

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

PENSION TRUST FUNDS

Schedule of Changes in the City's Net Pension Liability  
and Related Ratios For the Year Ended September 30,

	General Employees		Police Officers	
	2014	2015	2014	2015
<b>Change in total pension liability</b>				
Service costs	\$ 965,186	\$ 1,045,961	\$ 761,879	\$ 825,274
Interest	1,191,693	1,183,208	898,908	1,031,141
Differences between expected and actual experience	(375,569)	(77,726)	516,164	359,838
Changes of assumptions	-	561,876	-	367,984
Benefit payments, including refunds of member contributions	(221,019)	(357,311)	(42,793)	(43,621)
<b>Net change in total pension liability</b>	<b>\$ 1,560,291</b>	<b>\$ 2,356,008</b>	<b>\$ 2,134,158</b>	<b>\$ 2,540,616</b>
<b>Total pension liability:</b>				
Beginning of year	13,871,914	15,432,205	11,223,564	13,357,722
End of year	<u>\$ 15,432,205</u>	<u>\$ 17,788,213</u>	<u>\$ 13,357,722</u>	<u>\$ 15,898,338</u>
<b>Change in plan fiduciary net position</b>				
Contributions:				
Employer	\$ 1,069,973	\$ 1,159,350	\$ 672,997	\$ 626,320
State	-	-	309,831	321,481
Employees	42,844	54,453	41,817	44,540
Net investment income	1,971,895	(887,808)	1,551,615	(612,415)
Benefit payments, including refunds of member contributions	(221,019)	(357,311)	(42,793)	(43,621)
Administrative expense	(21,619)	(31,148)	(22,216)	(33,138)
<b>Net changes in plan fiduciary net position</b>	<b>\$ 2,842,074</b>	<b>\$ (62,464)</b>	<b>\$ 2,511,251</b>	<b>\$ 303,167</b>
<b>Plan fiduciary net position:</b>				
Beginning of year	14,201,877	17,043,951 (a)	10,088,737	12,599,988
End of year	<u>\$ 17,043,951</u>	<u>\$ 16,981,487</u>	<u>\$ 12,599,988</u>	<u>\$ 12,903,155</u>
<i>(a) Police Officers plan 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>\$ 806,726</b>	<b>\$ 757,734</b>	<b>\$ 2,995,183</b>
<b>Net fiduciary net position as a percentage of the total pension liability</b>	110%	95%	94%	81%
<b>Covered employee payroll</b>	<b>\$ 9,016,971</b>	<b>\$ 9,810,843</b>	<b>\$ 4,368,320</b>	<b>\$ 4,742,636</b>
<b>City's net pension liability as a percentage of covered employee payroll</b>	<b>-17.87%</b>	<b>8.22%</b>	<b>17.35%</b>	<b>63.15%</b>

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

PENSION TRUST FUNDS

Schedule of City Contributions  
For the Year Ended September 30th

	General Employees		Police Officers	
	2014	2015	2014	2015
Actuarially determined contribution	\$ 1,057,294	\$ 1,149,610	\$ 1,001,765	\$ 1,040,284
Contribution in relation to the actuarially determined contributions	1,112,479	1,202,825	1,013,262	983,344
Contribution deficiency (excess)	\$ (55,185)	\$ (53,215)	\$ (11,497)	\$ 56,940
Covered payroll	\$ 9,016,971	\$ 9,810,843	\$ 4,368,320	\$ 4,742,636
Contributions as a percentage of covered payroll	12.3%	12.3%	23.2%	20.7%

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	
General employees	N/A
Police officers	Averages 10 years
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

Schedule of Investment Returns

	General Employees		Police Officers	
	2014	2015	2014	2015
Annual money-weighted rate of return, net of investment expense	13.95%	(4.71%)	14.21%	(3.89%)

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

FLORIDA RETIREMENT SYSTEM

Schedule of the City's Proportionate Share of the Net Pension Liability  
Last Two Fiscal Years \*

	City's Share	
	2014	2015
Proportion of the net pension liability	0.02679%	0.02528%
Proportionate share of the net pension liability	\$ 1,634,294	\$ 3,264,913
Covered-employee payroll	\$ 6,410,764	\$ 6,251,722
Proportionate share of the net pension liability as a percentage of it's covered-employee payroll	25.5%	52.2%

*\* This schedule ultimately will provide 10 years of historical information. However, the required information is only available for the past two years. Additional years will be added in the future.*

Schedule of the City's Contributions  
Last Two Fiscal Years \*

	City's Share	
	2014	2015
Required contribution	\$ 699,641	\$ 700,711
Contribution in relation to the actuarially determined contributions	699,641	700,711
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 6,410,764	\$ 6,251,722
Contributions as a percentage of covered-employee payroll	10.9%	11.2%

*\* This schedule ultimately will provide 10 years of historical information. However, the required information is only available for the past two years. Additional years will be added in the future.*

City of Altamonte Springs, Florida

REQUIRED SUPPLEMENTAL INFORMATION

HEALTH INSURANCE SUBSIDY

Schedule of the City's Proportionate Share of the Net Pension Liability  
Last Two Fiscal Years \*

	City's Share	
	2014	2015
Proportion of the net pension liability	0.02067%	0.01995%
Proportionate share of the net pension liability	\$ 1,932,902	\$ 2,034,329
Covered-employee payroll	\$ 6,410,764	\$ 6,251,722
Proportionate share of the net pension liability as a percentage of it's covered-employee payroll	30.2%	32.5%

*\* This schedule ultimately will provide 10 years of historical information. However, the required information is only available for the past two years. Additional years will be added in the future.*

Schedule of the City's Contributions  
Last Two Fiscal Years \*

	City's Share	
	2014	2015
Required contribution	\$ 70,816	\$ 76,252
Contribution in relation to the actuarially determined contributions	70,816	76,252
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 6,410,764	\$ 6,251,722
Contributions as a percentage of covered-employee payroll	1.1%	1.2%

*\* This schedule ultimately will provide 10 years of historical information. However, the required information is only available for the past two years. Additional years will be added in the future.*

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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, 2015

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 470,180	\$ 227,348	\$ 697,528
Investments	12,844,332	7,545,821	20,390,153
Receivables -			
Accrued interest	36,005	21,152	57,157
Due from other governments	-	400,295	400,295
Prepays	6,292	-	6,292
Total Assets	<u>\$ 13,356,809</u>	<u>\$ 8,194,616</u>	<u>\$ 21,551,425</u>
<b><u>Liabilities</u></b>			
Accounts payable	\$ 143,123	\$ 14,305	\$ 157,428
Accrued liabilities	74,136	-	74,136
Deposits	-	5,000	5,000
Total Liabilities	<u>\$ 217,259</u>	<u>\$ 19,305</u>	<u>\$ 236,564</u>
<b><u>Fund Balances</u></b>			
Nonspendable	\$ 6,292	\$ -	\$ 6,292
Restricted	286,196	-	286,196
Committed	12,847,062	8,175,311	21,022,373
Total Fund Balances	<u>\$ 13,139,550</u>	<u>\$ 8,175,311</u>	<u>\$ 21,314,861</u>
Total Liabilities and Fund Balances	<u>\$ 13,356,809</u>	<u>\$ 8,194,616</u>	<u>\$ 21,551,425</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, 2015

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ 351,377	\$ 400,295	\$ 751,672
Charges for services	3,654,938	-	3,654,938
Fines and forfeitures	4,762	-	4,762
Miscellaneous revenues:			
Impact fees	-	309,699	309,699
Investment income	181,074	108,572	289,646
Other miscellaneous income	5,000	-	5,000
	<u>\$ 4,197,151</u>	<u>\$ 818,566</u>	<u>\$ 5,015,717</u>
<b><u>Expenditures</u></b>			
Current:			
Public safety	\$ 1,640,883	\$ 1,437	\$ 1,642,320
Physical environment	1,117,351	-	1,117,351
Capital outlay	711,241	475,626	1,186,867
	<u>\$ 3,469,475</u>	<u>\$ 477,063</u>	<u>\$ 3,946,538</u>
Excess of Revenues Over Expenditures	\$ 727,676	\$ 341,503	\$ 1,069,179
<b><u>Fund Balances</u></b>			
Beginning of year	<u>12,411,874</u>	<u>7,833,808</u>	<u>20,245,682</u>
End of year	<u>\$ 13,139,550</u>	<u>\$ 8,175,311</u>	<u>\$ 21,314,861</u>

City of Altamonte Springs, Florida

Combining Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

September 30, 2015

	<u>Law Enforcement Trust Fund</u>	<u>Police Premium Tax Trust Fund</u>	<u>Stormwater Management Fund</u>	<u>Building Inspection Fund</u>	<u>Total</u>
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ 8,116	\$ -	\$ 389,087	\$ 72,977	\$ 470,180
Investments	284,660	-	9,966,194	2,593,478	12,844,332
Receivables -					
Accrued interest receivable	798	-	27,937	7,270	36,005
Prepays	-	-	4,274	2,018	6,292
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 293,574</u>	<u>\$ -</u>	<u>\$ 10,387,492</u>	<u>\$ 2,675,743</u>	<u>\$ 13,356,809</u>
<b><u>Liabilities</u></b>					
Accounts payable	\$ 2,584	\$ -	\$ 135,167	\$ 5,372	\$ 143,123
Accrued liabilities	4,794	-	23,535	45,807	74,136
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 7,378</u>	<u>\$ -</u>	<u>\$ 158,702</u>	<u>\$ 51,179</u>	<u>\$ 217,259</u>
<b><u>Fund Balances</u></b>					
Nonspendable	\$ -	\$ -	\$ 4,274	\$ 2,018	\$ 6,292
Restricted	286,196	-	-	-	286,196
Committed	-	-	10,224,516	2,622,546	12,847,062
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	<u>\$ 286,196</u>	<u>\$ -</u>	<u>\$ 10,228,790</u>	<u>\$ 2,624,564</u>	<u>\$ 13,139,550</u>
Total Liabilities and Fund Balances	<u>\$ 293,574</u>	<u>\$ -</u>	<u>\$ 10,387,492</u>	<u>\$ 2,675,743</u>	<u>\$ 13,356,809</u>

City of Altamonte Springs, Florida

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances

NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2015

	<u>Law Enforcement Trust Fund</u>	<u>Police Premium Tax Trust Fund</u>	<u>Stormwater Management Fund</u>	<u>Building Inspection Fund</u>	<u>Total</u>
<b><u>Revenues</u></b>					
Intergovernmental revenues	\$ 29,896	\$ 321,481	\$ -	\$ -	\$ 351,377
Charges for services	-	-	1,878,504	1,776,434	3,654,938
Fines and forfeitures	4,762	-	-	-	4,762
Miscellaneous revenues:					
Investment income	4,766	-	143,089	33,219	181,074
Other miscellaneous income	-	-	770	4,230	5,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	<u>\$ 39,424</u>	<u>\$ 321,481</u>	<u>\$ 2,022,363</u>	<u>\$ 1,813,883</u>	<u>\$ 4,197,151</u>
<b><u>Expenditures</u></b>					
Current:					
Public safety	\$ 117,548	\$ 321,481	\$ -	\$ 1,201,854	\$ 1,640,883
Physical environment	-	-	1,117,351	-	1,117,351
Capital outlay	5,288	-	705,953	-	711,241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>\$ 122,836</u>	<u>\$ 321,481</u>	<u>\$ 1,823,304</u>	<u>\$ 1,201,854</u>	<u>\$ 3,469,475</u>
Excess of Revenues Over (Under) Expenditures	\$ (83,412)	\$ -	\$ 199,059	\$ 612,029	\$ 727,676
<b><u>Fund Balances</u></b>					
Beginning of year	<u>369,608</u>	<u>-</u>	<u>10,029,731</u>	<u>2,012,535</u>	<u>12,411,874</u>
End of year	<u>\$ 286,196</u>	<u>\$ -</u>	<u>\$ 10,228,790</u>	<u>\$ 2,624,564</u>	<u>\$ 13,139,550</u>

City of Altamonte Springs, Florida

Combining Balance Sheet

NON-MAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS

September 30, 2015

	<u>Impact Fee Fund</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 227,348
Investments	7,545,821
Accrued interest receivable	21,152
Due from other governments	<u>400,295</u>
Total Assets	<u>\$ 8,194,616</u>
<b><u>Liabilities</u></b>	
Accounts payable	\$ 14,305
Deposits	<u>5,000</u>
Total Liabilities	<u>\$ 19,305</u>
<b><u>Fund Balances</u></b>	
Committed	<u>\$ 8,175,311</u>
Total Fund Balance	<u>\$ 8,175,311</u>
Total Liabilities and Fund Balance	<u>\$ 8,194,616</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, 2015

	<u>Impact Fee Fund</u>
<b><u>Revenues</u></b>	
Intergovernmental revenues	\$ 400,295
Miscellaneous revenues:	
Impact fees	309,699
Investment income	<u>108,572</u>
 Total Revenues	 <u>\$ 818,566</u>
<b><u>Expenditures</u></b>	
Current:	
Public safety	\$ 1,437
Capital outlay	<u>475,626</u>
 Total Expenditures	 <u>\$ 477,063</u>
 Excess of Revenues Over Expenditures	  \$ 341,503
<b><u>Fund Balances</u></b>	
Beginning of year	<u>7,833,808</u>
 End of year	 <u>\$ 8,175,311</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, 2015

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ -	\$ 29,896	\$ 29,896
Fines and forfeitures	-	4,762	4,762
Miscellaneous revenues:			
Investment income	<u>3,000</u>	<u>4,766</u>	<u>1,766</u>
 Total Revenues	 <u>\$ 3,000</u>	 <u>\$ 39,424</u>	 <u>\$ 36,424</u>
<b><u>Expenditures</u></b>			
Current:			
Public safety	\$ 128,376	\$ 117,548	\$ 10,828
Capital outlay	<u>-</u>	<u>5,288</u>	<u>(5,288)</u>
 Total Expenditures	 <u>\$ 128,376</u>	 <u>\$ 122,836</u>	 <u>\$ 5,540</u>
Excess of Revenues Over (Under) Expenditures	\$ (125,376)	\$ (83,412)	\$ 41,964
<b><u>Fund Balance</u></b>			
Beginning of year	<u>369,608</u>	<u>369,608</u>	<u>-</u>
End of year	<u>\$ 244,232</u>	<u>\$ 286,196</u>	<u>\$ 41,964</u>

City of Altamonte Springs, Florida

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

STORMWATER MANAGEMENT FUND

For the Year Ended September 30, 2015

	<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	\$ 1,935,599	\$ 1,878,504	\$ (57,095)
Miscellaneous revenues:			
Investment income	<u>194,357</u>	<u>143,089</u>	<u>(51,268)</u>
Total Revenues	<u>\$ 2,129,956</u>	<u>\$ 2,022,363</u>	<u>\$ (107,593)</u>
<b><u>Expenditures</u></b>			
Current:			
Physical environment	\$ 1,425,159	\$ 1,117,351	\$ 307,808
Capital outlay	<u>967,900</u>	<u>705,953</u>	<u>261,947</u>
Total Expenditures	<u>\$ 2,393,059</u>	<u>\$ 1,823,304</u>	<u>\$ 569,755</u>
Excess of Revenues Over Expenditures	\$ (263,103)	\$ 199,059	\$ 462,162
<b><u>Fund Balance</u></b>			
Beginning of year	<u>10,029,731</u>	<u>10,029,731</u>	<u>-</u>
End of year	<u>\$ 9,766,628</u>	<u>\$ 10,228,790</u>	<u>\$ 462,162</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, 2015

	<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	\$ 782,084	\$ 1,776,434	\$ 994,350
Miscellaneous revenues:			
Investment income	17,916	33,219	15,303
Other miscellaneous income	<u>-</u>	<u>4,230</u>	<u>4,230</u>
Total Revenues	<u>\$ 800,000</u>	<u>\$ 1,813,883</u>	<u>\$ 1,013,883</u>
<b><u>Expenditures</u></b>			
Current:			
Public safety	<u>\$ 1,221,461</u>	<u>\$ 1,201,854</u>	<u>\$ 19,607</u>
Total Expenditures	<u>\$ 1,221,461</u>	<u>\$ 1,201,854</u>	<u>\$ 19,607</u>
Excess of Revenues Over (Under) Expenditures	\$ (421,461)	\$ 612,029	\$ 1,033,490
<b><u>Fund Balance</u></b>			
Beginning of year	<u>2,012,535</u>	<u>2,012,535</u>	<u>-</u>
End of year	<u>\$ 1,591,074</u>	<u>\$ 2,624,564</u>	<u>\$ 1,033,490</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, 2015

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ 4,068,000	\$ 3,668,109	\$ (399,891)
Charges for services	-	-	-
Miscellaneous revenues:			
Investment income	400,000	187,295	(212,705)
Other miscellaneous revenues	<u>66,000</u>	<u>66,615</u>	<u>615</u>
 Total Revenues	 <u>\$ 4,534,000</u>	 <u>\$ 3,922,019</u>	 <u>\$ (611,981)</u>
<b><u>Expenditures</u></b>			
Current:			
General government	\$ -	\$ 153,145	\$ (153,145)
Public safety	-	85,572	(85,572)
Culture/Recreation	-	9,270	(9,270)
Capital outlay	<u>12,743,579</u>	<u>7,938,449</u>	<u>4,805,130</u>
 Total Expenditures	 <u>\$ 12,743,579</u>	 <u>\$ 8,186,436</u>	 <u>\$ 4,557,143</u>
Excess of Revenues Over (Under) Expenditures	 <u>\$ (8,209,579)</u>	 <u>\$ (4,264,417)</u>	 <u>\$ 3,945,162</u>
<b><u>Other Financing Sources</u></b>			
Transfers In:			
General fund	<u>13,750,000</u>	<u>13,750,000</u>	<u>-</u>
 Net Change in Fund Balance	 <u>\$ 5,540,421</u>	 <u>\$ 9,485,583</u>	 <u>\$ 3,945,162</u>
<b><u>Fund Balance</u></b>			
Beginning of year	<u>8,545,728</u>	<u>8,545,728</u>	<u>-</u>
End of year	<u><u>\$ 14,086,149</u></u>	<u><u>\$ 18,031,311</u></u>	<u><u>\$ 3,945,162</u></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, 2015

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ -	\$ 400,295	\$ 400,295
Miscellaneous revenues:			
Impact fees	191,350	309,699	118,349
Investment income	82,640	108,572	25,932
Other miscellaneous income	-	-	-
 Total Revenues	 <u>\$ 273,990</u>	 <u>\$ 818,566</u>	 <u>\$ 544,576</u>
<b><u>Expenditures</u></b>			
Current:			
Public safety	\$ -	\$ 1,437	\$ (1,437)
Capital outlay	3,229,000	475,626	2,753,374
 Total Expenditures	 <u>\$ 3,229,000</u>	 <u>\$ 477,063</u>	 <u>\$ 2,751,937</u>
Excess of Revenues Over (Under) Expenditures	\$ (2,955,010)	\$ 341,503	\$ 3,296,513
<b><u>Fund Balance</u></b>			
Beginning of year	7,833,808	7,833,808	-
End of year	<u>\$ 4,878,798</u>	<u>\$ 8,175,311</u>	<u>\$ 3,296,513</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, 2015

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>			
Intergovernmental revenues	\$ 1,305,500	\$ 1,576,902	\$ 271,402
Miscellaneous revenues:			
Investment income	<u>70,000</u>	<u>105,767</u>	<u>35,767</u>
Total Revenues	<u>\$ 1,375,500</u>	<u>\$ 1,682,669</u>	<u>\$ 307,169</u>
<b><u>Expenditures</u></b>			
Capital outlay	<u>\$ 2,054,500</u>	<u>\$ 581,960</u>	<u>\$ 1,472,540</u>
Total Expenditures	<u>\$ 2,054,500</u>	<u>\$ 581,960</u>	<u>\$ 1,472,540</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (679,000)</u>	<u>\$ 1,100,709</u>	<u>\$ 1,779,709</u>
<b><u>Fund Balance</u></b>			
Beginning of year	<u>6,545,856</u>	<u>6,545,856</u>	<u>-</u>
End of year	<u>\$ 5,866,856</u>	<u>\$ 7,646,565</u>	<u>\$ 1,779,709</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> .....	98
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> .....	105
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<b>Debt Capacity</b> .....	109
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> .....	112
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> .....	114
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

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

**Schedule 1**

**City of Altamonte Springs, Florida**

**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	<b>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>2015</b>
<b><u>Governmental activities</u></b>										
Invested in capital assets, net of related debt	\$ 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	\$ 87,665,334
Restricted	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	7,486,746
Unrestricted	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	74,138,829
<b>Total governmental activities</b>	<b>\$ 111,264,205</b>	<b>\$ 120,408,712</b>	<b>\$ 129,045,700</b>	<b>\$ 140,965,908</b>	<b>\$ 148,813,540</b>	<b>\$ 153,972,210</b>	<b>\$ 159,739,305</b>	<b>\$ 162,079,061</b>	<b>\$ 166,785,583</b>	<b>\$ 169,290,909</b>
<b><u>Business-type activities</u></b>										
Invested in capital assets, net of related debt	\$ 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	\$ 87,713,904
Restricted	300,000	300,000	300,000	4,247,972	4,600,586	4,787,292	5,348,990	12,988,753	12,612,343	6,760,136
Unrestricted	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	22,199,636
<b>Total business-type activities</b>	<b>\$ 99,708,394</b>	<b>\$ 101,227,094</b>	<b>\$ 101,717,962</b>	<b>\$ 102,903,517</b>	<b>\$ 103,019,481</b>	<b>\$ 102,928,502</b>	<b>\$ 103,945,310</b>	<b>\$ 109,397,810</b>	<b>\$ 110,506,395</b>	<b>\$ 116,673,676</b>
<b><u>Primary government</u></b>										
Invested in capital assets, net of related debt	\$ 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	\$ 175,379,238
Restricted	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	14,246,882
Unrestricted	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	96,338,465
<b>Total primary government</b>	<b>\$ 210,972,599</b>	<b>\$ 221,635,806</b>	<b>\$ 230,763,662</b>	<b>\$ 243,869,425</b>	<b>\$ 251,833,021</b>	<b>\$ 256,900,712</b>	<b>\$ 263,684,615</b>	<b>\$ 271,476,871</b>	<b>\$ 277,291,978</b>	<b>\$ 285,964,585</b>

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 statement.

**Schedule 2**

**City of Altamonte Springs, Florida**

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental Activities										
General government	\$ 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	\$ 11,798,199
Public safety	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	13,172,095
Physical environment	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	1,490,942
Transportation	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	1,565,964
Culture/Recreation	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	5,256,550
Interest on long-term debt	103,246	90,634	77,362	63,560	49,539	42,316	-	-	-	-
Total governmental activities	\$ 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	\$ 33,283,750
Business-type activities:										
Water and sewer	\$ 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	\$ 17,215,573
Refuse disposal	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	1,838,217
Total business-type activities	\$ 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	\$ 19,053,790
Total primary government expenses	\$ 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	\$ 52,337,540
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 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	\$ 5,425,672
Public safety	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	1,680,673
Physical environment	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	1,914,118
Transportation	2,509,211	2,265,794	2,088,956	1,828,134	1,906,525	1,869,423	842,154	1,959,925	2,030,874	1,827,402
Culture / recreation	720,881	583,072	649,063	583,545	517,046	617,961	684,714	763,670	827,429	762,804
Operating grants and contributions	245,198	147,049	127,838	309,655	422,877	240,782	136,510	200,079	182,358	168,242
Capital grants grants and contributions	-	-	310,955	-	-	-	-	-	-	4,068,404
Total governmental activities	\$ 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	\$ 15,847,315

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**Schedule 2**

**City of Altamonte Springs, Florida**

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>Program revenues (continued)</u></b>										
Business-type activities:										
Charges for services										
Water and sewer	\$ 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	\$ 17,506,740
Refuse disposal	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	1,737,888
Operating grants and contributions	10,000	-	-	178,611	12,759	-	-	-	-	-
Capital grants and contributions	935,297	266,809	583,484	491,765	275,591	156,094	475,058	158,950	924,747	6,280,457
Total business-type activities	<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>	<u>\$ 25,525,085</u>
 Total primary government revenues	 <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>	 <u>\$ 41,372,400</u>
 <b><u>Net (expense) / revenue</u></b>										
Governmental activities	\$ (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)	\$ (17,436,435)
Business-type activities	790,619	(294,335)	(519,805)	(867,145)	(855,074)	(504,146)	179,721	(480,673)	652,697	6,471,295
 Total primary government	 <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>	 <u>\$ (10,965,140)</u>

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**Schedule 2**

**City of Altamonte Springs, Florida**

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Property tax	\$ 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	\$ 6,665,337
Franchise fee tax	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	4,616,642
Utility tax	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	3,770,949
Communications services tax	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	2,129,703
Local option gas tax	1,067,613	1,071,100	1,143,113	1,014,822	930,732	802,301	714,413	640,025	603,662	627,285
Intergovernmental revenues	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	4,256,032
Investment income	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	1,315,563
Gain on sale of surplus land	1,961,587	167	-	-	-	-	-	-	-	-
Other miscellaneous revenues	268,587	163,011	478,947	633,122	1,281,391	859,286	523,537	2,254,570	1,614,462	701,311
Transfers in (out)	(50,000)	(50,000)	(50,000)	(50,000)	-	-	-	(1,000,000)	-	-
Total governmental activities	\$ 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	\$ 24,082,822
Business-type activities:										
Investment income	\$ 1,122,303	\$ 1,548,995	\$ 873,864	\$ 1,934,886	\$ 922,423	\$ 379,191	\$ 791,634	\$ 109,379	\$ 406,239	\$ 458,683
Gain (loss) on sale of surplus assets	2,298	97,500	69,891	47,452	(4,771)	7,519	32,986	4,760,171	-	-
Other miscellaneous revenues	26,803	116,543	16,918	20,362	53,386	26,457	12,467	63,623	49,649	176,553
Transfers in (out)	50,000	50,000	50,000	50,000	-	-	-	1,000,000	-	-
Total business-type activities	\$ 1,201,404	\$ 1,813,038	\$ 1,010,673	\$ 2,052,700	\$ 971,038	\$ 413,167	\$ 837,087	\$ 5,933,173	\$ 455,888	\$ 635,236
Total primary government	\$ 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	\$ 24,718,058
<b>Change in net position</b>										
Governmental activities	\$ 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	\$ 6,646,387
Business-type activities	1,992,023	1,518,703	490,868	1,185,555	115,964	(90,979)	1,016,808	5,452,500	1,108,585	7,106,531
	\$ 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	\$ 13,752,918

Schedule 3

City of Altamonte Springs, Florida

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General fund</b>										
Nonspendable	\$ 193,835	\$ 209,318	\$ 181,060	\$ 186,918	\$ 215,800	\$ 212,302	\$ 204,452	\$ 221,188	\$ 166,763	\$ 201,911
Restricted	68,028	83,000	118,245	150,138	183,765	200,987	223,576	244,962	224,891	200,336
Committed	288,911	249,640	199,314	241,427	197,114	298,027	401,642	218,616	164,942	243,258
Unassigned	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	15,013,005
Total general fund	<u>\$ 18,918,372</u>	<u>\$ 20,387,937</u>	<u>\$ 21,484,428</u>	<u>\$ 24,980,108</u>	<u>\$ 25,297,062</u>	<u>\$ 26,277,779</u>	<u>\$ 27,133,420</u>	<u>\$ 28,301,492</u>	<u>\$ 28,037,759</u>	<u>\$ 15,658,510</u>
<b>All other governmental funds</b>										
Nonspendable	\$ 14,152	\$ 11,621	\$ 13,902	\$ 19,809	\$ 13,138	\$ 20,515	\$ 16,573	\$ 17,170	\$ 16,487	\$ 22,581
Restricted	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	7,486,746
Committed	3,306,564	419,971	183,795	180,116	233,406	903,095	36,033,520	40,936,292	44,513,564	49,004,229
Assigned	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	16,791,157
Total all other governmental funds	<u>\$ 25,993,165</u>	<u>\$ 30,963,262</u>	<u>\$ 36,628,002</u>	<u>\$ 47,296,054</u>	<u>\$ 56,988,163</u>	<u>\$ 57,595,231</u>	<u>\$ 61,798,103</u>	<u>\$ 55,830,052</u>	<u>\$ 59,991,243</u>	<u>\$ 73,304,713</u>

Schedule 4

City of Altamonte Springs, Florida

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 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	\$ 17,809,916
Licenses and permits	2,049,284	1,481,828	903,266	922,638	891,697	867,261	845,415	904,405	877,519	883,230
Intergovernmental revenues	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	12,513,726
Charges for services	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	10,125,708
Fines and forfeitures	681,641	631,204	717,628	549,770	504,371	408,653	588,643	487,963	361,466	219,984
Impact fees	521,193	254,984	168,964	123,092	258,617	155,627	461,280	206,977	496,778	309,699
Investment income	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	1,297,240
Miscellaneous revenues	2,377,283	466,281	411,097	636,006	709,319	597,439	525,852	3,354,467	6,047,062	679,446
<b>Total revenues</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>\$ 43,838,949</b>
<b>Expenditures</b>										
Current:										
General government	\$ 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	\$ 14,575,195
Public safety	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	12,034,663
Physical environment	732,501	842,919	986,580	922,289	856,012	1,038,029	1,120,149	953,087	929,854	1,117,351
Transportation	1,154,283	1,214,663	1,258,563	1,392,481	967,796	5,394,004	672,751	794,693	784,497	1,564,858
Culture/Recreation	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	3,905,385
Debt service:										
Principal retirement	365,321	377,933	391,205	405,007	419,028	1,112,470	-	-	-	-
Interest and fiscal charges	103,246	90,634	77,362	63,560	49,539	42,316	-	-	-	-
Capital Outlay	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	9,707,276
<b>Total expenditures</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>\$ 42,904,728</b>
<b>Excess of revenues over expenditures</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>	<b>\$ 934,221</b>

Continued

Schedule 4

City of Altamonte Springs, Florida

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other financing sources (uses)</b>										
Transfers in	\$ 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	\$ 15,119,695
Transfers (out)	(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)	(15,119,695)
Bank note issued	-	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ -	\$ -
Net Change in Fund Balances	\$ (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	\$ 934,221
Debt service as a percentage of non-capital expenditures	1.6%	1.5%	1.5%	1.6%	1.6%	4.1%	n/a	n/a	n/a	n/a

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					
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
2015	1,356,250,295	1,645,573,906	313,743,777	3,315,567,978	(817,359,516)	2,498,208,462	2.7624

**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			St. John's River Water Mgmt. Dist.	Total
	City of Altamonte Springs	Seminole County		School Board		
		Government	Fire District			
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
2015	2.762	4.875	2.330	7.849	0.302	18.119

**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 2015 (a)				Fiscal Year 2006 (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	\$ 101.18	4.28%	\$ 279,490	1	\$ 102.54	4.37%	\$ 297,377	1
Timberlake Multifamily Inv LLC	Timberlake Apts.	Mixed Use	49.28	2.08%	136,118	2	23.24	0.99%	67,392	6
Duke Energy	Electric Utility	Utility	39.16	1.66%	108,165	3	-	-	-	-
Emerson International, Inc.	Cranes Roost Office Park Et Al	Mixed Use	36.45	1.54%	100,697	4	36.11	1.54%	104,713	2
Camden Operating LP	Camden Renaissance	Residential	32.72	1.38%	90,377	6	-	-	-	-
Uptown Lofts at Altamonte LTD	Uptown Lofts @ Altamonte	Residential	26.49	1.12%	73,184	7	-	-	-	-
Vineridge Assoc LLC	Vineridge Apartments	Residential	31.06	1.31%	85,809	5	-	-	-	-
United Dominion Realty Trst	Los Altos & Lakeside North Apartments	Residential	30.27	1.28%	83,615	8	34.98	1.49%	101,448	3
Uptown Park Apartments II	Central Park Apartments	Residential	26.49	1.12%	73,184	5	-	-	-	-
CC Altamonte Joint Venture	West Town Corners	Retail	26.12	1.10%	72,140	10	21.24	0.90%	61,605	7
Paragon Group LP	Renaissance Point	Residential	-	-	-	-	27.52	1.17%	79,807	4
Sprint Florida, Inc.	Sprint Telephone System	Public Utility	-	-	-	-	24.92	1.06%	72,263	5
Grand Regency at Lake Lotus LF	Lake Lotus Condos	Residential	-	-	-	-	20.84	0.89%	60,433	8
Price Reit Renaissance Ptrn	Renaissance Centre	Retail	-	-	-	-	20.57	0.88%	59,645	9
Teachers Retirement System State of Illinois	State of Illinois	Mixed Use	-	-	-	-	19.21	0.82%	55,705	10
			<u>\$ 399.22</u>	<u>16.87%</u>	<u>\$1,102,779</u>		<u>\$ 218.11</u>	<u>9.29%</u>	<u>\$ 632,535</u>	

\* In millions

(a) The fiscal year ended September 30, 2015 tax levy is based on the 2014 taxable value.

(b) The fiscal year ended September 30, 2006 tax levy is based on the 2005 taxable value.

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>
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%
2015	6,901,051	6,660,520	96.5%	4,797	6,665,317	96.6%

**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>
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 *	-	-	-	-	-
2015 *	-	-	-	-	-

**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, 2014, or 2015.

**Schedule 10**

**City of Altamonte Springs, Florida**

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

**September 30, 2015**

<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	\$ 27,107,881,459	\$ -	9.2%	\$ -
Seminole County School Board	\$ 29,888,360,131	-	8.4%	-
		<u>\$ -</u>		<u>\$ -</u>

***The City had no overlapping debt as of September 30, 2015, as defined in GASB Statement No. 44.***

**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>	
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)
2015	(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>
2006	40,779	\$ 40,976	\$ 1,671	6,587	2.6%
2007	40,205	42,223	1,698	6,278	3.5%
2008	39,947	44,379	1,773	6,330	5.8%
2009	39,947	42,340	1,691	5,867	11.5%
2010	42,620	40,133	1,710	5,702	11.8%
2011	41,496	41,337	1,715	5,729	9.5%
2012	41,727	42,577	1,777	4,928	9.5%
2013	41,920	43,854	1,838	5,722	5.9%
2014	42,150	45,170	1,904	5,778	5.1%
2015	43,325	46,525	2,016	5,773	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>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>
Walt Disney Co. (Walt Disney World)	Entertainment/Retail	74,000	6.8%	74,000	6.1%	1	1
Comcast Corp (Universal)	Entertainment/Retail	19,000	1.7%	20,000	1.6%	2	2
Adventist Health System (Florida Hospital)	Hospital	18,668	1.7%	19,304	1.6%	3	3
Orlando Health	Health Care	15,132	1.4%	14,000	1.1%	5	4
Lockheed Martin Corp	Technology	7,000	0.6%	7,000	0.6%	6	5
Westgate Resorts	Leisure/Hospitality	–	–	6,500	0.5%	–	6
Sea World Parks & Entertainment	Theme Parks/Entertainment	6,032	0.6%	6,032	0.5%	10	7
Darden Restaurants, Inc.	Restaurant	6,419	0.6%	5,221	0.4%	9	8
Siemens	Advanced Manufacturing	–	–	4,448	0.4%	–	9
Rosen Hotels & Resorts	Leisure & Hospitality	–	–	4,322	0.4%	–	10
Walgreen Co	Retail	6,500	0.6%	–	–	7	
Harris Corp	Aerospace	6,500	0.6%	–	–	8	
Publix Supermarkets Inc	Grocery	15,606	1.4%	–	–	4	

**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**

	<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>2015</b>
<b><u>General government</u></b>										
Administration	21	22	23	23	22	21	21	20	21	21
Finance	19	19	19	18	17	18	18	18	19	19
Information Services	9	10	9	9	9	10	10	10	11	11
Growth management	10	11	11	9	7	6	6	8	8	8
Maintenance	47	46	46	45	45	45	59	60	61	61
<b><u>Public safety</u></b>										
Police officers	102	105	105	104	102	106	102	99	103	103
Police civilians	24	24	24	20	20	18	18	18	19	19
Inspections	17	16	15	14	12	12	12	12	12	12
<b><u>Physical environment</u></b>										
Water and sewer operations	88	89	88	88	84	84	85	85	85	85
Residential refuse disposal	16	18	18	19	19	20	20	20	20	20
Stormwater management	8	11	11	11	10	11	11	11	12	12
<b><u>Transportation</u></b>										
Administration	3	3	3	2	2	-	-	-	-	-
Streets	12	11	11	10	10	7	7	7	7	7
<b><u>Culture / Recreation</u></b>										
Administration	3	5	5	5	5	5	5	5	5	5
Library	8	8	7	7	7	7	7	7	8	8
Parks	49	46	45	41	34	33	15	16	17	17
Events	7	11	11	11	17	16	19	18	19	19
<b>Total</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>	<b>425</b>

**Source:** City Finance Department.

Schedule 15

City of Altamonte Springs, Florida

OPERATING INDICATORS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>Water System</u></b>										
Number of customers	11,474	11,693	11,657	11,530	11,514	11,520	11,570	11,638	11,758	11,811
Average daily flow (millions of gallons)	5.90	5.90	5.57	5.57	4.70	5.00	5.00	4.88	4.76	5.37
<b><u>Sewer System</u></b>										
Average daily flow (millions of gallons)	6.22	6.22	6.40	6.40	6.00	5.80	5.63	5.95	5.88	6.35
<b><u>Reclaimed Water System</u></b>										
Average daily demand (millions of gallons)	5.27	5.27	5.10	5.43	5.43	5.43	5.43	5.62	5.04	5.46
Number of customers:										
Single family homes	5,825	5,825	5,731	5,703	5,829	5,832	5,822	5,829	5,735	5,747
Multi-family properties	83	83	81	83	83	91	91	91	91	94
Golf course	1	1	1	1	1	1	1	-	-	-
Commercial properties	454	463	427	469	469	470	467	467	467	542
City properties	16	16	16	17	17	16	16	16	16	16
<b><u>Building Inspections</u></b>										
Building permits issued	1,175	689	564	441	456	1,084	951	473	468	639

Source: Various City Departments.

**Schedule 16**

**City of Altamonte Springs, Florida**

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

	<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>2015</b>
<b><u>Transportation</u></b>										
Miles of streets	68.04	68.04	68.04	68.04	68.04	68.04	74.15	74.45	74.57	72.9
<b><u>Water System</u></b>										
Miles of water mains	109	109	109	109	109	109	109	108	130	113
Plant Capacity - all plants (millions of gallons)	16.36	24.40	24.40	21.10	21.10	21.10	21.10	21.10	21.10	21.10
Number of fire hydrants	1,485	1,495	1,507	1,507	1,508	1,228	1,230	1,246	1,255	1,256
Water plants	3	3	3	3	3	3	3	3	3	3
Deep wells	10	10	10	10	10	10	10	12	12	12
Ground storage tanks	5	5	5	5	5	5	6	6	5	5
Ground storage tank capacity (millions of gallons)	3.80	3.88	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	3
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	6.2
Miles of reclaimed water lines	105	105	105	105	105	105	105	105	106	112
<b><u>Stormwater System</u></b>										
Number of pumping stations	(a)	(a)	(a)	(a)	(a)	(a)	2	2	3	3
Number of ponds	(a)	(a)	(a)	(a)	(a)	(a)	79	80	80	82
Miles of stormwater lines	96	96	96	96	96	96	99	103	103	103

*Continued*

Schedule 16

City of Altamonte Springs, Florida

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<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	75	74	74	75	75	74	73	72	72	72
Miles of sewer lines	(a)	(a)	(a)	(a)	(a)	(a)	149	144	144	144
<b><u>Parks and Recreation</u></b>										
Park acreage	245	290	290	272	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	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	34,542	30,745	31,789	32,629	32,274	36,463	37,271	37,889	37,720	41,099

Source: Various City Departments.

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

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# **COMPLIANCE SECTION**



City of Altamonte Springs, Florida

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended September 30, 2015

State Grantor /Pass-Through Grantor/Program Title	Catalog of State Financial Assistance Number	Identification Number or Pass-through Grantor Number	Amount of State Expenditures (1)	Amount Provided to Subrecipients
Florida Department of Environmental Protection				
Direct				
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0651	\$ 1,500,000	\$ -
Indirect				
Passed through St. Johns Water Management District Joint Participation Agreement	37.039	27651	3,500,000	-
Florida Department of State Division of Library and Information Services				
Direct				
State Aid to Libraries Grant	45.030	N/A	<u>14,702</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 5,014,702</u>	<u>\$ -</u>

Foot notes:

(1) - The basis of accounting used to report grant costs is determined by fund type; accrual basis of accounting for grants recorded in enterprise funds and modified accrual basis of accounting for grants recorded in governmental funds.

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MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Altamonte Springs, Florida (the "City") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 29, 2016.

**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 City in a separate management letter and Independent Accountant's Report dated April 29, 2016.

### **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.**  
Certified Public Accountants

Orlando, Florida  
April 29, 2016



MOORE STEPHENS  
LOVELACE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER  
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

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

**Report on Compliance for Each Major State Project**

We have audited the compliance of the City of Altamonte Springs, Florida (the "City") with the types of compliance requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the major state projects for the year ended September 30, 2015. The City's major state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the City's compliance based on our audit. We conducted our audit of compliance 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*. Those standards and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project identified in the accompanying schedule of findings and questioned costs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each State Project**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2015.

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

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

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

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

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

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

### **Report on Schedule of Expenditures of State Financial Assistance**

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for the purposes of additional analysis, as required by Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance*, Florida Administrative Code, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

**Report on Schedule of Expenditures of State Financial Assistance (Continued)**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Moore Stephens Lovelace, P.A.*

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

Orlando, Florida  
April 29, 2016

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**CITY OF ALTAMONTE SPRINGS, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended September 30, 2015**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

**Unmodified Opinion**

Internal control over financial reporting:

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

**State Financial Assistance**

Internal control over major State projects:

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

Type of auditor's report issued on compliance for major projects:

**Unmodified Opinion**

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

\_\_\_\_\_ Yes   X   No

**Identification of Major State Project:**

**CSFA Number**  
37.039

**Name of State Project**  
Statewide Surface Water Restoration and Wastewater Projects

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

\$300,000

**SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

No matters were reported.

**SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION**

No matters were reported.

**SECTION IV - SCHEDULE OF STATUS OF PRIOR YEAR AUDIT FINDINGS**

No matters were reported.

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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, 2015, and have issued our report thereon dated April 29, 2016.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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*; Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of State Financial Assistance in Accordance with Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 29, 2016, 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. and 10.556(7), *Rules of the Auditor General*, require 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. and 10.556(7), *Rules of the Auditor General*, require 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, 2015, 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, 2015. 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  
April 29, 2016

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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, 2015. 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, 2015.

*Moore Stephens Lovelace, P.A.*

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

Orlando, Florida  
April 29, 2016

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