

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
of the  
CITY OF LAKE MARY  
FLORIDA  
FISCAL YEAR ENDED  
September 30, 2009**



PREPARED BY THE  
FINANCE DEPARTMENT



*This page intentionally left blank.*

**CITY OF LAKE MARY, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**  
**TABLE OF CONTENTS**

Introductory Section

Letter of Transmittal .....	1
Certificate of Achievement .....	6
Organizational Chart .....	7
Principal City Officials .....	8

Financial Section

Report of the Independent Certified Public Accountants.....	11
Management's Discussion and Analysis (MD&A) .....	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	27
Statement of Activities .....	28
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	29
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	30
Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types.....	31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities .....	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	33
Statement of Net Assets – Proprietary Funds .....	34
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds .....	37
Statement of Cash Flows – Proprietary Fund .....	38
Statement of Fiduciary Net Assets – Fiduciary Funds.....	40
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds.....	41
Notes to the Financial Statements .....	42
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	72
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Police Education Fund .....	74
Police Impact Fees.....	75
Fire Impact Fees .....	76
Public Works Impact Fees.....	77
Recreation Impact Fees .....	78
Law Enforcement Trust .....	79
Street Lighting District .....	80

Fiduciary Funds	
Combining Statement of Fiduciary Net Assets.....	82
Combining Statement of Changes in Fiduciary Net Assets.....	83

Statistical Section

Financial Trends	
Net Assets by Component .....	86
Changes in Net Assets.....	88
Governmental Activities Tax Revenues by Source .....	90
Fund Balances of Governmental Funds.....	92
Changes in Fund Balances of Governmental Funds.....	94
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property .....	96
Property Tax Rates – Direct and Overlapping Governments .....	98
Principal Property Taxpayers .....	99
Property Tax Levies and Collections.....	100
Debt Capacity	
Ratios of Outstanding Debt by Type .....	101
Direct and Overlapping Governmental Activities Debt .....	102
Pledged-Revenue Coverage.....	103
Demographic and Economic Information	
Demographic and Economic Statistics.....	104
Principal Employers .....	105
Operating Information	
Full-Time Equivalent City Government Employees by Function .....	106
Operating Indicators by Function .....	108
Capital Asset Statistics by Function .....	110
Supplementary Information	
Schedule of Revenues by Source and Expense by Type	
Police Officers Pension Fund.....	112
Firefighters Pension Fund.....	113

Other Reports

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 .....	116
Management Letter .....	118
Communication with Those Charged with Governance .....	121

# *City of Lake Mary*

POST OFFICE BOX 958445  
LAKE MARY, FLORIDA 32795-8445

(407) 585-1419

**John C. Litton**  
City Manager

Fax: (407) 585-1498  
[www.lakemaryfl.com](http://www.lakemaryfl.com)

March 18, 2010

To the Honorable Mayor and City Commission  
and the Citizens of the City of Lake Mary, Florida:

It is with pleasure that we present to you the City of Lake Mary, Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2009. This document fulfills the requirements set forth in Florida Statutes, Chapter 166.241, and the Rules of the Florida Auditor General, Chapter 10.550. The organization, form and contents of this report, plus the accompanying financial statements and statistical tables, are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, State of Florida, and the Government Finance Officers Association.

Management assumes full responsibility for the completeness and reliability of all information presented in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert, to the best of our knowledge and belief that this financial report is complete and reliable in all material aspects.

McDermitt Davis & Company, LLC, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the year ended September 30, 2009, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2009, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the City**

The City of Lake Mary, Florida, a municipality incorporated under Florida law in 1973, is located in Central Florida and considered a part of the Orlando Metropolitan area. The City encompasses 9.9 square miles with an estimated population of 14,615. Land uses within Lake Mary consist primarily of single-family residential neighborhoods, retail businesses, Class A office space, light manufacturing and high-tech industries.

In accordance with the City Charter, the City Commission, consisting of a mayor and four commissioners elected at large, appoints a City Manager who is responsible for the day-to-day administration of City services including all traditional municipal functions such as police and fire protection; land use and building construction regulation; refuse collection; drainage and roadway system construction and maintenance; recreational facilities management to include programming for all ages ,parks maintenance;, fleet services; and all components of the water, wastewater and storm water utility systems.

The annual budget serves as the foundation for the City of Lake Mary's financial planning and control. Department Directors are required to submit their budget requests to the City Manager who uses them as the starting point for developing a proposed budget. The City Manager is required by the City Charter to present the proposed budget to the City Commission prior to August 1<sup>st</sup>. The City Commission must hold public hearings on the proposed budget and adopt a final budget by September 30<sup>th</sup> which is prior to the close of the City's fiscal year. The appropriated budget is prepared by fund and program. The City Manager may make transfers between programs within the same fund. Any other budget transfers or amendments must be adopted by a budget resolution of the City Commission. 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, this comparison is presented as part of the basic financial statements for the governmental funds. For other governmental funds with appropriated budgets, this comparison is presented in the Combining and Individual Fund Statements and Schedules subsection of this report.

### **Local economy**

Even though the City of Lake Mary is still ranked as the number one small city in Florida (population under 50,000) in which to live as reported by *CNN/Money Magazine*, we continue to feel the effects of both the national and state economies and the corresponding real estate market where property values dropped again by \$172,413,971. Foreclosures also became an issue with some eighty-two properties in the City falling into that category. The result was that many of these homes became code enforcement issues resulting in the City Commission adopting legislation requiring mortgage holders of these properties to register with the City. This, in turn, made them accountable for property aesthetics including periodic yard maintenance, which resulted in a dramatic drop in the number of complaints. The City also saw construction of the only commercial development come to a halt because of financial reasons leaving buildings half finished and tenants with leases unable to occupy as well as surface infrastructure unfinished. Fortunately, paving and associated striping along with landscaping has now been completed, but the center remains largely unoccupied.

The City continues to have the lowest ad valorem tax rate in Seminole County when you consider the Municipal Services Taxing Unit (MSTU) that some cities collect for fire services thanks in part to our five-year budget which is a key component in our financial planning. With the exception of some cost saving products, emergencies or legislative mandates, we have stuck to that plan regardless of declining revenues. It has been the single most important factor in our being able to deal with the economy and the never ending state mandated efforts to provide tax relief. Commercial and residential property taxes in Lake Mary continue to be about 50/50 with a slight trend toward the business side. We also realized significant reductions in our insurance premiums as well as saving some \$300,000 which had been previously committed as a donation towards the construction of a high school swimming pool. While we have not had to lay off any employees, we did eliminate seven full-time and five part-time positions through attrition without decreasing any service levels to include Public Safety.

As shown in the table below, a comparison of revenue trends between Fiscal Year 2008 and 2009 depicts a slight increase in property tax revenues related to growth, a decrease in the valuation of existing properties, combined with a 0.0558 mill increase in the ad valorem rate. Franchise fee and utility tax collections increased some 13% due in part to the results of an audit related to the remittances for the Huntington subdivision and an increase in occupied units in Lake Mary Landings. Several new commercial establishments including the Marriott Residence Inn in the Florida Power & Light service area also contributed to the increased amounts received. A one-time adjustment of \$91,894 and resulting increased monthly remittance amounts for the telecommunication service tax collections also created year over year increased revenues. Building licenses and permits reflect a

decrease over the prior year due to a reduction in construction related activities. Impact fee/assessment revenue decreases are due to a significant reduction in the number of permits issued. Only one single family home permit was issued for the entire fiscal year. The Charges for Services increase is reflective of the first full year of Events Center rental revenues and projected fee increases as well as increased collections of rescue transport fees. Investment earnings increased by 14 percent. Fines and Forfeitures overall saw a decline in revenues, however, a single receipt of \$71,990 related to a regional Drug Enforcement Task Force case increased the category for FY2009.

<b>Revenue Trends</b>				
(amounts shown in the thousands)				
	2008	2009	Increase /	% Increase /
	Total	Total	(Decrease)	(Decrease)
<b>Revenues</b>				
Property taxes	\$ 7,762	\$ 7,919	\$ 157	2%
Franchise and utility taxes	6,136	6,938	802	13%
Licenses/Permits	1,153	706	(447)	-39%
Intergovernmental	1,887	2,131	244	13%
Charges for services	718	1,047	329	46%
Impact fees/assessments	142	52	(90)	-63%
Fines and forfeitures	163	217	54	33%
Investment earnings	572	654	82	14%
Miscellaneous	168	135	(33)	-20%
Total Revenue	<u>\$ 18,701</u>	<u>\$ 19,799</u>	<u>\$ 1,098</u>	

A comparison of the last two years of expenditures as shown below depicts an 85% reduction in capital outlay, a result of completing the City's new Events Center in 2008. Continued progress toward beautification and improvement of the downtown area comprise the Capital outlay expenditures for 2009. General government expenditures increased due to a reclassification of the Building Department from Public Safety and creation of a Facilities Maintenance Division. Debt Service costs increased with the initial principal and interest payments for the \$5,000,000 voter-approved bond issue which funded most of the cost of construction of the new Lake Mary Events Center.

<b>Expenditure Trends</b>				
(amounts shown in the thousands)				
	2008	2009	Increase /	% Increase /
	Total	Total	(Decrease)	(Decrease)
<b>Expenditures</b>				
General government	\$ 2,573	\$ 3,067	\$ 494	19%
Public works	991	961	(30)	-3%
Public safety	10,468	9,951	(517)	-5%
Parks and recreation	2,062	2,084	22	1%
Capital outlay	5,535	854	(4,681)	-85%
Debt service	1,359	1,621	262	19%
Total Expenditures	<u>\$ 22,988</u>	<u>\$ 18,538</u>	<u>\$ (4,450)</u>	

### Long-term financial planning

The City of Lake Mary currently has no debt in its Water and Sewer Fund. However, the City Commission has discussed retrofitting sanitary sewer in many of the subdivisions built prior to 1995 which now have septic systems. As a part of ongoing infrastructure improvements to the Downtown District, Phase 2 of a sanitary sewer project was completed. This portion serves twenty seven homes

and ten small commercial establishments. Also underway is design for an expansion of the reclaimed water system to retrofit the Hills of Lake Mary subdivision. The success of this project is expected to lead the way so that the City may achieve the goal of reduced reliance on potable water.

The City continues to be impacted by increased costs in those areas related to simply maintaining our current commitments. Examples include utilities, fuel, and technology costs. Lake Mary is committed to compensating its employees a fair wage and benefit package for both retention and recruiting purposes, the success of which is documented by an extremely low turnover rate in all departments.

### **Relevant financial policies**

Along with the annual budget each fiscal year, the City provides a comprehensive five-year projection. This plan details estimated personnel, operating and capital costs for continuing operations, and expansion plans for all City functions. All parties in the budget process are accountable for providing realistic and attainable projections so as to minimize deviations from the plan as each budget year proceeds. The projected General Fund budget is balanced by determining the ad valorem tax rate required for a balanced budget. This predictor of future millage rates provides the City Commission an insightful planning tool when making financial and economic decisions. The five-year plan is an essential component of the stability of the ad valorem tax rate which was increased by only 0.0558 mills for FY2009, leaving Lake Mary with one of the lowest millage rates of the seven cities in Seminole County.

It is the policy of the City, a long-standing goal of the City Commission, and management's position that the General Fund balance should always remain above 25% of projected expenditures and that the net assets of the Enterprise Funds are above 25% of current year expenditures. Resolution 800 provides the specific policy for these reserve requirements.

### **Major initiatives**

We continue to focus on redevelopment of our downtown which we all see as the future economic engine for our city. The on again off again commuter rail is now full speed ahead with a planned stop in Lake Mary. That alone provides the City so many opportunities to truly make the station not just a stop, but a destination. To that end, the City Commission has approved a Transit Oriented Development (TOD) plan which in effect provides an opportunity for both infill development and the future integration of existing rail infrastructure. While the Commission has now accepted associated development standards that will certainly help potential developers realize a higher return on their investment, we still face infrastructure challenges to include parking and what to do with stormwater. That's why it is so important that the City not just sit by and watch from the sidelines, but truly become a partner in helping both the current downtown area and those properties to the east of the existing tracks become a true TOD where people of all ages can live, work and play in a community that has it all!

Roadway improvements are an ongoing challenge as more and more people and businesses move into the area. One of the City's major projects currently in process is Sand Pond Road to Emma Oaks Trail via Skyline Drive. Improvements will include sidewalks for the entire corridor, bus pull-off areas, and a newly designed stormwater system which will address current flooding problems during major storm events. This project is being funded with 2nd Generation One-cent Sales Tax dollars through Seminole County.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Mary for its Comprehensive Annual Financial Report for the year ended September 30, 2008. This is the seventeenth consecutive year that the City of Lake Mary has achieved this prestigious award. In order to receive this Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report which must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Preparation of this Comprehensive Annual Financial Report on a timely basis is made possible through the efficient, dedicated and professional efforts of the Finance Department staff. The significant amount of year-end closing procedures required prior to the audit would not have been accomplished without much hard work and personal sacrifice.

Other City departments, although not extensively involved in year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. Without their diligence, the work of the Finance Department would have been considerably more difficult. Appreciation must also be expressed to the City's auditors whose suggestions and attention to detail enhanced the quality of this report.

In closing, special thanks go to the Mayor and Commission for their unyielding support and steadfast commitment to maintaining the financial integrity of the City. With their leadership, Lake Mary indeed has a secure financial future without compromising a total quality of life second to no other community in this area.

Respectfully submitted,

*John C. Litton*

John C. Litton  
City Manager

*Jacqueline B. Sova*

Jacqueline B. Sova  
Assistant City Manager/Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lake Mary  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

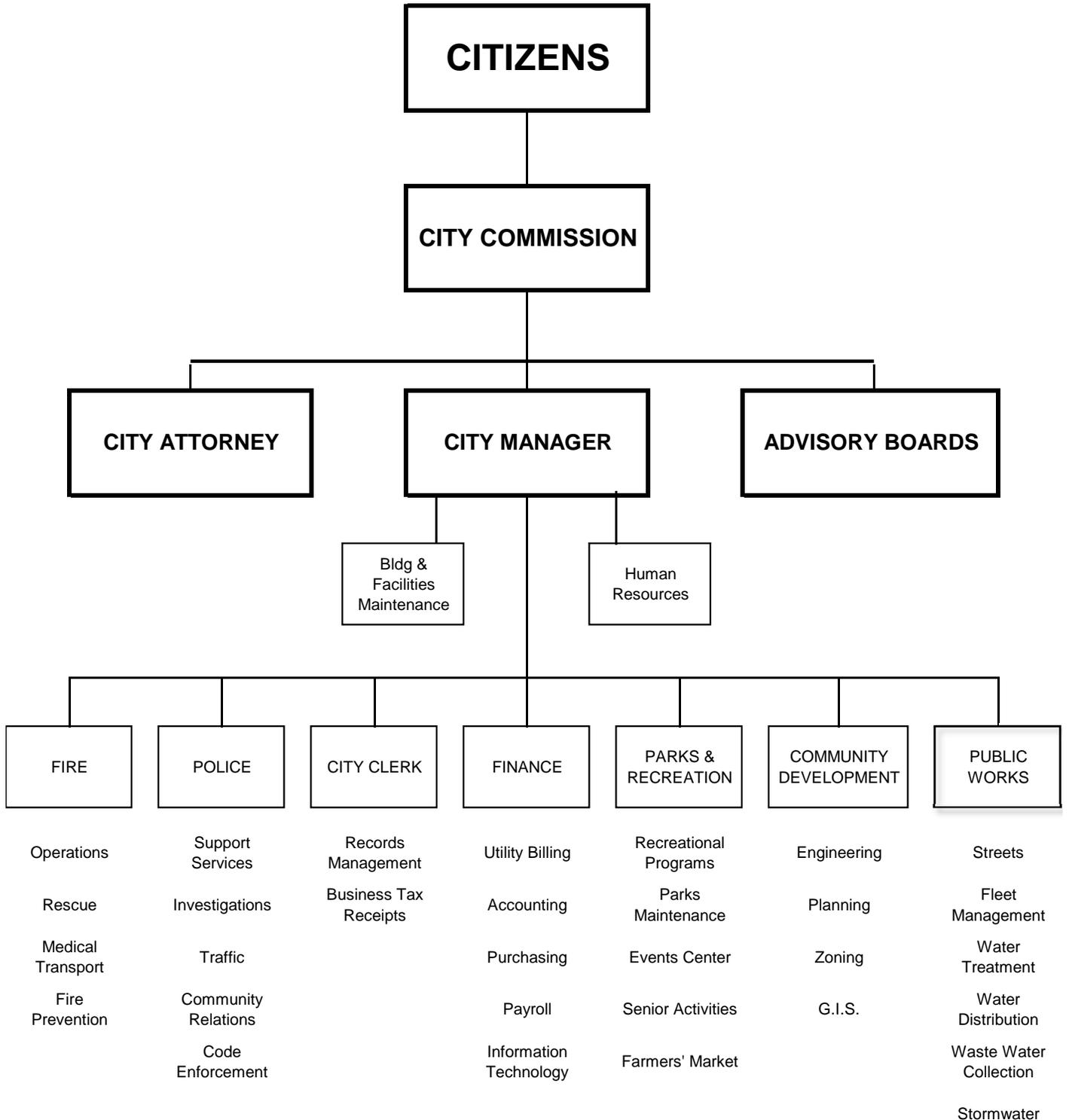
President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

# CITY OF LAKE MARY, FLORIDA

## ORGANIZATIONAL CHART



**CITY OF LAKE MARY, FLORIDA  
PRINCIPAL CITY OFFICIALS  
SEPTEMBER 30, 2009**

**CITY COMMISSION**

David Mealor, Mayor

Gary L. Brender, Deputy Mayor  
Shirley Gray

George F. Duryea  
Jo Ann Lucarelli

**ADMINISTRATION**

**CITY MANAGER**

John C. Litton

**ASST. CITY MANAGER / FINANCE DIRECTOR**

Jacqueline B. Sova

**CITY ATTORNEY**

Catherine Reischmann

**CITY CLERK**

Carol A. Foster

**FINANCE MANAGER**

Jean K. McCarthy

**COMMUNITY DEVELOPMENT DIRECTOR**

Juan A. Omana, Jr.

**PUBLIC WORKS DIRECTOR**

Bruce Paster

**PARKS & RECREATION DIRECTOR**

William C. Carrico

**POLICE CHIEF**

Steve Bracknell

**FIRE CHIEF**

Craig E. Haun

## **FINANCIAL SECTION**

Report of Independent Certified Public Accountants  
Management's Discussion and Analysis  
Basic Financial Statements  
Combining and Individual Fund Statements and Schedules



*This page intentionally left blank.*

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Commissioners  
*City of Lake Mary, Florida*

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 Lake Mary, Florida*, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Lake Mary, Florida*, as of September 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MCDIRMIT DAVIS & COMPANY, LLC  
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801  
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MCDIRMITDAVIS.COM

In accordance with *Government Auditing Standards*, we have also issued a report dated February 3, 2010 on our consideration of the *City of Lake Mary, Florida's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis section on pages 13 through 23 and pension and other postemployment benefits disclosures on pages 65 to 66 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Mary, Florida basic financial statements. The introductory section, combining and individual fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McDiernit Davis & Company, LLC*

February 3, 2010

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

As management of The City of Lake Mary (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

**Financial Highlights**

- The assets of the City of Lake Mary exceeded its liabilities at September 30, 2009 by \$89,624,028 (net assets). Of this amount, \$29,251,956 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3,093,133 (or 3.6%) due primarily to an increase in current and other assets. Governmental total net assets increased by \$2,712,554 (or 5.1%) while business-type activities increased by \$380,579 (or 1.1%).
- As of the close of the current fiscal year, the City of Lake Mary's governmental funds reported combined ending fund balances of \$17,417,280, an increase of \$2,166,331 in comparison with the prior year. Approximately 83.2% of this amount, or \$14,493,283, is available for spending at the City's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$13,370,140, or 75.2% of total expenditures and transfers out.
- Net Assets of the Police Officers' and Firefighters' Pension Trust Funds increased by \$478,859 and \$873,720 respectively.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Lake Mary'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 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 Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, streets, and parks and recreation. The business-type activities of the City consist of the water, sewer, and stormwater systems.

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

The government-wide financial statements include only the City of Lake Mary (known as the primary government). There are no component units.

The government-wide financial statements can be found on pages 27-28 of this report.

**Fund financial statements**

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and the General Capital Projects Fund, which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in this report, immediately following the notes to the financial statements.

The City adopts an annual appropriated budget for its General Fund, and most Special Revenue Funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements may be found immediately following the government-wide financial statements. The budgetary comparison schedule for the General Fund can be found following the basic governmental fund financial statements.

**Proprietary funds.** The City maintains two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, and stormwater systems. Internal service funds are an accounting device used to accumulate and allocate costs internally among a government's various functions. The City utilizes an internal service fund for its fleet operations. Because services accounted for in the internal service fund predominately benefit governmental rather than business-type functions, it has been included within the governmental activities in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund (which is considered to be a major fund of the City) and the Stormwater Fund. The internal service fund is presented separately in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 34-39 of this report.

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. 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 used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 40-41 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements 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 immediately following the required supplemental information section of this report. Combining and individual non-major governmental fund schedules can be found following the notes to the financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets of the City exceeded liabilities by \$89,624,028 at the close of fiscal year ended September 30, 2009. At the end of fiscal year 2009, the City was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business type activities.

Statement of Net Assets  
As of September 30,

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 21,008,837	\$ 18,338,013	\$ 13,594,896	\$ 12,339,664	\$ 34,603,733	\$ 30,677,677
Restricted assets	267,849	216,869	915,111	1,917,838	1,182,960	2,134,707
Capital assets	46,319,645	47,527,947	20,119,268	19,790,603	66,438,913	67,318,550
Total assets	<u>67,596,331</u>	<u>66,082,829</u>	<u>34,629,275</u>	<u>34,048,105</u>	<u>102,225,606</u>	<u>100,130,934</u>
Current liabilities	908,518	993,197	670,882	485,397	1,579,400	1,478,594
Non-current liabilities outstanding	9,547,849	10,711,869	294,447	294,448	9,842,296	11,006,317
Other liabilities (comp abs & opeb)	1,110,666	1,061,019	69,216	54,109	1,179,882	1,115,128
Total liabilities	<u>11,567,033</u>	<u>12,766,085</u>	<u>1,034,545</u>	<u>833,954</u>	<u>12,601,578</u>	<u>13,600,039</u>
Net assets invested in capital assets, net of related debt	37,039,645	37,032,947	20,119,268	19,790,603	57,158,913	56,823,550
Net assets restricted for capital improvement	2,592,495	2,350,866	620,664	1,623,390	3,213,159	3,974,256
Unrestricted net assets	16,397,158	13,932,931	12,854,798	11,800,158	29,251,956	25,733,089
Total net assets	<u>\$ 56,029,298</u>	<u>\$ 53,316,744</u>	<u>\$ 33,594,730</u>	<u>\$ 33,214,151</u>	<u>\$ 89,624,028</u>	<u>\$ 86,530,895</u>

The largest portion of the City's net assets \$57,158,913 or 63.8% reflect its investment in capital assets (e.g., land, buildings, improvements, infrastructure, vehicles and equipment) less any related outstanding debt used to acquire those assets. 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 capital asset to net asset ratio was 65.7% in the prior year. Major capital projects completed for the current year include downtown land purchases of \$355,414 and Downtown Fountain and amenities at \$60,691. It should be noted that in accordance with GASB 34, the City includes all infrastructure assets within the government wide statement of net assets. An additional portion of the City's net assets (3.6%) represents resources that are subject to external restrictions on how they may be used. Assets

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

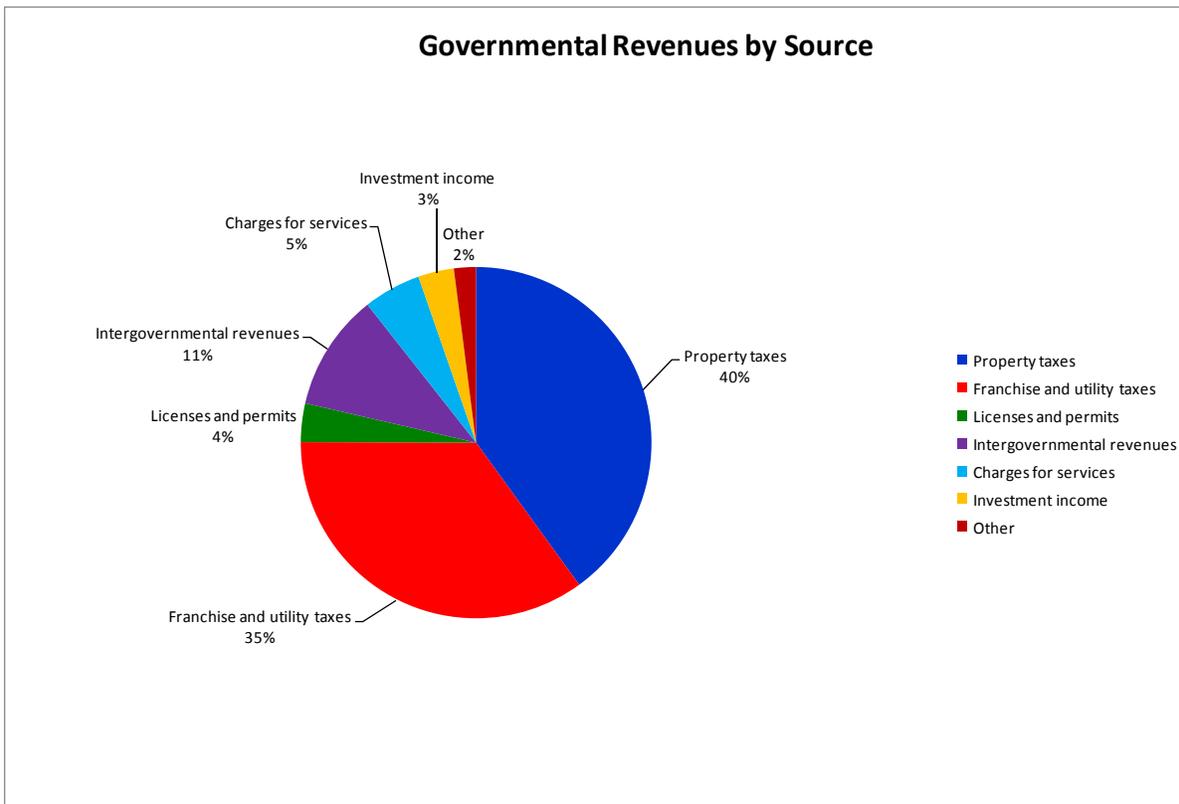
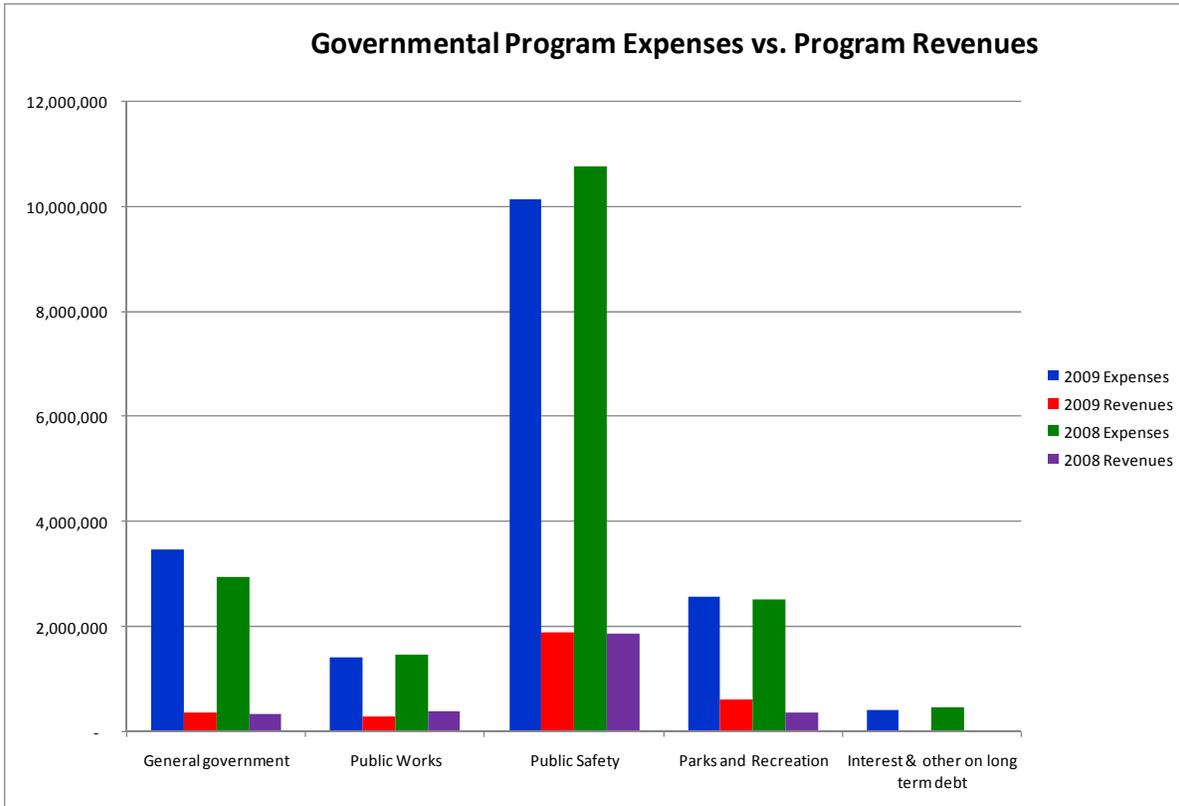
restricted for capital improvements include the Capital Projects Fund for various public improvement projects in progress as well as customer deposits and unspent impact fees in the Water and Sewer Fund.

Unrestricted net assets for governmental activities increased by \$2,464,227, due to the overall increase in net assets while capital assets and restricted capital remained fairly level. Unrestricted net assets increased for business-type activities by \$1,054,640 due to the completion of all capital projects reducing net assets restricted for capital improvement.

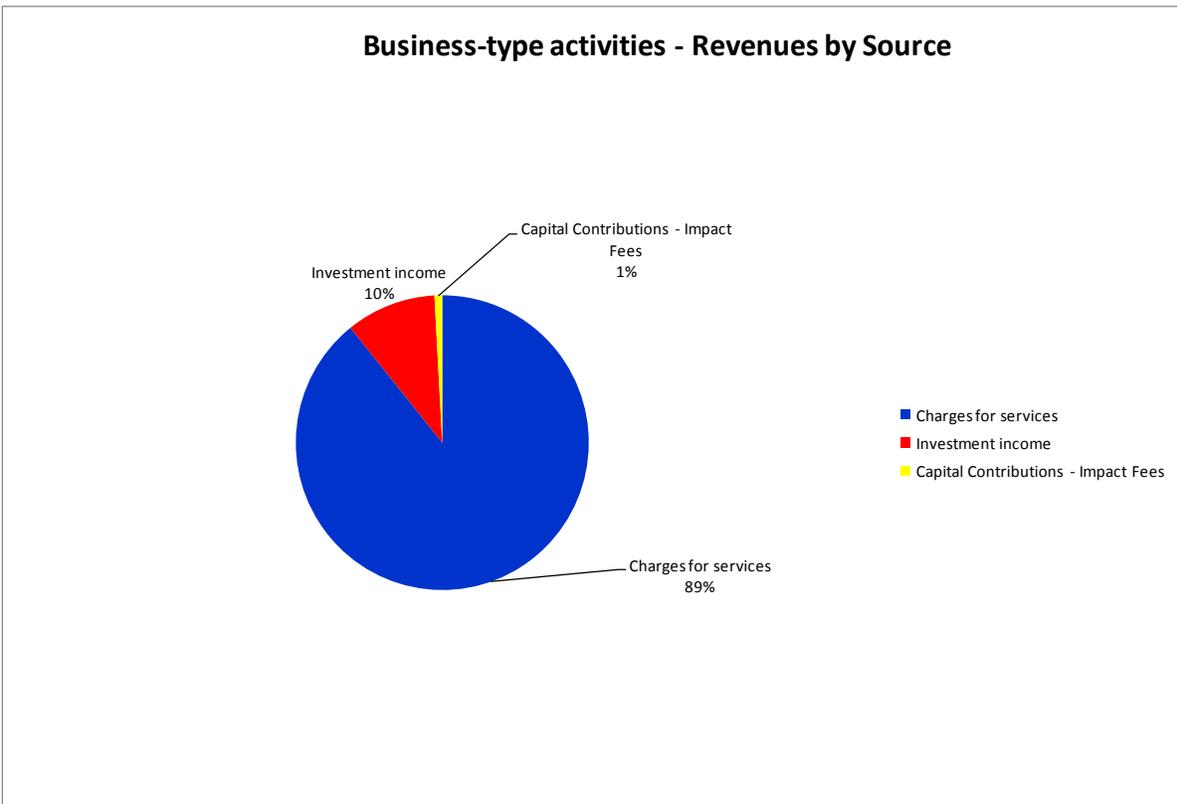
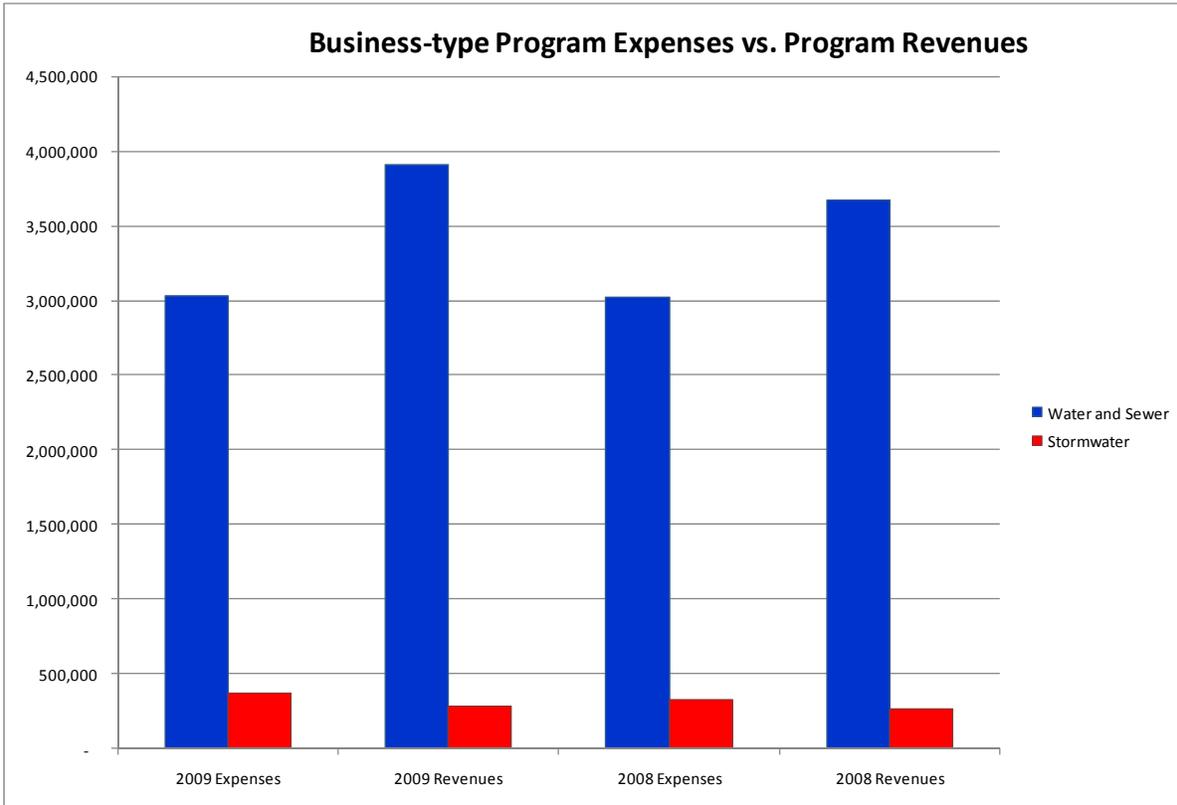
Changes In Net Assets  
For the Year Ended September 30,

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 2,031,738	\$ 2,187,440	\$ 4,188,023	\$ 3,943,093	\$ 6,219,761	\$ 6,130,533
Operating grants and contributions	916,509	491,921	-	-	916,509	491,921
Capital grants and contributions	184,807	241,895	39,679	130,220	224,486	372,115
General revenues:						
Property taxes	7,918,725	7,762,337	-	-	7,918,725	7,762,337
Other taxes	6,938,509	6,135,776	-	-	6,938,509	6,135,776
Other revenues	1,808,858	1,881,549	464,502	413,655	2,273,360	2,295,204
Total revenues	<u>19,799,146</u>	<u>18,700,918</u>	<u>4,692,204</u>	<u>4,486,968</u>	<u>24,491,350</u>	<u>23,187,886</u>
Expenses:						
General government	3,457,093	2,939,839	-	-	3,457,093	2,939,839
Public works	1,415,428	1,451,998	-	-	1,415,428	1,451,998
Public safety	10,145,667	10,724,782	-	-	10,145,667	10,724,782
Parks and recreation	2,562,519	2,513,783	-	-	2,562,519	2,513,783
Interest and other on long term debt	410,885	449,057	-	-	410,885	449,057
Water and sewer	-	-	3,032,491	3,025,014	3,032,491	3,025,014
Stormwater	-	-	374,134	325,587	374,134	325,587
Total expenses	<u>17,991,592</u>	<u>18,079,459</u>	<u>3,406,625</u>	<u>3,350,601</u>	<u>21,398,217</u>	<u>21,430,060</u>
Increase (decrease) in net assets before transfers	<u>1,807,554</u>	<u>621,459</u>	<u>1,285,579</u>	<u>1,136,367</u>	<u>3,093,133</u>	<u>1,757,826</u>
Transfers	<u>905,000</u>	<u>785,000</u>	<u>(905,000)</u>	<u>(785,000)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>2,712,554</u>	<u>1,406,459</u>	<u>380,579</u>	<u>351,367</u>	<u>3,093,133</u>	<u>1,757,826</u>
Net assets - October 1	<u>53,316,744</u>	<u>51,910,285</u>	<u>33,214,151</u>	<u>32,862,784</u>	<u>86,530,895</u>	<u>84,773,069</u>
Net assets - September 30	<u>\$ 56,029,298</u>	<u>\$ 53,316,744</u>	<u>\$ 33,594,730</u>	<u>\$ 33,214,151</u>	<u>\$ 89,624,028</u>	<u>\$ 86,530,895</u>

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**



**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**



**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**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 September 30, 2009, the City's governmental funds reported combined ending fund balances of \$17,417,280, an increase of \$2,166,331 compared with the prior year. Approximately 83.2 percent of fund balance, or \$14,493,283 constitutes unreserved fund balance, which is available for spending at the City's discretion. The remainder of fund balance, \$2,923,997, is reserved to indicate that it is not available for new spending because it has already been committed for debt service payments, capital projects, inventories and prepaid items.

The General Fund is the primary operating fund of the City. At September 30, 2009, the unreserved fund balance of the General Fund was \$13,370,140 while the total fund balance was \$13,375,292. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 89.3 percent of total General Fund expenditures, while total fund balance represents 89.3 percent of that same amount.

The fund balance of the City's General Fund increased \$1,804,897 during the fiscal year. This increase in fund balance can be attributed to an increase in the charges for service which includes event center revenues and a significant increase in franchise utility taxes, as well as a reduction of \$1.2 million in general government spending and a reduction of \$2.9 million in parks and recreation spending.

Changes in Governmental Fund Balance  
For the Year Ended September 30,

	2009	2008
<b>REVENUES</b>		
Taxes	\$ 14,857,234	\$ 13,898,113
Licenses and permits	705,970	1,153,417
Intergovernmental revenues	2,130,670	1,887,561
Charges for services/fines	1,264,412	880,771
Impact fees/assessments	51,840	141,619
Investment and other income	789,020	739,437
Total revenues	<u>19,799,146</u>	<u>18,700,918</u>
<b>EXPENDITURES</b>		
General government	3,862,090	5,063,524
Public works	963,649	1,054,501
Public safety	10,007,676	10,521,860
Parks and recreation	2,083,613	4,989,018
Debt service	1,620,787	1,358,959
Total expenditures	<u>18,537,815</u>	<u>22,987,862</u>
over(under) expenditures	<u>1,261,331</u>	<u>(4,286,944)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	3,735,138	3,307,751
Transfers out	(2,830,138)	(2,522,751)
Total other financing source (use)	<u>905,000</u>	<u>785,000</u>
Net change in fund balances	<u>2,166,331</u>	<u>(3,501,944)</u>
Fund balances - beginning	<u>15,250,949</u>	<u>18,752,893</u>
Fund balances - end	<u>\$ 17,417,280</u>	<u>\$ 15,250,949</u>

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

General Capital Projects Fund provides for the purchase of equipment, major maintenance projects and construction and/or purchase of general capital assets. The Capital Projects Fund is funded through transfers from the General Fund based on approved projects.

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

At September 30, 2009, unrestricted net assets of the Water and Sewer Fund amounted to \$11,975,671, unrestricted net assets of the Stormwater Utility Fund were \$879,127, and net assets restricted for capital improvement in the Water and Sewer Fund were \$620,664. This reduction in was due to the completion of Downtown Sewer Lines, Mill Creek Pond and the Aquifer Monitoring Wells in the amount of \$1,076,451.

**General Fund Budgetary Highlights**

Final amended General Fund appropriations were \$17,246,614, and actual expenditures (budgetary basis) \$14,975,791. General Fund revenues exceeded the original budget by \$817,623, an increase of 4.6 percent. The significant budget to actual differences are summarized by the following:

- \$438,161 Electric Utility Tax and Franchise Fee revenue increase due in part to the results of an audit related to the remittances for the Huntington subdivision and an increase in the number of units occupied in Lake Mary Landings in addition to several commercial properties.
- \$247,318 Communications Service tax revenue increase due to an independent audit of the state remittance system, including a \$91,894 one time adjustment and resulting increased monthly remittances.
- \$156,031 increase in Event Center rental revenues reflecting first full year of operations and fee increases.

Actual expenditures were less than amended appropriations by \$2,270,823, a variance of 13.2 percent, due to vigilance and reduction in overtime costs, not filling some vacant positions, reductions in insurance premiums, lower than expected fuel costs and restructuring within building department due to a reduction in demand for services. The City did not make a \$300,000 contribution to a community pool that was to be funded by the City, County and School Board as the project was cancelled.

Transfers to other funds were:

- \$1,176,350 to the Capital Projects Fund
- \$1,620,788 to Debt Service Funds

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2009, amounts to \$66,438,913 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, water and sewer system, stormwater system, intangible assets, infrastructure, vehicles and equipment. The total net decrease in the City's investment in capital assets for the current fiscal year was \$879,637 which includes depreciation expense of \$2,924,634.

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

- Downtown Fountain and amenities, current year costs of \$46,716 for a total of \$60,691
- Downtown Land Acquisition, current year costs of \$354,814 for a total of \$355,414
- Network upgrades for \$71,666
- Purchase of rescue equipment, two stretchers and chest compression devices for \$49,795
- City-wide Telephone system for \$133,431
- Replacement vehicles \$143,644
- Aquifer Monitoring Wells, current cost of \$149,831, total cost of \$273,923
- Rehab of Well #4, current costs \$104,365, total cost of \$149,005
- Phase II of the downtown sanitary sewer system, current costs of 287,873 for a total of \$333,669
- Mill Creek Pond, current costs of 441,808, total cost of \$468,859
- Reclaim (Feather Edge/Woodbridge), current cost of \$11,915, total \$23,675
- Water Line replacement (Ruskin/Short/4<sup>th</sup>), for \$41,071
- Water Plant Lightning Protection and Monitoring for \$20,487

Major capital assets included in Construction in Progress:

- Lake Mary Downtown, \$285,551
- Sand Pond/Skyline Dr improvements, \$129,693

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

Capital Assets (net of depreciation)  
As of September 30,

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 10,085,737	\$ 9,730,323	\$ 39,548	\$ 39,548	\$ 10,125,285	\$ 9,769,871
Buildings	17,971,187	18,853,688	200,600	212,400	18,171,787	19,066,088
Improvements other than bldg	1,880,051	2,045,246	-	-	1,880,051	2,045,246
Water/sewer system	-	-	18,111,205	17,283,124	18,111,205	17,283,124
Stormwater system	-	-	1,688,033	1,878,207	1,688,033	1,878,207
Intangible assets	46,582	58,717	27,090	37,926	73,672	96,643
Machinery and equipment	887,601	781,723	52,792	71,321	940,393	853,044
Vehicles	1,557,793	1,896,710	-	-	1,557,793	1,896,710
Infrastructure w restatement	13,471,001	13,916,530	-	-	13,471,001	13,916,530
Construction in progress	419,693	245,010	-	268,077	419,693	513,087
<b>Total</b>	<b>\$ 46,319,645</b>	<b>\$ 47,527,947</b>	<b>\$ 20,119,268</b>	<b>\$ 19,790,603</b>	<b>\$ 66,438,913</b>	<b>\$ 67,318,550</b>

Additional information on the City's capital assets can be found in Note 6 of the notes to the financial statements in this report.

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$9,280,000, which consists of bonds payable. Business-type activities have no outstanding debt.

Long Term Debt  
As of September 30,

	Governmental activities	
	2009	2008
PIRRB 2003	\$ 2,665,000	\$ 3,500,000
PIRRB 2007	6,615,000	6,995,000
<b>Total</b>	<b>\$ 9,280,000</b>	<b>\$ 10,495,000</b>

There are no limitations placed on the amount of debt the City may issue either by the City's charter, code of ordinances or by the Florida State Statutes. The City's charter does require voter referendum for any lease purchase contracts or any other unfunded multi-year contracts for the purchase of real property or the construction of any capital improvement, the repayment of which extends beyond the end of any fiscal year. However, in the case of the water and sewer fund the City Commission may declare an emergency to issue debt in order to meet a public emergency affecting the safety, health and welfare of the citizens where the requirements cannot be met through the prudent use of existing reserves.

Additional information on the City's long-term liabilities can be found in Notes 7 and 8 in the notes to the financial statements.

**CITY OF LAKE MARY, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2009**

***Economic Factors and Next Year's Budgets and Rates***

The local economy included employment and home value challenges reflective of those that plagued much of the nation in 2009. The unemployment rate for the City at September 30, 2009 was 11.5 percent, an increase of 5.4 percent from the prior year. The national unemployment rate for the same period was 9.8 percent. A portion of the City and its targeted industry area is located within the Interstate-4 proximity known as a high-tech corridor spanning from Tampa to Daytona Beach, Florida. This area has typically been an economic and employment stronghold for the City and is expected to thrive and expand again as the economy improves.

Owing to the decline in overall economic conditions, the taxable value of real property decreased 13.16 percent while the value of personal property declined by almost 3.0 percent in fiscal year 2009.

The City's elected and appointed officials considered many factors when adopting the fiscal year end 2010 budget. The adopted ad valorem rate of 3.6355 mills for FY 2009 remained the same for FY 2010. In keeping with Florida legislation passed in 2007, the City kept its tax rate within the growth rate in Florida per capita personal income as calculated by the State of Florida at 1.0415 percent for the same time period. The intent of this legislation was to provide tax relief from the increased valuations caused by the recent economic boom when the City's tax base grew at a rapid pace. The impact of a stable tax rate but declining property values is an anticipated \$679,670 decline in ad valorem revenues.

Several items pertaining to the City's continuing achievements of building a community where there is an excellent quality of life while sustaining service levels as the community continues to grow are scheduled to continue or begin in the new fiscal year. The Downtown Development Area encompassing a recently adopted Transit Oriented Development District continues to be a focus for the community. Scheduled to proceed are efforts at additional beautification and development within the area. Included in economic development plans for continuing to attract high quality businesses to our area are opportunities for participation with incentive programs potentially including the State of Florida and Seminole County. Also on the horizon is a much anticipated commuter rail system that will have a station in the downtown district. This long-planned system is expected to be operational in 2012.

During the budget process the City officials recognized the need to consider a Stormwater Fee study within the 5-year planning timeframe to ensure that revenue source can continue to match planned projects and operations.

Renewal of the City's exclusive solid waste franchise in March of 2009, included rate increases for residential and commercial customers. A major component of the contract brought a change to residential service enhancing curbside recycling service. This increase in the volume of recycling provided the City with a new revenue stream in partnership with Seminole County in the form of a cash incentive for reducing the waste stream at the county landfill. This new service delivery model is also expected to minimize the potential for a rate increase request through 2011.

***Requests for Information***

This financial report is designed to provide a general overview of the City's finances for all of those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, P.O. Box 958445, Lake Mary, Florida 32795.



*This page intentionally left blank.*

## **BASIC FINANCIAL STATEMENTS**



*This page intentionally left blank.*

**City of Lake Mary, Florida**  
**Statement of Net Assets**  
**As of September 30, 2009**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,081,970	\$ 609,719	\$ 4,691,689
Investments	15,624,695	11,824,628	27,449,323
Interest receivable	60,092	39,600	99,692
Accounts receivable (net of allowance for uncollectibles)	656,201	366,989	1,023,190
Due from other governmental units	397,901	-	397,901
Unbilled service charges	898	122,392	123,290
Special assessments - current	2,925	126,227	129,152
Inventories	64,361	57,748	122,109
Prepaid items	1,970	42,509	44,479
Bond issuance costs	55,016	-	55,016
Restricted assets:			
Temporarily restricted cash or investments:	267,849	915,111	1,182,960
Pension assets	62,808	-	62,808
Special assessments noncurrent	-	342,618	342,618
Unamortized sewer capacity	-	62,466	62,466
Capital assets not being depreciated:			
Land	10,085,737	39,548	10,125,285
Construction in progress	419,693	-	419,693
Capital assets net of accumulated depreciation:			
Buildings	17,971,187	200,600	18,171,787
Improvements other than buildings	1,880,051	-	1,880,051
Water/sewer system	-	18,111,205	18,111,205
Stormwater system	-	1,688,033	1,688,033
Intangible assets	46,582	27,090	73,672
Machinery and equipment	887,601	52,792	940,393
Vehicles	1,557,793	-	1,557,793
Infrastructure	13,471,001	-	13,471,001
Total assets	<u>67,596,331</u>	<u>34,629,275</u>	<u>102,225,606</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	816,648	570,679	1,387,327
Unearned revenue	91,870	100,203	192,073
Noncurrent liabilities:			
Liabilities payable from restricted assets	267,849	294,447	562,296
Due within one year	1,261,942	5,163	1,267,105
Due in more than one year	9,128,724	64,053	9,192,777
Total liabilities	<u>11,567,033</u>	<u>1,034,545</u>	<u>12,601,578</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	37,039,645	20,119,268	57,158,913
Restricted for capital improvement	2,592,495	620,664	3,213,159
Unrestricted	16,397,158	12,854,798	29,251,956
Total net assets	<u>\$ 56,029,298</u>	<u>\$ 33,594,730</u>	<u>\$ 89,624,028</u>

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

**City of Lake Mary, Florida**  
**Statement of Activities**  
**For the Year Ended September 30, 2009**

Functions/Programs	Program Revenues				Net (Expense) Revenue Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Government activities:							
General government	\$ 3,457,093	\$ 175,825	\$ -	\$ 182,081	\$ (3,099,187)	\$ -	\$ (3,099,187)
Public works	1,415,428	1,194	282,022	2,726	(1,129,486)	-	(1,129,486)
Public safety	10,145,667	1,247,897	634,378	-	(8,263,392)	-	(8,263,392)
Parks and recreation	2,562,519	606,822	109	-	(1,955,588)	-	(1,955,588)
Interest & other fiscal charges on long-term debt	410,885	-	-	-	(410,885)	-	(410,885)
Total governmental activities	<u>17,991,592</u>	<u>2,031,738</u>	<u>916,509</u>	<u>184,807</u>	<u>(14,858,538)</u>	<u>-</u>	<u>(14,858,538)</u>
Business-type activities:							
Water and Sewer	3,032,491	3,905,308	-	39,679	-	912,496	912,496
Stormwater	374,134	282,715	-	-	-	(91,419)	(91,419)
Total business-type activities	<u>3,406,625</u>	<u>4,188,023</u>	<u>-</u>	<u>39,679</u>	<u>-</u>	<u>821,077</u>	<u>821,077</u>
Total primary government	<u>\$ 21,398,217</u>	<u>\$ 6,219,761</u>	<u>\$ 916,509</u>	<u>\$ 224,486</u>	<u>(14,858,538)</u>	<u>821,077</u>	<u>(14,037,461)</u>
General revenues:							
Property taxes					7,918,725	-	7,918,725
Franchise & utility taxes					6,938,509	-	6,938,509
Unrestricted intergovernmental revenues					1,019,838	-	1,019,838
Unrestricted investment earnings					653,956	464,502	1,118,458
Gain on sale of capital assets					6,494	-	6,494
Miscellaneous revenues					128,570	-	128,570
Transfers					905,000	(905,000)	-
Total general revenues and transfers					<u>17,571,092</u>	<u>(440,498)</u>	<u>17,130,594</u>
Change in net assets					<u>2,712,554</u>	<u>380,579</u>	<u>3,093,133</u>
Net assets - beginning					<u>53,316,744</u>	<u>33,214,151</u>	<u>86,530,895</u>
Net assets - ending					<u>\$ 56,029,298</u>	<u>\$ 33,594,730</u>	<u>\$ 89,624,028</u>

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

**City of Lake Mary, Florida  
Balance Sheet  
Governmental Funds  
As of September 30, 2009**

	General Fund	General Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,731,242	\$ 1,426,008	\$ 522,924	\$ 3,680,174
Investments	11,285,409	1,307,211	921,474	13,514,094
Interest receivable	41,040	8,173	3,349	52,562
Receivables (net of allow- ance for uncollectibles)	656,201	-	-	656,201
Unbilled service charges	-	-	898	898
Due from other governments	347,834	50,067	-	397,901
Special assessments-current	-	-	2,925	2,925
Inventories	3,302	-	-	3,302
Prepaid items	1,850	-	-	1,850
Restricted cash and cash equivalents	267,849	-	-	267,849
Total Assets	<u>\$ 14,334,727</u>	<u>\$ 2,791,459</u>	<u>\$ 1,451,570</u>	<u>\$ 18,577,756</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 266,055	\$ 198,964	\$ 2,077	\$ 467,096
Accrued liabilities	299,514	-	-	299,514
Due to other governments	8,319	-	-	8,319
Deferred revenue	91,870	-	-	91,870
Other liabilities	25,828	-	-	25,828
Liabilities payable from restricted assets	267,849	-	-	267,849
Total Liabilities	<u>959,435</u>	<u>198,964</u>	<u>2,077</u>	<u>1,160,476</u>
<b>FUND BALANCES</b>				
Reserved for:				
Inventories	3,302	-	-	3,302
Prepaid items	1,850	-	-	1,850
Debt service	-	-	326,350	326,350
Capital projects	-	2,592,495	-	2,592,495
Unreserved reported in:				
General fund	13,370,140	-	-	13,370,140
Special revenue funds	-	-	1,123,143	1,123,143
Total fund balances	<u>13,375,292</u>	<u>2,592,495</u>	<u>1,449,493</u>	<u>17,417,280</u>
Total liabilities and fund balances	<u>\$ 14,334,727</u>	<u>\$ 2,791,459</u>	<u>\$ 1,451,570</u>	<u>\$ 18,577,756</u>

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

**City of Lake Mary, Florida**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Assets**  
**As of September 30, 2009**

---

Total governmental funds fund balance		\$ 17,417,280
Amounts reported for governmental net assets in the statement of net assets (page 27) are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds		44,757,402
Internal service funds are used by management to charge the cost of fleet management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		4,103,181
Prepaid costs of bond issuance should be recorded as an asset and amortized over the life of the issuance.		
Total issuance cost 2003	\$ 22,600	
Less: amortization over 10 years (yr 7)	(15,820)	6,780
Total issuance cost 2007	56,750	
Less: amortization over 20 years (yr 3)	<u>(8,514)</u>	48,236
The noncurrent portion of compensated absences is not due and payable in the current period and therefore, is not reported in the funds		(1,028,971)
The long-term portion of bonds payable is not due and payable in the current period, and therefore, is not reported in the funds		(8,020,000)
The current portion of bonds payable is not recorded as a liability in governmental funds balance sheet		(1,260,000)
The cumulative net pension contribution in excess of the annual required contribution is presented as an asset on the entity-wide statement of net assets in accordance with GASB Statement No. 27		62,808
The net other post employment benefits obligation is not recorded as a liability in governmental funds balance sheet.		(57,418)
Net assets of governmental activities		<u><u>\$ 56,029,298</u></u>

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

**City of Lake Mary, Florida**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Governmental Fund Types**  
**For the Year Ended September 30, 2009**

	<u>General Fund</u>	<u>General Capital Projects</u>	<u>Other Government Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 7,918,725	\$ -	\$ -	\$ 7,918,725
Franchise and utility taxes	6,938,509	-	-	6,938,509
Licenses and permits	705,970	-	-	705,970
Intergovernmental revenues	1,332,595	230,359	567,716	2,130,670
Charges for services	1,047,521	-	-	1,047,521
Impact fees/assessments	-	-	51,840	51,840
Fines and forfeitures	114,619	-	102,272	216,891
Investment income	521,003	93,853	39,100	653,956
Other	115,884	9,000	10,180	135,064
Total revenues	<u>18,694,826</u>	<u>333,212</u>	<u>771,108</u>	<u>19,799,146</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,022,638	44,685	-	3,067,323
Public works	638,650	322,273	-	960,923
Public safety	9,268,835	70,742	611,304	9,950,881
Parks and recreation	2,045,668	37,945	-	2,083,613
Debt service:				
Principal	-	-	1,215,000	1,215,000
Interest and other fiscal charges	-	-	405,787	405,787
Capital outlay:				
General government	-	794,767	-	794,767
Public works	-	2,726	-	2,726
Public safety	-	49,795	7,000	56,795
Total expenditures	<u>14,975,791</u>	<u>1,322,933</u>	<u>2,239,091</u>	<u>18,537,815</u>
Excess(deficiency) of revenues over(under) expenditures	<u>3,719,035</u>	<u>(989,721)</u>	<u>(1,467,983)</u>	<u>1,261,331</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	883,000	1,231,350	1,620,788	3,735,138
Transfers out	(2,797,138)	-	(33,000)	(2,830,138)
Total other financing sources (uses)	<u>(1,914,138)</u>	<u>1,231,350</u>	<u>1,587,788</u>	<u>905,000</u>
Net change in fund balances	1,804,897	241,629	119,805	2,166,331
Fund balances - beginning	11,570,395	2,350,866	1,329,688	15,250,949
Fund balances - end	<u>\$ 13,375,292</u>	<u>\$ 2,592,495</u>	<u>\$ 1,449,493</u>	<u>\$ 17,417,280</u>

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

**City of Lake Mary, Florida**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**To the Statement of Activities**  
**For the Year Ended September 30, 2009**

---

Amounts reported for governmental activities in the Statement of Activities (page 28) are different because:

Net change in fund balances -- total governmental funds \$ 2,166,331

Governmental funds report capital outlays as expenditures. In the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation during the current period

Expenditure for capital assets	\$ 854,288	
Reclassification of assets		
Current year depreciation	<u>(1,728,124)</u>	(873,836)

Repayment of bond principal is an expenditure in governmental funds, while repayment reduces long-term liabilities in the Statement of Activities. Issuance costs are an expenditure in governmental funds. In the Statement of Net Assets, issuance costs are amortized over the life of the issue.

Principal Payments	1,215,000	
Issuance Costs allocated expense	(2,260)	
Issuance Costs allocated expense	<u>(2,838)</u>	1,209,902

The Internal service fund is used by management to charge the costs of fleet management to individual funds. The change in net assets of the internal service fund is reported allocated to governmental activities. 244,304

Pension expenses recorded in the statement of activities which are in excess of the annual required pension contribution are considered to be assets and not expenses of the period. 14,558

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 governmental funds. (48,705)

Change in net assets of governmental activities (page 28) \$ 2,712,554

**City of Lake Mary, Florida  
General Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2009**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 7,880,922	\$ 7,880,922	\$ 7,918,725	\$ 37,803
Franchise and utility taxes	6,231,330	6,231,330	6,938,509	707,179
Licenses and permits	712,500	712,500	705,970	(6,530)
Intergovernmental revenues	1,508,551	1,517,828	1,332,595	(185,233)
Charges for services	864,700	864,700	1,047,521	182,821
Fines and forfeitures	133,700	133,700	114,619	(19,081)
Investment income	455,500	455,500	521,003	65,503
Other	90,000	95,720	115,884	20,164
Total revenues	<u>17,877,203</u>	<u>17,892,200</u>	<u>18,694,826</u>	<u>802,626</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,326,754	4,326,754	3,022,638	1,304,116
Public works	750,615	750,615	638,650	111,965
Public safety	9,873,522	9,882,519	9,268,835	613,684
Parks and recreation	2,274,600	2,286,726	2,045,668	241,058
Total expenditures	<u>17,225,491</u>	<u>17,246,614</u>	<u>14,975,791</u>	<u>2,270,823</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>651,712</u>	<u>645,586</u>	<u>3,719,035</u>	<u>3,073,449</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	883,000	883,000	883,000	-
Transfers out	(2,437,138)	(2,797,138)	(2,797,138)	-
Total other financing sources and uses	<u>(1,554,138)</u>	<u>(1,914,138)</u>	<u>(1,914,138)</u>	<u>-</u>
Net change in fund balances	(902,426)	(1,268,552)	1,804,897	3,073,449
Fund Balances at Beginning of Year	<u>11,570,395</u>	<u>11,570,395</u>	<u>11,570,395</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 10,667,969</u>	<u>\$ 10,301,843</u>	<u>\$ 13,375,292</u>	<u>\$ 3,073,449</u>

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

**City of Lake Mary, Florida**  
**Statement of Net Assets**  
**Proprietary Funds**  
**As of September 30, 2009**

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Stormwater Utility Fund	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 374,528	\$ 235,191	\$ 609,719	\$ 401,796
Investments	11,202,836	621,792	11,824,628	2,110,601
Interest receivable	37,042	2,558	39,600	7,530
Accounts receivable (net of allowance for uncollectibles)	342,661	24,328	366,989	-
Unbilled service charges	114,782	7,610	122,392	-
Special assessments - current	116,707	9,520	126,227	-
Inventories	57,748	-	57,748	61,059
Prepaid items	42,509	-	42,509	120
Total current assets	12,288,813	900,999	13,189,812	2,581,106
Noncurrent assets:				
Restricted investments:				
Customer deposits	294,447	-	294,447	-
Impact fee funds	620,664	-	620,664	-
Total restricted assets	915,111	-	915,111	-
Special assessments - noncurrent	342,618	-	342,618	-
Unamortized sewer capacity	62,466	-	62,466	-
Capital assets:				
Land	39,548	-	39,548	-
Buildings	472,000	-	472,000	-
Water/sewer system	22,589,200	-	22,589,200	-
Stormwater system	-	3,237,774	3,237,774	-
Machinery and equipment	266,380	14,975	281,355	-
Vehicles	-	-	-	4,260,678
Construction in progress	-	-	-	4,450
Less accumulated depreciation	(4,936,136)	(1,564,473)	(6,500,609)	(2,702,885)
Total capital assets (net of accumulated depreciation)	18,430,992	1,688,276	20,119,268	1,562,243
Total noncurrent assets	19,751,187	1,688,276	21,439,463	1,562,243
Total assets	\$ 32,040,000	\$ 2,589,275	\$ 34,629,275	\$ 4,143,349

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

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Fund	Stormwater Utility Fund	Total	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 429,220	\$ 11,974	\$ 441,194	\$ 11,020
Accrued liabilities	17,421	3,355	20,776	4,871
Due to other government	108,709	-	108,709	-
Compensated absences	4,675	488	5,163	1,942
Total current liabilities	<u>560,025</u>	<u>15,817</u>	<u>575,842</u>	<u>17,833</u>
Noncurrent liabilities:				
Liabilities payable from restricted assets:				
Customer deposits	294,447	-	294,447	-
Unearned revenue	100,203	-	100,203	-
Compensated absences	53,760	5,615	59,375	22,335
Other noncurrent liabilities	4,238	440	4,678	-
Total noncurrent liabilities	<u>452,648</u>	<u>6,055</u>	<u>458,703</u>	<u>22,335</u>
Total liabilities	<u>1,012,673</u>	<u>21,872</u>	<u>1,034,545</u>	<u>40,168</u>
<b>NET ASSETS</b>				
Net assets invested in capital assets	18,430,992	1,688,276	20,119,268	1,562,243
Restricted for capital improvement	620,664	-	620,664	-
Unrestricted	11,975,671	879,127	12,854,798	2,540,938
Total net assets	<u>\$ 31,027,327</u>	<u>\$ 2,567,403</u>	<u>\$ 33,594,730</u>	<u>\$ 4,103,181</u>



*This page intentionally left blank.*

**City of Lake Mary, Florida**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended September 30, 2009**

	<u>Business Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Water and Sewer Fund</u>	<u>Stormwater Utility Fund</u>	<u>Totals</u>	
<b>Operating revenues:</b>				
Charges for sales and services:				
Water sales	\$ 2,301,709	\$ -	\$ 2,301,709	\$ -
Sewer revenue	1,489,129	-	1,489,129	-
Stormwater fees	-	282,715	282,715	-
Other service charges	114,470	-	114,470	863,441
Total operating revenues	<u>3,905,308</u>	<u>282,715</u>	<u>4,188,023</u>	<u>863,441</u>
 Operating expenses				
Costs of operations	2,257,383	183,242	2,440,625	251,569
Administration	226,125	-	226,125	-
Depreciation	523,285	190,664	713,949	482,561
Amortization	24,216	-	24,216	-
OPEB Obligation	1,482	228	1,710	-
Total operating expenses	<u>3,032,491</u>	<u>374,134</u>	<u>3,406,625</u>	<u>734,130</u>
Operating income (loss)	<u>872,817</u>	<u>(91,419)</u>	<u>781,398</u>	<u>129,311</u>
 Nonoperating revenues (expenses):				
Investment income	434,649	29,853	464,502	86,374
Gain (loss) on sale of capital assets	-	-	-	6,493
Total nonoperating revenue (expense)	<u>434,649</u>	<u>29,853</u>	<u>464,502</u>	<u>92,867</u>
Income (loss) before contributions and transfers	<u>1,307,466</u>	<u>(61,566)</u>	<u>1,245,900</u>	<u>222,178</u>
Capital contributions - impact fees	39,679	-	39,679	-
Capital contributions - developers & others	-	-	-	22,126
Transfers out	(905,000)	-	(905,000)	-
Change in net assets	<u>442,145</u>	<u>(61,566)</u>	<u>380,579</u>	<u>244,304</u>
 Total net assets - beginning	<u>30,585,182</u>	<u>2,628,969</u>	<u>33,214,151</u>	<u>3,858,877</u>
Total net assets - ending	<u>\$ 31,027,327</u>	<u>\$ 2,567,403</u>	<u>\$ 33,594,730</u>	<u>\$ 4,103,181</u>

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

**City of Lake Mary Florida  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2009**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Stormwater Utility Fund	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 3,768,134	\$ 281,316	\$ 4,049,450	\$ -
Other operating cash receipts	114,470	-	114,470	-
Receipts from interfund services provided	-	-	-	874,400
Payments to suppliers	(1,551,004)	(49,835)	(1,600,839)	(69,572)
Payments to employees	(676,431)	(121,653)	(798,084)	(180,872)
Net cash provided by operating activities	<u>1,655,169</u>	<u>109,828</u>	<u>1,764,997</u>	<u>623,956</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(905,000)	-	(905,000)	-
Net cash provided (used) by capital and related financing activities	<u>(905,000)</u>	<u>-</u>	<u>(905,000)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions - impact fees	39,679	-	39,679	-
Acquisition and construction of capital assets	(1,042,614)	-	(1,042,614)	(125,968)
Proceeds from sales of capital assets	-	-	-	6,493
Net cash provided (used) by capital and related financing activities	<u>(1,002,935)</u>	<u>-</u>	<u>(1,002,935)</u>	<u>(119,475)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales or maturities of investments	3,970,321	157,126	4,127,447	438,834
Purchases of investments	(5,701,864)	(334,191)	(6,036,055)	(1,331,119)
Interest and dividends received	393,635	25,341	418,976	71,631
Net cash provided (used) by investing activities	<u>(1,337,908)</u>	<u>(151,724)</u>	<u>(1,489,632)</u>	<u>(820,654)</u>
Net increase (decrease) in cash and cash equivalents	(1,590,674)	(41,896)	(1,632,570)	(316,173)
Cash and cash equivalents October 1	1,965,202	277,087	5,681,977	717,969
Cash and cash equivalents September 30	<u>\$ 374,528</u>	<u>\$ 235,191</u>	<u>\$ 609,719</u>	<u>\$ 401,796</u>

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

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Stormwater Utility Fund	Totals	
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 872,817	\$ (91,419)	\$ 781,398	\$ 129,311
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	523,285	190,664	713,949	482,561
Amortization expense	24,216	-	24,216	-
(Increase) decrease in customer accounts receivable	(71,938)	(1,279)	(73,217)	10,959
(Increase) decrease in unbilled service charges	(19,137)	(120)	(19,257)	-
(Increase) decrease in special assessments	68,371	-	68,371	-
(Increase) decrease in inventory	(19,515)	-	(19,515)	(8,929)
(Increase) decrease in prepaid items	88,461	-	88,461	(120)
Increase (decrease) in customer deposits	(1)	-	(1)	-
Increase (decrease) in accounts payable	258,788	9,021	267,809	8,393
Increase (decrease) accrued expenses	(11,967)	1,413	(10,554)	914
Increase (decrease) in OPEB obligation	1,482	228	1,710	-
Increase (decrease) in compensated absences payable	11,006	1,320	12,326	867
Increase (decrease) in unearned revenue	(16,000)	-	(16,000)	-
Increase (decrease) in due to other funds	(54,699)	-	(54,699)	-
Total adjustments	<u>782,352</u>	<u>201,247</u>	<u>983,599</u>	<u>494,645</u>
Net cash provided by operating activities	<u>\$ 1,655,169</u>	<u>\$ 109,828</u>	<u>\$ 1,764,997</u>	<u>\$ 623,956</u>

The Water and Sewer Fund had a non-cash gain in the fair value of investments of \$108,958; the Stormwater Fund had a non-cash gain in the fair value of investments of \$8,550; and the Internal Service Fund had a non-cash capital contribution of \$22,126 and a non-cash gain in the fair value of investments of \$25,169.

**City of Lake Mary, Florida**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**As of September 30, 2009**

---

	Total Employee Pension Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,519,548
Receivables:	
Accounts receivable	380
Interest receivable	54,611
Notes receivable - employee	11,399
Contributions receivable - employer	15,496
Total receivables	81,886
Investments at fair value	
Domestic corporate & Govt bonds	6,126,781
Domestic stocks	9,669,308
Other securities	1,310,096
Total investments	17,106,185
Prepaid expenses	2,661
Total assets	18,710,280
<b>LIABILITIES</b>	
Accounts payable	22,738
Total liabilities	22,738
<b>NET ASSETS</b>	
Held in trust for pension benefits	\$ 18,687,542

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

**City of Lake Mary, Florida**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2009**

---

	<u>Total Employee Pension Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer contributions	\$ 1,248,942
State contributions	567,716
Employee contributions	<u>333,229</u>
Total contributions	<u>2,149,887</u>
Investment earnings	
Interest	457,720
Net increase (decrease) in fair value of investments	<u>(171,137)</u>
Net investment earnings (loss)	<u>286,583</u>
Total additions	<u>2,436,470</u>
<b>DEDUCTIONS</b>	
Benefit payments	342,554
Refunds of contributions	1,808
Administrative expenses	<u>130,392</u>
Total deductions	<u>474,754</u>
Change in net assets	1,961,716
Net assets - beginning	<u>16,725,826</u>
Net assets - ending	<u><u>\$ 18,687,542</u></u>

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

**CITY OF LAKE MARY, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2009**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Lake Mary, Florida ("the City"), a municipality incorporated under Chapter 73-422, Laws of Florida, in 1973, operates under the Commission – City Manager form of government. The City is located near the center of the State of Florida in the northwest part of Seminole County.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow.

**A. Reporting Entity:**

The city is a municipal corporation with a five-member commission including the mayor, who acts as the presiding officer of the commission, with a vice-mayor serving in his absence.

The City provides a full range of municipal services, including police and fire protection, public works activities, parks and recreation, planning and development, and general administrative service. In addition the City operates a water, sewer and stormwater utility.

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to the organization; or (c) is obligated in some manner for the debt of the organization. In applying the above criteria, management has determined that there are no component units to be included within the reporting entity.

**B. Government-wide and Fund Financial Statements:**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 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 funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 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 are recorded only when payment is due.

Property taxes, franchise fees and utility taxes, licenses, fines and forfeitures, and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment 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.

Deferred revenues in governmental funds include amounts collected before revenue recognition criteria are met. The deferred amount typically consists of license revenue collected in advance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Major Governmental Funds**

The *General Fund* is the City's primary operating fund, and is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The majority of current operating expenditures of the City other than proprietary fund activities are financed through revenues received by the General Fund. Investment earnings for construction funds are allocated to the General Fund as the original source of funding.

The *General Capital Projects Fund* is a capital projects fund used to account for equipment purchases, general maintenance projects and construction and capital improvement projects of the City.

**Non-Major Governmental Fund Types**

*Special Revenue Funds* – account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Non-major special revenue funds include the Police Education Fund, Law Enforcement Trust Fund, Police Impact Fees Fund, Fire Impact Fees Fund, Public Works Impact Fees Fund, Parks Impact Fees Fund, Police and Firefighter Premium Tax Trust Fund and Streetlighting Fund.

*Debt Service Funds* – account for the accumulation of resources for, and the payment of principal and interest on certain long-term debt.

**Major Proprietary Fund**

The *Water and Sewer Revenue Fund* is used to account for the operations of the City's water and wastewater systems, which are financed in a manner similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed primarily through user charges.

### **Non-major Proprietary Funds**

Enterprise Funds – The *Stormwater Utility Fund* accounts for the operation and maintenance of the City's stormwater system.

Internal Service Fund - The *Fleet Maintenance Fund* accounts for the costs and services of the fleet maintenance department which are charged to other departments on a cost reimbursement basis.

The City has elected not to apply FASB Statements and Interpretations issued after November 30, 1989, as permitted by Statement No. 20 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Governmental Fund Accounting*.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, depreciation on capital assets and amortization of intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Fiduciary Fund Types**

Pension Trust Funds – account for contributions to the police, fire and general employees pension plans.

## **D. Assets, liabilities and net assets or equity:**

### **1. Deposits and investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City currently holds \$585 available as petty cash.

The City's investment policy adopted by Resolution No. 653, authorizes the City of invest in the following:

- (a) Local Government Surplus Funds Trust fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in s. 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Savings accounts in state-certified qualified public depositories, as defined in s. 280.02.
- (d) Certificates of deposit state certified qualified public depositories, as defined in s. 280.02.
- (e) Direct obligations of the U.S. Treasury.
- (f) Federal agencies and instrumentalities.
- (g) Investment trusts registered under the Investment Company Act of 1940, provided the portfolio is limited to U.S. Government obligations and repurchase agreements fully collateralized by such U.S. Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian (i.e. Mutual Funds).

Investments are reported at fair value. The Local Government Investment Pool (LGIP) operates in accordance with appropriate state laws and regulations. As a money market fund, the LGIP invests in short-term, high quality money market instruments issued by financial institutions, non-financial corporations, the U.S. Government and federal agencies. Money market instruments must be of the highest applicable rating, while other eligible securities must be rated investment grade. All nongovernmental securities must have a maturity of less than 13 months. The maturity of obligations of the U.S. Treasury and U.S. Agencies may not exceed two years. The weighted average maturity of the portfolio may not exceed 90 days. The reported value of the pool is the same as the fair value of the pool shares.

### **2. Receivables and payables:**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectibles. Accounts receivable in excess of 90 days comprise the accounts receivable allowance for uncollectibles.

Under Florida Law, the assessment of all properties and the collection of all City property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. The millage rate in effect for the City for the fiscal year ended September 30, 2009 was 3.6355 mills.

The tax levy of the City is established by the City Commission prior to October 1 of each year and the Seminole County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements. All property is reassessed according to its fair market value on January 1 of each year.

All 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 and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold certificates are held by the County.

### **3. Inventories and prepaid items**

Proprietary fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Inventories consist principally of water meters, pipes and maintenance supplies, and are recorded as expenses when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the current period are recorded as prepaid items. There were prepaid items in the amount of \$44,479 at September 30, 2009.

### **4. Restricted Assets:**

The use of certain assets of the Water and Sewer Fund may be restricted by specific provisions of bond resolutions and/or agreements with various parties. Assets so designated are identified as restricted assets on the balance sheet.

### **5. Capital Assets:**

Property, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In order to comply with Chapter 274.02, Florida Statutes, items with an individual cost of \$1,000 or more are accounted for in a separate subsystem and inventoried annually. The value of these items for 2009 is \$1,201,375 for governmental funds, \$29,521 for business-type activities and \$46,669 for internal service funds.

Property, plant and equipment is depreciated using the straight line method over the following useful lives:

Buildings	15-50 years
Machinery and equipment	5-10 years
Water/sewer system	15-60 years
Stormwater system	15-60 years
Structures	25 years
Intangible assets	5-10 years
Infrastructure	25-100 years
Heavy equipment vehicles	7-15 years
Light vehicles	3-5 years

Interest costs, net of interest income, are capitalized on assets constructed for use by proprietary funds. There were no interest costs and no capitalized interest for 2009.

Sewer contract cost (purchases of capacity) is capitalized and amortized over the life of the agreement.

**6. Compensated Absences:**

The City records the vested portion of accumulated unused compensated absences at year-end based on each employee's accumulated unused hours and rate of pay, including the City's share of Social Security and Medicare taxes. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**7. Long-term Debt:**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**8. Fund Balance Reserves:**

A reserve is used to indicate a portion of the fund balance that is not appropriable for expenditure or is legally segregated for a specific future use. Usage of reserves has been limited to the following items:

**Reserve for Police Education** - indicates a portion of the fund balance is restricted for training of police officers in accordance with Florida Statutes Chapter 938.15.

**Reserve for Capital Projects** - indicates that the fund balance is not an "available expendable resource" because its use is restricted for capital projects.

**Reserve for Future Growth** - represents unspent impact fees restricted for future growth.

**Reserve for Employees' Pension Benefits** - indicates that the fund balance of the fund is restricted for payment of retirement benefits.

**Reserve for Debt Service** - indicates a portion of fund balance that is reserved for payment of debt.

**Reserve for Law Enforcement** - indicates a portion of the fund balance is legally restricted for school resource officer, crime prevention, drug education programs or other law enforcement purposes in accordance with Florida Statutes Chapter 932.7055.

**Reserve for Street Lighting** - indicates that the fund balance is reserved for the purpose of paying for street lighting in the City's street lighting districts pursuant to the authority of Florida Statutes 189.401.

## NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between *fund-balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets.

### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statements of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities.

## NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### 1. Budgetary Information:

The City follows the following procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to the first day of August of each year, the City Manager prepares a recommended budget for the next succeeding fiscal year and submits it to the City Commission. The recommended budget includes proposed expenditures and the sources of receipts to finance them.
- b. Public hearings are conducted to obtain taxpayers comments.
- c. The budget is approved by the Commission and becomes the basis for the millage levied by the Commission.
- d. The City Manager is authorized to transfer budgeted amounts between departments; however, any revisions that alter the total expenditures of any fund must be approved by the City Commission. Expenditures may not exceed legal appropriations at the fund level. All appropriations lapse at year-end.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund and most Special Revenue Funds. The Police & Firefighter Premium Tax Trust Special Revenue Fund is not budgeted as this represents the state contribution to pension funds and is unknown until received. Formal budgetary integration is not employed for the Debt Service Funds because effective budgetary control is alternatively achieved through repayment provisions. Formal budget integration is also not employed for the Capital Project Funds because projects are approved individually.
- f. The budgets for the General Fund and Special Revenue Funds are legally adopted on a basis consistent with generally accepted accounting principles.
- g. Budgeted amounts are as originally adopted, or as amended, in accordance with City ordinance.
- h. The Budgetary Comparison Schedules shown in the accompanying supplemental information present comparisons of the legally adopted budget, as amended, with actual results. The originally adopted budget is presented for purposes of comparison to the final, amended budget.

### 2. Fund Balance/Net Assets Policy:

In accordance with Resolution No. 800, the City reserves an amount equal to 25 percent of the General Fund fund balance and 25 percent of net assets in the Enterprise Funds of the current fiscal year expenditures. The purpose of this policy is to provide the capacity to provide sufficient cash flow for daily financial needs, to have the ability to offset significant economic downturns or revenue shortfalls, to provide funds for unforeseen expenditures related to emergencies or other unanticipated needs/occurrences, and maintain historical fund balance/net asset stability which may provide advantageous interest rates in the event of issuing debt.

If, at the end of any fiscal year, the actual amount of reserved, designated fund balance, or restricted net assets falls below the required level, the City Manager and City Commission review the circumstances creating the shortfall and develop a plan for restoring or amending the reserve requirements. Compliance with the resolution is part of the annual budget process.

**NOTE 4 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A. Deposits with financial institutions:**

At September 30, 2009, the carrying amount of the City's deposits was \$1,530,864 and the bank balance was \$1,771,232.

The bank balance was covered by federal depository insurance and by deposits held in banks that are members of the State of Florida Collateral Pool. The Florida Collateral Pool is a multiple institution pool with the authority to assess member institutions in the event of any collateral shortfall. For this reason, the City considers its deposits insured or collateralized.

**B. Investments:**

As of September 30, 2009, the City had the following investments.

Investment Type	Fair Value	Weighted Average Maturity (years)
U.S. Agencies	\$ 16,791,645	2.46
State Investment Pool	413	n/a
Money Market Funds	3,427,676	n/a
Certificates of Deposit	11,572,789	1.01
Total Fair Value of Investments	<u>\$ 31,792,523</u>	

*Interest Rate Risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the investment of current operating funds to an average maturity of less than 36 months. Investments of bond reserves, construction funds, and other non-operating funds maturity may not exceed 5 years.

*Credit Risk.* The City limits investments to Local Government Investment Pool (SBA), SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency, savings accounts or certificates of deposit in state certified qualified public depositories, direct obligations of the U.S. Treasury, Federal agencies and instrumentalities or investment trusts registered under the investment Company Act of 1940, provided the portfolio is limited to U.S. Government obligations and repurchase agreements fully collateralized by such U.S. Government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian, i.e. mutual funds. The SBA is administered by the State of Florida. Investments held consist of U.S. Treasury obligations, short-term federal agency obligations, repurchase agreements, and commercial paper. These short-term investments are included as cash equivalents and are stated at cost, which approximates fair value. All agencies held by the City on September 30, 2009, are rated AAA by Standard & Poor's, while the SBA is rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* The City's investments are insured or registered and held by its agent in the City's name.

As of September 30, 2009, the City has satisfied all of the objectives and requirements laid out in the City's investment policy and held no investments that were not in compliance with policy.

City of Lake Mary Pension Funds had the following investments on September 30, 2009:

Investment Type	Police Officers' Pension Funds Fair Value	Weighted Average Maturity (years)	Firefighters' Pension Funds Fair Value	Weighted Average Maturity (years)	General Employees 401A Plan Fair Value	Weighted Average Maturity (years)
U.S. Treasuries	\$ 109,862	29.02	\$ 574,357	6.17	\$ -	n/a
U.S. Agencies	861,876	18.07	1,633,831	16.29	-	n/a
Corporate Bonds	1,090,504	5.87	985,001	6.74	871,351 *	unk
Corporate Stocks	5,449,222	n/a	2,405,736	n/a	1,814,349	n/a
International Stocks	746,518	n/a	510,298	n/a	53,280	n/a
Total Investments	<u>8,257,982</u>		<u>6,109,223</u>		<u>2,738,980</u>	
Cash and Cash Equivalents	458,156	n/a	280,901	n/a	780,491 *	n/a
Total Cash and Investments	<u>\$ 8,716,138</u>		<u>\$ 6,390,124</u>		<u>\$ 3,519,471</u>	

\* Contains U.S. Treasuries and/or agencies, but specific identification is not available.

*Interest Rate Risk.* The pension fund investment policy limits the duration of fixed income portfolio to within 50% to 150% of the duration of the Merrill Lynch Master Bond Index.

*Credit Risk.* Securities shall be limited to those rated BAA or higher by Moody's or Standard & Poor's rating services. Foreign bonds are prohibited. Of Police Pension investments, 77% are rated by Moody's as A2 or better, 2% rated by Moody's as Baa1 to Baa3, with 21% unrated. One corporate bond was downgraded to B3 during September 2008. In accordance with the investment policy, fixed income securities which are downgraded below the minimum rating, shall be sold at the earliest beneficial opportunity. Fire Pension investments are 50% rated by Moody's as A3 or better, 4% rated Baa1 to Baa3, with 46% unrated. Unrated investments are typically U.S. Agency backed securities.

*Concentration of credit risk.* The pension investment policy does not allow for an investment in any one issuer that is in excess of five percent of the pension fund's fixed income portfolio.

As of September 30, 2009, the Police and Fire Pension funds had satisfied the objectives and requirements laid out in their respective investment policy and held no investments that were not in compliance with policy.

The assets of the general employees 401A pension fund are independently administered by ICMA/RC. The third party administrator offers over 35 investment choices that each participant may personally utilize to build an individual portfolio. Investment or credit risk is not applicable.

**NOTE 5 RECEIVABLES**

The accounts receivable and allowance for uncollectibles at September 30, 2009 were as follows:

	Accounts and Assessments Receivable	Allowance for Uncollectibles	Net Receivable
General Fund	\$ 656,890	\$ 689	\$ 656,201
Special Revenue Funds	3,823	-	3,823
Enterprise Funds	963,171	4,945	958,226
	<u>\$ 1,623,884</u>	<u>\$ 5,634</u>	<u>\$ 1,618,250</u>

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2009 was as follows:

Governmental Capital Asset Activity  
For Year Ended September 30, 2009

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,890,888	\$ 355,414	\$ -	\$ 8,246,302
Land under infrastructure	1,839,435	-	-	1,839,435
Construction in progress (vehicles)	-	4,450	-	4,450
Construction in progress	245,010	586,337	(416,104)	415,243
Total capital assets, not being depreciated	<u>9,975,333</u>	<u>946,201</u>	<u>(416,104)</u>	<u>10,505,430</u>
Capital assets, being depreciated:				
Buildings	23,626,858	-	-	23,626,858
Improvements other than bldg.	3,760,923	60,691	-	3,821,614
Intangible assets	97,058	-	-	97,058
Equipment	1,783,909	267,951	(96,465)	1,955,395
Infrastructure	21,222,407	-	-	21,222,407
Vehicles	4,169,160	143,644	(52,126)	4,260,678
Total capital assets, being depreciated:	<u>54,660,315</u>	<u>472,286</u>	<u>(148,591)</u>	<u>54,984,010</u>
Less accumulated depreciation for				
Buildings	(4,773,170)	(882,501)	-	(5,655,671)
Improvements other than buildings	(1,715,677)	(225,886)	-	(1,941,563)
Intangible assets	(38,341)	(12,135)	-	(50,476)
Equipment	(1,002,186)	(162,072)	96,465	(1,067,793)
Infrastructure	(7,305,877)	(445,530)	-	(7,751,407)
Vehicles	(2,272,450)	(482,561)	52,126	(2,702,885)
Total accumulated depreciation	<u>(17,107,701)</u>	<u>(2,210,685)</u>	<u>148,591</u>	<u>(19,169,795)</u>
Total capital assets, being depreciated, net	<u>37,552,614</u>	<u>(1,738,399)</u>	<u>-</u>	<u>35,814,215</u>
Governmental activities capital assets, net	<u>\$ 47,527,947</u>	<u>\$ (792,198)</u>	<u>\$ (416,104)</u>	<u>\$ 46,319,645</u>

Business-type Activities Capital Asset Activity  
For Year Ended September 30, 2009

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 39,548	\$ -	\$ -	\$ 39,548
Construction in progress	268,078	1,042,613	(1,310,691)	-
Total capital assets, not being depreciated	<u>307,626</u>	<u>1,042,613</u>	<u>(1,310,691)</u>	<u>39,548</u>
Capital assets, being depreciated:				
Buildings	472,000	-	-	472,000
Water/sewer system	21,278,509	1,310,691	-	22,589,200
Stormwater system	3,237,774	-	-	3,237,774
Intangible Assets	88,020	-	-	88,020
Machinery and equipment	193,335	-	-	193,335
Total capital assets, being depreciated:	<u>25,269,638</u>	<u>1,310,691</u>	<u>-</u>	<u>26,580,329</u>
Less accumulated depreciation for				
Buildings	(259,600)	(11,800)	-	(271,400)
Water/sewer system	(3,995,385)	(482,610)	-	(4,477,995)
Stormwater system	(1,359,566)	(190,175)	-	(1,549,741)
Intangible Assets	(50,094)	(10,836)	-	(60,930)
Machinery and equipment	(122,015)	(18,528)	-	(140,543)
Total accumulated depreciation	<u>(5,786,660)</u>	<u>(713,949)</u>	<u>-</u>	<u>(6,500,609)</u>
Total capital assets, being depreciated, net	<u>19,482,978</u>	<u>596,742</u>	<u>-</u>	<u>20,079,720</u>
Business-type capital assets, net	<u>\$ 19,790,604</u>	<u>\$ 1,639,355</u>	<u>\$ (1,310,691)</u>	<u>\$ 20,119,268</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 361,456
Public works	480,496
Police	197,320
Fire	190,992
Parks	497,860
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>482,561</u>
Total depreciation expense	<u>\$ 2,210,685</u>

Depreciation expense was charged to business type activities as follows:

Water/sewer system	\$ 523,285
Stormwater system	190,664
Total depreciation expense	<u>\$ 713,949</u>

**NOTE 7 LEASES**

**A. Capital Leases:**

On September 30, 2009, the City had no capital leases outstanding.

**B. Operating Leases:**

The City leases copier equipment and digital mailing system equipment under noncancelable operating leases with a duration of 60 months each, as well as credit card terminals under noncancelable operating leases with a duration of 48 months. The total cost for such leases was \$24,474 for the year ended September 30, 2009. The future minimum lease payments for these leases are as follows:

Year Ending September 30,	
2010	\$ 22,621
2011	19,724
2012	18,258
2013	9,778
Total Operating Leases	<u>\$ 70,381</u>

**NOTE 8 PUBLIC IMPROVEMENT REVENUE BONDS**

**A. Bonds Payable:**

Bonds payable at September 30, 2009 are comprised of the following individual obligations:

Description	Interest Rate	Original Amount	Balance at September 30, 2009
Public Improvement Refunding Revenue Bond, Series 2003; due serially on September 1 of each year to September 1, 2013.	3.41%	\$ 7,305,000	\$ 2,665,000
Public Improvement Revenue Bond, Series 2007 A & B; Series A due serially on October 1 of each year to October 1, 2027; Series B due serially on October 1 of each year to October 1, 2015.	Series A @ 4.24%; Series B @ 3.92%	\$ 7,105,000	<u>6,615,000</u>
Total Bonds Payable			<u>\$ 9,280,000</u>

There is no reserve requirement for the 2003 or 2007 bonds, however the City covenants to budget and appropriate sufficient funds to make principal and interest payments as they become due.

**B. Summary Debt Service Requirements to Maturity:**

Sept. 30,	Principal	Interest	Service
2010	\$ 1,260,000	\$ 361,370	\$ 1,621,370
2011	1,300,000	315,317	1,615,317
2012	875,000	268,317	1,143,317
2013	915,000	234,416	1,149,416
2014	460,000	199,835	659,835
2015-2019	1,710,000	744,102	2,454,102
2020-2024	1,405,000	447,514	1,852,514
2025-2028	1,355,000	119,481	1,474,481
Totals	<u>\$ 9,280,000</u>	<u>\$ 2,690,352</u>	<u>\$ 11,970,352</u>

**C. Changes in Long-Term Liabilities**

In July 2003, the City issued Public Improvement Revenue Bonds, Series 2003, which included \$4,000,000 in new debt, issued at an interest rate of 3.41 percent to fund voter approved construction of the Lake Mary Municipal Complex, and to refund \$3,305,000 of the outstanding Series 2001 bonds with an interest rate of 4.08 percent. This refunding reduced the City's total debt service payments the following 9 years by \$108,350 and provided a net present value savings of \$94,343.

In February 2007, the City issued a Public Improvement Revenue Bond Series 2007 A & B. Series A issued in the amount of \$5,000,000, at an interest rate of 4.24 percent, provided for the voter approved construction of the Lake Mary Events Center. Series B issued in the amount of \$2,105,000 provided for the refunding of the \$2,150,000 of the outstanding Series 1996 bonds. This refunding reduced the City's total debt service payments the following 8 years by \$79,686 and provided a net present value savings of \$72,995.

During the year ended September 30, 2009, the following changes occurred in long term liabilities:

	Balance 09/30/2008	Reductions	Additions	Balance 09/30/2009	Balance Due within One Year
<b>Governmental activities</b>					
Public Improvement Refunding Revenue Bonds Series 2003	\$ 3,500,000	\$ (835,000)	\$ -	\$ 2,665,000	\$ 865,000
Public Improvement Revenue Bonds Series 2007 A & B	6,995,000	(380,000)	-	6,615,000	395,000
Other post employment benefits	37,038	-	20,380	57,418	-
Compensated absences	1,023,981	(3,067)	32,335	1,053,248	1,942
Governmental activity Long -term liabilities	<u>\$ 11,556,019</u>	<u>\$ (1,218,067)</u>	<u>\$ 52,715</u>	<u>\$ 10,390,666</u>	<u>\$ 1,261,942</u>
<b>Business-type activities:</b>					
Other post employment benefits	\$ 2,968	\$ -	\$ 1,710	\$ 4,678	\$ -
Compensated absences	51,141	(223)	13,620	64,538	5,163
Business-type activity long-term liabilities	<u>\$ 54,109</u>	<u>\$ (223)</u>	<u>\$ 13,620</u>	<u>\$ 69,216</u>	<u>\$ 5,163</u>

The internal service fund predominantly serves other governmental funds. Accordingly, long-term liabilities for the fund are included as part of the above total for governmental activities. At year end, \$24,277 of internal service fund compensated absences are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the general fund.

There are no long-term liabilities due within one year for business-type activities in liabilities payable from restricted assets in the government-wide statement of net assets.

**NOTE 9 RISK MANAGEMENT**

The City is a member of Public Risk Management of Florida (the pool), a local government liability risk pool. The pool has 47 local government agency members.

The pool administers insurance activities relating to property, general liability, police, professional, automobile liability, public officials liability, workers' compensation, and boiler and machinery. The pool absorbs losses up to a specified amount for each pool year and purchases excess and other specific coverage's from third-party carriers. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments do not produce sufficient funds to meet its obligations, the pool can make additional limited assessments. Losses, if any, in excess of the pools ability to assess its members would revert back to the member that incurred the loss. There has been no significant reduction in insurance coverage from the prior year, and no settlements in excess of insurance coverage in any of the prior three years. There were no additional assessments levied against the City for the fiscal year ended September 30, 2009. The cost of the insurance is allocated among the appropriate departments and funds.

**NOTE 10 INTERFUND ASSETS/LIABILITIES**

Transfers to/from other funds for the year ended September 30, 2009 were as follows:

Recipient Fund	Amount	Purpose
General Fund	\$ 850,000	Transfer from Water and Sewer Fund to cover costs of General Fund services provided to the Water and Sewer Fund, such as Customer Service, Finance, Human Resources, Purchasing, Information Technology, City Manager, City Clerk and Community Development.
General Fund	33,000	Transfer from the Street Lighting District to reimburse the General Fund for streetlighting electricity and pole and fixture rental costs.
Debt Service Funds	1,620,788	Transfer from the General Fund to cover the debt service payments for Pubic Improvement Revenue Refunding Bonds Series 2003 and Public Improvement Revenue Bond Series 2007 A& B.
General Projects Fund	55,000	Transfer from Water and Sewer Fund to cover the cost of a new telephone system.
General Projects Fund	816,350	Transfer from General Fund to provide for general capital improvement projects of the city.
General Projects Fund	360,000	Transfer from General Fund to purchase property adjacent to the Lake Mary Events Center (148 W. Lake Mary Ave)

**NOTE 11 CONTINGENT LIABILITIES**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

In accordance with s. 288.106, Florida Statutes, the City has agreed to participate in the Qualified Target Industry Tax Refund Program for fiscal years 2005 through 2012. Priority Healthcare Corporation has agreed to create 456 additional professional, specialized jobs within the City at an average salary of \$50,322. The City, in conjunction with Seminole County, agrees to local financial support for the program not exceeding \$182,400. The maximum anticipated refund due in any one year is \$38,800.

**NOTE 12 EMPLOYEE BENEFIT PLANS**

**A. Police and Fire Employee Pension Plans:**

The City maintains two separate single-employer, defined benefit pension plans for police officers and firefighters, which are maintained as Pension Trust Funds and included as part of the City's reporting entity. These pension plans do not issue stand-alone financial reports. These plans also provide for disability and survivor benefits.

Each system is independently governed by separate boards of trustees. Assets may not be transferred from one plan to another or used for any purpose other than to benefit each system's participants as defined in their authorizing ordinances. Administrative expenses and fees attributable to each plan are deducted from the plan assets. These funds are reported using the full accrual basis of accounting. The benefits and refunds of each defined benefit plan are recognized when due and payable in accordance with the terms of the plan.

These plans are established by and operated in accordance with Chapters 175 (Fire) & 185 (Police), Florida Statutes. The State requires local governments to make the actuarially determined contribution. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created the funds including subsequent amendments thereto. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Firefighter Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the Florida Division of Retirement reviews and approves each local government's actuarial report and has ascertained that the local government has met their actuarial funding requirement for the then most recently completed fiscal year.

The City has traditionally contributed the annual required contribution (ARC) and thus had never been required to report a net pension obligation (NPO). The State of Florida Department of Management Services, Division of Retirement has required the City of Lake Mary change their contribution method to a fixed percentage of actual payroll. This change in methodology will result in an NPO at year end. In accordance with GASB Statement No. 27, Accounting for Pensions by State and Local Government Employers, the total NPO at year end of \$62,808, the cumulative net contribution in excess of the annual required contribution, is presented as an asset on the City's entity-wide Statement of Net Assets. In accordance with GAAP, the City recorded the direct state pension contribution from insurance premium payments in the amount of \$567,716 as an intergovernmental revenue and public safety expense in the Police and Firefighter Premium Tax Trust special revenue fund.

The annual pension cost, net pension obligation and required contribution for September 30, 2009, were determined as part of the actuarial valuation of the each plan as of October 1, 2007, using the entry age normal actuarial cost method. The City's annual pension cost and net pension obligation based on the most recent actuarial valuation as of October 1, 2009 were as follows:

	Police Officers' Pension Fund	Firefighters' Pension Fund
Annual Required Contribution*	\$ 565,126	\$ 694,956
Interest on Net Pension Obligation (NPO)	(1,101)	(2,686)
Adjustment to Annual Required Contribution	<u>1,628</u>	<u>3,978</u>
Annual Pension Cost	565,653	696,248
City and State Contributions Made	<u>(565,126)</u>	<u>(711,332)</u>
Increase/(Decrease) in NPO	527	(15,084)
NPO beginning of year	<u>(14,682)</u>	<u>(33,569)</u>
NPO end of year	<u>\$ (14,155)</u>	<u>\$ (48,653)</u>

\* includes State contribution

Three Year Trend Information:

Police Officers' Pension			
Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
September 30, 2009	\$ 565,126	100%	\$ (14,155)
September 30, 2008	586,438	103%	(14,682)
September 30, 2007	523,261	100%	-

Firefighters' Pension Fund			
Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
September 30, 2009	\$ 696,248	102%	\$ (48,653)
September 30, 2008	591,599	109%	(33,569)
September 30, 2007	454,050	100%	-

As of October 1, 2009, the most recent actuarial valuation date, the Police Officers' plan was 86.1 percent funded. The actuarial accrued liability for benefits was \$11,202,161, and the actuarial value of assets was \$9,641,214, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,560,947. The covered payroll (annual payroll of active employees covered by the plan) was \$2,189,756, and the ratio of the UAAL to the covered payroll was 71.3 percent.

As of October 1, 2009, the most recent actuarial valuation date, the Firefighters' plan was 82.5 percent funded. The actuarial accrued liability for benefits was \$8,510,231, and the actuarial value of assets was \$7,024,260, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,485,971. The covered payroll (annual payroll of active employees covered by the plan) was \$2,573,614, and the ratio of the UAAL to the covered payroll was 57.7 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The amounts legally required as of September 30, 2009 to be reserved for the police and firefighter pension funds are \$8,729,260 and \$6,411,916, respectively. Firefighter pension plan includes one member currently in the Deferred Retirement Option Plan (DROP) with a contribution balance as of September 30, 2009, of \$17,604.

Both plans use the level percentage of pay, closed amortization method. Police Officer's fund reports a 28 year amortization period remaining while Firefighters' report a 30 year amortization period.

During the past year the actuarial experience for the police plan has been less favorable than expected on the basis of actuarial assumptions. The principal component included a 1.9% investment return that was less than the 7.5% assumption. This loss was partially offset by the effect of average increases in pensionable compensation that were less than the assumed rate. Firefighters Pension plan experienced a net actuarial gain of \$221,766 which was more favorable than expected on the basis of the actuarial assumptions. The gain is primarily due to lower than expected salary increases and fewer retirements than expected. The net actuarial gain decreased the required employer contribution by 0.44% of covered payroll.

	<b><u>POLICE</u></b>	<b><u>FIRE</u></b>
Eligibility	All active and future Police Officers.	All active and future Firefighters, full-time or volunteer, as defined by Ordinance 1209.
Salary	Total compensation reportable on W-2, plus all tax-deferred, tax-exempt and tax-sheltered items of income.	For full-time firefighters, total compensation, exclusive of lump sum payments of vacation and sick time at termination of employment; for volunteers, annually prorated on a monthly basis.
Average Final Compensation	Average of the five (5) best years of the final 10 years of service.	Average of the five (5) best years of the final 10 years of service.
Credited Service	Total number of years and fractional parts of years measured from date of employment.	Total number of years and fractional parts of years of service, measured from date of employment.
<b>NORMAL RETIREMENT</b>		
Date	Earlier of: 1) the attainment of age 55 and 5 years of Credited Service, or 2) the completion of 20 years of service, regardless of age.	Earlier of: 1) the attainment of age 55 and 5 years of Credited Service, or 2) the completion of 20 years of service, regardless of age.
Benefit	3.2% of Average Final Compensation <u>times</u> Credited Service.	3.2% of Average Final Compensation <u>times</u> Credited Service, with a minimum of \$350 monthly.
Form of Benefit	Life, with 10 years certain.	Single life annuity with 10 years guaranteed.
<b>EARLY RETIREMENT</b>		
Date	Age 50 and completion of 5 years of Credited Service.	Age 50 and completion of 10 years of Credited Service
Benefit	Determined as for Normal Retirement, reduced by 3% per year preceding Normal Retirement Date.	Determined as for Normal Retirement, reduced 3% for each year preceding Normal Retirement Date
Form of Benefit	Life, with 10 years certain.	Single life annuity with 10 years guaranteed.
<b>DEFERRED RETIREMENT OPTION PLAN (DROP)</b>		
Eligibility	Satisfaction of Normal Retirement requirements (earlier of (1) Age 55 with 5 years of Credited Service, or (2) 20 years of Credited Service.	Satisfaction of Normal Retirement requirements.
Participation	Not to exceed 60 months.	Not to exceed 60 months.
Rate of Return	Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter.	Net investment return credited quarterly.
Form of Distribution	Cash lump sum at termination of employment.	Cash lump sum at termination of employment (options available).
<b>TERMINATION OF EMPLOYMENT</b>		
Less than 5 years	Refund of Member Contributions.	Refund of Member Contributions plus 5% compound annual interest
5 Years or more	Refund of Contributions or Vested Accrued benefit payable at Normal (unreduced) or Early (reduced) Retirement Date.	Refund of Contributions or Vested Accrued benefit payable at Normal (unreduced) or Early (reduced) Retirement Date

	<u>POLICE</u>	<u>FIRE</u>
<b>DISABILITY BENEFIT</b>		
Line of Duty	The greater of 1) 50% of salary at the time of the disability or 2) the Member's accrued pension.	The greater of 1) 50% of compensation at the time of the Member's disability, 2) the Actuarial Equivalent of the present value of the accrued pension, or 3) \$100 monthly
Non Line of Duty	A vested Member receives the Member's accrued pension. A Member that is not vested is refunded accrued contributions.	If a Member is vested, the Member receives one half of the Line-of-Duty benefit; if a Member is not vested, the accrued contributions will be refunded plus 5% annual interest
<b>DEATH BENEFIT</b>		
Prior to Retirement Line of Duty	If vested, the spouse will receive the greater of 1) 10% of the Member's yearly compensation for life or 2) the monthly actuarial equivalent of the accrued normal or early retirement benefit. If there is no Spouse, then a dependent child can receive benefit until age 18.	Beneficiary will receive the greater of 1) 10% of the Member's yearly compensation or 2) the monthly actuarial equivalent of the accrued normal or early retirement Benefit. Benefit is paid for life, with 10 years certain
Not-in-Line of Duty	If member was vested - Actuarial equivalent of accrued benefit. If the member is not vested, Refund of the Member's Accumulated Contributions.	If the Member was vested, one half of the Line of Duty Benefit, if the Member was not vested, Refund of the Member's Contributions plus 5% compound annual interest
After Retirement	Optional forms that are actuarially equivalent to the normal form of benefit may be chosen with permission of the board.	Optional forms that are actuarially equivalent to the normal form of benefit may be chosen with permission of the board
<b>CONTRIBUTIONS</b>		
Plan Members	5.0% of Salary	5.0% of Salary
City	24.2% of Salary	24.78% of Salary
Annual Pension Cost	\$565,126	\$696,248
Contributions Made	\$565,126	\$711,332
<b>ACTUARIAL VALUATION:</b>		
Frequency	Annual	Annual
Latest Date	10/1/2007	10/1/2007
Basis for Contribution	10/1/2007	10/1/2007
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

	<u>POLICE</u>	<u>FIRE</u>
<b>ACTUARIAL ASSUMPTIONS</b>		
Mortality Rates	1983 Group Annuity Mortality Table	1983 Group Annuity Mortality Table
Termination Rates	(see police table 1)	(see Fire Table 2)
Disability Rates	(see police table 1)	(see Fire Table 2)
Retirement Age	Earlier of 1) age 55 and 5 years of service, or 2) the completion of 20 years of Service regardless of age. In addition, members who are eligible to retire on the valuation date are assumed to retire one year later.	Earlier of age 55 and 5 years of service or 20 years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement	Commencing with the earliest Early Retirement Age (50), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.	Commencing upon eligibility for Early Retirement, members are assumed to retire with an immediate benefit at the rate of 5% per year.
Interest Rate	7.5% per year, compounded annually, net of investment related expenses.	8% per year, compounded annually, net of investment related expenses.
Salary Increases	7.0% per year until the assumed retirement age (see table below). Projected salary at retirement is increased 20% to account for non-regular payments.	7.5% per year until the assumed retirement age; see Fire Table 2.
Payroll Increase	5% per year	5% per year.
Administrative Expense	\$19,839 per year.	\$14,976 added to Normal Cost.

**Police Table 1**

Age	% Terminating During the Year	% becoming disabled during the year	Current salary as % of salary at age 50
20	9.00%	0.03%	17.40%
30	7.00%	0.04%	31.20%
40	4.00%	0.07%	55.80%
50	0.00%	0.18%	100.00%

**Fire Table 2**

Age	% Terminating During the Year	% becoming disabled during the year	Current salary as % of salary at age 55
20	5.0%	0.03%	8.00%
30	3.8%	0.04%	16.40%
40	1.5%	0.07%	33.80%
50	0.0%	0.18%	69.70%

**MEMBERS**

	<u>POLICE</u>	<u>FIRE</u>
Active Participants:		
Vested	25	20
Non-vested	16	18
Service Retirees & Beneficiaries	8	2
Disability Retirees	1	1
Terminated Vested	1	0

**B. General Pension Plan:**

The General Employees Pension Plan (General Plan) is a defined contribution plan covering all other full-time and permanent part-time employees of the City. This plan is authorized by and may be amended by the City Commission. The City makes employee contributions of 10%, with an available match of up to an additional 2.5%. Employees can make voluntary contributions of up to 10% of annual compensation. Employees are eligible to participate in the General Plan after 6 months of employment. Vesting is 20% after the first year and each year thereafter, with full vesting after 5 years. Benefits are available at termination, regardless of age, based on vested years of service. Normal retirement age has been designated by the employer as age 60. The loan provision for the plan permits loans from participant contributions only. All loans are due in full at termination.

For the fiscal year ending September 30, 2009, payroll for the employees covered by this plan was \$4,110,562. Employer contributions required and made were \$411,056, with matching contribution of \$72,275. Voluntary employee contributions during the fiscal year were \$87,377. As of September 30, 2009, participation in the plan consisted of 97 active members. The outstanding employee loan amount at September 30, 2009 was \$11,399.

There is no actuarial valuation required for this plan.

During the fiscal year, the General Plan held no securities issued by the employer.

**C. Individual Fiduciary Fund Statements**

Individual statements of net assets for the three plans included in the City of Lake Mary fiduciary funds are as follows:

<b>City of Lake Mary, Florida</b>			
<b>Individual Statement of Pension Fund Net Assets</b>			
<b>Fiduciary Funds</b>			
<b>As of September 30, 2009</b>			
	Police Pension Trust	Fire Pension Trust	General Employees Pension
<b>ASSETS</b>			
Cash and cash equivalents	\$ 458,156	\$ 280,901	\$ 780,491
Receivables:			
Accounts receivable	380	-	-
Interest receivable	29,414	25,197	-
Notes receivable - employee	-	-	11,399
Contributions receivable - employer	-	-	15,496
Total receivables	<u>29,794</u>	<u>25,197</u>	<u>26,895</u>
Investments at fair value			
Domestic corporate & Govt bonds	2,062,242	3,193,188	871,351
Domestic stocks	5,449,222	2,405,737	1,814,349
Other securities	746,518	510,298	53,280
Total investments	<u>8,257,982</u>	<u>6,109,223</u>	<u>2,738,980</u>
Prepaid expenses	-	2,661	-
Total assets	<u>8,745,932</u>	<u>6,417,982</u>	<u>3,546,366</u>
<b>LIABILITIES</b>			
Accounts payable	16,672	6,066	-
Total liabilities	<u>16,672</u>	<u>6,066</u>	<u>-</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits	<u>\$ 8,729,260</u>	<u>\$ 6,411,916</u>	<u>\$ 3,546,366</u>

Individual statements of the changes in fiduciary net assets are as follows:

<b>City of Lake Mary, Florida</b>			
<b>Individual Statement of Changes in Pension Fund Net Assets</b>			
<b>Fiduciary Funds</b>			
<b>For the Year Ended September 30, 2009</b>			
	Police Pension Trust	Fire Pension Trust	General Employees Pension
<b>ADDITIONS</b>			
Contributions:			
Employer contributions	\$ 411,742	\$ 331,852	\$ 505,348
State contributions	153,384	414,332	-
Employee contributions	116,762	129,090	87,377
Total contributions	<u>681,888</u>	<u>875,274</u>	<u>592,725</u>
Investment earnings			
Interest	249,070	208,650	-
Net increase (decrease) in fair value of investments	(164,286)	(90,014)	83,163
Net investment earnings (loss)	<u>84,784</u>	<u>118,636</u>	<u>83,163</u>
Total additions	<u>766,672</u>	<u>993,910</u>	<u>675,888</u>
<b>DEDUCTIONS</b>			
Benefit payments	209,520	66,597	66,437
Refunds of contributions	1,808	-	-
Administrative expenses	76,485	53,593	314
Total deductions	<u>287,813</u>	<u>120,190</u>	<u>66,751</u>
Change in net assets	478,859	873,720	609,137
Net assets - beginning	8,250,401	5,538,196	2,937,229
Net assets - ending	<u>\$ 8,729,260</u>	<u>\$ 6,411,916</u>	<u>\$ 3,546,366</u>

The State of Florida, Department of Management Services, Division of Retirement, Bureau of Local Retirement Systems notified the City on August 31, 2007, that annual actuarial reports submitted for years ending 2002 through 2006, were not considered state approved. The State Actuary recommended plan changes in actuarial assumptions which required restatement of prior year plan reports. The boards of both plans, as well as the City, have been working diligently to resolve these issues. Firefighters' Pension was able to resolve all outstanding issues and received state funds of \$255,720 from FY2008 and \$158,612 for FY2009 during the current fiscal year.

**NOTE 13 OTHER POST EMPLOYMENT BENEFITS**

Pursuant to Resolution 830, and in accordance with Florida Statutes Section 112.0801, the City of Lake Mary makes continuation of group health insurance through the city's current provider available to retirees and eligible dependents provided certain service requirements and normal age retirement requirements have been met. This benefit has no cost to the City, other than the implicit cost of including retirees in the group calculation. All premiums are paid by the retiree. The City has one retiree currently receiving benefits. The City has chosen pay-as-you-go funding, but is recording the liability in the government wide financial statements. This plan does not issue stand-alone financial statements.

The first actuarial report for the City's Retiree Continuation Insurance plan was prepared as of October 1, 2007. At that point in time, the unfunded actuarial accrued liability (UAAL) for benefits was \$79,481. The covered payroll was \$6,786,455 and the ratio of UAAL to covered payroll was 1.2 percent.

The annual required contribution and Net OPEB Obligation for the fiscal year ended September 30, 2009 is as follows:

City of Lake Mary Retiree Continuation Insurance Plan

Annual Required contribution	\$ 20,090
Interest on net OPEB Obligation	2,000
Adjustment to annual required contribution	-
Annual OPEB Cost	<u>22,090</u>
Employer Contributions	<u>-</u>
Increase in Net OPEB Obligation	<u>22,090</u>
Net OPEB Obligation (beginning of year)	<u>40,006</u>
Net OPEB Obligation (end of year)	<u>\$ 62,096</u>

In fiscal year 2008, the City early implemented GASB 45 and elected to report prospectively. GASB requires the obligation to be recorded but entities are not required to fund this obligation.

Summary of Actuarial Methods & Assumptions:

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, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, normally presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The schedule of funding progress includes only one year so multi-year comparison is not available for this period.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method:

The projected unit credit cost method was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

Decrements:

Mortality: Sex-distinct mortality rates set forth in the RP-2000 mortality table to annuitants and non-annuitants.

Disability: Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study; Class 4 rates were used for firefighters and police officers, Class 1 rates were used for all other employees.

Permanent Withdrawal from Active Status: Sex-distinct withdrawal rates set forth in the Scale 155 table.

Retirement: Retirement was assumed to occur as follows:

- Firefighters & Police officers: Age 55 with at least five years of service, or  
 Any age with at least 20 years of service
- All others: Age 60 with at least five years of service

Investment Return (Discount Rate):

5.0% per annum (includes inflation at 3.0% per annum)

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

Year	/	Increase	Year	/	Increase	Year	/	Increase
2008		10.00%	2012		8.00%	2016		6.00%
2009		9.50%	2013		7.50%	2017		5.50%
2010		9.00%	2014		7.00%	and later		
2011		8.50%	2015		6.50%			

Implied Subsidy (Not Eligible for Medicare):

The implied subsidy for a 60-year old retiree for the period October 1, 2007 through September 30, 2008 is assumed to be:

\$ 1,800	per year for those who elect single coverage under the basic HMO Plan
\$ 3,000	per year for those who elect family coverage under the basic HMO Plan
\$ 2,100	per year for those who elect single coverage under the enhanced HMO Plan
\$ 3,600	per year for those who elect family coverage under the enhanced HMO Plan
\$ 1,800	per year for those who elect single coverage under the HSA/High Deductible plan
\$ 3,300	per year for those who elect family coverage under the HSA/High Deductible plan

Implied Subsidy (Dental Insurance):

There is no implied subsidy for dental insurance since it is assumed that neither the premium or dental claims for covered individuals increases with age.

Age-Related Morbidity:

The cost of covered medical services has been assumed to increase with age at the rate of 1.5% per annum.

Retiree contributions:

Retirees electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to the active employees.

Cost of Living Increases:

Retiree contributions have been assumed to increase in accordance with the healthcare cost trend assumption.

Medical Plan Choice:

Future retirees have been assumed to elect single or family coverage under the basic or enhanced HMO plan or the HSA/High Deductible plan in accordance with their current election.

Future Participation Rates:

5% of eligible employees were assumed to elect coverage until Medicare eligibility upon retirement or disability.

COBRA Assumption:

Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, we assumed that the COBRA premium to be paid by the participant fully covers the cost of providing healthcare coverage during the relevant period.

Summary of Benefits:

Other Post-Employment Benefits (OPEBs)

The City of Lake Mary provides optional post-employment healthcare, dental and life insurance coverage to eligible individuals.

Eligible Individuals:

Eligible individuals include all regular, full-time employees and certain elected officials of the City of Lake Mary who retire from active service and are eligible for retirement or disability benefits under the general employee or fire and police pension plans. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children.

Choice of Healthcare Plans:

Eligible individuals may choose healthcare coverage under a basic or enhanced health maintenance organization (HMO) plan or under a qualified high-deductible plan that is paired with a health savings account (HSA).

Required Monthly Premium for Post-Employment Healthcare Coverage:

Retirees must pay a monthly premium as determined by the insurance carrier. The premium varies depending on whether the retiree elects coverage under one of the HMO or high deductible plans and whether the retiree elects single or family coverage.

**NOTE 14 DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all City employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Because the plan assets are held in trust for the exclusive benefit of plan participants and their beneficiaries, the plan is not accounted for in the City's financial statements.

**NOTE 15 IMPLEMENTATION OF NEW ACCOUNTING STATEMENT**

During the Fiscal Year 2009, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This Statement identifies the circumstances under which a government entity would be required to report a liability related to pollution remediation. As of September 30, 2009, the City believes that it has not experienced an obligating event as defined in this statement.

**NOTE 16 SUBSEQUENT EVENTS**

City of Lake Mary had been awarded several American Recovery and Reinvestment Act of 2009 (ARRA) reimbursement Grants during the final days of FY2009. Work has now commenced pursuant to changes in the funding award.

**CITY OF LAKE MARY, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2009**

Lake Mary Police Officers' Pension Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2009	\$ 9,641,214	\$ 11,202,161	\$ 1,560,947	86.1%	\$ 2,189,756	71.3%
10/1/2008	9,346,602	10,157,366	810,764	92.0%	2,384,276	34.0%
10/1/2007	8,769,554	9,161,870	392,316	95.7%	2,151,574	18.2%
10/1/2006	7,442,173	7,800,859	358,686	95.4%	2,077,843	17.3%
10/1/2005	6,381,392	6,919,618	538,226	92.2%	2,002,271	26.9%

\*\* Plan changed from aggregate actuarial cost method

Schedule of Contributions from Employers and Other Contributing Entities

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
September 30, 2009	\$ 565,126	100%	\$ (14,155)
September 30, 2008	586,438	103%	(14,682)
September 30, 2007	523,261	100%	-
September 30, 2006	506,018	100%	-
September 30, 2005	361,893	100%	-
September 30, 2004	284,873	100%	-

Lake Mary Firefighters' Pension Plan

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2009	\$ 7,024,260	\$ 8,510,231	\$ 1,485,971	82.5%	\$ 2,573,614	57.7%
10/1/2008	6,362,307	8,076,531	1,714,224	78.8%	2,424,832	70.7%
10/1/2007	5,450,760	7,411,961	1,961,201	73.5%	2,400,743	81.7%
10/1/2006	4,286,534	5,826,779	1,540,245	73.6%	2,117,306	72.7%
10/1/2005	3,391,286	4,741,651	1,350,365	71.5%	1,628,272	82.9%

\*\* Plan changed from aggregate actuarial cost method

Schedule of Contributions from Employers and Other Contributing Entities

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2009	\$ 696,248	102%	\$ (48,653)
September 30, 2008	591,599	109%	(33,569)
September 30, 2007	454,050	100%	-
September 30, 2006	361,562	100%	-
September 30, 2005	257,058	100%	-
September 30, 2004	230,933	100%	-

City of Lake Mary Retiree Continuation Insurance Plan

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
10/1/2007	\$ -	\$ 79,481	\$ 79,481	0.0%	\$ 6,786,455	1.2%

\*\* initial valuation date

Schedule of Contributions from Employers and Other Contributing Entities

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2009	\$ 22,090	0%	\$ 62,096
September 30, 2008	20,090	0%	40,006
September 30, 2007	19,916	0%	19,916

# **COMBINING AND INDIVIDUAL STATEMENTS AND SCHEDULES**



*This page intentionally left blank.*

# **Non-Major Governmental Funds**

## **SPECIAL REVENUE FUNDS**

POLICE EDUCATION FUND - This fund is used to account for the \$2.00 additional assessment on each traffic citation that is restricted for criminal justice education and training in accordance with Chapter 938.15, Florida Statutes.

IMPACT FEES FUNDS - These funds are used to account for impact fees levied on new development and are restricted for use in funding capital facilities and equipment that are directly related to new growth. Such capital expenditures must benefit the governmental activity for which collected, as indicated in the name of each fund; Police, Fire, Public Works, and Recreation.

LAW ENFORCEMENT TRUST FUND - This fund is used to account for revenue and expenditures to be used for School Resource Officer, crime prevention, drug education programs or other law enforcement purposes in accordance with Chapter 932.7055 Florida Statutes.

POLICE AND FIREFIGHTER PREMIUM TAX TRUST FUND - This special revenue fund is used to account for State contributions included as a part insurance premiums paid by business entities within City limits, to be used solely for benefit of police and fire pension plans.

STREET LIGHTING DISTRICT - This fund is used to account for the collection and disbursement of revenues for special street lighting districts within the City.

## **DEBT SERVICE FUNDS**

PIRRB SERIES 2003 - This fund accumulates funds for the retirement of debt related to the \$7,305,000 Public Improvement Refunding Revenue Bonds, Series 2003.

PIRB SERIES 2007 - This fund accumulates funds for the retirement of debt related to the \$7,105,000 Public Improvement Revenue Bonds, Series 2007 A & B.

**City of Lake Mary, Florida  
Combining Balance Sheet  
Nonmajor Governmental Funds  
As of September 30, 2009**

	Special Revenue					
	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees	Law Enforcement Trust
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 33,998	\$ 41,905	\$ 28,243	\$ 7,807	\$ 42,988	\$ 37,488
Investments	91,129	304,491	147,865	41,727	82,236	248,276
Interest receivable	377	1,041	525	147	372	857
Unbilled service charges	-	-	-	-	-	-
Assessments receivable	-	-	-	-	-	-
Total Assets	<u>\$ 125,504</u>	<u>\$ 347,437</u>	<u>\$ 176,633</u>	<u>\$ 49,681</u>	<u>\$ 125,596</u>	<u>\$ 286,621</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,077
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,077</u>
<b>FUND BALANCES</b>						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	125,504	347,437	176,633	49,681	125,596	284,544
Total Fund Balance	<u>125,504</u>	<u>347,437</u>	<u>176,633</u>	<u>49,681</u>	<u>125,596</u>	<u>284,544</u>
Total liabilities and fund balances	<u>\$ 125,504</u>	<u>\$ 347,437</u>	<u>\$ 176,633</u>	<u>\$ 49,681</u>	<u>\$ 125,596</u>	<u>\$ 286,621</u>

Street Lighting District	Debt Service				Total Nonmajor Governmental Funds
	Total	PIRRB Series 2003	PIRB Series 2007 A & B	Total	
\$ 4,145	\$ 196,574	\$ 12,520	\$ 313,830	\$ 326,350	\$ 522,924
5,750	921,474	-	-	-	921,474
30	3,349	-	-	-	3,349
898	898	-	-	-	898
2,925	2,925	-	-	-	2,925
<u>\$ 13,748</u>	<u>\$ 1,125,220</u>	<u>\$ 12,520</u>	<u>\$ 313,830</u>	<u>\$ 326,350</u>	<u>\$ 1,451,570</u>
\$ -	\$ 2,077	\$ -	\$ -	\$ -	\$ 2,077
-	2,077	-	-	-	2,077
-	-	12,520	313,830	326,350	326,350
13,748	1,123,143	-	-	-	1,123,143
<u>13,748</u>	<u>1,123,143</u>	<u>12,520</u>	<u>313,830</u>	<u>326,350</u>	<u>1,449,493</u>
<u>\$ 13,748</u>	<u>\$ 1,125,220</u>	<u>\$ 12,520</u>	<u>\$ 313,830</u>	<u>\$ 326,350</u>	<u>\$ 1,451,570</u>

**City of Lake Mary, Florida**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2009**

	Special Revenue Funds					
	Police Education Fund	Police Impact Fees	Fire Impact Fees	Public Works Impact Fees	Recreation Impact Fees	Law Enforcement Trust
<b>REVENUES</b>						
Impact fees/assessments	\$ -	\$ 6,418	\$ 6,685	\$ 1,194	\$ 5,163	\$ -
Fines and forfeitures	9,588	-	-	-	-	92,684
Intergovernmental revenues	-	-	-	-	-	-
Investment income	4,384	12,391	6,439	1,751	4,306	9,469
Other	-	-	-	-	10,180	-
Total revenues	<u>13,972</u>	<u>18,809</u>	<u>13,124</u>	<u>2,945</u>	<u>19,649</u>	<u>102,153</u>
<b>EXPENDITURES</b>						
Current:						
Public safety	7,693	2,910	5,973	-	-	27,012
Debt service:						
Principal	-	-	-	-	-	-
Interest and other fiscal charges	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	7,000
Total expenditures	<u>7,693</u>	<u>2,910</u>	<u>5,973</u>	<u>-</u>	<u>-</u>	<u>34,012</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>6,279</u>	<u>15,899</u>	<u>7,151</u>	<u>2,945</u>	<u>19,649</u>	<u>68,141</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	6,279	15,899	7,151	2,945	19,649	68,141
Fund Balances - beginning	119,225	331,538	169,482	46,736	105,947	216,403
Fund Balances - end	<u>\$ 125,504</u>	<u>\$ 347,437</u>	<u>\$ 176,633</u>	<u>\$ 49,681</u>	<u>\$ 125,596</u>	<u>\$ 284,544</u>

							Debt Service			Total Nonmajor Governmental Funds
Police and Firefighter Premium Tax Trust	Street Lighting District	Total	PIRRB Series 2003	PIRB Series 2007 A & B	Total					
\$ -	\$ 32,380	\$ 51,840	\$ -	\$ -	\$ -	\$ 51,840				
-	-	102,272	-	-	-	102,272				
567,716	-	567,716	-	-	-	567,716				
-	360	39,100	-	-	-	39,100				
	-	10,180	-	-	-	10,180				
<u>567,716</u>	<u>32,740</u>	<u>771,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>771,108</u>				
567,716	-	611,304	-	-	-	611,304				
-	-	-	835,000	380,000	1,215,000	1,215,000				
-	-	-	119,350	286,437	405,787	405,787				
-	-	7,000	-	-	-	7,000				
<u>567,716</u>	<u>-</u>	<u>618,304</u>	<u>954,350</u>	<u>666,437</u>	<u>1,620,787</u>	<u>2,239,091</u>				
<u>-</u>	<u>32,740</u>	<u>152,804</u>	<u>(954,350)</u>	<u>(666,437)</u>	<u>(1,620,787)</u>	<u>(1,467,983)</u>				
-	-	-	954,350	666,438	1,620,788	1,620,788				
-	(33,000)	(33,000)	-	-	-	(33,000)				
-	(33,000)	(33,000)	954,350	666,438	1,620,788	1,587,788				
-	(260)	119,804	-	1	1	119,805				
-	14,008	1,003,339	12,520	313,829	326,349	1,329,688				
<u>\$ -</u>	<u>13,748</u>	<u>\$ 1,123,143</u>	<u>\$ 12,520</u>	<u>\$ 313,830</u>	<u>\$ 326,350</u>	<u>\$ 1,449,493</u>				

**City of Lake Mary, Florida  
Police Education Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
For the Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 11,400	\$ 11,400	\$ 9,588	\$ (1,812)
Investment income	2,050	2,050	4,384	2,334
Total revenues	<u>13,450</u>	<u>13,450</u>	<u>13,972</u>	<u>522</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	16,800	16,800	7,693	9,107
Total expenditures	<u>16,800</u>	<u>16,800</u>	<u>7,693</u>	<u>9,107</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(3,350)</u>	<u>(3,350)</u>	<u>6,279</u>	<u>9,629</u>
Fund balances at beginning of year	<u>119,225</u>	<u>119,225</u>	<u>119,225</u>	<u>-</u>
Fund balances at end of year	<u>\$ 115,875</u>	<u>\$ 115,875</u>	<u>\$ 125,504</u>	<u>\$ 9,629</u>

**City of Lake Mary, Florida**  
**Police Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
	Amounts	Amounts	Amounts	
<b>REVENUES</b>				
Impact fees/assessments	\$ 10,000	\$ 10,000	\$ 6,418	\$ (3,582)
Investment income	7,375	7,442	12,391	4,949
Total revenues	<u>17,375</u>	<u>17,442</u>	<u>18,809</u>	<u>1,367</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Public safety	-	2,910	2,910	-
Total expenditures	<u>-</u>	<u>2,910</u>	<u>2,910</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>17,375</u>	<u>14,532</u>	<u>15,899</u>	<u>1,367</u>
Fund balances at beginning of year	<u>331,538</u>	<u>331,538</u>	<u>331,538</u>	<u>-</u>
Fund balances at end of year	<u>\$ 348,913</u>	<u>\$ 346,070</u>	<u>\$ 347,437</u>	<u>\$ 1,367</u>

**City of Lake Mary, Florida**  
**Fire Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
	Amounts	Amounts	Amounts	
<b>REVENUES</b>				
Impact fees/assessments	\$ 9,000	\$ 9,000	\$ 6,685	\$ (2,315)
Investment income	3,200	3,200	6,439	3,239
Total revenues	<u>12,200</u>	<u>12,200</u>	<u>13,124</u>	<u>924</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Public safety	6,000	6,000	5,973	27
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>5,973</u>	<u>27</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>6,200</u>	<u>6,200</u>	<u>7,151</u>	<u>951</u>
Fund balances at beginning of year	<u>169,482</u>	<u>169,482</u>	<u>169,482</u>	<u>-</u>
Fund balances at end of year	<u>\$ 175,682</u>	<u>\$ 175,682</u>	<u>\$ 176,633</u>	<u>\$ 951</u>

**City of Lake Mary, Florida**  
**Public Works Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Impact fees/assessments	\$ 2,000	\$ 2,000	\$ 1,194	\$ (806)
Investment income	1,030	1,030	1,751	721
Total revenues	<u>3,030</u>	<u>3,030</u>	<u>2,945</u>	<u>(85)</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>3,030</u>	<u>3,030</u>	<u>2,945</u>	<u>(85)</u>
Fund balances at beginning of year	46,736	46,736	46,736	-
Fund balances at end of year	<u>\$ 49,766</u>	<u>\$ 49,766</u>	<u>\$ 49,681</u>	<u>\$ (85)</u>

**City of Lake Mary, Florida**  
**Recreation Impact Fees Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2009**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
	Amounts	Amounts	Amounts	
<b>REVENUES</b>				
Impact fees/assessments	\$ 12,000	\$ 12,000	\$ 5,163	\$ (6,837)
Investment income	2,080	2,080	4,306	1,331
Other Contributions	-	-	10,180	10,180
Total revenues	<u>14,080</u>	<u>14,080</u>	<u>19,649</u>	<u>4,674</u>
<b>EXPENDITURES</b>				
Capital Outlay:				
Parks and recreation	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>6,580</u>	<u>6,580</u>	<u>19,649</u>	<u>(2,826)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>6,580</u>	<u>6,580</u>	<u>19,649</u>	<u>(2,826)</u>
Fund balances at beginning of year	<u>105,947</u>	<u>105,947</u>	<u>105,947</u>	<u>-</u>
Fund balances at end of year	<u>\$ 112,527</u>	<u>\$ 112,527</u>	<u>\$ 125,596</u>	<u>\$ (2,826)</u>

**City of Lake Mary, Florida**  
**Law Enforcement Trust Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ 19,670	\$ 92,684	\$ 73,014
Investment income	2,500	2,500	9,469	6,969
Total revenues	<u>2,500</u>	<u>22,170</u>	<u>102,153</u>	<u>79,983</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	7,500	39,047	34,012	5,035
Total expenditures	<u>7,500</u>	<u>39,047</u>	<u>34,012</u>	<u>5,035</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(5,000)</u>	<u>(16,877)</u>	<u>68,141</u>	<u>74,948</u>
Fund balances at beginning of year	216,403	216,403	216,403	-
Fund balances at end of year	<u>\$ 211,403</u>	<u>\$ 199,526</u>	<u>\$ 284,544</u>	<u>\$ 74,948</u>

**City of Lake Mary, Florida**  
**Street Lighting Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended September 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Impact fees/assessments	\$ 33,000	\$ 33,000	\$ 32,380	\$ (620)
Investment income	100	100	360	260
Total revenues	<u>33,100</u>	<u>33,100</u>	<u>32,740</u>	<u>(360)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiencies) of revenues over (under) expenditures	<u>33,100</u>	<u>33,100</u>	<u>32,740</u>	<u>(360)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(33,000)	(33,000)	(33,000)	-
Total other financing sources and uses	<u>(33,000)</u>	<u>(33,000)</u>	<u>(33,000)</u>	<u>-</u>
Net change in fund balances	100	100	(260)	(360)
Fund balances at beginning of year	14,008	14,008	14,008	-
Fund balances at end of year	<u>\$ 14,108</u>	<u>\$ 14,108</u>	<u>\$ 13,748</u>	<u>\$ (360)</u>

## **Fiduciary Funds**

### PENSION TRUST FUNDS

Police, Firefighter and General Employees' Pension Funds - These funds are used to account for the accumulation of resources to be used for retirement annuity payments at the appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City and the State at amounts determined by an annual actuarial study

**City of Lake Mary, Florida**  
**Combining Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**As of September 30, 2009**

	Police Pension Trust	Fire Pension Trust	General Employees Pension	Total Employee Pension Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 458,156	\$ 280,901	\$ 780,491	\$ 1,519,548
Receivables:				
Accounts Receivable	380	-	-	380
Interest receivable	29,414	25,197	-	54,611
Notes receivable - employee	-	-	11,399	11,399
Contributions receivable - employer	-	-	15,496	15,496
Total receivables	<u>29,794</u>	<u>25,197</u>	<u>26,895</u>	<u>81,886</u>
Investments at fair value				
Domestic corporate & Govt bonds	2,062,242	3,193,188	871,351	6,126,781
Domestic stocks	5,449,222	2,405,737	1,814,349	9,669,308
Other securities	746,518	510,298	53,280	1,310,096
Total investments	<u>8,257,982</u>	<u>6,109,223</u>	<u>2,738,980</u>	<u>17,106,185</u>
Prepaid expenses	<u>-</u>	<u>2,661</u>	<u>-</u>	<u>2,661</u>
Total assets	<u>8,745,932</u>	<u>6,417,982</u>	<u>3,546,366</u>	<u>18,710,280</u>
<b>LIABILITIES</b>				
Accounts payable	<u>16,672</u>	<u>6,066</u>	<u>-</u>	<u>22,738</u>
Total liabilities	<u>16,672</u>	<u>6,066</u>	<u>-</u>	<u>22,738</u>
<b>NET ASSETS</b>				
Held in trust for pension benefits	<u>\$ 8,729,260</u>	<u>\$ 6,411,916</u>	<u>\$ 3,546,366</u>	<u>\$ 18,687,542</u>

**City of Lake Mary, Florida**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2009**

	Police Pension Trust	Fire Pension Trust	General Employees Pension	Total Employee Pension Funds
<b>ADDITIONS</b>				
Contributions:				
Employer contributions	\$ 411,742	\$ 331,852	\$ 505,348	\$ 1,248,942
State contributions	153,384	414,332	-	567,716
Employee contributions	116,762	129,090	87,377	333,229
Total contributions	<u>681,888</u>	<u>875,274</u>	<u>592,725</u>	<u>2,149,887</u>
Investment earnings				
Interest	249,070	208,650	-	457,720
Net increase (decrease) in fair value of investments	<u>(164,286)</u>	<u>(90,014)</u>	<u>83,163</u>	<u>(171,137)</u>
Net investment earnings (loss)	<u>84,784</u>	<u>118,636</u>	<u>83,163</u>	<u>286,583</u>
Total additions	<u>766,672</u>	<u>993,910</u>	<u>675,888</u>	<u>2,436,470</u>
<b>DEDUCTIONS</b>				
Benefit payments	209,520	66,597	66,437	342,554
Refunds of contributions	1,808	-	-	1,808
Administrative expenses	<u>76,485</u>	<u>53,593</u>	<u>314</u>	<u>130,392</u>
Total deductions	<u>287,813</u>	<u>120,190</u>	<u>66,751</u>	<u>474,754</u>
Change in net assets	478,859	873,720	609,137	1,961,716
Net assets - beginning	<u>8,250,401</u>	<u>5,538,196</u>	<u>2,937,229</u>	<u>16,725,826</u>
Net assets - ending	<u>\$ 8,729,260</u>	<u>\$ 6,411,916</u>	<u>\$ 3,546,366</u>	<u>\$ 18,687,542</u>



*This page intentionally left blank.*

# Statistical Section

This part of the City of Lake Mary's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall health.

<b>Contents</b>	<b>Page</b>
Financial Trends	86
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	96
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	101
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
There are no limitations placed upon the amount of debt the City of Lake Mary may issue by either the City Charter or the City's Code of Ordinances or by Florida Statutes.	
The City of Lake Mary has no general obligation bonds outstanding.	
Demographic and Economic Information	104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	106
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	
Supplemental Information	112
These schedules contain trend data for pension funds which is viewed by management as required information.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Lake Mary, Florida**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	*	*	\$ 11,735	\$ 8,061
Restricted	*	*	-	8,901
Unrestricted	*	*	<u>12,439</u>	<u>9,524</u>
Total governmental activities net assets			<u>\$ 24,174</u>	<u>\$ 26,486</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	*	*	\$ 13,534	\$ 14,044
Restricted	*	*	951	1,049
Unrestricted	*	*	<u>8,681</u>	<u>9,381</u>
Total business-type activities net assets			<u>\$ 23,166</u>	<u>\$ 24,474</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	*	*	\$ 25,269	\$ 22,105
Restricted	*	*	951	9,950
Unrestricted	*	*	<u>21,120</u>	<u>18,905</u>
Total primary government net assets			<u>\$ 47,340</u>	<u>\$ 50,960</u>

Note

- \* Information not available prior to implementation of GASB Statement 34.
- \*\* 2007 Recorded Infrastructure Assets

Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 10,960	\$ 18,759	\$ 17,684	\$ 32,197	\$ 37,033	\$ 37,040
7,678	2,257	2,266	6,983	2,351	2,592
<u>10,583</u>	<u>11,293</u>	<u>14,156</u>	<u>12,730</u>	<u>13,884</u>	<u>16,397</u>
<u>\$ 29,221</u>	<u>\$ 32,309</u>	<u>\$ 34,106</u>	<u>\$ 51,910</u>	<u>\$ 53,268</u>	<u>\$ 56,029</u>
\$ 14,983	\$ 15,551	\$ 18,365	\$ 19,595	\$ 19,791	\$ 20,119
1,145	2,189	2,455	2,704	1,623	621
<u>10,127</u>	<u>12,280</u>	<u>10,942</u>	<u>10,564</u>	<u>11,800</u>	<u>12,855</u>
<u>\$ 26,255</u>	<u>\$ 30,020</u>	<u>\$ 31,762</u>	<u>\$ 32,863</u>	<u>\$ 33,214</u>	<u>\$ 33,595</u>
\$ 25,943	\$ 34,310	\$ 36,049	\$ 51,792	\$ 56,824	\$ 57,159
8,823	4,446	4,721	9,687	3,974	3,213
<u>20,710</u>	<u>23,573</u>	<u>25,098</u>	<u>23,294</u>	<u>25,733</u>	<u>29,252</u>
<u>\$ 55,476</u>	<u>\$ 62,329</u>	<u>\$ 65,868</u>	<u>\$ 84,773</u>	<u>\$ 86,531</u>	<u>\$ 89,624</u>

**City of Lake Mary, Florida**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

<b>Expenses</b>	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:										
General government	*	*	\$ 1,728	\$ 2,266	\$ 3,187	\$ 2,492	\$ 2,687	\$ 2,932	\$ 2,940	\$ 3,457
Public works	*	*	719	816	2,987	1,184	773	1,620	1,452	1,415
Public safety	*	*	6,193	6,546	7,402	8,082	9,725	10,537	10,724	10,146
Parks and recreation	*	*	1,231	2,190	1,598	1,747	1,857	2,020	2,514	2,563
Interest & other fiscal charges on long-term debt	*	*	345	332	389	345	318	294	449	411
Total governmental activities expenses	<u>*</u>	<u>*</u>	<u>10,216</u>	<u>12,150</u>	<u>15,563</u>	<u>13,850</u>	<u>15,360</u>	<u>17,403</u>	<u>18,079</u>	<u>17,992</u>
Business-type activities:										
Water & Sewer	*	*	1,969	2,114	2,479	2,447	2,520	2,899	3,025	3,033
Stormwater	*	*	122	160	239	275	282	307	326	374
Total business-type activities expenses	<u>*</u>	<u>*</u>	<u>\$ 2,091</u>	<u>\$ 2,274</u>	<u>\$ 2,718</u>	<u>\$ 2,722</u>	<u>\$ 2,802</u>	<u>\$ 3,206</u>	<u>\$ 3,351</u>	<u>\$ 3,407</u>
 <b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	*	*	\$ 141	\$ 203	\$ 234	\$ 343	\$ 238	\$ 243	\$ 217	\$ 176
Public works	*	*	6	4	4	5	13	5	7	1
Public safety	*	*	955	1,176	1,128	1,320	1,948	1,255	1,647	1,248
Parks and recreation	*	*	227	219	209	213	319	207	316	607
Operating grants and contributions	*	*	10	665	2,772	957	764	654	492	917
Capital grants and contributions	*	*	127	524	807	140	249	182	242	185
Total governmental activities program revenues	<u>*</u>	<u>*</u>	<u>1,466</u>	<u>2,791</u>	<u>5,154</u>	<u>2,978</u>	<u>3,531</u>	<u>2,546</u>	<u>2,921</u>	<u>3,134</u>
Business-type activities:										
Charges for services:										
Water & Sewer	*	*	3,367	3,283	3,474	3,411	3,794	3,835	3,673	3,905
Stormwater	*	*	229	236	242	248	251	263	270	283
Capital grants and contributions	*	*	268	417	1,251	1,241	305	249	130	40
Total business-type activities program revenues	<u>*</u>	<u>*</u>	<u>3,864</u>	<u>3,936</u>	<u>4,967</u>	<u>4,900</u>	<u>4,350</u>	<u>4,347</u>	<u>4,073</u>	<u>4,228</u>
Total government program revenues	<u>*</u>	<u>*</u>	<u>\$ 5,330</u>	<u>\$ 6,727</u>	<u>\$ 10,121</u>	<u>\$ 7,878</u>	<u>\$ 7,881</u>	<u>\$ 6,893</u>	<u>\$ 6,994</u>	<u>\$ 7,362</u>

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue										
Governmental activities	*	*	\$ (8,750)	\$ (9,359)	\$ (10,409)	\$ (10,872)	\$ (11,829)	\$ (14,857)	\$ (15,158)	\$ (14,858)
Business-type activities	*	*	1,773	1,662	2,249	2,178	1,548	1,141	722	821
Total government net expense	*	*	\$ (6,977)	\$ (7,697)	\$ (8,160)	\$ (8,694)	\$ (10,281)	\$ (13,716)	\$ (14,436)	\$ (14,037)

### General Revenues and Other Changes in Net Assets

#### Governmental activities:

Taxes										
Property taxes	*	*	\$ 4,615	\$ 5,038	\$ 6,056	\$ 6,033	\$ 6,534	\$ 7,687	\$ 7,762	\$ 7,919
Franchise and utility taxes	*	*	4,420	4,707	5,040	5,449	6,001	6,224	6,136	6,938
Unrestricted intergovernmental revenues	*	*	1,533	972	1,063	1,240	1,382	1,264	1,142	1,020
Unrestricted investment earnings	*	*	549	336	280	341	720	1,159	572	654
Miscellaneous revenues	*	*	52	69	81	241	173	158	168	135
Transfers	*	*	475	550	625	655	655	725	785	905
Total governmental activities	*	*	11,644	11,672	13,145	13,959	15,465	17,217	16,565	17,571
Business-type activities:										
Investment earnings	*	*	361	195	157	271	573	685	414	464
Miscellaneous revenues	*	*	-	-	-	1,970	276	-	-	-
Transfers	*	*	(475)	(550)	(625)	(655)	(655)	(725)	(785)	(905)
Total business-type activities	*	*	(114)	(355)	(468)	1,586	194	(40)	(371)	(441)
Total government	*	*	\$ 11,530	\$ 11,317	\$ 12,677	\$ 15,545	\$ 15,659	\$ 17,177	\$ 16,194	\$ 17,130

### Change in Net Assets

Governmental activities	*	*	\$ 2,894	\$ 2,313	\$ 2,736	\$ 3,087	\$ 3,636	\$ 2,360	\$ 1,407	\$ 2,713
Business-type activities	*	*	1,659	1,307	1,781	3,764	1,742	1,101	351	380
Total government	*	*	\$ 4,553	\$ 3,620	\$ 4,517	\$ 6,851	\$ 5,378	\$ 3,461	\$ 1,758	\$ 3,093

#### Note

\* Information not available prior to implementation of GASB Statement 34.

1 Increase from prior period was caused by 2004 Hurricanes Charley, Frances & Jeanne, and accrued FEMA reimbursement.

**City of Lake Mary, Florida**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

Fiscal Year	Property Tax	Franchise Fees	Utility Tax	Total
2000	\$ 3,510	\$ 1,119	\$ 2,402	\$ 7,031
2001	4,033	1,287	2,404	7,724
2002	4,615	1,167	3,254	9,036
2003	5,038	1,276	3,430	9,744
2004	6,056	1,449	3,623	11,128
2005	6,033	1,644	3,805	11,482
2006	6,534	2,019	3,982	12,535
2007	7,687	2,104	4,120	13,911
2008	7,762	2,130	4,006	13,898
2009	7,919	2,430	4,508	14,857

**Taxes included in Unrestricted Intergovernmental Revenues**

Fiscal Year	Sales Tax	State Revenue Sharing	Other	Total
2000	\$ 671	\$ 86	\$ 5	\$ 762
2001	677	111	7	795
2002	781	113	7	901
2003	838	127	7	972
2004	910	146	8	1,064
2005	1,011	222	7	1,240
2006	1,126	239	17	1,382
2007	1,014	239	10	1,263
2008	925	216	1	1,142
2009	825	186	9	1,020



*This page intentionally left blank.*

**City of Lake Mary, Florida**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General fund				
Reserved	\$ 1,735	\$ -	\$ 6	\$ 4
Unreserved	<u>6,622</u>	<u>7,739</u>	<u>9,782</u>	<u>8,047</u>
Total general fund	<u><u>\$ 8,357</u></u>	<u><u>\$ 7,739</u></u>	<u><u>\$ 9,788</u></u>	<u><u>\$ 8,051</u></u>
All other governmental funds				
Reserved	\$ 2,535	\$ 1,261	\$ 1,415	\$ 8,999
Unreserved, reported in:				
Special revenue funds	-	993	1,228	1,198
Debt service funds	<u>83</u>	<u>133</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u><u>\$ 2,618</u></u>	<u><u>\$ 2,387</u></u>	<u><u>\$ 2,643</u></u>	<u><u>\$ 10,197</u></u>

Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 5	\$ 11	\$ 10	\$ 7	\$ 8	\$ 5
<u>6,859</u>	<u>9,834</u>	<u>12,386</u>	<u>10,510</u>	<u>11,562</u>	<u>13,370</u>
<u>\$ 6,864</u>	<u>\$ 9,845</u>	<u>\$ 12,396</u>	<u>\$ 10,517</u>	<u>\$ 11,570</u>	<u>\$ 13,375</u>
\$ 7,816	\$ 2,297	\$ 2,306	\$ 7,310	\$ 2,677	\$ 2,919
1,151	904	1,026	926	1,003	1,123
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,967</u>	<u>\$ 3,201</u>	<u>\$ 3,332</u>	<u>\$ 8,236</u>	<u>\$ 3,680</u>	<u>\$ 4,042</u>

**City of Lake Mary, Florida**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Revenues</b>				
Taxes				
Property	\$ 3,510	\$ 4,033	\$ 4,615	\$ 5,038
Franchise and utility taxes	3,521	3,690	4,420	4,707
Licenses and Permits	680	668	529	669
Intergovernmental	1,557	1,423	1,670	2,115
Charges for services	207	332	392	438
Impact fees/assessments	232	206	153	199
Fines and forfeitures	252	243	256	285
Investment earnings	713	1,032	529	328
Miscellaneous	83	79	51	126
Total revenues	<u>10,755</u>	<u>11,706</u>	<u>12,615</u>	<u>13,905</u>
<b>Expenditures</b>				
General government	1,407	1,643	1,569	2,201
Public works	532	540	676	816
Public safety	4,309	5,280	5,606	6,333
Parks and recreation	1,043	1,288	1,163	1,301
Capital outlay	3,406	3,409	950	1,147
Debt service				
Principal	430	450	360	495
Interest	381	363	332	299
Other charges	-	-	28	23
Total expenditures	<u>11,508</u>	<u>12,973</u>	<u>10,684</u>	<u>12,615</u>
Excess of revenues over (under) expenditures	(753)	(1,267)	1,931	1,290
Other financing sources (uses)				
Transfers in	2,460	4,772	2,500	5,893
Transfers out	(2,091)	(4,360)	(2,047)	(5,365)
Refunding bonds issued	-	-	3,790	7,305
Payments to refunded bond escrow agent	-	-	(3,870)	(3,305)
Sale of capital assets	-	5	1	-
Total other financing sources (uses)	<u>369</u>	<u>417</u>	<u>374</u>	<u>4,528</u>
Net change in fund balances	<u>\$ (384)</u>	<u>\$ (850)</u>	<u>\$ 2,305</u>	<u>\$ 5,818</u>
Debt service as a percentage of noncapital expenditures	8.00%	8.50%	7.40%	7.12%

Fiscal Year						
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	
\$ 6,056	\$ 6,033	\$ 6,534	\$ 7,687	\$ 7,762	\$ 7,919	
5,073	5,449	6,001	6,224	6,136	6,938	
735	896	1,386	787	1,153	706	
1,823	4,422	2,408	2,113	1,887	2,131	
432	644	654	648	718	1,047	
120	119	285	80	142	52	
245	210	179	182	163	217	
267	317	721	1,159	572	654	
152	156	174	158	168	135	
<u>14,903</u>	<u>18,246</u>	<u>18,342</u>	<u>19,038</u>	<u>18,701</u>	<u>19,799</u>	
2,252	2,118	2,318	2,554	2,573	3,067	
2,958	1,121	741	1,157	991	961	
6,757	7,776	9,397	10,221	10,468	9,951	
1,380	1,506	1,622	1,777	2,062	2,084	
3,316	7,980	959	4,836	5,535	854	
875	905	940	780	915	1,215	
384	342	316	289	444	406	
-	-	-	57	-	-	
<u>17,922</u>	<u>21,748</u>	<u>16,293</u>	<u>21,671</u>	<u>22,988</u>	<u>18,538</u>	
(3,019)	(3,502)	2,049	(2,633)	(4,287)	1,261	
4,119	4,267	2,992	6,797	3,308	3,735	
(3,516)	(3,635)	(2,359)	(6,095)	(2,523)	(2,830)	
-	-	-	7,105	-	-	
-	-	-	(2,150)	-	-	
-	85	-	-	-	-	
<u>603</u>	<u>717</u>	<u>633</u>	<u>5,657</u>	<u>785</u>	<u>905</u>	
<u>\$ (2,416)</u>	<u>\$ (2,785)</u>	<u>\$ 2,682</u>	<u>\$ 3,024</u>	<u>\$ (3,502)</u>	<u>\$ 2,166</u>	
8.62%	9.06%	8.19%	6.69%	7.79%	9.17%	

**City of Lake Mary, Florida**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year Ended September 30,	Real Property					
	Total Residential and Commercial Real Property	Residential Property	% Residential	Commercial Property	% Commercial	Personal Property
2000	\$ 894,567	\$ 499,872	55.88%	\$ 394,695	44.12%	\$ 212,300
2001	990,544	535,434	54.05%	455,110	45.95%	259,474
2002	1,163,912	625,705	53.76%	538,207	46.24%	276,111
2003	1,168,702	508,248	43.51%	660,454	56.49%	267,777
2004	1,261,704	554,454	43.94%	707,250	56.03%	290,525
2005	1,307,139	616,614	47.20%	690,525	52.80%	268,047
2006	1,429,955	698,274	48.85%	731,681	51.15%	281,175
2007	1,684,760	819,695	48.65%	865,065	51.33%	309,686
2008	1,951,536	951,070	48.73%	1,000,466	51.27%	308,023
2009	1,961,734	891,716	45.46%	1,070,019	51.27%	316,645

Source: Seminole County Property Appraiser's Office

---

<u>Tax Exempt Real Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 139,978	\$ 971,514	3.7648	\$ 1,111,343	87.42%
145,569	1,130,890	3.7648	1,276,311	88.61%
169,601	1,275,426	3.7648	1,444,875	88.27%
213,302	1,431,361	3.7648	1,644,474	87.04%
233,805	1,544,834	3.9998	1,778,472	86.86%
271,364	1,567,900	3.9998	1,839,181	85.25%
382,264	1,704,666	3.9998	2,045,187	83.35%
530,188	1,994,307	3.9998	2,550,770	78.18%
633,026	2,260,085	3.5797	2,927,296	77.21%
598,280	2,263,359	3.6355	2,912,958	77.70%

**City of Lake Mary, Florida**  
**Property Tax Rates**  
**Direct and Overlapping<sup>1</sup> Governments**  
**Last Ten Fiscal Years<sup>2</sup>**

Fiscal Year	Overlapping Rates								Total Direct & Overlapping Rates
	City of Lake Mary Operating Millage	Seminole County			School District			St. John's Water Management District	
		Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage		
2000	3.7648	4.9989	0.1170	5.1159	8.7850	0.7560	9.5410	0.4820	18.9037
2001	3.7648	4.9989	0.1083	5.1072	8.6550	0.6900	9.3450	0.4620	18.6790
2002	3.7648	4.9989	0.2208	5.2197	8.5230	0.6390	9.1620	0.4620	18.6085
2003	3.7648	4.9989	0.2086	5.2075	8.4790	0.5210	9.0000	0.4620	18.4343
2004	3.9998	4.9989	0.1910	5.1899	8.2410	0.4950	8.7360	0.4620	18.3877
2005	3.9998	4.9989	0.1721	5.1710	8.1270	0.3850	8.5120	0.4620	18.1448
2006	3.9998	4.9989	0.2041	5.2030	7.9650	0.0000	7.9650	0.4620	17.6298
2007	3.9998	4.9989	0.1451	5.1440	7.7530	0.0000	7.7530	0.4620	17.3588
2008	3.5797	4.3578	0.1451	4.5029	7.4130	0.0000	7.4130	0.4158	15.9114
2009	3.6355	4.5153	0.1451	4.6604	7.5430	0.0000	7.5430	0.4158	16.2547

Source: Seminole County Tax Collectors Office

<sup>1</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Lake Mary.

<sup>2</sup> Taxes levied for the current fiscal year are based on the prior year taxable value.

**City of Lake Mary, Florida**  
**Principal Property Taxpayers**  
**September 30, 2009**  
**(amounts expressed in thousands)**

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
DRA CLP Heathrow (formerly a part of Crescent Resources, Inc)	\$ 88,714	1	3.93%	-		-
Sun Life Assurance Co of Canada (formerly a part of Crescent Resources, Inc.)	58,360	2	2.58%	-		-
Nextel South Corp	40,709	3	1.80%	-		-
A T & T Mobility LLC	40,228	4	1.78%	\$ 23,720	4	2.44%
DRA CRT Lake Mary Center LLC	38,015	5	1.68%	-		-
DR Horton, Inc	30,644	6	1.36%	-		-
Heathrow Hotel Owners LLC (Marriott Hotel)	29,818	7	1.32%	-		-
Duke-Weeks Realty LP	29,318	8	1.30%	-		-
Golfview Apartments LLC	26,836	9	1.19%	16,694	6	1.72%
North Point LP	24,951	10	1.10%	-		-
Crescent Resources, Inc	-		-	41,393	1	4.26%
Siemens Stromberg-Carlson	-		-	31,168	2	3.21%
Kroger Equity Inc	-		-	30,052	3	3.09%
Recoton Corp	-		-	22,016	5	2.27%
California State Teachers Retirement	-		-	14,627	7	1.51%
Weeks Realty LP	-		-	14,360	8	1.48%
701 International Pkwy Dev Co	-		-	14,345	9	1.48%
901 International Pkwy Dev Co	-		-	13,502	10	1.39%
<b>Totals</b>	<b>\$ 407,593</b>		<b>18.03%</b>	<b>\$ 221,877</b>		<b>22.85%</b>

Source: Seminole County Property Appraiser (www.scpaf.org)

**City of Lake Mary, Florida**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 3,630	\$ 3,507	96.61%	\$ 12	\$ 3,519	96.94%
2001	4,247	4,021	94.68%	68	4,089	96.28%
2002	4,781	4,547	95.11%	12	4,559	95.36%
2003	5,404	5,026	93.01%	172	5,198	96.19%
2004	6,158	5,884	95.55%	18	5,902	95.84%
2005	6,236	6,014	96.44%	18	6,032	96.73%
2006	6,812	6,516	95.65%	31	6,547	96.11%
2007	7,994	7,656	95.77%	33	7,689	96.18%
2008	8,092	7,729	95.51%	8	7,737	95.61%
2009	8,296	7,910	95.35%	-	7,910	95.35%

**City of Lake Mary, Florida**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(dollars in thousands, except per capita)**

Fiscal Year Ended September 30,	Governmental Activities		Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita
	Refunding Revenue Bonds <sup>3</sup>	Revenue Bonds			
2000	\$ 4,165	\$ 3,175	\$ 7,340	2.46%	\$ 689
2001	3,870	3,020	6,890	**	557
2002	3,590	2,860	6,450	**	498
2003	7,260	2,695	9,955	2.46%	756
2004	6,560	2,520	9,080	2.06%	658
2005	5,835	2,340	8,175	1.96%	587
2006	5,085	2,150	7,235	1.61%	516
2007	11,410	-	11,410	2.54%	799
2008	10,495	-	10,495	2.33%	702
2009	9,280	-	9,280	1.81%	635

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

- 1 Enterprise Funds have no outstanding Debt.
  - 2 See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
  - 3 Refunding Revenue bonds were refunded in 2002 and 2003 which included a new issue of \$4 million and again in 2007 which included a new issue of \$5 million.
- \*\* Information is not available.

**City of Lake Mary, Florida**  
**Direct and Overlapping Governmental Activities Debt**  
**As of September 30, 2009**  
**(amounts expressed in thousands)**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Seminole County General Obligation Debt	\$ 16,270	7.15%	\$ 1,164
Subtotal, overlapping debt			
Direct Debt:			
City of Lake Mary General Obligation Debt <sup>2</sup>	-	100%	-
Total direct and overlapping debt	<u>\$ 16,270</u>		<u>\$ 1,164</u>

Sources:

Seminole County Property Appraiser's Office  
Seminole County Finance Department  
Seminole County School Board

<sup>1</sup> Ratio of assessed valuation of taxable property in overlapping unit to that within the City of Lake Mary.

<sup>2</sup> City of Lake Mary does not currently have any General Obligation Debt.

**City of Lake Mary, Florida  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**General Government**

Fiscal Year Ended Sept 30,	Public Service Taxes	Half-Cent Sales Tax	Electric Franchise Fees	Total Revenue Available for Debt Service	Maximum Annual Debt Service	Coverage	Coverage without Franchise Fees
2000	\$ 2,401,639	\$ 680,469	\$ 747,549	\$ 3,829,657	\$ 815,235	4.70 x	3.78 x
2001	2,403,763	677,322	873,474	3,954,559	815,235	4.85 x	3.78 x
2002	3,253,848	781,173	903,512	4,938,533	815,235	6.06 x	4.95 x
2003	3,430,414	837,815	1,023,547	5,291,776	815,235	6.49 x	5.24 x
2004	3,623,094	909,961	1,171,465	5,704,520	815,235	7.00 x	5.56 x
2005	3,805,221	1,010,834	1,341,598	6,157,653	815,235	7.55 x	5.91 x
2006	3,982,274	1,125,870	1,678,033	6,786,177	815,235	8.32 x	6.27 x
2007	4,120,209	1,014,458	1,740,485	6,875,152	815,235	8.43 x	6.30 x
2008	4,005,823	924,906	1,722,654	6,653,383	1	n/a	n/a
2009	4,508,116	825,166	2,026,467	7,359,749	1	n/a	n/a

Notes:

1            1996 Bond issue was paid in full in 2007.

**City of Lake Mary, Florida  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Population <sup>1</sup>	Personal Income (amounts expressed in thousands)	Per Capita Personal Income <sup>1</sup>	Median Age <sup>1</sup>	Education Level in Years of Formal Schooling <sup>1</sup>	School Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2000	10,658	297,912	27,952	37.1	13.95	731	2.6%
2001	12,359	*	*	*	*	579	3.6%
2002	12,964	*	*	*	*	771	5.0%
2003 <sup>2</sup>	13,163	404,696	30,745 <sup>2</sup>	38.2 <sup>2</sup>	13.95	1,444	4.5%
2004	13,792	440,241	31,920	38.6	13.93	1,354	4.3%
2005	13,922	417,702	30,003	39.1	13.51	1,314	3.5%
2006	14,020	448,472	31,988	39.6	14.18	1,853	3.1%
2007	14,288	448,972	31,423	40.1	14.15	2,067	4.0%
2008	14,944	450,591	30,152	40.6	14.15	2,203	6.1%
2009	14,615	511,320	34,986	40.5	13.94	2,141	11.5%

\* Data not available

Sources:

- 1 Metro Orlando Economic Development Commission (estimates)
- 2 Decision Data Resources (estimated for 2008)
- 3 Lake Mary Elementary; Lake Mary Preparatory School added 2003; Crystal Lake Elementary added 2006;
- 4 US Department of Labor, Bureau of Labor Statistics

**City of Lake Mary, Florida  
Principal Employers  
Current Year and Nine Years Ago**

Employer	2009 <sup>1</sup>			2000 <sup>2</sup>		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Convergys	1,771	1	5.06%	*	*	*
Fiserv	661	2	1.89%	*	*	*
Bank of New York Investments	650	3	1.86%	*	*	*
AIG Marketing	638	4	1.82%	*	*	*
Symantic Software Global LLC	621	5	1.77%	*	*	*
Wells Fargo Home Mortgage	571	6	1.63%	*	*	*
Hartford Insurance Group	488	7	1.39%	*	*	*
A B B Power	403	8	1.15%	*	*	*
Sungard H T E Inc	359	9	1.03%	*	*	*
CuraScript	348	10	0.99%	*	*	*
Total	<u>6,510</u>		<u>18.60%</u>			

Source: BusinessinSeminole.com

Note 1: The City of Lake Mary has an estimated daytime population of over 35,000 with approximately 713 business establishments as of 9/30/2009

Note 2: \* Information is not available.

**City of Lake Mary, Florida**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

Full-time Equivalent Employees as of September 30,

<b>Function</b>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	21	23	24	24	23	25	26	27	29	29
Public Safety:										
Police										
Sworn Officers	31	33	31	35	35	36	36	39	42	42
Non sworn officers	2	1	1	1	1	1	1	1	1	1
Civilians <sup>1</sup>	13	13	12	16	17	15	16	18	15	15
Fire										
Firefighters and officers	15	20	21	20	20	29	38	38	38	38
Building & Life Safety <sup>2,4,5</sup>	17	16	16	17	17	17	17	18	16	14
Civilians <sup>3</sup>	1	1	1	1	1	1	1	2	2	2
Public Works	16	18	18	17	19	19	19	20	20	18
Parks and Recreation	18	18	18	14	17	18	22	25	24	27
<b>Total</b>	<u>134</u>	<u>143</u>	<u>142</u>	<u>145</u>	<u>150</u>	<u>161</u>	<u>176</u>	<u>188</u>	<u>187</u>	<u>186</u>



*This page intentionally left blank.*

**City of Lake Mary, Florida  
Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Police</b>				
Auto Accidents	1,031	1,048	1,032	1,035
Physical arrests	449	378	345	490
Criminal Investigations Conducted	544	575	449	528
Total Calls for Service	24,521	25,309	28,644	30,392
911 Calls Received	3,865	3,894	4,331	5,407
Evidence Processed (pieces)	960	1,217	898	1,186
<b>Fire &amp; Life Safety</b>				
Public Education Programs	56	76	111	274
Number of emergency calls answered	2,089	2,687	2,815	2,923
Medical Transports	**	100	953	1,043
<b>Highways and streets</b>				
Streets paved (miles)	3.0	2.0	2.0	0.9
Streets resurfaced (tons/asphalt)	75.0	54.0	72.0	45.0
Sidewalks/bike paths built or repaired (feet)	305	1,193	802	2,306
<b>Culture and recreation</b>				
Sports Complex ball games & field rentals	1,425	1,407	1,339	1,441
Tennis membership	**	**	125	110
Events Center rental	**	**	**	**
<b>Water</b>				
New connections	150	196	170	125
Number of customers	4,557	4,379	4,465	4,645
Water main breaks	50	60	75	57
Average daily consumption (millions of gallons)	3.78	3.78	3.58	3.14
Meter reads	49,715	52,326	56,425	55,143
<b>General Government</b>				
Total Permits Issued	3,962	3,904	3,283	3,022
Construction inspections	10,828	10,578	7,384	7,627
Employment applications received	300	930	506	774
Personnel actions processed	430	431	400	473
Legal Notices published	125	95	91	119
Business Tax Receipts issued	732	1,081	829	1,188
Accidents & Injuries reviewed	75	90	104	52
Land Use amendments & rezonings	12	18	10	22
License/Permit Reviews	1,170	1,032	461	958
Employee paychecks issued	3,487	3,425	3,773	3,916
Checks deposited	52,806	52,487	50,598	51,377
A/P Checks issued	3,753	3,999	3,595	3,916
Purchase orders/EPO's processed	1,635	1,565	1,563	1,673
Purchasing Card Transactions	**	**	**	**

Source: City of Lake Mary Departmental Monthly Reports

Notes

\*\* Service was not available

Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
1,087	1,030	907	768	598	783
515	531	486	446	501	374
304	756	770	624	685	740
31,784	31,122	38,654	52,381	62,864	62,762
4,904	5,076	5,408	6,296	5,973	5,176
1,712	1,522	1,614	2,229	1,494	1,446
155	98	100	161	201	226
3,175	3,463	3,829	3,950	3,128	3,308
1,070	1,217	1,260	1,331	1,062	1,323
3.9	1.7	0.8	9.5	6.7	2.3
51.3	49.5	62.8	66.7	59.6	51.1
2,048	1,679	1,674	1,924	1,898	1,587
1,342	1,430	1,417	1,029	953	935
120	126	134	144	148	156
**	**	**	**	240	467
104	48	134	123	96	40
4,736	4,783	4,884	4,991	5,031	5,028
85	78	64	60	75	58
3.62	3.78	3.88	3.81	3.22	3.01
55,982	57,082	57,913	59,497	60,301	60,444
2,309	2,417	3,556	2,056	1,661	1,177
7,816	7,833	9,532	6,191	5,941	4,341
737	749	640	1,308	1,274	479
457	485	546	567	611	522
106	96	80	87	118	70
1,359	1,565	1,898	1,843	2,255	1,839
60	66	70	53	61	70
23	21	29	28	12	11
1,046	1,112	1,707	1,160	992	610
3,940	4,540	4,526	4,804	4,919	5,210
51,592	47,095	46,815	43,907	42,175	38,040
3,763	4,039	2,938	2,767	2,939	2,620
1,629	1,890	1,081	833	603	614
**	**	2,249	2,552	2,418	2,592

**City of Lake Mary, Florida  
Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Function	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Public safety				
Police:				
Stations	1	1	1	1
Patrol units	33	33	34	36
Fire stations	1	1	1	1
Highways and streets				
Streets - paved (miles)	44.05	44.05	47.23	47.23
Streets - unpaved (miles)	6.60	6.60	3.42	3.42
Street lights	*	*	*	893
Traffic Signals	8	8	8	8
Culture and recreation				
Park acreage	39	39	39	39
Parks	8	8	8	8
Tennis courts	2	2	9	9
Community centers	1	1	1	1
Historical Museum	1	1	1	1
Water				
Water mains (miles)	97.1	97.9	101.0	101.0
Fire hydrants	565	565	595	595
Maximum daily capacity (millions of gallons)	4.84	4.84	12.96	12.96
Sewer				
Sanitary sewers (miles)	19.30	19.30	21.30	28.30
Storm sewers (miles)	*	*	*	36.62

Source: City of Lake Mary Departmental Monthly Reports

Notes

\* Information not available

Fiscal Year						
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	
1	1	1	1	1	1	1
37	39	39	41	41	41	41
1	1	2	2	2	2	2
50.38	50.38	54.10	55.79	55.79	55.79	55.79
3.42	3.42	2.67	2.46	2.46	2.46	2.46
962	965	934	948	981	1,074	1,074
8	10	10	12	12	12	12
39	39	39	39	39	39	39
8	8	8	9	9	9	9
9	9	9	9	9	9	9
1	2	2	2	2	2	2
1	1	1	1	1	1	1
102.6	103.0	103.0	103.0	104.0	104.0	104.0
612	716	716	716	719	720	720
12.96	12.96	12.96	12.96	12.96	12.96	12.96
30.00	30.00	31.40	31.40	31.72	32.38	32.38
37.29	46.00	53.00	53.00	53.00	53.00	53.00

**City of Lake Mary**  
**Schedule of Revenues by Source and Expense by Type**  
**Police Officers Pension Fund**  
**Last Ten Fiscal Years**

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll (2)
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses (1)	Admin. Expenses	
2000	\$ 527,667	\$ 231,230	\$ 31,011	\$ 6,558	\$ -	\$ 4,042	6.7%
2001	(302,471)	366,431	49,706	5,521	6,167	18,971	15.6%
2002	(325,389)	246,074	52,079	8,760	28,156	12,136	3.7%
2003	652,245	380,925	121,834	18,003	34,354	10,816	10.7%
2004	474,790	419,072	167,687	8,887	38,562	11,630	10.6%
2005	604,472	538,885	179,821	-	44,849	11,079	13.1%
2006	552,347	602,037	179,821	30,101	46,309	13,957	14.9%
2007	1,121,204	745,115	179,821	1,793	58,270	17,602	16.7%
2008	(1,086,579)	750,077	179,821	18,220	62,282	19,839	19.6%
2009	84,784	681,888	209,520	1,808	58,573	17,912	17.5%

Note (1) Prior to 2001 investment related expenses were reported net of investment income.

Note (2) In 2001, calculation changed to reflect city contribution as a percentage of annual Police Payroll

**City of Lake Mary**  
**Schedule of Revenues by Source and Expense by Type**  
**Firefighters Pension Fund**  
**Last Ten Fiscal Years**

Year	Revenues by Source		Expenses by Type				City Contribution as a Percent of Payroll
	Investment Income Net	Contributions	Benefits	Refunds	Investment Related Expenses (1)	Admin. Expenses	
2000	\$ 198,345	\$ 158,552	\$ 19,875	\$ 1,190	\$ -	\$ 4,125	9.9%
2001	(112,170)	174,734	19,875	7,861	2,322	8,394	11.0%
2002	(90,319)	238,386	19,875	-	11,155	12,911	10.9%
2003	295,582	315,099	19,875	-	9,599	8,784	16.3%
2004	247,791	347,211	19,875	-	23,066	10,121	16.2%
2005	317,449	453,240	19,875	7,337	28,998	8,535	15.2%
2006	355,869	538,717	19,875	935	31,939	10,850	12.4%
2007	611,558	695,510	19,875	5,412	38,965	13,857	13.7%
2008	(715,846)	777,044	46,288	10,548	40,161	14,976	25.5%
2009	118,636	875,274	66,597	-	33,787	19,806	13.7%

Note (1) Prior to 2001 investment related expenses were reported net of investment income.



*This page intentionally left blank.*

## **OTHER REPORTS**

**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 City Commissioners  
*City of Lake Mary, Florida*

We have audited the financial statements of *City of Lake Mary, Florida*, as of and for the year ended September 30, 2009, and have issued our report thereon dated February 3, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management of employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

MCDIRMIT DAVIS & COMPANY, LLC  
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801  
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MCDIRMITDAVIS.COM

## 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*.

This report is intended solely for the information and use of management, the City Commission and the Auditor General of the State of Florida, and is not intended to be, and should not be used by anyone other than these specified parties.

*McDiarmid Davis & Company, LLC*

February 3, 2010

**MANAGEMENT LETTER**

Honorable Mayor and City Commissioners  
*City of Lake Mary, Florida*

We have audited the financial statements of the City of *Lake Mary, Florida*, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated February 3, 2010.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated February 3, 2010 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida, and unless otherwise required to be reported in the report on compliance and internal controls, this letter is required to include the following information.

- 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 significant findings and recommendations made in the preceding annual financial audit report. The recommendation made in the preceding annual financial audit report has been corrected, as detailed in the accompanying page.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the *City of Lake Mary, Florida* complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

MCDIRMIT DAVIS & COMPANY, LLC  
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801  
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MCDIRMITDAVIS.COM

- Section 10.554(1)(i)5., Rules of the Auditor General, requires based on professional judgement, the reporting of the following matters that are inconsequential to the financial statements, considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, and contractual provisions or abuse that have occurred, or were likely to have occurred, and would have an immaterial effect on the financial statements; (2) improper expenditures or illegal acts that would have an immaterial effect on the financial statements; and (3) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (b) failures to properly record financial transactions; and (c) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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. This information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *City of Lake Mary, Florida* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the *City of Lake Mary, Florida* for the fiscal year ended September 30, 2009, 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, 2009. We determined that these two reports are in agreement.
- Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This management letter is intended solely for the information of the *City of Lake Mary, Florida* and management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*McDiarmid Davis & Company, LLC*

February 3, 2010

CITY OF LAKE MARY, FLORIDA

**COMMENTS AND RECOMMENDATIONS**

For the Year Ended September 30, 2009

Status of Prior Year Comment

1. Events Center Deposits

During our audit we noted that the list of deposits held for the new events center included some amounts which were for events that occurred during 2008 but were not refunded to customers or recognized as revenue.

Recommendation

We recommend that the Finance Department ensure that the reconciliation of Events Center Revenues and Deposits be completed in a timely manner each month.

Corrective Action

The Finance Department is performing reconciliation for Events Center in a timely manner.

Current Year Comments

There are no current year comments.

Honorable Mayor and City Commissioners  
*City of Lake Mary, Florida*

We have audited the financial statements of the governmental activities, and each major fund, of the *City of Lake Mary, Florida* for the year ended September 30, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 6, 2009. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the *City of Lake Mary, Florida* are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the *City of Lake Mary, Florida's* basic financial statements was:

Management's estimate of the allowance for depreciation is based on the estimated useful lives of the capital assets. We evaluated the reasonableness of the useful lives as well as the depreciation methods in determining that it is reasonable in relation to the basic financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

MCDIRMIT DAVIS & COMPANY, LLC  
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801  
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MCDIRMITDAVIS.COM

### *Correct and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 3, 2010.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management, the City Commission and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*McDermitt Davis & Company, LLC*

February 3, 2010