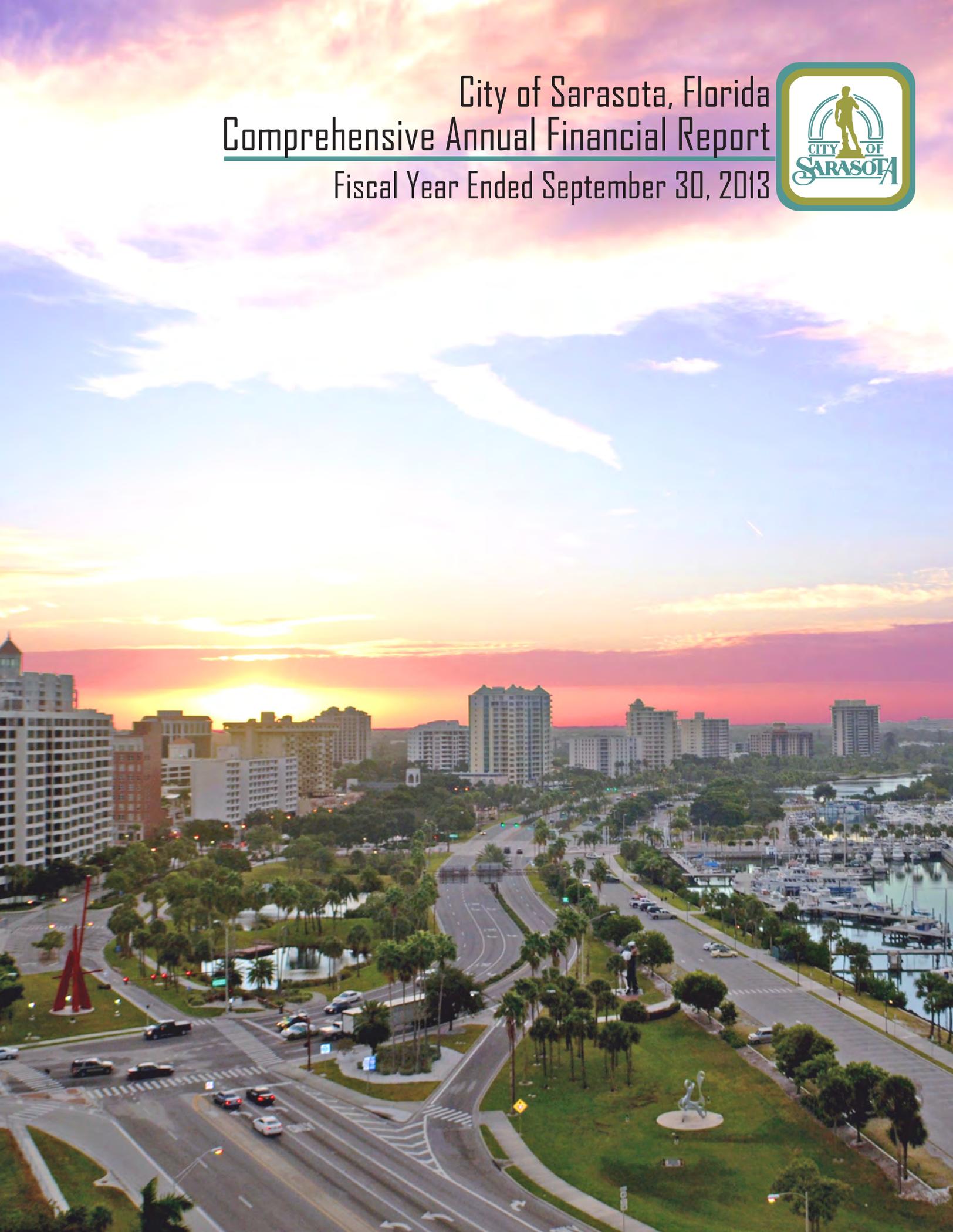
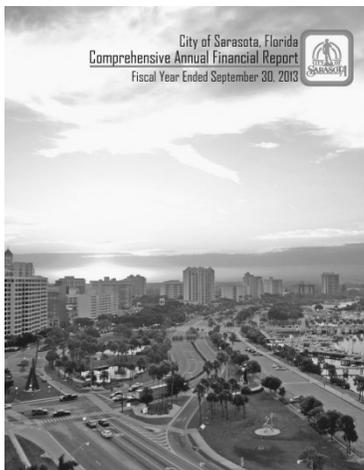


City of Sarasota, Florida  
Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2013





Cover Image:  
Sun rises in the East over downtown Sarasota and Sarasota Bay, November 2013

PHOTOGRAPH BY NORMAN SCHIMMEL

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# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**CITY OF SARASOTA, FLORIDA**

**For the Fiscal Year Ended**

**September 30, 2013**



Prepared By  
The Financial Administration Department

John Lege, CGFO  
Finance Director



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

**City of Sarasota, Florida  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended September 30, 2013  
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March 3, 2014

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, 2013. This report is presented in conformity with generally accepted 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

**Post Office Box 1058, Sarasota, Florida 34230 – 1565 1<sup>st</sup> Street, Sarasota, Florida 34236**  
**Telephone (941)365-2200**  
**Web Site [www.sarasotagov.com](http://www.sarasotagov.com)**

statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **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 department provides drinking water and sewer treatment operations and reuse water for irrigation. In addition, the City operates two municipal auditoriums and the award winning 1800 seat Van Wezel Performing Arts Hall. Other services provided include neighborhood and development services, redevelopment, community development, special event permitting, as well as general administrative services. The City also provides an employee and retiree Health Center.

The financial statements in this report include the funds of all the activities under the jurisdiction of the City Commission. This includes the Community Redevelopment Agency (CRA), the Golden Gate Point Special District (GGP), the St. Armands Business Improvement District (BID), and the Downtown Improvement District (DID). The CRA provides for the rehabilitation, conservation and redevelopment of the Downtown and the Newtown Redevelopment area. The purpose of the GGP is to construct and maintain enhancements and improvements within the public rights of way on Golden Gate Point. The BID was created as a dependent taxing authority with the power to levy up to two mills, with City Commission approval, for the purpose of purchasing supplemental services (maintenance, security, sanitation, promotions, infrastructure, and capital improvements). The boundaries of the BID are made up of all parcels of real property located within the CT Zone District in the vicinity of St. Armands Circle. The DID was created to improve the Downtown Core of the City 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 on the Gulf of Mexico on the southwest coast of Florida and covers an area of 24 square miles with an estimated population of 52,689. The City, once the winter home of the Ringling Brothers and Barnum & Bailey Circus, is a mecca for those seeking a high quality of life, and host to three growing Universities with a student population of 4,500. The City is a major resort area with an average year round temperature of 71<sup>0</sup> F and miles of pristine white sand beaches that beckon to the hundreds of thousands of tourists that visit year round. The City is the 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 a former mobile home 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 6.8% in September 2013 matching the statewide rate of 6.8% and lower than the national rate of 7.2%.

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 public and private K-12 schools and local universities, wonderful attractions, 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 vibrant downtown, guided by the principles of new urbanism.

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

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests to the City Manager. The City Manager uses these requests as the starting point for developing the proposed budget. The City Manager then presents the proposed budget to the City Commission for review during the month of July. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30<sup>th</sup>, the close of the City of Sarasota's fiscal year. The appropriated budget is prepared by fund and department (e.g., Police, Neighborhood and Development, etc.). Department Heads may make budget transfers within their individual departments. 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 during the "Great Recession", plus a 31% decrease in the City's taxable property since 2008 has affected the City's operating revenues and levels of services. Reductions in governmental services and expenditures, plus other cost reduction initiatives, have helped the City to maintain a healthy unassigned fund balance in the General Fund of \$15.2 million, which is a 27% 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.

### **Major Initiatives**

Main street improvements from Bayfront Drive to Five Points Park and from Orange Avenue to Goodrich Avenue were completed in 2013. These improvements included widening sidewalks, parallel parking, additional/modified bulb-outs, new pedestrian lighting in the historic district, brick sidewalks/crosswalks, an enhanced gateway at US 41, enhancement of street lights,

repair/replace sidewalk as needed, site furnishing improvements and limited utility/drainage improvements.

The Orange Avenue Drainage Project, from 10<sup>th</sup> Street to 19<sup>th</sup> Street, was completed in 2013. This project was developed to alleviate intersection flooding along Orange Avenue, most notably the intersection of Orange Avenue and 18<sup>th</sup> Street where the storm water previously flooded the road and an existing bus stop during moderate rainfall events. As a result of the storm pipe and inlet replacements along Orange Avenue from 10<sup>th</sup> Street to 18<sup>th</sup> Street, existing sidewalks and landscaping were replaced with new improvements including new ADA sidewalks, enhancements to bus stops and new landscaping. Drainage improvements to the closed and open storm water conveyance system for this area were coupled with roadway rehabilitation techniques to upgrade functionality of curbs, replacement of asbestos cement waterlines with PVC, and intersection realignment of the Children's First driveway. Stormwater improvements along the Seminole Gulf Line Railroad right-of-way including a new box culvert under 19<sup>th</sup> Street and ditch widening were made by the Railroad with reimbursement from county Stormwater funding.

Major repairs were completed on the Ringling Bridge Seawall in 2013. This project was completed with funding from a WCIND grant and the Penny Sales Tax.

Right-of-way improvements on 31<sup>st</sup> Way were completed in March of 2013. These improvements consisted of roadway construction of approximately 400 feet and stormwater retention/drainage improvements.

The Bay Point Neighborhood Lighting Replacement was completed in February of 2013. This neighborhood had one of the oldest lighting systems in the City. Approximately 26 light poles and fixtures were replaced within the neighborhood.

The Payne Park playground was completed in March 2013. This playground was constructed with a "Circus Theme". Other improvements to Payne Park, such as a baseball memorial, a band shell and US301 signage will be added in the future, pending available funding.

Fiscal year 2013 was punctuated by major accomplishments in the City's Newtown area funded with Neighborhood Stabilization Program (NSP) grants. Five multi-family complexes were redeveloped using NSP2 funds: a 12-unit complex at 1023 Putnam has been christened St. Dominic and another 14-unit complex now known as St. Monica was renovated at 1575 Dr. Martin Luther King Way. Partnering with the Sarasota Housing Authority, the City utilized NSP2 funds to re-develop 251 N. Tuttle Avenue, a 15-unit cluster now known as Diamond Oaks. Yet another 4-unit group at 3777 N. Tuttle Avenue was also renovated. The major accomplishment was the demolition of a blighted 68-unit structure at 1720 Dr. Martin Luther King Way which has been replaced with 28 townhomes, a complex called King Stone Townhomes. Twenty-five of the units were funded with NSP2 dollars and the remaining three units utilized the City's NSP3 grant. All of these multi-family complexes were rented to low and moderate-income households. By the end of fiscal year 2013 there were 42 foreclosed single family homes that had been acquired and renovated with NSP2 funds. Additionally, two single family homes were constructed in the Newtown area using NSP3 funds and these homes have been sold to income-eligible individuals. The City used HOME grant funds and State Housing Initiatives Partnership (SHIP) funds to rehabilitate 90 homes owned and occupied by low-income homeowners in Sarasota County. In addition, HOME funds provided housing assistance for two young persons who graduated from foster care, enabling them to continue their education. Also, the City used Community Development Block Grant (CDBG) funds to employ 9 youths in a summer work program and leveraged the funds to employ another 8 youths at the Robert L Taylor Community Center. CDBG funds were also utilized to fund support staff maintaining the Homeless Management Information System (HMIS) for Sarasota County, a database providing integral information on the homeless and imminently homeless population.

The City's Utilities Department completed upgrades to the nitrification basins at the Advanced Wastewater Treatment Facility on 12<sup>th</sup> Street. The upgrades were comprised of the replacement of all four (4) mixed liquid transfer pumps, all four (4) internal recycle pumps and the replacement of all of the piping and associated valves. These improvements will help reduce maintenance costs as well as improve reliability. The project was completed in September 2013 at a cost of \$2.4 million dollars. Sludge processing was outsourced saving approximately \$200,000 per year.

In addition, the City rehabilitated five (5) of downtown drinking water production wells. Rehabilitation consisted of the redevelopment of the surrounding geological formations through acidization and flushing of the individual wells resulting in reduced turbidity, increased production and the potential for significant electrical savings. This project was completed in February 2013 at a cost of \$41,000.

### **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, 2012. This was the thirty second 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.

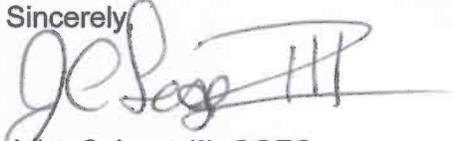
### **Award for Distinguished Budget**

The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2012, the same period covered by this Comprehensive Annual Financial Report. This was the twenty third consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. We are pleased that we continue to achieve this distinction.

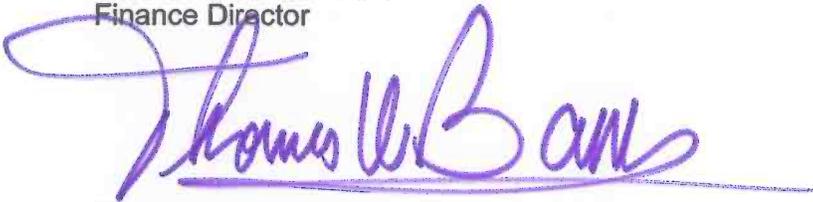
**Acknowledgements**

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

Sincerely,



John C. Lege III, CGFO  
Finance Director



Thomas W. Barwin  
City Manager



Government Finance Officers Association

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, 2012**

Executive Director/CEO

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# LISTING OF CITY OFFICIALS

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## ELECTED OFFICIALS

Shannon Snyder ..... Mayor  
Willie C. Shaw ..... Vice-Mayor  
Suzanne Atwell..... Commissioner  
Paul Caragiulo..... Commissioner  
Susan L. Chapman..... Commissioner

## APPOINTED OFFICIALS

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

## DEPARTMENT DIRECTORS

Marlon C.J. Brown..... Deputy City Manager  
Mary R. Bensel..... Executive Director – Van Wezel Performing Arts Hall  
Bernadette A. DiPino..... Chief of Police  
Philip A. Hurwitz ..... Director of Information Technology  
Doug A. Jeffcoat..... Director of Public Works  
John C. Lege III ..... Finance Director  
Timothy D. Litchet ..... Director of Neighborhood & Development Services  
Stacie L. Mason..... Director of Human Resources  
Russell M. Tidwell ..... Director of Utilities



# PUBLIC

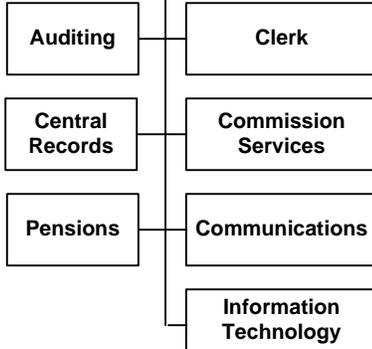
City of Sarasota, Florida  
2013 - 2014  
Table of Organization

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

## City Commission

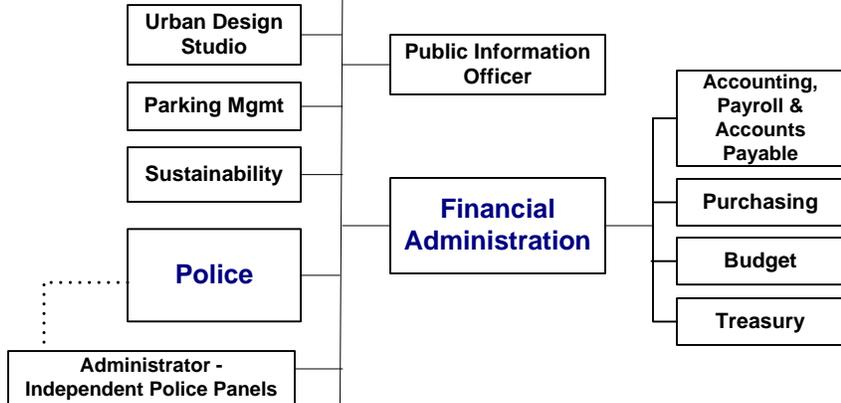
Boards & Committees

### City Auditor & Clerk



### City Manager

#### Deputy City Manager



### City Attorney

### Van Wezel Performing Arts Hall

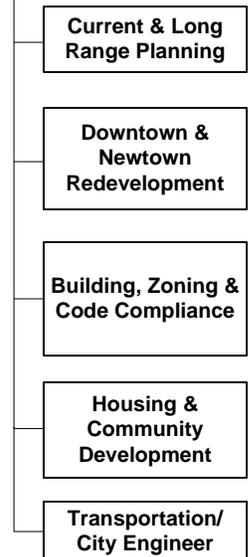
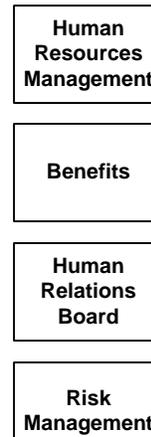
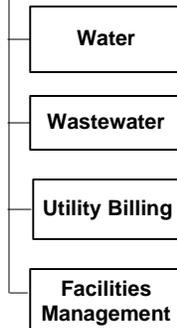
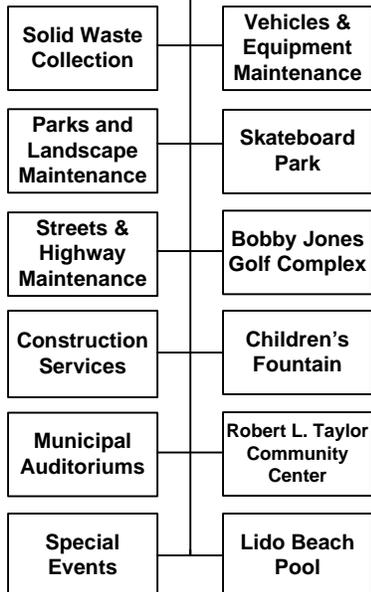
### Public Works

### Utilities

### Human Resources

### Neighborhood & Development Services

Commission Support



**Line Key:**  
Direct Supervision ———  
Indirect Supervision ·····



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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Certified Public Accountants**

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762

5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

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

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

**INDEPENDENT AUDITORS' REPORT**  
*(Continued)*

**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 of the City, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund penny sales tax fund, community redevelopment fund, and housing and community development fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 basic financial statements.

The combining and individual nonmajor fund statements and schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to basic financial statements as a whole.

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

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

**Other Matters (Concluded)**

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 them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2014, 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* in considering the City's internal control over financial reporting and compliance.

*Purvis, Gray and Company, LLP*

February 21, 2014  
Sarasota, Florida



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# 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, 2013. 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-vi of this report and the City's financial statements beginning on page 17.

## Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$422,743,647 (*net position*). Of this amount, \$64,137,636 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$7,908,022, or 1.9 percent for the year.
- Total revenues decreased \$3,018,244, or 2.2 percent in comparison to the prior year.
- Total expenses increased \$409,668, or 0.3 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 \$88,396,144, a decrease of \$1,890,672 for the year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,154,314 or 28 percent of total General Fund expenditures.

## Overview of the Financial Statements

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

### Government-wide financial statements

The focus of the *government-wide financial statements* is on the overall financial position and activities of the City of Sarasota. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the *statement of net position* 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 position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred. Accordingly, revenues are

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, physical environment, transportation, culture and recreation and economic environment. The business-type activities of the City include the water and sewer utility, the Van Wezel Performing Arts Hall, solid waste collection, golf courses, auditoriums, and parking system.

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

### **Fund Financial Statements**

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

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

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

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between a fund's total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources 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 a reconciliation after the balance sheet that reconciles the total fund balances to the net position presented in the governmental activities column on the statement of net position. Also, there is a reconciliation 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 position 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 position, statement of revenues, expenses, and changes in fund net position 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 position and a statement of changes in fiduciary net position. 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 38-39 of this report.

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

Discretely presented component unit financial statements can be found on pages 40-41 of this report.

#### ***Notes to the financial statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-89 of this report.

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

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 91-98 of this report.

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$422,743,647 at the close of the most recent fiscal year.

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

<b>City of Sarasota's Net Position</b>						
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012*</u>	<u>2013</u>	<u>2012*</u>	<u>2013</u>	<u>2012*</u>
Current and other assets	\$ 118,732,243	\$ 122,665,562	\$ 87,015,961	\$ 90,859,186	\$ 205,748,204	\$ 213,524,748
Capital assets, net of depreciation	<u>207,800,108</u>	<u>223,563,205</u>	<u>190,702,430</u>	<u>166,109,940</u>	<u>398,502,538</u>	<u>389,673,145</u>
<b>Total assets</b>	<u>326,532,351</u>	<u>346,228,767</u>	<u>277,718,391</u>	<u>256,969,126</u>	<u>604,250,742</u>	<u>603,197,893</u>
<b>Total deferred outflows of resources</b>	<u>5,906</u>	<u>9,973</u>	<u>598,115</u>	<u>736,346</u>	<u>604,021</u>	<u>746,319</u>
Current and other liabilities	19,666,105	21,058,816	14,906,296	14,312,515	34,572,401	35,371,331
Long-term liabilities outstanding	<u>86,416,588</u>	<u>89,042,268</u>	<u>61,122,127</u>	<u>64,694,988</u>	<u>147,538,715</u>	<u>153,737,256</u>
<b>Total liabilities</b>	<u>106,082,693</u>	<u>110,101,084</u>	<u>76,028,423</u>	<u>79,007,503</u>	<u>182,111,116</u>	<u>189,108,587</u>
<b>Net position:</b>						
Net investment in capital assets	148,111,650	160,182,484	135,645,189	113,546,562	283,756,839	273,729,046
Restricted	62,107,977	62,009,064	12,741,195	14,824,001	74,849,172	76,833,065
Unrestricted	<u>10,235,937</u>	<u>13,946,108</u>	<u>53,901,699</u>	<u>50,327,406</u>	<u>64,137,636</u>	<u>64,273,514</u>
<b>Total net position</b>	<u>\$ 220,455,564</u>	<u>\$ 236,137,656</u>	<u>\$ 202,288,083</u>	<u>\$ 178,697,969</u>	<u>\$ 422,743,647</u>	<u>\$ 414,835,625</u>

\* Restated – see Note 18 on page 89

Changes in net position over time can be one of the best and most useful indicators of financial position. The total net position of the City increased \$7.9 million, from \$414.8 million in 2012 to \$422.7 million in 2013, a 1.9% increase. Net position of the governmental activities decreased \$15.7 million which was primarily attributed to capital contributions of \$16 million to the Parking Management Fund for the transfer of two parking garages. Business-type activities increased \$23.6 million primarily as a result the capital contribution to the Parking Management Fund and \$7.6 million from operations.

A significant portion of the City's net position (67.1%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should still be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (17.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$64,137,636)

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 position, 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 Position**

	Governmental Activities		Business-type Activities		Total	
	2013	2012*	2013	2012*	2013	2012*
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 5,357,348	\$ 4,279,833	\$ 59,291,302	\$ 59,119,528	\$ 64,648,650	\$ 63,399,361
Operating grants and contributions	10,384,312	12,777,162	558,341	653,473	10,942,653	13,430,635
Capital grants and contributions	2,588,161	4,125,429	--	--	2,588,161	4,125,429
General Revenues:						
Property taxes	26,109,863	25,956,504	--	--	26,109,863	25,956,504
Other taxes	23,242,831	22,258,816	--	--	23,242,831	22,258,816
Other	9,088,251	10,087,817	223,041	603,132	9,311,292	10,690,949
<b>Total revenues</b>	<b>76,770,766</b>	<b>79,485,561</b>	<b>60,072,684</b>	<b>60,376,133</b>	<b>136,843,450</b>	<b>139,861,694</b>
<b>Expenses:</b>						
Governmental Activities:						
General government	13,535,677	12,479,655	--	--	13,535,677	12,479,655
Public safety	37,595,883	37,040,548	--	--	37,595,883	37,040,548
Physical environment	3,202,880	3,654,521	--	--	3,202,880	3,654,521
Transportation	7,379,994	7,397,017	--	--	7,379,994	7,397,017
Culture & recreation	3,294,003	3,384,150	--	--	3,294,003	3,384,150
Economic environment	7,685,608	9,057,540	--	--	7,685,608	9,057,540
Interest on long-term debt	4,187,503	4,519,066	--	--	4,187,503	4,519,066
Business-type Activities:						
Water and Sewer	--	--	29,760,016	28,810,585	29,760,016	28,810,585
Van Wezel Performing Arts Hall	--	--	9,077,553	8,997,179	9,077,553	8,997,179
Solid Waste	--	--	9,093,671	8,806,639	9,093,671	8,806,639
Other	--	--	4,122,640	4,378,860	4,122,640	4,378,860
<b>Total expenses</b>	<b>76,881,548</b>	<b>77,532,497</b>	<b>52,053,880</b>	<b>50,993,263</b>	<b>128,935,428</b>	<b>128,525,760</b>
Increase in net position before other items	(110,782)	1,953,064	8,018,804	9,382,870	7,908,022	11,335,934
Transfers	(15,571,310)	758,608	15,571,310	(758,608)	--	--
Special items	--	--	--	1,152,170	--	1,152,170
Increase in net position	(15,682,092)	2,711,672	23,590,114	9,776,432	7,908,022	12,488,104
Net position - beg. of year	236,137,656	233,425,984	178,697,969	168,921,537	414,835,625	402,347,521
Net position - end of year	<b>\$ 220,455,564</b>	<b>\$ 236,137,656</b>	<b>\$ 202,288,083</b>	<b>\$ 178,697,969</b>	<b>\$ 422,743,647</b>	<b>\$ 414,835,625</b>

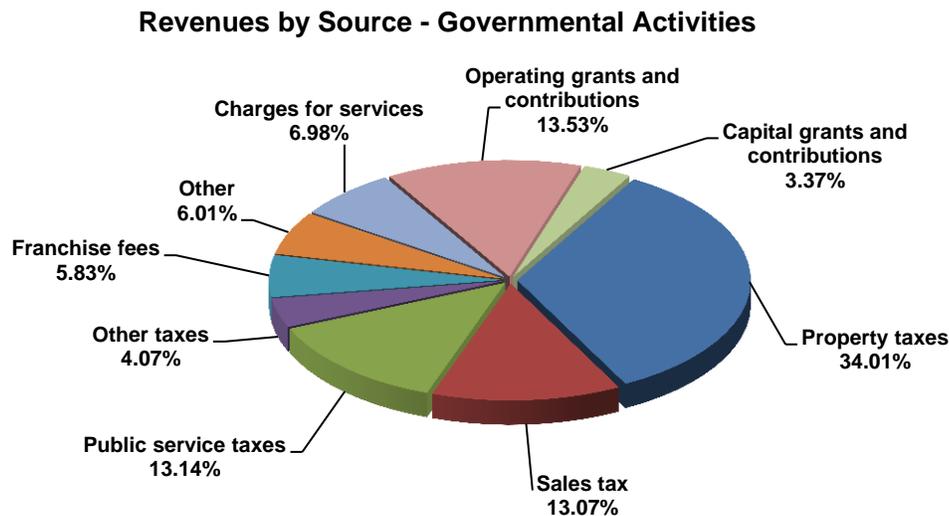
\* Restated - see Note 18 on page 89

### Governmental Activities

Total revenues for governmental activities decreased \$2,714,795 or 3.4% when compared to the prior year. While some revenues had increases, they were more than offset by other revenues that decreased. The decrease in revenues for the current year is the result of the following:

- Operating grants and contributions decreased by \$2,392,850 from that reported in the prior year. \$2,143,026 of this decrease in revenue is attributed to the winding down of the Federal Department of Housing and Urban Development Neighborhood Stabilization II Program grant with 2012 revenues of \$5,839,424 compared with revenues of \$3,696,398 for 2013.
- Capital grants and contributions decreased \$1,537,268. In the prior year, the State provided funding of \$1,802,652 for roundabouts on Ringling Blvd. and the resurfacing and landscaping of Fruitville Road. There were no similar State funded projects for the current fiscal year. Mitigating this decrease for 2013 was an increase of \$300,634 from Sarasota County for a storm water project on Orange Avenue.
- Charges for services increased by \$1,077,515 compared to the prior year. Leading this increase was a \$515,078 increase in building permits and inspections, signaling a recovery in the housing market and construction industry. Contractor license registration, which now occurs every two years, accounted for another \$103,840 of the increase.
- Investment earnings decreased \$904,044 from \$1,102,335 in 2012 to \$198,291 in 2013. The City invests in fixed income securities that offer opportunities for predictable cash flows and provide capital preservation. Unfortunately, the safer investments usually offer relatively lower returns, as was experienced in the 2013 year.

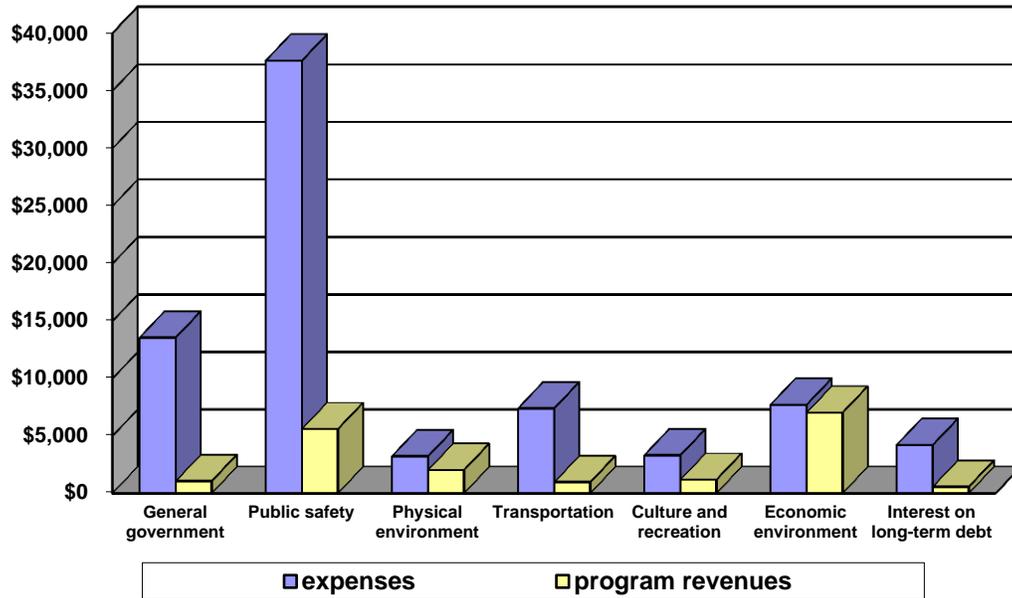
The following graph shows the composition of revenues for the City's governmental activities:



Total expenses for governmental activities decreased \$650,949 or 0.8% in comparison to the prior year. The decrease in current year expenses is attributed to economic environment expenses decreasing by \$1,371,932, which was expected as the Federal Department of Housing and Urban Development Neighborhood Stabilization II grant program funds are exhausted. Overall, expenditures for 2013 were controlled by the elimination of 6.5 positions, pension plan reforms, attrition savings for hiring delays and DROP participation, and City employees continuing to provide quality service utilizing financial resources efficiently.

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

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



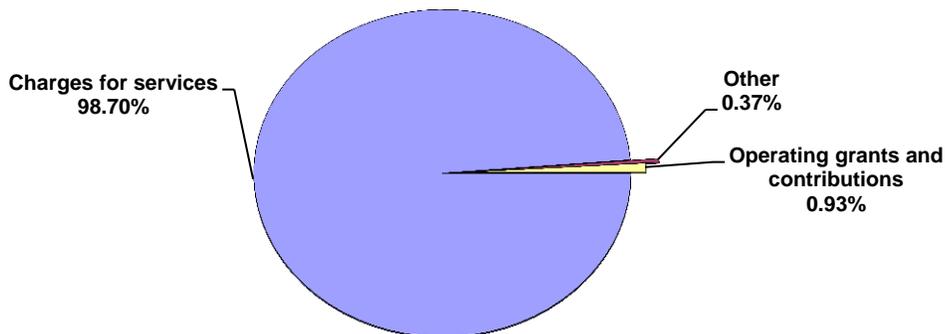
**Business-type Activities**

Total revenues decreased by \$303,449 for the current year. Most of this decrease was attributed a revenue decline of \$329,532 at the Bobby Jones Golf Course, the effects from a slowly recovering economy and competition from other golf courses in the area.

Total expenses increased by \$1,060,617, or 2.1% from the prior year with most of the increase occurring in the Water & Sewer Fund. Expenses for all of the other business-type activities remained close to the levels experienced in the prior year while continuing to provide customers with a high level of service.

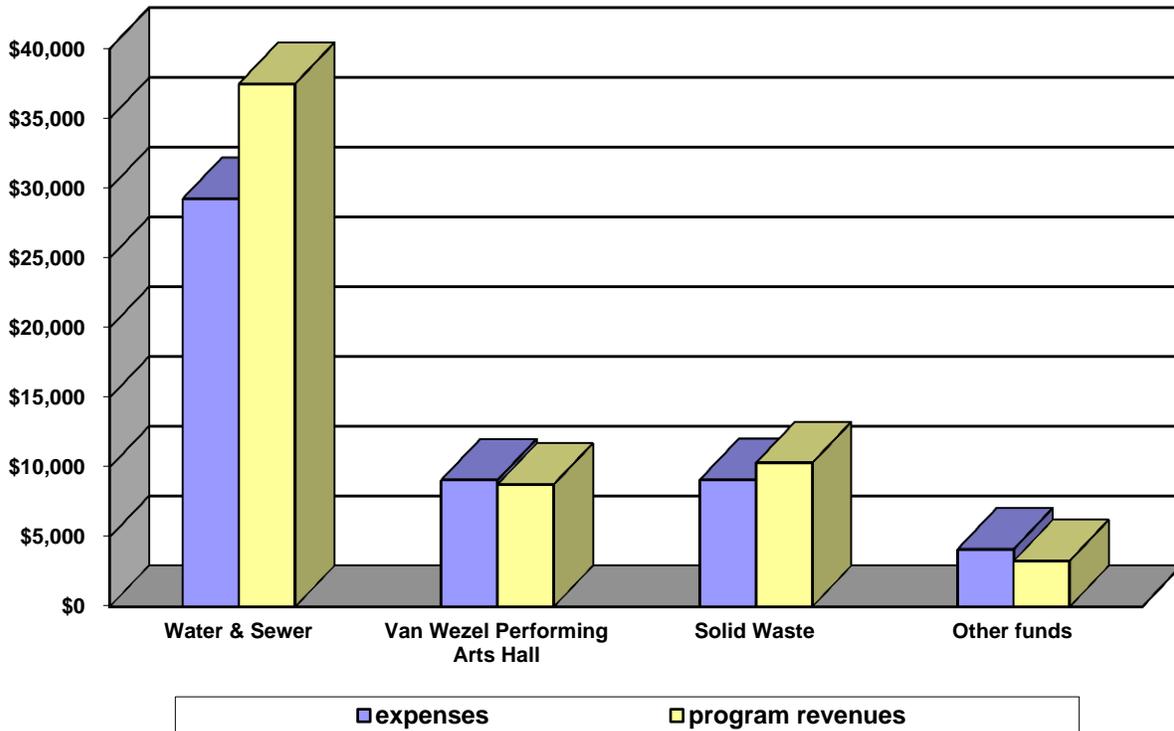
The following graph shows the composition of revenues for the City's business-type activities:

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



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

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



### Financial Analysis of the City's Funds

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

#### Governmental funds

The fund financial statements for the governmental funds are provided on pages 20-30. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$88,396,144 a decrease of \$1,890,672 for the year. Approximately 17% of this amount (\$15,018,758) constitutes unassigned fund balance, which is available for spending at the City's discretion subject to budgetary constraints, legal, or other requirements. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending. Significant restrictions include: 1) restricted for infrastructure improvements (\$23,946,294), 2) restricted for community redevelopment (\$16,660,914), 3) restricted for transportation (\$6,793,811), and 4) restricted for debt service (\$6,600,820).

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 \$15,154,314, while total fund balance was \$19,623,108. 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 27.6% (or 3.31 months) of total General Fund expenditures.

Revenues and transfers in for the City's General Fund increased by \$431,481 since the prior year. While revenues increased, so did expenditures and transfers out by \$822,610. Key factors for the revenue and expenditure increases are:

- The General Fund's property tax rate of 2.9249 mills remained unchanged from the 2012 fiscal year rate. Even though the millage rate did not change, ad valorem taxes increased \$272,547 due to a \$30.3 million taxable value increase from last year's valuation.
- Intergovernmental revenues decreased by \$593,789 compared to the prior year. Although half cent sales tax increased by \$287,461, this was more than offset by a decrease of \$788,961 in revenue from a Department of Justice COPS Hiring Recovery Program grant.
- Public safety expenditures increased \$747,630 for the current year. This increase is attributed to the City's responsibility to fund the Firefighters Defined Benefit Pension Plan that increased by \$908,695 in the current year. Expenditures for the Police Department decreased in the current year by \$155,983 by implementing some extreme cost cutting measures.

The Penny Sales Tax Fund accounts for the revenue from the one-cent local option sales surtax. This fund has a fund balance of \$23,946,294. The net increase in fund balance for the year was \$249,319. Expenditures for the current year totaled \$4,448,719, which included the following capital improvement projects:

• Street & sidewalk projects	\$2,597,196
• Payne Park	398,681
• Police vehicles and radios	633,071
• Parks and Recreation Improvements	446,705
• Neighborhood Development	75,065
• Brownfield	73,363
• Landscaping improvements	59,308
• Stormwater drainage improvements	45,004
• Traffic calming program	18,808
• Traffic signalization	11,090
• Other miscellaneous projects	90,428

The Community Redevelopment Agency Fund accounts for the operations of the City of Sarasota Community Redevelopment Agency (CRA). Total revenues decreased by \$1,842,792 over that reported last year. The primary reason for this decrease was the prior year sale of the Palm Avenue retail property in the amount of \$1,587,934 and a \$135,043 drop in ad valorem taxes, from \$6,808,438 in the prior year to \$6,673,395 in the current year. The ad valorem decrease is attributed to the taxable value of property in the redevelopment area decreasing by \$19.9 million or 1.1% from the prior year. Investment earnings decreased by \$146,313 to \$21,079 for the current year compared to the \$167,392 reported last year. Expenditures of \$2,065,087 and transfers out of \$6,044,892 included the following:

• Main Street - Segment 1 and 3A	\$901,363
• State Street Parking Garage	292,414
• Five Points to Orange Avenue	122,929
• Main Street - Orange Avenue roundabout	101,478
• Salvation Army	80,000
• Downtown pedestrian street lights	77,288
• Developer infrastructure incentives	70,314
• First Street - US 41 to Pineapple	61,408
• Downtown transportation	58,937

• TCEA update	53,047
• Wayfinding signage	41,850
• Contribution for Economic Development Coordinator	40,000
• CRA legal fees	32,413
• Community grants - Newtown Plan	27,147
• North Palm Avenue streetscape	25,687
• Downtown community grants	18,509
• Other miscellaneous project costs and events	60,303
• Transfers out:	6,044,892
○ Principal payments on bonds and loans	\$3,112,214
○ Interest payments on bonds and loans	282,932
○ General Fund – Police services	1,003,340
○ General Fund – Landscape services	803,002
○ General Fund – Redevelopment office costs	725,404
○ Robert L. Taylor Community Complex	118,000

The Community Redevelopment Agency Special Revenue Fund has a fund balance of \$16,660,914 as of September 30, 2013, which is reserved for the remaining outstanding debt obligations of \$13,841,548 and the specific projects identified and approved in the CRA's annual budget.

The Housing & Community Development Fund administers Federal housing and community development programs both in the City and County. Total revenues decreased \$2,223,843 with a corresponding decrease in expenditures. The decrease is due to the substantial completion of the multi-year Federal Department of Housing and Urban Development Neighborhood Stabilization II Program grant during 2013.

### 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 \$318,202 for the current year. The increase is attributable to a four percent increase in rates that helped increase operating revenues by \$632,305. Operating expenses increased \$314,103, with depreciation on capital assets accounting for \$562,200 of the increase and pension and OPEB costs coming in \$307,419 higher than last year, which were offset by decreases in repairs, maintenance and supplies.
- Total revenues for the Van Wezel Performing Arts Hall increased by \$142,877 for the current year. Most of the increase was due to a \$54,822 increase in ticket handling charges and a \$36,457 increase in hall rentals. Operating expenses increased \$80,374 over that reported in the previous year. Most of this increase can be attributed to advertising costs rising by \$73,074 in the current year to promote performances held at the Hall.
- The Solid Waste Fund saw a slight operating revenue decrease of \$50,701 for the current year. Operating expenses increased \$287,032, with depreciation on new capital assets accounting for \$133,623 of the increase and landfill and recycling charges rising by \$114,567 for the current year.

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

### General Fund Budgetary Highlights

The General Fund revenue budget was increased by \$724,990. This increase included property sales of \$422,628, \$150,444 for the reimbursement of prior year expenditures, and other miscellaneous increases of \$151,918. The General Fund expenditure budget also increased for the year by \$2,575,931. The

difference between the original expenditures budget and the final amended budget are summarized as follows:

- \$422,628 increase to use property sales proceeds to reduce the City's OPEB obligation;
- \$150,444 increase for Police tasers
- \$50,256 increase for programs at the Robert L. Taylor Community Complex; and
- \$1,952,603 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;
  - \$409,460 for repairs at City Hall and the Federal Building;
  - \$150,000 for a subsidy to the Parking Management Fund; and
  - \$244,278 for various other projects.

Actual revenues and transfers in were greater than final budget by \$303,708 and actual expenditures and transfers out were less than budgeted expenditures by a total of \$2,639,021. This resulted in a positive budget variance of \$2,942,729. Most of this savings was achieved by the diligent efforts to control costs at all levels of management. It also included the \$1,148,865 budgeted for environmental remediation at the Sports Stadium that was not expended.

Both the original and final budget anticipated \$2,303,744 and \$4,154,685, 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 \$1,211,956, 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, 2013, is \$398,502,538 (net of accumulated depreciation). This investment in capital assets includes land, art collections, construction in progress, buildings, improvements, infrastructure, utility systems and equipment. The total increase (additions less retirements and depreciation) in the City's investment in capital assets for the current fiscal year was 2.3% (a 7.1% decrease for governmental activities and a 14.8% increase for business-type activities). The schedule below reflects the City's capital assets as of September 30, 2013 and 2012:

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 40,450,911	\$ 43,181,580	\$ 12,252,113	\$ 9,584,361	\$ 52,703,024	\$ 52,765,941
Art collections	859,973	859,973	218,397	218,397	1,078,370	1,078,370
Buildings	57,818,671	68,348,846	28,830,139	20,230,389	86,648,810	88,579,235
Improvements and Infrastructure	94,948,972	97,563,825	5,248,120	2,219,562	100,197,092	99,783,387
Utility systems	--	--	100,523,701	93,434,137	100,523,701	93,434,137
Equipment	6,297,329	6,999,841	3,899,912	2,263,186	10,197,241	9,263,027
Construction in progress	7,424,252	6,609,140	39,730,048	38,159,908	47,154,300	44,769,048
Total	<u>\$ 207,800,108</u>	<u>\$ 223,563,205</u>	<u>\$ 190,702,430</u>	<u>\$ 166,109,940</u>	<u>\$ 398,502,538</u>	<u>\$ 389,673,145</u>

Additional information on the City's capital assets can be found in Note 6 on pages 65-66 of this report.

Major capital asset activity during the current fiscal year included the following:

- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$11,780,864 and construction began on others at a cost of \$10,201,590.
- The Whole Foods and Palm Avenue parking garage were transferred to the Parking Management Enterprise Fund as a capital contribution of \$15,978,764.
- Equipment with an original cost of \$5,598,142 was sold or disposed of during the year.

### Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$134,649,562. Of this amount, \$41,828,184 comprises debt backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., special obligation bonds, revenue bonds).

The schedule below reflects the City's outstanding debt as of September 30, 2013 and 2012:

#### City of Sarasota's Outstanding Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 41,828,184	\$ 42,909,043	\$ --	\$ --	\$ 41,828,184	\$ 42,909,043
Special obligation bonds	31,826,378	34,859,613	--	--	31,826,378	34,859,613
Revenue bonds	--	--	60,995,000	64,240,000	60,995,000	64,240,000
Total bonds	73,654,562	77,768,656	60,995,000	64,240,000	134,649,562	142,008,656
Loans payable	2,925,000	4,070,000	--	223,603	2,925,000	4,293,603
Total bonds & loans	<u>\$ 76,579,562</u>	<u>\$ 81,838,656</u>	<u>\$ 60,995,000</u>	<u>\$ 64,463,603</u>	<u>\$ 137,574,562</u>	<u>\$ 146,302,259</u>

The City's total debt decreased by \$8,727,697 or 6.0 %. The key factors in this decrease were:

- Scheduled principal payments of \$9,286,216 were paid when due.
- The accreted value increased \$558,519 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. During the year, Fitch Ratings upgraded the City's water and sewer bonds from AA- to AA. The underlying bond ratings continue to reflect that the City's bonds have the characteristics of strong investment quality as shown below:

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

\*\* Not rated

Standard and Poors Rating Services ("S&P"), Moody's Investors Service ("Moody's"), and Fitch Ratings ("Fitch") have withdrawn their ratings related to Ambac. Ambac insures the First Florida Governmental Financing Commission (FFGFC) Revenue Bonds, Series 2001B, 2003 and 2005 issued by First Florida

Governmental Financing Commission. The FFGFC Bond proceeds were used in part to make loans to the City of Sarasota, Florida.

Additional information on the City's long-term debt can be found in Note 7 on pages 67-70 of this report.

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

For the 2013-14 fiscal year, the City will continue to rebound from the dramatic impacts of the Great Recession (2007-2012). A sense of cautious optimism prevails as the local economy improves and property values begin to rise. The 2013-14 fiscal year budget continues the recessionary discipline of living within our means with the reduction of ten full-time employee positions through attrition.

Other factors considered in preparing the City's 2013-14 fiscal year budget were:

- The taxable value of commercial and residential property increased 4.6% from last year's valuation. The \$317 million increase in taxable value for 2014 is the second consecutive year that property values have increased since 2008.
- The General Fund property tax millage was increased .2478 mills to 3.1728 mills. With the increase in the millage rate and increase in property valuation, property tax revenues will increase \$2,178,208 for fiscal year 2013-14.
- The City's population changed slightly from 52,517 reported in 2012 to 52,689 for 2013.
- The Sarasota County unemployment rate for September 2013 was 6.8%, a significant decrease from the 8.7% rate reported in September 2012 and lower than the State and Federal rates (6.8% and 7.2% respectively).

## **Requests for Information**

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



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**City of Sarasota, Florida**  
Statement of Net Position  
September 30, 2013

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 23,422,429	\$ 21,147,127	\$ 44,569,556	\$ 54,177
Investments	86,949,898	61,003,736	147,953,634	201,117
Receivables (net):				
Accounts	2,724,786	3,907,724	6,632,510	--
Interest	214,660	155,188	369,848	498
Notes	449,780	--	449,780	--
Special assessments	538,519	--	538,519	--
Internal balances	7,412	(7,412)	--	--
Due from other governmental agencies	3,751,558	6,440	3,757,998	--
Inventories	273,655	116,904	390,559	--
Prepaid items	399,546	686,254	1,085,800	83
Capital assets:				
Non-depreciable	48,735,136	52,200,558	100,935,694	58,532
Depreciable (net)	159,064,972	138,501,872	297,566,844	1,548,275
Total assets	<u>326,532,351</u>	<u>277,718,391</u>	<u>604,250,742</u>	<u>1,862,682</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	5,906	598,115	604,021	--
Total deferred outflows of resources	<u>5,906</u>	<u>598,115</u>	<u>604,021</u>	<u>--</u>
<b>Liabilities</b>				
Accounts payable	5,400,187	2,884,155	8,284,342	68,028
Retainages payable	251,309	485,547	736,856	--
Liability for unpaid claims	2,719,884	--	2,719,884	--
Accrued interest payable	1,052,340	1,464,807	2,517,147	--
Due to other governmental agencies	79,620	13,192	92,812	--
Accrued wages	880,595	365,888	1,246,483	960
Unearned revenue	862,208	4,855,948	5,718,156	1,787
Customer deposits	91,469	1,054,590	1,146,059	--
Noncurrent liabilities:				
Due within one year	8,328,493	3,782,169	12,110,662	--
Due in more than one year	86,416,588	61,122,127	147,538,715	--
Total liabilities	<u>106,082,693</u>	<u>76,028,423</u>	<u>182,111,116</u>	<u>70,775</u>
<b>Net Position</b>				
Net investment in capital assets	148,111,650	135,645,189	283,756,839	1,606,807
Restricted for:				
Debt service	5,573,292	6,575,781	12,149,073	--
Construction	1,008,559	6,165,414	7,173,973	--
Community redevelopment	16,660,914	--	16,660,914	--
Infrastructure improvements	23,946,294	--	23,946,294	--
Housing and community development	2,071,977	--	2,071,977	--
Transportation	6,793,811	--	6,793,811	--
Development services	1,824,254	--	1,824,254	--
Law enforcement programs	470,455	--	470,455	--
Tourist development	3,037,973	--	3,037,973	--
Grant programs	657,528	--	657,528	--
Golden Gate Point streetscape	37,107	--	37,107	--
Economic development	25,813	--	25,813	--
Unrestricted	10,235,937	53,901,699	64,137,636	185,100
Total net position	<u>\$ 220,455,564</u>	<u>\$ 202,288,083</u>	<u>\$ 422,743,647</u>	<u>\$ 1,791,907</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida  
Statement of Activities  
For the Year Ended September 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 13,535,677	\$ 1,051,097	\$ --	\$ --
Public safety:				
Police	31,509,853	1,193,255	875,657	370,573
Fire	3,646,641	--	781,442	--
Building inspections	1,976,869	2,108,980	--	--
Other public safety	462,520	249,396	--	--
Physical environment	3,202,880	128,014	712,361	1,175,043
Transportation	7,379,994	320,111	111,364	519,116
Culture and recreation	3,294,003	306,424	342,490	518,908
Economic environment	7,685,608	71	7,002,149	4,521
Interest on long-term debt	4,187,503	--	558,849	--
Total governmental activities	<u>76,881,548</u>	<u>5,357,348</u>	<u>10,384,312</u>	<u>2,588,161</u>
<b>Business-type activities:</b>				
Water and Sewer	29,244,145	37,496,905	--	--
Van Wezel	9,077,553	8,208,844	558,341	--
Solid Waste	9,093,671	10,303,491	--	--
Bobby Jones Golf Course	2,698,233	2,382,372	--	--
Municipal Auditoriums	516,028	424,189	--	--
Parking Management	908,379	475,501	--	--
Total business-type activities	<u>51,538,009</u>	<u>59,291,302</u>	<u>558,341</u>	<u>--</u>
Total primary government	<u>\$ 128,419,557</u>	<u>\$ 64,648,650</u>	<u>\$ 10,942,653</u>	<u>\$ 2,588,161</u>
<b>Component Units:</b>				
St. Armands Business Improvement District	\$ 114,983	\$ --	\$ --	\$ --
Downtown Improvement District	329,451	--	--	--
Total component units	<u>\$ 444,434</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 (loss) on disposition of capital assets  
Transfers  
Total general revenues, transfers and special item  
Change in net assets  
**Net position - beginning, restated**  
**Net position - ending**

The accompanying notes are an integral part of this statement.

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

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
\$ (12,484,580)	\$ --	\$ (12,484,580)	\$ --
(29,070,368)	--	(29,070,368)	--
(2,865,199)	--	(2,865,199)	--
132,111	--	132,111	--
(213,124)	--	(213,124)	--
(1,187,462)	--	(1,187,462)	--
(6,429,403)	--	(6,429,403)	--
(2,126,181)	--	(2,126,181)	--
(678,867)	--	(678,867)	--
(3,628,654)	--	(3,628,654)	--
<u>(58,551,727)</u>	<u>--</u>	<u>(58,551,727)</u>	<u>--</u>
--	8,252,760	8,252,760	--
--	(310,368)	(310,368)	--
--	1,209,820	1,209,820	--
--	(315,861)	(315,861)	--
--	(91,839)	(91,839)	--
--	(432,878)	(432,878)	--
<u>--</u>	<u>8,311,634</u>	<u>8,311,634</u>	<u>--</u>
<u>(58,551,727)</u>	<u>8,311,634</u>	<u>(50,240,093)</u>	<u>--</u>
			(114,983)
			<u>(329,451)</u>
			<u>(444,434)</u>
26,109,863	--	26,109,863	551,780
2,310,912	--	2,310,912	--
10,036,788	--	10,036,788	--
10,084,418	--	10,084,418	--
769,308	--	769,308	--
41,405	--	41,405	--
4,472,348	--	4,472,348	--
1,765,785	--	1,765,785	--
198,291	173,167	371,458	378
1,992,276	--	1,992,276	3,300
659,551	(465,997)	193,554	--
<u>(15,571,310)</u>	<u>15,571,310</u>	<u>--</u>	<u>--</u>
<u>42,869,635</u>	<u>15,278,480</u>	<u>58,148,115</u>	<u>555,458</u>
<u>(15,682,092)</u>	<u>23,590,114</u>	<u>7,908,022</u>	<u>111,024</u>
<u>236,137,656</u>	<u>178,697,969</u>	<u>414,835,625</u>	<u>1,680,883</u>
<u>\$ 220,455,564</u>	<u>\$ 202,288,083</u>	<u>\$ 422,743,647</u>	<u>\$ 1,791,907</u>

City of Sarasota, Florida  
Governmental Funds  
Balance Sheet  
September 30, 2013

	<u>General</u>	<u>Penny Sales Tax</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,817,207	\$ 5,076,398
Investments	14,170,423	18,844,855
Receivables (net):		
Accounts	2,632,162	--
Interest	35,694	46,695
Interfund	217,719	--
Notes	--	--
Special assessments	--	--
Due from other governmental agencies	1,261,181	970,322
Inventories	116,535	--
Prepaid items	280,208	--
Total assets	<u>\$ 22,531,129</u>	<u>\$ 24,938,270</u>
<b>Liabilities</b>		
Liabilities:		
Accounts payable	\$ 1,561,850	\$ 839,199
Accrued interest payable	--	--
Retainages payable	--	152,777
Due to other funds	--	--
Due to other governmental agencies	14,271	--
Interfund payables	--	--
Advance from other funds	--	--
Accrued wages	788,724	--
Unearned revenue	543,176	--
Customer deposits	--	--
Total liabilities	<u>2,908,021</u>	<u>991,976</u>
<b>Deferred Inflows of Resources</b>		
Unavailable revenue - notes receivable	--	--
Unavailable revenue - special assessments	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>
<b>Fund Balances</b>		
<b>Nonspendable:</b>		
Inventory	116,535	--
Prepaid items	280,208	--
<b>Restricted for:</b>		
Infrastructure improvements	--	23,946,294
Community redevelopment	--	--
Housing and community development	--	--
Building services	--	--
Transportation	--	--
Law enforcement programs	--	--
Golden Gate Point streetscape	--	--
Tourist development	--	--
Grant programs	--	--
Economic development	--	--
Debt service	--	--
Construction	--	--
<b>Committed to:</b>		
Revenue stabilization	2,937,500	--
Development application system	--	--
Public art	--	--
Neighborhood grant programs	--	--
Citizens with disabilities	--	--
Forestry	--	--
Transportation	--	--
Affordable housing	--	--
Law enforcement	--	--
Economic development	--	--
Culture and recreation	--	--
<b>Assigned to:</b>		
Subsequent year expenditures	853,885	--
Other purposes (encumbrances)	280,666	--
<b>Unassigned</b>	<u>15,154,314</u>	<u>--</u>
Total fund balances	<u>19,623,108</u>	<u>23,946,294</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,531,129</u>	<u>\$ 24,938,270</u>

The accompanying notes are an integral part of this statement.

<b>Community Redevelopment Agency</b>	<b>Housing and Community Development</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 3,648,104	\$ --	\$ 6,321,237	\$ 18,862,946
13,542,673	--	23,466,009	70,023,960
--	--	77,311	2,709,473
34,183	--	57,381	173,953
--	--	--	217,719
--	401,510	48,270	449,780
--	--	538,519	538,519
--	318,052	1,038,118	3,587,673
--	--	--	116,535
--	--	--	280,208
<u>\$ 17,224,960</u>	<u>\$ 719,562</u>	<u>\$ 31,546,845</u>	<u>\$ 96,960,766</u>
\$ 473,440	\$ 102,227	\$ 2,147,710	\$ 5,124,426
--	323	--	323
90,606	--	7,926	251,309
--	--	5,237	5,237
--	--	65,349	79,620
--	186,723	--	186,723
--	--	133,281	133,281
--	19,967	33,036	841,727
--	8,812	310,220	862,208
--	--	91,469	91,469
<u>564,046</u>	<u>318,052</u>	<u>2,794,228</u>	<u>7,576,323</u>
--	401,510	48,270	449,780
--	--	538,519	538,519
<u>--</u>	<u>401,510</u>	<u>586,789</u>	<u>988,299</u>
--	--	--	116,535
--	--	--	280,208
--	--	--	23,946,294
16,660,914	--	--	16,660,914
--	--	2,071,977	2,071,977
--	--	1,824,254	1,824,254
--	--	6,793,811	6,793,811
--	--	470,455	470,455
--	--	37,107	37,107
--	--	3,037,973	3,037,973
--	--	657,528	657,528
--	--	25,813	25,813
--	--	6,600,820	6,600,820
--	--	4,336,431	4,336,431
--	--	--	2,937,500
--	--	485,800	485,800
--	--	263,259	263,259
--	--	76,799	76,799
--	--	155,874	155,874
--	--	107,345	107,345
--	--	111,495	111,495
--	--	283,528	283,528
--	--	4,991	4,991
--	--	112,602	112,602
--	--	6,792	6,792
--	--	836,730	1,690,615
--	--	--	280,666
--	--	(135,556)	15,018,758
<u>16,660,914</u>	<u>--</u>	<u>28,165,828</u>	<u>88,396,144</u>
<u>\$ 17,224,960</u>	<u>\$ 719,562</u>	<u>\$ 31,546,845</u>	<u>\$ 96,960,766</u>

**City of Sarasota, Florida**

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
As of September 30, 2013

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Fund balances - total governmental funds \$ 88,396,144

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	\$ 318,901,795	
Less accumulated depreciation	<u>(115,109,325)</u>	203,792,470

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

Prepaid bond insurance costs	310,660	
Less accumulated amortization	<u>(221,780)</u>	88,880

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	(1,051,660)	
General obligation bonds	(41,828,184)	
Special obligation bonds	(31,826,378)	
Loans payable	(2,925,000)	
Other post-employment benefits	(13,251,720)	
Unamortized bond premium	(193,568)	
Unamortized loss on refunding	<u>5,906</u>	(91,070,604)

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

Special assessments	538,519	
Mortgages receivable	449,780	
Interest subsidy on Build America Bonds received before interest payment was due	<u>159,688</u>	1,147,987

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>18,100,687</u>
---	--	-------------------

Net position of governmental activities		<u><u>\$ 220,455,564</u></u>
---	--	------------------------------

The accompanying notes are an integral part of this statement.



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**City of Sarasota, Florida**  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended September 30, 2013

	<u>General</u>	<u>Penny Sales Tax</u>
<b>Revenues</b>		
Taxes	\$ 27,112,729	\$ --
Franchise fees	4,472,348	--
Special assessments	--	--
Licenses and permits	334,165	--
Intergovernmental	8,164,990	6,202,025
Charges for services	1,585,961	--
Charges to other funds	4,320,128	--
Fines and forfeits	999,940	--
Investment earnings	30,732	6,788
Miscellaneous	2,302,995	--
Total revenues	<u>49,323,988</u>	<u>6,208,813</u>
<b>Expenditures</b>		
Current:		
General government	16,703,926	--
Public safety	31,241,780	150,000
Physical environment	2,863,843	92,240
Transportation	2,922,811	43,820
Culture and recreation	1,235,006	19,379
Economic environment	--	--
Debt service:		
Principal payments	--	--
Interest and fiscal charges	--	--
Capital outlay	--	4,143,280
Total expenditures	<u>54,967,366</u>	<u>4,448,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,643,378)</u>	<u>1,760,094</u>
<b>Other financing sources (uses)</b>		
Transfers in	4,967,679	--
Transfers out	(536,257)	(1,510,775)
Total other financing sources (uses)	<u>4,431,422</u>	<u>(1,510,775)</u>
Net change in fund balances	(1,211,956)	249,319
<b>Fund balances - beginning</b>	<u>20,835,064</u>	<u>23,696,975</u>
<b>Fund balances - ending</b>	<u>\$ 19,623,108</u>	<u>\$ 23,946,294</u>

The accompanying notes are an integral part of this statement.

<b>Community Redevelopment Agency</b>	<b>Housing and Community Development</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,673,395	\$ --	\$ 5,551,966	\$ 39,338,090
--	--	--	4,472,348
--	--	108,197	108,197
--	--	2,050,782	2,384,947
--	6,048,185	4,160,754	24,575,954
--	71	548,003	2,134,035
--	--	--	4,320,128
--	--	361,130	1,361,070
21,079	15,787	70,737	145,123
220,537	4,012	152,662	2,680,206
<u>6,915,011</u>	<u>6,068,055</u>	<u>13,004,231</u>	<u>81,520,098</u>
--	--	165,448	16,869,374
--	--	2,143,845	33,535,625
--	--	109,736	3,065,819
131,548	--	244,141	3,342,320
--	--	55,634	1,310,019
292,268	6,065,306	1,246,159	7,603,733
--	--	4,412,802	4,412,802
--	--	5,094,256	5,094,256
1,641,271	4,521	3,052,169	8,841,241
<u>2,065,087</u>	<u>6,069,827</u>	<u>16,524,190</u>	<u>84,075,189</u>
<u>4,849,924</u>	<u>(1,772)</u>	<u>(3,519,959)</u>	<u>(2,555,091)</u>
--	1,772	5,479,176	10,448,627
<u>(6,044,892)</u>	<u>--</u>	<u>(1,692,284)</u>	<u>(9,784,208)</u>
<u>(6,044,892)</u>	<u>1,772</u>	<u>3,786,892</u>	<u>664,419</u>
(1,194,968)	--	266,933	(1,890,672)
<u>17,855,882</u>	<u>--</u>	<u>27,898,895</u>	<u>90,286,816</u>
<u>\$ 16,660,914</u>	<u>\$ --</u>	<u>\$ 28,165,828</u>	<u>\$ 88,396,144</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, 2013

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Net change in fund balances - total governmental funds	\$	(1,890,672)
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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	\$ 9,798,036	
Less current year depreciation	<u>(9,037,226)</u>	760,810

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

Book value of disposals of capital assets	(16,048,500)
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Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

8,730
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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	(108,197)	
Receipts on mortgages receivable	<u>(67,787)</u>	(175,984)

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

Principal repayments:

General obligation bonds	1,080,859	
Special obligation bonds	3,591,754	
Loans payable	<u>1,145,000</u>	5,817,613

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	(28,165)	
Accrued interest	60,456	
Interest on capital appreciation bonds	(558,520)	
Other post-employment benefits	(2,722,016)	
Amortization of bond premium	18,230	
Amortization of deferred loss on refunding	(4,067)	
Amortization of current year bond insurance costs	<u>(10,629)</u>	(3,244,711)

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>(909,378)</u>
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Change in net position of governmental activities	<u>\$ (15,682,092)</u>
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The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

General Fund

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

Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 27,074,262	\$ 27,074,262	\$ 27,112,729	\$ 38,467
Franchise fees	5,247,000	5,247,000	4,472,348	(774,652)
Licenses and permits	253,406	253,406	334,165	80,759
Intergovernmental	7,261,831	7,281,831	8,164,990	883,159
Charges for services	1,551,590	1,551,590	1,585,961	34,371
Charges to other funds	4,320,128	4,320,128	4,320,128	--
Fines and forfeits	985,200	985,200	999,940	14,740
Investment earnings	300,000	300,000	30,732	(269,268)
Miscellaneous	1,416,902	2,007,230	2,302,995	295,765
Total revenues	<u>48,410,319</u>	<u>49,020,647</u>	<u>49,323,988</u>	<u>303,341</u>
<b>Expenditures</b>				
Current:				
General government	16,269,772	17,274,515	16,703,926	570,589
Public safety	31,791,078	31,970,632	31,241,780	728,852
Physical environment	2,899,135	2,899,135	2,863,843	35,292
Transportation	3,180,024	3,202,537	2,922,811	279,726
Culture and recreation	1,351,419	2,570,540	1,235,006	1,335,534
Economic environment	25,888	25,888	--	25,888
Total expenditures	<u>55,517,316</u>	<u>57,943,247</u>	<u>54,967,366</u>	<u>2,975,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,106,997)</u>	<u>(8,922,600)</u>	<u>(5,643,378)</u>	<u>3,279,222</u>
<b>Other financing sources (uses)</b>				
Transfers in	4,852,650	4,967,312	4,967,679	367
Transfers out	<u>(49,397)</u>	<u>(199,397)</u>	<u>(536,257)</u>	<u>(336,860)</u>
Total other financing sources (uses)	<u>4,803,253</u>	<u>4,767,915</u>	<u>4,431,422</u>	<u>(336,493)</u>
Net change in fund balances	(2,303,744)	(4,154,685)	(1,211,956)	2,942,729
<b>Fund balances - beginning</b>	<u>20,835,064</u>	<u>20,835,064</u>	<u>20,835,064</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 18,531,320</u>	<u>\$ 16,680,379</u>	<u>\$ 19,623,108</u>	<u>\$ 2,942,729</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 5,547,150	\$ 5,979,276	\$ 6,202,025	\$ 222,749
Investment earnings	167,000	167,000	6,788	(160,212)
Total revenues	<u>5,714,150</u>	<u>6,146,276</u>	<u>6,208,813</u>	<u>62,537</u>
<b>Expenditures</b>				
Current:				
Public safety	150,000	150,000	150,000	--
Physical environment	54,398	907,549	92,240	815,309
Transportation	30,521	62,301	43,820	18,481
Culture and recreation	4,800	15,291	19,379	(4,088)
Capital outlay:				
Public safety	914,464	1,101,924	487,767	614,157
Physical environment	45,535	2,930,435	56,653	2,873,782
Transportation	2,722,163	13,151,203	2,645,168	10,506,035
Culture and recreation	1,436,571	3,623,979	930,203	2,693,776
Economic environment	1,000,000	4,160,000	23,489	4,136,511
Total expenditures	<u>6,358,452</u>	<u>26,102,682</u>	<u>4,448,719</u>	<u>21,653,963</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(644,302)</u>	<u>(19,956,406)</u>	<u>1,760,094</u>	<u>21,716,500</u>
<b>Other financing uses</b>				
Transfers out	<u>(1,210,775)</u>	<u>(1,510,775)</u>	<u>(1,510,775)</u>	<u>--</u>
Net change in fund balances	(1,855,077)	(21,467,181)	249,319	21,716,500
<b>Fund balances - beginning</b>	<u>23,696,975</u>	<u>23,696,975</u>	<u>23,696,975</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 21,841,898</u>	<u>\$ 2,229,794</u>	<u>\$ 23,946,294</u>	<u>\$ 21,716,500</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

Community Redevelopment Agency

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

Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Taxes	\$ 6,751,172	\$ 6,751,172	\$ 6,673,395	\$ (77,777)
Investment earnings	80,000	80,000	21,079	(58,921)
Miscellaneous	150,000	220,537	220,537	--
Total revenues	<u>6,981,172</u>	<u>7,051,709</u>	<u>6,915,011</u>	<u>(136,698)</u>
<b>Expenditures</b>				
Current:				
Public safety	--	4,704	--	4,704
Transportation	177,021	789,159	131,548	657,611
Economic environment	397,161	3,637,307	292,268	3,345,039
Capital outlay:				
Public safety	--	42,867	--	42,867
Transportation	1,269,168	12,943,825	1,635,031	11,308,794
Culture and recreation	--	459,599	--	459,599
Economic environment	150,000	331,007	6,240	324,767
Total expenditures	<u>1,993,350</u>	<u>18,208,468</u>	<u>2,065,087</u>	<u>16,143,381</u>
Excess of revenues over expenditures	4,987,822	(11,156,759)	4,849,924	16,006,683
<b>Other financing uses</b>				
Transfers out	<u>(6,011,892)</u>	<u>(6,044,892)</u>	<u>(6,044,892)</u>	<u>--</u>
Net change in fund balances	(1,024,070)	(17,201,651)	(1,194,968)	16,006,683
<b>Fund balances - beginning</b>	<u>17,855,882</u>	<u>17,855,882</u>	<u>17,855,882</u>	<u>--</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 16,831,812</u>	<u>\$ 654,231</u>	<u>\$ 16,660,914</u>	<u>\$ 16,006,683</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, 2013

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 5,332,853	\$ 10,023,578	\$ 6,048,185	\$ (3,975,393)
Charges for services	--	--	71	71
Investment earnings	--	--	15,787	15,787
Miscellaneous	--	100,929	4,012	(96,917)
Total revenues	<u>5,332,853</u>	<u>10,124,507</u>	<u>6,068,055</u>	<u>(4,056,452)</u>
<b>Expenditures</b>				
Current:				
Economic environment	5,332,853	9,711,805	6,065,306	3,646,499
Capital outlay:				
General government	--	4,524	4,521	3
Culture and recreation	--	408,178	--	408,178
Total expenditures	<u>5,332,853</u>	<u>10,124,507</u>	<u>6,069,827</u>	<u>4,054,680</u>
Excess of revenues over expenditures	--	--	(1,772)	(1,772)
<b>Other financing sources</b>				
Transfers in	--	--	1,772	1,772
Net change in fund balances	--	--	--	--
<b>Fund balances - beginning</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund balances - ending</b>	<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 Position  
September 30, 2013

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 8,973,708	\$ 1,534,676	\$ 1,585,763	\$ 357,990	\$ 12,452,137	\$ 4,559,483
Investments	33,312,647	5,697,102	5,886,748	1,328,944	46,225,441	16,925,938
Receivables (net):						
Accounts	3,290,093	213,146	381,864	22,621	3,907,724	15,313
Interest	80,116	12,351	14,814	3,117	110,398	40,707
Due from other funds	--	--	--	--	--	44,593
Due from other governmental agencies	--	6	209	6,225	6,440	4,197
Inventories	74,595	877	--	41,432	116,904	157,120
Prepaid items	234,977	367,895	5,967	56,526	665,365	30,458
Total unrestricted current assets	<u>45,966,136</u>	<u>7,826,053</u>	<u>7,875,365</u>	<u>1,816,855</u>	<u>63,484,409</u>	<u>21,777,809</u>
Restricted current assets:						
Cash and cash equivalents	3,978,838	--	2,115	--	3,980,953	--
Cash with fiscal agents	4,714,037	--	--	--	4,714,037	--
Investments	14,770,443	--	7,852	--	14,778,295	--
Accrued interest receivable	44,790	--	--	--	44,790	--
Prepaid items	3,505	--	--	--	3,505	--
Total restricted current assets	<u>23,511,613</u>	<u>--</u>	<u>9,967</u>	<u>--</u>	<u>23,521,580</u>	<u>--</u>
Total current assets	<u>69,477,749</u>	<u>7,826,053</u>	<u>7,885,332</u>	<u>1,816,855</u>	<u>87,005,989</u>	<u>21,777,809</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable:						
Land	6,040,560	525,000	--	5,686,553	12,252,113	--
Art collections	--	218,397	--	--	218,397	--
Construction in progress	39,625,159	6,450	72,626	25,813	39,730,048	19,410
Depreciable:						
Buildings	25,132,252	26,096,020	147,449	13,863,043	65,238,764	--
Improvements	--	696,725	216,256	10,211,327	11,124,308	2,756,695
Utility systems	237,202,417	--	--	--	237,202,417	--
Equipment	9,017,624	1,181,987	6,266,183	1,065,646	17,531,440	10,441,012
Less accumulated depreciation	(165,674,223)	(12,884,972)	(4,707,697)	(9,328,165)	(192,595,057)	(9,209,479)
Total capital assets (net of accumulated depreciation)	<u>151,343,789</u>	<u>15,839,607</u>	<u>1,994,817</u>	<u>21,524,217</u>	<u>190,702,430</u>	<u>4,007,638</u>
Other assets:						
Advance to other funds	--	--	--	--	--	174,036
Prepaid items	17,384	--	--	--	17,384	--
Total other assets	<u>17,384</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>17,384</u>	<u>174,036</u>
Total noncurrent assets	<u>151,361,173</u>	<u>15,839,607</u>	<u>1,994,817</u>	<u>21,524,217</u>	<u>190,719,814</u>	<u>4,181,674</u>
Total assets	<u>220,838,922</u>	<u>23,665,660</u>	<u>9,880,149</u>	<u>23,341,072</u>	<u>277,725,803</u>	<u>25,959,483</u>
<b>Deferred Outflows of Resources</b>						
Deferred charge on refunding	598,115	--	--	--	598,115	--
Total deferred outflows of resources	<u>\$ 598,115</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 598,115</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Water and Sewer</b>	<b>Van Wezel</b>	<b>Solid Waste</b>	<b>Other Funds</b>	<b>Totals</b>	
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	\$ 1,458,941	\$ 194,797	\$ 422,844	\$ 34,672	\$ 2,111,254	\$ 275,761
Retainages payable	137,556	--	--	--	137,556	--
Due to other funds	--	--	--	--	--	39,356
Due to other governmental agencies	532	12,660	--	--	13,192	--
Interfund payables	7,412	--	--	--	7,412	23,584
Accrued interest payable	184	--	--	586	770	357
Liability for unpaid claims	--	--	--	--	--	2,719,884
Accrued wages	249,030	44,298	40,947	31,613	365,888	38,868
Compensated absences	372,757	46,320	58,729	54,363	532,169	2,487,255
Unearned revenue	310,179	4,100,766	351,072	93,931	4,855,948	--
Total unrestricted current liabilities	<u>2,536,591</u>	<u>4,398,841</u>	<u>873,592</u>	<u>215,165</u>	<u>8,024,189</u>	<u>5,585,065</u>
Current liabilities payable from restricted assets:						
Accounts payable	772,901	--	--	--	772,901	--
Retainages payable	347,991	--	--	--	347,991	--
Accrued interest payable	1,464,037	--	--	--	1,464,037	--
Customer deposits	1,044,623	--	9,967	--	1,054,590	--
Revenue bonds & loans payable - current	3,250,000	--	--	--	3,250,000	--
Total current liabilities payable from restricted assets	<u>6,879,552</u>	<u>--</u>	<u>9,967</u>	<u>--</u>	<u>6,889,519</u>	<u>--</u>
Total current liabilities	<u>9,416,143</u>	<u>4,398,841</u>	<u>883,559</u>	<u>215,165</u>	<u>14,913,708</u>	<u>5,585,065</u>
Noncurrent liabilities:						
Advances from other funds	--	--	--	--	--	40,755
Compensated absences	317,532	39,457	50,029	46,309	453,327	2,118,773
Other post-employment benefits	757,836	122,362	125,564	99,448	1,105,210	114,203
Revenue bonds, loans payable and unamortized premium less current maturities	59,563,590	--	--	--	59,563,590	--
Total noncurrent liabilities	<u>60,638,958</u>	<u>161,819</u>	<u>175,593</u>	<u>145,757</u>	<u>61,122,127</u>	<u>2,273,731</u>
Total liabilities	<u>70,055,101</u>	<u>4,560,660</u>	<u>1,059,152</u>	<u>360,922</u>	<u>76,035,835</u>	<u>7,858,796</u>
<b>Net Position</b>						
Net investment in capital assets	96,286,548	15,839,607	1,994,817	21,524,217	135,645,189	4,007,638
Restricted:						
Debt service	6,575,781	--	--	--	6,575,781	--
Construction	6,165,414	--	--	--	6,165,414	--
Unrestricted	42,354,193	3,265,393	6,826,180	1,455,933	53,901,699	14,093,049
Total net position	<u>\$ 151,381,936</u>	<u>\$ 19,105,000</u>	<u>\$ 8,820,997</u>	<u>\$ 22,980,150</u>	<u>\$ 202,288,083</u>	<u>\$ 18,100,687</u>

City of Sarasota, Florida  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds		Activities - Internal Service Funds
<b>Operating revenues</b>						
Charges for services	\$ 37,475,761	\$ 7,628,139	\$ 10,228,819	\$ 2,479,988	\$ 57,812,707	\$ 13,858,592
Rents	20,158	574,450	60,000	339,854	994,462	--
Fines	--	--	--	452,281	452,281	--
Miscellaneous	986	6,255	14,672	9,939	31,852	225,797
Total operating revenues	<u>37,496,905</u>	<u>8,208,844</u>	<u>10,303,491</u>	<u>3,282,062</u>	<u>59,291,302</u>	<u>14,084,389</u>
<b>Operating expenses</b>						
Personal services	9,706,720	1,534,688	2,109,709	1,368,907	14,720,024	4,126,558
Contractual services	6,354,578	6,260,889	5,431,416	842,579	18,889,462	7,500,630
Repairs and maintenance	2,304,266	106,890	348,282	1,468,856	4,228,294	432,962
Supplies and materials	2,272,297	181,583	563,373	149,428	3,166,681	1,793,153
Depreciation	7,873,514	988,788	640,891	292,870	9,796,063	963,498
Other	33,000	4,715	--	--	37,715	--
Total operating expenses	<u>28,544,375</u>	<u>9,077,553</u>	<u>9,093,671</u>	<u>4,122,640</u>	<u>50,838,239</u>	<u>14,816,801</u>
Operating income (loss)	<u>8,952,530</u>	<u>(868,709)</u>	<u>1,209,820</u>	<u>(840,578)</u>	<u>8,453,063</u>	<u>(732,412)</u>
<b>Nonoperating revenues (expenses)</b>						
Grant income	--	558,341	--	--	558,341	--
Investment earnings	148,575	12,413	10,508	1,671	173,167	38,416
Interest expense	(687,016)	--	--	--	(687,016)	(3,528)
Loan and bond issue expense	(12,754)	--	--	--	(12,754)	--
Gain (loss) on disposition of capital assets	(466,176)	(14,319)	10,186	4,312	(465,997)	45,111
Total nonoperating revenues (expenses)	<u>(1,017,371)</u>	<u>556,435</u>	<u>20,694</u>	<u>5,983</u>	<u>(434,259)</u>	<u>79,999</u>
Income (loss) before capital contributions, transfers and special items	7,935,159	(312,274)	1,230,514	(834,595)	8,018,804	(652,413)
Capital contributions	--	--	--	15,978,764	15,978,764	--
Transfers in	--	--	--	534,234	534,234	--
Transfers out	(59,046)	--	(870,049)	(12,593)	(941,688)	(256,965)
Change in net position	7,876,113	(312,274)	360,465	15,665,810	23,590,114	(909,378)
<b>Total net position - beginning, restated</b>	<u>143,505,823</u>	<u>19,417,274</u>	<u>8,460,532</u>	<u>7,314,340</u>	<u>178,697,969</u>	<u>19,010,065</u>
<b>Total net position - ending</b>	<u>\$ 151,381,936</u>	<u>\$ 19,105,000</u>	<u>\$ 8,820,997</u>	<u>\$ 22,980,150</u>	<u>\$ 202,288,083</u>	<u>\$ 18,100,687</u>

The accompanying notes are an integral part of this statement.



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City of Sarasota, Florida  
Proprietary Funds  
Statement of Cash Flows  
Year Ended September 30, 2013

	Business-type Activities - Enterprise Funds					Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	Activities - Internal Service Funds
<b>Cash flows from operating activities</b>						
Cash received from customers and users	\$ 39,473,600	\$ 8,470,801	\$ 10,432,207	\$ 3,267,090	\$ 61,643,698	\$ 1,425,828
Cash received from other funds for goods and services	--	--	--	--	--	12,650,742
Cash payments to vendors for goods and services	(9,642,936)	(6,267,750)	(5,930,921)	(2,155,557)	(23,997,164)	(4,154,860)
Cash payments to employees for services	(9,629,275)	(1,562,216)	(2,085,938)	(1,366,812)	(14,644,241)	(4,208,943)
Cash payments to customers	(560,851)	--	--	--	(560,851)	--
Cash payments to other funds	(2,333,446)	(249,659)	(375,341)	(307,236)	(3,265,682)	(397,118)
Claims paid	--	--	--	--	--	(5,432,237)
Net cash provided (used) by operating activities	17,307,092	391,176	2,040,007	(562,515)	19,175,760	(116,588)
<b>Cash flows from noncapital financing activities</b>						
Grants and contributions	--	543,791	--	--	543,791	--
Interfund loan borrowings	7,412	--	--	--	7,412	--
Interfund loan repayments	--	--	--	--	--	(44,311)
Transfers in	--	--	--	534,234	534,234	--
Transfers out	(59,046)	--	(870,049)	(12,593)	(941,688)	(250,597)
Repayment of loan to/from other fund	--	--	--	--	--	7,876
Interest on loan to/from other fund	--	--	--	--	--	5,243
Net cash provided (used) by noncapital financing activities	(51,634)	543,791	(870,049)	521,641	143,749	(281,789)
<b>Cash flows from capital and related financing activities</b>						
Acquisition of capital assets	(15,322,748)	(96,362)	(1,808,697)	(98,673)	(17,326,480)	(479,360)
Principal repayments - revenue bonds	(3,245,000)	--	--	--	(3,245,000)	--
Principal repayments - loans payable	(223,603)	--	--	--	(223,603)	--
Interest paid	(2,985,730)	--	--	--	(2,985,730)	--
Fiscal charges paid	(8,763)	--	--	--	(8,763)	--
Federal Interest subsidy	465,166	--	--	--	465,166	--
Proceeds from sale of capital assets	49,695	8	10,186	4,312	64,201	45,111
Net cash used by capital and related financing activities	(21,270,983)	(96,354)	(1,798,511)	(94,361)	(23,260,209)	(434,249)
<b>Cash flows from investing activities</b>						
Interest on investments	159,005	8,995	9,081	1,903	178,984	10,066
Proceeds from sale and maturities of investments	4,724,290	--	703,428	227,317	5,655,035	1,607,688
Purchase of investments	--	(497,992)	--	(73,881)	(571,873)	(366,559)
Net cash provided (used) by investing activities	4,883,295	(488,997)	712,509	155,339	5,262,146	1,251,195
Net increase (decrease) in cash and cash equivalents	867,770	349,616	83,956	20,104	1,321,446	418,569
Cash and cash equivalents at beginning of year	16,798,813	1,185,060	1,503,922	337,886	19,825,681	4,140,914
Cash and cash equivalents at end of year	\$ 17,666,583	\$ 1,534,676	\$ 1,587,878	\$ 357,990	\$ 21,147,127	\$ 4,559,483

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		Internal Service Funds
<b>Reconciliations of operating income (loss) to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 8,952,530	\$ (868,709)	\$ 1,209,820	(840,578)	\$ 8,453,063	\$ (732,412)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	7,873,514	988,788	640,891	292,870	9,796,063	963,498
Net (increase) decrease in:						
Accounts receivable	155,312	(195,345)	121,374	(3,329)	78,012	(9,506)
Due from other governmental agencies	21,930	3	(209)	(3,904)	17,820	(250)
Inventories	13,811	(547)	--	4,485	17,749	49,004
Prepaid items	(27,264)	2,554	(715)	(756)	(26,181)	(11,379)
Net increase (decrease) in:						
Accounts payable	439,584	34,661	37,733	2,470	514,448	(246,168)
Retainages payable	(308,052)	--	--	--	(308,052)	--
Liability for unpaid claims	--	--	--	--	--	(46,990)
Due to other governmental agencies	(11,573)	8,162	--	(4,778)	(8,189)	--
Accrued wages	20,448	(508)	3,564	1,826	25,330	66
Compensated absences	(21,240)	(34,622)	9,370	(1,484)	(47,976)	(92,833)
Unearned revenue	79,766	449,137	6,027	(11,090)	523,840	--
Customer deposits	40,089	--	1,315	--	41,404	--
Other post-employment benefits	78,237	7,602	10,837	1,753	98,429	10,382
Total adjustments	8,354,562	1,259,885	830,187	278,063	10,722,697	615,824
Net cash provided (used) by operating activities:	\$ 17,307,092	\$ 391,176	\$ 2,040,007	\$ (562,515)	\$ 19,175,760	\$ (116,588)

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

Capital assets transferred from other funds	\$ --	\$ --	\$ --	15,978,764	\$ 15,978,764	--
Amortization of loan and bond insurance costs	3,991	--	--	--	3,991	--
Amortization of premium on issuance of bonds	297,003	--	--	--	297,003	--
Amortization of deferred loss on defeasance of debt	138,231	--	--	--	138,231	--
Contribution of capital assets	--	14,550	--	--	14,550	--

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 September 30, 2013

<b>Assets</b>	<b>Pension and OPEB Trust Funds</b>	<b>Agency Funds</b>
Cash and cash equivalents	\$ 3,297,377	\$ 649
Investments:		
Money market funds	8,744,708	2,409
U.S. Government securities	19,635,984	--
U.S. Government agency securities	19,493,530	--
Common and preferred stock	245,761,992	--
Corporate bonds and notes	39,193,070	--
Domestic mutual funds	1,395,420	--
Bond mutual funds	41,287,786	--
Real estate mutual funds	32,612,173	--
Mortgage backed securities	559,650	--
Municipal securities	107,415	--
Foreign stocks	31,074,167	--
Foreign mutual funds	28,347,710	--
Foreign bond mutual funds	40,455	--
Total investments	<u>468,254,060</u>	<u>2,409</u>
Receivables (net):		
Accounts	82,684	--
Interest and dividends	910,153	15
Total receivables	<u>992,837</u>	<u>15</u>
Other assets:		
Share account loans	101,235	--
Prepaid items	53,776	--
Equipment	3,852	--
Less accumulated depreciation	(3,852)	--
Total other assets	<u>155,011</u>	<u>--</u>
<b>Total assets</b>	<u><b>472,699,285</b></u>	<u><b>3,073</b></u>
<b>Liabilities</b>		
Accounts payable	547,733	--
Liability for unpaid claims	506,268	--
Accrued wages	5,093	--
Compensated absences	11,990	--
Unearned revenue	59,733	--
Accrued benefits	12,560,585	--
Accrued liabilities	--	3,073
OPEB liability	15,616	--
<b>Total liabilities</b>	<u><b>13,707,018</b></u>	<u><b>3,073</b></u>
<b>Net Position</b>		
Held in trust for pension and OPEB benefits	<u><u>\$ 458,992,267</u></u>	<u><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 Position  
 For the Year Ended September 30, 2013

	<b>Pension and OPEB Trust Funds</b>
<b>Additions</b>	
Contributions	
Plan members	\$ 3,326,277
Employer	
City of Sarasota	21,090,365
Sarasota County	5,746,282
State on behalf payments, through General Fund	1,328,351
Other	721,321
	<hr/>
Total contributions	32,212,596
	<hr/>
Investment income	
Net increase	
in fair value of investments	54,002,566
Interest	2,444,001
Dividends	8,584,936
	<hr/>
Total investment income	65,031,503
Less investment expense	<u>(2,722,938)</u>
Net investment income (loss)	62,308,565
Total additions	<hr/> <u>94,521,161</u>
<b>Deductions</b>	
Benefits	37,331,483
Share expense	584,390
Other benefits	645,348
Administrative expenses	1,305,090
Refunds of contributions	179,655
	<hr/>
Total deductions	40,045,966
	<hr/>
Change in net position	54,475,195
<b>Net position - beginning</b>	<hr/> <u>404,517,072</u>
<b>Net position - ending</b>	<hr/> <u>\$ 458,992,267</u>

The accompanying notes are an integral part of this statement.

**City of Sarasota, Florida**

Component Units

Statement of Net Position

September 30, 2013

	<b>St. Armands Business Improvement District</b>	<b>Downtown Improvement District</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 16,565	\$ 37,612	\$ 54,177
Investments	61,493	139,624	201,117
Receivables (net):			
Interest	153	345	498
Prepaid items	--	83	83
Capital assets:			
Non-depreciable	1,376	57,156	58,532
Depreciable (net)	1,257,235	291,040	1,548,275
Total assets	<u>1,336,822</u>	<u>525,860</u>	<u>1,862,682</u>
<b>Liabilities</b>			
Accounts payable	4,595	63,433	68,028
Accrued wages	--	960	960
Unearned revenue	1,237	550	1,787
Total liabilities	<u>5,832</u>	<u>64,943</u>	<u>70,775</u>
<b>Net Position</b>			
Net investment in capital assets	1,258,611	348,196	1,606,807
Unrestricted	72,379	112,721	185,100
Total net position	<u>\$ 1,330,990</u>	<u>\$ 460,917</u>	<u>\$ 1,791,907</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, 2013

	<b>St. Armands Business Improvement District</b>	<b>Downtown Improvement District</b>	<b>Total</b>
Program expenses:			
Personal services	\$ --	\$ 32,088	\$ 32,088
Contractual services	35,216	217,824	253,040
Repairs and maintenance	10,986	39,890	50,876
Supplies and materials	906	2,292	3,198
Depreciation	67,428	37,357	104,785
Interest expense	447	--	447
Total program expenses	<u>114,983</u>	<u>329,451</u>	<u>444,434</u>
Program profit (loss)	<u>(114,983)</u>	<u>(329,451)</u>	<u>(444,434)</u>
General revenues:			
Property taxes	204,847	346,933	551,780
Investment earnings	59	319	378
Miscellaneous	2,337	963	3,300
Total general revenues	<u>207,243</u>	<u>348,215</u>	<u>555,458</u>
Change in net position	92,260	18,764	111,024
Net position - beginning	<u>1,238,730</u>	<u>442,153</u>	<u>1,680,883</u>
Net position - ending	<u>\$ 1,330,990</u>	<u>\$ 460,917</u>	<u>\$ 1,791,907</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 52,689. The City was created pursuant to the Laws of Florida, Chapter 73-618. The current charter was approved by a special act of the State of Florida legislature in 1973 and by the voters of the City at an election held September 6, 1996. The City operates under the Commission-Manager form of government and provides municipal services such as police protection, public works and all the necessary functions of general government. The City also has certain enterprise operations consisting of a water and sewer utility, a golf course, a performing arts hall, a solid waste collection service, a municipal auditorium and parking management.

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

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

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

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

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

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

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

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

The 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 Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements so as not to distort financial results. Fiduciary funds are also excluded from the government-wide financial statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

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

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

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

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Most of the essential governmental services such as police protection, public works, street, highway and landscape maintenance and general administration are provided by the General Fund. The *Penny Sales Tax Fund* accounts for the revenue derived from a one cent local option infrastructure sales surtax imposed by Sarasota County, Florida. The *Community Redevelopment Fund* is used to account for tax increment revenues that encourage development in the downtown and Newtown areas. The *Housing and Community Development Fund* accounts for a variety of affordable housing and community development programs funded by the Federal Department of Housing and Urban Development.

The City reports the following major proprietary funds:

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

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

In addition, the City reports the following fund types:

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

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

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

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

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.

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 position 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, 2013, 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 position of the governmental funds under the modified accrual basis of accounting; however, certain assets of these funds are restricted as to use. Such assets, consisting primarily of cash and receivables, include debt proceeds, permit fees, state and federal forfeiture awards, state and federal grants and amounts held for debt service. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

## K. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the water and sewer fund during the year was \$2,932,612. Of this amount, \$1,621,657, less investment income of \$22,701, 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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: notes receivables and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **M. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond insurance 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.

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.

#### **N. 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.

#### **O. Net Position**

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is presented in three components – net investment in capital assets, restricted, and unrestricted.

*Net Investment in Capital Assets* – This component of net position 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 position that has constraints placed on it 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 position that does 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.

#### **P. 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 amounts 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 amounts 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 amounts that can only be used for specific purposes imposed by formal action (resolution) of the City Commission, the City’s highest level of decision making authority. The committed amounts cannot be used for any other purpose unless the City Commission removes or changes the limitation by taking the same form of action (resolution) it employed to previously commit those amounts.

*Assigned Fund Balance* – consists of amounts 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 amounts cannot cause a deficit in unassigned fund balance.

*Unassigned Fund Balance* – consists of excess amounts 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.

#### **Q. 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.

**R. Property Tax Calendar**

The City levies property taxes each November 1<sup>st</sup>, which become a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Sarasota County Property Appraiser as of the prior January 1<sup>st</sup>. The current year's levy is based on taxable assessed property values totaling \$6,888,972,623.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2012-2013 fiscal year, the City levied taxes of 2.9249 mills for the General Fund and an additional 0.4276 mills for debt service on general obligation bonds.

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

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

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

**A. Budgetary information**

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

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

1. No later than the first regular City Commission meeting of September, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing the expenditures.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1<sup>st</sup>, the budget is legally enacted through passage of a resolution. The budget resolution restricts total expenditures by fund. Expenditures for any year may not exceed current year fund appropriations plus accumulated fund equity.
4. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. Transfers of appropriations between funds require the approval of the City Commission. The transfer of appropriations between line items within the same department can be accomplished with Department Head and Budget Director approval.

5. All unencumbered and unexpended appropriations lapse at fiscal year end. Encumbered appropriations also lapse, but may be honored by additional appropriations in the subsequent year's budget.
6. The City Commission has the power to revise its budget appropriations by resolution from time to time during the fiscal year; however, no revision may be made by transferring any encumbered funds unless such funds are first released or discharged from any such encumbrance.
7. Formal budgetary integration is employed as a management control device during the year for the general, special revenue and capital projects funds.
8. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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

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

- The General Fund revenue budget was increased by \$724,990. This amount includes an increase of \$422,628 for the sale of land, \$33,000 for program funding from the CRA for summer youth programs, \$17,256 for donations to the Robert L. Taylor Community Complex, \$150,444 for reimbursement of prior year expenditures and \$81,662 of grant funding for Marine Patrol. It also includes a reappropriation in the amount of \$20,000 of grant funding for derelict boat removal.
- The General Fund expenditure budget was increased by \$623,328 for the following purposes: \$422,628 to use property sales proceeds to reduce the City's OPEB obligation, \$150,444 for Police tasers, and \$50,256 for the Robert L. Taylor Community Complex.
- The General Fund expenditure budget was also increased \$1,952,603 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, \$409,460 for repairs at City Hall and Federal Building, \$150,000 for a subsidy to the parking management program, \$76,039 for neighborhood strategies and \$168,239 for various other projects.
- The Penny Sales Tax revenue budget was increased by \$432,126 for a reappropriation of anticipated revenue for the Brownfield project.
- The Penny Sales Tax expenditure budget was increased \$20,044,230 for reappropriations for various projects that were budgeted in the previous fiscal year but not completed. This includes \$3,483,940 for Old Bradenton Road, \$3,000,000 for Housing, \$2,495,974 for Street Reconstruction, \$1,203,746 for Stormwater Utility Projects, \$1,189,268 for the ATMS project, \$846,651 for the Brownfield project, \$642,436 for Wayfinding Signage, \$597,934 for Seawall Construction, \$593,315 for Parks and Recreation facilities, \$511,044 for Siesta Drive, \$508,621 for Alderman MURT, \$493,998 for Arlington Park Improvements, \$460,000 for 10<sup>th</sup> Street Boat Ramp, \$425,473 for intersection improvements at 1<sup>st</sup>, Main and Ringling, \$403,943 for Construction of New Sidewalks, and \$3,187,887 for various other projects.
- The Community Redevelopment revenue budget was increased by \$70,537 for refund from the Housing Authority.

- The Community Redevelopment expenditure budget was increased by \$16,177,581 for reappropriations of various projects that were budgeted in the previous fiscal year but not completed. This includes \$7,279,242 for State Street Parking Garage, \$1,805,462 for Newtown Redevelopment, \$1,454,918 for 1<sup>st</sup> Street-US41 to Pineapple, \$904,057 for Main Street – Orange Avenue Roundabout, \$744,229 for Affordable Housing, \$692,146 for Wayfinding Signage, \$454,109 for Downtown Transportation, \$439,939 for developer incentives to the Herald Tribune, and \$2,403,479 for various other projects.
- The Community Redevelopment expenditure budget was also increased by \$70,537 for special appropriations for the refund from the Housing Authority mentioned previously.
- The Housing and Community Development revenue and expenditure budget were each increased by \$4,791,654. This amount includes reappropriations in the amount of \$4,724,164 for grant funding, \$10,620 of additional program income available for grants and an additional \$56,870 in grant funding made available due to a reimbursement of project costs.

#### **B. Deficit fund equity**

The Glen Oaks Debt Service Fund had a deficit fund balance of \$135,556. This deficit was due to the transfer of cash to the Glen Oaks Capital Projects Fund. This deficit will be eliminated with the collection of special assessments and interest earnings.

#### **NOTE 3 - DEPOSITS AND INVESTMENTS**

Cash and cash equivalents include cash on hand, amounts in demand and time deposits and short-term investments with original maturity dates within three months of the date acquired by the city. All of the City's deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

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

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

The City's investment manager is authorized to invest in the State Board of Administration's Local Government Investment Pool (Florida Prime Fund and SBA Fund B), U.S. Government Securities, U.S. Government Agencies, Federal Instrumentalities (U.S. Government sponsored agencies), Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Mutual Funds), Intergovernmental Investment Pools, Corporate Obligations, FDIC Corporate Obligations, and Mortgage-Backed Securities (MBS). According to City policies, the Pension Trust Funds are also authorized to

invest in common and preferred stock, mutual funds, convertible debentures, commercial paper, corporate bonds, foreign securities and money market funds.

The Florida Prime Fund and Florida League of Cities Municipal Investment Trust meet the criteria of 2a7-like pools and therefore the investments are valued using the pooled share price. The pooled share price is equivalent to the fair value of the position in each of these 2a7-like pools. The Florida Prime Fund is administered by the State Board of Administration under the regulatory oversight of the State of Florida, Chapter 19-7 of the Florida Administrative Code. The Florida League of Cities Municipal Investment Trust is an interlocal governmental entity created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds, and to invest such funds into one or more investment portfolios under the direction and daily supervision of an investment advisor (Atlanta Capital Management Company). These portfolios are actively traded and have been structured to meet a variety of investment horizons using those investments permitted under the Trust's investment policy. Fitch IBCA (an international rating agency) rates the Trust's fixed income portfolios. Investment compliance and performance is monitored by Asset Consulting Group. The independent auditing firm of Shorstein & Shorstein, P.A. conducts the Trust's annual audit in accordance with generally accepted auditing standards.

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

**A. City of Sarasota**

As of September 30, 2013, the City had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 6,893,119	Not Applicable
Money Market Funds	33,521,645	0.01
Certificates of Deposit	3,000,000	0.73
Federal Agency Bonds/Notes	45,386,516	1.45
Federal Agency Mortgage-Backed Securities	11,259,846	3.28
Corporate Notes	25,890,434	1.67
Municipal Obligations	2,063,854	2.40
U.S Treasury Bonds/Notes	55,573,790	1.51
Investment pools:		
State Board of Administration	4,114	4.04
Florida League of Cities	9,188,224	2.56
Total Cash & Investments	<u>\$ 192,781,542</u>	
Portfolio weighted average maturity		1.40

City investments include Component Units and Agency Funds.

**Interest Rate Risk**

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

**Credit Risk**

Credit quality risk results from potential default of investments that are not financially sound. The investment policy limits investments in commercial paper to A-1/P-1 rated paper with the aggregate value not to exceed twenty percent of the total portfolio. The City's investments in United States Government Securities, United States Agencies, Federal Instrumentalities and Mortgage-Backed Securities are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. Money market funds are invested with financial institutions that comply with Chapter 280 of Florida Statutes, whereby the City is made whole by all participating banks should a principal loss be incurred by the City. Investments in the Florida Local Government Investment Pool-SBA Fund B are not rated by a nationally recognized statistical rating agency as of September 30, 2013. 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, 2013.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. The City's investment policy allows for investing in a variety of securities based on the issuer. The allowable concentration in any one issuer is based on the type of issuer - i.e., 15% for Mortgage-Backed Securities, 25% for the Florida Prime Fund, Interest Bearing Time Deposit or Savings Accounts, Mutual Funds, Intergovernmental Investment Pools, and United States Government Agencies, 40% for Federal Instrumentalities, and up to 100% for United States Government Securities.

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Concentration Risk at Fair Value</u>	<u>Percentage of Total Investments</u>
Federal Home Loan Mortgage Corp.	AA+	\$16,050,257	8.6%
Federal National Mortgage Assoc.	AA+	18,244,055	9.8%

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All United States Government securities, United States Government Agencies, Federal instrumentalities, and Mortgage-Backed securities are held by a third party custodial entity in the name of the City.

**Foreign Currency Risk**

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

**B. General Employees' Defined Benefit Pension Plan**

As of September 30, 2013, the General Employees' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 549,769	Not Applicable
Money market funds	3,095,962	0.01
U.S. Government securities	11,922,346	5.06
U.S. Government agency securities	13,361,360	18.97
Investment pools:		
State Board of Administration	861	4.04
Common and preferred stock	70,774,091	Not Applicable
Corporate bonds and notes	8,080,787	9.98
Foreign stocks	22,975,231	Not Applicable
Total Cash & Investments	<u>\$ 130,760,407</u>	
Portfolio weighted average maturity		10.82

**Interest Rate Risk**

The Plan manages exposure to declines in fair values through other methods such as evaluating the credit rating, diversifying the investments in the portfolio, and outside portfolio consulting. The Plan does not limit the weighted average maturity of its investment portfolio.

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

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

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan does not have a policy that addresses the risks associated with investments in foreign currency. The plan holds \$22,975,231 in international investments. This amount represents approximately 17.6 percent of total plan investments. Most of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

**C. Firefighters' Defined Benefit Pension Plan**

As of September 30, 2013, the Firefighters' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 1,074,225	Not Applicable
Money market funds	3,021,330	0.01
U.S. Government securities	5,182,290	11.839
U.S. Government agency securities	1,181,713	6.274
Common and preferred stock	78,113,678	Not Applicable
Corporate bonds and notes	18,431,230	5.571
Municipal securities	107,415	27.253
Real estate mutual funds	12,688,787	Not Applicable
Foreign stocks	3,237,689	Not Applicable
Mortgage backed securities	559,650	25.604
Total Cash & Investments	\$ 123,598,007	
Portfolio weighted average maturity		6.63

**Interest Rate Risk**

The Plan manages exposure to declines in fair values through other methods such as evaluating the credit rating, diversifying the investments in the portfolio, and outside portfolio consulting. The Plan does not limit the weighted average maturity of its investment portfolio.

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

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

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan does not have a policy that addresses the risks associated with investments in foreign currency. The plan holds \$2,766,270 in international investments. This amount represents approximately 2.3 percent of total plan investments. Most of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

**D. Police Officers' Defined Benefit Pension Plan**

As of September 30, 2013, the Police Officers' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

<b><u>Portfolio / Investments</u></b>	<b><u>Fair Value</u></b>	<b><u>Weighted Average Maturity (Years)</u></b>
Cash Deposits	\$ 879,474	Not Applicable
Money market funds	1,180,786	0.01
Common and preferred stock	77,876,360	Not Applicable
Bond mutual funds	40,266,724	4.28
Corporate bonds	12,681,053	1.95
Domestic mutual fund	168,952	Not Applicable
Real estate mutual funds	19,923,386	Not Applicable
Foreign mutual funds	28,110,025	Not Applicable
Total Cash & Investments	<u>\$ 181,086,760</u>	
Portfolio weighted average maturity		3.64

**Interest Rate Risk**

The Plan manages exposure to declines in fair values through other methods such as evaluating the credit rating, diversifying the investments in the portfolio, and outside portfolio consulting. The Plan does not limit the weighted average maturity of its investment portfolio.

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

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

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan restricts foreign investments to 25% of total plan assets. The plan holds \$28,110,025 in international investments. This amount represents approximately 15.5 percent of total plan investments. Many of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

**E. OPEB Trust Fund**

As of September 30, 2013, the OPEB Trust Fund had the following cash, cash equivalents and investments:

<b>Portfolio / Investments</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Years)</b>
Cash Deposits	\$ 674,252	Not Applicable
Money market funds	1,445,769	0.01
Fixed Income		
U.S. Government securities	2,531,348	3.34
U.S. Government agency securities	4,950,457	18.67
Domestic Equity Stocks & REITS	18,997,863	Not Applicable
Foreign stocks	4,861,247	Not Applicable
Total Cash & Investments	\$ 33,460,936	
Portfolio weighted average maturity		3.08

**Interest Rate Risk**

The Plan manages exposure to declines in fair values through other methods such as evaluating the credit rating, diversifying the investments in the portfolio, and outside portfolio consulting. The Plan does not limit the weighted average maturity of its investment portfolio.

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

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

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan does not have a policy that addresses the risks associated with investments in foreign currency. The trust fund holds \$4,861,247 in international investments. This amount represents approximately 14.5 percent of total trust fund investments. Many of the international investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

**F. General Employees Defined Contribution Retirement Plan**

As of September 30, 2013, the General Employees Defined Contribution Retirement Plan had the following cash, cash equivalents and investments:

<u>Portfolio/Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 119,657	Not Applicable
Domestic mutual funds	1,226,468	Not Applicable
Bond mutual funds	1,021,062	7.07
Foreign mutual funds	237,685	Not Applicable
Foreign bond mutual funds	40,455	9.35
Total Cash & Investments	<u>\$ 2,645,327</u>	
Portfolio weighted average maturity		7.15

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

**G. Discretely Presented Component Units**

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

**Reconciliation of Cash and Investments**

A reconciliation of cash and investments as shown on the Statement of Net Position and Statement of Fiduciary Net Position follows:

	<u>Statement of Net Position</u>	<u>Statement of Fiduciary Net Position</u>	<u>Total</u>
<b>Primary Government</b>			
Cash and cash equivalents	\$ 44,569,556	\$ 3,298,026	\$ 47,867,582
Investments	147,953,634	468,256,469	616,210,103
Total	<u>\$ 192,523,190</u>	<u>\$ 471,554,495</u>	<u>\$ 664,077,685</u>
<b>Component Unit</b>			
Cash and cash equivalents	\$ 54,177		\$ 54,177
Investments	201,117		201,117
Total	<u>\$ 255,294</u>		<u>\$ 255,294</u>
Total			<u><u>\$ 664,332,979</u></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):

	<b>Accounts</b>	<b>Interest</b>	<b>Interfund</b>	<b>Notes</b>	<b>Special Assessments</b>	<b>Total</b>
General Fund	\$ 2,632,162	\$ 35,694	\$ 217,719	\$ --	\$ --	\$ 2,885,575
Penny Sales Tax	--	46,695	--	--	--	46,695
Community Redevelopment	--	34,183	--	--	--	34,183
Housing and Community Devl	--	--	--	401,510	--	401,510
Nonmajor Governmental Funds	77,311	57,381	--	48,270	538,519	721,481
Internal Service Funds	15,313	40,707	--	--	--	56,020
Total receivables	<u>\$ 2,724,786</u>	<u>\$ 214,660</u>	<u>\$ 217,719</u>	<u>\$ 449,780</u>	<u>\$ 538,519</u>	<u>\$ 4,145,464</u>

The interfund receivable in the General Fund was eliminated in the conversion from governmental funds balance sheet and internal service funds statement of net position to the governmental activities statement of net position.

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

	<b>Water and Sewer</b>	<b>Van Wezel</b>	<b>Solid Waste</b>	<b>Other Funds</b>	<b>Total</b>
Receivables-unrestricted:					
Accounts (billed)	\$ 1,770,270	\$ 213,146	\$ 452,141	\$ 22,621	\$ 2,458,178
Accounts (unbilled)	1,715,627	--	--	--	1,715,627
Allowance for uncollectibles	(195,804)	--	(70,277)	--	(266,081)
Accounts (net)	3,290,093	213,146	381,864	22,621	3,907,724
Interest	80,116	12,351	14,814	3,117	110,398
Receivables-restricted:					
Interest	44,790	--	--	--	44,790
Total receivables (net)	<u>\$ 3,414,999</u>	<u>\$ 225,497</u>	<u>\$ 396,678</u>	<u>\$ 25,738</u>	<u>\$ 4,062,912</u>

**B. Special assessments receivable**

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

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

The special assessments receivables at September 30, 2013, are as follows:

St. Armands	\$400,000
Glen Oaks Estates Subdivision	<u>138,519</u>
Total	<u>\$538,519</u>

Current assessments receivable and the related revenues are recognized when billed and due. Assessments receivable not due during the current year are classified as “deferred”. Revenue is not recognized on deferred receivables until they become current, in accordance with the modified accrual basis of accounting. Receivables are considered “delinquent” if an annual payment is not received. As of September 30, 2013, all special assessments receivable were deferred.

**C. Unearned revenue**

Governmental funds report unearned 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, 2013, the various components of unearned revenue reported in the governmental funds and business-type funds were as follows:

<b>Governmental Funds:</b>	<b>Unearned</b>
Grant drawdowns prior to meeting all eligibility requirements	\$ 242,846
Prepaid occupational licenses	499,733
Receipts for future services	89,420
Rental receipts not yet earned	<u>30,209</u>
Total unearned revenue for governmental funds	<u>\$ 862,208</u>
<b>Business-type Funds:</b>	
Van Wezel ticket sales	\$ 3,527,621
Solid Waste collections billed in advance	351,072
Water and Sewer impact & connection fees	109,752
Grant receipts not yet earned	94,010
Unused gift certificates	268,044
Rental receipts not yet earned	304,722
Receipts for future services	<u>200,727</u>
Total unearned revenue for business-type funds	<u>\$ 4,855,948</u>

**NOTE 5 - INTERFUND BALANCES**

Interfund balances at September 30, 2013, consisted of the following amounts:

**A. Interfund receivables/payables:**

The General Fund has a \$217,719 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	\$ 186,723
Water & Sewer	7,412
Internal Service Funds	<u>23,584</u>
Total	<u>\$ 217,719</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 position/balance sheet for governmental funds and for proprietary funds. This balance is an interfund receivable that is expected to be liquidated within one year.

Due to internal service funds from:	
Nonmajor Governmental Funds	\$ 5,237
Internal Service Funds	<u>39,356</u>
Total	<u>\$ 44,593</u>

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service	Nonmajor Governmental	\$ 133,281
Internal Service	Internal Service	<u>40,755</u>
		<u>\$ 174,036</u>

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

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

**D. Interfund transfers:**

The City reports interfund transfers between many of its funds. The sum of all transfers presented in the following schedule agrees with the sum of interfund transfers presented in the governmental and proprietary fund financial statements. Interfund transfers for the year ended September 30, 2013, consisted of the following:

<u>Transfer</u>	<u>Purpose</u>	<u>Amount</u>
Transfers to General fund from:		
Community Redevelopment fund	Program funding	\$ 2,649,746
Nonmajor governmental funds	Program funding & inv earnings	1,192,280
Solid Waste fund	Return on investment	869,285
Internal service funds	Program funding & inv earnings	<u>256,368</u>
Total transfers to General fund		\$ 4,967,679
Transfer to Housing & Community Development fund from:		
General fund	Investment earnings	1,772
Transfers to nonmajor governmental funds from:		
General fund	Investment earnings	251
Penny Sales Tax fund	Debt service	1,210,775
Penny Sales Tax fund	Program funding	300,000
Community Redevelopment fund	Debt service	3,395,146
Nonmajor governmental funds	Debt service	500,004
Water & Sewer fund	Debt service	59,046
Solid Waste fund	Debt service	764
Nonmajor enterprise funds	Debt service	12,593
Internal service funds	Debt service & program funding	<u>597</u>
Total transfers to nonmajor governmental funds		5,479,176
Transfers to nonmajor enterprise funds from:		
General fund	Operating subsidies	<u>534,234</u>
Total interfund transfers in		<u><u>\$ 10,982,861</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, 2013, was as follows:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 43,181,580	\$ --	\$ 2,730,669	\$ 40,450,911
Art collections	859,973	--	--	859,973
Construction in progress	6,609,140	3,823,240	3,008,128	7,424,252
Total capital assets not being depreciated	50,650,693	3,823,240	5,738,797	48,735,136
Capital asset being depreciated:				
Buildings	82,350,378	1,463,330	10,741,396	73,072,312
Improvements and infrastructure	182,076,202	6,227,352	3,976,901	184,326,653
Equipment	27,335,337	2,413,220	3,763,746	25,984,811
Total capital assets being depreciated	291,761,917	10,103,902	18,482,043	283,383,776
Less accumulated depreciation for:				
Buildings	14,001,532	1,822,587	570,478	15,253,641
Improvements and infrastructure	84,512,377	5,702,110	836,806	89,377,681
Equipment	20,335,496	2,476,028	3,124,042	19,687,482
Total accumulated depreciation:	118,849,405	10,000,725	4,531,326	124,318,804
Total capital assets being depreciated, net	172,912,512	103,177	13,950,717	159,064,972
Governmental Activities capital assets, net	\$ 223,563,205	\$ 3,926,417	\$ 19,689,514	\$ 207,800,108
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 9,584,361	\$ 2,667,752	\$ --	\$ 12,252,113
Art collections	218,397	--	--	218,397
Construction in progress	38,159,908	11,868,138	10,297,998	39,730,048
Total capital assets not being depreciated	47,962,666	14,535,890	10,297,998	52,200,558
Capital asset being depreciated:				
Buildings	54,425,585	10,813,179	--	65,238,764
Improvements	7,140,391	3,983,917	--	11,124,308
Utility systems	223,393,706	13,878,620	69,909	237,202,417
Equipment	16,338,190	3,027,646	1,834,396	17,531,440
Total capital assets being depreciated	301,297,872	31,703,362	1,904,305	331,096,929
Less accumulated depreciation for:				
Buildings	34,195,196	2,213,429	--	36,408,625
Improvements	4,920,829	955,359	--	5,876,188
Utility systems	129,959,569	6,719,147	--	136,678,716
Equipment	14,075,004	1,315,414	1,758,890	13,631,528
Total accumulated depreciation:	183,150,598	11,203,349	1,758,890	192,595,057
Total capital assets being depreciated, net	118,147,274	20,500,013	145,415	138,501,872
Business-type Activities capital assets, net	\$ 166,109,940	\$ 35,035,903	\$ 10,443,413	\$ 190,702,430

**City of Sarasota, Florida**  
**Notes to Financial Statements**  
**September 30, 2013**

<i>Discretely Presented Component Units:</i>	<b>Beginning Balance</b>	<b>Additions and Transfers</b>	<b>Retirements and Transfers</b>	<b>Ending Balance</b>
<b>St. Armands Business Improvement District</b>				
Capital assets not being depreciated:				
Art collections	\$ 1,376	\$ --	\$ --	\$ 1,376
Total capital assets not being depreciated	<u>1,376</u>	<u>--</u>	<u>--</u>	<u>1,376</u>
Capital assets being depreciated:				
Improvements	1,508,809	--	--	1,508,809
Equipment	<u>66,082</u>	<u>--</u>	<u>--</u>	<u>66,082</u>
Total capital assets being depreciated	<u>1,574,891</u>	<u>--</u>	<u>--</u>	<u>1,574,891</u>
Less accumulated depreciation for:				
Improvements	194,059	60,820	--	254,879
Equipment	<u>56,169</u>	<u>6,608</u>	<u>--</u>	<u>62,777</u>
Total accumulated depreciation	<u>250,228</u>	<u>67,428</u>	<u>--</u>	<u>317,656</u>
Total capital assets being depreciated, net	<u>1,324,663</u>	<u>(67,428)</u>	<u>--</u>	<u>1,257,235</u>
Component unit capital assets, net	<u>\$ 1,326,039</u>	<u>\$ (67,428)</u>	<u>\$ --</u>	<u>\$ 1,258,611</u>
<b>Downtown Improvement District</b>				
Capital assets not being depreciated:				
Construction in progress	\$ --	\$ 57,156	\$ --	\$ 57,156
Total capital assets not being depreciated	<u>\$ --</u>	<u>\$ 57,156</u>	<u>\$ --</u>	<u>\$ 57,156</u>
Capital assets being depreciated:				
Improvements	381,069	--	953	380,116
Equipment	<u>13,686</u>	<u>--</u>	<u>--</u>	<u>13,686</u>
Total capital assets being depreciated	<u>394,755</u>	<u>--</u>	<u>953</u>	<u>393,802</u>
Less accumulated depreciation for:				
Improvements	60,843	34,620	--	95,463
Equipment	<u>4,562</u>	<u>2,737</u>	<u>--</u>	<u>7,299</u>
Total accumulated depreciation	<u>65,405</u>	<u>37,357</u>	<u>--</u>	<u>102,762</u>
Total capital assets being depreciated, net	<u>329,350</u>	<u>(37,357)</u>	<u>953</u>	<u>291,040</u>
Component unit capital assets, net	<u>\$ 329,350</u>	<u>\$ (37,357)</u>	<u>\$ 953</u>	<u>\$ 348,196</u>

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

**Governmental activities:**

General government	\$ 582,871
Public safety	2,283,893
Physical environment	140,564
Transportation	4,154,005
Culture and recreation	1,858,476
Economic environment	17,419
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	963,497
Total depreciation expense - governmental activities	<u>\$ 10,000,725</u>

**Business-type activities:**

Water and Sewer	\$ 7,873,516
Van Wezel	988,788
Solid Waste	640,891
Other	<u>292,869</u>
Total depreciation expense - business-type activities	<u>9,796,064</u>
Transfer from governmental activities	<u>1,407,285</u>
Total accumulated depreciation additions - business-type activities	<u>\$ 11,203,349</u>

**NOTE 7 - LONG-TERM DEBT**

Bonds and notes outstanding at September 30, 2013, consist of the following for governmental activities:

<b>Governmental Activities:</b>	<u>Purpose of Issue</u>	Amount <u>Issued</u>	Amount <u>Outstanding</u>	Average Interest Rate
General Obligation Bonds				
Series 2007	New Police building	\$ 46,305,000	\$ 38,705,000	4.82%
Series 2008	Street improvements	5,800,000	3,123,184	3.93%
Total		<u>52,105,000</u>	<u>41,828,184</u>	
Special Obligation Bonds				
Series 1992 Capital				
Appreciation	Refunding	19,555,000	7,739,397	6.72%
Series 2009	Land and Community Ctr	21,066,000	16,271,981	3.68%
Series 2010	Sports Stadium Rehab	8,260,000	7,815,000	3.71%
Total		<u>48,881,000</u>	<u>31,826,378</u>	
Loans Payable				
2001B FFGFC	Refunding	1,270,000	370,000	4.74%
2003 FFGFC	Parking garage & equip.	5,150,000	1,300,000	3.33%
2005 FFGFC	Land acquisition	5,545,000	1,255,000	3.22%
Total		<u>11,965,000</u>	<u>2,925,000</u>	
Total for Governmental Activities		<u>\$ 112,951,000</u>	<u>\$ 76,579,562</u>	

Bonds and notes outstanding at September 30, 2013, consist of the following for business-type activities:

<b>Business-type Activities:</b>	<u>Purpose of Issue</u>	Amount <u>Issued</u>	Amount <u>Outstanding</u>	Average Interest Rate
Revenue Bonds:				
Series 2004 Water & Sewer	Refunding	\$ 9,915,000	\$ 1,410,000	3.67%
Series 2005 Water & Sewer	System improvements	7,860,000	5,760,000	4.02%
Series 2010A Water & Sewer	System improvements	8,865,000	7,455,000	3.28%
Series 2010B Water & Sewer	System improvements	25,255,000	25,255,000	3.65%
Series 2011 Water & Sewer	Refunding	21,885,000	21,115,000	4.65%
Total for Business-type Activities		<u>\$ 73,780,000</u>	<u>\$ 60,995,000</u>	

The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2013.

**City of Sarasota, Florida**  
Notes to Financial Statements  
September 30, 2013

The following is a summary of changes in long-term debt for the year ended September 30, 2013 (in thousands of dollars):

<b>Governmental Activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Bonds payable:					
General obligation bonds	\$ 42,909	\$ --	\$ 1,081	\$ 41,828	\$ 1,127
Special obligation bonds (a)	34,860	558	3,592	31,826	3,744
Total bonds payable	77,769	558	4,673	73,654	4,871
Loans payable	4,070	--	1,145	2,925	970
Unamortized premium	212	--	18	194	--
Compensated absences	4,699	2,327	2,420	4,606	2,487
Net OPEB obligation	10,633	2,836	103	13,366	--
Long-term liabilities	<u>\$ 97,383</u>	<u>\$ 5,721</u>	<u>\$ 8,359</u>	<u>\$ 94,745</u>	<u>\$ 8,328</u>

**Business-type Activities:**

Revenue Bonds	\$ 64,240	\$ --	\$ 3,245	\$ 60,995	\$ 3,250
Loans Payable	224	--	224	--	--
Unamortized premium	2,115	--	296	1,819	--
Compensated absences	1,033	599	647	985	532
Net OPEB obligation	1,007	1,105	1,007	1,105	--
Long-term liabilities	<u>\$ 68,619</u>	<u>\$ 1,704</u>	<u>\$ 5,419</u>	<u>\$ 64,904</u>	<u>\$ 3,782</u>

**Discretely Presented Component Unit:**

St. Armands Business Improvement District

Loans Payable	<u>\$ 150</u>	<u>\$ --</u>	<u>\$ 150</u>	<u>\$ --</u>	<u>\$ --</u>
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(a) The addition in special obligation bonds represents the current year accreted value increase on the 1992 Capital Appreciation Bonds.

Annual debt service requirements for Governmental Activities as of September 30, 2013, are as follows:

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds		Special Obligation Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$ 1,126,788	\$ 1,981,510	\$ 3,744,450	\$ 1,453,067	\$ 970,000	\$118,480	\$ 9,394,295
2015	1,167,950	1,936,548	3,837,460	1,491,053	1,015,000	78,675	9,526,686
2016	1,219,354	1,888,688	3,928,038	1,530,057	390,000	39,225	8,995,362
2017	1,266,010	1,838,720	4,023,476	1,566,250	270,000	22,000	8,986,456
2018	1,322,927	1,785,478	1,197,608	969,903	280,000	11,200	5,567,116
2019 - 2023	7,558,289	7,971,858	7,007,073	3,717,112	--	--	26,254,332
2024 - 2028	9,551,866	5,958,468	4,338,273	1,748,204	--	--	21,596,811
2029 - 2033	10,085,000	3,524,687	1,905,000	990,301	--	--	16,504,988
2034 - 2037	8,530,000	1,036,688	1,845,000	269,743	--	--	11,681,431
Total	<u>\$41,828,184</u>	<u>\$27,922,645</u>	<u>\$31,826,378</u>	<u>\$13,735,690</u>	<u>\$2,925,000</u>	<u>\$269,580</u>	<u>\$ 118,507,477</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, 2013, are as follows:

Fiscal Year	Business-Type Activities		
	Revenue Bonds		
	Principal	Interest	Total
2014	\$ 3,250,000	\$ 2,863,505	\$ 6,113,505
2015	3,390,000	2,730,686	6,120,686
2016	3,520,000	2,590,342	6,110,342
2017	2,275,000	2,472,573	4,747,573
2018	2,145,000	2,381,986	4,526,986
2019 - 2023	12,170,000	10,395,075	22,565,075
2024 - 2028	10,575,000	7,566,298	18,141,298
2029 - 2033	7,405,000	5,600,627	13,005,627
2034 - 2038	8,530,000	3,432,095	11,962,095
2039 - 2041	7,735,000	769,956	8,504,956
Total	<u>\$60,995,000</u>	<u>\$40,803,143</u>	<u>\$101,798,143</u>

### Future Revenues that are Pledged

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

Source of Revenue Pledged	Governmental Activities		Business-Type Activities
	Tax Increment Revenue	Penny Sales Tax	Water & Sewer Net Revenue
	11/1/2016	11/1/2024	10/1/2040
Total Principal and Interest Outstanding	\$12,829,427	\$32,732,642	\$101,798,143
Current Year Principal and Interest Paid	2,875,024	2,197,528	6,226,192
Current Year Revenue	6,673,395	6,202,025	16,826,044
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	2.32	2.82	2.63

### 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, 2013, outstanding bonds which are considered defeased in substance were:

<b>Governmental Activities:</b>		
Loans Payable	FFGFC Series 1994	<u>\$ 400,000</u>
<b>Business-type Activities:</b>		
Water & Sewer Revenue Bonds	Series 1991	\$ 4,290,000
	Series 1995	1,410,000
	Series 2002-B	3,705,000
	Series 2008	19,477,072
	Total	<u>\$ 28,882,072</u>

***Discretely Presented Component Unit***

The St. Armands Business Improvement District (BID) obtained an unsecured bank line of credit from Northern Trust Bank of Florida to be used for capital improvements and promotional expenses. As of September 30, 2012, the BID owed \$150,000 on this line of credit. The initial interest rate was 3.25% and is based on changes in the lender's prime rate. On November 20, 2012, the BID repaid the principal of \$150,000.

**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, 2013, are as follows:

<b><u>Water and Sewer</u></b>	
Revenue Account - Customer deposits	\$ 1,044,639
Interest & Sinking Account	8,043,323
Construction Accounts	14,423,651
	<u>23,511,613</u>
<b><u>Solid Waste</u></b>	
Customer deposits	9,967
<b>Total</b>	<u><u>\$ 23,521,580</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 \$3,226,152 at September 30, 2013, includes \$2,058,672 for workers compensation, \$890,064 for group health, \$216,116 for police liability and \$ 61,300 for general liability. This claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The City is self-insured for the following types of risk exposures which are limited by insurance coverage as noted:

**General and Automotive Liability** - The City is fully self-insured for general and automotive liability coverage and is relying on state statutes, which limit damage awards against state and local governments to \$200,000 per claim and \$300,000 per occurrence. However, there have been specific instances when the state legislature has overridden the statutes.

**Group Health** - The City provides employees/retirees medical and dental coverage through a self-funded health plan. The City is self-insured for health claims on a per individual basis up to \$250,000 annually. The City has insurance coverage for claims in excess of \$250,000.

**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 \$195,343 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, 2013, 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 9/30/2013	Year ended 9/30/2012	Year ended 9/30/2013	Year ended 9/30/2012
Unpaid claims, beginning of year	\$ 2,766,874	\$ 2,926,930	\$ 565,990	\$ 411,765
Incurred claims (including IBNRs)	5,203,480	4,977,240	6,285,495	6,240,606
Claim payments	<u>(5,250,470)</u>	<u>(5,137,296)</u>	<u>(6,345,217)</u>	<u>(6,086,381)</u>
Unpaid claims, end of year	<u>\$ 2,719,884</u>	<u>\$ 2,766,874</u>	<u>\$ 506,268</u>	<u>\$ 565,990</u>

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

#### NOTE 11 - COMMITMENTS

##### Construction/consulting commitments

The City has active construction and other projects as of September 30, 2013. At year end the City's commitments with contractors and consultants are as follows:

	Spent to-date	Remaining Commitment
<b><u>Governmental Activities:</u></b>		
Bradenton Road Improvements	\$ 569,997	\$ 3,385,698
Street Resurfacing	835,454	1,159,401
Alderman Murt	--	1,194,030
Main Street Streetscape	906,063	609,537
Total	<u>\$ 2,311,514</u>	<u>\$ 6,348,666</u>
<b><u>Business-type Activities:</u></b>		
Lift Stations	\$ 7,017,701	\$ 3,226,197
Utility System Improvements	540,076	1,691,632
Total	<u>\$ 7,557,777</u>	<u>\$ 4,917,829</u>

##### Encumbrances

Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year are as follows:

General Fund	\$ 280,666
Penny Sales Tax	4,917,931
Community Redevelopment	1,166,106
Housing and Community Development	341,491
Nonmajor Governmental Funds	2,859,253
Total	<u>\$ 9,565,447</u>

##### Operating Leases

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

### **Interlocal Agreement Fire/EMS Services**

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

The City and County entered into a new agreement effective October 1, 2003, that remains in effect until September 30, 2023. The agreement will renew automatically for successive additional periods of twenty years. Either party may terminate this agreement with at least 365 days written notice during the following time periods: from August 1, 2013, to September 30, 2013, and from August 1, 2018, to September 30, 2018. The new agreement provides for the City to pay to the Firefighters' Pension Plan the lesser amount of the monies equivalent to the sum total of the Share Distribution paid to firefighters and the surviving spouse of firefighters that retired prior to January 1, 1996, or the required Employer's annual contribution to that plan. In addition, the City agrees each fiscal year to pay to the Firefighters' Pension Plan the lesser amount of either \$500,000 or the amount of the required Employer's annual contributions, less the amount of the City's payment to fund the Share Distribution in excess of \$1,700,000. In addition, each fiscal year for which the required Employer's annual contribution, less the amount of the City's payment to fund the Share Distribution, exceeds \$2,200,000, the County and City shall pay to the Firefighters' Pension Plan monies equivalent to the amount of the excess as follows: 65% by the County and 35% by the City. For the current fiscal year the required contribution from the City was \$2,877,535.

### **Sports Complex Interlocal Agreement**

The City owned a Major League Baseball (MLB) spring training complex which was accounted for as an enterprise fund. The sports complex had been used for MLB spring training since it was completed in 1989. The sports complex required substantial renovation in order to attract a MLB team to conduct spring training at the facility. The City transferred ownership of the sports complex to the County for one dollar on November 10, 2009. In addition, the City provided the County with \$9,753,524 that was used for the renovation of the stadium. This funding came from grant funds and the proceeds of bonds issued by the City. Funding for the bond principal and interest payments will come from a Florida Office of Tourism, Trade and Economic Development grant.

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

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

Upon transfer of the sports complex back to the City, the sports complex shall be used for public recreational or other public use. In the event that the City desires to make the sports complex available for non-public uses the County shall have the option to purchase or lease the sports complex from the

City. If the sports complex is purchased, the purchase price to be paid by the County to the City at the time of transfer shall be the appraised value of the sports complex land exclusive of the value of the improvements, assuming its use as a publicly owned sports complex. If the sports complex is leased, the rent to be paid by the County to the City shall be established on the basis that is a land lease only and shall exclude the value of the improvements.

## **NOTE 12 - CONTINGENCIES**

### **Grant Programs**

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

### **Water and Sewer System**

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

### **Other**

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

## **NOTE 13 – DEFINED BENEFIT RETIREMENT PLANS**

### **A. Plan Descriptions**

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

In addition to other disclosures, the GASB requires for the current year and each of the two preceding years, annual pension cost, percentage of annual pension cost contributed and the net pension obligation at the end of the year. This information is presented later in this note. A schedule of funding progress and

a schedule of employer contributions that include historical trend information about the annual required contributions of the employer are included as required supplementary information to the financial statements. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**General Employees Defined Benefit Pension Plan**

The City of Sarasota General Employees' Defined Benefit Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II, of the Sarasota City Code, 1986, as restated on November 16, 2009. The City's total current year payroll for general employees was \$19,059,016 compared to \$13,956,483 for employees covered by the plan.

At September 30, 2013, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	433
Current Employees	
Vested	151
Nonvested	94
Total	<u>678</u>

The Plan covers permanent, probationary and full time City of Sarasota employees who are not members of the Police Officers' or Firefighters' Pension Plans and were hired prior to September 7, 2011. Members may retire as early as age 55 with 10 years of service. Such a retiree would receive a retirement benefit based upon a percentage of average annual earnings during the highest 3 years of the last 10 years of employment prior to the date of retirement multiplied by the years of service. The retirement benefit percentage increases based upon the retiree's age up to a maximum of 2.5% at age 65, or after 30 years of service regardless of age. The Plan provides disability benefits as if the participant retired at age 65, providing that 10 years of credited service has been attained.

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

Effective November 20, 2000, the City approved an ordinance creating a deferred retirement option plan (DROP). In lieu of terminating employment, any member may elect to defer receipt of such service retirement pension and to participate in the DROP. A member's participation in the DROP may not exceed sixty months beginning at the time the election becomes effective. A member may participate only once. An account is established for each member participating in the DROP. The member's DROP account consists of the monthly retirement benefit the member would have received had they terminated their employment and the earnings on those amounts. The accounts of members that entered the DROP prior to December 28, 2011, will be credited with interest at an effective rate of six and one-half (6 ½) percent per annum compounded quarterly. The accounts of members that entered the DROP on or after December 28, 2011, will be credited with interest at an effective rate of two (2) percent per annum compounded quarterly. The accrued benefit liability at September 30, 2013, was \$746,477.

**Firefighters Defined Benefit Pension Plan**

The City of Sarasota Firefighters' Defined Benefit Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II, of the Sarasota City Code, 1986, as restated on November 16, 2009. On January 1, 1996, the City's Fire/Rescue Department was consolidated with Sarasota County. The Plan remains intact with Sarasota County and the City of

Sarasota making the employer contributions. The County's total current year payroll for fire personnel and the payroll for employees covered by the Plan for the year ended September 30, 2013, was \$1,696,225.

At September 30, 2013, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	163
Current Employees	
Vested	15
Nonvested	-
Total	<u>178</u>

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

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

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

**Police Officers Defined Benefit Pension Plan**

The City of Sarasota Police Officers' Defined Benefit Pension Plan, a defined benefit single-employer public employee retirement plan, is administered in accordance with Chapter 24, Article II of the Sarasota City Code, 1986, as amended and restated. The City's total current year payroll for police personnel and the payroll for employees covered by the Plan for the year ended September 30, 2013, was \$9,558,125.

At September 30, 2013, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	209
Current Employees	
Vested	68
Nonvested	63
Total	<u>340</u>

The Plan covers permanent and probationary City of Sarasota employees who are classified as uniform police personnel. Any participant who has creditable service of 10 years and has attained age 50 or has creditable service of 25 years, regardless of age, is eligible for normal retirement. Such a retiree would receive a normal retirement benefit of 3 percent of average annual earnings during the highest 3 years of service during the last 10 years of service multiplied by the years of service. The pension benefit cannot exceed the average taxable earnings for the last 3 years of employment.

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

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

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

Effective December 21, 1998, the City approved an ordinance creating a deferred retirement option plan (DROP). In lieu of terminating employment as a police officer, any member may elect to defer receipt of such service retirement pension and to participate in the DROP. A member's participation in the DROP may not exceed sixty months beginning at the time the election becomes effective. A member may participate only once. An account is established for each member participating in the DROP. The member's DROP account consists of the monthly retirement benefit the member would have received had they terminated their employment as a police officer and the earnings on those amounts. For members who entered the DROP prior to October 1, 2012, the member elects to receive either interest at a fixed rate of 6.5% per annum, compounded quarterly, or the actual net rate of investment return realized by the Pension Fund. For those who entered the DROP on or after October 1, 2012, the member elects to receive either interest at a fixed interest rate of 2.5% per annum compounded quarterly, or the actual rate of investment return realized by the Pension Fund. The City created an ordinance amending the DROP effective October 18, 2004, and making the election to enter the DROP an irrevocable notice of termination effective at the end of the DROP period. The accrued benefit liability at September 30, 2013, was \$6,039,071.

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

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

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

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

**General Employees Defined Benefit Pension Plan**

As of September 30, 2013, the actuarial accrued liability exceeded assets by \$56,211,059 determined as follows:

Actuarial Accrued Liability	
Active participants	\$53,228,401
Retired participants and beneficiaries currently receiving benefits	120,645,985
Vested terminated participants not yet receiving benefits	2,938,509
Additional inactive benefits payable	<u>68,184</u>
Total Actuarial Accrued Liability	176,881,079
Actuarial Value of Assets (Market Value was \$130,116,889)	120,670,020
Unfunded Actuarial Accrued Liability	<u><u>\$56,211,059</u></u>

During the year ended September 30, 2013, the Plan experienced a net increase of \$4,741,511 in the actuarial accrued liability. There were no changes in actuarial methods or benefit provisions.

**Firefighters Defined Benefit Pension Plan**

As of September 30, 2013, the unfunded actuarial accrued liability was \$45,646,189 determined as follows:

Actuarial Accrued Liability	
Active participants	\$17,266,250
Retired participants and beneficiaries currently receiving benefits	137,020,168
Vested terminated participants not yet receiving benefits	<u>801,870</u>
Total Actuarial Accrued Liability	155,088,288
Actuarial Value of Assets (Market Value was \$118,973,508)	109,442,099
Unfunded Actuarial Accrued Liability	<u><u>\$45,646,189</u></u>

During the year ended September 30, 2013, the Plan experienced a net change of \$2,541,424 in the actuarial accrued liability. There were no changes in actuarial methods or benefit provisions.

**Police Officers Defined Benefit Pension Plan**

As of September 30, 2013, the actuarial accrued liability exceeded assets by \$65,009,404 determined as follows:

Actuarial Accrued Liability	
Active participants	\$43,159,196
Retired participants and beneficiaries currently receiving benefits	181,321,617
Vested terminated participants not yet receiving benefits	<u>1,260,511</u>
Total Actuarial Accrued Liability	225,741,324
Actuarial Value of Assets (Market Value was \$174,254,673)	160,731,920
Unfunded Actuarial Accrued Liability	<u><u>\$65,009,404</u></u>

During the year ended September 30, 2013, the Plan experienced a net change of \$7,362,976 in the actuarial accrued liability. There were no changes in actuarial methods or benefit provisions.

**C. Contributions**

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

	General Employees Defined Benefit Pension Plan	Firefighters Defined Benefit Pension Plan	Police Officers Defined Benefit Pension Plan
Contribution rates/amounts:			
City	28.44%	\$2,877,535	55.69%
County	28.44%	\$5,671,551	Not applicable
State	Not applicable	\$781,442	\$546,909
Employees	6.0%	8.0%	8.0%
Annual pension cost	\$3,969,365	\$8,542,822	\$5,869,827
Contributions made	\$3,969,365	\$8,542,822	\$5,869,827
Actuarial valuation date (c)	9/30/13	9/30/13	9/30/13
Actuarial value of assets	\$120,670,020	\$109,442,099	\$160,731,920
Actuarial accrued liability (AAL)	\$176,881,079	\$155,088,288	\$225,741,324
Unfunded AAL	\$56,211,059	\$45,646,189	\$65,009,404
Funded ratio	68.2%	70.6%	71.2%
Covered payroll	13.96 million	1.70 million	9.56 million
Unfunded AAL as a % of covered payroll	402.6%	2685.3%	680.0%
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	17 to 28 years	10 years	1 to 30 years
Asset valuation method	5 year Smoothed Market	3 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:			
Investment rate of return*	7.0%	7.5%	7.0%
Projected salary increases*	4.8 - 7.2%	3.75 - 6.75%	4.9 - 12.7%
*Includes inflation at	2.3%	4.5%	2.5%
Cost of living adjustments	3.0% (a) 2.0% (b)	3.5% (e)	1% (d)

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

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

(c) Actuarial valuations are done annually

(d) For benefits attributable to service performed on or after October 1, 2012, each retiree and surviving beneficiary will receive a 1.0% increase in benefits starting after attainment of age 65 at the end of February each year.

(e) 3.5% annual increase assumed and 5.0% impacted by 50% of the top step base pay minimum.

**General Employees' Defined Benefit Pension Plan**

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

During the year ending September 30, 2013, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2011. The contributions included (a) \$1,963,680 normal cost (14.07% of active payroll), (b) \$2,755,149 in amortization payment of unfunded actuarial accrued liability (19.74% of active payroll), and (c) \$87,926 balance to cover expenses and the minimum contribution requirements (.63% of active payroll). Contributions totaling \$4,806,755 were from the following sources; the City and County contributed \$3,969,229 (28.44% of active payroll); and, employees contributed \$837,390 (6.0% of active payroll).

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost(APC)</u>	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-2011	\$3,043,240	100%	0
9-30-2012	3,626,629	100%	0
9-30-2013	3,969,365	100%	0

**Firefighters' Defined Benefit Pension Plan**

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

During the year ending September 30, 2013, contributions from local employers were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2011. The contributions included (a) \$1,221,307 (72.0% of active payroll) for normal cost and administrative expenses and (b) \$7,260,751 (428.1% of active payroll) for amortization of the unfunded actuarial accrued liability. Contributions totaling \$9,626,136 were from the following sources; Sarasota County contributed \$5,671,551 (334.4% of active payroll); the City of Sarasota contributed \$2,877,535 (169.6% of active payroll); the State of Florida contributed \$781,442 (46.1% of active payroll); employees contributed \$135,698 (8% of active payroll) in addition to other contributions of \$159,910 (9.4% of active payroll).

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

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost(APC)</u>	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-2011	\$5,725,453	100%	0
9-30-2012	6,985,373	100%	0
9-30-2013	8,542,822	100%	0

**Police Officers Defined Benefit Pension Plan**

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

During the year ending September 30, 2013, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2011. The contributions included (a) \$2,802,442 normal cost (29.32% of active payroll), (b) \$3,158,960 in

amortization payment of unfunded actuarial accrued liability (33.05% of active payroll), (c) \$126,166 for expenses and to cover the minimum contribution requirements (1.32% of active payroll), and (d) \$546,909 in state contributions which had not been expected when the actuarial impact statement was completed (5.72% of active payroll). Contributions totaling \$6,634,477 were from the following sources; the City contributed \$5,322,918 (55.69% of active payroll); the State of Florida contributed \$546,909 (5.72% of active payroll); the employees contributed \$764,650 (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

Fiscal Year Ending	Annual Pension Cost(APC)	Percentage Of APC Contributed	Net Pension Obligation
9-30-2011	\$4,143,925	100%	0
9-30-2012	5,416,725	100%	0
9-30-2013	5,869,827	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, 2013, is reported in Note 3 on pages 53 through 60.

**E. Financial Statements of the General Employees' Defined Benefit Pension Plan:**

<u>Statement of Net Position</u>		<u>Statement of Changes in Net Position</u>	
<u>Assets</u>			
Cash and cash equivalents	\$ 549,769	<b>Additions</b>	
Investments:		Contributions	
Money market funds	3,096,823	Plan members	\$ 837,390
U.S. Government securities	11,922,346	Employer	
U.S. Government agency securities	13,361,360	City of Sarasota	3,897,604
Common and preferred stock	70,774,091	Sarasota County	71,625
Corporate bonds and notes	8,080,787	Other	136
Foreign stocks	22,975,231		
Total investments	130,210,638	Total contributions	4,806,755
Receivables (net):		Investment income	
Accounts	28,238	Net increase	
Interest and dividends	291,635	in fair value of investments	16,822,686
Total receivables	319,873	Interest	744,715
Other assets:		Dividends	1,835,145
Prepaid items	13,848	Total investment income (loss)	19,402,546
Equipment	575	Less investment expense	(734,230)
Less accumulated depreciation	(575)	Net investment income (loss)	18,668,316
Total other assets	13,848	Total additions	23,475,071
Total assets	131,094,128	<b>Deductions</b>	
<b>Liabilities</b>		Benefits	10,203,759
Accounts payable	193,025	Administrative expenses	151,903
Accrued wages and unpaid vacation	1,575	Refunds of contributions	140,897
Compensated absences	3,597		
Unearned revenue	27,424	Total deductions	10,496,559
Accrued benefits	746,477	Change in net position	12,978,512
OPEB liability	5,141	<b>Net position - beginning</b>	117,138,377
Total liabilities	977,239	<b>Net position - ending</b>	\$ 130,116,889
<b>Net Position</b>			
Held in trust for General Employees' Pension	\$ 130,116,889		

**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, 2013, is as follows:

Active employees (vested and non-vested)	115
Retired and terminated members maintaining balances	<u>17</u>
Total	<u>132</u>

**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 2013, actual contributions were \$306,152 from employees, \$374,558 from the City, and \$3,106 from Sarasota County.

The City contributed an additional \$101,003 to fund administrative expenses for the plan.

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

<u>Statement of Plan Net Position</u>		<u>Statement of Changes in Plan Net Position</u>	
<b>Assets</b>		<b>Additions</b>	
Cash and cash equivalents	\$ 119,657	Contributions:	
Investments:		Plan members	\$ 306,152
Money market funds	--	Employer	
Domestic mutual funds	1,226,468	City of Sarasota	374,558
Bond mutual funds	1,021,062	Sarasota County	3,106
Foreign mutual funds	237,685	Other	<u>129,385</u>
Foreign bond mutual funds	40,455	Total contributions	<u>813,201</u>
Total investments	<u>2,525,670</u>	Net increase (decrease) in fair value of investments	184,648
Receivables (net):	28,382	Interest	<u>18,523</u>
Interest and dividends	222	Total investment income (loss)	203,171
Total assets	<u>2,673,931</u>	Less investment expense	<u>(971)</u>
		Total additions	<u>1,015,401</u>
<b>Liabilities</b>		<b>Deductions</b>	
Accounts payable	3,000	Benefits	193,766
Accrued wages	416	Administration expenses	<u>27,691</u>
Compensated absences	1,199	Total deductions	<u>221,457</u>
OPEB liability	926	Change in net assets	793,944
Total liabilities	<u>5,541</u>	<b>Total net position - beginning</b>	<b>1,874,446</b>
<b>Net Position</b>		<b>Total net position - ending</b>	<b><u>\$ 2,668,390</u></b>
Held in trust for pension and OPEB benefits	<u>\$ 2,668,390</u>		

**NOTE 15 - OTHER POST-EMPLOYMENT BENEFITS PLAN**

**A. Plan Description**

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

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

All full time employees of the City of Sarasota who satisfy the vesting, disability, early or normal retirement provisions of the applicable retirement plans may be eligible for post-employment benefits. Furthermore, certain individuals who transferred from the City to the County are eligible for certain benefits under the City's OPEB plan. These include certain Fire Rescue employees, and other former employees who were transferred to Sarasota County through a consolidation of services. They continue to be members of the City's Pension Plans, but are not covered under the City's benefit plans while an active employee. However, upon retirement under the City's pension plans, they may transfer to the City's benefit plans (medical, prescription and dental only; no life insurance) for coverage during their retirement years.

Membership in the plan consisted of the following at September 30, 2013:

Retirees and beneficiaries receiving benefits	573
Terminated plan members entitled to but not receiving benefits	16
Active plan members	<u>553</u>
Total	<u>1,142</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 2012-13 fiscal year, the City contributed \$ 8,617,750 to the plan, including \$4,681,248 for current premiums (54 percent of total premiums) an additional \$2,811,727 to prefund benefits (33 percent of total premiums) and \$1,124,775 of contributions from the proprietary and pension funds to pay off their prior years' OPEB liability (13 percent of premiums). Retiree-only coverage is offered to plan members at no cost to the retiree as long as they meet eligibility requirements. Plan members receiving benefits contributed \$1,282,387, or 13 percent of the total premiums, through their required contribution of \$302.78 to \$425.63 per month for dependents less than age 65 and \$151.39 to \$182.16 per month for dependents eligible for Medicare. Rates vary based upon the type of plan selected by the retiree.

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

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

Annual required contribution	\$ 11,771,000
Interest on net OPEB obligation	941,000
Adjustment to annual required contribution	<u>(1,262,000)</u>
Annual OPEB cost (expense)	11,450,000
Contributions made	<u>(8,617,750)</u>
Increase in net OPEB obligation	2,832,250
Net OPEB obligation - beginning of year	<u>11,654,497</u>
Net OPEB obligation - end of year	<u><u>\$ 14,486,747</u></u>

The net OPEB obligation at the end of the year is \$13,365,921 for governmental activities, \$1,105,210 for business-type activities and \$15,616 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 2012-13 fiscal year and preceding years are as follows:

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
9/30/2011	\$ 10,698,000	103.23%	\$ 8,745,702
9/30/2012	10,908,000	73.33%	11,654,497
9/30/2013	11,450,000	75.26%	14,486,747

#### E. Funded Status and Funding Progress

As of October 1, 2012, the most recent actuarial valuation date, the plan was 15.63% funded. The actuarial accrued liability for benefits was \$146,353,000, and the actuarial value of assets was \$22,879,000, resulting in an unfunded actuarial accrued liability (UAAL) of \$123,474,000. The covered payroll (annual payroll of active employees covered by the plan) was \$25,210,833, and the ratio of the UAAL to the covered payroll was 489.7 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, 2012, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 6 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend of 9 percent initially, reduced by decrements to a rate of 6.4 percent after eight years. Both rates included a 1.7 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at October 1, 2012, was 15 years.

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

**Statement of Plan Net Position**

<b>Assets</b>	
Cash and cash equivalents	\$ 674,252
Investments:	
Money market funds	1,445,769
U.S. Government securities	2,531,348
U.S. Government agency securities	4,950,457
Common and preferred stocks	18,997,863
Foreign stocks	4,861,247
Total investments	<u>32,786,684</u>
Receivables (net):	
Interest and dividends	43,413
Prepaid Items	1,472
Total assets	<u>33,505,821</u>
<b>Liabilities</b>	
Accounts payable	20,746
Liability for unpaid claims	506,268
Total liabilities	<u>527,014</u>
<b>Net Position</b>	
Held in trust for pension and OPEB benefits	<u>\$ 32,978,807</u>

**Statement of Changes In Plan Net Position**

<b>Additions</b>	
Contributions:	
Plan members	\$ 1,282,387
Employer	
City of Sarasota	8,617,750
Other	431,890
Total contributions	<u>10,332,027</u>
Investment income :	
Net increase (decrease) in fair value of investments	3,457,044
Interest	203,873
Dividends	451,074
Total investment income (loss)	<u>4,111,991</u>
Less investment expense	<u>(183,510)</u>
Net investment income (loss)	<u>3,928,481</u>
Total additions	<u>14,260,508</u>
<b>Deductions</b>	
Benefits	6,285,495
Other benefits	302,402
Administrative expenses	787,821
Total deductions	<u>7,375,718</u>
Change in net position	6,884,790
<b>Total net position - beginning</b>	<u>26,094,017</u>
<b>Total net position - ending</b>	<u>\$ 32,978,807</u>

**NOTE 16 - DISCRETELY PRESENTED COMPONENT UNITS**

**St. Armands Business Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the fiscal year ended September 30, 2013:**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 202,700	\$ 202,700	\$ 204,847	\$ 2,147
Investment earnings (loss)	1,800	1,800	59	(1,741)
Miscellaneous	2,500	2,500	2,337	(163)
Total revenues	<u>207,000</u>	<u>207,000</u>	<u>207,243</u>	<u>243</u>
<b>Expenditures</b>				
Current:				
Economic environment	71,601	129,411	47,108	82,303
Debt service:				
Principal payments	150,000	150,000	150,000	--
Interest and other charges	500	500	447	53
Capital outlay:				
Economic environment	11,326	3,516	--	3,516
Total expenditures	<u>233,427</u>	<u>283,427</u>	<u>197,555</u>	<u>85,872</u>
Excess (deficiency) of revenues over (under) expenditures	(26,427)	(76,427)	9,688	86,115
<b>Fund balance - beginning</b>	<u>62,691</u>	<u>62,691</u>	<u>62,691</u>	<u>--</u>
<b>Fund balance - ending</b>	<u>\$ 36,264</u>	<u>\$ (13,736)</u>	<u>\$ 72,379</u>	<u>\$ 86,115</u>
Reconciliation to Statement of Net Position:		Reconciliation to Statement of Activities:		
Fund balance - ending	\$ 72,379		Net change in fund balance	\$ 9,688
Capital assets	1,576,267		Current year depreciation	(67,428)
Less accumulated depreciation	(317,656)		Loan repaid	150,000
Net position - ending	<u>\$ 1,330,990</u>		Change in net assets	<u>\$ 92,260</u>

**Downtown Improvement District - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the fiscal year ended September 30, 2013:**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Ad valorem taxes	\$ 340,649	\$ 340,649	\$ 346,933	\$ 6,284
Investment earnings (loss)	2,000	2,000	319	(1,681)
Miscellaneous	2,500	2,500	963	(1,537)
Total revenues	<u>345,149</u>	<u>345,149</u>	<u>348,215</u>	<u>3,066</u>
<b>Expenditures</b>				
Current:				
Economic environment	283,645	344,968	292,094	52,874
Capital outlay:				
Economic environment	62,436	97,876	56,203	41,673
Total expenditures	<u>346,081</u>	<u>442,844</u>	<u>348,297</u>	<u>94,547</u>
Excess (deficiency) of revenues over (under) expenditures	(932)	(97,695)	(82)	97,613
<b>Fund balance (deficit) - beginning</b>	<u>112,803</u>	<u>112,803</u>	<u>112,803</u>	<u>--</u>
<b>Fund balance - ending</b>	<u>\$ 111,871</u>	<u>\$ 15,108</u>	<u>\$ 112,721</u>	<u>\$ 97,613</u>
Reconciliation to Statement of Net Assets:		Reconciliation to Statement of Activities:		
Fund balance - ending	\$ 112,721		Net change in fund balance	\$ (82)
Capital assets	450,958		Expenditures for capital assets	56,203
Less accumulated depreciation	(102,862)		Current year depreciation	(37,357)
Net assets - ending	<u>\$ 460,817</u>		Change in net assets	<u>\$ 18,764</u>

**NOTE 17 – LIFT STATION 87**

**Business-type Activities**

For the 2013 year, the Water and Sewer Fund wrote off \$515,871 for the Lift Station 87 Project to Loss on the Disposition of Capital Assets. The project was initially scheduled to be completed by the end of 2012, but has been delayed due to constructability issues with micro tunneling. In November 2012, the City of Sarasota severed its contract with the Lift Station 87 Project's original engineer of record. In August 2013, the City of Sarasota hired a new engineering consultant to complete the Lift Station 87 Project.

The engineering consultant is taking a phased approach to the project. The first phase, which is scheduled to be complete by the end of January 2014, includes evaluating the original design and conducting additional geologic investigations. After fully analyzing what has been built to date and gathering additional data, the engineering consultant will make recommendations on how to complete the project.

**NOTE 18 – RESTATEMENT OF NET POSITION**

For the current year, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities". GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

Beginning net position for Governmental Activities and the Business-type Activities (Water and Sewer Enterprise Fund), as previously reported, was reduced by \$849,209 and \$625,271 respectively for debt issuance costs that had been reported as an asset and amortized over the life of the debt. With the exception of prepaid insurance costs, costs related to the issuance of debt will no longer be recorded as an asset and amortized over the life of the debt. They will instead be recognized as an expense in the period incurred.



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

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
2004	\$98.03	\$108.07	90.7%	\$10.04	\$20.25	49.6%
2005	100.61	116.27	86.5	15.66	20.91	74.9
2006	107.73	123.60	87.2	15.87	21.87	72.6
2007	119.06	133.56	89.1	14.50	24.42	59.4
2008	123.43	137.93	89.5	14.50	22.90	63.3
2009	125.83	145.37	86.6	19.54	22.22	87.9
2010	125.18	155.76	80.4	30.58	20.64	148.2
2011	122.24	162.51	75.2	40.27	21.23	189.7
2012	116.88	172.14	67.9	55.26	16.06	344.0
2013	120.67	176.88	68.2	56.21	13.96	402.6

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

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

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<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2004	\$1,579,404	100%
2005	1,603,284	100%
2006	1,881,632	100%
2007	2,425,114	100%
2008	2,368,489	100%
2009	2,867,359	100%
2010	2,766,721	100%
2011	3,043,240	100%
2012	3,626,629	100%
2013	3,969,365	100%

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

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
2004*	\$83.55	\$116.98	71.4%	\$33.43	\$3.85	867.5%
2005	91.57	122.78	74.6	31.21	3.82	816.8
2006	98.33	127.46	77.1	29.13	3.47	836.6
2007	106.72	133.10	80.2	26.38	3.54	745.8
2008@	107.97	138.56	77.9	30.59	3.66	836.1
2009@*	102.82	140.34	73.3	37.52	3.15	1,190.5
2010@	95.58	141.28	67.7	45.70	2.94	1,554.4
2011@	93.59	148.76	62.9	55.17	2.11	2,616.1
2012@	98.74	152.55	64.7	53.81	1.95	2,753.8
2013@	109.44	155.09	70.6	45.65	1.70	2,685.3

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

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

@ The actuarial value of assets excludes reserve accounts.

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

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<u>Year Ended September 30.</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2004	\$ 3,221,134	100%(a)
2005	3,577,340	100%
2006	3,637,413	100%
2007	3,757,948	100%(b)
2008	4,566,249	100%
2009	4,302,657	100%(c)
2010	4,936,275	100%
2011	5,725,453	100%
2012	6,985,373	100%(d)
2013	8,542,822	100%(e)

- (a) Includes \$60,909 from funding reserves, \$41,098 from Chapter 175 reserves and \$71,812 from additional premium tax revenue.
- (b) Includes \$88,946 for contributions toward share account distributions.
- (c) Includes \$123,604 from funding reserves.
- (d) Includes \$298,909 from funding reserves.
- (e) Includes \$99,337 from funding reserves.

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

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
2004*	\$110.36	\$123.77	89.2%	\$13.41	\$10.50	127.7%
2005	119.64	134.05	89.3	14.41	11.06	130.3
2006	129.48	141.98	91.2	12.50	11.65	107.3
2007	142.17	152.66	93.1	10.49	12.11	86.6
2008	149.20	161.04	92.6	11.84	11.73	100.9
2009	153.44	170.84	89.8	17.40	11.05	157.5
2010	155.91	187.61	83.1	31.70	10.51	301.6
2011	154.85	202.22	76.6	47.37	10.38	456.4
2012	154.43	218.38	70.7	63.95	9.41	679.6
2013	160.73	225.74	71.2	65.01	9.56	680.0

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

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

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

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<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2004	\$2,916,822	100%
2005	3,796,293	100%
2006	3,942,053	100%
2007	4,333,312	100%
2008	4,182,557	100%
2009	4,003,036	100%
2010	3,941,662	100%
2011	4,143,925	100%
2012	5,416,725	100%
2013	5,869,827	100%

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

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
2006	\$0.00	\$130.73	0.0%	\$ 130.73	\$35.1	372.0%
2008	4.75	137.37	3.5	132.63	37.0	358.0
2010	12.86	134.49	9.6	121.63	34.5	353.0
2012	19.83	142.76	13.9	122.93	27.5	447.0

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

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

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<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 8,765,835	66.18%
2009	10,098,803	80.54%
2010	11,992,459	68.53%
2011	10,808,000	103.23%
2012	11,114,000	73.33%
2013	11,771,000	75.26%

**City of Sarasota, Florida**  
 General Fund  
 Schedule of Revenues - Budget and Actual  
 Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
Ad valorem	\$ 16,219,608	\$ 16,219,608	\$ 16,273,305	\$ 53,697
Business and occupational	743,150	743,150	755,006	11,856
Utility service taxes				
Electricity	4,766,250	4,766,250	4,927,990	161,740
Communication services	3,792,500	3,792,500	3,603,752	(188,748)
Water	1,404,804	1,404,804	1,408,949	4,145
Natural gas	112,750	112,750	108,069	(4,681)
Fuel oil	500	500	--	(500)
Propane	34,700	34,700	35,658	958
<b>Total taxes</b>	<b>27,074,262</b>	<b>27,074,262</b>	<b>27,112,729</b>	<b>38,467</b>
Franchise fees				
Electric	5,127,000	5,127,000	4,360,645	(766,355)
Natural gas	120,000	120,000	111,703	(8,297)
<b>Total franchise fees</b>	<b>5,247,000</b>	<b>5,247,000</b>	<b>4,472,348</b>	<b>(774,652)</b>
Licenses and permits				
Building permits	129,539	129,539	203,514	73,975
Other licenses and permits	123,867	123,867	130,651	6,784
<b>Total licenses and permits</b>	<b>253,406</b>	<b>253,406</b>	<b>334,165</b>	<b>80,759</b>
Intergovernmental				
State shared revenues				
State revenue sharing	1,824,971	1,824,971	1,765,785	(59,186)
Mobile home licenses	20,500	20,500	22,430	1,930
Alcoholic beverage licenses	51,250	51,250	107,945	56,695
Half cent sales tax	3,708,000	3,708,000	3,834,763	126,763
FEMA disaster relief tax	--	--	90,116	90,116
Insurance premium tax	678,000	678,000	1,328,351	650,351
Other intergovernmental	979,110	999,110	1,015,600	16,490
<b>Total intergovernmental</b>	<b>\$ 7,261,831</b>	<b>\$ 7,281,831</b>	<b>\$ 8,164,990</b>	<b>\$ 883,159</b>

(continued)

**City of Sarasota, Florida**  
 General Fund  
 Schedule of Revenues - Budget and Actual  
 Year Ended September 30, 2013 (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	\$ 516,183	\$ 516,183	\$ 398,595	\$ (117,588)
Transportation	212,647	212,647	255,083	42,436
Road and bridge	274,000	274,000	233,525	(40,475)
Public safety	252,810	252,810	414,005	161,195
Physical environment	77,800	77,800	45,609	(32,191)
Culture and recreation	218,150	218,150	239,144	20,994
Total charges for services	<u>1,551,590</u>	<u>1,551,590</u>	<u>1,585,961</u>	<u>34,371</u>
Charges to other funds				
Cost allocations	<u>4,320,128</u>	<u>4,320,128</u>	<u>4,320,128</u>	<u>--</u>
Fines and forfeits				
Court fines	130,000	130,000	116,101	(13,899)
Red light citations	730,000	730,000	628,697	(101,303)
Other	125,200	125,200	255,142	129,942
Total fines and forfeits	<u>985,200</u>	<u>985,200</u>	<u>999,940</u>	<u>14,740</u>
Investment earnings	<u>300,000</u>	<u>300,000</u>	<u>30,732</u>	<u>(269,268)</u>
Miscellaneous				
Rents and royalties	1,076,647	1,076,647	1,168,466	91,819
Sale of capital assets	21,000	443,628	497,762	54,134
Other	319,255	486,955	636,767	149,812
Total miscellaneous	<u>1,416,902</u>	<u>2,007,230</u>	<u>2,302,995</u>	<u>295,765</u>
Total revenues	<u>48,410,319</u>	<u>49,020,647</u>	<u>49,323,988</u>	<u>303,341</u>
<b>Other financing sources</b>				
Transfers in				
Special revenue funds	3,729,312	3,843,974	3,840,527	(3,447)
Capital projects funds	--	--	1,499	1,499
Internal service funds	250,000	250,000	256,368	6,368
Enterprise funds	873,338	873,338	869,285	(4,053)
Total other financing sources	<u>4,852,650</u>	<u>4,967,312</u>	<u>4,967,679</u>	<u>367</u>
Total revenues and other financing sources	<u>\$ 53,262,969</u>	<u>\$ 53,987,959</u>	<u>\$ 54,291,667</u>	<u>\$ 303,708</u>

City of Sarasota, Florida  
 General Fund  
 Schedule of Expenditures - Budget and Actual  
 Year Ended September 30, 2013

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Current</b>				
General government				
City commission	\$ 223,178	\$ 223,178	\$ 199,678	\$ 23,500
City manager's office	476,500	476,500	511,595	(35,095)
Commission support	109,341	109,341	109,278	63
Urban design studio	--	110,450	68,796	41,654
Facilities management	856,914	1,266,374	923,450	342,924
Human resources	876,243	893,743	886,158	7,585
Finance director	1,790,797	1,820,797	1,642,872	177,925
Building and zoning	2,395,915	2,372,804	2,167,961	204,843
City auditor/clerk	1,851,191	1,851,191	1,622,281	228,910
City attorney	788,259	788,259	1,004,380	(216,121)
Miscellaneous administration	6,901,434	7,361,878	7,567,477	(205,599)
Total general government	<u>16,269,772</u>	<u>17,274,515</u>	<u>16,703,926</u>	<u>570,589</u>
Public safety				
Code enforcement	507,161	505,861	440,975	64,886
Police/fire	31,283,917	31,464,771	30,800,805	663,966
Total public safety	<u>31,791,078</u>	<u>31,970,632</u>	<u>31,241,780</u>	<u>728,852</u>
Physical environment				
Parks and landscape maintenance	2,899,135	2,899,135	2,863,843	35,292
Total physical environment	<u>2,899,135</u>	<u>2,899,135</u>	<u>2,863,843</u>	<u>35,292</u>
Transportation				
Construction services	258,388	258,388	237,767	20,621
Street and highway maintenance	2,921,636	2,944,149	2,685,044	259,105
Total transportation	<u>3,180,024</u>	<u>3,202,537</u>	<u>2,922,811</u>	<u>279,726</u>
Culture and recreation				
Skateboard park	26,918	26,918	3,814	23,104
RL Taylor Community Center	1,018,799	1,089,055	949,951	139,104
Lido Beach	170,514	170,514	154,665	15,849
Children's fountain/playground	66,255	66,255	61,403	4,852
Special events	68,933	1,217,798	65,173	1,152,625
Total culture and recreation	<u>1,351,419</u>	<u>2,570,540</u>	<u>1,235,006</u>	<u>1,335,534</u>
Economic environment				
Redevelopment services	25,888	25,888	--	25,888
Total economic environment	<u>25,888</u>	<u>25,888</u>	<u>--</u>	<u>25,888</u>
Total expenditures	<u>55,517,316</u>	<u>57,943,247</u>	<u>54,967,366</u>	<u>2,975,881</u>
<b>Other financing uses</b>				
Transfers out				
Enterprise funds	49,397	199,397	536,257	(336,860)
Total other financing uses	<u>49,397</u>	<u>199,397</u>	<u>536,257</u>	<u>(336,860)</u>
Total expenditures and other financing uses	<u>\$ 55,566,713</u>	<u>\$ 58,142,644</u>	<u>\$ 55,503,623</u>	<u>\$ 2,639,021</u>

**City of Sarasota, Florida**  
 Community Redevelopment Agency  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes				
City	\$ 3,184,433	\$ 3,184,433	\$ 3,147,762	\$ (36,671)
County	3,566,739	3,566,739	3,525,633	(41,106)
Investment earnings	80,000	80,000	21,079	(58,921)
Miscellaneous	150,000	220,537	220,537	--
Total revenues	<u>6,981,172</u>	<u>7,051,709</u>	<u>6,915,011</u>	<u>(136,698)</u>
<b>Expenditures</b>				
Current:				
Public safety				
North Sarasota Violence	--	4,704	--	4,704
Total public safety	<u>--</u>	<u>4,704</u>	<u>--</u>	<u>4,704</u>
Transportation				
TCEA update	100,626	100,626	53,047	47,579
Downtown transportation	61,395	515,504	58,937	456,567
Strategic parking facilities	--	10,000	10,000	--
Transportation master plan	--	104,529	9,564	94,965
Enhanced maintenance	15,000	58,500	--	58,500
Total transportation	<u>177,021</u>	<u>789,159</u>	<u>131,548</u>	<u>657,611</u>
Economic environment				
Downtown redevelopment	47,500	47,500	32,413	15,087
Economic development	40,000	40,000	40,000	--
Indirect costs	16,885	16,885	16,885	--
Herald Tribune	--	439,939	38,661	401,278
Salvation Army	80,000	146,500	80,000	66,500
Downtown CRA community grants	24,692	50,192	18,509	31,683
Housing Authority	--	744,229	--	744,229
NCRA- economic development	60,000	944,043	--	944,043
NCRA- community health & welfare	39,375	328,212	7,000	321,212
NCRA- community grants	51,209	148,321	27,147	121,174
NCRA- admin/planning study	37,500	525,846	--	525,846
Ringling Square	--	205,640	31,653	173,987
Total economic environment	<u>397,161</u>	<u>3,637,307</u>	<u>292,268</u>	<u>3,345,039</u>
Capital outlay:				
Public safety				
Palm Avenue garage lighting	--	42,867	--	42,867

(continued)

**City of Sarasota, Florida**

Community Redevelopment Agency

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

Year Ended September 30, 2013 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Transportation				
Wayfinding signage	11,944	704,090	41,850	662,240
Pedestrian sleeves	4,743	4,743	1,066	3,677
North Palm Avenue streetscape	29,736	248,338	25,687	222,651
Intersection improvements US 41 & Main	--	210,131	--	210,131
Main St - segment 1 & 3a	973,295	1,655,774	901,363	754,411
Five Points to Orange Avenue	2,245	147,259	122,929	24,330
Orange Ave to Goodrich	46,480	9,548	9,548	--
First St - US 41 to Pineapple	--	1,454,918	61,408	1,393,510
Main St - Orange Ave roundabout	189,504	1,093,561	101,478	992,083
Downtown pedestrian street lights	11,221	136,221	77,288	58,933
State Street parking garage	--	7,279,242	292,414	6,986,828
Total transportation	<u>\$ 1,269,168</u>	<u>\$ 12,943,825</u>	<u>\$ 1,635,031</u>	<u>\$ 11,308,794</u>
Culture and recreation				
Newtown entrance plazas	\$ --	\$ 300,000	\$ --	300,000
US 301-enhanced landscaping	--	159,599	--	159,599
Total culture and recreation	<u>--</u>	<u>459,599</u>	<u>--</u>	<u>459,599</u>
Economic environment				
NCRA- community health & welfare	--	12,124	--	12,124
NCRA- Newtown land acquisition	--	2,000	--	2,000
Downtown redevelopment plan	150,000	316,883	6,240	310,643
Total economic environment	<u>150,000</u>	<u>331,007</u>	<u>6,240</u>	<u>324,767</u>
Total expenditures	<u>1,993,350</u>	<u>18,208,468</u>	<u>2,065,087</u>	<u>16,143,381</u>
Excess of revenues over expenditures	<u>4,987,822</u>	<u>(11,156,759)</u>	<u>4,849,924</u>	<u>16,006,683</u>
<b>Other financing uses</b>				
Transfers out				
General fund	(2,616,746)	(2,649,746)	(2,649,746)	--
Debt service funds	(3,395,146)	(3,395,146)	(3,395,146)	--
Total other financing uses	<u>(6,011,892)</u>	<u>(6,044,892)</u>	<u>(6,044,892)</u>	<u>--</u>
Net change in fund balances	(1,024,070)	(17,201,651)	(1,194,968)	16,006,683
<b>Fund balances - beginning</b>	<u>17,855,882</u>	<u>17,855,882</u>	<u>17,855,882</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 16,831,812</u>	<u>\$ 654,231</u>	<u>\$ 16,660,914</u>	<u>\$ 16,006,683</u>



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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

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

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

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

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

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

# Nonmajor Governmental Funds

## Debt Service Funds

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

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

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

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

**2009 Build America** - To account for the accumulation of resources for the payment of principal and interest on funds borrowed for the acquisition of land (Payne Park), construction of the Palm Parking Garage, and construction of the Robert L. Taylor Community Complex.

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

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

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

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

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

# Nonmajor Governmental Funds

## Capital Projects Funds

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

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

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

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

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

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

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

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

City of Sarasota, Florida  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 September 30, 2013

	<b>Special Revenue Funds</b>		
	<b>State Housing Initiative Partnership</b>	<b>Development Services</b>	<b>Gas Tax</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 442,011	\$ 499,385	\$ 1,343,202
Investments	1,640,854	1,853,844	4,986,301
Receivables (net):			
Accounts	--	--	--
Interest	4,033	4,902	12,030
Notes	48,270	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	405,173
Total assets	<u>\$ 2,135,168</u>	<u>\$ 2,358,131</u>	<u>\$ 6,746,706</u>
<b>Liabilities</b>			
Accounts payable	\$ 14,067	\$ 15,895	\$ 68,094
Retainages payable	--	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Advance from other funds	--	--	--
Accrued wages	854	32,182	--
Unearned revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>14,921</u>	<u>48,077</u>	<u>68,094</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	48,270	--	--
Unavailable revenue - special assessments	--	--	--
Total deferred inflows of resources	<u>48,270</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Housing and community development	2,071,977	--	--
Building services	--	1,824,254	--
Transportation	--	--	6,678,612
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Construction	--	--	--
<b>Committed to:</b>			
Development application system	--	485,800	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Culture and recreation	--	--	--
<b>Assigned to:</b>			
Subsequent year expenditures	--	--	--
<b>Unassigned</b>			
Total fund balances (deficit)	<u>2,071,977</u>	<u>2,310,054</u>	<u>6,678,612</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,135,168</u>	<u>\$ 2,358,131</u>	<u>\$ 6,746,706</u>

Special Revenue Funds				
Special Law Enforcement (Forfeiture)	Golden Gate Point	Tourist Development Tax	Miscellaneous Grants	Multi-Purpose
\$ 91,739	\$ 9,119	\$ 632,922	\$ 164,289	\$ 643,045
340,557	33,854	2,349,566	609,881	2,387,144
--	--	--	--	77,311
832	98	5,722	991	6,388
--	--	--	--	--
--	--	--	--	--
--	--	72,720	548,185	10,298
<u>\$ 433,128</u>	<u>\$ 43,071</u>	<u>\$ 3,060,930</u>	<u>\$ 1,323,346</u>	<u>\$ 3,124,186</u>
\$ 17,152	\$ 5,964	\$ 22,957	\$ 85,181	\$ 1,911,683
--	--	--	7,926	--
--	--	--	--	--
--	--	--	--	65,349
--	--	--	--	--
--	--	--	--	--
--	--	--	199,564	110,656
--	--	--	33,089	58,380
<u>17,152</u>	<u>5,964</u>	<u>22,957</u>	<u>325,760</u>	<u>2,146,068</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
415,976	--	--	--	115,199
--	37,107	--	--	54,479
--	--	3,037,973	--	--
--	--	--	657,528	--
--	--	--	--	25,813
--	--	--	--	--
--	--	--	--	--
--	--	--	263,259	--
--	--	--	76,799	--
--	--	--	--	155,874
--	--	--	--	107,345
--	--	--	--	111,495
--	--	--	--	283,528
--	--	--	--	4,991
--	--	--	--	112,602
--	--	--	--	6,792
--	--	--	--	--
--	--	--	--	--
<u>415,976</u>	<u>37,107</u>	<u>3,037,973</u>	<u>997,586</u>	<u>978,118</u>
<u>\$ 433,128</u>	<u>\$ 43,071</u>	<u>\$ 3,060,930</u>	<u>\$ 1,323,346</u>	<u>\$ 3,124,186</u>

(continued)

**City of Sarasota, Florida**  
 Nonmajor Governmental Funds  
 Combining Balance Sheet (continued)  
 September 30, 2013

	<b>Debt Service Funds</b>		
	<b>1992 Refunding Bonds</b>	<b>2007 General Obligation Bonds</b>	<b>2008 General Obligation Bonds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 968,199	145,814	49,424
Investments	3,594,196	541,299	183,473
Receivables (net):			
Accounts	--	--	--
Interest	8,736	1,314	446
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	174	--
Total assets	<u>\$ 4,571,131</u>	<u>\$ 688,601</u>	<u>\$ 233,343</u>
<b>Liabilities</b>			
Accounts payable	\$ --	\$ --	\$ --
Retainages payable	--	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Advance from other funds	--	--	--
Accrued wages	--	--	--
Unearned revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	--	--	--
Unavailable revenue - special assessments	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Housing and community development	--	--	--
Building services	--	--	--
Transportation	--	--	--
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	4,571,131	688,601	233,343
Construction	--	--	--
<b>Committed to:</b>			
Development application system	--	--	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Culture and recreation	--	--	--
<b>Assigned to:</b>			
Subsequent year expenditures	--	--	--
<b>Unassigned</b>			
Total fund balances (deficit)	<u>4,571,131</u>	<u>688,601</u>	<u>233,343</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,571,131</u>	<u>\$ 688,601</u>	<u>\$ 233,343</u>



City of Sarasota, Florida  
 Nonmajor Governmental Funds  
 Combining Balance Sheet (concluded)  
 September 30, 2013

	<b>Capital Projects Funds</b>		
	<b>Capital and Extraordinary Maintenance</b>	<b>1989 Sales Surtax Bond Construction</b>	<b>2000 First Florida Construction</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 177,224	\$ 48,590	\$ 64,760
Investments	657,898	180,380	240,405
Receivables (net):			
Accounts	--	--	--
Interest	1,608	439	584
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	--
Total assets	<u>\$ 836,730</u>	<u>\$ 229,409</u>	<u>\$ 305,749</u>
<b>Liabilities</b>			
Accounts payable	\$ --	\$ --	\$ --
Retainages payable	--	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Advance from other funds	--	--	--
Accrued wages	--	--	--
Unearned revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - notes receivable	--	--	--
Unavailable revenue - special assessments	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Housing and community development	--	--	--
Building services	--	--	--
Transportation	--	--	--
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Construction	--	229,409	305,749
<b>Committed to:</b>			
Development application system	--	--	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Culture and recreation	--	--	--
<b>Assigned to:</b>			
Subsequent year expenditures	836,730	--	--
<b>Unassigned</b>			
Total fund balances (deficit)	<u>836,730</u>	<u>229,409</u>	<u>305,749</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 836,730</u>	<u>\$ 229,409</u>	<u>\$ 305,749</u>

<b>Capital Project Funds</b>				
<b>2001 First Florida Construction</b>	<b>2007 General Obligation Bonds</b>	<b>2009 Build America Bonds</b>	<b>2010 Stadium Bonds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 99,526	\$ 445,935	\$ 260,169	\$ 598	\$ 6,321,237
369,466	1,655,423	965,810	2,219	23,466,009
--	--	--	--	77,311
898	4,024	2,348	6	57,381
--	--	--	--	48,270
--	--	--	--	538,519
--	--	--	1,568	1,038,118
<u>\$ 469,890</u>	<u>\$ 2,105,382</u>	<u>\$ 1,228,327</u>	<u>\$ 4,391</u>	<u>\$ 31,546,845</u>
\$ --	\$ 5,837	\$ --	\$ 880	\$ 2,147,710
--	--	--	--	7,926
--	--	--	--	5,237
--	--	--	--	65,349
--	--	--	--	133,281
--	--	--	--	33,036
--	--	--	--	310,220
--	--	--	--	91,469
--	5,837	--	880	2,794,228
--	--	--	--	48,270
--	--	--	--	538,519
--	--	--	--	586,789
--	--	--	--	2,071,977
--	--	--	--	1,824,254
--	--	--	--	6,793,811
--	--	--	--	470,455
--	--	--	--	37,107
--	--	--	--	3,037,973
--	--	--	--	657,528
--	--	--	--	25,813
--	--	--	--	6,600,820
469,890	2,099,545	1,228,327	3,511	4,336,431
--	--	--	--	485,800
--	--	--	--	263,259
--	--	--	--	76,799
--	--	--	--	155,874
--	--	--	--	107,345
--	--	--	--	111,495
--	--	--	--	283,528
--	--	--	--	4,991
--	--	--	--	112,602
--	--	--	--	6,792
--	--	--	--	836,730
--	--	--	--	(135,556)
<u>469,890</u>	<u>2,099,545</u>	<u>1,228,327</u>	<u>3,511</u>	<u>28,165,828</u>
<u>\$ 469,890</u>	<u>\$ 2,105,382</u>	<u>\$ 1,228,327</u>	<u>\$ 4,391</u>	<u>\$ 31,546,845</u>

**City of Sarasota, Florida**

Nonmajor Governmental Funds

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

Year Ended September 30, 2013

	<b>Special Revenue Funds</b>		
	<b>State Housing Initiative Partnership</b>	<b>Development Services</b>	<b>Gas Tax</b>
<b>Revenues</b>			
Taxes	\$ --	\$ --	\$ 2,310,912
Special assessments	--	--	--
Licenses and permits	--	2,050,782	--
Intergovernmental	1,116,651	--	--
Charges for services	--	441,151	--
Fines and forfeits	--	--	--
Investment earnings	18,926	3,275	8,483
Miscellaneous	13,636	--	--
Total revenues	<u>1,149,213</u>	<u>2,495,208</u>	<u>2,319,395</u>
<b>Expenditures</b>			
Current:			
General government	--	165,448	--
Public safety	--	1,868,422	--
Physical environment	--	--	--
Transportation	--	--	110,689
Culture and recreation	--	--	--
Economic environment	901,967	--	--
Debt service:			
Principal payments	--	--	--
Interest and fiscal charges	--	--	--
Capital outlay	--	1,621	631,150
Total expenditures	<u>901,967</u>	<u>2,035,491</u>	<u>741,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>247,246</u>	<u>459,717</u>	<u>1,577,556</u>
<b>Other financing sources (uses)</b>			
Transfers in	--	--	--
Transfers out	--	(215,000)	(876,049)
Total other financing sources (uses)	<u>--</u>	<u>(215,000)</u>	<u>(876,049)</u>
Net change in fund balances	247,246	244,717	701,507
<b>Fund balances (deficit) - beginning</b>	<u>1,824,731</u>	<u>2,065,337</u>	<u>5,977,105</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 2,071,977</u>	<u>\$ 2,310,054</u>	<u>\$ 6,678,612</u>

**Special Revenue Funds**

<b>Special Law Enforcement (Forfeiture)</b>	<b>Golden Gate Point</b>	<b>Tourist Development Tax</b>	<b>Miscellaneous Grants</b>	<b>Multi-Purpose</b>
\$ --	\$ 50,140	\$ 63,589	\$ --	\$ 14,302
--	--	--	--	--
--	--	--	--	--
--	--	44,966	2,028,642	411,646
--	--	--	8,583	98,269
260,376	--	--	37,607	63,147
470	105	4,090	(290)	1,695
33,062	--	--	80,224	13,595
<u>293,908</u>	<u>50,245</u>	<u>112,645</u>	<u>2,154,766</u>	<u>602,654</u>
--	--	--	--	--
137,330	--	--	52,780	21,896
--	--	109,736	--	--
--	108,097	--	--	25,355
--	--	--	12,823	27,254
--	--	--	39,518	304,674
--	--	--	--	--
--	--	--	--	--
31,959	--	--	1,520,652	388,232
<u>169,289</u>	<u>108,097</u>	<u>109,736</u>	<u>1,625,773</u>	<u>767,411</u>
<u>124,619</u>	<u>(57,852)</u>	<u>2,909</u>	<u>528,993</u>	<u>(164,757)</u>
--	--	--	300,251	--
--	--	(4,090)	(594,233)	(1,413)
--	--	(4,090)	(293,982)	(1,413)
124,619	(57,852)	(1,181)	235,011	(166,170)
<u>291,357</u>	<u>94,959</u>	<u>3,039,154</u>	<u>762,575</u>	<u>1,144,288</u>
<u>\$ 415,976</u>	<u>\$ 37,107</u>	<u>\$ 3,037,973</u>	<u>\$ 997,586</u>	<u>\$ 978,118</u>

(continued)

**City of Sarasota, Florida**

Nonmajor Governmental Funds

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

Year Ended September 30, 2013

	<b>Debt Service Funds</b>			
	<b>1992 Refunding Bonds</b>	<b>2007 General Obligation Bonds</b>	<b>2008 General Obligation Bonds</b>	<b>2009 Build America</b>
<b>Revenues</b>				
Taxes	\$ --	\$ 2,839,777	\$ 273,246	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	341,929
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	5,069	(1,090)	732	14,887
Miscellaneous	--	--	--	--
Total revenues	<u>5,069</u>	<u>2,838,687</u>	<u>273,978</u>	<u>356,816</u>
<b>Expenditures</b>				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	475,189	930,000	150,859	1,491,754
Interest and fiscal charges	1,404,811	1,899,044	131,320	976,941
Capital outlay	--	--	--	--
Total expenditures	<u>1,880,000</u>	<u>2,829,044</u>	<u>282,179</u>	<u>2,468,695</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,874,931)</u>	<u>9,643</u>	<u>(8,201)</u>	<u>(2,111,879)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,513,000	--	--	2,126,766
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>1,513,000</u>	<u>--</u>	<u>--</u>	<u>2,126,766</u>
Net change in fund balances	(361,931)	9,643	(8,201)	14,887
<b>Fund balances (deficit) - beginning</b>	<u>4,933,062</u>	<u>678,958</u>	<u>241,544</u>	<u>(14,274)</u>
<b>Fund balances (deficit) - ending</b>	<u>\$ 4,571,131</u>	<u>\$ 688,601</u>	<u>\$ 233,343</u>	<u>\$ 613</u>

**Debt Service Funds**

<b>2010 Sales Tax Payment Rev. Bonds</b>	<b>2001B First Florida</b>	<b>2003 First Florida</b>	<b>2005 First Florida</b>	<b>Glen Oaks</b>
\$ --	\$ --	\$ --	\$ --	\$ --
--	100,321	--	--	7,876
--	--	--	--	--
216,920	--	--	--	--
--	--	--	--	--
--	--	--	--	--
872	69	(173)	52	5,898
--	--	--	--	--
<u>217,792</u>	<u>100,390</u>	<u>(173)</u>	<u>52</u>	<u>13,774</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
220,000	115,000	435,000	595,000	--
503,856	27,431	71,010	74,600	5,243
--	--	--	--	--
<u>723,856</u>	<u>142,431</u>	<u>506,010</u>	<u>669,600</u>	<u>5,243</u>
<u>(506,064)</u>	<u>(42,041)</u>	<u>(506,183)</u>	<u>(669,548)</u>	<u>8,531</u>
500,004	--	369,555	669,600	--
--	--	--	--	--
<u>500,004</u>	<u>--</u>	<u>369,555</u>	<u>669,600</u>	<u>--</u>
(6,060)	(42,041)	(136,628)	52	8,531
<u>542,144</u>	<u>141,826</u>	<u>229,810</u>	<u>378,029</u>	<u>(144,087)</u>
<u>\$ 536,084</u>	<u>\$ 99,785</u>	<u>\$ 93,182</u>	<u>\$ 378,081</u>	<u>\$ (135,556)</u>

(continued)

**City of Sarasota, Florida**

Nonmajor Governmental Funds

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

Year Ended September 30, 2013

	<b>Capital Projects Funds</b>			
	<b>Capital and Extraordinary Maintenance</b>	<b>1989 Sales Surtax Bond Construction</b>	<b>2000 First Florida Construction</b>	<b>2001 First Florida Construction</b>
<b>Revenues</b>				
Taxes	\$ --	\$ --	\$ --	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	1,178	321	425	653
Miscellaneous	--	--	--	--
<b>Total revenues</b>	<b>1,178</b>	<b>321</b>	<b>425</b>	<b>653</b>
<b>Expenditures</b>				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	41,123	--	--	--
<b>Total expenditures</b>	<b>41,123</b>	<b>--</b>	<b>--</b>	<b>--</b>
Excess (deficiency) of revenues over (under) expenditures	<b>(39,945)</b>	<b>321</b>	<b>425</b>	<b>653</b>
<b>Other financing sources (uses)</b>				
Transfers in	--	--	--	--
Transfers out	(1,178)	(321)	--	--
<b>Total other financing     sources (uses)</b>	<b>(1,178)</b>	<b>(321)</b>	<b>--</b>	<b>--</b>
Net change in fund balances	(41,123)	--	425	653
<b>Fund balances (deficit) - beginning</b>	<b>877,853</b>	<b>229,409</b>	<b>305,324</b>	<b>469,237</b>
<b>Fund balances (deficit) - ending</b>	<b>\$ 836,730</b>	<b>\$ 229,409</b>	<b>\$ 305,749</b>	<b>\$ 469,890</b>

<b>Capital Projects Funds</b>			
<b>2007 General Obligation Bonds</b>	<b>2009 Build America Bonds</b>	<b>2010 Stadium Bonds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ --	\$ --	\$ --	\$ 5,551,966
--	--	--	108,197
--	--	--	2,050,782
--	--	--	4,160,754
--	--	--	548,003
--	--	--	361,130
3,348	1,717	25	70,737
--	--	12,145	152,662
<u>3,348</u>	<u>1,717</u>	<u>12,170</u>	<u>13,004,231</u>
--	--	--	165,448
63,417	--	--	2,143,845
--	--	--	109,736
--	--	--	244,141
--	9,167	6,390	55,634
--	--	--	1,246,159
--	--	--	4,412,802
--	--	--	5,094,256
436,552	--	880	3,052,169
<u>499,969</u>	<u>9,167</u>	<u>7,270</u>	<u>16,524,190</u>
<u>(496,621)</u>	<u>(7,450)</u>	<u>4,900</u>	<u>(3,519,959)</u>
--	--	--	5,479,176
--	--	--	(1,692,284)
--	--	--	3,786,892
(496,621)	(7,450)	4,900	266,933
<u>2,596,166</u>	<u>1,235,777</u>	<u>(1,389)</u>	<u>27,898,895</u>
<u>\$ 2,099,545</u>	<u>\$ 1,228,327</u>	<u>\$ 3,511</u>	<u>\$ 28,165,828</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, 2013

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 250,000	\$ 887,875	\$ 1,116,651	\$ 228,776
Investment earnings	--	--	18,926	18,926
Miscellaneous	--	--	13,636	13,636
Total revenues	<u>250,000</u>	<u>887,875</u>	<u>1,149,213</u>	<u>261,338</u>
<b>Expenditures</b>				
Current:				
Economic environment	<u>303,082</u>	<u>2,635,174</u>	<u>901,967</u>	<u>1,733,207</u>
Total expenditures	<u>303,082</u>	<u>2,635,174</u>	<u>901,967</u>	<u>1,733,207</u>
Net change in fund balances	(53,082)	(1,747,299)	247,246	1,994,545
<b>Fund balances - beginning</b>	<u>1,824,731</u>	<u>1,824,731</u>	<u>1,824,731</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 1,771,649</u>	<u>\$ 77,432</u>	<u>\$ 2,071,977</u>	<u>\$ 1,994,545</u>

**City of Sarasota, Florida**

## Development Services Fund

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

Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Revenues</b>				
Licenses and permits	\$ 1,584,500	\$ 1,584,500	\$ 2,050,782	\$ 466,282
Charges for services	255,500	309,134	441,151	132,017
Investment earnings	20,000	20,000	3,275	(16,725)
Total revenues	<u>1,860,000</u>	<u>1,913,634</u>	<u>2,495,208</u>	<u>581,574</u>
<b>Expenditures</b>				
Current:				
General government	136,300	189,934	165,448	24,486
Public safety	1,834,141	1,844,141	1,868,422	(24,281)
Capital outlay:				
Public safety	2,340	2,340	1,621	719
Total expenditures	<u>1,972,781</u>	<u>2,036,415</u>	<u>2,035,491</u>	<u>924</u>
Excess (deficiency) of revenues over (under) expenditures	(112,781)	(122,781)	459,717	582,498
<b>Other financing uses</b>				
Transfers out	<u>(215,000)</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>--</u>
Net change in fund balances	(327,781)	(337,781)	244,717	582,498
<b>Fund balances - beginning</b>	<u>2,065,337</u>	<u>2,065,337</u>	<u>2,065,337</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 1,737,556</u>	<u>\$ 1,727,556</u>	<u>\$ 2,310,054</u>	<u>\$ 582,498</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 2,206,460	\$ 2,206,460	\$ 2,310,912	\$ 104,452
Investment earnings	--	--	8,483	8,483
Total revenues	<u>2,206,460</u>	<u>2,206,460</u>	<u>2,319,395</u>	<u>112,935</u>
<b>Expenditures</b>				
Current:				
Transportation	222,795	305,476	110,689	194,787
Capital outlay:				
Transportation	<u>1,551,346</u>	<u>6,208,453</u>	<u>631,150</u>	<u>5,577,303</u>
Total expenditures	<u>1,774,141</u>	<u>6,513,929</u>	<u>741,839</u>	<u>5,772,090</u>
Excess (deficiency) of revenues over (under) expenditures	432,319	(4,307,469)	1,577,556	5,885,025
<b>Other financing uses</b>				
Transfers out	<u>(867,566)</u>	<u>(867,566)</u>	<u>(876,049)</u>	<u>(8,483)</u>
Net change in fund balances	(435,247)	(5,175,035)	701,507	5,876,542
<b>Fund balances - beginning</b>	<u>5,977,105</u>	<u>5,977,105</u>	<u>5,977,105</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 5,541,858</u>	<u>\$ 802,070</u>	<u>\$ 6,678,612</u>	<u>\$ 5,876,542</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Revenues</b>				
Fines and forfeits	\$ --	\$ --	\$ 260,376	\$ 260,376
Investment earnings	--	--	470	470
Miscellaneous	--	--	33,062	33,062
Total revenues	<u>--</u>	<u>--</u>	<u>293,908</u>	<u>293,908</u>
<b>Expenditures</b>				
Current:				
Public safety	425	172,591	137,330	35,261
Capital outlay:				
Public safety	<u>24,752</u>	<u>52,202</u>	<u>31,959</u>	<u>20,243</u>
Total expenditures	<u>25,177</u>	<u>224,793</u>	<u>169,289</u>	<u>55,504</u>
Net change in fund balance	(25,177)	(224,793)	124,619	349,412
<b>Fund balances - beginning</b>	<u>291,357</u>	<u>291,357</u>	<u>291,357</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 266,180</u>	<u>\$ 66,564</u>	<u>\$ 415,976</u>	<u>\$ 349,412</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 50,000	\$ 50,000	\$ 50,140	\$ 140
Investment earnings	500	500	105	(395)
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>50,245</u>	<u>(255)</u>
<b>Expenditures</b>				
Current:				
Transportation	<u>50,000</u>	<u>125,000</u>	<u>108,097</u>	<u>16,903</u>
Total expenditures	<u>50,000</u>	<u>125,000</u>	<u>108,097</u>	<u>16,903</u>
Net change in fund balance	500	(74,500)	(57,852)	16,648
<b>Fund balances - beginning</b>	<u>94,959</u>	<u>94,959</u>	<u>94,959</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 95,459</u>	<u>\$ 20,459</u>	<u>\$ 37,107</u>	<u>\$ 16,648</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 162,500	\$ 162,500	\$ 63,589	\$ (98,911)
Intergovernmental	--	171,000	44,966	(126,034)
Investment earnings	--	--	4,090	4,090
Total revenues	<u>162,500</u>	<u>333,500</u>	<u>112,645</u>	<u>(220,855)</u>
<b>Expenditures</b>				
Current:				
Physical environment	<u>206,706</u>	<u>1,997,379</u>	<u>109,736</u>	<u>1,887,643</u>
Total expenditures	<u>206,706</u>	<u>1,997,379</u>	<u>109,736</u>	<u>1,887,643</u>
Excess (deficiency) of revenues over (under) expenditures	(44,206)	(1,663,879)	2,909	1,666,788
<b>Other financing uses</b>				
Transfers out	<u>--</u>	<u>--</u>	<u>(4,090)</u>	<u>(4,090)</u>
Net change in fund balances	(44,206)	(1,663,879)	(1,181)	1,662,698
<b>Fund balances - beginning</b>	<u>3,039,154</u>	<u>3,039,154</u>	<u>3,039,154</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 2,994,948</u>	<u>\$ 1,375,275</u>	<u>\$ 3,037,973</u>	<u>\$ 1,662,698</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 500,004	\$ 4,751,647	\$ 2,028,642	\$ (2,723,005)
Charges for services	--	--	8,583	8,583
Fines and forfeits	50,000	50,000	37,607	(12,393)
Investment earnings (loss)	100	100	(290)	(390)
Miscellaneous	--	56,120	80,224	24,104
Total revenues	<u>550,104</u>	<u>4,857,867</u>	<u>2,154,766</u>	<u>(2,703,101)</u>
<b>Expenditures</b>				
Current:				
Public safety	--	52,253	52,780	(527)
Culture and recreation	9,136	253,731	12,823	240,908
Economic environment	25,000	243,229	39,518	203,711
Capital outlay:				
Public safety	2,141	177,174	177,007	167
Physical environment	--	1,644,160	1,138,467	505,693
Transportation	--	1,119,686	7,149	1,112,537
Culture and recreation	--	1,707,467	195,449	1,512,018
Economic environment	--	2,779	2,580	199
Total expenditures	<u>36,277</u>	<u>5,200,479</u>	<u>1,625,773</u>	<u>3,574,706</u>
Excess (deficiency) of revenues over (under) expenditures	<u>513,827</u>	<u>(342,612)</u>	<u>528,993</u>	<u>871,605</u>
<b>Other financing sources (uses)</b>				
Transfers in	--	300,000	300,251	251
Transfers out	<u>(530,004)</u>	<u>(611,666)</u>	<u>(594,233)</u>	<u>17,433</u>
Total other financing sources (uses)	<u>(530,004)</u>	<u>(311,666)</u>	<u>(293,982)</u>	<u>17,684</u>
Net change in fund balances	(16,177)	(654,278)	235,011	889,289
<b>Fund balances - beginning</b>	<u>762,575</u>	<u>762,575</u>	<u>762,575</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 746,398</u>	<u>\$ 108,297</u>	<u>\$ 997,586</u>	<u>\$ 889,289</u>

**City of Sarasota, Florida**

Multi-Purpose Special Revenue Fund

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

Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 13,500	\$ 13,500	\$ 14,302	\$ 802
Intergovernmental	--	504,440	411,646	(92,794)
Charges for services	--	52,955	98,269	45,314
Fines and forfeits	25,000	25,000	63,147	38,147
Investment earnings	--	--	1,695	1,695
Miscellaneous	--	--	13,595	13,595
Total revenues	<u>38,500</u>	<u>595,895</u>	<u>602,654</u>	<u>6,759</u>
<b>Expenditures</b>				
Current:				
Public safety	--	23,911	21,896	2,015
Transportation	--	--	25,355	(25,355)
Culture and recreation	30,000	34,762	27,254	7,508
Economic environment	32,446	262,904	304,674	(41,770)
Capital outlay:				
Public safety	--	2,000	1,940	60
Transportation	7,058	562,898	386,292	176,606
Total expenditures	<u>69,504</u>	<u>886,475</u>	<u>767,411</u>	<u>119,064</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,004)</u>	<u>(290,580)</u>	<u>(164,757)</u>	<u>125,823</u>
<b>Other financing sources (uses)</b>				
Transfers out	--	--	(1,413)	(1,413)
Total other financing sources (uses)	--	--	(1,413)	(1,413)
Net change in fund balances	(31,004)	(290,580)	(166,170)	124,410
<b>Fund balances - beginning</b>	<u>1,144,288</u>	<u>1,144,288</u>	<u>1,144,288</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 1,113,284</u>	<u>\$ 853,708</u>	<u>\$ 978,118</u>	<u>\$ 124,410</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings	\$ 37,000	\$ 37,000	\$ 5,069	\$ (31,931)
Total revenues	<u>37,000</u>	<u>37,000</u>	<u>5,069</u>	<u>(31,931)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	475,189	475,189	475,189	-
Interest and other charges	<u>1,407,811</u>	<u>1,407,811</u>	<u>1,404,811</u>	<u>3,000</u>
Total expenditures	<u>1,883,000</u>	<u>1,883,000</u>	<u>1,880,000</u>	<u>3,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,846,000)	(1,846,000)	(1,874,931)	(28,931)
<b>Other financing sources</b>				
Transfers in	<u>1,513,000</u>	<u>1,513,000</u>	<u>1,513,000</u>	<u>--</u>
Net change in fund balances	(333,000)	(333,000)	(361,931)	(28,931)
<b>Fund balances - beginning</b>	<u>4,933,062</u>	<u>4,933,062</u>	<u>4,933,062</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 4,600,062</u>	<u>\$ 4,600,062</u>	<u>\$ 4,571,131</u>	<u>\$ (28,931)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 2,827,300	\$ 2,827,300	\$ 2,839,777	\$ 12,477
Investment earnings (loss)	11,000	11,000	(1,090)	(12,090)
Total revenues	<u>2,838,300</u>	<u>2,838,300</u>	<u>2,838,687</u>	<u>\$ 387</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	930,000	1,269,909	930,000	339,909
Interest and other charges	<u>1,901,294</u>	<u>1,906,094</u>	<u>1,899,044</u>	<u>7,050</u>
Total expenditures	<u>2,831,294</u>	<u>3,176,003</u>	<u>2,829,044</u>	<u>346,959</u>
Net change in fund balances	7,006	(337,703)	9,643	347,346
<b>Fund balance - beginning</b>	<u>678,958</u>	<u>678,958</u>	<u>678,958</u>	<u>--</u>
<b>Fund balance - ending</b>	<u>\$ 685,964</u>	<u>\$ 341,255</u>	<u>\$ 688,601</u>	<u>\$ 347,346</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 273,000	\$ 273,000	\$ 273,246	\$ 246
Investment earnings	2,000	2,000	732	(1,268)
Total revenues	<u>275,000</u>	<u>275,000</u>	<u>273,978</u>	<u>(1,022)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	150,860	150,860	150,859	1
Interest and other charges	134,170	134,170	131,320	2,850
Total expenditures	<u>285,030</u>	<u>285,030</u>	<u>282,179</u>	<u>2,851</u>
Excess of revenues over expenditures	(10,030)	(10,030)	(8,201)	1,829
<b>Fund balances - beginning</b>	<u>241,544</u>	<u>241,544</u>	<u>241,544</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 231,514</u>	<u>\$ 231,514</u>	<u>\$ 233,343</u>	<u>\$ 1,829</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 341,930	\$ 341,930	\$ 341,929	\$ (1)
Investment earnings (loss)	--	--	14,887	14,887
Total revenues	<u>341,930</u>	<u>341,930</u>	<u>356,816</u>	<u>14,886</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	1,491,754	1,491,754	1,491,754	--
Interest and other charges	976,941	976,941	976,941	--
Total expenditures	<u>2,468,695</u>	<u>2,468,695</u>	<u>2,468,695</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(2,126,765)	(2,126,765)	(2,111,879)	14,886
<b>Other financing sources</b>				
Transfers in	<u>2,126,766</u>	<u>2,126,766</u>	<u>2,126,766</u>	<u>--</u>
Net change in fund balances	1	1	14,887	14,886
<b>Fund balances - beginning</b>	<u>(14,274)</u>	<u>(14,274)</u>	<u>(14,274)</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ (14,273)</u>	<u>\$ (14,273)</u>	<u>\$ 613</u>	<u>\$ 14,886</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 226,736	\$ 226,736	\$ 216,920	\$ (9,816)
Investment earnings	1,500	1,500	872	(628)
Total revenues	<u>228,236</u>	<u>228,236</u>	<u>217,792</u>	<u>(10,444)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	220,000	220,000	220,000	--
Interest and other charges	<u>503,857</u>	<u>503,857</u>	<u>503,856</u>	<u>1</u>
Total expenditures	<u>723,857</u>	<u>723,857</u>	<u>723,856</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(495,621)	(495,621)	(506,064)	(10,443)
<b>Other financing sources</b>				
Transfers in	<u>500,004</u>	<u>500,004</u>	<u>500,004</u>	<u>--</u>
Net change in fund balances	4,383	4,383	(6,060)	(10,443)
<b>Fund balances - beginning</b>	<u>542,144</u>	<u>542,144</u>	<u>542,144</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 546,527</u>	<u>\$ 546,527</u>	<u>\$ 536,084</u>	<u>\$ (10,443)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special assessments	\$ 100,000	\$ 100,000	\$ 100,321	\$ 321
Investment earnings	1,500	1,500	69	(1,431)
Total revenues	<u>101,500</u>	<u>101,500</u>	<u>100,390</u>	<u>(1,110)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	115,000	115,000	115,000	--
Interest and other charges	<u>29,175</u>	<u>29,175</u>	<u>27,431</u>	<u>1,744</u>
Total expenditures	<u>144,175</u>	<u>144,175</u>	<u>142,431</u>	<u>1,744</u>
Net change in fund balances	(42,675)	(42,675)	(42,041)	634
<b>Fund balances - beginning</b>	<u>141,826</u>	<u>141,826</u>	<u>141,826</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 99,151</u>	<u>\$ 99,151</u>	<u>\$ 99,785</u>	<u>\$ 634</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Investment earnings (loss)	\$ 2,500	\$ 2,500	\$ (173)	\$ (2,673)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>(173)</u>	<u>(2,673)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	435,000	435,000	435,000	--
Interest and other charges	<u>71,555</u>	<u>71,555</u>	<u>71,010</u>	<u>545</u>
Total expenditures	<u>506,555</u>	<u>506,555</u>	<u>506,010</u>	<u>545</u>
Excess (deficiency) of revenues over (under) expenditures	(504,055)	(504,055)	(506,183)	(2,128)
<b>Other financing sources</b>				
Transfers in	<u>369,555</u>	<u>369,555</u>	<u>369,555</u>	<u>--</u>
Net change in fund balances	(134,500)	(134,500)	(136,628)	(2,128)
<b>Fund balances - beginning</b>	<u>229,810</u>	<u>229,810</u>	<u>229,810</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 95,310</u>	<u>\$ 95,310</u>	<u>\$ 93,182</u>	<u>\$ (2,128)</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, 2013

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Investment earnings	\$ 2,500	\$ 2,500	\$ 52	\$ (2,448)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>52</u>	<u>(2,448)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	595,000	595,000	595,000	--
Interest and other charges	<u>74,600</u>	<u>74,600</u>	<u>74,600</u>	<u>--</u>
Total expenditures	<u>669,600</u>	<u>669,600</u>	<u>669,600</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(667,100)	(667,100)	(669,548)	(2,448)
<b>Other financing sources</b>				
Transfers in	<u>669,600</u>	<u>669,600</u>	<u>669,600</u>	<u>--</u>
Net change in fund balances	2,500	2,500	52	(2,448)
<b>Fund balances - beginning</b>	<u>378,029</u>	<u>378,029</u>	<u>378,029</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ 380,529</u>	<u>\$ 380,529</u>	<u>\$ 378,081</u>	<u>\$ (2,448)</u>

**City of Sarasota, Florida**

Glen Oaks Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year Ended September 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Special assessments	\$ 12,767	\$ 14,544	\$ 7,876	\$ (6,668)
Investment earnings	--	--	5,898	(5,898)
Total revenues	<u>12,767</u>	<u>14,544</u>	<u>13,774</u>	<u>(770)</u>
<b>Expenditures</b>				
Debt service:				
Principal payments	6,233	8,010	--	8,010
Interest and other charges	<u>5,848</u>	<u>5,848</u>	<u>5,243</u>	<u>605</u>
Total expenditures	<u>12,081</u>	<u>13,858</u>	<u>5,243</u>	<u>8,615</u>
Excess (deficiency) of revenues over (under) expenditures	686	686	8,531	7,845
<b>Fund balances - beginning</b>	<u>(144,087)</u>	<u>(144,087)</u>	<u>(144,087)</u>	<u>--</u>
<b>Fund balances - ending</b>	<u>\$ (143,401)</u>	<u>\$ (143,401)</u>	<u>\$ (135,556)</u>	<u>\$ 7,845</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.

**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 Position  
 September 30, 2013

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Parking Management</b>	<b>Total</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 305,010	\$ 25,053	\$ 27,927	\$ 357,990
Investments	1,132,272	93,001	103,671	1,328,944
Receivables (net):				
Accounts	7,621	--	15,000	22,621
Interest	2,990	127	--	3,117
Due from other governmental agencies	5,666	553	6	6,225
Inventories	40,943	489	--	41,432
Prepaid items	6,344	15,479	34,703	56,526
Total current assets	<u>1,500,846</u>	<u>134,702</u>	<u>181,307</u>	<u>1,816,855</u>
Noncurrent assets:				
Capital assets				
Land	910,000	175,000	4,601,553	5,686,553
Buildings	1,140,103	1,981,545	10,741,395	13,863,043
Improvements	5,445,714	347,757	4,417,856	10,211,327
Equipment	522,799	61,231	481,616	1,065,646
Construction in progress	25,813	--	--	25,813
Less accumulated depreciation	<u>(4,858,512)</u>	<u>(2,220,517)</u>	<u>(2,249,136)</u>	<u>(9,328,165)</u>
Total capital assets (net of accumulated depreciation)	<u>3,185,917</u>	<u>345,016</u>	<u>17,993,284</u>	<u>21,524,217</u>
Total assets	<u>4,686,763</u>	<u>479,718</u>	<u>18,174,591</u>	<u>23,341,072</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	10,045	5,186	19,441	34,672
Interest payable	--	--	586	586
Accrued wages	16,211	5,199	10,203	31,613
Compensated absences	33,833	9,827	10,703	54,363
Unearned revenue	44,434	49,497	--	93,931
Total current liabilities	<u>104,523</u>	<u>69,709</u>	<u>40,933</u>	<u>215,165</u>
Noncurrent liabilities:				
Compensated absences	28,820	8,371	9,118	46,309
Other post-employment benefits	48,491	17,111	33,846	99,448
Total noncurrent liabilities	<u>77,311</u>	<u>25,482</u>	<u>42,964</u>	<u>145,757</u>
Total liabilities	<u>181,834</u>	<u>95,191</u>	<u>83,897</u>	<u>360,922</u>
<b>Net Position</b>				
Net investment in capital assets	3,185,917	345,016	17,993,284	21,524,217
Unrestricted	1,319,012	39,511	97,410	1,455,933
Total net position	<u>\$ 4,504,929</u>	<u>\$ 384,527</u>	<u>\$ 18,090,694</u>	<u>\$ 22,980,150</u>

**City of Sarasota, Florida**  
Nonmajor Enterprise Funds  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended September 30, 2013

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Parking Management</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$ 2,349,608	\$ 128,977	\$ 1,403	\$ 2,479,988
Rents	24,072	294,346	21,436	339,854
Fines	--	--	452,281	452,281
Miscellaneous	8,692	866	381	9,939
<b>Total operating revenues</b>	<b>2,382,372</b>	<b>424,189</b>	<b>475,501</b>	<b>3,282,062</b>
<b>Operating expenses:</b>				
Personal services	648,585	244,960	475,362	1,368,907
Contractual services	380,126	186,941	275,512	842,579
Repairs and maintenance	1,380,848	6,661	81,347	1,468,856
Supplies and materials	104,888	17,512	27,028	149,428
Depreciation	183,786	59,954	49,130	292,870
<b>Total operating expenses</b>	<b>2,698,233</b>	<b>516,028</b>	<b>908,379</b>	<b>4,122,640</b>
<b>Operating income (loss)</b>	<b>(315,861)</b>	<b>(91,839)</b>	<b>(432,878)</b>	<b>(840,578)</b>
<b>Nonoperating revenues:</b>				
Investment earnings (loss)	1,757	105	(191)	1,671
Gain (loss) on disposition of capital assets	4,312	--	--	4,312
<b>Total nonoperating revenues</b>	<b>6,069</b>	<b>105</b>	<b>(191)</b>	<b>5,983</b>
<b>Income (loss) before transfers and special items</b>	<b>(309,792)</b>	<b>(91,734)</b>	<b>(433,069)</b>	<b>(834,595)</b>
Capital contributions	--	--	15,978,764	15,978,764
Transfers in	--	59,234	475,000	534,234
Transfers out	(9,901)	(2,692)	--	(12,593)
<b>Change in net position</b>	<b>(319,693)</b>	<b>(35,192)</b>	<b>16,020,695</b>	<b>15,665,810</b>
<b>Total net position - beginning</b>	<b>4,824,622</b>	<b>419,719</b>	<b>2,069,999</b>	<b>7,314,340</b>
<b>Total net position - ending</b>	<b>\$ 4,504,929</b>	<b>\$ 384,527</b>	<b>\$ 18,090,694</b>	<b>\$ 22,980,150</b>

**City of Sarasota, Florida**  
 Nonmajor Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Year Ended September 30, 2013

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Parking Management</b>	<b>Total</b>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 2,372,103	\$ 426,069	\$ 468,918	\$ 3,267,090
Cash payments to vendors for goods and services	(1,722,499)	(148,289)	(284,769)	(2,155,557)
Cash payments to employees for services	(643,921)	(244,894)	(477,997)	(1,366,812)
Cash payments to other funds	(143,354)	(63,882)	(100,000)	(307,236)
Net cash provided (used) by operating activities	(137,671)	(30,996)	(393,848)	(562,515)
<b>Cash flows from noncapital financing activities</b>				
Transfers in	--	59,234	475,000	534,234
Transfers out	(9,901)	(2,692)	--	(12,593)
Net cash provided (used) by noncapital financing activities	(9,901)	56,542	475,000	521,641
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(90,592)	(4,461)	(3,620)	(98,673)
Proceeds from sale of capital assets	4,312	--	--	4,312
Net cash provided (used) by capital and related financing activities	(86,280)	(4,461)	(3,620)	(94,361)
<b>Cash flows from investing activities</b>				
Interest on investments	1,647	138	118	1,903
Proceeds from sale and maturities of investments	227,317	--	--	227,317
Purchase of investments	--	(14,144)	(59,737)	(73,881)
Net cash provided by investing activities	228,964	(14,006)	(59,619)	155,339
Net increase (decrease) in cash and cash equivalents	(4,888)	7,079	17,913	20,104
Cash and cash equivalents at beginning of year	309,898	17,974	10,014	337,886
Cash and cash equivalents at end of year	\$ 305,010	\$ 25,053	\$ 27,927	\$ 357,990

	<b>Bobby Jones Golf Course</b>	<b>Municipal Auditoriums</b>	<b>Parking Management</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ (315,861)	\$ (91,839)	\$ (432,878)	\$ (840,578)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	183,786	59,954	49,130	292,870
Net (increase) decrease in:				
Accounts receivable	(3,329)	--	--	(3,329)
Due from other governmental agencies	(3,345)	(553)	(6)	(3,904)
Inventories	4,327	158	--	4,485
Prepaid items	2,692	(392)	(3,056)	(756)
Net increase (decrease) in:				
Accounts payable	(3,665)	(234)	6,369	2,470
Due to other governmental agencies	--	(589)	(4,189)	(4,778)
Accrued wages	2,148	312	(634)	1,826
Compensated absences	501	(759)	(1,226)	(1,484)
Unearned revenue	(6,940)	2,433	(6,583)	(11,090)
Other post-employment benefits	2,015	513	(775)	1,753
Total adjustments	178,190	60,843	39,030	278,063
Net cash provided (used) by operating activities	<u>\$ (137,671)</u>	<u>\$ (30,996)</u>	<u>\$ (393,848)</u>	<u>\$ (562,515)</u>
<b>Noncash investing, capital, and financing activities</b>				
Capital assets transferred from other funds	\$ --	\$ --	\$ 15,978,764	\$ 15,978,764

**City of Sarasota, Florida**  
 Water and Sewer System Enterprise Fund  
 Combining Statement of Net Position  
 September 30, 2013

	<b>Revenue Account</b>	<b>Interest &amp; Sinking Accounts</b>	<b>Renewal Replacement &amp; Improvement Account</b>	<b>General Reserve Account</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 55,100	\$ --	\$ 4,912,132	\$ 4,006,476
Investments	204,547	--	18,235,061	14,873,039
Receivables (net):				
Accounts	3,290,093	--	--	--
Interest	1,052	--	43,712	35,352
Inventories	--	--	--	--
Prepaid items	233,469	--	--	--
Total unrestricted current assets	<u>3,784,261</u>	<u>--</u>	<u>23,190,905</u>	<u>18,914,867</u>
Restricted current assets:				
Cash and cash equivalents	221,262	702,584	--	--
Cash with fiscal agents	--	4,714,037	--	--
Investments	821,382	2,608,166	--	--
Accrued interest receivable	1,995	15,031	--	--
Prepaid items	--	3,505	--	--
Total restricted current assets	<u>1,044,639</u>	<u>8,043,323</u>	<u>--</u>	<u>--</u>
Total current assets	<u>4,828,900</u>	<u>8,043,323</u>	<u>23,190,905</u>	<u>18,914,867</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable:				
Land	6,040,560	--	--	--
Construction in progress	--	--	3,597,227	5,518,101
Depreciable:				
Buildings	25,132,252	--	--	--
Utility systems	237,202,417	--	--	--
Equipment	1,170,293	--	7,196,760	420,277
Less accumulated depreciation	(159,199,736)	--	(6,131,078)	(128,860)
Total capital assets (net of accumulated depreciation)	<u>110,345,786</u>	<u>--</u>	<u>4,662,909</u>	<u>5,809,518</u>
Other assets:				
Prepaid items	--	17,384	--	--
Total other assets	<u>--</u>	<u>17,384</u>	<u>--</u>	<u>--</u>
Total noncurrent assets	<u>110,345,786</u>	<u>17,384</u>	<u>4,662,909</u>	<u>5,809,518</u>
Total assets	<u>115,174,686</u>	<u>8,060,707</u>	<u>27,853,814</u>	<u>24,724,385</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	--	598,115	--	--
Total deferred outflows of resources	<u>\$ --</u>	<u>\$ 598,115</u>	<u>\$ --</u>	<u>\$ --</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ --	\$ 8,973,708
--	--	33,312,647
--	--	3,290,093
--	--	80,116
--	74,595	74,595
--	1,508	234,977
<u>--</u>	<u>76,103</u>	<u>45,966,136</u>
3,054,992	--	3,978,838
--	--	4,714,037
11,340,895	--	14,770,443
27,764	--	44,790
--	--	3,505
<u>14,423,651</u>	<u>--</u>	<u>23,511,613</u>
<u>14,423,651</u>	<u>76,103</u>	<u>69,477,749</u>
--	--	6,040,560
30,509,831	--	39,625,159
--	--	25,132,252
--	--	237,202,417
195,633	34,661	9,017,624
<u>(179,888)</u>	<u>(34,661)</u>	<u>(165,674,223)</u>
<u>30,525,576</u>	<u>--</u>	<u>151,343,789</u>
--	--	17,384
--	--	17,384
<u>30,525,576</u>	<u>--</u>	<u>151,361,173</u>
<u>44,949,227</u>	<u>76,103</u>	<u>220,838,922</u>
--	--	598,115
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 598,115</u>

(continued)

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

	<u>Revenue Account</u>	<u>Interest &amp; Sinking Account</u>	<u>Renewal Replacement &amp; Improvement Account</u>	<u>General Reserve Account</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	\$ 391,413	\$ --	\$ 257,336	\$ 765,632
Retainages payable	--	--	--	137,556
Due to other governmental agencies	--	--	532	--
Interfund payables	--	--	--	--
Accrued interest payable	--	--	--	--
Accrued wages	177,926	--	70,028	--
Compensated absences	309,897	--	62,365	--
Unearned revenue	310,179	--	--	--
Total unrestricted current liabilities	<u>1,189,415</u>	<u>--</u>	<u>390,261</u>	<u>903,188</u>
Current liabilities payable from restricted assets:				
Accounts payable	--	--	--	--
Retainages payable	--	--	--	--
Accrued interest payable	--	1,464,037	--	--
Customer deposits	1,044,623	--	--	--
Revenue bonds & loans payable - current	--	3,250,000	--	--
Total current liabilities payable from restricted assets	<u>1,044,623</u>	<u>4,714,037</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>2,234,038</u>	<u>4,714,037</u>	<u>390,261</u>	<u>903,188</u>
Noncurrent liabilities:				
Compensated absences	263,986	--	53,125	--
Other post-employment benefits	537,303	--	217,649	--
Revenue bonds, loans payable and unamortized premium less current maturities	--	59,563,590	--	--
Total noncurrent liabilities	<u>801,289</u>	<u>59,563,590</u>	<u>270,774</u>	<u>--</u>
Total liabilities	<u>3,035,327</u>	<u>64,277,627</u>	<u>661,035</u>	<u>903,188</u>
<b>Net Position</b>				
Net investment in capital assets	110,345,786	(55,057,241)	4,662,909	5,809,518
Restricted:				
Debt service	--	6,575,781	--	--
Construction	--	(7,137,345)	--	--
Unrestricted	1,793,573	--	22,529,870	18,011,679
Total net position	<u>\$ 112,139,359</u>	<u>\$ (55,618,805)</u>	<u>\$ 27,192,779</u>	<u>\$ 23,821,197</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ 44,560	\$ 1,458,941
--	--	137,556
--	--	532
--	7,412	7,412
--	184	184
--	1,076	249,030
--	495	372,757
--	--	310,179
<u>--</u>	<u>53,727</u>	<u>2,536,591</u>
772,901	--	772,901
347,991	--	347,991
--	--	1,464,037
--	--	1,044,623
<u>--</u>	<u>--</u>	<u>3,250,000</u>
<u>1,120,892</u>	<u>--</u>	<u>6,879,552</u>
<u>1,120,892</u>	<u>53,727</u>	<u>9,416,143</u>
--	421	317,532
--	2,884	757,836
<u>--</u>	<u>--</u>	<u>59,563,590</u>
<u>--</u>	<u>3,305</u>	<u>60,638,958</u>
<u>1,120,892</u>	<u>57,032</u>	<u>70,055,101</u>
30,525,576	--	96,286,548
--	--	6,575,781
13,302,759	--	6,165,414
<u>--</u>	<u>19,071</u>	<u>42,354,193</u>
<u>\$ 43,828,335</u>	<u>\$ 19,071</u>	<u>\$ 151,381,936</u>

**City of Sarasota, Florida**  
Water and Sewer System Enterprise Fund  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended September 30, 2013

	<u>Revenue Account</u>	<u>Interest &amp; Sinking Accounts</u>	<u>Renewal Replacement &amp; Improvement Account</u>	<u>General Reserve Account</u>
<b>Operating revenues</b>				
Charges for services				
Water sales	\$ 16,577,720	\$ --	\$ --	\$ --
Sewer collection fees	20,671,193	--	--	--
Connection fees	--	--	--	77,303
Reconnection fees	149,545	--	--	--
Other	--	--	--	--
Rents	20,158	--	--	--
Miscellaneous	986	--	--	--
Total operating revenues	<u>37,419,602</u>	<u>--</u>	<u>--</u>	<u>77,303</u>
<b>Operating expenses</b>				
Personal services	9,666,066	--	--	--
Contractual services	5,683,642	--	623,701	--
Repairs and maintenance	1,156,191	--	1,102,638	6,180
Supplies and materials	2,358,102	--	--	--
Depreciation	7,367,135	--	385,883	92,549
Other	33,000	--	--	--
Total operating expenses	<u>26,264,136</u>	<u>--</u>	<u>2,112,222</u>	<u>98,729</u>
Operating income (loss)	<u>11,155,466</u>	<u>--</u>	<u>(2,112,222)</u>	<u>(21,426)</u>
<b>Nonoperating revenues (expenses)</b>				
Investment earnings (loss)	77,992	11,300	31,767	25,449
Interest expense	--	(687,016)	--	--
Loan and bond issue expense	--	(12,754)	--	--
Gain (loss) on disposition of capital assets	--	--	49,695	(209,857)
Total nonoperating revenues (expenses)	<u>77,992</u>	<u>(688,470)</u>	<u>81,462</u>	<u>(184,408)</u>
Income (loss) before capital contributions and transfers	11,233,458	(688,470)	(2,030,760)	(205,834)
Transfers in	--	3,990,499	4,044,130	6,456,391
Transfers out	(4,945,900)	--	--	--
Change in net position	6,287,558	3,302,029	2,013,370	6,250,557
<b>Total net position - beginning, restated</b>	<u>105,851,801</u>	<u>(58,920,834)</u>	<u>25,179,409</u>	<u>17,570,640</u>
<b>Total net position - ending</b>	<u>\$ 112,139,359</u>	<u>\$ (55,618,805)</u>	<u>\$ 27,192,779</u>	<u>\$ 23,821,197</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Eliminations</u>	<u>Totals</u>
\$ --	\$ --	\$ --	\$ 16,577,720
--	--	--	20,671,193
--	--	--	77,303
--	--	--	149,545
--	1,118,747	(1,118,747)	--
--	--	--	20,158
--	--	--	986
<u>--</u>	<u>1,118,747</u>	<u>(1,118,747)</u>	<u>37,496,905</u>
--	40,654	--	9,706,720
--	47,235	--	6,354,578
38,824	433	--	2,304,266
--	1,032,942	(1,118,747)	2,272,297
27,947	--	--	7,873,514
--	--	--	33,000
<u>66,771</u>	<u>1,121,264</u>	<u>(1,118,747)</u>	<u>28,544,375</u>
<u>(66,771)</u>	<u>(2,517)</u>	<u>--</u>	<u>8,952,530</u>
2,096	(29)	--	148,575
--	--	--	(687,016)
--	--	--	(12,754)
<u>(306,014)</u>	<u>--</u>	<u>--</u>	<u>(466,176)</u>
<u>(303,918)</u>	<u>(29)</u>	<u>--</u>	<u>(1,017,371)</u>
(370,689)	(2,546)	--	7,935,159
--	--	(14,491,020)	--
<u>(9,603,848)</u>	<u>(318)</u>	<u>14,491,020</u>	<u>(59,046)</u>
(9,974,537)	(2,864)	--	7,876,113
<u>53,802,872</u>	<u>21,935</u>	<u>--</u>	<u>143,505,823</u>
<u>\$ 43,828,335</u>	<u>\$ 19,071</u>	<u>\$ --</u>	<u>\$ 151,381,936</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 Position  
September 30, 2013

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ --	\$ 212,353	\$ 3,684,961	\$ 662,169	\$ 4,559,483
Investments	--	788,309	13,679,493	2,458,136	16,925,938
Receivables (net):					
Accounts	15,313	--	--	--	15,313
Interest	--	1,865	32,916	5,926	40,707
Due from other funds	--	--	44,593	--	44,593
Due from other					
governmental agencies	4,197	--	--	--	4,197
Inventories	157,120	--	--	--	157,120
Prepaid items	3,535	24,522	2,401	--	30,458
Total current assets	<u>180,165</u>	<u>1,027,049</u>	<u>17,444,364</u>	<u>3,126,231</u>	<u>21,777,809</u>
Noncurrent assets:					
Advance to other funds	--	--	174,036	--	174,036
Capital assets:					
Improvements	897,650	293,109	258,962	1,306,974	2,756,695
Equipment	331,339	2,529,490	52,042	7,528,141	10,441,012
Construction in progress	--	10,290	--	9,120	19,410
Less accumulated depreciation	(689,598)	(2,411,647)	(64,951)	(6,043,283)	(9,209,479)
Total capital assets (net of accumulated depreciation)	<u>539,391</u>	<u>421,242</u>	<u>246,053</u>	<u>2,800,952</u>	<u>4,007,638</u>
Total noncurrent assets	<u>539,391</u>	<u>421,242</u>	<u>420,089</u>	<u>2,800,952</u>	<u>4,181,674</u>
Total assets	<u>719,556</u>	<u>1,448,291</u>	<u>17,864,453</u>	<u>5,927,183</u>	<u>25,959,483</u>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	131,191	43,802	98,996	1,772	275,761
Due to other funds	39,356	--	--	--	39,356
Interfund payables	23,584	--	--	--	23,584
Interest payable	357	--	--	--	357
Liability for unpaid claims	--	--	2,719,884	--	2,719,884
Accrued wages	14,696	24,172	--	--	38,868
Compensated absences	25,918	45,383	2,415,954	--	2,487,255
Total current liabilities	<u>235,102</u>	<u>113,357</u>	<u>5,234,834</u>	<u>1,772</u>	<u>5,585,065</u>
Noncurrent liabilities:					
Advance from other funds	40,755	--	--	--	40,755
Compensated absences	22,078	38,660	2,058,035	--	2,118,773
Other post-employment benefits	43,419	70,784	--	--	114,203
Total noncurrent liabilities	<u>106,252</u>	<u>109,444</u>	<u>2,058,035</u>	<u>--</u>	<u>2,273,731</u>
Total liabilities	<u>341,354</u>	<u>222,801</u>	<u>7,292,869</u>	<u>1,772</u>	<u>7,858,796</u>
<b>Net Position</b>					
Net investment in capital assets	539,391	421,242	246,053	2,800,952	4,007,638
Unrestricted	(161,189)	804,248	10,325,531	3,124,459	14,093,049
Total net position	<u>\$ 378,202</u>	<u>\$ 1,225,490</u>	<u>\$ 10,571,584</u>	<u>\$ 5,925,411</u>	<u>\$ 18,100,687</u>

**City of Sarasota, Florida**  
 Internal Service Funds  
 Combining Statement of Revenues, Expenses, and Changes in Net Position  
 Year Ended September 30, 2013

	<b>Equipment Maintenance</b>	<b>Information Technology</b>	<b>General Benefits and Insurance</b>	<b>Equipment Replacement</b>	<b>Total</b>
<b>Operating revenues</b>					
Charges for services	\$ 2,755,674	\$ 1,900,000	\$ 8,664,656	\$ 538,262	\$ 13,858,592
Miscellaneous	50,413	567	55,158	119,659	225,797
Total operating revenues	<u>2,806,087</u>	<u>1,900,567</u>	<u>8,719,814</u>	<u>657,921</u>	<u>14,084,389</u>
<b>Operating expenses</b>					
Personal services	688,122	981,478	2,456,958	--	4,126,558
Contractual services	261,082	166,591	7,071,055	1,902	7,500,630
Repairs and maintenance	57,497	368,095	7,370	--	432,962
Supplies and materials	1,729,872	11,490	51,791	--	1,793,153
Depreciation	56,178	277,966	23,880	605,474	963,498
Total operating expenses	<u>2,792,751</u>	<u>1,805,620</u>	<u>9,611,054</u>	<u>607,376</u>	<u>14,816,801</u>
Operating income (loss)	<u>13,336</u>	<u>94,947</u>	<u>(891,240)</u>	<u>50,545</u>	<u>(732,412)</u>
<b>Nonoperating revenues (expenses)</b>					
Investment earnings (loss)	(279)	1,374	33,110	4,211	38,416
Interest expense	(3,528)	--	--	--	(3,528)
Gain (loss) on disposition of capital assets	46	903	--	44,162	45,111
Total nonoperating revenues (expenses)	<u>(3,761)</u>	<u>2,277</u>	<u>33,110</u>	<u>48,373</u>	<u>79,999</u>
Income (loss) before transfers	9,575	97,224	(858,130)	98,918	(652,413)
Transfers out	(597)	--	(256,368)	--	(256,965)
Change in net position	8,978	97,224	(1,114,498)	98,918	(909,378)
<b>Total net position - beginning</b>	<u>369,224</u>	<u>1,128,266</u>	<u>11,686,082</u>	<u>5,826,493</u>	<u>19,010,065</u>
<b>Total net position - ending</b>	<u>\$ 378,202</u>	<u>\$ 1,225,490</u>	<u>\$ 10,571,584</u>	<u>\$ 5,925,411</u>	<u>\$ 18,100,687</u>

**City of Sarasota, Florida**  
Internal Service Funds  
Combining Statement of Cash Flows  
Year Ended September 30, 2013

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Cash flows from operating activities</b>					
Cash received from customers and users	\$ 25,545	\$ 567	\$ 1,278,370	\$ 121,346	\$ 1,425,828
Cash received from other funds for goods and services	2,771,036	1,900,000	7,441,444	538,262	12,650,742
Cash payments to vendors for goods and services	(1,823,460)	(605,989)	(1,725,411)	--	(4,154,860)
Cash payments to employees for services	(679,148)	(984,951)	(2,544,844)	--	(4,208,943)
Cash payments to other funds	(194,860)	--	(200,441)	(1,817)	(397,118)
Claims paid	--	--	(5,432,237)	--	(5,432,237)
Net cash provided (used) by operating activities	<u>99,113</u>	<u>309,627</u>	<u>(1,183,119)</u>	<u>657,791</u>	<u>(116,588)</u>
<b>Cash flows from noncapital financing activities</b>					
Interfund loan repayments	(44,311)	--	--	--	(44,311)
Transfers out	(597)	--	(250,000)	--	(250,597)
Repayment of loan to/from other fund	(38,004)	--	45,880	--	7,876
Interest on loan to/from other fund	(3,528)	--	8,771	--	5,243
Net cash provided (used) by noncapital financing activities	<u>(86,440)</u>	<u>--</u>	<u>(195,349)</u>	<u>--</u>	<u>(281,789)</u>
<b>Cash flows from capital and related financing activities</b>					
Acquisition of capital assets	(12,554)	(107,729)	(35,586)	(323,491)	(479,360)
Proceeds from sale of capital assets	46	903	--	44,162	45,111
Net cash provided (used) in capital and related financing activities	<u>(12,508)</u>	<u>(106,826)</u>	<u>(35,586)</u>	<u>(279,329)</u>	<u>(434,249)</u>
<b>Cash flows from investing activities</b>					
Interest on investments	(165)	728	6,841	2,662	10,066
Proceeds from sale and maturities of investments	--	--	1,607,688	--	1,607,688
Purchase of investments	--	(139,144)	--	(227,415)	(366,559)
Net cash provided (used) by investing activities	<u>(165)</u>	<u>(138,416)</u>	<u>1,614,529</u>	<u>(224,753)</u>	<u>1,251,195</u>
Net increase (decrease) in cash and cash equivalents	--	64,385	200,475	153,709	418,569
Cash and cash equivalents at beginning of year	--	147,968	3,484,486	508,460	4,140,914
Cash and cash equivalents at end of year	<u>\$ --</u>	<u>\$ 212,353</u>	<u>\$ 3,684,961</u>	<u>\$ 662,169</u>	<u>\$ 4,559,483</u>

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 13,336	\$ 94,947	\$ (891,240)	\$ 50,545	\$ (732,412)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	56,178	277,966	23,880	605,474	963,498
Net (increase) decrease in:					
Accounts receivable	(9,506)	--	--	--	(9,506)
Due from other governmental agencies	(250)	--	--	--	(250)
Inventories	49,004	--	--	--	49,004
Prepaid items	1,497	(13,760)	884	--	(11,379)
Net increase (decrease) in:					
Accounts payable	(20,120)	(46,053)	(181,767)	1,772	(246,168)
Liability for unpaid claims	--	--	(46,990)	--	(46,990)
Accrued wages	1,315	(1,249)	--	--	66
Compensated absences	5,252	(10,199)	(87,886)	--	(92,833)
Other post-employment benefits	2,407	7,975	--	--	10,382
Total adjustments	<u>85,777</u>	<u>214,680</u>	<u>(291,879)</u>	<u>607,246</u>	<u>615,824</u>
Net cash provided (used) by operating activities	<u>\$ 99,113</u>	<u>\$ 309,627</u>	<u>\$ (1,183,119)</u>	<u>\$ 657,791</u>	<u>\$ (116,588)</u>
<b>Noncash investing, capital, and financing activities</b>					
None					



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# Fiduciary Funds

## Trust Funds

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

### Pension Trust Funds

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

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

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

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

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

### Agency Funds

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

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

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

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

**City of Sarasota, Florida**

Fiduciary Funds

Combining Statement of Plan Net Position

September 30, 2013

	Pension Trust Funds					Total
	General Employees' Defined Benefit Pension	Police Officers' Defined Benefit Pension	Firefighters' Defined Benefit Pension	General Employees' Defined Contribution Retirement	Other Post-Employment Benefits (OPEB)	
<b>Assets</b>						
Cash and cash equivalents	\$ 549,769	\$ 879,474	\$ 1,074,225	\$ 119,657	\$ 674,252	\$ 3,297,377
Investments:						
Money market funds	3,096,823	1,180,786	3,021,330	--	1,445,769	8,744,708
U.S. Government securities	11,922,346	--	5,182,290	--	2,531,348	19,635,984
U.S. Government agency securities	13,361,360	--	1,181,713	--	4,950,457	19,493,530
Common and preferred stock	70,774,091	77,876,360	78,113,678	--	18,997,863	245,761,992
Corporate bonds and notes	8,080,787	12,681,053	18,431,230	--	--	39,193,070
Domestic mutual funds	--	168,952	--	1,226,468	--	1,395,420
Bond mutual funds	--	40,266,724	--	1,021,062	--	41,287,786
Real estate mutual funds	--	19,923,386	12,688,787	--	--	32,612,173
Mortgage backed securities	--	--	559,650	--	--	559,650
Municipal securities	--	--	107,415	--	--	107,415
Foreign stocks	22,975,231	--	3,237,689	--	4,861,247	31,074,167
Foreign mutual funds	--	28,110,025	--	237,685	--	28,347,710
Foreign bond mutual funds	--	--	--	40,455	--	40,455
Total investments	130,210,638	180,207,286	122,523,782	2,525,670	32,786,684	468,254,060
Receivables (net):						
Accounts	28,238	26,064	--	28,382	--	82,684
Interest and dividends	291,635	175,907	398,976	222	43,413	910,153
Total receivables	319,873	201,971	398,976	28,604	43,413	992,837
Other assets:						
Share account loans	--	--	101,235	--	--	101,235
Prepaid items	13,848	15,068	23,388	--	1,472	53,776
Equipment	575	2,702	575	--	--	3,852
Less accumulated depreciation	(575)	(2,702)	(575)	--	--	(3,852)
Total other assets	13,848	15,068	124,623	--	1,472	155,011
Total assets	131,094,128	181,303,799	124,121,606	2,673,931	33,505,821	472,699,285
<b>Liabilities</b>						
Accounts payable	193,025	156,319	174,643	3,000	20,746	547,733
Liability for unpaid claims	--	--	--	--	506,268	506,268
Accrued wages	1,575	1,545	1,557	416	--	5,093
Compensated absences	3,597	3,597	3,597	1,199	--	11,990
Unearned revenue	27,424	--	32,309	--	--	59,733
Accrued benefits	746,477	6,882,867	4,931,241	--	--	12,560,585
OPEB liability	5,141	4,798	4,751	926	--	15,616
Total liabilities	977,239	7,049,126	5,148,098	5,541	527,014	13,707,018
<b>Net Position</b>						
Held in trust for pension and OPEB benefits	\$ 130,116,889	\$ 174,254,673	\$ 118,973,508	\$ 2,668,390	\$ 32,978,807	\$ 458,992,267

City of Sarasota, Florida  
Fiduciary Funds  
Combining Statement of Changes in Plan Net Position  
For the Year Ended September 30, 2013

	Pension Trust Funds					Total
	General Employees' Defined Benefit Pension	Police Officers' Defined Benefit Pension	Firefighters' Defined Benefit Pension	General Employees' Defined Contribution Retirement	Other Post-Employment Benefits (OPEB)	
<b>Additions</b>						
Contributions:						
Plan members	\$ 837,390	\$ 764,650	\$ 135,698	\$ 306,152	\$ 1,282,387	\$ 3,326,277
Employer						
City of Sarasota	3,897,604	5,322,918	2,877,535	374,558	8,617,750	21,090,365
Sarasota County	71,625	--	5,671,551	3,106	--	5,746,282
State on behalf payments, through General Fund	--	546,909	781,442	--	--	1,328,351
Other	136	--	159,910	129,385	431,890	721,321
Total contributions	<u>4,806,755</u>	<u>6,634,477</u>	<u>9,626,136</u>	<u>813,201</u>	<u>10,332,027</u>	<u>32,212,596</u>
Investment income :						
Net increase in fair value of investments	16,822,686	19,514,693	14,023,495	184,648	3,457,044	54,002,566
Interest	744,715	173,885	1,303,005	18,523	203,873	2,444,001
Dividends	1,835,145	4,596,631	1,702,086	--	451,074	8,584,936
Total investment income (loss)	<u>19,402,546</u>	<u>24,285,209</u>	<u>17,028,586</u>	<u>203,171</u>	<u>4,111,991</u>	<u>65,031,503</u>
Less investment expense	<u>(734,230)</u>	<u>(1,056,511)</u>	<u>(747,716)</u>	<u>(971)</u>	<u>(183,510)</u>	<u>(2,722,938)</u>
Net investment income (loss)	<u>18,668,316</u>	<u>23,228,698</u>	<u>16,280,870</u>	<u>202,200</u>	<u>3,928,481</u>	<u>62,308,565</u>
Total additions	<u>23,475,071</u>	<u>29,863,175</u>	<u>25,907,006</u>	<u>1,015,401</u>	<u>14,260,508</u>	<u>94,521,161</u>
<b>Deductions</b>						
Benefits	10,203,759	10,981,367	9,667,096	193,766	6,285,495	37,331,483
Share expense	--	--	584,390	--	--	584,390
Other benefits	--	--	342,946	--	302,402	645,348
Administrative expenses	151,903	190,905	146,770	27,691	787,821	1,305,090
Refunds of contributions	140,897	38,758	--	--	--	179,655
Total deductions	<u>10,496,559</u>	<u>11,211,030</u>	<u>10,741,202</u>	<u>221,457</u>	<u>7,375,718</u>	<u>40,045,966</u>
Change in net position	12,978,512	18,652,145	15,165,804	793,944	6,884,790	54,475,195
<b>Total net position - beginning</b>	<u>117,138,377</u>	<u>155,602,528</u>	<u>103,807,704</u>	<u>1,874,446</u>	<u>26,094,017</u>	<u>404,517,072</u>
<b>Total net position - ending</b>	<u>\$ 130,116,889</u>	<u>\$ 174,254,673</u>	<u>\$ 118,973,508</u>	<u>\$ 2,668,390</u>	<u>\$ 32,978,807</u>	<u>\$ 458,992,267</u>

**City of Sarasota, Florida**

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended September 30, 2013

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
<b>Community Development</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 891	\$ 23,558	\$ 24,449	\$ --
Investments	3,907	--	3,907	--
Accrued interest receivable	10	70	80	--
<b>Total assets</b>	<u>4,808</u>	<u>23,628</u>	<u>28,436</u>	<u>--</u>
<b>Liabilities</b>				
Accrued liabilities	4,808	20,751	25,559	--
<b>Total liabilities</b>	<u>4,808</u>	<u>20,751</u>	<u>25,559</u>	<u>--</u>
<b>Impact Fees</b>				
<b>Assets</b>				
Cash and cash equivalents	1,879	175,945	177,175	649
Investments	8,247	438	6,276	2,409
Accrued interest receivable	30	327	342	15
<b>Total assets</b>	<u>10,156</u>	<u>176,710</u>	<u>183,793</u>	<u>3,073</u>
<b>Liabilities</b>				
Accrued liabilities	10,156	174,925	182,008	3,073
<b>Total liabilities</b>	<u>10,156</u>	<u>174,925</u>	<u>182,008</u>	<u>3,073</u>
<b>Total - Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	2,770	199,503	201,624	649
Investments	12,154	438	10,183	2,409
Accrued interest receivable	40	397	422	15
<b>Total assets</b>	<u>14,964</u>	<u>200,338</u>	<u>212,229</u>	<u>3,073</u>
<b>Liabilities</b>				
Accrued liabilities	14,964	195,676	207,567	3,073
<b>Total liabilities</b>	<u>\$ 14,964</u>	<u>\$ 195,676</u>	<u>\$ 207,567</u>	<u>\$ 3,073</u>

# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	160-169
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most significant local revenue sources.	170-174
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	176-183
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	184-185
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	186-189

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

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

	<b>Fiscal Year</b>			
	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 148,111,650	\$ 160,182,484	\$ 156,114,642	\$ 149,451,384
Restricted	62,107,977	62,009,064	60,339,093	66,977,332
Unrestricted	10,235,937	13,946,108	17,821,458	28,875,274
Total governmental activities net position	<u>\$ 220,455,564</u>	<u>\$ 236,137,656</u>	<u>\$ 234,275,193</u>	<u>\$ 245,303,990</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 135,645,189	\$ 113,546,562	\$ 115,645,768	\$ 97,801,582
Restricted	12,741,195	14,824,001	14,187,540	28,263,881
Unrestricted	53,901,699	50,327,406	39,713,500	17,126,986
Total business-type activities net position	<u>\$ 202,288,083</u>	<u>\$ 178,697,969</u>	<u>\$ 169,546,808</u>	<u>\$ 143,192,449</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 283,756,839	\$ 273,729,046	\$ 271,760,410	\$ 247,252,966
Restricted	74,849,172	76,833,065	74,526,633	95,241,213
Unrestricted	64,137,636	64,273,514	57,534,958	46,002,260
Total primary government net position	<u>\$ 422,743,647</u>	<u>\$ 414,835,625</u>	<u>\$ 403,822,001</u>	<u>\$ 388,496,439</u>

Fiscal Year					
2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04
\$ 137,954,949	\$ 133,000,217	\$ 129,822,789	\$ 117,220,351	\$ 97,796,211	\$ 90,472,085
70,136,846	59,984,371	50,491,705	50,070,947	47,143,195	41,019,742
30,804,957	32,414,729	29,107,634	24,396,995	29,407,288	27,215,768
<u>\$ 238,896,752</u>	<u>\$ 225,399,317</u>	<u>\$ 209,422,128</u>	<u>\$ 191,688,293</u>	<u>\$ 174,346,694</u>	<u>\$ 158,707,595</u>
\$ 93,364,115	\$ 112,285,316	\$ 109,539,036	\$ 101,629,742	\$ 97,496,371	\$ 102,163,981
38,121,603	22,979,650	22,313,235	25,619,374	29,046,315	24,546,089
9,905,510	10,509,484	11,104,565	11,432,134	12,229,472	11,450,395
<u>\$ 141,391,228</u>	<u>\$ 145,774,450</u>	<u>\$ 142,956,836</u>	<u>\$ 138,681,250</u>	<u>\$ 138,772,158</u>	<u>\$ 138,160,465</u>
\$ 231,319,064	\$ 245,285,533	\$ 239,361,825	\$ 218,850,093	\$ 195,292,582	\$ 192,636,066
108,258,449	82,964,021	72,804,940	75,690,321	76,189,510	65,565,831
40,710,467	42,924,213	40,212,199	35,829,129	41,636,760	38,666,163
<u>\$ 380,287,980</u>	<u>\$ 371,173,767</u>	<u>\$ 352,378,964</u>	<u>\$ 330,369,543</u>	<u>\$ 313,118,852</u>	<u>\$ 296,868,060</u>

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

	Fiscal Year			
	2012-13	2011-12	2010-11	2009-10
<b>Expenses</b>				
Governmental activities:				
General government	\$ 13,535,677	\$ 12,479,655	\$ 12,945,611	\$ 14,000,760
Public safety	37,595,883	37,040,548	36,325,440	34,182,957
Physical environment	3,202,880	3,654,521	3,333,750	3,138,997
Transportation	7,379,994	7,397,017	7,288,847	7,275,556
Culture and recreation	3,294,003	3,384,150	12,259,064	2,043,875
Economic environment	7,685,608	9,057,540	18,211,787	9,239,967
Interest on long-term debt	4,187,503	4,519,066	4,740,436	4,692,235
Total governmental activities expenses	<u>76,881,548</u>	<u>77,532,497</u>	<u>95,104,935</u>	<u>74,574,347</u>
Business-type activities:				
Water and Sewer	29,244,145	28,810,585	28,570,324	28,968,721
Van Wezel	9,077,553	8,997,179	8,508,698	8,390,401
Solid Waste	9,093,671	8,806,639	9,129,783	10,010,227
Bobby Jones Golf Course	2,698,233	2,826,777	2,855,291	2,903,190
Municipal Auditoriums	516,028	572,380	546,406	555,984
Sports Stadium	--	--	--	44,588
Parking Management	908,379	979,703	753,480	740,142
Total business-type activities expenses	<u>51,538,009</u>	<u>50,993,263</u>	<u>50,363,982</u>	<u>51,613,253</u>
Total primary government expenses	<u>\$ 128,419,557</u>	<u>\$ 128,525,760</u>	<u>\$ 145,468,917</u>	<u>\$ 126,187,600</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 1,051,097	\$ 842,894	\$ 880,263	\$ 769,980
Public safety	3,551,631	2,746,195	2,575,000	3,152,899
Physical environment	128,014	71,223	47,453	59,829
Transportation	320,111	304,542	337,083	307,786
Culture and recreation	306,424	314,979	70,915	77,959
Economic environment	71	--	--	--
Operating grants and contributions	10,384,312	12,777,162	17,183,083	12,007,830
Capital grants and contributions	2,588,161	4,125,429	5,315,585	2,173,553
Total governmental activities program revenues	<u>18,329,821</u>	<u>21,182,424</u>	<u>26,409,382</u>	<u>18,549,836</u>
Business-type activities:				
Charges for Services				
Water and Sewer	37,496,905	36,864,600	34,657,561	32,214,124
Van Wezel	8,208,844	8,065,967	7,873,403	7,529,568
Solid Waste	10,303,491	10,354,192	9,985,502	10,472,696
Bobby Jones Golf Course	2,382,372	2,701,294	2,663,769	2,628,088
Municipal Auditoriums	424,189	474,282	415,941	428,652
Sports Stadium	--	--	--	8,503
Parking Management	475,501	659,193	497,309	480,395
Operating grants and contributions	558,341	653,473	184,408	204,558
Capital grants and contributions	--	--	2,530,614	--
Total business-type activities program revenues	<u>59,849,643</u>	<u>59,773,001</u>	<u>58,808,507</u>	<u>53,966,584</u>
Total primary government program revenues	<u>\$ 78,179,464</u>	<u>\$ 80,955,425</u>	<u>\$ 85,217,889</u>	<u>\$ 72,516,420</u>

Fiscal Year					
2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04
\$ 12,918,248	\$ 10,287,848	\$ 10,899,553	\$ 7,821,379	\$ 7,423,720	\$ 9,044,325
33,915,523	37,511,528	32,746,468	31,383,128	28,106,970	27,376,705
8,202,267	3,492,376	3,610,591	3,766,791	2,950,548	4,167,618
7,619,536	8,355,780	8,621,398	8,078,302	7,401,451	7,942,419
1,880,557	2,167,296	1,815,131	1,395,900	1,267,238	1,483,015
7,076,916	6,936,439	8,995,712	13,711,861	10,950,202	9,644,767
4,191,843	3,899,134	2,279,026	1,953,660	1,966,514	2,145,342
<u>75,804,890</u>	<u>72,650,401</u>	<u>68,967,879</u>	<u>68,111,021</u>	<u>60,066,643</u>	<u>61,804,191</u>
29,568,006	30,199,955	29,820,490	28,826,047	26,538,859	26,114,481
8,203,957	9,149,354	11,349,215	10,772,524	10,657,709	9,366,437
9,691,991	9,818,963	10,042,121	10,101,444	9,934,270	9,604,603
3,074,905	3,113,707	2,949,369	2,855,809	2,766,549	2,764,920
566,605	678,336	594,070	518,293	487,230	464,662
1,287,944	1,466,807	1,589,071	1,466,730	1,319,972	1,105,264
784,440	868,659	765,339	481,678	451,616	418,217
<u>53,177,848</u>	<u>55,295,781</u>	<u>57,109,675</u>	<u>55,022,525</u>	<u>52,156,205</u>	<u>49,838,584</u>
<u>\$ 128,982,738</u>	<u>\$ 127,946,182</u>	<u>\$ 126,077,554</u>	<u>\$ 123,133,546</u>	<u>\$ 112,222,848</u>	<u>\$ 111,642,775</u>
\$ 785,709	\$ 1,161,479	\$ 1,320,772	\$ 1,311,316	\$ 925,733	\$ 330,892
2,580,588	3,506,335	2,756,092	3,080,895	4,352,243	4,730,587
141,334	82,293	21,348	34,233	35,712	64,497
356,827	180,092	397,459	210,575	192,518	233,616
58,749	53,716	38,527	48,731	14,054	480,017
5,042	56	9	9	12	21,050
15,775,263	8,404,372	7,420,007	13,474,322	12,219,756	11,912,455
528,392	639,811	2,071,310	1,304,268	477,155	2,831,510
<u>20,231,904</u>	<u>14,028,154</u>	<u>14,025,524</u>	<u>19,464,349</u>	<u>18,217,183</u>	<u>20,604,624</u>
30,901,016	32,177,630	32,296,055	27,529,350	26,520,976	26,158,523
7,029,343	7,026,517	9,046,598	9,080,683	8,838,206	7,561,448
10,317,753	10,822,621	10,615,043	10,342,746	9,928,913	9,409,946
3,055,072	3,158,508	3,320,376	3,177,314	2,794,651	2,578,114
439,964	407,473	382,498	306,118	321,261	310,409
583,029	635,428	700,088	733,874	644,786	597,404
468,465	531,275	435,951	543,119	600,264	494,115
132,214	201,848	501,723	422,440	613,347	340,099
22,500	--	--	--	--	--
<u>52,949,356</u>	<u>54,961,300</u>	<u>57,298,332</u>	<u>52,135,644</u>	<u>50,262,404</u>	<u>47,450,058</u>
<u>\$ 73,181,260</u>	<u>\$ 68,989,454</u>	<u>\$ 71,323,856</u>	<u>\$ 71,599,993</u>	<u>\$ 68,479,587</u>	<u>\$ 68,054,682</u>

**City of Sarasota, Florida**

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting) - continued

	Fiscal Year			
	2012-13	2011-12	2010-11	2009 - 10
<b>Net (Expense)/Revenue</b>				
Government activities	\$ (58,551,727)	\$ (56,350,073)	\$ (68,695,553)	\$ (56,024,511)
Business type activities	8,311,634	8,779,738	8,444,525	2,353,331
Total primary government net expense	<u>\$ (50,240,093)</u>	<u>\$ (47,570,335)</u>	<u>\$ (60,251,028)</u>	<u>\$ (53,671,180)</u>
<b>General Revenues and Other</b>				
<b>Changes in Net Position</b>				
Government activities:				
Taxes				
Property taxes	\$ 26,109,863	\$ 25,956,504	\$ 27,070,239	\$ 30,041,199
Gasoline taxes	2,310,912	2,294,724	2,344,198	2,419,349
Sales tax	10,036,788	9,308,028	8,976,287	8,779,577
Franchise fees	4,472,348	4,600,464	5,013,645	4,905,213
Public service taxes	10,084,418	9,838,911	9,621,859	9,750,249
Occupational licenses	769,308	776,496	735,278	727,042
Other taxes	41,405	40,657	41,254	42,642
State revenue sharing, unrestricted	1,765,785	1,750,367	1,744,723	1,740,465
Investment earnings	198,291	1,102,335	1,429,736	2,536,040
Miscellaneous	1,992,276	1,721,284	1,468,024	1,578,444
Gain (loss) on disposition of capital assets	659,551	913,367	88,361	1,578
Transfers	(15,571,310)	758,608	(180,957)	(90,049)
Special items	--	--	(685,914)	--
Total governmental activities	<u>42,869,635</u>	<u>59,061,745</u>	<u>57,666,733</u>	<u>62,431,749</u>
Business-type activities:				
Investment earnings	173,167	589,361	501,252	607,582
Gain (loss) on disposition of capital assets	(465,997)	13,771	4,669	27,305
Special items	-	1,152,170	17,222,926	(1,277,046)
Transfers	15,571,310	(758,608)	180,957	90,049
Total business-type activities	<u>15,278,480</u>	<u>996,694</u>	<u>17,909,804</u>	<u>(552,110)</u>
Total primary government	<u>\$ 58,148,115</u>	<u>\$ 60,058,439</u>	<u>\$ 75,576,537</u>	<u>\$ 61,879,639</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (15,682,092)	\$ 2,711,672	\$ (11,028,820)	\$ 6,407,238
Business-type activities	23,590,114	9,776,432	26,354,359	1,801,221
Total primary government	<u>\$ 7,908,022</u>	<u>\$ 12,488,104</u>	<u>\$ 15,325,539</u>	<u>\$ 8,208,459</u>

Fiscal Year					
2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04
\$ (55,572,986)	\$ (58,622,247)	\$ (54,942,355)	\$ (48,646,672)	\$ (41,849,460)	\$ (41,199,567)
(228,492)	(334,481)	188,657	(2,886,881)	(1,893,801)	(2,388,526)
<u>\$ (55,801,478)</u>	<u>\$ (58,956,728)</u>	<u>\$ (54,753,698)</u>	<u>\$ (51,533,553)</u>	<u>\$ (43,743,261)</u>	<u>\$ (43,588,093)</u>
\$ 33,442,478	\$ 37,508,142	\$ 33,984,722	\$ 26,736,289	\$ 22,526,048	\$ 19,625,873
2,479,705	2,623,552	2,977,993	3,064,861	3,017,148	2,983,294
9,104,589	10,435,829	11,803,299	12,631,196	12,619,735	11,411,870
5,319,627	5,208,466	5,578,299	5,451,451	4,415,624	4,114,225
9,641,138	9,814,032	9,750,102	9,899,607	9,722,636	9,371,751
791,565	901,775	725,009	739,807	692,386	719,254
46,754	31,997	29,625	30,412	30,609	29,836
1,751,959	1,810,801	1,868,955	2,176,497	1,846,453	1,542,063
5,151,426	5,581,277	6,144,768	4,083,309	2,321,445	1,878,837
1,840,645	1,390,503	1,496,111	1,269,978	1,998,014	2,501,272
36,284	1,108,489	(42,716)	895,995	49,557	774,381
(535,749)	(1,815,427)	(1,639,977)	(991,131)	(1,751,096)	(1,452,515)
--	--	--	--	--	--
<u>69,070,421</u>	<u>74,599,436</u>	<u>72,676,190</u>	<u>65,988,271</u>	<u>57,488,559</u>	<u>53,500,141</u>
1,099,058	1,266,216	2,153,440	1,791,699	679,328	730,885
14,250	70,452	293,512	13,143	75,070	329,687
(5,803,787)	--	--	--	--	--
535,749	1,815,427	1,639,977	991,131	1,751,096	1,452,515
<u>(4,154,730)</u>	<u>3,152,095</u>	<u>4,086,929</u>	<u>2,795,973</u>	<u>2,505,494</u>	<u>2,513,087</u>
<u>\$ 64,915,691</u>	<u>\$ 77,751,531</u>	<u>\$ 76,763,119</u>	<u>\$ 68,784,244</u>	<u>\$ 59,994,053</u>	<u>\$ 56,013,228</u>
\$ 13,497,435	\$ 15,977,189	\$ 17,733,835	\$ 17,341,599	\$ 15,639,099	\$ 12,300,574
(4,383,222)	2,817,614	4,275,586	(90,908)	611,693	124,561
<u>\$ 9,114,213</u>	<u>\$ 18,794,803</u>	<u>\$ 22,009,421</u>	<u>\$ 17,250,691</u>	<u>\$ 16,250,792</u>	<u>\$ 12,425,135</u>

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

	<b>Fiscal Year</b>
	<b>2009-10</b>
General Fund	
Reserved	\$ 1,249,786
Unreserved	20,592,274
Total general fund	<u>\$ 21,842,060</u>
All Other Governmental Funds	
Reserved	
Special revenue funds	\$ 5,516,287
Debt service funds	8,280,918
Capital projects funds	18,835,383
Unreserved, reported in:	
Special revenue funds	53,545,951
Debt service funds	(5,808)
Capital projects funds	582,347
Total all other governmental funds	<u>\$ 86,755,078</u>

	<b>2012-13 (a)</b>	<b>2011-12 (a)</b>	<b>2010-11 (a)</b>
General Fund			
Nonspendable	\$ 396,743	\$ 367,739	\$ 354,908
Restricted	--	--	--
Committed	2,937,500	2,937,500	2,937,500
Assigned	1,134,551	2,373,081	2,951,256
Unassigned	15,154,314	15,156,744	15,412,227
Total general fund	<u>\$ 19,623,108</u>	<u>\$ 20,835,064</u>	<u>\$ 21,655,891</u>
All Other Governmental Funds			
Nonspendable	\$ --	\$ 14,149	\$ 33,705
Restricted	66,463,377	66,918,475	65,316,848
Committed	1,608,485	1,801,025	1,815,625
Assigned	836,730	877,853	922,088
Unassigned	(135,556)	(159,750)	(10,060)
Total all other governmental funds	<u>\$ 68,773,036</u>	<u>\$ 69,451,752</u>	<u>\$ 68,078,206</u>
Total Fund Balance All Governmental Funds	<u>\$ 88,396,144</u>	<u>\$ 90,286,816</u>	<u>\$ 89,734,097</u>

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

Fiscal Year					
2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04
\$ 1,380,908	\$ 1,717,963	\$ 2,950,801	\$ 2,438,328	\$ 3,059,378	\$ 2,848,796
19,124,755	20,351,671	19,416,753	18,264,778	13,235,630	11,944,226
<u>\$ 20,505,663</u>	<u>\$ 22,069,634</u>	<u>\$ 22,367,554</u>	<u>\$ 20,703,106</u>	<u>\$ 16,295,008</u>	<u>\$ 14,793,022</u>
\$ 5,193,504	\$ 8,600,542	\$ 6,092,975	\$ 12,707,155	\$ 6,487,759	\$ 6,518,060
10,022,299	7,713,962	7,012,869	6,543,937	5,990,201	6,328,616
43,605,787	45,022,779	46,342,999	2,936,696	2,100,856	3,095,513
57,083,606	48,778,372	36,233,935	29,272,247	32,825,208	25,346,400
--	--	--	--	(5,928)	(35,755)
1,143,661	--	--	--	--	--
<u>\$ 117,048,857</u>	<u>\$ 110,115,655</u>	<u>\$ 95,682,778</u>	<u>\$ 51,460,035</u>	<u>\$ 47,398,096</u>	<u>\$ 41,252,834</u>

**City of Sarasota, Florida**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2012-13	2011-12	2010-11	2009-10
<b>Revenues</b>				
Taxes	\$ 39,338,090	\$38,957,541	\$ 39,974,097	\$ 43,014,113
Franchise fees	4,472,348	4,600,464	5,013,645	4,905,213
Special assessments	108,197	114,980	105,000	100,000
Licenses and permits	2,384,947	1,735,414	2,312,725	2,429,056
Intergovernmental	24,575,954	27,527,971	32,396,202	23,975,380
Charges for services	2,134,035	1,885,257	1,743,481	1,805,694
Charges to other funds	4,320,128	4,373,824	4,391,908	4,365,067
Fines and forfeits	1,361,070	1,057,173	664,025	1,005,681
Investment earnings	145,123	916,507	1,207,942	2,193,890
Miscellaneous	2,680,206	4,315,195	1,784,962	1,713,286
Total revenues	<u>81,520,098</u>	<u>85,484,326</u>	<u>89,593,987</u>	<u>85,507,380</u>
<b>Expenditures</b>				
Current:				
General government	16,869,374	16,489,183	15,921,304	13,972,130
Public safety	33,535,625	33,159,337	31,803,912	33,481,146
Physical environment	3,065,819	3,439,762	3,129,215	2,883,287
Transportation	3,342,320	3,502,232	3,490,199	3,770,379
Culture and recreation	1,310,019	1,489,101	10,538,907	480,479
Economic environment	7,603,733	8,954,673	18,113,223	9,137,088
Debt service:				
Principal	4,412,802	4,252,633	6,913,110	7,753,493
Interest and other charges	5,094,256	5,144,024	5,099,613	4,938,083
Bond issuance costs	--	--	177,643	400,495
Capital outlay	8,841,241	9,153,022	21,787,140	37,564,418
Total expenditures	<u>84,075,189</u>	<u>85,583,967</u>	<u>116,974,266</u>	<u>114,380,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,555,091)</u>	<u>(99,641)</u>	<u>(27,380,279)</u>	<u>(28,873,618)</u>
<b>Other financing sources (uses)</b>				
Transfers in	10,448,627	9,630,589	9,258,683	10,600,893
Transfers out	(9,784,208)	(8,978,229)	(9,001,445)	(10,684,657)
Loans issued	--	--	--	--
Premium on loans issued	--	--	--	--
General obligation bonds issued	--	--	--	--
Special obligation bonds issued	--	--	8,260,000	--
Premium on bonds issued	--	--	--	--
Total other financing sources (uses)	<u>664,419</u>	<u>652,360</u>	<u>8,517,238</u>	<u>(83,764)</u>
<b>Net change in fund balances</b>	<u>\$ (1,890,672)</u>	<u>\$ 552,719</u>	<u>\$ (18,863,041)</u>	<u>\$ (28,957,382)</u>
<b>Capital outlay in functional categories</b>	\$ 956,795	\$ 1,122,101	\$ 876,582	\$ 730,919
<b>Debt service as a percentage of noncapital expenditures</b>	12.80%	12.48%	12.74%	16.68%

Fiscal Year					
2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04
\$ 48,102,594	\$ 49,995,155	\$ 46,813,203	\$ 40,074,514	\$ 35,331,253	\$ 32,072,484
5,319,627	5,208,466	5,578,298	5,451,541	4,415,624	4,114,225
95,000	95,000	80,000	111,852	104,768	97,980
1,752,050	3,543,118	2,771,644	2,991,586	4,332,541	4,468,586
25,139,466	21,062,863	21,683,562	28,843,941	26,436,856	26,342,081
2,102,245	2,109,925	2,432,373	2,560,540	2,052,188	1,858,325
4,419,805	4,349,457	5,452,096	5,123,752	4,721,887	4,011,422
893,217	912,839	1,320,276	1,121,965	1,366,904	1,274,760
4,487,271	4,920,722	5,176,574	3,569,826	2,042,116	1,572,768
1,708,684	2,466,442	2,432,516	2,129,211	1,979,334	4,437,324
<u>94,019,959</u>	<u>94,663,987</u>	<u>93,740,542</u>	<u>91,978,728</u>	<u>82,783,471</u>	<u>80,249,955</u>
14,549,145	15,398,101	17,283,464	13,482,866	12,337,813	11,607,461
35,232,364	36,501,295	33,432,710	30,796,766	27,738,867	26,063,776
8,174,910	3,528,637	3,792,915	3,895,159	3,134,105	4,746,781
4,831,724	5,569,802	5,885,394	5,473,201	5,004,271	5,644,667
301,778	464,595	587,461	360,289	488,292	600,721
7,042,409	6,890,211	8,883,313	13,701,861	10,950,714	9,572,416
4,456,205	5,188,507	4,796,158	5,270,000	5,775,000	5,435,000
3,913,467	3,689,685	1,655,075	1,124,429	1,254,166	1,453,776
64,113	47,570	560,980	--	--	--
<u>30,625,828</u>	<u>7,318,614</u>	<u>15,852,224</u>	<u>8,346,688</u>	<u>12,298,006</u>	<u>12,472,340</u>
<u>109,191,943</u>	<u>84,597,017</u>	<u>92,729,694</u>	<u>82,451,259</u>	<u>78,981,234</u>	<u>77,596,938</u>
<u>(15,171,984)</u>	<u>10,066,970</u>	<u>1,010,848</u>	<u>9,527,469</u>	<u>3,802,237</u>	<u>2,653,017</u>
12,127,023	9,065,765	14,472,479	9,995,906	6,301,615	7,044,902
(12,651,808)	(10,797,778)	(16,177,625)	(11,053,338)	(8,051,793)	(7,914,164)
--	--	--	--	5,545,000	--
--	--	--	--	50,189	--
--	5,800,000	46,305,000	--	--	--
21,066,000	--	--	--	--	--
--	--	276,489	--	--	--
<u>20,541,215</u>	<u>4,067,987</u>	<u>44,876,343</u>	<u>(1,057,432)</u>	<u>3,845,011</u>	<u>(869,262)</u>
<u>\$ 5,369,231</u>	<u>\$ 14,134,957</u>	<u>\$ 45,887,191</u>	<u>\$ 8,470,037</u>	<u>\$ 7,647,248</u>	<u>\$ 1,783,755</u>
\$ 646,034	\$ 1,243,974	\$ 1,151,733	\$ 1,339,264	\$ 1,075,235	\$ 782,623
10.74%	11.68%	8.52%	8.79%	10.71%	10.71%

**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				
2013	\$ 5,896,420	\$ 1,792,974	\$ 1,929,774	\$ 455,505	\$3,199,822	\$ 6,874,851	3.3525
2012	5,808,393	1,726,992	1,974,827	485,377	3,152,931	6,842,658	3.3547
2011	6,277,260	1,870,758	2,040,278	482,382	3,348,454	7,322,223	3.1983
2010	7,130,741	2,160,428	2,163,206	550,731	3,826,384	8,178,722	3.1523
2009	8,778,639	2,111,301	2,179,937	592,967	4,445,580	9,217,263	3.1062
2008	9,998,951	2,462,680	2,272,040	616,266	5,014,413	10,335,525	3.1662
2007	10,085,057	2,224,421	2,151,796	553,933	5,299,090	9,716,116	2.9996
2006	7,344,535	1,853,708	1,816,967	536,491	3,956,378	7,595,324	3.0087
2005	6,251,452	1,504,981	1,511,560	534,563	3,335,225	6,467,330	3.0184
2004	5,300,332	1,367,501	1,177,408	590,962	2,846,720	5,589,482	3.1499

**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 <sup>a</sup>		Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Sarasota County	School Board of Sarasota County	
2013	2.9249	0.4276	3.3525	5.5697	7.8160	16.7382
2012	2.9249	0.4298	3.3547	5.5169	7.6350	16.5066
2011	2.7771	0.4212	3.1983	5.6495	7.9010	16.7488
2010	2.7771	0.3752	3.1523	5.6591	7.4270	16.2384
2009	2.7771	0.3291	3.1062	4.8538	7.0450	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

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

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

Taxpayer	Fiscal Year 2012 - 13			Fiscal Year 2003 - 04		
	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	\$ 55,091,119	1	0.81%	\$ 56,204,420	3	1.01%
Florida Power & Light	47,027,079	2	0.69%	38,114,857	4	0.68%
Verizon Florida Inc.	36,046,707	3	0.53%	81,446,844	1	1.46%
Slab/Slab Lido	32,394,009	4	0.47%	63,712,204	2	1.14%
Plymouth Harbor Inc.	32,252,342	5	0.47%	28,506,199	7	0.51%
Logan Acquisitions Corp/Lido Beach LLC	29,580,714	6	0.43%			
Osprey SA, Ltd/Osprey SRQ City Center LLC	29,486,887	7	0.43%	30,366,577	5	0.54%
Sarasota Bay Club	28,879,646	8	0.42%			
Health Care Reit Inc.	25,993,292	9	0.38%			
Hotel Assoc. of Sarasota LTD	25,249,100	10	0.37%	22,665,877	9	0.41%
Sarasota County Public Hospital Board						
Calpac Inc.				29,346,403	6	0.53%
Theatre Associates				26,566,817	8	0.48%
Ronald Spector				22,082,018	10	0.40%
	<u>\$ 342,000,895</u>		<u>5.00%</u>	<u>\$ 399,012,216</u>		<u>7.14%</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
2013	\$ 23,047,938	\$ 22,202,748	96.33%	\$ 58,349	\$ 22,261,097	96.59%
2012	22,956,071	21,970,944	95.71%	70,416	22,041,360	96.02%
2011	23,418,667	22,614,713	96.57%	70,895	22,685,608	96.87%
2010	25,781,785	24,894,298	96.56%	21,173	24,915,471	96.64%
2009	28,630,662	27,657,271	96.60%	37,239	27,694,510	96.73%
2008	32,724,339	31,537,967	96.37%	14,088	31,552,055	96.42%
2007	29,144,461	28,129,512	96.52%	16,856	28,146,368	96.58%
2006	22,852,050	22,010,745	96.32%	25,934	22,036,679	96.43%
2005	19,520,989	18,757,467	96.09%	(101,686) <sup>1</sup>	18,655,781	95.57%
2004	17,606,309	16,896,553	95.97%	(6,132)	16,890,421	95.93%

(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

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<u>Fiscal year ended September 30,</u>	<u>Water Rate</u>	<u>Sewer Rate</u>	<u>Total</u>
2013	\$ 29.61	\$ 44.32	\$ 73.93
2012	28.45	42.61	71.06
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

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

<b>Fiscal Year Ended September</b>	<b>Governmental Activities</b>		
	<b>General Obligation Bonds</b>	<b>Special Obligation Bonds</b>	<b>Loans Payable</b>
2013	\$ 41,828,184	\$ 31,826,378	\$ 2,925,000
2012	42,909,043	34,859,613	4,070,000
2011	43,949,198	37,613,745	5,170,000
2010	47,398,865	31,618,419	6,825,000
2009	50,392,352	32,927,988	10,560,000
2008	51,360,000	13,405,017	12,640,000
2007	47,365,000	14,764,079	14,655,000
2006	2,235,000	16,299,204	16,605,000
2005	3,425,000	17,648,209	18,490,000
2004	5,835,000	18,861,201	14,305,000

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

<sup>a</sup> Personal income and population data can be found on page 184.

<b>Business-Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>a</sup></b>	<b>Per Capita<sup>a</sup></b>
<b>Water and Sewer Bonds</b>	<b>Loans Payable</b>			
\$ 60,995,000	\$ -	\$ 137,574,562	4.71%	\$ 2,611
64,240,000	223,603	146,302,259	5.09%	2,786
69,434,922	441,289	156,609,154	5.59%	3,005
76,518,427	653,214	163,013,925	6.07%	3,084
55,360,000	859,531	150,099,871	5.64%	2,824
38,665,000	1,060,389	117,130,406	3.71%	2,123
44,200,000	1,255,931	122,240,010	3.91%	2,197
49,505,000	1,446,298	86,090,502	2.97%	1,555
54,305,000	1,631,628	95,499,837	3.53%	1,741
50,925,000	1,812,053	91,738,254	3.64%	1,679

**City of Sarasota, Florida**

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

<b>Fiscal year Ended September 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property <sup>a</sup></b>	<b>Per Capita <sup>b</sup></b>
2013	\$ 41,828,184	\$ 921,944	\$ 40,906,240	0.60%	\$ 776.37
2012	42,909,043	920,502	41,988,541	0.61%	799.52
2011	43,949,198	919,651	43,029,547	0.59%	825.68
2010	47,398,865	838,140	46,560,725	0.57%	896.83
2009	50,392,352	575,896	49,816,456	0.54%	937.10
2008	51,360,000	637,364	50,722,636	0.49%	919.32
2007	47,365,000	350,336	47,014,664	0.48%	844.92
2006	2,235,000	684,708	1,550,292	0.02%	28.00
2005	3,425,000	774,178	2,650,822	0.04%	48.33
2004	5,835,000	1,405,283	4,429,717	0.08%	81.07

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

<sup>a</sup> See page 170 for property value data.

<sup>b</sup> Population data can be found on page 184.

**City of Sarasota, Florida**

Direct and Overlapping Governmental Activities Debt

General Obligation Bonds

As of September 30, 2013

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Overlapping debt</b>			
Sarasota County Board of County Commissioners	\$ --	17.60%	\$ --
<b>City direct debt</b>			<u>40,906,240</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 40,906,240</u></u>

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

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

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

<u>Fiscal year Ended September 30,</u>	<u>Debt Limit</u>	<u>Total Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable to the Limit as a Percentage of Debt Limit</u>
2013	\$ 687,485,100	\$ 40,906,240	\$ 646,578,860	5.95%
2012	684,265,800	41,988,541	642,277,259	6.14%
2011	732,222,339	43,029,547	689,192,792	5.88%
2010	817,872,190	46,560,725	771,311,465	5.69%
2009	921,726,297	49,816,456	871,909,841	5.40%
2008	1,033,552,480	50,722,636	982,829,844	4.91%
2007	971,611,567	47,014,664	924,596,903	4.84%
2006	759,532,366	1,550,292	757,982,074	0.20%
2005	646,733,021	2,650,822	644,082,199	0.41%
2004	558,948,193	4,429,717	554,518,476	0.79%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Taxable assessed value	<u>\$ 6,874,850,905</u>
Debt limit (10% of assessed value)	<u>687,485,091</u>
Debt applicable to limit:	
General obligation bonds	41,828,184
Less amount set aside for repayment of general obligation bonds	<u>(921,944)</u>
Total net debt applicable to limit	<u>40,906,240</u>
Legal debt margin	<u><u>\$ 646,578,851</u></u>

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



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

<b>Water &amp; Sewer Revenue Bonds</b>						
Fiscal Year Ended September 30,	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 37,497	\$ 20,671	\$ 16,826	\$ 3,245	\$ 2,981	2.70
2012	36,864	20,919	15,945	5,195	3,034	1.94
2011	34,658	20,501	14,157	4,976	3,350	1.70
2010	32,214	20,477	11,737	7,582	2,258	1.19
2009	30,901	21,058	9,843	5,805	1,588	1.33
2008	33,135	21,149	11,986	5,535	1,870	1.62
2007	34,112	20,398	13,714	5,305	2,120	1.85
2006	28,938	19,263	9,675	4,800	2,211	1.38
2005	27,107	16,909	10,198	4,480	2,179	1.53
2004	27,015	16,179	10,836	4,235	2,505	1.61

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

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

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

<sup>c</sup> 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 <sup>a</sup>				2009 Special Obligation Bonds/ Infrastructure Sales Tax Bonds <sup>b</sup> / 2010 Sales Tax Payment Revenue Bonds <sup>c</sup>			
TIF Revenues	Debt Service		Coverage	Sales Tax Revenues	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$ 6,674	\$ 1,244	\$ 1,631	2.32	\$ 6,202	\$ 943	\$ 1,255	2.82
6,809	1,202	1,551	2.47	5,761	910	1,302	2.60
7,602	1,161	1,472	2.89	5,529	648	1,149	3.08
9,007	759	1,360	4.25	5,414	266	794	5.11
10,663	469	941	7.56	5,655	940	40	5.77
11,376	469	831	8.75	6,400	900	77	6.55
10,844	466	729	9.07	7,266	1,205	126	5.46
8,270	1,030	33	7.78	7,492	1,165	174	5.60
6,501	880	90	6.70	7,518	1,125	217	5.60
4,533	745	138	5.13	6,619	1,080	258	4.95

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

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<b>Fiscal year Ended September 30,</b>	<b>Population <sup>a</sup></b>	<b>Personal Income <sup>b</sup></b>	<b>Per Capita Personal Income <sup>c</sup></b>	<b>Unemployment Rate <sup>c</sup></b>
2013	52,689	\$ 2,920,129,758	\$ 55,422	6.8%
2012	52,517	2,874,623,029	54,737	8.7%
2011	52,114	2,802,117,666	53,769	11.0%
2010	51,917	2,687,223,920	51,760	11.9%
2009	53,160	2,663,316,000	50,100	12.3%
2008	55,174	3,154,794,146	57,179	6.7%
2007	55,644	3,127,749,240	56,210	4.3%
2006	55,364	2,894,438,656	54,661	3.1%
2005	54,848	2,702,171,745	50,033	3.3%
2004	54,639	2,523,614,674	47,604	4.0%

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

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

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

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

<u>Employer</u>	<u>2012 - 13</u>			<u>2003-04 <sup>(1)</sup></u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
School Board of Sarasota County	4,664	1	2.91%	5,480	1	3.43%
Sarasota Memorial Hospital	3,099	2	1.93%	4,051	2	2.53%
Sarasota County	2,052	3	1.28%	3,479	3	2.17%
PGT Industries	1,440	4	0.90%	2,200	5	1.38%
Publix	1,335	5	0.83%	3,027	4	1.89%
Venice Regional Med Ctr	1,200	6	0.75%	1,482	6	0.93%
Sheriff	976	7	0.61%	-	-	0.00%
FCI Insurance Group	720	8	0.45%	-	-	-
Sun Hydraulics Corporation	702	9	0.44%	-	-	-
Goodwill Industries	682	10	0.42%	-	-	-
Wal-Mart	-	-	-	1,154	7	0.72%
Charter One Hotels	-	-	-	950	8	0.59%
Nielson Media	-	-	-	700	9	-
City of Sarasota	-	-	-	743	10	0.46%
<b>Total</b>	<u>16,870</u>		<u>10.51%</u>	<u>23,266</u>		<u>14.10%</u>

**Note:** The labor force figure for 2013 and 2004 is 160,491 and 160,000 respectively. These numbers were used to calculate the percentage of total county employment.

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

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

**City of Sarasota, Florida**

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

<b>Function/Program</b>	<b>Fiscal Years</b>			
	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>
<b>General Government</b>				
City Manager's Office	2.50	2.50	2.50	3.69
Neighborhood Partnership Office	-	-	-	-
Facilities Management	5.00	5.00	5.00	5.00
Neighborhood & Development Services	22.75	22.75	22.75	23.40
General Services	-	-	-	-
Human Resources	7.00	7.00	8.00	10.00
Finance	11.50	11.50	11.50	13.50
Accounting	5.50	5.50	5.50	5.50
City Auditor and Clerk	14.00	14.00	14.00	14.00
Planning and Redevelopment	-	-	-	-
Commission Support Office	1.50	1.50	1.50	2.00
<b>Public Safety</b>				
Police - uniform	175.00	176.00	176.00	176.00
Police - general employees	44.50	47.00	54.00	53.00
Code Compliance	6.35	6.85	8.85	9.85
<b>Physical Environment</b>				
Parks & Landscape Maintenance	22.43	22.68	23.18	30.18
Sarasota Bay National Estuary Program	-	-	-	-
<b>Transportation</b>				
Streets & Highways	17.73	17.98	17.98	18.98
Engineering/Construction Services	6.25	6.25	4.50	6.00
Street Sweeping	2.00	2.00	3.00	3.00
<b>Culture and Recreation</b>				
Skateboard Park	-	-	-	1.90
Children's Fountain	0.20	0.20	0.20	0.20
Special Events/Volunteer Office	0.80	0.70	0.50	0.83
Sustainability	0.00	0.75	-	-
Robert L. Taylor Community Center	5.00	4.00	-	-
<b>Economic Environment</b>				
Housing & Community Development	13.00	13.00	13.00	10.00
Building Services	13.90	17.40	17.40	15.75
<b>Enterprise funds</b>				
Water	61.76	60.01	63.40	67.21
Sewer	71.99	72.74	72.35	72.79
Parking Management	8.00	9.00	6.00	6.31
Bobby Jones Golf Course	7.80	7.80	7.80	8.50
Ed Smith Sports Stadium	-	-	-	0.57
Solid Waste Management	23.84	23.59	22.59	25.84
Municipal Auditoriums	3.20	3.30	3.50	3.00
Van Wezel Performing Arts Hall	13.00	12.00	12.00	13.00
<b>Internal Service funds</b>				
Information Technology	12.00	12.00	12.00	10.00
Duplicating Services	-	-	-	-
Central Stores	-	-	-	-
Public Works Equipment Maintenance	9.00	9.00	10.00	11.00
<b>Total</b>	<b>587.50</b>	<b>594.00</b>	<b>599.00</b>	<b>621.00</b>

**Source:** City of Sarasota Finance Department

Fiscal Years						
2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04	
4.00	5.00	5.00	5.00	5.00	4.00	
-	4.00	5.00	4.00	5.00	5.00	
5.00	-	-	-	-	-	
22.30	-	-	-	-	-	
-	13.13	15.13	11.38	11.38	11.38	
10.00	9.00	11.00	11.00	11.00	11.00	
14.50	9.50	10.50	9.50	8.50	8.50	
5.50	5.50	5.50	5.50	5.50	5.50	
14.00	15.00	15.00	15.00	16.00	16.00	
-	17.00	21.00	20.00	19.00	19.00	
2.00	2.00	2.00	2.00	2.00	2.00	
176.00	196.00	200.00	199.00	194.00	194.00	
53.00	63.00	66.00	65.00	64.00	64.00	
9.85	20.45	18.25	16.25	16.81	16.81	
34.68	45.68	47.43	41.43	37.43	39.33	
-	-	-	-	-	5.00	
21.98	22.98	24.73	22.73	23.48	22.78	
10.00	17.00	21.00	21.00	19.00	19.00	
3.00	3.00	3.00	3.00	3.00	3.00	
1.90	3.25	2.25	2.25	2.25	1.00	
0.20	1.10	1.10	1.10	1.10	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
11.00	15.00	17.00	18.00	21.00	21.00	
15.75	19.55	25.75	25.75	23.19	21.19	
72.21	72.61	76.26	62.35	62.85	62.85	
77.79	77.39	74.24	81.15	80.65	79.65	
8.10	9.00	7.00	7.00	6.00	6.00	
8.75	10.00	10.00	10.00	10.00	10.00	
2.15	4.65	4.65	3.65	3.65	3.00	
26.34	27.34	27.34	27.34	25.59	26.39	
4.00	6.00	6.00	7.00	6.50	6.50	
14.42	22.00	25.00	25.00	21.50	21.50	
11.00	14.00	17.00	17.00	15.00	16.00	
-	1.12	1.12	1.12	1.12	1.12	
-	2.75	2.75	3.50	3.50	3.50	
12.00	9.00	9.00	9.00	8.00	8.00	
<u>651.42</u>	<u>743.00</u>	<u>777.00</u>	<u>753.00</u>	<u>733.00</u>	<u>734.00</u>	

**City of Sarasota, Florida**  
 Operating Indicators by Function/Program  
 Last Ten Fiscal Years

<b>Function/Program</b>	<b>Fiscal Years</b>									
	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
<b>Police</b>										
Physical arrests	4,952	5,092	5,669	5,648	8,625	12,130	12,266	10,983	7,692	8,643
Parking violations	15,565	13,364	13,028	16,346	20,585	24,857	22,319	23,239	24,804	24,263
Traffic violations	13,583	11,817	11,880	11,084	13,717	16,692	24,264	21,216	19,929	15,423
<b>Streets and highways</b>										
Streets resurfaced ( <i>miles</i> )	12	13	10	13	13	11	11	16	15	10
Potholes repaired	141	106	119	196	205	286	266	289	280	0
<b>Water</b>										
New connections	86	80	73	64	122	114	215	199	210	223
Water mains breaks	25	43	42	38	63	53	23	72	69	63
Average daily consumption ( <i>thousands of gallons</i> )	6,259	6,451	6,439	6,324	6,522	6,921	7,652	7,505	7,418	7,500
Peak daily consumption ( <i>thousands of gallons</i> )	7,514	7,862	7,310	7,134	7,478	8,118	9,859	9,122	8,879	9,000
<b>Wastewater</b>										
Average daily sewage treatment ( <i>thousands of gallons</i> )	6,741	5,660	6,500	6,200	5,800	5,597	5,200	7,826	8,976	7,600
<b>Solid waste collection</b>										
Solid waste collected ( <i>tons per day</i> )	186	164	179	174	163	160	155	233	205	148
Recyclables collected ( <i>tons per day</i> ) <sup>(1)</sup>	14	14	9.00	9.00	9.00	30	40	60	60	49

**Source:** City of Sarasota Finance Department

**Notes:**  
 Operating indicators are not available for the general government function.

(1) 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 Ten Fiscal Years**

Function/Program	Fiscal Years									
	2012-13	2011-12	2010-11	2009-10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	2003 - 04
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	3	4	4	4	4	4	4	4	3	3
Patrol units	105	111	109	109	111	109	114	124	117	117
<b>Streets and highways</b>										
Streets (miles)	250	250	250	250	250	250	250	250	225	225
Unpaved streets (miles)	25	25	25	25	25	25	25	25	25	25
Highways (miles)	225	225	225	225	225	225	225	225	225	225
Streetlights	7,213	7,213	7,213	7,213	7,213	7,481	7,476	7,092	6,807	6,652
Traffic signals	97	97	97	97	101	99	99	99	99	99
<b>Water</b>										
Water mains (miles)	328	328	328	328	328	328	288	275	275	275
Storage capacity (thousands of gallons)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Fire hydrants	1,388	1,388	1,388	1,388	1,388	1,373	1,247	1,239	1,234	1,219
<b>Wastewater</b>										
Sanitary sewers (miles)	326	326	326	326	326	326	326	326	270	250
Treatment capacity (thousands)	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200	10,200
Storm sewers (miles)	68	68	68	68	68	68	68	68	68	68
<b>Solid waste collection</b>										
Collection trucks	20	17	17	17	20	20	20	21	17	20

**Source:** City of Sarasota Finance Department

**Note:** No capital assets indicators are available for the general government function.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENT PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated February 21, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENT 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 from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

February 21, 2014  
Sarasota, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY 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

**Report on Compliance for Each Major Federal Program/State Project**

We have audited the City of Sarasota, Florida (the City)'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the requirements described in the Florida Department of Financial Services *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. 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.

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL  
(Continued)**

**Auditors' Responsibility (Concluded)**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program and State Project**

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, 2013.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550,  
*RULES OF THE AUDITOR GENERAL*  
(Concluded)**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Purvis, Gray and Company, LLP*

February 21, 2014  
Sarasota, Florida

**City of Sarasota, Florida**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2013

**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:                   \$300,000                  

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
14.256	Department of Housing and Urban Development ARRA - Neighborhood Stabilization Program 2
14.218	Entitlement Grants Cluster - Community Development Block Grant - Neighborhood Stabilization Program 3

**City of Sarasota, Florida**  
 Schedule of Findings and Questioned Costs (continued)  
 For the Year Ended September 30, 2013

**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    no         

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

Identification of major projects:

CSFA Number(s)	Name of State Project
52.901	Florida Department of Community Affairs State Housing Initiative Partnership

**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, 2013

Federal/State Agency Federal Program/State Project	CFDA/CSFA Number	Contract/Grant Number	Expenditures	Program Total
<b>FEDERAL AWARDS</b>				
<b>Department of Housing and Urban Development</b>				
Direct Programs:				
Entitlement Grants Cluster				
Community Development Block Grant	14.218	B-10-MC-120018	\$ 152,698	
Neighborhood Stabilization Program 3	14.218	B-11-MN-120036	792,094	\$ 944,792
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-CN-FL-0018	3,700,603	
HOME Investment Partnerships Program	14.239	M-10-DC-120219	729,750	
Total Dept. of Housing and Urban Development			<u>5,375,145</u>	
<b>Department of Justice</b>				
Direct Programs:				
Federal Equitable Sharing Agreement	16.XXX	Not Applicable	115,314	
Edward Byrne Memorial JAG Program	16.738	2011-DJ-BX-2159	2,186	
Edward Byrne Memorial JAG Program	16.738	2012-DJ-BX-0003	33,955	36,141
ARRA - COPS Hiring Recovery	16.710	2009RKWX0250	11,670	
Bulletproof Vest Partnership	16.607	Not Applicable	7,820	
Total Department of Justice			<u>170,945</u>	
<b>Department of Homeland Security</b>				
Federal Emergency Management Agency				
Passed through Florida Dept. of Community Affairs:				
Public Assistance Program				
FEMA-4068-DR-FL Tropical Storm Debby	97.036	13-DB-73-01-68-01-620	128,600	
<b>Total Expenditures of Federal Awards</b>			<u>\$ 5,674,690</u>	
<b>STATE FINANCIAL ASSISTANCE</b>				
<b>Florida Department of Environmental Protection</b>				
Florida Beach Erosion Control Program	37.003	06ST3	\$ 6,483	
<b>Florida Department of Community Affairs</b>				
Florida Housing Finance Agency				
State Housing Initiative Partnership	52.901	Not Applicable	901,967	
<b>Florida Department of State</b>				
General Program Support	45.061	13.6.180.097	73,990	
<b>Florida Department of Transportation</b>				
US 301 Landscape Improvements	55.003	198010-6-58-01	7,149	
<b>Florida Department of Revenue</b>				
Retained Spring Training Facility	73.016	Not Applicable	500,004	
<b>Total Expenditures of State Financial Assistance</b>			<u>\$ 1,489,593</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, 2013

**1. Summary of Significant Accounting Policies:**

The accounting policies and presentation of the Single Audit Report of the City of Sarasota, Florida have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Audits of States, Local Governments, and Non-Profit Organizations and Office of Management and Budget Circular A-133, Compliance Supplement (A-133) and Chapter 69 I-5, Rules of the Florida Department of Financial Services, Florida Administrative Code.

- A. **Reporting Entity** - The Audits of States, Local Governments, and Non-Profit Organizations and A-133 set forth the audit and reporting requirements for federal awards, Chapter 69 I-5 sets forth the requirements for state financial assistance. The City of Sarasota included schedules of both federal and state financial assistance in the Single Audit section. Financial assistance received directly from the State of Florida is included to satisfy the audit requirements of the State of Florida grantor agencies.

Schedules include all federal awards and state financial assistance received by the City of Sarasota. The Schedule of Expenditures of Federal Awards and State Financial Assistance includes matching contributions in the expenditure column.

- B. **Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed in the Schedule of Expenditures of Federal Awards and State Financial Assistance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. In some financial assistance programs where monies must be expended on the specific purpose or project before any amounts will be paid to the City of Sarasota, revenues are recognized based upon the expenditures recorded.

**2. Contingencies:**

Grant monies received and disbursed by the City of Sarasota are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City of Sarasota does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of February 21, 2014, 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, 2013, and have issued our report thereon dated February 21, 2014.

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; U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*. We have issued our independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, independent auditors' report on compliance for each major federal program and state project and on internal control over compliance required by OMB Circular A-133 and Chapter 10.550, *Rules of the Auditor General*, and schedule of findings and questioned costs. Disclosures in those reports and schedule, which are dated February 21, 2014, should be considered in conjunction with this management letter.

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

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

### Certified Public Accountants

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

**MANAGEMENT LETTER**  
*(Concluded)*

- Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., *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)6.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)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.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.

Our management letter is intended solely for the information and use of the City Commission, management, the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, and federal, state, and other granting agencies, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

*Purvis, Gray and Company, LLP*

February 21, 2014  
Sarasota, Florida