

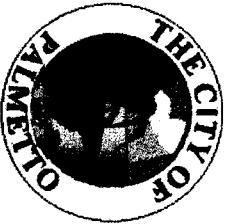
**TAB 1**



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# Comprehensive Annual Financial Report (CAFR) 2011

Commission Workshop Meeting  
April 2, 2012



## Major Initiatives

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For the Year:

- Palmetto annexed four properties totaling 6.5 acres in FY 2011
- CRA awarded eleven (11) storefront grants totaling \$67K for commercial revitalization
- City issued sixteen (16) procurement proposals
  - 8 Requests for Quotes (RFQ)
  - 3 Requests for Proposal (RFP)
  - 5 Invitation to Bid (ITB)
- New Generator was installed at City Hall and the phone system was upgraded to an IP-based system throughout the City.
- Grant portion of Ward I Phase II was completed at end of December 2011. Work continues on remaining area of project.

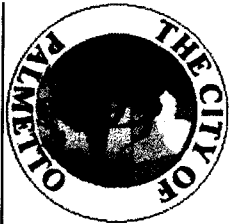


## Major Initiatives

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### For the Year:

- Commission approved \$8.6M CIP of which \$3.2 M was funded and \$5.4M unfunded
- 80% of the worked related to the Energy grant was completed by end of 2011. Remaining 20% will be completed by April 2012.
- New Palmetto Elementary school opened January 2011
- The first home was completed during 2011 as part of the CRA's residential rehab program.
- The City received the Certificate of Achievement for excellence in financial reporting for fiscal year ending September 30, 2010 (6<sup>th</sup> consecutive year)
- City received the Distinguished Budget Presentation Award for 2011 (2<sup>nd</sup> consecutive year)



## Major Initiatives

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For the Future:

- Construction of a new Little League complex remains of highest priority. The County is taking the lead on the procurement process and the City is contributing \$800K
- Habern Blvd roundabout is complete and will open in March 2012
- City expects to receive bids on the 5<sup>th</sup> Street Streetscape project this Spring. Project is being partially funded by SWFMD.
- Sutton Park renovations are scheduled to begin in April 2012 and be complete by July 2012.
- Redevelopment plans for 10<sup>th</sup> Ave and 8<sup>th</sup> Ave have begun.
- Initial design plans are underway for the development of MLK Park on City-owned property.



# Financial Highlights

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## Government-Wide

- The assets of the City exceeded liabilities by \$61,915,129 (net assets);
  - \$44.7 M (72%) investments in capital
  - \$7.7 M (12.5%) unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors
  - \$9.4 M (15.5%) restricted assets
- Total net assets increased by \$2.8M, or (4.8%) in comparison to prior year
- Total revenues of \$21.3M decreased \$1.2M, or (5.5%) in comparison to prior year
- Total expenses of \$18.4M decreased \$1.0M, or (5.1%) in comparison to prior year



## Governmental Funds

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- Includes General Fund, CRA, Road and Bridge, Capital Projects
- Revenues decreased \$2.2M (14%) compared to prior year
  - Decreases in property tax were largely responsible for the decrease
    - \$1.1M in General Fund
    - \$1.1.M in CRA
- Expenditures decreased \$1.3M (9%) compared to prior year
- Excess of revenues over expenditures of \$663K for current year
- Governmental funds combined reported ending fund balance of \$16.4M, a increase of \$1.6M in comparison with prior year; approximately \$7.0M (43%) is unassigned, assigned and committed.
- At the end of current fiscal year, unassigned, assigned and committed fund balance for the General Fund was \$6.1M, or 65% of General Fund expenditures or 68% of General Fund Revenues



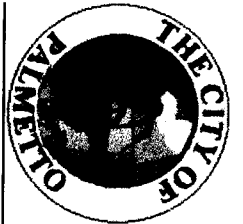
## Proprietary Activities

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Includes Water/Sewer, StormWater, Reclaimed, Solid Waste

- Operating revenues increased \$100K in 2011 or 1%
- Operating expenses increased \$465K in 2011 or 8%
- Operating income for 2011 was \$1.3M vs. \$1.7M in 2010
  - Solid Waste, Water/Sewer, Reuse and Stormwater reported positive operating income
  - All enterprise funds also reported positive change in net assets after interest income/expense, transfers and capital contributions
- Overall change in net assets remains positive in 2011; increased \$1M in 2011 compared to an increase of \$2.7M in 2010
- Total net assets are approx. \$20M





# Fiduciary Funds

<b>General Employees' Pension</b>			
	As of Actuarial Report Dated October 1, 2010	As of Actuarial Report Dated October 1, 2011	
Retirees, beneficiaries, and DROP participants receiving benefits	50	58	
Terminated employees entitled to, but not yet receiving	4	3	
Active Plan Members	69	64	
<b>TOTAL</b>	<b>123</b>	<b>125</b>	
<b>Police Pension</b>			
	As of Actuarial Report Dated October 1, 2010	As of Actuarial Report Dated October 1, 2011	
Retirees, beneficiaries, and DROP participants receiving benefits	22	24	
Terminated employees entitled to, but not yet receiving	3	3	
Active Plan Members	34	33	
<b>TOTAL</b>	<b>59</b>	<b>60</b>	



# Fiduciary Funds

## Value of Pension Plans

Investments at Fair Value	Police	General	Total
End of year FY 2010	\$ 7,333,030	\$ 8,337,100	\$ 15,670,130
End of Year FY 2011	\$ 7,514,742	\$ 7,962,452	\$ 15,477,194
% change FY 2010 vs. 2011	2.5%	-4.5%	-1.2%

- Overall value of the Fiduciary Funds decreased slightly for the year (-1.2%)
- Value of Police Plan increased slightly while the General Plan decreased.

## Key Ratios ⇄

	Police		General	
	2010	2011	2010	2011
Funded Ratio	85.30%	83.13%	65.90%	65.34%
% Contribution by City	16.65%	18.36%	19.20%	23.47%

- Actuarial assumptions determine results of ratios.
- These difference must be taken into account when comparing between plans.



# Management Letter Comments

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## Status of Prior Year Issues:

- None Identified

## Current Year Issues:

- Two prior period adjustments identified
  - FY 2010 overstatement of capital assets due to reconciliation error during year end process (\$401,267). Adjustment was made in FY 2011 statements and changes have been made to strengthen reconciliation control.
  - FY 2010 overstatement of Code Enforcement revenue for revenue not expected to be collected within 60 days. (\$234,002). Adjustment was made in FY 2011 and revenue will be deferred in the future and recognized as it becomes collectible.
  - Unqualified Opinion was still issued as the City addressed these concerns.



# Conclusion

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- Governmental funds reported positive operating income (except general fund and capital projects fund) and positive change in net assets (except capital fund)
- All proprietary funds reported positive operating income and positive change in net assets
- Value of Fiduciary Funds decreased slightly in comparison to prior year: \$15.4M vs. \$15.6M, a 1.2% decrease
- For the future:
  - Focus on controlling operating costs (All funds)
  - Health insurance costs may decrease due to favorable claims trend
  - Seek all grant opportunities for capital funding
  - Explore methodology to begin setting monies aside for future capital projects
  - Hopeful that property values have stabilized