TAB 1
Comprehensive Annual Financial Report (CAFR) 2011

Commission Workshop Meeting

April 2, 2012
December 2011: Work continues on remaining area of
Grant portion of Ward I Phase II was completed at end of
the City.

New generator was installed at City Hall and the phone
system was upgraded to an IP-based system throughout.

City issued sixteen (16) procurement proposals
for commercial revitalization
CRRA awarded eleven (11) storefront grants totaling $67K
FY 2011

Palmetto annexed four properties totaling 6.5 acres in

For the Year:

Major Initiatives
Major Initiatives

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 (6th consecutive year)

• City received the Distinguished Budget Presentation Award for 2011 (2nd consecutive year)
MILK Park on City-owned property.

- Initial design plans are underway for the development of
  Sutton Park Renovations are scheduled to begin in April
  Re-development plans for 10th Ave and 8th Ave have
  begun.
  - SWFMD.
  - SWFMD.

Project is being partially funded by
March 2012

City expects to receive bids on the 5th Street Streetscape

Haben Blvd Roundabout is complete and will open in
procurement process and the City is contributing $800K

Construction of a new Little League complex Remains of

For the Future:

Major Initiatives
Financial Highlights

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
Expenditures or 68% of General Fund Revenues

At the end of the current fiscal year, unassigned, assigned, and committed
fund balance for the General Fund was $6.1M, or 65% of General Fund
approximately $7.0M (43%) is unassigned, assigned, and committed.

$16.4M, a decrease of $11.6M compared with prior year,

$1.1M in General

$1.1M in General Fund

Decreases in property tax were largely responsible for the decrease

Revenues decreased $2.2M (14%) compared to prior year

Includes General Fund, CRA, Road and Bridge, Capital Projects

Governmental Funds
Proprietary Activities

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
<table>
<thead>
<tr>
<th></th>
<th>60</th>
<th>59</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Plan Members</td>
<td>33</td>
<td>34</td>
<td></td>
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<tr>
<td>Retired</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terminated employees entitled to, but not partcipants receiving benefits</td>
<td>24</td>
<td>22</td>
<td></td>
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<tr>
<td>Retirees, beneficiaries, and DROP</td>
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**Police Pension**

<table>
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<th>125</th>
<th>123</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Active Plan Members</td>
<td>64</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Retired</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Terminated employees entitled to, but not partcipants receiving benefits</td>
<td>58</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Retirees, beneficiaries, and DROP</td>
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</tbody>
</table>

**General Employees Pension**
Fiduciary Funds

<table>
<thead>
<tr>
<th>Investments at Fair Value</th>
<th>Police</th>
<th>General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of year FY 2010</td>
<td>$7,333,030</td>
<td>$8,337,100</td>
<td>$15,670,130</td>
</tr>
<tr>
<td>End of Year FY 2011</td>
<td>$7,514,742</td>
<td>$7,962,452</td>
<td>$15,477,194</td>
</tr>
<tr>
<td>% change FY 2010 vs. 2011</td>
<td>2.5%</td>
<td>-4.5%</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Police</th>
<th>General</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Funded Ratio</td>
<td>85.30%</td>
<td>83.13%</td>
<td>65.90%</td>
<td>65.34%</td>
</tr>
<tr>
<td>% Contribution by City</td>
<td>16.65%</td>
<td>18.36%</td>
<td>19.20%</td>
<td>23.47%</td>
</tr>
</tbody>
</table>

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

Current Year Issues:
None Identified

Status of Prior Year Issues:
Two Prior Period Adjustments Identified

Unqualified Opinion was still issued as the City addressed these concerns.

- In the future and recognized as it becomes collectible.
  Adjustment was made in FY 2017 and revenue will be deferred revenue not expected to be collected within 60 days ($234,002).

- FY 2010 overstatement of Code Enforcement Revenue for
  Strengthen Reconciliation control.
  Adjustment was made in FY 2017 statements and changes have been made to error during year end process ($401,267). Adjustment was made in FY 2017 and revenue will be deferred revenue not expected to be collected within 60 days ($234,002).
Conclusion

- 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