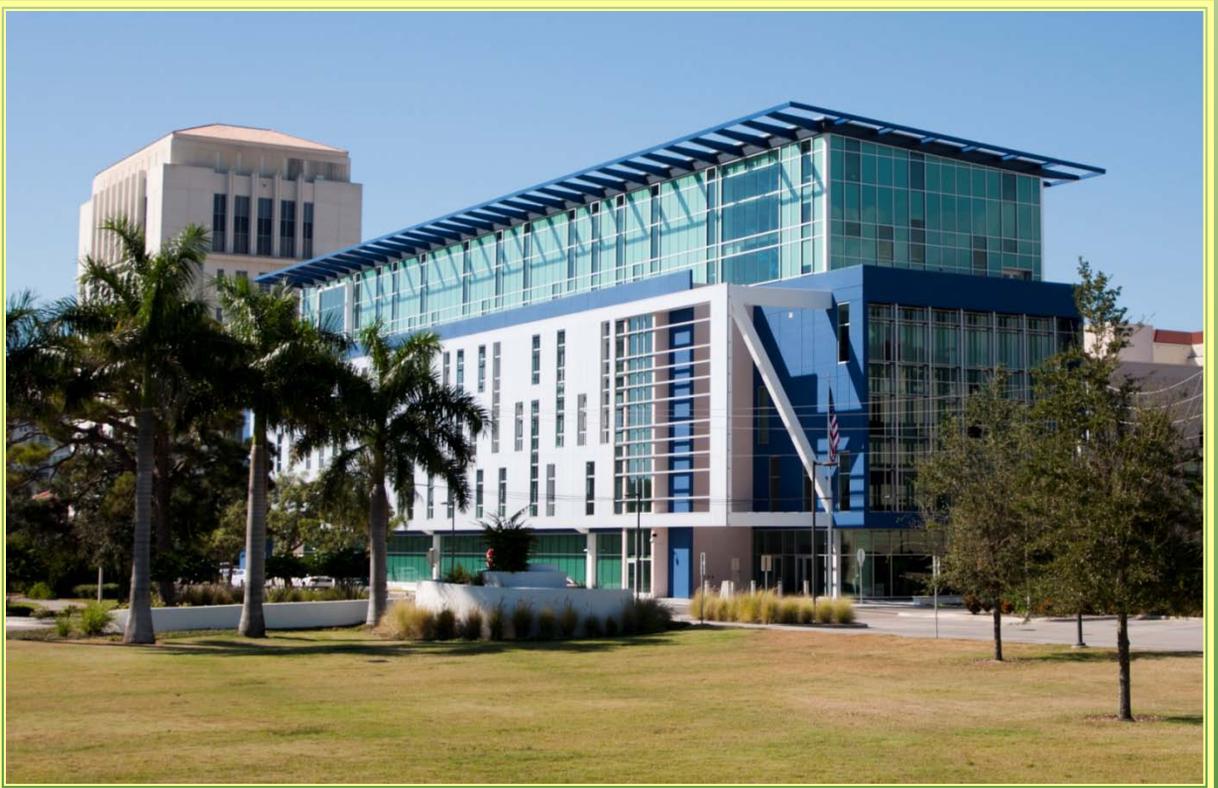


# **City of Sarasota, Florida**



**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2010**

## **ABOUT THE COVER**

The Sarasota Police Department Headquarters building opened for the community's use on August 3<sup>rd</sup>, 2010. A successful Grand Opening celebration brought to a close a year and a half long construction project that was specially funded by taxpayers (as the result of a 2007 citizen referendum). The 6 level, \$45 million dollar, LEED certified project includes a self contained 3 story parking garage, sally port, and greatly improved working quarters for the Police force, citizen staff, volunteers and community members. The building overlooks Payne Park, the City's expansive public park, including walking paths, water features, tennis courts and a skateboard park. The City was awarded a significant piece of salvaged steel from the World Trade Center, which will be mounted vertically at the public entry plaza to the building.

Photograph Credit: Cliff Roles

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**CITY OF SARASOTA, FLORIDA**

**For the Fiscal Year Ended**

**September 30, 2010**



Prepared By  
The Financial Administration Department  
Christopher H. Lyons, CPA, CGFO, CPFO  
Finance Director



In accordance with the City of Sarasota's commitment to its recycling and environmental programs, this document is printed on recycled paper by the City's Duplicating Department.

**City of Sarasota, Florida**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2010**  
**Table of Contents**

**INTRODUCTORY SECTION**

	<u>Page</u>
Letter of Transmittal .....	i-v
Certificate of Achievement .....	vi
List of Principal Officials .....	vii
Organization Chart .....	viii

**FINANCIAL SECTION**

Independent Auditor's Report .....	1-2
Management's Discussion and Analysis .....	3-16

**Basic Financial Statements**

Government-Wide Financial Statements:

Statement of Net Assets .....	17
Statement of Activities .....	18-19

Fund Financial Statements:

Balance Sheet - Governmental Funds .....	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets .....	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds .....	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund .....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Penny Sales Tax .....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Community Redevelopment .....	29
Statement of Net Assets - Proprietary Funds .....	30-31
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds .....	32
Statement of Cash Flows - Proprietary Funds .....	34-35
Statement of Fiduciary Net Assets - Fiduciary Funds .....	36
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds .....	37
Statement of Fiduciary Net Assets - General Employee's Pension Fund .....	38
Statement of Changes in Fiduciary Net Assets - General Employee's Pension Fund .....	39

Component Unit Government-Wide Statements:

Statement of Net Assets .....	40
Statement of Activities .....	41

Notes to the Financial Statements .....	43-84
---	-------

**Required Supplementary Information**

General Employees' Pension Plan .....	85-86
Firefighters' Pension Plan .....	87-88
Police Officers' Pension Plan .....	89-90
Other Post Employment Benefits Plan .....	91-92

**Combining & Individual Fund Statements & Schedules**

General Fund:

Schedule of Revenues - Budget and Actual - General Fund .....	93-94
Schedule of Expenditures - Budget and Actual - General Fund .....	95

Community Redevelopment:

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual .....	96-97
--	-------

**FINANCIAL SECTION (continued)**Page

## Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds .....	102-106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	108-112

## Special Revenue Funds:

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

Housing and Community Development .....	113
State Housing Initiative Partnership .....	114
Development Services .....	115
Gas Tax .....	116
Special Law Enforcement (Forfeiture) .....	117
Golden Gate Point .....	118
Tourist Development Tax .....	119
Miscellaneous Grants .....	120
Multi-purpose .....	121

## Debt Service Funds:

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:

1992 Refunding Bonds .....	122
2007 General Obligation Bonds .....	123
2008 General Obligation Bonds .....	124
2009 Build America Bonds .....	125
2000 First Florida .....	126
2001A First Florida .....	127
2001B First Florida .....	128
2003 First Florida .....	129
2005 First Florida .....	130

## Nonmajor Enterprise Funds:

Combining Statement of Net Assets - Nonmajor Enterprise Funds .....	132
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Nonmajor Enterprise Funds .....	133
Combining Statement of Cash Flows - Nonmajor Enterprise Funds .....	134-135
Combining Statement of Net Assets – Water and Sewer Enterprise System Fund .....	136-139
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Water and Sewer Enterprise System Fund .....	140- 141

## Internal Service Funds:

Combining Statement of Net Assets - Internal Service Funds .....	144
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds .....	145
Combining Statement of Cash Flows - Internal Service Funds .....	146-147

## Fiduciary Funds:

Combining Statement of Plan Net Assets - Fiduciary Funds .....	150
Combining Statement of Changes in Plan Net Assets - Fiduciary Funds .....	151
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	152

**STATISTICAL SECTION**

## Financial Trends:

Net Assets by Component .....	154 -155
Changes in Net Assets .....	156 -159
Fund Balances of Governmental Funds .....	160-161
Changes in Fund Balances of Governmental Funds .....	162-163

## Revenue Capacity:

Assessed Value and Actual Value of Taxable Property .....	164
Direct and Overlapping Property Tax Rates .....	165
Principal Property Taxpayers .....	166
Property Tax Levies and Collections .....	167
Base Water and Sewer Rates .....	168

## Debt Capacity:

Ratios of Outstanding Debt by Type .....	170-171
Ratios of General Bonded Debt Outstanding .....	172
Direct and Overlapping Governmental Activities Debt .....	173

**STATISTICAL SECTION (continued)**

Page

Legal Debt Margin Information..... 174  
Pledged-Revenues Coverage.....176-177  
Demographic and Economic Information:  
Demographic and Economic Statistics ..... 178  
Principal Employers in Sarasota County..... 179  
Operating Information:  
Full-time Equivalent City Government Employees by Function/Program .....180-181  
Operating Indicators by Function/Program ..... 182  
Capital Assets Statistics by Function/Program ..... 183

**SINGLE AUDIT/GRANTS COMPLIANCE**

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*.....185-186  
Report on Compliance with Requirements  
Applicable to Each Major Federal Program and State  
Financial Assistance Project and on Internal Control over  
Compliance in Accordance with OMB Circular A-133 and  
Chapter 10.550, Rules of the Auditor General .....187 -188  
Schedule of Findings and Questioned Costs for the  
Year Ended September 30, 2009 .....189 -190  
Schedule of Expenditures of Federal Awards and State  
Financial Assistance for the Year Ended September 30, 2009 .....191 -192  
Notes to Schedule of Expenditures of Federal Awards  
and State Financial Assistance ..... 193 -194  
Management Letter ..... 195 - 198  
City's Response to Management Letter ..... 199 - 201



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March 21, 2011

The Honorable Mayor,  
Members of the City Commission,  
Citizens of the City of Sarasota  
Sarasota, Florida

Dear Mayor and City Commissioners:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Sarasota, Florida, for the fiscal year ending September 30, 2010. This report is presented in conformity with generally accept accounting principles (GAAP), was prepared by the City's Finance Department, and audited by an independent firm of certified public accountants, Purvis, Gray and Company, LLP, as mandated by both local ordinances and State Statute. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presented data, including all disclosures, rests with the management of the City. We believe the data as presented is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City of Sarasota as measured by the financial activity of its various funds.

The City is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and Chapter 10.550 Rules of the Auditor General, State of Florida. Information related to this single audit, including a schedule of expenditures of Federal awards and State financial assistance, the report of independent auditors on internal controls over financial reporting and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included.

Management of the City is responsible for establishing and maintaining a system of internal controls designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

**Post Office Box 1058, Sarasota, Florida 3230 • 1565 1<sup>st</sup> Street, Sarasota, Florida 34236**  
**Telephone (941) 365-2200**  
**Web Site [www.sarasotagov.com](http://www.sarasotagov.com)**

## **Profile of the City**

The City of Sarasota, Florida, was incorporated in 1902. The current Charter was revised and approved by the voters of the City on September 3, 1996, and became effective November 1, 1996. The City has operated under the Commission - City Manager form of government since 1945. The City Commission consists of five elected citizens who are qualified voters in the City. The Commission appoints the City Manager, who is the chief administrative officer of the City, and directs the business of the City and its various departments. The Commission determines policy, adopts legislation, approves the City's budget, sets taxes and fees, appoints the City Auditor and Clerk and the City Attorney, as well as the members of all boards and committees.

The City provides a range of municipal services. The public safety operation includes police protection, as well as building, code compliance and zoning. Recreational services include various tennis courts located throughout the City, a 45-hole golf course, numerous neighborhood parks, a children's water park on the bayfront, and a state-of-the-art skateboard park. Public Works provides essential street and highway maintenance, traffic signalization and landscape maintenance as well as solid waste collection. The Public Utilities division provides water and sewer service and reuse water for irrigation. In addition, the City operates a municipal auditorium and the Van Wezel Performing Arts Hall. Other services provided include neighborhood and development services, redevelopment, and community development as well as general administrative services.

The financial statements in this report include the funds of all the activities under the jurisdiction of the City Commission. This includes the Community Redevelopment Agency (CRA), the Golden Gate Point Special District (GGP), the St. Armands Business Improvement District (BID), and the Downtown Improvement district (DID). The CRA provides for the rehabilitation, conservation and redevelopment of the downtown area and the Newtown Redevelopment area. The purpose of the GGP is to construct and maintain enhancements and improvements within the public rights of way on Golden Gate Point. The BID was created as a dependent taxing authority with the power to levy up to two mills, with City Commission approval, for the purpose of purchasing supplemental services (maintenance, security, sanitation, promotions, infrastructure, and capital improvements). The boundaries of the BID are made up of all parcels of real property located within the CT Zone District in the vicinity of St. Armands Circle. The DID was created to improve the Downtown Core of the City of Sarasota, and is governed by a board of five members, who are non-residential property owners subject to ad valorem taxation within the District and are appointed by the City Commission.

## **Local Economy**

The City of Sarasota is located by the Gulf of Mexico on the southwest coast of Florida and covers an area of 24 square miles with an estimated population of 52,866. The City, once the winter home of the Ringling Bros. and Barnum & Bailey Circus, is a mecca for those seeking a high quality of life. The City is a major resort area with an average year round temperature of 71<sup>0</sup> F and miles of pristine white sand beaches that beckon to the hundreds of thousands of tourists that visit year round. The City is the new winter home of the Baltimore Orioles major league baseball team. The City owns and operates the Van Wezel Performing Arts Hall, the premier showcase for the performing arts on the Florida southwest coast. In 2007, the City completed phase I of the 29 acre Payne Park which converted the former trailer park to a beautiful neighborhood landscaped park on the fringe of downtown, with lighted walking and jogging trails, tennis courts, wide open rolling green spaces, a fountain, parking area, restrooms, and a skateboard park.

The City's functional (seasonal plus tourist) population swells to almost 100,000 during the winter months. The provision for tourist accommodations, restaurants, entertainment, financial institutions, and health services constitutes a major source of employment, and contributes significantly to the stability of the local economy. Employment figures for the area have eroded from the last fiscal year, as the effect of the economic slowdown continues to impact many areas of the local economy. Sarasota County had an unemployment rate of 11.9% in September 2010 as compared to the statewide rate of 11.6% and the national rate of 9.0%.

In major publications, Sarasota continues to earn high ratings as a City that is economically vibrant while successfully managing its growth and providing a high quality of life. This includes excellent schools, low crime, and excellent neighborhoods. The City of Sarasota has avoided urban sprawl and overcrowding because the City fathers have put a premium on green space, culture, and an accessible downtown.

### **Long-Term Financial Planning**

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests to the City Manager. The City Manager uses these requests as the starting point for developing the proposed budget. The City Manager then presents the proposed budget to the City Commission for review during the month of July. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30<sup>th</sup>, the close of the City of Sarasota's fiscal year. The appropriated budget is prepared by fund and department (e.g., Police, Neighborhood and Development, etc.). Department heads may make transfers within a department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

The downturn in the economy and housing market plus the 10.38% decrease in the City's taxable property has affected the City's operating revenues and levels of services. Reductions in governmental services and expenditures, plus other cost reduction initiatives, have helped the City to maintain a healthy unreserved, undesignated fund balance in the General Fund of \$17.7 million, which is a 34% ratio to expenditures and an excellent funding level.

### **Relevant Financial Policies**

In recent years, the City Commission has adopted or amended financial policies with the purpose of maintaining a prudent level of financial resources to support the level of service the City provides to its residents. Policies cover the areas of contingency planning in the event of emergencies; debt management, including debt issuance and management, debt affordability and debt capacity; fees and charges that reflect the cost of City programs and the portion to be recovered from users; and a revenue policy to ensure reliability and sufficiency of City revenues to support its operations. In addition, the City's investment policy was amended in 2001 to improve the safety, yield and liquidity of the City's investments.

### **Major Initiatives**

Since 2007, the construction industry and the general economy have softened in Sarasota and the City continues to pump dollars into the local economy. The six story Police headquarters building, funding for which was approved by the City taxpayers, became the new home for the City's Police operations. The Police headquarters replaces the current facility which was built in the 1950's. This new facility is hurricane hardened to withstand a category 5 storm, and

consolidates the police operations under one roof. The new building includes parking for 200 vehicles, and serves as the City's emergency operations center, including a community meeting room for public use.

The \$10 million Robert L. Taylor Community Recreation Center began construction in the early spring of 2010, with a completion date of June 2011. The community redevelopment and economic development of the Newtown area is one of the top five priorities for the City. The Robert L. Taylor Complex when completed will include basketball courts, community meeting and activity rooms, a fitness center, children and teen activity center, and a new community swimming pool. The new Robert L. Taylor Community Complex will be a major focal point for the area to generate strong neighborhood programs and community outreach for people of all ages.

The City and County were awarded \$23 million in Neighborhood Stabilization Program 2 funds from the Department of Housing and Urban Development to address the foreclosure crisis in the North Sarasota area. The funds will be used to acquire approximately 100 foreclosed and/or abandoned housing units, complete the construction of Phase II of the Janie's Garden redevelopment, construct 17 new homes and demolish 10 deteriorated homes. Sarasota was one of only 56 communities in the nation that were awarded NSP2 funds.

The Major League Baseball spring training facility located in the City (the "Sports Complex") has been used for Major League Baseball spring training activities since 1989. The Sports Complex was leased by the City to the Cincinnati Reds under a lease that expired on October 31, 2009. The Sports Complex required substantial renovation in order to host a Major League Baseball team. On July 22, 2009 Sarasota County entered into a Memorandum of Understanding with the Baltimore Orioles to utilize the Sports Complex for spring training. On July 24, 2009 the City entered into an interlocal agreement with Sarasota County whereby the City has transferred ownership of the Sports Complex to Sarasota County. Pursuant to that agreement and a second interlocal agreement, the City issued \$8,260,000 Sales Tax Payments Revenue Bonds, Series 2010 (Federally Taxable – Build America Bonds – Recovery Zone Economic Development Bonds) in December of 2010 to be repaid from the Sales Tax Payments and to transfer net proceeds of the Bonds and accumulated Sales Tax Payments to assist in the financing of the Project. Sarasota County simultaneously issued \$9,380,000 of its Capital Improvement Revenue Bonds, Series 2010A (Federally Taxable – Build America Bonds) and \$10,270,000 of its Capital Improvement Revenue Bonds, Series 2010B (Federally Taxable – Build America Bonds – Recovery Zone Economic Development Bonds) for the Project. The spring training stadium and the related practice fields are expected to be substantially complete in time for the 2011 spring training season. The clubhouse facilities will be completed by the following 2012 spring training season.

The Palm Avenue Parking Complex, designed by Sarasota architect Jonathan Parks, opened on December 31<sup>st</sup>, 2010 on North Pam Avenue and Main Street in Downtown Sarasota. The six level public garage can accommodate over 700 public parkers, including motorcyclists and bicyclists. It also includes 12,000 square feet of retail and restaurant space on the ground level. The top deck offers a beautiful view of Sarasota Bay and downtown Sarasota, and City administrators are considering the possibility of renting the space for special events. The project is finishing within nine months after ground was broken in April. It cost approximately \$12.2 million.

## **Independent Audit**

The City Charter, Article IV, Section 9, requires an annual audit of the City's financial statements by independent accountants selected by the City Commission. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sarasota, Florida, for its Comprehensive Annual Financial Report for the fiscal year ending September 30, 2009. This was the twenty-ninth consecutive year that the City has received this prestigious award. We are pleased to continue to achieve this distinction. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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 our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Award for Distinguished Budget**

The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2009, the same period covered by this Comprehensive Annual Financial Report. This was the twentieth consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. We are pleased that we continue to achieve this distinction also.

## **Acknowledgements**

This report represents countless hours of preparation and could not have been accomplished without the dedicated efforts of the employees of the Financial Administration Department. In closing, the continued interest and support by the Mayor and the members of the City Commission in the planning and guidance of the financial operations of the City is appreciated.

Sincerely,



Christopher H. Lyons, CPA, CGFO, CPFO  
Finance Director



Robert J. Bartolotta  
City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sarasota  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

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.



President

Executive Director

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# LISTING OF CITY OFFICIALS

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## ELECTED OFFICIALS

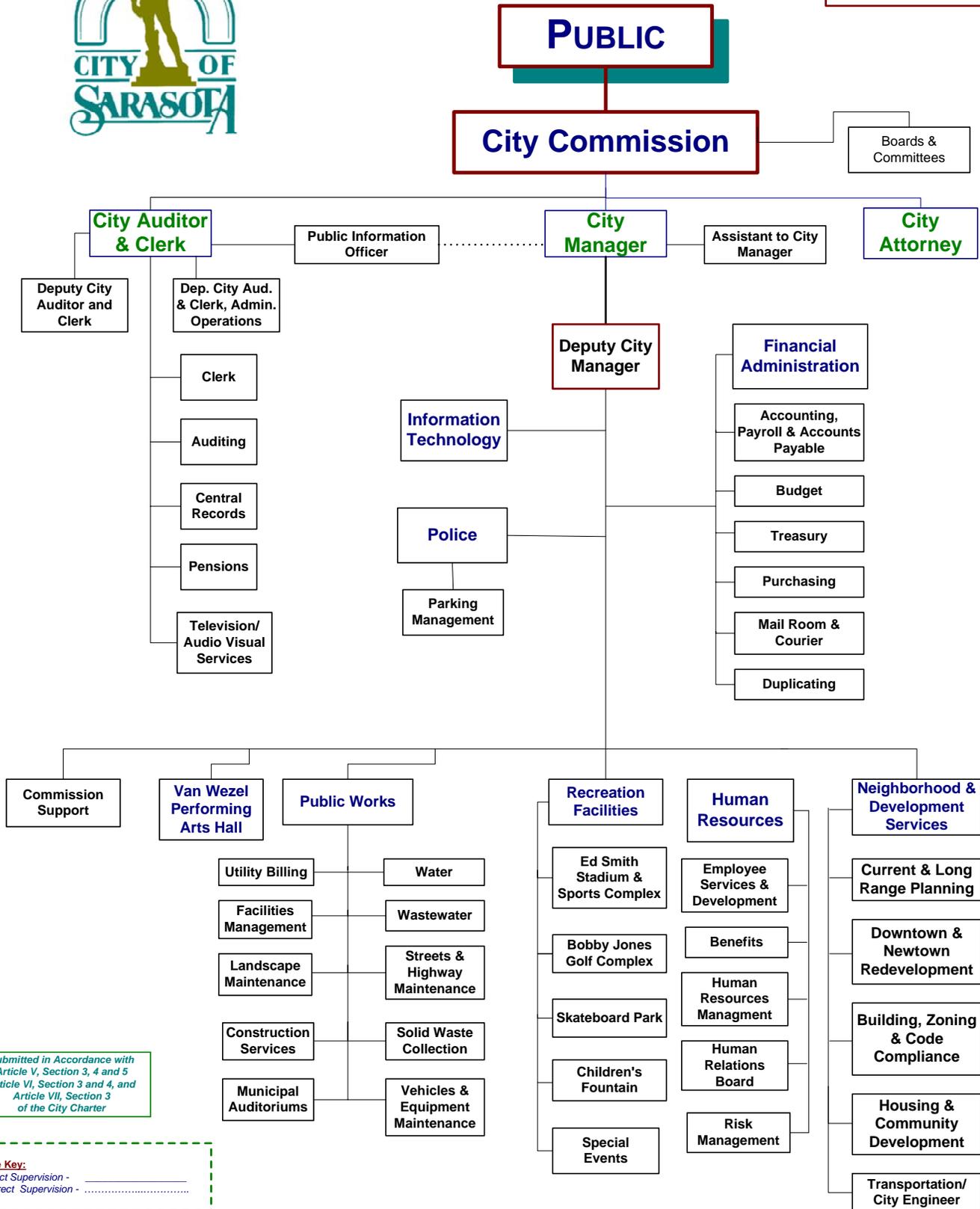
Kelly M. Kirschner .....Mayor  
Fredd “Glossie” Atkins..... Vice-Mayor  
Richard T. Clapp .....Commissioner  
Suzanne Atwell .....Commissioner  
Terry L. Turner .....Commissioner

## APPOINTED OFFICIALS

Robert J. Bartolotta ..... City Manager  
Pamela M. Nadalini ..... City Auditor and Clerk  
Robert M. Fournier, Esq. .... City Attorney

## DEPARTMENT DIRECTORS

Marlon C.J. Brown..... Deputy City Manager  
Mikel T. Hollaway .....Chief of Police  
Mary R. Bensel..... Executive Director – Van Wezel Performing Arts Hall  
Chance Craig ..... Director of Information Technology  
Doug A. Jeffcoat..... Director of Public Works  
Javier A. Vargas .....Director of Utilities  
Kurt S. Hoverter.....Director of Human Resources  
Timothy D. Litchet .....Director of Neighborhood & Development Services  
Christopher H. Lyons..... Finance Director



Submitted in Accordance with  
Article V, Section 3, 4 and 5  
Article VI, Section 3 and 4, and  
Article VII, Section 3  
of the City Charter

**Line Key:**  
Direct Supervision - \_\_\_\_\_  
Indirect Supervision - .....

## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sarasota, Florida (the City), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. We also audited the General Employees' Pension Fund of the City, as of and for the year ended September 30, 2010, as displayed in the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, as well as the General Employees' Pension Fund of the City, as of September 30, 2010, and the respective changes in financial position, and cash flows, where applicable, and the respective budgetary comparison for the general fund, penny sales tax fund, and community redevelopment fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

### Certified Public Accountants

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

**INDEPENDENT AUDITORS' REPORT**  
*(Concluded)*

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

  
February 14, 2011  
Sarasota, Florida

## Management's Discussion and Analysis

The purpose of financial reporting, in general, is to provide readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Sarasota (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, 2010. We encourage you to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report and the City's financial statements beginning on page 17.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$388,496,439 (*net assets*). Of this amount, \$46,002,260 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$8,208,459, or 2.2 percent for the year.
- Total revenues decreased \$8,227,633, or 5.7 percent in comparison to the prior year.
- Total expenses (excluding the Sports Stadium impairment loss special item) decreased \$2,795,138, or 2.2 percent in comparison to the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$108,597,138, a decrease of \$28,957,382 for the year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$20,592,274 or 40.0% of total general fund expenditures. Of this amount, \$2,937,500 has been designated for revenue stabilization.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) notes to the financial statements, and 3) fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

#### Government-wide financial statements

The focus of the *government-wide financial statements* is on the overall financial position and activities of the City of Sarasota. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the statement of net assets and statement of activities. As described below, these statements do not include the City's fiduciary funds because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary funds are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties.

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 revenue and expenses and shows how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or

established criteria are satisfied and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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, physical environment, transportation, culture and recreation and economic environment. The business-type activities of the City include the water and sewer utility, the Van Wezel Performing Arts Hall, solid waste collection, golf course, auditoriums, sports stadium and parking system.

The City's government-wide financial statements can be found on pages 17-19 of this report.

### **Fund Financial Statements**

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### ***Governmental funds***

Governmental fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The statement of revenues, expenditures and changes in fund balances for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in the governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because of the difference in accounting basis used to prepare fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net assets presented in the governmental activities column on the statement of net assets. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities.

The City presents in separate columns funds that are most significant to the City (major funds) and all other governmental funds are aggregated and reported in a single column (nonmajor funds). The City's governmental fund financial statements are presented on pages 20-29.

#### ***Proprietary funds***

Proprietary fund financial statements consist of a statement of net assets, statement of revenues, expenses, and changes in fund net assets and statement of cash flows. These statements are prepared

on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into enterprise funds and internal service funds.

*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 utility, performing arts hall, solid waste collection, golf course, auditoriums, stadium and parking system. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses separate internal service funds to account for its fleet maintenance activities, management information systems, benefits and self-insurance programs, and its equipment replacement activities. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial 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 major enterprise funds, which are Water and Sewer, Van Wezel Performing Arts Hall and Solid Waste Collection. The remaining nonmajor enterprise funds are combined and presented as other funds on the proprietary funds financial statements. All internal service funds are considered to be nonmajor funds and are combined into a single, aggregated presentation in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 30-35 of this report.

#### ***Fiduciary funds***

Fiduciary fund financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets. Assets held by the City for other parties, either as a trustee or as an agent, and that cannot be used to finance the City's own operating programs are reported in the fiduciary funds. 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 fiduciary fund financial statements can be found on pages 36-39 of this report.

#### ***Component Units***

Discretely presented component unit 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 on pages 43-84 of this report.

#### ***Other information***

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 85-92 of this report.

Budgetary comparison schedules for the General Fund and Community Redevelopment Fund can be found on pages 93-97 and then combining statements for nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds begin on page 102.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$388,496,439 at the close of the most recent fiscal year.

The following schedule is a summary of the Statement of Net Assets found on page 17 of this report:

	Governmental Activities		Business-type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 153,004,054	\$ 181,151,484	\$ 89,664,293	\$ 63,920,426	\$ 242,668,347	\$ 245,071,910
Capital assets, net of depreciation	<u>209,513,642</u>	<u>178,595,569</u>	<u>147,350,830</u>	<u>148,782,552</u>	<u>356,864,472</u>	<u>327,378,121</u>
<b>Total assets</b>	<u>362,517,696</u>	<u>359,747,053</u>	<u>237,015,123</u>	<u>212,702,978</u>	<u>599,532,819</u>	<u>572,450,031</u>
Current and other liabilities	27,938,253	27,623,045	18,430,573	19,137,566	46,368,826	46,760,611
Long-term liabilities outstanding	<u>89,275,453</u>	<u>93,227,256</u>	<u>75,392,101</u>	<u>52,174,184</u>	<u>164,667,554</u>	<u>145,401,440</u>
<b>Total liabilities</b>	<u>117,213,706</u>	<u>120,850,301</u>	<u>93,822,674</u>	<u>71,311,750</u>	<u>211,036,380</u>	<u>192,162,051</u>
<b>Net assets:</b>						
Investment in capital assets net of related debt	149,451,384	137,954,949	97,801,582	93,364,115	247,252,966	231,319,064
Restricted	66,977,332	70,136,846	28,263,881	38,121,603	95,241,213	108,258,449
Unrestricted	<u>28,875,274</u>	<u>30,804,957</u>	<u>17,126,986</u>	<u>9,905,510</u>	<u>46,002,260</u>	<u>40,710,467</u>
<b>Total net assets</b>	<u>\$ 245,303,990</u>	<u>\$ 238,896,752</u>	<u>\$ 143,192,449</u>	<u>\$ 141,391,228</u>	<u>\$ 388,496,439</u>	<u>\$ 380,287,980</u>

The overall position of the City improved in both the 2010 and 2009 fiscal years. Changes in net assets over time can be one of the best and most useful indicators of financial position. The total net assets of the City increased \$8.2 million, from \$380.3 million in 2009 to \$388.5 million in 2010, a 2.2% increase. Net assets of both the governmental and business-type activities increased primarily as a result of operations.

A significant portion of the City's net assets (63.6%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment); less any related debt used to acquire those assets that is still outstanding. 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 still 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.

An additional portion of the City's net assets (24.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$46,002,260) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all three categories of net assets, for both governmental and business-type activities.

The following is a summary of the information presented in the Statement of Activities found on pages 18 and 19 of this report:

**City of Sarasota's Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 4,368,453	\$ 3,928,249	\$ 53,762,026	\$ 52,794,642	\$ 58,130,479	\$ 56,722,891
Operating grants and contributions	12,007,830	15,775,263	204,558	132,214	12,212,388	15,907,477
Capital grants and contributions	2,173,553	528,392	--	22,500	2,173,553	550,892
General Revenues:						
Property taxes	30,041,199	33,442,478	--	--	30,041,199	33,442,478
Other taxes	21,718,859	22,063,751	--	--	21,718,859	22,063,751
Other	10,761,740	14,099,941	634,887	1,113,308	11,396,627	15,213,249
<b>Total revenues</b>	<b>81,071,634</b>	<b>89,838,074</b>	<b>54,601,471</b>	<b>54,062,664</b>	<b>135,673,105</b>	<b>143,900,738</b>
<b>Expenses:</b>						
Governmental Activities:						
General government	11,443,849	10,575,101	--	--	11,443,849	10,575,101
Public safety	36,739,868	36,258,670	--	--	36,739,868	36,258,670
Physical environment	3,138,997	8,202,267	--	--	3,138,997	8,202,267
Transportation	7,275,556	7,619,536	--	--	7,275,556	7,619,536
Culture & recreation	2,043,875	1,880,557	--	--	2,043,875	1,880,557
Economic environment	9,239,967	7,076,916	--	--	9,239,967	7,076,916
Interest on long-term debt	4,692,235	4,191,843	--	--	4,692,235	4,191,843
Business-type Activities:						
Water and Sewer	--	--	28,968,721	29,568,006	28,968,721	29,568,006
Van Wezel Performing Arts Hall	--	--	8,390,401	8,203,957	8,390,401	8,203,957
Solid Waste	--	--	10,010,227	9,691,991	10,010,227	9,691,991
Other	--	--	4,243,904	5,713,894	4,243,904	5,713,894
<b>Total expenses</b>	<b>74,574,347</b>	<b>75,804,890</b>	<b>51,613,253</b>	<b>53,177,848</b>	<b>126,187,600</b>	<b>128,982,738</b>
Increase in net assets before other items	6,497,287	14,033,184	2,988,218	884,816	9,485,505	14,918,000
Transfers	(90,049)	(535,749)	90,049	535,749	--	--
Special item	--	--	(1,277,046)	(5,803,787)	(1,277,046)	(5,803,787)
Increase in net assets	6,407,238	13,497,435	1,801,221	(4,383,222)	8,208,459	9,114,213
Net assets - beg. of year	238,896,752	225,399,317	141,391,228	145,774,450	380,287,980	371,173,767
Net assets - end of year	<b>\$ 245,303,990</b>	<b>\$ 238,896,752</b>	<b>\$ 143,192,449</b>	<b>\$ 141,391,228</b>	<b>\$ 388,496,439</b>	<b>\$ 380,287,980</b>

**Governmental Activities**

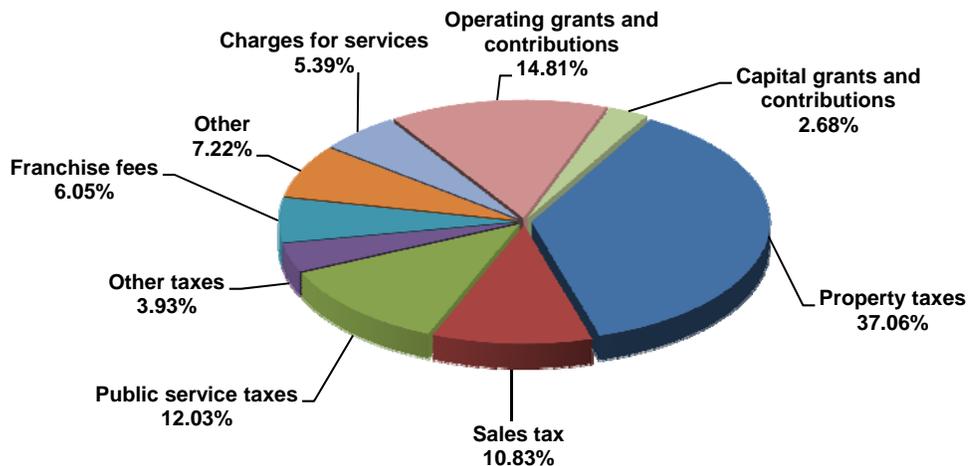
Total revenues for governmental activities decreased \$8,766,440 or 9.8% when compared to the prior year. While some revenues had increases, they were more than offset by other revenues that decreased. The decrease in revenues for the current year is the result of the following:

- Operating grants and contributions decreased by \$3,767,433 from that reported in the prior year. \$4,712,502 of this decrease in revenue is attributed to the prior year beach renourishment project on Lido Key. This project was funded with FEMA hurricane reimbursements, a grant from the Florida Department of Environmental Protection and Sarasota County Tourist Development Tax funding.
- Capital grants and contributions increased \$1,645,161. \$1,040,848 of this increase is due to an American Recovery and Reinvestment Grant for drainage improvements on Siesta Drive. Another \$251,083 of the increase is for other transportation projects funded by both the Federal and State Department of Transportation.
- City property tax revenues decreased by \$2,573,192 for the current year. Although the City's millage rate for the current year increased slightly, from 3.1062 to 3.1523 mills, most of the drop is attributed to a decrease in new construction and property values. The Sarasota County portion of property taxes for the Community Redevelopment Agency decreased \$828,087 over that reported last year. Both of these represent the overall decrease in property taxes of \$3,401,279 over that reported in the prior year.
- Investment earnings decreased by \$2,615,386 for the current year. Earnings for the 2007 General Obligation Bonds Capital Projects Fund accounted for \$826,560 of this decrease since less cash was available to invest as the construction of the new Police building progressed. Also contributing to the overall decrease were the low yields in the markets for safe and liquid investments.

Total expenses for governmental activities decreased \$1,230,543 or 1.6% in comparison to the prior year. The decrease in the current year expenses is attributed to physical environment expenses decreasing by \$5,063,270 during the current year. This decrease was due to the expenses incurred in the prior year renourishing the public beach on Lido Key. Some of this decrease was offset by a \$2,166,871 increase in economic environment expenses for housing and community development programs.

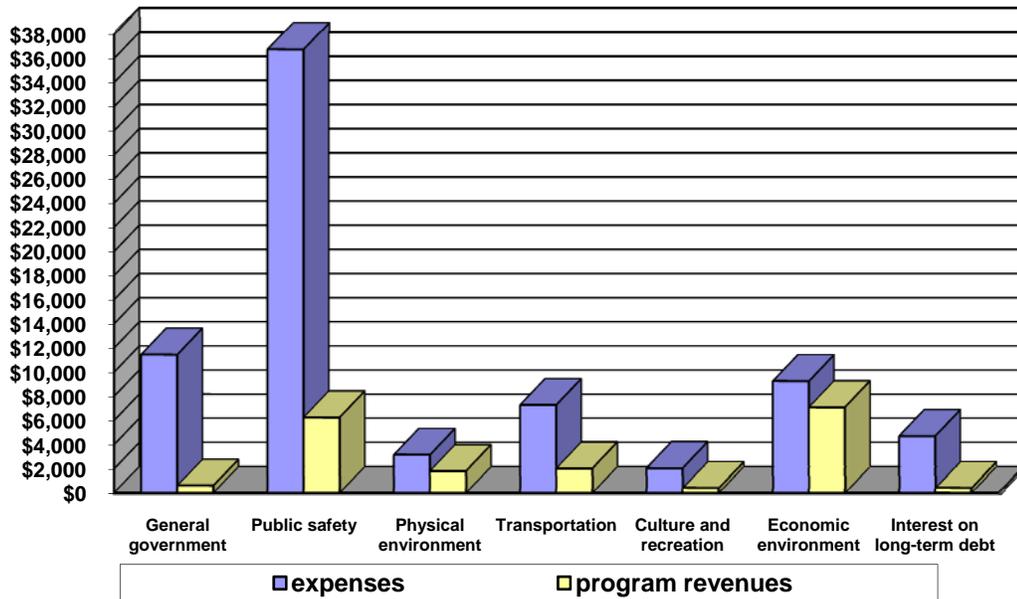
The following graph shows the composition of revenues for the City's governmental activities:

**Revenues by Source - Governmental Activities**



The following chart compares expenses with program revenues for the City's governmental activities:

**Expenses and Program Revenues - Governmental Activities  
 (in thousands)**



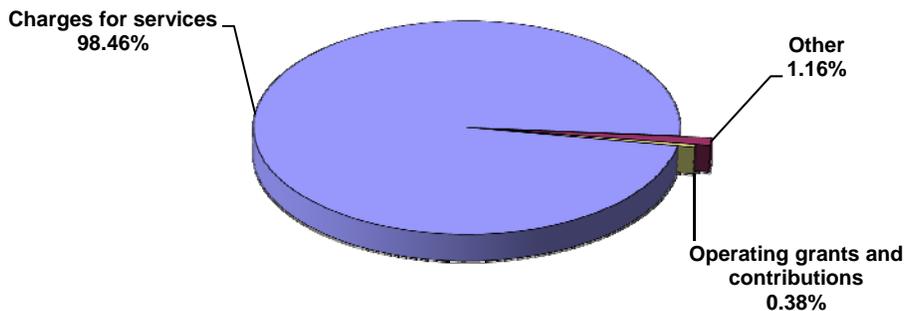
**Business-type Activities**

Total revenues increased by \$538,807 for the current year. \$1,272,628 of the increase was attributed to a four percent rate increase for water and sewer services provided. This was offset by a \$575,036 decrease in revenues at the Sports Stadium, which was transferred to Sarasota County in November 2009.

Total expenses decreased by \$1,564,595 or 2.9% from the prior year. With the sale of the Sports Stadium to Sarasota County, expenses for this facility decreased \$1,243,356 compared to the prior year. Expenses for all of the other business-type activities remained close to the levels experienced in the prior year.

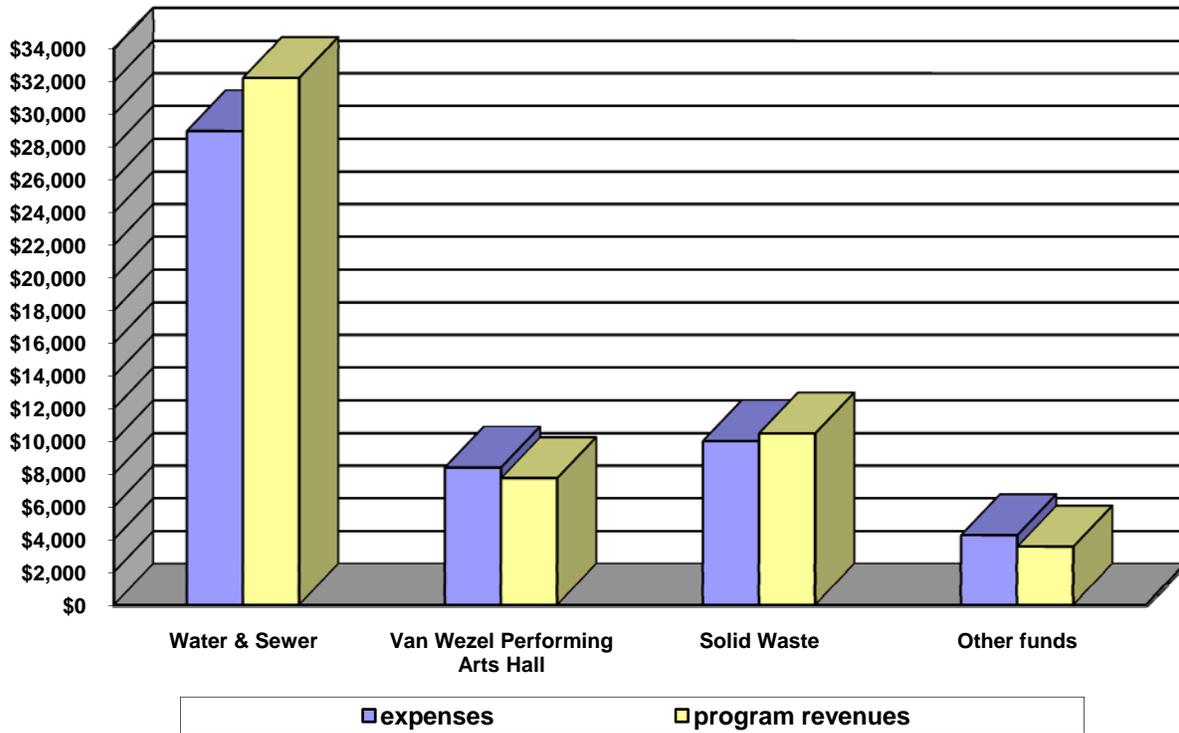
The following graph shows the composition of revenues for the City's business-type activities:

**Revenues by Source - Business-type Activities**



The following chart compares expenses with program revenues for the City's business-type activities:

**Expenses and Program Revenues - Business-type Activities**  
 (in thousands)



### 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 fund financial statements for the governmental funds are provided on pages 20-29. 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.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$108,597,138 a decrease of \$28,957,382 for the year. Approximately 68.8% of this amount (\$74,714,764) constitutes *unreserved fund balance*, which is available for spending at the City's discretion subject to budgetary constraints, legal, or other restrictions. The remainder of the fund balance is reserved as it is not available for new spending due to existing commitments: 1) to liquidate contracts and purchase orders of the prior period (\$17,200,831), 2) for capital projects from bonds and loans issued (\$8,011,037), 3) to pay debt service (\$8,280,355), and 4) for other reserves (\$390,151).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$17,654,774, while total fund balance reached \$21,842,060. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to total fund expenditures. Unreserved, undesignated

fund balance represents 34% of total General Fund expenditures, while total fund balance represents 42% of that same amount.

Revenues and transfers in for the City's General Fund decreased by \$2,787,444 since the prior year. While revenues decreased, so did expenditures and transfers out by \$5,687,812. Key factors for the revenue and expenditure decreases are:

- The General Fund's property tax rate of 2.7771 mills remained unchanged from the 2009 fiscal year rate. Even though the millage rate did not change, ad valorem taxes decreased \$1,980,407 due to a \$757 million taxable value decrease from last year's valuation.
- Intergovernmental (Federal, state and local) revenues increased \$891,779 for the current year. Most of this increase was due to \$709,353 received from the U. S. Department of Justice for a COPS Hiring Recovery Program Grant for nine officer positions. Another \$134,000 was from a reimbursement by the West Coast Inland Navigation District for operating and maintaining marine law enforcement vessels.
- Public safety expenditures decreased \$1,468,252 for the current year. \$714,480 of this decrease is from the reduction in the City's contribution to the Medical Self-Insurance Fund from \$11,076 per employee in 2009 to \$7,956 in 2010. Another \$362,242 decrease was savings from the Workers Compensation Self-Insurance Fund rates being cut by 50% for 2010.
- Transfers out decreased by \$3,172,027 for the current year. Most of this decrease is attributable to a \$2.7 million Debt Service Fund transfer in the prior year for the redemption of debt. Subsidies to Enterprise Funds accounted for \$484,556 of the decrease compared to what was needed in the prior year.

The Penny Sales Tax Fund accounts for the revenue from the one-cent local option sales surtax. This fund has a fund balance of \$22,019,643. The net increase in fund balance for the year was \$1,170,432. Expenditures for the current year totaled \$3,765,498, which included the following capital improvement projects:

• Street & sidewalk projects	\$1,827,841
• Police vehicles	596,707
• Stormwater drainage improvements	357,414
• Traffic signalization	353,969
• Traffic calming program	212,888
• Landscaping improvements	193,273
• Neighborhood improvements	88,418
• Robert L. Taylor Community Center	62,096
• Other miscellaneous capital projects	72,892

The Community Redevelopment Fund accounts for the operations of the City of Sarasota Community Redevelopment Agency (CRA). Total revenues decreased by \$1,887,761 over that reported last year. Contributing to the decrease was a \$1,655,973 drop in ad valorem taxes, from \$10,663,419 in the prior year to \$9,007,446 in the current year. This decrease is attributable to the taxable value of property in the redevelopment area decreasing by \$285.1 million or 14.8% from the prior year. Investment earnings decreased \$226,651 to \$335,380 for the current year as compared to the \$562,031 reported last year. Expenditures of \$5,444,101 and transfers out of \$5,379,014 included the following:

• Palm Avenue parking garage	\$ 4,554,508
• Downtown pedestrian street lights	310,717
• Five Points Park Improvements	189,766
• Wayfinding signage	107,989
• Developer infrastructure incentives	91,028
• Improvements at Main Street and Palm Ave.	59,344

• Newtown SCTI Training Center improvements	35,000
• Mobility study	33,077
• Strategic parking facilities	30,028
• Other miscellaneous project costs and events	32,644
• Transfers out:	
o Debt service payments on bonds and loans	3,387,779
o General Fund – Landscape services	611,010
o General Fund – Police services	739,098
o General Fund – Redevelopment office costs	641,127

The 2007 General Obligation Bonds Capital Projects Fund has a fund balance of \$6,266,181, all of it reserved for the construction of a new police headquarters. This fund was established in 2007 from the issuance of \$46,305,000 in voter approved general obligation bonds. Ground breaking for the new building was on October 10, 2008. Expenditures of \$20,261,856 for the current year included \$20,161,856 for architectural, construction and furnishing costs for the new building and \$100,000 for debt redemption.

The 2009 Build America Bonds Capital Projects Fund was established in 2009 from the issuance of \$21,066,000 in special obligation bonds. Thirty-five percent of the interest on these bonds is subsidized by the Federal government. As of the end of 2010, this fund had a fund balance of \$11,350,713, all of it reserved for the R.L. Taylor Community Center and Palm Avenue Parking Garage projects. Expenditures of \$5,057,719 for the year were for the following:

• Palm Ave. parking garage	\$3,278,713
• Robert L. Taylor Community Center	1,779,006

**Proprietary funds**

The fund financial statements for the City's proprietary funds provide essentially the same type of information found in the government-wide financial statements, but in more detail. The following are noteworthy changes from the prior year:

- Operating income of the Water and Sewer Fund increased \$1,737,155 for the current year. The increase was mainly attributed to a four percent increase in rates that helped increase operating revenues by \$1,313,108. Operating expenses fell by \$424,047 due to lower premiums for medical and workers compensation coverage.
- The operating loss for the Van Wezel Performing Arts Hall of \$860,833 was an improvement over the \$1,174,614 loss reported in the previous year. Operating revenues for the current year were up by \$500,225 compared to the prior year due to an increase in ticket sales. Operating expenses increased by \$186,444, mainly due to an increase of \$98,654 in the net profit splits paid to performers and an increase of \$53,935 in advertising costs.
- The Bobby Jones Gold Course incurred an operating loss of \$275,102 for the current year, which was an increase \$255,269 over the loss reported in the previous year. Operating revenues were down \$426,984 compared to the prior year, mainly due to rain and cold weather decreasing the availability of the course during the prime season, plus increased local competition.
- The operating loss for the Sports Stadium decreased from \$704,915 in the prior year to \$36,085 for the current year. Operating revenues decreased by \$574,526 as well as operating expenses decreasing by \$1,243,356. The Sports Stadium was transferred to Sarasota County in November 2009, essentially ending operations of that facility by the City.

Other factors concerning the finances of the proprietary funds have been addressed in the discussion of the City's business-type activities.

## Budgetary Highlights

### General Fund

Differences between the original budget and the final amended budget were \$2,527,725 and are summarized as follows:

- \$51,859 increase for gateway improvements at Wood Street and East Avenue;
- \$19,643 increase for the City's share of petroleum clean-up at the Fire Training Academy;
- \$100,000 increase for a contribution to the International Arts Festival;
- \$2,000 increase for a donation to the Youth Advisory Board;
- \$2,354,223 increase for re-appropriation of projects that were budgeted in the previous fiscal year but not completed. Those projects included the following:
  - \$1,148,865 for improvements at the Sports Stadium Recreational Facilities;
  - \$402,044 for a card access system and hurricane hardening of City Hall;
  - \$164,916 for neighborhood action strategies;
  - \$300,000 for matching funds for a public safety capital grant
  - \$338,398 for various other projects

Actual revenues were less than final budgeted revenues by \$719,755. This was primarily due to the following revenues coming in lower than budgeted; communication services taxes - \$433,346, electric franchise fees - \$691,594, insurance premium taxes - \$537,076, and investment earnings - \$556,662. Offsetting these shortfalls were the following revenues coming in higher than budgeted; ad valorem taxes - \$100,416, state revenue sharing - \$235,385, electric utility service tax - \$364,835, and FEMA disaster relief reimbursements - \$452,230.

The revenue shortfalls in General Fund have been mitigated by controlling expenditures. Actual expenditures were less than budgeted expenditures by a total of \$5,071,124. Most of this savings was achieved by the diligent efforts to control costs of all levels of management. The economy is expected to continue to be lethargic for at least another year and all efforts are being made to reduce and control operating costs. It also included the \$1,148,865 budgeted for environmental remediation at the Sports Stadium that was not expended. In addition, \$402,044 still remained in the budget at year end for improvements to City Hall including a card access project.

Both the original and final budget anticipated \$970,467 and \$3,444,333, respectively, to be expended from available fund balance. However, expenditures were less than budgetary estimates as discussed above. This resulted in a positive change in fund balance of \$1,336,397 and eliminated the need to draw upon the existing fund balance.

## 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, 2010, is \$356,864,472 (net of accumulated depreciation). This investment in capital assets includes land, art collections, construction in progress, buildings, improvements, infrastructure, utility systems and equipment. The total increase (additions less retirements and depreciation) in the City's investment in capital assets for the current fiscal year was 9.0% (a 17.3% increase for governmental activities and a 1.0% decrease for business-type activities). Major capital asset activity during the current fiscal year included the following:

- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$6,179,340 and construction began on others at a cost of \$5,547,190.
- The construction of the new police headquarters was completed during the year. The total amount expended on the building and furnishings since construction began is \$40,896,456.
- The Palm Avenue Parking Garage and Robert L. Taylor Community Center were still under construction at the end of the year adding \$ 8,997,192 to construction in progress.
- Land at the Sports Stadium with a cost basis of \$1,277,046 was transferred to Sarasota County in November 2009 for one dollar. Sarasota County is currently renovating the stadium that the Baltimore Orioles will use as a Major League Baseball spring training site.
- Equipment with an original cost of \$1,477,643 was sold or disposed of during the year.

The schedule below reflects the City's capital assets as of September 30, 2010 and 2009:

**City of Sarasota's Capital Assets**  
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 43,181,580	\$ 42,626,715	\$ 12,119,076	\$ 13,396,122	\$ 55,300,656	\$ 56,022,837
Art collections	724,693	713,273	240,397	240,397	965,090	953,670
Buildings	48,597,043	10,364,225	22,909,783	24,440,644	71,506,826	34,804,869
Improvements and Infrastructure	93,744,654	90,500,778	2,357,273	2,489,947	96,101,927	92,990,725
Utility systems	--	--	91,324,146	90,990,421	91,324,146	90,990,421
Equipment	6,202,250	4,662,083	2,260,268	2,964,726	8,462,518	7,626,809
Construction in progress	17,063,422	29,728,495	16,139,887	14,260,295	33,203,309	43,988,790
Total	<u>\$ 209,513,642</u>	<u>\$ 178,595,569</u>	<u>\$ 147,350,830</u>	<u>\$ 148,782,552</u>	<u>\$ 356,864,472</u>	<u>\$ 327,378,121</u>

Additional information on the City's capital assets can be found in Note 6 on pages 61-62 of this report.

**Long-term debt**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$155,535,711. Of this amount, \$47,398,865 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., special obligation bonds, revenue bonds).

**City of Sarasota's Bonded Debt and Loans Payable**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 47,398,865	\$ 50,392,352	\$ --	\$ --	\$ 47,398,865	\$ 50,392,352
Special obligation bonds	31,618,419	32,927,988	--	--	31,618,419	32,927,988
Revenue bonds	--	--	76,518,427	55,360,000	76,518,427	55,360,000
Total bonds	79,017,284	83,320,340	76,518,427	55,360,000	155,535,711	138,680,340
Loans payable	6,825,000	10,560,000	653,214	859,531	7,478,214	11,419,531
Total bonds & loans	<u>\$ 85,842,284</u>	<u>\$ 93,880,340</u>	<u>\$ 77,171,641</u>	<u>\$ 56,219,531</u>	<u>\$ 163,013,925</u>	<u>\$ 150,099,871</u>

The City's total debt increased by \$12,914,054 or 8.6%. The key factors in this increase were:

- The City issued \$34,120,000 of Water and Sewer Bonds in September 2010 that refunded \$5,380,000 in bonds to take advantage of lower interest rates and provided new funds for construction in the amount of \$28,740,000.
- The City redeemed \$5,850,000 of principal early to reduce interest payments.
- Scheduled principal payments of \$10,738,481 were paid when due.
- The accreted value increased \$762,535 on capital appreciation bonds.

Many of the bonds issued by the City are insured by a financial guaranty insurance policy. Certain of the rating agencies have assigned not only an insured rating but an underlying rating to the City's outstanding debt. The underlying bond ratings continue to reflect that the City's bonds have the characteristics of strong investment quality as shown below:

	Standard & Poor's	Moody's Investors Service	Fitch Ratings
General Obligation	**	Aa2	AA+
Special Obligation	**	Aa3	AA
Water and Sewer	**	Aa2	AA-

\*\* Not rated

Standard and Poors Rating Services ("S&P"), Moody's Investor Service ("Moody's") and Fitch Rating Services ("Fitch") have withdrawn their ratings previously assigned to Financial Guaranty Insurance Company ("FGIC"). FGIC insures the regular payment of principal and interest on the City of Sarasota, Florida, Water and Sewer System Revenue Refunding Bonds, Series 1996 (the "Series 1996 Bonds").

Standard and Poors Rating Services ("S&P") has downgraded the rating assigned to Ambac Assurance Corporation ("Ambac") to CC, while Moody's Investors Service ("Moody's") has downgraded the rating assigned to Ambac to Caa2 and Fitch Rating Services ("Fitch") has withdrawn its rating previously assigned to Ambac. Ambac insures the regular payment of principal and interest on the City of Sarasota, Florida, Water and Sewer System Revenue Refunding Bonds, Series 1998 (the "Series 1998 Bonds").

Ambac also insures the First Florida Governmental Financing Commission Revenue Bonds, Series 1999, 2001A, 2001B, 2003 and 2005 (the "FFGFC Bonds") issued by First Florida Governmental Financing Commission. The FFGFC Bond proceeds were used in part to make loans to the City of Sarasota, Florida.

Additional information on the City's long-term debt can be found in Note 7 on pages 63-66 of this report.

## Economic Factors and Next Year's Budget and Rates

For the 2010-11 fiscal year, the City will continue to be impacted by the problems in the housing market, the slumping economy, state mandated revenue cutbacks as well as ever rising costs to fund governmental services at prior year levels. The City has experienced a decrease in revenues overall, as major sources such as ad valorem taxes, franchise fees, and investment earnings are projected to be less.

Other factors considered in preparing the City's 2010-11 fiscal year budget were:

- No adjustment was made to the General Fund property tax rate of 2.7771 mills, which has remained the same since the 2007-08 fiscal year. An estimated 8.7% reduction in property tax revenue is expected as a result of this decision.

- The taxable value of commercial and residential property decreased 10.4% from last year's valuation. The \$845.5 million decrease in taxable value for 2011 is from reductions in property values from a sagging real estate market. Part of the decrease in taxable value is attributable to the Community Redevelopment Area, which decreased \$270.2 million, or 16.8% from the prior year.
- No general wage increase for all employees.
- The City's population decreased 0.6% in 2010 to 52,866 from the 53,160 reported for 2009.
- The Sarasota County unemployment rate for September 2010 was 12.5%, not much change from the 12.3% rate reported in September 2009 and higher than the State and Federal rates (12.0% and 9.2% respectively).

### **Requests for Information**

This financial report is designed to provide users with a general overview of the City of Sarasota's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P.O. Box 1058, Sarasota, Florida 34230-1058 or telephone (941) 954-4185. You can also access our website at [www.sarasotagov.com](http://www.sarasotagov.com).

**City of Sarasota, Florida**  
Statement of Net Assets  
September 30, 2010

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 83,165,116	\$ 47,456,573	\$ 130,621,689	\$ 143,510
Investments	59,116,509	33,532,354	92,648,863	101,268
Receivables (net):				
Accounts	148,810	3,763,961	3,912,771	--
Interest	270,942	109,727	380,669	430
Notes	608,014	--	608,014	--
Special assessments	735,000	--	735,000	--
Internal balances	82,265	(82,265)	--	--
Due from other governmental agencies	7,223,651	3,442,215	10,665,866	--
Inventories	325,865	115,911	441,776	--
Prepaid items	322,648	623,009	945,657	--
Deferred issuance costs	1,005,234	702,808	1,708,042	--
Capital assets:				
Non-depreciable	60,969,695	28,499,360	89,469,055	1,376
Depreciable (net)	148,543,947	118,851,470	267,395,417	1,048,613
Total assets	<u>362,517,696</u>	<u>237,015,123</u>	<u>599,532,819</u>	<u>1,295,197</u>
<b>Liabilities</b>				
Accounts payable	9,609,025	2,777,557	12,386,582	13,741
Retainages payable	1,291,723	130,182	1,421,905	--
Liability for unpaid claims	2,680,510	--	2,680,510	--
Accrued interest payable	1,143,376	1,020,449	2,163,825	--
Due to other governmental agencies	148,911	9,338	158,249	--
Accrued wages	1,794,250	743,483	2,537,733	--
Unearned revenue	3,069,525	6,984,270	10,053,795	--
Customer deposits	47,437	1,039,557	1,086,994	--
Noncurrent liabilities:				
Due within one year	8,153,496	5,725,737	13,879,233	--
Due in more than one year	89,275,453	75,392,101	164,667,554	--
Total liabilities	<u>117,213,706</u>	<u>93,822,674</u>	<u>211,036,380</u>	<u>13,741</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	149,451,384	97,801,582	247,252,966	1,049,989
Restricted for:				
Debt service	7,165,877	9,516,940	16,682,817	--
Construction	749,217	18,746,941	19,496,158	--
Community redevelopment	17,725,448	--	17,725,448	--
Infrastructure improvements	22,019,643	--	22,019,643	--
Housing and community development	5,757,531	--	5,757,531	--
Transportation	5,452,601	--	5,452,601	--
Development services	2,642,651	--	2,642,651	--
Other purposes	5,464,364	--	5,464,364	--
Unrestricted	28,875,274	17,126,986	46,002,260	231,467
Total net assets	<u>\$ 245,303,990</u>	<u>\$ 143,192,449</u>	<u>\$ 388,496,439</u>	<u>\$ 1,281,456</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**  
Statement of Activities  
For the Year Ended September 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental activities:</b>				
General government	\$ 11,443,849	\$ 588,417	\$ --	\$ --
Public safety:				
Police	29,037,712	670,427	2,046,419	140,734
Fire	2,404,193	--	729,962	--
Building inspections	2,037,447	2,185,817	--	--
Other public safety	3,260,516	478,218	--	--
Physical environment	3,138,997	59,829	1,676,107	78,242
Transportation	7,275,556	307,786	80,199	1,642,429
Culture and recreation	2,043,875	77,959	--	307,283
Economic environment	9,239,967	--	7,087,668	4,865
Interest on long-term debt	4,692,235	--	387,475	--
Total governmental activities	<u>74,574,347</u>	<u>4,368,453</u>	<u>12,007,830</u>	<u>2,173,553</u>
<b>Business-type activities:</b>				
Water and Sewer	28,968,721	32,214,124	--	--
Van Wezel	8,390,401	7,529,568	204,558	--
Solid Waste	10,010,227	10,472,696	--	--
Bobby Jones Golf Course	2,903,190	2,628,088	--	--
Municipal Auditoriums	555,984	428,652	--	--
Sports Stadium	44,588	8,503	--	--
Parking Management	740,142	480,395	--	--
Total business-type activities	<u>51,613,253</u>	<u>53,762,026</u>	<u>204,558</u>	<u>--</u>
Total primary government	<u>\$ 126,187,600</u>	<u>\$ 58,130,479</u>	<u>\$ 12,212,388</u>	<u>\$ 2,173,553</u>
<b>Component Units:</b>				
St. Armands Business Improvement District	\$ 81,965	\$ --	\$ --	\$ --
Downtown Improvement District	112,189	--	--	--
Total component units	<u>\$ 194,154</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

General revenues:  
Taxes:  
    Property taxes  
    Gasoline taxes  
    Sales tax  
    Public service taxes  
    Occupational licenses  
    Other taxes  
Franchise fees  
State revenue sharing, unrestricted  
Investment earnings  
Miscellaneous  
Gain on sale of capital assets  
Transfers  
Special item  
Total general revenues, transfers and extraordinary item  
Change in net assets  
**Net assets - beginning**  
**Net assets - ending**

The accompanying notes are an integral part of this statement.

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (10,855,432)	\$ --	\$ (10,855,432)	\$ --
(26,180,132)	--	(26,180,132)	--
(1,674,231)	--	(1,674,231)	--
148,370	--	148,370	--
(2,782,298)	--	(2,782,298)	--
(1,324,819)	--	(1,324,819)	--
(5,245,142)	--	(5,245,142)	--
(1,658,633)	--	(1,658,633)	--
(2,147,434)	--	(2,147,434)	--
(4,304,760)	--	(4,304,760)	--
<u>(56,024,511)</u>	<u>--</u>	<u>(56,024,511)</u>	<u>--</u>
--	3,245,403	3,245,403	--
--	(656,275)	(656,275)	--
--	462,469	462,469	--
--	(275,102)	(275,102)	--
--	(127,332)	(127,332)	--
--	(36,085)	(36,085)	--
--	(259,747)	(259,747)	--
--	2,353,331	2,353,331	--
<u>(56,024,511)</u>	<u>2,353,331</u>	<u>(53,671,180)</u>	<u>--</u>
			(81,965)
			<u>(112,189)</u>
			<u>(194,154)</u>
30,041,199	--	30,041,199	640,732
2,419,349	--	2,419,349	--
8,779,577	--	8,779,577	--
9,750,249	--	9,750,249	--
727,042	--	727,042	--
42,642	--	42,642	--
4,905,213	--	4,905,213	--
1,740,465	--	1,740,465	--
2,536,040	607,582	3,143,622	2,831
1,578,444	--	1,578,444	7,000
1,578	27,305	28,883	--
(90,049)	90,049	--	--
--	(1,277,046)	(1,277,046)	--
<u>62,431,749</u>	<u>(552,110)</u>	<u>61,879,639</u>	<u>650,563</u>
6,407,238	1,801,221	8,208,459	456,409
238,896,752	141,391,228	380,287,980	825,047
<u>\$ 245,303,990</u>	<u>\$ 143,192,449</u>	<u>\$ 388,496,439</u>	<u>\$ 1,281,456</u>

**City of Sarasota, Florida**  
 Governmental Funds  
 Balance Sheet  
 September 30, 2010

<b>Assets</b>	<b>General</b>	<b>Penny Sales Tax</b>	<b>Community Redevelopment</b>
Cash and cash equivalents	\$ 12,405,893	\$ 12,873,984	\$ 10,746,161
Investments	9,072,580	9,088,875	7,584,059
Receivables (net):			
Accounts	15,950	--	--
Interest	71,862	35,370	31,426
Interfund	531,777	--	--
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	2,379,735	1,103,383	--
Inventories	95,035	--	--
Prepaid items	289,660	--	--
Total assets	<u>\$ 24,862,492</u>	<u>\$ 23,101,612</u>	<u>\$ 18,361,646</u>
<b>Liabilities and fund balances</b>			
Liabilities:			
Accounts payable	\$ 745,432	\$ 814,697	\$ 617,856
Retainages payable	11,364	267,272	18,342
Due to other governmental agencies	18,568	--	--
Interfund payables	--	--	--
Interest payable	--	--	--
Accrued wages	1,592,927	--	--
Deferred revenue	652,141	--	--
Customer deposits	--	--	--
Total liabilities	<u>3,020,432</u>	<u>1,081,969</u>	<u>636,198</u>
Fund balances:			
Reserved for:			
Encumbrances	865,091	1,326,224	3,290,258
Construction	--	--	--
Inventories	95,035	--	--
Prepaid items	289,660	--	--
Debt service	--	--	--
Unreserved, designated for			
Revenue stabilization	2,937,500	--	--
Unreserved, undesignated reported in:			
General fund	17,654,774	--	--
Special revenue funds	--	20,693,419	14,435,190
Debt service	--	--	--
Capital projects funds	--	--	--
Total fund balances	<u>21,842,060</u>	<u>22,019,643</u>	<u>17,725,448</u>
Total liabilities and fund balances	<u>\$ 24,862,492</u>	<u>\$ 23,101,612</u>	<u>\$ 18,361,646</u>

The accompanying notes are an integral part of this statement.

<b>2007 General Obligation Bonds Capital Projects Fund</b>	<b>2009 Build America Bonds Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 4,840,512	\$ 7,666,093	\$ 19,289,983	\$ 67,822,626
3,411,902	5,408,213	13,643,817	48,209,446
--	--	130,667	146,617
17,280	23,957	55,602	235,497
--	--	--	531,777
--	--	608,014	608,014
--	--	735,000	735,000
11,270	--	3,537,134	7,031,522
--	--	--	95,035
--	1,083	4,373	295,116
<u>\$ 8,280,964</u>	<u>\$ 13,099,346</u>	<u>\$ 38,004,590</u>	<u>\$ 125,710,650</u>
\$ 1,612,112	\$ 1,200,223	\$ 4,175,163	\$ 9,165,483
400,000	548,410	46,335	1,291,723
--	--	130,343	148,911
--	--	328,075	328,075
--	--	1,816	1,816
2,671	--	121,930	1,717,528
--	--	3,760,398	4,412,539
--	--	47,437	47,437
<u>2,014,783</u>	<u>1,748,633</u>	<u>8,611,497</u>	<u>17,113,512</u>
1,496,695	9,258,060	964,503	17,200,831
4,769,486	2,091,570	1,149,981	8,011,037
--	--	--	95,035
--	1,083	4,373	295,116
--	--	8,280,355	8,280,355
--	--	--	2,937,500
--	--	--	17,654,774
--	--	18,417,342	53,545,951
--	--	(5,808)	(5,808)
--	--	582,347	582,347
<u>6,266,181</u>	<u>11,350,713</u>	<u>29,393,093</u>	<u>108,597,138</u>
<u>\$ 8,280,964</u>	<u>\$ 13,099,346</u>	<u>\$ 38,004,590</u>	<u>\$ 125,710,650</u>

**City of Sarasota, Florida**

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
As of September 30, 2010

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Fund balances - total governmental funds \$ 108,597,138

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 301,348,834	
Less accumulated depreciation	<u>(94,926,711)</u>	206,422,123

Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Bond costs	1,062,454	
Less current year amortization of bond costs	<u>(57,220)</u>	1,005,234

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable on long term debt	(1,141,041)	
General obligation bonds	(47,398,865)	
Special obligation bonds	(31,618,419)	
Loans payable	(6,825,000)	
Other post-employment benefits	(6,323,378)	
Unamortized bond premium	(253,156)	
Unamortized loss on refunding	<u>20,582</u>	(93,539,277)

Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements.

Special assessments	735,000	
Mortgages receivable	608,014	
Interest subsidy on Build America Bonds received before interest payment was due	<u>173,088</u>	1,516,102

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The net assets and liabilities of the internal service funds that are reported with governmental activities		<u>21,302,670</u>
---	--	-------------------

Net assets of governmental activities		<u><u>\$ 245,303,990</u></u>
---------------------------------------	--	------------------------------

The accompanying notes are an integral part of this statement.



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**City of Sarasota, Florida**  
 Governmental Funds  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year Ended September 30, 2010

	<u>General</u>	<u>Penny Sales Tax</u>	<u>Community Redevelopment</u>
<b>Revenues</b>			
Taxes	\$ 28,165,179	\$ --	\$ 9,007,446
Franchise fees	4,905,213	--	--
Special assessments	--	--	--
Licenses and permits	307,873	--	--
Intergovernmental	8,302,286	5,734,423	--
Charges for services	1,453,818	--	--
Charges to other funds	4,365,067	--	--
Fines and forfeits	466,646	--	--
Investment earnings	428,338	305,691	335,380
Miscellaneous	1,435,183	--	10,000
<b>Total revenues</b>	<u>49,829,603</u>	<u>6,040,114</u>	<u>9,352,826</u>
<b>Expenditures</b>			
Current:			
General government	13,882,511	--	--
Public safety	31,240,847	6,773	--
Physical environment	2,690,164	63,683	--
Transportation	3,295,477	22,224	63,273
Culture and recreation	407,223	36,191	5,000
Economic environment	--	--	104,555
Debt service:			
Principal payments	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	--	3,636,627	5,271,273
<b>Total expenditures</b>	<u>51,516,222</u>	<u>3,765,498</u>	<u>5,444,101</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,686,619)</u>	<u>2,274,616</u>	<u>3,908,725</u>
<b>Other financing sources (uses)</b>			
Transfers in	3,506,630	--	--
Transfers out	(483,614)	(1,104,184)	(5,379,014)
<b>Total other financing     sources (uses)</b>	<u>3,023,016</u>	<u>(1,104,184)</u>	<u>(5,379,014)</u>
Net change in fund balances	1,336,397	1,170,432	(1,470,289)
<b>Fund balances - beginning</b>	<u>20,505,663</u>	<u>20,849,211</u>	<u>19,195,737</u>
<b>Fund balances - ending</b>	<u>\$ 21,842,060</u>	<u>\$ 22,019,643</u>	<u>\$ 17,725,448</u>

The accompanying notes are an integral part of this statement.

<b>2007 General Obligation Bonds Capital Projects Fund</b>	<b>2009 Build America Bonds Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ --	\$ --	\$ 5,841,488	\$ 43,014,113
--	--	--	4,905,213
--	--	100,000	100,000
--	--	2,121,183	2,429,056
--	--	9,938,671	23,975,380
--	--	351,876	1,805,694
--	--	--	4,365,067
--	--	539,035	1,005,681
303,964	241,909	578,608	2,193,890
11,270	--	256,833	1,713,286
<u>315,234</u>	<u>241,909</u>	<u>19,727,694</u>	<u>85,507,380</u>
--	--	89,619	13,972,130
27,501	--	2,206,025	33,481,146
--	--	129,440	2,883,287
--	--	389,405	3,770,379
--	--	32,065	480,479
--	--	9,032,533	9,137,088
100,000	--	7,653,493	7,753,493
--	--	4,938,083	4,938,083
--	--	400,495	400,495
20,134,355	5,057,719	3,464,444	37,564,418
<u>20,261,856</u>	<u>5,057,719</u>	<u>28,335,602</u>	<u>114,380,998</u>
<u>(19,946,622)</u>	<u>(4,815,810)</u>	<u>(8,607,908)</u>	<u>(28,873,618)</u>
--	--	7,094,263	10,600,893
--	--	<u>(3,717,845)</u>	<u>(10,684,657)</u>
--	--	<u>3,376,418</u>	<u>(83,764)</u>
(19,946,622)	(4,815,810)	(5,231,490)	(28,957,382)
<u>26,212,803</u>	<u>16,166,523</u>	<u>34,624,583</u>	<u>137,554,520</u>
<u>\$ 6,266,181</u>	<u>\$ 11,350,713</u>	<u>\$ 29,393,093</u>	<u>\$ 108,597,138</u>

**City of Sarasota, Florida**

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds to  
the Statement of Activities  
For the Year Ended September 30, 2010

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Net change in fund balances - total governmental funds \$ (28,957,382)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 38,094,337	
Less current year depreciation	<u>(6,908,451)</u>	31,185,886

The net effect of the disposals of capital assets is to decrease net assets.

Loss on disposal of capital assets		(49,782)
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Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

		96,166
--	--	--------

The collection of special assessments and receipt of repayment of long-term receivables provides current financial resources. Neither transaction, however, has any effect on net assets of governmental activities.

Collection of special assessments	(100,000)	
Receipts on mortgages receivable	(95,373)	
Mortgages receivable added during the year	<u>123,359</u>	(72,014)

The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets of governmental activities. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments:

General obligation bonds	2,993,487	
Special obligation bonds	2,072,104	
Loans payable	3,735,000	
Bond costs	<u>400,495</u>	9,201,086

Some revenues and expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources

Interest subsidy received before interest payment due	26,563	
Accrued interest	9,518	
Interest on capital appreciation bonds	(762,535)	
Other post-employment benefits	(2,629,829)	
Amortization of bond premium	22,566	
Amortization of deferred loss on refunding	(6,268)	
Amortization of current year bond issuance costs	<u>(57,220)</u>	(3,397,205)

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The net expense of the internal service funds is reported with governmental activities.		<u>(1,599,517)</u>
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Change in net assets of governmental activities		<u>\$ 6,407,238</u>
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The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 28,062,743	\$ 28,015,893	\$ 28,165,179	\$ 149,286
Franchise fees	5,591,950	5,591,950	4,905,213	(686,737)
Licenses and permits	230,547	230,547	307,873	77,326
Intergovernmental	8,341,611	8,341,611	8,302,286	(39,325)
Charges for services	1,351,252	1,431,102	1,453,818	22,716
Charges to other funds	4,337,067	4,337,067	4,365,067	28,000
Fines and forfeits	403,320	403,320	466,646	63,326
Investment earnings	985,000	985,000	428,338	(556,662)
Miscellaneous	1,192,009	1,212,868	1,435,183	222,315
Total revenues	<u>50,495,499</u>	<u>50,549,358</u>	<u>49,829,603</u>	<u>(719,755)</u>
<b>Expenditures</b>				
Current:				
General government	14,594,901	14,980,028	13,882,511	1,097,517
Public safety	32,324,420	32,945,977	31,240,847	1,705,130
Physical environment	3,107,389	3,278,036	2,690,164	587,872
Transportation	3,589,633	3,665,274	3,295,477	369,797
Culture and recreation	443,278	1,692,143	407,223	1,284,920
Economic environment	--	25,888	--	25,888
Total expenditures	<u>54,059,621</u>	<u>56,587,346</u>	<u>51,516,222</u>	<u>5,071,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,564,122)</u>	<u>(6,037,988)</u>	<u>(1,686,619)</u>	<u>4,351,369</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,434,706	3,434,706	3,506,630	71,924
Transfers out	<u>(841,051)</u>	<u>(841,051)</u>	<u>(483,614)</u>	<u>357,437</u>
Total other financing sources (uses)	<u>2,593,655</u>	<u>2,593,655</u>	<u>3,023,016</u>	<u>429,361</u>
Net change in fund balances	(970,467)	(3,444,333)	1,336,397	4,780,730
<b>Fund balances - beginning</b>	<u>20,505,663</u>	<u>20,505,663</u>	<u>20,505,663</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 19,535,196</u>	<u>\$ 17,061,330</u>	<u>\$ 21,842,060</u>	<u>\$ 4,780,730</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

Penny Sales Tax

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 5,812,475	\$ 6,334,540	\$ 5,734,423	\$ (600,117)
Investment earnings	240,000	240,157	305,691	65,534
Total revenues	<u>6,052,475</u>	<u>6,574,697</u>	<u>6,040,114</u>	<u>(534,583)</u>
<b>Expenditures</b>				
Current:				
Public safety	--	12,883	6,773	6,110
Physical environment	45,671	329,054	63,683	265,371
Transportation	1,700	19,965	22,224	(2,259)
Culture and recreation	--	37,843	36,191	1,652
Economic environment	1,000,000	1,000,000	--	1,000,000
Capital outlay:				
Public safety	623,490	800,018	594,680	205,338
Physical environment	208,806	5,763,185	348,652	5,414,533
Transportation	3,194,576	13,460,094	2,460,892	10,999,202
Culture and recreation	201,120	2,148,289	232,403	1,915,886
Total expenditures	<u>5,275,363</u>	<u>23,571,331</u>	<u>3,765,498</u>	<u>19,805,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>777,112</u>	<u>(16,996,634)</u>	<u>2,274,616</u>	<u>19,271,250</u>
<b>Other financing uses</b>				
Transfers out	<u>(1,763,235)</u>	<u>(1,104,184)</u>	<u>(1,104,184)</u>	<u>--</u>
Net change in fund balances	(986,123)	(18,100,818)	1,170,432	19,271,250
<b>Fund balances - beginning</b>	<u>20,849,211</u>	<u>20,849,211</u>	<u>20,849,211</u>	<u>--</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 19,863,088</u>	<u>\$ 2,748,393</u>	<u>\$ 22,019,643</u>	<u>\$ 19,271,250</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

Community Redevelopment

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 9,006,170	\$ 9,006,170	\$ 9,007,446	\$ 1,276
Investment earnings	100,000	100,000	335,380	235,380
Miscellaneous	--	10,000	10,000	--
Total revenues	<u>9,106,170</u>	<u>9,116,170</u>	<u>9,352,826</u>	<u>236,656</u>
<b>Expenditures</b>				
Current:				
Transportation	1,236,699	4,241,626	63,273	4,178,353
Culture and recreation	--	--	5,000	(5,000)
Economic environment	684,430	3,044,751	104,555	2,940,196
Capital outlay:				
Transportation	318,868	12,225,141	5,241,273	6,983,868
Culture and recreation	--	494,599	30,000	464,599
Economic environment	2,031,757	1,441,507	--	1,441,507
Total expenditures	<u>4,271,754</u>	<u>21,447,624</u>	<u>5,444,101</u>	<u>16,003,523</u>
Excess of revenues over expenditures	4,834,416	(12,331,454)	3,908,725	16,240,179
<b>Other financing uses</b>				
Transfers out	<u>(5,359,525)</u>	<u>(5,359,525)</u>	<u>(5,379,014)</u>	<u>(19,489)</u>
Net change in fund balances	(525,109)	(17,690,979)	(1,470,289)	16,220,690
<b>Fund balances - beginning</b>	<u>19,195,737</u>	<u>19,195,737</u>	<u>19,195,737</u>	<u>--</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 18,670,628</u>	<u>\$ 1,504,758</u>	<u>\$ 17,725,448</u>	<u>\$ 16,220,690</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida  
Proprietary Funds  
Statement of Net Assets  
September 30, 2010

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 4,429,276	\$ 3,287,285	\$ 3,945,603	\$ 1,631,899	\$ 13,294,063	\$ 15,342,490
Investments	3,120,819	2,322,844	2,784,777	1,151,453	9,379,893	10,907,063
Receivables (net):						
Accounts	3,143,439	30,733	573,228	16,561	3,763,961	2,193
Interest	11,682	7,524	11,405	4,958	35,569	35,445
Due from other funds	--	--	--	--	--	35,438
Due from other governmental agencies	3,416,825	--	--	5,434	3,422,259	19,041
Inventories	64,093	2,505	--	49,313	115,911	230,830
Prepaid items	256,772	339,452	1,508	25,277	623,009	27,532
Total unrestricted current assets	<u>14,442,906</u>	<u>5,990,343</u>	<u>7,316,521</u>	<u>2,884,895</u>	<u>30,634,665</u>	<u>26,600,032</u>
Restricted current assets:						
Cash and cash equivalents	28,229,799	--	6,090	--	28,235,889	--
Cash with fiscal agents	5,926,621	--	--	--	5,926,621	--
Investments	24,148,138	--	4,323	--	24,152,461	--
Accrued interest receivable	74,158	--	--	--	74,158	--
Due from other governmental agencies	19,956	--	--	--	19,956	--
Deferred issuance costs	83,933	--	--	--	83,933	--
Total restricted current assets	<u>58,482,605</u>	<u>--</u>	<u>10,413</u>	<u>--</u>	<u>58,493,018</u>	<u>--</u>
 Total current assets	 <u>72,925,511</u>	 <u>5,990,343</u>	 <u>7,326,934</u>	 <u>2,884,895</u>	 <u>89,127,683</u>	 <u>26,600,032</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable:						
Land	8,575,275	525,000	--	3,018,801	12,119,076	--
Art collections	--	240,397	--	--	240,397	--
Construction in progress	16,026,214	83,546	4,314	25,813	16,139,887	183,339
Depreciable:						
Buildings	25,132,252	25,507,672	102,374	3,104,113	53,846,411	--
Improvements	--	696,725	209,511	6,145,342	7,051,578	2,148,945
Utility systems	208,982,352	--	--	--	208,982,352	--
Equipment	7,836,871	802,113	5,031,392	968,852	14,639,228	10,594,411
Less accumulated depreciation	(144,019,186)	(10,089,923)	(4,323,212)	(7,235,778)	(165,668,099)	(9,835,176)
Total capital assets (net of accumulated depreciation)	<u>122,533,778</u>	<u>17,765,530</u>	<u>1,024,379</u>	<u>6,027,143</u>	<u>147,350,830</u>	<u>3,091,519</u>
Other assets:						
Advance to other funds	--	--	--	--	--	154,813
Deferred issuance costs	618,875	--	--	--	618,875	--
Total other assets	<u>618,875</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>618,875</u>	<u>154,813</u>
 Total noncurrent assets	 <u>123,152,653</u>	 <u>17,765,530</u>	 <u>1,024,379</u>	 <u>6,027,143</u>	 <u>147,969,705</u>	 <u>3,246,332</u>
 Total assets	 <u>\$ 196,078,164</u>	 <u>\$ 23,755,873</u>	 <u>\$ 8,351,313</u>	 <u>\$ 8,912,038</u>	 <u>\$ 237,097,388</u>	 <u>\$ 29,846,364</u>

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	\$ 991,697	\$ 213,916	\$ 705,560	\$ 78,229	\$ 1,989,402	\$ 443,542
Retainages payable	10,317	--	--	--	10,317	--
Due to other funds	--	--	--	--	--	35,438
Due to other governmental agencies	7,099	2,053	186	--	9,338	--
Interfund payables	82,265	--	--	--	82,265	121,437
Accrued interest payable	265	--	--	--	265	519
Liability for unpaid claims	--	--	--	--	--	2,680,510
Accrued wages	516,028	81,552	78,454	67,449	743,483	76,722
Compensated absences	425,789	103,144	64,447	51,474	644,854	2,580,510
Unearned revenue	3,541,854	2,920,094	397,008	125,314	6,984,270	--
Total unrestricted current liabilities	<u>5,575,314</u>	<u>3,320,759</u>	<u>1,245,655</u>	<u>322,466</u>	<u>10,464,194</u>	<u>5,938,678</u>
Current liabilities payable from restricted assets:						
Accounts payable	788,155	--	--	--	788,155	--
Retainages payable	119,865	--	--	--	119,865	--
Accrued interest payable	1,020,184	--	--	--	1,020,184	--
Customer deposits	1,029,144	--	10,413	--	1,039,557	--
Revenue bonds & loans payable - current	<u>5,080,883</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,080,883</u>	<u>--</u>
Total current liabilities payable from restricted assets	<u>8,038,231</u>	<u>--</u>	<u>10,413</u>	<u>--</u>	<u>8,048,644</u>	<u>--</u>
Total current liabilities	<u>13,613,545</u>	<u>3,320,759</u>	<u>1,256,068</u>	<u>322,466</u>	<u>18,512,838</u>	<u>5,938,678</u>
Noncurrent liabilities:						
Advances from other funds	--	--	--	--	--	154,813
Compensated absences	362,709	87,864	54,900	43,848	549,321	2,198,213
Other post-employment benefits	1,711,346	271,354	270,837	229,511	2,483,048	251,990
Revenue bonds, loans payable and unamortized premium less current maturities and deferred amount of refunding	<u>72,359,732</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>72,359,732</u>	<u>--</u>
Total noncurrent liabilities	<u>74,433,787</u>	<u>359,218</u>	<u>325,737</u>	<u>273,359</u>	<u>75,392,101</u>	<u>2,605,016</u>
Total liabilities	<u>88,047,332</u>	<u>3,679,977</u>	<u>1,581,805</u>	<u>595,825</u>	<u>93,904,939</u>	<u>8,543,694</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	72,984,530	17,765,530	1,024,379	6,027,143	97,801,582	3,091,519
Restricted:						
Debt service	9,516,940	--	--	--	9,516,940	--
Construction	18,746,941	--	--	--	18,746,941	--
Unrestricted	<u>6,782,421</u>	<u>2,310,366</u>	<u>5,745,129</u>	<u>2,289,070</u>	<u>17,126,986</u>	<u>18,211,151</u>
Total net assets	<u>\$ 108,030,832</u>	<u>\$ 20,075,896</u>	<u>\$ 6,769,508</u>	<u>\$ 8,316,213</u>	<u>\$ 143,192,449</u>	<u>\$ 21,302,670</u>

**City of Sarasota, Florida**  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
For the Year Ended September 30, 2010

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Van Wezel</b>	<b>Solid Waste</b>	<b>Other Funds</b>	<b>Totals</b>	
<b>Operating revenues</b>						
Charges for services	\$ 32,091,373	\$ 6,445,310	\$ 10,432,391	\$ 2,769,956	\$ 51,739,030	\$ 13,137,261
Rents	35,496	500,575	5,000	342,053	883,124	--
Fines	--	--	--	417,646	417,646	--
Miscellaneous	87,255	583,683	35,305	15,983	722,226	178,822
Total operating revenues	<u>32,214,124</u>	<u>7,529,568</u>	<u>10,472,696</u>	<u>3,545,638</u>	<u>53,762,026</u>	<u>13,316,083</u>
<b>Operating expenses</b>						
Personal services	8,787,619	1,513,577	1,940,939	1,384,361	13,626,496	4,341,430
Contractual services	6,302,461	5,673,862	6,613,974	891,143	19,481,440	7,974,348
Repairs and maintenance	2,441,285	102,762	374,287	1,472,597	4,390,931	391,979
Supplies and materials	2,912,175	178,843	482,866	150,821	3,724,705	1,579,580
Depreciation	7,061,477	921,357	598,161	344,982	8,925,977	1,004,676
Other	33,000	--	--	--	33,000	--
Total operating expenses	<u>27,538,017</u>	<u>8,390,401</u>	<u>10,010,227</u>	<u>4,243,904</u>	<u>50,182,549</u>	<u>15,292,013</u>
Operating income (loss)	<u>4,676,107</u>	<u>(860,833)</u>	<u>462,469</u>	<u>(698,266)</u>	<u>3,579,477</u>	<u>(1,975,930)</u>
<b>Nonoperating revenues (expenses)</b>						
Grant income	--	204,558	--	--	204,558	14,800
Investment earnings	393,534	66,279	95,856	51,913	607,582	342,150
Interest expense	(1,323,112)	--	--	--	(1,323,112)	(7,311)
Loan and bond issue expense	(107,592)	--	--	--	(107,592)	--
Gain (loss) on disposition of capital assets	24,928	2,371	6	--	27,305	33,059
Total nonoperating revenues (expenses)	<u>(1,012,242)</u>	<u>273,208</u>	<u>95,862</u>	<u>51,913</u>	<u>(591,259)</u>	<u>382,698</u>
Income (loss) before capital contributions, transfers and special items	3,663,865	(587,625)	558,331	(646,353)	2,988,218	(1,593,232)
Transfers in	--	200,000	--	95,444	295,444	--
Transfers out	(59,975)	--	(776)	(144,644)	(205,395)	(6,285)
Special item	--	--	--	(1,277,046)	(1,277,046)	--
Change in net assets	3,603,890	(387,625)	557,555	(1,972,599)	1,801,221	(1,599,517)
<b>Total net assets - beginning</b>	<u>104,426,942</u>	<u>20,463,521</u>	<u>6,211,953</u>	<u>10,288,812</u>	<u>141,391,228</u>	<u>22,902,187</u>
<b>Total net assets - ending</b>	<u>\$ 108,030,832</u>	<u>\$ 20,075,896</u>	<u>\$ 6,769,508</u>	<u>\$ 8,316,213</u>	<u>\$ 143,192,449</u>	<u>\$ 21,302,670</u>

The accompanying notes are an integral part of this statement.



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City of Sarasota, Florida  
Proprietary Funds  
Statement of Cash Flows  
Year Ended September 30, 2010

	Business-type Activities - Enterprise Funds					Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	Activities - Internal Service Funds
<b>Cash flows from operating activities</b>						
Cash received from customers and users	\$ 32,275,014	\$ 8,031,702	\$ 10,355,152	\$ 3,615,857	\$ 54,277,725	\$ 1,557,418
Cash received from other funds for goods and services	--	--	--	--	--	11,760,720
Cash payments to vendors for goods and services	(10,316,768)	(5,681,914)	(6,891,945)	(2,344,633)	(25,235,260)	(3,476,623)
Cash payments to employees for services	(8,070,096)	(1,400,471)	(1,791,334)	(1,391,869)	(12,653,770)	(4,282,989)
Cash payments to customers	(614,214)	--	--	--	(614,214)	--
Cash payments to other funds	(2,336,648)	(262,026)	(409,804)	(361,493)	(3,369,971)	(503,347)
Claims paid	--	--	--	--	--	(6,444,736)
Net cash provided (used) by operating activities	10,937,288	687,291	1,262,069	(482,138)	12,404,510	(1,389,557)
<b>Cash flows from noncapital financing activities</b>						
Interfund loan borrowings	82,265	--	--	--	82,265	121,437
Transfers in	--	200,000	--	95,444	295,444	--
Transfers out	(59,975)	--	(776)	(144,644)	(205,395)	(6,285)
Nonoperating grants received	--	204,558	--	--	204,558	--
Net cash provided (used) by noncapital financing activities	22,290	404,558	(776)	(49,200)	376,872	115,152
<b>Cash flows from capital and related financing activities</b>						
Proceeds from issuance of revenue bonds	30,373,126	--	--	--	30,373,126	--
Payment to bond escrow agent	(1,369,017)	--	--	--	(1,369,017)	--
Acquisition of capital assets	(7,277,014)	(121,238)	(388,846)	(192,778)	(7,979,876)	(904,168)
Principal repayments - revenue bonds	(7,581,574)	--	--	--	(7,581,574)	--
Principal repayments - loans payable	(206,317)	--	--	--	(206,317)	--
Interest paid	(2,389,497)	--	--	--	(2,389,497)	--
Fiscal charges paid	(227,580)	--	--	--	(227,580)	--
Proceeds from sale of capital assets	25,672	4,608	6	--	30,286	33,841
Net cash used by capital and related financing activities	11,347,799	(116,630)	(388,840)	(192,778)	10,649,551	(870,327)
<b>Cash flows from investing activities</b>						
Interest on investments	800,416	78,001	115,845	62,209	1,056,471	410,318
Purchase of investments	(4,480,341)	--	--	(23,005)	(4,503,346)	--
Proceeds from sale and maturities of investments	--	44,775	198,457	662,073	905,305	3,639,869
Net cash provided (used) by investing activities	(3,679,925)	122,776	314,302	701,277	(2,541,570)	4,050,187
Net increase (decrease) in cash and cash equivalents	18,627,452	1,097,995	1,186,755	(22,839)	20,889,363	1,905,455
Cash and cash equivalents at beginning of year	19,958,244	2,189,290	2,764,938	1,654,738	26,567,210	13,437,035
Cash and cash equivalents at end of year	\$ 38,585,696	\$ 3,287,285	\$ 3,951,693	\$ 1,631,899	\$ 47,456,573	\$ 15,342,490

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds		Activities - Internal Service Funds
<b>Reconciliations of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 4,676,107	\$ (860,833)	\$ 462,469	\$ (698,266)	\$ 3,579,477	\$ (1,975,930)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	7,061,477	921,357	598,161	344,982	8,925,977	1,004,676
Net (increase) decrease in:						
Accounts receivable	(507,202)	19,376	(89,142)	29,705	(547,263)	2,055
Due from other governmental agencies	(726,825)	--	--	2,368	(724,457)	(4,241)
Inventories	(264)	1,644	--	5,334	6,714	(86,380)
Prepaid items	(7,711)	(29,787)	95	51,261	13,858	11,238
Net increase (decrease) in:						
Accounts payable	(996,311)	39,670	169,097	(246,462)	(1,034,006)	(18,654)
Retainages payable	35,442	--	--	--	35,442	--
Liability for unpaid claims	--	--	--	--	--	(380,762)
Due to other governmental agencies	4,349	(123,760)	186	(3,192)	(122,417)	--
Accrued wages	87,925	9,902	11,989	8,697	118,513	7,483
Compensated absences	(87,192)	(9,430)	15,841	(78,480)	(159,261)	(59,103)
Unearned revenue	713,461	606,518	(29,237)	39,640	1,330,382	--
Customer deposits	(32,758)	--	835	--	(31,923)	--
Other post-employment benefits	716,790	112,634	121,775	62,275	1,013,474	110,061
Total adjustments	6,261,181	1,548,124	799,600	216,128	8,825,033	586,373
Net cash provided (used) by operating activities:	\$ 10,937,288	\$ 687,291	\$ 1,262,069	\$ (482,138)	\$ 12,404,510	\$ (1,389,557)

**Noncash investing, capital, and financing activities**

Amortization of loan and bond issues costs	\$ 97,021	\$ --	\$ --	\$ --	\$ 97,021	\$ --
Amortization of premium on issuance of bonds	41,521	--	--	--	41,521	--
Amortization of deferred loss on defeasance of debt	152,565	--	--	--	152,565	--
Proceeds from refunding bonds deposited immediately into an irrevocable escrow account for the defeasance of debt	4,147,309	--	--	--	4,147,309	--
Bond issuance costs withheld from bond proceeds	203,609	--	--	--	203,609	--

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**  
 Fiduciary Funds  
 Statement of Fiduciary Net Assets  
 September 30, 2010

<b>Assets</b>	<b>Pension and OPEB Trust Funds</b>	<b>Agency Funds</b>
Cash and cash equivalents	\$ 1,857,059	\$ --
Investments:		
Money market funds	9,671,315	--
U.S. Government securities	12,859,994	--
U.S. Government agency securities	10,440,662	--
Common and preferred stock	199,969,597	--
Corporate bonds and notes	22,968,679	--
Bond mutual funds	36,636,245	--
Real estate mutual funds	19,743,562	--
Mortgage backed securities	2,732,664	--
Foreign stocks	25,273,821	--
Foreign mutual funds	22,345,877	--
Total investments	<u>362,642,416</u>	<u>--</u>
Receivables (net):		
Accounts	138,791	--
Interest and dividends	612,761	50
Due from State	73,404	--
Total receivables	<u>824,956</u>	<u>50</u>
Other assets:		
Share account loans	95,218	--
Prepaid items	36,288	--
Equipment	7,735	--
Less accumulated depreciation	(7,166)	--
Total other assets	<u>132,075</u>	<u>--</u>
Total assets	<u>365,456,506</u>	<u>50</u>
<b>Liabilities</b>		
Accounts payable	625,912	--
Due to other governmental agencies	108,699	--
Liability for unpaid claims	433,884	--
Accrued wages and unpaid vacation	49,024	--
Unearned revenue	198,034	--
Accrued benefits	9,647,872	--
Accrued liabilities	--	50
Total liabilities	<u>11,063,425</u>	<u>50</u>
<b>Net Assets</b>		
Held in trust for pension and OPEB benefits	<u>\$ 354,393,081</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Assets  
 September 30, 2010

	<b>Pension and OPEB Trust Funds</b>
<b>Additions</b>	
Contributions	
Plan members	\$ 3,166,746
Employer	
City of Sarasota	15,876,753
Sarasota County	3,403,620
State on behalf payments, through General Fund	1,297,924
Other	385,487
	<hr/>
Total contributions	24,130,530
	<hr/>
Investment income	
Net increase	
in fair value of investments	23,355,919
Interest	2,246,376
Dividends	6,335,585
	<hr/>
Total investment income	31,937,880
Less investment expense	(2,322,967)
	<hr/>
Net investment income	29,614,913
Total additions	53,745,443
	<hr/>
<b>Deductions</b>	
Benefits	28,562,171
Share expense	616,783
Other benefits	291,466
Administrative expenses	1,117,259
Refunds of contributions	225,307
	<hr/>
Total deductions	30,812,986
	<hr/>
Change in net assets	22,932,457
<b>Net assets - beginning</b>	331,460,624
	<hr/>
<b>Net assets - ending</b>	\$ 354,393,081
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**  
 General Employees' Pension Fund  
 Statement of Net Assets  
 September 30, 2010

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	<b>General Employees' Pension Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 159,947
Investments:	
Money market funds	4,577,967
U.S. Government securities	8,603,312
U.S. Government agency securities	9,718,183
Common and preferred stock	64,236,433
Corporate bonds and notes	7,764,070
Foreign stocks	15,874,071
Total investments	<u>110,774,036</u>
Receivables (net):	
Accounts	83,739
Interest and dividends	220,548
Due from other governmental agencies	2,574
Total receivables	<u>306,861</u>
Other assets:	
Prepaid items	8,795
Equipment	575
Less accumulated depreciation	(575)
Total other assets	<u>8,795</u>
Total assets	<u>111,249,639</u>
<b>Liabilities</b>	
Accounts payable	177,578
Accrued wages and unpaid vacation	15,742
Unearned revenue	15,669
Accrued benefits	1,064,478
Total liabilities	<u>1,273,467</u>
<b>Net Assets</b>	
Held in trust for General Employees' Pension	<u>\$ 109,976,172</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**  
 General Employees' Pension Fund  
 Statement of Changes in Net Assets  
 September 30, 2010

	<b>General Employees' Pension Fund</b>
<b>Additions</b>	
Contributions	
Plan members	\$ 1,250,967
Employer	
City of Sarasota	2,700,630
Sarasota County	66,091
Other	38,045
	<hr/>
Total contributions	4,055,733
	<hr/>
Investment income	
Net increase	
in fair value of investments	6,452,609
Interest	1,069,286
Dividends	1,387,513
	<hr/>
Total investment income	8,909,408
Less investment expense	(699,187)
	<hr/>
Net investment income	8,210,221
Total additions	12,265,954
	<hr/>
<b>Deductions</b>	
Benefits	8,260,961
Administrative expenses	117,461
Refunds of contributions	142,338
	<hr/>
Total deductions	8,520,760
	<hr/>
Change in net assets	3,745,194
<b>Net assets - beginning</b>	106,230,978
	<hr/>
<b>Net assets - ending</b>	\$ 109,976,172
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The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

Component Units

Statement of Net Assets

September 30, 2010

	<b>St. Armands Business Improvement District</b>	<b>Downtown Improvement District</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 36,918	\$ 106,592	\$ 143,510
Investments	26,057	75,211	101,268
Receivables (net):			
Interest	106	324	430
Capital assets:			
Non-depreciable	1,376	--	1,376
Depreciable (net)	928,547	120,066	1,048,613
Total assets	<u>993,004</u>	<u>302,193</u>	<u>1,295,197</u>
<b>Liabilities</b>			
Accounts payable	1,859	11,882	13,741
Total liabilities	<u>1,859</u>	<u>11,882</u>	<u>13,741</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	929,923	120,066	1,049,989
Unrestricted	61,222	170,245	231,467
Total net assets	<u>\$ 991,145</u>	<u>\$ 290,311</u>	<u>\$ 1,281,456</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

Component Units

Statement of Activities

For the Year Ended September 30, 2010

	<b>St. Armands Business Improvement District</b>	<b>Downtown Improvement District</b>	<b>Total</b>
Program expenses:			
Personal services	\$ --	\$ 3,183	\$ 3,183
Contractual services	30,495	101,861	132,356
Repairs and maintenance	7,666	6,136	13,802
Depreciation	43,540	1,009	44,549
Interest expense	264	--	264
Total program expenses	<u>81,965</u>	<u>112,189</u>	<u>194,154</u>
Program profit (loss)	<u>(81,965)</u>	<u>(112,189)</u>	<u>(194,154)</u>
General revenues:			
Property taxes	213,839	426,893	640,732
Investment earnings	(34)	2,865	2,831
Miscellaneous	4,725	2,275	7,000
Total general revenues	<u>218,530</u>	<u>432,033</u>	<u>650,563</u>
Change in net assets	136,565	319,844	456,409
Net assets - beginning	854,580	(29,533)	825,047
Net assets - ending	<u>\$ 991,145</u>	<u>\$ 290,311</u>	<u>\$ 1,281,456</u>

The accompanying notes are an integral part of this statement.



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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The City of Sarasota, Florida, (the City) was incorporated in 1902. The City is on the west coast of Florida, approximately half-way down the state and is comprised of 24 square miles with a population of 52,866. The City was created pursuant to the Laws of Florida, Chapter 73-618. The current charter was approved by a special act of the State of Florida legislature in 1973 and by the voters of the City at an election held September 6, 1996. The City operates under the Commission-Manager form of government and provides municipal services such as police protection, public works and all the necessary functions of general government. The City also has certain enterprise operations consisting of a water and sewer utility, a golf course, a performing arts hall, a solid waste collection service, a municipal auditorium and parking management.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. As required by generally accepted accounting principles, the accompanying financial statements present the City of Sarasota and its component units (entities for which the City is considered to be financially accountable). Blended component units, although legally separate entities, are in substance part of the government's operations. Therefore, data from these units are presented with data of the City (the primary government). Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. Each blended and discretely presented component unit has a September 30<sup>th</sup> year-end.

**Blended Component Unit:** The Community Redevelopment Agency (CRA) was created by the City Commission, pursuant to Florida Statutes, Section 163.357, to provide for the rehabilitation, conservation and redevelopment of certain areas within the City. The CRA operates under the guidance of the City Commission which meets separately as the CRA's governing body to approve the adoption of the annual budget, the issuance of debt, the execution of contracts and the payment of unbudgeted expenditures. The financial statements of the CRA have been included within the City's reporting entity as the Community Redevelopment Special Revenue Fund. Separate financial statements of the CRA are not available.

The Golden Gate Point Special District (District) was created by the City Commission, pursuant to Florida Statutes, Section 189.4041. The purpose of the District is to construct and maintain enhancement and improvements within the public rights of way on Golden Gate Point. The City Commission is the governing board of the District which meets to approve the adoption of the annual budget, the issuance of debt, the execution of contracts and the payment of expenditures. The financial statements of the District have been included within the City's reporting entity as the Golden Gate Point Special Revenue Fund. Separate financial statements of the District are not available.

**Discretely Presented Component Units:** The St. Armands Business Improvement District (BID) was created by City Ordinance 02-4382 under Chapter 163.511 of the Florida Statutes. The boundaries of the BID are made up of all parcels of real property located within the CT Zone District in the vicinity of St. Armands Circle. The BID is a dependent taxing authority with the power to levy up to two mills, with City Commission approval, for the purpose of purchasing supplemental services (maintenance, security, sanitation, promotions, infrastructure and capital improvements).

The Downtown Improvement District (DID) was created by City Ordinance 08-4832 under Chapter 189.4041 of the Florida Statutes. The boundaries of the DID includes all non-residential parcels within the downtown core of the City. The DID is a dependent taxing authority with the power to levy up to two mills, with City Commission approval, for the purpose of purchasing supplemental services (maintenance, security, sanitation, promotions, infrastructure and capital improvements).

The City Commission appoints the governing boards. The BID and DID are fiscally dependent on the City, and their financial statements are included in separate columns of the accompanying financial

statements. Separate financial statements are not available. The BID and DID are accounted for as governmental fund types and use the same applicable accounting policies the City presents in the Notes to Financial Statements.

## **B. Government-Wide and Fund Financial Statements**

The City of Sarasota has adopted the provisions of GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 38, "Certain Financial Statement Note Disclosures". The basic financial statements consist of the government-wide financial statements and fund financial statements. The government-wide financial statements required under this statement (the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements so as not to distort financial results. Fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements (fund financial statements) are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City's fiduciary funds are presented in the fund financial statements by type (pension/OPEB trust and agency funds) but as noted above are not included in the government-wide statements. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

Internal Service Funds of a government (which traditionally provide services primarily to other funds of the government) are presented in the summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate governmental activities.

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

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

Operating revenues shown for proprietary operations generally result from producing or providing goods and services such as water, sewer and solid waste collection. Operating expenses for these operations include all costs related to providing the service or product. These costs include salaries, supplies, travel, contract services, depreciation, administrative expenses and other expenses directly related to costs of services. All other revenue and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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. 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 claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Grant revenues are considered earned and are accrued simultaneously with the grant expenditure. In applying the susceptibility-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable; i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the government.

Agency funds are unlike all other types of funds, reporting only assets and liabilities. Therefore, they do not have a measurement focus, but do however use the accrual basis of accounting to recognize receivables and payables. They are merely clearing accounts for assets held by the City as an agent for individuals, private organizations and other governmental entities.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the essential governmental services such as police protection, public works, street, highway and landscape maintenance and general administration are provided by the General Fund. The *Penny Sales Tax Fund* accounts for the revenue derived from a one cent local option infrastructure sales surtax imposed by Sarasota County, Florida. The *Community Redevelopment Fund* accounts for the operations of the City of Sarasota Community Redevelopment Agency. The *2007 General Obligation Bonds Capital Projects Fund* accounts for the proceeds of bonds issued for the construction of a new police headquarters. The *2009 Build America Bonds Capital Projects Fund* accounts for the proceeds of bonds issued to build a community center and acquire land for a park and parking garage.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing and related debt service and billing and collection. The *Van Wezel Performing Arts Hall Fund* accounts for revenues and expenses of a cultural center which provides a wide variety of entertainment, including performances by nationally

known theater, ballet and musical groups, for which a significant portion is financed through user charges. The *Solid Waste Management Fund* accounts for the provision of solid waste collection and recycling activities to the residents and businesses of the City.

In addition, the City reports the following fund types:

*Internal Service Funds* account for services provided to other departments within the City on a cost reimbursement basis. These services include: information technology services, equipment maintenance services, equipment replacement services and general benefits and insurance services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The excess revenue or expenses for the funds are allocated to the appropriate functional activity.

The *Pension Trust Funds* account for the activities of the General Employees' Pension, Police Officers' Pension and Firefighters' Pension plans, which accumulate resources for pension benefit payments to qualified employees.

The *Other Post Employment Benefits Trust Fund* accounts for the future liability of costs for medical/prescription/dental coverage, extended life insurance coverage and benefits under the Employee Assistance Program available to retirees and their dependents.

The *Agency Funds* account for impact fees collected from citizens and disbursed to Sarasota County, and for the collection and distribution of ticket sales for non-city sponsored events held at the Van Wezel Performing Arts Hall.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their government-wide activities and enterprise funds, subject to this same limitation. The City has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989, as permitted by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Fund and Other Governmental Entities That Use Proprietary Fund Accounting*.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government'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.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer enterprise fund, the Van Wezel Performing Arts Hall enterprise fund, and the Solid Waste enterprise fund are charges to customers for sales and services. The Water and Sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. The principal operating revenues of the internal service funds are interfund charges. The operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The City allocates charges for indirect services provided by General Fund departments based on a cost allocation plan. The costs are included in the program expense reported by functional activity in the Statement of Activities.

#### **D. Cash and Cash Equivalents**

The City maintains a cash and investment pool that is available for use by all funds. The City considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents for purposes of the statement of cash flows.

The City's cash and investment pool consists of U.S. Government securities, U.S. Government Agency securities, the Local Government Surplus Funds Account administered by the Florida State Board of Administration, certificates of deposit, money market funds, Florida League of Cities Municipal Investment Trust and cash. Cash balances and requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is allocated to funds based on their average daily balances.

#### **E. Investments**

For all funds, except the OPEB and pension trust funds, investments consist of U.S. Government securities, U.S. Government Agency securities, U.S. Government securities held under repurchase agreements, the Local Government Surplus Funds Account administered by the Florida State Board of Administration, money market funds and the Florida League of Cities Municipal Investment Trust. Investments of the OPEB and pension trust funds consist of U.S. Government securities, U.S. Government Agency securities, corporate bonds and notes, common and preferred stocks, mutual funds, foreign securities and money market funds. All investments are reported at fair value using quoted market prices or the best estimate available. The difference between cost and fair value of investments held is recorded as net unrealized gains or losses and is included in net investment earnings.

#### **F. Other Receivables**

All trade receivables on the statement of net assets are shown net of an allowance for uncollectibles. Long-term notes receivable due to governmental funds represent loans to property owners for rehabilitation of properties. Recognition of governmental fund type revenues is deferred until they become current, in accordance with the modified accrual basis of accounting.

#### **G. Interfund Receivables and Payables**

During the course of its operations, the City has numerous transactions between funds to provide services, construct assets and service debt. To the extent that certain transactions between funds were not paid for or received as of September 30, 2010, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. Balances of advances to other funds are reserved in the fund balances of the respective funds since these balances are not available for appropriation. Short-term interfund loans to eliminate cash deficits are classified as interfund receivables/payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

#### **H. Inventories**

Inventories are adjusted to annual and periodic counts and are valued at cost, which approximates market, using the average cost method. Inventory is accounted for using the consumption method, whereby inventories are recorded as expenditures when they are used.

#### **I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## J. Restricted Assets

Proceeds of the City's enterprise fund revenue bonds, as well as other resources set aside in accordance with bond covenants or local ordinance, are classified as restricted on the fund level balance sheets of the enterprise funds. These include the following: interest and sinking accounts used for accumulation of resources needed to meet debt service requirements as they become due; general reserve account used to accumulate resources to pay the cost of improvements, to pay the cost of purchasing or redeeming bonds, to pay the principal and interest on any obligations subordinate to the bonds issued under the resolution, to make up any deficiencies in any of the Accounts and to pay the cost of any item qualifying as an expenditure of the Renewal, Replacement and Improvement Account; and the utility construction accounts used for acquisition and construction of assets funded by revenue bond proceeds.

Restricted assets are not presented on the statement of net assets of the governmental funds under the modified accrual basis of accounting; however, certain assets of these funds are restricted as to use. Such assets, consisting primarily of cash and receivables, include debt proceeds, permit fees, state and federal forfeiture awards, state and federal grants and amounts held for debt service. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

## K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial estimated useful life in excess of one year and an individual cost of more than \$500 for tangible personal property and \$1,000 for buildings, improvements, infrastructure and utility systems. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the water and sewer fund during the year was \$2,280,511. Of this amount, \$1,048,486, less investment income of \$352,162, was included as part of the cost of capital assets under construction for water and wastewater construction projects.

The City has a collection of art presented both in buildings and public outdoor spaces. The true value of the art is expected to either be maintained or enhanced over time and thus, the art is not depreciated. If individual pieces are lost or destroyed the loss is recorded.

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

<u>Assets</u>	<u>Years</u>
Buildings	30-50
Other improvements	10-20
Public domain infrastructure	10-40
System infrastructure	30
Vehicles	4
Office equipment	5
Computer equipment	3

#### **L. Long-Term Obligations**

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Underwriting and issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred issuance costs and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **M. Compensated Absences**

It is the City's policy to allow employees to accumulate unused vacation benefits up to certain maximum hours. Unused sick leave benefits cannot be accumulated. Unused vacation is paid upon an employee's termination. Earned but unpaid vacation benefits are recognized as an expense or expenditure in the Proprietary and Governmental Fund types when earned because the City has provided financial resources for the full amount through its budget process.

The City's Governmental Funds liability for accrued compensated absences is reported in the General Benefits and Insurance Internal Service Fund. This fund is reimbursed through payroll charges to the City's Governmental Funds. A liability for those amounts is reported in governmental funds only if they have matured as a result of employee resignations or retirements.

#### **N. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent City Commission objectives that are subject to change.

#### **O. Property Tax Calendar**

The City levies property taxes each November 1<sup>st</sup>, which become a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Sarasota County Property Appraiser as of the prior January 1<sup>st</sup>. The current year's levy is based on taxable assessed property values totaling \$8,178,721,896.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2009-2010 fiscal year, the City levied taxes of 2.7771 mills for the General Fund and an additional 0.3752 mills for debt service on general obligation bonds.

The Sarasota County Tax Collector collects property taxes on behalf of each municipality within county boundaries. All taxes are due from property owners on March 31<sup>st</sup>. Taxes become delinquent on April 1<sup>st</sup>. By May 31<sup>st</sup> of each year, either all taxes have been collected and remitted to the City or the delinquent taxes are raised by public auction of tax certificates. Due to this arrangement there are no material unremitted tax revenues at the end of the fiscal year. The major dates in this process are listed on the following table.

<b>PROPERTY TAX CALENDAR</b>	
July 1	Assessment roll validated
September 30	Millage resolution approved
October 1	Beginning of City's fiscal year for which tax is to be levied
November 1	Tax bills rendered and due
November 1 - March 31	Property taxes due with various discounts
April 1	Taxes delinquent and property subject to lien
May 31	Tax certificates sold by County

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets.

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

1. No later than the first regular City Commission meeting of September, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing the expenditures.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1<sup>st</sup>, the budget is legally enacted through passage of a resolution. The budget resolution restricts total expenditures by fund. Expenditures for any year may not exceed current year fund appropriations plus accumulated fund equity.
4. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Transfers of appropriations between funds require the approval of the City Commission. A transfer of appropriations between two departments within the same fund requires the approval of the City Manager. The transfer of appropriations between line items within the same department can be accomplished with Department Head and Budget Director approval.
5. All unencumbered and unexpended appropriations lapse at fiscal year end. Encumbered appropriations also lapse, but may be honored by additional appropriations in the subsequent year's budget.
6. The City Commission has the power to revise its budget appropriations by resolution from time to time during the fiscal year; however, no revision may be made by transferring any encumbered funds unless such funds are first released or discharged from any such encumbrance.
7. Formal budgetary integration is employed as a management control device during the year for the general, special revenue and capital projects funds.
8. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, special revenue and capital projects funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances which the City intends to honor are appropriated as part of the subsequent year's budget.

Budgeted amounts are as originally adopted or amended by the City. Supplemental appropriations made during the fiscal year are included in the "Final Budget" columns on the statement of revenues, expenditures and changes in fund balances-budget and actual. Supplemental budgetary appropriations for major funds made during the year included the following:

- The General Fund expenditure budget for economic environment was increased by \$51,859 for gateway improvements at Wood Street and East Ave. The budget for public safety was increased by \$19,643 for the City's share of petroleum clean-up at the Fire Training Academy. The budget for culture and recreation was increased by \$100,000 for a contribution to the International Arts Festival. The budget for general government was increased by \$2,000 for a donation for the Youth Advisory Board.
- The General Fund expenditure budget was increased \$2,354,223 for reappropriations for various projects that were budgeted in the previous fiscal year but not completed. This includes \$1,148,865 for environmental remediation at Ed Smith Stadium, \$402,044 for a card access system and hurricane hardening of City Hall, \$164,916 for neighborhood action strategies, \$300,000 for matching funds for a public safety capital grant, and \$338,398 for various other projects.
- The Penny Sales Tax expenditure budget for culture and recreation was increased by \$250,000 for the R.L. Taylor Community Center, physical environment was increased by \$89,939 for an increase in revenue from FDOT and the transfer out for debt service was decreased by \$659,051 for a decrease in debt capacity due to revenue shortfalls.
- The Penny Sales Tax expenditure budget was increased \$17,956,029 for reappropriations for various projects that were budgeted in the previous fiscal year but not completed. This includes \$4,300,360 for stormwater utility projects, \$3,996,207 for Old Bradenton Road improvements, \$1,740,946 for street reconstruction, \$1,162,261 for traffic calming, \$978,000 for traffic signalization, \$756,681 for enhanced landscaping on US301, \$987,402 for the Brownfield project, \$450,000 for intersection improvements at 1<sup>st</sup>, Main and Ringling, \$406,000 for the Bayfront connectivity project, \$420,000 for the Alderman MURT, and \$2,758,172 for various other projects.
- The Community Redevelopment budget for transportation was increased by \$510,000 for parking meters and \$10,000 for a donation from the Visitors Bureau for wayfinding kiosks.
- The Community Redevelopment expenditure budget was increased by \$16,655,870 for reappropriations of various projects that were budgeted in the previous fiscal year but not completed. This includes \$6,893,727 for the Palm Avenue Parking Garage, \$358,633 for strategic parking facilities, \$1,331,359 for affordable housing, \$2,264,008 for the Pineapple Square Parking Garage, \$588,482 for developer incentives to the Herald Tribune, \$353,763 for a transportation master plan, \$858,000 for pedestrian sleeves, \$301,023 for Ringling Square, \$1,554,947 for downtown pedestrian street lights and \$2,151,928 for various other projects.

**B. Excess of expenditures over appropriations**

Expenditures exceeded appropriations at the fund level (i.e., the legal level of budgetary control) for the following funds at September 30, 2010:

<u>Nonmajor Funds</u>	<u>Appropriations</u>	<u>Expenditures</u>
Debt Service Funds:		
2007 General Obligation Bonds	\$2,950,094	\$2,958,873
2000 First Florida	2,270,042	2,270,738
2005 First Florida	666,988	667,746

The excess was covered by available fund balance, which was appropriated, and revenues in excess of budget as allowed by the budget resolution.

**C. Deficit fund equity**

The 2009 Build America debt service fund had a deficit fund balance of \$5,808 as of September 30, 2010. This deficit was due to investment earnings coming in less than anticipated. The deficit will be eliminated with funding in the 2011 year.

The 2010 Stadium Bonds capital projects fund had a deficit fund balance of \$400,764 as of September 30, 2010. This deficit was caused by issuance costs being incurred prior to the bonds being issued. With the issuance of the bonds on December 16, 2010, this deficit will be eliminated.

**NOTE 3 - DEPOSITS AND INVESTMENTS**

As of September 30, 2010, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
<b>City Investments:</b>		
Money market funds	\$ 95,196,526	0.01
Certificates of deposit	44,800,000	0.96
U.S. Government agencies	50,049,522	2.08
Mortgage backed securities	20,276,191	10.61
Investment pools:		
State Board of Administration	8,583	8.00
Florida League of Cities	8,831,241	2.30
Total fair value	<u>\$ 219,162,063</u>	
Portfolio weighted average maturity		1.66
<b>Pension Investments:</b>		
<b>    General Employees' Pension Plan</b>		
Money market funds	\$ 4,577,967	0.01
U.S. Government securities	8,603,312	3.36
U.S. Government agency securities	9,718,183	2.64
Common and preferred stock	64,236,433	Not Applicable
Corporate bonds and notes	7,764,070	3.04
Foreign stocks	15,874,071	Not Applicable
Total fair value	<u>\$ 110,774,036</u>	
Portfolio weighted average maturity		2.77
<b>    Firefighters' Pension Plan</b>		
Money market funds	\$ 2,978,499	0.01
U.S. Government securities	1,324,802	23.46
U.S. Government agency securities	722,479	8.46
Common and preferred stock	55,587,909	Not Applicable
Corporate bonds and notes	15,204,609	7.34
Mutual funds		Not Applicable
Real estate mutual funds	8,139,560	Not Applicable
Mortgage backed securities	2,418,674	28.03
Foreign stocks	9,399,750	Not Applicable
Total fair value	<u>\$ 95,776,282</u>	
Portfolio weighted average maturity		9.56
<b>    Police Officers' Pension Plan</b>		
Money market funds	\$ 1,349,917	0.01
Common and preferred stock	71,872,252	Not Applicable
Bond mutual funds	36,636,245	4.29
Real estate mutual funds	11,604,002	Not Applicable
Foreign mutual funds	20,497,564	Not Applicable
Total fair value	<u>\$ 141,959,980</u>	
Portfolio weighted average maturity		4.14

<u>Investment Type (continued)</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
<b>OPEB Trust Fund</b>		
Money market funds	\$ 764,932	0.01
U.S. Government securities	2,931,880	3.67
Domestic equity stocks	8,273,003	Not Applicable
Mortgage backed securities	313,990	5.69
Foreign mutual funds	1,848,313	Not Applicable
Total fair value	<u>\$ 14,132,118</u>	
Portfolio weighted average maturity		3.13

The City maintains a cash and investment pool that is available for use by all funds, except the Pension Trust Funds. In addition, investments are separately held by several of the City's funds. The deposits and investments of the Pension Trust Funds are held separately from those of other City funds. Interest income earned as a result of pooling is distributed monthly to the appropriate funds based on average daily balances.

The City's investment guidelines have been defined in a written investment policy and approved by the City Commission. The guidelines specify limits by instrument, and establish a diversified investment strategy and a minimum credit quality. It applies to all funds except the Pension Trust Funds. The direction of investment strategies, within policy limits, are established by an internal investment committee that meets quarterly.

The City's investment manager is authorized to invest in obligations of the U.S. Government, U.S. Government Agencies, money market funds, commercial paper, repurchase agreements, and investments in the Florida State Board of Administration's Local Government Surplus Trust Funds Investment Pool and Florida League of Cities Municipal Investment Trust. According to City policies, the Pension Trust Funds are also authorized to invest in common and preferred stock, mutual funds, convertible debentures, commercial paper, corporate bonds, foreign securities and money market funds.

The Florida State Board of Administration's Local Government Surplus Trust Funds Investment Pool and Florida League of Cities Municipal Investment Trust meet the criteria of 2a7-like pools and therefore the investments are valued using the pooled share price. The pooled share price is equivalent to the fair value of the position in each of these 2a7-like pools. The Local Government Surplus Trust Funds Investment Pool is administered by the State Board of Administration under the regulatory oversight of the State of Florida, Chapter 19-7 of the Florida Administrative Code.

The Florida League of Cities Municipal Investment Trust is an interlocal governmental entity created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds, and to invest such funds into one or more investment portfolios under the direction and daily supervision of an investment advisor (Atlanta Capital Management Company). These portfolios are actively traded and have been structured to meet a variety of investment horizons using those investments permitted under the Trust's investment policy. Fitch IBCA (an international rating agency) monitors the Trust's fixed income portfolios for investment compliance. Investment performance is monitored by Asset Consulting Group. The independent auditing firm of Shorstein & Shorstein, P.A. conducts the Trust's annual audit in accordance with generally accepted auditing standards.

The operation and administration of the Trust is the responsibility of a Board of Trustees who are selected from elected officials of governmental entities within the State of Florida. In addition, an Investment Advisory Committee, comprised of eight finance directors from throughout the state, assists the administrator with developing and maintaining the investment guidelines and policies of the Trust. The Trust holds legal title to all funds, investments, and assets of the Trust on behalf of the members of the Trust. The Florida League of Cities, Inc. serves as administrator of the Trust.

*Interest rate risk* - City Investments. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. When market interest rates increase, the

value on fixed rate securities fall. The inverse is also true, as interest rates fall, the value on fixed rate securities increase. The City manages its exposure to declines in fair market values by decreasing the weighted average maturity of its investment portfolio during periods of rising interest rates. The City's investment policy generally limits the weighted average maturity of the portfolio to a period of two years or less.

*Interest rate risk* - Pension Plans/OPEB Trust Fund. The Plans manage their exposure to declines in fair values through other methods such as evaluating the credit rating, diversifying the investments in the portfolio, and outside portfolio consulting. The Plans do not limit the weighted average maturity of their investment portfolio.

*Credit risk* - City Investments. Credit quality risk results from potential default of investments that are not financially sound. The investment policy limits investments in commercial paper to A1P1 rated paper with the aggregate value not to exceed ten percent of the total portfolio. The City's investments in commercial paper are rated P1 by Standard & Poor's and A1 by Moody's Investors Service. Money market funds are invested with financial institutions that comply with Chapter 280 of Florida Statutes, whereby the City is made whole by all participating banks should a principal loss be incurred by the City. Investments in the Local Government Investment Pool are not rated by a nationally recognized statistical rating agency as of September 30, 2010. Investments in the Florida Municipal Investment Trust are rated by Fitch for the 1-3 Year High Quality Bond Fund at AAA/V2 and the Intermediate High Quality Bond Fund at AAA/V3 as of September 30, 2010.

*Credit risk* – General Employee's Pension Plan. The Plan must operate in compliance with all applicable State and Federal laws concerning the investment of pension assets. All equity investments are limited to those issues that are traded on a major stock exchange or in over-the-counter securities for which there is an active market maker regulated by the NASD. Investments in corporate fixed income securities must hold a rating in one of the three highest classifications by a major rating service. If commercial paper is used, it must be rated A-1 or P-1.

*Credit risk* - Firefighters' Pension Plan. The Plan limits its short term investments to the following: money market or short term investment funds provided by the funds custodian; direct obligations of the United States Government with a maturity of one year or less; commercial paper issued by United States Corporations which have a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor's or P-1 or higher by Moody's and Bankers Acceptances issued by the largest fifty banks in the United States. All equity investments are limited to fully and easily negotiable equity securities. All equity investments are limited to those issues that are traded on a major stock exchange. Investments in corporate fixed income securities are limited to those securities rated "A" or higher by Moody's or Standard & Poor's rating services. Investments in collateralized mortgage obligations are limited to 25% of the market value of the investment manager's total portfolio and are restricted to those issues backed by the full faith of the United States Government, an Agency thereof, or are rated AAA by a major rating service and PAC (planned amortization class), NAC (non-accelerated securities) or VADM (very accurately defined maturity) securities.

*Credit risk* - Police Officers' Pension Plan. The Plan limits its short term investments to the following: money market or short term investment funds provided by the funds custodian; direct obligations of the United States Government with a maturity of one year or less; commercial paper with a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor's or P-1 or higher by Moody's; and bankers acceptances issued by the largest fifty banks in the United States. Investments in cash and cash equivalents shall not exceed 15% of the Custodian's portfolio. All equity investments are limited to fully and easily negotiable equity securities. Investments in the shares of companies that have been publicly traded for less than one year are limited to no more than 15% of the market value of an investment manager's total equity portfolio. Investments in corporate fixed income securities are limited to those securities rated "A" or higher by Moody's or Standard & Poor's rating services. Investments in collateralized mortgage obligations are limited to 25% of the market value of the investment manager's total portfolio and are restricted to those issues backed by the full faith of the United States Government, an Agency thereof, or are rated AAA by a major rating service and PAC (planned amortization class), NAC (non-accelerated securities) or VADM (very accurately defined maturity) securities.

*Credit risk - OPEB Trust Fund.* The Plan limits its fixed income investments to marketable debt securities issued or guaranteed by the United States Government or its agencies, domestic corporations, asset-backed and commercial mortgage-backed securities, domestic banks and other US financial institutions. All securities must hold a rating in one of the 3 highest classifications by a major rating service. If commercial paper is used it must be rated A-1 or P-1. All equity securities are limited to securities listed on the New York, American and principal regional and foreign exchanges, and in over-the-counter securities for which there is an active market maker regulated by the NASD.

*Concentration of credit risk - City Investments.* Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. The City's investment policy allows for investing in a variety of securities based on the issuer. The allowable concentration in any one issuer is based on the type of issuer - i.e., 10% for commercial paper and reverse repurchase agreements up to 100% for U.S. Treasury and collateralized U.S. Agency securities.

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Investments</u>
City Investments:			
Federal Home Loan Bank	AAA	\$ 26,905,632	12.24%
Federal National Mortgage Assoc.	AAA	17,077,500	7.77%

*Concentration of credit risk - General Employees' Pension Plan.* The Plan does not allow for any investment in more than 10% (at market) of an investment manager's equity portfolio to be invested in the shares of a single corporate issuer. Investments in equity securities shall not exceed 75% of the market value of the total Plan assets. Except for Treasury and agency obligations, no more than 10% (at cost) of any investment manager's total fixed income portfolio shall be invested in the securities of a single issuer. No more than 17.5% (at market) of the Funds assets may be invested in securities issued by corporations domiciled outside the United States.

*Concentration of credit risk - Firefighters' Pension Plan.* The Plan does not allow for any investment in more than 6% (at market) of an investment manager's equity portfolio to be invested in the shares of a single corporate issuer. Investments in the shares of companies that have been publicly traded for less than one year are limited to no more than 10% of an investment manager's portfolio. Investments in securities (stocks, bonds, and cash equivalents) issued by corporations domiciled outside the United States shall not exceed 10% (at cost) of the Fund's total market value. No more than 10% (at cost) of any investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer. No more than 10% (at cost) of the Fund's total market value may be invested in real estate investments. All real estate investments are to be made through participation in diversified commingled funds of real properties. Real estate investments shall be broadly diversified as to property type and location.

*Concentration of credit risk - Police Officers' Pension Plan.* The Plan does not allow for any investment in more than 5% (at cost) of an investment manager's equity portfolio to be invested in the shares of a single corporate issuer. Investments in equity securities shall not exceed 75% of the market value of the total Plan assets. No more than 10% (at cost) of any investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer. No more than 25% (at market) of the Fund assets may be invested in securities (equity or fixed income) issued by corporations domiciled outside the United States. Investments in real estate shall not exceed 10% (at cost) of the value of the total fund assets.

*Concentration of credit risk – OPEB Trust Fund.* The Plan does not allow for any investment in more than 10% (at market) of an investment manager's equity portfolio to be invested in the shares of a single corporate issuer. Investments in equity securities shall not exceed 75% of the market value of the total Plan assets. Except for Treasury and agency obligations, no more than 10% (at cost) of any investment manager's total fixed income portfolio shall be invested in the securities of a single issuer. No more than 10% (at market) of the Funds assets may be invested in securities issued by corporations domiciled outside the United States.

*Custodial credit risk - deposits.* At September 30, 2010, the carrying amount of the City's deposits was \$5,965,548, including \$1,857,059 in fiduciary fund types, and the bank balance was \$6,487,220. The carrying amount of the deposits and bank balance for the component units were \$143,510. All of the City's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

*Custodial credit risk - City investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All U.S. Governments securities, Agency securities and commercial paper are held by a third party custodial entity in the name of the City.

*Custodial credit risk - Pension Plans investments/OPEB Trust Fund.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plans do not believe that they have a custodial risk exposure as all their securities are insured, registered, and held by an outside custodian.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

*Foreign Currency Risk – City Investments.* The investment policy does not permit investments in foreign securities.

*Foreign Currency Risk – Pension Plans/OPEB Trust Fund.* The plans do not have a policy that addresses the risks associated with investments in foreign currency.

***Discretely Presented Component Units***

**St. Armands Business Improvement District**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 26,057	0.01

The St. Armands Business Improvement District utilizes the same investment guidelines as the Pension Trust Funds. Interest rate risk, credit risk, concentration of credit risk, custodial credit risk, and foreign currency risk are the same as those for the General Employees' Pension Plan.

**Downtown Improvement District**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 75,211	0.01

The Downtown Improvement District utilizes the same investment guidelines as the Pension Trust Funds. Interest rate risk, credit risk, concentration of credit risk, custodial credit risk, and foreign currency risk are the same as those for the General Employees' Pension Plan.

**Reconciliation of Cash and Investments**

A reconciliation of cash and investments as shown on the Statement of Net Assets and Statement of Fiduciary Net Assets-Agency Funds follows:

Deposits	\$ 6,109,058
Carrying amount of investments	581,905,747
Total	<u>\$ 588,014,805</u>

	<u>Statement of Net Assets</u>	<u>Statement of Fiduciary Net Assets</u>	<u>Total</u>
<b>Primary Government</b>			
Cash and cash equivalents	\$ 130,621,689	\$ 1,857,059	\$ 132,478,748
Investments	92,648,863	362,642,416	455,291,279
Total	<u>\$ 223,270,552</u>	<u>\$ 364,499,475</u>	<u>\$ 587,770,027</u>
<b>Component Unit</b>			
Cash and cash equivalents	\$ 143,510		\$ 143,510
Investments	101,268		101,268
Total	<u>244,778</u>		<u>\$ 244,778</u>
Total			<u>\$ 588,014,805</u>

**NOTE 4 - RECEIVABLES AND DEFERRED REVENUE**

**A. Receivables**

Receivables as of year-end for the City's governmental activities, individual major governmental funds, nonmajor governmental funds in the aggregate, internal service funds in the aggregate and applicable allowances for uncollectible accounts, are as follows (no allowance for uncollectibles was needed):

	<u>Accounts</u>	<u>Interest</u>	<u>Interfund</u>	<u>Notes</u>	<u>Special Assessments</u>	<u>Total</u>
General Fund	\$ 15,950	\$ 71,862	\$ 531,777	\$ --	\$ --	\$ 619,589
Penny Sales Tax	--	35,370	--	--	--	35,370
Community Redevelopment	--	31,426	--	--	--	31,426
2007 General Obligation Bonds	--	17,280	--	--	--	17,280
2009 Build America Bonds	--	23,957	--	--	--	23,957
Nonmajor Funds	130,667	55,602	--	608,014	735,000	1,529,283
Internal Service Funds	2,193	35,445	--	--	--	37,638
Total receivables	<u>\$ 148,810</u>	<u>\$ 270,942</u>	<u>\$ 531,777</u>	<u>\$ 608,014</u>	<u>\$ 735,000</u>	<u>\$ 2,294,543</u>

\$449,512 of the interfund receivable in the General Fund was eliminated in the conversion from governmental funds balance sheet and internal service funds statement of net assets to the governmental activities statement of net assets.

Receivables for the City's business-type activities, including individual major funds and allowances for uncollectibles accounts are as follows:

	<u>Water and Sewer</u>	<u>Van Wezel</u>	<u>Solid Waste</u>	<u>Other Funds</u>	<u>Total</u>
Receivables-unrestricted:					
Accounts (gross)	3,350,407	30,733	625,595	16,561	4,023,296
Allowance for uncollectibles	(206,968)	--	(52,367)	--	(259,335)
Accounts (net)	3,143,439	30,733	573,228	16,561	3,763,961
Interest	11,682	7,524	11,405	4,958	35,569
Receivables-restricted:					
Interest	74,158	--	--	--	74,158
Total receivables (net)	<u>\$ 3,229,279</u>	<u>\$ 38,257</u>	<u>\$ 584,633</u>	<u>\$ 21,519</u>	<u>\$ 3,873,688</u>

### **B. Special assessments receivable**

In 1995, the City Commission approved funding the acquisition of land for a parking lot in the St. Armands business district with a special assessment. The assessment was levied against the real property located within the St. Armands Special Assessment District. To expedite the land purchase, the City borrowed \$1,795,000 from the First Florida Governmental Financing Commission (FFGFC). Although the special assessment is not specifically obligated by the loan agreement, these assessments will be used to repay the loan from the FFGFC. The special assessment receivables, which are recorded in a debt service fund, are to be collected over a twenty year period. Interest earnings are based upon an average interest rate of 5.50%.

Current assessments receivable and the related revenues are recognized when billed and due. Assessments receivable not due during the current year are classified as "deferred". Revenue is not recognized on deferred receivables until they become current, in accordance with the modified accrual basis of accounting. Receivables are considered "delinquent" if an annual payment is not received. As of September 30, 2010, all special assessments receivable were deferred.

### **C. Deferred revenue**

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned). As of September 30, 2010, the various components of *deferred revenue* reported in the governmental funds and business-type funds were as follows:

<b>Governmental Funds:</b>	<u>Unavailable</u>	<u>Unearned</u>
Receivables earned but not available:		
Mortgages receivable	\$ 608,014	\$ --
Special assessments not yet due	735,000	--
Unearned revenues:		
Grant drawdowns prior to meeting all eligibility requirements	--	520,191
Grant receipts not yet earned	--	1,872,960
Prepaid occupational licenses	--	510,628
Prepaid contractors registrations	--	63,165
Receipts for future services	--	102,581
Total unearned revenue for governmental funds	<u>\$ 1,343,014</u>	<u>\$ 3,069,525</u>

<b>Business-type Funds:</b>	<u>Unearned</u>
Unearned revenues:	
Van Wezel ticket sales	\$2,581,118
Solid Waste collections billed in advance	397,009
Water and Sewer impact & connection fees	106,040
Grant receipts not yet earned	3,439,300
Unused gift certificates	189,447
Rental receipts not yet earned	176,142
Receipts for future services	95,214
Total unearned revenue for business-type funds	<u>\$6,984,270</u>

**NOTE 5 - INTERFUND BALANCES**

Interfund balances at September 30, 2010, consisted of the following amounts:

**A. Interfund receivables/payables:**

The General Fund has a \$531,777 interfund receivable from the nonmajor governmental funds. This amount represents a short-term loan made to cover a temporary cash deficit in pooled cash at year-end for the following funds:

Nonmajor Governmental Funds	\$328,075
Water and Sewer Fund	82,265
Internal Service Funds	<u>121,437</u>
Total	<u>\$531,777</u>

**B. Due to/from other funds:**

The City reports interfund balances between funds. The total of all balances agrees with the sum of interfund balances presented in the statements of net assets/balance sheet for governmental funds and for proprietary funds.

Due to internal service funds from:	
Internal service funds	\$ 35,438

This balance is an interfund receivable that is expected to be liquidated within one year.

**C. Advances from/to other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service	Internal Service	<u>\$154,813</u>

The General Benefits and Insurance Internal Service Fund provided an advance to the Equipment Maintenance Internal Service Fund for the replacement of fuel tanks. The repayment of the advance began in the 2005-06 fiscal year with a final maturity in 2015.

**D. Interfund transfers:**

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the following schedule agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. Interfund transfers for the year ended September 30, 2010, consisted of the following:

<u>Transfer</u>	<u>Purpose</u>	<u>Amount</u>	
Transfers to General fund from:			
Community Redevelopment fund	Program funding	\$ 1,991,235	
Nonmajor governmental funds	Program funding & inv earnings	1,377,864	
Nonmajor enterprise fund	Return on investment	131,853	
Internal service funds	Program funding & inv earnings	<u>5,678</u>	
Total transfers to General fund			\$ 3,506,630
Transfers to nonmajor governmental funds from:			
General fund	Debt service & program funding	188,170	
Penny Sales Tax fund	Debt service	1,104,184	
Community Redevelopment fund	Debt service	3,387,779	
Nonmajor governmental funds	Debt service	2,339,981	
Water & Sewer fund	Debt service	59,975	
Solid Waste fund	Debt service	776	
Nonmajor enterprise funds	Debt service	12,791	
Internal service funds	Debt service & program funding	<u>607</u>	
Total transfers to nonmajor governmental funds			7,094,263
Transfers to Van Wezel Performing Arts Hall from:			
General fund	Operating subsidy		200,000
Transfers to nonmajor enterprise funds from:			
General fund	Operating subsidies		<u>95,444</u>
Total interfund transfers in			<u><u>\$ 10,896,337</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2010, was as follows:

	<b>Beginning Balance</b>	<b>Additions and Transfers</b>	<b>Retirements and Transfers</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 42,626,715	\$ 605,000	\$ 50,135	\$ 43,181,580
Art collections	713,273	11,420	--	724,693
Construction in progress	29,728,495	13,169,917	25,834,990	17,063,422
Total capital assets not being depreciated	73,068,483	13,786,337	25,885,125	60,969,695
Capital asset being depreciated:				
Buildings	21,782,413	39,018,512	--	60,800,925
Improvements and infrastructure	158,880,398	8,416,171	--	167,296,569
Equipment	22,650,246	3,498,551	940,457	25,208,340
Total capital assets being depreciated	203,313,057	50,933,234	940,457	253,305,834
Less accumulated depreciation for:				
Buildings	11,418,188	785,694	--	12,203,882
Improvements and infrastructure	68,379,620	5,172,295	--	73,551,915
Equipment	17,988,163	1,955,138	937,211	19,006,090
Total accumulated depreciation:	97,785,971	7,913,127	937,211	104,761,887
Total capital assets being depreciated, net	105,527,086	43,020,107	3,246	148,543,947
Governmental Activities capital assets, net	\$ 178,595,569	\$ 56,806,444	\$ 25,888,371	\$ 209,513,642
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 13,396,122	\$ --	\$ 1,277,046	\$ 12,119,076
Art collections	240,397	--	--	240,397
Construction in progress	14,260,295	6,429,458	4,549,866	16,139,887
Total capital assets not being depreciated	27,896,814	6,429,458	5,826,912	28,499,360
Capital asset being depreciated:				
Buildings	53,782,052	64,359	--	53,846,411
Improvements	7,051,578	--	--	7,051,578
Utility systems	202,893,302	6,236,705	147,655	208,982,352
Equipment	14,503,974	672,440	537,186	14,639,228
Total capital assets being depreciated	278,230,906	6,973,504	684,841	284,519,569
Less accumulated depreciation for:				
Buildings	29,341,409	1,595,219	--	30,936,628
Improvements	4,561,630	132,675	--	4,694,305
Utility systems	111,902,881	5,809,765	54,440	117,658,206
Equipment	11,539,248	1,388,318	548,606	12,378,960
Total accumulated depreciation:	157,345,168	8,925,977	603,046	165,668,099
Total capital assets being depreciated, net	120,885,738	(1,952,473)	81,795	118,851,470
Business-type Activities capital assets, net	\$ 148,782,552	\$ 4,476,985	\$ 5,908,707	\$ 147,350,830

<b>Discretely Presented Component Units:</b>	<b>Beginning Balance</b>	<b>Additions and Transfers</b>	<b>Retirements and Transfers</b>	<b>Ending Balance</b>
<b>St. Armands Business Improvement District</b>				
Capital assets not being depreciated:				
Art collections	\$ 1,376	\$ --	\$ --	\$ 1,376
Capital assets being depreciated:				
Improvements	1,024,272	--	--	1,024,272
Equipment	66,082	--	--	66,082
Total capital assets being depreciated	1,090,354	--	--	1,090,354
Less accumulated depreciation for:				
Improvements	81,922	36,932	--	118,854
Equipment	36,345	6,608	--	42,953
Total accumulated depreciation:	118,267	43,540	--	161,807
Total capital assets being depreciated, net	972,087	(43,540)	--	928,547
Component unit capital assets, net	\$ 973,463	\$ (43,540)	\$ --	\$ 929,923

**Downtown Improvement District**

Capital assets being depreciated:				
Improvements	\$ --	\$ 121,075	\$ --	\$ 121,075
Less accumulated depreciation for:				
Improvements	--	1,009	--	1,009
Component unit capital assets, net	\$ --	\$ 120,066	\$ --	\$ 120,066

Depreciation expense was charged to functions/programs of the City as follows:

**Governmental activities:**

General government	\$ 707,300
Public safety	1,043,610
Physical environment	26,880
Transportation	3,518,511
Culture and recreation	1,604,506
Economic environment	7,644
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	1,004,676
Total depreciation expense - governmental activities	\$ 7,913,127

**Business-type activities:**

Water and Sewer	\$ 7,061,477
Van Wezel	921,357
Solid Waste	598,161
Other	344,982
Total depreciation expense - business-type activities	\$ 8,925,977

**NOTE 7 - LONG-TERM DEBT**

Bonds and notes outstanding at September 30, 2010, consist of the following for governmental activities:

<b>Governmental Activities:</b>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Average Interest Rate</u>
General Obligation Bonds				
Series 2007	New Police building	\$ 46,305,000	\$ 43,840,000	4.82%
Series 2008	Street improvements	5,800,000	3,558,865	3.93%
Total		<u>52,105,000</u>	<u>47,398,865</u>	
Special Obligation Bonds				
Series 1992 Capital				
Appreciation	Refunding	19,555,000	11,104,523	6.72%
Series 2009	Land and Community Ctr	<u>21,066,000</u>	<u>20,513,896</u>	3.68%
Total		<u>40,621,000</u>	<u>31,618,419</u>	
Loans Payable				
2001A FFGFC	Street improvements	4,885,000	585,000	4.26%
2001B FFGFC	Refunding	1,270,000	690,000	4.74%
2003 FFGFC	Parking garage & equip.	5,150,000	2,565,000	3.33%
2005 FFGFC	Land acquisition	<u>5,545,000</u>	<u>2,985,000</u>	3.22%
Total		<u>16,850,000</u>	<u>6,825,000</u>	
Total for Governmental Activities		<u>\$ 109,576,000</u>	<u>\$ 85,842,284</u>	

Bonds and notes outstanding at September 30, 2010, consist of the following for business-type activities:

<b>Business-type Activities:</b>	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Average Interest Rate</u>
Revenue Bonds:				
Series 2002A Water & Sewer	Refunding	18,970,000	4,980,000	5.25%
Series 2002B Water & Sewer	Upgrade water plant	6,280,000	4,560,000	4.18%
Series 2004 Water & Sewer	Refunding	9,915,000	4,330,000	3.67%
Series 2005 Water & Sewer	System improvements	7,860,000	6,725,000	4.02%
Series 2008 Water & Sewer	System improvements	22,500,000	21,803,427	4.63%
Series 2010A Water & Sewer	System improvements	8,865,000	8,865,000	3.28%
Series 2010B Water & Sewer	System improvements	<u>25,255,000</u>	<u>25,255,000</u>	3.65%
Total		<u>99,645,000</u>	<u>76,518,427</u>	
Loans Payable:				
Florida DEP	Sewer rehabilitation	<u>3,744,303</u>	<u>653,214</u>	2.70%
Total for Business-type Activities		<u>\$ 103,389,303</u>	<u>\$ 77,171,641</u>	

The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2010.

**City of Sarasota, Florida**  
Notes to Financial Statements  
September 30, 2010

The following is a summary of changes in long-term debt for the year ended September 30, 2010 (in thousands of dollars):

<b>Governmental Activities:</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Bonds payable:					
General obligation bonds	\$ 50,392	\$ --	\$ 2,993	\$ 47,399	\$ 1,000
Special obligation bonds (a)	32,928	762	2,072	31,618	2,918
Total bonds payable	83,320	762	5,065	79,017	3,918
Loans payable	10,560	--	3,735	6,825	1,655
Unamortized premium	276	--	23	253	--
Deferred amount on refunding	(27)	--	(6)	(21)	--
Compensated absences	4,838	2,580	2,639	4,779	2,581
Net OPEB obligation	3,835	2,740	--	6,575	--
Long-term liabilities	<u>\$ 102,802</u>	<u>\$ 6,082</u>	<u>\$ 11,456</u>	<u>\$ 97,428</u>	<u>\$ 8,154</u>

<b>Business-type Activities:</b>					
Revenue Bonds	\$ 55,360	\$ 34,120	\$ 12,962	\$ 76,518	\$ 4,976
Loans Payable	860	--	207	653	105
Unamortized premium	65	604	41	628	--
Deferred amount on refunding	(425)	(86)	(152)	(359)	--
Compensated absences	1,353	559	718	1,194	645
Net OPEB obligation	1,470	1,013	--	2,483	--
Long-term liabilities	<u>\$ 58,683</u>	<u>\$ 36,210</u>	<u>\$ 13,776</u>	<u>\$ 81,117</u>	<u>\$ 5,726</u>

**Discretely Presented Component Unit:**

St. Armands Business Improvement District					
Loans Payable	<u>\$ 154</u>	<u>\$ --</u>	<u>\$ 154</u>	<u>\$ --</u>	<u>\$ --</u>

(a) The addition in special obligation bonds represents the current year accreted value increase on the 1992 Capital Appreciation Bonds.

Annual debt service requirements for Governmental Activities as of September 30, 2010, are as follows:

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds		Special Obligation Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 999,666	\$ 2,229,782	\$ 2,918,320	\$ 1,192,579	\$ 1,655,000	\$ 262,993	\$ 9,258,340
2012	1,040,155	2,189,893	3,002,068	1,229,441	1,100,000	201,942	8,763,499
2013	1,080,860	2,148,389	3,084,227	1,264,468	1,145,000	163,830	8,886,774
2014	1,126,788	2,102,935	3,173,351	1,305,621	970,000	118,480	8,797,175
2015	1,167,950	2,057,973	3,261,842	1,349,549	1,015,000	78,675	8,930,989
2016 - 2020	6,625,994	9,517,304	9,831,494	4,201,498	940,000	72,425	31,188,715
2021 - 2025	8,300,701	7,835,258	6,347,117	952,994	--	--	23,436,070
2026 - 2030	9,956,751	5,623,150	--	--	--	--	15,579,901
2031 - 2035	11,700,000	3,042,888	--	--	--	--	14,742,888
2036 - 2040	5,400,000	394,962	--	--	--	--	5,794,962
Total	<u>\$47,398,865</u>	<u>\$37,142,534</u>	<u>\$31,618,419</u>	<u>\$11,496,150</u>	<u>\$6,825,000</u>	<u>\$898,345</u>	<u>\$135,379,313</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included in the totals for governmental activities. For the governmental activities, compensated absences are liquidated by the General Benefits and Insurance Internal Service Fund. This fund is

reimbursed through payroll charges to the City's governmental funds where the employee vacation benefits are earned.

Annual debt service requirements for Business-Type Activities as of September 30, 2010, are as follows:

Fiscal Year	<b>Business-Type Activities</b>				Total
	Revenue Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	
2011	\$ 4,975,631	\$ 2,705,863	\$ 105,252	\$ 8,818	\$ 7,795,564
2012	5,194,922	3,245,098	214,786	13,355	8,668,161
2013	3,285,801	3,064,479	220,625	7,517	6,578,422
2014	3,388,341	2,938,173	112,551	1,519	6,440,584
2015	3,532,620	2,794,458	--	--	6,327,078
2016 - 2020	13,353,951	12,142,285	--	--	25,496,236
2021 - 2025	13,222,575	9,408,333	--	--	22,630,908
2026 - 2030	8,869,586	6,775,504	--	--	15,645,090
2031 - 2035	7,660,000	4,787,363	--	--	12,447,363
2036 - 2040	9,170,000	2,434,573	--	--	11,604,573
2041 - 2045	3,865,000	109,669	--	--	3,974,669
Total	<u>\$76,518,427</u>	<u>\$50,405,798</u>	<u>\$ 653,214</u>	<u>\$ 31,209</u>	<u>\$127,608,648</u>

**Future Revenues that are Pledged**

The City has pledged future revenue sources for various debt issues. The following table provides a summary of the pledged revenues for the City's outstanding debt issues:

Source of Revenue Pledged	Governmental Activities		Business Activities
	Tax Increment Revenue	Penny Sales Tax	Water & Sewer Net Revenue
	11/1/2016	11/1/2024	10/1/2040
Revenue Pledged Thru	11/1/2016	11/1/2024	10/1/2040
Total Principal and Interest Outstanding	\$21,089,999	\$22,024,569	\$126,924,225
Current Year Principal and Interest Paid	2,118,450	1,060,725	9,840,261
Current Year Revenue	9,007,446	5,414,449	11,737,584
Description of Debt	Series 1992 and 2009 Special Obligation Bonds	Series 2009 Special Obligation Bonds	Water & Sewer Utility Revenue Bonds issued 2002-2010
Purpose of Debt	Refund 1988 and 1989 Special Obligation Bonds/Parking Facility	Land and Capital Improvements	Construction and Refunding Bonds
% of Debt Service to Pledged Revenues (current year)	24%	20%	84%

**Defeased Debt**

The City has defeased certain bonds by placing the proceeds of new bonds in irrevocable trust accounts to provide for all future debt service payments on the old bonds. All such defeasements have been in prior years.

The assets of the trust accounts and the liability for the defeased bonds are not included in the City's financial statements.

On September 30, 2010, outstanding bonds which are considered defeased in substance were:

<b><u>Governmental Activities:</u></b>		
Loans Payable	FFGFC Series 1994	<u>\$ 735,000</u>
<b><u>Business-type Activities:</u></b>		
Water & Sewer Revenue Bonds	Series 1988-A	\$ 9,646,472
	Series 1991	6,870,000
	Series 1992	5,155,000
	Series 1993-C	1,825,000
	Series 1995	2,470,000
	Total	<u>\$ 25,966,472</u>

**Water and Sewer Revenue Bonds – Series 2010A**

On September 16, 2010, the City issued \$8,865,000 of Water and Sewer Revenue Refunding bonds with an average interest rate of 3.28%. The bonds were issued for the purpose of providing funds, together with other legally available funds, to (i) refund all of the City's outstanding Water and Sewer System Revenue Refunding Bonds, Series 1993C, (ii) to construct improvements to the City's water and sewer system, and (iii) pay costs associated with issuing the Series 2010A Bonds. The City in effect will reduce its aggregate debt service payments by \$375,883 over the next 6 years and obtain an economic gain (difference between the present value of the old and new debt service payments) of \$353,173.

**Water and Sewer Revenue Bonds – Series 2010B**

Also on September 16, 2010, the City issued \$25,255,000 of Federal Taxable Build America Bonds. These bonds were issued to construct improvements to the City's water and sewer system. The bonds have an average interest rate of 3.65% after a federal subsidy of 35% of interest payable.

***Discretely Presented Component Unit***

The St. Armands Business Improvement District (BID) obtained an unsecured bank line of credit from Northern Trust Bank of Florida to be used for capital improvements and promotional expenses. As of September 30, 2009, the BID owed \$153,850 on this line of credit. On October 9, 2009, the BID repaid the full amount of the line of credit, along with interest of 3.25%.

**Early Redemption of Debt**

To reduce interest on debt, the City redeemed principal on various debt during the year. The following bonds and loans were redeemed early:

- 2000A FFGFC Loan Payable - \$1,820,000 in principal payments due July 1, 2011 to July 1, 2015 were redeemed on July 1, 2010.
- 2007 General Obligation Bonds - \$100,000 principal payment due July 1, 2037 was redeemed on August 31, 2010.
- 2008 General Obligation Bonds - \$2,000,000 in principal payments due May 1, 2010 to May 1, 2028 were redeemed on November 1, 2009.
- 1998 Water and Sewer Revenue Bonds - \$1,930,000 in principal payments due October 1, 2010 to October 1, 2011 were redeemed on June 1, 2010.

**NOTE 8 - COMPLIANCE WITH RATE COVENANT AND OTHER PROVISIONS**

**Water and Sewer Revenue Bonds**

The Water and Sewer System Revenue Bond Resolution contains the provision that rates and charges for water and sewer service shall be adjusted as it shall appear necessary, so that the net revenues will be sufficient to provide an amount in each fiscal year at least equal to the greater of:

- (i) 100% of all amounts required to be deposited to the Bond Service, Redemption, Reserve, Renewal, Replacement and Improvement, and the General Reserve Accounts pursuant to clauses (a), (b), (c), (d) and (e) of Section 505 of the Bond Resolution for the then current fiscal year, or

- (ii) 125% of the maximum principal and interest requirements for any future fiscal year.

The net revenues generated by the Water and Sewer System are sufficient to satisfy the above rate coverage requirement. The Administration of the City believes that it is in full compliance with Section 708 and all other covenants of the Water and Sewer System Revenue Bond Resolution.

#### **Water and Sewer System Revenue Bond Resolution**

The following is a synopsis of the terms of the Water and Sewer System Revenue Bond Resolution which describes the various accounts required to be established; the extent to which use of cash therein is restricted for the benefit of the bondholders; the sequence in which specified amounts of cash from net income are to be transferred into such accounts; special reserve subaccounts to be established within given accounts and the limitations on amounts required to be accumulated; and investment authorizations and related restrictions. The accounts established are listed as follows:

**Revenue Account** - All revenues of the system are collected by the City and deposited as received into a depository to the credit of the Revenue Account.

**Interest and Sinking Account** - All debt service requirements are recorded in this account. Three separate subaccounts designated the Bond Service Account, Redemption Account and Reserve Account are established to further delineate the exact purpose of said monies.

**Renewal, Replacement and Improvement Account** - For paying the cost of unusual or extraordinary maintenance or repairs, the cost of renewals and replacements, the cost of acquiring, installing or replacing equipment, the cost of improvements and providing for the local share of any Federal or State assistance program.

**General Reserve Account** - To pay the cost of improvements, to pay the cost of purchasing or redeeming bonds, to pay the principal and interest on any obligations subordinate to the bonds issued under the resolution, to make up any deficiencies in any of the Accounts and to pay the cost of any item qualifying as an expenditure of the Renewal, Replacement and Improvement Account.

**Flow of Cash from Net Revenues** - The Finance Director shall, on or before the 20th day of each month, withdraw the balance remaining in the Revenue Account, less an amount to be held for the payment of current expenses, and deposit the sum withdrawn to the credit of the following accounts in said order:

- (a) to the Bond Service Account, one-sixth of the amount of interest payable on the bonds of each series on the next interest payment date and one-twelfth of the next maturing installment of principal on all serial bonds outstanding;
- (b) to the Redemption Account, one-twelfth of the next maturing installment of principal on all term bonds outstanding;
- (c) to the Reserve Account, such amount, if any, of any balance remaining, equal to the Reserve Account requirement which shall mean the maximum principal and interest coming due in the current or any subsequent fiscal year; provided, however, that the amount so deposited in respect of a deficiency in the Reserve Account upon any monthly withdrawal from the Revenue Account need not exceed one-sixtieth (1/60th) of the Reserve Account requirement;
- (d) to the credit of Renewal, Replacement and Improvement Account, such amount, if any, of any balance remaining; provided that the amount deposited to the credit of said account in each month shall not be less than an amount equal to one-twelfth of eight per centum (1/12 of 8%) of the revenues for the preceding fiscal year if at the time of such deposit the unencumbered balance of said account is less than \$1,000,000; and provided further that the City Commission by resolution may establish maximum deposits to the credit of the Renewal, Replacement and Improvement Account for a period of time necessary to insure a regular flow of deposits to the General Reserve Account for the purpose of said Account;

(e) to the General Reserve Account, the balance, if any, remaining after making the deposits under clauses (a), (b), (c) and (d) above; provided, however, the amount of net impact fees will be deposited to an impact fee subaccount within the General Reserve Account.

If the amount deposited in any month to the credit of any of the accounts shall be less than the amount required to be deposited under the foregoing provision of this section, the requirement, therefore, shall nevertheless be cumulative and the amount of any deficiency in any month shall be added to the amount otherwise required to be deposited in each month thereafter until such time as all such deficiencies have been made up.

**Security for Deposits** - All monies deposited with a depository shall be held in trust and guaranteed by the Federal Deposit Insurance Corporation or other Federal Agencies and any monies in excess of said guarantee shall be secured by setting aside government obligations or other marketable securities, with the approval of the Finance Director, having a market value not less than the amount of such deposits, or in such other manner as permitted by applicable State of Florida or federal laws.

**Investments** - Monies held for the credit of the various accounts are invested and reinvested by the Finance Director as follows:

Construction, revenue, bond service, redemption, reserve, renewal, replacement and improvement and general reserve accounts: investment obligations or time deposits which mature or are subject to redemption not later than the dates that monies held for the credit of these accounts are required for the purposes intended. However, investments for the Reserve Account are subject to redemption not later than the date of maturity of the bonds issued.

**NOTE 9 - RESTRICTED ASSETS**

The balances of restricted asset accounts in the enterprise funds at September 30, 2010, are as follows:

<b><u>Water and Sewer</u></b>	
Revenue Account - Customer deposits	\$ 1,018,027
Interest & Sinking Account	10,630,554
Construction Accounts	46,834,024
	<u>58,482,605</u>
<b><u>Solid Waste</u></b>	
Customer deposits	10,413
<b>Total</b>	<u><u>\$ 58,493,018</u></u>

**NOTE 10 - SELF-INSURANCE PROGRAMS**

The City's self-insurance programs are accounted for as an Internal Service Fund, which was established to account for and finance its uninsured risks of loss. All funds of the City participate in the program and make payments to the General Benefits and Insurance Fund. Fund revenues are primarily contributions from other funds for amounts needed to pay insurance premiums, anticipated self-insured losses and administrative expenses.

Group Health is a plan providing medical and dental coverage for employees and retirees. The employee's health benefits are accounted for in the General Benefits and Insurance Internal Service Fund. The retiree health benefits are partially funded and accounted for in the OPEB Trust Fund.

The total claims liability of \$3,114,394 at September 30, 2010, includes \$1,657,916 for workers compensation, \$882,616 for group health, \$473,862 for police liability and \$100,000 for general liability. This claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as

inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The City is self insured for the following types of risk exposures which are limited by insurance coverage as noted:

**General and Automotive Liability** - The City is fully self-insured for general and automotive liability coverage and is relying on state statutes, which limit damage awards against state and local governments to \$100,000 per claim and \$200,000 per occurrence. However, there have been specific instances when the state legislature has overridden the statutes.

**Group Health** - The City provides employees/retirees medical and dental coverage through a self-funded health plan. The City is self-insured for health claims on a per individual basis up to \$175,000 annually. The City has insurance coverage for claims in excess of \$175,000 up to \$825,000 annually for a lifetime maximum of \$1,000,000.

**Workers' Compensation** - The City is self-insured for workers' compensation claims on a per occurrence basis up to \$500,000. The City has insurance coverage for claims in excess of \$500,000.

**Law Enforcement Death Benefit** - This program provides a maximum benefit of \$150,000 for law enforcement that are intentionally killed as a consequence of performing their duties. The City is fully self-insured for this benefit.

**Police Liability** - This program provides indemnification to police officers while acting on behalf of the City. The City is partially self-insured on a per claim basis up to \$25,000 and for amounts in excess of \$1,000,000. The City has insurance coverage for claims between these two limits.

The claims liability accrued at September 30, 2010, for the self-insurance programs do not include automotive liability and law enforcement death benefit.

The City obtains an annual actuarial review on its group health, workers' compensation, general liability and police liability self-insurance programs. Although the level of funding for some of the City's self-insurance programs have not been based upon actuarial computations, the actuarial reviews verified that the programs are adequately funded.

Changes in claims liability amounts were as follows:

	<b>General Benefits and Insurance Fund</b>		<b>OPEB Trust Fund</b>	
	Year ended 9/30/2009	Year ended 9/30/2010	Year ended 9/30/2009	Year ended 9/30/2010
Unpaid claims, beginning of year	\$ 3,229,445	\$ 3,061,272	\$ 679,385	\$ 663,923
Incurred claims (including IBNRs)	7,142,421	6,043,342	5,506,877	4,017,256
Claim payments	(7,310,594)	(6,424,104)	(5,522,339)	(4,247,295)
Unpaid claims, end of year	<u>\$ 3,061,272</u>	<u>\$ 2,680,510</u>	<u>\$ 663,923</u>	<u>\$ 433,884</u>

The City purchases commercial insurance for property damage. There were no significant reductions in coverage from prior year. There were no settlements of property damage claims in excess of insurance coverage in each of the past three years.

**NOTE 11 - COMMITMENTS**

**Construction/consulting commitments**

The City has active construction and other projects as of September 30, 2010. At year end the City's commitments with contractors and consultants are as follows:

	<u>Spent to-date</u>	<u>Remaining Commitment</u>
<b><u>Governmental Activities:</u></b>		
R.L. Taylor Complex	\$ 1,492,202	\$ 6,987,119
Palm Avenue Parking Garage	5,873,424	3,520,705
100 Central Project	978,500	641,539
New Police Building	38,475,707	1,483,216
Total	<u>\$ 46,819,833</u>	<u>\$ 12,632,579</u>
<b><u>Business-type Activities:</u></b>		
Hi Hat Ranch Pond	\$ 103,168	\$ 2,053,182
Wastewater System Improvements	366,835	1,385,736
Total	<u>\$ 470,003</u>	<u>\$ 3,438,918</u>

**Operating Leases**

There are no commitments under operating lease agreements for equipment and building during the next fiscal year. Total rental expenditures for all operating leases for the year ended September 30, 2010, were \$48,930.

**Interlocal Agreement Fire/EMS Services**

On November 21, 1995, the City entered into an agreement with Sarasota County for the consolidation of fire, communications and emergency medical services. The City and Sarasota County are mutually interested in providing professional fire, emergency medical service (EMS) protection, emergency communications for the dispatch of law enforcement, fire emergency management personnel, and other services to the citizens and properties within their respective jurisdictions. The common objective is to improve efficiency and technical capability while reducing the overall cost of such services to the citizenry. The County is responsible for operating and maintaining the Fire/EMS facilities. All facilities and improvements shall remain the property of the City and the City will continue to pay debt service on the facilities and properties with certain limitations.

The City and County entered into a new agreement effective October 1, 2003, that remains in effect until September 30, 2023. The agreement will renew automatically for successive additional periods of twenty years. Either party may terminate this agreement with at least 365 days written notice during the following time periods: from August 1, 2013, to September 30, 2013, and from August 1, 2018, to September 30, 2018. The new agreement provides for the City to pay to the Firefighters' Pension Plan the lesser amount of the monies equivalent to the sum total of the Share Distribution paid to firefighters and the surviving spouse of firefighters that retired prior to January 1, 1996, or the required Employer's annual contribution to that plan. In addition, the City agrees each fiscal year to pay to the Firefighters' Pension Plan the lesser amount of either \$500,000 or the amount of the required Employer's annual contributions, less the amount of the City's payment to fund the Share Distribution in excess of \$1,700,000. In addition, each fiscal year for which the required Employer's annual contribution, less the amount of the City's payment to fund the Share Distribution, exceeds \$2,200,000, the County and City shall pay to the Firefighters' Pension Plan monies equivalent to the amount of the excess as follows: 65% by the County and 35% by the City. For the current fiscal year the required contribution from the City was \$1,598,746.

**Sports Complex Interlocal Agreement**

The City owned a Major League Baseball (MLB) spring training complex which was accounted for as an enterprise fund. The sports complex had been used for MLB spring training since it was completed in 1989. The sports complex required substantial renovation in order to attract a MLB team to conduct

spring training at the facility. The City transferred ownership of the sports complex to the County for one dollar on November 10, 2009. In addition, the City will provide the County with \$7.5 million that will be used for the renovation of the stadium. This funding will come from the proceeds of bonds issued by the City. Funding for the bond principal and interest payments will come from a Florida Office of Tourism, Trade and Economic Development grant.

The County has entered into a 30 year lease agreement with the Baltimore Orioles Major League Baseball team to use the sports complex as its spring training site. The County and the Baltimore Orioles will design and complete a substantial renovation to the sports complex. The City will have no further obligation to provide funding for the operation, maintenance or capital repairs and improvements while the sports complex is under County ownership.

The County shall have the obligation to transfer ownership of the sports complex back to the City in the event that: (1) Major League spring training activities at the sports complex are discontinued by the Baltimore Orioles for a period of two years and no other MLB club agrees to use the sports complex for spring training activities, and (2) the County has repaid any and all debt issued in connection with the substantial renovation of the sports complex or any future capital repair or improvement; provided, however, that the County shall not issue debt having payment obligations that extend beyond the term of the lease, or any lease extension, between the County and the Baltimore Orioles. In order to effectuate this obligation the City must first notify the County in writing that it is of the opinion that the two above-described events have occurred, including a demand that ownership of the sports complex be transferred back to the City. The purchase price to be paid by the City to the County at the time of transfer shall be one dollar.

Upon transfer of the sports complex back to the City, the sports complex shall be used for public recreational or other public use. In the event that the City desires to make the sports complex available for non-public uses the County shall have the option to purchase or lease the sports complex from the City. If the sports complex is purchased, the purchase price to be paid by the County to the City at the time of transfer shall be the appraised value of the sports complex land exclusive of the value of the improvements, assuming its use as a publicly owned sports complex. If the sports complex is leased, the rent to be paid by the County to the City shall be established on the basis that is a land lease only and shall exclude the value of the improvements.

## **NOTE 12 - CONTINGENCIES**

### **Grant Programs**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### **Other**

The City is engaged in numerous other legal actions alleging damages as a result of acts or omissions of the City, its officers, agents or employees with a potential liability of up to \$1,000,000. The administration of the City believes that the ultimate outcome will not have a material adverse effect on the City.

## **NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS**

### **A. Plan Descriptions**

The City maintains three single-employer, public employee retirement systems. Assets are held separately and may be used only for the payment of benefits to the members and administrative expenses of the respective plans. The Plans are administered by a separate Board of Trustees. The City Commission approves all plan provisions and amendments. Each Plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due and a formal commitment to provide contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The Plans

issue financial reports that include financial statements and required supplementary information. The reports may be obtained from the City of Sarasota City Auditor and Clerk.

In addition to other disclosures, the GASB requires for the current year and each of the two preceding years, annual pension cost, percentage of annual pension cost contributed and the net pension obligation at the end of the year. This information is presented later in this note. A schedule of funding progress and a schedule of employer contributions that include historical trend information about the annual required contributions of the employer are included as required supplementary information to the financial statements. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**General Employees Pension Plan**

The City of Sarasota General Employees' Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II, of the Sarasota City Code, 1986, as restated on November 16, 2009. The City's total current year payroll for general employees was \$26,356,640 compared to \$20,849,450 for employees covered by the plan.

At September 30, 2010, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	399
Current Employees	
Vested	161
Nonvested	<u>229</u>
Total	<u>789</u>

The Plan covers permanent, probationary and full time City of Sarasota employees who are not members of the Police Officers' or Firefighters' Pension Plans. Members may retire as early as age 55 with 10 years of service. Such a retiree would receive a retirement benefit based upon a percentage of average annual earnings during the highest 3 years of the last 10 years of employment prior to the date of retirement multiplied by the years of service. The retirement benefit percentage increases based upon the retiree's age up to a maximum of 2.5% at age 65, or after 30 years of service regardless of age. The Plan provides disability benefits as if the participant retired at age 65, providing that 10 years of credited service has been attained.

Participants are required to contribute 6 percent of their annual salary to the Plan. If an employee separates service from the City before achieving 10 years of credited service, the employee will receive his contributions plus 4.5 percent interest compounded annually. Pension obligations are funded with the 6 percent employee contributions and from City contributions equal to current service costs, as actuarially determined, plus an amount sufficient to fund prior service liability over a period not to exceed 30 years. The annual City contribution must be at least 8 percent of qualified salaries. A normal contribution is received from Sarasota County in reference to certain employees. The projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations.

Effective November 20, 2000, the City approved an ordinance creating a deferred retirement option plan (DROP). In lieu of terminating employment, any member may elect to defer receipt of such service retirement pension and to participate in the DROP. A member's participation in the DROP may not exceed sixty months beginning at the time the election becomes effective. A member may participate only once. An account is established for each member participating in the DROP. The member's DROP account consists of the monthly retirement benefit the member would have received had they terminated their employment and the earnings on those amounts. DROP accounts earn interest at an effective rate of six and one-half percent per annum, compounded quarterly. The accrued benefit liability at September 30, 2010, was \$1,053,179.

**Firefighters Pension Plan**

The City of Sarasota Firefighters' Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II, of the Sarasota City Code,

1986, as restated on November 16, 2009. On January 1, 1996, the City's Fire/Rescue Department was consolidated with Sarasota County. The Plan remains intact with Sarasota County and the City of Sarasota making the employer contributions. The County's total current year payroll for fire personnel and the payroll for employees covered by the Plan for the year ended September 30, 2010, was \$2,938,788.

At September 30, 2010, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	147
Current Employees	
Vested	35
Nonvested	-
Total	<u>182</u>

The Plan covers former City of Sarasota firefighters who are employed by Sarasota County as a result of the consolidation. Any participant who has creditable service of 10 years and has attained age 50 or has creditable service of 25 years, regardless of age, is eligible for normal retirement. Such a retiree would receive a normal retirement benefit of 3 percent of average annual earnings during the highest 3 years of service during the last 10 years of service multiplied by the years of service. The pension benefit cannot exceed the final average compensation of the member.

The Plan provides disability benefits for both duty related and not duty related disabilities. Disability caused by performance of duties is computed at 3 percent of average compensation multiplied by years of service (minimum 25 years). A not in line of duty disability is computed at 2.5 percent of average compensation multiplied by years of service plus 5 percent of the firefighter's last monthly salary for each eligible child.

The Plan provides death benefits for both duty related and not duty related deaths. Death caused by performance of duties is computed at two-thirds of 3 percent of average compensation multiplied by the years of service (minimum 25 years) plus 5 percent of the firefighters' last monthly salary for each child. A not in line of duty death is computed at two-thirds of 2.5 percent of average compensation multiplied by years of service plus 5 percent of the firefighters' last monthly salary for each eligible child. Participants are required to contribute 8 percent of their annual salary to the Plan. Other contributions are received from the State of Florida, Sarasota County and the City. The State of Florida contribution results from the City's share of insurance tax. The County of Sarasota and the City contribute an amount to make the fund actuarially sound. The projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations.

**Police Officers Pension Plan**

The City of Sarasota Police Officers' Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II of the Sarasota City Code, 1986, as restated on November 16, 2009. The City's total current year payroll for police personnel and the payroll for employees covered by the Plan for the year ended September 30, 2010, was \$10,513,000.

At September 30, 2010, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	180
Current Employees	
Vested	81
Nonvested	63
Total	<u>324</u>

The Plan covers permanent and probationary City of Sarasota employees who are classified as uniform police personnel. Any participant who has creditable service of 10 years and has attained age 50 or has creditable service of 25 years, regardless of age, is eligible for normal retirement. Such a

retiree would receive a normal retirement benefit of 3 percent of average annual earnings during the highest 3 years of service during the last 10 years of service multiplied by the years of service. The pension benefit cannot exceed the average taxable earnings for the last 3 years of employment. The Plan provides disability benefits for both duty related and not duty related disabilities. Disability caused by performance of duties is computed at 3 percent of average compensation multiplied by years of service (minimum 25 years). A not in line of duty disability is computed at 2.5 percent of average compensation multiplied by years of service plus 5 percent of the police officer's last monthly salary for each eligible child.

The Plan provides death benefits for both duty related and not duty related deaths. Death caused by performance of duties is computed at two-thirds of 3 percent of average compensation multiplied by the years of service (minimum 25 years) plus 5 percent of the police officer's last monthly salary for each child. A not in line of duty death is computed at two-thirds of 2.5 percent of average compensation multiplied by years of service plus 5 percent of the police officer's last monthly salary for each eligible child. If a police officer is eligible for normal retirement at the time of death, the benefit shall be calculated at a 3% accrual rate.

Participants are required to contribute 8 percent of their annual salary to the Plan. If an employee separates service from the City before achieving 10 years of credited service, the employee will receive his contributions plus 5 percent regular interest compounded annually. Other contributions are received from the State of Florida and the City. The State of Florida contribution results from the City's share of insurance tax. The City contributes an amount to make the fund actuarially sound, but not less than 8 percent of payroll. The projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations.

Effective December 21, 1998, the City approved an ordinance creating a deferred retirement option plan (DROP). In lieu of terminating employment as a police officer, any member may elect to defer receipt of such service retirement pension and to participate in the DROP. A member's participation in the DROP may not exceed sixty months beginning at the time the election becomes effective. A member may participate only once. An account is established for each member participating in the DROP. The member's DROP account consists of the monthly retirement benefit the member would have received had they terminated their employment as a police officer and the earnings on those amounts. Upon electing participation in the DROP the member elects to receive either interest at an effective rate of six and one-half percent per annum, compounded quarterly, or the actual net rate of investment return realized by the system for that quarter. The accrued benefit liability at September 30, 2010, was \$3,222,223.

A member who previously served as a police officer with the City during a period of previous employment and for which period accumulated contributions were withdrawn from the plan, or a member who served as a police officer for any other municipal, county or state law enforcement department in the United States may purchase other police service time. To purchase other police service time, the police officer must contribute to the Plan, the amount actuarially determined for the time for which he or she is requesting credit, such that the crediting of service does not result in a cost or liability to the Plan. However, the member may not purchase prior police service that is counted for retirement benefits from another pension plan. The purchase of prior police service other than with the City of Sarasota and prior military service combined may not exceed 5 years. In addition, the Plan will accept rollovers of eligible pension accounts solely for the purpose of purchasing credited service. Other updates were made to the Plan pursuant to changes in the Internal Revenue Code regarding Section 415 limitations and eligible rollover provisions. It also provides for compliance with Chapter 185, Florida Statutes to ensure that the Plan will continue to qualify for funding under F.S. 185.08 in the event a change to the statute is effective before the Plan can be amended.

## **B. Funding status and progress**

The amount shown below as the actuarial accrued liability is a measure intended to help users assess (i) a pension fund's funded status on a going concern basis, and (ii) progress being made toward accumulating the assets needed to pay benefits as due. Allocation of the actuarial present value of

projected benefits between past and future service was based on service using the individual entry age actuarial cost method. Assumptions, including projected pay increases, were the same as used to determine the Fund's level percent of payroll annual required contribution between entry age and assumed exit age. Entry age was established by subtracting credited service from current age on the valuation date.

**General Employees Pension Plan**

As of September 30, 2010, the actuarial accrued liability exceeded assets by \$30,577,113 determined as follows:

Actuarial Accrued Liability	
Active participants	\$60,505,549
Retired participants and beneficiaries currently receiving benefits	93,683,997
Vested terminated participants not yet receiving benefits	<u>1,571,396</u>
Total Actuarial Accrued Liability	155,760,942
Actuarial Value of Assets (Market Value was \$109,976,172)	<u>125,183,829</u>
Unfunded Actuarial Accrued Liability	<u>\$30,577,113</u>

During the year ended September 30, 2010, the Plan experienced a net increase of \$10,390,468 in the actuarial accrued liability, of which none was attributable to changes in actuarial assumptions and none for changes in benefit provisions.

**Firefighters Pension Plan**

As of September 30, 2010, the unfunded actuarial accrued liability was \$45,698,871 determined as follows:

Actuarial Accrued Liability	
Active participants	\$35,711,642
Retired participants and beneficiaries currently receiving benefits	105,001,024
Vested terminated participants not yet receiving benefits	<u>570,948</u>
Total Actuarial Accrued Liability	141,283,614
Actuarial Value of Assets (Market Value was \$91,534,881)	<u>95,584,743</u>
Unfunded Actuarial Accrued Liability	<u>\$45,698,871</u>

During the year ended September 30, 2010, the Plan experienced a net increase of \$946,286 in the actuarial accrued liability. There were no changes in actuarial assumptions and methods or benefit provisions.

**Police Officers Pension Plan**

As of September 30, 2010, the actuarial accrued liability exceeded assets by \$31,698,295 determined as follows:

Actuarial Accrued Liability	
Active participants	\$57,049,733
Retired participants and beneficiaries currently receiving benefits	128,989,659
Vested terminated participants not yet receiving benefits	<u>1,571,319</u>
Total Actuarial Accrued Liability	187,610,711
Actuarial Value of Assets (Market Value was \$138,690,079)	<u>155,912,416</u>
Unfunded Actuarial Accrued Liability	<u>\$31,698,295</u>

During the year ended September 30, 2010, the Plan experienced a net increase of \$16,774,257 in the actuarial accrued liability, of which \$7,832,283 was attributable to changes in actuarial assumptions, and none was attributable to changes to benefit provisions.

**C. Contributions**

City contributions are determined by actuarial valuations adopted by the respective Board of Trustees for those retirement benefits provided by the City Charter. The City's annual pension cost for the current year and related information for each plan is as follows:

	General Employees Pension Plan	Firefighters Pension Plan	Police Officers Pension Plan
Contribution rates/amounts:			
City	13.27%	\$1,598,746	31.17%
County	13.27%	\$3,337,529	Not applicable
State	Not applicable	\$729,962	\$567,962
Employees	6.0%	8.0%	8.0%
Annual pension cost	\$2,766,721	\$4,936,275	\$3,941,662
Contributions made	\$2,766,721	\$4,936,275	\$3,941,662
Actuarial valuation date (c)	09/30/10	09/30/10	09/30/10
Actuarial value of assets	\$125,183,829	\$95,584,743	\$155,912,416
Actuarial accrued liability (AAL)	\$155,760,942	\$141,283,614	\$187,610,711
Unfunded AAL	\$30,577,113	\$45,698,871	\$31,698,295
Funded ratio	80.4%	67.7%	83.1%
Covered payroll	\$20.85 million	\$2.94 million	\$10.51 million
Unfunded AAL as a % of covered payroll	146.6%	1554.4%	301.6%
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level % of payroll Closed	Level dollar amount Closed	Level % of payroll Closed
Remaining amortization period	20 to 30 years	11 years	5 to 30 years
Asset valuation method	5 year Smoothed Market	3 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:			
Investment rate of return*	8.5%	8.0%	8.0%
Projected salary increases*	6.0%	3.75 - 6.75%	5.5 - 13.3%
*Includes inflation at	3.5%	4.5%	3.1%
Cost of living adjustments	3.5% (a) 3.0% (b)	3.5%	3.2%

(a) For those retired before 1/1/2000

(b) For those retired after 12/31/1999

(c) Actuarial valuations are done annually

**General Employees' Pension Plan**

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

During the year ending September 30, 2010, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2008. The contributions included (a) \$2,979,384 normal cost (14.29% of active payroll), (b) \$925,715 in amortization payment of unfunded actuarial accrued liability (4.44% of active payroll), and (c) \$112,588 balance to cover expenses and the minimum contribution requirements (.54% of active payroll). Contributions totaling \$4,055,733 were from the following sources; the City and County contributed \$2,766,721 (12.92% of active payroll); and, employees contributed \$1,250,967 (6.0% of active payroll) in addition to \$38,045 for service buy-backs (0.18% of active payroll).

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost(APC)	Percentage Of APC <u>Contributed</u>	Net Pension Obligation
9-30-08	2,368,489	100%	0
9-30-09	2,867,359	100%	0
9-30-10	2,766,721	100%	0

**Firefighters' Pension Plan**

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due.

During the year ending September 30, 2010, contributions from local employers were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2008. The contributions included (a) \$1,262,415 (42.05% of active payroll) for normal cost and administrative expenses and (b) \$3,673,860 (112.36% of active payroll) for amortization of the unfunded actuarial accrued liability. Contributions totaling \$5,927,500 were from the following sources; Sarasota County contributed \$3,337,529 (111.16% of active payroll); the City of Sarasota contributed \$1,598,746 (53.25% of active payroll); the State of Florida contributed \$729,962 (24.31% of active payroll); employees contributed \$240,191 (8% of active payroll) in addition to other contributions of \$21,072 (0.70% of active payroll).

The State of Florida makes contributions from taxes on casualty insurance premiums. The City recognized these on-behalf payments from the State as revenue and personnel expenditures in the City's General Fund before they were recorded as contributions in the Firefighters' Pension Plan.

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost(APC)	Percentage Of APC <u>Contributed</u>	Net Pension Obligation
9-30-08	4,566,249	100%	0
9-30-09	4,302,657	100%	0
9-30-10	4,936,275	100%	0

**Police Officers' Pension Plan**

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates, that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due.

During the year ending September 30, 2010, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2008. The

contributions included (a) \$3,567,434 normal cost (33.66% of active payroll), (b) \$1,006,852 in amortization payment of unfunded actuarial accrued liability (9.50% of active payroll), (c) \$215,251 for expenses and to cover the minimum contribution requirements (2.03% of active payroll). Contributions totaling \$4,864,631 were from the following sources; the City contributed \$3,373,700 (31.83% of active payroll); the State of Florida contributed \$567,962 (5.36% of active payroll); and the employees contributed \$847,875 (8.0% of active payroll) in addition to other contributions of \$75,094 (.71% of active payroll).

The State of Florida makes contributions from taxes on casualty insurance premiums. The City recognized these on-behalf payments from the State as revenue and personnel expenditures in the City's General Fund before they were recorded as contributions in the Police Officers' Pension Plan.

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost(APC)	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-08	4,182,557	100%	0
9-30-09	4,003,036	100%	0
9-30-10	3,941,662	100%	0

**D. Investments**

Investments are reported at fair value in accordance with GASB Statement No. 25. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair market value.

The fair value of the investments of each of the pension plans at September 30, 2010, is reported in Note 3 on pages 52 and 53.

**NOTE 14 - OTHER POST-EMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

The City Commission established the Other Post-Employment Benefits (OPEB) Trust Fund for the purpose of accumulating, investing, and managing funds necessary to meet the costs of providing health and/or life insurance to retirees and their dependents. The plan is a single-employer defined benefit OPEB plan administered by the City to provide medical and life insurance benefits to eligible retirees and their dependents. The plan is administered by a separate oversight committee. The City Commission approves all plan provisions and amendments. Separate financial statements of the plan are not available.

The Plan has adopted Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In addition to other disclosures, the GASB requires for the current year and each of the two preceding years, annual OPEB cost, percentage of annual OPEB cost contributed and the net OPEB obligation at the end of the year. This information is presented later in this note. A schedule of funding progress and a schedule of employer contributions that include historical trend information about the annual required contributions of the employer are included as required supplementary information to the financial statements. Since this is the second year after implementation, only two years of data is provided.

All full time employees of the City of Sarasota who satisfy the vesting, disability, early or normal retirement provisions of the applicable retirement plans may be eligible for post-employment benefits. Furthermore, certain individuals who transferred from the City to the County are eligible for certain benefits under the City's OPEB plan. These include certain Fire Rescue employees, and other former employees who were transferred to Sarasota County through a consolidation of services. They continue

to be members of the City's Pension Plans, but are not covered under the City's benefit plans while an active employee. However, upon retirement under the City's pension plans, they may transfer to the City's benefit plans (medical, prescription and dental only; no life insurance) for coverage during their retirement years.

Membership in the plan consisted of the following at 9/30/2010, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	555
Terminated plan members entitled to but not receiving benefits	19
Active plan members	615
Total	1,189

**B. Summary of Significant Accounting Policies**

*Basis of Accounting.* The plan's financial statements are prepared using the accrual basis of accounting. Separate financial statements of the plan are not available. Employee and employer contributions are recognized as revenues when due and a formal commitment to provide contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

*Method Used to Value Investments.* Investments are reported at fair value using quoted market prices or the best estimate available.

**C. Funding Policy and Contributions**

The contribution requirements of plan members and the City are established and may be amended by the City Commission. The contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Commission. These contributions are neither mandated nor guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care and life insurance benefits. The projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations.

For the 2009-10 fiscal year, the City contributed \$8,203,677 to the plan, including \$5,814,578 for current premiums (71 percent of total premiums) and an additional \$2,389,099 to prefund benefits (29 percent of total premiums). Retiree-only coverage is offered to plan members at no cost to the retiree as long as they meet eligibility requirements. Plan members receiving benefits contributed \$827,713, or 9 percent of the total premiums, through their required contribution of \$298.31 to \$419.34 per month for dependents less than age 65 and \$149.16 to \$179.47 per month for dependents eligible for Medicare. Rates vary based upon the type of plan selected by the retiree.

**D. Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$ 11,992,459
Interest on net OPEB obligation	357,780
Adjustment to annual required contribution	<u>(379,142)</u>
Annual OPEB cost (expense)	11,971,097
Contributions made	<u>(8,203,677)</u>
Increase in net OPEB obligation	3,767,420
Net OPEB obligation - beginning of year	<u>5,323,921</u>
Net OPEB obligation - end of year	<u><u>\$ 9,091,341</u></u>

The net OPEB obligation at the end of the year is \$6,575,366 for governmental activities, \$2,483,048 for business-type activities and \$32,927 for fiduciary funds.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2009-10 fiscal year and preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2008	\$ 9,895,806	66.18%	\$ 3,346,851
9/30/2009	10,158,401	80.54%	5,323,921
9/30/2010	11,971,097	68.53%	9,091,341

#### E. Funded Status and Funding Progress

As of October 1, 2010, the most recent actuarial valuation date, the plan was 9.56% funded. The actuarial accrued liability for benefits was \$134,485,000, and the actuarial value of assets was \$12,858,597, resulting in an unfunded actuarial accrued liability (UAAL) of \$121,626,403. The covered payroll (annual payroll of active employees covered by the plan) was \$34,450,276, and the ratio of the UAAL to the covered payroll was 353 percent.

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, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The schedule of employer contributions, presented as required supplementary information, presents trend information about the amounts contributed to the plan by the City in comparison to the annual required contribution (ARC), an amount that is actuarially determined in accordance with the parameters of GASB Statement 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

#### F. Actuarial Methods and Assumptions

Projection 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.

In the October 1, 2010, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 6 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend of 9 percent initially, reduced by decrements to a rate of 6.4 percent after ten years. Both rates included a 1.7 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at October 1, 2010, was 17 years.

**G. Financial Statements of the Other Post-Employment Benefits Plan:**

**Statement of Plan Net Assets**

<b>Assets</b>	
Cash and cash equivalents	\$ 660,992
Investments:	
Money market funds	764,932
U.S. Government securities	2,931,880
Domestic equity stocks	8,273,003
Mortgage backed securities	313,990
Foreign stocks	1,848,313
Total investments	<u>14,132,118</u>
Receivables (net):	
Interest and dividends	1,452
Total assets	<u>14,794,562</u>
<b>Liabilities</b>	
Accounts payable	169,203
Liability for unpaid claims	433,884
Total liabilities	<u>603,087</u>
<b>Net Assets</b>	
Held in trust for pension and OPEB benefits	<u>\$ 14,191,475</u>

**Statement of Changes In Plan Net Assets**

<b>Additions</b>	
Contributions:	
Plan members	\$ 827,713
Employer	
City of Sarasota	8,203,677
Other	251,276
Total contributions	<u>9,282,666</u>
Investment income :	
Net increase (decrease) in fair value of investments	857,581
Interest	169,036
Dividends	119,800
Total investment income (loss)	<u>1,146,417</u>
Less investment expense	<u>(135,917)</u>
Net investment income (loss)	<u>1,010,500</u>
Total additions	<u>10,293,166</u>
<b>Deductions</b>	
Benefits	4,017,256
Administrative expenses	693,465
Total deductions	<u>4,710,721</u>
Change in net assets	5,582,445
<b>Total net assets - beginning</b>	<u>8,609,030</u>
<b>Total net assets - ending</b>	<u>\$ 14,191,475</u>

**NOTE 15 - DISCRETELY PRESENTED COMPONENT UNITS**

**St. Armands Business Improvement District** - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the fiscal year ended September 30, 2010:

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 209,916	\$ 209,916	\$ 213,839	\$ 3,923
Investment earnings (loss)	2,000	2,000	(34)	(2,034)
Miscellaneous	--	--	4,725	4,725
Total revenues	<u>211,916</u>	<u>211,916</u>	<u>218,530</u>	<u>6,614</u>
<b>Expenditures</b>				
Current:				
Economic environment	114,150	65,850	38,161	27,689
Debt service:				
Principal payments	103,850	153,850	153,850	--
Interest and other charges	2,000	300	264	36
Total expenditures	<u>220,000</u>	<u>220,000</u>	<u>192,275</u>	<u>27,725</u>
Excess (deficiency) of revenues over (under) expenditures	(8,084)	(8,084)	26,255	34,339
<b>Fund balance - beginning</b>	<u>34,967</u>	<u>34,967</u>	<u>34,967</u>	<u>--</u>
<b>Fund balance - ending</b>	<u>\$ 26,883</u>	<u>\$ 26,883</u>	<u>\$ 61,222</u>	<u>\$ 34,339</u>
Reconciliation to Statement of Net Assets:				
Fund balance - ending			\$ 61,222	
Capital assets			1,091,730	
Less accumulated depreciation			(161,807)	
Net assets - ending			<u>\$ 991,145</u>	
Reconciliation to Statement of Activities:				
Net change in fund balance			\$ 26,255	
Current year depreciation			(43,540)	
Loan repaid			153,850	
Change in net assets			<u>\$ 136,565</u>	

**Downtown Improvement District** – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the fiscal year ended September 30, 2010:

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 429,600	\$ 429,600	\$ 426,893	\$ (2,707)
Investment earnings (loss)	--	--	2,865	2,865
Miscellaneous	--	--	2,275	2,275
Total revenues	<u>429,600</u>	<u>429,600</u>	<u>432,033</u>	<u>2,433</u>
<b>Expenditures</b>				
Current:				
Economic environment	208,720	153,567	111,180	42,387
Capital outlay:				
Economic environment	<u>190,600</u>	<u>245,753</u>	<u>121,075</u>	<u>124,678</u>
Total expenditures	<u>399,320</u>	<u>399,320</u>	<u>232,255</u>	<u>167,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30,280</u>	<u>30,280</u>	<u>199,778</u>	<u>169,498</u>
Net change in fund balance	30,280	30,280	199,778	169,498
<b>Fund balance (deficit) - beginning</b>	<u>(29,533)</u>	<u>(29,533)</u>	<u>(29,533)</u>	<u>--</u>
<b>Fund balance - ending</b>	<u>\$ 747</u>	<u>\$ 747</u>	<u>\$ 170,245</u>	<u>\$ 169,498</u>

Reconciliation to Statement of Net Assets:

Fund balance - ending	\$ 170,245
Capital assets	121,075
Less accumulated depreciation	<u>(1,009)</u>
Net assets - ending	<u>\$ 290,311</u>

Reconciliation to Statement of Activities:

Net change in fund balance	\$ 199,778
Expenditures for capital assets	121,075
Current year depreciation	<u>(1,009)</u>
Change in net assets	<u>\$ 319,844</u>

**NOTE 16 – SPECIAL ITEM**

On November 10, 2009, the Sports Stadium Enterprise fund incurred a loss of \$1,277,046 on the sale of land. This was due to the transfer of the City's sports complex to Sarasota County.

**NOTE 17 – SUBSEQUENT EVENT**

**2010 Sales Tax Payments Revenue Bonds** – On December 16, 2010, the City issued \$8,260,000 of Sales Tax Payments Revenue Bonds with a net interest rate of 3.76%. The bonds are federally taxable – Build America Bonds with a recovery zone credit of 45% of interest costs. The bonds were issued for the purpose of financing a portion of the cost of construction, reconstruction and renovation of a sports stadium complex owned by Sarasota County. The annual debt service requirements for the new bonds are as follows:

<b>2010 Sales Tax Payments Revenue Bonds</b>				
Fiscal Year	Principal	Interest	Less Recovery Zone Credit	Net Debt Service
2011	\$ -	\$ 318,837	\$ (143,476)	\$ 175,361
2012	225,000	508,205	(228,692)	504,513
2013	220,000	503,857	(226,735)	497,122
2014	220,000	498,545	(224,345)	494,200
2015	225,000	492,122	(221,455)	495,667
2016-2020	1,210,000	2,290,273	(1,030,622)	2,469,651
2021-2025	1,425,000	1,894,716	(852,623)	2,467,093
2026-2030	1,705,000	1,362,757	(613,242)	2,454,515
2031-2035	2,050,000	714,286	(321,429)	2,442,857
2036-2037	980,000	70,902	(31,906)	1,018,996
	<u>\$8,260,000</u>	<u>\$ 8,654,500</u>	<u>\$ (3,894,525)</u>	<u>\$13,019,975</u>

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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**City of Sarasota, Florida**  
 General Employees' Pension Plan  
 Required Supplementary Information  
 Schedule of Funding Progress  
 (in millions of dollars)

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
2001	\$ 94.03	\$ 85.26	110.3%	\$ (8.77)	\$ 17.83	(49.2)%
2002	91.77	90.00	102.0	(1.77)	17.32	(10.2)
2003	95.30	97.55	97.7	2.25	19.75	11.4
2004	98.03	108.07	90.7	10.04	19.74	50.8
2005	100.61	116.27	86.5	15.66	20.00	78.3
2006	107.73	123.60	87.2	15.87	21.87	72.6
2007	119.06	133.56	89.1	14.50	24.42	59.4
2008	123.43	137.93	89.5	14.50	23.08	62.8
2009	125.83	145.37	86.6	19.54	22.19	88.0
2010	125.18	155.76	80.4	30.58	20.85	146.6

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the General Employees' Pension Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

**City of Sarasota, Florida**  
General Employees' Pension Plan  
Required Supplementary Information  
Schedule of Employer Contributions

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<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2001	\$ 1,426,185	100%
2002	1,450,473	100%
2003	1,511,515	100%
2004	1,579,404	100%
2005	1,603,284	100%
2006	1,881,632	100%
2007	2,425,114	100%
2008	2,368,489	100%
2009	2,867,359	100%
2010	2,766,721	100%

**City of Sarasota, Florida**  
**Firefighters' Pension Plan**  
**Required Supplementary Information**  
**Schedule of Funding Progress**  
(in millions of dollars)

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Actuarial Valuation <u>Date</u>	(1) Actuarial Value of <u>Assets</u>	(2) Actuarial Accrued Liability (AAL) <u>Entry Age</u>	(3) Funded Ratio <u>(1)÷(2)</u>	(4) Unfunded AAL (UAAL) <u>(2) - (1)</u>	(5) Covered <u>Payroll</u>	(6) UAAL as a Percentage of Covered Payroll <u>(4)÷(5)</u>
2001	\$ 90.54	\$102.08	88.7%	\$11.54	\$ 4.35	265.3%
2002	84.16	107.31	78.4	23.15	4.09	566.0
2003*	81.27	110.37	73.6	29.10	3.69	788.6
2004*	83.55	116.98	71.4	33.43	3.85	867.5
2005	91.57	122.78	74.6	31.21	3.82	816.8
2006	98.33	127.46	77.1	29.13	3.47	836.6
2007	106.72	133.10	80.2	26.38	3.54	745.8
2008@	107.97	138.56	77.9	30.59	3.66	836.1
2009@	102.82	140.34	73.3	37.52	3.15	1,190.5
2010@	95.58	141.28	67.7	45.70	2.94	1,554.4

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, or unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Firefighters' Pension Plan's funded status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan. However, for closed groups, this figure can become highly misleading.

\* After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.

@ The actuarial value of assets excludes reserve accounts.

**City of Sarasota, Florida**  
**Firefighters' Pension Plan**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**

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<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2001	\$ 925,968	100%
2002	1,555,612	100%(a)
2003	3,031,419	100%
2004	3,221,134	100%(b)
2005	3,577,340	100%
2006	3,637,413	100%
2007	3,757,948	100%(c)
2008	4,566,249	100%(c)
2009	4,302,657	100%(d)
2010	4,936,275	100%

(a) Includes \$73,469 from funding reserves and \$61,295 from overpayments made by Sarasota County in 2001.

(b) Includes \$60,909 from funding reserves, \$41,098 from Chapter 175 reserves and \$71,812 from additional premium tax revenue.

(c) Includes \$88,946 for contributions toward share account distributions.

(d) Includes \$123,604 from funding reserves.

**City of Sarasota, Florida**  
 Police Officers' Pension Plan  
 Required Supplementary Information  
 Schedule of Funding Progress  
 (in millions of dollars)

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
2001	\$108.12	\$ 99.83	108.3%	\$ (8.29)	\$ 9.93	(83.5)%
2002	106.61	108.59	98.2	1.98	10.23	19.4
2003	103.45	116.01	89.2	12.56	10.78	116.5
2004*	110.36	123.77	89.2	13.41	10.50	127.7
2005	119.64	134.05	89.3	14.41	11.06	130.3
2006	129.48	141.98	91.2	12.50	11.65	107.3
2007	142.17	152.66	93.1	10.49	12.11	86.6
2008	149.20	161.04	92.6	11.84	11.73	100.9
2009	153.44	170.84	89.8	17.40	11.36	153.2
2010	155.91	187.61	83.1	31.70	10.51	301.6

Analysis of the dollar amounts of actuarial value of assets or actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Police Officers' Pension Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

\* After changes in benefits and/or actuarial assumptions and/or actuarial cost methods.

**City of Sarasota, Florida**  
Police Officers' Pension Plan  
Required Supplementary Information  
Schedule of Employer Contributions

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<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2001	\$ 1,400,791	100%
2002	1,407,560	100%
2003	1,449,584	100%
2004	2,916,822	100%
2005	3,796,293	100%
2006	3,942,053	100%
2007	4,333,312	100%
2008	4,182,557	100%
2009	4,003,036	100%
2010	3,941,662	100%

**City of Sarasota, Florida**  
 Other Post Employment Benefits Plan  
 Required Supplementary Information  
 Schedule of Funding Progress  
 (in millions of dollars)

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Actuarial Valuation <u>Date</u>	(1) Actuarial Value of <u>Assets</u>	(2) Actuarial Accrued Liability (AAL) <u>Entry Age</u>	(3) Funded Ratio <u>(1)÷(2)</u>	(4) Unfunded AAL (UAAL) <u>(2) - (1)</u>	(5) Covered <u>Payroll</u>	(6) UAAL as a Percentage of Covered Payroll <u>(4)÷(5)</u>
2006	\$0.00	\$130.73	0%	\$ 130.73	\$35.1	372.0%
2008	4.75	137.37	3.5	132.63	37.0	358.0
2010	12.86	134.49	9.6	121.63	34.5	353.0

Analysis of the dollar amounts of actuarial value of assets or actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the OPEB Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan. Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress being made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

**City of Sarasota, Florida**  
Other Post Employment Benefits (OPEB) Plan  
Required Supplementary Information  
Schedule of Employer Contributions

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<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$8,765,835	66.18%
2009	10,098,803	80.54%
2010	11,992,459	68.53%

**City of Sarasota, Florida**  
 General Fund  
 Schedule of Revenues - Budget and Actual  
 Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>				
Taxes				
Ad valorem	\$ 17,600,173	\$ 17,600,173	\$ 17,700,589	\$ 100,416
Business and occupational	676,850	630,000	714,341	84,341
Utility service taxes				
Electricity	4,171,500	4,171,500	4,536,335	364,835
Communication services	4,263,000	4,263,000	3,829,654	(433,346)
Water	1,200,500	1,200,500	1,212,221	11,721
Natural gas	111,650	111,650	128,043	16,393
Fuel oil	500	500	380	(120)
Propane	38,570	38,570	43,616	5,046
<b>Total taxes</b>	<b>28,062,743</b>	<b>28,015,893</b>	<b>28,165,179</b>	<b>149,286</b>
Franchise fees				
Electric	5,451,950	5,451,950	4,760,356	(691,594)
Natural gas	140,000	140,000	144,857	4,857
<b>Total franchise fees</b>	<b>5,591,950</b>	<b>5,591,950</b>	<b>4,905,213</b>	<b>(686,737)</b>
Licenses and permits				
Building permits	119,580	119,580	191,935	72,355
Other licenses and permits	110,967	110,967	115,938	4,971
<b>Total licenses and permits</b>	<b>230,547</b>	<b>230,547</b>	<b>307,873</b>	<b>77,326</b>
Intergovernmental				
State shared revenues				
State revenue sharing	1,505,080	1,505,080	1,740,465	235,385
Mobile home licenses	18,000	18,000	20,005	2,005
Alcoholic beverage licenses	50,000	50,000	81,726	31,726
Half cent sales tax	3,474,400	3,474,400	3,365,128	(109,272)
FEMA disaster relief	--	--	452,230	452,230
Insurance premium tax	1,835,000	1,835,000	1,297,924	(537,076)
Other intergovernmental	1,459,131	1,459,131	1,344,808	(114,323)
<b>Total intergovernmental</b>	<b>\$ 8,341,611</b>	<b>\$ 8,341,611</b>	<b>\$ 8,302,286</b>	<b>\$ (39,325)</b>

(continued)

**City of Sarasota, Florida**  
 General Fund  
 Schedule of Revenues - Budget and Actual  
 Year Ended September 30, 2010 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for services				
General government	\$ 421,046	\$ 442,496	\$ 344,980	\$ (97,516)
Transportation	230,851	230,851	258,460	27,609
Road and bridge	320,000	320,000	305,958	(14,042)
Public safety	202,455	260,855	352,540	91,685
Physical environment	103,000	103,000	131,661	28,661
Culture and recreation	73,900	73,900	60,219	(13,681)
Total charges for services	<u>1,351,252</u>	<u>1,431,102</u>	<u>1,453,818</u>	<u>22,716</u>
Charges to other funds				
Cost allocations	<u>4,337,067</u>	<u>4,337,067</u>	<u>4,365,067</u>	<u>28,000</u>
Fines and forfeits				
Court fines	290,000	290,000	155,706	(134,294)
Other	<u>113,320</u>	<u>113,320</u>	<u>310,940</u>	<u>197,620</u>
Total fines and forfeits	<u>403,320</u>	<u>403,320</u>	<u>466,646</u>	<u>63,326</u>
Investment earnings	<u>985,000</u>	<u>985,000</u>	<u>428,338</u>	<u>(556,662)</u>
Miscellaneous				
Rents and royalties	1,065,984	1,065,984	1,134,479	68,495
Sale of capital assets	18,200	18,200	43,638	25,438
Other	<u>107,825</u>	<u>128,684</u>	<u>257,066</u>	<u>128,382</u>
Total miscellaneous	<u>1,192,009</u>	<u>1,212,868</u>	<u>1,435,183</u>	<u>222,315</u>
Total revenues	<u>50,495,499</u>	<u>50,549,358</u>	<u>49,829,603</u>	<u>(719,755)</u>
<b>Other financing sources</b>				
Transfers in				
Special revenue funds	<u>3,434,706</u>	<u>3,434,706</u>	<u>3,506,630</u>	<u>71,924</u>
Total other financing sources	<u>3,434,706</u>	<u>3,434,706</u>	<u>3,506,630</u>	<u>71,924</u>
Total revenues and other financing sources	<u>\$ 53,930,205</u>	<u>\$ 53,984,064</u>	<u>\$ 53,336,233</u>	<u>\$ (647,831)</u>

City of Sarasota, Florida  
 General Fund  
 Schedule of Expenditures - Budget and Actual  
 Year Ended September 30, 2010

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Current</b>				
General government				
City commission	\$ 251,635	\$ 251,635	\$ 226,529	\$ 25,106
City manager's office	555,310	555,310	519,185	36,125
Commission support	121,028	121,028	123,076	(2,048)
Facilities management	1,100,316	1,545,200	919,064	626,136
Human resources	1,011,925	1,011,925	920,635	91,290
Finance director	1,842,556	1,842,556	1,614,261	228,295
City auditor/clerk	1,686,355	1,688,355	1,467,456	220,899
City attorney	788,259	788,259	845,435	(57,176)
Miscellaneous administration	7,237,517	7,175,760	7,246,870	(71,110)
Total general government	<u>14,594,901</u>	<u>14,980,028</u>	<u>13,882,511</u>	<u>1,097,517</u>
Public safety				
Building and zoning	3,324,202	3,598,913	3,147,180	451,733
Police/fire	29,000,218	29,347,064	28,093,667	1,253,397
Total public safety	<u>32,324,420</u>	<u>32,945,977</u>	<u>31,240,847</u>	<u>1,705,130</u>
Physical environment				
Parks and landscape maintenance	3,107,389	3,278,036	2,690,164	587,872
Total physical environment	<u>3,107,389</u>	<u>3,278,036</u>	<u>2,690,164</u>	<u>587,872</u>
Transportation				
Construction services	463,908	463,908	519,665	(55,757)
Street and highway maintenance	3,125,725	3,201,366	2,775,812	425,554
Total transportation	<u>3,589,633</u>	<u>3,665,274</u>	<u>3,295,477</u>	<u>369,797</u>
Culture and recreation				
Skateboard park	268,927	268,927	175,752	93,175
Children's fountain/playground	77,165	77,165	62,221	14,944
Special events	97,186	1,346,051	169,250	1,176,801
Total culture and recreation	<u>443,278</u>	<u>1,692,143</u>	<u>407,223</u>	<u>1,284,920</u>
Economic environment				
Redevelopment services	--	25,888	--	25,888
Total economic environment	<u>--</u>	<u>25,888</u>	<u>--</u>	<u>25,888</u>
Total expenditures	<u>54,059,621</u>	<u>56,587,346</u>	<u>51,516,222</u>	<u>5,071,124</u>
<b>Other financing uses</b>				
Transfers out				
Special revenue funds	38,000	38,000	49,011	(11,011)
Debt service funds	139,158	139,158	139,158	--
Enterprise funds	663,893	663,893	295,445	368,448
Total other financing uses	<u>841,051</u>	<u>841,051</u>	<u>483,614</u>	<u>357,437</u>
Total expenditures and other financing uses	<u>\$ 54,900,672</u>	<u>\$ 57,428,397</u>	<u>\$ 51,999,836</u>	<u>\$ 5,428,561</u>

**City of Sarasota, Florida**  
 Community Redevelopment  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year Ended September 30, 2010

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues</b>				
Taxes	\$ 9,006,170	\$ 9,006,170	\$ 9,007,446	\$ 1,276
Investment earnings	100,000	100,000	335,380	235,380
Miscellaneous	--	10,000	10,000	--
Total revenues	<u>9,106,170</u>	<u>9,116,170</u>	<u>9,352,826</u>	<u>236,656</u>
<b>Expenditures</b>				
Current:				
Transportation				
TCEA update	12,500	100,000	--	100,000
Downtown transportation	85,416	439,179	168	439,011
Strategic parking facilities	45,237	48,073	30,028	18,045
Transportation master plan	2,280	287,427	33,077	254,350
Enhanced maintenance	15,000	15,000	--	15,000
Intersection improvements US 41 & Main	--	11,673	--	11,673
Pineapple Square	1,076,266	3,340,274	--	3,340,274
Total transportation	<u>1,236,699</u>	<u>4,241,626</u>	<u>63,273</u>	<u>4,178,353</u>
Culture and recreation				
2706 North Osprey Avenue	--	--	5,000	(5,000)
Economic environment				
Downtown redevelopment	37,500	40,000	8,136	31,864
Information systems & technology	218	218	218	--
Indirect costs	5,173	5,173	5,173	--
Herald Tribune	--	588,482	54,727	533,755
Mana Sara Workforce Funders	--	120,000	--	120,000
Whole Foods	641,539	641,539	--	641,539
Special project rezone	--	16,957	--	16,957
Housing Authority	--	1,331,359	--	1,331,359
Ringling Square	--	301,023	36,301	264,722
Total economic environment	<u>684,430</u>	<u>3,044,751</u>	<u>104,555</u>	<u>2,940,196</u>
Capital outlay:				
Transportation				
Five Points Park	--	200,000	189,766	10,234
Palm Avenue parking garage	2,175	6,895,902	4,554,508	2,341,394
Wayfinding signage	99,116	1,150,205	107,989	1,042,216
Pedestrian sleeves	--	858,000	18,949	839,051
Strategic parking facilities	207,892	563,689	--	563,689
North Palm Avenue streetscape	--	224,911	--	224,911
Intersection improvements US 41 & Main	--	198,458	--	198,458
Main Street & Palm Avenue	--	59,344	59,344	--
Parking meters	--	510,000	--	510,000
Downtown pedestrian street lights	9,685	1,564,632	310,717	1,253,915
Total transportation	<u>\$ 318,868</u>	<u>\$ 12,225,141</u>	<u>\$ 5,241,273</u>	<u>\$ 6,983,868</u>

(continued)

**City of Sarasota, Florida**  
 Community Redevelopment  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year Ended September 30, 2010 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Culture and recreation				
Newtown entrance plazas	\$ --	\$ 300,000	\$ --	300,000
2706 North Osprey Avenue	--	35,000	30,000	5,000
US 301-enhanced landscaping	--	159,599	--	159,599
Total culture and recreation	--	494,599	30,000	464,599
Economic environment				
Greater Newtown redevelopment	1,015,878	1,260,878	--	1,260,878
Downtown redevelopment plan	1,015,879	180,629	--	180,629
Total economic environment	2,031,757	1,441,507	--	1,441,507
Total expenditures	4,271,754	21,447,624	5,444,101	16,003,523
Excess of revenues over expenditures	4,834,416	(12,331,454)	3,908,725	16,240,179
<b>Other financing uses</b>				
Transfers out				
General fund	(1,971,746)	(1,971,746)	(1,991,235)	(19,489)
Debt service funds	(3,387,779)	(3,387,779)	(3,387,779)	--
Total other financing uses	(5,359,525)	(5,359,525)	(5,379,014)	(19,489)
Net change in fund balances	(525,109)	(17,690,979)	(1,470,289)	16,220,690
<b>Fund balances - beginning</b>	19,195,737	19,195,737	19,195,737	--
<b>Fund balances - ending</b>	\$ 18,670,628	\$ 1,504,758	\$ 17,725,448	\$ 16,220,690



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# Nonmajor Governmental Funds

## Special Revenue Funds

Special revenue funds are used to account for revenues derived from specific sources which are restricted to finance specific activities.

**Housing and Community Development** - To account for revenue received from the Department of Housing and Urban Development to be used for rehabilitation of homes and public works improvements.

**State Housing Initiative Partnership (SHIP)** - To account for revenue received from the Florida Housing Finance Corporation to be used for affordable housing needs.

**Development Services** - To account for revenues and expenditures related to providing services to the development community including plans review, construction inspections and development approval.

**Gas Tax** - To account for the proceeds of a local option gas tax on motor fuels and special fuels that is restricted to transportation.

**Special Law Enforcement (forfeiture)** - To account for revenue received from fines or sale of property forfeited that is restricted for law enforcement purposes only.

**Golden Gate Point** - To account for revenues and expenditures related to the construction and maintenance of enhancements and improvements within the public rights of way on Golden Gate Point.

**Tourist Development Tax** - To account for tourist development tax revenues and expenditures for tourist related projects.

**Miscellaneous Grants** - To account for several miscellaneous grants which have a single purpose and require minimal special accounting requirements.

**Multi-Purpose** - To account for miscellaneous revenues that are legally restricted to expenditures for a particular purpose.

# Nonmajor Governmental Funds

## Debt Service Funds

Debt service funds are used to account for the accumulation of resources for the payment of principal, interest and related costs, on long-term general and special obligation debt and loans payable.

**1992 Refunding Bonds** - To account for the accumulation of resources for the payment of principal and interest on the 1992 Special Obligation Refunding Bonds.

**2007 General Obligation Bonds** - To account for the accumulation of resources for the payment of principal and interest on the 2007 General Obligation Bonds.

**2008 General Obligation Bonds** - To account for the accumulation of resources for the payment of principal and interest on the 2008 General Obligation Bonds.

**2009 Build America** - To account for the accumulation of resources for the payment of principal and interest on the 2009 Build America Bonds.

**2000 First Florida** - To account for the accumulation of resources for the payment of principal and interest on funds borrowed for the acquisition and remodeling of the Federal Building and the remodeling of City Hall.

**2001A First Florida** - To account for the accumulation of resources for the payment of principal and interest on funds borrowed for the acquisition, construction and improvements to projects in the Downtown Master Plan.

**2001B First Florida** - To account for the accumulation of resources for the advance refunding of the 1994 FFGFC loan payable.

**2003 First Florida** - To account for the accumulation of resources for the payment of principal and interest on funds borrowed for the construction of a parking garage and the acquisition of equipment for energy efficiency.

**2005 First Florida** - To account for the accumulation of resources for the payment of principal and interest on funds borrowed for the acquisition of land for transportation purposes and related demolition.

# Nonmajor Governmental Funds

## Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Capital and Extraordinary Maintenance** - To account for funds appropriated for major capital facilities, improvements and equipment.

**1989 Sales Surtax Bond Construction** - To account for funds from the 1989 Infrastructure Sales Surtax Bonds.

**2000 First Florida Construction** - To account for funds received from the First Florida Governmental Financing Commission for the acquisition and remodeling of the Federal Building and the remodeling of City Hall.

**2001 First Florida Construction** - To account for funds received from the First Florida Governmental Financing Commission for the acquisition, construction and improvements to projects in the Downtown Master Plan.

**2010 Stadium Bonds** - To account for funds received from the Build America Bond Series 2010 (issue date 12/16/10) for the purpose of financing a portion of the cost of the construction, reconstruction and renovation of the Ed Smith Stadium Complex.

**City of Sarasota, Florida**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 September 30, 2010

	<b>Special Revenue Funds</b>			
	<b>Housing and Community Development</b>	<b>State Housing Initiative Partnership</b>	<b>Development Services</b>	<b>Gas Tax</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 626,338	\$ 3,476,278	\$ 1,629,594	\$ 3,014,182
Investments	444,538	2,453,469	1,149,423	2,139,293
Receivables (net):				
Accounts	324	--	--	--
Interest	--	10,092	5,246	8,599
Notes	466,524	141,490	--	--
Special assessments	--	--	--	--
Due from other governmental agencies	826,946	--	--	385,697
Prepaid items	--	--	250	--
<b>Total assets</b>	<b><u>\$ 2,364,670</u></b>	<b><u>\$ 6,081,329</u></b>	<b><u>\$ 2,784,513</u></b>	<b><u>\$ 5,547,771</u></b>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,834,649	\$ 182,308	\$ 8,677	\$ 48,835
Retainages payable	--	--	--	46,335
Due to other governmental agencies	--	--	--	--
Interfund payables	--	--	--	--
Interest payable	1,385	--	--	--
Accrued wages	51,910	--	70,020	--
Deferred revenue	476,726	141,490	63,165	--
Customer deposits	--	--	--	--
<b>Total liabilities</b>	<b><u>2,364,670</u></b>	<b><u>323,798</u></b>	<b><u>141,862</u></b>	<b><u>95,170</u></b>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Encumbrances	--	185,477	6,828	339,440
Construction	--	--	--	--
Prepaid items	--	--	250	--
Debt service	--	--	--	--
Unreserved, undesignated	--	5,572,054	2,635,573	5,113,161
<b>Total fund balances (deficit)</b>	<b><u>--</u></b>	<b><u>5,757,531</u></b>	<b><u>2,642,651</u></b>	<b><u>5,452,601</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,364,670</u></b>	<b><u>\$ 6,081,329</u></b>	<b><u>\$ 2,784,513</u></b>	<b><u>\$ 5,547,771</u></b>

**Special Revenue Funds**

<b>Special Law Enforcement (Forfeiture)</b>	<b>Golden Gate Point</b>	<b>Tourist Development Tax</b>	<b>Miscellaneous Grants</b>	<b>Multi-Purpose</b>
\$ 266,282 188,257	\$ 31,824 22,008	\$ 1,108,409 786,684	\$ 23,845 16,186	\$ 2,976,510 2,108,726
--	--	--	--	130,343
537	424	3,187	1,588	8,647
--	--	--	--	--
--	--	--	--	--
--	--	1,166,170	1,156,521	1,800
--	--	--	--	3,560
<u>\$ 455,076</u>	<u>\$ 54,256</u>	<u>\$ 3,064,450</u>	<u>\$ 1,198,140</u>	<u>\$ 5,229,586</u>
\$ 18,104	\$ 10,447	\$ 21,929	\$ 20,740	\$ 1,944,127
--	--	--	--	--
--	--	--	--	130,343
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	340,193	2,003,824
--	--	--	39,437	8,000
<u>18,104</u>	<u>10,447</u>	<u>21,929</u>	<u>400,370</u>	<u>4,086,294</u>
--	--	16,872	304,860	42,518
--	--	--	--	--
--	--	--	--	3,560
--	--	--	--	--
436,972	43,809	3,025,649	492,910	1,097,214
<u>436,972</u>	<u>43,809</u>	<u>3,042,521</u>	<u>797,770</u>	<u>1,143,292</u>
<u>\$ 455,076</u>	<u>\$ 54,256</u>	<u>\$ 3,064,450</u>	<u>\$ 1,198,140</u>	<u>\$ 5,229,586</u>

(continued)

**City of Sarasota, Florida**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet (continued)  
 September 30, 2010

	<b>Debt Service Funds</b>			
	<b>1992 Refunding Bonds</b>	<b>2007 General Obligation Bonds</b>	<b>2008 General Obligation Bonds</b>	<b>2009 Build America</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 3,849,863	351,406	138,713	\$ --
Investments	2,717,308	248,026	98,342	--
Receivables (net):				
Accounts	--	--	--	--
Interest	11,052	1,011	79	--
Notes	--	--	--	--
Special assessments	--	--	--	--
Due from other governmental agencies	--	--	--	--
Prepaid items	--	563	--	--
	<u>6,578,223</u>	<u>601,006</u>	<u>237,134</u>	<u>--</u>
Total assets	<u>\$ 6,578,223</u>	<u>\$ 601,006</u>	<u>\$ 237,134</u>	<u>\$ --</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Retainages payable	--	--	--	--
Due to other governmental agencies	--	--	--	--
Interfund payables	--	--	--	5,763
Interest payable	--	--	--	45
Accrued wages	--	--	--	--
Deferred revenue	--	--	--	--
Customer deposits	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,808</u>
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,808</u>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Encumbrances	--	--	--	--
Construction	--	--	--	--
Prepaid items	--	563	--	--
Debt service	6,578,223	600,443	237,134	--
Unreserved, undesignated	--	--	--	(5,808)
	<u>6,578,223</u>	<u>601,006</u>	<u>237,134</u>	<u>(5,808)</u>
Total fund balances (deficit)	<u>6,578,223</u>	<u>601,006</u>	<u>237,134</u>	<u>(5,808)</u>
Total liabilities and fund balances	<u>\$ 6,578,223</u>	<u>\$ 601,006</u>	<u>\$ 237,134</u>	<u>\$ --</u>

<b>2001A First Florida</b>	<b>2001B First Florida</b>	<b>2003 First Florida</b>	<b>2005 First Florida</b>
\$ 48,535	\$ 101,697	\$ 140,149	\$ 216,667
34,280	71,779	98,940	152,953
--	--	--	--
122	292	388	603
--	--	--	--
--	735,000	--	--
--	--	--	--
--	--	--	--
<u>\$ 82,937</u>	<u>\$ 908,768</u>	<u>\$ 239,477</u>	<u>\$ 370,223</u>
\$ 159	\$ 187	\$ 695	\$ 809
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	735,000	--	--
--	--	--	--
<u>159</u>	<u>735,187</u>	<u>695</u>	<u>809</u>
--	--	--	--
--	--	--	--
--	--	--	--
82,778	173,581	238,782	369,414
--	--	--	--
<u>82,778</u>	<u>173,581</u>	<u>238,782</u>	<u>369,414</u>
<u>\$ 82,937</u>	<u>\$ 908,768</u>	<u>\$ 239,477</u>	<u>\$ 370,223</u>

(continued)

**Capital Projects Funds**

	<b>Capital and Extraordinary Maintenance</b>	<b>1989 Sales Surtax Bond Construction</b>	<b>2000 First Florida Construction</b>	<b>2001 First Florida Construction</b>	<b>2010 Stadium Bonds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>						
Cash and cash equivalents	\$ 615,039	\$ 230,197	\$ 175,200	\$ 269,255	\$ --	\$ 19,289,983
Investments	436,520	163,380	123,659	190,046	--	13,643,817
Receivables (net):						
Accounts	--	--	--	--	--	130,667
Interest	1,769	690	503	773	--	55,602
Notes	--	--	--	--	--	608,014
Special assessments	--	--	--	--	--	735,000
Due from other governmental agencies	--	--	--	--	--	3,537,134
Prepaid items	--	--	--	--	--	4,373
<b>Total assets</b>	<b><u>\$ 1,053,328</u></b>	<b><u>\$ 394,267</u></b>	<b><u>\$ 299,362</u></b>	<b><u>\$ 460,074</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 38,004,590</u></b>
<b>Liabilities and fund balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,709	\$ 3,722	\$ --	\$ --	\$ 78,066	\$ 4,175,163
Retainages payable	--	--	--	--	--	46,335
Due to other governmental agencies	--	--	--	--	--	130,343
Interfund payables	--	--	--	--	322,312	328,075
Interest payable	--	--	--	--	386	1,816
Accrued wages	--	--	--	--	--	121,930
Deferred revenue	--	--	--	--	--	3,760,398
Customer deposits	--	--	--	--	--	47,437
<b>Total liabilities</b>	<b><u>1,709</u></b>	<b><u>3,722</u></b>	<b><u>--</u></b>	<b><u>--</u></b>	<b><u>400,764</u></b>	<b><u>8,611,497</u></b>
<b>Fund Balances:</b>						
Reserved for:						
Encumbrances	64,326	--	--	--	4,182	964,503
Construction	--	390,545	299,362	460,074	--	1,149,981
Prepaid items	--	--	--	--	--	4,373
Debt service	--	--	--	--	--	8,280,355
Unreserved, undesignated	987,293	--	--	--	(404,946)	18,993,881
<b>Total fund balances (deficit)</b>	<b><u>1,051,619</u></b>	<b><u>390,545</u></b>	<b><u>299,362</u></b>	<b><u>460,074</u></b>	<b><u>(400,764)</u></b>	<b><u>29,393,093</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,053,328</u></b>	<b><u>\$ 394,267</u></b>	<b><u>\$ 299,362</u></b>	<b><u>\$ 460,074</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 38,004,590</u></b>



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**City of Sarasota, Florida**  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Year Ended September 30, 2010

	<b>Special Revenue Funds</b>			
	<b>Housing and Community Development</b>	<b>State Housing Initiative Partnership</b>	<b>Development Services</b>	<b>Gas Tax</b>
<b>Revenues</b>				
Taxes	\$ --	\$ --	\$ --	\$ 2,419,349
Special assessments	--	--	--	--
Licenses and permits	--	--	2,121,183	--
Intergovernmental	6,540,499	524,048	--	13,280
Charges for services	30	--	305,732	200
Fines and forfeits	--	--	--	--
Investment earnings	8,727	105,775	40,081	102,614
Miscellaneous	3,177	2,329	40	--
Total revenues	<u>6,552,433</u>	<u>632,152</u>	<u>2,467,036</u>	<u>2,535,443</u>
<b>Expenditures</b>				
Current:				
General government	--	--	89,619	--
Public safety	--	--	1,925,373	--
Physical environment	--	--	--	--
Transportation	--	--	--	196,506
Culture and recreation	--	--	--	--
Economic environment	6,558,580	2,280,212	--	--
Debt service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	4,865	--	1,366	1,912,101
Total expenditures	<u>6,563,445</u>	<u>2,280,212</u>	<u>2,016,358</u>	<u>2,108,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,012)</u>	<u>(1,648,060)</u>	<u>450,678</u>	<u>426,836</u>
<b>Other financing sources (uses)</b>				
Transfers in	11,012	--	--	--
Transfers out	--	--	(240,000)	(953,084)
Total other financing sources (uses)	<u>11,012</u>	<u>--</u>	<u>(240,000)</u>	<u>(953,084)</u>
Net change in fund balances	--	(1,648,060)	210,678	(526,248)
<b>Fund balances (deficit) - beginning</b>	<u>--</u>	<u>7,405,591</u>	<u>2,431,973</u>	<u>5,978,849</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ --</u>	<u>\$ 5,757,531</u>	<u>\$ 2,642,651</u>	<u>\$ 5,452,601</u>

**Special Revenue Funds**

<b>Special Law Enforcement (Forfeiture)</b>	<b>Golden Gate Point</b>	<b>Tourist Development Tax</b>	<b>Miscellaneous Grants</b>	<b>Multi-Purpose</b>
\$ --	\$ 82,831	\$ 76,274	\$ --	\$ 12,701
--	--	--	--	--
--	--	--	--	--
--	--	971,849	1,486,520	15,000
--	--	--	11,555	34,359
403,236	--	--	71,459	64,340
3,037	11,874	30,420	9,966	23,436
5,797	4	--	68,685	176,801
<u>412,070</u>	<u>94,709</u>	<u>1,078,543</u>	<u>1,648,185</u>	<u>326,637</u>
--	--	--	--	--
221,741	--	--	25,712	22,960
--	--	129,440	--	--
--	28,119	--	--	164,780
--	--	--	28,390	3,675
--	--	--	92,814	100,927
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	197,860	--	1,178,678	--
<u>221,741</u>	<u>225,979</u>	<u>129,440</u>	<u>1,325,594</u>	<u>292,342</u>
<u>190,329</u>	<u>(131,270)</u>	<u>949,103</u>	<u>322,591</u>	<u>34,295</u>
--	--	--	38,000	--
--	(2,196,698)	(30,420)	(101,659)	(25,656)
--	(2,196,698)	(30,420)	(63,659)	(25,656)
190,329	(2,327,968)	918,683	258,932	8,639
<u>246,643</u>	<u>2,371,777</u>	<u>2,123,838</u>	<u>538,838</u>	<u>1,134,653</u>
<u>\$ 436,972</u>	<u>\$ 43,809</u>	<u>\$ 3,042,521</u>	<u>\$ 797,770</u>	<u>\$ 1,143,292</u>

(continued)

**City of Sarasota, Florida**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)

Year Ended September 30, 2010

	<b>Debt Service Funds</b>			
	<b>1992 Refunding Bonds</b>	<b>2007 General Obligation Bonds</b>	<b>2008 General Obligation Bonds</b>	<b>2009 Build America</b>
<b>Revenues</b>				
Taxes	\$ --	\$ 2,963,610	\$ 286,723	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	387,475
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	93,013	24,429	(1)	(5,832)
Miscellaneous	--	--	--	--
Total revenues	<u>93,013</u>	<u>2,988,039</u>	<u>286,722</u>	<u>381,643</u>
<b>Expenditures</b>				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	472,902	825,000	2,068,487	552,104
Interest and fiscal charges	1,048,098	2,133,873	181,855	1,107,072
Bond issuance costs	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	<u>1,521,000</u>	<u>2,958,873</u>	<u>2,250,342</u>	<u>1,659,176</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,427,987)</u>	<u>29,166</u>	<u>(1,963,620)</u>	<u>(1,277,533)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,638,000	--	2,196,698	1,271,701
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>1,638,000</u>	<u>--</u>	<u>2,196,698</u>	<u>1,271,701</u>
Net change in fund balances	210,013	29,166	233,078	(5,832)
<b>Fund balances (deficit) - beginning</b>	<u>6,368,210</u>	<u>571,840</u>	<u>4,056</u>	<u>24</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 6,578,223</u>	<u>\$ 601,006</u>	<u>\$ 237,134</u>	<u>\$ (5,808)</u>

**Debt Service Funds**

<b>2000 First Florida</b>	<b>2001A First Florida</b>	<b>2001B First Florida</b>	<b>2003 First Florida</b>	<b>2005 First Florida</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	100,000	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
33,504	3,709	44,737	3,214	7,838
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>33,504</u>	<u>3,709</u>	<u>144,737</u>	<u>3,214</u>	<u>7,838</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,135,000	560,000	100,000	400,000	540,000
135,738	54,852	40,421	108,428	127,746
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>2,270,738</u>	<u>614,852</u>	<u>140,421</u>	<u>508,428</u>	<u>667,746</u>
<u>(2,237,234)</u>	<u>(611,143)</u>	<u>4,316</u>	<u>(505,214)</u>	<u>(659,908)</u>
--	617,525	--	654,339	666,988
<u>(143,283)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>(143,283)</u>	<u>617,525</u>	<u>--</u>	<u>654,339</u>	<u>666,988</u>
(2,380,517)	6,382	4,316	149,125	7,080
<u>2,380,517</u>	<u>76,396</u>	<u>169,265</u>	<u>89,657</u>	<u>362,334</u>
<u>\$ --</u>	<u>\$ 82,778</u>	<u>\$ 173,581</u>	<u>\$ 238,782</u>	<u>\$ 369,414</u>

(continued)

**City of Sarasota, Florida**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (concluded)

Year Ended September 30, 2010

	<b>Capital Projects Funds</b>					
	<b>Capital and Extraordinary Maintenance</b>	<b>1989 Sales Surtax Bond Construction</b>	<b>2000 First Florida Construction</b>	<b>2001 First Florida Construction</b>	<b>2010 Stadium Bonds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 5,841,488
Special assessments	--	--	--	--	--	100,000
Licenses and permits	--	--	--	--	--	2,121,183
Intergovernmental	--	--	--	--	--	9,938,671
Charges for services	--	--	--	--	--	351,876
Fines and forfeits	--	--	--	--	--	539,035
Investment earnings	19,285	7,760	4,451	6,840	(269)	578,608
Miscellaneous	--	--	--	--	--	256,833
Total revenues	<u>19,285</u>	<u>7,760</u>	<u>4,451</u>	<u>6,840</u>	<u>(269)</u>	<u>19,727,694</u>
<b>Expenditures</b>						
Current:						
General government	--	--	--	--	--	89,619
Public safety	--	10,239	--	--	--	2,206,025
Physical environment	--	--	--	--	--	129,440
Transportation	--	--	--	--	--	389,405
Culture and recreation	--	--	--	--	--	32,065
Economic environment	--	--	--	--	--	9,032,533
Debt service:						
Principal payments	--	--	--	--	--	7,653,493
Interest and fiscal charges	--	--	--	--	--	4,938,083
Bond issuance costs	--	--	--	--	400,495	400,495
Capital outlay	104,692	64,882	--	--	--	3,464,444
Total expenditures	<u>104,692</u>	<u>75,121</u>	<u>--</u>	<u>--</u>	<u>400,495</u>	<u>28,335,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(85,407)</u>	<u>(67,361)</u>	<u>4,451</u>	<u>6,840</u>	<u>(400,764)</u>	<u>(8,607,908)</u>
<b>Other financing sources (uses)</b>						
Transfers in	--	--	--	--	--	7,094,263
Transfers out	(19,285)	(7,760)	--	--	--	(3,717,845)
Total other financing sources (uses)	<u>(19,285)</u>	<u>(7,760)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,376,418</u>
Net change in fund balances	(104,692)	(75,121)	4,451	6,840	(400,764)	(5,231,490)
<b>Fund balances (deficit) - beginning</b>	<u>1,156,311</u>	<u>465,666</u>	<u>294,911</u>	<u>453,234</u>	<u>--</u>	<u>34,624,583</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 1,051,619</u>	<u>\$ 390,545</u>	<u>\$ 299,362</u>	<u>\$ 460,074</u>	<u>\$ (400,764)</u>	<u>\$ 29,393,093</u>

**City of Sarasota, Florida**

Housing and Community Development Special Revenue Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 3,033,472	\$ 28,901,132	\$ 6,540,499	\$ (22,360,633)
Charges for services	--	--	30	30
Investment earnings	--	--	8,727	8,727
Miscellaneous	--	--	3,177	3,177
Total revenues	<u>3,033,472</u>	<u>28,901,132</u>	<u>6,552,433</u>	<u>(22,348,699)</u>
<b>Expenditures</b>				
Current:				
Economic environment	3,028,603	28,418,433	6,558,580	21,859,853
Capital outlay:				
General government	4,869	68,949	4,865	64,084
Culture and recreation	--	413,750	--	413,750
Total expenditures	<u>3,033,472</u>	<u>28,901,132</u>	<u>6,563,445</u>	<u>22,337,687</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	(11,012)	(11,012)
<b>Other financing sources</b>				
Transfers in	--	--	11,012	11,012
Net change in fund balances	--	--	--	--
<b>Fund balances - beginning</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**City of Sarasota, Florida**

## State Housing Initiative Partnership Special Revenue Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 81,000	\$ 81,000	\$ 524,048	\$ 443,048
Investment earnings	--	--	105,775	105,775
Miscellaneous	--	--	2,329	2,329
Total revenues	<u>81,000</u>	<u>81,000</u>	<u>632,152</u>	<u>551,152</u>
<b>Expenditures</b>				
Current:				
Economic environment	<u>135,032</u>	<u>7,306,327</u>	<u>2,280,212</u>	<u>5,026,115</u>
Total expenditures	<u>135,032</u>	<u>7,306,327</u>	<u>2,280,212</u>	<u>5,026,115</u>
Excess (deficiency) of revenues over (under) expenditures	(54,032)	(7,225,327)	(1,648,060)	5,577,267
<b>Fund balances - beginning</b>	<u>7,405,591</u>	<u>7,405,591</u>	<u>7,405,591</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 7,351,559</u>	<u>\$ 180,264</u>	<u>\$ 5,757,531</u>	<u>\$ 5,577,267</u>

**City of Sarasota, Florida**  
 Development Services Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and permits	\$ 1,899,500	\$ 1,899,500	\$ 2,121,183	\$ 221,683
Charges for services	454,500	454,500	305,732	(148,768)
Investment earnings	25,000	25,000	40,081	15,081
Miscellaneous	--	--	40	40
Total revenues	<u>2,379,000</u>	<u>2,379,000</u>	<u>2,467,036</u>	<u>88,036</u>
<b>Expenditures</b>				
Current:				
General government	264,642	264,642	89,619	175,023
Public safety	2,016,188	2,016,188	1,925,373	90,815
Capital outlay:				
Public safety	<u>2,340</u>	<u>2,340</u>	<u>1,366</u>	<u>974</u>
Total expenditures	<u>2,283,170</u>	<u>2,283,170</u>	<u>2,016,358</u>	<u>266,812</u>
Excess (deficiency) of revenues over (under) expenditures	95,830	95,830	450,678	354,848
<b>Other financing uses</b>				
Transfers out	<u>(240,000)</u>	<u>(240,000)</u>	<u>(240,000)</u>	<u>--</u>
Net change in fund balances	(144,170)	(144,170)	210,678	354,848
<b>Fund balances - beginning</b>	<u>2,431,973</u>	<u>2,431,973</u>	<u>2,431,973</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 2,287,803</u>	<u>\$ 2,287,803</u>	<u>\$ 2,642,651</u>	<u>\$ 354,848</u>

**City of Sarasota, Florida**  
 Gas Tax Special Revenue Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,544,000	\$ 2,544,000	\$ 2,419,349	\$ (124,651)
Intergovernmental	--	--	13,280	13,280
Charges for services	--	--	200	200
Investment earnings	--	--	102,614	102,614
Total revenues	<u>2,544,000</u>	<u>2,544,000</u>	<u>2,535,443</u>	<u>(8,557)</u>
<b>Expenditures</b>				
Current:				
Transportation	360,315	473,242	196,506	276,736
Capital outlay:				
Transportation	<u>1,886,595</u>	<u>5,325,500</u>	<u>1,912,101</u>	<u>3,413,399</u>
Total expenditures	<u>2,246,910</u>	<u>5,798,742</u>	<u>2,108,607</u>	<u>3,690,135</u>
Excess (deficiency) of revenues over (under) expenditures	297,090	(3,254,742)	426,836	3,681,578
<b>Other financing uses</b>				
Transfers out	<u>(850,471)</u>	<u>(850,471)</u>	<u>(953,084)</u>	<u>(102,613)</u>
Net change in fund balances	(553,381)	(4,105,213)	(526,248)	3,578,965
<b>Fund balances - beginning</b>	<u>5,978,849</u>	<u>5,978,849</u>	<u>5,978,849</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 5,425,468</u>	<u>\$ 1,873,636</u>	<u>\$ 5,452,601</u>	<u>\$ 3,578,965</u>

**City of Sarasota, Florida**

Special Law Enforcement (Forfeiture) Special Revenue Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and forfeits	\$ --	\$ --	\$ 403,236	\$ 403,236
Investment earnings	--	--	3,037	3,037
Miscellaneous	--	--	5,797	5,797
Total revenues	<u>--</u>	<u>--</u>	<u>412,070</u>	<u>412,070</u>
<b>Expenditures</b>				
Current:				
Public safety	--	222,775	221,741	1,034
Total expenditures	<u>--</u>	<u>222,775</u>	<u>221,741</u>	<u>1,034</u>
Excess (deficiency) of revenues over (under) expenditures	--	(222,775)	190,329	413,104
<b>Fund balances - beginning</b>	<u>246,643</u>	<u>246,643</u>	<u>246,643</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 246,643</u>	<u>\$ 23,868</u>	<u>\$ 436,972</u>	<u>\$ 413,104</u>

**City of Sarasota, Florida**

Golden Gate Point Special Revenue Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 81,000	\$ 81,000	\$ 82,831	\$ 1,831
Investment earnings	--	--	11,874	11,874
Miscellaneous	--	--	4	4
Total revenues	<u>81,000</u>	<u>81,000</u>	<u>94,709</u>	<u>13,709</u>
<b>Expenditures</b>				
Current:				
Transportation	70,000	70,000	28,119	41,881
Capital outlay:				
Transportation	<u>318,750</u>	<u>318,750</u>	<u>197,860</u>	<u>120,890</u>
Total expenditures	<u>388,750</u>	<u>388,750</u>	<u>225,979</u>	<u>162,771</u>
Excess (deficiency) of revenues over (under) expenditures	(307,750)	(307,750)	(131,270)	176,480
<b>Other financing uses</b>				
Transfers out	<u>--</u>	<u>(2,000,000)</u>	<u>(2,196,698)</u>	<u>(196,698)</u>
Net change in fund balances	(307,750)	(2,307,750)	(2,327,968)	(20,218)
<b>Fund balances - beginning</b>	<u>2,371,777</u>	<u>2,371,777</u>	<u>2,371,777</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 2,064,027</u>	<u>\$ 64,027</u>	<u>\$ 43,809</u>	<u>\$ (20,218)</u>

**City of Sarasota, Florida**

Tourist Development Tax Special Revenue Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 730,500	\$ 730,500	\$ 76,274	\$ (654,226)
Intergovernmental	--	--	971,849	971,849
Investment earnings	--	--	30,420	30,420
Total revenues	<u>730,500</u>	<u>730,500</u>	<u>1,078,543</u>	<u>348,043</u>
<b>Expenditures</b>				
Current:				
Physical environment	<u>743,645</u>	<u>1,021,705</u>	<u>129,440</u>	<u>892,265</u>
Total expenditures	<u>743,645</u>	<u>1,021,705</u>	<u>129,440</u>	<u>892,265</u>
Excess (deficiency) of revenues over (under) expenditures	(13,145)	(291,205)	949,103	1,240,308
<b>Other financing uses</b>				
Transfers out	<u>--</u>	<u>--</u>	<u>(30,420)</u>	<u>(30,420)</u>
Net change in fund balances	(13,145)	(291,205)	918,683	1,209,888
<b>Fund balances - beginning</b>	<u>2,123,838</u>	<u>2,123,838</u>	<u>2,123,838</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 2,110,693</u>	<u>\$ 1,832,633</u>	<u>\$ 3,042,521</u>	<u>\$ 1,209,888</u>

**City of Sarasota, Florida**

Miscellaneous Grants Special Revenue Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ --	\$ 3,205,486	\$ 1,486,520	\$ (1,718,966)
Charges for services	--	--	11,555	11,555
Fines and forfeits	150,000	150,000	71,459	(78,541)
Investment earnings	--	--	9,966	9,966
Miscellaneous	--	50,000	68,685	18,685
Total revenues	<u>150,000</u>	<u>3,405,486</u>	<u>1,648,185</u>	<u>(1,757,301)</u>
<b>Expenditures</b>				
Current:				
Public safety	--	316,997	25,712	291,285
Transportation	--	150,136	--	150,136
Culture and recreation	56,300	521,012	28,390	492,622
Economic environment	58,000	112,612	92,814	19,798
Capital outlay:				
Public safety	120,370	313,632	35,436	278,196
Physical environment	--	1,188,136	1,094,322	93,814
Transportation	--	551,260	--	551,260
Culture and recreation	--	529,729	48,920	480,809
Total expenditures	<u>234,670</u>	<u>3,683,514</u>	<u>1,325,594</u>	<u>2,357,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,670)</u>	<u>(278,028)</u>	<u>322,591</u>	<u>600,619</u>
<b>Other financing sources (uses)</b>				
Transfers in	38,000	38,000	38,000	--
Transfers out	(175,000)	(175,000)	(101,659)	73,341
Total other financing sources (uses)	<u>(137,000)</u>	<u>(137,000)</u>	<u>(63,659)</u>	<u>73,341</u>
Net change in fund balances	(221,670)	(415,028)	258,932	673,960
<b>Fund balances - beginning</b>	<u>538,838</u>	<u>538,838</u>	<u>538,838</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 317,168</u>	<u>\$ 123,810</u>	<u>\$ 797,770</u>	<u>\$ 673,960</u>

**City of Sarasota, Florida**

Multi-Purpose Special Revenue Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 22,000	\$ 22,000	\$ 12,701	\$ (9,299)
Charges for services	--	--	34,359	34,359
Intergovernmental	--	--	15,000	15,000
Fines and forfeits	45,000	45,000	64,340	19,340
Investment earnings	--	--	23,436	23,436
Miscellaneous	--	50,685	176,801	126,116
Total revenues	<u>67,000</u>	<u>117,685</u>	<u>326,637</u>	<u>208,952</u>
<b>Expenditures</b>				
Current:				
Public safety	--	37,960	22,960	15,000
Transportation	--	225,468	164,780	60,688
Culture and recreation	5,000	8,178	3,675	4,503
Economic environment	28,455	190,867	100,927	89,940
Capital outlay:				
Transportation	--	55,154	--	55,154
Total expenditures	<u>33,455</u>	<u>517,627</u>	<u>292,342</u>	<u>225,285</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,545</u>	<u>(399,942)</u>	<u>34,295</u>	<u>434,237</u>
<b>Other financing uses</b>				
Transfers out	--	--	(25,656)	(25,656)
Net change in fund balances	33,545	(399,942)	8,639	408,581
<b>Fund balances - beginning</b>	<u>1,134,653</u>	<u>1,134,653</u>	<u>1,134,653</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 1,168,198</u>	<u>\$ 734,711</u>	<u>\$ 1,143,292</u>	<u>\$ 408,581</u>

**City of Sarasota, Florida**

1992 Refunding Bonds Debt Service Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ --	\$ --	\$ 93,013	\$ 93,013
Total revenues	<u>--</u>	<u>--</u>	<u>93,013</u>	<u>93,013</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	471,943	471,943	472,902	(959)
Interest and other charges	<u>1,166,057</u>	<u>1,166,057</u>	<u>1,048,098</u>	<u>117,959</u>
Total expenditures	<u>1,638,000</u>	<u>1,638,000</u>	<u>1,521,000</u>	<u>117,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,638,000)	(1,638,000)	(1,427,987)	210,013
<b>Other financing sources</b>				
Transfers in	<u>1,638,000</u>	<u>1,638,000</u>	<u>1,638,000</u>	<u>--</u>
Net change in fund balances	--	--	210,013	210,013
<b>Fund balances - beginning</b>	<u>6,368,210</u>	<u>6,368,210</u>	<u>6,368,210</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 6,368,210</u>	<u>\$ 6,368,210</u>	<u>\$ 6,578,223</u>	<u>\$ 210,013</u>

**City of Sarasota, Florida**

2007 General Obligation Bonds Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,930,000	\$ 2,930,000	\$ 2,963,610	\$ 33,610
Investment earnings	20,000	20,000	24,429	4,429
Total revenues	<u>2,950,000</u>	<u>2,950,000</u>	<u>2,988,039</u>	<u>\$ 38,039</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	825,000	825,000	825,000	--
Interest and other charges	<u>2,125,094</u>	<u>2,125,094</u>	<u>2,133,873</u>	<u>(8,779)</u>
Total expenditures	<u>2,950,094</u>	<u>2,950,094</u>	<u>2,958,873</u>	<u>(8,779)</u>
Excess of revenues over expenditures	(94)	(94)	29,166	29,260
<b>Fund balance - beginning</b>	<u>571,840</u>	<u>571,840</u>	<u>571,840</u>	<u>--</u>
<b>Fund balance - ending</b>	<u>\$ 571,746</u>	<u>\$ 571,746</u>	<u>\$ 601,006</u>	<u>\$ 29,260</u>

**City of Sarasota, Florida**

## 2008 General Obligation Bonds Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 280,000	\$ 280,000	\$ 286,723	\$ 6,723
Investment earnings	3,000	3,000	(1)	(3,001)
Total revenues	<u>283,000</u>	<u>283,000</u>	<u>286,722</u>	<u>3,722</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	2,068,487	2,068,487	2,068,487	--
Interest and other charges	<u>184,855</u>	<u>184,855</u>	<u>181,855</u>	<u>3,000</u>
Total expenditures	<u>2,253,342</u>	<u>2,253,342</u>	<u>2,250,342</u>	<u>3,000</u>
Excess of revenues over expenditures	(1,970,342)	(1,970,342)	(1,963,620)	6,722
<b>Other financing sources</b>				
Transfers in	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,196,698</u>	<u>196,698</u>
Net change in fund balances	29,658	29,658	233,078	203,420
<b>Fund balances - beginning</b>	<u>4,056</u>	<u>4,056</u>	<u>4,056</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 33,714</u>	<u>\$ 33,714</u>	<u>\$ 237,134</u>	<u>\$ 203,420</u>

**City of Sarasota, Florida**

2009 Build America Bonds Debt Service Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 387,475	\$ 387,475	\$ 387,475	\$ --
Investment earnings	--	--	(5,832)	(5,832)
Total revenues	<u>387,475</u>	<u>387,475</u>	<u>381,643</u>	<u>(5,832)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	552,104	552,104	552,104	--
Interest and other charges	<u>1,107,072</u>	<u>1,107,072</u>	<u>1,107,072</u>	<u>--</u>
Total expenditures	<u>1,659,176</u>	<u>1,659,176</u>	<u>1,659,176</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(1,271,701)	(1,271,701)	(1,277,533)	(5,832)
<b>Other financing sources</b>				
Transfers in	<u>1,271,701</u>	<u>1,271,701</u>	<u>1,271,701</u>	<u>--</u>
Net change in fund balances	--	--	(5,832)	(5,832)
<b>Fund balances - beginning</b>	<u>24</u>	<u>24</u>	<u>24</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ (5,808)</u>	<u>\$ (5,832)</u>

**City of Sarasota, Florida**

2000 First Florida Debt Service Fund

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

Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ --	\$ --	\$ 33,504	\$ 33,504
Total revenues	<u>--</u>	<u>--</u>	<u>33,504</u>	<u>33,504</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	315,000	2,135,000	2,135,000	--
Interest and other charges	<u>111,842</u>	<u>135,042</u>	<u>135,738</u>	<u>(696)</u>
Total expenditures	<u>426,842</u>	<u>2,270,042</u>	<u>2,270,738</u>	<u>(696)</u>
Excess (deficiency) of revenues over (under) expenditures	(426,842)	(2,270,042)	(2,237,234)	32,808
<b>Other financing sources</b>				
Transfers out	<u>--</u>	<u>--</u>	<u>(143,283)</u>	<u>(143,283)</u>
Net change in fund balances	(426,842)	(2,270,042)	(2,380,517)	(110,475)
<b>Fund balances - beginning</b>	<u>2,380,517</u>	<u>2,380,517</u>	<u>2,380,517</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 1,953,675</u>	<u>\$ 110,475</u>	<u>\$ --</u>	<u>\$ (110,475)</u>

**City of Sarasota, Florida**

2001A First Florida Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ --	\$ --	\$ 3,709	\$ 3,709
Total revenues	<u>--</u>	<u>--</u>	<u>3,709</u>	<u>3,709</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	560,000	560,000	560,000	--
Interest and other charges	<u>57,525</u>	<u>57,525</u>	<u>54,852</u>	<u>2,673</u>
Total expenditures	<u>617,525</u>	<u>617,525</u>	<u>614,852</u>	<u>2,673</u>
Excess (deficiency) of revenues over (under) expenditures	(617,525)	(617,525)	(611,143)	6,382
<b>Other financing sources</b>				
Transfers in	<u>617,525</u>	<u>617,525</u>	<u>617,525</u>	<u>--</u>
Net change in fund balances	--	--	6,382	6,382
<b>Fund balances - beginning</b>	<u>76,396</u>	<u>76,396</u>	<u>76,396</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 76,396</u>	<u>\$ 76,396</u>	<u>\$ 82,778</u>	<u>\$ 6,382</u>

**City of Sarasota, Florida**

2001B First Florida Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special assessments	\$ 100,000	\$ 100,000	\$ 100,000	\$ --
Investment earnings	43,500	43,500	44,737	1,237
Total revenues	<u>143,500</u>	<u>143,500</u>	<u>144,737</u>	<u>1,237</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	100,000	100,000	100,000	--
Interest and other charges	42,125	42,125	40,421	1,704
Total expenditures	<u>142,125</u>	<u>142,125</u>	<u>140,421</u>	<u>1,704</u>
Excess of revenues over expenditures	1,375	1,375	4,316	2,941
<b>Fund balances - beginning</b>	<u>169,265</u>	<u>169,265</u>	<u>169,265</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 170,640</u>	<u>\$ 170,640</u>	<u>\$ 173,581</u>	<u>\$ 2,941</u>

**City of Sarasota, Florida**  
2003 First Florida Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ --	\$ --	\$ 3,214	\$ 3,214
Total revenues	<u>--</u>	<u>--</u>	<u>3,214</u>	<u>3,214</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	400,000	400,000	400,000	--
Interest and other charges	<u>111,056</u>	<u>111,056</u>	<u>108,428</u>	<u>2,628</u>
Total expenditures	<u>511,056</u>	<u>511,056</u>	<u>508,428</u>	<u>2,628</u>
Excess (deficiency) of revenues over (under) expenditures	(511,056)	(511,056)	(505,214)	5,842
<b>Other financing sources</b>				
Transfers in	<u>511,056</u>	<u>511,056</u>	<u>654,339</u>	<u>143,283</u>
Net change in fund balances	--	--	149,125	149,125
<b>Fund balances - beginning</b>	<u>89,657</u>	<u>89,657</u>	<u>89,657</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 89,657</u>	<u>\$ 89,657</u>	<u>\$ 238,782</u>	<u>\$ 149,125</u>

**City of Sarasota, Florida**  
2005 First Florida Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended September 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ --	\$ --	\$ 7,838	\$ 7,838
Total revenues	<u>--</u>	<u>--</u>	<u>7,838</u>	<u>7,838</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	540,000	540,000	540,000	--
Interest and other charges	<u>126,988</u>	<u>126,988</u>	<u>127,746</u>	<u>(758)</u>
Total expenditures	<u>666,988</u>	<u>666,988</u>	<u>667,746</u>	<u>(758)</u>
Excess (deficiency) of revenues over (under) expenditures	(666,988)	(666,988)	(659,908)	7,080
<b>Other financing sources</b>				
Transfers in	<u>666,988</u>	<u>666,988</u>	<u>666,988</u>	<u>--</u>
Net change in fund balances	--	--	7,080	7,080
<b>Fund balances - beginning</b>	<u>362,334</u>	<u>362,334</u>	<u>362,334</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 362,334</u>	<u>\$ 362,334</u>	<u>\$ 369,414</u>	<u>\$ 7,080</u>

# Nonmajor Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Bobby Jones Golf Course** - To account for the revenues and expenses of operating a complete 36 hole municipal golf course and a 9 hole executive course financed entirely by user charges.

**Municipal Auditoriums** - To account for the operations of the City's civic center complex and the Payne Park auditorium.

**Sports Stadium** – To account for the operations of the City's multipurpose sports stadium.

**Parking Management** - To account for the operations of the City's on-street parking and surface parking lots.

## Water and Sewer System Major Enterprise Fund

**Revenue Account** – This is the general operating account for the water and sewer system.

**Interest and Sinking Accounts** – To account for the accumulation or resources for the accumulation of resources for the payment of principal, interest and fiscal charges.

**Renewal, Replacement and Improvement Account** – For paying the cost of unusual or extraordinary maintenance or repairs, the cost of renewals and replacements, the cost of acquiring, installing or replacing equipment, the cost of improvements, and providing for the local share of any Federal or State assistance program.

**General Reserve Account** – To pay the cost of improvements, to pay the cost of purchasing or redeeming bonds, to pay the principal and interest on any obligations subordinate to the bonds issued under the resolution, to make up any deficiencies in any of the Accounts and to pay the cost of any item qualifying as an expenditure of the Renewal, Replacement and Improvement Account.

**Utility Construction Accounts** – To account for bond proceeds for water and sewer system improvements.

**Utility Stores Account** – To account for the operation of the utility system store room.

**City of Sarasota, Florida**  
 Nonmajor Enterprise Funds  
 Combining Statement of Net Assets  
 September 30, 2010

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Sports Stadium</b>	<b>Parking Management</b>	<b>Total</b>
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 1,114,196	\$ 81,191	\$ 197,122	\$ 239,390	\$ 1,631,899
Investments	786,164	57,439	138,888	168,962	1,151,453
Receivables (net):					
Accounts	1,561	--	--	15,000	16,561
Interest	3,387	136	745	690	4,958
Due from other governmental agencies	2,225	3,126	15	68	5,434
Inventories	48,747	566	--	--	49,313
Prepaid items	8,318	16,959	--	--	25,277
Total current assets	<u>1,964,598</u>	<u>159,417</u>	<u>336,770</u>	<u>424,110</u>	<u>2,884,895</u>
Noncurrent assets:					
Capital assets					
Land	910,000	175,000	--	1,933,801	3,018,801
Buildings	1,127,029	1,977,084	--	--	3,104,113
Improvements	5,369,261	346,072	--	430,009	6,145,342
Equipment	518,311	60,346	--	390,195	968,852
Construction in progress	25,813	--	--	--	25,813
Less accumulated depreciation	(4,454,177)	(2,005,521)	--	(776,080)	(7,235,778)
Total capital assets (net of accumulated depreciation)	<u>3,496,237</u>	<u>552,981</u>	<u>--</u>	<u>1,977,925</u>	<u>6,027,143</u>
Total assets	<u>5,460,835</u>	<u>712,398</u>	<u>336,770</u>	<u>2,402,035</u>	<u>8,912,038</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	9,298	9,124	--	59,807	78,229
Retainages payable	--	--	--	--	--
Due to other governmental agencies	--	--	--	--	--
Accrued wages	41,193	11,195	--	15,061	67,449
Compensated absences	37,488	9,756	--	4,230	51,474
Unearned revenue	56,701	68,613	--	--	125,314
Total current liabilities	<u>144,680</u>	<u>98,688</u>	<u>--</u>	<u>79,098</u>	<u>322,466</u>
Noncurrent liabilities:					
Compensated absences	31,935	8,310	--	3,603	43,848
Other post-employment benefits	125,341	40,224	--	63,946	229,511
Total noncurrent liabilities	<u>157,276</u>	<u>48,534</u>	<u>--</u>	<u>67,549</u>	<u>273,359</u>
Total liabilities	<u>301,956</u>	<u>147,222</u>	<u>--</u>	<u>146,647</u>	<u>595,825</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	3,496,237	552,981	--	1,977,925	6,027,143
Unrestricted	1,662,642	12,195	336,770	277,463	2,289,070
Total net assets	<u>\$ 5,158,879</u>	<u>\$ 565,176</u>	<u>\$ 336,770</u>	<u>\$ 2,255,388</u>	<u>\$ 8,316,213</u>

**City of Sarasota, Florida**  
 Nonmajor Enterprise Funds  
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 For the Year Ended September 30, 2010

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Sports Stadium</b>	<b>Parking Management</b>	<b>Total</b>
<b>Operating revenues:</b>					
Charges for services	\$ 2,604,583	\$ 115,066	\$ 3,419	\$ 46,888	\$ 2,769,956
Rents	13,450	312,672	4,867	11,064	342,053
Fines	--	--	--	417,646	417,646
Miscellaneous	10,055	914	217	4,797	15,983
<b>Total operating revenues</b>	<b>2,628,088</b>	<b>428,652</b>	<b>8,503</b>	<b>480,395</b>	<b>3,545,638</b>
<b>Operating expenses:</b>					
Personal services	768,066	239,961	25,934	350,400	1,384,361
Contractual services	419,112	213,412	16,241	242,378	891,143
Repairs and maintenance	1,349,949	5,920	2,268	114,460	1,472,597
Supplies and materials	125,030	16,984	145	8,662	150,821
Depreciation	241,033	79,707	--	24,242	344,982
<b>Total operating expenses</b>	<b>2,903,190</b>	<b>555,984</b>	<b>44,588</b>	<b>740,142</b>	<b>4,243,904</b>
<b>Operating income (loss)</b>	<b>(275,102)</b>	<b>(127,332)</b>	<b>(36,085)</b>	<b>(259,747)</b>	<b>(698,266)</b>
<b>Nonoperating revenues:</b>					
Investment earnings	36,065	1,572	6,485	7,791	51,913
Gain (loss) on disposition of capital assets	--	--	--	--	--
<b>Total nonoperating revenues</b>	<b>36,065</b>	<b>1,572</b>	<b>6,485</b>	<b>7,791</b>	<b>51,913</b>
<b>Income (loss) before transfers and special items</b>	<b>(239,037)</b>	<b>(125,760)</b>	<b>(29,600)</b>	<b>(251,956)</b>	<b>(646,353)</b>
Transfers in	--	65,000	30,444	--	95,444
Transfers out	(141,910)	(2,734)	--	--	(144,644)
Special item	--	--	(1,277,046)	--	(1,277,046)
<b>Change in net assets</b>	<b>(380,947)</b>	<b>(63,494)</b>	<b>(1,276,202)</b>	<b>(251,956)</b>	<b>(1,972,599)</b>
<b>Total net assets - beginning</b>	<b>5,539,826</b>	<b>628,670</b>	<b>1,612,972</b>	<b>2,507,344</b>	<b>10,288,812</b>
<b>Total net assets - ending</b>	<b>\$ 5,158,879</b>	<b>\$ 565,176</b>	<b>\$ 336,770</b>	<b>\$ 2,255,388</b>	<b>\$ 8,316,213</b>

**City of Sarasota, Florida**  
 Nonmajor Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Year Ended September 30, 2010

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Sports Stadium</b>	<b>Parking Management</b>	<b>Total</b>
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 2,645,537	\$ 453,661	\$ 36,264	\$ 480,395	\$ 3,615,857
Cash payments to vendors for goods and services	(1,910,367)	(158,677)	(69,914)	(205,675)	(2,344,633)
Cash payments to employees for services	(702,099)	(214,303)	(146,571)	(328,896)	(1,391,869)
Cash payments to other funds	(150,957)	(72,329)	--	(138,207)	(361,493)
Net cash provided (used) by operating activities	(117,886)	8,352	(180,221)	(192,383)	(482,138)
<b>Cash flows from noncapital financing activities</b>					
Transfers in	--	65,000	30,444	--	95,444
Transfers out	(141,910)	(2,734)	--	--	(144,644)
Net cash provided (used) by noncapital financing activities	(141,910)	62,266	30,444	--	(49,200)
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(176,903)	--	--	(15,875)	(192,778)
Net cash provided (used) by capital and related financing activities	(176,903)	--	--	(15,875)	(192,778)
<b>Cash flows from investing activities</b>					
Interest on investments	43,649	1,704	7,157	9,699	62,209
Purchase of investments	--	(23,005)	--	--	(23,005)
Proceeds from sale and maturities of investments	405,678	--	109,822	146,573	662,073
Net cash provided by investing activities	449,327	(21,301)	116,979	156,272	701,277
Net increase (decrease) in cash and cash equivalents	12,628	49,317	(32,798)	(51,986)	(22,839)
Cash and cash equivalents at beginning of year	1,101,568	31,874	229,920	291,376	1,654,738
Cash and cash equivalents at end of year	\$ 1,114,196	\$ 81,191	\$ 197,122	\$ 239,390	\$ 1,631,899

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Sports Stadium</b>	<b>Parking Management</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ (275,102)	\$ (127,332)	\$ (36,085)	\$ (259,747)	\$ (698,266)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	241,033	79,707	--	24,242	344,982
Net (increase) decrease in:					
Accounts receivable	716	148	28,841	--	29,705
Due from other governmental agencies	1,577	874	(15)	(68)	2,368
Inventories	5,404	(70)	--	--	5,334
Prepaid items	2,987	3,381	44,330	563	51,261
Net increase (decrease) in:					
Accounts payable	(177,201)	3,806	(94,819)	21,752	(246,462)
Due to other governmental agencies	--	(1,807)	(756)	(629)	(3,192)
Accrued wages	13,802	2,660	(8,254)	489	8,697
Compensated absences	(1,047)	6,944	(82,103)	(2,274)	(78,480)
Unearned revenue	16,733	23,987	(1,080)	--	39,640
Other post-employment benefits	53,212	16,054	(30,280)	23,289	62,275
Total adjustments	157,216	135,684	(144,136)	67,364	216,128
Net cash provided (used) by operating activities	\$ (117,886)	\$ 8,352	\$ (180,221)	\$ (192,383)	\$ (482,138)

**Noncash investing, capital, and financing activities**

None

**City of Sarasota, Florida**  
Water and Sewer System Enterprise Fund  
Combining Statement of Net Assets  
September 30, 2010

	<u>Revenue Account</u>	<u>Interest &amp; Sinking Accounts</u>	<u>Renewal Replacement &amp; Improvement Account</u>	<u>General Reserve Account</u>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 463,578	\$ --	\$ 414,834	\$ 3,550,864
Investments	320,446	--	292,487	2,507,524
Receivables (net):				
Accounts	3,143,439	--	--	--
Interest	989	--	1,418	9,275
Due from other funds	--	--	--	--
Due from other governmental agencies	--	--	43,825	3,373,000
Inventories	--	--	--	--
Prepaid items	204,884	--	50,294	--
Total unrestricted current assets	<u>4,133,336</u>	<u>--</u>	<u>802,858</u>	<u>9,440,663</u>
Restricted current assets:				
Cash and cash equivalents	600,917	224,349	--	--
Cash with fiscal agents	--	5,926,621	--	--
Investments	415,381	4,360,434	--	--
Accrued interest receivable	1,730	15,260	--	--
Due from other governmental agencies	--	19,956	--	--
Prepaid items	--	--	--	--
Deferred issuance costs	--	83,933	--	--
Total restricted current assets	<u>1,018,028</u>	<u>10,630,553</u>	<u>--</u>	<u>--</u>
Total current assets	<u>5,151,364</u>	<u>10,630,553</u>	<u>802,858</u>	<u>9,440,663</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable:				
Land	8,575,275	--	--	--
Art collections	--	--	--	--
Construction in progress	--	--	3,038,914	2,378,168
Depreciable:				
Buildings	25,132,252	--	--	--
Improvements	--	--	--	--
Utility systems	208,982,352	--	--	--
Equipment	1,087,322	--	6,494,129	20,012
Less accumulated depreciation	<u>(138,190,941)</u>	<u>--</u>	<u>(5,672,875)</u>	<u>(19,549)</u>
Total capital assets (net of accumulated depreciation)	<u>105,586,260</u>	<u>--</u>	<u>3,860,168</u>	<u>2,378,631</u>
Other assets:				
Advance to other funds	--	--	--	--
Deferred issuance costs	--	618,875	--	--
Total other assets	<u>--</u>	<u>618,875</u>	<u>--</u>	<u>--</u>
Total noncurrent assets	<u>105,586,260</u>	<u>618,875</u>	<u>3,860,168</u>	<u>2,378,631</u>
Total assets	<u>\$ 110,737,624</u>	<u>\$ 11,249,428</u>	<u>\$ 4,663,026</u>	<u>\$ 11,819,294</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ --	\$ 4,429,276
--	362	3,120,819
--	--	3,143,439
--	--	11,682
--	--	--
--	--	3,416,825
--	64,093	64,093
--	1,594	256,772
--	66,049	14,442,906
27,404,533	--	28,229,799
--	--	5,926,621
19,372,323	--	24,148,138
57,168	--	74,158
--	--	19,956
--	--	--
--	--	83,933
46,834,024	--	58,482,605
46,834,024	66,049	72,925,511
--	--	8,575,275
--	--	--
10,609,132	--	16,026,214
--	--	--
--	--	25,132,252
--	--	--
--	--	208,982,352
199,366	36,042	7,836,871
(99,779)	(36,042)	(144,019,186)
10,708,719	--	122,533,778
--	--	--
--	--	618,875
--	--	618,875
10,708,719	--	123,152,653
\$ 57,542,743	\$ 66,049	\$ 196,078,164

(continued)

**City of Sarasota, Florida**  
 Water and Sewer System Enterprise Fund  
 Combining Statement of Net Assets  
 September 30, 2010  
 (Concluded)

	<u>Revenue Account</u>	<u>Interest &amp; Sinking Account</u>	<u>Renewal Replacement &amp; Improvement Account</u>	<u>General Reserve Account</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 470,181	\$ --	\$ 307,839	\$ 153,014
Retainages payable	--	--	--	10,317
Due to other funds	--	--	--	--
Due to other governmental agencies	4,675	--	2,424	--
Interfund payables	--	--	--	--
Accrued interest payable	--	--	--	--
Liability for unpaid claims	--	--	--	--
Accrued wages	349,940	--	163,407	--
Compensated absences	338,847	--	75,686	--
Unearned revenue	198,554	--	--	3,343,300
Total unrestricted current liabilities	<u>1,362,197</u>	<u>--</u>	<u>549,356</u>	<u>3,506,631</u>
Current liabilities payable				
from restricted assets:				
Accounts payable	--	9,496	--	--
Retainages payable	--	--	--	--
Accrued interest payable	--	1,020,184	--	--
Customer deposits	1,029,144	--	--	--
Unearned revenue	--	--	--	--
Revenue bonds & loans payable - current	--	5,080,883	--	--
Total current liabilities payable from restricted assets	<u>1,029,144</u>	<u>6,110,563</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>2,391,341</u>	<u>6,110,563</u>	<u>549,356</u>	<u>3,506,631</u>
Noncurrent liabilities:				
Advances from other funds	--	--	--	--
Compensated absences	288,647	--	64,473	--
Other post-employment benefits	1,204,972	--	494,976	--
Revenue bonds, loans payable and unamortized premium less current maturities and deferred amount of refunding	--	72,359,732	--	--
Total noncurrent liabilities	<u>1,493,619</u>	<u>72,359,732</u>	<u>559,449</u>	<u>--</u>
Total liabilities	<u>3,884,960</u>	<u>78,470,295</u>	<u>1,108,805</u>	<u>3,506,631</u>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	105,586,260	(49,549,248)	3,860,168	2,378,631
Restricted:				
Debt service	--	9,516,940	--	--
Construction	--	(27,188,559)	--	--
Unrestricted	<u>1,266,404</u>	<u>--</u>	<u>(305,947)</u>	<u>5,934,032</u>
Total net assets	<u>\$ 106,852,664</u>	<u>\$ (67,220,867)</u>	<u>\$ 3,554,221</u>	<u>\$ 8,312,663</u>

<b>Utility Construction Accounts</b>	<b>Utility Stores Account</b>	<b>Totals</b>
\$ --	\$ 60,663	\$ 991,697
--	--	10,317
--	--	--
--	--	7,099
--	82,265	82,265
--	265	265
--	--	--
--	2,681	516,028
--	11,256	425,789
--	--	3,541,854
<u>--</u>	<u>157,130</u>	<u>5,575,314</u>
778,659	--	788,155
119,865	--	119,865
--	--	1,020,184
--	--	1,029,144
--	--	--
--	--	--
<u>--</u>	<u>--</u>	<u>5,080,883</u>
898,524	--	8,038,231
<u>898,524</u>	<u>157,130</u>	<u>13,613,545</u>
--	--	--
--	9,589	362,709
--	11,398	1,711,346
<u>--</u>	<u>--</u>	<u>72,359,732</u>
<u>--</u>	<u>20,987</u>	<u>74,433,787</u>
<u>898,524</u>	<u>178,117</u>	<u>88,047,332</u>
10,708,719	--	72,984,530
--	--	9,516,940
45,935,500	--	18,746,941
<u>--</u>	<u>(112,068)</u>	<u>6,782,421</u>
<u>\$ 56,644,219</u>	<u>\$ (112,068)</u>	<u>\$ 108,030,832</u>

**City of Sarasota, Florida**

Water and Sewer System Enterprise Fund

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

For the Year Ended September 30, 2010

	<u>Revenue Account</u>	<u>Interest &amp; Sinking Accounts</u>	<u>Renewal Replacement &amp; Improvement Account</u>	<u>General Reserve Account</u>
<b>Operating revenues</b>				
Charges for services				
Water sales	\$ 14,227,574	\$ --	\$ --	\$ --
Sewer collection fees	17,413,724	--	--	--
Connection fees	--	--	--	260,506
Reconnection fees	128,919	--	--	--
Other	--	--	60,650	--
Rents	35,496	--	--	--
Miscellaneous	87,255	--	--	--
Total operating revenues	<u>31,892,968</u>	<u>--</u>	<u>60,650</u>	<u>260,506</u>
<b>Operating expenses</b>				
Personal services	8,717,375	--	--	--
Contractual services	5,507,991	16,012	678,838	--
Repairs and maintenance	1,002,884	--	1,436,693	--
Supplies and materials	3,090,332	--	--	--
Depreciation	6,475,985	--	557,040	504
Other	33,000	--	--	--
Total operating expenses	<u>24,827,567</u>	<u>16,012</u>	<u>2,672,571</u>	<u>504</u>
Operating income (loss)	<u>7,065,401</u>	<u>(16,012)</u>	<u>(2,611,921)</u>	<u>260,002</u>
<b>Nonoperating revenues (expenses)</b>				
Grant income	--	--	--	--
Investment earnings (loss)	76,235	165,029	6,084	91,433
Interest expense	--	(1,323,112)	--	--
Loan and bond issue expense	--	(107,592)	--	--
Gain (loss) on disposition of capital assets	--	--	24,928	--
Total nonoperating revenues (expenses)	<u>76,235</u>	<u>(1,265,675)</u>	<u>31,012</u>	<u>91,433</u>
Income (loss) before capital contributions, transfers and special items	7,141,636	(1,281,687)	(2,580,909)	351,435
Intraaccount transfers in	6,266,466	18,025,628	4,892,668	731,616
Intraaccount transfers out	(13,431,979)	(37,834,201)	(2,579,322)	(1,819,193)
Transfers out	(59,652)	--	--	--
Change in net assets	(83,529)	(21,090,260)	(267,563)	(736,142)
<b>Total net assets - beginning</b>	<u>106,936,193</u>	<u>(46,130,607)</u>	<u>3,821,784</u>	<u>9,048,805</u>
<b>Total net assets - ending</b>	<u>\$ 106,852,664</u>	<u>\$ (67,220,867)</u>	<u>\$ 3,554,221</u>	<u>\$ 8,312,663</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Eliminations</u>	<u>Totals</u>
\$ --	\$ --	\$ --	\$ 14,227,574
--	--	--	17,413,724
--	--	--	260,506
--	--	--	128,919
--	309,253	(309,253)	60,650
--	--	--	35,496
--	--	--	87,255
<u>--</u>	<u>309,253</u>	<u>(309,253)</u>	<u>32,214,124</u>
--	70,244	--	8,787,619
--	99,620	--	6,302,461
--	1,708	--	2,441,285
--	131,096	(309,253)	2,912,175
27,948	--	--	7,061,477
--	--	--	33,000
<u>27,948</u>	<u>302,668</u>	<u>(309,253)</u>	<u>27,538,017</u>
<u>(27,948)</u>	<u>6,585</u>	<u>--</u>	<u>4,676,107</u>
--	--	--	--
56,931	(2,178)	--	393,534
--	--	--	(1,323,112)
--	--	--	(107,592)
<u>--</u>	<u>--</u>	<u>--</u>	<u>24,928</u>
<u>56,931</u>	<u>(2,178)</u>	<u>--</u>	<u>(1,012,242)</u>
28,983	4,407	--	3,663,865
37,141,546	--	--	67,057,924
(11,393,229)	--	--	(67,057,924)
<u>--</u>	<u>(323)</u>	<u>--</u>	<u>(59,975)</u>
25,777,300	4,084	--	3,603,890
<u>30,866,919</u>	<u>(116,152)</u>	<u>--</u>	<u>104,426,942</u>
<u>\$ 56,644,219</u>	<u>\$ (112,068)</u>	<u>\$ --</u>	<u>\$ 108,030,832</u>



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# Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments on a cost-reimbursement basis.

**Equipment Maintenance** - This fund accounts for the cost of operating a maintenance facility used to service all City motor vehicles.

**Information Technology** - This fund accounts for the cost of providing hardware and software information systems and technologies to other City Departments.

**General Benefits and Insurance** - This fund accounts for the administration of compensated absences for governmental fund departments and the City's self-insurance programs.

**Equipment Replacement** - This fund accounts for the capital funding and replacement of motor vehicles and other equipment.

**City of Sarasota, Florida**  
Internal Service Funds  
Combining Statement of Net Assets  
September 30, 2010

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ --	\$ 525,825	\$ 12,485,395	\$ 2,331,270	\$ 15,342,490
Investments	709	371,096	8,889,788	1,645,470	10,907,063
Receivables (net):					
Accounts	2,193	--	--	--	2,193
Interest	--	1,541	27,222	6,682	35,445
Due from other funds	--	--	35,438	--	35,438
Due from other					
governmental agencies	4,241	--	--	14,800	19,041
Inventories	230,830	--	--	--	230,830
Prepaid items	3,188	24,344	--	--	27,532
Total current assets	<u>241,161</u>	<u>922,806</u>	<u>21,437,843</u>	<u>3,998,222</u>	<u>26,600,032</u>
Noncurrent assets:					
Advance to other funds	--	--	154,813	--	154,813
Capital assets:					
Improvements	895,774	267,093	--	986,078	2,148,945
Equipment	368,620	2,361,016	--	7,864,775	10,594,411
Construction in progress	--	--	--	183,339	183,339
Less accumulated depreciation	(596,863)	(1,940,872)	--	(7,297,441)	(9,835,176)
Total capital assets (net of accumulated depreciation)	<u>667,531</u>	<u>687,237</u>	<u>--</u>	<u>1,736,751</u>	<u>3,091,519</u>
Total noncurrent assets	<u>667,531</u>	<u>687,237</u>	<u>154,813</u>	<u>1,736,751</u>	<u>3,246,332</u>
Total assets	<u>908,692</u>	<u>1,610,043</u>	<u>21,592,656</u>	<u>5,734,973</u>	<u>29,846,364</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	145,359	71,666	161,992	64,525	443,542
Due to other funds	35,438	--	--	--	35,438
Interfund payables	121,437	--	--	--	121,437
Interest payable	519	--	--	--	519
Liability for unpaid claims	--	--	2,680,510	--	2,680,510
Accrued wages	29,037	47,685	--	--	76,722
Compensated absences	22,522	51,628	2,506,360	--	2,580,510
Total current liabilities	<u>354,312</u>	<u>170,979</u>	<u>5,348,862</u>	<u>64,525</u>	<u>5,938,678</u>
Noncurrent liabilities:					
Advance from other funds	154,813	--	--	--	154,813
Compensated absences	19,185	43,980	2,135,048	--	2,198,213
Other post-employment benefits	98,749	153,241	--	--	251,990
Total noncurrent liabilities	<u>272,747</u>	<u>197,221</u>	<u>2,135,048</u>	<u>--</u>	<u>2,605,016</u>
Total liabilities	<u>627,059</u>	<u>368,200</u>	<u>7,483,910</u>	<u>64,525</u>	<u>8,543,694</u>
<b>Net Assets</b>					
Invested in capital assets, net of related debt					
Unrestricted	(385,898)	554,606	14,108,746	3,933,697	18,211,151
Total net assets	<u>\$ 281,633</u>	<u>\$ 1,241,843</u>	<u>\$ 14,108,746</u>	<u>\$ 5,670,448</u>	<u>\$ 21,302,670</u>

**City of Sarasota, Florida**

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Year Ended September 30, 2010

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Operating revenues</b>					
Charges for services	\$ 2,342,765	\$ 1,750,000	\$ 8,657,273	\$ 387,223	\$ 13,137,261
Miscellaneous	34,683	510	143,629	--	178,822
Total operating revenues	<u>2,377,448</u>	<u>1,750,510</u>	<u>8,800,902</u>	<u>387,223</u>	<u>13,316,083</u>
<b>Operating expenses</b>					
Personal services	749,267	952,631	2,639,532	--	4,341,430
Contractual services	179,543	297,462	7,491,323	6,020	7,974,348
Repairs and maintenance	36,154	355,325	--	500	391,979
Supplies and materials	1,551,278	24,223	--	4,079	1,579,580
Depreciation	62,875	270,771	--	671,030	1,004,676
Total operating expenses	<u>2,579,117</u>	<u>1,900,412</u>	<u>10,130,855</u>	<u>681,629</u>	<u>15,292,013</u>
Operating income (loss)	<u>(201,669)</u>	<u>(149,902)</u>	<u>(1,329,953)</u>	<u>(294,406)</u>	<u>(1,975,930)</u>
<b>Nonoperating revenues (expenses)</b>					
Grant income	--	--	--	14,800	14,800
Investment earnings (loss)	(2,023)	13,345	273,141	57,687	342,150
Interest expense	(7,311)	--	--	--	(7,311)
Gain (loss) on disposition of capital assets	1,339	91	--	31,629	33,059
Total nonoperating revenues (expenses)	<u>(7,995)</u>	<u>13,436</u>	<u>273,141</u>	<u>104,116</u>	<u>382,698</u>
Income (loss) before transfers	(209,664)	(136,466)	(1,056,812)	(190,290)	(1,593,232)
Transfers out	(607)	--	(5,678)	--	(6,285)
Change in net assets	(210,271)	(136,466)	(1,062,490)	(190,290)	(1,599,517)
<b>Total net assets - beginning</b>	<u>491,904</u>	<u>1,378,309</u>	<u>15,171,236</u>	<u>5,860,738</u>	<u>22,902,187</u>
<b>Total net assets - ending</b>	<u>\$ 281,633</u>	<u>\$ 1,241,843</u>	<u>\$ 14,108,746</u>	<u>\$ 5,670,448</u>	<u>\$ 21,302,670</u>

**City of Sarasota, Florida**  
Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended September 30, 2010

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Cash flows from operating activities</b>					
Cash received from customers and users	\$ 69,147	\$ 510	\$ 1,487,761	\$ --	\$ 1,557,418
Cash received from other funds for goods and services	2,310,356	1,750,000	7,313,141	387,223	11,760,720
Cash payments to vendors for goods and services	(1,718,273)	(664,274)	(1,034,331)	(59,745)	(3,476,623)
Cash payments to employees for services	(700,847)	(869,115)	(2,713,027)	--	(4,282,989)
Cash payments to other funds	(85,106)	--	(413,650)	(4,591)	(503,347)
Claims paid	--	--	(6,444,736)	--	(6,444,736)
Net cash provided (used) by operating activities	<u>(124,723)</u>	<u>217,121</u>	<u>(1,804,842)</u>	<u>322,887</u>	<u>(1,389,557)</u>
<b>Cash flows from noncapital financing activities</b>					
Interfund loan borrowings	121,437	--	--	--	121,437
Transfers out	(607)	--	(5,678)	--	(6,285)
Repayment of loan to/from other fund	(34,221)	--	34,221	--	--
Interest on loan to/from other fund	(7,311)	--	7,311	--	--
Net cash provided (used) by noncapital financing activities	<u>79,298</u>	<u>--</u>	<u>35,854</u>	<u>--</u>	<u>115,152</u>
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(300,913)	(296,637)	--	(306,618)	(904,168)
Proceeds from sale of capital assets	1,339	873	--	31,629	33,841
Net cash provided (used) in capital and related financing activities	<u>(299,574)</u>	<u>(295,764)</u>	<u>--</u>	<u>(274,989)</u>	<u>(870,327)</u>
<b>Cash flows from investing activities</b>					
Interest on investments	(1,241)	16,651	324,009	70,899	410,318
Proceeds from sale and maturities of investments	180,269	127,152	2,973,663	358,785	3,639,869
Net cash provided (used) by investing activities	<u>179,028</u>	<u>143,803</u>	<u>3,297,672</u>	<u>429,684</u>	<u>4,050,187</u>
Net increase (decrease) in cash and cash equivalents	(165,971)	65,160	1,528,684	477,582	1,905,455
Cash and cash equivalents at beginning of year	165,971	460,665	10,956,711	1,853,688	13,437,035
Cash and cash equivalents at end of year	<u>\$ --</u>	<u>\$ 525,825</u>	<u>\$ 12,485,395</u>	<u>\$ 2,331,270</u>	<u>\$ 15,342,490</u>

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ (201,669)	\$ (149,902)	\$ (1,329,953)	\$ (294,406)	\$ (1,975,930)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	62,875	270,771	--	671,030	1,004,676
Net (increase) decrease in:					
Accounts receivable	2,055	--	--	--	2,055
Due from other governmental agencies	(4,241)	--	--	--	(4,241)
Inventories	(86,380)	--	--	--	(86,380)
Prepaid items	1,532	9,706	--	--	11,238
Net increase (decrease) in:					
Accounts payable	52,685	3,030	(20,632)	(53,737)	(18,654)
Liability for unpaid claims	--	--	(380,762)	--	(380,762)
Accrued wages	(2,674)	10,157	--	--	7,483
Compensated absences	5,085	9,307	(73,495)	--	(59,103)
Other post-employment benefits	46,009	64,052	--	--	110,061
Total adjustments	<u>76,946</u>	<u>367,023</u>	<u>(474,889)</u>	<u>617,293</u>	<u>586,373</u>
Net cash provided (used) by operating activities	<u>\$ (124,723)</u>	<u>\$ 217,121</u>	<u>\$ (1,804,842)</u>	<u>\$ 322,887</u>	<u>\$ (1,389,557)</u>
<b>Noncash investing, capital, and financing activities</b>					
None					



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# Fiduciary Funds

## Trust Funds

Trust funds are used to account for assets held by the government in a trustee capacity. They are accounted for in essentially the same manner as enterprise funds since capital maintenance is critical.

### Pension Trust Funds

**General Employees' Pension** - This fund is used to account for the accumulation of resources for pension benefit payments to participants of the City's General Employees' Pension Plan.

**Police Officers' Pension** - This fund is used to account for the accumulation of resources for pension benefit payments to participants of the City's Police Officers' Pension Plan.

**Firefighters' Pension** - This fund is used to account for the accumulation of resources for pension benefit payments to participants of the City's Firefighters' Pension Plan.

**Other Post-Employment Benefits Trust Fund** - This fund is used to account for the future liability of costs for medical/prescription/dental coverage, extended life insurance coverage and benefits under the Employee Assistance Program available to retirees and their dependents.

## Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations and other governmental units. They are custodial in nature and do not involve the measurement of results of operations.

**Impact Fees** - This fund is used to account for fees collected from citizens and disbursed to Sarasota County.

**Van Wezel Non-City** - This fund is used to account for the collection and distribution of ticket sales for non-city sponsored events held at the Van Wezel Performing Arts Hall.

**City of Sarasota, Florida**  
Fiduciary Funds  
Combining Statement of Plan Net Assets  
September 30, 2010

	Pension Trust Funds			Other Post- Employment	Total
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Benefits (OPEB)	
<b>Assets</b>					
Cash and cash equivalents	\$ 159,947	\$ 770,676	\$ 265,444	\$ 660,992	\$ 1,857,059
Investments:					
Money market funds	4,577,967	1,349,917	2,978,499	764,932	9,671,315
U.S. Government securities	8,603,312	--	1,324,802	2,931,880	12,859,994
U.S. Government agency securities	9,718,183	--	722,479	--	10,440,662
Common and preferred stock	64,236,433	71,872,252	55,587,909	8,273,003	199,969,597
Corporate bonds and notes	7,764,070	--	15,204,609	--	22,968,679
Bond mutual funds	--	36,636,245	--	--	36,636,245
Real estate mutual funds	--	11,604,002	8,139,560	--	19,743,562
Mortgage backed securities	--	--	2,418,674	313,990	2,732,664
Foreign stocks	15,874,071	--	9,399,750	--	25,273,821
Foreign mutual funds	--	20,497,564	--	1,848,313	22,345,877
Total investments	<u>110,774,036</u>	<u>141,959,980</u>	<u>95,776,282</u>	<u>14,132,118</u>	<u>362,642,416</u>
Receivables (net):					
Accounts	83,739	52,054	2,998	--	138,791
Interest and dividends	220,548	87,900	302,861	1,452	612,761
Due from other governmental agencies	2,574	70,830	--	--	73,404
Total receivables	<u>306,861</u>	<u>210,784</u>	<u>305,859</u>	<u>1,452</u>	<u>824,956</u>
Other assets:					
Share account loans	--	--	95,218	--	95,218
Prepaid items	8,795	9,878	17,615	--	36,288
Equipment	575	6,118	1,042	--	7,735
Less accumulated depreciation	(575)	(6,045)	(546)	--	(7,166)
Total other assets	<u>8,795</u>	<u>9,951</u>	<u>113,329</u>	<u>--</u>	<u>132,075</u>
Total assets	<u>111,249,639</u>	<u>142,951,391</u>	<u>96,460,914</u>	<u>14,794,562</u>	<u>365,456,506</u>
<b>Liabilities</b>					
Accounts payable	177,578	152,105	127,026	169,203	625,912
Due to other governmental agencies	--	--	108,699	--	108,699
Liability for unpaid claims	--	--	--	433,884	433,884
Accrued wages and unpaid vacation	15,742	16,638	16,644	--	49,024
Unearned revenue	15,669	15,750	166,615	--	198,034
Accrued benefits	1,064,478	4,076,814	4,506,580	--	9,647,872
Total liabilities	<u>1,273,467</u>	<u>4,261,307</u>	<u>4,925,564</u>	<u>603,087</u>	<u>11,063,425</u>
<b>Net Assets</b>					
Held in trust for pension and OPEB benefits	<u>\$ 109,976,172</u>	<u>\$ 138,690,084</u>	<u>\$ 91,535,350</u>	<u>\$ 14,191,475</u>	<u>\$ 354,393,081</u>

**City of Sarasota, Florida**

Fiduciary Funds

Combining Statement of Changes in Plan Net Assets

For the Year Ended September 30, 2010

	Pension Trust Funds			Other Post- Employment Benefits (OPEB)	Total
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension		
<b>Additions</b>					
Contributions:					
Plan members	\$ 1,250,967	\$ 847,875	\$ 240,191	\$ 827,713	\$ 3,166,746
Employer					
City of Sarasota	2,700,630	3,373,700	1,598,746	8,203,677	15,876,753
Sarasota County	66,091	--	3,337,529	--	3,403,620
State on behalf payments, through General Fund	--	567,962	729,962	--	1,297,924
Other	38,045	75,094	21,072	251,276	385,487
Total contributions	<u>4,055,733</u>	<u>4,864,631</u>	<u>5,927,500</u>	<u>9,282,666</u>	<u>24,130,530</u>
Investment income :					
Net increase in fair value of investments	6,452,609	8,887,510	7,156,235	859,565	23,355,919
Interest	1,069,286	255	1,009,783	167,052	2,246,376
Dividends	1,387,513	3,516,488	1,311,784	119,800	6,335,585
Total investment income	<u>8,909,408</u>	<u>12,404,253</u>	<u>9,477,802</u>	<u>1,146,417</u>	<u>31,937,880</u>
Less investment expense	<u>(699,187)</u>	<u>(908,465)</u>	<u>(579,398)</u>	<u>(135,917)</u>	<u>(2,322,967)</u>
Net investment income	<u>8,210,221</u>	<u>11,495,788</u>	<u>8,898,404</u>	<u>1,010,500</u>	<u>29,614,913</u>
Total additions	<u>12,265,954</u>	<u>16,360,419</u>	<u>14,825,904</u>	<u>10,293,166</u>	<u>53,745,443</u>
<b>Deductions</b>					
Benefits	8,260,961	8,368,042	7,915,912	4,017,256	28,562,171
Share expense	--	--	616,783	--	616,783
Other benefits	--	--	291,466	--	291,466
Administrative expenses	117,461	153,897	152,436	693,465	1,117,259
Refunds of contributions	142,338	82,969	--	--	225,307
Total deductions	<u>8,520,760</u>	<u>8,604,908</u>	<u>8,976,597</u>	<u>4,710,721</u>	<u>30,812,986</u>
Change in net assets	3,745,194	7,755,511	5,849,307	5,582,445	22,932,457
<b>Total net assets - beginning</b>	<u>106,230,978</u>	<u>130,934,573</u>	<u>85,686,043</u>	<u>8,609,030</u>	<u>331,460,624</u>
<b>Total net assets - ending</b>	<u>\$ 109,976,172</u>	<u>\$ 138,690,084</u>	<u>\$ 91,535,350</u>	<u>\$ 14,191,475</u>	<u>\$ 354,393,081</u>

**City of Sarasota, Florida**

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended September 30, 2010

	Balance October 1, 2009	Additions	Deductions	Balance September 30, 2010
<b>Impact Fees</b>				
Assets				
Cash and cash equivalents	\$ 12	\$ 503,529	\$ 503,541	\$ --
Investments	13	3,461	3,474	--
Accrued interest receivable	--	2,250	2,224	26
Total assets	<u>\$ 25</u>	<u>\$ 509,240</u>	<u>\$ 509,239</u>	<u>\$ 26</u>
Liabilities				
Accrued liabilities	\$ 25	\$ 941,643	\$ 941,642	\$ 26
Total liabilities	<u>\$ 25</u>	<u>\$ 941,643</u>	<u>\$ 941,642</u>	<u>\$ 26</u>
<b>Van Wezel Non-City</b>				
Assets				
Cash and cash equivalents	\$ 7,016	\$ 10,222	\$ 17,238	\$ --
Investments	7,620	882	8,502	--
Accrued interest receivable	40	463	479	24
Total assets	<u>\$ 14,676</u>	<u>\$ 11,567</u>	<u>\$ 26,219</u>	<u>\$ 24</u>
Liabilities				
Accrued liabilities	\$ 14,676	\$ 1,022	\$ 15,674	\$ 24
Total liabilities	<u>\$ 14,676</u>	<u>\$ 1,022</u>	<u>\$ 15,674</u>	<u>\$ 24</u>
<b>Total - Agency Funds</b>				
Assets				
Cash and cash equivalents	\$ 7,028	\$ 513,751	\$ 520,779	\$ --
Investments	7,633	4,343	11,976	--
Accrued interest receivable	40	2,713	2,703	50
Total assets	<u>\$ 14,701</u>	<u>\$ 520,807</u>	<u>\$ 535,458</u>	<u>\$ 50</u>
Liabilities				
Accrued liabilities	14,701	942,665	957,316	50
Total liabilities	<u>\$ 14,701</u>	<u>\$ 942,665</u>	<u>\$ 957,316</u>	<u>\$ 50</u>

# Statistical Section

This part of the City of Sarasota'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 City's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	146-155
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources.	156-160
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	162-169
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	170-171
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	172-175

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City of Sarasota implemented GASB Statement 34 in fiscal year 2001-2002; statistical schedules presenting government-wide information include information beginning in that year.

**City of Sarasota, Florida**  
Net Assets by Component  
Last Nine Fiscal Years  
*(accrual basis of accounting)*

	<b>Fiscal Year</b>			
	<b>2009-10</b>	<b>2008 - 09</b>	<b>2007 - 08</b>	<b>2006 - 07</b>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 149,451,384	\$ 137,954,949	\$ 133,000,217	\$ 129,822,789
Restricted	66,977,332	70,136,846	59,984,371	50,491,705
Unrestricted	<u>28,875,274</u>	<u>30,804,957</u>	<u>32,414,729</u>	<u>29,107,634</u>
Total governmental activities net assets	<u>\$ 245,303,990</u>	<u>\$ 238,896,752</u>	<u>\$ 225,399,317</u>	<u>\$ 209,422,128</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 97,801,582	\$ 93,364,115	\$ 112,285,316	\$ 109,539,036
Restricted	28,263,881	38,121,603	22,979,650	22,313,235
Unrestricted	<u>17,126,986</u>	<u>9,905,510</u>	<u>10,509,484</u>	<u>11,104,565</u>
Total business-type activities net assets	<u>\$ 143,192,449</u>	<u>\$ 141,391,228</u>	<u>\$ 145,774,450</u>	<u>\$ 142,956,836</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 247,252,966	\$ 231,319,064	\$ 245,285,533	\$ 239,361,825
Restricted	95,241,213	108,258,449	82,964,021	72,804,940
Unrestricted	<u>46,002,260</u>	<u>40,710,467</u>	<u>42,924,213</u>	<u>40,212,199</u>
Total primary government net assets	<u>\$ 388,496,439</u>	<u>\$ 380,287,980</u>	<u>\$ 371,173,767</u>	<u>\$ 352,378,964</u>

Fiscal Year				
2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ 117,220,351	\$ 97,796,211	\$ 90,472,085	\$ 78,156,698	\$ 70,231,787
50,070,947	47,143,195	41,019,742	40,884,869	39,919,959
24,396,995	29,407,288	27,215,768	27,365,454	24,516,785
<u>\$ 191,688,293</u>	<u>\$ 174,346,694</u>	<u>\$ 158,707,595</u>	<u>\$ 146,407,021</u>	<u>\$ 134,668,531</u>
\$ 101,629,742	\$ 97,496,371	\$ 102,163,981	\$ 102,259,788	\$ 97,131,821
25,619,374	29,046,315	24,546,089	25,369,342	29,384,670
11,432,134	12,229,472	11,450,395	10,406,774	11,166,433
<u>\$ 138,681,250</u>	<u>\$ 138,772,158</u>	<u>\$ 138,160,465</u>	<u>\$ 138,035,904</u>	<u>\$ 137,682,924</u>
\$ 218,850,093	\$ 195,292,582	\$ 192,636,066	\$ 180,416,486	\$ 167,363,608
75,690,321	76,189,510	65,565,831	66,254,211	69,304,629
35,829,129	41,636,760	38,666,163	37,772,228	35,683,218
<u>\$ 330,369,543</u>	<u>\$ 313,118,852</u>	<u>\$ 296,868,060</u>	<u>\$ 284,442,925</u>	<u>\$ 272,351,455</u>

**City of Sarasota, Florida**  
 Changes in Net Assets  
 Last Nine Fiscal Years  
*(accrual basis of accounting)*

	Fiscal Year			
	2009-10	2008 - 09	2007 - 08	2006 - 07
<b>Expenses</b>				
Governmental activities:				
General government	\$ 11,443,849	\$ 10,575,101	\$ 10,287,848	\$ 10,899,553
Public safety	36,739,868	36,258,670	37,511,528	32,746,468
Physical environment	3,138,997	8,202,267	3,492,376	3,610,591
Transportation	7,275,556	7,619,536	8,355,780	8,621,398
Culture and recreation	2,043,875	1,880,557	2,167,296	1,815,131
Economic environment	9,239,967	7,076,916	6,936,439	8,995,712
Interest on long-term debt	4,692,235	4,191,843	3,899,134	2,279,026
Total governmental activities expenses	<u>74,574,347</u>	<u>75,804,890</u>	<u>72,650,401</u>	<u>68,967,879</u>
Business-type activities:				
Water and Sewer	28,968,721	29,568,006	30,199,955	29,820,490
Van Wezel	8,390,401	8,203,957	9,149,354	11,349,215
Solid Waste	10,010,227	9,691,991	9,818,963	10,042,121
Bobby Jones Golf Course	2,903,190	3,074,905	3,113,707	2,949,369
Municipal Auditoriums	555,984	566,605	678,336	594,070
Sports Stadium	44,588	1,287,944	1,466,807	1,589,071
Parking Management	740,142	784,440	868,659	765,339
Mobile Home Park	--	--	--	--
Total business-type activities expenses	<u>51,613,253</u>	<u>53,177,848</u>	<u>55,295,781</u>	<u>57,109,675</u>
Total primary government expenses	<u>\$ 126,187,600</u>	<u>\$ 128,982,738</u>	<u>\$ 127,946,182</u>	<u>\$ 126,077,554</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 588,417	\$ 735,466	\$ 1,161,479	\$ 1,320,772
Public safety	3,334,462	2,630,831	3,506,335	2,756,092
Physical environment	59,829	141,334	82,293	21,348
Transportation	307,786	356,827	180,092	397,459
Culture and recreation	77,959	58,749	53,716	38,527
Economic environment	-	5,042	56	9
Operating grants and contributions	12,007,830	15,775,263	8,404,372	7,420,007
Capital grants and contributions	2,173,553	528,392	639,811	2,071,310
Total governmental activities program revenues	<u>18,549,836</u>	<u>20,231,904</u>	<u>14,028,154</u>	<u>14,025,524</u>
Business-type activities:				
Charges for Services				
Water and Sewer	32,214,124	30,901,016	32,177,630	32,296,055
Van Wezel	7,529,568	7,029,343	7,026,517	9,046,598
Solid Waste	10,472,696	10,317,753	10,822,621	10,615,043
Bobby Jones Golf Course	2,628,088	3,055,072	3,158,508	3,320,376
Municipal Auditoriums	428,652	439,964	407,473	382,498
Sports Stadium	8,503	583,029	635,428	700,088
Parking Management	480,395	468,465	531,275	435,951
Mobile Home Park	--	--	--	--
Operating grants and contributions	204,558	132,214	201,848	501,723
Capital grants and contributions	--	22,500	--	--
Total business-type activities program revenues	<u>53,966,584</u>	<u>52,949,356</u>	<u>54,961,300</u>	<u>57,298,332</u>
Total primary government program revenues	<u>\$ 72,516,420</u>	<u>\$ 73,181,260</u>	<u>\$ 68,989,454</u>	<u>\$ 71,323,856</u>

Fiscal Year				
2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ 7,821,379	\$ 7,423,720	\$ 9,044,325	\$ 8,122,622	\$ 7,771,598
31,383,128	28,106,970	27,376,705	23,534,512	22,078,749
3,766,791	2,950,548	4,167,618	3,640,111	3,541,856
8,078,302	7,401,451	7,942,419	7,445,591	7,340,316
1,395,900	1,267,238	1,483,015	1,680,494	1,077,774
13,711,861	10,950,202	9,644,767	6,247,648	6,454,810
1,953,660	1,966,514	2,145,342	2,133,359	2,524,116
<u>68,111,021</u>	<u>60,066,643</u>	<u>61,804,191</u>	<u>52,804,337</u>	<u>50,789,219</u>
28,826,047	26,538,859	26,114,481	24,714,305	23,840,242
10,772,524	10,657,709	9,366,437	8,970,881	8,061,601
10,101,444	9,934,270	9,604,603	9,466,948	9,078,728
2,855,809	2,766,549	2,764,920	2,593,950	2,610,549
518,293	487,230	464,662	445,458	369,421
1,466,730	1,319,972	1,105,264	1,117,620	1,163,721
481,678	451,616	418,217	423,810	394,507
--	--	--	--	218,721
<u>55,022,525</u>	<u>52,156,205</u>	<u>49,838,584</u>	<u>47,732,972</u>	<u>45,737,490</u>
<u>\$ 123,133,546</u>	<u>\$ 112,222,848</u>	<u>\$ 111,642,775</u>	<u>\$ 100,537,309</u>	<u>\$ 96,526,709</u>
\$ 1,311,316	\$ 925,733	\$ 330,892	\$ 586,174	\$ 402,212
3,080,895	4,352,243	4,730,587	2,781,159	2,823,903
34,233	35,712	64,497	28,248	77,317
210,575	192,518	233,616	194,857	117,889
48,731	14,054	480,017	--	--
9	12	21,050	27,710	1,320
13,474,322	12,219,756	11,912,455	8,438,175	10,569,289
1,304,268	477,155	2,831,510	3,136,367	1,626,545
<u>19,464,349</u>	<u>18,217,183</u>	<u>20,604,624</u>	<u>15,192,690</u>	<u>15,618,475</u>
27,529,350	26,520,976	26,158,523	25,108,542	24,673,200
9,080,683	8,838,206	7,561,448	8,001,910	6,745,296
10,342,746	9,928,913	9,409,946	9,293,771	9,327,051
3,177,314	2,794,651	2,578,114	2,317,212	2,354,537
306,118	321,261	310,409	290,558	245,519
733,874	644,786	597,404	540,748	531,732
543,119	600,264	494,115	521,120	438,411
--	--	--	--	83,993
422,440	613,347	340,099	410,408	589,337
--	--	--	--	18,644
<u>52,135,644</u>	<u>50,262,404</u>	<u>47,450,058</u>	<u>46,484,269</u>	<u>45,007,720</u>
<u>\$ 71,599,993</u>	<u>\$ 68,479,587</u>	<u>\$ 68,054,682</u>	<u>\$ 61,676,959</u>	<u>\$ 60,626,195</u>

(continued)

**City of Sarasota, Florida**

Changes in Net Assets

Last Nine Fiscal Years

(accrual basis of accounting) - continued

	Fiscal Year			
	2009 - 10	2008 - 09	2007 - 08	2006 - 07
<b>Net (Expense)/Revenue</b>				
Government activities	\$ (56,024,511)	\$ (55,572,986)	\$ (58,622,247)	\$ (54,942,355)
Business type activities	2,353,331	(228,492)	(334,481)	188,657
Total primary government net expense	<u>\$ (53,671,180)</u>	<u>\$ (55,801,478)</u>	<u>\$ (58,956,728)</u>	<u>\$ (54,753,698)</u>
<b>General Revenues and Other</b>				
<b>Changes in Net Assets</b>				
Government activities:				
Taxes				
Property taxes	\$ 30,041,199	\$ 33,442,478	\$ 37,508,142	\$ 33,984,722
Gasoline taxes	2,419,349	2,479,705	2,623,552	2,977,993
Sales tax	8,779,577	9,104,589	10,435,829	11,803,299
Franchise fees	4,905,213	5,319,627	5,208,466	5,578,299
Public service taxes	9,750,249	9,641,138	9,814,032	9,750,102
Occupational licenses	727,042	791,565	901,775	725,009
Other taxes	42,642	46,754	31,997	29,625
State revenue sharing, unrestricted	1,740,465	1,751,959	1,810,801	1,868,955
Investment earnings	2,536,040	5,151,426	5,581,277	6,144,768
Miscellaneous	1,578,444	1,840,645	1,390,503	1,496,111
Gain (loss) on sale of capital assets	1,578	36,284	1,108,489	(42,716)
Transfers	(90,049)	(535,749)	(1,815,427)	(1,639,977)
Total governmental activities	<u>62,431,749</u>	<u>69,070,421</u>	<u>74,599,436</u>	<u>72,676,190</u>
Business-type activities:				
Investment earnings	607,582	1,099,058	1,266,216	2,153,440
Gain on sale of capital assets	27,305	14,250	70,452	293,512
Extraordinary item -				
Closing of Mobile Home Park	--	--	--	--
Special item -				
Stadium Impairment Loss	(1,277,046)	(5,803,787)	--	--
Transfers	90,049	535,749	1,815,427	1,639,977
Total business-type activities	<u>(552,110)</u>	<u>(4,154,730)</u>	<u>3,152,095</u>	<u>4,086,929</u>
Total primary government	<u>\$ 61,879,639</u>	<u>\$ 64,915,691</u>	<u>\$ 77,751,531</u>	<u>\$ 76,763,119</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 6,407,238	\$ 13,497,435	\$ 15,977,189	\$ 17,733,835
Business-type activities	1,801,221	(4,383,222)	2,817,614	4,275,586
Total primary government	<u>\$ 8,208,459</u>	<u>\$ 9,114,213</u>	<u>\$ 18,794,803</u>	<u>\$ 22,009,421</u>

Fiscal Year				
2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ (48,646,672)	\$ (41,849,460)	\$ (41,199,567)	\$ (37,611,647)	\$ (35,170,744)
(2,886,881)	(1,893,801)	(2,388,526)	(1,248,703)	(729,770)
<u>\$ (51,533,553)</u>	<u>\$ (43,743,261)</u>	<u>\$ (43,588,093)</u>	<u>\$ (38,860,350)</u>	<u>\$ (35,900,514)</u>
\$ 26,736,289	\$ 22,526,048	\$ 19,625,873	\$ 17,581,521	\$ 14,272,770
3,064,861	3,017,148	2,983,294	2,910,654	2,966,544
12,631,196	12,619,735	11,411,870	10,823,663	10,399,530
5,451,451	4,415,624	4,114,225	3,840,178	3,593,193
9,899,607	9,722,636	9,371,751	10,156,178	10,109,163
739,807	692,386	719,254	686,487	626,173
30,412	30,609	29,836	29,151	28,843
2,176,497	1,846,453	1,542,063	1,457,001	1,456,791
4,083,309	2,321,445	1,878,837	1,691,361	2,544,649
1,269,978	1,998,014	2,501,272	866,336	869,915
895,995	49,557	774,381	55,931	36,994
(991,131)	(1,751,096)	(1,452,515)	(748,324)	(322,142)
<u>65,988,271</u>	<u>57,488,559</u>	<u>53,500,141</u>	<u>49,350,137</u>	<u>46,582,423</u>
1,791,699	679,328	730,885	772,046	1,225,097
13,143	75,070	329,687	81,313	14,704
--	--	--	--	(153,335)
--	--	--	--	--
991,131	1,751,096	1,452,515	748,324	322,142
<u>2,795,973</u>	<u>2,505,494</u>	<u>2,513,087</u>	<u>1,601,683</u>	<u>1,408,608</u>
<u>\$ 68,784,244</u>	<u>\$ 59,994,053</u>	<u>\$ 56,013,228</u>	<u>\$ 50,951,820</u>	<u>\$ 47,991,031</u>
\$ 17,341,599	\$ 15,639,099	\$ 12,300,574	\$ 11,738,490	\$ 11,411,679
(90,908)	611,693	124,561	352,980	678,838
<u>\$ 17,250,691</u>	<u>\$ 16,250,792</u>	<u>\$ 12,425,135</u>	<u>\$ 12,091,470</u>	<u>\$ 12,090,517</u>

**City of Sarasota, Florida**

## Fund Balances of Governmental Funds

Last Ten Fiscal Years

*(modified accrual asis of accounting)*

	Fiscal Year			
	2009-10	2008 - 09	2007 - 08	2006 - 07
General Fund				
Reserved	\$ 1,249,786	\$ 1,380,908	\$ 1,717,963	\$ 2,950,801
Unreserved	20,592,274	19,124,755	20,351,671	19,416,753
Total general fund	<u>\$ 21,842,060</u>	<u>\$ 20,505,663</u>	<u>\$ 22,069,634</u>	<u>\$ 22,367,554</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 5,516,287	\$ 5,193,504	\$ 8,600,542	\$ 6,092,975
Debt service funds	8,280,918	10,022,299	7,713,962	7,012,869
Capital projects funds	\$ 18,835,383	43,605,787	45,022,779	46,342,999
Unreserved, reported in:				
Special revenue funds	53,545,951	57,083,606	48,778,372	36,233,935
Debt service funds	(5,808)	--	--	--
Capital projects funds	582,347	1,143,661	--	--
Total all other governmental funds	<u>\$ 86,755,078</u>	<u>\$ 117,048,857</u>	<u>\$ 110,115,655</u>	<u>\$ 95,682,778</u>

Fiscal Year					
2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02	2000 - 01
\$ 2,438,328	\$ 3,059,378	\$ 2,848,796	\$ 2,885,082	\$ 2,571,187	\$ 2,737,158
18,264,778	13,235,630	11,944,226	11,976,563	11,104,911	8,883,695
<u>\$ 20,703,106</u>	<u>\$ 16,295,008</u>	<u>\$ 14,793,022</u>	<u>\$ 14,861,645</u>	<u>\$ 13,676,098</u>	<u>\$ 11,620,853</u>
\$ 12,707,155	\$ 6,487,759	\$ 6,518,060	\$ 3,421,895	\$ 5,861,787	\$ 2,794,724
6,543,937	5,990,201	6,328,616	6,277,938	7,008,197	6,860,764
2,936,696	2,100,856	3,095,513	8,911,925	7,697,629	13,709,735
29,272,247	32,825,208	25,346,400	21,375,385	16,923,322	16,407,466
--	(5,928)	(35,755)	--	--	--
--	--	--	(586,687)	(856,640)	--
<u>\$ 51,460,035</u>	<u>\$ 47,398,096</u>	<u>\$ 41,252,834</u>	<u>\$ 39,400,456</u>	<u>\$ 36,634,295</u>	<u>\$ 39,772,689</u>

**City of Sarasota, Florida**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2009-10	2008 - 09	2007 - 08	2006 - 07
<b>Revenues</b>				
Taxes	\$ 43,014,113	\$ 48,102,594	\$ 49,995,155	\$ 46,813,203
Franchise fees	4,905,213	5,319,627	5,208,466	5,578,298
Special assessments	100,000	95,000	95,000	80,000
Licenses and permits	2,429,056	1,752,050	3,543,118	2,771,644
Intergovernmental	23,975,380	25,139,466	21,062,863	21,683,562
Charges for services	1,805,694	2,102,245	2,109,925	2,432,373
Charges to other funds	4,365,067	4,419,805	4,349,457	5,452,096
Fines and forfeits	1,005,681	893,217	912,839	1,320,276
Investment earnings	2,193,890	4,487,271	4,920,722	5,176,574
Miscellaneous	1,713,286	1,708,684	2,466,442	2,432,516
Contributions	--	--	--	--
Total revenues	<u>85,507,380</u>	<u>94,019,959</u>	<u>94,663,987</u>	<u>93,740,542</u>
<b>Expenditures</b>				
Current:				
General government	13,972,130	14,549,145	15,398,101	17,283,464
Public safety	33,481,146	35,232,364	36,501,295	33,432,710
Physical environment	2,883,287	8,174,910	3,528,637	3,792,915
Transportation	3,770,379	4,831,724	5,569,802	5,885,394
Culture and recreation	480,479	301,778	464,595	587,461
Economic environment	9,137,088	7,042,409	6,890,211	8,883,313
Debt service:				
Principal	7,753,493	4,456,205	5,188,507	4,796,158
Interest and other charges	4,938,083	3,913,467	3,689,685	1,655,075
Bond issuance costs	400,495	64,113	47,570	560,980
Capital outlay	37,564,418	30,625,828	7,318,614	15,852,224
Total expenditures	<u>114,380,998</u>	<u>109,191,943</u>	<u>84,597,017</u>	<u>92,729,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,873,618)</u>	<u>(15,171,984)</u>	<u>10,066,970</u>	<u>1,010,848</u>
<b>Other financing sources (uses)</b>				
Transfers in	10,600,893	12,127,023	9,065,765	14,472,479
Transfers out	(10,684,657)	(12,651,808)	(10,797,778)	(16,177,625)
Refunding and new bonds issued	--	--	--	--
Loans issued	--	--	--	--
Premium on loans issued	--	--	--	--
General obligation bonds issued	--	21,066,000	5,800,000	46,305,000
Premium on bonds issued	--	--	--	276,489
Payments to escrow agent	--	--	--	--
Total other financing sources (uses)	<u>(83,764)</u>	<u>20,541,215</u>	<u>4,067,987</u>	<u>44,876,343</u>
<b>Net change in fund balances</b>	<u>\$ (28,957,382)</u>	<u>\$ 5,369,231</u>	<u>\$ 14,134,957</u>	<u>\$ 45,887,191</u>
<b>Capital outlay in functional categories</b>	\$ 730,919	\$ 646,034	\$ 1,243,974	\$ 1,151,733
<b>Debt service as a percentage of noncapital expenditures</b>	16.68%	10.74%	11.68%	8.52%

Fiscal Year					
2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02	2000 - 01
\$ 40,074,514	\$ 35,331,253	\$ 32,072,484	\$ 30,765,320	\$ 27,818,376	\$ 25,449,473
5,451,541	4,415,624	4,114,225	3,840,178	3,593,194	4,448,446
111,852	104,768	97,980	96,047	89,343	90,171
2,991,586	4,332,541	4,468,586	2,630,373	2,598,206	2,646,326
28,843,941	26,436,856	26,342,081	23,084,167	22,658,794	21,177,791
2,560,540	2,052,188	1,858,325	1,643,903	1,104,884	1,075,984
5,123,752	4,721,887	4,011,422	3,905,496	3,741,118	3,606,722
1,121,965	1,366,904	1,274,760	1,102,277	1,341,157	1,112,503
3,569,826	2,042,116	1,572,768	1,408,070	2,071,894	4,295,178
2,129,211	1,979,334	4,437,324	1,587,155	1,652,044	3,561,944
--	--	--	--	--	100
<u>91,978,728</u>	<u>82,783,471</u>	<u>80,249,955</u>	<u>70,062,986</u>	<u>66,669,010</u>	<u>67,464,638</u>
13,482,866	12,337,813	11,607,461	11,827,183	10,936,701	10,711,424
30,796,766	27,738,867	26,063,776	23,005,750	21,321,258	20,918,501
3,895,159	3,134,105	4,746,781	3,514,685	3,428,423	7,023,341
5,473,201	5,004,271	5,644,667	5,071,684	4,989,884	3,633,013
360,289	488,292	600,721	740,837	338,584	38,582
13,701,861	10,950,714	9,572,416	6,229,537	6,433,547	4,289,610
5,270,000	5,775,000	5,435,000	5,790,000	10,990,000	4,945,171
1,124,429	1,254,166	1,453,776	1,525,569	1,967,092	2,020,441
--	--	--	--	--	--
8,346,688	12,298,006	12,472,340	12,813,633	6,956,999	11,293,265
<u>82,451,259</u>	<u>78,981,234</u>	<u>77,596,938</u>	<u>70,518,878</u>	<u>67,362,488</u>	<u>64,873,348</u>
9,527,469	3,802,237	2,653,017	(455,892)	(693,478)	2,591,290
9,995,906	6,301,615	7,044,902	4,976,916	17,872,620	6,594,898
(11,053,338)	(8,051,793)	(7,914,164)	(5,719,316)	(20,104,646)	(8,894,768)
--	--	--	--	--	--
--	5,545,000	--	5,150,000	1,322,521	4,885,000
--	50,189	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	(1,378,241)	--
<u>(1,057,432)</u>	<u>3,845,011</u>	<u>(869,262)</u>	<u>4,407,600</u>	<u>(2,287,746)</u>	<u>2,585,130</u>
<u>\$ 8,470,037</u>	<u>\$ 7,647,248</u>	<u>\$ 1,783,755</u>	<u>\$ 3,951,708</u>	<u>\$ (2,981,224)</u>	<u>\$ 5,176,420</u>
\$ 1,339,264	\$ 1,075,235	\$ 782,623	\$ 548,893	\$ 542,124	\$ --
8.79%	10.71%	10.71%	12.80%	21.64%	13.00%

**City of Sarasota, Florida**

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended September 30,	Real Property			Personal Property	Less: Tax-Exempt Property	Taxable Assessed Value	Total Direct Rate
	Residential Property	Commercial Property	Industrial Property				
2010	\$ 7,130,741	\$ 2,160,428	\$ 2,163,206	\$ 550,731	\$ 3,826,384	\$ 8,178,722	3.1523
2009	8,778,639	2,111,301	2,179,937	592,967	4,445,580	9,217,263	3.1062
2008	9,998,951	2,462,680	2,272,040	616,266	5,014,413	10,335,525	3.1662
2007	10,085,057	2,224,421	2,151,796	553,933	5,299,090	9,716,116	2.9996
2006	7,344,535	1,853,708	1,816,967	536,491	3,956,378	7,595,324	3.0087
2005	6,251,452	1,504,981	1,511,560	534,563	3,335,225	6,467,330	3.0184
2004	5,300,332	1,367,501	1,177,408	590,962	2,846,720	5,589,482	3.1499
2003	4,289,562	1,227,721	991,678	614,499	2,243,189	4,880,272	3.2372
2002	3,468,361	1,074,060	906,177	588,959	1,824,048	4,213,509	3.1713
2001	2,973,503	993,690	824,560	590,393	1,605,427	3,776,719	3.2614

**Source:** Sarasota County Property Appraiser**Note:** Property is assessed at market value. The Save Our Homes Amendment caps homesteaded property at a maximum increase in the taxable value to 3% per year. Tax rates are per \$1,000 of assessed value.

**City of Sarasota, Florida**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

<b>Fiscal Year Ended September 30,</b>	<b>City of Sarasota</b>			<b>Overlapping Rates <sup>a</sup></b>		<b>Total Direct &amp; Overlapping Rates</b>
	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total City Millage</b>	<b>Sarasota County</b>	<b>School Board of Sarasota County</b>	
2010	2.7771	0.3752	3.1523	5.6591	7.427	16.2384
2009	2.7771	0.3291	3.1062	4.8538	7.045	15.0050
2008	2.7771	0.3891	3.1662	5.5138	7.1230	15.8030
2007	2.9022	0.0974	2.9996	5.9759	7.2100	16.1855
2006	2.8393	0.1694	3.0087	6.1759	7.8610	17.0456
2005	2.6917	0.3267	3.0184	5.5639	8.3660	16.9483
2004	2.6917	0.4582	3.1499	5.6228	8.7930	17.5657
2003	2.6917	0.5455	3.2372	5.5489	9.2870	18.0731
2002	2.4926	0.6787	3.1713	5.5653	8.4880	17.2246
2001	2.4926	0.7688	3.2614	5.5758	8.5440	17.3812

<sup>a</sup> Overlapping rates are those of county governments that apply to property owners within the City of Sarasota.

**City of Sarasota, Florida**  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2009 - 10			Fiscal Year 2000 - 01		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Slab/Ritz Carlton Hotel Co.	\$ 74,936,067	1	0.92%			
Verizon Florida Inc.	60,262,347	2	0.74%			
Westfield Southgate Shoppingtown	54,291,390	3	0.66%			
Florida Power & Light	50,819,504	4	0.62%	\$ 35,076,688	2	0.93%
Irish American Mgt Services LP.	48,936,100	5	0.60%			
Logan Acquisitions Cor/Lido Beach LLC	42,408,001	6	0.52%			
Hotel Associates of Sarasota LLC	41,554,700	7	0.51%	22,962,143	6	0.61%
Sarasota Main Real Estate LLC	30,908,500	8	0.38%			
Osprey SA, Ltd,	27,232,151	9	0.33%	26,182,000	4	0.69%
Plymouth Harbor Inc.	26,336,650	10	0.32%	21,844,277	7	0.58%
GTE Florida, Inc.				101,302,423	1	2.68%
Phillip E. Stephens, Trust (Southgate Shopping Plaza)				32,202,083	3	0.85%
Theater Associates				25,734,114	5	0.68%
Ronald Spector				21,230,322	8	0.56%
One Sarasota Tower, Inc.				16,297,154	9	0.44%
Sandcastle Hotel, Inc.				15,592,173	10	0.41%
	<u>\$ 457,685,410</u>		<u>5.60%</u>	<u>\$ 318,423,377</u>		<u>8.43%</u>

Source: Sarasota County Property Appraiser

**City of Sarasota, Florida**  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal year Ended September 30,	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$25,781,785	\$ 24,729,135 <sup>1</sup>	95.92%	\$ 18,396 <sup>1</sup>	\$24,747,531	95.99%
2009	28,630,662	27,657,271	96.60%	37,239	27,694,510	96.73%
2008	32,724,339	31,537,967	96.37%	14,088	31,552,055	96.42%
2007	29,144,461	28,129,512	96.52%	16,856	28,146,368	96.58%
2006	22,852,050	22,010,745	96.32%	25,934	22,036,679	96.43%
2005	19,520,989	18,757,467	96.09%	(101,686) <sup>2</sup>	18,655,781	95.57%
2004	17,606,309	16,896,553	95.97%	(6,132)	16,890,421	95.93%
2003	15,798,416	15,239,505	96.46%	17,286	15,256,791	96.57%
2002	13,362,302	12,905,340	96.58%	29,356	12,934,696	96.80%
2001	12,317,391	11,877,147	96.43%	17,919	11,895,066	96.57%

(1) As of June 30, 2010

(2) Includes a \$125,734 refund to Verizon Cable based on the court settlement, for the years 1997 to 2004, over the value of Verizon's tangible personal property assessed by the Sarasota County Property Appraiser.

Source: City of Sarasota Finance Department

**City of Sarasota, Florida**  
 Base Water and Sewer Rates  
 Monthly Rates for 5,000 Gallons per Month  
 Last Ten Fiscal Years

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<u>Fiscal year ended September 30,</u>	<u>Water Rate</u>	<u>Sewer Rate</u>	<u>Total</u>
2010	\$ 31.39	\$ 44.81	\$ 76.20
2009	30.21	43.11	73.32
2008	29.04	41.45	70.49
2007	27.41	39.12	66.53
2006	23.63	33.72	57.35
2005	23.18	33.08	56.26
2004	22.73	32.44	55.17
2003	22.27	31.80	54.07
2002	21.88	31.23	53.11
2001	21.44	30.60	52.04

**Source:** City of Sarasota Finance Department

**Note:** Rates are based on 5/8" meter, which is the standard household meter size.



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**City of Sarasota, Florida**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

<b>Fiscal Year Ended September</b>	<b>Governmental Activities</b>			
	<b>General Obligation Bonds</b>	<b>Special Obligation Bonds</b>	<b>Loans Payable</b>	<b>Capital Leases</b>
2010	\$ 47,398,865	\$ 31,618,419	\$ 6,825,000	\$ --
2009	50,392,352	32,927,988	10,560,000	--
2008	51,360,000	13,405,017	12,640,000	--
2007	47,365,000	14,764,079	14,655,000	--
2006	2,235,000	16,299,204	16,605,000	--
2005	3,425,000	17,648,209	18,490,000	--
2004	5,835,000	18,861,201	14,305,000	--
2003	8,160,000	19,944,756	15,590,000	--
2002	10,360,000	21,450,649	11,830,000	4
2001	12,640,000	22,760,843	18,570,000	20

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

<sup>a</sup> Personal income and population data can be found on page 178.

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**Business-Type Activities**

<b>Water and Sewer Bonds</b>	<b>Loans Payable</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>a</sup></b>	<b>Per Capita<sup>a</sup></b>
\$ 76,518,427	\$ 653,214	\$ --	\$ 163,013,925	5.52%	\$ 3,084
55,360,000	859,531	--	150,099,871	5.08%	2,824
38,665,000	1,060,389	--	117,130,406	3.96%	2,105
44,200,000	1,255,931	--	122,240,010	4.50%	2,208
49,505,000	1,446,298	--	86,090,502	2.97%	1,570
54,305,000	1,631,628	--	95,499,837	3.53%	1,748
50,925,000	1,812,053	--	91,738,254	3.64%	1,685
54,730,000	1,987,704	--	100,412,460	4.46%	1,862
58,575,000	2,158,706	--	104,374,359	4.66%	1,945
55,460,306	2,325,184	--	111,756,353	5.17%	2,120

**City of Sarasota, Florida**

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

<b>Fiscal year Ended September 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property <sup>a</sup></b>	<b>Per Capita <sup>b</sup></b>
2010	\$ 47,398,865	\$ 838,140	\$ 46,560,725	569.29%	\$ 880.73
2009	50,392,352	575,896	49,816,456	540.47%	937.10
2008	51,360,000	637,364	50,722,636	490.76%	911.56
2007	47,365,000	350,336	47,014,664	483.88%	849.19
2006	2,235,000	684,708	1,550,292	20.41%	28.27
2005	3,425,000	774,178	2,650,822	40.99%	48.52
2004	5,835,000	1,405,283	4,429,717	79.25%	81.38
2003	8,160,000	1,627,413	6,532,587	133.86%	121.11
2002	10,360,000	1,714,043	8,645,957	205.20%	161.13
2001	12,640,000	1,751,459	10,888,541	288.31%	206.55

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

<sup>a</sup> See page 164 for property value data.

<sup>b</sup> Population data can be found on page 178.

**City of Sarasota, Florida**

Direct and Overlapping Governmental Activities Debt

General Obligation Bonds

As of September 30, 2010

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Overlapping debt</b>			
Sarasota County Board of County Commissioners	\$ --	17.57%	\$ --
<b>City direct debt</b>			<u>46,560,725</u>
<b>Total direct and overlapping debt</b>			<u>\$ 46,560,725</u>

**Source:** Assessed value data used to estimate applicable percentages provided by Sarasota County Property Appraiser. Debt outstanding data provided by each governmental unit.

<sup>a</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values.

**City of Sarasota, Florida**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

<u>Fiscal year Ended September 30,</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2010	\$ 817,872,190	\$ 46,560,725	\$ 771,311,465	5.69%
2009	921,726,297	49,816,456	871,909,841	5.40%
2008	1,033,552,480	50,722,636	982,829,844	4.91%
2007	971,611,567	47,014,664	924,596,903	4.84%
2006	759,532,366	1,550,292	757,982,074	0.20%
2005	646,733,021	2,650,822	644,082,199	0.41%
2004	558,948,193	4,429,717	554,518,476	0.79%
2003	488,027,197	6,532,587	481,494,610	1.34%
2002	421,350,917	8,645,957	412,704,960	2.05%
2001	377,671,878	10,888,541	366,783,337	2.88%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Taxable assessed value	<u>\$ 8,178,721,896</u>
Debt limit (10% of assessed value)	<u>817,872,190</u>
Debt applicable to limit:	
General obligation bonds	47,398,865
Less amount set aside for repayment of general obligation bonds	<u>(838,140)</u>
Total net debt applicable to limit	<u>46,560,725</u>
Legal debt margin	<u><u>\$ 771,311,465</u></u>

**Note:** State Statute limits the City's outstanding general obligation debt to 10 percent of the total assessed property value.



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**City of Sarasota, Florida**  
Pledged-Revenues Coverage  
Last Ten Fiscal Years  
(dollars in thousands)

<b>Water &amp; Sewer Revenue Bonds</b>						
Fiscal Year Ended September 30,	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 32,214	\$ 20,477	11,737	\$ 7,582	\$ 2,367	1.18
2009	30,901	21,058	9,843	5,805	2,092	1.25
2008	33,135	21,149	11,986	5,535	1,870	1.62
2007	34,112	20,398	13,714	5,305	2,120	1.85
2006	28,938	19,263	9,675	4,800	2,211	1.38
2005	27,107	16,909	10,198	4,480	2,179	1.53
2004	27,015	16,179	10,836	4,235	2,505	1.61
2003	25,767	15,056	10,711	3,845	2,752	1.62
2002	25,695	14,254	11,441	3,640	2,913	1.75
2001	26,572	14,281	12,291	3,460	3,116	1.87

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest and depreciation expense.

<sup>a</sup> The 1992 Special Obligation Bonds and a portion of the 2009 Special Obligation Bonds are backed by the Tax Increment Financing (TIF) revenue from the City of Sarasota and from Sarasota County.

<sup>b</sup> The Infrastructure Sales Tax Bonds and a portion of the 2009 Special Obligation Bonds are backed by the One Cent Local Option Sales Tax. The final principal and interest due on the Infrastructure Sales Tax Bonds was September 1, 2009.

2009 Special Obligation Bonds/ 1992 Special Obligation Bonds <sup>a</sup>				2009 Special Obligation Bonds/ Infrastructure Sales Tax Bonds <sup>b</sup>			
TIF Revenues	Debt Service		Coverage	Penny Sales Tax Revenues	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$ 9,007	\$ 759	\$ 1,360	4.25	\$ 5,414	\$ 266	\$ 794	5.11
10,663	469	941	7.56	5,250	940	40	5.36
11,376	469	831	8.75	6,400	900	77	6.55
10,844	466	729	9.07	7,266	1,205	126	5.46
8,270	1,030	33	7.78	7,492	1,165	174	5.60
6,501	880	90	6.70	7,518	1,125	217	5.60
4,533	745	138	5.13	6,619	1,080	258	4.95
3,842	1,150	193	2.86	6,418	1,050	291	4.79
2,146	945	253	1.79	6,017	1,015	333	4.46
1,453	760	300	1.37	5,765	1,125	372	3.85

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

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<b>Fiscal year Ended September 30,</b>	<b>Population <sup>a</sup></b>	<b>Personal Income <sup>b</sup></b>	<b>Per Capita Personal Income <sup>c</sup></b>	<b>Unemployment Rate <sup>c</sup></b>
2010	52,866	\$ 2,952,883,296	\$ 55,856	11.9%
2009	53,160	2,953,516,440	55,559	12.3%
2008	55,644	2,959,147,920	53,180	6.7%
2007	55,364	2,715,438,108	49,047	4.3%
2006	54,848	2,894,438,656	52,772	3.1%
2005	54,639	2,702,171,745	49,455	3.3%
2004	54,434	2,523,614,674	46,361	4.0%
2003	53,939	2,250,281,141	41,719	4.6%
2002	53,657	2,242,004,088	41,784	4.8%
2001	52,715	2,159,944,410	40,974	3.9%

<sup>a</sup> **Source:** Bureau of Economic and Business Research (BEBR) of the University of Florida

<sup>b</sup> **Source:** Calculated (Population x Per Capita Personal Income)

<sup>c</sup> **Source:** U.S. Dept of Commerce, Bureau of Economic Analysis for Sarasota County

**City of Sarasota, Florida**  
Principal Employers in Sarasota County  
Current Year and Nine Years Ago

<u>Employer</u>	<u>2009 - 10</u>			<u>2000-01 <sup>(1)</sup></u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
School Board of Sarasota County	5,070	1	3.03%	4,377	1	2.90%
Sarasota Memorial Hospital	3,024	2	1.81%	3,900	2	2.58%
Sarasota County	2,027	3	1.21%	3,503	3	2.32%
Publix Supermarkets	1,519	4	0.91%	3,234	4	2.14%
Venice Regional Med Ctr	871	5	0.52%	1,428	5	0.95%
PGT Industries	724	6	0.43%	1,174	7	0.78%
FCCI	680	7	0.41%	-	-	-
City of Sarasota	621	8	0.37%	-	-	-
Sun Hydraulics Corporation	590	9	0.35%	-	-	-
City of Northport	530	10	0.32%	-	-	-
Wal-Mart	-	-	-	989	9	0.65%
Winn Dixie Stores	-	-	-	1,300	6	0.86%
HCA Doctors Hospital	-	-	-	1,000	8	0.66%
Arthur Andersen LLP	-	-	-	782	10	0.52%
<b>Total</b>	<u>15,656</u>		<u>9.37%</u>	<u>21,687</u>		<u>14.36%</u>

**Note:** The labor force figure for 2010 and 2001 is 167,156 and 151,035 respectively. These numbers were used to calculate the percentage of total county employment.

**Source:** Economic Development Corporation of Sarasota County

<sup>(1)</sup> These employee numbers include part-time as well as full-time employees.

**City of Sarasota, Florida**

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Years</u>			
	<u>2009-10</u>	<u>2008 - 09</u>	<u>2007 - 08</u>	<u>2006 - 07</u>
<b>General Government</b>				
City Manager's Office	3.69	4.00	5.00	5.00
Neighborhood Partnership Office	-	-	4.00	5.00
Facilities Management	5.00	5.00	-	-
Neighborhood & Development Services	23.40	22.30	-	-
General Services	-	-	13.13	15.13
Human Resources	10.00	10.00	9.00	11.00
Finance	13.50	14.50	9.50	10.50
Accounting	5.50	5.50	5.50	5.50
City Auditor and Clerk	14.00	14.00	15.00	15.00
Planning and Redevelopment	-	-	17.00	21.00
Commission Support Office	2.00	2.00	2.00	2.00
<b>Public Safety</b>				
Police - uniform	176.00	176.00	196.00	200.00
Police - general employees	53.00	53.00	63.00	66.00
Code Compliance	9.85	9.85	20.45	18.25
<b>Physical Environment</b>				
Parks & Landscape Maintenance	30.18	34.68	45.68	47.43
Sarasota Bay National Estuary Program	-	-	-	-
<b>Transportation</b>				
Streets & Highways	18.98	21.98	22.98	24.73
Engineering/Construction Services	6.00	10.00	17.00	21.00
Street Sweeping	3.00	3.00	3.00	3.00
<b>Culture and Recreation</b>				
Skateboard Park	1.90	1.90	3.25	2.25
Children's Fountain	0.20	0.20	1.10	1.10
Special Events/Volunteer Office	0.83	-	-	-
<b>Economic Environment</b>				
Housing & Community Development	10.00	11.00	15.00	17.00
Building Services	15.75	15.75	19.55	25.75
<b>Enterprise funds</b>				
Water	67.21	72.21	72.61	76.26
Sewer	72.79	77.79	77.39	74.24
Parking Management	6.31	8.10	9.00	7.00
Bobby Jones Golf Course	8.50	8.75	10.00	10.00
Ed Smith Sports Stadium	0.57	2.15	4.65	4.65
Solid Waste Management	25.84	26.34	27.34	27.34
Municipal Auditoriums	3.00	4.00	6.00	6.00
Van Wezel Performing Arts Hall	13.00	14.42	22.00	25.00
<b>Internal Service funds</b>				
Information Technology	10.00	11.00	14.00	17.00
Duplicating Services	-	-	1.12	1.12
Central Stores	-	-	2.75	2.75
Public Works Equipment Maintenance	11.00	12.00	9.00	9.00
<b>Total</b>	<b>621.00</b>	<b>651.42</b>	<b>743.00</b>	<b>777.00</b>

**Source:** City of Sarasota Finance Department

Fiscal Years					
2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02	2000 - 01
5.00	5.00	4.00	6.00	5.00	5.00
4.00	5.00	5.00	5.00	5.00	5.00
-	-	-	-	-	-
-	-	-	-	-	-
11.38	11.38	11.38	8.63	10.75	10.63
11.00	11.00	11.00	9.00	9.00	9.00
9.50	8.50	8.50	8.50	8.50	9.50
5.50	5.50	5.50	5.50	5.50	5.50
15.00	16.00	16.00	16.00	16.00	16.00
20.00	19.00	19.00	19.00	18.00	18.00
2.00	2.00	2.00	2.00	2.00	2.00
199.00	194.00	194.00	204.00	200.00	199.00
65.00	64.00	64.00	88.00	87.00	87.00
16.25	16.81	16.81	16.81	16.15	16.15
41.43	37.43	39.33	36.33	34.33	34.33
-	-	5.00	5.00	5.00	5.75
22.73	23.48	22.78	21.78	22.78	22.78
21.00	19.00	19.00	19.00	17.00	17.00
3.00	3.00	3.00	3.00	3.00	3.00
2.25	2.25	1.00	-	-	-
1.10	1.10	-	-	-	-
-	-	-	-	-	-
18.00	21.00	21.00	16.00	13.00	12.00
25.75	23.19	21.19	21.19	19.85	18.85
62.35	62.85	62.85	64.35	61.13	61.13
81.15	80.65	79.65	80.15	83.37	83.37
7.00	6.00	6.00	6.00	6.00	6.00
10.00	10.00	10.00	10.00	10.00	10.00
3.65	3.65	3.00	3.00	3.00	3.00
27.34	25.59	26.39	26.39	26.39	26.39
7.00	6.50	6.50	6.50	6.00	6.00
25.00	21.50	21.50	22.00	20.00	17.00
17.00	15.00	16.00	16.00	16.00	14.00
1.12	1.12	1.12	1.12	1.00	1.12
3.50	3.50	3.50	4.25	4.25	4.25
9.00	8.00	8.00	8.00	8.00	8.00
<b>753.00</b>	<b>733.00</b>	<b>734.00</b>	<b>758.50</b>	<b>743.00</b>	<b>736.75</b>

**City of Sarasota, Florida**  
 Operating Indicators by Function/Program  
 Last Seven Fiscal Years <sup>(1)</sup>

<u>Function/Program</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>
<b>Police</b>							
Physical arrests	5,648	8,625	12,130	12,266	10,983	7,692	8,643
Parking violations	16,346	20,585	24,857	22,319	23,239	24,804	24,263
Traffic violations	11,084	13,717	16,692	24,264	21,216	19,929	15,423
<b>Streets and highways</b>							
Streets resurfaced ( <i>miles</i> )	13	13	11	11	16	15	10
Potholes repaired	196	205	286	266	289	280	-
<b>Water</b>							
New connections	64	122	114	215	199	210	223
Water mains breaks	38	63	53	23	72	69	63
Average daily consumption ( <i>thousands of gallons</i> )	6,324	6,522	6,921	7,652	7,505	7,418	7,500
Peak daily consumption ( <i>thousands of gallons</i> )	7,134	7,478	8,118	9,859	9,122	8,879	9,000
<b>Wastewater</b>							
Average daily sewage treatment ( <i>thousands of gallons</i> )	6,200	5,800	5,597	5,200	7,826	8,976	7,600
<b>Solid waste collection</b>							
Solid waste collected ( <i>tons per day</i> )	174	163	160	155	233	205	148
Recyclables collected ( <i>tons per day</i> ) <sup>(2)</sup>	8.84	9.19	30	40	60	60	49

**Source:** City of Sarasota Finance Department

**Notes:**

Operating indicators are not available for the general government function.

(1) Function/Program data not compiled prior to FY 2004.

(2) For FY09, this number is based on residential only. In prior years commercial was included, however, since we do not control all of the commercial accounts, these accounts should not be included as an indicator.

**City of Sarasota, Florida**  
 Capital Assets Statistics by Function/Program  
 Last Seven Fiscal Years

<u>Function/Program</u>	<u>2009-10</u>	<u>2008 - 09</u>	<u>2007 - 08</u>	<u>2006 - 07</u>	<u>2005 - 06</u>	<u>2004 - 05</u>	<u>2003 - 04</u>
Police							
Stations	1	1	1	1	1	1	1
Sub-stations	4	4	4	4	4	3	3
Patrol units	109	111	109	114	124	117	117
Streets and highways							
Streets ( <i>miles</i> )	250	250	250	250	250	225	225
Unpaved streets ( <i>miles</i> )	25	25	25	25	25	25	25
Highways ( <i>miles</i> )	225	225	225	225	225	225	225
Streetlights	7,213	7,213	7,481	7,476	7,092	6,807	6,652
Traffic signals	97	101	99	99	99	99	99
Water							
Water mains ( <i>miles</i> )	328	328	328	288	275	275	275
Storage capacity ( <i>thousands of gallons</i> )	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Fire hydrants	1,388	1,388	1,373	1,247	1,239	1,234	1,219
Wastewater							
Sanitary sewers ( <i>miles</i> )	326	326	326	326	326	270	250
Treatment capacity ( <i>thousands</i> )	10,200	10,200	10,200	10,200	10,200	10,200	10,200
Storm sewers ( <i>miles</i> )	68	68	68	68	68	68	68
Solid waste collection							
Collection trucks	17	20	20	20	21	17	20

**Source:** City of Sarasota Finance Department

**Note:** No capital assets indicators are available for the general government function.  
 Function/Program data not compiled prior to FY 2004.



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**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**

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sarasota, Florida (the City), as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 14, 2011. 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 opinions 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**Certified Public Accountants**

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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

**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  
(Concluded)**

**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*.

We noted certain matters that we reported to management of the City in our separate management letter dated February 14, 2011.

This report is intended solely for the information and use of management, the Mayor and Members of the City Commission, the Florida Auditor General, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

  
February 14, 2011  
Sarasota, Florida

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

**Compliance**

We have audited the compliance of the City of Sarasota, Florida (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the requirements described in the Florida Department of Financial Services' *State Projects Compliance Supplement*, that are applicable to each of the City's major federal programs and state projects for the year ended September 30, 2010. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. Those standards, rules, and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the year ended September 30, 2010.

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The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL  
(Concluded)**

**Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program or state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Mayor and Members of the City Commission, the Florida Auditor General, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

  
February 14, 2011  
Sarasota, Florida

**City of Sarasota, Florida**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2010

**Part I - Summary of Auditor's Results**

**Basic Financial Statements Section**

Type of auditor's report issued:	Unqualified Opinions
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes <u>  x  </u> no
Significant deficiencies identified not considered to be material weaknesses?	___ yes <u>  x  </u> no
Noncompliance material to basic financial statements noted?	___ yes <u>  x  </u> no

**Federal Awards Section**

Dollar threshold used to determine Type A programs:	\$300,000
Auditee qualified as low-risk auditee?	<u>  x  </u> yes                      ___ no
Type of auditor's report on compliance for major programs:	Unqualified Opinion
Internal Control over compliance:	
Material weakness(es) identified?	___ yes <u>  x  </u> no
Were significant deficiencies identified not considered to be material weakness(es)?	___ yes <u>  x  </u> no
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (Section .510(a))?	___ yes <u>  x  </u> no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218	Department of Housing and Urban Development ARRA - Neighborhood Stabilization Program 2
97.036	Department of Homeland Security Public Assistance Program
16.804	Department of Justice ARRA - Edward Byrne Memorial Justice Assistance
16.710	Department of Justice ARRA - COPS Hiring Recovery
20.205	Department of Transportation ARRA - Siesta Drive
15.916	Department of the Interior West MURT Bird Key/Coon Key

**City of Sarasota, Florida**  
 Schedule of Findings and Questioned Costs (continued)  
 For the Year Ended September 30, 2010

**Part I - Summary of Auditor's Results (continued)**

**State Awards Section**

Dollar threshold used to determine Type A projects: \$300,000

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

Internal Control over compliance:

Material weakness(es) identified?     yes   x   no

Were significant deficiencies identified not considered to be material weakness(es)?     yes   x   no

Any audit findings disclosed that are required to be reported in accordance with Rule 10.557, rules of the Auditor General of the State of Florida?     yes   x   no

Identification of major projects:

CSFA Number(s)	Name of State Project
52.901	Florida Housing Finance Corporation State Housing Initiatives Partnership Program

**Part II - Schedule of Basic Financial Statements Findings**

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards*.

No significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the basic financial statements were noted.

**Part III - Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs**

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including known fraud and questioned costs, related to the audit of federal programs and state projects, as required to be reported by Circular A-133, Section .510(a) and Chapter 69 I-5, Rules of the Florida Department of Financial Services.

No significant deficiencies, material weaknesses, and instances of noncompliance, including known fraud and questioned costs, related to the audit of federal programs and state projects were identified.

**Part IV - Other Issues**

No summary schedule of prior audit findings is required because there were no findings in the prior year Federal or state single audits. No corrective plan is required because there were no findings in the current year requiring correction under the Federal or Florida Single Audit Acts.

**City of Sarasota, Florida**  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance  
For the Year Ended September 30, 2010

<u>Federal/State Agency Federal Program/State Project</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>
<b>FEDERAL AWARDS</b>			
<b>Department of Housing and Urban Development</b>			
Direct Programs:			
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-CN-FL-0018	\$ 4,185,211
Housing Opportunities for Persons with Aids	14.241	FL-H0-8-F0-07	161
HOME Investment Partnerships Program	14.239	M-06-DC-120219	42,451
HOME Investment Partnerships Program	14.239	M-07-DC-120219	431,546
HOME Investment Partnerships Program	14.239	M-08-DC-120219	64,264
Community Development Block Grant	14.218	B-07-MC-120018	256,734
Community Development Block Grant	14.218	B-08-MC-120018	442,055
ARRA - Community Development Block Grant	14.254	B-09-MY-120018	120,582
Total Dept. of Housing and Urban Development			<u>5,543,004</u>
<b>Department of Justice</b>			
Direct Programs:			
Federal Equitable Sharing Agreement	16.XXX	Not Applicable	127,298
Local Law Enforcement Block Grant	16.592	2009-DJ-BX-0778	32,156
ARRA - Edward Byrne Memorial JAG	16.804	2009-SB-B9-0794	100,708
ARRA - COPS Hiring Recovery	16.710	2009RKWX0250	709,353
Bulletproof Vest Partnership	16.607	Not Applicable	31,052
Passed through Florida Dept. of Children & Families			
ARRA - Stop Violence Against Women	16.588	LN950	99,380
Total Department of Justice			<u>1,099,947</u>
<b>Department of Transportation</b>			
Federal Highway Administration			
Passed through Florida Dept. of Transportation:			
ARRA - Siesta Drive	20.205	AP152	1,040,848
Fruitville Road	20.205	AO405	25,697
Osprey Avenue	20.205	AN099	112,324
Pedestrian Enhancements	20.205	AOJ99	133,855
Total Department of Transportation			<u>1,312,724</u>
<b>Department of Homeland Security</b>			
Federal Emergency Management Agency			
Passed through Florida Dept. of Community Affairs:			
Public Assistance Program			
FEMA-1561-DR-FL Hurricane Jeanne	97.036	05-PA-E=-01-68-00-771	919,946
FEMA-1561-DR-FL Hurricane Jeanne	97.036	05-PA-E=-01-68-02-771	381,066
FEMA-1545-DR-FL Hurricane Frances	97.036	05-PA-G%-01-68-02-140	89,970
FEMA-1785-DR-FL Tropical Storm Fay	97.036	09-PA-B9-01-68-13-654	196
Total Department of Homeland Security			<u>1,391,178</u>
<b>Department of the Interior</b>			
U.S. Fish and Wildlife Service			
Passed through Florida Dept. of Environmental Protection:			
West MURT Bird Key/Coon Key	15.916	LW531	400,000
<b>Department of Energy</b>			
Direct Programs:			
ARRA - Energy Efficiency & Conservation	81.128	DE-SC0003045	57,265
Total Expenditures of Federal Awards			<u>\$ 9,804,118</u>

The accompanying notes are an integral part of this statement.

(Continued)

**City of Sarasota, Florida**  
Schedule of Expenditures of Federal Awards  
and State Financial Assistance  
For the Year Ended September 30, 2010  
(Continued)

Federal/State Agency Federal Program/State Project	CSFA Number	Contract/ Grant Number	Expenditures
<b><u>STATE FINANCIAL ASSISTANCE</u></b>			
<b>Florida Department of Environmental Protection</b>			
Florida Beach Erosion Control Program	37.003	06ST3	\$ 51,903
<b>Florida Department of Community Affairs</b>			
Florida Housing Finance Agency State Housing Initiative Partnership	52.901	Not Applicable	2,280,212
<b>Florida Department of State</b>			
General Program Support	45.XXX	11.6.0072	7,464
Historic Preservation	45.031	F0905	30,000
Total Department of State			37,464
<b>Florida Department of Transportation</b>			
Fruitville Road	55.023	415537 1 58 01	64,242
SR 758 Resurfacing	55.023	426050 1 58 01	135,065
Total Department of Transportation			199,307
<b>Florida Department of Revenue</b>			
Retained Spring Training Facility	73.016	Not Applicable	-- <sup>(1)</sup>
Total Expenditures of State Financial Assistance			\$ 2,568,886

(1) For the current fiscal year, the City received \$500,004 in financial assistance for this state program. None of the program funding was expended during the year.

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**  
Notes to Schedule of Expenditures of Federal  
Awards and State Financial Assistance  
September 30, 2010

**1. Summary of Significant Accounting Policies:**

The accounting policies and presentation of the Single Audit Report of the City of Sarasota, Florida have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Circular A-133, Compliance Supplement (A-133) and Chapter 69 I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code.

- A. **Reporting Entity** - The Audits of States, Local Governments, and Non-Profit Organizations and A-133 set forth the audit and reporting requirements for federal awards, Chapter 69 I-5 sets forth the requirements for state financial assistance. The City of Sarasota included schedules of both federal and state financial assistance in the Single Audit section. Financial assistance received directly from the State of Florida is included to satisfy the audit requirements of the State of Florida grantor agencies.

Schedules include all federal awards and state financial assistance received by the City of Sarasota. The Schedule of Expenditures of Federal Awards and State Financial Assistance includes matching contributions in the expenditure column.

- B. **Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. In some financial assistance programs where monies must be expended on the specific purpose or project before any amounts will be paid to the City of Sarasota, revenues are recognized based upon the expenditures recorded.

**2. Contingencies:**

Grant monies received and disbursed by the City of Sarasota are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City of Sarasota does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of February 14, 2011, there were no material questioned or disallowed costs as a result of grant audits in process or completed.



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**MANAGEMENT LETTER**

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

We have audited the financial statements of the City of Sarasota, Florida (the City), as of and for the fiscal year ended September 30, 2010, and have issued our report thereon dated February 14, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are all dated February 14, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.
- 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 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 recommendations to improve financial management. In connection with our audit, we do not have any such matters.

**Certified Public Accountants**

P.O. Box 23999 • 222 N.E. 1st Street • Gainesville, Florida 32602 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

**MANAGEMENT LETTER**  
*(Continued)*

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *Rules of the Auditor General*, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we offer the following observation:

- **2010.1 - Grant Centralization**—During the course of the audit, it was noted that a grant reimbursement request had been outstanding for approximately eight months with no collection follow-up by the department. In addition, the department supplied the Finance Department with incorrect information as to the amounts to be recorded as revenue and receivable at year-end. Further, it was noted that other reimbursement requests were not being made on a timely basis.

We recommend that the City consider centralizing grant management oversight in the Finance Department under a grants management analyst. This position's responsibility might include review and assistance in grant applications and being a central collection point for all pertinent grant information for the purpose of monitoring grant management and compliance. The individual could assure that finance has the information to properly record grant receivables, revenues and expenditures, and to reconcile the grant reimbursement reports to revenue and expenditures recorded in the general ledger. For year-end audit, this position would be responsible for preparation of the required Schedule of Expenditures of Federal Awards and State Financial Assistance. One person would monitor the status of all City grants at any point in time.

- 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 the management letter, unless disclosed in the notes to the financial statements. The City has disclosed this information 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 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 for the fiscal year ended September 30, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.

The Honorable Mayor and Members  
of the City Commission  
City of Sarasota  
Sarasota, Florida

**MANAGEMENT LETTER**  
*(Concluded)*

- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Mayor and Members of the City Commission, the Florida Auditor General, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

  
February 14, 2011  
Sarasota, Florida



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**Interoffice Memorandum**

**Date:** March 21, 2011

**To:** The Mayor and City Commission

**Through:** Robert J. Bartolotta, City Manager and Pamela M. Nadalini, City Auditor and Clerk

**From:** Christopher H. Lyons, Finance Director

**Subject:** Auditors' Management Letter for the Fiscal Year Ended September 30, 2010

On March 4, 2011, the City's Certified Public Accountants, Purvis, Gray and Company, delivered the management letter for the fiscal year ended September 30, 2010. The rules of the Auditor General – Local Governmental Entity Audits, Chapter 10.550, state "...A written statement of explanation or rebuttal concerning the Auditor's findings and recommendations, including corrective action to be taken, must be filed with the governing body of the local governmental entity within thirty (30) days of the delivery of the financial audit report...and must be submitted to the Auditor General within forty-five (45) days after delivery of the audit report..."

In accordance with the above requirements, the recommended responses to the auditors' management letter are submitted below.

**Auditor Comment:**

*2010.1 – Grant Centralization –During the course of the audit, it was noted that a grant reimbursement request had been outstanding for approximately eight months with no collection follow-up by the department. In addition, the department supplied the finance Department with incorrect information as to the amounts to be recorded as revenue and receivable at year-end. Further, it was noted that other reimbursement requests were not being made on a timely basis.*

*We recommend that the City consider centralizing grant management oversight in the Finance Department under a grants management analyst. This position's responsibility might include review and assistance in grant applications and being a central collection point for all pertinent grant information for the purpose of monitoring grant management and compliance. The individual could assure that Finance has the information to properly record grant receivables, revenues and expenditures, and to reconcile the grant reimbursement reports to revenue and expenditures recorded in the general ledger. For year-end audit, this position would be responsible for preparation of the required Schedule of Expenditures of Federal Awards and State Financial Assistance. One person would monitor the status of all City grants at any point in time.*

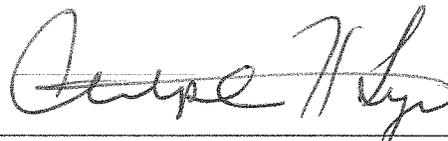
To: The Mayor and City Commission

Date: March 21, 2011

Page: 2 of 2

**Management Response:**

We concur with the finding and the spirit of the recommendation. The current state of the economy and municipal finances requires us to look at performing more with less. Accordingly, the Financial Administration Department has explored several options for strengthening the controls in this area. As a result, we have developed a plan utilizing existing resources to strengthen the controls over grant management. Commencing on January 1, 2011, the Financial Administration Department has met with all of the departments that administer grants to enhance the oversight of grants managements. Each department must now submit to the Deputy Finance Director a grant worksheet on a quarterly basis that provides the grant name, grant number, award amount, the fund/department/cost center/project codes where the budget was established, grant start and end dates, reporting frequency, the employee(s) responsible for program and financial reporting, amount of reimbursement requests outstanding, and the date that reimbursement requests were submitted. In addition, the departments will need to supply supporting documentation for the calculation of all receivables and payables that are due at year-end.



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Christopher H. Lyons, CPA, CGFO, CPFO  
Finance Director



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