



Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2011
City of Sarasota, Florida





The City of Sarasota's Palm Avenue Garage and Retail Mixed Use project.

The Palm Avenue Garage opened for public parking in December of 2010.

1. Exterior Façade from Palm Avenue
2. Exposed staircase design
3. Commercial/Retail spaces
4. 'Sail' (façade) attachments
5. Public Art mural on 4th Level of garage interior ; "Music"

Photos by S.Dodd

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF SARASOTA, FLORIDA

For the Fiscal Year Ended

September 30, 2011



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, 2011
Table of Contents

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Assets	17
Statement of Activities	18-19

Fund Financial Statements:

Balance Sheet - Governmental Funds	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Penny Sales Tax	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Community Redevelopment	29
Statement of 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 Pension Fund	40
Statement of Changes in Fiduciary Net Assets - General Employee's Pension Fund	41

Component Unit Government-Wide Statements:

Statement of Net Assets	42
Statement of Activities	43

Notes to the Financial Statements	45-88
---	-------

Required Supplementary Information

General Employees' Pension Plan	89-90
Firefighters' Pension Plan	91-92
Police Officers' Pension Plan	93-94
Other Post Employment Benefits Plan	95-96

Combining & Individual Fund Statements & Schedules

General Fund:

Schedule of Revenues - Budget and Actual - General Fund	97-98
Schedule of Expenditures - Budget and Actual - General Fund	99

FINANCIAL SECTION (continued)Page

Community Redevelopment:

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.....	100-101
---	---------

Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	106-111
---	---------

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	112-117
--	---------

Special Revenue Funds:

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

State Housing Initiative Partnership.....	118
Development Services	119
Gas Tax	120
Special Law Enforcement (Forfeiture)	121
Golden Gate Point	122
Tourist Development Tax.....	123
Miscellaneous Grants	124
Multi-purpose	125

Debt Service Funds:

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

1992 Refunding Bonds	126
2007 General Obligation Bonds.....	127
2008 General Obligation Bonds.....	128
2009 Build America Bonds.....	129
2010 Sales Tax Payment Revenue Bonds	130
2001A First Florida.....	131
2001B First Florida.....	132
2003 First Florida	133
2005 First Florida.....	134

Nonmajor Enterprise Funds:

Combining Statement of Net Assets - Nonmajor Enterprise Funds	136
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Nonmajor Enterprise Funds	137
Combining Statement of Cash Flows - Nonmajor Enterprise Funds.....	138-139
Combining Statement of Net Assets – Water and Sewer Enterprise System Fund.....	140-143
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Water and Sewer Enterprise System Fund	144- 145

Internal Service Funds:

Combining Statement of Net Assets - Internal Service Funds	148
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds	149
Combining Statement of Cash Flows - Internal Service Funds.....	150-151

Fiduciary Funds:

Combining Statement of Plan Net Assets - Fiduciary Funds	154
Combining Statement of Changes in Plan Net Assets - Fiduciary Funds	155
Combining Statement of Changes in Assets and Liabilities - Agency Funds	156

STATISTICAL SECTION

Financial Trends:

Net Assets by Component	158 -159
Changes in Net Assets.....	160 -163
Fund Balances of Governmental Funds	164 -165
Changes in Fund Balances of Governmental Funds	166 -167

Revenue Capacity:

Assessed Value and Actual Value of Taxable Property	168
Direct and Overlapping Property Tax Rates	169
Principal Property Taxpayers	170
Property Tax Levies and Collections	171
Base Water and Sewer Rates.....	172

Debt Capacity:

Ratios of Outstanding Debt by Type	174-175
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STATISTICAL SECTION (continued)

	<u>Page</u>
Ratios of General Bonded Debt Outstanding.....	176
Direct and Overlapping Governmental Activities Debt.....	177
Legal Debt Margin Information.....	178
Pledged-Revenues Coverage.....	180-181
Demographic and Economic Information:	
Demographic and Economic Statistics	182
Principal Employers in Sarasota County.....	183
Operating Information:	
Full-time Equivalent City Government Employees by Function/Program	184-185
Operating Indicators by Function/Program	186
Capital Assets Statistics by Function/Program	187

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 <i>Government Auditing Standards</i>	189-190
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	191 -192
Schedule of Findings and Questioned Costs for the Year Ended September 30, 2011	193 -194
Schedule of Expenditures of Federal Awards and State Financial Assistance for the Year Ended September 30, 2011	195 -196
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	197
Management Letter	199 -201
City's Response to Management Letter	203 -204



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March 19, 2012

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, 2011. 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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Telephone (941) 365-2200
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. A new addition to the services the City provides is the newly opened 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 area and the Newtown Redevelopment area. The purpose of the GGP is to construct and maintain enhancements and improvements within the public rights of way on Golden Gate Point. The BID was created as a dependent taxing authority with the power to levy up to two mills, with City Commission approval, for the purpose of purchasing supplemental services (maintenance, security, sanitation, promotions, infrastructure, and capital improvements). The boundaries of the BID are made up of all parcels of real property located within the CT Zone District in the vicinity of St. Armands Circle. The DID was created to improve the Downtown Core of the City of Sarasota, and is governed by a board of five members, who are non-residential property owners subject to ad valorem taxation within the District and are appointed by the City Commission.

Local Economy

The City of Sarasota is located by the Gulf of Mexico on the southwest coast of Florida and covers an area of 24 square miles with an estimated population of 52,114. 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 11.0% in September 2011 as compared to the statewide rate of 10.6% and the national rate of 9.1%.

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 10.3% decrease in the City's taxable property has affected the City's operating revenues and levels of services. Reductions in governmental services and expenditures, plus other cost reduction initiatives, have helped the City to maintain a healthy unassigned fund balance in the General Fund of \$15.4 million, which is a 30% ratio to expenditures and an excellent funding level.

Relevant Financial Policies

In recent years, the City Commission has adopted or amended financial policies with the purpose of maintaining a prudent level of financial resources to support the level of service the City provides to its residents. Policies cover the areas of contingency planning in the event of emergencies; debt management, including debt issuance and management, debt affordability and debt capacity; fees and charges that reflect the cost of City programs and the portion to be recovered from users; and a revenue policy to ensure reliability and sufficiency of City revenues to support its operations. In addition, the City's investment policy was amended July 2011 to improve the safety, yield and liquidity of the City's investments.

Major Initiatives

Since 2007, the construction industry and the general economy have softened in Sarasota and the City continues to pump dollars into the local economy. The six story Police headquarters

building, funding for which was approved by the City taxpayers, became the new home for the City's Police operations. The Police headquarters replaces the outdated facility which was built in the 1950's. This new facility is hurricane hardened to withstand a category 5 storm, and consolidates the police operations under one roof. The new building includes parking for 200 vehicles, and serves as the City's emergency operations center, including a community meeting room for public use.

The \$11.8 million Robert L. Taylor Community Recreation Center began construction in the early spring of 2010, and was completed in June 2011. The community redevelopment and economic development of the Newtown area is one of the top five priorities for the City. The Robert L. Taylor Complex includes basketball courts, community meeting and activity rooms, a fitness center, children and teen activity center, and a new community swimming pool. The new Robert L. Taylor Community Complex is a major focal point for the area to generate strong neighborhood programs and community outreach for people of all ages.

The City of Sarasota received \$657,258 in Community Development Block Grant (CDBG) funds, \$1,104,370 for the HOME Investment Partnerships Program, \$9,298,137 for the Neighborhood Stabilization Program II, and \$316,250 for EDI Special Projects, a total of \$11,376,015. 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.

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

The Palm Avenue Parking Complex, designed by Sarasota architect Jonathan Parks, opened on December 31st, 2010, on North Palm Avenue and Main Street in Downtown Sarasota. The six level public garage can accommodate over 700 public parkers, including motorcyclists and bicyclists. It also includes 12,000 square feet of retail and restaurant space on the ground level. The top deck offers a beautiful view of Sarasota Bay and downtown Sarasota, and City administrators are considering the possibility of renting the space for special events. The project finished within nine months after ground was broken in April. It cost approximately \$12.4 million.

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sarasota, Florida, for its Comprehensive Annual Financial Report for the fiscal year ending September 30, 2010. This was the thirtieth 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.

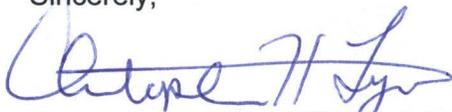
Award for Distinguished Budget

The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2010, the same period covered by this Comprehensive Annual Financial Report. This was the twenty first consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. We are pleased that we continue to achieve this distinction also.

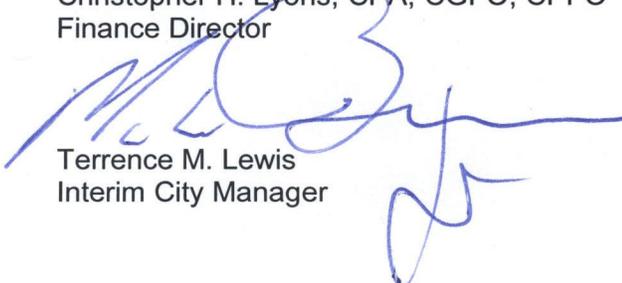
Acknowledgements

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

Sincerely,



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



Terrence M. Lewis
Interim 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, 2010

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.



Linda C. Dandison

President

Jeffrey R. Emer

Executive Director

LISTING OF CITY OFFICIALS



ELECTED OFFICIALS

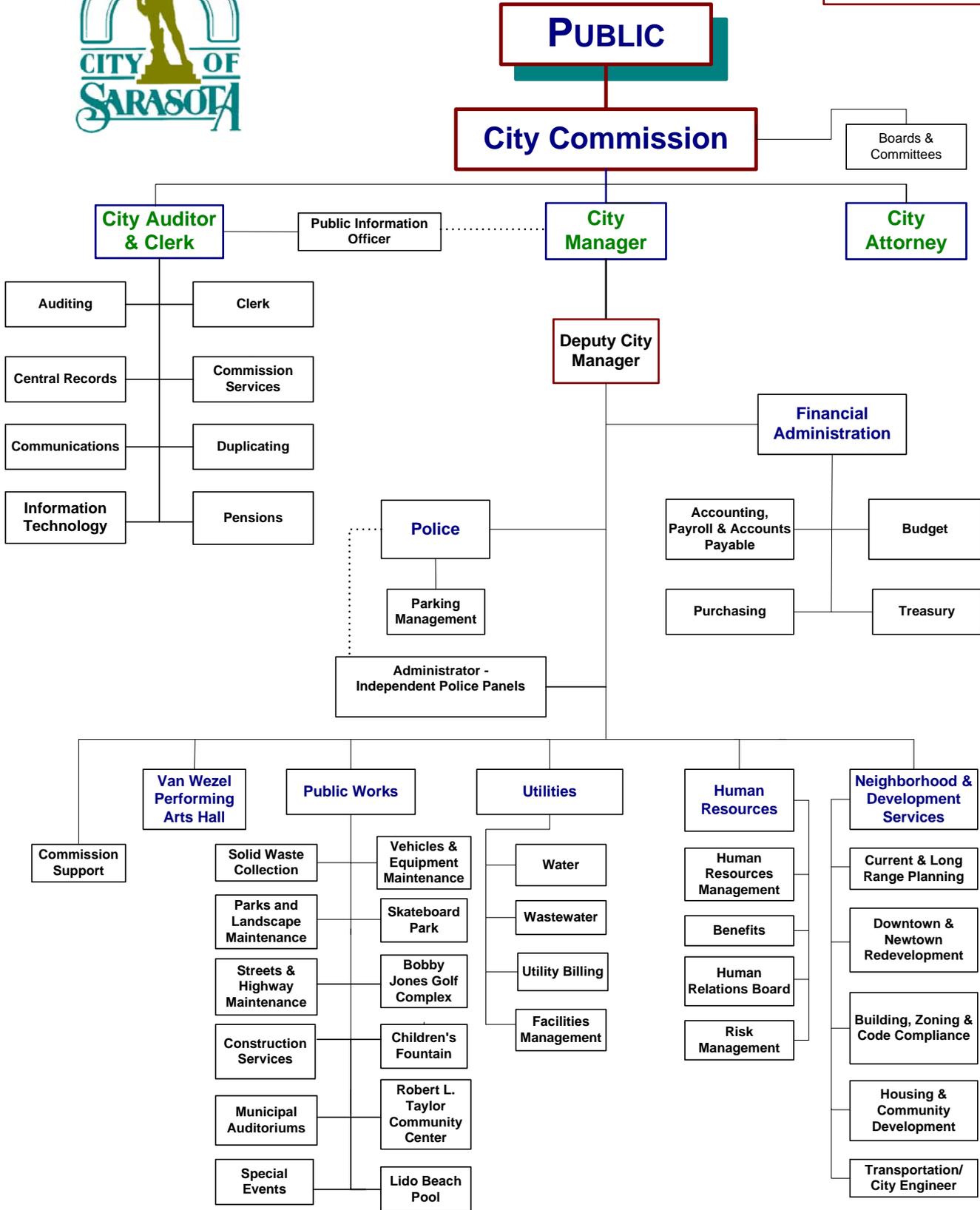
Suzanne AtwellMayor
Terry L. Turner Vice-Mayor
Paul Caragiulo.....Commissioner
Willie C. ShawCommissioner
Shannon SnyderCommissioner

APPOINTED OFFICIALS

Terrence M. Lewis..... Interim City Manager
Pamela M. NadaliniCity Auditor and Clerk
Robert M. Fournier, Esq..... City Attorney

DEPARTMENT DIRECTORS

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



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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. We also audited the General Employees' Pension Fund of the City, as of and for the year ended September 30, 2011, as displayed in the City's basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, as well as the General Employees' Pension Fund of the City, as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, and the respective budgetary comparison for the general fund, penny sales tax fund, 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 March 6, 2012, 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

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Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542
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MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SECTIONS

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

INDEPENDENT AUDITORS' REPORT
(Concluded)

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

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

Purvis, Gray and Company, LLP

March 6, 2012
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, 2011. 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 \$403,822,001 (*net assets*). Of this amount, \$57,534,958 (*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 \$15,325,562, or 3.9 percent for the year.
- Total revenues increased \$8,584,362, or 6.3 percent in comparison to the prior year.
- Total expenses increased \$19,281,317, or 15.3 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 \$89,734,097, a decrease of \$18,863,041 for the year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,412,227 or 30 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 course, 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 45-88 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 89-96 of this report.

Budgetary comparison schedules for the General Fund and Community Redevelopment Fund can be found on pages 97-101 and then combining statements for nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds begin on page 106.

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 \$403,822,001 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 122,714,795	\$ 153,004,054	\$ 95,764,005	\$ 89,664,293	\$ 218,478,800	\$ 242,668,347
Capital assets, net of depreciation	<u>222,412,662</u>	<u>209,513,642</u>	<u>158,228,903</u>	<u>147,350,830</u>	<u>380,641,565</u>	<u>356,864,472</u>
Total assets	<u>345,127,457</u>	<u>362,517,696</u>	<u>253,992,908</u>	<u>237,015,123</u>	<u>599,120,365</u>	<u>599,532,819</u>
Current and other liabilities	19,374,362	27,938,253	17,174,448	18,430,573	36,548,810	46,368,826
Long-term liabilities outstanding	<u>91,477,902</u>	<u>89,275,453</u>	<u>67,271,652</u>	<u>75,392,101</u>	<u>158,749,554</u>	<u>164,667,554</u>
Total liabilities	<u>110,852,264</u>	<u>117,213,706</u>	<u>84,446,100</u>	<u>93,822,674</u>	<u>195,298,364</u>	<u>211,036,380</u>
Net assets:						
Investment in capital assets net of related debt	156,114,642	149,451,384	115,645,768	97,801,582	271,760,410	247,252,966
Restricted	60,339,093	66,977,332	14,187,540	28,263,881	74,526,633	95,241,213
Unrestricted	<u>17,821,458</u>	<u>28,875,274</u>	<u>39,713,500</u>	<u>17,126,986</u>	<u>57,534,958</u>	<u>46,002,260</u>
Total net assets	<u>\$ 234,275,193</u>	<u>\$ 245,303,990</u>	<u>\$ 169,546,808</u>	<u>\$ 143,192,449</u>	<u>\$ 403,822,001</u>	<u>\$ 388,496,439</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 \$15.3 million, from \$388.5 million in 2010 to \$403.8 million in 2011, a 3.9% increase. Net assets of the governmental activities decreased \$11.0 million, a 4.5% decrease, as a result of operations. Business-type activities increased \$26.4 million primarily from water and sewer operations and a gain of \$17.2 million on the sale of land.

A significant portion of the City's net assets (67.3%) 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 (\$57,534,958) 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

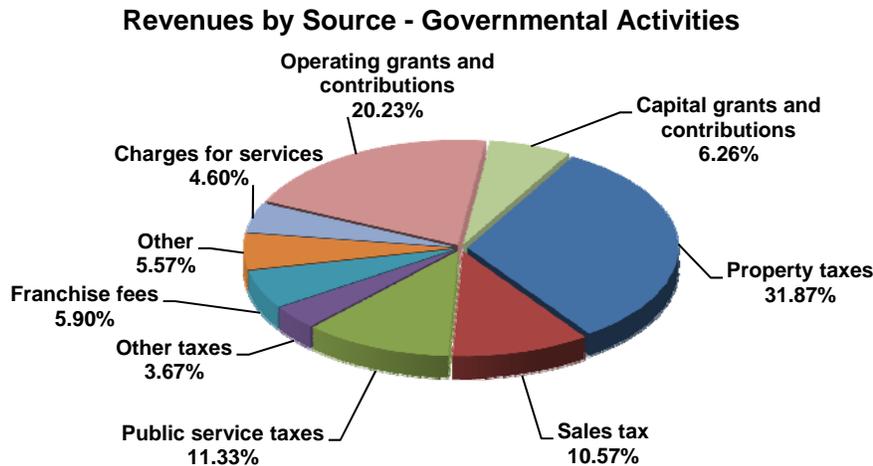
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 3,910,737	\$ 4,368,453	\$ 56,093,485	\$ 53,762,026	\$ 60,004,222	\$ 58,130,479
Operating grants and contributions	17,183,083	12,007,830	184,408	204,558	17,367,491	12,212,388
Capital grants and contributions	5,315,585	2,173,553	2,530,614	--	7,846,199	2,173,553
General Revenues:						
Property taxes	27,070,239	30,041,199	--	--	27,070,239	30,041,199
Other taxes	21,718,876	21,718,859	--	--	21,718,876	21,718,859
Other	9,744,489	10,761,740	505,951	634,887	10,250,440	11,396,627
Total revenues	<u>84,943,009</u>	<u>81,071,634</u>	<u>59,314,458</u>	<u>54,601,471</u>	<u>144,257,467</u>	<u>135,673,105</u>
Expenses:						
Governmental Activities:						
General government	12,945,611	14,000,760	--	--	12,945,611	14,000,760
Public safety	36,325,440	34,182,957	--	--	36,325,440	34,182,957
Physical environment	3,333,750	3,138,997	--	--	3,333,750	3,138,997
Transportation	7,288,847	7,275,556	--	--	7,288,847	7,275,556
Culture & recreation	12,259,064	2,043,875	--	--	12,259,064	2,043,875
Economic environment	18,211,787	9,239,967	--	--	18,211,787	9,239,967
Interest on long-term debt	4,740,436	4,692,235	--	--	4,740,436	4,692,235
Business-type Activities:						
Water and Sewer	--	--	28,570,324	28,968,721	28,570,324	28,968,721
Van Wezel Performing Arts Hall	--	--	8,508,698	8,390,401	8,508,698	8,390,401
Solid Waste	--	--	9,129,783	10,010,227	9,129,783	10,010,227
Other	--	--	4,155,177	4,243,904	4,155,177	4,243,904
Total expenses	<u>95,104,935</u>	<u>74,574,347</u>	<u>50,363,982</u>	<u>51,613,253</u>	<u>145,468,917</u>	<u>126,187,600</u>
Increase in net assets before other items	(10,161,926)	6,497,287	8,950,476	2,988,218	(1,211,450)	9,485,505
Transfers	(180,957)	(90,049)	180,957	90,049	--	--
Special items	(685,914)	--	17,222,926	(1,277,046)	16,537,012	(1,277,046)
Increase in net assets	(11,028,797)	6,407,238	26,354,359	1,801,221	15,325,562	8,208,459
Net assets - beg. of year	245,303,990	238,896,752	143,192,449	141,391,228	388,496,439	380,287,980
Net assets - end of year	<u>\$ 234,275,193</u>	<u>\$ 245,303,990</u>	<u>\$ 169,546,808</u>	<u>\$ 143,192,449</u>	<u>\$ 403,822,001</u>	<u>\$ 388,496,439</u>

Governmental Activities

Total revenues for governmental activities increased \$3,871,375 or 4.8% when compared to the prior year. While some revenues had decreases, they were more than offset by other revenues that increased. The increase in revenues for the current year is the result of the following:

- Operating grants and contributions increased by \$5,175,253 from that reported in the prior year. \$5,112,926 of this increase in revenue is attributed to a Federal Department of Housing Neighborhood Stabilization Program II grant for public housing redevelopment, demolition and redevelopment of blighted units, and the acquisition/rehabilitation of foreclosed properties.
- Capital grants and contributions increased \$3,142,032. \$2,291,685 of this increase is from the recognition of a state grant for retaining a baseball spring training facility in Sarasota.
- City property tax revenues decreased by \$2,256,687 for the current year. Although the City's millage rate for the current year increased slightly, from 3.1523 to 3.1983 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 \$714,273 over that reported last year. Both of these represent the overall decrease in property taxes of \$2,970,960 over that reported in the prior year.
- Investment earnings decreased by \$1,106,304 for the current year. Earnings for the Capital Projects Funds accounted for \$428,146 of this decrease since less cash was available to invest as the construction of projects progressed and were completed. Also contributing to the overall decrease were the low yields in the markets for safe and liquid investments.

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

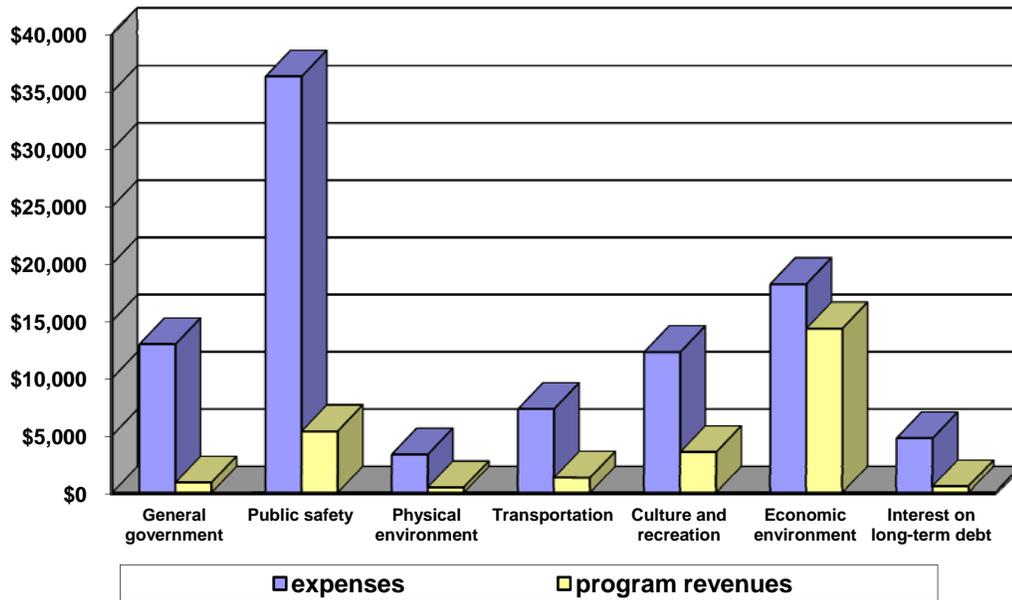


Total expenses for governmental activities increased \$20,530,588 or 27.5% in comparison to the prior year. The increase in current year expenses is attributed to culture and recreation expenses increasing by \$10,215,189 and economic environment expenses increasing by \$8,971,820.

- Most of the increase in culture and recreation expenses was from the \$9,753,524 that was given to Sarasota County for the reconstruction of the sports stadium and environmental remediation of the site used for major league baseball spring training.
- \$8,301,919 of the increase in economic environment expenses was for redevelopment and rehabilitation projects handled by the housing and community development office.

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

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



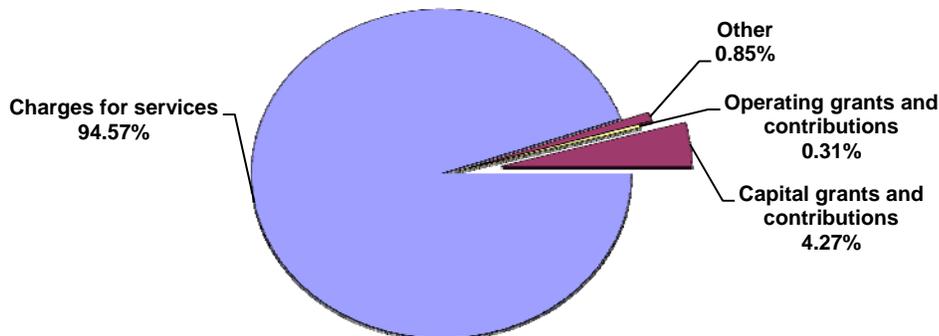
Business-type Activities

Total revenues increased by \$4,712,987 for the current year. The increase is solely attributed to the water and sewer utility. Utility rates were restructured for the 2010-11 fiscal year effectively increasing rates 4% and accounting for a \$2,443,437 increase in operating revenues. An additional increase of \$2,530,614 was a FEMA grant reimbursement for prior storm damage to a reuse water storage pond.

Total expenses decreased by \$1,249,271 or 2.4% from the prior year. A new contract for recyclables collection and operation of the transfer station has generated cost savings of \$1,005,112. Expenses for all of the other business-type activities remained close to the levels experienced in the prior year.

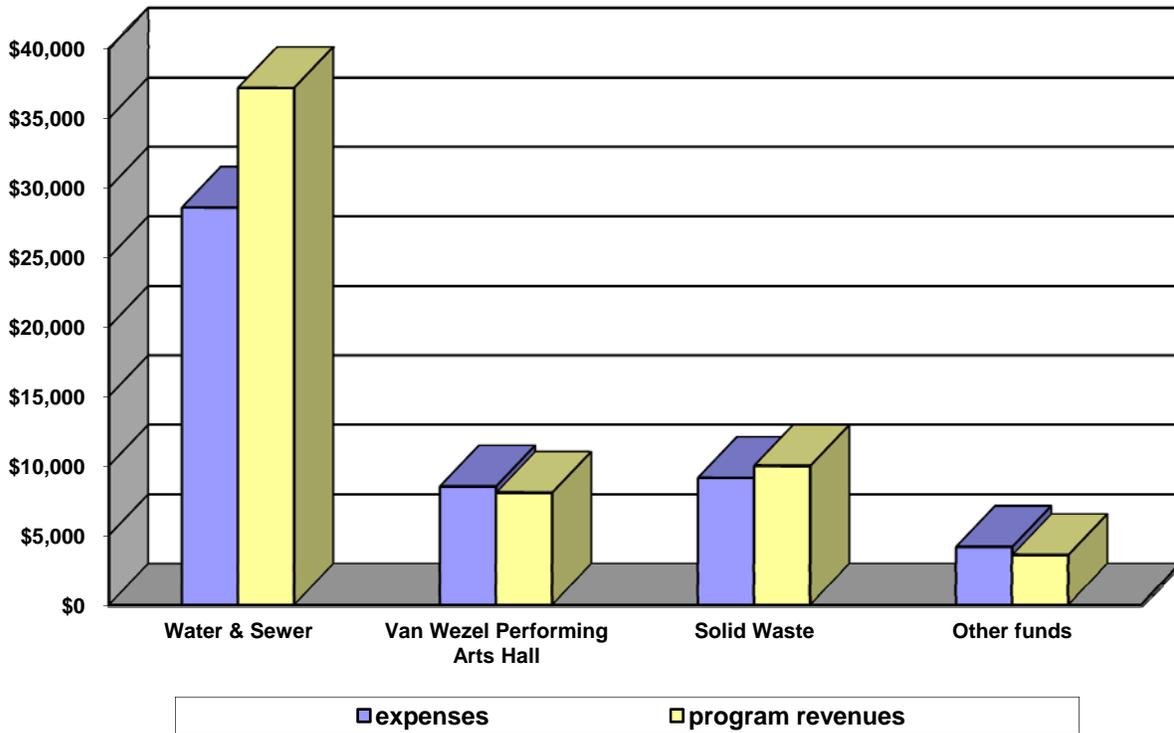
The following graph shows the composition of revenues for the City's business-type activities:

Revenues by Source - Business-type Activities



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

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



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The fund financial statements for the governmental funds are provided on pages 20-30. 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 \$89,734,097 a decrease of \$18,863,041 for the year. Approximately 17.2% of this amount (\$15,402,167) 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 (\$22,705,035), 2) restricted for community redevelopment (\$15,628,640), and 3) restricted for debt service (\$7,801,858).

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 \$15,412,227, while total fund balance was \$21,655,891. 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 30% of total General Fund expenditures.

Revenues and transfers in for the City's General Fund decreased by \$1,827,314 since the prior year. While revenues decreased, so did expenditures and transfers out by \$304,748. Key factors for the revenue and expenditure decreases are:

- The General Fund's property tax rate of 2.7771 mills remained unchanged from the 2010 fiscal year rate. Even though the millage rate did not change, ad valorem taxes decreased \$1,562,476 due to a \$846 million taxable value decrease from last year's valuation.
- While general government expenditures decreased \$480,668, public safety expenditures increased \$618,854 for the current year. The most significant increases in public safety expenditures were: 1) \$194,413 increase in electricity costs for the new larger Police Building, 2) \$191,565 increase in pension costs for Police department personnel, and 3) a \$254,249 increase in the City's share of Firefighter' Pension costs.

The Penny Sales Tax Fund accounts for the revenue from the one-cent local option sales surtax. This fund has a fund balance of \$22,705,035. The net increase in fund balance for the year was \$685,392. Expenditures for the current year totaled \$3,567,621, which included the following capital improvement projects:

• Stormwater drainage improvements	\$1,124,222
• Street & sidewalk projects	1,103,031
• Robert L. Taylor Community Complex	566,574
• Police vehicles	339,634
• Brownfield	141,624
• Landscaping improvements	125,450
• Traffic signalization	73,283
• Traffic calming program	33,408
• Payne Park	32,118
• Other miscellaneous capital projects	28,277

The Community Redevelopment Fund accounts for the operations of the City of Sarasota Community Redevelopment Agency (CRA). Total revenues decreased by \$1,545,796 over that reported last year. Contributing to the decrease was a \$1,405,225 drop in ad valorem taxes, from \$9,007,446 in the prior year to \$7,602,221 in the current year. This decrease is attributable to the taxable value of property in both the Downtown and Newtown redevelopment area decreasing by \$270.2 million or 12.3% from the prior year. Investment earnings decreased \$130,571 to \$204,809 for the current year as compared to the \$335,380 reported last year. Expenditures of \$4,461,373 and transfers out of \$5,442,465 included the following:

• Palm Avenue Parking Garage	\$2,372,343
• Housing Authority	643,969
• Downtown pedestrian street lights	508,279
• Parking meters	459,377
• City wide mobility study	83,122
• Pedestrian sleeves	73,395
• Developer infrastructure incentives	71,011
• Downtown transportation	53,186
• CRA legal services	50,531
• Manasota Careeredge Workforce	40,000
• Contribution for Economic Development Coordinator	40,000
• Five Points Park improvements	35,234
• Strategic parking facilities	15,000
• Other miscellaneous project costs and events	15,926
• Transfers out:	
o Debt service payments on bonds and loans	2,910,719
o General Fund – Landscape services	803,002

○ General Fund – Police services	1,003,340
○ General Fund – Redevelopment office costs	725,404

Transfers out for debt service include principal of \$2,506,906 and interest of \$403,813. The remaining principal outstanding of debt for the CRA at September 30, 2011 is \$19,406,050.

The Housing & Community Development Fund administers Federal housing and community development programs both in the City and County. Total revenues increased \$6,568,766 with a corresponding increase in expenditures as more properties were redeveloped and rehabilitated during the year.

The 2007 General Obligation Bonds Capital Projects Fund has a fund balance of \$2,706,922, all of it restricted for the construction of a new police headquarters. This fund was established in 2007 from the issuance of \$46,305,000 in voter approved general obligation bonds. Ground breaking for the new building was on October 10, 2008. Expenditures of \$3,615,543 for the current year included \$1,165,768 for architectural, construction and furnishing costs for the new building and \$2,449,775 for debt redemption.

The 2009 Build America Bonds Capital Projects Fund was established in 2009 from the issuance of \$21,066,000 in special obligation bonds. Thirty-five percent of the interest on these bonds is subsidized by the Federal government. As of the end of 2011, this fund had a fund balance of \$1,318,708, all of it reserved for the R.L. Taylor Community Complex and Palm Avenue Parking Garage projects. Expenditures of \$10,112,241 for the year were \$7,487,833 for the Robert L. Taylor Community Complex and \$2,624,408 for the Palm Avenue Parking Garage.

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 \$2,426,808 for the current year. The increase was mainly attributed to a four percent increase in rates that helped increase operating revenues by \$2,443,437. Operating expenses increased only \$16,629, as the utility used new technologies and operational changes to improve efficiency. Total net assets increased \$26,136,287, mainly from the sale of land for \$17,222,926 and \$2,530,614 from a FEMA grant reimbursement.
- The operating loss for the Van Wezel Performing Arts Hall of \$635,295 was an improvement over the \$860,833 loss reported in the previous year. Operating revenues for the current year were up by \$343,835 compared to the prior year due to an increase in ticket sales. Operating expenses only increased \$118,297 over that reported in the previous year.
- The Solid Waste Fund saw total revenues decrease \$487,194 for the current year from the decision to reduce residential collection rates. Operating expenses also decreased \$880,444, mainly the result of cost savings from a new contract for recyclables collection and operation of the transfer station.

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 \$2,888,520 and are summarized as follows:

- \$109,000 increase for Sarasota County's contribution towards the current year operations of the newly opened Robert L. Taylor Community Complex;
- \$2,779,520 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;
 - \$971,394 for a energy savings project and the hurricane hardening of City Hall;
 - \$104,398 for neighborhood action strategies;
 - \$300,000 for transitional costs to the new Police building;
 - \$254,863 for various other projects

Actual revenues and transfers in were less than final budget by \$1,445,614. This was primarily due to the following revenues coming in lower than budgeted; communication services taxes - \$236,159, insurance premium taxes - \$571,067, red light citations - \$400,000, and investment earnings - \$503,765. Offsetting these shortfalls were the following revenues coming in higher than budgeted; ad valorem taxes - \$70,081, water utility service tax - \$88,563, building permits - \$94,611, state revenue sharing - \$84,723, and other fines and forfeits - \$112,032.

The revenue shortfalls in General Fund have been mitigated by controlling expenditures. Actual expenditures and transfers out were less than budgeted expenditures by a total of \$5,890,529. Most of this savings was achieved by the diligent efforts to control costs of all levels of management. The economy is expected to continue to be lethargic for at least another year and all efforts are paying off to reduce and control operating costs. It also included the \$1,148,865 budgeted for environmental remediation at the Sports Stadium that was not expended. In addition, \$971,394 still remained in the budget at year end for energy efficiency improvements and the hurricane hardening of City Hall.

Both the original and final budget anticipated \$1,871,564 and \$4,631,084, 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 \$186,169, 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, 2011, is \$380,641,565 (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 6.7% (a 6.2% increase for governmental activities and a 7.4% increase for business-type activities). Major capital asset activity during the current fiscal year included the following:

- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$4,438,077 and construction began on others at a cost of \$16,976,636.
- Land owned by the Water and Sewer Fund with a cost basis of \$1,955,798 was sold during the year for \$19,178,724.
- The construction of the Palm Avenue Parking Garage was completed during the year. The total amount expended on the structure since construction began was \$12,425,578.
- The Robert L. Taylor Community Complex was completed during the year. The total amount expended on the building and furnishings since construction began was \$11,830,271.

- The old Robert L. Taylor (Newtown) Community Center, with a cost basis of \$1,098,641, was demolished to make way for the new Robert L. Taylor Community Complex.
- Equipment with an original cost of \$3,076,712 was sold or disposed of during the year.

The schedule below reflects the City's capital assets as of September 30, 2011 and 2010:

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 43,181,580	\$ 43,181,580	\$ 10,163,278	\$ 12,119,076	\$ 53,344,858	\$ 55,300,656
Art collections	814,973	724,693	218,397	240,397	1,033,370	965,090
Buildings	71,259,221	48,597,043	21,858,409	22,909,783	93,117,630	71,506,826
Improvements and Infrastructure	95,305,465	93,744,654	2,314,957	2,357,273	97,620,422	96,101,927
Utility systems	--	--	89,772,248	91,324,146	89,772,248	91,324,146
Equipment	6,200,241	6,202,250	2,842,918	2,260,268	9,043,159	8,462,518
Construction in progress	5,651,182	17,063,422	31,058,696	16,139,887	36,709,878	33,203,309
Total	<u>\$ 222,412,662</u>	<u>\$ 209,513,642</u>	<u>\$ 158,228,903</u>	<u>\$ 147,350,830</u>	<u>\$ 380,641,565</u>	<u>\$ 356,864,472</u>

Additional information on the City's capital assets can be found in Note 6 on pages 64-65 of this report.

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$150,997,865. Of this amount, \$43,949,198 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., special obligation bonds, revenue bonds).

City of Sarasota's Bonded Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 43,949,198	\$ 47,398,865	\$ --	\$ --	\$ 43,949,198	\$ 47,398,865
Special obligation bonds	37,613,745	31,618,419	--	--	37,613,745	31,618,419
Revenue bonds	--	--	69,434,922	76,518,427	69,434,922	76,518,427
Total bonds	81,562,943	79,017,284	69,434,922	76,518,427	150,997,865	155,535,711
Loans payable	5,170,000	6,825,000	441,289	653,214	5,611,289	7,478,214
Total bonds & loans	<u>\$ 86,732,943</u>	<u>\$ 85,842,284</u>	<u>\$ 69,876,211</u>	<u>\$ 77,171,641</u>	<u>\$ 156,609,154</u>	<u>\$ 163,013,925</u>

The City's total debt decreased by \$6,404,771 or 3.9 %. The key factors in this decrease were:

- The City issued \$21,885,000 of Water and Sewer Bonds in August 2011 that refunded \$23,992,873 in bonds to take advantage of lower interest rates.
- In December 2010, the City issued \$8,260,000 of Special Obligation Bonds (federally taxable – Build America Bonds with a recovery zone credit of 45% of interest costs) for the purpose of financing a portion of the cost of construction and renovation of a sports complex owned by Sarasota County.

- The City redeemed \$2,450,000 of principal early to reduce interest payments.
- Scheduled principal payments of \$10,813,950 were paid when due.
- The accreted value increased \$707,052 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:

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

** Not rated

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

Standard and Poors Rating Services ("S&P"), 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 2001A, 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 66-69 of this report.

Economic Factors and Next Year's Budget and Rates

For the 2011-12 fiscal year, the City will continue to be impacted by the problems in the housing market, the slumping economy, state mandated revenue cutbacks as well as ever rising costs to fund governmental services at prior year levels. The City has experienced a decrease in revenues overall, as major sources such as ad valorem taxes, franchise fees, and investment earnings are projected to be less.

Other factors considered in preparing the City's 2011-12 fiscal year budget were:

- An adjustment was made to increase the General Fund property tax rate from 2.7771 mills to 2.9249 mills. This is the first change in millage since the 2007-08 fiscal year. By increasing the millage, property tax revenue is expected to remain the same as the previous year.
- The taxable value of commercial and residential property decreased 6.33% from last year's valuation. The \$463.6 million decrease in taxable value for 2012 is from reductions in property values from a sagging real estate market. Part of the decrease in taxable value is attributable to the Community Redevelopment Area, which decreased \$269.3 million, or 13.1% from the prior year.
- No general wage increase for all employees.
- The City's population decreased 1.4% in 2011 to 52,114 from the 52,866 reported for 2010.

- The Sarasota County unemployment rate for September 2011 was 11.0%, not much change from the 11.9% rate reported in September 2010 and higher than the State and Federal rates (10.6% and 9.1% 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.

City of Sarasota, Florida
Statement of Net Assets
September 30, 2011

	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 43,645,666	\$ 38,993,926	\$ 82,639,592	\$ 756,840
Investments	68,506,322	51,014,449	119,520,771	--
Receivables (net):				
Accounts	65,713	3,631,733	3,697,446	--
Interest	149,696	115,430	265,126	975
Notes	569,732	--	569,732	--
Special assessments	630,000	--	630,000	--
Internal balances	267,019	(267,019)	--	--
Due from other governmental agencies	7,187,194	519,210	7,706,404	9
Inventories	316,155	98,174	414,329	--
Prepaid items	346,219	930,845	1,277,064	--
Deferred issuance costs	1,031,079	727,257	1,758,336	--
Capital assets:				
Non-depreciable	49,647,735	41,440,371	91,088,106	31,656
Depreciable (net)	172,764,927	116,788,532	289,553,459	1,162,315
Total assets	<u>345,127,457</u>	<u>253,992,908</u>	<u>599,120,365</u>	<u>1,951,795</u>
Liabilities				
Accounts payable	5,140,177	3,728,810	8,868,987	51,607
Retainages payable	296,270	512,718	808,988	3,028
Liability for unpaid claims	2,926,930	--	2,926,930	--
Accrued interest payable	1,168,956	1,297,974	2,466,930	--
Due to other governmental agencies	62,667	23,276	85,943	--
Accrued wages	642,701	279,435	922,136	738
Unearned revenue	916,601	4,336,951	5,253,552	2,125
Customer deposits	52,213	1,043,928	1,096,141	--
Noncurrent liabilities:				
Due within one year	8,167,847	5,951,356	14,119,203	300,000
Due in more than one year	91,477,902	67,271,652	158,749,554	--
Total liabilities	<u>110,852,264</u>	<u>84,446,100</u>	<u>195,298,364</u>	<u>357,498</u>
Net Assets				
Invested in capital assets, net of related debt	156,114,642	115,645,768	271,760,410	1,193,971
Restricted for:				
Debt service	6,824,308	8,938,701	15,763,009	--
Construction	996,957	5,248,839	6,245,796	--
Community redevelopment	15,628,640	--	15,628,640	--
Infrastructure improvements	22,705,035	--	22,705,035	--
Housing and community development	1,888,014	--	1,888,014	--
Transportation	6,345,307	--	6,345,307	--
Development services	2,151,556	--	2,151,556	--
Law enforcement programs	414,089	--	414,089	--
Tourist development	3,040,090	--	3,040,090	--
Grant programs	255,117	--	255,117	--
Golden Gate Point streetscape	72,463	--	72,463	--
Economic development	17,517	--	17,517	--
Unrestricted	17,821,458	39,713,500	57,534,958	400,326
Total net assets	<u>\$ 234,275,193</u>	<u>\$ 169,546,808</u>	<u>\$ 403,822,001</u>	<u>\$ 1,594,297</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Statement of Activities
For the Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 12,945,611	\$ 880,263	\$ --	\$ --
Public safety:				
Police	30,929,492	484,961	1,877,655	209,124
Fire	2,658,442	--	695,833	--
Building inspections	2,137,826	1,881,018	--	--
Other public safety	599,680	209,021	--	--
Physical environment	3,333,750	47,453	405,516	7,085
Transportation	7,288,847	337,083	99,419	858,746
Culture and recreation	12,259,064	70,915	374,785	3,093,790
Economic environment	18,211,787	23	13,187,687	1,146,840
Interest on long-term debt	4,740,436	--	542,188	--
Total governmental activities	<u>95,104,935</u>	<u>3,910,737</u>	<u>17,183,083</u>	<u>5,315,585</u>
Business-type activities:				
Water and Sewer	28,570,324	34,657,561	--	2,530,614
Van Wezel	8,508,698	7,873,403	184,408	--
Solid Waste	9,129,783	9,985,502	--	--
Bobby Jones Golf Course	2,855,291	2,663,769	--	--
Municipal Auditoriums	546,406	415,941	--	--
Parking Management	753,480	497,309	--	--
Total business-type activities	<u>50,363,982</u>	<u>56,093,485</u>	<u>184,408</u>	<u>2,530,614</u>
Total primary government	<u>\$ 145,468,917</u>	<u>\$ 60,004,222</u>	<u>\$ 17,367,491</u>	<u>\$ 7,846,199</u>
Component Units:				
St. Armands Business Improvement District	\$ 73,703	\$ --	\$ --	\$ --
Downtown Improvement District	193,956	--	--	--
Total component units	<u>\$ 267,659</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
\$ (12,065,348)	\$ --	\$ (12,065,348)	\$ --
(28,357,752)	--	(28,357,752)	--
(1,962,609)	--	(1,962,609)	--
(256,808)	--	(256,808)	--
(390,659)	--	(390,659)	--
(2,873,696)	--	(2,873,696)	--
(5,993,599)	--	(5,993,599)	--
(8,719,574)	--	(8,719,574)	--
(3,877,237)	--	(3,877,237)	--
(4,198,248)	--	(4,198,248)	--
<u>(68,695,530)</u>	<u>--</u>	<u>(68,695,530)</u>	<u>--</u>
--	8,617,851	8,617,851	--
--	(450,887)	(450,887)	--
--	855,719	855,719	--
--	(191,522)	(191,522)	--
--	(130,465)	(130,465)	--
--	(256,171)	(256,171)	--
--	<u>8,444,525</u>	<u>8,444,525</u>	--
<u>(68,695,530)</u>	<u>8,444,525</u>	<u>(60,251,005)</u>	--
			(73,703)
			<u>(193,956)</u>
			<u>(267,659)</u>
27,070,239	--	27,070,239	566,940
2,344,198	--	2,344,198	--
8,976,287	--	8,976,287	--
9,621,859	--	9,621,859	--
735,278	--	735,278	--
41,254	--	41,254	--
5,013,645	--	5,013,645	--
1,744,723	--	1,744,723	--
1,429,736	501,282	1,931,018	4,835
1,468,024	--	1,468,024	8,725
88,361	4,669	93,030	--
(180,957)	180,957	--	--
(685,914)	<u>17,222,926</u>	<u>16,537,012</u>	--
<u>57,666,733</u>	<u>17,909,834</u>	<u>75,576,567</u>	<u>580,500</u>
(11,028,797)	26,354,359	15,325,562	312,841
245,303,990	143,192,449	388,496,439	1,281,456
<u>\$ 234,275,193</u>	<u>\$ 169,546,808</u>	<u>\$ 403,822,001</u>	<u>\$ 1,594,297</u>

City of Sarasota, Florida
Governmental Funds
Balance Sheet
September 30, 2011

Assets	General	Penny Sales Tax	Community Redevelopment
Cash and cash equivalents	\$ 7,260,588	\$ 8,829,598	\$ 6,148,730
Investments	11,396,235	13,858,956	9,651,060
Receivables (net):			
Accounts	14,414	--	--
Interest	35,267	28,972	21,036
Interfund	1,306,503	--	--
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	3,044,829	882,538	--
Inventories	108,565	--	--
Prepaid items	246,343	--	--
Total assets	<u>\$ 23,412,744</u>	<u>\$ 23,600,064</u>	<u>\$ 15,820,826</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 661,921	\$ 737,878	\$ 192,186
Accrued interest payable	--	--	--
Retainages payable	7,817	157,151	--
Due to other governmental agencies	12,875	--	--
Interfund payables	--	--	--
Accrued wages	562,509	--	--
Deferred revenue	511,731	--	--
Customer deposits	--	--	--
Total liabilities	<u>1,756,853</u>	<u>895,029</u>	<u>192,186</u>
Fund balances:			
Nonspendable:			
Inventory	108,565	--	--
Prepaid items	246,343	--	--
Restricted for:			
Infrastructure improvements	--	22,705,035	--
Community redevelopment	--	--	15,628,640
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	1,785,594	--	--
Other purposes (encumbrances)	1,165,662	--	--
Unassigned	15,412,227	--	--
Total fund balances	<u>21,655,891</u>	<u>22,705,035</u>	<u>15,628,640</u>
Total liabilities and fund balances	<u>\$ 23,412,744</u>	<u>\$ 23,600,064</u>	<u>\$ 15,820,826</u>

The accompanying notes are an integral part of this statement.

Housing and Community Development	2007 General Obligation Bonds Capital Projects Fund	2009 Build America Bonds Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 1,054,578	\$ 641,580	\$ 10,507,380	\$ 34,442,454
--	1,655,268	1,007,025	16,492,397	54,060,941
--	--	--	49,979	64,393
--	3,530	2,339	34,913	126,057
--	--	--	--	1,306,503
429,231	--	--	140,501	569,732
--	--	--	630,000	630,000
1,185,212	--	--	1,870,735	6,983,314
--	--	--	--	108,565
--	--	--	48,787	295,130
<u>\$ 1,614,443</u>	<u>\$ 2,713,376</u>	<u>\$ 1,650,944</u>	<u>\$ 29,774,692</u>	<u>\$ 98,587,089</u>
\$ 288,955	\$ 5,489	\$ 285,694	\$ 2,620,123	\$ 4,792,246
571	--	--	96	667
--	--	46,220	85,082	296,270
--	--	--	49,792	62,667
868,593	--	--	49,314	917,907
19,521	965	322	31,372	614,689
436,803	--	--	1,167,799	2,116,333
--	--	--	52,213	52,213
<u>1,614,443</u>	<u>6,454</u>	<u>332,236</u>	<u>4,055,791</u>	<u>8,852,992</u>
--	--	--	--	108,565
--	--	--	33,705	280,048
--	--	--	--	22,705,035
--	--	--	--	15,628,640
--	--	--	1,888,014	1,888,014
--	--	--	2,151,556	2,151,556
--	--	--	6,345,307	6,345,307
--	--	--	388,534	388,534
--	--	--	72,463	72,463
--	--	--	3,040,090	3,040,090
--	--	--	255,117	255,117
--	--	--	17,517	17,517
--	--	--	7,801,858	7,801,858
--	2,706,922	1,318,708	997,087	5,022,717
--	--	--	--	2,937,500
--	--	--	524,811	524,811
--	--	--	271,261	271,261
--	--	--	76,184	76,184
--	--	--	169,220	169,220
--	--	--	98,695	98,695
--	--	--	110,350	110,350
--	--	--	171,419	171,419
--	--	--	1,636	1,636
--	--	--	392,049	392,049
--	--	--	922,088	2,707,682
--	--	--	--	1,165,662
--	--	--	(10,060)	15,402,167
<u>--</u>	<u>2,706,922</u>	<u>1,318,708</u>	<u>25,718,901</u>	<u>89,734,097</u>
<u>\$ 1,614,443</u>	<u>\$ 2,713,376</u>	<u>\$ 1,650,944</u>	<u>\$ 29,774,692</u>	<u>\$ 98,587,089</u>

City of Sarasota, Florida

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
As of September 30, 2011

Fund balances - total governmental funds \$ 89,734,097

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	\$ 321,321,544	
Less accumulated depreciation	<u>(101,952,484)</u>	219,369,060

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>(354,624)</u>	1,031,079

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	(1,167,690)	
General obligation bonds	(43,949,198)	
Special obligation bonds	(37,613,745)	
Loans payable	(5,170,000)	
Other post-employment benefits	(7,982,875)	
Unamortized bond premium	(231,682)	
Unamortized loss on refunding	<u>14,934</u>	(96,100,256)

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

Special assessments	630,000	
Mortgages receivable	569,732	
Interest subsidy on Build America Bonds received before interest payment was due	<u>200,070</u>	1,399,802

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>18,841,411</u>
---	--	-------------------

Net assets of governmental activities		<u><u>\$ 234,275,193</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, 2011

	<u>General</u>	<u>Penny Sales Tax</u>	<u>Community Redevelopment</u>
Revenues			
Taxes	\$ 26,481,698	\$ --	\$ 7,602,221
Franchise fees	5,013,645	--	--
Special assessments	--	--	--
Licenses and permits	314,017	--	--
Intergovernmental	8,114,362	5,532,607	--
Charges for services	1,384,905	--	--
Charges to other funds	4,391,908	--	--
Fines and forfeits	376,277	--	--
Investment earnings	316,007	229,288	204,809
Miscellaneous	1,363,592	--	--
Total revenues	<u>47,756,411</u>	<u>5,761,895</u>	<u>7,807,030</u>
Expenditures			
Current:			
General government	15,845,418	--	--
Public safety	29,416,126	1,665	27,019
Physical environment	2,732,267	141,758	--
Transportation	3,140,642	69,465	177,850
Culture and recreation	313,372	76,903	--
Economic environment	--	--	860,158
Debt service:			
Principal payments	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	--	3,277,830	3,396,346
Total expenditures	<u>51,447,825</u>	<u>3,567,621</u>	<u>4,461,373</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,691,414)</u>	<u>2,194,274</u>	<u>3,345,657</u>
Other financing sources (uses)			
Transfers in	3,752,508	--	--
Transfers out	(247,263)	(1,508,882)	(5,442,465)
Special obligation bonds issued	--	--	--
Total other financing sources (uses)	<u>3,505,245</u>	<u>(1,508,882)</u>	<u>(5,442,465)</u>
Net change in fund balances	(186,169)	685,392	(2,096,808)
Fund balances - beginning	<u>21,842,060</u>	<u>22,019,643</u>	<u>17,725,448</u>
Fund balances - ending	<u>\$ 21,655,891</u>	<u>\$ 22,705,035</u>	<u>\$ 15,628,640</u>

The accompanying notes are an integral part of this statement.

Housing and Community Development	2007 General Obligation Bonds Capital Projects Fund	2009 Build America Bonds Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ --	\$ 5,890,178	\$ 39,974,097
--	--	--	--	5,013,645
--	--	--	105,000	105,000
--	--	--	1,998,708	2,312,725
13,102,932	--	--	5,646,301	32,396,202
23	--	--	358,553	1,743,481
--	--	--	--	4,391,908
--	--	--	287,748	664,025
17,005	56,284	80,236	304,313	1,207,942
1,239	--	--	420,131	1,784,962
<u>13,121,199</u>	<u>56,284</u>	<u>80,236</u>	<u>15,010,932</u>	<u>89,593,987</u>
--	--	--	75,886	15,921,304
--	19,101	--	2,340,001	31,803,912
--	--	--	255,190	3,129,215
--	--	--	102,242	3,490,199
10,035	--	9,993	10,128,604	10,538,907
11,966,471	--	--	5,286,594	18,113,223
--	2,449,775	--	4,463,335	6,913,110
--	--	--	5,099,613	5,099,613
--	--	--	177,643	177,643
1,146,840	1,146,667	10,102,248	2,717,209	21,787,140
<u>13,123,346</u>	<u>3,615,543</u>	<u>10,112,241</u>	<u>30,646,317</u>	<u>116,974,266</u>
<u>(2,147)</u>	<u>(3,559,259)</u>	<u>(10,032,005)</u>	<u>(15,635,385)</u>	<u>(27,380,279)</u>
2,147	--	--	5,504,028	9,258,683
--	--	--	(1,802,835)	(9,001,445)
--	--	--	8,260,000	8,260,000
<u>2,147</u>	<u>--</u>	<u>--</u>	<u>11,961,193</u>	<u>8,517,238</u>
--	(3,559,259)	(10,032,005)	(3,674,192)	(18,863,041)
--	6,266,181	11,350,713	29,393,093	108,597,138
<u>\$ --</u>	<u>\$ 2,706,922</u>	<u>\$ 1,318,708</u>	<u>\$ 25,718,901</u>	<u>\$ 89,734,097</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, 2011

Net change in fund balances - total governmental funds \$ (18,863,041)

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	\$ 22,663,722	
Less current year depreciation	<u>(8,646,680)</u>	14,017,042

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

Book value of disposals of capital assets		(1,118,210)
---	--	-------------

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.

48,107

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	(105,000)	
Receipts on mortgages receivable	(38,281)	
Mortgages receivable added during the year	<u>--</u>	(143,281)

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.

Bonds issued	(8,260,000)	
Principal repayments:		
General obligation bonds	3,449,666	
Special obligation bonds	2,971,725	
Loans payable	1,655,000	
Bond costs	<u>105,981</u>	(77,628)

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

Interest subsidy received before interest payment due	26,981	
Accrued interest	(26,649)	
Interest on capital appreciation bonds	(707,052)	
Other post-employment benefits	(1,659,497)	
Amortization of bond premium	21,474	
Amortization of deferred loss on refunding	(5,648)	
Amortization of current year bond issuance costs	<u>(80,136)</u>	(2,430,527)

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>(2,461,259)</u>
---	--	--------------------

Change in net assets of governmental activities		<u>\$ (11,028,797)</u>
---	--	------------------------

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, 2011

	<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	\$ 26,583,341	\$ 26,583,341	\$ 26,481,698	\$ (101,643)
Franchise fees	5,118,000	5,118,000	5,013,645	(104,355)
Licenses and permits	213,599	213,599	314,017	100,418
Intergovernmental	8,294,641	8,488,869	8,114,362	(374,507)
Charges for services	1,362,884	1,362,884	1,384,905	22,021
Charges to other funds	4,391,908	4,391,908	4,391,908	--
Fines and forfeits	690,100	690,100	376,277	(313,823)
Investment earnings	885,000	819,772	316,007	(503,765)
Miscellaneous	1,402,804	1,402,804	1,363,592	(39,212)
Total revenues	<u>48,942,277</u>	<u>49,071,277</u>	<u>47,756,411</u>	<u>(1,314,866)</u>
Expenditures				
Current:				
General government	16,839,135	17,995,922	15,845,418	2,150,504
Public safety	31,067,341	31,428,182	29,416,126	2,012,056
Physical environment	2,893,294	2,886,295	2,732,267	154,028
Transportation	3,403,751	3,431,789	3,140,642	291,147
Culture and recreation	166,649	1,490,614	313,372	1,177,242
Economic environment	--	25,888	--	25,888
Total expenditures	<u>54,370,170</u>	<u>57,258,690</u>	<u>51,447,825</u>	<u>5,810,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,427,893)</u>	<u>(8,187,413)</u>	<u>(3,691,414)</u>	<u>4,495,999</u>
Other financing sources (uses)				
Transfers in	3,883,256	3,883,256	3,752,508	(130,748)
Transfers out	<u>(326,927)</u>	<u>(326,927)</u>	<u>(247,263)</u>	<u>79,664</u>
Total other financing sources (uses)	<u>3,556,329</u>	<u>3,556,329</u>	<u>3,505,245</u>	<u>(51,084)</u>
Net change in fund balances	(1,871,564)	(4,631,084)	(186,169)	4,444,915
Fund balances - beginning	<u>21,842,060</u>	<u>21,842,060</u>	<u>21,842,060</u>	<u>--</u>
Fund balances - ending	<u>\$ 19,970,496</u>	<u>\$ 17,210,976</u>	<u>\$ 21,655,891</u>	<u>\$ 4,444,915</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 5,050,000	\$ 5,482,126	\$ 5,532,607	\$ 50,481
Investment earnings	135,000	135,000	229,288	94,288
Total revenues	<u>5,185,000</u>	<u>5,617,126</u>	<u>5,761,895</u>	<u>144,769</u>
Expenditures				
Current:				
Public safety	--	1,665	1,665	--
Physical environment	--	25,250	141,758	(116,508)
Transportation	5,405	49,764	69,465	(19,701)
Culture and recreation	--	121,293	76,903	44,390
Economic environment	1,000,000	2,000,000	--	2,000,000
Capital outlay:				
Public safety	623,719	809,784	342,439	467,345
Physical environment	481,587	5,567,753	1,169,442	4,398,311
Transportation	1,706,854	12,163,345	1,097,292	11,066,053
Culture and recreation	2,218,659	3,619,378	668,657	2,950,721
Total expenditures	<u>6,036,224</u>	<u>24,358,232</u>	<u>3,567,621</u>	<u>20,790,611</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(851,224)</u>	<u>(18,741,106)</u>	<u>2,194,274</u>	<u>20,935,380</u>
Other financing uses				
Transfers out	<u>(1,508,882)</u>	<u>(1,508,882)</u>	<u>(1,508,882)</u>	<u>--</u>
Net change in fund balances	(2,360,106)	(20,249,988)	685,392	20,935,380
Fund balances - beginning	<u>22,019,643</u>	<u>22,019,643</u>	<u>22,019,643</u>	<u>--</u>
Fund balances (deficit) - ending	<u>\$ 19,659,537</u>	<u>\$ 1,769,655</u>	<u>\$ 22,705,035</u>	<u>\$ 20,935,380</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, 2011

	<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	\$ 7,555,666	\$ 7,555,666	\$ 7,602,221	\$ 46,555
Investment earnings	100,000	100,000	204,809	104,809
Total revenues	<u>7,655,666</u>	<u>7,655,666</u>	<u>7,807,030</u>	<u>151,364</u>
Expenditures				
Current:				
Public safety	--	27,925	27,019	906
Transportation	1,259,337	5,348,321	177,850	5,170,471
Economic environment	726,687	4,145,884	860,158	3,285,726
Capital outlay:				
Public safety	--	482,075	432,358	49,717
Transportation	2,763,969	7,208,842	2,963,988	4,244,854
Culture and recreation	--	459,599	--	459,599
Economic environment	883,232	502,264	--	502,264
Total expenditures	<u>5,633,225</u>	<u>18,174,910</u>	<u>4,461,373</u>	<u>13,713,537</u>
Excess of revenues over expenditures	2,022,441	(10,519,244)	3,345,657	13,864,901
Other financing uses				
Transfers out	<u>(5,442,465)</u>	<u>(5,442,465)</u>	<u>(5,442,465)</u>	<u>--</u>
Net change in fund balances	(3,420,024)	(15,961,709)	(2,096,808)	13,864,901
Fund balances - beginning	<u>17,725,448</u>	<u>17,725,448</u>	<u>17,725,448</u>	<u>--</u>
Fund balances (deficit) - ending	<u>\$ 14,305,424</u>	<u>\$ 1,763,739</u>	<u>\$ 15,628,640</u>	<u>\$ 13,864,901</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,640,441	\$ 26,241,293	\$ 13,102,932	\$ (13,138,361)
Charges for services	--	--	23	23
Investment earnings	--	--	17,005	17,005
Miscellaneous	--	--	1,239	1,239
Total revenues	<u>4,640,441</u>	<u>26,241,293</u>	<u>13,121,199</u>	<u>(13,120,094)</u>
Expenditures				
Current:				
Culture and recreation	150,000	10,035	10,035	--
Economic environment	4,433,742	24,959,253	11,966,471	12,992,782
Capital outlay:				
General government	13,461	13,028	5,291	7,737
Culture and recreation	--	1,215,739	1,098,311	117,428
Economic environment	43,238	43,238	43,238	--
Total expenditures	<u>4,640,441</u>	<u>26,241,293</u>	<u>13,123,346</u>	<u>13,117,947</u>
Excess of revenues over expenditures	--	--	(2,147)	(2,147)
Other financing sources				
Transfers in	--	--	2,147	2,147
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, 2011

	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	\$ 10,998,889	\$ 2,263,566	\$ 2,648,453	\$ 850,106	\$ 16,761,014	\$ 9,203,212
Investments	17,263,878	3,552,899	4,157,017	1,334,327	26,308,121	14,445,381
Receivables (net):						
Accounts	3,151,297	22,679	442,229	15,528	3,631,733	1,320
Interest	36,449	6,229	9,016	2,944	54,638	23,639
Due from other funds	--	--	--	--	--	36,699
Due from other governmental agencies	514,893	--	--	4,317	519,210	3,811
Inventories	47,865	1,616	--	48,693	98,174	207,590
Prepaid items	220,939	647,699	5,265	56,942	930,845	51,089
Total unrestricted current assets	<u>32,234,210</u>	<u>6,494,688</u>	<u>7,261,980</u>	<u>2,312,857</u>	<u>48,303,735</u>	<u>23,972,741</u>
Restricted current assets:						
Cash and cash equivalents	15,736,902	--	3,603	--	15,740,505	--
Cash with fiscal agents	6,492,407	--	--	--	6,492,407	--
Investments	24,700,673	--	5,655	--	24,706,328	--
Accrued interest receivable	60,792	--	--	--	60,792	--
Due from other governmental agencies	--	--	--	--	--	--
Deferred issuance costs	77,106	--	--	--	77,106	--
Total restricted current assets	<u>47,067,880</u>	<u>--</u>	<u>9,258</u>	<u>--</u>	<u>47,077,138</u>	<u>--</u>
Total current assets	<u>79,302,090</u>	<u>6,494,688</u>	<u>7,271,238</u>	<u>2,312,857</u>	<u>95,380,873</u>	<u>23,972,741</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable:						
Land	6,619,477	525,000	--	3,018,801	10,163,278	--
Art collections	--	218,397	--	--	218,397	--
Construction in progress	31,005,228	12,379	12,606	28,483	31,058,696	199,734
Depreciable:						
Buildings	25,132,252	26,017,272	137,717	3,117,187	54,404,428	--
Improvements	--	696,725	211,276	6,215,627	7,123,628	2,550,200
Utility systems	213,421,552	--	--	--	213,421,552	--
Equipment	7,853,828	1,219,201	5,327,868	1,456,773	15,857,670	10,363,761
Less accumulated depreciation	(150,994,661)	(11,033,762)	(4,479,293)	(7,511,030)	(174,018,746)	(10,070,093)
Total capital assets (net of accumulated depreciation)	<u>133,037,676</u>	<u>17,655,212</u>	<u>1,210,174</u>	<u>6,325,841</u>	<u>158,228,903</u>	<u>3,043,602</u>
Other assets:						
Advance to other funds	--	--	--	--	--	118,114
Deferred issuance costs	650,151	--	--	--	650,151	--
Total other assets	<u>650,151</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>650,151</u>	<u>118,114</u>
Total noncurrent assets	<u>133,687,827</u>	<u>17,655,212</u>	<u>1,210,174</u>	<u>6,325,841</u>	<u>158,879,054</u>	<u>3,161,716</u>
Total assets	<u>\$ 212,989,917</u>	<u>\$ 24,149,900</u>	<u>\$ 8,481,412</u>	<u>\$ 8,638,698</u>	<u>\$ 254,259,927</u>	<u>\$ 27,134,457</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	\$ 727,195	\$ 535,812	\$ 421,254	\$ 87,930	\$ 1,772,191	\$ 347,931
Retainages payable	111,909	--	--	--	111,909	--
Due to other funds	--	--	--	--	--	36,699
Due to other governmental agencies	2,530	17,204	3,542	--	23,276	--
Interfund payables	267,019	--	--	--	267,019	121,577
Accrued interest payable	489	--	--	--	489	599
Liability for unpaid claims	--	--	--	--	--	2,926,930
Accrued wages	185,805	37,187	29,817	26,626	279,435	28,013
Compensated absences	431,867	99,726	54,518	62,209	648,320	2,691,582
Unearned revenue	201,433	3,640,698	395,495	99,325	4,336,951	--
Total unrestricted current liabilities	<u>1,928,247</u>	<u>4,330,627</u>	<u>904,626</u>	<u>276,090</u>	<u>7,439,590</u>	<u>6,153,331</u>
Current liabilities payable from restricted assets:						
Accounts payable	1,956,619	--	--	--	1,956,619	--
Retainages payable	400,809	--	--	--	400,809	--
Accrued interest payable	1,297,485	--	--	--	1,297,485	--
Customer deposits	1,034,670	--	9,258	--	1,043,928	--
Revenue bonds & loans payable - current	<u>5,303,036</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,303,036</u>	<u>--</u>
Total current liabilities payable from restricted assets	<u>9,992,619</u>	<u>--</u>	<u>9,258</u>	<u>--</u>	<u>10,001,877</u>	<u>--</u>
Total current liabilities	<u>11,920,866</u>	<u>4,330,627</u>	<u>913,884</u>	<u>276,090</u>	<u>17,441,467</u>	<u>6,153,331</u>
Noncurrent liabilities:						
Advances from other funds	--	--	--	--	--	118,114
Compensated absences	312,732	72,215	39,478	45,048	469,473	1,949,077
Other post-employment benefits	468,194	75,984	75,017	61,978	681,173	72,524
Revenue bonds, loans payable and unamortized premium less current maturities and deferred amount of refunding	<u>66,121,006</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>66,121,006</u>	<u>--</u>
Total noncurrent liabilities	<u>66,901,932</u>	<u>148,199</u>	<u>114,495</u>	<u>107,026</u>	<u>67,271,652</u>	<u>2,139,715</u>
Total liabilities	<u>78,822,798</u>	<u>4,478,826</u>	<u>1,028,379</u>	<u>383,116</u>	<u>84,713,119</u>	<u>8,293,046</u>
Net Assets						
Invested in capital assets, net of related debt	90,454,541	17,655,212	1,210,174	6,325,841	115,645,768	3,043,602
Restricted:						
Debt service	8,938,701	--	--	--	8,938,701	--
Construction	5,248,839	--	--	--	5,248,839	--
Unrestricted	<u>29,525,038</u>	<u>2,015,862</u>	<u>6,242,859</u>	<u>1,929,741</u>	<u>39,713,500</u>	<u>15,797,809</u>
Total net assets	<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>

City of Sarasota, Florida
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2011

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds		
Operating revenues						
Charges for services	\$ 34,489,836	\$ 6,762,147	\$ 9,890,288	\$ 2,882,683	\$ 54,024,954	\$ 13,678,478
Rents	48,067	516,569	60,000	317,689	942,325	--
Fines	--	--	--	335,609	335,609	--
Miscellaneous	119,658	594,687	35,214	41,038	790,597	331,869
Total operating revenues	34,657,561	7,873,403	9,985,502	3,577,019	56,093,485	14,010,347
Operating expenses						
Personal services	8,704,346	1,523,812	1,928,559	1,370,826	13,527,543	4,349,136
Contractual services	6,272,509	5,685,473	5,231,685	810,504	18,000,171	9,324,081
Repairs and maintenance	2,782,931	131,588	805,445	1,463,156	5,183,120	389,325
Supplies and materials	2,707,640	204,187	486,045	154,862	3,552,734	1,869,570
Depreciation	7,054,220	963,638	678,049	355,829	9,051,736	782,332
Other	33,000	--	--	--	33,000	--
Total operating expenses	27,554,646	8,508,698	9,129,783	4,155,177	49,348,304	16,714,444
Operating income (loss)	7,102,915	(635,295)	855,719	(578,158)	6,745,181	(2,704,097)
Nonoperating revenues (expenses)						
Grant income	--	184,408	--	--	184,408	--
Investment earnings	351,473	46,065	74,064	29,680	501,282	221,794
Interest expense	(927,359)	--	--	--	(927,359)	(6,094)
Loan and bond issue expense	(88,319)	--	--	--	(88,319)	--
Gain (loss) on disposition of capital assets	3,861	--	--	808	4,669	32,975
Total nonoperating revenues (expenses)	(660,344)	230,473	74,064	30,488	(325,319)	248,675
Income (loss) before capital contributions, transfers and special items	6,442,571	(404,822)	929,783	(547,670)	6,419,862	(2,455,422)
Capital grants	2,530,614	--	--	--	2,530,614	--
Capital contributions	--	--	--	432,358	432,358	--
Transfers in	--	--	--	76,320	76,320	--
Transfers out	(59,824)	--	(246,258)	(21,639)	(327,721)	(5,837)
Special item	17,222,926	--	--	--	17,222,926	--
Change in net assets	26,136,287	(404,822)	683,525	(60,631)	26,354,359	(2,461,259)
Total net assets - beginning	108,030,832	20,075,896	6,769,508	8,316,213	143,192,449	21,302,670
Total net assets - ending	\$ 134,167,119	\$ 19,671,074	\$ 7,453,033	\$ 8,255,582	\$ 169,546,808	\$ 18,841,411

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, 2011

	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	\$ 34,807,397	\$ 8,617,212	\$ 10,113,833	\$ 3,555,129	\$ 57,093,571	\$ 1,673,275
Cash received from other funds for goods and services	--	--	--	--	--	12,352,745
Cash payments to vendors for goods and services	(8,216,813)	(5,750,118)	(6,389,658)	(2,132,025)	(22,488,614)	(3,911,049)
Cash payments to employees for services	(10,321,620)	(1,782,614)	(2,198,367)	(1,567,247)	(15,869,848)	(4,715,376)
Cash payments to customers	(570,701)	--	--	--	(570,701)	--
Cash payments to other funds	(2,245,277)	(256,592)	(418,224)	(319,790)	(3,239,883)	(659,488)
Claims paid	--	--	--	--	--	(6,861,516)
Net cash provided (used) by operating activities	13,452,986	827,888	1,107,584	(463,933)	14,924,525	(2,121,409)
Cash flows from noncapital financing activities						
Interfund loan borrowings	184,754	--	--	--	184,754	140
Transfers in	--	--	--	76,320	76,320	--
Transfers out	(59,824)	--	(246,258)	(21,639)	(327,721)	(5,837)
Nonoperating grants received	--	184,408	--	--	184,408	--
Net cash provided (used) by noncapital financing activities	124,930	184,408	(246,258)	54,681	117,761	(5,697)
Cash flows from capital and related financing activities						
Proceeds from issuance of revenue bonds	136,733	--	--	--	136,733	--
Payment to bond escrow agent	(903,012)	--	--	--	(903,012)	--
Acquisition of capital assets	(18,004,887)	(875,320)	(863,844)	(222,168)	(19,966,219)	(734,415)
Principal repayments - revenue bonds	(4,975,631)	--	--	--	(4,975,631)	--
Principal repayments - loans payable	(211,925)	--	--	--	(211,925)	--
Interest paid	(3,089,129)	--	--	--	(3,089,129)	--
Fiscal charges paid	(135,438)	--	--	--	(135,438)	--
Federal Interest subsidy	486,628	--	--	--	486,628	--
Capital grants received	2,530,614	--	--	--	2,530,614	--
Proceeds from sale of capital assets	19,182,585	22,000	--	808	19,205,393	32,975
Net cash used by capital and related financing activities	(4,983,462)	(853,320)	(863,844)	(221,360)	(6,921,986)	(701,440)
Cash flows from investing activities						
Interest on investments	743,642	47,360	76,453	31,693	899,148	227,586
Purchase of investments	(14,695,594)	(1,230,055)	(1,373,572)	(290,075)	(17,589,296)	(3,539,027)
Proceeds from sale and maturities of investments	--	--	--	107,201	107,201	709
Net cash provided (used) by investing activities	(13,951,952)	(1,182,695)	(1,297,119)	(151,181)	(16,582,947)	(3,310,732)
Net increase (decrease) in cash and cash equivalents	(5,357,498)	(1,023,719)	(1,299,637)	(781,793)	(8,462,647)	(6,139,278)
Cash and cash equivalents at beginning of year	38,585,696	3,287,285	3,951,693	1,631,899	47,456,573	15,342,490
Cash and cash equivalents at end of year	\$ 33,228,198	\$ 2,263,566	\$ 2,652,056	\$ 850,106	\$ 38,993,926	\$ 9,203,212

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)	\$ 7,102,915	\$ (635,295)	\$ 855,719	(578,158)	\$ 6,745,181	\$ (2,704,097)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	7,054,220	963,638	678,049	355,829	9,051,736	782,332
Net (increase) decrease in:						
Accounts receivable	(7,858)	8,054	130,999	1,033	132,228	873
Due from other governmental agencies	2,921,888	--	--	1,117	2,923,005	15,230
Inventories	16,228	889	--	620	17,737	23,240
Prepaid items	35,833	(308,247)	(3,757)	(31,665)	(307,836)	(23,557)
Net increase (decrease) in:						
Accounts payable	903,962	321,896	(284,306)	9,701	951,253	(95,611)
Retainages payable	382,536	--	--	--	382,536	--
Liability for unpaid claims	--	--	--	--	--	246,420
Due to other governmental agencies	(4,569)	15,151	3,356	--	13,938	--
Accrued wages	(330,223)	(44,365)	(48,637)	(40,823)	(464,048)	(48,709)
Compensated absences	(43,899)	(19,067)	(25,351)	11,935	(76,382)	(138,064)
Unearned revenue	(3,340,421)	720,604	(1,513)	(25,989)	(2,647,319)	--
Customer deposits	5,526	--	(1,155)	--	4,371	--
Other post-employment benefits	(1,243,152)	(195,370)	(195,820)	(167,533)	(1,801,875)	(179,466)
Total adjustments	6,350,071	1,463,183	251,865	114,225	8,179,344	582,688
Net cash provided (used) by operating activities:	\$ 13,452,986	\$ 827,888	\$ 1,107,584	\$ (463,933)	\$ 14,924,525	\$ (2,121,409)

Noncash investing, capital, and financing activities

Capital assets transferred from other funds	\$ --	\$ --	\$ --	432,358	\$ 432,358	\$ --
Book value on disposal of capital assets	1,955,798	--	--	--	1,955,798	--
Amortization of loan and bond issues costs	85,640	--	--	--	85,640	--
Amortization of premium on issuance of bonds	173,549	--	--	--	173,549	--
Amortization of deferred loss on defeasance of debt	133,481	--	--	--	133,481	--
Proceeds from refunding bonds deposited immediately into an irrevocable escrow account for the defeasance of debt	23,630,822	--	--	--	23,630,822	--
Bond issuance costs withheld from bond proceeds	102,668	--	--	--	102,668	--

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 Fiduciary Funds
 Statement of Fiduciary Net Assets
 September 30, 2011

Assets	Pension and OPEB Trust Funds	Agency Funds
Cash and cash equivalents	\$ 9,696,928	\$ 1,351
Investments:		
U.S. Government securities	14,211,563	--
U.S. Government agency securities	14,020,789	2,120
Common and preferred stock	179,054,381	--
Corporate bonds and notes	28,350,121	--
Bond mutual funds	39,270,651	--
Real estate mutual funds	25,917,568	--
Mortgage backed securities	5,752,112	--
Foreign stocks	24,760,477	--
Foreign mutual funds	18,984,627	--
Total investments	<u>350,322,289</u>	<u>2,120</u>
Receivables (net):		
Accounts	53,764	--
Interest and dividends	694,557	86
Due from State	4,724	--
Total receivables	<u>753,045</u>	<u>86</u>
Other assets:		
Share account loans	75,048	--
Prepaid items	46,705	--
Equipment	3,852	--
Less accumulated depreciation	(3,852)	--
Total other assets	<u>121,753</u>	<u>--</u>
Total assets	<u>360,894,015</u>	<u>3,557</u>
Liabilities		
Accounts payable	658,080	--
Due to other governmental agencies	--	--
Liability for unpaid claims	411,765	--
Accrued wages and unpaid vacation	46,948	--
Unearned revenue	18,851	--
Accrued benefits	11,883,723	--
Accrued liabilities	--	3,557
Total liabilities	<u>13,019,367</u>	<u>3,557</u>
Net Assets		
Held in trust for pension and OPEB benefits	<u>\$ 347,874,648</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, 2011

	Pension and OPEB Trust Funds
Additions	
Contributions	
Plan members	\$ 3,206,768
Employer	
City of Sarasota	19,305,444
Sarasota County	4,082,712
State on behalf payments, through General Fund	1,263,933
Other	765,346
	<hr/>
Total contributions	28,624,203
	<hr/>
Investment income	
Net increase	
in fair value of investments	(9,130,876)
Interest	2,363,577
Dividends	8,509,456
	<hr/>
Total investment income	1,742,157
	<hr/>
Less investment expense	(2,573,555)
	<hr/>
Net investment income (loss)	(831,398)
	<hr/>
Total additions	27,792,805
	<hr/>
Deductions	
Benefits	31,526,267
Share expense	591,169
Other benefits	534,430
Administrative expenses	1,210,869
Refunds of contributions	443,739
	<hr/>
Total deductions	34,306,474
	<hr/>
Change in net assets	(6,513,669)
	<hr/>
Net assets - beginning	354,388,317
	<hr/>
Net assets - ending	\$ 347,874,648
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 General Employees' Pension Fund
 Statement of Net Assets
 September 30, 2011

	General Employees' Pension Fund
Assets	
Cash and cash equivalents	\$ 3,195,563
Investments:	
U.S. Government securities	10,687,203
U.S. Government agency securities	12,683,869
Common and preferred stock	58,291,722
Corporate bonds and notes	6,869,066
Foreign stocks	14,140,624
Total investments	<u>102,672,484</u>
Receivables (net):	
Accounts	31,641
Interest and dividends	222,218
Due from other governmental agencies	22
Total receivables	<u>253,881</u>
Other assets:	
Prepaid items	11,548
Equipment	575
Less accumulated depreciation	(575)
Total other assets	<u>11,548</u>
Total assets	<u>106,133,476</u>
Liabilities	
Accounts payable	165,588
Accrued wages and unpaid vacation	15,258
Unearned revenue	18,851
Accrued benefits	908,363
Total liabilities	<u>1,108,060</u>
Net Assets	
Held in trust for General Employees' Pension	<u>\$ 105,025,416</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 General Employees' Pension Fund
 Statement of Changes in Net Assets
 For the Year Ended September 30, 2011

	General Employees' Pension Fund
Additions	
Contributions	
Plan members	\$ 1,198,126
Employer	
City of Sarasota	2,985,371
Sarasota County	57,868
Other	65,035
	<hr/>
Total contributions	4,306,400
	<hr/>
Investment income	
Net increase	
in fair value of investments	(2,497,377)
Interest	991,946
Dividends	1,444,465
	<hr/>
Total investment income (loss)	(60,966)
Less investment expense	(752,906)
	<hr/>
Net investment income (loss)	(813,872)
Total additions	3,492,528
	<hr/>
Deductions	
Benefits	8,072,364
Administrative expenses	133,296
Refunds of contributions	237,624
	<hr/>
Total deductions	8,443,284
	<hr/>
Change in net assets	(4,950,756)
Net assets - beginning	109,976,172
	<hr/>
Net assets - ending	\$ 105,025,416
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

Component Units

Statement of Net Assets

September 30, 2011

	St. Armands Business Improvement District	Downtown Improvement District	Total
Assets			
Cash and cash equivalents	\$ 537,218	\$ 219,622	\$ 756,840
Receivables (net):			
Interest	690	285	975
Due from other governmental agencies	9	--	9
Capital assets:			
Non-depreciable	31,656	--	31,656
Depreciable (net)	885,346	276,969	1,162,315
Total assets	<u>1,454,919</u>	<u>496,876</u>	<u>1,951,795</u>
Liabilities			
Accounts payable	27,417	24,190	51,607
Retainages payable	3,028	--	3,028
Accrued wages	--	738	738
Unearned revenue	1,125	1,000	2,125
Noncurrent liabilities:			
Due within one year	300,000	--	300,000
Total liabilities	<u>331,570</u>	<u>25,928</u>	<u>357,498</u>
Net Assets			
Invested in capital assets, net of related debt	917,002	276,969	1,193,971
Unrestricted	206,347	193,979	400,326
Total net assets	<u>\$ 1,123,349</u>	<u>\$ 470,948</u>	<u>\$ 1,594,297</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, 2011

	St. Armands Business Improvement District	Downtown Improvement District	Total
Program expenses:			
Personal services	\$ --	\$ 11,254	\$ 11,254
Contractual services	28,398	147,952	176,350
Repairs and maintenance	642	3,344	3,986
Supplies and materials	--	1,614	1,614
Depreciation	43,201	29,792	72,993
Interest expense	1,462	--	1,462
Total program expenses	<u>73,703</u>	<u>193,956</u>	<u>267,659</u>
Program profit (loss)	<u>(73,703)</u>	<u>(193,956)</u>	<u>(267,659)</u>
General revenues:			
Property taxes	199,684	367,256	566,940
Investment earnings	2,573	2,262	4,835
Miscellaneous	3,650	5,075	8,725
Total general revenues	<u>205,907</u>	<u>374,593</u>	<u>580,500</u>
Change in net assets	132,204	180,637	312,841
Net assets - beginning	<u>991,145</u>	<u>290,311</u>	<u>1,281,456</u>
Net assets - ending	<u>\$ 1,123,349</u>	<u>\$ 470,948</u>	<u>\$ 1,594,297</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 52,114. 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 *2007 General Obligation Bonds Capital Projects Fund* accounts for the proceeds of bonds issued for the construction of a new police headquarters. The *2009 Build America Bonds Capital Projects Fund* accounts for the proceeds of bonds issued to build a community center and acquire land for a park and parking garage.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to the residents and businesses of the City. All activities necessary to provide such services are accounted for in this

fund, including administration, operations, maintenance, financing and related debt service and billing and collection. The *Van Wezel Performing Arts Hall Fund* accounts for revenues and expenses of a cultural center which provides a wide variety of entertainment, including performances by nationally known theater, ballet and musical groups, for which a significant portion is financed through user charges. The *Solid Waste Management Fund* accounts for the provision of solid waste collection and recycling activities to the residents and businesses of the City.

In addition, the City reports the following fund types:

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

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

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

D. Cash and Cash Equivalents

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

The City's cash and investment pool consists of 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, 2011, 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 \$3,366,430. Of this amount, \$1,912,374, less investment income of \$403,346, 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 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. The same formal action must be taken to remove or change the limitations placed on the funds.

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 \$7,322,222,525.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2010-2011 fiscal year, the City levied taxes of 2.7771 mills for the General Fund and an additional 0.4212 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 expenditure budget for culture and recreation increased by \$109,000 for Sarasota County's contribution towards the current year operations of the newly opened Robert L. Taylor Community Complex.
- The General Fund expenditure budget was increased \$2,779,520 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, \$971,394 for a Siemens Energy Project – Lighting/Chillers and hurricane hardening of City Hall, \$104,398 for neighborhood action strategies, \$300,000 for transitional costs to new police building, and \$254,863 for various other projects.
- The Penny Sales Tax expenditure budget for physical environment was increased by \$113,099 for the Marion Anderson Brownfield Site Project. Economic environment was decreased by \$200,000 for reduced funding of the Newtown Entrance Plaza.
- The Penny Sales Tax expenditure budget was increased \$18,408,909 for reappropriations for various projects that were budgeted in the previous fiscal year but not completed. This includes \$3,909,011 for stormwater utility projects, \$3,631,876 for Old Bradenton Road improvements, \$2,753,756 for street reconstruction, \$1,000,000 for Housing, \$798,826 for traffic signalization, \$949,373 for traffic calming, \$739,306 for the Brownfield project, \$602,471 for the Robert L. Taylor Community complex, \$521,538 for enhanced landscaping on US301, \$450,000 for intersection improvements at 1st, Main and Ringling, \$406,000 for the Bayfront connectivity project, \$477,123 for the Alderman MURT, and \$2,169,629 for various other projects.
- The Community Redevelopment budget for economic development was decreased by \$6,032 for developer incentives to the Herald Tribune.
- The Community Redevelopment expenditure budget was increased by \$12,547,717 for reappropriations of various projects that were budgeted in the previous fiscal year but not completed. This includes \$3,340,274 for the State Street Parking Garage, \$1,331,359 for affordable housing, \$1,260,878 for Newtown Redevelopment, \$1,109,426 for downtown pedestrian street lights, \$1,040,235 for way finding, \$764,721 for pedestrian sleeves, \$533,755 for developer incentives to the Herald Tribune, \$510,000 for parking meters, \$445,550 for strategic parking facilities, \$439,011 for downtown transportation and \$1,772,508 for various other projects.
- The Housing and Community Development budget for economic environment was decreased by \$15,508 for lower than anticipated City CDBG program revenues, increased by \$197,741 for higher than anticipated HUD Home program revenues, and increased by \$50,000 for a housing energy grant.
- The Housing and Community Development expenditure budget was increased by \$21,368,619 for reappropriations of various projects that were budgeted in the previous fiscal year but not completed. This includes \$18,245,914 for the Neighborhood Stabilization Program grant, \$1,702,033 for HUD-Home Program grants, \$623,886 for City CDBG grants, and \$796,786 for other miscellaneous Housing Program grants.

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, 2011:

<u>Nonmajor Funds</u>	<u>Appropriations</u>	<u>Expenditures</u>
Debt Service Funds:		
2005 First Florida	\$670,788	\$670,884

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 \$9,930, the 2010 Stadium Bonds capital projects fund had a deficit fund balance of \$118, and the Glen Oaks Construction capital projects fund had a deficit fund balance of \$12 as of September 30, 2011. These deficits were due to investment earnings coming in less than anticipated. These deficits will be eliminated with funding in the 2012 year.

NOTE 3 - DEPOSITS AND INVESTMENTS

As of September 30, 2011, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
City Investments:		
Money market funds	\$ 52,336,374	0.01
Certificates of deposit	20,538,000	0.35
Federal Agency Bonds/Notes	64,457,699	1.37
Federal Agency Mortgage-Backed Securities	14,475,353	4.66
U.S Treasury Bonds/Notes	32,725,801	1.06
Investment pools:		
State Board of Administration	7,297	4.82
Florida League of Cities	9,052,159	2.66
Total Fair Value	<u>\$ 193,592,683</u>	
Portfolio weighted average maturity		1.15
Pension Investments:		
General Employees' Pension Plan		
Money market funds	\$ 3,002,690	0.01
U.S. Government securities	10,687,203	3.36
U.S. Government agency securities	12,683,869	2.64
Investment pools:		
State Board of Administration	2,013	4.82
Common and preferred stock	58,291,722	Not Applicable
Corporate bonds and notes	6,869,066	3.04
Foreign stocks	14,140,624	Not Applicable
Total fair value	<u>\$ 105,677,187</u>	
Portfolio weighted average maturity		2.72

<u>Investment Type (continued)</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Firefighters' Pension Plan		
Money market funds	\$ 2,555,733	0.01
U.S. Government securities	2,099,833	23.303
U.S. Government agency securities	1,336,920	8.685
Common and preferred stock	51,981,170	Not Applicable
Corporate bonds and notes	15,651,066	6.444
Bond mutual funds	115,913	29.253
Real estate mutual funds	10,301,242	Not Applicable
Mortgage backed securities	1,796,897	28.097
Foreign stocks	8,057,194	Not Applicable
Total fair value	<u>\$ 93,895,968</u>	
Portfolio weighted average maturity		9.04
Police Officers' Pension Plan		
Money market funds	\$ 1,755,445	0.01
Common and preferred stock	57,501,858	Not Applicable
Bond mutual funds	39,154,738	6.4
Corporate bonds	5,829,989	9.0
Real estate mutual funds	15,616,326	Not Applicable
Foreign mutual funds	18,984,627	Not Applicable
Total fair value	<u>\$ 138,842,983</u>	
Portfolio weighted average maturity		6.48
OPEB Trust Fund		
Money market funds	\$ 967,286	0.01
Fixed Income		
U.S. Government securities	1,424,527	6.76
Mortgage backed securities	3,955,215	24.25
Common and preferred stock	11,279,631	Not Applicable
Foreign stocks	2,562,659	Not Applicable
Total fair value	<u>\$ 20,189,318</u>	
Portfolio weighted average maturity		16.63

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.

Interest rate risk - City Investments. Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. When market interest rates increase, the value on fixed rate securities fall. The inverse is also true, as interest rates fall, the value on fixed rate securities increase. The City manages its exposure to declines in fair market values by decreasing the weighted average maturity of its investment portfolio during periods of rising interest rates. The City's investment policy generally limits the weighted average maturity of the portfolio to a period of five years or less.

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

Credit risk - City Investments. Credit quality risk results from potential default of investments that are not financially sound. The investment policy limits investments in commercial paper to 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, 2011. 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, 2011.

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

Credit risk - Firefighters' Pension Plan. The Plan limits its short term investments to the following: money market or short term investment funds provided by the funds custodian; direct obligations of the United States Government with a maturity of one year or less; commercial paper issued by United States

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

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

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

Concentration of credit risk - City Investments. Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. The City's investment policy allows for investing in a variety of securities based on the issuer. The allowable concentration in any one issuer is based on the type of issuer - i.e., 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>
City Investments:			
Federal Home Loan Mortgage Corp.	AA+	\$19,479,594	10.00%
Federal Home Loan Bank	AA+	16,172,355	8.30%
Federal National Mortgage Assoc.	AA+	15,786,397	8.10%
Federal Farm Credit Bank	AA+	11,021,612	5.66%

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

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

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

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

Custodial credit risk - deposits. At September 30, 2011, the carrying amount of the City's deposits was \$9,984,912, including \$1,415,112 in fiduciary fund types, and the bank balance was \$11,278,588. The carrying amount of the deposits and bank balance for the component units were \$294,536. All of the City's public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

Custodial credit risk - City investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All 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.

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

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

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

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

The pension plans and OPEB Trust funds hold \$43,745,104 in international investments. This amount represents approximately twelve percent (12%) of total pension/OPEB investments. No individual plan currently holds more than fourteen percent (14%) of total investments in international investments. Many of these are international investments denominated in U.S. dollars, therefore minimizing the foreign currency risk.

Discretely Presented Component Units

St. Armands Business Improvement District

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 328,151	0.01

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

Downtown Improvement District

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 134,153	0.01

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

Reconciliation of Cash and Investments

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

Deposits		\$ 10,279,448	
Carrying amount of investments		552,660,443	
Total		<u>\$ 562,939,891</u>	
		Statement of	
	Statement of	Fiduciary	Total
	Net Assets	Net Assets	
Primary Government			
Cash and cash equivalents	\$ 82,639,592	\$ 9,698,279	\$ 92,337,871
Investments	119,520,771	350,324,409	469,845,180
Total	<u>\$ 202,160,363</u>	<u>\$ 360,022,688</u>	<u>\$ 562,183,051</u>
Component Unit			
Cash and cash equivalents	\$ 756,840		\$ 756,840
Investments	-		--
Total	<u>\$ 756,840</u>		<u>\$ 756,840</u>
Total			<u>\$ 562,939,891</u>

NOTE 4 - RECEIVABLES AND DEFERRED REVENUE

A. Receivables

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

	Accounts	Interest	Interfund	Notes	Special Assessments	Total
General Fund	\$ 14,414	\$ 35,267	\$ 1,306,503	\$ --	\$ --	\$ 1,356,184
Penny Sales Tax	--	28,972	--	--	--	28,972
Community Redevelopment	--	21,036	--	--	--	21,036
2007 General Obligation Bonds	--	3,530	--	--	--	3,530
2009 Build America Bonds	--	2,339	--	--	--	2,339
Nonmajor Funds	--	34,776	--	569,732	630,000	1,234,508
Internal Service Funds	1,320	23,639	--	--	--	24,959
Total receivables	<u>\$ 15,734</u>	<u>\$ 149,559</u>	<u>\$ 1,306,503</u>	<u>\$ 569,732</u>	<u>\$ 630,000</u>	<u>\$ 2,671,528</u>

\$1,039,484 of the interfund receivable in the General Fund was eliminated in the conversion from governmental funds balance sheet and internal service funds statement of net assets to the governmental activities statement of net assets.

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

	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Total
Receivables-unrestricted:					
Accounts (billed)	\$ 2,056,828	\$ 22,679	\$ 502,129	\$ 15,528	\$ 2,597,164
Accounts (unbilled)	1,312,866	-	-	-	1,312,866
Allow ance for uncollectibles	<u>(218,397)</u>	<u>--</u>	<u>(59,900)</u>	<u>--</u>	<u>(278,297)</u>
Accounts (net)	3,151,297	22,679	442,229	15,528	3,631,733
Interest	36,449	6,229	9,016	2,944	54,638
Receivables-restricted:					
Interest	60,792	--	--	--	60,792
Total receivables (net)	<u>\$ 3,248,538</u>	<u>\$ 28,908</u>	<u>\$ 451,245</u>	<u>\$ 18,472</u>	<u>\$ 3,747,163</u>

B. Special assessments receivable

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

Current assessments receivable and the related revenues are recognized when billed and due. Assessments receivable not due during the current year are classified as "deferred". Revenue is not recognized on deferred receivables until they become current, in accordance with the modified accrual basis of accounting. Receivables are considered "delinquent" if an annual payment is not received. As of September 30, 2011, 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, 2011, 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	\$ 569,732	\$ --
Special assessments not yet due	630,000	--
Unearned revenues:		
Grant drawdowns prior to meeting all eligibility requirements	--	308,475
Prepaid occupational licenses	--	501,285
Rental receipts not yet earned	--	5,300
Receipts for future services	--	101,541
Total unearned revenue for governmental funds	<u>\$ 1,199,732</u>	<u>\$ 916,601</u>

Business-type Funds:	<u>Unearned</u>
Unearned revenues:	
Van Wezel ticket sales	\$ 3,314,140
Solid Waste collections billed in advance	395,495
Water and Sewer impact & connection fees	104,500
Grant receipts not yet earned	93,135
Unused gift certificates	203,981
Rental receipts not yet earned	127,889
Receipts for future services	97,811
Total unearned revenue for business-type funds	<u>\$ 4,336,951</u>

NOTE 5 - INTERFUND BALANCES

Interfund balances at September 30, 2011, consisted of the following amounts:

A. Interfund receivables/payables:

The General Fund has a \$1,306,503 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	\$ 868,593
Nonmajor Governmental Funds	49,314
Water and Sewer Fund	267,019
Internal Service Funds	121,577
Total	<u>\$ 1,306,503</u>

B. Due to/from other funds:

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

Due to internal service funds from:	
Internal service funds	<u>\$ 36,699</u>

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

C. Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service	Internal Service	<u>\$118,114</u>

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

D. Interfund transfers:

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the following schedule agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. Interfund transfers for the year ended September 30, 2011, 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	961,165
Solid Waste fund	Return on investment	245,484
Nonmajor enterprise fund	Return on investment	8,881
Internal service funds	Program funding & inv earnings	<u>5,232</u>
Total transfers to General fund		\$ 3,752,508
Transfer to Housing & Community Devl fund from:		
General fund	Investment earnings	2,147
Transfers to nonmajor governmental funds from:		
General fund	Debt service & program funding	168,796
Penny Sales Tax fund	Debt service	1,508,882
Community Redevelopment fund	Debt service	2,910,719
Nonmajor governmental funds	Debt service	841,670
Water & Sewer fund	Debt service	59,824
Solid Waste fund	Debt service	774
Nonmajor enterprise funds	Debt service	12,758
Internal service funds	Debt service & program funding	<u>605</u>
Total transfers to nonmajor governmental funds		5,504,028
Transfers to nonmajor enterprise funds from:		
General fund	Operating subsidies	<u>76,320</u>
Total interfund transfers in		<u><u>\$ 9,335,003</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, 2011, 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	724,693	90,280	--	814,973
Construction in progress	17,063,422	2,353,903	13,766,143	5,651,182
Total capital assets not being depreciated	<u>60,969,695</u>	<u>2,444,183</u>	<u>13,766,143</u>	<u>49,647,735</u>
Capital asset being depreciated:				
Buildings	60,800,925	24,979,453	911,386	84,868,992
Improvements and infrastructure	167,296,569	7,182,483	211,526	174,267,526
Equipment	25,208,340	2,736,358	2,293,712	25,650,986
Total capital assets being depreciated	<u>253,305,834</u>	<u>34,898,294</u>	<u>3,416,624</u>	<u>284,787,504</u>
Less accumulated depreciation for:				
Buildings	12,203,882	1,670,596	264,707	13,609,771
Improvements and infrastructure	73,551,915	5,582,437	172,291	78,962,061
Equipment	19,006,090	2,175,980	1,731,325	19,450,745
Total accumulated depreciation	<u>104,761,887</u>	<u>9,429,013</u>	<u>2,168,323</u>	<u>112,022,577</u>
Total capital assets being depreciated, net	<u>148,543,947</u>	<u>25,469,281</u>	<u>1,248,301</u>	<u>172,764,927</u>
Governmental Activities capital assets, net	<u>\$209,513,642</u>	<u>\$ 27,913,464</u>	<u>\$ 15,014,444</u>	<u>\$222,412,662</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 12,119,076	\$ --	\$ 1,955,798	\$ 10,163,278
Art collections	240,397	--	22,000	218,397
Construction in progress	16,139,887	19,444,745	4,525,936	31,058,696
Total capital assets not being depreciated	<u>28,499,360</u>	<u>19,444,745</u>	<u>6,503,734</u>	<u>41,440,371</u>
Capital asset being depreciated:				
Buildings	53,846,411	558,017	--	54,404,428
Improvements	7,051,578	72,050	--	7,123,628
Utility systems	208,982,352	4,439,200	--	213,421,552
Equipment	14,639,228	2,001,442	783,000	15,857,670
Total capital assets being depreciated	<u>284,519,569</u>	<u>7,070,709</u>	<u>783,000</u>	<u>290,807,278</u>
Less accumulated depreciation for:				
Buildings	30,936,628	1,609,391	--	32,546,019
Improvements	4,694,305	114,366	--	4,808,671
Utility systems	117,658,206	5,991,098	--	123,649,304
Equipment	12,378,960	1,336,881	701,089	13,014,752
Total accumulated depreciation	<u>165,668,099</u>	<u>9,051,736</u>	<u>701,089</u>	<u>174,018,746</u>
Total capital assets being depreciated, net	<u>118,851,470</u>	<u>(1,981,027)</u>	<u>81,911</u>	<u>116,788,532</u>
Business-type Activities capital assets, net	<u>\$147,350,830</u>	<u>\$ 17,463,718</u>	<u>\$ 6,585,645</u>	<u>\$158,228,903</u>

City of Sarasota, Florida
Notes to Financial Statements
September 30, 2011

<i>Discretely Presented Component Units:</i>	<u>Balance</u>	<u>Transfers</u>	<u>Transfers</u>	<u>Balance</u>
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>1,376</u>	<u>30,280</u>	<u>--</u>	<u>31,656</u>
Capital assets being depreciated:				
Improvements	1,024,272	--	--	1,024,272
Equipment	66,082	--	--	66,082
Total capital assets being depreciated	<u>1,090,354</u>	<u>--</u>	<u>--</u>	<u>1,090,354</u>
Less accumulated depreciation for:				
Improvements	118,854	36,593	--	155,447
Equipment	42,953	6,608	--	49,561
Total accumulated depreciation	<u>161,807</u>	<u>43,201</u>	<u>--</u>	<u>205,008</u>
Total capital assets being depreciated, net	<u>928,547</u>	<u>(43,201)</u>	<u>--</u>	<u>885,346</u>
Component unit capital assets, net	<u>\$ 929,923</u>	<u>\$ (12,921)</u>	<u>\$ --</u>	<u>\$ 917,002</u>
Downtown Improvement District				
Capital assets being depreciated:				
Improvements	\$ 121,075	\$ 173,009	\$ --	\$ 294,084
Equipment	--	13,686	--	13,686
Total capital assets being depreciated	<u>121,075</u>	<u>186,695</u>	<u>--</u>	<u>307,770</u>
Less accumulated depreciation for:				
Improvements	1,009	27,967	--	28,976
Equipment	--	1,825	--	1,825
Total accumulated depreciation	<u>1,009</u>	<u>29,792</u>	<u>--</u>	<u>30,801</u>
Total capital assets being depreciated, net	<u>120,066</u>	<u>156,903</u>	<u>--</u>	<u>276,969</u>
Component unit capital assets, net	<u>\$ 120,066</u>	<u>\$ 156,903</u>	<u>\$ --</u>	<u>\$ 276,969</u>

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

Governmental activities:	
General government	\$ 671,291
Public safety	2,263,918
Physical environment	46,580
Transportation	3,935,010
Culture and recreation	1,711,639
Economic environment	18,242
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	782,333
Total depreciation expense - governmental activities	<u>\$ 9,429,013</u>
Business-type activities:	
Water and Sewer	\$ 7,054,220
Van Wezel	963,638
Solid Waste	678,049
Other	355,829
Total depreciation expense - business-type activities	<u>\$ 9,051,736</u>

NOTE 7 - LONG-TERM DEBT

Bonds and notes outstanding at September 30, 2011, 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	\$ 40,530,000	4.82%
Series 2008	Street improvements	5,800,000	3,419,198	3.93%
Total		<u>52,105,000</u>	<u>43,949,198</u>	
Special Obligation Bonds				
Series 1992 Capital				
Appreciation	Refunding	19,555,000	10,176,575	6.72%
Series 2009	Land and Community Ctr	21,066,000	19,177,170	3.68%
Series 2010	Sports Stadium Renovatic	8,260,000	8,260,000	3.71%
Total		<u>48,881,000</u>	<u>37,613,745</u>	
Loans Payable				
2001B FFGFC	Refunding	1,270,000	590,000	4.74%
2003 FFGFC	Parking garage & equip.	5,150,000	2,155,000	3.33%
2005 FFGFC	Land acquisition	5,545,000	2,425,000	3.22%
Total		<u>11,965,000</u>	<u>5,170,000</u>	
Total for Governmental Activities		<u>\$ 112,951,000</u>	<u>\$ 86,732,943</u>	

Bonds and notes outstanding at September 30, 2011, 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 2002A Water & Sewer	Refunding	\$ 18,970,000	\$ 2,550,000	5.25%
Series 2002B Water & Sewer	Upgrade water plant	6,280,000	580,000	4.18%
Series 2004 Water & Sewer	Refunding	9,915,000	3,110,000	3.67%
Series 2005 Water & Sewer	System improvements	7,860,000	6,415,000	4.02%
Series 2008 Water & Sewer	System improvements	22,500,000	774,922	4.63%
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>121,530,000</u>	<u>69,434,922</u>	
Loans Payable:				
Florida DEP	Sewer rehabilitation	3,744,303	441,289	2.70%
Total for Business-type Activities		<u>\$ 125,274,303</u>	<u>\$ 69,876,211</u>	

The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2011.

City of Sarasota, Florida
Notes to Financial Statements
September 30, 2011

The following is a summary of changes in long-term debt for the year ended September 30, 2011 (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	\$ 47,399	\$ --	\$ 3,450	\$ 43,949	\$ 1,040
Special obligation bonds (a)	31,618	8,967	2,971	37,614	3,336
Total bonds payable	<u>79,017</u>	<u>8,967</u>	<u>6,421</u>	<u>81,563</u>	<u>4,376</u>
Loans payable	6,825	--	1,655	5,170	1,100
Unamortized premium	253	--	21	232	--
Deferred amount on refunding	(21)	--	(6)	(15)	--
Compensated absences	4,779	2,532	2,670	4,641	2,692
Net OPEB obligation	6,575	1,732	252	8,055	--
Long-term liabilities	<u>\$ 97,428</u>	<u>\$ 13,231</u>	<u>\$ 11,013</u>	<u>\$ 99,646</u>	<u>\$ 8,168</u>

Business-type Activities:

Revenue Bonds	\$ 76,518	\$ 21,885	\$ 28,968	\$ 69,435	\$ 5,195
Loans Payable	653	--	212	441	108
Unamortized premium	628	1,985	174	2,439	--
Deferred amount on refunding	(359)	(666)	(133)	(892)	--
Compensated absences	1,194	735	811	1,118	648
Net OPEB obligation	2,483	681	2,483	681	--
Long-term liabilities	<u>\$ 81,117</u>	<u>\$ 24,620</u>	<u>\$ 32,515</u>	<u>\$ 73,222</u>	<u>\$ 5,951</u>

Discretely Presented Component Unit:

St. Armands Business Improvement District

Loans Payable	\$ --	\$ 300	\$ --	\$ 300	\$ 300
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(a) The addition in special obligation bonds represents the current year accreted value increase on the 1992 Capital Appreciation Bonds, and new bonds issued for \$8,260,000.

Annual debt service requirements for Governmental Activities as of September 30, 2011, are as follows:

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds		Special Obligation Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 1,040,155	\$ 2,068,468	\$ 3,336,110	\$ 1,628,604	\$1,100,000	\$201,943	\$ 9,375,280
2013	1,080,860	2,026,964	3,413,530	1,659,021	1,145,000	163,830	9,489,205
2014	1,126,788	1,981,510	3,502,707	1,694,809	970,000	118,480	9,394,294
2015	1,167,950	1,936,548	3,596,048	1,732,464	1,015,000	78,675	9,526,685
2016	1,219,354	1,888,688	3,687,908	1,770,187	390,000	39,225	8,995,362
2017 - 2021	6,911,992	8,620,605	8,966,437	5,254,029	550,000	33,200	30,336,263
2022 - 2026	8,704,351	6,824,983	6,691,005	2,416,774	--	--	24,637,113
2027 - 2031	10,072,748	4,533,248	1,770,000	1,243,880	--	--	17,619,876
2032 - 2036	10,340,000	2,028,525	2,130,000	567,567	--	--	15,066,092
2037 - 2040	2,285,000	108,538	520,000	18,252	--	--	2,931,790
Total	<u>\$43,949,198</u>	<u>\$32,018,077</u>	<u>\$37,613,745</u>	<u>\$17,985,587</u>	<u>\$5,170,000</u>	<u>\$635,353</u>	<u>\$ 137,371,960</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, 2011, are as follows:

Fiscal Year	Business-Type Activities				Total
	Revenue Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	
2012	\$ 5,194,922	\$ 2,814,641	\$ 108,113	\$ 5,957	\$ 8,123,633
2013	3,245,000	2,981,192	220,625	7,517	6,454,334
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 - 2021	11,415,000	11,423,605	--	--	22,838,605
2022 - 2026	12,750,000	8,660,144	--	--	21,410,144
2027 - 2031	7,400,000	6,327,540	--	--	13,727,540
2032 - 2036	7,940,000	4,353,581	--	--	12,293,581
2037 - 2041	11,330,000	1,853,739	--	--	13,183,739
Total	<u>\$69,434,922</u>	<u>\$46,598,975</u>	<u>\$ 441,289</u>	<u>\$ 14,993</u>	<u>\$116,490,179</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
Revenue Pledged Thru	11/1/2016	11/1/2024	10/1/2040
Total Principal and Interest Outstanding	\$18,457,002	\$37,142,330	\$116,033,897
Current Year Principal and Interest Paid	2,632,997	1,796,739	8,325,845
Current Year Revenue	7,602,221	5,532,607	14,157,135
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	2.89	3.08	1.70

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, 2011, outstanding bonds which are considered defeased in substance were:

Governmental Activities:

Loans Payable	FFGFC Series 1994	\$ 630,000
---------------	-------------------	------------

Business-type Activities:

Water & Sewer Revenue Bonds	Series 1988-A	\$ 4,895,000
	Series 1991	6,065,000
	Series 1992	2,620,000
	Series 1993-C	935,000
	Series 1995	2,160,000
	Series 2002-B	3,705,000
	Series 2008	20,287,873
	Total	<u>\$ 40,667,873</u>

Water and Sewer Revenue Bonds – Series 2011

On August 3, 2011, the City issued \$21,885,000 of Water and Sewer Revenue Refunding bonds with an average interest rate of 4.65%. The bonds were issued for the purpose of providing funds, together with other legally available funds, to (i) refund portions of the City's Water and Sewer System Revenue Bonds Series 2002B and Water and Sewer System Revenue Bonds Series 2008 and (ii) pay costs associated with issuing the Series 2011 Bonds. The City in effect will reduce its aggregate debt service payments by \$2,841,782 over the next 17 years and obtain an economic gain (difference between the present value of the old and new debt service payments) of \$2,233,526. The deferred loss of \$666,298 will be amortized over the next 17 years.

2010 Sales Tax Payments Revenue Bonds

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

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 has drawn \$300,000 on this line of credit. The initial interest rate was 3.25%. The interest rate is based on changes in the lender's prime rate. Principal of \$300,000 and unpaid interest is due on March 17, 2012.

Early Redemption of Debt

To reduce interest on debt, the City redeemed principal on the 2007 General Obligation Bonds during the year. The following bonds were redeemed early:

- \$120,000 principal payment due July 1, 2032
- \$2,330,000 principal payment due July 1, 2037

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, 2011, are as follows:

<u>Water and Sewer</u>	
Revenue Account - Customer deposits	\$ 1,034,671
Interest & Sinking Account	10,317,898
Construction Accounts	35,715,311
	<u>47,067,880</u>
<u>Solid Waste</u>	
Customer deposits	<u>9,258</u>
Total	<u><u>\$ 47,077,138</u></u>

NOTE 10 - SELF-INSURANCE PROGRAMS

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

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

The total claims liability of \$3,338,695 at September 30, 2011, includes \$1,823,362 for workers compensation, \$941,608 for group health, \$468,725 for police liability and \$105,000 for general liability. This claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities

include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The City is self insured for the following types of risk exposures which are limited by insurance coverage as noted:

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

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

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

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

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

The claims liability accrued at September 30, 2011, 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 9/30/2010	Year ended 9/30/2011	Year ended 9/30/2010
Unpaid claims, beginning of year	\$ 2,680,510	\$ 3,061,272	\$ 433,884	\$ 663,923
Incurred claims (including IBNRs)	7,107,394	6,043,342	5,098,864	4,017,256
Claim payments	(6,860,974)	(6,424,104)	(5,120,983)	(4,247,295)
Unpaid claims, end of year	<u>\$ 2,926,930</u>	<u>\$ 2,680,510</u>	<u>\$ 411,765</u>	<u>\$ 433,884</u>

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

NOTE 11 - COMMITMENTS

Construction/consulting commitments

The City has active construction and other projects as of September 30, 2011. At year end the City's commitments with contractors and consultants are as follows:

	<u>Spent to-date</u>	<u>Remaining Commitment</u>
<u>Governmental Activities:</u>		
Road Resurfacing	\$ 422,809	\$ 537,012
Energy Efficiency Improvements	85,957	692,737
Total	<u>\$ 508,766</u>	<u>\$ 1,229,749</u>
<u>Business-type Activities:</u>		
Wastewater System Improvements	\$ 2,157,295	\$ 8,101,527
Water Meter Replacements	3,025,148	337,355
Energy Efficiency Improvements	1,672,712	1,227,628
Wastewater System Improvements	1,000,110	1,424,132
Total	<u>\$ 7,855,265</u>	<u>\$ 11,090,642</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 \$1,700,609.

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.

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 Pension Plan

The City of Sarasota General Employees' Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II, of the Sarasota City Code, 1986, as restated on November 16, 2009. The City's total current year payroll for general employees was \$25,955,773 compared to \$21,234,520 for employees covered by the plan.

At September 30, 2011, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	413
Current Employees	
Vested	162
Nonvested	<u>212</u>
Total	<u>787</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. DROP accounts earn interest at an effective rate of six and one-half percent per annum, compounded quarterly. The accrued benefit liability at September 30, 2011, was \$905,261.

Firefighters Pension Plan

The City of Sarasota Firefighters' Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II, of the Sarasota City Code, 1986, as restated on November 16, 2009. On January 1, 1996, the City's Fire/Rescue Department was consolidated with Sarasota County. The Plan remains intact with Sarasota County and the City of Sarasota making the employer contributions. The County's total current year payroll for fire personnel and the payroll for employees covered by the Plan for the year ended September 30, 2011, was \$2,111,302.

At September 30, 2011, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	157
Current Employees	
Vested	24
Nonvested	-
Total	<u>181</u>

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

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

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

Police Officers Pension Plan

The City of Sarasota Police Officers' Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II of the Sarasota City Code, 1986, as restated on November 16, 2009. The City's total current year payroll for police personnel and the payroll for employees covered by the Plan for the year ended September 30, 2011, was \$10,375,692.

At September 30, 2011, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	186
Current Employees	
Vested	76
Nonvested	65
Total	<u>327</u>

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

receive a normal retirement benefit of 3 percent of average annual earnings during the highest 3 years of service during the last 10 years of service multiplied by the years of service. The pension benefit cannot exceed the average taxable earnings for the last 3 years of employment.

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

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

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

Effective December 21, 1998, the City approved an ordinance creating a deferred retirement option plan (DROP). In lieu of terminating employment as a police officer, any member may elect to defer receipt of such service retirement pension and to participate in the DROP. A member's participation in the DROP may not exceed sixty months beginning at the time the election becomes effective. A member may participate only once. An account is established for each member participating in the DROP. The member's DROP account consists of the monthly retirement benefit the member would have received had they terminated their employment as a police officer and the earnings on those amounts. Upon electing participation in the DROP the member elects to receive either interest at an effective rate of six and one-half percent per annum, compounded quarterly, or the actual net rate of investment return realized by the system for that quarter. The accrued benefit liability at September 30, 2011, was \$5,193,360.

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

B. Funding status and progress

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

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

General Employees Pension Plan

As of September 30, 2011, the actuarial accrued liability exceeded assets by \$40,271,154 determined as follows:

Actuarial Accrued Liability	
Active participants	\$59,126,171
Retired participants and beneficiaries currently receiving benefits	102,075,229
Vested terminated participants not yet receiving benefits	<u>1,305,996</u>
Total Actuarial Accrued Liability	162,507,396
Actuarial Value of Assets (Market Value was \$105,025,416)	<u>122,236,242</u>
Unfunded Actuarial Accrued Liability	<u>\$40,271,154</u>

During the year ended September 30, 2011, the Plan experienced a net increase of \$6,746,454 in the actuarial accrued liability, of which none was attributable to changes in actuarial assumptions and none for changes in benefit provisions.

Firefighters Pension Plan

As of September 30, 2011, the unfunded actuarial accrued liability was \$55,173,596 determined as follows:

Actuarial Accrued Liability	
Active participants	\$26,459,328
Retired participants and beneficiaries currently receiving benefits	121,636,518
Vested terminated participants not yet receiving benefits	<u>666,670</u>
Total Actuarial Accrued Liability	148,762,516
Actuarial Value of Assets (Market Value was \$89,655,808)	<u>93,588,920</u>
Unfunded Actuarial Accrued Liability	<u>\$55,173,596</u>

During the year ended September 30, 2011, the Plan experienced a net increase of \$7,478,902 in the actuarial accrued liability. There were changes in actuarial assumptions, which accounted for \$4,546,897 of the change in the actuarial accrued liability. There were no changes in actuarial methods or benefit provisions.

Police Officers Pension Plan

As of September 30, 2011, the actuarial accrued liability exceeded assets by \$47,367,150 determined as follows:

Actuarial Accrued Liability	
Active participants	\$59,667,391
Retired participants and beneficiaries currently receiving benefits	141,532,296
Vested terminated participants not yet receiving benefits	<u>1,017,340</u>
Total Actuarial Accrued Liability	202,217,027
Actuarial Value of Assets (Market Value was \$133,398,461)	<u>154,849,877</u>
Unfunded Actuarial Accrued Liability	<u>\$47,367,150</u>

During the year ended September 30, 2011, the Plan experienced a net increase of \$14,606,316 in the actuarial accrued liability, of which \$6,334,919 was attributable to changes in actuarial assumptions, and none was attributable to changes to benefit provisions.

C. Contributions

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

	General Employees Pension Plan	Firefighters Pension Plan	Police Officers Pension Plan
Contribution rates/amounts:			
City	15.24%	\$1,700,609	36.14%
County	15.24%	\$4,024,844	Not applicable
State	Not applicable	\$695,833	\$568,100
Employees	6.0%	8.0%	8.0%
Annual pension cost	\$3,043,240	\$5,725,453	\$4,143,925
Contributions made	\$3,043,240	\$5,725,453	\$4,143,925
Actuarial valuation date (c)	09/30/11	09/30/11	09/30/11
Actuarial value of assets	\$122,236,242	\$93,588,920	\$154,849,877
Actuarial accrued liability (AAL)	\$162,507,396	\$148,762,516	\$202,217,027
Unfunded AAL	\$40,271,154	\$55,173,596	\$47,367,150
Funded ratio	75.2%	62.9%	76.6%
Covered payroll	21.23 million	2.11 million	10.38 million
Unfunded AAL as a % of covered payroll	189.7%	2616.1%	456.4%
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	2 to 30 years
Asset valuation method	5 year Smoothed Market	3 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:			
Investment rate of return*	8.3%	8.0%	8.0%
Projected salary increases*	6.6%	3.75 - 6.75%	5.5 - 13.3%
*Includes inflation at	3.5%	4.5%	3.1%
Cost of living adjustments	3.5% (a) 3.0% (b)	3.5%	3.2%

- (a) For those retired before 1/1/2000
- (b) For those retired after 12/31/1999
- (c) Actuarial valuations are done annually

General Employees' Pension Plan

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

During the year ending September 30, 2011, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2009. The contributions included (a) \$2,857,531 normal cost (14.31% of active payroll), (b) \$1,276,004 in amortization payment of unfunded actuarial accrued liability (6.39% of active payroll), and (c) \$107,831 balance to cover expenses and the minimum contribution requirements (.54% of active payroll). Contributions totaling \$4,306,401 were from the following sources; the City and County contributed \$3,043,240 (15.24% of active payroll); and, employees contributed \$1,198,126 (6.0% of active payroll) in addition to \$65,035 for service buy-backs (0.33% of active payroll).

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost(APC)	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-09	2,867,359	100%	0
9-30-10	2,766,721	100%	0
9-30-11	3,043,240	100%	0

Firefighters' Pension Plan

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

During the year ending September 30, 2011, contributions from local employers were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2009. The contributions included (a) \$1,036,648 (34.26% of active payroll) for normal cost and administrative expenses and (b) \$5,082,289 (167.97% of active payroll) for amortization of the unfunded actuarial accrued liability. Contributions totaling \$6,671,380 were from the following sources; Sarasota County contributed \$4,024,844 (133.02% of active payroll); the City of Sarasota contributed \$1,700,609 (56.21% of active payroll); the State of Florida contributed \$695,833 (23% of active payroll); employees contributed \$242,056 (8% of active payroll) in addition to other contributions of \$8,038 (0.27% of active payroll).

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

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost(APC)	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-09	4,302,657	100%	0
9-30-10	4,936,275	100%	0
9-30-11	5,725,453	100%	0

Police Officers Pension Plan

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

During the year ending September 30, 2011, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2009. The

contributions included (a) \$3,311,647 normal cost (33.47% of active payroll), (b) \$1,463,378 in amortization payment of unfunded actuarial accrued liability (14.79% of active payroll), (c) \$160,450 for expenses and to cover the minimum contribution requirements (1.62% of active payroll). Contributions totaling \$4,935,475 were from the following sources; the City contributed \$3,575,825 (36.14% of active payroll); the State of Florida contributed \$568,100 (5.74% of active payroll); and the employees contributed \$791,550 (8.0% 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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost(APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
9-30-09	4,003,036	100%	0
9-30-10	3,941,662	100%	0
9-30-11	4,143,925	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, 2011, is reported in Note 3 on pages 55 and 56.

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, 2011, is as follows:

Active employees (vested and non-vested)	2011 3
Retired and terminated members maintaining balances	-
Total	3

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 2011, actual contributions were \$270 from employees and \$270 from the City. For 2011, there was no other financial activity for this plan.

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 October 1, 2010, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	555
Terminated plan members entitled to but not receiving benefits	19
Active plan members	615
Total	<u>1,189</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 2010-11 fiscal year, the City contributed \$11,043,639 to the plan, including \$5,886,575 for current premiums (53 percent of total premiums) an additional \$2,389,099 to prefund benefits (22 percent of total premiums) and \$2,767,965 of contributions from the proprietary and pension funds to pay off their prior years' OPEB liability (25 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 \$975,036, or 9 percent of the total premiums, through their required contribution of \$298.31 to \$419.34 per month for dependents less than age 65 and \$149.16 to \$179.47 per month for dependents eligible for Medicare. Rates vary based upon the type of plan selected by the retiree.

D. Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 10,808,000
Interest on net OPEB obligation	536,000
Adjustment to annual required contribution	<u>(646,000)</u>
Annual OPEB cost (expense)	10,698,000
Contributions made	<u>(11,043,639)</u>
Increase in net OPEB obligation	(345,639)
Net OPEB obligation - beginning of year	<u>9,091,341</u>
Net OPEB obligation - end of year	<u><u>\$ 8,745,702</u></u>

The net OPEB obligation at the end of the year is \$8,055,397 for governmental activities, \$681,173 for business-type activities and \$9,132 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 2010-11 fiscal year and preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2009	10,158,401	80.54%	5,323,921
9/30/2010	11,971,097	68.53%	9,091,341
9/30/2011	10,698,000	103.23%	8,745,702

E. Funded Status and Funding Progress

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

F. Actuarial Methods and Assumptions

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

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

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

Statement of Plan Net Assets

Assets	
Cash and cash equivalents	\$ 1,206,145
Investments:	
U.S. Government securities	1,424,527
Domestic equity stocks	13,842,289
Mortgage backed securities	3,955,216
Total investments	<u>19,222,032</u>
Receivables (net):	
Interest and dividends	512
Prepaid Items	2,076
Total assets	<u>20,430,765</u>
Liabilities	
Accounts payable	224,037
Liability for unpaid claims	411,765
Total liabilities	<u>635,802</u>
Net Assets	
Held in trust for pension and OPEB benefits	<u>\$ 19,794,963</u>

Statement of Changes In Plan Net Assets

Additions

Contributions:	
Plan members	\$ 975,036
Employer	
City of Sarasota	11,043,639
Other	692,273
Total contributions	<u>12,710,948</u>
Investment income :	
Net increase (decrease) in fair value of investments	(1,266,891)
Interest	279,004
Dividends	210,665
Total investment income (loss)	<u>(777,222)</u>
Less investment expense	(193,370)
Net investment income (loss)	<u>(970,592)</u>
Total additions	<u>11,740,356</u>

Deductions

Benefits	5,375,957
Administrative expenses	760,911
Total deductions	<u>6,136,868</u>
Change in net assets	5,603,488

Total net assets - beginning

14,191,475

Total net assets - ending

\$ 19,794,963

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, 2011:

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 197,000	\$ 197,000	\$ 199,684	\$ 2,684
Investment earnings	2,500	2,500	2,573	73
Miscellaneous	4,725	4,725	3,650	(1,075)
Total revenues	<u>204,225</u>	<u>204,225</u>	<u>205,907</u>	<u>1,682</u>
Expenditures				
Current:				
Economic environment	54,225	52,725	29,040	23,685
Debt service:				
Interest and other charges	--	1,500	1,462	38
Capital outlay:				
Economic environment	150,000	510,000	30,280	479,720
Total expenditures	<u>204,225</u>	<u>564,225</u>	<u>60,782</u>	<u>503,443</u>
Excess (deficiency) of revenues over (under) expenditures	--	(360,000)	145,125	505,125
Other financing sources (uses)				
Loan issued	--	300,000	300,000	--
Net change in fund balance	--	(60,000)	445,125	505,125
Fund balance - beginning	<u>61,222</u>	<u>61,222</u>	<u>61,222</u>	<u>--</u>
Fund balance - ending	<u>\$ 61,222</u>	<u>\$ 1,222</u>	<u>\$ 506,347</u>	<u>\$ 505,125</u>
Reconciliation to Statement of Net Assets:				
Fund balance - ending			\$ 506,347	
Capital assets			1,122,010	
Less accumulated depreciation			(205,008)	
Loans payable			(300,000)	
Net assets - ending			<u>\$ 1,123,349</u>	
Reconciliation to Statement of Activities:				
Net change in fund balance			\$ 445,125	
Expenditures for capital assets			30,280	
Current year depreciation			(43,201)	
Loan issued			(300,000)	
Change in net assets			<u>\$ 132,204</u>	

Downtown Improvement District – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the fiscal year ended September 30, 2011:

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Ad valorem taxes	\$ 358,000	\$ 358,000	\$ 367,256	\$ 9,256
Investment earnings	1,000	1,000	2,262	1,262
Miscellaneous	2,750	2,750	5,075	2,325
Total revenues	<u>361,750</u>	<u>361,750</u>	<u>374,593</u>	<u>12,843</u>
Expenditures				
Current:				
Economic environment	181,628	221,434	164,164	57,270
Capital outlay:				
Economic environment	321,773	308,130	186,695	121,435
Total expenditures	<u>503,401</u>	<u>529,564</u>	<u>350,859</u>	<u>178,705</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,651)</u>	<u>(167,814)</u>	<u>23,734</u>	<u>191,548</u>
Net change in fund balance	(141,651)	(167,814)	23,734	191,548
Fund balance - beginning	<u>170,245</u>	<u>170,245</u>	<u>170,245</u>	<u>--</u>
Fund balance - ending	<u>\$ 28,594</u>	<u>\$ 2,431</u>	<u>\$ 193,979</u>	<u>\$ 191,548</u>
Reconciliation to Statement of Net Assets:				
Fund balance - ending			\$ 193,979	
Capital assets			307,770	
Less accumulated depreciation			(30,801)	
Net assets - ending			<u>\$ 470,948</u>	
Reconciliation to Statement of Activities:				
Net change in fund balance			\$ 23,734	
Expenditures for capital assets			186,695	
Current year depreciation			(29,792)	
Change in net assets			<u>\$ 180,637</u>	

NOTE 17 – SPECIAL ITEMS

A. Governmental Activities

An impairment loss of \$405,596 was incurred based upon the remaining book value of the old Police Building. This structure is no longer in use and will be demolished in 2012.

A loss of \$280,318 was incurred on the demolition of the old Robert L. Taylor community center. The loss reflects the remaining book value of the old facility.

B. Business-type Activities

On June 14, 2011, the Water and Sewer fund incurred a gain of \$17,222,926 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.

City of Sarasota, Florida
 General Employees' 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)
2002	\$91.77	\$90.00	102.0%	\$(1.77)	\$18.91	(9.4)%
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

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

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2002	\$1,450,473	100%
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%

City of Sarasota, Florida
Firefighters' 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 Accrued Liability (AAL) <u>Entry Age</u>	(3) Funded Ratio <u>(1)÷(2)</u>	(4) Unfunded AAL (UAAL) <u>(2) - (1)</u>	(5) Covered <u>Payroll</u>	(6) UAAL as a Percentage of Covered Payroll <u>(4)÷(5)</u>
2002	\$ 84.16	\$107.31	78.4%	\$23.15	\$4.09	566.0%
2003*	81.27	110.37	73.6	29.10	3.69	788.6
2004*	83.55	116.98	71.4	33.43	3.85	867.5
2005	91.57	122.78	74.6	31.21	3.82	816.8
2006	98.33	127.46	77.1	29.13	3.47	836.6
2007	106.72	133.10	80.2	26.38	3.54	745.8
2008@	107.97	138.56	77.9	30.59	3.66	836.1
2009@*	102.82	140.34	73.3	37.52	3.15	1,190.5
2010@	95.58	141.28	67.7	45.70	2.94	1,554.4
2011@	93.59	148.76	62.9	55.17	2.11	2,616.1

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

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

@ The actuarial value of assets excludes reserve accounts.

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2002	\$ 1,555,612	100%(a)
2003	3,031,419	100%
2004	3,221,134	100%(b)
2005	3,577,340	100%
2006	3,637,413	100%
2007	3,757,948	100%(c)
2008	4,566,249	100%
2009	4,302,657	100%(d)
2010	4,936,275	100%
2011	5,725,453	100%

- (a) Includes \$73,469 from funding reserves and \$61,295 from overpayments made by Sarasota County in 2001.
- (b) Includes \$60,909 from funding reserves, \$41,098 from Chapter 175 reserves and \$71,812 from additional premium tax revenue.
- (c) Includes \$88,946 for contributions toward share account distributions.
- (d) Includes \$123,604 from funding reserves.

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

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)
2002	\$106.61	\$108.59	98.2%	\$1.98	\$10.23	19.4%
2003	103.45	116.01	89.2	12.56	10.78	116.5
2004*	110.36	123.77	89.2	13.41	10.50	127.7
2005	119.64	134.05	89.3	14.41	11.06	130.3
2006	129.48	141.98	91.2	12.50	11.65	107.3
2007	142.17	152.66	93.1	10.49	12.11	86.6
2008	149.20	161.04	92.6	11.84	11.73	100.9
2009	153.44	170.84	89.8	17.40	11.05	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

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

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

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2002	\$1,407,560	100%
2003	1,449,584	100%
2004	2,916,822	100%
2005	3,796,293	100%
2006	3,942,053	100%
2007	4,333,312	100%
2008	4,182,557	100%
2009	4,003,036	100%
2010	3,941,662	100%
2011	4,143,925	100%

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

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

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

<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%

City of Sarasota, Florida
 General Fund
 Schedule of Revenues - Budget and Actual
 Year Ended September 30, 2011

	<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				
Ad valorem	\$ 16,068,033	\$ 16,068,033	\$ 16,138,114	\$ 70,081
Business and occupational	695,000	695,000	721,725	26,725
Utility service taxes				
Electricity	4,621,200	4,621,200	4,575,547	(45,653)
Communication services	3,825,000	3,825,000	3,588,841	(236,159)
Water	1,218,508	1,218,508	1,307,071	88,563
Natural gas	115,000	115,000	115,169	169
Fuel oil	500	500	114	(386)
Propane	40,100	40,100	35,117	(4,983)
Total taxes	26,583,341	26,583,341	26,481,698	(101,643)
Franchise fees				
Electric	4,963,000	4,963,000	4,881,247	(81,753)
Natural gas	155,000	155,000	132,398	(22,602)
Total franchise fees	5,118,000	5,118,000	5,013,645	(104,355)
Licenses and permits				
Building permits	100,132	100,132	194,743	94,611
Other licenses and permits	113,467	113,467	119,274	5,807
Total licenses and permits	213,599	213,599	314,017	100,418
Intergovernmental				
State shared revenues				
State revenue sharing	1,660,000	1,660,000	1,744,723	84,723
Mobile home licenses	18,900	18,900	20,780	1,880
Alcoholic beverage licenses	50,000	50,000	93,835	43,835
Half cent sales tax	3,475,000	3,475,000	3,447,328	(27,672)
Insurance premium tax	1,835,000	1,835,000	1,263,933	(571,067)
Other intergovernmental	1,255,741	1,449,969	1,543,763	93,794
Total intergovernmental	\$ 8,294,641	\$ 8,488,869	\$ 8,114,362	\$ (374,507)

(continued)

City of Sarasota, Florida
 General Fund
 Schedule of Revenues - Budget and Actual
 Year Ended September 30, 2011 (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	\$ 424,442	\$ 424,442	\$ 363,881	\$ (60,561)
Transportation	211,147	211,147	324,389	113,242
Road and bridge	330,280	330,280	301,121	(29,159)
Public safety	214,015	214,015	289,556	75,541
Physical environment	131,000	131,000	80,105	(50,895)
Culture and recreation	52,000	52,000	25,853	(26,147)
Total charges for services	<u>1,362,884</u>	<u>1,362,884</u>	<u>1,384,905</u>	<u>22,021</u>
Charges to other funds				
Cost allocations	<u>4,391,908</u>	<u>4,391,908</u>	<u>4,391,908</u>	<u>--</u>
Fines and forfeits				
Court fines	180,000	180,000	154,144	(25,856)
Red light citations	400,000	400,000	--	(400,000)
Other	<u>110,100</u>	<u>110,100</u>	<u>222,133</u>	<u>112,033</u>
Total fines and forfeits	<u>690,100</u>	<u>690,100</u>	<u>376,277</u>	<u>(313,823)</u>
Investment earnings	<u>885,000</u>	<u>819,772</u>	<u>316,007</u>	<u>(503,765)</u>
Miscellaneous				
Rents and royalties	1,102,229	1,102,229	1,117,144	14,915
Sale of capital assets	18,000	18,000	84,504	66,504
Other	<u>282,575</u>	<u>282,575</u>	<u>161,944</u>	<u>(120,631)</u>
Total miscellaneous	<u>1,402,804</u>	<u>1,402,804</u>	<u>1,363,592</u>	<u>(39,212)</u>
Total revenues	<u>48,942,277</u>	<u>49,071,277</u>	<u>47,756,411</u>	<u>(1,314,866)</u>
Other financing sources				
Transfers in				
Special revenue funds	3,586,522	3,586,522	3,482,018	(104,504)
Capital projects funds	--	--	10,893	10,893
Internal service funds	--	--	5,232	5,232
Enterprise funds	<u>296,734</u>	<u>296,734</u>	<u>254,365</u>	<u>(42,369)</u>
Total other financing sources	<u>3,883,256</u>	<u>3,883,256</u>	<u>3,752,508</u>	<u>(130,748)</u>
Total revenues and other financing sources	<u>\$ 52,825,533</u>	<u>\$ 52,954,533</u>	<u>\$ 51,508,919</u>	<u>\$ (1,445,614)</u>

City of Sarasota, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual
 Year Ended September 30, 2011

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Current				
General government				
City commission	\$ 231,216	\$ 231,216	\$ 212,746	\$ 18,470
City manager's office	502,074	502,074	472,049	30,025
Commission support	109,046	109,046	90,862	18,184
Facilities management	970,323	1,984,557	925,086	1,059,471
Human resources	939,699	939,699	877,416	62,283
Finance director	1,752,696	1,752,696	1,585,791	166,905
Building and zoning	2,414,820	2,553,605	2,174,130	379,475
City auditor/clerk	1,736,685	1,736,685	1,523,129	213,556
City attorney	788,259	788,259	714,585	73,674
Miscellaneous administration	7,394,317	7,398,085	7,269,624	128,461
Total general government	<u>16,839,135</u>	<u>17,995,922</u>	<u>15,845,418</u>	<u>2,150,504</u>
Public safety				
Code enforcement	690,013	694,075	599,680	94,395
Police/fire	30,377,328	30,734,107	28,816,446	1,917,661
Total public safety	<u>31,067,341</u>	<u>31,428,182</u>	<u>29,416,126</u>	<u>2,012,056</u>
Physical environment				
Parks and landscape maintenance	2,893,294	2,886,295	2,732,267	154,028
Total physical environment	<u>2,893,294</u>	<u>2,886,295</u>	<u>2,732,267</u>	<u>154,028</u>
Transportation				
Construction services	389,434	389,434	378,642	10,792
Street and highway maintenance	3,014,317	3,042,355	2,762,000	280,355
Total transportation	<u>3,403,751</u>	<u>3,431,789</u>	<u>3,140,642</u>	<u>291,147</u>
Culture and recreation				
Skateboard park	65,391	65,391	24,536	40,855
RL Taylor Community Center	--	175,100	166,337	8,763
Children's fountain/playground	67,623	67,623	80,456	(12,833)
Special events	33,635	1,182,500	42,043	1,140,457
Total culture and recreation	<u>166,649</u>	<u>1,490,614</u>	<u>313,372</u>	<u>1,177,242</u>
Economic environment				
Redevelopment services	--	25,888	--	25,888
Total economic environment	<u>--</u>	<u>25,888</u>	<u>--</u>	<u>25,888</u>
Total expenditures	<u>54,370,170</u>	<u>57,258,690</u>	<u>51,447,825</u>	<u>5,810,865</u>
Other financing uses				
Transfers out				
Special revenue funds	--	--	2,147	(2,147)
Debt service funds	138,796	138,796	168,796	(30,000)
Enterprise funds	188,131	188,131	76,320	111,811
Total other financing uses	<u>326,927</u>	<u>326,927</u>	<u>247,263</u>	<u>79,664</u>
Total expenditures and other financing uses	<u>\$ 54,697,097</u>	<u>\$ 57,585,617</u>	<u>\$ 51,695,088</u>	<u>\$ 5,890,529</u>

City of Sarasota, Florida
 Community Redevelopment
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
City	\$ 3,538,361	\$ 3,538,361	\$ 3,560,268	\$ 21,907
County	4,017,305	4,017,305	4,041,953	24,648
Investment earnings	100,000	100,000	204,809	104,809
Total revenues	<u>7,655,666</u>	<u>7,655,666</u>	<u>7,807,030</u>	<u>151,364</u>
Expenditures				
Current:				
Public safety				
Parking meters	--	27,925	27,019	906
Transportation				
Five Points Park	--	25,000	25,000	--
Palm Avenue parking garage	--	100	263	(163)
Wayfinding signage	--	--	1,279	(1,279)
TCEA update	12,500	112,500	--	112,500
Downtown transportation	87,978	526,989	53,186	473,803
Strategic parking facilities	20,000	20,000	15,000	5,000
Transportation master plan	84,751	254,350	83,122	171,228
Enhanced maintenance	15,000	30,000	--	30,000
State Street parking garage	1,039,108	4,379,382	--	4,379,382
Total transportation	<u>1,259,337</u>	<u>5,348,321</u>	<u>177,850</u>	<u>5,170,471</u>
Economic environment				
Downtown redevelopment	77,500	56,957	53,031	3,926
Economic development	--	40,000	40,000	--
Information systems & technology	316	316	316	--
Indirect costs	7,332	7,332	7,332	--
Herald Tribune	--	527,723	40,084	487,639
Mana Sara Workforce Funders	--	120,000	40,000	80,000
Whole Foods	641,539	--	--	--
Downtown CRA community grants	--	94,981	--	94,981
Housing Authority	--	1,331,359	643,968	687,391
NCRA- economic development	--	670,498	--	670,498
NCRA- community health & welfare	--	397,978	--	397,978
NCRA- community grants	--	197,895	--	197,895
NCRA- admin/planning study	--	425,623	--	425,623
NCRA- Newtown land acquisition	--	10,500	4,500	6,000
Ringling Square	--	264,722	30,927	233,795
Total economic environment	<u>726,687</u>	<u>4,145,884</u>	<u>860,158</u>	<u>3,285,726</u>
Capital outlay:				
Public safety				
Parking meters	--	482,075	432,358	49,717

(continued)

City of Sarasota, Florida
 Community Redevelopment
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended September 30, 2011 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Transportation				
Five Points Park	2,733	10,234	10,234	--
Palm Avenue parking garage	2,340,436	2,374,525	2,372,080	2,445
Wayfinding signage	1,981	1,042,216	--	1,042,216
Pedestrian sleeves	74,331	839,052	73,395	765,657
Strategic parking facilities	200,000	--	--	--
North Palm Avenue streetscape	--	224,911	--	224,911
Intersection improvements US 41 & Main	--	210,131	--	210,131
Downtown pedestrian street lights	144,488	1,253,914	508,279	745,635
State Street parking garage	--	1,253,859	--	1,253,859
Total transportation	<u>\$ 2,763,969</u>	<u>\$ 7,208,842</u>	<u>\$ 2,963,988</u>	<u>\$ 4,244,854</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				
Greater Newtown redevelopment	441,616	--	--	--
Downtown redevelopment plan	441,616	502,264	--	502,264
Total economic environment	<u>883,232</u>	<u>502,264</u>	<u>--</u>	<u>502,264</u>
Total expenditures	<u>5,633,225</u>	<u>18,174,910</u>	<u>4,461,373</u>	<u>13,713,537</u>
Excess of revenues over expenditures	<u>2,022,441</u>	<u>(10,519,244)</u>	<u>3,345,657</u>	<u>13,864,901</u>
Other financing uses				
Transfers out				
General fund	(2,531,746)	(2,531,746)	(2,531,746)	--
Debt service funds	(2,910,719)	(2,910,719)	(2,910,719)	--
Total other financing uses	<u>(5,442,465)</u>	<u>(5,442,465)</u>	<u>(5,442,465)</u>	<u>--</u>
Net change in fund balances	(3,420,024)	(15,961,709)	(2,096,808)	13,864,901
Fund balances - beginning	<u>17,725,448</u>	<u>17,725,448</u>	<u>17,725,448</u>	<u>--</u>
Fund balances - ending	<u>\$ 14,305,424</u>	<u>\$ 1,763,739</u>	<u>\$ 15,628,640</u>	<u>\$ 13,864,901</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.

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

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

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

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

Nonmajor Governmental Funds

Capital Projects Funds

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

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

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

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

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

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

Glen Oaks Construction - To account for funds received from the Glen Oaks Special Assessment (beginning in fiscal year 2012) for the purpose of financing the construction of a privacy wall and other improvements.

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2011

	Special Revenue Funds		
	State Housing Initiative Partnership	Development Services	Gas Tax
Assets			
Cash and cash equivalents	\$ 738,669	\$ 1,057,881	\$ 2,300,435
Investments	1,159,417	1,660,451	3,610,767
Receivables (net):			
Accounts	--	--	--
Interest	2,464	3,641	7,542
Notes	140,501	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	374,892
Prepaid items	--	--	--
Total assets	<u>\$ 2,041,051</u>	<u>\$ 2,721,973</u>	<u>\$ 6,293,636</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 12,412	\$ 14,357	\$ 63,528
Accrued interest payable	--	--	--
Retainages payable	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
Accrued wages	123	31,249	--
Deferred revenue	140,502	--	--
Customer deposits	--	--	--
Total liabilities	<u>153,037</u>	<u>45,606</u>	<u>63,528</u>
Fund Balances:			
Nonspendable:			
Prepaid items	--	--	--
Restricted for:			
Housing and community development	1,888,014	--	--
Building services	--	2,151,556	--
Transportation	--	--	6,230,108
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Construction	--	--	--
Committed to:			
Development application system	--	524,811	--
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>1,888,014</u>	<u>2,676,367</u>	<u>6,230,108</u>
Total liabilities and fund balances	<u>\$ 2,041,051</u>	<u>\$ 2,721,973</u>	<u>\$ 6,293,636</u>

Special Revenue Funds

Special Law Enforcement (Forfeiture)	Golden Gate Point	Tourist Development Tax	Miscellaneous Grants	Multi-Purpose
\$ 142,176	\$ 28,747	\$ 1,102,986	\$ 68,234	\$ 1,282,023
223,159	45,121	1,731,249	107,099	2,012,266
--	--	--	--	49,979
486	95	3,653	363	4,206
--	--	--	--	--
--	--	--	--	--
--	--	220,609	1,206,908	3,196
25,555	--	--	--	8,150
<u>\$ 391,376</u>	<u>\$ 73,963</u>	<u>\$ 3,058,497</u>	<u>\$ 1,382,604</u>	<u>\$ 3,359,820</u>
\$ 757	\$ 1,500	\$ 18,407	\$ 395,496	\$ 2,052,277
--	--	--	--	--
--	--	--	85,082	--
--	--	--	--	49,792
--	--	--	--	--
--	--	--	--	--
--	--	--	266,433	130,864
--	--	--	33,031	19,182
<u>757</u>	<u>1,500</u>	<u>18,407</u>	<u>780,042</u>	<u>2,252,115</u>
25,555	--	--	--	8,150
--	--	--	--	--
--	--	--	--	--
--	--	--	--	115,199
365,064	--	--	--	23,470
--	72,463	--	--	--
--	--	3,040,090	--	--
--	--	--	255,117	--
--	--	--	--	17,517
--	--	--	--	--
--	--	--	--	--
--	--	--	271,261	--
--	--	--	76,184	--
--	--	--	--	169,220
--	--	--	--	98,695
--	--	--	--	110,350
--	--	--	--	171,419
--	--	--	--	1,636
--	--	--	--	392,049
--	--	--	--	--
--	--	--	--	--
<u>390,619</u>	<u>72,463</u>	<u>3,040,090</u>	<u>602,562</u>	<u>1,107,705</u>
<u>\$ 391,376</u>	<u>\$ 73,963</u>	<u>\$ 3,058,497</u>	<u>\$ 1,382,604</u>	<u>\$ 3,359,820</u>

(continued)

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet (continued)
 September 30, 2011

	Debt Service Funds		
	1992 Refunding Bonds	2007 General Obligation Bonds	2008 General Obligation Bonds
Assets			
Cash and cash equivalents	\$ 2,241,132	261,742	95,086
Investments	3,517,685	410,830	149,247
Receivables (net):			
Accounts	--	--	--
Interest	7,400	863	314
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	1,569	--
Prepaid items	--	--	--
Total assets	<u>\$ 5,766,217</u>	<u>\$ 675,004</u>	<u>\$ 244,647</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Accrued interest payable	--	--	--
Retainages payable	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
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	5,766,217	675,004	244,647
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>5,766,217</u>	<u>675,004</u>	<u>244,647</u>
Total liabilities and fund balances	<u>\$ 5,766,217</u>	<u>\$ 675,004</u>	<u>\$ 244,647</u>

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet (concluded)
 September 30, 2011

	Capital Projects Funds		
	Capital and Extraordinary Maintenance	1989 Sales Surtax Bond Construction	2000 First Florida Construction
Assets			
Cash and cash equivalents	\$ 366,393	\$ 89,153	\$ 117,615
Investments	575,090	139,936	184,608
Receivables (net):			
Accounts	--	--	--
Interest	1,213	320	388
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	--
Prepaid items	--	--	--
Total assets	<u>\$ 942,696</u>	<u>\$ 229,409</u>	<u>\$ 302,611</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 20,608	\$ --	\$ --
Accrued interest payable	--	--	--
Retainages payable	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
Accrued wages	--	--	--
Deferred revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>20,608</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	302,611
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	922,088	--	--
Unassigned	--	--	--
Total fund balances (deficit)	<u>922,088</u>	<u>229,409</u>	<u>302,611</u>
Total liabilities and fund balances	<u>\$ 942,696</u>	<u>\$ 229,409</u>	<u>\$ 302,611</u>

Capital Project Funds			
2001 First Florida Construction	2010 Stadium Bonds	Glen Oaks Construction	Total Nonmajor Governmental Funds
\$ 180,756	\$ --	\$ --	\$ 10,507,380
283,714	--	--	16,492,397
--	--	--	49,979
597	--	--	34,913
--	--	--	140,501
--	--	--	630,000
--	63,561	--	1,870,735
--	--	15,082	48,787
<u>\$ 465,067</u>	<u>\$ 63,561</u>	<u>\$ 15,082</u>	<u>\$ 29,774,692</u>
\$ --	\$ 39,293	\$ --	\$ 2,620,123
--	20	4	96
--	--	--	85,082
--	--	--	49,792
--	24,366	15,090	49,314
--	--	--	31,372
--	--	--	1,167,799
--	--	--	52,213
--	63,679	15,094	4,055,791
--	--	--	33,705
--	--	--	1,888,014
--	--	--	2,151,556
--	--	--	6,345,307
--	--	--	388,534
--	--	--	72,463
--	--	--	3,040,090
--	--	--	255,117
--	--	--	17,517
--	--	--	7,801,858
465,067	--	--	997,087
--	--	--	524,811
--	--	--	271,261
--	--	--	76,184
--	--	--	169,220
--	--	--	98,695
--	--	--	110,350
--	--	--	171,419
--	--	--	1,636
--	--	--	392,049
--	--	--	922,088
--	(118)	(12)	(10,060)
<u>465,067</u>	<u>(118)</u>	<u>(12)</u>	<u>25,718,901</u>
<u>\$ 465,067</u>	<u>\$ 63,561</u>	<u>\$ 15,082</u>	<u>\$ 29,774,692</u>

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2011

	Special Revenue Funds		
	State Housing Initiative Partnership	Development Services	Gas Tax
Revenues			
Taxes	\$ --	\$ --	\$ 2,344,198
Special assessments	--	--	--
Licenses and permits	--	1,813,708	--
Intergovernmental	1,263,715	--	--
Charges for services	--	318,171	--
Fines and forfeits	--	--	--
Investment earnings	38,747	31,943	46,771
Miscellaneous	2,261	333	--
Total revenues	<u>1,304,723</u>	<u>2,164,155</u>	<u>2,390,969</u>
Expenditures			
Current:			
General government	--	75,886	--
Public safety	--	2,053,133	--
Physical environment	--	--	--
Transportation	--	--	68,474
Culture and recreation	--	--	--
Economic environment	5,174,240	--	--
Debt service:			
Principal payments	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Capital outlay	--	1,420	639,241
Total expenditures	<u>5,174,240</u>	<u>2,130,439</u>	<u>707,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,869,517)</u>	<u>33,716</u>	<u>1,683,254</u>
Other financing sources (uses)			
Transfers in	--	--	--
Transfers out	--	--	(905,747)
Special obligation bonds issued	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(905,747)</u>
Net change in fund balances	(3,869,517)	33,716	777,507
Fund balances (deficit) - beginning	<u>5,757,531</u>	<u>2,642,651</u>	<u>5,452,601</u>
Fund balances (deficit) - ending	<u>\$ 1,888,014</u>	<u>\$ 2,676,367</u>	<u>\$ 6,230,108</u>

Special Revenue Funds

Special Law Enforcement (Forfeiture)	Golden Gate Point	Tourist Development Tax	Miscellaneous Grants	Multi-Purpose
\$ --	\$ 58,142	\$ 202,523	\$ --	\$ 13,553
--	--	--	--	--
--	--	--	185,000	--
--	--	50,236	3,790,162	--
--	--	--	12,032	28,350
168,179	--	--	60,627	58,942
4,115	1,206	23,664	3,875	11,263
3,718	--	--	143,260	4,774
<u>176,012</u>	<u>59,348</u>	<u>276,423</u>	<u>4,194,956</u>	<u>116,882</u>
--	--	--	--	--
176,199	--	--	43,856	66,813
--	--	255,190	--	--
--	30,694	--	3,074	--
--	--	--	1,777,227	23,795
--	--	--	59,633	52,721
--	--	--	--	--
--	--	--	--	--
46,166	--	--	1,739,715	--
<u>222,365</u>	<u>30,694</u>	<u>255,190</u>	<u>3,623,505</u>	<u>143,329</u>
<u>(46,353)</u>	<u>28,654</u>	<u>21,233</u>	<u>571,451</u>	<u>(26,447)</u>
--	--	--	--	--
--	--	(23,664)	(766,659)	(9,140)
--	--	--	--	--
--	--	(23,664)	(766,659)	(9,140)
(46,353)	28,654	(2,431)	(195,208)	(35,587)
436,972	43,809	3,042,521	797,770	1,143,292
<u>\$ 390,619</u>	<u>\$ 72,463</u>	<u>\$ 3,040,090</u>	<u>\$ 602,562</u>	<u>\$ 1,107,705</u>

(continued)

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2011

	Debt Service Funds			
	1992 Refunding Bonds	2007 General Obligation Bonds	2008 General Obligation Bonds	2009 Build America
Revenues				
Taxes	\$ --	\$ 2,987,198	\$ 284,564	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	398,711
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	65,994	10,992	2,478	(4,123)
Miscellaneous	--	--	--	--
Total revenues	<u>65,994</u>	<u>2,998,190</u>	<u>287,042</u>	<u>394,588</u>
Expenditures				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	471,943	860,000	139,666	1,336,726
Interest and fiscal charges	1,164,057	2,064,192	139,863	1,139,173
Bond issuance costs	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	<u>1,636,000</u>	<u>2,924,192</u>	<u>279,529</u>	<u>2,475,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,570,006)</u>	<u>73,998</u>	<u>7,513</u>	<u>(2,081,311)</u>
Other financing sources (uses)				
Transfers in	758,000	--	--	2,077,189
Transfers out	--	--	--	--
Special obligation bonds issued	--	--	--	--
Total other financing sources (uses)	<u>758,000</u>	<u>--</u>	<u>--</u>	<u>2,077,189</u>
Net change in fund balances	(812,006)	73,998	7,513	(4,122)
Fund balances (deficit) - beginning	<u>6,578,223</u>	<u>601,006</u>	<u>237,134</u>	<u>(5,808)</u>
Fund balances (deficit) - ending	<u>\$ 5,766,217</u>	<u>\$ 675,004</u>	<u>\$ 244,647</u>	<u>\$ (9,930)</u>

Debt Service Funds

2010 Sales Tax Payment Rev. Bonds	2001A First Florida	2001B First Florida	2003 First Florida	2005 First Florida
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	105,000	--	--
--	--	--	--	--
143,477	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,181	1,749	37,193	3,261	4,730
--	--	--	--	--
<u>144,658</u>	<u>1,749</u>	<u>142,193</u>	<u>3,261</u>	<u>4,730</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	585,000	100,000	410,000	560,000
318,837	30,120	36,450	96,037	110,884
--	--	--	--	--
--	--	--	--	--
<u>318,837</u>	<u>615,120</u>	<u>136,450</u>	<u>506,037</u>	<u>670,884</u>
<u>(174,179)</u>	<u>(613,371)</u>	<u>5,743</u>	<u>(502,776)</u>	<u>(666,154)</u>
375,003	617,325	--	625,788	670,788
--	(86,732)	--	--	--
--	--	--	--	--
<u>375,003</u>	<u>530,593</u>	<u>--</u>	<u>625,788</u>	<u>670,788</u>
200,824	(82,778)	5,743	123,012	4,634
--	82,778	173,581	238,782	369,414
<u>\$ 200,824</u>	<u>\$ --</u>	<u>\$ 179,324</u>	<u>\$ 361,794</u>	<u>\$ 374,048</u>

(continued)

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2011

	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	8,535	2,358	3,249	4,993
Miscellaneous	--	--	--	--
Total revenues	<u>8,535</u>	<u>2,358</u>	<u>3,249</u>	<u>4,993</u>
Expenditures				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Bond issuance costs	--	--	--	--
Capital outlay	129,531	161,136	--	--
Total expenditures	<u>129,531</u>	<u>161,136</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120,996)</u>	<u>(158,778)</u>	<u>3,249</u>	<u>4,993</u>
Other financing sources (uses)				
Transfers in	--	--	--	--
Transfers out	(8,535)	(2,358)	--	--
Special obligation bonds issued	--	--	--	--
Total other financing sources (uses)	<u>(8,535)</u>	<u>(2,358)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(129,531)	(161,136)	3,249	4,993
Fund balances (deficit) - beginning	<u>1,051,619</u>	<u>390,545</u>	<u>299,362</u>	<u>460,074</u>
Fund balances (deficit) - ending	<u>\$ 922,088</u>	<u>\$ 229,409</u>	<u>\$ 302,611</u>	<u>\$ 465,067</u>

<u>2010 Stadium Bonds</u>	<u>Glen Oaks Construction</u>	<u>Total Nonmajor Governmental Funds</u>
\$ --	\$ --	\$ 5,890,178
--	--	105,000
--	--	1,998,708
--	--	5,646,301
--	--	358,553
--	--	287,748
151	(12)	304,313
265,785	--	420,131
<u>265,936</u>	<u>(12)</u>	<u>15,010,932</u>
--	--	75,886
--	--	2,340,001
--	--	255,190
--	--	102,242
8,327,582	--	10,128,604
--	--	5,286,594
--	--	4,463,335
--	--	5,099,613
177,643	--	177,643
--	--	2,717,209
<u>8,505,225</u>	<u>--</u>	<u>30,646,317</u>
<u>(8,239,289)</u>	<u>(12)</u>	<u>(15,635,385)</u>
379,935	--	5,504,028
--	--	(1,802,835)
<u>8,260,000</u>	<u>--</u>	<u>8,260,000</u>
<u>8,639,935</u>	<u>--</u>	<u>11,961,193</u>
400,646	(12)	(3,674,192)
<u>(400,764)</u>	<u>--</u>	<u>29,393,093</u>
<u>\$ (118)</u>	<u>\$ (12)</u>	<u>\$ 25,718,901</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ --	\$ 401,211	\$ 1,263,715	\$ 862,504
Investment earnings	--	--	38,747	38,747
Miscellaneous	300,409	300,409	2,261	(298,148)
Total revenues	<u>300,409</u>	<u>701,620</u>	<u>1,304,723</u>	<u>603,103</u>
Expenditures				
Current:				
Economic environment	<u>485,886</u>	<u>6,304,762</u>	<u>5,174,240</u>	<u>1,130,522</u>
Total expenditures	<u>485,886</u>	<u>6,304,762</u>	<u>5,174,240</u>	<u>1,130,522</u>
Excess (deficiency) of revenues over (under) expenditures	(185,477)	(5,603,142)	(3,869,517)	1,733,625
Fund balances - beginning	<u>5,757,531</u>	<u>5,757,531</u>	<u>5,757,531</u>	<u>--</u>
Fund balances - ending	<u>\$ 5,572,054</u>	<u>\$ 154,389</u>	<u>\$ 1,888,014</u>	<u>\$ 1,733,625</u>

City of Sarasota, Florida
 Development Services Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended September 30, 2011

	<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	\$ 1,862,500	\$ 1,862,500	\$ 1,813,708	\$ (48,792)
Charges for services	320,000	320,000	318,171	(1,829)
Investment earnings	30,000	30,000	31,943	1,943
Miscellaneous	--	--	333	333
Total revenues	<u>2,212,500</u>	<u>2,212,500</u>	<u>2,164,155</u>	<u>(48,345)</u>
Expenditures				
Current:				
General government	178,900	178,900	75,886	103,014
Public safety	2,109,217	2,119,142	2,053,133	66,009
Capital outlay:				
Public safety	<u>2,340</u>	<u>2,340</u>	<u>1,420</u>	<u>920</u>
Total expenditures	<u>2,290,457</u>	<u>2,300,382</u>	<u>2,130,439</u>	<u>169,943</u>
Excess (deficiency) of revenues over (under) expenditures	(77,957)	(87,882)	33,716	121,598
Other financing uses				
Transfers out	<u>(181,600)</u>	<u>(181,600)</u>	<u>--</u>	<u>181,600</u>
Net change in fund balances	(259,557)	(269,482)	33,716	303,198
Fund balances - beginning	<u>2,642,651</u>	<u>2,642,651</u>	<u>2,642,651</u>	<u>--</u>
Fund balances - ending	<u>\$ 2,383,094</u>	<u>\$ 2,373,169</u>	<u>\$ 2,676,367</u>	<u>\$ 303,198</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,322,000	\$ 2,322,000	\$ 2,344,198	\$ 22,198
Investment earnings	--	--	46,771	46,771
Total revenues	<u>2,322,000</u>	<u>2,322,000</u>	<u>2,390,969</u>	<u>68,969</u>
Expenditures				
Current:				
Transportation	223,625	336,232	68,474	267,758
Capital outlay:				
Transportation	<u>1,885,590</u>	<u>5,025,212</u>	<u>639,241</u>	<u>4,385,971</u>
Total expenditures	<u>2,109,215</u>	<u>5,361,444</u>	<u>707,715</u>	<u>4,653,729</u>
Excess (deficiency) of revenues over (under) expenditures	212,785	(3,039,444)	1,683,254	4,722,698
Other financing uses				
Transfers out	<u>(858,976)</u>	<u>(858,976)</u>	<u>(905,747)</u>	<u>(46,771)</u>
Net change in fund balances	(646,191)	(3,898,420)	777,507	4,675,927
Fund balances - beginning	<u>5,452,601</u>	<u>5,452,601</u>	<u>5,452,601</u>	<u>--</u>
Fund balances - ending	<u>\$ 4,806,410</u>	<u>\$ 1,554,181</u>	<u>\$ 6,230,108</u>	<u>\$ 4,675,927</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, 2011

	<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	\$ --	\$ --	\$ 168,179	\$ 168,179
Investment earnings	--	--	4,115	4,115
Miscellaneous	--	--	3,718	3,718
Total revenues	<u>--</u>	<u>--</u>	<u>176,012</u>	<u>176,012</u>
Expenditures				
Current:				
Public safety	--	214,337	176,199	38,138
Capital outlay:				
Public safety	--	49,763	46,166	3,597
Total expenditures	<u>--</u>	<u>264,100</u>	<u>222,365</u>	<u>41,735</u>
Excess (deficiency) of revenues over (under) expenditures	--	(264,100)	(46,353)	217,747
Fund balances - beginning	<u>436,972</u>	<u>436,972</u>	<u>436,972</u>	<u>--</u>
Fund balances - ending	<u>\$ 436,972</u>	<u>\$ 172,872</u>	<u>\$ 390,619</u>	<u>\$ 217,747</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, 2011

	<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	\$ 57,220	\$ 57,220	\$ 58,142	\$ 922
Investment earnings	150	150	1,206	1,056
Total revenues	<u>57,370</u>	<u>57,370</u>	<u>59,348</u>	<u>1,978</u>
Expenditures				
Current:				
Transportation	<u>85,000</u>	<u>85,000</u>	<u>30,694</u>	<u>54,306</u>
Total expenditures	<u>85,000</u>	<u>85,000</u>	<u>30,694</u>	<u>54,306</u>
Excess (deficiency) of revenues over (under) expenditures	(27,630)	(27,630)	28,654	56,284
Other financing uses				
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(27,630)	(27,630)	28,654	56,284
Fund balances - beginning	<u>43,809</u>	<u>43,809</u>	<u>43,809</u>	<u>--</u>
Fund balances - ending	<u>\$ 16,179</u>	<u>\$ 16,179</u>	<u>\$ 72,463</u>	<u>\$ 56,284</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 106,500	\$ 106,500	\$ 202,523	\$ 96,023
Intergovernmental	593,500	593,500	50,236	(543,264)
Investment earnings	--	--	23,664	23,664
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>276,423</u>	<u>(423,577)</u>
Expenditures				
Current:				
Physical environment	<u>716,872</u>	<u>1,592,265</u>	<u>255,190</u>	<u>1,337,075</u>
Total expenditures	<u>716,872</u>	<u>1,592,265</u>	<u>255,190</u>	<u>1,337,075</u>
Excess (deficiency) of revenues over (under) expenditures	(16,872)	(892,265)	21,233	913,498
Other financing uses				
Transfers out	<u>--</u>	<u>--</u>	<u>(23,664)</u>	<u>(23,664)</u>
Net change in fund balances	(16,872)	(892,265)	(2,431)	889,834
Fund balances - beginning	<u>3,042,521</u>	<u>3,042,521</u>	<u>3,042,521</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,025,649</u>	<u>\$ 2,150,256</u>	<u>\$ 3,040,090</u>	<u>\$ 889,834</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, 2011

	<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	\$ --	\$ 185,000	\$ 185,000	\$ --
Intergovernmental	--	5,916,311	3,790,162	(2,126,149)
Charges for services	--	--	12,032	12,032
Fines and forfeits	64,200	64,200	60,627	(3,573)
Investment earnings	--	2,043	3,875	1,832
Miscellaneous	--	101,279	143,260	41,981
Total revenues	<u>64,200</u>	<u>6,268,833</u>	<u>4,194,956</u>	<u>(2,073,877)</u>
Expenditures				
Current:				
Public safety	--	48,531	43,856	4,675
Transportation	21,728	21,728	3,074	18,654
Culture and recreation	80,223	1,893,919	1,777,227	116,692
Economic environment	62,925	319,798	59,633	260,165
Capital outlay:				
Public safety	7,799	151,280	126,066	25,214
Physical environment	--	93,814	93,814	--
Transportation	--	1,853,331	982,047	871,284
Culture and recreation	<u>220,185</u>	<u>1,581,267</u>	<u>537,788</u>	<u>1,043,479</u>
Total expenditures	<u>392,860</u>	<u>5,963,668</u>	<u>3,623,505</u>	<u>2,340,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(328,660)</u>	<u>305,165</u>	<u>571,451</u>	<u>266,286</u>
Other financing uses				
Transfers out	<u>(14,200)</u>	<u>(769,138)</u>	<u>(766,659)</u>	<u>2,479</u>
Net change in fund balances	<u>(342,860)</u>	<u>(463,973)</u>	<u>(195,208)</u>	<u>268,765</u>
Fund balances - beginning	<u>797,770</u>	<u>797,770</u>	<u>797,770</u>	<u>--</u>
Fund balances - ending	<u>\$ 454,910</u>	<u>\$ 333,797</u>	<u>\$ 602,562</u>	<u>\$ 268,765</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, 2011

	<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	\$ 13,553	\$ 4,553
Charges for services	--	--	28,350	28,350
Fines and forfeits	24,500	24,500	58,942	34,442
Investment earnings	--	--	11,263	11,263
Miscellaneous	--	192,511	4,774	(187,737)
Total revenues	<u>33,500</u>	<u>226,011</u>	<u>116,882</u>	<u>(109,129)</u>
Expenditures				
Current:				
Public safety	--	73,001	66,813	6,188
Culture and recreation	73,000	73,000	23,795	49,205
Economic environment	12,475	160,875	52,721	108,154
Capital outlay:				
Transportation	<u>42,518</u>	<u>308,352</u>	<u>--</u>	<u>308,352</u>
Total expenditures	<u>127,993</u>	<u>615,228</u>	<u>143,329</u>	<u>471,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,493)</u>	<u>(389,217)</u>	<u>(26,447)</u>	<u>362,770</u>
Other financing uses				
Transfers out	<u>--</u>	<u>--</u>	<u>(9,140)</u>	<u>(9,140)</u>
Net change in fund balances	(94,493)	(389,217)	(35,587)	353,630
Fund balances - beginning	<u>1,143,292</u>	<u>1,143,292</u>	<u>1,143,292</u>	<u>--</u>
Fund balances - ending	<u>\$ 1,048,799</u>	<u>\$ 754,075</u>	<u>\$ 1,107,705</u>	<u>\$ 353,630</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, 2011

	<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	\$ 40,000	\$ 40,000	\$ 65,994	\$ 25,994
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>65,994</u>	<u>25,994</u>
Expenditures				
Debt service:				
Principal payments	474,043	474,043	471,943	2,100
Interest and other charges	<u>1,283,957</u>	<u>1,283,957</u>	<u>1,164,057</u>	<u>119,900</u>
Total expenditures	<u>1,758,000</u>	<u>1,758,000</u>	<u>1,636,000</u>	<u>122,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,718,000)	(1,718,000)	(1,570,006)	147,994
Other financing sources				
Transfers in	<u>758,000</u>	<u>758,000</u>	<u>758,000</u>	<u>--</u>
Net change in fund balances	(960,000)	(960,000)	(812,006)	147,994
Fund balances - beginning	<u>6,578,223</u>	<u>6,578,223</u>	<u>6,578,223</u>	<u>--</u>
Fund balances - ending	<u>\$ 5,618,223</u>	<u>\$ 5,618,223</u>	<u>\$ 5,766,217</u>	<u>\$ 147,994</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,954,919	\$ 2,954,919	\$ 2,987,198	\$ 32,279
Investment earnings	15,000	15,000	10,992	(4,008)
Total revenues	<u>2,969,919</u>	<u>2,969,919</u>	<u>2,998,190</u>	<u>\$ 28,271</u>
Expenditures				
Debt service:				
Principal payments	860,000	1,199,909	860,000	339,909
Interest and other charges	<u>2,092,919</u>	<u>2,107,919</u>	<u>2,064,192</u>	<u>43,727</u>
Total expenditures	<u>2,952,919</u>	<u>3,307,828</u>	<u>2,924,192</u>	<u>383,636</u>
Excess of revenues over expenditures	17,000	(337,909)	73,998	411,907
Fund balance - beginning	<u>601,006</u>	<u>601,006</u>	<u>601,006</u>	<u>--</u>
Fund balance - ending	<u>\$ 618,006</u>	<u>\$ 263,097</u>	<u>\$ 675,004</u>	<u>\$ 411,907</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 280,000	\$ 280,000	\$ 284,564	\$ 4,564
Investment earnings	3,000	3,000	2,478	(522)
Total revenues	<u>283,000</u>	<u>283,000</u>	<u>287,042</u>	<u>4,042</u>
Expenditures				
Debt service:				
Principal payments	139,666	139,666	139,666	--
Interest and other charges	<u>142,863</u>	<u>142,863</u>	<u>139,863</u>	<u>3,000</u>
Total expenditures	<u>282,529</u>	<u>282,529</u>	<u>279,529</u>	<u>3,000</u>
Excess of revenues over expenditures	471	471	7,513	7,042
Fund balances - beginning	<u>237,134</u>	<u>237,134</u>	<u>237,134</u>	<u>--</u>
Fund balances - ending	<u>\$ 237,605</u>	<u>\$ 237,605</u>	<u>\$ 244,647</u>	<u>\$ 7,042</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 398,711	\$ 398,711	\$ 398,711	\$ --
Investment earnings	--	--	(4,123)	(4,123)
Total revenues	<u>398,711</u>	<u>398,711</u>	<u>394,588</u>	<u>(4,123)</u>
Expenditures				
Debt service:				
Principal payments	1,336,726	1,336,726	1,336,726	--
Interest and other charges	<u>1,139,174</u>	<u>1,139,174</u>	<u>1,139,173</u>	<u>1</u>
Total expenditures	<u>2,475,900</u>	<u>2,475,900</u>	<u>2,475,899</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(2,077,189)	(2,077,189)	(2,081,311)	(4,122)
Other financing sources				
Transfers in	<u>2,077,189</u>	<u>2,077,189</u>	<u>2,077,189</u>	<u>--</u>
Net change in fund balances	--	--	(4,122)	(4,122)
Fund balances - beginning	<u>(5,808)</u>	<u>(5,808)</u>	<u>(5,808)</u>	<u>--</u>
Fund balances - ending	<u>\$ (5,808)</u>	<u>\$ (5,808)</u>	<u>\$ (9,930)</u>	<u>\$ (4,122)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ --	\$ 143,477	\$ 143,477	\$ --
Investment earnings	--	--	1,181	1,181
Total revenues	<u>--</u>	<u>143,477</u>	<u>144,658</u>	<u>1,181</u>
Expenditures				
Debt service:				
Principal payments	--	--	--	--
Interest and other charges	--	318,837	318,837	--
Total expenditures	<u>--</u>	<u>318,837</u>	<u>318,837</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	(175,360)	(174,179)	1,181
Other financing sources				
Transfers in	--	375,003	375,003	--
Net change in fund balances	--	199,643	200,824	1,181
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ 199,643</u>	<u>\$ 200,824</u>	<u>\$ 1,181</u>

City of Sarasota, Florida

2001A First Florida Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2011

	<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	\$ --	\$ --	\$ 1,749	\$ 1,749
Total revenues	<u>--</u>	<u>--</u>	<u>1,749</u>	<u>1,749</u>
Expenditures				
Debt service:				
Principal payments	585,000	585,000	585,000	--
Interest and other charges	<u>32,325</u>	<u>32,325</u>	<u>30,120</u>	<u>2,205</u>
Total expenditures	<u>617,325</u>	<u>617,325</u>	<u>615,120</u>	<u>2,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(617,325)</u>	<u>(617,325)</u>	<u>(613,371)</u>	<u>3,954</u>
Other financing sources				
Transfers in	617,325	617,325	617,325	--
Transfers out	<u>--</u>	<u>--</u>	<u>(86,732)</u>	<u>(86,732)</u>
Total other financing sources (uses)	<u>617,325</u>	<u>617,325</u>	<u>530,593</u>	<u>(86,732)</u>
Net change in fund balances	--	--	(82,778)	(82,778)
Fund balances - beginning	<u>82,778</u>	<u>82,778</u>	<u>82,778</u>	<u>--</u>
Fund balances - ending	<u>\$ 82,778</u>	<u>\$ 82,778</u>	<u>\$ --</u>	<u>\$ (82,778)</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, 2011

	<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	\$ 105,000	\$ 5,000
Investment earnings	38,325	38,325	37,193	(1,132)
Total revenues	<u>138,325</u>	<u>138,325</u>	<u>142,193</u>	<u>3,868</u>
Expenditures				
Debt service:				
Principal payments	100,000	100,000	100,000	--
Interest and other charges	38,325	38,325	36,450	1,875
Total expenditures	<u>138,325</u>	<u>138,325</u>	<u>136,450</u>	<u>1,875</u>
Excess of revenues over expenditures	--	--	5,743	5,743
Fund balances - beginning	<u>173,581</u>	<u>173,581</u>	<u>173,581</u>	<u>--</u>
Fund balances - ending	<u>\$ 173,581</u>	<u>\$ 173,581</u>	<u>\$ 179,324</u>	<u>\$ 5,743</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, 2011

	<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	\$ --	\$ --	\$ 3,261	\$ 3,261
Total revenues	<u>--</u>	<u>--</u>	<u>3,261</u>	<u>3,261</u>
Expenditures				
Debt service:				
Principal payments	410,000	410,000	410,000	--
Interest and other charges	<u>99,056</u>	<u>99,056</u>	<u>96,037</u>	<u>3,019</u>
Total expenditures	<u>509,056</u>	<u>509,056</u>	<u>506,037</u>	<u>3,019</u>
Excess (deficiency) of revenues over (under) expenditures	(509,056)	(509,056)	(502,776)	6,280
Other financing sources				
Transfers in	<u>509,056</u>	<u>509,056</u>	<u>625,788</u>	<u>116,732</u>
Net change in fund balances	--	--	123,012	123,012
Fund balances - beginning	<u>238,782</u>	<u>238,782</u>	<u>238,782</u>	<u>--</u>
Fund balances - ending	<u>\$ 238,782</u>	<u>\$ 238,782</u>	<u>\$ 361,794</u>	<u>\$ 123,012</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, 2011

	<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	\$ --	\$ --	\$ 4,730	\$ 4,730
Total revenues	<u>--</u>	<u>--</u>	<u>4,730</u>	<u>4,730</u>
Expenditures				
Debt service:				
Principal payments	560,000	560,000	560,000	--
Interest and other charges	<u>110,788</u>	<u>110,788</u>	<u>110,884</u>	<u>(96)</u>
Total expenditures	<u>670,788</u>	<u>670,788</u>	<u>670,884</u>	<u>(96)</u>
Excess (deficiency) of revenues over (under) expenditures	(670,788)	(670,788)	(666,154)	4,634
Other financing sources				
Transfers in	<u>670,788</u>	<u>670,788</u>	<u>670,788</u>	<u>--</u>
Net change in fund balances	--	--	4,634	4,634
Fund balances - beginning	<u>369,414</u>	<u>369,414</u>	<u>369,414</u>	<u>--</u>
Fund balances - ending	<u>\$ 369,414</u>	<u>\$ 369,414</u>	<u>\$ 374,048</u>	<u>\$ 4,634</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, 2011

	Bobby Jones Golf Course	Municipal Auditoriums	Sports Stadium	Parking Management	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 639,314	\$ 39,036	\$ 132,408	\$ 39,348	\$ 850,106
Investments	1,003,469	61,270	207,827	61,761	1,334,327
Receivables (net):					
Accounts	528	--	--	15,000	15,528
Interest	2,308	42	437	157	2,944
Due from other governmental agencies	4,119	75	--	123	4,317
Inventories	47,830	863	--	--	48,693
Prepaid items	9,623	15,951	--	31,368	56,942
Total current assets	<u>1,707,191</u>	<u>117,237</u>	<u>340,672</u>	<u>147,757</u>	<u>2,312,857</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	5,428,951	347,757	--	438,919	6,215,627
Equipment	553,291	58,764	--	844,718	1,456,773
Construction in progress	28,483	--	--	--	28,483
Less accumulated depreciation	(4,609,805)	(2,083,515)	--	(817,710)	(7,511,030)
Total capital assets (net of accumulated depreciation)	<u>3,451,023</u>	<u>475,090</u>	<u>--</u>	<u>2,399,728</u>	<u>6,325,841</u>
Total assets	<u>5,158,214</u>	<u>592,327</u>	<u>340,672</u>	<u>2,547,485</u>	<u>8,638,698</u>
Liabilities					
Current liabilities:					
Accounts payable	22,634	7,945	--	57,351	87,930
Retainages payable	--	--	--	--	--
Due to other governmental agencies	--	--	--	--	--
Accrued wages	12,777	4,023	--	9,826	26,626
Compensated absences	35,448	10,830	--	15,931	62,209
Unearned revenue	56,803	41,516	--	1,006	99,325
Total current liabilities	<u>127,662</u>	<u>64,314</u>	<u>--</u>	<u>84,114</u>	<u>276,090</u>
Noncurrent liabilities:					
Compensated absences	25,669	7,843	--	11,536	45,048
Other post-employment benefits	33,851	10,959	--	17,168	61,978
Total noncurrent liabilities	<u>59,520</u>	<u>18,802</u>	<u>--</u>	<u>28,704</u>	<u>107,026</u>
Total liabilities	<u>187,182</u>	<u>83,116</u>	<u>--</u>	<u>112,818</u>	<u>383,116</u>
Net Assets					
Invested in capital assets, net of related debt	3,451,023	475,090	--	2,399,728	6,325,841
Unrestricted	1,520,009	34,121	340,672	34,939	1,929,741
Total net assets	<u>\$ 4,971,032</u>	<u>\$ 509,211</u>	<u>\$ 340,672</u>	<u>\$ 2,434,667</u>	<u>\$ 8,255,582</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, 2011

	Bobby Jones Golf Course	Municipal Auditoriums	Sports Stadium	Parking Management	Total
Operating revenues:					
Charges for services	\$ 2,649,936	\$ 123,327	\$ --	\$ 109,420	\$ 2,882,683
Rents	13,629	291,990	--	12,070	317,689
Fines	--	--	--	335,609	335,609
Miscellaneous	204	624	--	40,210	41,038
Total operating revenues	2,663,769	415,941	--	497,309	3,577,019
Operating expenses:					
Personal services	757,242	248,769	--	364,815	1,370,826
Contractual services	415,253	200,061	--	195,190	810,504
Repairs and maintenance	1,342,492	3,210	--	117,454	1,463,156
Supplies and materials	105,963	14,790	--	34,109	154,862
Depreciation	234,341	79,576	--	41,912	355,829
Total operating expenses	2,855,291	546,406	--	753,480	4,155,177
Operating income (loss)	(191,522)	(130,465)	--	(256,171)	(578,158)
Nonoperating revenues:					
Investment earnings	21,779	907	3,902	3,092	29,680
Gain (loss) on disposition of capital assets	808	--	--	--	808
Total nonoperating revenues	22,587	907	3,902	3,092	30,488
Income (loss) before transfers and special items	(168,935)	(129,558)	3,902	(253,079)	(547,670)
Capital contributions	--	--	--	432,358	432,358
Transfers in	--	76,320	--	--	76,320
Transfers out	(18,912)	(2,727)	--	--	(21,639)
Change in net assets	(187,847)	(55,965)	3,902	179,279	(60,631)
Total net assets - beginning	5,158,879	565,176	336,770	2,255,388	8,316,213
Total net assets - ending	\$ 4,971,032	\$ 509,211	\$ 340,672	\$ 2,434,667	\$ 8,255,582

City of Sarasota, Florida
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2011

	Bobby Jones Golf Course	Municipal Auditoriums	Sports Stadium	Parking Management	Total
Cash flows from operating activities					
Cash received from customers	\$ 2,664,904	\$ 391,895	\$ 15	\$ 498,315	\$ 3,555,129
Cash payments to vendors for goods and services	(1,698,617)	(157,979)	--	(275,429)	(2,132,025)
Cash payments to employees for services	(885,454)	(284,599)	--	(397,194)	(1,567,247)
Cash payments to other funds	(154,037)	(60,550)	--	(105,203)	(319,790)
Net cash provided (used) by operating activities	(73,204)	(111,233)	15	(279,511)	(463,933)
Cash flows from noncapital financing activities					
Transfers in	--	76,320	--	--	76,320
Transfers out	(18,912)	(2,727)	--	--	(21,639)
Net cash provided (used) by noncapital financing activities	(18,912)	73,593	--	--	54,681
Cash flows from capital and related financing activities					
Acquisition of capital assets	(189,127)	(1,685)	--	(31,356)	(222,168)
Proceeds from sale of capital assets	808	--	--	--	808
Net cash provided (used) by capital and related financing activities	(188,319)	(1,685)	--	(31,356)	(221,360)
Cash flows from investing activities					
Interest on investments	22,858	1,001	4,210	3,624	31,693
Purchase of investments	(217,305)	(3,831)	(68,939)	--	(290,075)
Proceeds from sale and maturities of investments	--	--	--	107,201	107,201
Net cash provided by investing activities	(194,447)	(2,830)	(64,729)	110,825	(151,181)
Net increase (decrease) in cash and cash equivalents	(474,882)	(42,155)	(64,714)	(200,042)	(781,793)
Cash and cash equivalents at beginning of year	1,114,196	81,191	197,122	239,390	1,631,899
Cash and cash equivalents at end of year	\$ 639,314	\$ 39,036	\$ 132,408	\$ 39,348	\$ 850,106

	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)	\$ (191,522)	\$ (130,465)	\$ --	\$ (256,171)	\$ (578,158)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	234,341	79,576	--	41,912	355,829
Net (increase) decrease in:					
Accounts receivable	1,033	--	--	--	1,033
Due from other governmental agencies	(1,894)	3,051	15	(55)	1,117
Inventories	917	(297)	--	--	620
Prepaid items	(1,305)	1,008	--	(31,368)	(31,665)
Net increase (decrease) in:					
Accounts payable	13,336	(1,179)	--	(2,456)	9,701
Due to other governmental agencies	--	--	--	--	--
Accrued wages	(28,416)	(7,172)	--	(5,235)	(40,823)
Compensated absences	(8,306)	607	--	19,634	11,935
Unearned revenue	102	(27,097)	--	1,006	(25,989)
Other post-employment benefits	(91,490)	(29,265)	--	(46,778)	(167,533)
Total adjustments	118,318	19,232	15	(23,340)	114,225
Net cash provided (used) by operating activities	\$ (73,204)	\$ (111,233)	\$ 15	\$ (279,511)	\$ (463,933)

Noncash investing, capital, and financing activities

Capital assets transferred from other funds	\$ --	\$ --	\$ --	\$ 432,358	\$ 432,358
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City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Statement of Net Assets
September 30, 2011

	<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	\$ --	\$ --	\$ 7,543,366	\$ 3,455,523
Investments	--	--	11,840,083	5,423,795
Receivables (net):				
Accounts	3,151,297	--	--	--
Interest	--	--	24,995	11,454
Due from other governmental agencies	--	--	--	514,893
Inventories	--	--	--	--
Prepaid items	194,835	--	--	24,605
Total unrestricted current assets	<u>3,346,132</u>	<u>--</u>	<u>19,408,444</u>	<u>9,430,270</u>
Restricted current assets:				
Cash and cash equivalents	402,133	1,453,903	--	--
Cash with fiscal agents	--	6,492,407	--	--
Investments	631,189	2,282,048	--	--
Accrued interest receivable	1,349	12,434	--	--
Deferred issuance costs	--	77,106	--	--
Total restricted current assets	<u>1,034,671</u>	<u>10,317,898</u>	<u>--</u>	<u>--</u>
Total current assets	<u>4,380,803</u>	<u>10,317,898</u>	<u>19,408,444</u>	<u>9,430,270</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable:				
Land	6,619,477	--	--	--
Construction in progress	1,006	--	3,081,547	4,664,358
Depreciable:				
Buildings	25,132,252	--	--	--
Utility systems	213,421,552	--	--	--
Equipment	1,125,259	--	6,479,922	17,489
Less accumulated depreciation	(144,840,694)	--	(5,976,960)	(17,489)
Total capital assets (net of accumulated depreciation)	<u>101,458,852</u>	<u>--</u>	<u>3,584,509</u>	<u>4,664,358</u>
Other assets:				
Deferred issuance costs	--	650,151	--	--
Total other assets	<u>--</u>	<u>650,151</u>	<u>--</u>	<u>--</u>
Total noncurrent assets	<u>101,458,852</u>	<u>650,151</u>	<u>3,584,509</u>	<u>4,664,358</u>
Total assets	<u>\$ 105,839,655</u>	<u>\$ 10,968,049</u>	<u>\$ 22,992,953</u>	<u>\$ 14,094,628</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ --	\$ 10,998,889
--	--	17,263,878
--	--	3,151,297
--	--	36,449
--	--	514,893
--	47,865	47,865
--	1,499	220,939
<u>--</u>	<u>49,364</u>	<u>32,234,210</u>
13,880,866	--	15,736,902
--	--	6,492,407
21,787,436	--	24,700,673
47,009	--	60,792
--	--	77,106
<u>35,715,311</u>	<u>--</u>	<u>47,067,880</u>
<u>35,715,311</u>	<u>49,364</u>	<u>79,302,090</u>
--	--	6,619,477
23,258,317	--	31,005,228
--	--	25,132,252
--	--	213,421,552
195,633	35,525	7,853,828
<u>(123,993)</u>	<u>(35,525)</u>	<u>(150,994,661)</u>
<u>23,329,957</u>	<u>--</u>	<u>133,037,676</u>
--	--	650,151
--	--	650,151
<u>23,329,957</u>	<u>--</u>	<u>133,687,827</u>
<u>\$ 59,045,268</u>	<u>\$ 49,364</u>	<u>\$ 212,989,917</u>

(continued)

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Statement of Net Assets
September 30, 2011
(Concluded)

	<u>Revenue Account</u>	<u>Interest & Sinking Account</u>	<u>Renewal Replacement & Improvement Account</u>	<u>General Reserve Account</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 503,458	\$ --	\$ 126,649	\$ 35,194
Retainages payable	--	--	--	111,909
Due to other governmental agencies	2,530	--	--	--
Interfund payables	225,078	--	--	--
Accrued interest payable	381	--	--	--
Accrued wages	129,133	--	55,781	--
Compensated absences	353,068	--	66,153	--
Unearned revenue	201,433	--	--	--
Total unrestricted current liabilities	<u>1,415,081</u>	<u>--</u>	<u>248,583</u>	<u>147,103</u>
Current liabilities payable from restricted assets:				
Accounts payable	--	4,606	--	--
Retainages payable	--	--	--	--
Accrued interest payable	--	1,297,485	--	--
Customer deposits	1,034,670	--	--	--
Revenue bonds & loans payable - current	--	5,303,036	--	--
Total current liabilities payable from restricted assets	<u>1,034,670</u>	<u>6,605,127</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>2,449,751</u>	<u>6,605,127</u>	<u>248,583</u>	<u>147,103</u>
Noncurrent liabilities:				
Compensated absences	255,670	--	47,904	--
Other post-employment benefits	333,921	--	130,946	--
Revenue bonds, loans payable and unamortized premium less current maturities and deferred amount of refunding	--	66,121,006	--	--
Total noncurrent liabilities	<u>589,591</u>	<u>66,121,006</u>	<u>178,850</u>	<u>--</u>
Total liabilities	<u>3,039,342</u>	<u>72,726,133</u>	<u>427,433</u>	<u>147,103</u>
Net Assets				
Invested in capital assets, net of related debt	101,458,852	(42,583,135)	3,584,509	4,664,358
Restricted:				
Debt service	--	8,938,701	--	--
Construction	--	(28,113,650)	--	--
Unrestricted	1,341,461	--	18,981,011	9,283,167
Total net assets	<u>\$ 102,800,313</u>	<u>\$ (61,758,084)</u>	<u>\$ 22,565,520</u>	<u>\$ 13,947,525</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ 61,894	\$ 727,195
--	--	111,909
--	--	2,530
--	41,941	267,019
--	108	489
--	891	185,805
--	12,646	431,867
--	--	201,433
<u>--</u>	<u>117,480</u>	<u>1,928,247</u>
1,952,013	--	1,956,619
400,809	--	400,809
--	--	1,297,485
--	--	1,034,670
<u>--</u>	<u>--</u>	<u>5,303,036</u>
<u>2,352,822</u>	<u>--</u>	<u>9,992,619</u>
<u>2,352,822</u>	<u>117,480</u>	<u>11,920,866</u>
--	9,158	312,732
--	3,327	468,194
<u>--</u>	<u>--</u>	<u>66,121,006</u>
<u>--</u>	<u>12,485</u>	<u>66,901,932</u>
<u>2,352,822</u>	<u>129,965</u>	<u>78,822,798</u>
23,329,957	--	90,454,541
--	--	8,938,701
33,362,489	--	5,248,839
--	(80,601)	29,525,038
<u>\$ 56,692,446</u>	<u>\$ (80,601)</u>	<u>\$ 134,167,119</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, 2011

	<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	\$ 15,509,976	\$ --	\$ --	\$ --
Sewer collection fees	18,518,729	--	--	--
Connection fees	--	--	--	299,870
Reconnection fees	146,284	--	--	--
Other	--	--	14,977	--
Rents	48,067	--	--	--
Miscellaneous	119,599	--	--	59
Total operating revenues	<u>34,342,655</u>	<u>--</u>	<u>14,977</u>	<u>299,929</u>
Operating expenses				
Personal services	8,632,513	--	--	--
Contractual services	5,573,789	11,522	662,102	--
Repairs and maintenance	1,237,588	--	1,542,962	--
Supplies and materials	2,840,018	--	--	--
Depreciation	6,620,645	--	405,165	462
Other	33,000	--	--	--
Total operating expenses	<u>24,937,553</u>	<u>11,522</u>	<u>2,610,229</u>	<u>462</u>
Operating income (loss)	<u>9,405,102</u>	<u>(11,522)</u>	<u>(2,595,252)</u>	<u>299,467</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	108,949	74,328	71,590	68,340
Interest expense	--	(927,359)	--	--
Loan and bond issue expense	--	(88,319)	--	--
Gain (loss) on disposition of capital assets	--	--	3,861	--
Total nonoperating revenues (expenses)	<u>108,949</u>	<u>(941,350)</u>	<u>75,451</u>	<u>68,340</u>
Income (loss) before capital contributions and transfers	9,514,051	(952,872)	(2,519,801)	367,807
Capital grant	--	--	--	2,530,614
Intraaccount transfers in	4,512,731	8,392,990	6,289,126	3,333,921
Intraaccount transfers out	(18,019,632)	(1,977,335)	(1,980,952)	(597,480)
Transfers out	(59,501)	--	--	--
Special item	--	--	17,222,926	--
Change in net assets	(4,052,351)	5,462,783	19,011,299	5,634,862
Total net assets - beginning	<u>106,852,664</u>	<u>(67,220,867)</u>	<u>3,554,221</u>	<u>8,312,663</u>
Total net assets - ending	<u>\$ 102,800,313</u>	<u>\$ (61,758,084)</u>	<u>\$ 22,565,520</u>	<u>\$ 13,947,525</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Eliminations</u>	<u>Totals</u>
\$ --	\$ --	\$ --	\$ 15,509,976
--	--	--	18,518,729
--	--	--	299,870
--	--	--	146,284
--	316,682	(316,682)	14,977
--	--	--	48,067
--	--	--	119,658
<u>--</u>	<u>316,682</u>	<u>(316,682)</u>	<u>34,657,561</u>
--	71,833	--	8,704,346
--	25,096	--	6,272,509
--	2,381	--	2,782,931
--	184,304	(316,682)	2,707,640
27,948	--	--	7,054,220
--	--	--	33,000
<u>27,948</u>	<u>283,614</u>	<u>(316,682)</u>	<u>27,554,646</u>
<u>(27,948)</u>	<u>33,068</u>	<u>--</u>	<u>7,102,915</u>
29,544	(1,278)	--	351,473
--	--	--	(927,359)
--	--	--	(88,319)
--	--	--	3,861
<u>29,544</u>	<u>(1,278)</u>	<u>--</u>	<u>(660,344)</u>
1,596	31,790	--	6,442,571
--	--	--	2,530,614
1,912,374	--	--	24,441,142
(1,865,743)	--	--	(24,441,142)
--	(323)	--	(59,824)
<u>--</u>	<u>--</u>	<u>--</u>	<u>17,222,926</u>
48,227	31,467	--	26,136,287
<u>56,644,219</u>	<u>(112,068)</u>	<u>--</u>	<u>108,030,832</u>
<u>\$ 56,692,446</u>	<u>\$ (80,601)</u>	<u>\$ --</u>	<u>\$ 134,167,119</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, 2011

	<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	\$ --	\$ 287,130	\$ 7,362,750	\$ 1,553,332	\$ 9,203,212
Investments	--	450,681	11,556,588	2,438,112	14,445,381
Receivables (net):					
Accounts	1,320	--	--	--	1,320
Interest	--	999	17,482	5,158	23,639
Due from other funds	--	--	36,699	--	36,699
Due from other					
governmental agencies	3,811	--	--	--	3,811
Inventories	207,590	--	--	--	207,590
Prepaid items	5,036	42,666	3,387	--	51,089
Total current assets	<u>217,757</u>	<u>781,476</u>	<u>18,976,906</u>	<u>3,996,602</u>	<u>23,972,741</u>
Noncurrent assets:					
Advance to other funds	--	--	118,114	--	118,114
Capital assets:					
Improvements	895,774	288,881	241,910	1,123,635	2,550,200
Equipment	320,641	2,391,547	33,507	7,618,066	10,363,761
Construction in progress	--	16,395	--	183,339	199,734
Less accumulated depreciation	(591,052)	(2,126,220)	(18,304)	(7,334,517)	(10,070,093)
Total capital assets (net of accumulated depreciation)	<u>625,363</u>	<u>570,603</u>	<u>257,113</u>	<u>1,590,523</u>	<u>3,043,602</u>
Total noncurrent assets	<u>625,363</u>	<u>570,603</u>	<u>375,227</u>	<u>1,590,523</u>	<u>3,161,716</u>
Total assets	<u>843,120</u>	<u>1,352,079</u>	<u>19,352,133</u>	<u>5,587,125</u>	<u>27,134,457</u>
Liabilities					
Current liabilities:					
Accounts payable	128,368	58,112	161,451	--	347,931
Due to other funds	36,699	--	--	--	36,699
Interfund payables	121,577	--	--	--	121,577
Interest payable	599	--	--	--	599
Liability for unpaid claims	--	--	2,926,930	--	2,926,930
Accrued wages	10,860	17,153	--	--	28,013
Compensated absences	23,240	57,137	2,611,205	--	2,691,582
Total current liabilities	<u>321,343</u>	<u>132,402</u>	<u>5,699,586</u>	<u>--</u>	<u>6,153,331</u>
Noncurrent liabilities:					
Advance from other funds	118,114	--	--	--	118,114
Compensated absences	16,829	41,375	1,890,873	--	1,949,077
Other post-employment benefits	28,352	44,172	--	--	72,524
Total noncurrent liabilities	<u>163,295</u>	<u>85,547</u>	<u>1,890,873</u>	<u>--</u>	<u>2,139,715</u>
Total liabilities	<u>484,638</u>	<u>217,949</u>	<u>7,590,459</u>	<u>--</u>	<u>8,293,046</u>
Net Assets					
Invested in capital assets, net of related debt	625,363	570,603	257,113	1,590,523	3,043,602
Unrestricted	(266,881)	563,527	11,504,561	3,996,602	15,797,809
Total net assets	<u>\$ 358,482</u>	<u>\$ 1,134,130</u>	<u>\$ 11,761,674</u>	<u>\$ 5,587,125</u>	<u>\$ 18,841,411</u>

City of Sarasota, Florida

Internal Service Funds

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

Year Ended September 30, 2011

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Operating revenues					
Charges for services	\$ 2,912,834	\$ 1,750,000	\$ 8,628,421	\$ 387,223	\$ 13,678,478
Miscellaneous	39,391	550	291,928	--	331,869
Total operating revenues	<u>2,952,225</u>	<u>1,750,550</u>	<u>8,920,349</u>	<u>387,223</u>	<u>14,010,347</u>
Operating expenses					
Personal services	712,106	967,400	2,669,630	--	4,349,136
Contractual services	296,415	260,260	8,692,468	74,938	9,324,081
Repairs and maintenance	40,653	342,072	6,600	--	389,325
Supplies and materials	1,760,419	19,854	49,495	39,802	1,869,570
Depreciation	62,490	277,664	18,304	423,874	782,332
Total operating expenses	<u>2,872,083</u>	<u>1,867,250</u>	<u>11,436,497</u>	<u>538,614</u>	<u>16,714,444</u>
Operating income (loss)	<u>80,142</u>	<u>(116,700)</u>	<u>(2,516,148)</u>	<u>(151,391)</u>	<u>(2,704,097)</u>
Nonoperating revenues (expenses)					
Investment earnings (loss)	(3,681)	7,917	174,308	43,250	221,794
Interest expense	(6,094)	--	--	--	(6,094)
Gain (loss) on disposition of capital assets	7,087	1,070	--	24,818	32,975
Total nonoperating revenues (expenses)	<u>(2,688)</u>	<u>8,987</u>	<u>174,308</u>	<u>68,068</u>	<u>248,675</u>
Income (loss) before transfers	77,454	(107,713)	(2,341,840)	(83,323)	(2,455,422)
Transfers out	(605)	--	(5,232)	--	(5,837)
Change in net assets	76,849	(107,713)	(2,347,072)	(83,323)	(2,461,259)
Total net assets - beginning	<u>281,633</u>	<u>1,241,843</u>	<u>14,108,746</u>	<u>5,670,448</u>	<u>21,302,670</u>
Total net assets - ending	<u>\$ 358,482</u>	<u>\$ 1,134,130</u>	<u>\$ 11,761,674</u>	<u>\$ 5,587,125</u>	<u>\$ 18,841,411</u>

City of Sarasota, Florida
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2011

	<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	\$ 14,441	\$ 550	\$ 1,643,484	\$ 14,800	\$ 1,673,275
Cash received from other funds for goods and services	2,938,657	1,750,000	7,276,865	387,223	12,352,745
Cash payments to vendors for goods and services	(1,876,861)	(654,062)	(1,208,162)	(171,964)	(3,911,049)
Cash payments to employees for services	(802,318)	(1,104,097)	(2,808,961)	--	(4,715,376)
Cash payments to other funds	(215,795)	--	(436,392)	(7,301)	(659,488)
Claims paid	--	--	(6,861,516)	--	(6,861,516)
Net cash provided (used) by operating activities	<u>58,124</u>	<u>(7,609)</u>	<u>(2,394,682)</u>	<u>222,758</u>	<u>(2,121,409)</u>
Cash flows from noncapital financing activities					
Interfund loan borrowings	140	--	--	--	140
Transfers out	(605)	--	(5,232)	--	(5,837)
Repayment of loan to/from other fund	(35,438)	--	35,438	--	--
Interest on loan to/from other fund	(6,094)	--	6,094	--	--
Net cash provided (used) by noncapital financing activities	<u>(41,997)</u>	<u>--</u>	<u>36,300</u>	<u>--</u>	<u>(5,697)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(20,322)	(161,030)	(275,417)	(277,646)	(734,415)
Proceeds from sale of capital assets	7,087	1,070	--	24,818	32,975
Net cash provided (used) in capital and related financing activities	<u>(13,235)</u>	<u>(159,960)</u>	<u>(275,417)</u>	<u>(252,828)</u>	<u>(701,440)</u>
Cash flows from investing activities					
Interest on investments	(3,601)	8,459	177,954	44,774	227,586
Purchase of investments	--	(79,585)	(2,666,800)	(792,642)	(3,539,027)
Proceeds from sale and maturities of investments	709	--	--	--	709
Net cash provided (used) by investing activities	<u>(2,892)</u>	<u>(71,126)</u>	<u>(2,488,846)</u>	<u>(747,868)</u>	<u>(3,310,732)</u>
Net increase (decrease) in cash and cash equivalents	--	(238,695)	(5,122,645)	(777,938)	(6,139,278)
Cash and cash equivalents at beginning of year	--	525,825	12,485,395	2,331,270	15,342,490
Cash and cash equivalents at end of year	<u>\$ --</u>	<u>\$ 287,130</u>	<u>\$ 7,362,750</u>	<u>\$ 1,553,332</u>	<u>\$ 9,203,212</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)	\$ 80,142	\$ (116,700)	\$ (2,516,148)	\$ (151,391)	\$ (2,704,097)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	62,490	277,664	18,304	423,874	782,332
Net (increase) decrease in:					
Accounts receivable	873	--	--	--	873
Due from other governmental agencies	430	--	--	14,800	15,230
Inventories	23,240	--	--	--	23,240
Prepaid items	(1,848)	(18,322)	(3,387)	--	(23,557)
Net increase (decrease) in:					
Accounts payable	(16,991)	(13,554)	(541)	(64,525)	(95,611)
Liability for unpaid claims	--	--	246,420	--	246,420
Accrued wages	(18,177)	(30,532)	--	--	(48,709)
Compensated absences	(1,638)	2,904	(139,330)	--	(138,064)
Other post-employment benefits	(70,397)	(109,069)	--	--	(179,466)
Total adjustments	(22,018)	109,091	121,466	374,149	582,688
Net cash provided (used) by operating activities	\$ 58,124	\$ (7,609)	\$ (2,394,682)	\$ 222,758	\$ (2,121,409)

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

None



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Fiduciary Funds

Trust Funds

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

Pension Trust Funds

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

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

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

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

Agency Funds

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

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

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

City of Sarasota, Florida
Fiduciary Funds
Combining Statement of Plan Net Assets
September 30, 2011

	Pension Trust Funds			Other Post-Employment	Total
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension	Benefits (OPEB)	
Assets					
Cash and cash equivalents	\$ 3,195,563	\$ 2,333,417	\$ 2,961,803	\$ 1,206,145	\$ 9,696,928
Investments:					
U.S. Government securities	10,687,203	--	2,099,833	1,424,527	14,211,563
U.S. Government agency securities	12,683,869	--	1,336,920	--	14,020,789
Common and preferred stock	58,291,722	57,501,858	51,981,170	11,279,631	179,054,381
Corporate bonds and notes	6,869,066	5,829,989	15,651,066	--	28,350,121
Bond mutual funds	--	39,154,738	115,913	--	39,270,651
Real estate mutual funds	--	15,616,326	10,301,242	--	25,917,568
Mortgage backed securities	--	--	1,796,897	3,955,215	5,752,112
Foreign stocks	14,140,624	--	8,057,194	2,562,659	24,760,477
Foreign mutual funds	--	18,984,627	--	--	18,984,627
Total investments	102,672,484	137,087,538	91,340,235	19,222,032	350,322,289
Receivables (net):					
Accounts	31,641	21,548	575	--	53,764
Interest and dividends	222,218	146,115	325,712	512	694,557
Due from other governmental agencies	22	4,702	--	--	4,724
Total receivables	253,881	172,365	326,287	512	753,045
Other assets:					
Share account loans	--	--	75,048	--	75,048
Prepaid items	11,548	12,109	20,972	2,076	46,705
Equipment	575	2,702	575	--	3,852
Less accumulated depreciation	(575)	(2,702)	(575)	--	(3,852)
Total other assets	11,548	12,109	96,020	2,076	121,753
Total assets	106,133,476	139,605,429	94,724,345	20,430,765	360,894,015
Liabilities					
Accounts payable	165,588	153,967	114,488	224,037	658,080
Liability for unpaid claims	--	--	--	411,765	411,765
Accrued wages and unpaid vacation	15,258	15,845	15,845	--	46,948
Unearned revenue	18,851	--	--	--	18,851
Accrued benefits	908,363	6,037,156	4,938,204	--	11,883,723
Total liabilities	1,108,060	6,206,968	5,068,537	635,802	13,019,367
Net Assets					
Held in trust for pension and OPEB benefits	\$ 105,025,416	\$ 133,398,461	\$ 89,655,808	\$ 19,794,963	\$ 347,874,648

City of Sarasota, Florida

Fiduciary Funds

Combining Statement of Changes in Plan Net Assets

For the Year Ended September 30, 2011

	Pension Trust Funds			Other Post- Employment Benefits (OPEB)	Total
	General Employees' Pension	Police Officers' Pension	Firefighters' Pension		
Additions					
Contributions:					
Plan members	\$ 1,198,126	\$ 791,550	\$ 242,056	\$ 975,036	\$ 3,206,768
Employer					
City of Sarasota	2,985,371	3,575,825	1,700,609	11,043,639	19,305,444
Sarasota County	57,868	--	4,024,844	--	4,082,712
State on behalf payments, through General Fund	--	568,100	695,833	--	1,263,933
Other	65,035	--	8,038	692,273	765,346
Total contributions	<u>4,306,400</u>	<u>4,935,475</u>	<u>6,671,380</u>	<u>12,710,948</u>	<u>28,624,203</u>
Investment income :					
Net decrease in fair value of investments	(2,497,377)	(5,081,393)	(285,215)	(1,266,891)	(9,130,876)
Interest	991,946	67,204	1,025,423	279,004	2,363,577
Dividends	1,444,465	5,362,100	1,492,226	210,665	8,509,456
Total investment income (loss)	<u>(60,966)</u>	<u>347,911</u>	<u>2,232,434</u>	<u>(777,222)</u>	<u>1,742,157</u>
Less investment expense	<u>(752,906)</u>	<u>(994,036)</u>	<u>(633,243)</u>	<u>(193,370)</u>	<u>(2,573,555)</u>
Net investment income (loss)	<u>(813,872)</u>	<u>(646,125)</u>	<u>1,599,191</u>	<u>(970,592)</u>	<u>(831,398)</u>
Total additions	<u>3,492,528</u>	<u>4,289,350</u>	<u>8,270,571</u>	<u>11,740,356</u>	<u>27,792,805</u>
Deductions					
Benefits	8,072,364	9,211,135	9,143,904	5,098,864	31,526,267
Share expense	--	--	591,169	--	591,169
Other benefits	--	--	257,337	277,093	534,430
Administrative expenses	133,296	163,721	152,941	760,911	1,210,869
Refunds of contributions	237,624	206,115	--	--	443,739
Total deductions	<u>8,443,284</u>	<u>9,580,971</u>	<u>10,145,351</u>	<u>6,136,868</u>	<u>34,306,474</u>
Change in net assets	(4,950,756)	(5,291,621)	(1,874,780)	5,603,488	(6,513,669)
Total net assets - beginning	<u>109,976,172</u>	<u>138,690,082</u>	<u>91,530,588</u>	<u>14,191,475</u>	<u>354,388,317</u>
Total net assets - ending	<u>\$ 105,025,416</u>	<u>\$ 133,398,461</u>	<u>\$ 89,655,808</u>	<u>\$ 19,794,963</u>	<u>\$ 347,874,648</u>

City of Sarasota, Florida

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended September 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
Impact Fees				
Assets				
Cash and cash equivalents	\$ --	\$ 917,557	\$ 916,206	\$ 1,351
Investments	--	7,611	5,491	2,120
Accrued interest receivable	26	1,474	1,414	86
Total assets	<u>\$ 26</u>	<u>\$ 926,642</u>	<u>\$ 923,111</u>	<u>\$ 3,557</u>
Liabilities				
Accrued liabilities	\$ 26	\$ 1,505,522	\$ 1,501,991	\$ 3,557
Total liabilities	<u>\$ 26</u>	<u>\$ 1,505,522</u>	<u>\$ 1,501,991</u>	<u>\$ 3,557</u>
Van Wezel Non-City				
Assets				
Cash and cash equivalents	\$ --	\$ 365	\$ 365	\$ --
Investments	--	236	236	--
Accrued interest receivable	24	71	95	--
Total assets	<u>\$ 24</u>	<u>\$ 672</u>	<u>\$ 696</u>	<u>\$ --</u>
Liabilities				
Accrued liabilities	\$ 24	\$ --	\$ 24	\$ --
Total liabilities	<u>\$ 24</u>	<u>\$ --</u>	<u>\$ 24</u>	<u>\$ --</u>
Total - Agency Funds				
Assets				
Cash and cash equivalents	\$ --	\$ 917,922	\$ 916,571	\$ 1,351
Investments	--	7,847	5,727	2,120
Accrued interest receivable	50	1,545	1,509	86
Total assets	<u>\$ 50</u>	<u>\$ 927,314</u>	<u>\$ 923,807</u>	<u>\$ 3,557</u>
Liabilities				
Accrued liabilities	50	1,505,522	1,502,015	3,557
Total liabilities	<u>\$ 50</u>	<u>\$ 1,505,522</u>	<u>\$ 1,502,015</u>	<u>\$ 3,557</u>

Statistical Section

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

Contents	Page
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.	158-167
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	168-172
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.	174-181
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.	182-183
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.	184-187

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			
	2010-11	2009-10	2008 - 09	2007 - 08
Governmental activities				
Invested in capital assets, net of related debt	\$ 156,114,642	\$ 149,451,384	\$ 137,954,949	\$ 133,000,217
Restricted	60,339,093	66,977,332	70,136,846	59,984,371
Unrestricted	<u>17,821,458</u>	<u>28,875,274</u>	<u>30,804,957</u>	<u>32,414,729</u>
Total governmental activities net assets	<u>\$ 234,275,193</u>	<u>\$ 245,303,990</u>	<u>\$ 238,896,752</u>	<u>\$ 225,399,317</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 115,645,768	\$ 97,801,582	\$ 93,364,115	\$ 112,285,316
Restricted	14,187,540	28,263,881	38,121,603	22,979,650
Unrestricted	<u>39,713,500</u>	<u>17,126,986</u>	<u>9,905,510</u>	<u>10,509,484</u>
Total business-type activities net assets	<u>\$ 169,546,808</u>	<u>\$ 143,192,449</u>	<u>\$ 141,391,228</u>	<u>\$ 145,774,450</u>
Primary government				
Invested in capital assets, net of related debt	\$ 271,760,410	\$ 247,252,966	\$ 231,319,064	\$ 245,285,533
Restricted	74,526,633	95,241,213	108,258,449	82,964,021
Unrestricted	<u>57,534,958</u>	<u>46,002,260</u>	<u>40,710,467</u>	<u>42,924,213</u>
Total primary government net assets	<u>\$ 403,822,001</u>	<u>\$ 388,496,439</u>	<u>\$ 380,287,980</u>	<u>\$ 371,173,767</u>

Fiscal Year					
2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ 129,822,789	\$ 117,220,351	\$ 97,796,211	\$ 90,472,085	\$ 78,156,698	\$ 70,231,787
50,491,705	50,070,947	47,143,195	41,019,742	40,884,869	39,919,959
29,107,634	24,396,995	29,407,288	27,215,768	27,365,454	24,516,785
<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>	<u>\$ 134,668,531</u>
\$ 109,539,036	\$ 101,629,742	\$ 97,496,371	\$ 102,163,981	\$ 102,259,788	\$ 97,131,821
22,313,235	25,619,374	29,046,315	24,546,089	25,369,342	29,384,670
11,104,565	11,432,134	12,229,472	11,450,395	10,406,774	11,166,433
<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>	<u>\$ 137,682,924</u>
\$ 239,361,825	\$ 218,850,093	\$ 195,292,582	\$ 192,636,066	\$ 180,416,486	\$ 167,363,608
72,804,940	75,690,321	76,189,510	65,565,831	66,254,211	69,304,629
40,212,199	35,829,129	41,636,760	38,666,163	37,772,228	35,683,218
<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>	<u>\$ 272,351,455</u>

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

	Fiscal Year			
	2010-11	2009-10	2008 - 09	2007 - 08
Expenses				
Governmental activities:				
General government	\$ 12,945,611	\$ 14,000,760	\$ 12,918,248	\$ 10,287,848
Public safety	36,325,440	34,182,957	33,915,523	37,511,528
Physical environment	3,333,750	3,138,997	8,202,267	3,492,376
Transportation	7,288,847	7,275,556	7,619,536	8,355,780
Culture and recreation	12,259,064	2,043,875	1,880,557	2,167,296
Economic environment	18,211,787	9,239,967	7,076,916	6,936,439
Interest on long-term debt	4,740,436	4,692,235	4,191,843	3,899,134
Total governmental activities expenses	<u>95,104,935</u>	<u>74,574,347</u>	<u>75,804,890</u>	<u>72,650,401</u>
Business-type activities:				
Water and Sewer	28,570,324	28,968,721	29,568,006	30,199,955
Van Wezel	8,508,698	8,390,401	8,203,957	9,149,354
Solid Waste	9,129,783	10,010,227	9,691,991	9,818,963
Bobby Jones Golf Course	2,855,291	2,903,190	3,074,905	3,113,707
Municipal Auditoriums	546,406	555,984	566,605	678,336
Sports Stadium	--	44,588	1,287,944	1,466,807
Parking Management	753,480	740,142	784,440	868,659
Mobile Home Park	--	--	--	--
Total business-type activities expenses	<u>50,363,982</u>	<u>51,613,253</u>	<u>53,177,848</u>	<u>55,295,781</u>
Total primary government expenses	<u>\$ 145,468,917</u>	<u>\$ 126,187,600</u>	<u>\$ 128,982,738</u>	<u>\$ 127,946,182</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 880,263	\$ 769,980	\$ 785,709	\$ 1,161,479
Public safety	2,575,000	3,152,899	2,580,588	3,506,335
Physical environment	47,453	59,829	141,334	82,293
Transportation	337,083	307,786	356,827	180,092
Culture and recreation	70,915	77,959	58,749	53,716
Economic environment	--	--	5,042	56
Operating grants and contributions	17,183,083	12,007,830	15,775,263	8,404,372
Capital grants and contributions	5,315,585	2,173,553	528,392	639,811
Total governmental activities program revenues	<u>26,409,382</u>	<u>18,549,836</u>	<u>20,231,904</u>	<u>14,028,154</u>
Business-type activities:				
Charges for Services				
Water and Sewer	34,657,561	32,214,124	30,901,016	32,177,630
Van Wezel	7,873,403	7,529,568	7,029,343	7,026,517
Solid Waste	9,985,502	10,472,696	10,317,753	10,822,621
Bobby Jones Golf Course	2,663,769	2,628,088	3,055,072	3,158,508
Municipal Auditoriums	415,941	428,652	439,964	407,473
Sports Stadium	--	8,503	583,029	635,428
Parking Management	497,309	480,395	468,465	531,275
Mobile Home Park	--	--	--	--
Operating grants and contributions	184,408	204,558	132,214	201,848
Capital grants and contributions	2,530,614	--	22,500	--
Total business-type activities program revenues	<u>58,808,507</u>	<u>53,966,584</u>	<u>52,949,356</u>	<u>54,961,300</u>
Total primary government program revenues	<u>\$ 85,217,889</u>	<u>\$ 72,516,420</u>	<u>\$ 73,181,260</u>	<u>\$ 68,989,454</u>

Fiscal Year					
2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ 10,899,553	\$ 7,821,379	\$ 7,423,720	\$ 9,044,325	\$ 8,122,622	\$ 7,771,598
32,746,468	31,383,128	28,106,970	27,376,705	23,534,512	22,078,749
3,610,591	3,766,791	2,950,548	4,167,618	3,640,111	3,541,856
8,621,398	8,078,302	7,401,451	7,942,419	7,445,591	7,340,316
1,815,131	1,395,900	1,267,238	1,483,015	1,680,494	1,077,774
8,995,712	13,711,861	10,950,202	9,644,767	6,247,648	6,454,810
2,279,026	1,953,660	1,966,514	2,145,342	2,133,359	2,524,116
<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>	<u>50,789,219</u>
29,820,490	28,826,047	26,538,859	26,114,481	24,714,305	23,840,242
11,349,215	10,772,524	10,657,709	9,366,437	8,970,881	8,061,601
10,042,121	10,101,444	9,934,270	9,604,603	9,466,948	9,078,728
2,949,369	2,855,809	2,766,549	2,764,920	2,593,950	2,610,549
594,070	518,293	487,230	464,662	445,458	369,421
1,589,071	1,466,730	1,319,972	1,105,264	1,117,620	1,163,721
765,339	481,678	451,616	418,217	423,810	394,507
--	--	--	--	--	218,721
<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>45,737,490</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>	<u>\$ 96,526,709</u>
\$ 1,320,772	\$ 1,311,316	\$ 925,733	\$ 330,892	\$ 586,174	\$ 402,212
2,756,092	3,080,895	4,352,243	4,730,587	2,781,159	2,823,903
21,348	34,233	35,712	64,497	28,248	77,317
397,459	210,575	192,518	233,616	194,857	117,889
38,527	48,731	14,054	480,017	--	--
9	9	12	21,050	27,710	1,320
7,420,007	13,474,322	12,219,756	11,912,455	8,438,175	10,569,289
2,071,310	1,304,268	477,155	2,831,510	3,136,367	1,626,545
<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>	<u>15,618,475</u>
32,296,055	27,529,350	26,520,976	26,158,523	25,108,542	24,673,200
9,046,598	9,080,683	8,838,206	7,561,448	8,001,910	6,745,296
10,615,043	10,342,746	9,928,913	9,409,946	9,293,771	9,327,051
3,320,376	3,177,314	2,794,651	2,578,114	2,317,212	2,354,537
382,498	306,118	321,261	310,409	290,558	245,519
700,088	733,874	644,786	597,404	540,748	531,732
435,951	543,119	600,264	494,115	521,120	438,411
--	--	--	--	--	83,993
501,723	422,440	613,347	340,099	410,408	589,337
--	--	--	--	--	18,644
<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>45,007,720</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>	<u>\$ 60,626,195</u>

(continued)

City of Sarasota, Florida

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting) - continued

	Fiscal Year			
	2010 - 11	2009 - 10	2008 - 09	2007 - 08
Net (Expense)/Revenue				
Government activities	\$ (68,695,553)	\$ (56,024,511)	\$ (55,572,986)	\$ (58,622,247)
Business type activities	8,444,525	2,353,331	(228,492)	(334,481)
Total primary government net expense	<u>\$ (60,251,028)</u>	<u>\$ (53,671,180)</u>	<u>\$ (55,801,478)</u>	<u>\$ (58,956,728)</u>
General Revenues and Other				
Changes in Net Assets				
Government activities:				
Taxes				
Property taxes	\$ 27,070,239	\$ 30,041,199	\$ 33,442,478	\$ 37,508,142
Gasoline taxes	2,344,198	2,419,349	2,479,705	2,623,552
Sales tax	8,976,287	8,779,577	9,104,589	10,435,829
Franchise fees	5,013,645	4,905,213	5,319,627	5,208,466
Public service taxes	9,621,859	9,750,249	9,641,138	9,814,032
Occupational licenses	735,278	727,042	791,565	901,775
Other taxes	41,254	42,642	46,754	31,997
State revenue sharing, unrestricted	1,744,723	1,740,465	1,751,959	1,810,801
Investment earnings	1,429,736	2,536,040	5,151,426	5,581,277
Miscellaneous	1,468,024	1,578,444	1,840,645	1,390,503
Gain (loss) on sale of capital assets	88,361	1,578	36,284	1,108,489
Transfers	(180,957)	(90,049)	(535,749)	(1,815,427)
Special items	(685,914)	--	--	--
Total governmental activities	<u>\$ 57,666,733</u>	<u>62,431,749</u>	<u>69,070,421</u>	<u>74,599,436</u>
Business-type activities:				
Investment earnings	\$ 501,282	607,582	1,099,058	1,266,216
Gain on sale of capital assets	4,669	27,305	14,250	70,452
Extraordinary item - Closing of Mobile Home Park	--	--	--	--
Special items	17,222,926	(1,277,046)	(5,803,787)	--
Transfers	180,957	90,049	535,749	1,815,427
Total business-type activities	<u>17,909,834</u>	<u>(552,110)</u>	<u>(4,154,730)</u>	<u>3,152,095</u>
Total primary government	<u>\$ 75,576,567</u>	<u>\$ 61,879,639</u>	<u>\$ 64,915,691</u>	<u>\$ 77,751,531</u>
Change in Net Assets				
Governmental activities	\$ (11,028,820)	\$ 6,407,238	\$ 13,497,435	\$ 15,977,189
Business-type activities	26,354,359	1,801,221	(4,383,222)	2,817,614
Total primary government	<u>\$ 15,325,539</u>	<u>\$ 8,208,459</u>	<u>\$ 9,114,213</u>	<u>\$ 18,794,803</u>

Fiscal Year					
2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ (54,942,355)	\$ (48,646,672)	\$ (41,849,460)	\$ (41,199,567)	\$ (37,611,647)	\$ (35,170,744)
188,657	(2,886,881)	(1,893,801)	(2,388,526)	(1,248,703)	(729,770)
<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>	<u>\$ (35,900,514)</u>
\$ 33,984,722	\$ 26,736,289	\$ 22,526,048	\$ 19,625,873	\$ 17,581,521	\$ 14,272,770
2,977,993	3,064,861	3,017,148	2,983,294	2,910,654	2,966,544
11,803,299	12,631,196	12,619,735	11,411,870	10,823,663	10,399,530
5,578,299	5,451,451	4,415,624	4,114,225	3,840,178	3,593,193
9,750,102	9,899,607	9,722,636	9,371,751	10,156,178	10,109,163
725,009	739,807	692,386	719,254	686,487	626,173
29,625	30,412	30,609	29,836	29,151	28,843
1,868,955	2,176,497	1,846,453	1,542,063	1,457,001	1,456,791
6,144,768	4,083,309	2,321,445	1,878,837	1,691,361	2,544,649
1,496,111	1,269,978	1,998,014	2,501,272	866,336	869,915
(42,716)	895,995	49,557	774,381	55,931	36,994
(1,639,977)	(991,131)	(1,751,096)	(1,452,515)	(748,324)	(322,142)
--	--	--	--	--	--
<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>	<u>46,582,423</u>
2,153,440	1,791,699	679,328	730,885	772,046	1,225,097
293,512	13,143	75,070	329,687	81,313	14,704
--	--	--	--	--	(153,335)
--	--	--	--	--	--
<u>1,639,977</u>	<u>991,131</u>	<u>1,751,096</u>	<u>1,452,515</u>	<u>748,324</u>	<u>322,142</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>1,408,608</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>	<u>\$ 47,991,031</u>
\$ 17,733,835	\$ 17,341,599	\$ 15,639,099	\$ 12,300,574	\$ 11,738,490	\$ 11,411,679
4,275,586	(90,908)	611,693	124,561	352,980	678,838
<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>	<u>\$ 12,090,517</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	2007 - 08
General Fund			
Reserved	\$ 1,249,786	\$ 1,380,908	\$ 1,717,963
Unreserved	20,592,274	19,124,755	20,351,671
Total general fund	<u>\$ 21,842,060</u>	<u>\$ 20,505,663</u>	<u>\$ 22,069,634</u>
All Other Governmental Funds			
Reserved			
Special revenue funds	\$ 5,516,287	\$ 5,193,504	\$ 8,600,542
Debt service funds	8,280,918	10,022,299	7,713,962
Capital projects funds	18,835,383	43,605,787	45,022,779
Unreserved, reported in:			
Special revenue funds	53,545,951	57,083,606	48,778,372
Debt service funds	(5,808)	--	--
Capital projects funds	582,347	1,143,661	--
Total all other governmental funds	<u>\$ 86,755,078</u>	<u>\$ 117,048,857</u>	<u>\$ 110,115,655</u>

	2010-11 (a)
General Fund	
Nonspendable	\$ 354,908
Restricted	--
Committed	2,937,500
Assigned	2,951,256
Unassigned	15,412,227
Total general fund	<u>\$ 21,655,891</u>
All Other Governmental Funds	
Nonspendable	\$ 33,705
Restricted	65,316,848
Committed	1,815,625
Assigned	922,088
Unassigned	(10,060)
Total all other governmental funds	<u>\$ 68,078,206</u>
Total Fund Balance All Governmental Funds	<u>\$ 89,734,097</u>

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

Fiscal Year					
2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ 2,950,801	\$ 2,438,328	\$ 3,059,378	\$ 2,848,796	\$ 2,885,082	\$ 2,571,187
19,416,753	18,264,778	13,235,630	11,944,226	11,976,563	11,104,911
<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>	<u>\$ 13,676,098</u>
\$ 6,092,975	\$ 12,707,155	\$ 6,487,759	\$ 6,518,060	\$ 3,421,895	\$ 5,861,787
7,012,869	6,543,937	5,990,201	6,328,616	6,277,938	7,008,197
46,342,999	2,936,696	2,100,856	3,095,513	8,911,925	7,697,629
36,233,935	29,272,247	32,825,208	25,346,400	21,375,385	16,923,322
--	--	(5,928)	(35,755)	--	--
--	--	--	--	(586,687)	(856,640)
<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>	<u>\$ 36,634,295</u>

City of Sarasota, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2010-11	2009-10	2008 - 09	2007 - 08
Revenues				
Taxes	\$ 39,974,097	\$ 43,014,113	\$ 48,102,594	\$ 49,995,155
Franchise fees	5,013,645	4,905,213	5,319,627	5,208,466
Special assessments	105,000	100,000	95,000	95,000
Licenses and permits	2,312,725	2,429,056	1,752,050	3,543,118
Intergovernmental	32,396,202	23,975,380	25,139,466	21,062,863
Charges for services	1,743,481	1,805,694	2,102,245	2,109,925
Charges to other funds	4,391,908	4,365,067	4,419,805	4,349,457
Fines and forfeits	664,025	1,005,681	893,217	912,839
Investment earnings	1,207,942	2,193,890	4,487,271	4,920,722
Miscellaneous	1,784,962	1,713,286	1,708,684	2,466,442
Total revenues	<u>89,593,987</u>	<u>85,507,380</u>	<u>94,019,959</u>	<u>94,663,987</u>
Expenditures				
Current:				
General government	\$ 15,921,304	13,972,130	14,549,145	15,398,101
Public safety	31,803,912	33,481,146	35,232,364	36,501,295
Physical environment	3,129,215	2,883,287	8,174,910	3,528,637
Transportation	3,490,199	3,770,379	4,831,724	5,569,802
Culture and recreation	10,538,907	480,479	301,778	464,595
Economic environment	18,113,223	9,137,088	7,042,409	6,890,211
Debt service:				
Principal	6,913,110	7,753,493	4,456,205	5,188,507
Interest and other charges	5,099,613	4,938,083	3,913,467	3,689,685
Bond issuance costs	177,643	400,495	64,113	47,570
Capital outlay	21,787,140	37,564,418	30,625,828	7,318,614
Total expenditures	<u>116,974,266</u>	<u>114,380,998</u>	<u>109,191,943</u>	<u>84,597,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,380,279)</u>	<u>(28,873,618)</u>	<u>(15,171,984)</u>	<u>10,066,970</u>
Other financing sources (uses)				
Transfers in	9,258,683	10,600,893	12,127,023	9,065,765
Transfers out	(9,001,445)	(10,684,657)	(12,651,808)	(10,797,778)
Loans issued	--	--	--	--
Premium on loans issued	--	--	--	--
General obligation bonds issued	--	--	--	5,800,000
Special obligation bonds issued	8,260,000	--	21,066,000	--
Premium on bonds issued	--	--	--	--
Payments to escrow agent	--	--	--	--
Total other financing sources (uses)	<u>8,517,238</u>	<u>(83,764)</u>	<u>20,541,215</u>	<u>4,067,987</u>
Net change in fund balances	<u><u>\$ (18,863,041)</u></u>	<u><u>\$ (28,957,382)</u></u>	<u><u>\$ 5,369,231</u></u>	<u><u>\$ 14,134,957</u></u>
Capital outlay in functional categories	\$ 876,582	\$ 730,919	\$ 646,034	\$ 1,243,974
Debt service as a percentage of noncapital expenditures	12.74%	16.68%	10.74%	11.68%

Fiscal Year					
2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
\$ 46,813,203	\$ 40,074,514	\$ 35,331,253	\$ 32,072,484	\$ 30,765,320	\$ 27,818,376
5,578,298	5,451,541	4,415,624	4,114,225	3,840,178	3,593,194
80,000	111,852	104,768	97,980	96,047	89,343
2,771,644	2,991,586	4,332,541	4,468,586	2,630,373	2,598,206
21,683,562	28,843,941	26,436,856	26,342,081	23,084,167	22,658,794
2,432,373	2,560,540	2,052,188	1,858,325	1,643,903	1,104,884
5,452,096	5,123,752	4,721,887	4,011,422	3,905,496	3,741,118
1,320,276	1,121,965	1,366,904	1,274,760	1,102,277	1,341,157
5,176,574	3,569,826	2,042,116	1,572,768	1,408,070	2,071,894
2,432,516	2,129,211	1,979,334	4,437,324	1,587,155	1,652,044
<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>	<u>66,669,010</u>
17,283,464	13,482,866	12,337,813	11,607,461	11,827,183	10,936,701
33,432,710	30,796,766	27,738,867	26,063,776	23,005,750	21,321,258
3,792,915	3,895,159	3,134,105	4,746,781	3,514,685	3,428,423
5,885,394	5,473,201	5,004,271	5,644,667	5,071,684	4,989,884
587,461	360,289	488,292	600,721	740,837	338,584
8,883,313	13,701,861	10,950,714	9,572,416	6,229,537	6,433,547
4,796,158	5,270,000	5,775,000	5,435,000	5,790,000	10,990,000
1,655,075	1,124,429	1,254,166	1,453,776	1,525,569	1,967,092
560,980	--	--	--	--	--
15,852,224	8,346,688	12,298,006	12,472,340	12,813,633	6,956,999
<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>	<u>67,362,488</u>
<u>1,010,848</u>	<u>9,527,469</u>	<u>3,802,237</u>	<u>2,653,017</u>	<u>(455,892)</u>	<u>(693,478)</u>
14,472,479	9,995,906	6,301,615	7,044,902	4,976,916	17,872,620
(16,177,625)	(11,053,338)	(8,051,793)	(7,914,164)	(5,719,316)	(20,104,646)
--	--	5,545,000	--	5,150,000	1,322,521
--	--	50,189	--	--	--
46,305,000	--	--	--	--	--
--	--	--	--	--	--
276,489	--	--	--	--	--
--	--	--	--	--	(1,378,241)
<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>(2,287,746)</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>	<u>\$ (2,981,224)</u>
\$ 1,151,733	\$ 1,339,264	\$ 1,075,235	\$ 782,623	\$ 548,893	\$ 542,124
8.52%	8.79%	10.71%	10.71%	12.80%	21.64%

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				
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
2002	3,468,361	1,074,060	906,177	588,959	1,824,048	4,213,509	3.1713

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	
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
2002	2.4926	0.6787	3.1713	5.5653	8.4880	17.2246

^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 2010 - 11			Fiscal Year 2001 - 02		
	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	\$ 52,608,215	1	0.72%	\$ 32,890,614	3	0.79%
Slab/Ritz Carlton Hotel Co.	49,589,673	2	0.68%			
Florida Power & Light	46,947,943	3	0.64%	33,265,503	2	0.78%
Verizon Florida Inc.	46,807,813	4	0.64%	79,138,976	1	1.88%
Irish American Mgt Services LP.	35,550,600	5	0.49%			
Plymouth Harbor Inc.	30,617,926	6	0.42%	23,381,749	9	0.74%
Logan Acquisitions Cor/Lido Beach LLC	28,175,770	7	0.38%			
Sarasota Bay Club	27,575,740	8	0.38%			
Hotel Associates of Sarasota LLC	25,118,900	9	0.34%	23,894,678	7	0.67%
Osprey SA, Ltd,	21,670,476	10	0.30%	26,633,000	6	0.63%
Sarasota Renaissance Ltd				31,316,000	4	0.57%
Theater Associates				28,203,779	5	0.56%
Salb LLC				23,890,400	8	0.57%
Ronald Spector				20,668,577	10	0.49%
	<u>\$ 364,663,056</u>		<u>4.98%</u>	<u>\$ 323,283,276</u>		<u>7.68%</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
2011	\$23,418,664	\$ 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%
2002	13,362,302	12,905,340	96.58%	29,356	12,934,696	96.80%

(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>
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
2002	19.56	27.92	47.48

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	Capital Leases
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	--
2002	10,360,000	21,450,649	11,830,000	4

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 182.

Business-Type Activities			Total Primary Government	Percentage of Personal Income^a	Per Capita^a
Water and Sewer Bonds	Loans Payable	Capital Leases			
\$ 69,434,922	\$ 441,289	\$ --	\$ 156,609,154	5.35%	\$ 3,005
76,518,427	653,214	--	163,013,925	5.52%	3,084
55,360,000	859,531	--	150,099,871	5.08%	2,824
38,665,000	1,060,389	--	117,130,406	3.96%	2,105
44,200,000	1,255,931	--	122,240,010	4.50%	2,208
49,505,000	1,446,298	--	86,090,502	2.97%	1,570
54,305,000	1,631,628	--	95,499,837	3.53%	1,748
50,925,000	1,812,053	--	91,738,254	3.64%	1,685
54,730,000	1,987,704	--	100,412,460	4.46%	1,862
58,575,000	2,158,706	--	104,374,359	4.66%	1,945

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
2011	\$ 43,949,198	\$ 919,651	\$ 43,029,547	0.59%	\$ 825.68
2010	47,398,865	838,140	46,560,725	0.57%	880.73
2009	50,392,352	575,896	49,816,456	0.54%	937.10
2008	51,360,000	637,364	50,722,636	0.49%	911.56
2007	47,365,000	350,336	47,014,664	0.48%	849.19
2006	2,235,000	684,708	1,550,292	0.02%	28.27
2005	3,425,000	774,178	2,650,822	0.04%	48.52
2004	5,835,000	1,405,283	4,429,717	0.08%	81.38
2003	8,160,000	1,627,413	6,532,587	0.13%	121.11
2002	10,360,000	1,714,043	8,645,957	0.21%	161.13

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

^a See page 168 for property value data.

^b Population data can be found on page 182.

City of Sarasota, Florida

Direct and Overlapping Governmental Activities Debt

General Obligation Bonds

As of September 30, 2011

<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	\$ --	17.35%	\$ --
City direct debt			<u>43,029,547</u>
Total direct and overlapping debt			<u>\$ 43,029,547</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>
2011	\$ 732,222,253	\$ 43,029,547	\$ 689,192,706	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%
2002	421,350,917	8,645,957	412,704,960	2.05%

Legal Debt Margin Calculation for Fiscal Year 2011

Taxable assessed value	<u>\$ 7,322,222,525</u>
Debt limit (10% of assessed value)	<u>732,222,253</u>
Debt applicable to limit:	
General obligation bonds	43,949,198
Less amount set aside for repayment of general obligation bonds	<u>(919,651)</u>
Total net debt applicable to limit	<u>43,029,547</u>
Legal debt margin	<u><u>\$ 689,192,706</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	
2011	\$ 34,658	\$ 20,501	\$ 14,157	\$ 4,976	\$ 3,350	1.70
2010	32,214	20,477	11,737	7,582	2,367	1.18
2009	30,901	21,058	9,843	5,805	2,092	1.25
2008	33,135	21,149	11,986	5,535	1,870	1.62
2007	34,112	20,398	13,714	5,305	2,120	1.85
2006	28,938	19,263	9,675	4,800	2,211	1.38
2005	27,107	16,909	10,198	4,480	2,179	1.53
2004	27,015	16,179	10,836	4,235	2,505	1.61
2003	25,767	15,056	10,711	3,845	2,752	1.62
2002	25,695	14,254	11,441	3,640	2,913	1.75

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	
\$ 7,602	\$ 1,161	\$ 1,472	2.89	\$ 5,533	\$ 648	\$ 1,149	3.08
9,007	759	1,360	4.25	5,414	266	794	5.11
10,663	469	941	7.56	5,250	940	40	5.36
11,376	469	831	8.75	6,400	900	77	6.55
10,844	466	729	9.07	7,266	1,205	126	5.46
8,270	1,030	33	7.78	7,492	1,165	174	5.60
6,501	880	90	6.70	7,518	1,125	217	5.60
4,533	745	138	5.13	6,619	1,080	258	4.95
3,842	1,150	193	2.86	6,418	1,050	291	4.79
2,146	945	253	1.79	6,017	1,015	333	4.46

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
2011	52,114	\$ 2,926,618,012	\$ 56,158	11.0%
2010	52,866	2,952,883,296	55,856	11.9%
2009	53,160	2,953,516,440	55,559	12.3%
2008	55,644	2,959,147,920	53,180	6.7%
2007	55,364	2,715,438,108	49,047	4.3%
2006	54,848	2,894,438,656	52,772	3.1%
2005	54,639	2,702,171,745	49,455	3.3%
2004	54,434	2,523,614,674	46,361	4.0%
2003	53,939	2,250,281,141	41,719	4.6%
2002	53,657	2,242,004,088	41,784	4.8%

^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>2010 - 11</u>			<u>2001-02 ⁽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	4,239	1	2.66%	4,417	1	2.89%
Sarasota Memorial Hospital	2,996	2	1.88%	3,400	3	2.23%
Sarasota County	1,942	3	1.22%	3,708	2	2.43%
Publix Supermarkets	1,474	4	0.92%	3,300	4	2.16%
Venice Regional Med Ctr	1,400	5	0.88%	1,428	5	0.94%
PGT Industries	1,118	6	0.70%	1,150	6	0.75%
Sherriffs Office	932	7	0.58%	-	-	-
Sun Hydraulics Corporation	686	8	0.43%	-	-	-
Tervis Tumbler	670	9	0.42%	-	-	-
HCA Doctors Hospital	624	10	0.39%	908	9	0.59%
City of Sarasota	-	-	-	852	10	0.56%
Wal-Mart	-	-	-	963	7	0.63%
Charter One Hotels	-	-	-	950	8	0.62%
Total	16,081		10.08%	21,076		13.80%

Note: The labor force figure for 2011 and 2002 is 159,479 and 152,706 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			
	2010-11	2009-10	2008 - 09	2007 - 08
General Government				
City Manager's Office	2.50	3.69	4.00	5.00
Neighborhood Partnership Office	-	-	-	4.00
Facilities Management	5.00	5.00	5.00	-
Neighborhood & Development Services	22.75	23.40	22.30	-
General Services	-	-	-	13.13
Human Resources	8.00	10.00	10.00	9.00
Finance	11.50	13.50	14.50	9.50
Accounting	5.50	5.50	5.50	5.50
City Auditor and Clerk	14.00	14.00	14.00	15.00
Planning and Redevelopment	-	-	-	17.00
Commission Support Office	1.50	2.00	2.00	2.00
Public Safety				
Police - uniform	176.00	176.00	176.00	196.00
Police - general employees	54.00	53.00	53.00	63.00
Code Compliance	8.85	9.85	9.85	20.45
Physical Environment				
Parks & Landscape Maintenance	23.18	30.18	34.68	45.68
Sarasota Bay National Estuary Program	-	-	-	-
Transportation				
Streets & Highways	17.98	18.98	21.98	22.98
Engineering/Construction Services	4.50	6.00	10.00	17.00
Street Sweeping	3.00	3.00	3.00	3.00
Culture and Recreation				
Skateboard Park	0.00	1.90	1.90	3.25
Children's Fountain	0.20	0.20	0.20	1.10
Special Events/Volunteer Office	0.50	0.83	-	-
Economic Environment				
Housing & Community Development	13.00	10.00	11.00	15.00
Building Services	17.40	15.75	15.75	19.55
Enterprise funds				
Water	63.40	67.21	72.21	72.61
Sewer	72.35	72.79	77.79	77.39
Parking Management	6.00	6.31	8.10	9.00
Bobby Jones Golf Course	7.80	8.50	8.75	10.00
Ed Smith Sports Stadium	0.00	0.57	2.15	4.65
Solid Waste Management	22.59	25.84	26.34	27.34
Municipal Auditoriums	3.50	3.00	4.00	6.00
Van Wezel Performing Arts Hall	12.00	13.00	14.42	22.00
Internal Service funds				
Information Technology	12.00	10.00	11.00	14.00
Duplicating Services	-	-	-	1.12
Central Stores	-	-	-	2.75
Public Works Equipment Maintenance	10.00	11.00	12.00	9.00
Total	599.00	621.00	651.42	743.00

Source: City of Sarasota Finance Department

Fiscal Years					
2006 - 07	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
5.00	5.00	5.00	4.00	6.00	5.00
5.00	4.00	5.00	5.00	5.00	5.00
-	-	-	-	-	-
-	-	-	-	-	-
15.13	11.38	11.38	11.38	8.63	10.75
11.00	11.00	11.00	11.00	9.00	9.00
10.50	9.50	8.50	8.50	8.50	8.50
5.50	5.50	5.50	5.50	5.50	5.50
15.00	15.00	16.00	16.00	16.00	16.00
21.00	20.00	19.00	19.00	19.00	18.00
2.00	2.00	2.00	2.00	2.00	2.00
200.00	199.00	194.00	194.00	204.00	200.00
66.00	65.00	64.00	64.00	88.00	87.00
18.25	16.25	16.81	16.81	16.81	16.15
47.43	41.43	37.43	39.33	36.33	34.33
-	-	-	5.00	5.00	5.00
24.73	22.73	23.48	22.78	21.78	22.78
21.00	21.00	19.00	19.00	19.00	17.00
3.00	3.00	3.00	3.00	3.00	3.00
2.25	2.25	2.25	1.00	-	-
1.10	1.10	1.10	-	-	-
-	-	-	-	-	-
17.00	18.00	21.00	21.00	16.00	13.00
25.75	25.75	23.19	21.19	21.19	19.85
76.26	62.35	62.85	62.85	64.35	61.13
74.24	81.15	80.65	79.65	80.15	83.37
7.00	7.00	6.00	6.00	6.00	6.00
10.00	10.00	10.00	10.00	10.00	10.00
4.65	3.65	3.65	3.00	3.00	3.00
27.34	27.34	25.59	26.39	26.39	26.39
6.00	7.00	6.50	6.50	6.50	6.00
25.00	25.00	21.50	21.50	22.00	20.00
17.00	17.00	15.00	16.00	16.00	16.00
1.12	1.12	1.12	1.12	1.12	1.00
2.75	3.50	3.50	3.50	4.25	4.25
9.00	9.00	8.00	8.00	8.00	8.00
<u>777.00</u>	<u>753.00</u>	<u>733.00</u>	<u>734.00</u>	<u>758.50</u>	<u>743.00</u>

City of Sarasota, Florida

Operating Indicators by Function/Program

Last Eight Fiscal Years ⁽¹⁾

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

Function/Program	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
Sub-stations	4	4	4	4	4	4	3	3
Patrol units	109	109	111	109	114	124	117	117
Streets and highways								
Streets (<i>miles</i>)	250	250	250	250	250	250	225	225
Unpaved streets (<i>miles</i>)	25	25	25	25	25	25	25	25
Highways (<i>miles</i>)	225	225	225	225	225	225	225	225
Streetlights	7,213	7,213	7,213	7,481	7,476	7,092	6,807	6,652
Traffic signals	97	97	101	99	99	99	99	99
Water								
Water mains (<i>miles</i>)	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
Fire hydrants	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	270	250
Treatment capacity (<i>thousands</i>)	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
Solid waste collection								
Collection trucks	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, and the aggregate remaining fund information of the City of Sarasota, Florida (the City), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Certified Public Accountants

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

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(Concluded)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in our separate management letter dated March 6, 2012.

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

March 6, 2012
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 compliance of the City of Sarasota, Florida (the City), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the requirements described in the Florida Department of Financial Services, *State Projects Compliance Supplement*, that 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, 2011. 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, 2011.

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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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

Purvis, Gray and Company, LLP

March 6, 2012
Sarasota, Florida

City of Sarasota, Florida
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2011

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 x no

Significant deficiencies identified not considered to be material weaknesses? yes x no

Noncompliance material to basic financial statements noted? yes x no

Federal Awards Section

Dollar threshold used to determine Type A programs: \$520,953

Auditee qualified as low-risk auditee? x yes no

Type of auditor's report on compliance for major programs: 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 Circular A-133 (Section .510(a))? yes x no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.218 / 14.254	Department of Housing and Urban Development Entitlement Grants Cluster
14.256	Department of Housing and Urban Development ARRA - Neighborhood Stabilization Program 2
14.239	Department of Housing and Urban Development Home Investment Partnership Program
14.251	Department of Housing and Urban Development EDI – Special Projects
97.036	Department of Homeland Security Public Assistance Program
16.710	Department of Justice ARRA - COPS Hiring Recovery
20.205	Department of Transportation Highway Planning and Construction

City of Sarasota, Florida
 Schedule of Findings and Questioned Costs (continued)
 For the Year Ended September 30, 2011

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

State Awards Section

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

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

Internal Control over compliance:

Material weakness(es) identified? yes x no

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

Any audit findings disclosed that are required to be reported in accordance with Rule 10.557, rules of the Auditor General of the State of Florida? yes x no

Identification of major projects:

CSFA Number(s)	Name of State Project
52.901	Florida Housing Finance Corporation State Housing Initiatives Partnership Program

Part II - Schedule of Basic Financial Statements Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards*.

No significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the basic financial statements were noted.

Part III - Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance, including known fraud and questioned costs, related to the audit of federal programs and state projects, as required to be reported by Circular A-133, Section .510(a) and Chapter 69 I-5, Rules of the Florida Department of Financial Services.

No significant deficiencies, material weaknesses, and instances of noncompliance, including known fraud and questioned costs, related to the audit of federal programs and state projects were identified.

Part IV - Other Issues

No summary schedule of prior audit findings is required because there were no findings in the prior year Federal or state single audits. No corrective plan is required because there were no findings in the current year requiring correction under the Federal or Florida Single Audit Acts.

City of Sarasota, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2011

<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-08-MC-120018	\$ 203,725	
Community Development Block Grant	14.218	B-09-MC-120018	478,385	682,110
ARRA - Community Development Block Grant	14.254	B-09-MY-120018	1,270	
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-CN-FL-0018	9,512,729	
HOME Investment Partnerships Program	14.239	M-06-DC-120219	138,519	
HOME Investment Partnerships Program	14.239	M-07-DC-120219	395,893	
HOME Investment Partnerships Program	14.239	M-08-DC-120219	854,066	1,388,478
EDI - Special Projects	14.251	B-06-SP-FL-0214	247,500	
EDI - Special Projects	14.251	B-08-SP-FL-0151	367,500	
EDI - Special Projects	14.251	B-09-SP-FL-0178	166,250	
EDI - Special Projects	14.251	B-10-SP-FL-0145	150,000	931,250
Total Dept. of Housing and Urban Development			<u>12,515,837</u>	
Department of Justice				
Direct Programs:				
Federal Equitable Sharing Agreement	16.XXX	Not Applicable	184,488	
Edward Byrne Memorial JAG Program	16.738	2009-DJ-BX-0778	25,203	
Edward Byrne Memorial JAG Program	16.738	2010-DJ-BX-0937	55,708	80,911
ARRA - Edward Byrne Memorial JAG	16.804	2009-SB-B9-0794	135,326	
ARRA - COPS Hiring Recovery	16.710	2009RKWX0250	759,891	
Bulletproof Vest Partnership	16.607	Not Applicable	8,203	
Passed through Florida Dept. of Children & Families				
ARRA - Stop Violence Against Women	16.588	LN950	79,427	
Total Department of Justice			<u>1,248,246</u>	
Department of Transportation				
Federal Highway Administration				
Passed through Florida Dept. of Transportation:				
ARRA - Siesta Drive	20.205	AP152	93,814	
Sidewalks	20.205	420889-1-58-01	590,725	
Roundabout - Ringling Blvd. at Palm Ave.	20.205	422623-1-58-01	679	685,218
Total Department of Transportation			<u>685,218</u>	
Department of Homeland Security				
Federal Emergency Management Agency				
Passed through Florida Dept. of Community Affairs:				
Public Assistance Program				
FEMA-1561-DR-FL Hurricane Jeanne	97.036	05-PA-E--01-68-00-771	2,530,613	
Department of Agriculture				
U.S. Forest Service				
Passed through Florida Dept. of Agriculture and Consumer Services:				
ARRA - Forest Health Imp Initiative	10.688	015967	18,575	
Department of Energy				
Direct Programs:				
ARRA - Energy Efficiency & Conservation	81.128	DE-SC0003045	366,596	
Total Expenditures of Federal Awards			<u>\$ 17,365,085</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, 2011
(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	\$ 50,236
Florida Recreation Development Assistance Program	37.017	A9222	135,611
Total Department of Environmental Protection			<u>185,847</u>
Florida Department of Community Affairs			
Florida Housing Finance Agency State Housing Initiative Partnership	52.901	Not Applicable	<u>5,174,240</u>
Florida Department of Revenue			
Retained Spring Training Facility	73.016	Not Applicable	<u>2,375,003</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 7,735,090</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, 2011

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 March 6, 2012, 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, 2011, and have issued our report thereon dated March 6, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our report on internal control over financial reporting and on compliance and other matters, 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, and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are all dated March 6, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, *Rules of the Auditor General*, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.
- Section 10.554(1)(i)2., *Rules of the Auditor General*, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we offer the following recommendation and observation:

Certified Public Accountants

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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)

- **2011.1—Monitoring of Internal Controls**—In the City’s internal control system, the department that executes an internal control procedure is generally the same department responsible for monitoring (evaluating) the effectiveness of that control procedure. With this decentralized approach, the tone must come from the top, and evaluators must possess appropriate capabilities, objectivity, and authority. In addition, this approach is less likely to detect management override of controls. In a prior year audit, we recommended the City’s Finance Department oversee the monitoring function, and since that time, they have instituted effective oversight procedures in several key areas. We recommend this department:
 - Expand the scope of monitoring or oversight efforts into other risk areas.
 - Design monitoring procedures to help prevent and detect management override.
- **2011.2—Unfunded Obligations**—In the City’s current environment of declining revenues and severe budget pressure, one expenditure category stands out as a runaway cost unless additional action is taken to curtail its effects: the combined cost of providing retirement and other post-employment benefits. The unfunded obligations of these programs at the latest actuarial valuation date are \$142 million (pensions) and \$122 million (other post-employment benefits). These “off-balance sheet” liabilities dwarf the City’s total unrestricted net worth of \$58 million, and the annual cost of funding these obligations is adding millions of dollars to the budget each year. During the past year, the City has made substantial progress in this area. We strongly support management’s continued efforts to propose any and all options for pension reforms that will reduce future costs.
- 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 did not have any such findings.
- Section 10.554(1)(i)6., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The City has disclosed this information in the notes to the financial statements.
- Section 10.554(1)(i)7.a., *Rules of the Auditor General*, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., *Rules of the Auditor General*, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2011, 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, 2011. In connection with our audit, we determined that these two reports were in agreement.

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

MANAGEMENT LETTER
(Concluded)

- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Mayor and Members of the City Commission, the Florida Auditor General, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2012
Sarasota, Florida



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Interoffice Memorandum

Date: March 19, 2012

To: The Mayor and City Commission
Through: Marlon Brown, Deputy City Manager *MB*
From: Christopher H. Lyons, Finance Director *CL*
Subject: Auditors' Management Letter for the Fiscal Year Ended September 30, 2011

On March 6, 2012, the City's Certified Public Accountants, Purvis, Gray and Company, delivered the management letter for the fiscal year ended September 30, 2011. 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:

2011.1 - Monitoring of Internal Controls – In the City's internal control system, the department that executes an internal control procedure is generally the same department responsible for monitoring (evaluating) the effectiveness of that control procedure. With this decentralized approach, the tone must come from the top, and evaluators must possess appropriate capabilities, objectivity, and authority. In addition, this approach is less likely to detect management override of controls. In a prior year audit, we recommended the City's Finance Department oversee the monitoring function, and since that time, they have instituted effective oversight procedures in several key areas. We recommend this department:

- Expand the scope of monitoring or oversight efforts into other risk areas.
- Design monitoring procedures to help prevent and detect management override.

Management Response:

We concur with the finding and recommendation. The Finance Department will continue to oversee the monitoring function using the appropriate department personnel and expand the scope, as time permits, to the suggested areas and others as material risks are identified. The City has an adequate system of internal controls including an established monitoring system for the major financial systems. Specifically, the monitoring of controls for cash disbursements, payroll

To: The Mayor and City Commission

Date: March 19, 2012

Page: 2 of 2

and purchasing is centralized and performed by the appropriate finance personnel. Regarding the processing of cash receipts, we feel the current process incorporates the best attributes of both a centralized and a decentralized approach whereby Finance oversees and documents the ongoing monitoring activities that are performed by department management personnel to evaluate and improve the design, execution and effectiveness of internal controls. With Finance's oversight we believe that department management has become more attuned to potential risks areas in their department, which has strengthened the overall control environment and the effectiveness of the monitoring process.

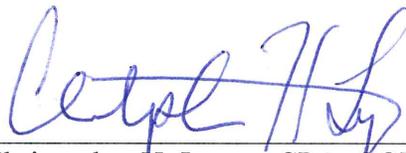
Auditor Comment:

2011.2 – Unfunded Obligations – In the City's current environment of declining revenues and severe budget pressure, one expenditure category stands out as a runaway cost unless additional action is taken to curtail its effects: the combined cost of providing retirement and other post-employment benefits. The unfunded obligations of these programs at the latest actuarial valuation date are \$142 million (pensions) and \$122 million (other post-employment benefits). These "off-balance sheet" liabilities dwarf the City's total unrestricted net worth of \$56 million, and the annual cost of funding these obligations is adding millions of dollars to the budget each year. During the past year, the City has made substantial progress in this area. We strongly support management's continued efforts to propose any and all options for pension reforms that will reduce future costs.

Management Response:

We concur with the finding and recommendation. A defined contribution plan was implemented for general employees eventually capping the City's contribution at a maximum of 8% per employee. In addition to this, future benefit accruals have been reduced for those general employees still in the General Employees Defined Benefit Plan.

Regarding the Police Officers Defined Benefit Plan, according to Florida Statutes, the implementation of any changes to the plan must be part of the union bargaining process. We still have to complete several steps in the process before any reform can be implemented.



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