



City of Sarasota, Florida

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2012





The City of Sarasota has an extensive Public Art program, which encourages and rewards the placement of sculpture in the community, either by private donation, Developers' required participation in the Public Art Fund, by loan from an Artist, or resulting from the Community's desire for City funds to be expended on a significant piece of Public Art.

1. This eastern view across the storm retention ponds in Downtown Sarasota, captures the profiles of two pieces of Public art in the distance:
2. *Complexus*, John Henry. Permanently acquired in 2012.
3. *Enigma*, Dennis Kowal. On loan to the City of Sarasota since 2004.

Images by S. Dodd, 2013

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF SARASOTA, FLORIDA

For the Fiscal Year Ended

September 30, 2012



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



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City of Sarasota, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2012
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	3-15

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 Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Housing and Community Development	30
Statement of Net Assets - Proprietary Funds	32-33
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	34
Statement of Cash Flows - Proprietary Funds	36-37
Statement of Fiduciary Net Assets - Fiduciary Funds	38
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	39
Statement of Fiduciary Net Assets - General Employee's Defined Benefit Pension Plan Fund	40
Statement of Changes in Fiduciary Net Assets - General Employee's Defined Benefit Pension Plan Fund	41

Component Unit Government-Wide Statements:

Statement of Net Assets	42
Statement of Activities	43

Notes to the Financial Statements	45-90
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Required Supplementary Information

General Employees' Defined Benefit Pension Plan	91-92
Firefighters' Defined Benefit Pension Plan	93-94
Police Officers' Defined Benefit Pension Plan	95-96
Other Post Employment Benefits Plan	97-98

Combining & Individual Fund Statements & Schedules

General Fund:	
Schedule of Revenues - Budget and Actual - General Fund	99-100
Schedule of Expenditures - Budget and Actual - General Fund	101
Community Redevelopment:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	102-103
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	108-113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	114-119
Special Revenue Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
State Housing Initiative Partnership.....	120
Development Services	121
Gas Tax	122
Special Law Enforcement (Forfeiture)	123
Golden Gate Point.....	124
Tourist Development Tax.....	125
Miscellaneous Grants	126
Multi-purpose	127
Debt Service Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
1992 Refunding Bonds	128
2007 General Obligation Bonds.....	129
2008 General Obligation Bonds.....	130
2009 Build America Bonds.....	131
2010 Sales Tax Payment Revenue Bonds	132
2011B First Florida.....	133
2003 First Florida.....	134
2005 First Florida.....	135
Glen Oaks	136
Nonmajor Enterprise Funds:	
Combining Statement of Net Assets - Nonmajor Enterprise Funds.....	138
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Nonmajor Enterprise Funds	139
Combining Statement of Cash Flows - Nonmajor Enterprise Funds.....	140-141
Combining Statement of Net Assets – Water and Sewer Enterprise System Fund.....	142-145
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Water and Sewer Enterprise System Fund	146- 147
Internal Service Funds:	
Combining Statement of Net Assets - Internal Service Funds	150
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds	151
Combining Statement of Cash Flows - Internal Service Funds.....	152-153
Fiduciary Funds:	
Combining Statement of Plan Net Assets - Fiduciary Funds	156
Combining Statement of Changes in Plan Net Assets - Fiduciary Funds.....	157
Combining Statement of Changes in Assets and Liabilities - Agency Funds	158

STATISTICAL SECTION

Financial Trends:	
Net Assets by Component	160 -161
Changes in Net Assets.....	162 -165
Fund Balances of Governmental Funds	166 -167
Changes in Fund Balances of Governmental Funds.....	168 -169

STATISTICAL SECTION (continued)

Page

Revenue Capacity:

- Assessed Value and Actual Value of Taxable Property 170
- Direct and Overlapping Property Tax Rates 171
- Principal Property Taxpayers 172
- Property Tax Levies and Collections 173
- Base Water and Sewer Rates 174

Debt Capacity:

- Ratios of Outstanding Debt by Type 176-177
- Ratios of General Bonded Debt Outstanding..... 178
- Direct and Overlapping Governmental Activities Debt..... 179
- Legal Debt Margin Information 180
- Pledged-Revenues Coverage 182-183

Demographic and Economic Information:

- Demographic and Economic Statistics 184
- Principal Employers in Sarasota County..... 185

Operating Information:

- Full-time Equivalent City Government Employees by Function/Program 186-187
- Operating Indicators by Function/Program 188
- Capital Assets Statistics by Function/Program 189

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..... 191-192
- Independent Auditor’s Report on Compliance with Requirements
That Could Have a Direct and Material Effect on 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 193 -194
- Schedule of Findings and Questioned Costs for the
Year Ended September 30, 2012 195 -196
- Schedule of Expenditures of Federal Awards and State
Financial Assistance for the Year Ended September 30, 2012 197 -198
- Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance 199
- Management Letter 201 -203
- City’s Response to Management Letter 205 -207



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February 26, 2013

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, 2012. 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.

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Web Site 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 the Robert L. Taylor Community Complex, 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 City also provides an employee and retiree Health Center.

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 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 52,517. 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 71⁰ 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 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 improved slightly 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 8.7% in September 2012 matching the statewide rate of 8.7% and above the national rate of 7.6%.

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 30th, 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 budget 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 34% decrease in the City’s taxable property since 2008 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 unassigned fund balance in the General Fund of \$15.2 million, which is a 28% ratio to expenditures and an excellent funding level.

The Unfunded Actuarial Accrued Liability (UAAL) for the City’s three defined benefit plans and Other Post Employment Benefit (OPEB) plan was \$296 million as of September 30, 2012, which was calculated using a 7% (net of investment expenses) assumed rate of return on investments for General Employees and Police, 7.5% (gross of investment expenses) for Firefighters, and 6% for the OPEB plan.

The UAAL for these three plans are summarized below along with the comparative amounts if the assumed investment rate of return was lowered to 6%.

	At Approved Investment Rate of Return	Using a 6% Investment Rate of Return
General Employees' Defined Benefit Pension Plan	55,254,825	75,542,409
Firefighters Defined Benefit Pension Plan	53,807,717	83,000,000
Police Officers' Defined Benefit Pension Plan	63,945,033	95,044,350
OPEB Plan	122,948,014	122,948,014
	<u>\$ 295,955,589</u>	<u>\$ 376,534,773</u>

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.

Major Initiatives

The design, permitting and construction of the Bayfront Mooring Field Management Plan was completed in 2012. This plan includes phased installation of a managed mooring field covering 109.6 acres and consisting of 35 moorings in the first phase with a potential of a total of 109 moorings in future phases, including a marine waste pump out boat. Phase I of the plan which was completed this year consists of the 35 floating mooring balls. Phase I is currently being monitored, based on occupancy and level of losses to determine when Phase II will be constructed.

Major road projects consisted of the resurfacing of Fruitville Road from US301 to US41 including new landscaping, crosswalks and striping. Two roundabouts were completed, one at the intersection of Ringling Boulevard and Palm Avenue and the second roundabout at the intersection of Ringling Boulevard and Pineapple Avenue, for a total construction cost of \$1,671,548.

For the past three years, the City of Sarasota received \$1,950,894 in Community Development Block Grant (CDBG) funds, \$2,316,361 for the HOME Investment Partnerships Program, \$19,114,751 for the Neighborhood Stabilization Program II (NSPD II) and \$931,250 for EDI Special Projects, a total of \$24,313,256. Strategies approved by the City Commission include down payment assistance, home rehabilitation, Newtown Community Center renovation, Newtown business resource center redevelopment, foster care youth assistance, homeless prevention and summer youth employment programs. During this fiscal year, work was completed on Phase II of Janie's Garden. It consists of 68 apartments with a clubhouse, fitness room, computer room and library along with 10,500 sq ft of retail space. This \$12 million development included \$2.5 million in NSPD II funding along with other city and county funds. Ongoing housing developments under construction include the King Stone, Diamond Oaks, St. Monica's and more than 40 single family homes.

The City's Utilities Division signed a Consent Agreement with the Florida Department of Environmental Protection (FDEP) to install a deep injection well for the disposal of the concentrated groundwater, a byproduct of the reverse osmosis water treatment process. The FDEP Consent Agreement included the hydrogeology, testing, engineering, permitting and construction of a deep injection well. Construction of the deep injection well was completed in September 2012 at a cost of \$3 million dollars. In addition, the City rehabilitated the Verna water pretreatment system which is an essential component of the overall water quality enhancements and drinking water treatment improvements program. The project provides for higher hydrogen sulfide removal efficiency to enhance the raw water supply quality prior to transmission to the Reverse Osmosis Treatment Facility. This project was completed in August 2012 at a cost of \$700,000.

The City of Sarasota replaced over 18,000 water meters throughout the City with Automated Meters. Automatic Meter Reading (AMR) is an innovative technology that allows the City to take multiple readings simultaneously and remotely, reducing costs associated with reading meters. This project was completed in March 2012 for \$6 million dollars.

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, 2011. This was the thirty first 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.

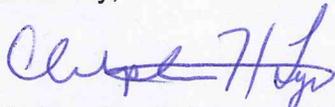
Award for Distinguished Budget

The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2011, the same period covered by this Comprehensive Annual Financial Report. This was the twenty second 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.

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



Thomas W. Barwin
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, 2011

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.



Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

LISTING OF CITY OFFICIALS



ELECTED OFFICIALS

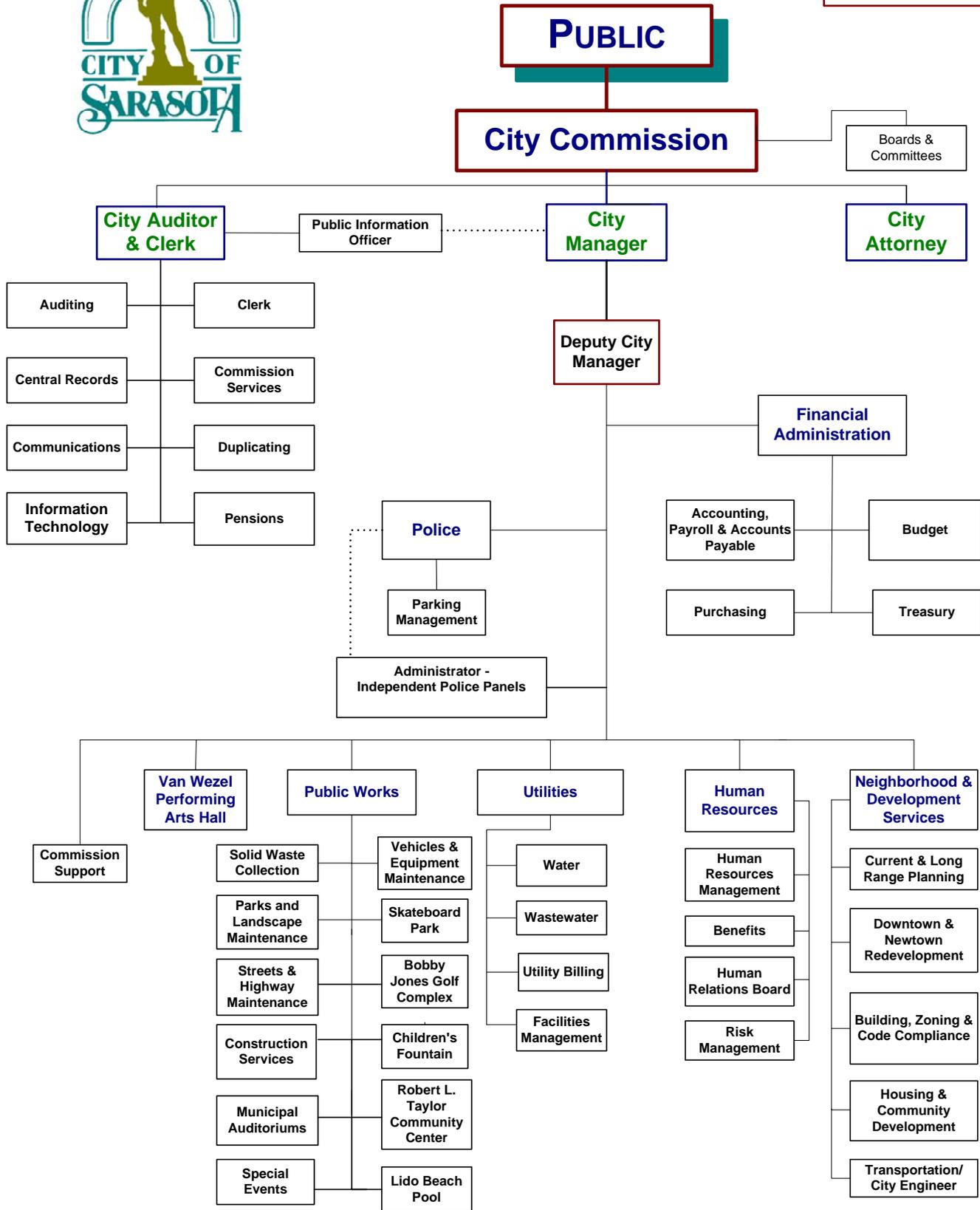
Suzanne AtwellMayor
Willie C. Shaw Vice-Mayor
Paul Caragiulo.....Commissioner
Shannon Snyder.....Commissioner
Terry L. TurnerCommissioner

APPOINTED OFFICIALS

Thomas W. Barwin City Manager
Pamela M. Nadalini City Auditor and Clerk
Robert M. Fournier, Esq. City Attorney

DEPARTMENT DIRECTORS

Marlon C.J. Brown..... Deputy City Manager
Bernadette A. DiPino.....Chief of Police
Mary R. Bensel..... Executive Director – Van Wezel Performing Arts Hall
Philip A. Hurwitz Director of Information Technology
Doug A. Jeffcoat..... Director of Public Works
Russell M. Tidwell Director of Utilities
Stacie L. Mason.....Interim Director of Human Resources
Timothy D. LitchetDirector 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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. We also audited the General Employees' Defined Benefit Pension Fund of the City as of and for the year ended September 30, 2012, 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' Defined Benefit Pension Fund of the City, as of September 30, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, penny sales tax fund, community redevelopment fund, and housing and community development 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 26, 2013, 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 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (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 fund statements and schedules, 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 fund statements and schedules 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.

Purvis, Gray and Company, LLP

February 26, 2013
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, 2012. 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 \$416,310,105 (*net assets*). Of this amount, \$64,273,514 (*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 \$12,488,104, or 3.1 percent for the year.
- Total revenues decreased \$4,395,773, or 3.0 percent in comparison to the prior year.
- Total expenses decreased \$16,943,157, or 11.6 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 \$90,286,816, an increase of \$552,719 for the year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,156,744 or 28 percent of total General Fund expenditures.

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 courses, auditoriums, 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 20-30.

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, 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 32-37 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 38-41 of this report.

Component Units

Discretely presented component unit financial statements can be found on pages 42-43 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 45-90 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 91-98 of this report.

Budgetary comparison schedules for the General Fund and Community Redevelopment Fund can be found on pages 99-103 and then combining statements for nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds begin on page 108.

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 \$416,310,105 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:

City of Sarasota's Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 123,514,771	\$ 122,714,795	\$ 91,484,457	\$ 95,764,005	\$ 214,999,228	\$ 218,478,800
Capital assets, net of depreciation	<u>223,563,205</u>	<u>222,412,662</u>	<u>166,109,940</u>	<u>158,228,903</u>	<u>389,673,145</u>	<u>380,641,565</u>
Total assets	<u>347,077,976</u>	<u>345,127,457</u>	<u>257,594,397</u>	<u>253,992,908</u>	<u>604,672,373</u>	<u>599,120,365</u>
Current and other liabilities	21,058,816	19,374,362	14,312,515	17,174,448	35,371,331	36,548,810
Long-term liabilities outstanding	<u>89,032,295</u>	<u>91,477,902</u>	<u>63,958,642</u>	<u>67,271,652</u>	<u>152,990,937</u>	<u>158,749,554</u>
Total liabilities	<u>110,091,111</u>	<u>110,852,264</u>	<u>78,271,157</u>	<u>84,446,100</u>	<u>188,362,268</u>	<u>195,298,364</u>
Net assets:						
Investment in capital assets net of related debt	161,031,693	156,114,642	114,171,833	115,645,768	275,203,526	271,760,410
Restricted	62,009,064	60,339,093	14,824,001	14,187,540	76,833,065	74,526,633
Unrestricted	<u>13,946,108</u>	<u>17,821,458</u>	<u>50,327,406</u>	<u>39,713,500</u>	<u>64,273,514</u>	<u>57,534,958</u>
Total net assets	<u>\$ 236,986,865</u>	<u>\$ 234,275,193</u>	<u>\$ 179,323,240</u>	<u>\$ 169,546,808</u>	<u>\$ 416,310,105</u>	<u>\$ 403,822,001</u>

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 \$12.5 million, from \$403.8 million in 2011 to \$416.3 million in 2012, a 3.1% increase. Net assets of both the governmental activities and business-type activities increased primarily as a result of operations.

A significant portion of the City's net assets (66.1%) 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 (18.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$64,273,514) 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

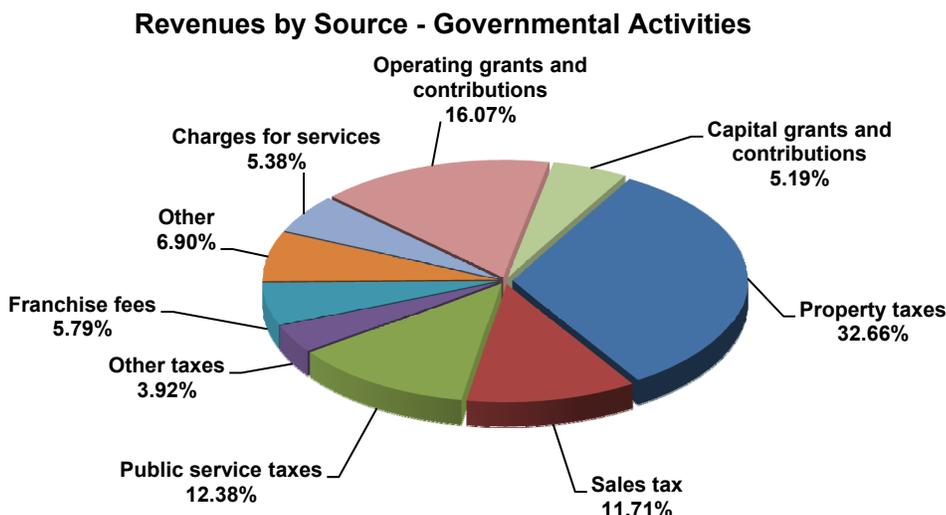
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 4,279,833	\$ 3,910,737	\$ 59,119,528	\$ 56,093,485	\$ 63,399,361	\$ 60,004,222
Operating grants and contributions	12,777,162	17,183,083	653,473	184,408	13,430,635	17,367,491
Capital grants and contributions	4,125,429	5,315,585	--	2,530,614	4,125,429	7,846,199
General Revenues:						
Property taxes	25,956,504	27,070,239	--	--	25,956,504	27,070,239
Other taxes	22,258,816	21,718,876	--	--	22,258,816	21,718,876
Other	10,087,817	9,744,489	603,132	505,951	10,690,949	10,250,440
Total revenues	<u>79,485,561</u>	<u>84,943,009</u>	<u>60,376,133</u>	<u>59,314,458</u>	<u>139,861,694</u>	<u>144,257,467</u>
Expenses:						
Governmental Activities:						
General government	12,479,655	12,945,611	--	--	12,479,655	12,945,611
Public safety	37,040,548	36,325,440	--	--	37,040,548	36,325,440
Physical environment	3,654,521	3,333,750	--	--	3,654,521	3,333,750
Transportation	7,397,017	7,288,847	--	--	7,397,017	7,288,847
Culture & recreation	3,384,150	12,259,064	--	--	3,384,150	12,259,064
Economic environment	9,057,540	18,211,787	--	--	9,057,540	18,211,787
Interest on long-term debt	4,519,066	4,740,436	--	--	4,519,066	4,740,436
Business-type Activities:						
Water and Sewer	--	--	28,810,585	28,570,324	28,810,585	28,570,324
Van Wezel Performing Arts Hall	--	--	8,997,179	8,508,698	8,997,179	8,508,698
Solid Waste	--	--	8,806,639	9,129,783	8,806,639	9,129,783
Other	--	--	4,378,860	4,155,177	4,378,860	4,155,177
Total expenses	<u>77,532,497</u>	<u>95,104,935</u>	<u>50,993,263</u>	<u>50,363,982</u>	<u>128,525,760</u>	<u>145,468,917</u>
Increase in net assets before other items	1,953,064	(10,161,926)	9,382,870	8,950,476	11,335,934	(1,211,450)
Transfers	758,608	(180,957)	(758,608)	180,957	--	--
Special items	--	(685,914)	1,152,170	17,222,926	1,152,170	16,537,012
Increase in net assets	2,711,672	(11,028,797)	9,776,432	26,354,359	12,488,104	15,325,562
Net assets - beg. of year	234,275,193	245,303,990	169,546,808	143,192,449	403,822,001	388,496,439
Net assets - end of year	<u>\$ 236,986,865</u>	<u>\$ 234,275,193</u>	<u>\$ 179,323,240</u>	<u>\$ 169,546,808</u>	<u>\$ 416,310,105</u>	<u>\$ 403,822,001</u>

Governmental Activities

Total revenues for governmental activities decreased \$5,457,448 or 6.4% 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 \$4,405,921 from that reported in the prior year. \$3,669,220 of this decrease in revenue is attributed to the winding down of the Federal Department of Housing Neighborhood Stabilization II Program grant with 2011 revenues of \$9,508,644 compared with revenues of \$5,839,424 for 2012.
- Capital grants and contributions decreased \$1,190,156. Although there were some new capital grants for 2012, the decrease is attributed to a \$1,791,681 reduction from the amount reported in 2011 from a state grant for retaining a baseball spring training facility in Sarasota.
- City property tax revenues decreased by \$663,386 for the current year. Although the City's millage rate for the current year increased slightly, from 3.1983 to 3.3547 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 \$450,350 over that reported last year. Both of these represent the overall decrease in property taxes of \$1,113,736 over that reported in the prior year.

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

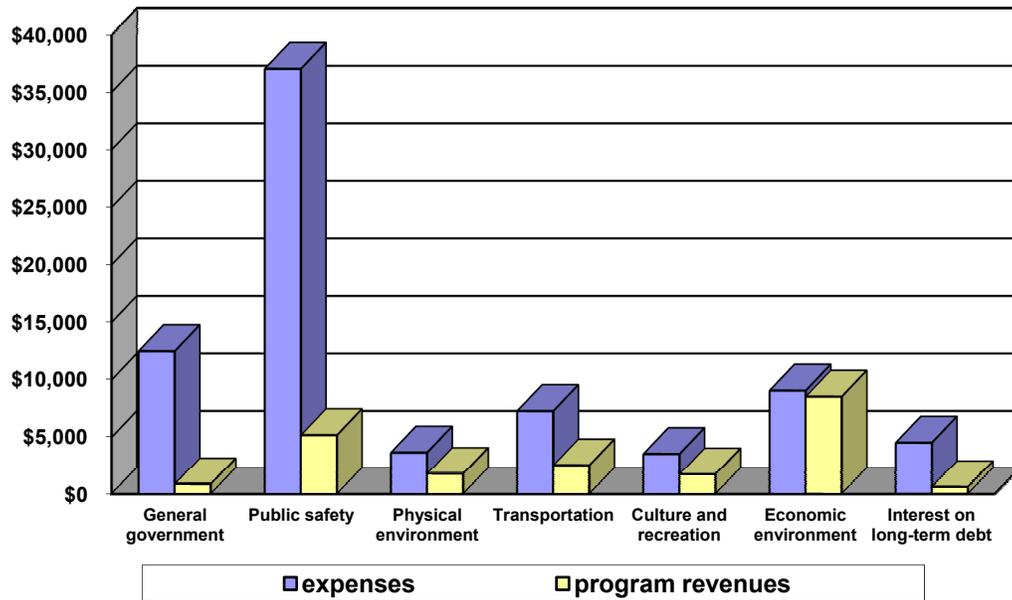


Total expenses for governmental activities decreased \$17,572,438 or 18.5% in comparison to the prior year. The decrease in current year expenses is attributed to culture and recreation expenses decreasing by \$8,735,081 and economic environment expenses decreasing by \$9,154,247.

- Most of the decrease in culture and recreation expenses was from the \$9,753,524 that was given to Sarasota County in the 2011 year for the reconstruction of the sports stadium and environmental remediation of the site used for major league baseball spring training.
- \$8,646,800 of the decrease in economic environment expenses was from redevelopment and rehabilitation projects handled by the housing and community development office. The State of Florida has reduced allocations to the State Housing Initiative Partnership which resulted in a spending reduction of \$4,808,435 for the 2012 year. Another \$3,669,220 of the decrease was for projects funded by the Federal Department of Housing Neighborhood Stabilization II Program.

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

Expenses and Program Revenues - Governmental Activities
 (in thousands)



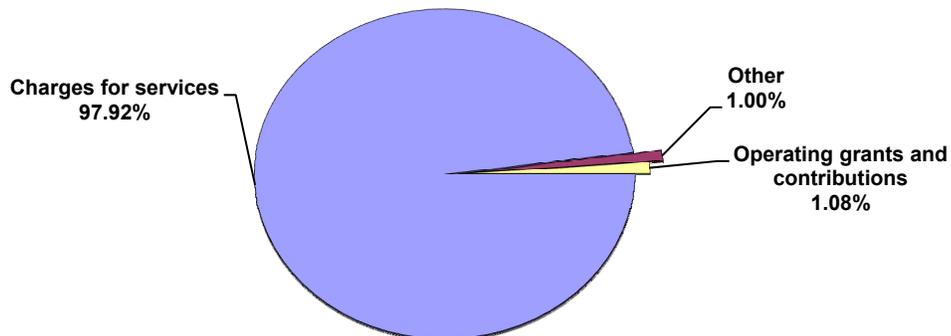
Business-type Activities

Total revenues increased by \$1,061,675 for the current year. Revenues increased \$639,503 at the Van Wezel Performing Arts Hall, where ticket sales and associated charges accounted for most of the increase. A \$364,051 increase in revenues in the Solid Waste operation also contributed to the revenue increase for the Business-type Activities.

Total expenses increased by only \$629,281 or 1.2% from the prior year. Expenses for all business-type activities remained close to the levels experienced in the prior year while continuing to provide customers with a high level of service.

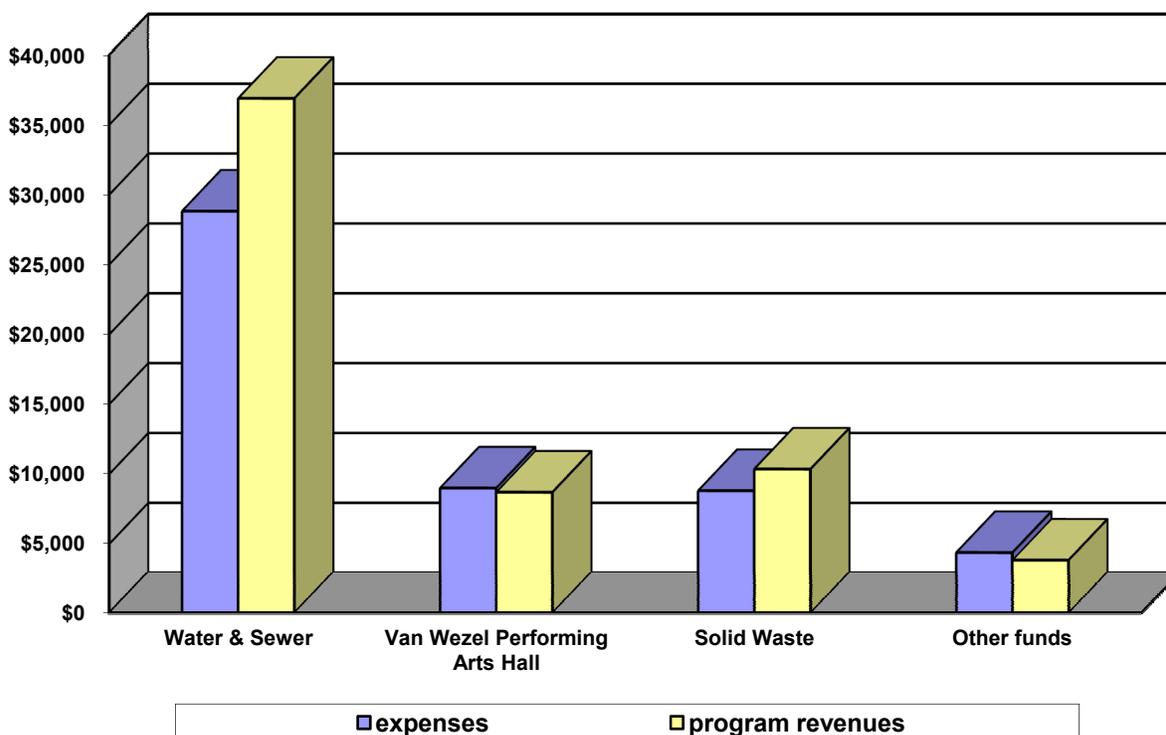
The following graph shows the composition of revenues for the City's business-type activities:

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 20-30. 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, *unassigned 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 \$90,286,816 an increase of \$552,719 for the year. Approximately 16.6% of this amount (\$14,996,994) constitutes unassigned fund balance, which is available for spending at the City's discretion subject to budgetary constraints, legal, or other requirements. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending. Significant restrictions include: 1) restricted for infrastructure improvements (\$23,696,975), 2) restricted for community redevelopment (\$17,855,882), and 3) restricted for debt service (\$7,145,373).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,156,744, while total fund balance was \$20,835,064. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 28% of total General Fund expenditures.

Revenues and transfers in for the City's General Fund increased by \$2,351,267 since the prior year. While revenues increased, so did expenditures and transfers out by \$2,985,925. Key factors for the revenue and expenditure increases are:

- The General Fund's property tax rate was increased from 2.7771 mills in 2011 to 2.9249 mills in 2012. Even though the millage rate increased, ad valorem taxes decreased \$137,357 due to a \$464 million taxable value decrease from last year's valuation.
- Miscellaneous revenues increased by \$859,001 of which \$790,000 was from the sale of the J. H. Floyd Sunshine Manor Property.
- Public safety expenditures increased \$1,078,024 for the current year. While some expenditures decreased, pension costs increased \$1,498,952 for police officers and general employees at the Police department. The pension contributions for police officers increased from 36.14% of covered payroll in 2011 to 50.81% in 2012. The general employee rate also increased from 15.24% to 22.58% over the same period.

The Penny Sales Tax Fund accounts for the revenue from the one-cent local option sales surtax. This fund has a fund balance of \$23,696,975. The net increase in fund balance for the year was \$991,940. Expenditures for the current year totaled \$3,579,232, which included the following capital improvement projects:

• Street & sidewalk projects	\$1,532,779
• Payne Park	1,053,132
• Police vehicles and radios	413,702
• Parks and Recreation Improvements	163,207
• Stormwater drainage improvements	139,701
• Landscaping improvements	97,522
• Neighborhood Development	87,917
• Brownfield	48,577
• Traffic signalization	26,499
• Traffic calming program	16,196

The Community Redevelopment Fund accounts for the operations of the City of Sarasota Community Redevelopment Agency (CRA). Total revenues increased by \$950,773 over that reported last year. Contributing to the increase was the sale of the retail portion of the Palm Avenue Parking Garage for \$1,587,934. In addition, the Downtown Improvement District contributed \$160,000 for downtown area projects. These increases were offset by a \$793,783 drop in ad valorem taxes, from \$7,602,221 in the prior year to \$6,808,438 in the current year. This decrease is attributable to the taxable value of property in both the Downtown and Newtown redevelopment area decreasing by \$176.1 million or 9.1% from the prior year. Expenditures of \$1,250,203 and transfers out of \$5,280,358 included the following:

• Pedestrian sleeves	\$405,060
• Community health and welfare – Newtown plan	129,876
• Community grants – Newtown plan	84,652
• Developer infrastructure incentives	60,863
• Gulfstream Avenue to Five Points	60,780
• Downtown transportation	54,817
• First Street-US 41 to Pineapple	45,082
• Downtown Community Grants	44,789
• Contribution for Economic Development Coordinator	40,000
• CRA legal services	36,992
• TCEA Update	36,874
• Wayfinding Signage	36,845
• Salvation Army	26,800

• Five Points to Orange Avenue	25,741
• North Palm Avenue Streetscape	24,361
• Orange Avenue to Goodrich	22,898
• Other miscellaneous project costs and events	113,773
• Transfers out:	
○ Debt service payments on bonds and loans	2,748,612
○ General Fund – Landscape services	803,002
○ General Fund – Police services	1,003,340
○ General Fund – Redevelopment office costs	725,404

The Community Redevelopment Special Revenue Fund has a fund balance of \$17,855,882 as of September 30, 2012, which is reserved for the remaining outstanding debt obligations of \$16,762,244 and the specific projects identified and approved in the CRA's annual budget. Transfers out for debt service include principal of \$2,411,039 and interest of \$337,573

The Housing & Community Development Fund administers Federal housing and community development programs both in the City and County. Total revenues decreased \$4,829,301 with a corresponding decrease in expenditures. Fewer properties were redeveloped and rehabilitated during the year as multi-year grants were winding down.

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 \$1,531,413 for the current year. The increase is attributable to a four percent increase in rates and the implementation of automated meters that helped increase operating revenues by \$2,207,039. Operating expenses increased \$675,626, with pension and OPEB costs accounting for \$532,233 of the increase.
- Total revenues for the Van Wezel Performing Arts Hall increased by \$639,503 for the current year. Most of the increase was due to an increase in ticket sales. Operating expenses increased \$488,481 over that reported in the previous year. Of this increase, \$348,803 was from higher performance fees and associated costs incurred to generate the increase in ticket sales.
- The Solid Waste Fund saw operating income increase \$691,834 for the current year as operational changes have helped to improve efficiency.

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 expenditures budget and the final amended budget were an increase of \$2,240,149 and are summarized as follows:

- \$267,000 increase for a subsidy to the Parking Management Enterprise Fund;
- \$125,915 increase for a forensics investigation and audit;
- \$29,000 increase for the City Manager selection process;
- \$26,140 increase for programs at the Robert L. Taylor Community Complex; and
- \$6,500 increase for equipment for the Police SWAT team

- \$1,785,594 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 environmental remediation at the Sports Stadium Recreational Facilities;
 - \$354,274 for repairs at City Hall and the Federal Building; and
 - \$282,455 for various other projects.

Actual revenues and transfers in were less than final budget by \$85,476. The revenue shortfall in the General Fund has been mitigated by controlling expenditures. Actual expenditures and transfers out were less than budgeted expenditures by a total of \$3,810,122. Most of this savings was achieved by the diligent efforts to control costs at all levels of management. It also included the \$1,148,865 budgeted for environmental remediation at the Sports Stadium that was not expended

Both the original and final budget anticipated \$2,353,477 and \$4,545,473, respectively, to be expended from available fund balance. However, expenditures were less than budgetary estimates as discussed above. This resulted in a negative change in fund balance of only \$820,827, significantly less than was anticipated.

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, 2012, is \$389,673,145 (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 2.4% (a 0.5% increase for governmental activities and a 5.0% increase for business-type activities). The schedule below reflects the City's capital assets as of September 30, 2012 and 2011:

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

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 43,181,580	\$ 43,181,580	\$ 9,584,361	\$ 10,163,278	\$ 52,765,941	\$ 53,344,858
Art collections	859,973	814,973	218,397	218,397	1,078,370	1,033,370
Buildings	68,348,846	71,259,221	20,230,389	21,858,409	88,579,235	93,117,630
Improvements and						
Infrastructure	97,563,825	95,305,465	2,219,562	2,314,957	99,783,387	97,620,422
Utility systems	--	--	93,434,137	89,772,248	93,434,137	89,772,248
Equipment	6,999,841	6,200,241	2,263,186	2,842,918	9,263,027	9,043,159
Construction in progress	6,609,140	5,651,182	38,159,908	31,058,696	44,769,048	36,709,878
Total	<u>\$ 223,563,205</u>	<u>\$ 222,412,662</u>	<u>\$ 166,109,940</u>	<u>\$ 158,228,903</u>	<u>\$ 389,673,145</u>	<u>\$ 380,641,565</u>

Additional information on the City's capital assets can be found in Note 6 on pages 67-68 of this report.

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 \$9,972,153 and construction began on others at a cost of \$13,457,417.
- Land owned by the Water and Sewer Fund with a cost basis of \$578,916 was sold during the year for \$2,042,000.

- The retail space of the Palm Avenue Parking Garage was sold at cost for \$1,587,934.
- Equipment with an original cost of \$2,417,031 was sold or disposed of during the year.

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$142,008,656. Of this amount, \$42,909,043 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).

The schedule below reflects the City's outstanding debt as of September 30, 2012 and 2011:

City of Sarasota's Outstanding Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 42,909,043	\$ 43,949,198	\$ --	\$ --	\$ 42,909,043	\$ 43,949,198
Special obligation bonds	34,859,613	37,613,745	--	--	34,859,613	37,613,745
Revenue bonds	--	--	64,240,000	69,434,922	64,240,000	69,434,922
Total bonds	77,768,656	81,562,943	64,240,000	69,434,922	142,008,656	150,997,865
Loans payable	4,070,000	5,170,000	223,603	441,289	4,293,603	5,611,289
Total bonds & loans	<u>\$ 81,838,656</u>	<u>\$ 86,732,943</u>	<u>\$ 64,463,603</u>	<u>\$ 69,876,211</u>	<u>\$ 146,302,259</u>	<u>\$ 156,609,154</u>

The City's total debt decreased by \$10,306,895 or 6.6 %. The key factors in this decrease were:

- Scheduled principal payments of \$10,946,197 were paid when due.
- The accreted value increased \$639,302 on capital appreciation bonds.

Many of the bonds issued by the City are insured by a financial guaranty insurance policy. Certain 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 Investors Service ("Moody's"), and Fitch Rating Services ("Fitch") have withdrawn their ratings related to Ambac. Ambac insures the First Florida Governmental Financing Commission (FFGFC) Revenue Bonds, Series 2001B, 2003 and 2005 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 69-72 of this report.

Economic Factors and Next Year's Budget and Rates

For the 2012-13 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 flat.

Other factors considered in preparing the City's 2012-13 fiscal year budget were:

- The taxable value of commercial and residential property increased 0.44% from last year's valuation. The \$30.3 million increase in taxable value for 2013 is the first year that property values have increased since 2008.
- No adjustment was made to the General Fund property tax rate of 2.9249 mills. Since the property valuation for the 2013 fiscal year increased, property tax revenues will increase \$151,575 for 2012-13 fiscal year.
- The City's population increased 0.8% in 2012 to 52,517 from the 52,114 reported for 2011.
- The Sarasota County unemployment rate for September 2012 was 8.7%, a significant decrease from the 11.0% rate reported in September 2011 and higher than the State and Federal rates (8.6% and 7.6% 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.



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City of Sarasota, Florida
Statement of Net Assets
September 30, 2012

	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 20,490,860	\$ 19,825,681	\$ 40,316,541	\$ 236,601
Investments	89,897,771	66,086,898	155,984,669	--
Receivables (net):				
Accounts	1,931,220	3,985,736	5,916,956	--
Interest	183,656	137,894	321,550	413
Notes	497,888	--	497,888	--
Special assessments	666,395	--	666,395	--
Internal balances	--	--	--	--
Due from other governmental agencies	8,291,172	24,260	8,315,432	--
Inventories	328,171	134,653	462,824	--
Prepaid items	278,920	639,184	918,104	--
Deferred issuance costs	948,718	650,151	1,598,869	--
Capital assets:				
Non-depreciable	50,650,693	47,962,666	98,613,359	1,376
Depreciable (net)	172,912,512	118,147,274	291,059,786	1,654,013
Total assets	<u>347,077,976</u>	<u>257,594,397</u>	<u>604,672,373</u>	<u>1,892,403</u>
Liabilities				
Accounts payable	5,617,512	2,369,707	7,987,219	59,809
Retainages payable	738,669	793,599	1,532,268	--
Liability for unpaid claims	2,766,874	--	2,766,874	--
Accrued interest payable	1,113,780	1,517,515	2,631,295	--
Due to other governmental agencies	433,865	21,381	455,246	--
Accrued wages	1,092,408	340,558	1,432,966	886
Unearned revenue	910,510	4,332,108	5,242,618	825
Customer deposits	44,627	1,013,186	1,057,813	--
Noncurrent liabilities:				
Due within one year	8,340,571	3,924,461	12,265,032	150,000
Due in more than one year	89,032,295	63,958,642	152,990,937	--
Total liabilities	<u>110,091,111</u>	<u>78,271,157</u>	<u>188,362,268</u>	<u>211,520</u>
Net Assets				
Invested in capital assets, net of related debt	161,031,693	114,171,833	275,203,526	1,655,389
Restricted for:				
Debt service	6,062,749	6,897,136	12,959,885	--
Construction	1,002,581	7,926,865	8,929,446	--
Community redevelopment	17,855,882	--	17,855,882	--
Infrastructure improvements	23,696,975	--	23,696,975	--
Housing and community development	1,824,731	--	1,824,731	--
Transportation	6,092,304	--	6,092,304	--
Development services	1,573,827	--	1,573,827	--
Law enforcement programs	312,810	--	312,810	--
Tourist development	3,039,154	--	3,039,154	--
Grant programs	429,316	--	429,316	--
Golden Gate Point streetscape	94,959	--	94,959	--
Economic development	23,776	--	23,776	--
Unrestricted	13,946,108	50,327,406	64,273,514	25,494
Total net assets	<u>\$ 236,986,865</u>	<u>\$ 179,323,240</u>	<u>\$ 416,310,105</u>	<u>\$ 1,680,883</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Statement of Activities
For the Year Ended September 30, 2012

<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>
Governmental activities:				
General government	\$ 12,479,655	\$ 842,894	\$ --	\$ --
Public safety:				
Police	31,658,273	1,085,912	1,596,390	100,345
Fire	2,737,946	--	734,399	--
Building inspections	2,209,357	1,490,062	--	--
Other public safety	434,972	170,221	--	--
Physical environment	3,654,521	71,223	772,588	925,803
Transportation	7,397,017	304,542	111,372	2,112,060
Culture and recreation	3,384,150	314,979	595,768	821,359
Economic environment	9,057,540	--	8,365,877	165,862
Interest on long-term debt	4,519,066	--	600,768	--
Total governmental activities	<u>77,532,497</u>	<u>4,279,833</u>	<u>12,777,162</u>	<u>4,125,429</u>
Business-type activities:				
Water and Sewer	28,810,585	36,864,600	21,930	--
Van Wezel	8,997,179	8,065,967	631,543	--
Solid Waste	8,806,639	10,354,192	--	--
Bobby Jones Golf Course	2,826,777	2,701,294	--	--
Municipal Auditoriums	572,380	474,282	--	--
Parking Management	979,703	659,193	--	--
Total business-type activities	<u>50,993,263</u>	<u>59,119,528</u>	<u>653,473</u>	<u>--</u>
Total primary government	<u>\$ 128,525,760</u>	<u>\$ 63,399,361</u>	<u>\$ 13,430,635</u>	<u>\$ 4,125,429</u>
Component Units:				
St. Armands Business Improvement District	\$ 89,556	\$ --	\$ --	\$ --
Downtown Improvement District	345,630	--	--	--
Total component units	<u>\$ 435,186</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 special 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

Governmental Activities	Business-type Activities	Total	Component Units
\$ (11,636,761)	\$ --	\$ (11,636,761)	\$ --
(28,875,626)	--	(28,875,626)	--
(2,003,547)	--	(2,003,547)	--
(719,295)	--	(719,295)	--
(264,751)	--	(264,751)	--
(1,884,907)	--	(1,884,907)	--
(4,869,043)	--	(4,869,043)	--
(1,652,044)	--	(1,652,044)	--
(525,801)	--	(525,801)	--
<u>(3,918,298)</u>	<u>--</u>	<u>(3,918,298)</u>	<u>--</u>
<u>(56,350,073)</u>	<u>--</u>	<u>(56,350,073)</u>	<u>--</u>
--	8,075,945	8,075,945	--
--	(299,669)	(299,669)	--
--	1,547,553	1,547,553	--
--	(125,483)	(125,483)	--
--	(98,098)	(98,098)	--
--	(320,510)	(320,510)	--
<u>--</u>	<u>8,779,738</u>	<u>8,779,738</u>	<u>--</u>
<u>(56,350,073)</u>	<u>8,779,738</u>	<u>(47,570,335)</u>	<u>--</u>
			(89,556)
			<u>(345,630)</u>
			<u>(435,186)</u>
25,956,504	--	25,956,504	507,285
2,294,724	--	2,294,724	--
9,308,028	--	9,308,028	--
9,838,911	--	9,838,911	--
776,496	--	776,496	--
40,657	--	40,657	--
4,600,464	--	4,600,464	--
1,750,367	--	1,750,367	--
1,102,335	589,361	1,691,696	3,700
1,721,284	--	1,721,284	10,787
913,367	13,771	927,138	--
758,608	(758,608)	--	--
<u>--</u>	<u>1,152,170</u>	<u>1,152,170</u>	<u>--</u>
<u>59,061,745</u>	<u>996,694</u>	<u>60,058,439</u>	<u>521,772</u>
2,711,672	9,776,432	12,488,104	86,586
234,275,193	169,546,808	403,822,001	1,594,297
<u>\$ 236,986,865</u>	<u>\$ 179,323,240</u>	<u>\$ 416,310,105</u>	<u>\$ 1,680,883</u>

City of Sarasota, Florida
Governmental Funds
Balance Sheet
September 30, 2012

Assets	General	Penny Sales Tax
Cash and cash equivalents	\$ 3,028,659	\$ 4,315,327
Investments	14,181,465	18,932,260
Receivables (net):		
Accounts	1,415,293	--
Interest	41,247	37,337
Interfund	2,134,959	--
Notes	--	--
Special assessments	--	--
Due from other governmental agencies	1,991,883	923,084
Inventories	122,047	--
Prepaid items	245,692	--
Total assets	<u>\$ 23,161,245</u>	<u>\$ 24,208,008</u>
Liabilities and fund balances		
Liabilities:		
Accounts payable	\$ 781,028	\$ 442,751
Accrued interest payable	--	--
Retainages payable	7,817	68,282
Due to other funds	--	--
Due to other governmental agencies	14,877	--
Interfund payables	--	--
Advance from other funds	--	--
Accrued wages	1,002,661	--
Deferred revenue	519,798	--
Customer deposits	--	--
Total liabilities	<u>2,326,181</u>	<u>511,033</u>
Fund balances:		
Nonspendable:		
Inventory	122,047	--
Prepaid items	245,692	--
Restricted for:		
Infrastructure improvements	--	23,696,975
Community redevelopment	--	--
Housing and community development	--	--
Building services	--	--
Transportation	--	--
Law enforcement programs	--	--
Golden Gate Point streetscape	--	--
Tourist development	--	--
Grant programs	--	--
Economic development	--	--
Debt service	--	--
Construction	--	--
Committed to:		
Revenue stabilization	2,937,500	--
Development application system	--	--
Public art	--	--
Neighborhood grant programs	--	--
Citizens with disabilities	--	--
Forestry	--	--
Transportation	--	--
Affordable housing	--	--
Law enforcement	--	--
Economic development	--	--
Assigned to:		
Subsequent year expenditures	1,952,603	--
Other purposes (encumbrances)	420,478	--
Unassigned	15,156,744	--
Total fund balances	<u>20,835,064</u>	<u>23,696,975</u>
Total liabilities and fund balances	<u>\$ 23,161,245</u>	<u>\$ 24,208,008</u>

The accompanying notes are an integral part of this statement.

<u>Community Redevelopment</u>	<u>Housing and Community Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,534,462	\$ --	\$ 5,471,498	\$ 16,349,946
14,612,348	--	24,004,631	71,730,704
237,274	203,795	69,051	1,925,413
29,452	--	48,238	156,274
--	--	--	2,134,959
--	407,461	90,427	497,888
--	--	666,395	666,395
--	2,390,535	2,793,870	8,099,372
--	--	--	122,047
--	--	14,149	259,841
<u>\$ 18,413,536</u>	<u>\$ 3,001,791</u>	<u>\$ 33,158,259</u>	<u>\$ 101,942,839</u>
\$ 174,535	\$ 812,249	\$ 2,885,020	\$ 5,095,583
--	451	970	1,421
25,743	425,941	210,886	738,669
--	--	6,100	6,100
357,376	--	61,612	433,865
--	1,325,976	741,088	2,067,064
--	--	140,295	140,295
--	22,141	28,804	1,053,606
--	415,033	1,139,962	2,074,793
--	--	44,627	44,627
<u>557,654</u>	<u>3,001,791</u>	<u>5,259,364</u>	<u>11,656,023</u>
--	--	--	122,047
--	--	14,149	259,841
--	--	--	23,696,975
17,855,882	--	--	17,855,882
--	--	1,824,731	1,824,731
--	--	1,572,897	1,572,897
--	--	6,092,304	6,092,304
--	--	307,195	307,195
--	--	94,959	94,959
--	--	3,039,154	3,039,154
--	--	429,316	429,316
--	--	23,776	23,776
--	--	7,145,373	7,145,373
--	--	4,835,913	4,835,913
--	--	--	2,937,500
--	--	491,510	491,510
--	--	257,178	257,178
--	--	76,081	76,081
--	--	165,744	165,744
--	--	100,356	100,356
--	--	111,340	111,340
--	--	267,209	267,209
--	--	1,829	1,829
--	--	329,778	329,778
--	--	877,853	2,830,456
--	--	--	420,478
--	--	(159,750)	14,996,994
<u>17,855,882</u>	<u>--</u>	<u>27,898,895</u>	<u>90,286,816</u>
<u>\$ 18,413,536</u>	<u>\$ 3,001,791</u>	<u>\$ 33,158,259</u>	<u>\$ 101,942,839</u>

City of Sarasota, Florida

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
As of September 30, 2012

Fund balances - total governmental funds \$ 90,286,816

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	\$ 328,002,638	
Less accumulated depreciation	<u>(108,931,208)</u>	219,071,430

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

Bond costs	1,385,703	
Less accumulated amortization	<u>(436,985)</u>	948,718

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	(1,112,116)	
General obligation bonds	(42,909,043)	
Special obligation bonds	(34,859,612)	
Loans payable	(4,070,000)	
Other post-employment benefits	(10,529,704)	
Unamortized bond premium	(211,798)	
Unamortized loss on refunding	<u>9,973</u>	(93,682,300)

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

Special assessments	666,395	
Mortgages receivable	497,888	
Interest subsidy on Build America Bonds received before interest payment was due	<u>187,853</u>	1,352,136

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>19,010,065</u>
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Net assets of governmental activities		<u><u>\$ 236,986,865</u></u>
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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, 2012

	<u>General</u>	<u>Penny Sales Tax</u>
Revenues		
Taxes	\$ 26,597,048	\$ --
Franchise fees	4,600,464	--
Special assessments	--	--
Licenses and permits	293,546	--
Intergovernmental	8,758,779	5,760,726
Charges for services	1,542,526	--
Charges to other funds	4,373,824	--
Fines and forfeits	846,907	--
Investment earnings	252,832	192,883
Miscellaneous	2,222,593	--
Total revenues	<u>49,488,519</u>	<u>5,953,609</u>
Expenditures		
Current:		
General government	16,427,201	--
Public safety	30,494,150	150,000
Physical environment	3,195,194	55,908
Transportation	3,003,790	88,591
Culture and recreation	1,105,693	54,014
Economic environment	--	--
Debt service:		
Principal payments	--	--
Interest and fiscal charges	--	--
Capital outlay	--	3,230,719
Total expenditures	<u>54,226,028</u>	<u>3,579,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,737,509)</u>	<u>2,374,377</u>
Other financing sources (uses)		
Transfers in	4,371,667	--
Transfers out	(454,985)	(1,382,437)
Total other financing sources (uses)	<u>3,916,682</u>	<u>(1,382,437)</u>
Net change in fund balances	(820,827)	991,940
Fund balances - beginning	<u>21,655,891</u>	<u>22,705,035</u>
Fund balances - ending	<u>\$ 20,835,064</u>	<u>\$ 23,696,975</u>

The accompanying notes are an integral part of this statement.

<u>Community Redevelopment</u>	<u>Housing and Community Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,808,438	\$ --	\$ 5,552,055	\$ 38,957,541
--	--	--	4,600,464
--	--	114,980	114,980
--	--	1,441,868	1,735,414
--	8,272,449	4,736,017	27,527,971
--	--	342,731	1,885,257
--	--	--	4,373,824
--	--	210,266	1,057,173
167,392	18,437	284,963	916,507
1,781,973	1,012	309,617	4,315,195
<u>8,757,803</u>	<u>8,291,898</u>	<u>12,992,497</u>	<u>85,484,326</u>
--	--	61,982	16,489,183
18,053	--	2,497,134	33,159,337
--	--	188,660	3,439,762
139,833	--	270,018	3,502,232
--	--	329,394	1,489,101
329,943	8,128,106	496,624	8,954,673
--	--	4,252,633	4,252,633
--	--	5,144,024	5,144,024
762,374	165,862	4,994,067	9,153,022
<u>1,250,203</u>	<u>8,293,968</u>	<u>18,234,536</u>	<u>85,583,967</u>
<u>7,507,600</u>	<u>(2,070)</u>	<u>(5,242,039)</u>	<u>(99,641)</u>
--	2,070	5,256,852	9,630,589
<u>(5,280,358)</u>	<u>--</u>	<u>(1,860,449)</u>	<u>(8,978,229)</u>
<u>(5,280,358)</u>	<u>2,070</u>	<u>3,396,403</u>	<u>652,360</u>
2,227,242	--	(1,845,636)	552,719
<u>15,628,640</u>	<u>--</u>	<u>29,744,531</u>	<u>89,734,097</u>
<u>\$ 17,855,882</u>	<u>\$ --</u>	<u>\$ 27,898,895</u>	<u>\$ 90,286,816</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, 2012

Net change in fund balances - total governmental funds \$ 552,719

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	\$ 10,275,123	
Less current year depreciation	<u>(9,006,884)</u>	1,268,239

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

Book value of disposals of capital assets	(1,587,934)
---	-------------

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.

22,065

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	(114,980)	
Receipts on mortgages receivable	(81,211)	
Special assessments added during the year	<u>160,741</u>	(35,450)

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	1,040,155	
Special obligation bonds	3,393,435	
Loans payable	<u>1,100,000</u>	5,533,590

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	(12,216)	
Accrued interest	55,574	
Interest on capital appreciation bonds	(639,302)	
Other post-employment benefits	(2,546,829)	
Amortization of bond premium	19,884	
Amortization of deferred loss on refunding	(4,961)	
Amortization of current year bond issuance costs	<u>(82,361)</u>	(3,210,211)

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>168,654</u>
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Change in net assets of governmental activities \$ 2,711,672

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, 2012

	<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>
Revenues				
Taxes	\$ 26,705,979	\$ 26,705,979	\$ 26,597,048	\$ (108,931)
Franchise fees	4,928,081	4,928,081	4,600,464	(327,617)
Licenses and permits	218,156	218,156	293,546	75,390
Intergovernmental	8,768,037	8,783,550	8,758,779	(24,771)
Charges for services	1,564,671	1,590,211	1,542,526	(47,685)
Charges to other funds	4,359,532	4,359,532	4,373,824	14,292
Fines and forfeits	1,012,050	1,012,050	846,907	(165,143)
Investment earnings	487,314	487,314	252,832	(234,482)
Miscellaneous	1,513,807	1,520,907	2,222,593	701,686
Total revenues	<u>49,557,627</u>	<u>49,605,780</u>	<u>49,488,519</u>	<u>(117,261)</u>
Expenditures				
Current:				
General government	17,067,021	17,549,857	16,427,201	1,122,656
Public safety	31,467,892	31,532,388	30,494,150	1,038,238
Physical environment	3,141,477	3,183,776	3,195,194	(11,418)
Transportation	3,307,534	3,340,132	3,003,790	336,342
Culture and recreation	1,211,513	2,386,518	1,105,693	1,280,825
Economic environment	25,888	25,888	--	25,888
Total expenditures	<u>56,221,325</u>	<u>58,018,559</u>	<u>54,226,028</u>	<u>3,792,531</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,663,698)</u>	<u>(8,412,779)</u>	<u>(4,737,509)</u>	<u>3,675,270</u>
Other financing sources (uses)				
Transfers in	4,339,882	4,339,882	4,371,667	31,785
Transfers out	<u>(29,661)</u>	<u>(472,576)</u>	<u>(454,985)</u>	<u>17,591</u>
Total other financing sources (uses)	<u>4,310,221</u>	<u>3,867,306</u>	<u>3,916,682</u>	<u>49,376</u>
Net change in fund balances	(2,353,477)	(4,545,473)	(820,827)	3,724,646
Fund balances - beginning	<u>21,655,891</u>	<u>21,655,891</u>	<u>21,655,891</u>	<u>--</u>
Fund balances - ending	<u>\$ 19,302,414</u>	<u>\$ 17,110,418</u>	<u>\$ 20,835,064</u>	<u>\$ 3,724,646</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 5,253,000	\$ 5,685,126	\$ 5,760,726	\$ 75,600
Investment earnings	145,000	145,000	192,883	47,883
Total revenues	<u>5,398,000</u>	<u>5,830,126</u>	<u>5,953,609</u>	<u>123,483</u>
Expenditures				
Current:				
Public safety	150,000	150,000	150,000	--
Physical environment	76,270	103,610	55,908	47,702
Transportation	20,177	61,052	88,591	(27,539)
Culture and recreation	7,562	31,308	54,014	(22,706)
Economic environment	--	--	--	--
Capital outlay:				
Public safety	630,232	917,342	263,702	653,640
Physical environment	77,592	3,302,886	200,579	3,102,307
Transportation	2,785,354	13,566,118	1,497,672	12,068,446
Culture and recreation	1,416,773	3,996,752	1,268,766	2,727,986
Economic environment	1,000,000	3,000,000	--	3,000,000
Total expenditures	<u>6,163,960</u>	<u>25,129,068</u>	<u>3,579,232</u>	<u>21,549,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(765,960)</u>	<u>(19,298,942)</u>	<u>2,374,377</u>	<u>21,673,319</u>
Other financing uses				
Transfers out	<u>(1,201,187)</u>	<u>(1,382,437)</u>	<u>(1,382,437)</u>	<u>--</u>
Net change in fund balances	(1,967,147)	(20,681,379)	991,940	21,673,319
Fund balances - beginning	<u>22,705,035</u>	<u>22,705,035</u>	<u>22,705,035</u>	<u>--</u>
Fund balances (deficit) - ending	<u>\$ 20,737,888</u>	<u>\$ 2,023,656</u>	<u>\$ 23,696,975</u>	<u>\$ 21,673,319</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, 2012

	<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>
Revenues				
Taxes	\$ 6,854,853	\$ 6,854,853	\$ 6,808,438	\$ (46,415)
Investment earnings	100,000	100,000	167,392	67,392
Miscellaneous	--	1,781,123	1,781,973	850
Total revenues	<u>6,954,853</u>	<u>8,735,976</u>	<u>8,757,803</u>	<u>21,827</u>
Expenditures				
Current:				
Public safety	--	23,100	18,053	5,047
Transportation	143,117	5,267,535	139,833	5,127,702
Economic environment	416,670	3,599,029	329,943	3,269,086
Capital outlay:				
Public safety	21,665	42,523	--	42,523
Transportation	1,700,332	8,170,940	632,498	7,538,442
Culture and recreation	--	459,599	--	459,599
Economic environment	250,890	374,783	129,876	244,907
Total expenditures	<u>2,532,674</u>	<u>17,937,509</u>	<u>1,250,203</u>	<u>16,687,306</u>
Excess of revenues over expenditures	4,422,179	(9,201,533)	7,507,600	16,709,133
Other financing uses				
Transfers out	<u>(5,280,358)</u>	<u>(5,280,358)</u>	<u>(5,280,358)</u>	<u>--</u>
Net change in fund balances	(858,179)	(14,481,891)	2,227,242	16,709,133
Fund balances - beginning	<u>15,628,640</u>	<u>15,628,640</u>	<u>15,628,640</u>	<u>--</u>
Fund balances (deficit) - ending	<u>\$ 14,770,461</u>	<u>\$ 1,146,749</u>	<u>\$ 17,855,882</u>	<u>\$ 16,709,133</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

Housing and Community Development

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

Year Ended September 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 4,776,775	\$ 15,510,951	\$ 8,272,449	\$ (7,238,502)
Investment earnings	--	--	18,437	18,437
Miscellaneous	--	3,400	1,012	(2,388)
Total revenues	<u>4,776,775</u>	<u>15,514,351</u>	<u>8,291,898</u>	<u>(7,222,453)</u>
Expenditures				
Current:				
Economic environment	4,467,088	15,086,952	8,128,106	6,958,846
Capital outlay:				
General government	9,687	9,970	8,666	1,304
Culture and recreation	300,000	417,429	157,196	260,233
Total expenditures	<u>4,776,775</u>	<u>15,514,351</u>	<u>8,293,968</u>	<u>7,220,383</u>
Excess of revenues over expenditures	--	--	(2,070)	(2,070)
Other financing sources				
Transfers in	--	--	2,070	2,070
Net change in fund balances	--	--	--	--
Fund balances - beginning	--	--	--	--
Fund balances (deficit) - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.



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City of Sarasota, Florida
Proprietary Funds
Statement of Net Assets
September 30, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	
Assets						
Current assets:						
Cash and cash equivalents	\$ 6,930,145	\$ 1,185,060	\$ 1,502,316	\$ 337,886	\$ 9,955,407	\$ 4,140,914
Investments	30,404,023	5,199,110	6,590,982	1,482,380	43,676,495	18,167,067
Receivables (net):						
Accounts	3,445,405	17,801	503,238	19,292	3,985,736	5,807
Interest	60,243	8,933	13,387	3,040	85,603	27,382
Due from other funds	--	--	--	--	--	44,104
Due from other governmental agencies	--	9	--	2,321	2,330	3,947
Inventories	88,406	330	--	45,917	134,653	206,124
Prepaid items	199,463	370,449	5,252	55,770	630,934	19,079
Total unrestricted current assets	<u>41,127,685</u>	<u>6,781,692</u>	<u>8,615,175</u>	<u>1,946,606</u>	<u>58,471,158</u>	<u>22,614,424</u>
Restricted current assets:						
Cash and cash equivalents	5,106,512	--	1,606	--	5,108,118	--
Cash with fiscal agents	4,762,156	--	--	--	4,762,156	--
Investments	22,403,357	--	7,046	--	22,410,403	--
Accrued interest receivable	52,291	--	--	--	52,291	--
Due from other governmental agencies	21,930	--	--	--	21,930	--
Prepaid items	8,250	--	--	--	8,250	--
Deferred issuance costs	69,153	--	--	--	69,153	--
Total restricted current assets	<u>32,423,649</u>	<u>--</u>	<u>8,652</u>	<u>--</u>	<u>32,432,301</u>	<u>--</u>
Total current assets	<u>73,551,334</u>	<u>6,781,692</u>	<u>8,623,827</u>	<u>1,946,606</u>	<u>90,903,459</u>	<u>22,614,424</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable:						
Land	6,040,560	525,000	--	3,018,801	9,584,361	--
Art collections	--	218,397	--	--	218,397	--
Construction in progress	38,099,910	--	34,185	25,813	38,159,908	--
Depreciable:						
Buildings	25,132,251	26,032,460	143,687	3,117,187	54,425,585	--
Improvements	--	696,725	211,276	6,232,390	7,140,391	2,738,397
Utility systems	223,393,706	--	--	--	223,393,706	--
Equipment	8,503,513	1,272,682	5,418,703	1,143,292	16,338,190	11,671,575
Less accumulated depreciation	<u>(158,358,471)</u>	<u>(12,013,454)</u>	<u>(4,980,840)</u>	<u>(7,797,833)</u>	<u>(183,150,598)</u>	<u>(9,918,197)</u>
Total capital assets (net of accumulated depreciation)	<u>142,811,469</u>	<u>16,731,810</u>	<u>827,011</u>	<u>5,739,650</u>	<u>166,109,940</u>	<u>4,491,775</u>
Other assets:						
Advance to other funds	--	--	--	--	--	220,405
Deferred issuance costs	580,998	--	--	--	580,998	--
Total other assets	<u>580,998</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>580,998</u>	<u>220,405</u>
Total noncurrent assets	<u>143,392,467</u>	<u>16,731,810</u>	<u>827,011</u>	<u>5,739,650</u>	<u>166,690,938</u>	<u>4,712,180</u>
Total assets	<u>\$ 216,943,801</u>	<u>\$ 23,513,502</u>	<u>\$ 9,450,838</u>	<u>\$ 7,686,256</u>	<u>\$ 257,594,397</u>	<u>\$ 27,326,604</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	
Liabilities						
Current liabilities:						
Accounts payable	\$ 831,660	\$ 160,136	\$ 385,111	\$ 32,202	\$ 1,409,109	\$ 521,929
Retainages payable	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	38,004
Due to other governmental agencies	12,105	4,498	--	4,778	21,381	--
Interfund payables	--	--	--	--	--	67,895
Accrued interest payable	83	--	--	277	360	243
Liability for unpaid claims	--	--	--	--	--	2,766,874
Accrued wages	228,582	44,806	37,383	29,787	340,558	38,802
Compensated absences	391,341	66,219	54,663	56,186	568,409	2,584,373
Unearned revenue	230,413	3,651,629	345,045	105,021	4,332,108	--
Total unrestricted current liabilities	<u>1,694,184</u>	<u>3,927,288</u>	<u>822,202</u>	<u>228,251</u>	<u>6,671,925</u>	<u>6,018,120</u>
Current liabilities payable from restricted assets:						
Accounts payable	960,598	--	--	--	960,598	--
Retainages payable	793,599	--	--	--	793,599	--
Accrued interest payable	1,517,155	--	--	--	1,517,155	--
Customer deposits	1,004,534	--	8,652	--	1,013,186	--
Revenue bonds & loans payable - current	<u>3,356,052</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,356,052</u>	<u>--</u>
Total current liabilities payable from restricted assets	<u>7,631,938</u>	<u>--</u>	<u>8,652</u>	<u>--</u>	<u>7,640,590</u>	<u>--</u>
Total current liabilities	<u>9,326,122</u>	<u>3,927,288</u>	<u>830,854</u>	<u>228,251</u>	<u>14,312,515</u>	<u>6,018,120</u>
Noncurrent liabilities:						
Advances from other funds	--	--	--	--	--	80,110
Compensated absences	320,188	54,180	44,725	45,970	465,063	2,114,488
Other post-employment benefits	679,599	114,760	114,727	97,695	1,006,781	103,821
Revenue bonds, loans payable and unamortized premium less current maturities and deferred amount of refunding	<u>62,486,798</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>62,486,798</u>	<u>--</u>
Total noncurrent liabilities	<u>63,486,585</u>	<u>168,940</u>	<u>159,452</u>	<u>143,665</u>	<u>63,958,642</u>	<u>2,298,419</u>
Total liabilities	<u>72,812,707</u>	<u>4,096,228</u>	<u>990,306</u>	<u>371,916</u>	<u>78,271,157</u>	<u>8,316,539</u>
Net Assets						
Invested in capital assets, net of related debt	90,873,362	16,731,810	827,011	5,739,650	114,171,833	4,491,775
Restricted:						
Debt service	6,897,136	--	--	--	6,897,136	--
Construction	7,926,865	--	--	--	7,926,865	--
Unrestricted	<u>38,433,731</u>	<u>2,685,464</u>	<u>7,633,521</u>	<u>1,574,690</u>	<u>50,327,406</u>	<u>14,518,290</u>
Total net assets	<u>\$ 144,131,094</u>	<u>\$ 19,417,274</u>	<u>\$ 8,460,532</u>	<u>\$ 7,314,340</u>	<u>\$ 179,323,240</u>	<u>\$ 19,010,065</u>

City of Sarasota, Florida
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2012

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	
Operating revenues						
Charges for services	\$ 36,369,805	\$ 7,524,602	\$ 10,274,056	\$ 3,099,274	\$ 57,267,737	\$ 14,322,861
Rents	19,137	537,993	60,000	349,353	966,483	--
Fines	--	--	--	379,258	379,258	--
Miscellaneous	475,658	3,372	20,136	6,884	506,050	149,697
Total operating revenues	<u>36,864,600</u>	<u>8,065,967</u>	<u>10,354,192</u>	<u>3,834,769</u>	<u>59,119,528</u>	<u>14,472,558</u>
Operating expenses						
Personal services	8,801,120	1,560,306	2,086,973	1,481,552	13,929,951	4,048,607
Contractual services	6,323,911	6,121,908	5,282,655	920,551	18,649,025	7,548,007
Repairs and maintenance	2,919,235	154,871	389,055	1,455,310	4,918,471	442,744
Supplies and materials	2,841,691	174,692	540,688	178,969	3,736,040	1,913,303
Depreciation	7,311,315	985,402	507,268	342,478	9,146,463	785,144
Other	33,000	--	--	--	33,000	--
Total operating expenses	<u>28,230,272</u>	<u>8,997,179</u>	<u>8,806,639</u>	<u>4,378,860</u>	<u>50,412,950</u>	<u>14,737,805</u>
Operating income (loss)	<u>8,634,328</u>	<u>(931,212)</u>	<u>1,547,553</u>	<u>(544,091)</u>	<u>8,706,578</u>	<u>(265,247)</u>
Nonoperating revenues (expenses)						
Grant income	21,930	631,543	--	--	653,473	--
Investment earnings	453,619	45,730	69,425	20,587	589,361	175,219
Interest expense	(497,307)	--	--	--	(497,307)	(4,833)
Loan and bond issue expense	(83,006)	--	--	--	(83,006)	--
Gain (loss) on disposition of capital assets	13,415	139	--	217	13,771	96,353
Total nonoperating revenues (expenses)	<u>(91,349)</u>	<u>677,412</u>	<u>69,425</u>	<u>20,804</u>	<u>676,292</u>	<u>266,739</u>
Income (loss) before capital contributions, transfers and special items	8,542,979	(253,800)	1,616,978	(523,287)	9,382,870	1,492
Capital contributions	17,404	--	--	--	17,404	43,510
Transfers in	--	--	--	277,000	277,000	125,915
Transfers out	(59,492)	--	(609,479)	(384,041)	(1,053,012)	(2,263)
Special item	1,463,084	--	--	(310,914)	1,152,170	--
Change in net assets	9,963,975	(253,800)	1,007,499	(941,242)	9,776,432	168,654
Total net assets - beginning	<u>134,167,119</u>	<u>19,671,074</u>	<u>7,453,033</u>	<u>8,255,582</u>	<u>169,546,808</u>	<u>18,841,411</u>
Total net assets - ending	<u>\$ 144,131,094</u>	<u>\$ 19,417,274</u>	<u>\$ 8,460,532</u>	<u>\$ 7,314,340</u>	<u>\$ 179,323,240</u>	<u>\$ 19,010,065</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, 2012

	Business-type Activities - Enterprise Funds					Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	Activities - Internal Service Funds
Cash flows from operating activities						
Cash received from customers and users	\$ 37,677,295	\$ 8,069,061	\$ 10,242,127	\$ 3,836,776	\$ 59,825,259	\$ 1,376,632
Cash received from other funds for goods and services	--	--	--	--	--	13,091,439
Cash payments to vendors for goods and services	(10,462,946)	(6,297,944)	(5,864,814)	(2,290,353)	(24,916,057)	(4,135,199)
Cash payments to employees for services	(8,580,008)	(1,565,453)	(2,034,305)	(1,447,772)	(13,627,538)	(3,948,319)
Cash payments to customers	(614,996)	--	--	--	(614,996)	--
Cash payments to other funds	(2,283,306)	(250,667)	(387,256)	(309,558)	(3,230,787)	(703,589)
Claims paid	--	--	--	--	--	(5,017,984)
Net cash provided (used) by operating activities	15,736,039	(45,003)	1,955,752	(210,907)	17,435,881	662,980
Cash flows from noncapital financing activities						
Grants and contributions	21,930	631,543	--	--	653,473	--
Interfund loan repayments	(267,019)	--	--	--	(267,019)	(53,682)
Transfers in	--	--	--	277,000	277,000	125,915
Transfers out	(59,492)	--	(609,479)	(384,041)	(1,053,012)	(2,263)
Loan to/from other fund	--	--	--	--	--	(159,390)
Repayment of loan to/from other fund	--	--	--	--	--	12,995
Interest on loan to/from other fund	--	--	--	--	--	5,650
Net cash provided (used) by noncapital financing activities	(304,581)	631,543	(609,479)	(107,041)	(389,558)	(70,775)
Cash flows from capital and related financing activities						
Acquisition of capital assets	(16,144,048)	(62,000)	(124,105)	(67,200)	(16,397,353)	(2,190,804)
Principal repayments - revenue bonds	(5,194,922)	--	--	--	(5,194,922)	--
Principal repayments - loans payable	(217,686)	--	--	--	(217,686)	--
Interest paid	(2,825,096)	--	--	--	(2,825,096)	--
Fiscal charges paid	(5,900)	--	--	--	(5,900)	--
Federal Interest subsidy	486,321	--	--	--	486,321	--
Proceeds from sale of capital assets	2,057,670	139	--	217	2,058,026	97,350
Net cash used by capital and related financing activities	(21,843,661)	(61,861)	(124,105)	(66,983)	(22,096,610)	(2,093,454)
Cash flows from investing activities						
Interest on investments	825,647	43,026	65,054	20,764	954,491	160,637
Proceeds from sale and maturities of investments	--	--	--	225,654	225,654	207,391
Purchase of investments	(10,842,829)	(1,646,211)	(2,435,356)	(373,707)	(15,298,103)	(3,929,077)
Net cash provided (used) by investing activities	(10,017,182)	(1,603,185)	(2,370,302)	(127,289)	(14,117,958)	(3,561,049)
Net increase (decrease) in cash and cash equivalents	(16,429,385)	(1,078,506)	(1,148,134)	(512,220)	(19,168,245)	(5,062,298)
Cash and cash equivalents at beginning of year	33,228,198	2,263,566	2,652,056	850,106	38,993,926	9,203,212
Cash and cash equivalents at end of year	\$ 16,798,813	\$ 1,185,060	\$ 1,503,922	\$ 337,886	\$ 19,825,681	\$ 4,140,914

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
Reconciliations of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 8,634,328	\$ (931,212)	\$ 1,547,553	(544,091)	\$ 8,706,578	\$ (265,247)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	7,311,315	985,402	507,268	342,478	9,146,463	785,144
Net (increase) decrease in:						
Accounts receivable	(294,108)	4,878	(61,009)	(3,764)	(354,003)	(4,487)
Due from other governmental agencies	492,963	(9)	--	1,996	494,950	(136)
Inventories	(40,541)	1,286	--	2,776	(36,479)	1,466
Prepaid items	13,226	277,250	13	1,172	291,661	32,010
Net increase (decrease) in:						
Accounts payable	(891,556)	(375,676)	(36,143)	(55,728)	(1,359,103)	173,998
Retainages payable	280,881	--	--	--	280,881	--
Liability for unpaid claims	--	--	--	--	--	(160,056)
Due to other governmental agencies	9,575	(12,706)	(3,542)	4,778	(1,895)	--
Accrued wages	42,777	7,619	7,566	3,161	61,123	10,789
Compensated absences	(33,070)	(51,542)	5,392	(5,098)	(84,318)	58,202
Unearned revenue	28,980	10,931	(50,450)	5,696	(4,843)	--
Customer deposits	(30,136)	--	(606)	--	(30,742)	--
Other post-employment benefits	211,405	38,776	39,710	35,717	325,608	31,297
Total adjustments	7,101,711	886,209	408,199	333,184	8,729,303	928,227
Net cash provided (used) by operating activities:	\$ 15,736,039	\$ (45,003)	\$ 1,955,752	\$ (210,907)	\$ 17,435,881	\$ 662,980

Noncash investing, capital, and financing activities

Capital assets transferred from other funds	\$ 17,404	\$ --	\$ --	--	\$ 17,404	43,510
Book value on disposal of capital assets	--	--	--	--	--	--
Amortization of loan and bond issues costs	77,106	--	--	--	77,106	--
Amortization of premium on issuance of bonds	323,900	--	--	--	323,900	--
Amortization of deferred loss on defeasance of debt	155,316	--	--	--	155,316	--

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 Fiduciary Funds
 Statement of Fiduciary Net Assets
 September 30, 2012

Assets	Pension and OPEB Trust Funds	Agency Funds
Cash and cash equivalents	\$ 1,571,943	\$ 2,770
Investments:		
Money market funds	11,190,849	12,154
U.S. Government securities	17,112,614	--
U.S. Government agency securities	17,908,564	--
Common and preferred stock	216,884,174	--
Corporate bonds and notes	36,164,291	--
Domestic mutual funds	876,506	--
Bond mutual funds	41,254,456	--
Real estate mutual funds	28,645,350	--
Mortgage backed securities	1,499,649	--
Municipal securities	122,109	--
Foreign stocks	19,375,544	--
Foreign mutual funds	24,819,491	--
Foreign bond mutual funds	46,956	--
Total investments	<u>415,900,553</u>	<u>12,154</u>
Receivables (net):		
Accounts	53,554	--
Interest and dividends	860,994	40
Total receivables	<u>914,548</u>	<u>40</u>
Other assets:		
Share account loans	70,248	--
Prepaid items	49,813	--
Equipment	3,852	--
Less accumulated depreciation	(3,852)	--
Total other assets	<u>120,061</u>	<u>--</u>
Total assets	<u>418,507,105</u>	<u>14,964</u>
Liabilities		
Accounts payable	846,824	--
Liability for unpaid claims	565,990	--
Accrued wages and unpaid vacation	55,664	--
Unearned revenue	155,112	--
Accrued benefits	12,366,443	--
Accrued liabilities	--	14,964
Total liabilities	<u>13,990,033</u>	<u>14,964</u>
Net Assets		
Held in trust for pension and OPEB benefits	<u>\$ 404,517,072</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
 For the Year Ended September 30, 2012

	Pension and OPEB Trust Funds
Additions	
Contributions	
Plan members	\$ 3,261,440
Employer	
City of Sarasota	18,980,542
Sarasota County	4,739,251
State on behalf payments, through General Fund	1,270,326
Other	2,356,297
	<hr/>
Total contributions	30,607,856
	<hr/>
Investment income	
Net increase	
in fair value of investments	60,197,018
Interest	2,214,365
Dividends	7,410,301
	<hr/>
Total investment income	69,821,684
Less investment expense	(2,609,847)
	<hr/>
Net investment income (loss)	67,211,837
Total additions	97,819,693
	<hr/>
Deductions	
Benefits	38,288,255
Share expense	576,108
Other benefits	602,826
Administrative expenses	1,315,760
Refunds of contributions	394,860
	<hr/>
Total deductions	41,177,809
	<hr/>
Change in net assets	56,641,884
Net assets - beginning	347,875,188
	<hr/>
Net assets - ending	\$ 404,517,072
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 General Employees' Defined Benefit Pension Plan Fund
 Statement of Net Assets
 September 30, 2012

		General Employees' Defined Benefit Pension Fund
Assets		
Cash and cash equivalents		\$ 314,835
Investments:		
Money market funds		5,467,894
U.S. Government securities		12,760,201
U.S. Government agency securities		11,980,033
Common and preferred stock		63,203,218
Corporate bonds and notes		7,566,231
Foreign stocks		16,911,312
Total investments		<u>117,888,889</u>
Receivables (net):		
Accounts		28,446
Interest and dividends		232,299
Total receivables		<u>260,745</u>
Other assets:		
Prepaid items		14,359
Equipment		575
Less accumulated depreciation		(575)
Total other assets		<u>14,359</u>
Total assets		<u>118,478,828</u>
Liabilities		
Accounts payable		218,253
Accrued wages and unpaid vacation		17,611
Unearned revenue		55,775
Accrued benefits		1,048,812
Total liabilities		<u>1,340,451</u>
Net Assets		
Held in trust for General Employees' Pension		<u>\$ 117,138,377</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 General Employees' Defined Benefit Pension Plan Fund
 Statement of Changes in Net Assets
 For the Year Ended September 30, 2012

	General Employees' Defined Benefit Pension Fund
Additions	
Contributions	
Plan members	\$ 963,675
Employer	
City of Sarasota	3,557,464
Sarasota County	<u>69,165</u>
Total contributions	<u>4,590,304</u>
Investment income	
Net increase	
in fair value of investments	17,537,534
Interest	847,526
Dividends	<u>1,482,102</u>
Total investment income (loss)	19,867,162
Less investment expense	<u>(749,829)</u>
Net investment income (loss)	<u>19,117,333</u>
Total additions	<u>23,707,637</u>
Deductions	
Benefits	
Retirements	9,756,972
Accrued benefits to Defined Contribution Plan participants	1,479,265
Administrative expenses	139,522
Refunds of contributions	<u>218,917</u>
Total deductions	<u>11,594,676</u>
Change in net assets	12,112,961
Net assets - beginning	<u>105,025,416</u>
Net assets - ending	<u><u>\$ 117,138,377</u></u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

Component Units

Statement of Net Assets

September 30, 2012

	St. Armands Business Improvement District	Downtown Improvement District	Total
Assets			
Cash and cash equivalents	\$ 68,021	\$ 168,580	\$ 236,601
Receivables (net):			
Interest	113	300	413
Capital assets:			
Non-depreciable	1,376	--	1,376
Depreciable (net)	1,324,663	329,350	1,654,013
Total assets	<u>1,394,173</u>	<u>498,230</u>	<u>1,892,403</u>
Liabilities			
Accounts payable	4,618	55,191	59,809
Accrued wages	--	886	886
Unearned revenue	825	--	825
Noncurrent liabilities:			
Due within one year	150,000	--	150,000
Total liabilities	<u>155,443</u>	<u>56,077</u>	<u>211,520</u>
Net Assets			
Invested in capital assets, net of related debt	1,326,039	329,350	1,655,389
Unrestricted	(87,309)	112,803	25,494
Total net assets	<u>\$ 1,238,730</u>	<u>\$ 442,153</u>	<u>\$ 1,680,883</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, 2012

	St. Armands Business Improvement District	Downtown Improvement District	Total
Program expenses:			
Personal services	\$ --	\$ 32,587	\$ 32,587
Contractual services	24,603	272,446	297,049
Repairs and maintenance	13,477	5,515	18,992
Supplies and materials	--	477	477
Depreciation	45,220	34,605	79,825
Interest expense	6,256	--	6,256
Total program expenses	<u>89,556</u>	<u>345,630</u>	<u>435,186</u>
Program profit (loss)	<u>(89,556)</u>	<u>(345,630)</u>	<u>(435,186)</u>
General revenues:			
Property taxes	200,657	306,628	507,285
Investment earnings	1,280	2,420	3,700
Miscellaneous	3,000	7,787	10,787
Total general revenues	<u>204,937</u>	<u>316,835</u>	<u>521,772</u>
Change in net assets	115,381	(28,795)	86,586
Net assets - beginning	<u>1,123,349</u>	<u>470,948</u>	<u>1,594,297</u>
Net assets - ending	<u>\$ 1,238,730</u>	<u>\$ 442,153</u>	<u>\$ 1,680,883</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 52,517. 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 30th 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 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* is used to account for tax increment revenues that encourage development in the downtown and Newtown areas. The *Housing and Community Development Fund* accounts for a variety of affordable housing and community development programs funded by the Federal Department of Housing and Urban Development.

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' Defined Benefit Pension, Police Officers' Defined Benefit Pension, Firefighters' Defined Benefit Pension and General Employees Defined Contribution 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, deposits from homeowners, and 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 United States Government securities, United States Government Agency securities, Federal Instrumentalities, Mortgage-Backed Securities, the Local Government Surplus Trust Funds Investment Pool – Fund B 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, Federal Instrumentalities, Mortgage-Backed Securities, the Local Government Surplus Trust Funds Investment Pool-Fund B 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, 2012, 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 \$3,044,766. Of this amount, \$1,892,554, less investment income of \$387,727, 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. Net Assets

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are presented in three components – invested in capital assets (net of related debt), restricted, and unrestricted.

Invested in Capital Assets (net of related debt) – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted – This component consists of net assets that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Unrestricted – This component consists of net assets that do not meet the definition of "invested in capital assets (net of related debt)", and "restricted".

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.

O. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable Fund Balance – consists of funds that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid items) and long-term loans and notes receivable.

Restricted Fund Balance – consists of funds that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – consists of funds that are set aside for a specific purpose by the City’s highest level of decision making authority (City Commission). Formal action, by adoption of an ordinance or resolution, must be taken prior to the end of the fiscal year, but the amount, which will be subject to the constraint, may be determined in the subsequent period. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance – consists of funds that are set aside with the intent to be used for a specific purpose by the City Manager or his designee as authorized in the annual budget resolution. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned Fund Balance – consists of excess funds that have not been classified in the previous four categories. All funds in this category also provide the resources necessary to meet unexpected expenditures and revenue shortfalls.

When an expenditure is incurred, the City uses restricted amounts first when both restricted and unrestricted fund balances are available. Additionally, the City would first use unassigned fund balance, followed by committed fund balance and then assigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

P. General Fund Revenue Stabilization Reserve

Maintaining a General Fund Revenue Stabilization Reserve is a necessity for sound financial management and fiscal accountability. The General Fund Revenue Stabilization Reserve was established to minimize the impact of declines from economic conditions on major General Fund revenue sources. The General Fund Revenue Stabilization Reserve was created in the 2009 fiscal year using \$2,937,500 of fund balance. The General Fund Revenue Stabilization Reserve fund balance is committed by the City Commission as set forth in the annual budget (and any amendments thereto) to ensure funding to help mitigate cyclical downturns in the General Fund revenue base. This reserve will be increased in years when actual revenue exceeds projected revenue and reduced when actual revenue falls short of projected revenue.

Q. Property Tax Calendar

The City levies property taxes each November 1st, 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 1st. The current year’s levy is based on taxable assessed property values totaling \$6,793,429,833.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2011-2012 fiscal year, the City levied taxes of 2.9249 mills for the General Fund and an additional 0.4298 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 31st. Taxes become delinquent on April 1st. By May 31st 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.

PROPERTY TAX CALENDAR	
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 1st. 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 1st, 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. 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 assigned fund balance 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 revenue budget was increased by \$48,153. This amount includes reappropriations in the amount of \$15,513 for grant funding, \$25,540 for charges for services at the Robert L. Taylor Community Complex, and \$7,100 from donations to public safety and the Robert L. Taylor Community Complex.
- The General Fund expenditure budget was increased by \$454,555 for the following purposes: \$267,000 for a subsidy to the parking management program, \$125,915 for a forensics investigation and audit, \$29,000 for the City Manager process, \$26,140 for the Robert L. Taylor Community Complex, and \$6,500 for public safety.
- The General Fund expenditure budget was also increased \$1,785,594 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, \$354,274 for repairs at City Hall and Federal Building, and \$282,455 for various other projects.
- The Penny Sales Tax revenue budget was increased by \$432,126 for a reappropriation of anticipated revenue for the Brownfield project.
- The Penny Sales Tax expenditure budget was increased \$19,146,358 for reappropriations for various projects that were budgeted in the previous fiscal year but not completed. This includes \$3,639,812 for Old Bradenton Road, \$2,949,938 for Stormwater Utility projects, \$2,000,000 for Housing, \$1,471,876 for the ATMS project, \$1,150,000 for Street Reconstruction, \$890,467 for Payne Park Phase II, \$873,356 for the Brownfield project, \$674,859 for Parks and Recreation facilities, \$642,436 for Wayfinding Signage, \$506,627 for Enhanced Landscaping on US301, \$435,144 for intersection improvements at 1st, Main and Ringling, \$406,000 for the Bayfront Connectivity project, and \$3,505,843 for various other projects.
- The Community Redevelopment revenue budget was increased by \$1,781,123 for various revenues which include \$1,587,934 for the sale of the Palm Avenue Parking Garage retail space, \$160,000 of contributions from the Downtown Improvement District, and \$33,189 refund from the Career Edge Workforce.
- The Community Redevelopment expenditure budget was increased by \$13,528,712 for reappropriations of various projects that were budgeted in the previous fiscal year but not completed. This includes \$5,633,241 for State Street Parking Garage, \$1,697,994 for Newtown Redevelopment, \$1,040,936 for Wayfinding Signage, \$742,324 for Pedestrian Sleeves, \$714,736 for Downtown Pedestrian Street Lights, \$687,390 for Affordable Housing, \$487,639 for developer incentives to the Herald Tribune, \$448,803 for Downtown Transportation, and \$2,075,649 for various other projects.
- The Community Redevelopment expenditure budget was also increased by \$1,876,123 for special appropriations which modified existing projects and added new projects. Projects that were decreased due to completion or excess funds include (\$500,000) from the Downtown Redevelopment Plan, (\$82) from the Palm Avenue Parking Garage, (\$300,000) from Wayfinding Signage, (\$80,000) from Career Edge Workforce, (\$335,287) from Pedestrian Sleeves, (\$50,000) from the City Wide Mobility Study, and (\$589,736) from Downtown Pedestrian Streetlights. Projects that were increased or added include, \$400,000 for Gulfstream Avenue to Five Points, \$150,000 for Five Points to Orange Avenue, \$363,039 for Orange Avenue to Goodrich, \$1,500,000 for First Street-US 41 to Pineapple, \$1,100,000 for Main Street-Orange Avenue Roundabout, \$10,000 for North Palm Avenue Streetscape, \$15,000 for North Sarasota Violence, \$80,000 for Salvation Army, and \$113,189 for Newtown Economic Development.

- The Housing and Community Development revenue and expenditure budget were each increased by \$10,737,576. This amount includes reappropriations in the amount of \$10,684,900 for grant funding, \$49,276 of additional grant funding awarded, and \$3,400 for donations.

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, 2012:

<u>Nonmajor Funds</u>	<u>Appropriations</u>	<u>Expenditures</u>
Debt Service Funds:		
2001B First Florida	\$139,425	\$139,868

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 \$14,274 and the 2010 Stadium Bonds Capital Projects Fund had a deficit fund balance of \$1,389 as of September 30, 2012. These deficits were due to investment earnings coming in less than anticipated for the last two years. These deficits will be eliminated with funding in the 2013 year.

In addition, the Glen Oaks Debt Service Fund had a deficit fund balance of \$144,087. This deficit was due to the transfer of cash to the Glen Oaks Capital Projects Fund. This deficit will be eliminated with the collection of special assessments and interest earnings.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents include cash on hand, amounts in demand and time deposits and short-term investments with original maturity dates within three months of the date acquired by the city. All of the City's 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.

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, is established by an internal investment committee that meets quarterly.

The City's investment manager is authorized to invest in the State Board of Administration's Local Government Investment Pool (Florida Prime Fund and SBA Fund B), U.S. Government Securities, U.S. Government Agencies, Federal Instrumentalities (U.S. Government sponsored agencies), Interest

Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Mutual Funds), Intergovernmental Investment Pools, Corporate Obligations, FDIC Corporate Obligations, and Mortgage-Backed Securities (MBS). 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 Prime Fund 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 Florida Prime Fund 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) rates the Trust's fixed income portfolios. Investment compliance and 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 and are members of the Trust. 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.

A. City of Sarasota

As of September 30, 2012, the City had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 6,364,233	Not Applicable
Money Market Funds	29,991,036	0.01
Certificates of Deposit	3,000,000	0.72
Federal Agency Bonds/Notes	47,078,433	1.38
Federal Agency Mortgage-Backed Securities	14,541,906	2.75
Corporate Bonds/Notes	13,817,763	2.11
U.S Treasury Bonds/Notes	67,509,697	1.86
Commercial Paper	4,998,720	0.12
Investment pools:		
State Board of Administration	7,529	4.08
Florida League of Cities	9,243,418	3.50
Total Cash & Investments	<u>\$ 196,552,735</u>	
Portfolio weighted average maturity		1.55

City investments include Component Units and Agency Funds.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. When interest rates increase, the value of 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 five years or less.

Credit Risk

Credit quality risk results from potential default of investments that are not financially sound. The investment policy limits investments in commercial paper to A-1/P-1 rated paper with the aggregate value not to exceed twenty percent of the total portfolio. The City's investments in United States Government Securities, United States Agencies, Federal Instrumentalities and Mortgage-Backed Securities are rated AA+ by Standard & Poor's and Aaa 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 Florida Local Government Investment Pool-SBA Fund B are not rated by a nationally recognized statistical rating agency as of September 30, 2012. 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, 2012.

Concentration of Credit Risk

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., 15% for Mortgage-Backed Securities, 25% for the Florida Prime Fund, Interest Bearing Time Deposit or Savings Accounts, Mutual Funds, Intergovernmental Investment Pools, and United States Government Agencies, 40% for Federal Instrumentalities, and up to 100% for United States Government Securities.

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Investments</u>
Federal Home Loan Mortgage Corp.	AA+	\$21,455,644	11.3%
Federal Home Loan Bank	AA+	11,144,238	5.9%
Federal National Mortgage Assoc.	AA+	15,506,193	8.2%

Custodial Credit Risk

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 United States Government securities, United States Government Agencies, Federal instrumentalities, and Mortgage-Backed securities are held by a third party custodial entity in the name of the City.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The City's investment policy does not permit investments in foreign securities.

B. General Employees' Defined Benefit Pension Plan

As of September 30, 2012, the General Employees' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 314,835	Not Applicable
Money market funds	5,466,110	0.01
U.S. Government securities	12,760,201	3.91
U.S. Government agency securities	11,980,033	15.44
Investment pools:		
State Board of Administration	1,784	4.08
Common and preferred stock	63,203,218	Not Applicable
Corporate bonds and notes	7,566,231	9.11
Foreign stocks	16,911,312	Not Applicable
Total Cash & Investments	<u>\$ 118,203,724</u>	
Portfolio weighted average maturity		8.04

Interest Rate Risk

The Plan manages 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 Plan does not limit the weighted average maturity of its investment portfolio.

Credit Risk

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.

Concentration of Credit Risk

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.

Custodial Credit Risk

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 Plan does 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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan does not have a policy that addresses the risks associated with investments in foreign currency. The plan holds \$16,911,312 in international investments. This amount represents approximately 14.3 percent of total plan investments. Most of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

C. Firefighters' Defined Benefit Pension Plan

As of September 30, 2012, the Firefighters' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 450,881	Not Applicable
Money market funds	3,064,934	0.01
U.S. Government securities	2,452,717	21.906
U.S. Government agency securities	1,530,240	6.367
Common and preferred stock	67,885,245	Not Applicable
Corporate bonds and notes	19,762,262	5.696
Municipal securities	122,109	28.253
Real estate mutual funds	11,253,266	Not Applicable
Mortgage backed securities	1,499,649	27.568
Total Cash & Investments	\$ 108,021,303	
Portfolio weighted average maturity		7.77

Interest Rate Risk

The Plan manages 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 Plan does not limit the weighted average maturity of its investment portfolio.

Credit Risk

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.

Concentration of Credit Risk

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.

Custodial Credit Risk

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 Plan does 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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan does not have a policy that addresses the risks associated with investments in foreign currency. The plan holds no international investments.

D. Police Officers' Defined Benefit Pension Plan

As of September 30, 2012, the Police Officers' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 630,818	Not Applicable
Money market funds	1,123,812	0.01
Common and preferred stock	69,280,364	Not Applicable
Bond mutual funds	40,342,166	4.05
Corporate bonds	8,835,798	8.88
Domestic mutual fund	148,691	Not Applicable
Real estate mutual funds	17,392,084	Not Applicable
Foreign mutual funds	24,672,999	Not Applicable
Total Cash & Investments	\$ 162,426,732	
Portfolio weighted average maturity		4.81

Interest Rate Risk

The Plan manages 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 Plan does not limit the weighted average maturity of its investment portfolio.

Credit Risk

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.

Concentration of Credit Risk

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.

Custodial Credit Risk

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 Plan does 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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan restricts foreign investments to 25% of total plan assets. The plan holds \$24,672,999 in international investments. This amount represents approximately 15.2 percent of total plan investments. Many of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

E. OPEB Trust Fund

As of September 30, 2012, the OPEB Trust Fund had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 134,726	Not Applicable
Money market funds	1,534,059	0.01
Fixed Income		
U.S. Government securities	1,899,696	5.79
U.S. Government agency securities	4,398,291	22.5
Common and preferred stock	16,515,347	Not Applicable
Foreign stocks	2,464,232	Not Applicable
Total Cash & Investments	<u>\$ 26,946,351</u>	
Portfolio weighted average maturity		17.46

Interest Rate Risk

The Plan manages 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 Plan does not limit the weighted average maturity of its investment portfolio.

Credit Risk

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

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

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 Plan does 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

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan does not have a policy that addresses the risks associated with investments in foreign currency. The trust fund holds \$2,464,232 in international investments. This amount represents approximately 9.2 percent of total trust fund investments. Many of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

F. General Employees Defined Contribution Retirement Plan

As of September 30, 2012, the General Employees Defined Contribution Retirement Plan had the following cash, cash equivalents and investments:

Portfolio/Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 40,683	Not Applicable
Money market funds	150	0.01
Domestic mutual funds	727,815	Not Applicable
Bond mutual funds	912,290	7.16
Foreign mutual funds	146,492	9.71
Foreign bond mutual funds	46,956	Not Applicable
Total Cash & Investments	\$ 1,874,386	
Portfolio weighted average maturity		7.28

The General Employees Defined Contribution Plan utilizes the same investment guidelines as those used for the General Employees Pension Plan investments. Interest rate risk, credit risk, concentration of credit risk, custodial credit risk, and foreign currency risk are the same as those that have been disclosed for City investments.

G. Discretely Presented Component Units

The *St. Armands Business Improvement District and Downtown Improvement District* utilizes the same investment guidelines as those used for City investments. Interest rate risk, credit risk, concentration of credit risk, custodial credit risk, and foreign currency risk are the same as those that have been disclosed for City investments.

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 follows:

	Statement of Net Assets	Statement of Fiduciary Net Assets	Total
Primary Government			
Cash and cash equivalents	\$ 40,316,541	\$ 1,574,713	\$ 41,891,254
Investments	155,984,669	415,912,707	571,897,376
Total	\$ 196,301,210	\$ 417,487,420	\$ 613,788,630
Component Unit			
Cash and cash equivalents	\$ 236,601		\$ 236,601
Investments	-		--
Total	\$ 236,601		\$ 236,601
Total			\$ 614,025,231

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):

	Accounts	Interest	Interfund	Notes	Assessments	Total
General Fund	\$ 1,415,293	\$ 41,247	\$ 2,134,959	\$ --	\$ --	\$ 3,591,499
Penny Sales Tax	--	37,337	--	--	--	37,337
Community Redevelopment	237,274	29,452	--	--	--	266,726
Housing and Community Devl	203,795	--	--	407,461	--	611,256
Nonmajor Governmental Funds	69,051	48,238	--	90,427	666,395	874,111
Internal Service Funds	5,807	27,382	--	--	--	33,189
Total receivables	<u>\$ 1,931,220</u>	<u>\$ 183,656</u>	<u>\$ 2,134,959</u>	<u>\$ 497,888</u>	<u>\$ 666,395</u>	<u>\$ 5,414,118</u>

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:

	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Total
Receivables-unrestricted:					
Accounts (billed)	\$ 1,980,139	\$ 17,801	\$ 562,773	\$ 19,292	\$ 2,580,005
Accounts (unbilled)	1,669,261	-	-	-	1,669,261
Allowance for uncollectibles	(203,995)	--	(59,535)	--	(263,530)
Accounts (net)	3,445,405	17,801	503,238	19,292	3,985,736
Interest	60,243	8,933	13,387	3,040	85,603
Receivables-restricted:					
Interest	52,291	--	--	--	52,291
Total receivables (net)	<u>\$ 3,557,939</u>	<u>\$ 26,734</u>	<u>\$ 516,625</u>	<u>\$ 22,332</u>	<u>\$ 4,123,630</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%.

In 2011, the City Commission approved to design and construct a privacy wall and related improvements for the Glen Oaks Estates Subdivision with a special assessment. The assessment was levied against the property located within the Glen Oaks Estates Subdivision Special Assessment District. The special assessment receivables, which are recorded in a debt service fund, are to be collected over a twenty year period with interest earnings of 4.3%.

The special assessments receivables at September 30, 2012, are as follows:

St. Armands	\$520,000
Glen Oaks Estates Subdivision	<u>146,395</u>
Total	<u>\$666,395</u>

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, 2012, 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, 2012, the various components of *deferred revenue* reported in the governmental funds and business-type funds were as follows:

Governmental Funds:	<u>Unavailable</u>	<u>Unearned</u>
Receivables earned but not available:		
Mortgages receivable	\$ 497,888	\$ --
Special assessments not yet due	666,395	--
Unearned revenues:		
Grant drawdowns prior to meeting all eligibility requirements	--	259,425
Prepaid occupational licenses	--	455,087
Prepaid contractors registrations	--	59,740
Receipts for future services	--	76,687
Rental receipts not yet earned	--	13,553
Grant receipts not yet earned	--	46,018
Total unearned revenue for governmental funds	<u>\$ 1,164,283</u>	<u>\$ 910,510</u>
 Business-type Funds:		 <u>Unearned</u>
Unearned revenues:		
Van Wezel ticket sales		\$ 3,255,958
Solid Waste collections billed in advance		345,045
Water and Sewer impact & connection fees		86,362
Grant receipts not yet earned		86,533
Unused gift certificates		262,584
Rental receipts not yet earned		151,088
Receipts for future services		144,538
Total unearned revenue for business-type funds		<u>\$ 4,332,108</u>

NOTE 5 - INTERFUND BALANCES

Interfund balances at September 30, 2012, consisted of the following amounts:

A. Interfund receivables/payables:

The General Fund has a \$2,134,959 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:

Housing and Community Development	\$1,325,976
Nonmajor Governmental Funds	741,088
Internal Service Funds	<u>67,895</u>
Total	<u>\$2,134,959</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. This balance is an interfund receivable that is expected to be liquidated within one year.

Due to internal service funds from:	
Nonmajor Governmental Funds	\$ 6,100
Internal Service Funds	<u>38,004</u>
Total	<u>\$ 44,104</u>

C. Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service	Nonmajor Governmental	\$ 140,295
Internal Service	Internal Service	<u>80,110</u>
		<u>\$ 220,405</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.

In addition, the General Benefits and Insurance Internal Service Fund provided an advance to the Glen Oaks Estates Subdivision Special Assessment District for the design and construction of a wall. The repayment of the advance began in the 2011-12 fiscal year with a final maturity in 2031.

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, 2012, consisted of the following:

<u>Transfer</u>	<u>Purpose</u>	<u>Amount</u>
Transfers to General fund from:		
Community Redevelopment fund	Program funding	\$ 2,531,746
Nonmajor governmental funds	Program funding & inv earnings	1,201,920
Solid Waste fund	Return on investment	608,709
Nonmajor enterprise fund	Return on investment	27,630
Internal service funds	Program funding & inv earnings	<u>1,662</u>
Total transfers to General fund		\$ 4,371,667
Transfer to Housing & Community Development fund from:		
General fund	Investment earnings	2,070
Transfers to nonmajor governmental funds from:		
General fund	Debt service & program funding	50,000
Penny Sales Tax fund	Debt service	1,382,437
Community Redevelopment fund	Debt service	2,748,612
Nonmajor governmental funds	Debt service	658,528
Water & Sewer fund	Debt service	59,492
Solid Waste fund	Debt service	770
Nonmajor enterprise funds	Debt service	356,411
Internal service funds	Debt service & program funding	<u>602</u>
Total transfers to nonmajor governmental funds		5,256,852
Transfers to nonmajor enterprise funds from:		
General fund	Operating subsidies	277,000
Transfers to internal service fund from:		
General fund	Operating subsidies	<u>125,915</u>
Total interfund transfers in		<u><u>\$ 10,033,504</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, 2012, was as follows:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 43,181,580	\$ --	\$ --	\$ 43,181,580
Art collections	814,973	45,000	--	859,973
Construction in progress	5,651,182	3,475,042	2,517,084	6,609,140
Total capital assets not being depreciated	49,647,735	3,520,042	2,517,084	50,650,693
Capital asset being depreciated:				
Buildings	84,868,992	523,184	3,041,798	82,350,378
Improvements and infrastructure	174,267,526	7,895,141	86,465	182,076,202
Equipment	25,650,986	3,523,478	1,839,127	27,335,337
Total capital assets being depreciated	284,787,504	11,941,803	4,967,390	291,761,917
Less accumulated depreciation for:				
Buildings	13,609,771	1,845,625	1,453,864	14,001,532
Improvements and infrastructure	78,962,061	5,636,781	86,465	84,512,377
Equipment	19,450,745	2,309,623	1,424,872	20,335,496
Total accumulated depreciation:	112,022,577	9,792,029	2,965,201	118,849,405
Total capital assets being depreciated, net	172,764,927	2,149,774	2,002,189	172,912,512
Governmental Activities capital assets, net	<u>\$222,412,662</u>	<u>\$ 5,669,816</u>	<u>\$ 4,519,273</u>	<u>\$223,563,205</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 10,163,278	\$ --	\$ 578,917	\$ 9,584,361
Art collections	218,397	--	--	218,397
Construction in progress	31,058,696	17,090,426	9,989,214	38,159,908
Total capital assets not being depreciated	41,440,371	17,090,426	10,568,131	47,962,666
Capital asset being depreciated:				
Buildings	54,404,428	21,157	--	54,425,585
Improvements	7,123,628	16,763	--	7,140,391
Utility systems	213,421,552	9,972,154	--	223,393,706
Equipment	15,857,670	1,058,424	577,904	16,338,190
Total capital assets being depreciated	290,807,278	11,068,498	577,904	301,297,872
Less accumulated depreciation for:				
Buildings	32,546,019	1,649,177	--	34,195,196
Improvements	4,808,671	112,158	--	4,920,829
Utility systems	123,649,304	6,310,265	--	129,959,569
Equipment	13,014,752	1,385,777	325,525	14,075,004
Total accumulated depreciation:	174,018,746	9,457,377	325,525	183,150,598
Total capital assets being depreciated, net	116,788,532	1,611,121	252,379	118,147,274
Business-type Activities capital assets, net	<u>\$158,228,903</u>	<u>\$ 18,701,547</u>	<u>\$ 10,820,510</u>	<u>\$166,109,940</u>

City of Sarasota, Florida
Notes to Financial Statements
September 30, 2012

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Discretely Presented Component Units:				
St. Armands Business Improvement District				
Capital assets not being depreciated:				
Art collections	\$ 1,376	\$ --	\$ --	\$ 1,376
Construction in progress	30,280	--	30,280	--
Total capital assets not being depreciated	<u>31,656</u>	<u>--</u>	<u>30,280</u>	<u>1,376</u>
Capital assets being depreciated:				
Improvements	1,024,272	484,537	--	1,508,809
Equipment	66,082	--	--	66,082
Total capital assets being depreciated	<u>1,090,354</u>	<u>484,537</u>	<u>--</u>	<u>1,574,891</u>
Less accumulated depreciation for:				
Improvements	155,447	38,612	--	194,059
Equipment	49,561	6,608	--	56,169
Total accumulated depreciation	<u>205,008</u>	<u>45,220</u>	<u>--</u>	<u>250,228</u>
Total capital assets being depreciated, net	<u>885,346</u>	<u>439,317</u>	<u>--</u>	<u>1,324,663</u>
Component unit capital assets, net	<u>\$ 917,002</u>	<u>\$ 439,317</u>	<u>\$ 30,280</u>	<u>\$ 1,326,039</u>
Downtown Improvement District				
Capital assets being depreciated:				
Improvements	\$ 294,083	\$ 86,986	\$ --	\$ 381,069
Equipment	13,686	--	--	13,686
Total capital assets being depreciated	<u>307,769</u>	<u>86,986</u>	<u>--</u>	<u>394,755</u>
Less accumulated depreciation for:				
Improvements	28,976	31,867	--	60,843
Equipment	1,825	2,737	--	4,562
Total accumulated depreciation	<u>30,801</u>	<u>34,604</u>	<u>--</u>	<u>65,405</u>
Total capital assets being depreciated, net	<u>276,968</u>	<u>52,382</u>	<u>--</u>	<u>329,350</u>
Component unit capital assets, net	<u>\$ 276,968</u>	<u>\$ 52,382</u>	<u>\$ --</u>	<u>\$ 329,350</u>
Depreciation expense was charged to functions/programs of the City as follows:				
Governmental activities:				
General government				\$ 603,289
Public safety				2,292,398
Physical environment				131,775
Transportation				4,041,747
Culture and recreation				1,919,197
Economic environment				18,478
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets				785,145
Total depreciation expense - governmental activities				<u>\$ 9,792,029</u>
Business-type activities:				
Water and Sewer				\$ 7,311,315
Van Wezel				985,402
Solid Waste				507,268
Other				342,478
Total depreciation expense - business-type activities				<u>9,146,463</u>
Impairment loss				310,914
Total accumulated depreciation additions - business-type activities				<u>\$ 9,457,377</u>

NOTE 7 - LONG-TERM DEBT

Bonds and notes outstanding at September 30, 2012, consist of the following for governmental activities:

Governmental Activities:	<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	\$ 39,635,000	4.82%
Series 2008	Street improvements	5,800,000	3,274,043	3.93%
Total		<u>52,105,000</u>	<u>42,909,043</u>	
Special Obligation Bonds				
Series 1992 Capital				
Appreciation	Refunding	19,555,000	9,060,878	6.72%
Series 2009	Land and Community Ctr	21,066,000	17,763,735	3.68%
Series 2010	Sports Stadium Rehab	8,260,000	8,035,000	3.71%
Total		<u>48,881,000</u>	<u>34,859,613</u>	
Loans Payable				
2001B FFGFC	Refunding	1,270,000	485,000	4.74%
2003 FFGFC	Parking garage & equip.	5,150,000	1,735,000	3.33%
2005 FFGFC	Land acquisition	5,545,000	1,850,000	3.22%
Total		<u>11,965,000</u>	<u>4,070,000</u>	
Total for Governmental Activities		<u>\$ 112,951,000</u>	<u>\$ 81,838,656</u>	

Bonds and notes outstanding at September 30, 2012, consist of the following for business-type activities:

Business-type Activities:	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Average Interest Rate</u>
Revenue Bonds:				
Series 2002B Water & Sewer	Upgrade water plant	\$ 6,280,000	\$ 295,000	4.18%
Series 2004 Water & Sewer	Refunding	9,915,000	1,845,000	3.67%
Series 2005 Water & Sewer	System improvements	7,860,000	6,095,000	4.02%
Series 2010A Water & Sewer	System improvements	8,865,000	8,865,000	3.28%
Series 2010B Water & Sewer	System improvements	25,255,000	25,255,000	3.65%
Series 2011 Water & Sewer	Refunding	21,885,000	21,885,000	4.65%
Total		<u>80,060,000</u>	<u>64,240,000</u>	
Loans Payable:				
Florida DEP	Sewer rehabilitation	3,744,303	223,603	2.70%
Total for Business-type Activities		<u>\$ 83,804,303</u>	<u>\$ 64,463,603</u>	

The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2012.

The following is a summary of changes in long-term debt for the year ended September 30, 2012 (in thousands of dollars):

Governmental Activities:	<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	\$ 43,949	\$ --	\$ 1,040	\$ 42,909	\$ 1,081
Special obligation bonds (a)	37,614	639	3,393	34,860	3,530
Total bonds payable	<u>81,563</u>	<u>639</u>	<u>4,433</u>	<u>77,769</u>	<u>4,611</u>
Loans payable	5,170	--	1,100	4,070	1,145
Unamortized premium	232	--	20	212	--
Deferred amount on refunding	(15)	--	(5)	(10)	--
Compensated absences	4,641	2,484	2,426	4,699	2,584
Net OPEB obligation	8,055	2,651	73	10,633	--
Long-term liabilities	<u>\$ 99,646</u>	<u>\$ 5,774</u>	<u>\$ 8,047</u>	<u>\$ 97,373</u>	<u>\$ 8,340</u>

Business-type Activities:

Revenue Bonds	\$ 69,435	\$ --	\$ 5,195	\$ 64,240	\$ 3,245
Loans Payable	441	--	217	224	111
Unamortized premium	2,439	-	324	2,115	--
Deferred amount on refunding	(892)	--	(156)	(736)	--
Compensated absences	1,118	650	735	1,033	568
Net OPEB obligation	681	1,007	681	1,007	--
Long-term liabilities	<u>\$ 73,222</u>	<u>\$ 1,657</u>	<u>\$ 6,996</u>	<u>\$ 67,883</u>	<u>\$ 3,924</u>

Discretely Presented Component Unit:

St. Armands Business Improvement District

Loans Payable	<u>\$ 300</u>	<u>\$ --</u>	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ --</u>
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(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, 2012, are as follows:

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds		Special Obligation Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 1,080,860	\$ 2,026,964	\$ 3,530,338	\$ 1,542,213	\$1,145,000	\$163,830	\$ 9,489,205
2014	1,126,788	1,981,510	3,619,568	1,577,948	970,000	118,480	9,394,294
2015	1,167,950	1,936,548	3,712,750	1,615,763	1,015,000	78,675	9,526,686
2016	1,219,354	1,888,688	3,803,988	1,654,107	390,000	39,225	8,995,362
2017	1,266,010	1,838,720	3,900,015	1,689,712	270,000	22,000	8,986,457
2018 - 2022	7,224,405	8,307,929	6,653,969	4,112,774	280,000	11,200	26,590,277
2023 - 2027	9,129,717	6,402,117	5,548,985	2,049,041	--	--	23,129,860
2028 - 2032	10,268,959	4,035,258	1,835,000	1,119,795	--	--	17,259,012
2033 - 2037	10,425,000	1,531,874	2,255,000	413,653	--	--	14,625,527
Total	<u>\$42,909,043</u>	<u>\$29,949,608</u>	<u>\$34,859,613</u>	<u>\$15,775,006</u>	<u>\$4,070,000</u>	<u>\$433,410</u>	<u>\$ 127,996,680</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. The net OPEB obligation has been liquidated by the General Fund and Internal Service Funds. Since 100% of annual pension costs are contributed each year, there are no net pension obligations to liquidate.

Annual debt service requirements for Business-Type Activities as of September 30, 2012, are as follows:

Fiscal Year	Business-Type Activities				Total
	Revenue Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	
2013	\$ 3,245,000	\$ 2,981,192	\$ 111,052	\$ 3,019	\$ 6,340,263
2014	3,250,000	2,863,505	112,551	1,519	6,227,575
2015	3,390,000	2,730,686	--	--	6,120,686
2016	3,520,000	2,590,342	--	--	6,110,342
2017	2,275,000	2,472,574	--	--	4,747,574
2018 - 2022	11,675,000	10,925,745	--	--	22,600,745
2023 - 2027	11,685,000	8,082,460	--	--	19,767,460
2028 - 2032	7,405,000	5,975,028	--	--	13,380,028
2033 - 2037	8,230,000	3,901,960	--	--	12,131,960
2038 - 2042	9,565,000	1,260,843	--	--	10,825,843
Total	<u>\$64,240,000</u>	<u>\$43,784,335</u>	<u>\$ 223,603</u>	<u>\$ 4,538</u>	<u>\$108,252,476</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-Type Activities
	Tax Increment Revenue	Penny Sales Tax	Water & Sewer Net Revenue
	11/1/2016	11/1/2024	10/1/2040
Revenue Pledged Thru			
Total Principal and Interest Outstanding	\$15,704,451	\$34,930,168	\$108,024,335
Current Year Principal and Interest Paid	2,752,551	2,212,163	8,229,233
Current Year Revenue	6,808,438	5,760,726	15,945,643
Description of Debt	Series 1992 and 2009 Special Obligation Bonds	Series 2009 and 2010 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
Debt Coverage	2.47	2.60	1.94

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, 2012, outstanding bonds which are considered defeased in substance were:

Governmental Activities:		
Loans Payable	FFGFC Series 1994	<u>\$ 520,000</u>
Business-type Activities:		
Water & Sewer Revenue Bonds	Series 1991	\$ 5,205,000
	Series 1995	1,830,000
	Series 2002-B	3,705,000
	Series 2008	20,287,873
	Total	<u>\$ 31,027,873</u>

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, 2011, the BID owed \$300,000 on this line of credit. The initial interest rate was 3.25% and is based on changes in the lender's prime rate. On November 17, 2011, the BID repaid principal of \$150,000. Principal of \$150,000 and unpaid interest is due on October 18, 2013.

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, 2012, are as follows:

<u>Water and Sewer</u>	
Revenue Account - Customer deposits	\$ 1,004,551
Interest & Sinking Account	8,483,444
Construction Accounts	22,935,654
	<u>32,423,649</u>
<u>Solid Waste</u>	
Customer deposits	<u>8,652</u>
Total	<u>\$ 32,432,301</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 \$3,332,864 at September 30, 2012, includes \$1,909,101 for workers compensation, \$1,022,935 for group health, \$332,126 for police liability and \$ 68,702 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 \$200,000 per claim and \$300,000 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, 2012, 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:

	General Benefits and Insurance Fund		OPEB Trust Fund	
	Year ended 9/30/2011	Year ended 9/30/2012	Year ended 9/30/2011	Year ended 9/30/2012
Unpaid claims, beginning of year	\$ 2,680,510	\$ 2,926,930	\$ 433,884	\$ 411,765
Incurred claims (including IBNRs)	7,107,394	4,977,240	5,098,864	6,240,606
Claim payments	(6,860,974)	(5,137,296)	(5,120,983)	(6,086,381)
Unpaid claims, end of year	<u>\$ 2,926,930</u>	<u>\$ 2,766,874</u>	<u>\$ 411,765</u>	<u>\$ 565,990</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, 2012. At year end the City's commitments with contractors and consultants are as follows:

	Spent to-date	Remaining Commitment
<u>Governmental Activities:</u>		
Housing Redevelopment	\$ 2,411,110	\$ 2,247,429
Stormwater Improvements	464,963	900,127
Total	<u>\$ 2,876,073</u>	<u>\$ 3,147,556</u>
<u>Business-type Activities:</u>		
Lift Stations	\$ 6,021,317	\$ 5,205,533
Utility System Improvements	1,095,283	3,330,797
Total	<u>\$ 7,116,600</u>	<u>\$ 8,536,330</u>

Operating Leases

There are no commitments under operating lease agreements for equipment and building during the next fiscal year.

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 \$2,168,544.

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 provided the County with \$9,753,524 that was used for the renovation of the stadium. This funding came from grant funds and 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 designed and completed 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.

Water and Sewer System

The City decided to construct a sewer lift station which would replace an existing lift station and upgrade certain sewage collection system components. An engineering firm was hired to design the construction of the new lift station as well as the necessary changes to the sewer collection system associated with the construction of this new lift station. An integral part of this project involved the installation of collection system piping by utilizing a lateral drilling process referred to as micro-tunneling. Unfortunately, as the construction moved forward, the micro-tunneling efforts failed. The City hired an expert consultant who has determined that the failure was due to flaws in the plans and technical specifications as prepared by the engineer. As a result, the City notified the original engineer on the project that they were in default under their contract, and has initiated the process to hire a new engineer, who will redesign the sewage collection system improvements. Upon completion of the redesign, the City will issue a change order to the contractor to complete the project including the sewage collection system improvements. In the meantime, the City will continue to work with the contractor to complete the lift station construction. Consequently, the project's completion date will be delayed. In order to mitigate the additional costs necessary to complete the project, the City is proceeding with a breach of contract lawsuit against the engineers. Additionally, although the City and the contractor have continued to work together towards completion of the project, the possibility exists that the contractor could file a construction delay lawsuit against the City. The City hopes that a mutually satisfactory resolution can be reached with the contractor. However, the eventual outcome of any lawsuits related to this project cannot be predicted at this time.

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 – DEFINED BENEFIT RETIREMENT PLANS

A. Plan Descriptions

The City maintains three single-employer, public employee retirement plans. 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 Defined Benefit Pension Plan

The City of Sarasota General Employees' Defined Benefit 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 \$19,167,952 compared to \$16,061,250 for employees covered by the plan.

At September 30, 2012, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	428
Current Employees	
Vested	157
Nonvested	118
Total	<u>703</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 and were hired prior to September 7, 2011. 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. The accounts of members that entered the DROP prior to December 28, 2011, will be credited with interest at an effective rate of six and one-half (6 ½) percent per annum compounded quarterly. The accounts of members that entered the DROP on or after December 28, 2011, will be credited with interest at an effective rate of two (2) percent per annum compounded quarterly. The accrued benefit liability at September 30, 2012, was \$1,048,812.

Firefighters Defined Benefit Pension Plan

The City of Sarasota Firefighters' Defined Benefit 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, 2012, was \$1,953,913.

At September 30, 2012, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	159
Current Employees	
Vested	21
Nonvested	-
Total	<u>180</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 Defined Benefit Pension Plan

The City of Sarasota Police Officers' Defined Benefit 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 amended and restated. 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, 2012, was \$9,412,000.

At September 30, 2012, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	199
Current Employees	
Vested	69
Nonvested	66
Total	<u>334</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. For members who entered the DROP prior to October 1, 2012, the member elects to receive either interest at a fixed rate of 6.5% per annum, compounded quarterly, or the actual net rate of investment return realized by the Pension Fund. For those who entered the DROP on or after October 1, 2012, the member elects to receive either interest at a fixed interest rate of 2.5% per annum compounded quarterly, or the actual rate of investment return realized by the Pension Fund. The City created an ordinance amending the DROP effective October 18, 2004, and making the election to enter the DROP an irrevocable notice of termination effective at the end of the DROP period. As of September 30, 2012, all DROP members elected to receive the guaranteed interest rate. The accrued benefit liability at September 30, 2012, was \$6,044,367.

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 Defined Benefit Pension Plan

As of September 30, 2012, the actuarial accrued liability exceeded assets by \$55,254,825 determined as follows:

Actuarial Accrued Liability	
Active participants	\$56,489,102
Retired participants and beneficiaries currently receiving benefits	113,401,420
Vested terminated participants not yet receiving benefits	2,249,046
Total Actuarial Accrued Liability	<u>172,139,568</u>
Actuarial Value of Assets (Market Value was \$117,138,355)	<u>116,884,743</u>
Unfunded Actuarial Accrued Liability	<u>\$55,254,825</u>

During the year ended September 30, 2012, the Plan experienced a net increase of \$9,632,172 in the actuarial accrued liability, attributable to changes in actuarial assumptions and none for changes in benefit provisions.

Firefighters Defined Benefit Pension Plan

As of September 30, 2012, the unfunded actuarial accrued liability was \$53,807,717 determined as follows:

Actuarial Accrued Liability	
Active participants	\$22,757,502
Retired participants and beneficiaries currently receiving benefits	129,044,839
Vested terminated participants not yet receiving benefits	744,523
Total Actuarial Accrued Liability	<u>152,546,864</u>
Actuarial Value of Assets (Market Value was \$103,807,704)	<u>98,739,147</u>
Unfunded Actuarial Accrued Liability	<u>\$53,807,717</u>

During the year ended September 30, 2012, the Plan experienced a net change of \$3,784,348 in the actuarial accrued liability. There were changes in actuarial assumptions, which accounted for \$4,071,156 of the change in the actuarial accrued liability. There were no changes in actuarial methods or benefit provisions.

Police Officers Defined Benefit Pension Plan

As of September 30, 2012, the actuarial accrued liability exceeded assets by \$63,945,033 determined as follows:

Actuarial Accrued Liability	
Active participants	\$48,561,027
Retired participants and beneficiaries currently receiving benefits	168,600,289
Vested terminated participants not yet receiving benefits	1,217,032
Total Actuarial Accrued Liability	<u>218,378,348</u>
Actuarial Value of Assets (Market Value was \$155,602,528)	<u>154,433,315</u>
Unfunded Actuarial Accrued Liability	<u>\$63,945,033</u>

During the year ended September 30, 2012, the Plan experienced a net change of \$16,161,321 in the actuarial accrued liability, which included an increase of \$18,845,854 attributable to changes in actuarial assumptions, and a decrease of \$8,932,604 attributable to changes in 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 Defined Benefit Pension Plan	Firefighters Defined Benefit Pension Plan	Police Officers Defined Benefit Pension Plan
Contribution rates/amounts:			
City	22.58%	\$2,317,387	50.81%
County	22.58%	\$4,667,988	Not applicable
State	Not applicable	\$734,398	\$535,928
Employees	6.0%	8.0%	8.0%
Annual pension cost	\$3,626,629	\$6,985,373	\$5,416,725
Contributions made	\$3,626,629	\$6,985,373	\$5,416,725
Actuarial valuation date (c)	9/30/12	9/30/12	9/30/12
Actuarial value of assets	\$116,884,743	\$98,739,147	\$154,433,315
Actuarial accrued liability (AAL)	\$172,139,568	\$152,546,804	\$218,378,348
Unfunded AAL	\$55,254,825	\$53,807,717	\$63,945,033
Funded ratio	67.9%	64.7%	70.7%
Covered payroll	16.06 million	1.95 million	9.41 million
Unfunded AAL as a % of covered payroll	344.0%	2753.8%	679.6%
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	18 to 29 years	10 years	1 to 30 years
Asset valuation method	5 year Smoothed Market	3 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:			
Investment rate of return*	7.0%	7.5%	7.0%
Projected salary increases*	6.6%	3.75 - 6.75%	4.9 - 12.7%
*Includes inflation at	2.3%	4.5%	2.5%
Cost of living adjustments	3.0% (a)	3.5%	1% - 3.2% (d)

(a) For those retired before 12/28/11

(b) For those retired on or after 12/28/11

(c) Actuarial valuations are done annually

(d) For members eligible for normal retirement (and all service-connected disabilities), as of September 30, 2012, each retiree and surviving beneficiary will receive a 3.2% increase in benefits at the end of February of each year. For members not eligible for normal retirement as of September 30, 2012, each retiree and surviving beneficiary will receive a 3.2% increase in benefits attributable to service performed prior to October 1, 2012, at the end of February each year. For benefits attributable to service performed on or after October 1, 2012, each retiree and surviving beneficiary will receive a 1.0% increase in benefits starting after attainment of age 65 at the end of February each year.

General Employees' Defined Benefit 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, 2012, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2010. The contributions included (a) \$2,370,641 normal cost (14.76% of active payroll), (b) \$2,128,116 in amortization payment of unfunded actuarial accrued liability (13.25% of active payroll), and (c) \$91,547 balance to cover expenses and the minimum contribution requirements (.57% of active payroll). Contributions totaling \$4,590,304 were from the following sources; the City and County contributed \$3,626,629 (22.58% of active payroll); and, employees contributed \$963,675 (6.0% of active payroll).

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost(APC)</u>	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-2010	2,766,721	100%	0
9-30-2011	3,043,240	100%	0
9-30-2012	3,626,629	100%	0

Firefighters' Defined Benefit 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, 2012, contributions from local employers were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2010. The contributions included (a) \$959,496 (49.1% of active payroll) for normal cost and administrative expenses and (b) \$5,726,968 (293.1% of active payroll) for amortization of the unfunded actuarial accrued liability. Contributions totaling \$7,882,726 were from the following sources; Sarasota County contributed \$4,667,988 (238.9% of active payroll); the City of Sarasota contributed \$2,317,387 (118.6% of active payroll); the State of Florida contributed \$734,398 (37.6% of active payroll); employees contributed \$156,313 (8% of active payroll) in addition to other contributions of \$6,640 (0.34% 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 <u>Cost(APC)</u>	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-2010	4,936,275	100%	0
9-30-2011	5,725,453	100%	0
9-30-2012	6,985,373	100%	0

Police Officers Defined Benefit 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, 2012, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2010. The contributions included (a) \$3,284,283 normal cost (34.89% of active payroll), (b) \$2,751,151 in

amortization payment of unfunded actuarial accrued liability (29.23% of active payroll), (c) \$149,769 for expenses and to cover the minimum contribution requirements (1.59% of active payroll), and (d) \$59,112 contributed by members for service purchase (0.63% of active payroll). Contributions totaling \$6,244,315 were from the following sources; the City contributed \$4,880,797 (50.81% of active payroll); the State of Florida contributed \$535,928 (5.58% of active payroll); the employees contributed \$768,478 (8.0% of active payroll) in addition to \$59,112 for service buy-backs (0.63% 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 Ending	Annual Pension Cost(APC)	Percentage Of APC Contributed	Net Pension Obligation
9-30-2010	3,941,662	100%	0
9-30-2011	4,143,925	100%	0
9-30-2012	5,416,725	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, 2012, is reported in Note 3 on pages 55 through 62.

NOTE 14 – GENERAL EMPLOYEES DEFINED CONTRIBUTION RETIREMENT PLAN

A. Plan Description

The General Employees Defined Contribution Retirement Plan was established as a single employer, public employee, retirement plan to provide income to all participating General Employees hired on or after September 7, 2011. All Plan provisions, including benefits, eligibility, vesting, etc., were established by City Ordinance 11-4988. The City Commission approves all plan provisions and amendments. The Plan does not issue a stand-alone financial report and is not included in any other retirement system's or entity's financial report.

The 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 terms of the Plan.

All investments are directed by Plan members, including the non-vested portion of the City's contributions, if any. Plan members may elect to allocate investments among mutual funds, money market funds, and fixed income funds. Investments are reported at fair value.

B. Membership

General employees defined contribution plan membership at September 30, 2012, is as follows:

Active employees (vested and non-vested)	2012 95
Retired and terminated members maintaining balances	8
Total	103

C. Benefits

Member contributions are 100% vested at all times. Employer contributions become vested after five years of employment.

D. Funding Policy

Members are required to contribute 6% of covered salary (regular pay only) to the Plan, and the City is required to match this contribution percentage. A Participant may elect to make an additional deferral of his or her compensation to a 457(b) Deferred Compensation Plan. In such event, the City shall match 100% of up to the first 2% electively deferred by the Participant, for a total match of 8%. While the Participant's elective deferral shall be deposited into a 457(b) Deferred Compensation Plan, the contributions made by the City shall be deposited into the Defined Contribution Plan. During 2012, actual contributions were \$188,500 from employees, \$225,689 from the City, and \$2,098 from Sarasota County.

During 2012, the General Employees Pension Plan distributed \$1,479,265 to the General Employees Defined Contribution (DC) Retirement Plan. This distribution was for accrued benefits of employees that elected to join the DC plan.

E. Financial Statements of the General Employees Defined Contribution Retirement Plan:

<u>Statement of Plan Net Assets</u>		<u>Statement of Changes in Plan Net Assets</u>	
Assets		Additions	
Cash and cash equivalents	\$ 40,683	Contributions:	
Investments:		Plan members	\$ 188,500
Money market funds	150	Employer	
Domestic mutual funds	727,815	City of Sarasota	225,689
Bond mutual funds	912,290	Sarasota County	2,098
Foreign mutual funds	146,492	Other	1,520,066
Foreign bond mutual funds	46,956	Total contributions	1,936,353
Total investments	1,833,703	Investment Income	
Receivables (net):		Net increase (decrease) in fair value of investments	58,194
Interest and dividends	60	Interest	12,681
Total assets	\$ 1,874,446	Total investment income (loss)	70,875
		Less investment expense	(405)
		Net investment income (loss)	70,470
		Total additions	2,006,823
		Deductions	
		Benefits	132,917
		Change in net assets	1,873,906
		Total net assets - beginning	540
		Total net assets - ending	\$ 1,874,446

NOTE 15 - 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.

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 September 30, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	586
Terminated plan members entitled to but not receiving benefits	17
Active plan members	577
Total	<u>1,180</u>

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 2011-12 fiscal year, the City contributed \$ 7,999,205 to the plan, including \$4,847,277 for current premiums (61 percent of total premiums) an additional \$2,389,099 to prefund benefits (30 percent of total premiums) and \$762,829 of contributions from the proprietary and pension funds to pay off their prior years' OPEB liability (9 percent of 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 \$1,184,474, or 15 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	\$ 11,114,000
Interest on net OPEB obligation	768,000
Adjustment to annual required contribution	<u>(974,000)</u>
Annual OPEB cost (expense)	10,908,000
Contributions made	<u>(7,999,205)</u>
Increase in net OPEB obligation	2,908,795
Net OPEB obligation - beginning of year	<u>8,745,702</u>
Net OPEB obligation - end of year	<u>\$ 11,654,497</u>

The net OPEB obligation at the end of the year is \$10,633,523 for governmental activities, \$1,006,781 for business-type activities and \$14,193 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 2011-12 fiscal year and preceding years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	11,971,097	68.53%	9,091,341
9/30/2011	10,698,000	103.23%	8,745,702
9/30/2012	10,908,000	73.33%	11,654,497

E. Funded Status and Funding Progress

As of October 1, 2011, the most recent actuarial valuation date, the plan was 9.56% funded. The actuarial accrued liability for benefits was \$142,775,000, and the actuarial value of assets was \$19,826,986, resulting in an unfunded actuarial accrued liability (UAAL) of \$122,948,014. The covered payroll (annual payroll of active employees covered by the plan) was \$27,478,450, and the ratio of the UAAL to the covered payroll was 447 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, 2011, 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 eight 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, 2011, was 16 years.

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

<u>Statement of Plan Net Assets</u>		<u>Statement of Changes in Plan Net Assets</u>	
Assets		Additions	
Cash and cash equivalents	\$ 134,726	Contributions:	
Investments:		Plan members	\$ 1,184,474
Money market funds	1,534,059	Employer	
U.S. Government securities	1,899,696	City of Sarasota	7,999,205
U.S. Government agency securities	4,398,291	Other	770,479
Common and preferred stocks	16,515,347	Total contributions	<u>9,954,158</u>
Foreign stocks	2,464,232	Investment income :	
Total investments	<u>26,811,625</u>	Net increase (decrease) in fair value of investments	3,387,393
Receivables (net):		Interest	221,943
Interest and dividends	36,761	Dividends	<u>308,380</u>
Prepaid Items	2,013	Total investment income (loss)	3,917,716
Total assets	<u>26,985,125</u>	Less investment expense	<u>(230,636)</u>
Liabilities		Net investment income (loss)	<u>3,687,080</u>
Accounts payable	325,118	Total additions	<u>13,641,238</u>
Liability for unpaid claims	565,990		
Total liabilities	<u>891,108</u>	Deductions	
Net Assets		Benefits	6,547,529
Held in trust for pension and OPEB benefits	<u>\$ 26,094,017</u>	Administrative expenses	794,655
		Total deductions	<u>7,342,184</u>
		Change in net assets	6,299,054
		Total net assets - beginning	19,794,963
		Total net assets - ending	<u>\$ 26,094,017</u>

NOTE 16 - 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, 2012:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 202,000	\$ 202,000	\$ 200,657	\$ (1,343)
Investment earnings (loss)	2,000	2,000	1,280	(720)
Miscellaneous	4,725	4,725	3,000	(1,725)
Total revenues	<u>208,725</u>	<u>208,725</u>	<u>204,937</u>	<u>(3,788)</u>
Expenditures				
Current:				
Economic environment	49,725	49,725	38,080	11,645
Debt service:				
Principal payments	150,000	150,000	150,000	-
Interest and other charges	9,000	9,000	6,256	2,744
Capital outlay:				
Economic environment	419,720	479,720	454,257	25,463
Total expenditures	<u>628,445</u>	<u>688,445</u>	<u>648,593</u>	<u>39,852</u>
Excess (deficiency) of revenues over (under) expenditures	(419,720)	(479,720)	(443,656)	36,064
Fund balance - beginning	506,347	506,347	506,347	--
Fund balance - ending	<u>\$ 86,627</u>	<u>\$ 26,627</u>	<u>\$ 62,691</u>	<u>\$ 36,064</u>
Reconciliation to Statement of Net Assets:		Reconciliation to Statement of Activities:		
Fund balance - ending	\$ 62,691		Net change in fund balance	\$ (443,656)
Capital assets	1,576,267		Expenditures for capital assets	454,257
Less accumulated depreciation	(250,228)		Current year depreciation	(45,220)
Loans payable	(150,000)		Loan repaid	150,000
Net assets - ending	<u>\$ 1,238,730</u>		Change in net assets	<u>\$ 115,381</u>

Downtown Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the fiscal year ended September 30, 2012:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 334,000	\$ 321,000	\$ 306,628	\$ (14,372)
Investment earnings (loss)	1,000	1,000	2,420	1,420
Miscellaneous	3,000	8,000	7,787	(213)
Total revenues	<u>338,000</u>	<u>330,000</u>	<u>316,835</u>	<u>(13,165)</u>
Expenditures				
Current:				
Economic environment	232,617	404,017	311,025	92,992
Capital outlay:				
Economic environment	125,500	91,688	86,986	4,702
Total expenditures	<u>358,117</u>	<u>495,705</u>	<u>398,011</u>	<u>97,694</u>
Excess (deficiency) of revenues over (under) expenditures	(20,117)	(165,705)	(81,176)	84,529
Fund balance (deficit) - beginning	193,979	193,979	193,979	--
Fund balance - ending	<u>\$ 173,862</u>	<u>\$ 28,274</u>	<u>\$ 112,803</u>	<u>\$ 84,529</u>
Reconciliation to Statement of Net Assets:		Reconciliation to Statement of Activities:		
Fund balance - ending	\$ 112,803		Net change in fund balance	\$ (81,176)
Capital assets	394,755		Expenditures for capital assets	86,986
Less accumulated depreciation	(65,405)		Current year depreciation	(34,605)
Net assets - ending	<u>\$ 442,153</u>		Change in net assets	<u>\$ (28,795)</u>

NOTE 17 – SPECIAL ITEMS

A. Governmental Activities

On April 23, 2012, the retail space of the Palm Avenue Parking Garage was sold for \$1,587,934. This was the cost basis for the retail space, so no gain or loss was incurred on the sale.

B. Business-type Activities

On July 24, 2012, the Water and Sewer fund incurred a gain of \$1,463,084 on the sale of land. This land was originally purchased in the 1980's for dispersing reuse water. Due to the demand for reuse water, this land was no longer needed and therefore sold.

During 2012, the Parking Management Enterprise Fund incurred an impairment loss of \$310,914. This was due to the decision to remove parking meters from downtown that cost \$414,336 and had been depreciated \$56,422. The current carrying value of \$47,000 is based upon the expected value from the sale of the meters.

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

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)
2003	95.30	97.55	97.7	2.25	19.75	11.4
2004	98.03	108.07	90.7	10.04	20.25	49.6
2005	100.61	116.27	86.5	15.66	20.91	74.9
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	22.90	63.3
2009	125.83	145.37	86.6	19.54	22.22	87.9
2010	125.18	155.76	80.4	30.58	20.64	148.2
2011	122.24	162.51	75.2	40.27	21.23	189.7
2012	116.88	172.14	67.9	55.26	16.06	344.0

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 is, 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 is, the stronger the Plan.

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2003	1,497,183	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%
2011	3,043,240	100%
2012	3,626,629	100%

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

Actuarial Valuation <u>Date</u>	(1) Actuarial Value of <u>Assets</u>	(2) Actuarial 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>
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
2011@	93.59	148.76	62.9	55.17	2.11	2,616.1
2012@	98.74	152.55	64.7	53.81	1.95	2,753.8

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' Defined Benefit Pension Plan
Required Supplementary Information
Schedule of Employer Contributions

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2003	3,031,419	100%
2004	3,221,134	100%(a)
2005	3,577,340	100%
2006	3,637,413	100%
2007	3,757,948	100%(b)
2008	4,566,249	100%
2009	4,302,657	100%(c)
2010	4,936,275	100%
2011	5,725,453	100%
2012	6,985,373	100%

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

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

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

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

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)
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	11.05	157.5
2010	155.91	187.61	83.1	31.70	10.51	301.6
2011	154.85	202.22	76.6	47.37	10.38	456.4
2012	154.43	218.38	70.7	63.95	9.41	679.6

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' Defined Benefit Pension Plan
Required Supplementary Information
Schedule of Employer Contributions

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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%
2011	4,143,925	100%
2012	5,416,725	100%

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

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)
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
2012	19.83	142.76	13.9	122.93	27.5	447.0

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

<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%
2011	10,808,000	103.23%
2012	11,114,000	73.33%

City of Sarasota, Florida
 General Fund
 Schedule of Revenues - Budget and Actual
 Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem	\$ 16,068,033	\$ 16,068,033	\$ 16,000,758	\$ (67,275)
Business and occupational	743,417	743,417	757,379	13,962
Utility service taxes				
Electricity	4,659,914	4,659,914	4,571,626	(88,288)
Communication services	3,766,417	3,766,417	3,760,900	(5,517)
Water	1,311,198	1,311,198	1,359,401	48,203
Natural gas	121,800	121,800	111,790	(10,010)
Fuel oil	500	500	--	(500)
Propane	34,700	34,700	35,194	494
Total taxes	26,705,979	26,705,979	26,597,048	(108,931)
Franchise fees				
Electric	4,798,081	4,798,081	4,488,238	(309,843)
Natural gas	130,000	130,000	112,226	(17,774)
Total franchise fees	4,928,081	4,928,081	4,600,464	(327,617)
Licenses and permits				
Building permits	100,039	100,039	168,158	68,119
Other licenses and permits	118,117	118,117	125,388	7,271
Total licenses and permits	218,156	218,156	293,546	75,390
Intergovernmental				
State shared revenues				
State revenue sharing	1,820,000	1,820,000	1,750,367	(69,633)
Mobile home licenses	20,000	20,000	19,413	(587)
Alcoholic beverage licenses	50,000	50,000	96,602	46,602
Half cent sales tax	3,600,000	3,600,000	3,547,302	(52,698)
Insurance premium tax	1,298,000	1,298,000	1,270,326	(27,674)
Other intergovernmental	1,980,037	1,995,550	2,074,769	79,219
Total intergovernmental	\$ 8,768,037	\$ 8,783,550	\$ 8,758,779	\$ (24,771)

(continued)

City of Sarasota, Florida
 General Fund
 Schedule of Revenues - Budget and Actual
 Year Ended September 30, 2012 (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	\$ 510,144	\$ 510,144	\$ 450,821	\$ (59,323)
Transportation	210,147	210,147	244,892	34,745
Road and bridge	295,000	295,000	261,003	(33,997)
Public safety	286,580	286,580	285,393	(1,187)
Physical environment	99,800	99,800	50,552	(49,248)
Culture and recreation	163,000	188,540	249,865	61,325
Total charges for services	<u>1,564,671</u>	<u>1,590,211</u>	<u>1,542,526</u>	<u>(47,685)</u>
Charges to other funds				
Cost allocations	<u>4,359,532</u>	<u>4,359,532</u>	<u>4,373,824</u>	<u>14,292</u>
Fines and forfeits				
Court fines	152,000	152,000	112,131	(39,869)
Red light citations	650,000	650,000	557,936	(92,064)
Other	210,050	210,050	176,840	(33,210)
Total fines and forfeits	<u>1,012,050</u>	<u>1,012,050</u>	<u>846,907</u>	<u>(165,143)</u>
Investment earnings	<u>487,314</u>	<u>487,314</u>	<u>252,832</u>	<u>(234,482)</u>
Miscellaneous				
Rents and royalties	1,141,082	1,141,082	1,214,098	73,016
Sale of capital assets	19,250	19,250	858,768	839,518
Other	353,475	360,575	149,727	(210,848)
Total miscellaneous	<u>1,513,807</u>	<u>1,520,907</u>	<u>2,222,593</u>	<u>701,686</u>
Total revenues	<u>49,557,627</u>	<u>49,605,780</u>	<u>49,488,519</u>	<u>(117,261)</u>
Other financing sources				
Transfers in				
Special revenue funds	3,644,312	3,644,312	3,723,512	79,200
Capital projects funds	--	--	10,154	10,154
Internal service funds	--	--	1,662	1,662
Enterprise funds	695,570	695,570	636,339	(59,231)
Total other financing sources	<u>4,339,882</u>	<u>4,339,882</u>	<u>4,371,667</u>	<u>31,785</u>
Total revenues and other financing sources	<u>\$ 53,897,509</u>	<u>\$ 53,945,662</u>	<u>\$ 53,860,186</u>	<u>\$ (85,476)</u>

City of Sarasota, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual
 Year Ended September 30, 2012

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Current				
General government				
City commission	\$ 208,977	\$ 237,977	\$ 219,940	\$ 18,037
City manager's office	495,826	495,826	571,797	(75,971)
Commission support	101,240	101,240	102,604	(1,364)
Facilities management	1,300,273	1,654,547	1,241,243	413,304
Human resources	884,670	884,670	845,289	39,381
Finance director	1,817,475	1,817,475	1,562,613	254,862
Building and zoning	2,545,934	2,599,604	2,219,600	380,004
City auditor/clerk	1,675,844	1,675,844	1,490,894	184,950
City attorney	788,259	788,259	901,372	(113,113)
Miscellaneous administration	7,248,523	7,294,415	7,271,849	22,566
Total general government	<u>17,067,021</u>	<u>17,549,857</u>	<u>16,427,201</u>	<u>1,122,656</u>
Public safety				
Code enforcement	546,146	533,629	416,899	116,730
Police/fire	30,921,746	30,998,759	30,077,251	921,508
Total public safety	<u>31,467,892</u>	<u>31,532,388</u>	<u>30,494,150</u>	<u>1,038,238</u>
Physical environment				
Parks and landscape maintenance	3,141,477	3,183,776	3,195,194	(11,418)
Total physical environment	<u>3,141,477</u>	<u>3,183,776</u>	<u>3,195,194</u>	<u>(11,418)</u>
Transportation				
Construction services	306,006	306,006	310,904	(4,898)
Sustainability	63,976	63,976	60,244	3,732
Street and highway maintenance	2,937,552	2,970,150	2,632,642	337,508
Total transportation	<u>3,307,534</u>	<u>3,340,132</u>	<u>3,003,790</u>	<u>336,342</u>
Culture and recreation				
Skateboard park	28,500	28,500	16,495	12,005
RL Taylor Community Center	880,065	906,205	839,507	66,698
Lido Beach	180,000	180,000	125,004	54,996
Children's fountain/playground	63,978	63,978	72,865	(8,887)
Special events	58,970	1,207,835	51,822	1,156,013
Total culture and recreation	<u>1,211,513</u>	<u>2,386,518</u>	<u>1,105,693</u>	<u>1,280,825</u>
Economic environment				
Redevelopment services	25,888	25,888	--	25,888
Total economic environment	<u>25,888</u>	<u>25,888</u>	<u>--</u>	<u>25,888</u>
Total expenditures	<u>56,221,325</u>	<u>58,018,559</u>	<u>54,226,028</u>	<u>3,792,531</u>
Other financing uses				
Transfers out				
Special revenue funds	--	50,000	52,070	(2,070)
Enterprise funds	29,661	422,576	402,915	19,661
Total other financing uses	<u>29,661</u>	<u>472,576</u>	<u>454,985</u>	<u>17,591</u>
Total expenditures and other financing uses	<u>\$ 56,250,986</u>	<u>\$ 58,491,135</u>	<u>\$ 54,681,013</u>	<u>\$ 3,810,122</u>

City of Sarasota, Florida
 Community Redevelopment
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended September 30, 2012

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Revenues				
Taxes				
City	\$ 3,239,836	\$ 3,239,836	\$ 3,216,835	\$ (23,001)
County	3,615,017	3,615,017	3,591,603	(23,414)
Investment earnings	100,000	100,000	167,392	67,392
Miscellaneous	--	1,781,123	1,781,973	850
Total revenues	<u>6,954,853</u>	<u>8,735,976</u>	<u>8,757,803</u>	<u>21,827</u>
Expenditures				
Current:				
Public safety				
North Sarasota Violence	--	15,000	10,297	4,703
Parking meters	--	8,100	7,756	344
Total public safety	<u>--</u>	<u>23,100</u>	<u>18,053</u>	<u>5,047</u>
Transportation				
Palm Avenue parking garage	--	3,700	3,700	--
Wayfinding signage	--	10,000	10,000	--
Pedestrian sleeves	--	4,305	4,305	--
TCEA update	12,500	125,000	36,874	88,126
Downtown transportation	115,617	564,420	54,817	509,603
Strategic parking facilities	--	16,000	13,257	2,743
Transportation master plan	--	121,228	16,699	104,529
Enhanced maintenance	15,000	43,500	--	43,500
First St - US 41 to Pineapple	--	--	82	(82)
State Street parking garage	--	4,379,382	99	4,379,283
Total transportation	<u>143,117</u>	<u>5,267,535</u>	<u>139,833</u>	<u>5,127,702</u>
Economic environment				
Downtown redevelopment	37,500	46,871	46,863	8
Economic development	40,000	40,000	40,000	--
Information systems & technology	356	356	356	--
Indirect costs	7,923	7,923	7,923	--
Herald Tribune	--	487,639	32,708	454,931
Salvation Army	--	80,000	26,800	53,200
Downtown CRA community grants	--	94,981	44,789	50,192
Housing Authority	--	687,390	13,697	673,693
NCRA- economic development	100,356	884,043	--	884,043
NCRA- community health & welfare	87,812	321,837	--	321,837
NCRA- community grants	--	219,848	84,652	135,196
NCRA- Mana Sara workforce	80,000	--	--	--
NCRA- admin/planning study	62,723	488,346	--	488,346
NCRA- Newtown land acquisition	--	6,000	4,000	2,000
Ringling Square	--	233,795	28,155	205,640
Total economic environment	<u>416,670</u>	<u>3,599,029</u>	<u>329,943</u>	<u>3,269,086</u>
Capital outlay:				
Public safety				
Parking meters	21,665	42,523	--	42,523

(continued)

City of Sarasota, Florida
 Community Redevelopment
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended September 30, 2012 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Transportation				
Wayfinding signage	--	730,936	26,845	704,091
Pedestrian sleeves	23,332	426,064	400,755	25,309
North Palm Avenue streetscape	--	234,911	24,361	210,550
Intersection improvements US 41 & Main	--	210,131	--	210,131
Gulfstream Ave to Five Points	--	400,000	60,780	339,220
Five Points to Orange Avenue	--	150,000	25,741	124,259
Orange Ave to Goodrich	--	363,039	22,898	340,141
First St - US 41 to Pineapple	--	1,500,000	45,000	1,455,000
Main St - Orange Ave roundabout	--	1,100,000	6,439	1,093,561
Downtown pedestrian street lights	30,900	155,899	19,679	136,220
State Street parking garage	1,646,100	2,899,960	--	2,899,960
Total transportation	<u>\$ 1,700,332</u>	<u>\$ 8,170,940</u>	<u>\$ 632,498</u>	<u>\$ 7,538,442</u>
Culture and recreation				
Newtown entrance plazas	\$ --	\$ 300,000	\$ --	300,000
US 301-enhanced landscaping	--	159,599	--	159,599
Total culture and recreation	<u>--</u>	<u>459,599</u>	<u>--</u>	<u>459,599</u>
Economic environment				
NCRA- community health & welfare	--	142,000	129,876	12,124
Downtown redevelopment plan	250,890	232,783	--	232,783
Total economic environment	<u>250,890</u>	<u>374,783</u>	<u>129,876</u>	<u>244,907</u>
Total expenditures	<u>2,532,674</u>	<u>17,937,509</u>	<u>1,250,203</u>	<u>16,687,306</u>
Excess of revenues over expenditures	<u>4,422,179</u>	<u>(9,201,533)</u>	<u>7,507,600</u>	<u>16,709,133</u>
Other financing uses				
Transfers out				
General fund	(2,531,746)	(2,531,746)	(2,531,746)	--
Debt service funds	(2,748,612)	(2,748,612)	(2,748,612)	--
Total other financing uses	<u>(5,280,358)</u>	<u>(5,280,358)</u>	<u>(5,280,358)</u>	<u>--</u>
Net change in fund balances	(858,179)	(14,481,891)	2,227,242	16,709,133
Fund balances - beginning	<u>15,628,640</u>	<u>15,628,640</u>	<u>15,628,640</u>	<u>--</u>
Fund balances - ending	<u>\$ 14,770,461</u>	<u>\$ 1,146,749</u>	<u>\$ 17,855,882</u>	<u>\$ 16,709,133</u>



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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.

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 funds borrowed for the acquisition of land (Payne Park), construction of the Palm Parking Garage, and construction of the Robert L. Taylor Community Complex.

2010 Sales Tax Payment Revenue Bonds – To account for funds received for the purpose of financing a portion of the cost of the reconstruction of the Ed Smith Stadium Complex.

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.

Glen Oaks -To account for the accumulation of resources for the payment of principal and interest on funds borrowed for the design and construction of a privacy wall for the Glen Oaks Estates Subdivision.

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.

2007 General Obligation Bonds - To account for funds received for the proceeds of bonds issued for the construction of a new police headquarters.

2009 Build America Bonds – To account for funds received for the proceeds of bonds issued to build a community center and acquire land for a park and parking garage.

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.

Glen Oaks Construction – To account for funds received from an internal borrowing for the design and construction of a privacy wall for the Glen Oaks Estates Subdivision.

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2012

	Special Revenue Funds		
	State Housing Initiative Partnership	Development Services	Gas Tax
Assets			
Cash and cash equivalents	\$ 338,982	\$ 404,189	\$ 1,122,196
Investments	1,487,189	1,773,262	4,923,316
Receivables (net):			
Accounts	--	--	--
Interest	3,014	4,058	9,961
Notes	90,427	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	374,287
Prepaid items	--	930	--
Total assets	<u>\$ 1,919,612</u>	<u>\$ 2,182,439</u>	<u>\$ 6,429,760</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 4,213	\$ 27,424	\$ 370,101
Accrued interest payable	--	--	--
Retainages payable	--	--	82,554
Due to other funds	--	--	--
Due to other governmental agencies	--	1,375	--
Interfund payables	--	--	--
Advance from other funds	--	--	--
Accrued wages	241	28,563	--
Deferred revenue	90,427	59,740	--
Customer deposits	--	--	--
Total liabilities	<u>94,881</u>	<u>117,102</u>	<u>452,655</u>
Fund Balances:			
Nonspendable:			
Prepaid items	--	930	--
Restricted for:			
Housing and community development	1,824,731	--	--
Building services	--	1,572,897	--
Transportation	--	--	5,977,105
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Construction	--	--	--
Committed to:			
Development application system	--	491,510	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Assigned to:			
Subsequent year expenditures	--	--	--
Unassigned	--	--	--
Total fund balances (deficit)	<u>1,824,731</u>	<u>2,065,337</u>	<u>5,977,105</u>
Total liabilities and fund balances	<u>\$ 1,919,612</u>	<u>\$ 2,182,439</u>	<u>\$ 6,429,760</u>

Special Revenue Funds

Special Law Enforcement (Forfeiture)	Golden Gate Point	Tourist Development Tax	Miscellaneous Grants	Multi-Purpose
\$ 54,880	\$ 17,595	\$ 563,135	\$ --	\$ 587,048
240,770	77,191	2,470,593	--	2,575,503
--	--	--	--	69,051
486	173	4,885	--	5,068
--	--	--	--	--
--	--	--	--	--
103	--	92,469	2,000,735	89,024
5,615	--	--	--	7,604
<u>\$ 301,854</u>	<u>\$ 94,959</u>	<u>\$ 3,131,082</u>	<u>\$ 2,000,735</u>	<u>\$ 3,333,298</u>
\$ 10,497	\$ --	\$ 91,928	\$ 366,920	\$ 2,006,617
--	--	--	579	--
--	--	--	128,332	--
--	--	--	--	--
--	--	--	--	60,237
--	--	--	496,458	--
--	--	--	--	--
--	--	--	--	--
--	--	--	217,382	106,018
--	--	--	28,489	16,138
<u>10,497</u>	<u>-</u>	<u>91,928</u>	<u>1,238,160</u>	<u>2,189,010</u>
5,615	--	--	--	7,604
--	--	--	--	--
--	--	--	--	--
--	--	--	--	115,199
285,742	--	--	--	21,453
--	94,959	--	--	--
--	--	3,039,154	--	--
--	--	--	429,316	--
--	--	--	--	23,776
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	257,178	--
--	--	--	76,081	--
--	--	--	--	165,744
--	--	--	--	100,356
--	--	--	--	111,340
--	--	--	--	267,209
--	--	--	--	1,829
--	--	--	--	329,778
--	--	--	--	--
--	--	--	--	--
<u>291,357</u>	<u>94,959</u>	<u>3,039,154</u>	<u>762,575</u>	<u>1,144,288</u>
<u>\$ 301,854</u>	<u>\$ 94,959</u>	<u>\$ 3,131,082</u>	<u>\$ 2,000,735</u>	<u>\$ 3,333,298</u>

(continued)

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet (continued)
 September 30, 2012

	Debt Service Funds		
	1992 Refunding Bonds	2007 General Obligation Bonds	2008 General Obligation Bonds
Assets			
Cash and cash equivalents	\$ 914,223	125,721	44,764
Investments	4,010,890	551,566	196,391
Receivables (net):			
Accounts	--	--	--
Interest	7,949	1,097	389
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	574	--
Prepaid items	--	--	--
Total assets	<u>\$ 4,933,062</u>	<u>\$ 678,958</u>	<u>\$ 241,544</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Accrued interest payable	--	--	--
Retainages payable	--	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
Advance from other funds	--	--	--
Accrued wages	--	--	--
Deferred revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Nonspendable:			
Prepaid items	--	--	--
Restricted for:			
Housing and community development	--	--	--
Building services	--	--	--
Transportation	--	--	--
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	4,933,062	678,958	241,544
Construction	--	--	--
Committed to:			
Development application system	--	--	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Assigned to:			
Subsequent year expenditures	--	--	--
Unassigned	--	--	--
Total fund balances (deficit)	<u>4,933,062</u>	<u>678,958</u>	<u>241,544</u>
Total liabilities and fund balances	<u>\$ 4,933,062</u>	<u>\$ 678,958</u>	<u>\$ 241,544</u>

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet (concluded)
 September 30, 2012

	Capital Projects Funds		
	Capital and Extraordinary Maintenance	1989 Sales Surtax Bond Construction	2000 First Florida Construction
Assets			
Cash and cash equivalents	\$ 162,688	\$ 42,515	\$ 56,584
Investments	713,747	186,524	248,248
Receivables (net):			
Accounts	--	--	--
Interest	1,418	370	492
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	--
Prepaid items	--	--	--
Total assets	<u>\$ 877,853</u>	<u>\$ 229,409</u>	<u>\$ 305,324</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Accrued interest payable	--	--	--
Retainages payable	--	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
Advance from other funds	--	--	--
Accrued wages	--	--	--
Deferred revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Nonspendable:			
Prepaid items	--	--	--
Restricted for:			
Housing and community development	--	--	--
Building services	--	--	--
Transportation	--	--	--
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Construction	--	229,409	305,324
Committed to:			
Development application system	--	--	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Assigned to:			
Subsequent year expenditures	877,853	--	--
Unassigned	--	--	--
Total fund balances (deficit)	<u>877,853</u>	<u>229,409</u>	<u>305,324</u>
Total liabilities and fund balances	<u>\$ 877,853</u>	<u>\$ 229,409</u>	<u>\$ 305,324</u>

Capital Project Funds

2001 First Florida Construction	2007 General Obligation Bonds	2009 Build America Bonds	2010 Stadium Bonds	Total Nonmajor Governmental Funds
\$ 86,962	\$ 481,136	\$ 229,021	\$ --	\$ 5,471,498
381,519	2,110,846	1,004,765	--	24,004,631
--	--	--	--	69,051
756	4,184	1,991	--	48,238
--	--	--	--	90,427
--	--	--	--	666,395
--	--	--	236,678	2,793,870
--	--	--	--	14,149
<u>\$ 469,237</u>	<u>\$ 2,596,166</u>	<u>\$ 1,235,777</u>	<u>\$ 236,678</u>	<u>\$ 33,158,259</u>
\$ --	\$ --	\$ --	\$ 7,320	\$ 2,885,020
--	--	--	368	970
--	--	--	--	210,886
--	--	--	--	6,100
--	--	--	--	61,612
--	--	--	230,379	741,088
--	--	--	--	140,295
--	--	--	--	28,804
--	--	--	--	1,139,962
--	--	--	--	44,627
--	--	--	238,067	5,259,364
--	--	--	--	14,149
--	--	--	--	1,824,731
--	--	--	--	1,572,897
--	--	--	--	6,092,304
--	--	--	--	307,195
--	--	--	--	94,959
--	--	--	--	3,039,154
--	--	--	--	429,316
--	--	--	--	23,776
--	--	--	--	7,145,373
469,237	2,596,166	1,235,777	--	4,835,913
--	--	--	--	491,510
--	--	--	--	257,178
--	--	--	--	76,081
--	--	--	--	165,744
--	--	--	--	100,356
--	--	--	--	111,340
--	--	--	--	267,209
--	--	--	--	1,829
--	--	--	--	329,778
--	--	--	--	877,853
--	--	--	(1,389)	(159,750)
<u>469,237</u>	<u>2,596,166</u>	<u>1,235,777</u>	<u>(1,389)</u>	<u>27,898,895</u>
<u>\$ 469,237</u>	<u>\$ 2,596,166</u>	<u>\$ 1,235,777</u>	<u>\$ 236,678</u>	<u>\$ 33,158,259</u>

City of Sarasota, Florida

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended September 30, 2012

	Special Revenue Funds		
	State Housing Initiative Partnership	Development Services	Gas Tax
Revenues			
Taxes	\$ --	\$ --	\$ 2,294,724
Special assessments	--	--	--
Licenses and permits	--	1,441,868	--
Intergovernmental	255,689	--	--
Charges for services	--	296,531	--
Fines and forfeits	--	--	--
Investment earnings	42,398	23,239	54,756
Miscellaneous	4,435	5	--
Total revenues	<u>302,522</u>	<u>1,761,643</u>	<u>2,349,480</u>
Expenditures			
Current:			
General government	--	61,982	--
Public safety	--	2,095,691	--
Physical environment	--	--	--
Transportation	--	--	177,398
Culture and recreation	--	--	--
Economic environment	365,805	--	--
Debt service:			
Principal payments	--	--	--
Interest and fiscal charges	--	--	--
Capital outlay	--	--	1,502,763
Total expenditures	<u>365,805</u>	<u>2,157,673</u>	<u>1,680,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(63,283)</u>	<u>(396,030)</u>	<u>669,319</u>
Other financing sources (uses)			
Transfers in	--	--	--
Transfers out	--	(215,000)	(922,322)
Total other financing sources (uses)	<u>--</u>	<u>(215,000)</u>	<u>(922,322)</u>
Net change in fund balances	(63,283)	(611,030)	(253,003)
Fund balances (deficit) - beginning	<u>1,888,014</u>	<u>2,676,367</u>	<u>6,230,108</u>
Fund balances (deficit) - ending	<u>\$ 1,824,731</u>	<u>\$ 2,065,337</u>	<u>\$ 5,977,105</u>

Special Revenue Funds

Special Law Enforcement (Forfeiture)	Golden Gate Point	Tourist Development Tax	Miscellaneous Grants	Multi-Purpose
\$ --	\$ 49,975	\$ 90,906	\$ --	\$ 19,117
--	--	--	--	--
--	--	--	--	--
--	--	23,267	3,668,222	188,071
--	--	--	8,952	37,248
104,424	--	--	42,439	63,403
2,680	955	26,831	1,691	10,254
12,415	--	--	48,635	7,449
<u>119,519</u>	<u>50,930</u>	<u>141,004</u>	<u>3,769,939</u>	<u>325,542</u>
--	--	--	--	--
161,454	--	--	63,204	46,694
--	--	115,109	73,551	--
--	28,434	--	60,914	--
--	--	--	45,778	24,247
--	--	--	64,154	66,665
--	--	--	--	--
--	--	--	--	--
57,327	--	--	2,964,601	192,709
<u>218,781</u>	<u>28,434</u>	<u>115,109</u>	<u>3,272,202</u>	<u>330,315</u>
<u>(99,262)</u>	<u>22,496</u>	<u>25,895</u>	<u>497,737</u>	<u>(4,773)</u>
--	--	--	181,250	50,000
--	--	(26,831)	(518,974)	(8,644)
--	--	(26,831)	(337,724)	41,356
(99,262)	22,496	(936)	160,013	36,583
<u>390,619</u>	<u>72,463</u>	<u>3,040,090</u>	<u>602,562</u>	<u>1,107,705</u>
<u>\$ 291,357</u>	<u>\$ 94,959</u>	<u>\$ 3,039,154</u>	<u>\$ 762,575</u>	<u>\$ 1,144,288</u>

(continued)

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2012

	Debt Service Funds			
	1992 Refunding Bonds	2007 General Obligation Bonds	2008 General Obligation Bonds	2009 Build America
Revenues				
Taxes	\$ --	\$ 2,823,638	\$ 273,695	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	372,076
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	42,416	12,810	2,731	(4,344)
Miscellaneous	--	--	--	--
Total revenues	<u>42,416</u>	<u>2,836,448</u>	<u>276,426</u>	<u>367,732</u>
Expenditures				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	474,043	895,000	145,155	1,413,435
Interest and fiscal charges	1,284,457	1,937,494	134,374	1,063,074
Capital outlay	--	--	--	--
Total expenditures	<u>1,758,500</u>	<u>2,832,494</u>	<u>279,529</u>	<u>2,476,509</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,716,084)</u>	<u>3,954</u>	<u>(3,103)</u>	<u>(2,108,777)</u>
Other financing sources (uses)				
Transfers in	882,929	--	--	2,104,433
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>882,929</u>	<u>--</u>	<u>--</u>	<u>2,104,433</u>
Net change in fund balances	(833,155)	3,954	(3,103)	(4,344)
Fund balances (deficit) - beginning	<u>5,766,217</u>	<u>675,004</u>	<u>244,647</u>	<u>(9,930)</u>
Fund balances (deficit) - ending	<u>\$ 4,933,062</u>	<u>\$ 678,958</u>	<u>\$ 241,544</u>	<u>\$ (14,274)</u>

Debt Service Funds

2010 Sales Tax Payment Rev. Bonds	2001B First Florida	2003 First Florida	2005 First Florida	Glen Oaks
\$ --	\$ --	\$ --	\$ --	\$ --
--	100,634	--	--	14,346
--	--	--	--	--
228,692	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,106	1,736	2,987	3,923	5,741
--	--	--	--	--
<u>230,798</u>	<u>102,370</u>	<u>2,987</u>	<u>3,923</u>	<u>20,087</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
225,000	105,000	420,000	575,000	--
508,205	34,868	82,672	93,230	5,650
--	--	--	--	--
<u>733,205</u>	<u>139,868</u>	<u>502,672</u>	<u>668,230</u>	<u>5,650</u>
<u>(502,407)</u>	<u>(37,498)</u>	<u>(499,685)</u>	<u>(664,307)</u>	<u>14,437</u>
843,727	--	367,701	668,288	--
--	--	--	--	(158,524)
<u>843,727</u>	<u>--</u>	<u>367,701</u>	<u>668,288</u>	<u>(158,524)</u>
341,320	(37,498)	(131,984)	3,981	(144,087)
200,824	179,324	361,794	374,048	--
<u>\$ 542,144</u>	<u>\$ 141,826</u>	<u>\$ 229,810</u>	<u>\$ 378,029</u>	<u>\$ (144,087)</u>

(continued)

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2012

	Capital Projects Funds			
	Capital and Extraordinary Maintenance	1989 Sales Surtax Bond Construction	2000 First Florida Construction	2001 First Florida Construction
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	8,105	2,049	2,713	4,170
Miscellaneous	--	--	--	--
Total revenues	<u>8,105</u>	<u>2,049</u>	<u>2,713</u>	<u>4,170</u>
Expenditures				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	44,235	--	--	--
Total expenditures	<u>44,235</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,130)</u>	<u>2,049</u>	<u>2,713</u>	<u>4,170</u>
Other financing sources (uses)				
Transfers in	--	--	--	--
Transfers out	(8,105)	(2,049)	--	--
Total other financing sources (uses)	<u>(8,105)</u>	<u>(2,049)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(44,235)	--	2,713	4,170
Fund balances (deficit) - beginning	<u>922,088</u>	<u>229,409</u>	<u>302,611</u>	<u>465,067</u>
Fund balances (deficit) - ending	<u>\$ 877,853</u>	<u>\$ 229,409</u>	<u>\$ 305,324</u>	<u>\$ 469,237</u>

2007 General Obligation Bonds	2009 Build America Bonds	2010 Stadium Bonds	Glen Oaks Construction	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ --	\$ 5,552,055
--	--	--	--	114,980
--	--	--	--	1,441,868
--	--	--	--	4,736,017
--	--	--	--	342,731
--	--	--	--	210,266
23,747	11,862	(1,271)	678	284,963
--	--	236,678	--	309,617
<u>23,747</u>	<u>11,862</u>	<u>235,407</u>	<u>678</u>	<u>12,992,497</u>
--	--	--	--	61,982
130,091	--	--	--	2,497,134
--	--	--	--	188,660
--	3,272	--	--	270,018
--	3,965	236,678	18,726	329,394
--	--	--	--	496,624
--	--	--	--	4,252,633
--	--	--	--	5,144,024
4,412	87,556	--	140,464	4,994,067
<u>134,503</u>	<u>94,793</u>	<u>236,678</u>	<u>159,190</u>	<u>18,234,536</u>
<u>(110,756)</u>	<u>(82,931)</u>	<u>(1,271)</u>	<u>(158,512)</u>	<u>(5,242,039)</u>
--	--	--	158,524	5,256,852
--	--	--	--	(1,860,449)
--	--	--	158,524	3,396,403
(110,756)	(82,931)	(1,271)	12	(1,845,636)
<u>2,706,922</u>	<u>1,318,708</u>	<u>(118)</u>	<u>(12)</u>	<u>29,744,531</u>
<u>\$ 2,596,166</u>	<u>\$ 1,235,777</u>	<u>\$ (1,389)</u>	<u>\$ --</u>	<u>\$ 27,898,895</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 255,689	\$ 5,689
Investment earnings	--	--	42,398	42,398
Miscellaneous	20,000	20,000	4,435	(15,565)
Total revenues	<u>270,000</u>	<u>270,000</u>	<u>302,522</u>	<u>32,522</u>
Expenditures				
Current:				
Economic environment	<u>270,000</u>	<u>2,016,534</u>	<u>365,805</u>	<u>1,650,729</u>
Total expenditures	<u>270,000</u>	<u>2,016,534</u>	<u>365,805</u>	<u>1,650,729</u>
Net change in fund balances	--	(1,746,534)	(63,283)	1,683,251
Fund balances - beginning	<u>1,888,014</u>	<u>1,888,014</u>	<u>1,888,014</u>	<u>--</u>
Fund balances - ending	<u>\$ 1,888,014</u>	<u>\$ 141,480</u>	<u>\$ 1,824,731</u>	<u>\$ 1,683,251</u>

City of Sarasota, Florida
 Development Services Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 2,201,800	\$ 2,201,800	\$ 1,441,868	\$ (759,932)
Charges for services	290,500	290,500	296,531	6,031
Investment earnings	30,000	30,000	23,239	(6,761)
Miscellaneous	--	--	5	5
Total revenues	<u>2,522,300</u>	<u>2,522,300</u>	<u>1,761,643</u>	<u>(760,657)</u>
Expenditures				
Current:				
General government	125,900	125,900	61,982	63,918
Public safety	2,158,464	2,163,523	2,095,691	67,832
Capital outlay:				
Public safety	--	2,340	--	2,340
Total expenditures	<u>2,284,364</u>	<u>2,291,763</u>	<u>2,157,673</u>	<u>134,090</u>
Excess (deficiency) of revenues over (under) expenditures	237,936	230,537	(396,030)	(626,567)
Other financing uses				
Transfers out	<u>(215,000)</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>--</u>
Net change in fund balances	22,936	15,537	(611,030)	(626,567)
Fund balances - beginning	<u>2,676,367</u>	<u>2,676,367</u>	<u>2,676,367</u>	<u>--</u>
Fund balances - ending	<u>\$ 2,699,303</u>	<u>\$ 2,691,904</u>	<u>\$ 2,065,337</u>	<u>\$ (626,567)</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,364,675	\$ 2,364,675	\$ 2,294,724	\$ (69,951)
Investment earnings	--	--	54,756	54,756
Total revenues	<u>2,364,675</u>	<u>2,364,675</u>	<u>2,349,480</u>	<u>(15,195)</u>
Expenditures				
Current:				
Transportation	176,641	383,032	177,398	205,634
Capital outlay:				
Transportation	<u>2,537,439</u>	<u>6,462,024</u>	<u>1,502,763</u>	<u>4,959,261</u>
Total expenditures	<u>2,714,080</u>	<u>6,845,056</u>	<u>1,680,161</u>	<u>5,164,895</u>
Excess (deficiency) of revenues over (under) expenditures	(349,405)	(4,480,381)	669,319	5,149,700
Other financing uses				
Transfers out	<u>(867,566)</u>	<u>(867,566)</u>	<u>(922,322)</u>	<u>(54,756)</u>
Net change in fund balances	(1,216,971)	(5,347,947)	(253,003)	5,094,944
Fund balances - beginning	<u>6,230,108</u>	<u>6,230,108</u>	<u>6,230,108</u>	<u>--</u>
Fund balances - ending	<u>\$ 5,013,137</u>	<u>\$ 882,161</u>	<u>\$ 5,977,105</u>	<u>\$ 5,094,944</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ --	\$ --	\$ 104,424	\$ 104,424
Investment earnings	--	--	2,680	2,680
Miscellaneous	--	--	12,415	12,415
Total revenues	<u>--</u>	<u>--</u>	<u>119,519</u>	<u>119,519</u>
Expenditures				
Current:				
Public safety	--	224,532	161,454	63,078
Capital outlay:				
Public safety	--	83,902	57,327	26,575
Total expenditures	<u>--</u>	<u>308,434</u>	<u>218,781</u>	<u>89,653</u>
Net change in fund balance	--	(308,434)	(99,262)	209,172
Fund balances - beginning	<u>390,619</u>	<u>390,619</u>	<u>390,619</u>	<u>--</u>
Fund balances - ending	<u>\$ 390,619</u>	<u>\$ 82,185</u>	<u>\$ 291,357</u>	<u>\$ 209,172</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 49,750	\$ 49,750	\$ 49,975	\$ 225
Investment earnings	250	250	955	705
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,930</u>	<u>930</u>
Expenditures				
Current:				
Transportation	<u>50,000</u>	<u>50,000</u>	<u>28,434</u>	<u>21,566</u>
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>28,434</u>	<u>21,566</u>
Net change in fund balance	--	--	22,496	22,496
Fund balances - beginning	<u>72,463</u>	<u>72,463</u>	<u>72,463</u>	<u>--</u>
Fund balances - ending	<u>\$ 72,463</u>	<u>\$ 72,463</u>	<u>\$ 94,959</u>	<u>\$ 22,496</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 395,389	\$ 395,389	\$ 90,906	\$ (304,483)
Intergovernmental	--	171,000	23,267	(147,733)
Investment earnings	--	--	26,831	26,831
Total revenues	<u>395,389</u>	<u>566,389</u>	<u>141,004</u>	<u>(425,385)</u>
Expenditures				
Current:				
Physical environment	<u>406,477</u>	<u>1,903,463</u>	<u>115,109</u>	<u>1,788,354</u>
Total expenditures	<u>406,477</u>	<u>1,903,463</u>	<u>115,109</u>	<u>1,788,354</u>
Excess (deficiency) of revenues over (under) expenditures	(11,088)	(1,337,074)	25,895	1,362,969
Other financing uses				
Transfers out	<u>--</u>	<u>--</u>	<u>(26,831)</u>	<u>(26,831)</u>
Net change in fund balances	(11,088)	(1,337,074)	(936)	1,336,138
Fund balances - beginning	<u>3,040,090</u>	<u>3,040,090</u>	<u>3,040,090</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,029,002</u>	<u>\$ 1,703,016</u>	<u>\$ 3,039,154</u>	<u>\$ 1,336,138</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, 2012

	<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>
Revenues				
Intergovernmental	\$ 500,004	\$ 6,522,465	\$ 3,668,222	\$ (2,854,243)
Charges for services	--	10,500	8,952	(1,548)
Fines and forfeits	55,000	55,000	42,439	(12,561)
Investment earnings	--	--	1,691	1,691
Miscellaneous	--	10,500	48,635	38,135
Total revenues	<u>555,004</u>	<u>6,598,465</u>	<u>3,769,939</u>	<u>(2,828,526)</u>
Expenditures				
Current:				
Public safety	--	37,207	63,204	(25,997)
Physical environment	--	73,375	73,551	(176)
Transportation	--	--	60,914	(60,914)
Culture and recreation	33,600	144,326	45,778	98,548
Economic environment	51,750	285,161	64,154	221,007
Capital outlay:				
Public safety	--	81,771	14,986	66,785
Physical environment	--	2,453,294	864,800	1,588,494
Transportation	128,638	2,414,207	1,819,075	595,132
Culture and recreation	36,406	1,491,646	265,740	1,225,906
Total expenditures	<u>250,394</u>	<u>6,980,987</u>	<u>3,272,202</u>	<u>3,708,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>304,610</u>	<u>(382,522)</u>	<u>497,737</u>	<u>880,259</u>
Other financing sources (uses)				
Transfers in	--	181,250	181,250	--
Transfers out	<u>(530,004)</u>	<u>(530,004)</u>	<u>(518,974)</u>	<u>11,030</u>
Total other financing sources (uses)	<u>(530,004)</u>	<u>(348,754)</u>	<u>(337,724)</u>	<u>11,030</u>
Net change in fund balances	(225,394)	(731,276)	160,013	891,289
Fund balances - beginning	<u>602,562</u>	<u>602,562</u>	<u>602,562</u>	<u>--</u>
Fund balances - ending	<u>\$ 377,168</u>	<u>\$ (128,714)</u>	<u>\$ 762,575</u>	<u>\$ 891,289</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, 2012

	<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>
Revenues				
Taxes	\$ 9,000	\$ 9,000	\$ 19,117	\$ 10,117
Intergovernmental	--	243,196	188,071	(55,125)
Charges for services	--	--	37,248	37,248
Fines and forfeits	25,000	25,000	63,403	38,403
Investment earnings	--	--	10,254	10,254
Miscellaneous	--	--	7,449	7,449
Total revenues	<u>34,000</u>	<u>277,196</u>	<u>325,542</u>	<u>48,346</u>
Expenditures				
Current:				
Public safety	--	54,164	46,694	7,470
Transportation	--	5,988	--	5,988
Culture and recreation	45,000	50,000	24,247	25,753
Economic environment	18,040	253,013	66,665	186,348
Capital outlay:				
Transportation	--	300,304	192,709	107,595
Total expenditures	<u>63,040</u>	<u>663,469</u>	<u>330,315</u>	<u>333,154</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,040)</u>	<u>(386,273)</u>	<u>(4,773)</u>	<u>381,500</u>
Other financing sources (uses)				
Transfers in	--	50,000	50,000	-
Transfers out	--	--	(8,644)	(8,644)
Total other financing sources (uses)	--	50,000	41,356	(8,644)
Net change in fund balances	(29,040)	(336,273)	36,583	372,856
Fund balances - beginning	<u>1,107,705</u>	<u>1,107,705</u>	<u>1,107,705</u>	<u>--</u>
Fund balances - ending	<u>\$ 1,078,665</u>	<u>\$ 771,432</u>	<u>\$ 1,144,288</u>	<u>\$ 372,856</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 37,000	\$ 37,000	\$ 42,416	\$ 5,416
Total revenues	<u>37,000</u>	<u>37,000</u>	<u>42,416</u>	<u>5,416</u>
Expenditures				
Debt service:				
Principal payments	475,189	475,189	474,043	1,146
Interest and other charges	<u>1,412,811</u>	<u>1,412,811</u>	<u>1,284,457</u>	<u>128,354</u>
Total expenditures	<u>1,888,000</u>	<u>1,888,000</u>	<u>1,758,500</u>	<u>129,500</u>
Excess (deficiency) of revenues over (under) expenditures	(1,851,000)	(1,851,000)	(1,716,084)	134,916
Other financing sources				
Transfers in	<u>882,929</u>	<u>882,929</u>	<u>882,929</u>	<u>--</u>
Net change in fund balances	(968,071)	(968,071)	(833,155)	134,916
Fund balances - beginning	<u>5,766,217</u>	<u>5,766,217</u>	<u>5,766,217</u>	<u>--</u>
Fund balances - ending	<u>\$ 4,798,146</u>	<u>\$ 4,798,146</u>	<u>\$ 4,933,062</u>	<u>\$ 134,916</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,830,000	\$ 2,830,000	\$ 2,823,638	\$ (6,362)
Investment earnings	5,000	5,000	12,810	7,810
Total revenues	<u>2,835,000</u>	<u>2,835,000</u>	<u>2,836,448</u>	<u>\$ 1,448</u>
Expenditures				
Debt service:				
Principal payments	895,000	1,234,909	895,000	339,909
Interest and other charges	<u>1,942,094</u>	<u>1,946,894</u>	<u>1,937,494</u>	<u>9,400</u>
Total expenditures	<u>2,837,094</u>	<u>3,181,803</u>	<u>2,832,494</u>	<u>349,309</u>
Net change in fund balances	(2,094)	(346,803)	3,954	350,757
Fund balance - beginning	<u>675,004</u>	<u>675,004</u>	<u>675,004</u>	<u>--</u>
Fund balance - ending	<u>\$ 672,910</u>	<u>\$ 328,201</u>	<u>\$ 678,958</u>	<u>\$ 350,757</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 273,000	\$ 273,000	\$ 273,695	\$ 695
Investment earnings	1,500	1,500	2,731	1,231
Total revenues	<u>274,500</u>	<u>274,500</u>	<u>276,426</u>	<u>1,926</u>
Expenditures				
Debt service:				
Principal payments	145,155	145,155	145,155	--
Interest and other charges	<u>137,375</u>	<u>137,375</u>	<u>134,374</u>	<u>3,001</u>
Total expenditures	<u>282,530</u>	<u>282,530</u>	<u>279,529</u>	<u>3,001</u>
Excess of revenues over expenditures	(8,030)	(8,030)	(3,103)	4,927
Fund balances - beginning	<u>244,647</u>	<u>244,647</u>	<u>244,647</u>	<u>--</u>
Fund balances - ending	<u>\$ 236,617</u>	<u>\$ 236,617</u>	<u>\$ 241,544</u>	<u>\$ 4,927</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 372,076	\$ 372,076	\$ 372,076	\$ --
Investment earnings (loss)	2,000	2,000	(4,344)	(6,344)
Total revenues	<u>374,076</u>	<u>374,076</u>	<u>367,732</u>	<u>(6,344)</u>
Expenditures				
Debt service:				
Principal payments	1,413,435	1,413,435	1,413,435	--
Interest and other charges	<u>1,063,074</u>	<u>1,063,074</u>	<u>1,063,074</u>	<u>--</u>
Total expenditures	<u>2,476,509</u>	<u>2,476,509</u>	<u>2,476,509</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(2,102,433)	(2,102,433)	(2,108,777)	(6,344)
Other financing sources				
Transfers in	<u>2,104,433</u>	<u>2,104,433</u>	<u>2,104,433</u>	<u>--</u>
Net change in fund balances	2,000	2,000	(4,344)	(6,344)
Fund balances - beginning	<u>(9,930)</u>	<u>(9,930)</u>	<u>(9,930)</u>	<u>--</u>
Fund balances - ending	<u>\$ (7,930)</u>	<u>\$ (7,930)</u>	<u>\$ (14,274)</u>	<u>\$ (6,344)</u>

City of Sarasota, Florida

2010 Sales Tax Payments Revenue Bonds

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

Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 228,692	\$ 228,692	\$ 228,692	\$ --
Investment earnings	--	--	2,106	2,106
Total revenues	<u>228,692</u>	<u>228,692</u>	<u>230,798</u>	<u>2,106</u>
Expenditures				
Debt service:				
Principal payments	225,000	225,000	225,000	--
Interest and other charges	<u>508,205</u>	<u>508,205</u>	<u>508,205</u>	<u>--</u>
Total expenditures	<u>733,205</u>	<u>733,205</u>	<u>733,205</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(504,513)	(504,513)	(502,407)	2,106
Other financing sources				
Transfers in	<u>500,004</u>	<u>500,004</u>	<u>843,727</u>	<u>343,723</u>
Net change in fund balances	(4,509)	(4,509)	341,320	345,829
Fund balances - beginning	<u>200,824</u>	<u>200,824</u>	<u>200,824</u>	<u>--</u>
Fund balances - ending	<u>\$ 196,315</u>	<u>\$ 196,315</u>	<u>\$ 542,144</u>	<u>\$ 345,829</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 100,000	\$ 100,000	\$ 100,634	\$ 634
Investment earnings	1,500	1,500	1,736	236
Total revenues	<u>101,500</u>	<u>101,500</u>	<u>102,370</u>	<u>870</u>
Expenditures				
Debt service:				
Principal payments	105,000	105,000	105,000	--
Interest and other charges	<u>34,425</u>	<u>34,425</u>	<u>34,868</u>	<u>(443)</u>
Total expenditures	<u>139,425</u>	<u>139,425</u>	<u>139,868</u>	<u>(443)</u>
Net change in fund balances	(37,925)	(37,925)	(37,498)	427
Fund balances - beginning	<u>179,324</u>	<u>179,324</u>	<u>179,324</u>	<u>--</u>
Fund balances - ending	<u>\$ 141,399</u>	<u>\$ 141,399</u>	<u>\$ 141,826</u>	<u>\$ 427</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 1,800	\$ 1,800	\$ 2,987	\$ 1,187
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>2,987</u>	<u>1,187</u>
Expenditures				
Debt service:				
Principal payments	420,000	420,000	420,000	--
Interest and other charges	<u>85,731</u>	<u>85,731</u>	<u>82,672</u>	<u>3,059</u>
Total expenditures	<u>505,731</u>	<u>505,731</u>	<u>502,672</u>	<u>3,059</u>
Excess (deficiency) of revenues over (under) expenditures	(503,931)	(503,931)	(499,685)	4,246
Other financing sources				
Transfers in	<u>367,701</u>	<u>367,701</u>	<u>367,701</u>	<u>--</u>
Net change in fund balances	(136,230)	(136,230)	(131,984)	4,246
Fund balances - beginning	<u>361,794</u>	<u>361,794</u>	<u>361,794</u>	<u>--</u>
Fund balances - ending	<u>\$ 225,564</u>	<u>\$ 225,564</u>	<u>\$ 229,810</u>	<u>\$ 4,246</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 2,500	\$ 2,500	\$ 3,923	\$ 1,423
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>3,923</u>	<u>1,423</u>
Expenditures				
Debt service:				
Principal payments	575,000	575,000	575,000	--
Interest and other charges	<u>93,288</u>	<u>93,288</u>	<u>93,230</u>	<u>58</u>
Total expenditures	<u>668,288</u>	<u>668,288</u>	<u>668,230</u>	<u>58</u>
Excess (deficiency) of revenues over (under) expenditures	(665,788)	(665,788)	(664,307)	1,481
Other financing sources				
Transfers in	<u>668,288</u>	<u>668,288</u>	<u>668,288</u>	<u>--</u>
Net change in fund balances	2,500	2,500	3,981	1,481
Fund balances - beginning	<u>374,048</u>	<u>374,048</u>	<u>374,048</u>	<u>--</u>
Fund balances - ending	<u>\$ 376,548</u>	<u>\$ 376,548</u>	<u>\$ 378,029</u>	<u>\$ 1,481</u>

City of Sarasota, Florida

Glen Oaks Debt Service Fund

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

Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 15,254	\$ 15,254	\$ 14,346	\$ (908)
Investment earnings	--	--	5,741	(5,741)
Total revenues	<u>15,254</u>	<u>15,254</u>	<u>20,087</u>	<u>4,833</u>
Expenditures				
Debt service:				
Principal payments	10,455	10,455	--	10,455
Interest and other charges	<u>4,799</u>	<u>4,799</u>	<u>5,650</u>	<u>(851)</u>
Total expenditures	<u>15,254</u>	<u>15,254</u>	<u>5,650</u>	<u>9,604</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	14,437	14,437
Other financing sources				
Transfers out	--	(199,390)	(158,524)	40,866
Net change in fund balances	--	(199,390)	(144,087)	55,303
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ (199,390)</u>	<u>\$ (144,087)</u>	<u>\$ 55,303</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, 2012

	Bobby Jones Golf Course	Municipal Auditoriums	Parking Management	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 309,898	\$ 17,974	\$ 10,014	\$ 337,886
Investments	1,359,589	78,857	43,934	1,482,380
Receivables (net):				
Accounts	4,292	--	15,000	19,292
Interest	2,880	160	--	3,040
Due from other governmental agencies	2,321	--	--	2,321
Inventories	45,270	647	--	45,917
Prepaid items	9,036	15,087	31,647	55,770
Total current assets	<u>1,733,286</u>	<u>112,725</u>	<u>100,595</u>	<u>1,946,606</u>
Noncurrent assets:				
Capital assets				
Land	910,000	175,000	1,933,801	3,018,801
Buildings	1,140,103	1,977,084	--	3,117,187
Improvements	5,445,714	347,757	438,919	6,232,390
Equipment	570,005	58,764	514,523	1,143,292
Construction in progress	25,813	--	--	25,813
Less accumulated depreciation	<u>(4,812,524)</u>	<u>(2,158,096)</u>	<u>(827,213)</u>	<u>(7,797,833)</u>
Total capital assets (net of accumulated depreciation)	<u>3,279,111</u>	<u>400,509</u>	<u>2,060,030</u>	<u>5,739,650</u>
Total assets	<u>5,012,397</u>	<u>513,234</u>	<u>2,160,625</u>	<u>7,686,256</u>
Liabilities				
Current liabilities:				
Accounts payable	13,710	5,420	13,072	32,202
Due to other governmental agencies	--	589	4,189	4,778
Interest payable	--	--	277	277
Accrued wages	14,063	4,887	10,837	29,787
Compensated absences	34,184	10,426	11,576	56,186
Unearned revenue	51,374	47,064	6,583	105,021
Total current liabilities	<u>113,331</u>	<u>68,386</u>	<u>46,534</u>	<u>228,251</u>
Noncurrent liabilities:				
Compensated absences	27,968	8,531	9,471	45,970
Other post-employment benefits	46,476	16,598	34,621	97,695
Total noncurrent liabilities	<u>74,444</u>	<u>25,129</u>	<u>44,092</u>	<u>143,665</u>
Total liabilities	<u>187,775</u>	<u>93,515</u>	<u>90,626</u>	<u>371,916</u>
Net Assets				
Invested in capital assets, net of related debt	3,279,111	400,509	2,060,030	5,739,650
Unrestricted	1,545,511	19,210	9,969	1,574,690
Total net assets	<u>\$ 4,824,622</u>	<u>\$ 419,719</u>	<u>\$ 2,069,999</u>	<u>\$ 7,314,340</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, 2012

	Bobby Jones Golf Course	Municipal Auditoriums	Sports Stadium	Parking Management	Total
Operating revenues:					
Charges for services	\$ 2,693,790	\$ 139,882	\$ --	\$ 265,602	\$ 3,099,274
Rents	3,033	332,933	--	13,387	349,353
Fines	--	--	--	379,258	379,258
Miscellaneous	4,471	1,467	--	946	6,884
Total operating revenues	2,701,294	474,282	--	659,193	3,834,769
Operating expenses:					
Personal services	696,578	257,016	--	527,958	1,481,552
Contractual services	430,590	213,158	--	276,803	920,551
Repairs and maintenance	1,359,644	8,888	--	86,778	1,455,310
Supplies and materials	133,133	18,736	--	27,100	178,969
Depreciation	206,832	74,582	--	61,064	342,478
Total operating expenses	2,826,777	572,380	--	979,703	4,378,860
Operating income (loss)	(125,483)	(98,098)	--	(320,510)	(544,091)
Nonoperating revenues:					
Investment earnings (loss)	16,679	1,101	3,051	(244)	20,587
Gain (loss) on disposition of capital assets	--	217	--	--	217
Total nonoperating revenues	16,679	1,318	3,051	(244)	20,804
Income (loss) before transfers and special items	(108,804)	(96,780)	3,051	(320,754)	(523,287)
Transfers in	--	10,000	--	267,000	277,000
Transfers out	(37,606)	(2,712)	(343,723)	--	(384,041)
Special item	--	--	--	(310,914)	(310,914)
Change in net assets	(146,410)	(89,492)	(340,672)	(364,668)	(941,242)
Total net assets - beginning	4,971,032	509,211	340,672	2,434,667	8,255,582
Total net assets - ending	\$ 4,824,622	\$ 419,719	\$ --	\$ 2,069,999	\$ 7,314,340

City of Sarasota, Florida
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2012

	Bobby Jones Golf Course	Municipal Auditoriums	Sports Stadium	Parking Management	Total
Cash flows from operating activities					
Cash received from customers	\$ 2,692,101	\$ 479,905	\$ --	\$ 664,770	\$ 3,836,776
Cash payments to vendors for goods and services	(1,783,241)	(176,185)	--	(330,927)	(2,290,353)
Cash payments to employees for services	(681,632)	(250,229)	--	(515,911)	(1,447,772)
Cash payments to other funds	(144,105)	(65,453)	--	(100,000)	(309,558)
Net cash provided (used) by operating activities	<u>83,123</u>	<u>(11,962)</u>	<u>--</u>	<u>(282,068)</u>	<u>(210,907)</u>
Cash flows from noncapital financing activities					
Transfers in	--	10,000	--	267,000	277,000
Transfers out	(37,606)	(2,712)	(343,723)	--	(384,041)
Net cash provided (used) by noncapital financing activities	<u>(37,606)</u>	<u>7,288</u>	<u>(343,723)</u>	<u>267,000</u>	<u>(107,041)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(34,920)	--	--	(32,280)	(67,200)
Proceeds from sale of capital assets	--	217	--	--	217
Net cash provided (used) by capital and related financing activities	<u>(34,920)</u>	<u>217</u>	<u>--</u>	<u>(32,280)</u>	<u>(66,983)</u>
Cash flows from investing activities					
Interest on investments	16,107	982	3,488	187	20,764
Proceeds from sale and maturities of investments	--	--	207,827	17,827	225,654
Purchase of investments	(356,120)	(17,587)	--	--	(373,707)
Net cash provided by investing activities	<u>(340,013)</u>	<u>(16,605)</u>	<u>211,315</u>	<u>18,014</u>	<u>(127,289)</u>
Net increase (decrease) in cash and cash equivalents	(329,416)	(21,062)	(132,408)	(29,334)	(512,220)
Cash and cash equivalents at beginning of year	639,314	39,036	132,408	39,348	850,106
Cash and cash equivalents at end of year	<u>\$ 309,898</u>	<u>\$ 17,974</u>	<u>\$ --</u>	<u>\$ 10,014</u>	<u>\$ 337,886</u>

	Bobby Jones Golf Course	Municipal Auditoriums	Sports Stadium	Parking Management	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (125,483)	\$ (98,098)	\$ --	\$ (320,510)	\$ (544,091)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	206,832	74,582	--	61,064	342,478
Net (increase) decrease in:					
Accounts receivable	(3,764)	--	--	--	(3,764)
Due from other governmental agencies	1,798	75	--	123	1,996
Inventories	2,560	216	--	--	2,776
Prepaid items	587	864	--	(279)	1,172
Net increase (decrease) in:					
Accounts payable	(8,924)	(2,525)	--	(44,279)	(55,728)
Due to other governmental agencies	--	589	--	4,189	4,778
Accrued wages	1,286	864	--	1,011	3,161
Compensated absences	1,035	284	--	(6,417)	(5,098)
Unearned revenue	(5,429)	5,548	--	5,577	5,696
Other post-employment benefits	12,625	5,639	--	17,453	35,717
Total adjustments	208,606	86,136	--	38,442	333,184
Net cash provided (used) by operating activities	\$ 83,123	\$ (11,962)	\$ --	\$ (282,068)	\$ (210,907)

Noncash investing, capital, and financing activities

None

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Statement of Net Assets
September 30, 2012

	<u>Revenue Account</u>	<u>Interest & Sinking Accounts</u>	<u>Renewal Replacement & Improvement Account</u>	<u>General Reserve Account</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 21,961	\$ --	\$ 4,121,367	\$ 2,780,083
Investments	96,346	--	18,081,316	12,196,817
Receivables (net):				
Accounts	3,445,405	--	--	--
Interest	342	--	35,927	23,974
Inventories	--	--	--	--
Prepaid items	197,965	--	--	--
Total unrestricted current assets	<u>3,762,019</u>	<u>--</u>	<u>22,238,610</u>	<u>15,000,874</u>
Restricted current assets:				
Cash and cash equivalents	190,976	692,964	--	--
Cash with fiscal agents	--	4,762,156	--	--
Investments	811,973	2,946,277	--	--
Accrued interest receivable	1,602	12,894	--	--
Due from other governmental agencies	--	--	--	--
Prepaid items	--	--	--	--
Deferred issuance costs	--	69,153	--	--
Total restricted current assets	<u>1,004,551</u>	<u>8,483,444</u>	<u>--</u>	<u>--</u>
Total current assets	<u>4,766,570</u>	<u>8,483,444</u>	<u>22,238,610</u>	<u>15,000,874</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable:				
Land	6,040,560	--	--	--
Construction in progress	--	--	3,017,536	2,504,651
Depreciable:				
Buildings	25,132,251	--	--	--
Utility systems	223,393,706	--	--	--
Equipment	1,166,274	--	6,899,940	206,141
Less accumulated depreciation	(151,830,896)	--	(6,303,798)	(36,311)
Total capital assets (net of accumulated depreciation)	<u>103,901,895</u>	<u>--</u>	<u>3,613,678</u>	<u>2,674,481</u>
Other assets:				
Deferred issuance costs	--	580,998	--	--
Total other assets	<u>--</u>	<u>580,998</u>	<u>--</u>	<u>--</u>
Total noncurrent assets	<u>103,901,895</u>	<u>580,998</u>	<u>3,613,678</u>	<u>2,674,481</u>
Total assets	<u>\$ 108,668,465</u>	<u>\$ 9,064,442</u>	<u>\$ 25,852,288</u>	<u>\$ 17,675,355</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ 6,734	\$ 6,930,145
--	29,544	30,404,023
--	--	3,445,405
--	--	60,243
--	88,406	88,406
--	1,498	199,463
<u>--</u>	<u>126,182</u>	<u>41,127,685</u>
4,354,337	--	5,238,277
--	--	4,762,156
18,513,342	--	22,271,592
37,795	--	52,291
21,930	--	21,930
8,250	--	8,250
--	--	69,153
<u>22,935,654</u>	<u>--</u>	<u>32,423,649</u>
<u>22,935,654</u>	<u>126,182</u>	<u>73,551,334</u>
--	--	6,040,560
32,577,723	--	38,099,910
--	--	25,132,251
--	--	223,393,706
195,633	35,525	8,503,513
(151,941)	(35,525)	(158,358,471)
<u>32,621,415</u>	<u>--</u>	<u>142,811,469</u>
<u>--</u>	<u>--</u>	<u>580,998</u>
<u>--</u>	<u>--</u>	<u>580,998</u>
<u>32,621,415</u>	<u>--</u>	<u>143,392,467</u>
<u>\$ 55,557,069</u>	<u>\$ 126,182</u>	<u>\$ 216,943,801</u>

(continued)

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Statement of Net Assets
September 30, 2012
(Concluded)

	Revenue Account	Interest & Sinking Account	Renewal Replacement & Improvement Account	General Reserve Account
Liabilities				
Current liabilities:				
Accounts payable	\$ 346,982	\$ --	\$ 292,857	\$ 104,715
Due to other governmental agencies	2,884	--	9,221	--
Accrued interest payable	--	--	--	--
Accrued wages	168,526	--	58,880	--
Compensated absences	319,118	--	65,668	--
Unearned revenue	230,413	--	--	--
Total unrestricted current liabilities	<u>1,067,923</u>	<u>--</u>	<u>426,626</u>	<u>104,715</u>
Current liabilities payable from restricted assets:				
Accounts payable	--	--	--	--
Retainages payable	--	--	--	--
Accrued interest payable	--	1,517,155	--	--
Customer deposits	1,004,534	--	--	--
Revenue bonds & loans payable - current	--	3,356,052	--	--
Total current liabilities payable from restricted assets	<u>1,004,534</u>	<u>4,873,207</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>2,072,457</u>	<u>4,873,207</u>	<u>426,626</u>	<u>104,715</u>
Noncurrent liabilities:				
Compensated absences	261,096	--	53,728	--
Other post-employment benefits	483,111	--	192,525	--
Revenue bonds, loans payable and unamortized premium less current maturities and deferred amount of refunding	--	62,486,798	--	--
Total noncurrent liabilities	<u>744,207</u>	<u>62,486,798</u>	<u>246,253</u>	<u>--</u>
Total liabilities	<u>2,816,664</u>	<u>67,360,005</u>	<u>672,879</u>	<u>104,715</u>
Net Assets				
Invested in capital assets, net of related debt	103,901,895	(51,938,107)	3,613,678	2,674,481
Restricted:				
Debt service	--	6,897,136	--	--
Construction	--	(13,254,592)	--	--
Unrestricted	1,949,906	--	21,565,731	14,896,159
Total net assets	<u>\$ 105,851,801</u>	<u>\$ (58,295,563)</u>	<u>\$ 25,179,409</u>	<u>\$ 17,570,640</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ 87,106	\$ 831,660
--	--	12,105
--	83	83
--	1,176	228,582
--	6,555	391,341
--	--	230,413
<u>--</u>	<u>94,920</u>	<u>1,694,184</u>
960,598	--	960,598
793,599	--	793,599
--	--	1,517,155
--	--	1,004,534
<u>--</u>	<u>--</u>	<u>3,356,052</u>
<u>1,754,197</u>	<u>--</u>	<u>7,631,938</u>
<u>1,754,197</u>	<u>94,920</u>	<u>9,326,122</u>
--	5,364	320,188
--	3,963	679,599
<u>--</u>	<u>--</u>	<u>62,486,798</u>
<u>--</u>	<u>9,327</u>	<u>63,486,585</u>
<u>1,754,197</u>	<u>104,247</u>	<u>72,812,707</u>
32,621,415	--	90,873,362
--	--	6,897,136
21,181,457	--	7,926,865
<u>--</u>	<u>21,935</u>	<u>38,433,731</u>
<u>\$ 53,802,872</u>	<u>\$ 21,935</u>	<u>\$ 144,131,094</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, 2012

	<u>Revenue Account</u>	<u>Interest & Sinking Accounts</u>	<u>Renewal Replacement & Improvement Account</u>	<u>General Reserve Account</u>
Operating revenues				
Charges for services				
Water sales	\$ 16,328,309	\$ --	\$ --	\$ --
Sewer collection fees	19,797,533	--	--	--
Connection fees	--	--	--	94,900
Reconnection fees	149,063	--	--	--
Other	--	--	--	--
Rents	19,137	--	--	--
Miscellaneous	475,658	--	--	--
Total operating revenues	<u>36,769,700</u>	<u>--</u>	<u>--</u>	<u>94,900</u>
Operating expenses				
Personal services	8,735,555	--	--	--
Contractual services	5,669,178	--	616,391	--
Repairs and maintenance	1,156,729	--	1,682,690	77,922
Supplies and materials	3,050,970	--	--	--
Depreciation	6,968,933	--	295,612	18,822
Other	33,000	--	--	--
Total operating expenses	<u>25,614,365</u>	<u>--</u>	<u>2,594,693</u>	<u>96,744</u>
Operating income (loss)	<u>11,155,335</u>	<u>--</u>	<u>(2,594,693)</u>	<u>(1,844)</u>
Nonoperating revenues (expenses)				
Grant income	--	--	--	--
Investment earnings (loss)	95,253	52,667	179,305	107,879
Interest expense	--	(497,307)	--	--
Loan and bond issue expense	--	(83,006)	--	--
Gain (loss) on disposition of capital assets	--	--	13,415	--
Total nonoperating revenues (expenses)	<u>95,253</u>	<u>(527,646)</u>	<u>192,720</u>	<u>107,879</u>
Income (loss) before capital contributions and transfers	11,250,588	(527,646)	(2,401,973)	106,035
Capital contributions	--	--	17,404	--
Transfers in	--	3,990,167	3,535,374	3,517,080
Transfers out	(8,199,100)	--	--	--
Special item	--	--	1,463,084	--
Change in net assets	3,051,488	3,462,521	2,613,889	3,623,115
Total net assets - beginning	<u>102,800,313</u>	<u>(61,758,084)</u>	<u>22,565,520</u>	<u>13,947,525</u>
Total net assets - ending	<u>\$ 105,851,801</u>	<u>\$ (58,295,563)</u>	<u>\$ 25,179,409</u>	<u>\$ 17,570,640</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Eliminations</u>	<u>Totals</u>
\$ --	\$ --	\$ --	\$ 16,328,309
--	--	--	19,797,533
--	--	--	94,900
--	--	--	149,063
--	1,049,974	(1,049,974)	--
--	--	--	19,137
--	--	--	475,658
<u>--</u>	<u>1,049,974</u>	<u>(1,049,974)</u>	<u>36,864,600</u>
--	65,565	--	8,801,120
--	38,342	--	6,323,911
--	1,894	--	2,919,235
--	840,695	(1,049,974)	2,841,691
27,948	--	--	7,311,315
--	--	--	33,000
<u>27,948</u>	<u>946,496</u>	<u>(1,049,974)</u>	<u>28,230,272</u>
<u>(27,948)</u>	<u>103,478</u>	<u>--</u>	<u>8,634,328</u>
21,930	--	--	21,930
19,136	(621)	--	453,619
--	--	--	(497,307)
--	--	--	(83,006)
<u>--</u>	<u>--</u>	<u>--</u>	<u>13,415</u>
<u>41,066</u>	<u>(621)</u>	<u>--</u>	<u>(91,349)</u>
13,118	102,857	--	8,542,979
--	--	--	17,404
--	--	(11,042,621)	--
(2,902,692)	(321)	11,042,621	(59,492)
<u>--</u>	<u>--</u>	<u>--</u>	<u>1,463,084</u>
(2,889,574)	102,536	--	9,963,975
<u>56,692,446</u>	<u>(80,601)</u>	<u>--</u>	<u>134,167,119</u>
<u>\$ 53,802,872</u>	<u>\$ 21,935</u>	<u>\$ --</u>	<u>\$ 144,131,094</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, 2012

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
Assets					
Current assets:					
Cash and cash equivalents	\$ --	\$ 147,968	\$ 3,484,486	\$ 508,460	\$ 4,140,914
Investments	--	649,165	15,287,181	2,230,721	18,167,067
Receivables (net):					
Accounts	5,807	--	--	--	5,807
Interest	--	1,219	21,786	4,377	27,382
Due from other funds	--	--	44,104	--	44,104
Due from other					
governmental agencies	3,947	--	--	--	3,947
Inventories	206,124	--	--	--	206,124
Prepaid items	5,032	10,762	3,285	--	19,079
Total current assets	<u>220,910</u>	<u>809,114</u>	<u>18,840,842</u>	<u>2,743,558</u>	<u>22,614,424</u>
Noncurrent assets:					
Advance to other funds	--	--	220,405	--	220,405
Capital assets:					
Improvements	897,650	291,862	241,911	1,306,974	2,738,397
Equipment	324,924	2,875,437	33,507	8,437,707	11,671,575
Less accumulated depreciation	(639,560)	(2,575,820)	(41,071)	(6,661,746)	(9,918,197)
Total capital assets (net of accumulated depreciation)	<u>583,014</u>	<u>591,479</u>	<u>234,347</u>	<u>3,082,935</u>	<u>4,491,775</u>
Total noncurrent assets	<u>583,014</u>	<u>591,479</u>	<u>454,752</u>	<u>3,082,935</u>	<u>4,712,180</u>
Total assets	<u>803,924</u>	<u>1,400,593</u>	<u>19,295,594</u>	<u>5,826,493</u>	<u>27,326,604</u>
Liabilities					
Current liabilities:					
Accounts payable	151,311	89,855	280,763	--	521,929
Due to other funds	38,004	--	--	--	38,004
Interfund payables	67,895	--	--	--	67,895
Interest payable	243	--	--	--	243
Liability for unpaid claims	--	--	2,766,874	--	2,766,874
Accrued wages	13,381	25,421	--	--	38,802
Compensated absences	23,509	51,833	2,509,031	--	2,584,373
Total current liabilities	<u>294,343</u>	<u>167,109</u>	<u>5,556,668</u>	<u>--</u>	<u>6,018,120</u>
Noncurrent liabilities:					
Advance from other funds	80,110	--	--	--	80,110
Compensated absences	19,235	42,409	2,052,844	--	2,114,488
Other post-employment benefits	41,012	62,809	--	--	103,821
Total noncurrent liabilities	<u>140,357</u>	<u>105,218</u>	<u>2,052,844</u>	<u>--</u>	<u>2,298,419</u>
Total liabilities	<u>434,700</u>	<u>272,327</u>	<u>7,609,512</u>	<u>--</u>	<u>8,316,539</u>
Net Assets					
Invested in capital assets, net of related debt	583,014	591,479	234,347	3,082,935	4,491,775
Unrestricted	(213,790)	536,787	11,451,735	2,743,558	14,518,290
Total net assets	<u>\$ 369,224</u>	<u>\$ 1,128,266</u>	<u>\$ 11,686,082</u>	<u>\$ 5,826,493</u>	<u>\$ 19,010,065</u>

City of Sarasota, Florida

Internal Service Funds

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

Year Ended September 30, 2012

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Operating revenues					
Charges for services	\$ 2,880,279	\$ 1,842,090	\$ 9,103,619	\$ 496,873	\$ 14,322,861
Miscellaneous	49,537	10	100,150	--	149,697
Total operating revenues	<u>2,929,816</u>	<u>1,842,100</u>	<u>9,203,769</u>	<u>496,873</u>	<u>14,472,558</u>
Operating expenses					
Personal services	706,447	916,267	2,425,893	--	4,048,607
Contractual services	271,277	365,200	6,907,072	4,458	7,548,007
Repairs and maintenance	50,877	382,708	9,159	--	442,744
Supplies and materials	1,825,598	25,535	47,327	14,843	1,913,303
Depreciation	58,259	290,521	22,766	413,598	785,144
Total operating expenses	<u>2,912,458</u>	<u>1,980,231</u>	<u>9,412,217</u>	<u>432,899</u>	<u>14,737,805</u>
Operating income (loss)	<u>17,358</u>	<u>(138,131)</u>	<u>(208,448)</u>	<u>63,974</u>	<u>(265,247)</u>
Nonoperating revenues (expenses)					
Investment earnings (loss)	(1,861)	7,275	134,517	35,288	175,219
Interest expense	(4,833)	--	--	--	(4,833)
Gain (loss) on disposition of capital assets	680	(923)	--	96,596	96,353
Total nonoperating revenues (expenses)	<u>(6,014)</u>	<u>6,352</u>	<u>134,517</u>	<u>131,884</u>	<u>266,739</u>
Income (loss) before transfers	11,344	(131,779)	(73,931)	195,858	1,492
Capital contributions	--	--	--	43,510	43,510
Transfers in	--	125,915	--	--	125,915
Transfers out	(602)	--	(1,661)	--	(2,263)
Change in net assets	10,742	(5,864)	(75,592)	239,368	168,654
Total net assets - beginning	<u>358,482</u>	<u>1,134,130</u>	<u>11,761,674</u>	<u>5,587,125</u>	<u>18,841,411</u>
Total net assets - ending	<u>\$ 369,224</u>	<u>\$ 1,128,266</u>	<u>\$ 11,686,082</u>	<u>\$ 5,826,493</u>	<u>\$ 19,010,065</u>

City of Sarasota, Florida
 Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended September 30, 2012

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
Cash flows from operating activities					
Cash received from customers and users	\$ 10,609	\$ 10	\$ 1,366,013	\$ --	\$ 1,376,632
Cash received from other funds for goods and services	2,914,720	1,842,090	7,837,756	496,873	13,091,439
Cash payments to vendors for goods and services	(1,924,963)	(709,796)	(1,485,406)	(15,034)	(4,135,199)
Cash payments to employees for services	(688,591)	(893,632)	(2,366,096)	--	(3,948,319)
Cash payments to other funds	(198,512)	--	(500,810)	(4,267)	(703,589)
Claims paid	--	--	(5,017,984)	--	(5,017,984)
Net cash provided (used) by operating activities	<u>113,263</u>	<u>238,672</u>	<u>(166,527)</u>	<u>477,572</u>	<u>662,980</u>
Cash flows from noncapital financing activities					
Interfund loan repayments	(53,682)	--	--	--	(53,682)
Transfers in	--	125,915	--	--	125,915
Transfers out	(602)	--	(1,661)	--	(2,263)
Loan to/from other fund	--	--	(159,390)	--	(159,390)
Repayment of loan to/from other fund	(36,699)	--	49,694	--	12,995
Interest on loan to/from other fund	(4,833)	--	10,483	--	5,650
Net cash provided (used) by noncapital financing activities	<u>(95,816)</u>	<u>125,915</u>	<u>(100,874)</u>	<u>--</u>	<u>(70,775)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(15,910)	(312,394)	--	(1,862,500)	(2,190,804)
Proceeds from sale of capital assets	680	74	--	96,596	97,350
Net cash provided (used) in capital and related financing activities	<u>(15,230)</u>	<u>(312,320)</u>	<u>--</u>	<u>(1,765,904)</u>	<u>(2,093,454)</u>
Cash flows from investing activities					
Interest on investments	(2,217)	7,055	119,730	36,069	160,637
Proceeds from sale and maturities of investments	--	--	--	207,391	207,391
Purchase of investments	--	(198,484)	(3,730,593)	--	(3,929,077)
Net cash provided (used) by investing activities	<u>(2,217)</u>	<u>(191,429)</u>	<u>(3,610,863)</u>	<u>243,460</u>	<u>(3,561,049)</u>
Net increase (decrease) in cash and cash equivalents	--	(139,162)	(3,878,264)	(1,044,872)	(5,062,298)
Cash and cash equivalents at beginning of year	--	287,130	7,362,750	1,553,332	9,203,212
Cash and cash equivalents at end of year	<u>\$ --</u>	<u>\$ 147,968</u>	<u>\$ 3,484,486</u>	<u>\$ 508,460</u>	<u>\$ 4,140,914</u>

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 17,358	\$ (138,131)	\$ (208,448)	\$ 63,974	\$ (265,247)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	58,259	290,521	22,766	413,598	785,144
Net (increase) decrease in:					
Accounts receivable	(4,487)	--	--	--	(4,487)
Due from other governmental agencies	(136)	--	--	--	(136)
Inventories	1,466	--	--	--	1,466
Prepaid items	4	31,904	102	--	32,010
Net increase (decrease) in:					
Accounts payable	22,943	31,743	119,312	--	173,998
Liability for unpaid claims	--	--	(160,056)	--	(160,056)
Accrued wages	2,521	8,268	--	--	10,789
Compensated absences	2,675	(4,270)	59,797	--	58,202
Other post-employment benefits	12,660	18,637	--	--	31,297
Total adjustments	<u>95,905</u>	<u>376,803</u>	<u>41,921</u>	<u>413,598</u>	<u>928,227</u>
Net cash provided (used) by operating activities	<u>\$ 113,263</u>	<u>\$ 238,672</u>	<u>\$ (166,527)</u>	<u>\$ 477,572</u>	<u>\$ 662,980</u>
Noncash investing, capital, and financing activities					
Capital assets transferred from other fund: \$	--	\$ --	\$ --	\$ 43,510	\$ 43,510



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

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

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

General Employees Defined Contribution Retirement Plan - This fund is used to account for both the City and employee contributions that would accrue to the employees, and also to account for the additional 2 percent City contribution that is budgeted annually for administrative costs.

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.

Community Development – This fund is used to account for fees due to a developer on low-income senior housing.

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, 2012

	Pension Trust Funds					Total
	General Employees' Defined Benefit Pension	Police Officers' Defined Benefit Pension	Firefighters' Defined Benefit Pension	General Employees' Defined Contribution Retirement	Other Post-Employment Benefits (OPEB)	
Assets						
Cash and cash equivalents	\$ 314,835	\$ 630,818	\$ 450,881	\$ 40,683	\$ 134,726	\$ 1,571,943
Investments:						
Money market funds	5,467,894	1,123,812	3,064,934	150	1,534,059	11,190,849
U.S. Government securities	12,760,201	--	2,452,717	--	1,899,696	17,112,614
U.S. Government agency securities	11,980,033	--	1,530,240	--	4,398,291	17,908,564
Common and preferred stock	63,203,218	69,280,364	67,885,245	--	16,515,347	216,884,174
Corporate bonds and notes	7,566,231	8,835,798	19,762,262	--	--	36,164,291
Domestic mutual funds	--	148,691	--	727,815	--	876,506
Bond mutual funds	--	40,342,166	--	912,290	--	41,254,456
Real estate mutual funds	--	17,392,084	11,253,266	--	--	28,645,350
Mortgage backed securities	--	--	1,499,649	--	--	1,499,649
Municipal securities	--	--	122,109	--	--	122,109
Foreign stocks	16,911,312	--	--	--	2,464,232	19,375,544
Foreign mutual funds	--	24,672,999	--	146,492	--	24,819,491
Foreign bond mutual funds	--	--	--	46,956	--	46,956
Total investments	117,888,889	161,795,914	107,570,422	1,833,703	26,811,625	415,900,553
Receivables (net):						
Accounts	28,446	24,851	257	--	--	53,554
Interest and dividends	232,299	204,121	387,753	60	36,761	860,994
Total receivables	260,745	228,972	388,010	60	36,761	914,548
Other assets:						
Share account loans	--	--	70,248	--	--	70,248
Prepaid items	14,359	12,412	21,029	--	2,013	49,813
Equipment	575	2,702	575	--	--	3,852
Less accumulated depreciation	(575)	(2,702)	(575)	--	--	(3,852)
Total other assets	14,359	12,412	91,277	--	2,013	120,061
Total assets	118,478,828	162,668,116	108,500,590	1,874,446	26,985,125	418,507,105
Liabilities						
Accounts payable	218,253	159,925	143,528	--	325,118	846,824
Liability for unpaid claims	--	--	--	--	565,990	565,990
Accrued wages and unpaid vacation	17,611	17,500	20,553	--	--	55,664
Unearned revenue	55,775	--	99,337	--	--	155,112
Accrued benefits	1,048,812	6,888,163	4,429,468	--	--	12,366,443
Total liabilities	1,340,451	7,065,588	4,692,886	--	891,108	13,990,033
Net Assets						
Held in trust for pension and OPEB benefits	\$ 117,138,377	\$ 155,602,528	\$ 103,807,704	\$ 1,874,446	\$ 26,094,017	\$ 404,517,072

City of Sarasota, Florida
Fiduciary Funds
Combining Statement of Changes in Plan Net Assets
For the Year Ended September 30, 2012

	Pension Trust Funds					Total
	General Employees' Defined Benefit Pension	Police Officers' Defined Benefit Pension	Firefighters' Defined Benefit Pension	General Employees' Defined Contribution Retirement	Other Post-Employment Benefits (OPEB)	
Additions						
Contributions:						
Plan members	\$ 963,675	\$ 768,478	\$ 156,313	\$ 188,500	\$ 1,184,474	\$ 3,261,440
Employer						
City of Sarasota	3,557,464	4,880,797	2,317,387	225,689	7,999,205	18,980,542
Sarasota County	69,165	--	4,667,988	2,098	--	4,739,251
State on behalf payments, through General Fund	--	535,928	734,398	--	--	1,270,326
Other	--	59,112	6,640	1,520,066	770,479	2,356,297
Total contributions	<u>4,590,304</u>	<u>6,244,315</u>	<u>7,882,726</u>	<u>1,936,353</u>	<u>9,954,158</u>	<u>30,607,856</u>
Investment income :						
Net increase in fair value of investments	17,537,534	23,184,811	16,029,086	58,194	3,387,393	60,197,018
Interest	847,526	163,599	968,616	12,681	221,943	2,214,365
Dividends	1,482,102	4,061,767	1,558,052	--	308,380	7,410,301
Total investment income (loss)	<u>19,867,162</u>	<u>27,410,177</u>	<u>18,555,754</u>	<u>70,875</u>	<u>3,917,716</u>	<u>69,821,684</u>
Less investment expense	<u>(749,829)</u>	<u>(942,063)</u>	<u>(686,914)</u>	<u>(405)</u>	<u>(230,636)</u>	<u>(2,609,847)</u>
Net investment income (loss)	<u>19,117,333</u>	<u>26,468,114</u>	<u>17,868,840</u>	<u>70,470</u>	<u>3,687,080</u>	<u>67,211,837</u>
Total additions	<u>23,707,637</u>	<u>32,712,429</u>	<u>25,751,566</u>	<u>2,006,823</u>	<u>13,641,238</u>	<u>97,819,693</u>
Deductions						
Benefits	11,236,237	10,136,766	10,541,729	132,917	6,240,606	38,288,255
Share expense	--	--	576,108	--	--	576,108
Other benefits	--	--	295,903	--	306,923	602,826
Administrative expenses	139,522	195,653	185,930	--	794,655	1,315,760
Refunds of contributions	218,917	175,943	--	--	--	394,860
Total deductions	<u>11,594,676</u>	<u>10,508,362</u>	<u>11,599,670</u>	<u>132,917</u>	<u>7,342,184</u>	<u>41,177,809</u>
Change in net assets	12,112,961	22,204,067	14,151,896	1,873,906	6,299,054	56,641,884
Total net assets - beginning	<u>105,025,416</u>	<u>133,398,461</u>	<u>89,655,808</u>	<u>540</u>	<u>19,794,963</u>	<u>347,875,188</u>
Total net assets - ending	<u>\$ 117,138,377</u>	<u>\$ 155,602,528</u>	<u>\$ 103,807,704</u>	<u>\$ 1,874,446</u>	<u>\$ 26,094,017</u>	<u>\$ 404,517,072</u>

City of Sarasota, Florida

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended September 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
Community Development				
Assets				
Cash and cash equivalents	\$ --	\$ 16,141	\$ 15,250	\$ 891
Investments	--	4,015	108	3,907
Accrued interest receivable	--	65	55	10
Total assets	--	20,221	15,413	4,808
Liabilities				
Accrued liabilities	--	18,670	13,862	4,808
Total liabilities	--	18,670	13,862	4,808
Impact Fees				
Assets				
Cash and cash equivalents	1,351	220,973	220,445	1,879
Investments	2,120	7,693	1,566	8,247
Accrued interest receivable	86	377	433	30
Total assets	3,557	229,043	222,444	10,156
Liabilities				
Accrued liabilities	3,557	270,403	263,804	10,156
Total liabilities	3,557	270,403	263,804	10,156
Total - Agency Funds				
Assets				
Cash and cash equivalents	1,351	237,114	235,695	2,770
Investments	2,120	11,708	1,674	12,154
Accrued interest receivable	86	442	488	40
Total assets	3,557	249,264	237,857	14,964
Liabilities				
Accrued liabilities	3,557	289,073	277,666	14,964
Total liabilities	\$ 3,557	\$ 289,073	\$ 277,666	\$ 14,964

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	160-169
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	170-174
Debt Capacity 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.	176-183
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	184-185
Operating Information 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.	186-189

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

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

	Fiscal Year			
	2011-12	2010-11	2009-10	2008 - 09
Governmental activities				
Invested in capital assets, net of related debt	\$ 161,031,693	\$ 156,114,642	\$ 149,451,384	\$ 137,954,949
Restricted	62,009,064	60,339,093	66,977,332	70,136,846
Unrestricted	<u>13,946,108</u>	<u>17,821,458</u>	<u>28,875,274</u>	<u>30,804,957</u>
Total governmental activities net assets	<u>\$ 236,986,865</u>	<u>\$ 234,275,193</u>	<u>\$ 245,303,990</u>	<u>\$ 238,896,752</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 114,171,833	\$ 115,645,768	\$ 97,801,582	\$ 93,364,115
Restricted	14,824,001	14,187,540	28,263,881	38,121,603
Unrestricted	<u>50,327,406</u>	<u>39,713,500</u>	<u>17,126,986</u>	<u>9,905,510</u>
Total business-type activities net assets	<u>\$ 179,323,240</u>	<u>\$ 169,546,808</u>	<u>\$ 143,192,449</u>	<u>\$ 141,391,228</u>
Primary government				
Invested in capital assets, net of related debt	\$ 275,203,526	\$ 271,760,410	\$ 247,252,966	\$ 231,319,064
Restricted	76,833,065	74,526,633	95,241,213	108,258,449
Unrestricted	<u>64,273,514</u>	<u>57,534,958</u>	<u>46,002,260</u>	<u>40,710,467</u>
Total primary government net assets	<u>\$ 416,310,105</u>	<u>\$ 403,822,001</u>	<u>\$ 388,496,439</u>	<u>\$ 380,287,980</u>

Fiscal Year					
2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03
\$ 133,000,217	\$ 129,822,789	\$ 117,220,351	\$ 97,796,211	\$ 90,472,085	\$ 78,156,698
59,984,371	50,491,705	50,070,947	47,143,195	41,019,742	40,884,869
32,414,729	29,107,634	24,396,995	29,407,288	27,215,768	27,365,454
<u>\$ 225,399,317</u>	<u>\$ 209,422,128</u>	<u>\$ 191,688,293</u>	<u>\$ 174,346,694</u>	<u>\$ 158,707,595</u>	<u>\$ 146,407,021</u>
\$ 112,285,316	\$ 109,539,036	\$ 101,629,742	\$ 97,496,371	\$ 102,163,981	\$ 102,259,788
22,979,650	22,313,235	25,619,374	29,046,315	24,546,089	25,369,342
10,509,484	11,104,565	11,432,134	12,229,472	11,450,395	10,406,774
<u>\$ 145,774,450</u>	<u>\$ 142,956,836</u>	<u>\$ 138,681,250</u>	<u>\$ 138,772,158</u>	<u>\$ 138,160,465</u>	<u>\$ 138,035,904</u>
\$ 245,285,533	\$ 239,361,825	\$ 218,850,093	\$ 195,292,582	\$ 192,636,066	\$ 180,416,486
82,964,021	72,804,940	75,690,321	76,189,510	65,565,831	66,254,211
42,924,213	40,212,199	35,829,129	41,636,760	38,666,163	37,772,228
<u>\$ 371,173,767</u>	<u>\$ 352,378,964</u>	<u>\$ 330,369,543</u>	<u>\$ 313,118,852</u>	<u>\$ 296,868,060</u>	<u>\$ 284,442,925</u>

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

	Fiscal Year			
	2011-12	2010-11	2009-10	2008 - 09
Expenses				
Governmental activities:				
General government	\$ 12,479,655	\$ 12,945,611	\$ 14,000,760	\$ 12,918,248
Public safety	37,040,548	36,325,440	34,182,957	33,915,523
Physical environment	3,654,521	3,333,750	3,138,997	8,202,267
Transportation	7,397,017	7,288,847	7,275,556	7,619,536
Culture and recreation	3,384,150	12,259,064	2,043,875	1,880,557
Economic environment	9,057,540	18,211,787	9,239,967	7,076,916
Interest on long-term debt	4,519,066	4,740,436	4,692,235	4,191,843
Total governmental activities expenses	<u>77,532,497</u>	<u>95,104,935</u>	<u>74,574,347</u>	<u>75,804,890</u>
Business-type activities:				
Water and Sewer	28,810,585	28,570,324	28,968,721	29,568,006
Van Wezel	8,997,179	8,508,698	8,390,401	8,203,957
Solid Waste	8,806,639	9,129,783	10,010,227	9,691,991
Bobby Jones Golf Course	2,826,777	2,855,291	2,903,190	3,074,905
Municipal Auditoriums	572,380	546,406	555,984	566,605
Sports Stadium	--	-	44,588	1,287,944
Parking Management	979,703	753,480	740,142	784,440
Total business-type activities expenses	<u>50,993,263</u>	<u>50,363,982</u>	<u>51,613,253</u>	<u>53,177,848</u>
Total primary government expenses	<u>\$ 128,525,760</u>	<u>\$ 145,468,917</u>	<u>\$ 126,187,600</u>	<u>\$ 128,982,738</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 842,894	\$ 880,263	\$ 769,980	\$ 785,709
Public safety	2,746,195	2,575,000	3,152,899	2,580,588
Physical environment	71,223	47,453	59,829	141,334
Transportation	304,542	337,083	307,786	356,827
Culture and recreation	314,979	70,915	77,959	58,749
Economic environment	--	-	--	5,042
Operating grants and contributions	12,777,162	17,183,083	12,007,830	15,775,263
Capital grants and contributions	4,125,429	5,315,585	2,173,553	528,392
Total governmental activities program revenues	<u>21,182,424</u>	<u>26,409,382</u>	<u>18,549,836</u>	<u>20,231,904</u>
Business-type activities:				
Charges for Services				
Water and Sewer	36,864,600	34,657,561	32,214,124	30,901,016
Van Wezel	8,065,967	7,873,403	7,529,568	7,029,343
Solid Waste	10,354,192	9,985,502	10,472,696	10,317,753
Bobby Jones Golf Course	2,701,294	2,663,769	2,628,088	3,055,072
Municipal Auditoriums	474,282	415,941	428,652	439,964
Sports Stadium	--	-	8,503	583,029
Parking Management	659,193	497,309	480,395	468,465
Operating grants and contributions	653,473	184,408	204,558	132,214
Capital grants and contributions	--	2,530,614	--	22,500
Total business-type activities program revenues	<u>59,773,001</u>	<u>58,808,507</u>	<u>53,966,584</u>	<u>52,949,356</u>
Total primary government program revenues	<u>\$ 80,955,425</u>	<u>\$ 85,217,889</u>	<u>\$ 72,516,420</u>	<u>\$ 73,181,260</u>

Fiscal Year					
2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03
\$ 10,287,848	\$ 10,899,553	\$ 7,821,379	\$ 7,423,720	\$ 9,044,325	\$ 8,122,622
37,511,528	32,746,468	31,383,128	28,106,970	27,376,705	23,534,512
3,492,376	3,610,591	3,766,791	2,950,548	4,167,618	3,640,111
8,355,780	8,621,398	8,078,302	7,401,451	7,942,419	7,445,591
2,167,296	1,815,131	1,395,900	1,267,238	1,483,015	1,680,494
6,936,439	8,995,712	13,711,861	10,950,202	9,644,767	6,247,648
3,899,134	2,279,026	1,953,660	1,966,514	2,145,342	2,133,359
<u>72,650,401</u>	<u>68,967,879</u>	<u>68,111,021</u>	<u>60,066,643</u>	<u>61,804,191</u>	<u>52,804,337</u>
30,199,955	29,820,490	28,826,047	26,538,859	26,114,481	24,714,305
9,149,354	11,349,215	10,772,524	10,657,709	9,366,437	8,970,881
9,818,963	10,042,121	10,101,444	9,934,270	9,604,603	9,466,948
3,113,707	2,949,369	2,855,809	2,766,549	2,764,920	2,593,950
678,336	594,070	518,293	487,230	464,662	445,458
1,466,807	1,589,071	1,466,730	1,319,972	1,105,264	1,117,620
868,659	765,339	481,678	451,616	418,217	423,810
<u>55,295,781</u>	<u>57,109,675</u>	<u>55,022,525</u>	<u>52,156,205</u>	<u>49,838,584</u>	<u>47,732,972</u>
<u>\$ 127,946,182</u>	<u>\$ 126,077,554</u>	<u>\$ 123,133,546</u>	<u>\$ 112,222,848</u>	<u>\$ 111,642,775</u>	<u>\$ 100,537,309</u>
\$ 1,161,479	\$ 1,320,772	\$ 1,311,316	\$ 925,733	\$ 330,892	\$ 586,174
3,506,335	2,756,092	3,080,895	4,352,243	4,730,587	2,781,159
82,293	21,348	34,233	35,712	64,497	28,248
180,092	397,459	210,575	192,518	233,616	194,857
53,716	38,527	48,731	14,054	480,017	--
56	9	9	12	21,050	27,710
8,404,372	7,420,007	13,474,322	12,219,756	11,912,455	8,438,175
639,811	2,071,310	1,304,268	477,155	2,831,510	3,136,367
<u>14,028,154</u>	<u>14,025,524</u>	<u>19,464,349</u>	<u>18,217,183</u>	<u>20,604,624</u>	<u>15,192,690</u>
32,177,630	32,296,055	27,529,350	26,520,976	26,158,523	25,108,542
7,026,517	9,046,598	9,080,683	8,838,206	7,561,448	8,001,910
10,822,621	10,615,043	10,342,746	9,928,913	9,409,946	9,293,771
3,158,508	3,320,376	3,177,314	2,794,651	2,578,114	2,317,212
407,473	382,498	306,118	321,261	310,409	290,558
635,428	700,088	733,874	644,786	597,404	540,748
531,275	435,951	543,119	600,264	494,115	521,120
201,848	501,723	422,440	613,347	340,099	410,408
--	--	--	--	--	--
<u>54,961,300</u>	<u>57,298,332</u>	<u>52,135,644</u>	<u>50,262,404</u>	<u>47,450,058</u>	<u>46,484,269</u>
<u>\$ 68,989,454</u>	<u>\$ 71,323,856</u>	<u>\$ 71,599,993</u>	<u>\$ 68,479,587</u>	<u>\$ 68,054,682</u>	<u>\$ 61,676,959</u>

City of Sarasota, Florida

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting) - continued

	Fiscal Year			
	2011-12	2010-11	2009 - 10	2008 - 09
Net (Expense)/Revenue				
Government activities	\$ (56,350,073)	\$ (68,695,553)	\$ (56,024,511)	\$ (55,572,986)
Business type activities	8,779,738	8,444,525	2,353,331	(228,492)
Total primary government net expense	<u>\$ (47,570,335)</u>	<u>\$ (60,251,028)</u>	<u>\$ (53,671,180)</u>	<u>\$ (55,801,478)</u>
General Revenues and Other				
Changes in Net Assets				
Government activities:				
Taxes				
Property taxes	\$ 25,956,504	\$ 27,070,239	\$ 30,041,199	\$ 33,442,478
Gasoline taxes	2,294,724	2,344,198	2,419,349	2,479,705
Sales tax	9,308,028	8,976,287	8,779,577	9,104,589
Franchise fees	4,600,464	5,013,645	4,905,213	5,319,627
Public service taxes	9,838,911	9,621,859	9,750,249	9,641,138
Occupational licenses	776,496	735,278	727,042	791,565
Other taxes	40,657	41,254	42,642	46,754
State revenue sharing, unrestricted	1,750,367	1,744,723	1,740,465	1,751,959
Investment earnings	1,102,335	1,429,736	2,536,040	5,151,426
Miscellaneous	1,721,284	1,468,024	1,578,444	1,840,645
Gain (loss) on sale of capital assets	913,367	88,361	1,578	36,284
Transfers	758,608	(180,957)	(90,049)	(535,749)
Special items	--	(685,914)	--	--
Total governmental activities	<u>59,061,745</u>	<u>57,666,733</u>	<u>62,431,749</u>	<u>69,070,421</u>
Business-type activities:				
Investment earnings	589,361	501,252	607,582	1,099,058
Gain on sale of capital assets	13,771	4,669	27,305	14,250
Special items	1,152,170	17,222,926	(1,277,046)	(5,803,787)
Transfers	(758,608)	180,957	90,049	535,749
Total business-type activities	<u>996,694</u>	<u>17,909,804</u>	<u>(552,110)</u>	<u>(4,154,730)</u>
Total primary government	<u>\$ 60,058,439</u>	<u>\$ 75,576,537</u>	<u>\$ 61,879,639</u>	<u>\$ 64,915,691</u>
Change in Net Assets				
Governmental activities	\$ 2,711,672	\$ (11,028,820)	\$ 6,407,238	\$ 13,497,435
Business-type activities	9,776,432	26,354,359	1,801,221	(4,383,222)
Total primary government	<u>\$ 12,488,104</u>	<u>\$ 15,325,539</u>	<u>\$ 8,208,459</u>	<u>\$ 9,114,213</u>

Fiscal Year					
2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03
\$ (58,622,247)	\$ (54,942,355)	\$ (48,646,672)	\$ (41,849,460)	\$ (41,199,567)	\$ (37,611,647)
(334,481)	188,657	(2,886,881)	(1,893,801)	(2,388,526)	(1,248,703)
<u>\$ (58,956,728)</u>	<u>\$ (54,753,698)</u>	<u>\$ (51,533,553)</u>	<u>\$ (43,743,261)</u>	<u>\$ (43,588,093)</u>	<u>\$ (38,860,350)</u>
\$ 37,508,142	\$ 33,984,722	\$ 26,736,289	\$ 22,526,048	\$ 19,625,873	\$ 17,581,521
2,623,552	2,977,993	3,064,861	3,017,148	2,983,294	2,910,654
10,435,829	11,803,299	12,631,196	12,619,735	11,411,870	10,823,663
5,208,466	5,578,299	5,451,451	4,415,624	4,114,225	3,840,178
9,814,032	9,750,102	9,899,607	9,722,636	9,371,751	10,156,178
901,775	725,009	739,807	692,386	719,254	686,487
31,997	29,625	30,412	30,609	29,836	29,151
1,810,801	1,868,955	2,176,497	1,846,453	1,542,063	1,457,001
5,581,277	6,144,768	4,083,309	2,321,445	1,878,837	1,691,361
1,390,503	1,496,111	1,269,978	1,998,014	2,501,272	866,336
1,108,489	(42,716)	895,995	49,557	774,381	55,931
(1,815,427)	(1,639,977)	(991,131)	(1,751,096)	(1,452,515)	(748,324)
--	--	--	--	--	--
<u>74,599,436</u>	<u>72,676,190</u>	<u>65,988,271</u>	<u>57,488,559</u>	<u>53,500,141</u>	<u>49,350,137</u>
1,266,216	2,153,440	1,791,699	679,328	730,885	772,046
70,452	293,512	13,143	75,070	329,687	81,313
--	--	--	--	--	--
1,815,427	1,639,977	991,131	1,751,096	1,452,515	748,324
<u>3,152,095</u>	<u>4,086,929</u>	<u>2,795,973</u>	<u>2,505,494</u>	<u>2,513,087</u>	<u>1,601,683</u>
<u>\$ 77,751,531</u>	<u>\$ 76,763,119</u>	<u>\$ 68,784,244</u>	<u>\$ 59,994,053</u>	<u>\$ 56,013,228</u>	<u>\$ 50,951,820</u>
\$ 15,977,189	\$ 17,733,835	\$ 17,341,599	\$ 15,639,099	\$ 12,300,574	\$ 11,738,490
2,817,614	4,275,586	(90,908)	611,693	124,561	352,980
<u>\$ 18,794,803</u>	<u>\$ 22,009,421</u>	<u>\$ 17,250,691</u>	<u>\$ 16,250,792</u>	<u>\$ 12,425,135</u>	<u>\$ 12,091,470</u>

City of Sarasota, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year	
	2009-10	2008 - 09
General Fund		
Reserved	\$ 1,249,786	\$ 1,380,908
Unreserved	20,592,274	19,124,755
Total general fund	<u>\$ 21,842,060</u>	<u>\$ 20,505,663</u>
All Other Governmental Funds		
Reserved		
Special revenue funds	\$ 5,516,287	\$ 5,193,504
Debt service funds	8,280,918	10,022,299
Capital projects funds	18,835,383	43,605,787
Unreserved, reported in:		
Special revenue funds	53,545,951	57,083,606
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>

	2011-12 (a)	2010-11 (a)
General Fund		
Nonspendable	\$ 367,739	\$ 354,908
Restricted	--	--
Committed	2,937,500	2,937,500
Assigned	2,373,081	2,951,256
Unassigned	15,156,744	15,412,227
Total general fund	<u>\$ 20,835,064</u>	<u>\$ 21,655,891</u>
All Other Governmental Funds		
Nonspendable	\$ 14,149	\$ 33,705
Restricted	66,918,475	65,316,848
Committed	1,801,025	1,815,625
Assigned	877,853	922,088
Unassigned	(159,750)	(10,060)
Total all other governmental funds	<u>\$ 69,451,752</u>	<u>\$ 68,078,206</u>
Total Fund Balance All Governmental Funds	<u>\$ 90,286,816</u>	<u>\$ 89,734,097</u>

(a) GASB 54 implemented beginning Fiscal Year 2010-11

Fiscal Year					
2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03
\$ 1,717,963	\$ 2,950,801	\$ 2,438,328	\$ 3,059,378	\$ 2,848,796	\$ 2,885,082
20,351,671	19,416,753	18,264,778	13,235,630	11,944,226	11,976,563
<u>\$ 22,069,634</u>	<u>\$ 22,367,554</u>	<u>\$ 20,703,106</u>	<u>\$ 16,295,008</u>	<u>\$ 14,793,022</u>	<u>\$ 14,861,645</u>
\$ 8,600,542	\$ 6,092,975	\$ 12,707,155	\$ 6,487,759	\$ 6,518,060	\$ 3,421,895
7,713,962	7,012,869	6,543,937	5,990,201	6,328,616	6,277,938
45,022,779	46,342,999	2,936,696	2,100,856	3,095,513	8,911,925
48,778,372	36,233,935	29,272,247	32,825,208	25,346,400	21,375,385
--	--	--	(5,928)	(35,755)	--
--	--	--	--	--	(586,687)
<u>\$ 110,115,655</u>	<u>\$ 95,682,778</u>	<u>\$ 51,460,035</u>	<u>\$ 47,398,096</u>	<u>\$ 41,252,834</u>	<u>\$ 39,400,456</u>

City of Sarasota, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2011-12	2010-11	2009-10	2008 - 09
Revenues				
Taxes	\$38,957,541	\$ 39,974,097	\$ 43,014,113	\$ 48,102,594
Franchise fees	4,600,464	5,013,645	4,905,213	5,319,627
Special assessments	114,980	105,000	100,000	95,000
Licenses and permits	1,735,414	2,312,725	2,429,056	1,752,050
Intergovernmental	27,527,971	32,396,202	23,975,380	25,139,466
Charges for services	1,885,257	1,743,481	1,805,694	2,102,245
Charges to other funds	4,373,824	4,391,908	4,365,067	4,419,805
Fines and forfeits	1,057,173	664,025	1,005,681	893,217
Investment earnings	916,507	1,207,942	2,193,890	4,487,271
Miscellaneous	4,315,195	1,784,962	1,713,286	1,708,684
Total revenues	<u>85,484,326</u>	<u>89,593,987</u>	<u>85,507,380</u>	<u>94,019,959</u>
Expenditures				
Current:				
General government	\$ 16,489,183	\$ 15,921,304	13,972,130	14,549,145
Public safety	33,159,337	31,803,912	33,481,146	35,232,364
Physical environment	3,439,762	3,129,215	2,883,287	8,174,910
Transportation	3,502,232	3,490,199	3,770,379	4,831,724
Culture and recreation	1,489,101	10,538,907	480,479	301,778
Economic environment	8,954,673	18,113,223	9,137,088	7,042,409
Debt service:				
Principal	4,252,633	6,913,110	7,753,493	4,456,205
Interest and other charges	5,144,024	5,099,613	4,938,083	3,913,467
Bond issuance costs	-	177,643	400,495	64,113
Capital outlay	9,153,022	21,787,140	37,564,418	30,625,828
Total expenditures	<u>85,583,967</u>	<u>116,974,266</u>	<u>114,380,998</u>	<u>109,191,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,641)</u>	<u>(27,380,279)</u>	<u>(28,873,618)</u>	<u>(15,171,984)</u>
Other financing sources (uses)				
Transfers in	9,630,589	9,258,683	10,600,893	12,127,023
Transfers out	(8,978,229)	(9,001,445)	(10,684,657)	(12,651,808)
Loans issued	--	--	--	--
Premium on loans issued	--	--	--	--
General obligation bonds issued	--	--	--	--
Special obligation bonds issued	--	8,260,000	--	21,066,000
Premium on bonds issued	--	--	--	--
Total other financing sources (uses)	<u>652,360</u>	<u>8,517,238</u>	<u>(83,764)</u>	<u>20,541,215</u>
Net change in fund balances	<u>\$ 552,719</u>	<u>\$ (18,863,041)</u>	<u>\$ (28,957,382)</u>	<u>\$ 5,369,231</u>
Capital outlay in functional categories	1,122,101	\$ 876,582	\$ 730,919	\$ 646,034
Debt service as a percentage of noncapital expenditures	12.48%	12.74%	16.68%	10.74%

Fiscal Year					
2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03
\$ 49,995,155	\$ 46,813,203	\$ 40,074,514	\$ 35,331,253	\$ 32,072,484	\$ 30,765,320
5,208,466	5,578,298	5,451,541	4,415,624	4,114,225	3,840,178
95,000	80,000	111,852	104,768	97,980	96,047
3,543,118	2,771,644	2,991,586	4,332,541	4,468,586	2,630,373
21,062,863	21,683,562	28,843,941	26,436,856	26,342,081	23,084,167
2,109,925	2,432,373	2,560,540	2,052,188	1,858,325	1,643,903
4,349,457	5,452,096	5,123,752	4,721,887	4,011,422	3,905,496
912,839	1,320,276	1,121,965	1,366,904	1,274,760	1,102,277
4,920,722	5,176,574	3,569,826	2,042,116	1,572,768	1,408,070
2,466,442	2,432,516	2,129,211	1,979,334	4,437,324	1,587,155
<u>94,663,987</u>	<u>93,740,542</u>	<u>91,978,728</u>	<u>82,783,471</u>	<u>80,249,955</u>	<u>70,062,986</u>
15,398,101	17,283,464	13,482,866	12,337,813	11,607,461	11,827,183
36,501,295	33,432,710	30,796,766	27,738,867	26,063,776	23,005,750
3,528,637	3,792,915	3,895,159	3,134,105	4,746,781	3,514,685
5,569,802	5,885,394	5,473,201	5,004,271	5,644,667	5,071,684
464,595	587,461	360,289	488,292	600,721	740,837
6,890,211	8,883,313	13,701,861	10,950,714	9,572,416	6,229,537
5,188,507	4,796,158	5,270,000	5,775,000	5,435,000	5,790,000
3,689,685	1,655,075	1,124,429	1,254,166	1,453,776	1,525,569
47,570	560,980	--	--	--	--
7,318,614	15,852,224	8,346,688	12,298,006	12,472,340	12,813,633
<u>84,597,017</u>	<u>92,729,694</u>	<u>82,451,259</u>	<u>78,981,234</u>	<u>77,596,938</u>	<u>70,518,878</u>
10,066,970	1,010,848	9,527,469	3,802,237	2,653,017	(455,892)
9,065,765	14,472,479	9,995,906	6,301,615	7,044,902	4,976,916
(10,797,778)	(16,177,625)	(11,053,338)	(8,051,793)	(7,914,164)	(5,719,316)
--	--	--	5,545,000	--	5,150,000
--	--	--	50,189	--	--
5,800,000	46,305,000	--	--	--	--
--	--	--	--	--	--
--	276,489	--	--	--	--
<u>4,067,987</u>	<u>44,876,343</u>	<u>(1,057,432)</u>	<u>3,845,011</u>	<u>(869,262)</u>	<u>4,407,600</u>
<u>\$ 14,134,957</u>	<u>\$ 45,887,191</u>	<u>\$ 8,470,037</u>	<u>\$ 7,647,248</u>	<u>\$ 1,783,755</u>	<u>\$ 3,951,708</u>
\$ 1,243,974	\$ 1,151,733	\$ 1,339,264	\$ 1,075,235	\$ 782,623	\$ 548,893
11.68%	8.52%	8.79%	10.71%	10.71%	12.80%

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	Total Taxable Assessed Value	Total Direct Rate
	Residential Property	Commercial Property	Industrial Property				
2012	\$ 5,896,420	\$ 1,792,974	\$ 1,929,774	\$ 485,377	\$ 3,261,587	\$ 6,842,958	3.3547
2011	6,277,260	1,870,758	2,040,278	482,382	3,348,454	7,322,223	3.1983
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

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)

Fiscal Year Ended September 30,	City of Sarasota			Overlapping Rates ^a		Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Sarasota County	School Board of Sarasota County	
2012	2.9249	0.4298	3.3547	5.5169	7.6350	16.5066
2011	2.7771	0.4212	3.1983	5.6495	7.901	16.7488
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

^a 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 2011 - 12			Fiscal Year 2002 - 03		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Westfield Southgate Shoppingtown	\$ 53,939,671	1	0.79%	\$ 35,471,166	3	0.73%
Florida Power & Light	46,141,546	2	0.67%	33,506,750	4	0.69%
Verizon Florida Inc.	37,873,777	3	0.55%	79,440,663	2	1.63%
Slab/Ritz Carlton Hotel Co.	36,973,100	4	0.54%	83,060,500	1	1.70%
Plymouth Harbor Inc.	31,185,913	5	0.46%	24,648,948	8	0.51%
Sarasota Bay Club	30,355,237	6	0.44%			
Logan Acquisitions Cor/Lido Beach LLC	27,922,619	7	0.41%			
Osprey SA, Ltd,	23,558,473	8	0.34%	30,119,562	5	0.62%
Hotel Associates of Sarasota LLC	21,565,800	9	0.32%	23,054,759	9	0.47%
Theater Associates	23,291,000	10	0.34%	26,489,484	6	0.54%
Sarasota County Public Hospital Board				26,018,021	7	0.53%
Ronald Spector				21,361,933	10	0.44%
	<u>\$ 332,807,136</u>		<u>4.86%</u>	<u>\$ 383,171,786</u>		<u>7.85%</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
2012	\$22,956,071	\$ 21,970,944	95.71%	\$ 70,416	\$22,041,360	96.02%
2011	23,418,667	22,614,713	96.57%	70,895	22,685,608	96.87%
2010	25,781,785	24,894,298	96.56%	21,173	24,915,471	96.64%
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) ¹	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%

(1) 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 4,000 Gallons per Month
 Last Ten Fiscal Years

<u>Fiscal year ended September 30,</u>	<u>Water Rate</u>	<u>Sewer Rate</u>	<u>Total</u>
2012	\$ 28.45	\$ 40.97	\$ 69.42
2011	27.37	40.97	68.34
2010	26.30	39.40	65.70
2009	27.57	39.33	66.90
2008	26.52	37.85	64.37
2007	25.50	36.37	61.87
2006	24.07	34.34	58.41
2005	20.75	29.60	50.35
2004	20.35	29.07	49.42
2003	19.95	28.49	48.44

Previously reported Monthly Rates for 5,000 gallons per month. Industry standards have changed to 4,000 gallons per month. Revised previous years for consistency.

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

Fiscal Year Ended September	Governmental Activities		
	General Obligation Bonds	Special Obligation Bonds	Loans Payable
2012	\$ 42,909,043	\$ 34,859,613	\$ 4,070,000
2011	43,949,198	37,613,745	5,170,000
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

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

^a Personal income and population data can be found on page 184.

Business-Type Activities		Total Primary Government	Percentage of Personal Income^a	Per Capita^a
Water and Sewer Bonds	Loans Payable			
\$ 64,240,000	\$ 223,603	\$ 146,302,259	5.09%	\$ 2,786
69,434,922	441,289	156,609,154	5.59%	3,005
76,518,427	653,214	163,013,925	6.07%	3,084
55,360,000	859,531	150,099,871	5.64%	2,824
38,665,000	1,060,389	117,130,406	3.71%	2,123
44,200,000	1,255,931	122,240,010	3.91%	2,197
49,505,000	1,446,298	86,090,502	2.97%	1,555
54,305,000	1,631,628	95,499,837	3.53%	1,741
50,925,000	1,812,053	91,738,254	3.64%	1,679
54,730,000	1,987,704	100,412,460	4.46%	1,862

City of Sarasota, Florida

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal year Ended September 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
2012	\$ 42,909,043	\$ 920,502	\$ 41,988,541	0.61%	\$ 799.52
2011	43,949,198	919,651	43,029,547	0.59%	825.68
2010	47,398,865	838,140	46,560,725	0.57%	896.83
2009	50,392,352	575,896	49,816,456	0.54%	937.10
2008	51,360,000	637,364	50,722,636	0.49%	919.32
2007	47,365,000	350,336	47,014,664	0.48%	844.92
2006	2,235,000	684,708	1,550,292	0.02%	28.00
2005	3,425,000	774,178	2,650,822	0.04%	48.33
2004	5,835,000	1,405,283	4,429,717	0.08%	81.07
2003	8,160,000	1,627,413	6,532,587	0.13%	120.01

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

^a See page 170 for property value data.

^b Population data can be found on page 184.

City of Sarasota, Florida

Direct and Overlapping Governmental Activities Debt

General Obligation Bonds

As of September 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt			
Sarasota County Board of County Commissioners	\$ --	16.21%	\$ --
City direct debt			<u>41,988,541</u>
Total direct and overlapping debt			<u><u>\$ 41,988,541</u></u>

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

^a 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>
2012	\$ 688,897,262	\$ 41,988,541	\$ 646,908,721	6.10%
2011	732,222,339	43,029,547	689,192,792	5.88%
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%

Legal Debt Margin Calculation for Fiscal Year 2012

Taxable assessed value	<u>\$ 6,888,972,623</u>
Debt limit (10% of assessed value)	<u>688,897,262</u>
Debt applicable to limit:	
General obligation bonds	42,909,043
Less amount set aside for repayment of general obligation bonds	<u>(920,502)</u>
Total net debt applicable to limit	<u>41,988,541</u>
Legal debt margin	<u><u>\$ 646,908,721</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)

Water & Sewer Revenue Bonds						
Fiscal Year Ended September 30,	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 36,864	\$ 20,919	\$ 15,945	\$ 5,195	\$ 3,034	1.94
2011	34,658	20,501	14,157	4,976	3,350	1.70
2010	32,214	20,477	11,737	7,582	2,258	1.19
2009	30,901	21,058	9,843	5,805	1,588	1.33
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

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.

^a 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.

^b 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.

^c The 2010 Sales Tax Payment Revenue Bonds are backed by a pledge of Sales Tax payments for the certification for the major league baseball spring training facility, pursuant to Section 212.20(6)(d)7.b, Florida Statutes.

2009 Special Obligation Bonds/ 1992 Special Obligation Bonds ^a				2009 Special Obligation Bonds/ Infrastructure Sales Tax Bonds ^b / 2010 Sales Tax Payment Revenue Bonds ^c			
TIF Revenues	Debt Service		Coverage	Sales Tax Revenues	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$ 6,809	\$ 1,202	\$ 1,551	2.47	\$ 5,761	\$ 910	\$ 1,302	2.60
7,602	1,161	1,472	2.89	5,529	648	1,149	3.08
9,007	759	1,360	4.25	5,414	266	794	5.11
10,663	469	941	7.56	5,655	940	40	5.77
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

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

Fiscal year Ended September 30,	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^c
2012	52,517	\$ 2,874,623,029	\$ 54,737	8.7%
2011	52,114	2,802,117,666	53,769	11.0%
2010	51,917	2,687,223,920	51,760	11.9%
2009	53,160	2,663,316,000	50,100	12.3%
2008	55,174	3,154,794,146	57,179	6.7%
2007	55,644	3,127,749,240	56,210	4.3%
2006	55,364	2,894,438,656	54,661	3.1%
2005	54,848	2,702,171,745	50,033	3.3%
2004	54,639	2,523,614,674	47,604	4.0%
2003	54,434	2,250,281,141	42,994	4.6%

^a **Source:** Bureau of Economic and Business Research (BEBR) of the University of Florida

^b **Source:** Calculated (Population x Per Capita Personal Income)

^c **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>2011 - 12</u>			<u>2002-03 ⁽¹⁾</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	3.11%	4,417	1	2.76%
Sarasota Memorial Hospital	3,024	2	1.85%	3,400	2	2.13%
Sarasota County	2,027	3	1.24%	2,500	4	1.56%
Publix Supermarkets	1,519	4	0.93%	3,300	3	2.06%
Venice Regional Med Ctr	871	5	0.53%	1,428	5	0.89%
PGT Industries	724	6	0.44%	1,350	6	0.84%
FCCI	680	7	0.42%	862	9	0.54%
City of Sarasota	619	8	0.38%	-	-	-
Sun Hydraulics Corporation	590	9	0.36%	-	-	-
City of Northport	530	10	0.33%	-	-	-
Sarasota Herald-Tribune Newspaper	-	-	-	600	10	0.38%
Wal-Mart	-	-	-	963	7	0.60%
Charter One Hotels	-	-	-	950	8	0.59%
Total	15,654		9.60%	19,770		12.36%

Note: The labor force figure for 2012 and 2003 is 163,067 and 160,000 respectively. These numbers were used to calculate the percentage of total county employment.

Source: Economic Development Corporation of Sarasota County

⁽¹⁾ 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

Function/Program	Fiscal Years			
	2011-12	2010-11	2009-10	2008 - 09
General Government				
City Manager's Office	2.50	2.50	3.69	4.00
Neighborhood Partnership Office	-	-	-	-
Facilities Management	5.00	5.00	5.00	5.00
Neighborhood & Development Services	22.75	22.75	23.40	22.30
General Services	-	-	-	-
Human Resources	7.00	8.00	10.00	10.00
Finance	11.50	11.50	13.50	14.50
Accounting	5.50	5.50	5.50	5.50
City Auditor and Clerk	14.00	14.00	14.00	14.00
Planning and Redevelopment	-	-	-	-
Commission Support Office	1.50	1.50	2.00	2.00
Public Safety				
Police - uniform	176.00	176.00	176.00	176.00
Police - general employees	47.00	54.00	53.00	53.00
Code Compliance	6.85	8.85	9.85	9.85
Physical Environment				
Parks & Landscape Maintenance	22.68	23.18	30.18	34.68
Sarasota Bay National Estuary Program	-	-	-	-
Transportation				
Streets & Highways	17.98	17.98	18.98	21.98
Engineering/Construction Services	6.25	4.50	6.00	10.00
Street Sweeping	2.00	3.00	3.00	3.00
Culture and Recreation				
Skateboard Park	-	-	1.90	1.90
Children's Fountain	0.20	0.20	0.20	0.20
Special Events/Volunteer Office	0.70	0.50	0.83	-
Sustainability	0.75	-	-	-
Robert L. Taylor Community Center	4.00	-	-	-
Economic Environment				
Housing & Community Development	13.00	13.00	10.00	11.00
Building Services	17.40	17.40	15.75	15.75
Enterprise funds				
Water	60.01	63.40	67.21	72.21
Sewer	72.74	72.35	72.79	77.79
Parking Management	9.00	6.00	6.31	8.10
Bobby Jones Golf Course	7.80	7.80	8.50	8.75
Ed Smith Sports Stadium	-	-	0.57	2.15
Solid Waste Management	23.59	22.59	25.84	26.34
Municipal Auditoriums	3.30	3.50	3.00	4.00
Van Wezel Performing Arts Hall	12.00	12.00	13.00	14.42
Internal Service funds				
Information Technology	12.00	12.00	10.00	11.00
Duplicating Services	-	-	-	-
Central Stores	-	-	-	-
Public Works Equipment Maintenance	9.00	10.00	11.00	12.00
Total	594.00	599.00	621.00	651.42

Source: City of Sarasota Finance Department

Fiscal Years						
2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03	
5.00	5.00	5.00	5.00	4.00	6.00	
4.00	5.00	4.00	5.00	5.00	5.00	
-	-	-	-	-	-	
-	-	-	-	-	-	
13.13	15.13	11.38	11.38	11.38	8.63	
9.00	11.00	11.00	11.00	11.00	9.00	
9.50	10.50	9.50	8.50	8.50	8.50	
5.50	5.50	5.50	5.50	5.50	5.50	
15.00	15.00	15.00	16.00	16.00	16.00	
17.00	21.00	20.00	19.00	19.00	19.00	
2.00	2.00	2.00	2.00	2.00	2.00	
196.00	200.00	199.00	194.00	194.00	204.00	
63.00	66.00	65.00	64.00	64.00	88.00	
20.45	18.25	16.25	16.81	16.81	16.81	
45.68	47.43	41.43	37.43	39.33	36.33	
-	-	-	-	5.00	5.00	
22.98	24.73	22.73	23.48	22.78	21.78	
17.00	21.00	21.00	19.00	19.00	19.00	
3.00	3.00	3.00	3.00	3.00	3.00	
3.25	2.25	2.25	2.25	1.00	-	
1.10	1.10	1.10	1.10	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
15.00	17.00	18.00	21.00	21.00	16.00	
19.55	25.75	25.75	23.19	21.19	21.19	
72.61	76.26	62.35	62.85	62.85	64.35	
77.39	74.24	81.15	80.65	79.65	80.15	
9.00	7.00	7.00	6.00	6.00	6.00	
10.00	10.00	10.00	10.00	10.00	10.00	
4.65	4.65	3.65	3.65	3.00	3.00	
27.34	27.34	27.34	25.59	26.39	26.39	
6.00	6.00	7.00	6.50	6.50	6.50	
22.00	25.00	25.00	21.50	21.50	22.00	
14.00	17.00	17.00	15.00	16.00	16.00	
1.12	1.12	1.12	1.12	1.12	1.12	
2.75	2.75	3.50	3.50	3.50	4.25	
9.00	9.00	9.00	8.00	8.00	8.00	
<u>743.00</u>	<u>777.00</u>	<u>753.00</u>	<u>733.00</u>	<u>734.00</u>	<u>758.50</u>	

City of Sarasota, Florida
 Operating Indicators by Function/Program
 Last Nine Fiscal Years ⁽¹⁾

Function/Program	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Police									
Physical arrests	5,092	5,669	5,648	8,625	12,130	12,266	10,983	7,692	8,643
Parking violations	13,364	13,028	16,346	20,585	24,857	22,319	23,239	24,804	24,263
Traffic violations	11,817	11,880	11,084	13,717	16,692	24,264	21,216	19,929	15,423
Streets and highways									
Streets resurfaced (<i>miles</i>)	13	10	13	13	11	11	16	15	10
Potholes repaired	106	119	196	205	286	266	289	280	0
Water									
New connections	80	73	64	122	114	215	199	210	223
Water mains breaks	43	42	38	63	53	23	72	69	63
Average daily consumption (<i>thousands of gallons</i>)	6,451	6,439	6,324	6,522	6,921	7,652	7,505	7,418	7,500
Peak daily consumption (<i>thousands of gallons</i>)	7,862	7,310	7,134	7,478	8,118	9,859	9,122	8,879	9,000
Wastewater									
Average daily sewage treatment (<i>thousands of gallons</i>)	5,660	6,500	6,200	5,800	5,597	5,200	7,826	8,976	7,600
Solid waste collection									
Solid waste collected (<i>tons per day</i>)	164	179	174	163	160	155	233	205	148
Recyclables collected (<i>tons per day</i>) ⁽²⁾	14	8.89	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 Nine Fiscal Years

Function/Program	2011-12	2010-11	2009-10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04
Police									
Stations	1	1	1	1	1	1	1	1	1
Sub-stations	4	4	4	4	4	4	4	3	3
Patrol units	111	109	109	111	109	114	124	117	117
Streets and highways									
Streets (<i>miles</i>)	250	250	250	250	250	250	250	225	225
Unpaved streets (<i>miles</i>)	25	25	25	25	25	25	25	25	25
Highways (<i>miles</i>)	225	225	225	225	225	225	225	225	225
Streetlights	7,213	7,213	7,213	7,213	7,481	7,476	7,092	6,807	6,652
Traffic signals	97	97	97	101	99	99	99	99	99
Water									
Water mains (<i>miles</i>)	328	328	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	7,000	7,000
Fire hydrants	1,388	1,388	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	326	326	270	250
Treatment capacity (<i>thousands</i>)	10,200	10,200	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	68	68
Solid waste collection									
Collection trucks	17	17	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, the General Employees' Defined Benefit Pension Fund, and the aggregate remaining fund information of the City of Sarasota, Florida (the City), as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 26, 2013. 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

Management of the City is responsible for establishing and maintaining effective 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 a separate management letter dated February 26, 2013.

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.

Purvis, Gray and Company, LLP

February 26, 2013
Sarasota, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 City of Sarasota, Florida (the City)'s compliance 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 could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2012. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2012.

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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 ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 to determine the 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.

Purvis, Gray and Company, LLP

February 26, 2013
Sarasota, Florida

City of Sarasota, Florida
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2012

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:	\$335,276
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
14.256	Department of Housing and Urban Development ARRA - Neighborhood Stabilization Program 2
16.710	Department of Justice ARRA - COPS Hiring Recovery
81.128	Department of Energy ARRA – Energy Efficiency & Conservation

City of Sarasota, Florida
 Schedule of Findings and Questioned Costs (continued)
 For the Year Ended September 30, 2012

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
73.016	Florida Department of Revenue Retained Spring Training Facility

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, 2012

<u>Federal/State Agency Federal Program/State Project</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Program Total</u>
FEDERAL AWARDS				
Department of Housing and Urban Development				
Direct Programs:				
Entitlement Grants Cluster				
Community Development Block Grant	14.218	B-09-MC-120018	\$ 96,842	
Community Development Block Grant	14.218	B-10-MC-120018	416,089	
Neighborhood Stabilization Program 3	14.218	B-11-MN-120036	18,833	531,764
ARRA - Community Development Block Grant	14.254	B-09-MY-120018	16,675	
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-CN-FL-0018	5,843,700	
HOME Investment Partnerships Program	14.239	M-08-DC-120219	732,718	
HOME Investment Partnerships Program	14.239	M-09-DC-120219	512,130	1,244,848
Total Dept. of Housing and Urban Development			<u>7,636,987</u>	
Department of Justice				
Direct Programs:				
Federal Equitable Sharing Agreement	16.XXX	Not Applicable	184,756	
Edward Byrne Memorial JAG Program	16.738	2011-DJ-BX-2159	43,535	
Coverdell Forensic Science Improvement	16.742	2011-CD-BX-0089	30,756	
ARRA - COPS Hiring Recovery	16.710	2009RKWX0250	800,631	
Bulletproof Vest Partnership	16.607	Not Applicable	3,180	
Total Department of Justice			<u>1,062,858</u>	
Department of Transportation				
Federal Highway Administration				
Passed through Florida Dept. of Transportation:				
Roundabout - Ringling Blvd. at Pineapple	20.205	427935-1-58/68-01	638,649	
Sidewalks	20.205	420889-1-58-01	9,274	
Roundabout - Ringling Blvd. at Palm Ave.	20.205	422623-1-58-01	727,041	
Resurfacing & Landscaping - Fruitville Road	20.205	428916-1-58-01	849,171	2,224,135
Total Department of Transportation			<u>2,224,135</u>	
Department of Homeland Security				
Federal Emergency Management Agency				
Passed through Florida Dept. of Community Affairs:				
Public Assistance Program				
FEMA-4068-DR-FL Tropical Storm Debby	97.036	13-DB-73-01-68-01-620	77,655	
Department of Energy				
Direct Programs:				
ARRA - Energy Efficiency & Conservation	81.128	DE-SC0003045	174,239	
Total Expenditures of Federal Awards			<u>\$ 11,175,874</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, 2012
(Continued)

Federal/State Agency Federal Program/State Project	CSFA Number	Contract/ Grant Number	Expenditures
<u>STATE FINANCIAL ASSISTANCE</u>			
Florida Department of Environmental Protection			
Florida Beach Erosion Control Program	37.003	06ST3	<u>\$ 23,267</u>
Florida Department of Community Affairs			
Florida Housing Finance Agency State Housing Initiative Partnership	52.901	Not Applicable	<u>365,806</u>
Florida Fish and Wildlife Conservation Commission			
Florida Boating Improvement Program	77.006	06081	<u>50,200</u>
Florida Department of Revenue			
Retained Spring Training Facility	73.016	Not Applicable	<u>500,004</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 939,277</u></u>

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, 2012

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 26, 2013, 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, 2012, and have issued our report thereon dated February 26, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, independent auditors' report on compliance with requirements that could have a direct and material effect on 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*, and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are all dated February 26, 2013, 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 were taken by management to satisfactorily address our prior year recommendation.
- 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 did not have any such recommendations.

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (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

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 have the following findings:

2012.1—Information Technology—In January 2012, the City’s consultant, Sunera LLC, completed a detailed assessment of the City’s Information Technology Department (the Department) that identified significant security concerns, understaffing issues, and weaknesses in the controls over the integrity, availability, and confidentiality of critical systems, data, and processes. The findings from the report have been prioritized, and while the Department is working diligently to resolve them in a timely and systematic manner, some of the concerns and weaknesses represented deficiencies in internal controls that existed during the audit period. We support the continued efforts of the Department to resolve these deficiencies.

2012.2—Accounting Reconciliation (GEDBPP)—At the time of our audit of the City’s General Employee Defined Benefit Pension Plan (GEDBPP) in conjunction with the City-wide audit, the GEDBPP general ledger control accounts were not reconciled to the underlying supporting records. These accounts were subsequently reconciled to our satisfaction. We recommend the Pension Department design a monthly reconciliation procedure to assure that the general ledger control accounts for the GEDBPP are kept in agreement with the underlying records throughout the year.

2012.3—Under-billing in COPS Grant—During our federal single audit of the City’s COPS Hiring Recovery Grant, we identified amounts totaling \$11,670, which the City had under-billed the grant, and which the City was subsequently able to recover from the grantor. The largest portion related to the reimbursable rate for officer pension costs that had not been adjusted to reflect recent increases. We recommend the City review this issue for potential applicability to other grant programs.

- 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.

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

MANAGEMENT LETTER
(Concluded)

- 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, 2012, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.
- 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.

Purvis, Gray and Company, LLP

February 26, 2013
Sarasota, Florida



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April 5, 2013

Mr. Joseph Welch, CPA
Mr. James Kading, CPA
Purvis, Gray and Company, LLP
5001 Lakewood Ranch Blvd. N., Suite 101
Sarasota, FL 34240

Gentlemen,

On April 4, 2013, I received your management letter for the fiscal year ended September 30, 2012. Two of the auditors' comments/ recommendations contained within are directed to the Office of the City Auditor and Clerk. In accordance with the rules of the Auditor General- Local Governmental Entity Audits, Chapter 10.550, responses to those items are outlined below.

Auditor Comment:

2012.1- Information Technology- In January 2012, the City's consultant, Sunera LLC, completed a detailed assessment of the City's Information Technology Department (the Department) that identified significant security concerns, understaffing issues, and weaknesses in the controls over the integrity, availability, and confidentiality of critical systems, data, and processes. The findings from the report have been prioritized, and while the Department is working diligently to resolve them in a timely and systematic manner, some of the concerns and weaknesses represented deficiencies in internal controls that existed during the audit period. We support the continued efforts of the Department to resolve these deficiencies.

Management Response:

We agree with the finding and appreciate that the auditors recognize our on-going efforts to remedy control weaknesses. During the past year, we invited two separate consultants to examine the Information Technology Division and they have each identified issues and provided recommendations, which staff is diligently working to prioritize and cure. We believe that the Information Technology Division has improved the state of the City's systems significantly over the past year under the leadership of the new Information Technology Director. We look forward to continuing to enhance system security, user education and awareness, staff knowledge, service response times, and data availability and integrity for all of our customers.

Auditor Comment:

2012.2- Accounting Reconciliation (GEDBPP)- At the time of our audit of the City's General Employee Defined Benefit Pension Plan (GEDBPP) in conjunction with the City-wide audit, the GEDBPP general ledger control accounts were not reconciled to the underlying supporting records. These accounts were subsequently reconciled to our satisfaction. We recommend the Pension Department design a monthly reconciliation procedure to assure that the general ledger control accounts for the GEDBPP are kept in agreement with the underlying records throughout the year.

Management Response:

We agree with the finding and recommendation and will commit to performing monthly reconciliations in the future. We have recently hired a new Pension Plans Administrator with an extensive background in both financial and pension administration and are confident that the City's pension plans will continue to be accurately and effectively managed.

Thank you for the opportunity to respond to your audit findings. I look forward to continuing to work cooperatively with your firm in the future. Please feel free to contact me with any questions you may have related to the responses.

Respectfully,



Pamela M. Nadalini, MBA, CMC
City Auditor and Clerk
City of Sarasota, Florida

c: City Commission
Thomas Barwin, City Manager
Robert Fournier, City Attorney
John Lege, Director, Financial Administration
Thomas Kelley, Pension Plans Administrator
Phil Hurwitz, Director, Information Technology
File



Interoffice Memorandum

Date: April 15, 2013

To: The Mayor and City Commission
Through: Thomas W. Barwin, City Manager 
From: John C. Lege III, CGFO, Finance Director
Subject: Auditors' Management Letter for the Fiscal Year Ended September 30, 2012

On April 2, 2013, the City's Certified Public Accountants, Purvis, Gray and Company, delivered the management letter for the fiscal year ended September 30, 2012. 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:

2012.3 – Under-billing in COPS Grant – During our Federal single audit of the City's COPS Hiring Recovery Grant, we identified amounts totaling \$11,670 which the City had under-billed the grant, and which the city was subsequently able to recover from the grantor. The largest portion related to the reimbursable rate for officer pension costs that had not been adjusted to reflect recent increases. We recommend the City review this issue for potential applicability to other grant programs.

Management Response:

We concur with the finding and recommendation. To further strengthen internal controls for grant reporting and reimbursements, the Financial Administration Department will distribute benefit rates to departments annually, prior to the beginning of the fiscal year, to insure that current benefit rates are being used for reimbursement requests.



John C. Lege III, CGFO
Finance Director



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