

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2014



City of Sarasota, Florida

Cover Art



**Photograph of Downtown Sarasota's
"Five Points intersection"
provided by photographer Rod Warner**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF SARASOTA, FLORIDA

For the Fiscal Year Ended

September 30, 2014



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, 2014
 Table of Contents**

INTRODUCTORY SECTION

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

FINANCIAL SECTION

Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	5-17

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position	19
Statement of Activities	20-21

Fund Financial Statements:

Balance Sheet - Governmental Funds	22-23
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26-27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Penny Sales Tax	30
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Community Redevelopment Agency	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Housing and Community Development	32
Statement of Net Position - Proprietary Funds	34-35
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	36
Statement of Cash Flows - Proprietary Funds	38-39
Statement of Fiduciary Net Position - Fiduciary Funds	40
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	41

Component Unit Government-Wide Statements:

Statement of Net Position	42
Statement of Activities	43

Notes to the Financial Statements	45-90
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Required Supplementary Information

General Employees’ Defined Benefit Pension Plan	91-93
Firefighters’ Defined Benefit Pension Plan	94-96
Police Officers’ Defined Benefit Pension Plan	97-99
Other Post Employment Benefits Plan	100-101

Combining & Individual Fund Statements & Schedules

General Fund:

- Schedule of Revenues - Budget and Actual - General Fund 103-104
- Schedule of Expenditures - Budget and Actual - General Fund 105

Community Redevelopment Agency:

- Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual..... 106-107

Nonmajor Governmental Funds:

- Combining Balance Sheet - Nonmajor Governmental Funds 112-117
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds 118-123

Special Revenue Funds:

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

 - State Housing Initiative Partnership..... 124
 - Development Services 125
 - Gas Tax 126
 - Special Law Enforcement (Forfeiture) 127
 - Golden Gate Point 128
 - Tourist Development Tax..... 129
 - Miscellaneous Grants 130
 - Multi-purpose 131

Debt Service Funds:

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

 - 1992 Refunding Bonds 132
 - 2007 General Obligation Bonds..... 133
 - 2008 General Obligation Bonds..... 134
 - 2009 Build America Bonds..... 135
 - 2010 Sales Tax Payment Revenue Bonds 136
 - 2001B First Florida..... 137
 - 2003 First Florida 138
 - 2005 First Florida..... 139
 - Glen Oaks 140

Nonmajor Enterprise Funds:

- Combining Statement of Net Position - Nonmajor Enterprise Funds..... 142
- Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Enterprise Funds..... 143
- Combining Statement of Cash Flows - Nonmajor Enterprise Funds..... 144-145
- Combining Schedule of Net Position – Water and Sewer Enterprise System Fund..... 146-149
- Combining Schedule of Revenues, Expenses, and Changes in Net Position – Water and Sewer Enterprise System Fund 150-151

Internal Service Funds:

- Combining Statement of Net Position - Internal Service Funds 154
- Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds 155
- Combining Statement of Cash Flows - Internal Service Funds..... 156-157

Fiduciary Funds:

- Combining Statement of Fiduciary Net Position 160
- Combining Statement of Changes in Fiduciary Net Position 161
- Combining Statement of Changes in Assets and Liabilities - Agency Funds 162

STATISTICAL SECTION

Financial Trends:

- Net Position by Component 164 -165
- Changes in Net Position..... 166 -169
- Fund Balances of Governmental Funds 170 -171
- Changes in Fund Balances of Governmental Funds 172 -173

STATISTICAL SECTION (continued)

Page

Revenue Capacity:

- Assessed Value and Actual Value of Taxable Property 174
- Direct and Overlapping Property Tax Rates 175
- Principal Property Taxpayers 176
- Property Tax Levies and Collections 177
- Base Water and Sewer Rates 178

Debt Capacity:

- Ratios of Outstanding Debt by Type 180-181
- Ratios of General Bonded Debt Outstanding..... 182
- Direct and Overlapping Governmental Activities Debt..... 183
- Legal Debt Margin Information 184
- Pledged-Revenues Coverage 186-187

Demographic and Economic Information:

- Demographic and Economic Statistics 188
- Principal Employers in Sarasota County..... 189

Operating Information:

- Full-time Equivalent City Government Employees by Function/Program 190-191
- Operating Indicators by Function/Program 192-193
- Capital Assets Statistics by Function/Program 194-195

SINGLE AUDIT/GRANTS COMPLIANCE

- Independent Auditor’s 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* 197-198
- Independent Auditor’s Report on Compliance for Each Major
Federal Program and State Project and on Internal Control
Over Compliance Required by Circular A-133 and
Chapter 10.550, Rules of the Auditor General 199 -202
- Schedule of Findings and Questioned Costs for the
Year Ended September 30, 2014 203 -204
- Schedule of Expenditures of Federal Awards and State
Financial Assistance for the Year Ended September 30, 2014 205
- Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance 206
- Independent Accountants’ Report on Compliance
with Section 218.415, Florida Statutes 207
- Management Letter and Response 209-214



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March 16, 2015

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, 2014. 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 statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Post Office Box 1058, Sarasota, Florida 34230 – 1565 1st Street, Sarasota, Florida 34236
Telephone (941)365-2200
Web Site www.sarasotagov.com

Profile of the City

The City of Sarasota, Florida, was incorporated in 1902, and later re-platted in 1912 to be formally incorporated as a City in 1912. 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 52,584. 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 71⁰ F and miles of pristine white sand beaches that beckon to the hundreds of thousands of tourists that visit year round. The City is the winter home of the Baltimore Orioles major league baseball team. The City owns and operates the Van Wezel Performing Arts Hall, the premier showcase for the performing arts on the Florida southwest coast. In 2007, the City completed phase I of the 29 acre Payne Park which converted 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 from last fiscal year. Sarasota County had an unemployment rate of 5.4% in September 2014, lower than the statewide rate of 6.1% and slightly lower than the national rate of 5.9%.

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 several budget workshops throughout the summer months. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30th, the close of the City of Sarasota's fiscal year. The appropriated budget is prepared by fund and department (e.g., Police, Neighborhood and Development, etc.). Department Heads may make budget transfers within 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 30% 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 \$15.4 million, which is a 26% 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

The Public Works Department completed numerous projects during the year. A new boardwalk was constructed to replace an old wooden pedestrian bridge spanning the 6th Street Canal and connects the Van Wezel Performing Arts Hall with the former G-Wiz building. The overlook platforms behind the Van Wezel Performing Arts Hall were rehabilitated. Sarasota Bayfront Mooring Field, Phase II was completed, which included design, permitting, construction and phased installation of a managed mooring field consisting of 35 moorings in Phase I and 35 additional moorings were installed in Phase II. Within the Alta Vista Neighborhood, speed table installations, cross walks, sidewalks, curb and gutter, pedestrian signals and striping at various locations were constructed. An Advanced Transportation Management System was installed on Osprey Avenue from Siesta Drive to Bahia Vista

Street. Alley Improvements which include resurfacing, curb and gutter, stormwater improvements, sodding and traffic marking installation on the alley between North Orange Ave to Goodrich Ave.

During fiscal year 2014 Community Development Block Grant (CDBG) funds were used to complete three capital improvement projects in the city's Newtown area: drainage mitigation at Goodrich Ave and 34th St, beautification projects between US301 and Central Avenue and at the intersection of Orange Ave and Dr. Martin Luther King, Jr. Way, and new playground equipment was purchased and installed for Mary Dean Park and Orange Ave Park. The City used CDBG, HOME and State Housing Initiatives Partnership funding to complete 32 home renovation projects for low to moderate income households. Also, HOME funds provided rental assistance to 11 young persons who graduated from foster care, enabling them to continue their education. There were 3 foreclosed single-family homes renovated and either sold or rented to income-eligible families with NSP2 and NSP3 funds. The City used CDBG funds to employ 7 youths in a summer work program at the Robert L. Taylor Community Center. CDBG funds were utilized to support the local Continuum of Care staff who maintain the Homeless Management Information system, a database providing integral information on the homeless and imminently homeless population.

The City's Utilities Department completed the rehabilitation of Lift Station #16. This project provided for the concrete restoration of the existing wet-well, the replacement of existing pumps with new higher capacity pumps, a new motor control center, a new emergency pump room, a new instrumentation and control system, and site landscaping and irrigation around this Lift Station. The project construction costs totaled \$1,916,749. Every gravity main and manhole located on Lido Key, St. Armands Key and Lido Shores were rehabilitated. The mainlines were done using trenchless technology where a liner is inserted into the sewer mains, creating a new polyester resin pipe inside the old clay pipe. The manholes were lined with a cementitious calcium aluminate coating. Total mainlines for this project were approximately 40,000 lineal feet and 450 manholes, with a total project cost of \$1,500,000. The Lincoln Avenue gravity main and 5 manholes feeding Lift Station #7 were rehabilitated using the trenchless technology. Total mainline was 1600 lineal feet, with a total project cost of \$325,000. Siesta Key gravity mains were also rehabilitated, total mainline was 8500 lineal feet, with a total project cost of \$260,000.

The Utilities Department built a new water storage tank to replace the 64 year old water storage tank located near Orange Ave and 10th St. This new tank will store approximately 25 percent of the City's daily total need. This project cost totaled \$1,600,000.

The State Street Parking Garage, located at the corner of State St. and Lemon Ave. began construction in May 2014. This facility will provide 395 new parking spaces. Completion is scheduled for April 2015.

Neighborhood and Development Services Department experienced an all-time record year, in the number of building permits issued at 7,216 permits. The number of permits issued this year increased 14 percent over the previous year, the total construction valuation nearly doubled – from \$127.6 million to \$362.1 million.

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sarasota, Florida, for its Comprehensive Annual Financial Report for the fiscal year ending September 30, 2013. This was the

thirty third 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, 2013, the same period covered by this Comprehensive Annual Financial Report. This was the twenty fourth 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.

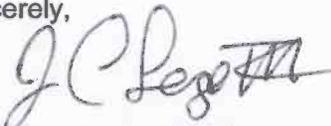
Award for Popular Annual Financial Report

The City received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for its annual financial report for the fiscal year ended September 20, 2013. This was the first year the City has received this prestigious award. In order to qualify for the award for Outstanding Achievement in Popular Annual Financial Reporting, the City's PAFR was judged to be proficient in several categories, including creativity, presentation, reader appeal, understandability, and distribution. We are committed to continually provide the citizens of Sarasota with accurate and transparent financial information.

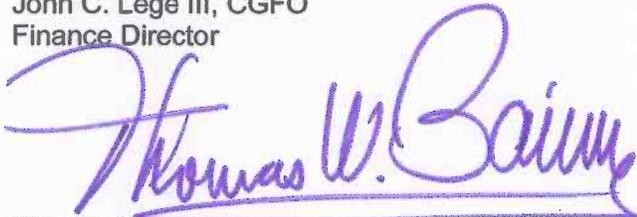
Acknowledgements

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, 2013

Executive Director/CEO

LISTING OF CITY OFFICIALS



ELECTED OFFICIALS

Willie C. Shaw	Mayor
Susan L. Chapman.....	Vice-Mayor
Suzanne Atwell.....	Commissioner
Eileen Normile	Commissioner
Stanley A. Zimmerman	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
Herminio Rodriquez.....	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

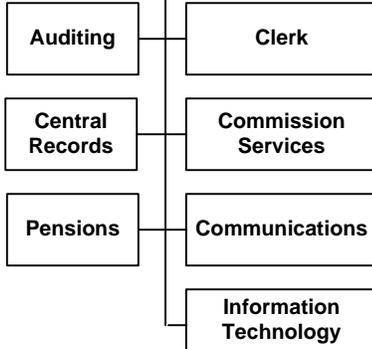
City of Sarasota, Florida
2013 - 2014
Table of Organization

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

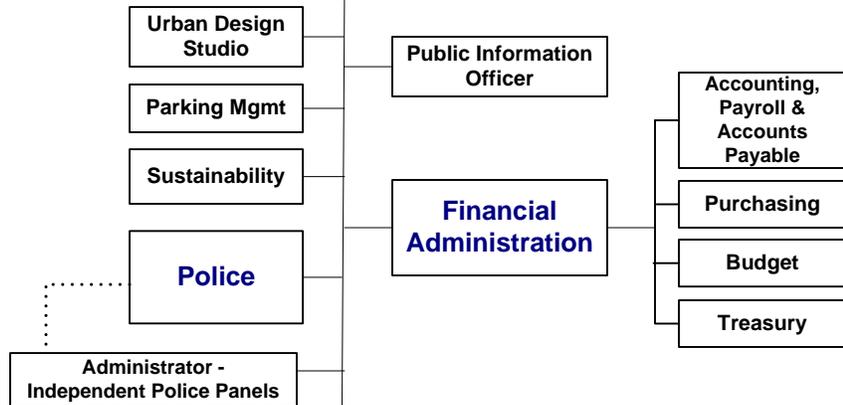
Boards & Committees

City Auditor & Clerk



City Manager

Deputy City Manager

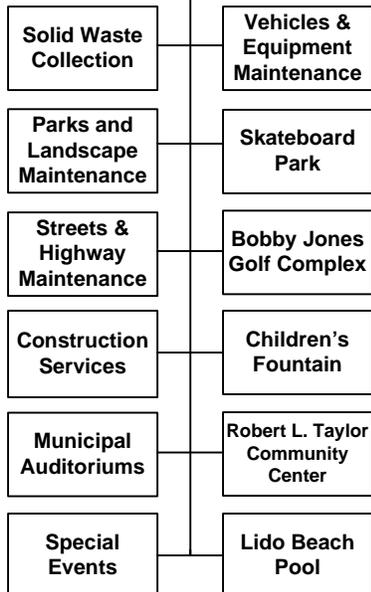


City Attorney

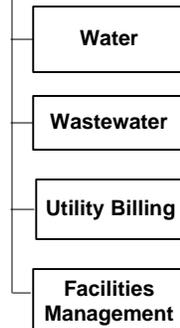
Van Wezel Performing Arts Hall

Commission Support

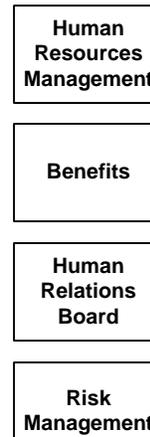
Public Works



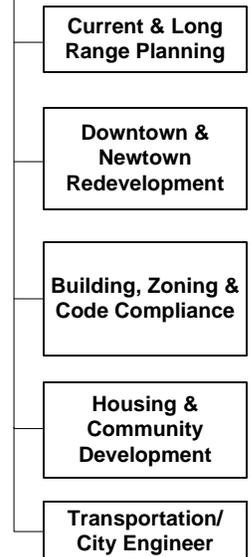
Utilities



Human Resources



Neighborhood & Development Services



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

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, 2014, 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

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

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

INDEPENDENT AUDITORS' REPORT
(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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, the penny sales tax fund, the community redevelopment agency fund, and the housing and community development fund, for the year then ended in accordance 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 fund 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 fund statements and schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management, 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 fund statements and schedules, and the schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the 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)

Other Information (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 March 6, 2015, 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

March 6, 2015
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, 2014. We encourage you to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report and the City's financial statements beginning on page 19.

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 \$430,326,086 (*net position*). Of this amount, \$54,912,097 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 \$7,582,439, or 1.8 percent for the year.
- Total revenues increased \$8,135,003, or 5.9 percent in comparison to the prior year.
- Total expenses increased \$8,460,586, or 6.6 percent in comparison to the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$83,297,831, a decrease of \$5,098,313 for the year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,375,543 or 26.3 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 net of these amounts 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 19-21 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 22-32.

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 34-39 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 40-41 of this report.

Component Units

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-90 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 91-101 of this report.

Budgetary comparison schedules for the General Fund and Community Redevelopment Agency Fund can be found on pages 103-107 and then combining statements for nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds begin on page 112.

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 \$430,326,086 at the close of the most recent fiscal year.

The following schedule is a summary of the Statement of Net Position found on page 19 of this report:

	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	Current and other assets	\$ 111,558,439	\$ 118,732,243	\$ 83,009,336	\$ 87,015,961	\$ 194,567,775
Capital assets, net of depreciation	<u>215,067,551</u>	<u>207,800,108</u>	<u>199,719,143</u>	<u>190,702,430</u>	<u>414,786,694</u>	<u>398,502,538</u>
Total assets	<u>326,625,990</u>	<u>326,532,351</u>	<u>282,728,479</u>	<u>277,718,391</u>	<u>609,354,469</u>	<u>604,250,742</u>
Total deferred outflows of resources	<u>2,864</u>	<u>5,906</u>	<u>480,267</u>	<u>598,115</u>	<u>483,131</u>	<u>604,021</u>
Current and other liabilities	21,144,224	19,666,105	16,560,026	14,906,296	37,704,250	34,572,401
Long-term liabilities outstanding	<u>83,993,097</u>	<u>86,416,588</u>	<u>57,814,167</u>	<u>61,122,127</u>	<u>141,807,264</u>	<u>147,538,715</u>
Total liabilities	<u>105,137,321</u>	<u>106,082,693</u>	<u>74,374,193</u>	<u>76,028,423</u>	<u>179,511,514</u>	<u>182,111,116</u>
Net position:						
Net investment in capital assets	158,951,011	148,111,650	143,855,792	135,645,189	302,806,803	283,756,839
Restricted	59,877,127	62,107,977	12,730,059	12,741,195	72,607,186	74,849,172
Unrestricted	<u>2,663,395</u>	<u>10,235,937</u>	<u>52,248,702</u>	<u>53,901,699</u>	<u>54,912,097</u>	<u>64,137,636</u>
Total net position	<u>\$ 221,491,533</u>	<u>\$ 220,455,564</u>	<u>\$ 208,834,553</u>	<u>\$ 202,288,083</u>	<u>\$ 430,326,086</u>	<u>\$ 422,743,647</u>

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 \$7.6 million, from \$422.7 million in 2013 to \$430.3 million in 2014, a 1.8% increase. Net position of the governmental activities increased \$1.0 million and business-type activities increased \$6.6 million, primarily as a result from operations.

A significant portion of the City's net position (70.4%) 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 (16.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$54,912,097) 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 20 and 21 of this report:

City of Sarasota's Changes in Net Position

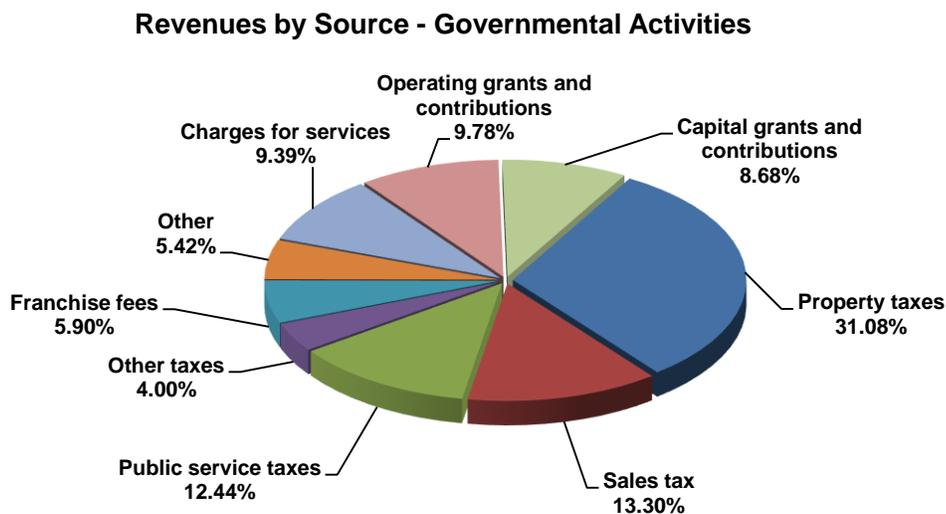
	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 7,636,219	\$ 5,357,348	\$ 62,732,029	\$ 59,291,302	\$ 70,368,248	\$ 64,648,650
Operating grants and contributions	7,949,480	10,384,312	596,987	558,341	8,546,467	10,942,653
Capital grants and contributions	7,053,950	6,113,794	--	--	7,053,950	6,113,794
General Revenues:						
Property taxes	25,269,921	22,584,230	--	--	25,269,921	22,584,230
Other taxes	24,177,433	23,242,831	--	--	24,177,433	23,242,831
Other	<u>9,070,902</u>	<u>9,088,251</u>	<u>491,532</u>	<u>223,041</u>	<u>9,562,434</u>	<u>9,311,292</u>
Total revenues	<u>81,157,905</u>	<u>76,770,766</u>	<u>63,820,548</u>	<u>60,072,684</u>	<u>144,978,453</u>	<u>136,843,450</u>
Expenses:						
Governmental Activities:						
General government	15,959,585	13,535,677	--	--	15,959,585	13,535,677
Public safety	41,197,141	37,595,883	--	--	41,197,141	37,595,883
Physical environment	3,534,031	3,202,880	--	--	3,534,031	3,202,880
Transportation	7,230,305	7,379,994	--	--	7,230,305	7,379,994
Culture & recreation	3,503,809	3,294,003	--	--	3,503,809	3,294,003
Economic environment	4,923,941	7,685,608	--	--	4,923,941	7,685,608
Interest on long-term debt	3,908,368	4,187,503	--	--	3,908,368	4,187,503
Business-type Activities:						
Water and Sewer	--	--	32,303,663	29,760,016	32,303,663	29,760,016
Van Wezel Performing Arts Hall	--	--	10,305,552	9,077,553	10,305,552	9,077,553
Solid Waste	--	--	9,774,612	9,093,671	9,774,612	9,093,671
Other	--	--	<u>4,755,007</u>	<u>4,122,640</u>	<u>4,755,007</u>	<u>4,122,640</u>
Total expenses	<u>80,257,180</u>	<u>76,881,548</u>	<u>57,138,834</u>	<u>52,053,880</u>	<u>137,396,014</u>	<u>128,935,428</u>
Increase (decrease) in net position before other items	900,725	(110,782)	6,681,714	8,018,804	7,582,439	7,908,022
Transfers	<u>135,244</u>	<u>(15,571,310)</u>	<u>(135,244)</u>	<u>15,571,310</u>	--	--
Increase (decrease) in net position	1,035,969	(15,682,092)	6,546,470	23,590,114	7,582,439	7,908,022
Net position - beg. of year	<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>
Net position - end of year	<u>\$ 221,491,533</u>	<u>\$ 220,455,564</u>	<u>\$ 208,834,553</u>	<u>\$ 202,288,083</u>	<u>\$ 430,326,086</u>	<u>\$ 422,743,647</u>

Governmental Activities

Total revenues for governmental activities increased \$4,387,139 or 5.7% when compared to the prior year. The increase in revenues for the current year is the result of the following:

- Charges for services increased by \$2,278,871 compared to the prior year. Leading this increase was a \$1,925,652 increase in building permits and inspections, signaling a significant recovery in the housing market and construction industry.
- Operating grants and contributions decreased by \$2,434,832 from that reported in the prior year. Revenues for the HUD Community Development Block Grant Program increased \$854,638 but this was more than offset by revenues for the HUD Neighborhood Stabilization Programs (NSP) grant decreasing by \$3,352,355 since grant funds are nearly exhausted. The NSP program will continue by using program income to fund the acquisition and rehabilitation of foreclosed homes.
- Capital grants and contributions increased \$940,156. Capital grants fluctuate between fiscal years depending on the availability of grant funding and the need for capital improvements.
- Property tax revenue increased \$2,685,691, a 11.9% jump over the previous year. The increase is the result of the City's millage rate for the current year increasing 6.8% from 3.3525 to 3.5817 mills, and a 4.6% rise in assessed values.
- The City invests in fixed income securities that offer opportunities for predictable cash flows and provide capital preservation. Investment earnings on the City's low risk/high rated investments increased \$463,049 from \$198,291 in 2013 to \$661,340 in 2014.

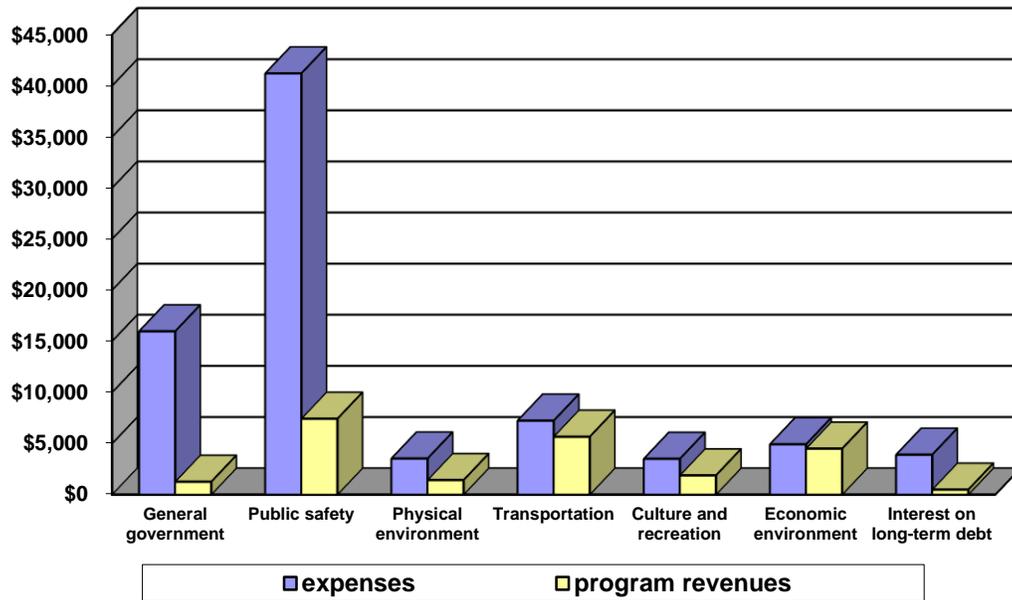
The following graph shows the composition of revenues for the City's governmental activities:



Total expenses for governmental activities increased \$3,375,632 or 4.4% in comparison to the prior year. The increase in current year expenses is attributed to a \$3,566,249 increase in pension costs for police officers and general employees. Operating losses from the Internal Service Funds increased \$1,974,220 over the loss that was reported in the previous year. The loss results from undercharging internal customers for services provided by the Internal Service Funds. \$1,522,740 of the loss is attributed to claims paid for the self-insured employee medical and dental program. Offsetting these increases was a \$2,761,667 decrease in economic environment expenses, mostly from less money available to spend on the HUD Neighborhood Stabilization Programs grant program.

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

Expenses and Program Revenues - Governmental Activities (in thousands)



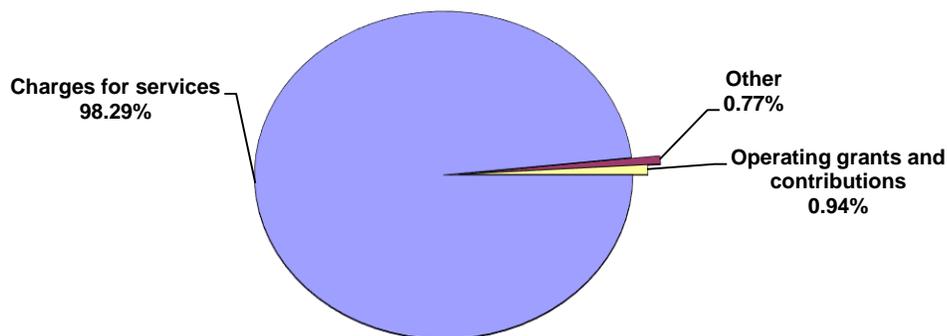
Business-type Activities

Total revenues increased by \$3,747,864 for the current year. \$2,146,321 of the increase was attributed a 4% rate increase in the water and sewer utility. Revenues also increased \$1,184,101 at the Van Wezel Performing Arts Hall, where ticket sales and associated charges accounted for most of the increase.

Total expenses increased by \$5,084,954, or 9.8% from the prior year with \$2,543,647 of the increase occurring in the Water & Sewer Fund and a \$1,227,999 increase in the Van Wezel Performing Arts Hall Fund.

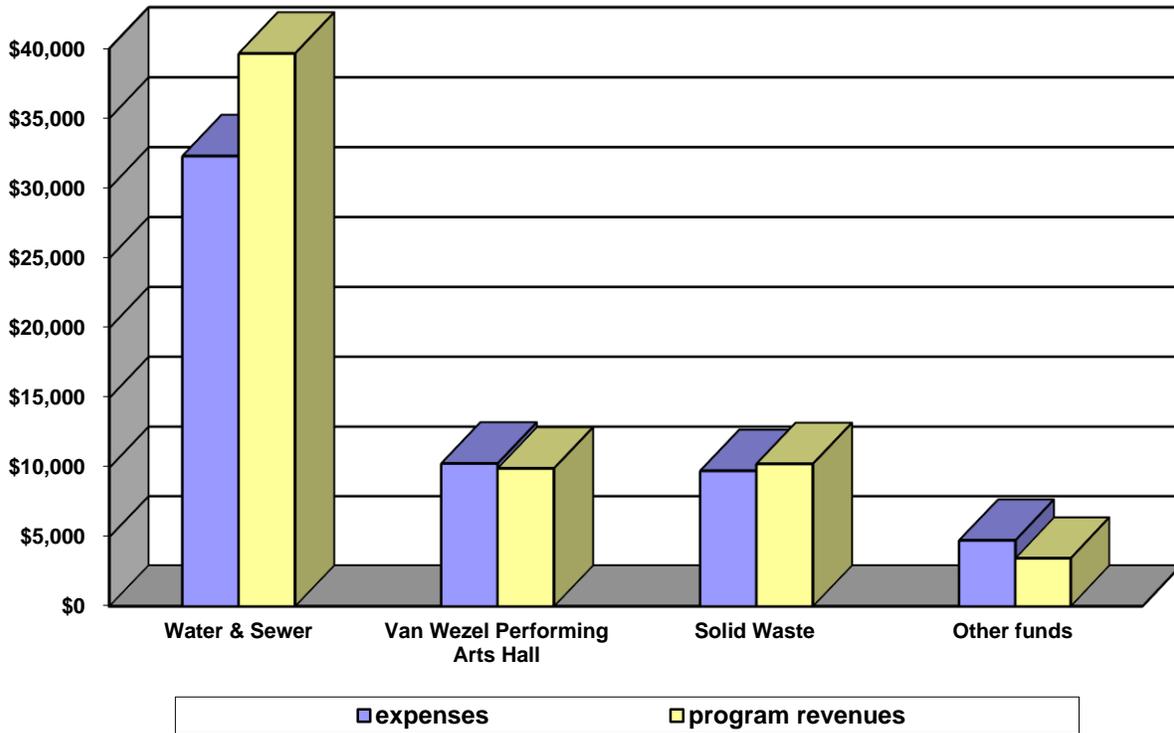
The following graph shows the composition of revenues for the City's business-type activities:

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 22-32. 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 \$83,297,831 a decrease of \$5,098,313 for the year. Approximately 18% of this amount (\$15,246,579) constitutes unassigned fund balance, which is available for spending at the City's discretion subject to budgetary constraints, legal, or other requirements. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending. Significant restrictions include: 1) restricted for infrastructure improvements (\$22,601,915), 2) restricted for community redevelopment (\$14,392,022), 3) restricted for transportation (\$6,663,490), and 4) restricted for debt service (\$6,236,672).

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 \$15,375,543, while total fund balance was \$17,682,334. 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 26.3% (or 3.8 months) of total General Fund expenditures.

Revenues and transfers in for the City's General Fund increased by \$3,002,352 since the prior year. While revenues increased, so did expenditures and transfers out by \$3,731,170. Key factors for the revenue and expenditure increases are:

- The General Fund's portion of ad valorem taxes increased by \$2,188,124 due to an increase in the millage rate from 2.9250 mills to 3.1728 mills and a \$317 million increase in assessed value of property subject to tax.
- Public safety expenditures increased \$2,549,824 for the current year. Pension costs for police officers accounted for \$2,355,995 of this increase. The pension contributions for police officers increased from 55.69% of covered payroll in 2013 to 80.77% in 2014.

The Penny Sales Tax Fund accounts for the revenue from the one-cent local option sales surtax. This fund has a fund balance of \$22,601,915. The net decrease in fund balance for the year was \$1,344,379. Expenditures for the current year totaled \$7,179,152, which included the following capital improvement projects:

• Street & sidewalk projects	\$1,488,566
• Old Bradenton Road improvements	1,073,262
• Police vehicles and radios	1,022,344
• Arlington Park improvements	861,932
• Parks and Recreation Improvements	697,385
• Landscaping improvements	638,774
• Alderman recreation trail	491,917
• Van Wezel boardwalk and decks	328,432
• Stormwater drainage improvements	273,624
• Neighborhood Development	105,225
• Brownfield	82,324
• Payne Park	49,923
• Other miscellaneous projects	65,444

The Community Redevelopment Agency Fund accounts for the operations of the City of Sarasota Community Redevelopment Agency (CRA). Total revenues increased by \$616,300 over that reported last year. The primary reasons for this increase were a \$443,543 increase in ad valorem taxes, and a \$150,437 increase in intergovernmental revenues from Sarasota County. Both of these increases was attributed to the taxable value of property in the redevelopment area increasing by \$54.3 million or 3.1% from the prior year. Investment earnings increased by \$73,352 to \$94,431 for the current year compared to the \$21,079 reported last year. Expenditures of \$3,606,544 and transfers out of \$6,193,659 included the following:

• State Street Parking Garage	\$2,211,195
• Main Street - Segment 1 and 3A	751,289
• First Street – US 41 to Pineapple	124,855
• Housing Authority	97,588
• Salvation Army	79,800
• Developer infrastructure incentives	72,623
• Downtown pedestrian street lights	51,900
• CRA legal fees	42,961
• Contribution for Economic Development Coordinator	40,800
• TCEA update	28,884
• Downtown redevelopment plan	25,276
• Main Street – Orange Avenue roundabout	22,079

• Wayfinding signage		19,896
• Other miscellaneous project costs and events		37,398
• Transfers out:		6,193,659
○ Debt service payments on bonds and loans	\$3,543,913	
○ 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 \$14,392,022 as of September 30, 2014, which is reserved for the remaining outstanding debt obligations 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 \$2,287,129 with a corresponding decrease in expenditures. The decrease is due to the winding down of the multi-year Federal Department of Housing and Urban Development Neighborhood Stabilization Programs during 2014.

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 decreased \$641,968 for the current year even after a four percent rate increase. Operating revenues increased \$2,146,321 but were more than offset by a \$2,788,289 increase in operating expenses. The operating expense increase was attributed to a \$1,039,759 increase in personal services, of which \$884,219 was from higher pension and OPEB costs. Repairs and maintenance increased \$909,233 as it becomes more costly to maintain existing utility systems.
- Operating revenues for the Van Wezel Performing Arts Hall increased by \$1,145,455 for the current year. Most of the increase was due to a \$843,181 increase in ticket sales and a \$180,434 increase in ticket handling charges. Operating expenses increased \$1,227,999 over that reported in the previous year. Of this increase, \$706,547 was from higher performance fees and associated costs incurred to generate the increase in ticket sales.
- The Solid Waste Fund saw a slight operating revenue decrease of \$31,842 for the current year. Operating expenses increased \$680,941, with depreciation on new capital assets accounting for \$144,174 of the increase. Personal services increased \$269,389, with pension costs accounting for \$135,497 of the increase 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

Overall the General Fund revenue budget was decreased by \$924,181. This amount includes a decrease of \$1,190,134 for red light camera violation revenue, an increase of \$143,660 for property sales, a \$33,000 increase for CRA funding of summer youth programs, a \$78,944 increase in grant funding for the marine patrol, and a \$10,349 increase in grant funding for derelict boat removal. The General Fund expenditure budget increased for the year by \$134,477. The difference between the original expenditures budget and the final amended budget are summarized as follows:

- \$1,190,134 decrease in expenditures for reduction of red light camera revenue;

- \$294,065 increase for an additional subsidy to the Parking Management Enterprise Fund;
- \$143,660 increase to use property sales proceeds to reduce the City's OPEB obligation;
- \$33,000 increase for programs at the Robert L. Taylor Community Complex; and
- \$853,885 increase for re-appropriation of projects that were budgeted in the previous fiscal year but not completed. Those projects included the following:
 - \$200,000 for environmental remediation at the Sports Stadium Recreational Facilities;
 - \$183,603 for repairs at City Hall and the Federal Building;
 - \$116,245 for public safety; and
 - \$354,037 for various other projects.

Actual revenues and transfers in were greater than final budget by \$183,302 and actual expenditures and transfers out were less than budgeted expenditures by a total of \$355,553. This resulted in a positive budget variance of \$538,855. Most of this savings was achieved by the diligent efforts to control costs at all levels of management.

Both the original and final budget anticipated \$1,420,971 and \$2,479,629, 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 \$1,940,774, \$538,855 less than was anticipated by the final budget.

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, 2014, is \$414,786,694 (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 4.1% (a 3.5% increase for governmental activities and a 4.7% increase for business-type activities). The schedule below reflects the City's capital assets as of September 30, 2014 and 2013:

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 40,480,911	\$ 40,450,911	\$ 12,252,113	\$ 12,252,113	\$ 52,733,024	\$ 52,703,024
Art collections	877,973	859,973	219,297	218,397	1,097,270	1,078,370
Buildings	56,292,602	57,818,671	27,576,977	28,830,139	83,869,579	86,648,810
Improvements and						
Infrastructure	97,230,448	94,948,972	5,190,083	5,248,120	102,420,531	100,197,092
Utility systems	--	--	108,915,320	100,523,701	108,915,320	100,523,701
Equipment	6,438,899	6,297,329	4,207,352	3,899,912	10,646,251	10,197,241
Construction in progress	13,746,718	7,424,252	41,358,001	39,730,048	55,104,719	47,154,300
Total	<u>\$ 215,067,551</u>	<u>\$ 207,800,108</u>	<u>\$ 199,719,143</u>	<u>\$ 190,702,430</u>	<u>\$ 414,786,694</u>	<u>\$ 398,502,538</u>

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

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

- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$14,392,018 and construction began on others at a cost of \$11,898,726.

- Equipment with an original cost of \$4,299,804 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 \$126,926,100. Of this amount, \$40,701,396 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, 2014 and 2013:

City of Sarasota's Outstanding Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 40,701,396	\$ 41,828,184	\$ --	\$ --	\$ 40,701,396	\$ 41,828,184
Special obligation bonds	28,479,704	31,826,378	--	--	28,479,704	31,826,378
Revenue bonds	--	--	57,745,000	60,995,000	57,745,000	60,995,000
Total bonds	69,181,100	73,654,562	57,745,000	60,995,000	126,926,100	134,649,562
Loans payable	1,955,000	2,925,000	--	--	1,955,000	2,925,000
Total bonds & loans	<u>\$ 71,136,100</u>	<u>\$ 76,579,562</u>	<u>\$ 57,745,000</u>	<u>\$ 60,995,000</u>	<u>\$ 128,881,100</u>	<u>\$ 137,574,562</u>

The City's total debt decreased by \$8,693,462 or 6.3 %. The key factors in this decrease were:

- Scheduled principal payments of \$9,156,941 were paid when due.
- The accreted value increased \$463,479 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 69-71 of this report.

Economic Factors and Next Year's Budget and Rates

For the 2015 fiscal year, the City will continue to rebound from the dramatic impacts of the Great Recession (2007-2012). Optimism prevails as the local economy improves, construction cranes puncture the Sarasota skyline, and property values begin to rise. The 2015 fiscal year budget continues the recessionary discipline of living within our means with the reduction of 9.8 full-time employee positions through attrition.

Other factors considered in preparing the City's 2015 fiscal year budget were:

- The taxable value of commercial and residential property increased 5.35% from last year's valuation. The \$385 million increase in taxable value for 2015 is the third consecutive year that property values have increased since 2008.
- No adjustment was made to the General Fund property tax rate of 3.1728 mills. Since the property valuation for the 2015 fiscal year increased, property tax revenue will increase \$945,671 for 2015
- The City's population changed slightly from 52,689 reported in 2013 to 52,584 for 2014.
- The City of Sarasota unemployment rate for September 2014 was 5.4%, a significant decrease from the 6.7% rate reported in September 2013. The Sarasota County unemployment rate for September 2014 was 5.8%, a decrease of 1% from the 6.8% rate reported in September 2013 and lower than the State and Federal rates (6.1% and 5.9% respectively).

Requests for Information

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



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City of Sarasota, Florida
Statement of Net Position
September 30, 2014

	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 21,775,655	\$ 14,430,222	\$ 36,205,877	\$ 45,383
Investments	82,125,701	63,863,986	145,989,687	300,625
Receivables (net):				
Accounts	2,166,491	3,665,324	5,831,815	--
Interest	179,077	116,224	295,301	532
Notes	371,855	--	371,855	--
Special assessments	407,664	--	407,664	--
Internal balances	35,145	(35,145)	--	--
Due from other governmental agencies	3,963,821	3,881	3,967,702	--
Inventories	189,225	171,255	360,480	--
Prepaid items	343,805	793,589	1,137,394	--
Capital assets:				
Non-depreciable	55,105,602	53,829,411	108,935,013	58,532
Depreciable (net)	159,961,949	145,889,732	305,851,681	1,458,951
Total assets	<u>326,625,990</u>	<u>282,728,479</u>	<u>609,354,469</u>	<u>1,864,023</u>
Deferred Outflows of Resources				
Deferred charge on refunding	2,864	480,267	483,131	--
Total deferred outflows of resources	<u>2,864</u>	<u>480,267</u>	<u>483,131</u>	<u>--</u>
Liabilities				
Accounts payable	5,937,988	3,216,540	9,154,528	8,930
Retainages payable	450,836	695,697	1,146,533	--
Liability for unpaid claims	2,778,268	--	2,778,268	--
Accrued interest payable	990,558	1,399,585	2,390,143	--
Due to other governmental agencies	129,469	24,994	154,463	--
Accrued wages	946,735	421,949	1,368,684	1,065
Unearned revenue	1,063,919	5,782,596	6,846,515	1,375
Customer deposits	281,580	1,044,733	1,326,313	--
Noncurrent liabilities:				
Due within one year	8,564,871	3,973,932	12,538,803	--
Due in more than one year	83,993,097	57,814,167	141,807,264	--
Total liabilities	<u>105,137,321</u>	<u>74,374,193</u>	<u>179,511,514</u>	<u>11,370</u>
Net Position				
Net investment in capital assets	158,951,011	143,855,792	302,806,803	1,517,483
Restricted for:				
Debt service	5,266,861	6,740,569	12,007,430	--
Construction	1,012,527	5,989,490	7,002,017	--
Community redevelopment	14,392,022	--	14,392,022	--
Infrastructure improvements	22,601,915	--	22,601,915	--
Housing and community development	2,040,813	--	2,040,813	--
Transportation	6,663,490	--	6,663,490	--
Development services	3,798,383	--	3,798,383	--
Law enforcement programs	451,490	--	451,490	--
Tourist development	3,020,256	--	3,020,256	--
Grant programs	555,272	--	555,272	--
Golden Gate Point streetscape	45,988	--	45,988	--
Economic development	28,110	--	28,110	--
Unrestricted	2,663,395	52,248,702	54,912,097	335,170
Total net position	<u>\$ 221,491,533</u>	<u>\$ 208,834,553</u>	<u>\$ 430,326,086</u>	<u>\$ 1,852,653</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Statement of Activities
For the Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 15,959,585	\$ 1,261,060	\$ --	\$ --
Public safety:				
Police	34,961,683	1,317,457	875,870	273,869
Fire	3,675,195	--	813,198	--
Building inspections	2,112,223	3,936,917	--	--
Other public safety	448,040	201,054	--	--
Physical environment	3,534,031	108,441	783,497	532,901
Transportation	7,230,305	490,497	172,147	4,999,201
Culture and recreation	3,503,809	320,790	336,148	1,226,176
Economic environment	4,923,941	3	4,474,211	21,803
Interest on long-term debt	3,908,368	--	494,409	--
Total governmental activities	<u>80,257,180</u>	<u>7,636,219</u>	<u>7,949,480</u>	<u>7,053,950</u>
Business-type activities:				
Water and Sewer	32,303,663	39,643,226	--	--
Van Wezel	10,305,552	9,354,299	596,987	--
Solid Waste	9,774,612	10,271,649	--	--
Bobby Jones Golf Course	2,890,161	2,477,163	--	--
Municipal Auditoriums	550,798	332,115	--	--
Parking Management	1,314,048	653,577	--	--
Total business-type activities	<u>57,138,834</u>	<u>62,732,029</u>	<u>596,987</u>	<u>--</u>
Total primary government	<u>\$ 137,396,014</u>	<u>\$ 70,368,248</u>	<u>\$ 8,546,467</u>	<u>\$ 7,053,950</u>
Component Units:				
St. Armands Business Improvement District	\$ 219,773	\$ --	\$ --	\$ --
Downtown Improvement District	334,329	--	--	--
Total component units	<u>\$ 554,102</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

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

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total	Component Units
\$ (14,698,525)	\$ --	\$ (14,698,525)	\$ --
(32,494,487)	--	(32,494,487)	--
(2,861,997)	--	(2,861,997)	--
1,824,694	--	1,824,694	--
(246,986)	--	(246,986)	--
(2,109,192)	--	(2,109,192)	--
(1,568,460)	--	(1,568,460)	--
(1,620,695)	--	(1,620,695)	--
(427,924)	--	(427,924)	--
<u>(3,413,959)</u>	<u>--</u>	<u>(3,413,959)</u>	<u>--</u>
<u>(57,617,531)</u>	<u>--</u>	<u>(57,617,531)</u>	<u>--</u>
--	7,339,563	7,339,563	--
--	(354,266)	(354,266)	--
--	497,037	497,037	--
--	(412,998)	(412,998)	--
--	(218,683)	(218,683)	--
--	(660,471)	(660,471)	--
<u>--</u>	<u>6,190,182</u>	<u>6,190,182</u>	<u>--</u>
<u>(57,617,531)</u>	<u>6,190,182</u>	<u>(51,427,349)</u>	<u>--</u>
			(219,773)
			<u>(334,329)</u>
			<u>(554,102)</u>
25,269,921	--	25,269,921	562,354
2,358,159	--	2,358,159	--
10,812,138	--	10,812,138	--
10,115,459	--	10,115,459	--
850,720	--	850,720	--
40,957	--	40,957	--
4,800,067	--	4,800,067	--
1,790,313	--	1,790,313	--
661,340	419,255	1,080,595	1,605
1,577,655	--	1,577,655	50,889
241,527	72,277	313,804	--
135,244	(135,244)	--	--
<u>58,653,500</u>	<u>356,288</u>	<u>59,009,788</u>	<u>614,848</u>
1,035,969	6,546,470	7,582,439	60,746
220,455,564	202,288,083	422,743,647	1,791,907
<u>\$ 221,491,533</u>	<u>\$ 208,834,553</u>	<u>\$ 430,326,086</u>	<u>\$ 1,852,653</u>

City of Sarasota, Florida
Governmental Funds
Balance Sheet
September 30, 2014

	<u>General</u>	<u>Penny Sales Tax</u>
Assets		
Cash and cash equivalents	\$ 10,292,136	\$ 2,976,881
Investments	6,054,553	19,719,975
Receivables (net):		
Accounts	2,078,435	--
Interest	25,526	33,245
Interfund	106,865	--
Notes	--	--
Special assessments	--	--
Due from other governmental agencies	1,158,915	1,052,982
Inventories	112,798	--
Prepaid items	219,914	--
Total assets	<u>\$ 20,049,142</u>	<u>\$ 23,783,083</u>
Liabilities		
Liabilities:		
Accounts payable	\$ 814,625	\$ 891,983
Accrued interest payable	--	--
Retainages payable	--	289,185
Due to other funds	--	--
Due to other governmental agencies	36,351	--
Interfund payables	--	--
Advance from other funds	--	--
Accrued wages	849,124	--
Unearned revenue	666,708	--
Customer deposits	--	--
Total liabilities	<u>2,366,808</u>	<u>1,181,168</u>
Deferred Inflows of Resources		
Unavailable revenue - notes receivable	--	--
Unavailable revenue - special assessments	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>
Fund Balances		
Nonspendable:		
Inventory	112,798	--
Prepaid items	219,914	--
Restricted for:		
Infrastructure improvements	--	22,601,915
Community redevelopment	--	--
Housing and community development	--	--
Building services	--	--
Transportation	--	--
Law enforcement programs	--	--
Golden Gate Point streetscape	--	--
Tourist development	--	--
Grant programs	--	--
Economic development	--	--
Debt service	--	--
Construction	--	--
Committed to:		
Revenue stabilization	1,406,468	--
Development application system	--	--
Public art	--	--
Neighborhood grant programs	--	--
Citizens with disabilities	--	--
Forestry	--	--
Transportation	--	--
Affordable housing	--	--
Law enforcement	--	--
Economic development	--	--
Culture and recreation	--	--
Assigned to:		
Subsequent year expenditures	285,171	--
Other purposes (encumbrances)	282,440	--
Unassigned	<u>15,375,543</u>	<u>--</u>
Total fund balances	<u>17,682,334</u>	<u>22,601,915</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,049,142</u>	<u>\$ 23,783,083</u>

The accompanying notes are an integral part of this statement.

<u>Community Redevelopment Agency</u>	<u>Housing and Community Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,230,974	\$ --	\$ 4,046,921	\$ 19,546,912
14,778,810	--	26,808,334	67,361,672
--	--	85,165	2,163,600
25,615	28	47,089	131,503
--	--	--	106,865
--	329,090	42,765	371,855
--	--	407,664	407,664
--	300,408	1,301,981	3,814,286
--	--	--	112,798
--	--	22,890	242,804
<u>\$ 17,035,399</u>	<u>\$ 629,526</u>	<u>\$ 32,762,809</u>	<u>\$ 94,259,959</u>
\$ 793,830	\$ 209,800	\$ 2,689,930	\$ 5,400,168
--	--	9	9
100,957	--	60,694	450,836
874,295	--	5,429	879,724
--	--	92,224	128,575
--	66,374	5,346	71,720
874,295	--	127,235	1,001,530
--	19,619	35,806	904,549
--	4,643	392,567	1,063,918
--	--	281,580	281,580
<u>2,643,377</u>	<u>300,436</u>	<u>3,690,820</u>	<u>10,182,609</u>
--	329,090	42,765	371,855
--	--	407,664	407,664
--	<u>329,090</u>	<u>450,429</u>	<u>779,519</u>
--	--	--	112,798
--	--	22,890	242,804
--	--	--	22,601,915
14,392,022	--	--	14,392,022
--	--	2,040,813	2,040,813
--	--	3,798,383	3,798,383
--	--	6,663,490	6,663,490
--	--	451,490	451,490
--	--	45,988	45,988
--	--	3,020,256	3,020,256
--	--	555,272	555,272
--	--	28,110	28,110
--	--	6,236,672	6,236,672
--	--	3,755,741	3,755,741
--	--	--	1,406,468
--	--	481,326	481,326
--	--	417,250	417,250
--	--	74,149	74,149
--	--	147,824	147,824
--	--	108,320	108,320
--	--	112,066	112,066
--	--	317,270	317,270
--	--	5,169	5,169
--	--	89,873	89,873
--	--	19,518	19,518
--	--	358,654	643,825
--	--	--	282,440
--	--	(128,964)	15,246,579
<u>14,392,022</u>	<u>--</u>	<u>28,621,560</u>	<u>83,297,831</u>
<u>\$ 17,035,399</u>	<u>\$ 629,526</u>	<u>\$ 32,762,809</u>	<u>\$ 94,259,959</u>

City of Sarasota, FloridaReconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
As of September 30, 2014

Fund balances - total governmental funds \$ 83,297,831

Amounts reported for governmental activities in the statement of net position 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	\$ 332,679,171	
Less accumulated depreciation	<u>(121,958,426)</u>	210,720,745

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>(231,010)</u>	79,650

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	(990,382)	
General obligation bonds	(40,701,396)	
Special obligation bonds	(28,479,704)	
Loans payable	(1,955,000)	
Other post-employment benefits	(16,549,207)	
Unamortized bond premium	<u>(177,067)</u>	(88,852,756)

Deferred outflow of resources not reported in governmental funds.
Unamortized loss on refunding 2,864

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

Special assessments	407,664	
Mortgages receivable	371,855	
Interest subsidy on Build America Bonds received before interest payment was due	<u>149,535</u>	929,054

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

The net position of the internal service funds that are reported with governmental activities		<u>15,314,145</u>
--	--	-------------------

Net position of governmental activities		<u>\$ 221,491,533</u>
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City of Sarasota, Florida
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended September 30, 2014

	<u>General</u>	<u>Penny Sales Tax</u>
Revenues		
Taxes	\$ 29,413,029	\$ --
Franchise fees	4,800,067	--
Special assessments	--	--
Licenses and permits	472,825	--
Intergovernmental	8,444,306	6,676,724
Charges for services	2,260,861	--
Charges to other funds	4,403,460	--
Fines and forfeits	712,286	--
Investment earnings	113,249	92,006
Miscellaneous	1,450,101	292,880
Total revenues	<u>52,070,184</u>	<u>7,061,610</u>
Expenditures		
Current:		
General government	17,626,682	--
Public safety	33,791,604	150,000
Physical environment	2,808,130	113,727
Transportation	2,954,359	14,829
Culture and recreation	1,315,512	39,008
Economic environment	--	905
Debt service:		
Principal payments	--	--
Interest and fiscal charges	--	--
Capital outlay	--	6,860,683
Total expenditures	<u>58,496,287</u>	<u>7,179,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,426,103)</u>	<u>(117,542)</u>
Other financing sources (uses)		
Transfers in	5,223,835	22,830
Transfers out	(738,506)	(1,249,667)
Total other financing sources (uses)	<u>4,485,329</u>	<u>(1,226,837)</u>
Net change in fund balances	(1,940,774)	(1,344,379)
Fund balances - beginning	<u>19,623,108</u>	<u>23,946,294</u>
Fund balances - ending	<u>\$ 17,682,334</u>	<u>\$ 22,601,915</u>

The accompanying notes are an integral part of this statement.

Community Redevelopment Agency	Housing and Community Development	Other Governmental Funds	Total Governmental Funds
\$ 3,591,305	\$ --	\$ 5,768,176	\$ 38,772,510
--	--	--	4,800,067
--	--	106,385	106,385
--	--	3,849,555	4,322,380
3,676,070	3,751,640	4,339,380	26,888,120
--	3	521,461	2,782,325
--	--	--	4,403,460
--	--	430,075	1,142,361
94,431	28,893	182,534	511,113
169,505	390	227,449	2,140,325
<u>7,531,311</u>	<u>3,780,926</u>	<u>15,425,015</u>	<u>85,869,046</u>
--	--	126,962	17,753,644
--	--	2,269,071	36,210,675
--	--	289,954	3,211,811
53,118	--	265,118	3,287,424
--	--	85,325	1,439,845
350,409	3,308,943	1,148,762	4,809,019
--	--	4,372,345	4,372,345
--	--	5,042,815	5,042,815
3,203,017	472,877	4,711,343	15,247,920
<u>3,606,544</u>	<u>3,781,820</u>	<u>18,311,695</u>	<u>91,375,498</u>
<u>3,924,767</u>	<u>(894)</u>	<u>(2,886,680)</u>	<u>(5,506,452)</u>
--	894	5,293,584	10,541,143
<u>(6,193,659)</u>	<u>--</u>	<u>(1,951,172)</u>	<u>(10,133,004)</u>
<u>(6,193,659)</u>	<u>894</u>	<u>3,342,412</u>	<u>408,139</u>
(2,268,892)	--	455,732	(5,098,313)
<u>16,660,914</u>	<u>--</u>	<u>28,165,828</u>	<u>88,396,144</u>
<u>\$ 14,392,022</u>	<u>\$ --</u>	<u>\$ 28,621,560</u>	<u>\$ 83,297,831</u>

City of Sarasota, FloridaReconciliation 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, 2014

Net change in fund balances - total governmental funds		\$ (5,098,313)
--	--	----------------

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	\$ 15,646,963	
Less current year depreciation	<u>(8,724,160)</u>	6,922,803

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

Book value of disposals of capital assets		(6,729)
---	--	---------

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

		12,202
--	--	--------

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 position of governmental activities.

Collection of special assessments	(106,385)	
Receipts on mortgages receivable	<u>(102,396)</u>	(208,781)

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 position of governmental activities.

Principal repayments:

General obligation bonds	1,126,788	
Special obligation bonds	3,810,153	
Loans payable	<u>970,000</u>	5,906,941

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	(10,153)	
Accrued interest	61,278	
Interest on capital appreciation bonds	(463,479)	
Other post-employment benefits	<u>(3,297,487)</u>	(3,709,841)

Governmental funds report the effect of bond insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of bond premium	16,501	
Amortization of deferred loss on refunding	(3,042)	
Amortization of current year bond insurance costs	<u>(9,230)</u>	4,229

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

The net expense of the internal service funds is reported with governmental activities.		<u>(2,786,542)</u>
---	--	--------------------

Change in net position of governmental activities		<u>\$ 1,035,969</u>
---	--	---------------------

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

General Fund

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

Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Taxes	\$ 29,384,166	\$ 29,384,166	\$ 29,413,029	\$ 28,863
Franchise fees	5,320,000	5,320,000	4,800,067	(519,933)
Licenses and permits	282,460	282,460	472,825	190,365
Intergovernmental	8,006,634	8,016,983	8,444,306	427,323
Charges for services	1,914,047	1,914,047	2,260,861	346,814
Charges to other funds	4,403,460	4,403,460	4,403,460	--
Fines and forfeits	2,222,800	1,032,666	712,286	(320,380)
Investment earnings	250,000	250,000	113,249	(136,751)
Miscellaneous	1,259,713	1,403,373	1,450,101	46,728
Total revenues	<u>53,043,280</u>	<u>52,007,155</u>	<u>52,070,184</u>	<u>63,029</u>
Expenditures				
Current:				
General government	17,598,389	17,845,180	17,626,682	218,498
Public safety	33,586,550	33,528,963	33,791,604	(262,641)
Physical environment	3,142,403	2,984,228	2,808,130	176,098
Transportation	3,182,106	3,052,970	2,954,359	98,611
Culture and recreation	1,476,986	1,441,393	1,315,512	125,881
Economic environment	25,888	--	--	--
Total expenditures	<u>59,012,322</u>	<u>58,852,734</u>	<u>58,496,287</u>	<u>356,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,969,042)</u>	<u>(6,845,579)</u>	<u>(6,426,103)</u>	<u>419,476</u>
Other financing sources (uses)				
Transfers in	4,991,618	5,103,562	5,223,835	120,273
Transfers out	<u>(443,547)</u>	<u>(737,612)</u>	<u>(738,506)</u>	<u>(894)</u>
Total other financing sources (uses)	<u>4,548,071</u>	<u>4,365,950</u>	<u>4,485,329</u>	<u>119,379</u>
Net change in fund balances	(1,420,971)	(2,479,629)	(1,940,774)	538,855
Fund balances - beginning	<u>19,623,108</u>	<u>19,623,108</u>	<u>19,623,108</u>	<u>--</u>
Fund balances - ending	<u>\$ 18,202,137</u>	<u>\$ 17,143,479</u>	<u>\$ 17,682,334</u>	<u>\$ 538,855</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 5,967,000	\$ 6,399,126	\$ 6,676,724	\$ 277,598
Investment earnings	40,000	40,000	92,006	52,006
Miscellaneous	--	444,630	292,880	(151,750)
Total revenues	<u>6,007,000</u>	<u>6,883,756</u>	<u>7,061,610</u>	<u>177,854</u>
Expenditures				
Current:				
Public safety	150,000	150,000	150,000	--
Physical environment	30,469	859,371	113,727	745,644
Transportation	--	17,002	14,829	2,173
Culture and recreation	23,500	59,939	39,008	20,931
Economic environment	420,000	4,420,906	905	4,420,001
Capital outlay:				
Public safety	893,249	1,065,906	884,164	181,742
Physical environment	276,417	1,896,964	251,958	1,645,006
Transportation	5,450,363	13,565,440	3,513,084	10,052,356
Culture and recreation	1,741,857	4,012,460	2,211,477	1,800,983
Economic environment	17,076	135,605	--	135,605
Total expenditures	<u>9,002,931</u>	<u>26,183,593</u>	<u>7,179,152</u>	<u>19,004,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,995,931)</u>	<u>(19,299,837)</u>	<u>(117,542)</u>	<u>19,182,295</u>
Other financing uses				
Transfers in	--	--	22,830	22,830
Transfers out	<u>(1,249,667)</u>	<u>(1,249,667)</u>	<u>(1,249,667)</u>	<u>--</u>
Total other financing sources (uses)	<u>(1,249,667)</u>	<u>(1,249,667)</u>	<u>(1,226,837)</u>	<u>22,830</u>
Net change in fund balances	(4,245,598)	(20,549,504)	(1,344,379)	19,205,125
Fund balances - beginning	<u>23,946,294</u>	<u>23,946,294</u>	<u>23,946,294</u>	<u>--</u>
Fund balances - ending	<u>\$ 19,700,696</u>	<u>\$ 3,396,790</u>	<u>\$ 22,601,915</u>	<u>\$ 19,205,125</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 3,617,897	\$ 3,617,897	\$ 3,591,305	\$ (26,592)
Intergovernmental	3,702,122	3,702,122	3,676,070	(26,052)
Investment earnings	50,000	50,000	94,431	44,431
Miscellaneous	136,828	136,828	169,505	32,677
Total revenues	<u>7,506,847</u>	<u>7,506,847</u>	<u>7,531,311</u>	<u>24,464</u>
Expenditures				
Current:				
Public safety	--	4,704	--	4,704
Transportation	76,780	193,654	53,118	140,536
Economic environment	305,817	1,958,231	350,409	1,607,822
Capital outlay:				
Public safety	--	42,867	--	42,867
Transportation	1,580,517	16,581,561	3,181,214	13,400,347
Culture and recreation	--	708,178	--	708,178
Economic environment	226,530	175,533	21,803	153,730
Total expenditures	<u>2,189,644</u>	<u>19,664,728</u>	<u>3,606,544</u>	<u>16,058,184</u>
Excess of revenues over expenditures	<u>5,317,203</u>	<u>(12,157,881)</u>	<u>3,924,767</u>	<u>16,082,648</u>
Other financing uses				
Transfers in	--	1,748,590	--	(1,748,590)
Transfers out	(6,160,659)	(6,193,659)	(6,193,659)	--
Total other financing sources (uses)	<u>(6,160,659)</u>	<u>(4,445,069)</u>	<u>(6,193,659)</u>	<u>(1,748,590)</u>
Net change in fund balances	(843,456)	(16,602,950)	(2,268,892)	14,334,058
Fund balances - beginning	<u>16,660,914</u>	<u>16,660,914</u>	<u>16,660,914</u>	<u>--</u>
Fund balances (deficit) - ending	<u>\$ 15,817,458</u>	<u>\$ 57,964</u>	<u>\$ 14,392,022</u>	<u>\$ 14,334,058</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,396,960	\$ 6,707,315	\$ 3,751,640	\$ (2,955,675)
Charges for services	--	--	3	3
Investment earnings	--	--	28,893	28,893
Miscellaneous	--	--	390	390
Total revenues	<u>3,396,960</u>	<u>6,707,315</u>	<u>3,780,926</u>	<u>(2,926,389)</u>
Expenditures				
Current:				
Economic environment	3,393,985	6,234,438	3,308,943	2,925,495
Capital outlay:				
General government	2,975	--	--	--
Physical environment	--	57,777	57,777	--
Transportation	--	253,246	253,246	--
Culture and recreation	--	161,854	161,854	--
Total expenditures	<u>3,396,960</u>	<u>6,707,315</u>	<u>3,781,820</u>	<u>2,925,495</u>
Excess of revenues over expenditures	--	--	(894)	(894)
Other financing sources				
Transfers in	--	--	894	894
Net change in fund balances	--	--	--	--
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.



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City of Sarasota, Florida
Proprietary Funds
Statement of Net Position
September 30, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	
Assets						
Current assets:						
Cash and cash equivalents	\$ 5,519,075	\$ 1,109,050	\$ 997,859	\$ 216,821	\$ 7,842,805	\$ 2,228,743
Investments	36,560,426	7,346,766	6,610,193	1,436,306	51,953,691	14,764,029
Receivables (net):						
Accounts	3,067,627	303,300	273,026	21,371	3,665,324	2,891
Interest	63,563	10,737	11,878	2,473	88,651	47,574
Due from other funds	--	--	--	--	--	920,478
Due from other governmental agencies	--	--	--	3,881	3,881	--
Inventories	137,381	1,756	--	32,118	171,255	76,427
Prepaid items	277,152	448,209	4,374	46,470	776,205	21,351
Total unrestricted current assets	<u>45,625,224</u>	<u>9,219,818</u>	<u>7,897,330</u>	<u>1,759,440</u>	<u>64,501,812</u>	<u>18,061,493</u>
Restricted current assets:						
Cash and cash equivalents	1,796,463	--	1,486	--	1,797,949	--
Cash with fiscal agents	4,789,468	--	--	--	4,789,468	--
Investments	11,900,450	--	9,845	--	11,910,295	--
Accrued interest receivable	27,573	--	--	--	27,573	--
Prepaid items	2,998	--	--	--	2,998	--
Total restricted current assets	<u>18,516,952</u>	<u>--</u>	<u>11,331</u>	<u>--</u>	<u>18,528,283</u>	<u>--</u>
 Total current assets	 <u>64,142,176</u>	 <u>9,219,818</u>	 <u>7,908,661</u>	 <u>1,759,440</u>	 <u>83,030,095</u>	 <u>18,061,493</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable:						
Land	6,040,560	525,000	--	5,686,553	12,252,113	--
Art collections	--	219,297	--	--	219,297	--
Construction in progress	41,316,279	--	25,228	16,494	41,358,001	124,023
Depreciable:						
Buildings	25,132,252	26,262,025	146,466	13,938,075	65,478,818	--
Improvements	--	734,158	346,151	10,067,577	11,147,886	2,792,178
Utility systems	252,650,432	--	--	--	252,650,432	--
Equipment	9,364,314	1,334,596	5,985,008	1,052,154	17,736,072	10,487,173
Less accumulated depreciation	(172,967,835)	(13,886,735)	(4,675,239)	(9,593,667)	(201,123,476)	(9,056,569)
Total capital assets (net of accumulated depreciation)	<u>161,536,002</u>	<u>15,188,341</u>	<u>1,827,614</u>	<u>21,167,186</u>	<u>199,719,143</u>	<u>4,346,805</u>
Other assets:						
Advance to other funds	--	--	--	--	--	1,001,530
Prepaid items	14,386	--	--	--	14,386	--
Total other assets	<u>14,386</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14,386</u>	<u>1,001,530</u>
 Total noncurrent assets	 <u>161,550,388</u>	 <u>15,188,341</u>	 <u>1,827,614</u>	 <u>21,167,186</u>	 <u>199,733,529</u>	 <u>5,348,335</u>
 Total assets	 <u>225,692,564</u>	 <u>24,408,159</u>	 <u>9,736,275</u>	 <u>22,926,626</u>	 <u>282,763,624</u>	 <u>23,409,828</u>
Deferred Outflows of Resources						
Deferred charge on refunding	480,267	--	--	--	480,267	--
 Total deferred outflows of resources	 <u>\$ 480,267</u>	 <u>\$ --</u>	 <u>\$ --</u>	 <u>\$ --</u>	 <u>\$ 480,267</u>	 <u>\$ --</u>

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds					Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	Activities - Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable	\$ 2,129,324	\$ 201,725	\$ 469,918	\$ 108,049	\$ 2,909,016	\$ 537,820
Retainages payable	587,358	--	--	--	587,358	--
Due to other funds	--	--	--	--	--	40,754
Due to other governmental agencies	127	24,867	--	--	24,994	894
Interfund payables	35,145	--	--	--	35,145	--
Accrued interest payable	105	--	--	12	117	167
Liability for unpaid claims	--	--	--	--	--	2,778,268
Accrued wages	287,619	48,602	46,784	38,944	421,949	42,186
Compensated absences	400,066	53,370	68,445	62,051	583,932	2,411,188
Unearned revenue	206,662	5,086,765	401,485	87,684	5,782,596	--
Total unrestricted current liabilities	<u>3,646,406</u>	<u>5,415,329</u>	<u>986,632</u>	<u>296,740</u>	<u>10,345,107</u>	<u>5,811,277</u>
Current liabilities payable from restricted assets:						
Accounts payable	307,524	--	--	--	307,524	--
Retainages payable	108,339	--	--	--	108,339	--
Accrued interest payable	1,399,468	--	--	--	1,399,468	--
Customer deposits	1,033,402	--	11,331	--	1,044,733	--
Revenue bonds & loans payable - current	<u>3,390,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,390,000</u>	<u>--</u>
Total current liabilities payable from restricted assets	<u>6,238,733</u>	<u>--</u>	<u>11,331</u>	<u>--</u>	<u>6,250,064</u>	<u>--</u>
Total current liabilities	<u>9,885,139</u>	<u>5,415,329</u>	<u>997,963</u>	<u>296,740</u>	<u>16,595,171</u>	<u>5,811,277</u>
Noncurrent liabilities:						
Compensated absences	354,777	47,329	60,696	55,026	517,828	2,138,224
Other post-employment benefits	934,026	162,908	161,610	131,631	1,390,175	146,182
Revenue bonds, loans payable and unamortized premium less current maturities	<u>55,906,164</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>55,906,164</u>	<u>--</u>
Total noncurrent liabilities	<u>57,194,967</u>	<u>210,237</u>	<u>222,306</u>	<u>186,657</u>	<u>57,814,167</u>	<u>2,284,406</u>
Total liabilities	<u>67,080,106</u>	<u>5,625,566</u>	<u>1,220,269</u>	<u>483,397</u>	<u>74,409,338</u>	<u>8,095,683</u>
Net Position						
Net investment in capital assets	105,672,651	15,188,341	1,827,614	21,167,186	143,855,792	4,346,805
Restricted:						
Debt service	6,740,569	--	--	--	6,740,569	--
Construction	5,989,490	--	--	--	5,989,490	--
Unrestricted	<u>40,690,015</u>	<u>3,594,252</u>	<u>6,688,392</u>	<u>1,276,043</u>	<u>52,248,702</u>	<u>10,967,340</u>
Total net position	<u>\$ 159,092,725</u>	<u>\$ 18,782,593</u>	<u>\$ 8,516,006</u>	<u>\$ 22,443,229</u>	<u>\$ 208,834,553</u>	<u>\$ 15,314,145</u>

City of Sarasota, Florida
 Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended September 30, 2014

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water and Sewer	Van Wezel	Solid Waste	Other Funds		
Operating revenues						
Charges for services	\$ 39,480,229	\$ 8,754,661	\$ 10,195,317	\$ 2,590,771	\$ 61,020,978	\$ 14,270,607
Rents	21,501	575,189	60,000	291,197	947,887	--
Fines	--	--	--	568,718	568,718	--
Miscellaneous	141,496	24,449	16,332	12,169	194,446	1,457,592
Total operating revenues	<u>39,643,226</u>	<u>9,354,299</u>	<u>10,271,649</u>	<u>3,462,855</u>	<u>62,732,029</u>	<u>15,728,199</u>
Operating expenses						
Personal services	10,746,479	1,765,314	2,379,098	1,591,719	16,482,610	4,261,329
Contractual services	7,056,311	7,178,044	5,636,270	829,831	20,700,456	10,789,375
Repairs and maintenance	3,213,499	138,579	417,586	1,557,080	5,326,744	543,962
Supplies and materials	2,148,775	216,909	556,593	184,482	3,106,759	1,942,974
Depreciation	8,134,600	1,006,706	785,065	576,338	10,502,709	897,191
Other	33,000	--	--	--	33,000	--
Total operating expenses	<u>31,332,664</u>	<u>10,305,552</u>	<u>9,774,612</u>	<u>4,739,450</u>	<u>56,152,278</u>	<u>18,434,831</u>
Operating income (loss)	<u>8,310,562</u>	<u>(951,253)</u>	<u>497,037</u>	<u>(1,276,595)</u>	<u>6,579,751</u>	<u>(2,706,632)</u>
Nonoperating revenues (expenses)						
Grant income	--	596,987	--	--	596,987	--
Investment earnings	337,003	31,675	40,466	10,111	419,255	129,370
Interest expense	(959,593)	--	--	--	(959,593)	(2,176)
Loan and bond issue expense	(11,406)	--	--	--	(11,406)	--
Gain (loss) on disposition of capital assets	34,223	184	30,362	(8,049)	56,720	65,791
Total nonoperating revenues (expenses)	<u>(599,773)</u>	<u>628,846</u>	<u>70,828</u>	<u>2,062</u>	<u>101,963</u>	<u>192,985</u>
Income (loss) before transfers	<u>7,710,789</u>	<u>(322,407)</u>	<u>567,865</u>	<u>(1,274,533)</u>	<u>6,681,714</u>	<u>(2,513,647)</u>
Transfers in	--	--	--	737,612	737,612	--
Transfers out	--	--	(872,856)	--	(872,856)	(272,895)
Change in net position	<u>7,710,789</u>	<u>(322,407)</u>	<u>(304,991)</u>	<u>(536,921)</u>	<u>6,546,470</u>	<u>(2,786,542)</u>
Total net position - beginning	<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>
Total net position - ending	<u>\$ 159,092,725</u>	<u>\$ 18,782,593</u>	<u>\$ 8,516,006</u>	<u>\$ 22,443,229</u>	<u>\$ 208,834,553</u>	<u>\$ 15,314,145</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, 2014

	Business-type Activities - Enterprise Funds					Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Totals	Activities - Internal Service Funds
Cash flows from operating activities						
Cash received from customers and users	\$ 41,596,705	\$10,262,357	\$ 10,432,264	\$ 3,458,102	\$ 65,749,428	\$ 2,794,577
Cash received from other funds						
for goods and services	--	--	--	--	--	12,946,044
Cash payments to vendors for goods and services	(10,977,899)	(7,336,055)	(6,167,939)	(2,185,283)	(26,667,176)	(4,146,592)
Cash payments to employees for services	(10,467,146)	(1,705,542)	(2,316,832)	(1,535,800)	(16,025,320)	(4,281,754)
Cash payments to customers	(557,448)	--	--	--	(557,448)	--
Cash payments to other funds	(2,452,199)	(271,742)	(393,634)	(291,263)	(3,408,838)	(380,099)
Claims paid	--	--	--	--	--	(8,447,000)
Net cash provided (used)						
by operating activities	17,142,013	949,018	1,553,859	(554,244)	19,090,646	(1,514,824)
Cash flows from noncapital financing activities						
Grants	--	596,987	--	--	596,987	--
Interfund loan borrowings	35,145	--	--	--	35,145	--
Interfund loan repayments	(7,412)	--	--	--	(7,412)	(23,584)
Transfers in	--	--	--	737,612	737,612	--
Transfers out	--	--	(872,856)	--	(872,856)	(272,895)
Loan to/from other fund	--	--	--	--	--	(1,748,590)
Repayment of loan to/from other fund	--	--	--	--	--	5,855
Interest on loan to/from other fund	--	--	--	--	--	5,956
Net cash provided (used) by						
noncapital financing activities	27,733	596,987	(872,856)	737,612	489,476	(2,033,258)
Cash flows from capital and related financing activities						
Acquisition of capital assets	(17,146,067)	(355,639)	(617,862)	(228,256)	(18,347,824)	(1,158,664)
Principal repayments - revenue bonds	(3,250,000)	--	--	--	(3,250,000)	--
Interest paid	(2,863,505)	--	--	--	(2,863,505)	--
Fiscal charges paid	(7,900)	--	--	--	(7,900)	--
Federal Interest subsidy	451,306	--	--	--	451,306	--
Proceeds from sale of capital assets	34,223	383	30,362	901	65,869	99,917
Net cash used by capital						
and related financing activities	(22,781,943)	(355,256)	(587,500)	(227,355)	(23,952,054)	(1,058,747)
Cash flows from investing activities						
Interest on investments	428,406	33,289	43,402	10,180	515,277	114,180
Proceeds from sale and maturities of investments	--	--	--	177,545	177,545	2,234,381
Purchase of investments	(377,786)	(1,649,664)	(725,438)	(284,907)	(3,037,795)	(72,472)
Net cash provided (used)						
by investing activities	50,620	(1,616,375)	(682,036)	(97,182)	(2,344,973)	2,276,089
Net increase (decrease) in cash and cash equivalents	(5,561,577)	(425,626)	(588,533)	(141,169)	(6,716,905)	(2,330,740)
Cash and cash equivalents at beginning of year	17,666,583	1,534,676	1,587,878	357,990	21,147,127	4,559,483
Cash and cash equivalents at end of year	\$ 12,105,006	\$ 1,109,050	\$ 999,345	\$ 216,821	\$ 14,430,222	\$ 2,228,743

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water and Sewer	Van Wezel	Solid Waste	Other Funds		Activities - Internal Service Funds
Reconciliations of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 8,310,562	\$ (951,253)	\$ 497,037	(1,276,595)	\$ 6,579,751	\$ (2,706,632)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	8,134,600	1,006,706	785,065	576,338	10,502,709	897,191
Net (increase) decrease in:						
Accounts receivable	222,466	(90,154)	108,838	1,250	242,400	12,422
Due from other governmental agencies	--	6	209	2,344	2,559	4,197
Inventories	(62,786)	(879)	--	9,314	(54,351)	80,693
Prepaid items	(42,175)	(80,314)	1,593	10,056	(110,840)	9,107
Net increase (decrease) in:						
Accounts payable	205,006	6,928	47,074	73,377	332,385	150,239
Retainages payable	210,150	--	--	--	210,150	--
Liability for unpaid claims	--	--	--	--	--	58,384
Due to other governmental agencies	(405)	12,207	--	--	11,802	894
Accrued wages	38,589	4,304	5,837	7,331	56,061	3,318
Compensated absences	64,554	14,922	20,383	16,405	116,264	(56,616)
Unearned revenue	(103,517)	985,999	50,413	(6,247)	926,648	--
Customer deposits	(11,221)	--	1,364	--	(9,857)	--
Other post-employment benefits	176,190	40,546	36,046	32,183	284,965	31,979
Total adjustments	<u>8,831,451</u>	<u>1,900,271</u>	<u>1,056,822</u>	<u>722,351</u>	<u>12,510,895</u>	<u>1,191,808</u>
Net cash provided (used) by operating activities:	<u>\$ 17,142,013</u>	<u>\$ 949,018</u>	<u>\$ 1,553,859</u>	<u>\$ (554,244)</u>	<u>\$ 19,090,646</u>	<u>\$ (1,514,824)</u>

Noncash investing, capital, and financing activities

Capital assets transferred from other funds	\$ --	\$ --	\$ --	7,508	\$ 7,508	\$ --
Amortization of loan and bond insurance costs	3,505	--	--	--	3,505	--
Amortization of premium on issuance of bonds	267,426	--	--	--	267,426	--
Amortization of deferred loss on defeasance of debt	117,848	--	--	--	117,848	--

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 Fiduciary Funds
 Statement of Fiduciary Net Position
 September 30, 2014

Assets	Pension and OPEB Trust Funds	Agency Funds
Cash and cash equivalents	\$ 3,642,036	\$ 1,289
Investments:		
Money market funds	19,376,630	8,540
U.S. Government securities	11,646,606	--
U.S. Government agency securities	15,657,403	--
Common and preferred stock	275,856,347	--
Corporate bonds and notes	52,692,979	--
Domestic mutual funds	2,166,197	--
Bond mutual funds	22,602,634	--
Real estate funds	46,333,308	--
Mortgage backed securities	1,150,290	--
Municipal securities	117,887	--
Foreign stocks	31,746,452	--
Foreign mutual funds	30,432,139	--
Foreign bond mutual funds	342,012	--
Total investments	<u>510,120,884</u>	<u>8,540</u>
Receivables (net):		
Accounts	202,273	--
Interest and dividends	961,324	43
Total receivables	<u>1,163,597</u>	<u>43</u>
Other assets:		
Prepaid items	62,353	--
Equipment	3,879	--
Less accumulated depreciation	(3,232)	--
Total other assets	<u>63,000</u>	<u>--</u>
Total assets	<u>514,989,517</u>	<u>9,872</u>
Liabilities		
Accounts payable	557,195	--
Liability for unpaid claims	436,904	--
Accrued wages	7,060	--
Compensated absences	10,350	--
Unearned revenue	44,638	--
Accrued liabilities	--	9,872
OPEB liability	22,318	--
Total liabilities	<u>1,078,465</u>	<u>9,872</u>
Net Position		
Restricted for pension and OPEB benefits	<u>\$ 513,911,052</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, 2014

	Pension and OPEB Trust Funds
Additions	
Contributions	
Plan members	\$ 3,373,122
Employer	
City of Sarasota	25,512,317
Sarasota County	5,860,287
State on behalf payments, through General Fund	1,357,499
Other	943,989
	<hr/>
Total contributions	37,047,214
	<hr/>
Investment income	
Net increase	
in fair value of investments	40,416,925
Interest	3,218,688
Dividends	8,345,971
	<hr/>
Total investment income	51,981,584
Less investment expense	(3,205,805)
	<hr/>
Net investment income (loss)	48,775,779
Total additions	85,822,993
	<hr/>
Deductions	
Benefits	41,131,870
Other benefits	342,891
Administrative expenses	1,484,589
Refunds of contributions	131,954
	<hr/>
Total deductions	43,091,304
	<hr/>
Net increase (decrease)	42,731,689
Net Position Restricted for Pension and OPEB Benefits	
Beginning of Year, restated	471,179,363
	<hr/>
End of Year	\$ 513,911,052
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

Component Units

Statement of Net Position

September 30, 2014

	St. Armands Business Improvement District	Downtown Improvement District	Total
Assets			
Cash and cash equivalents	\$ 18,688	\$ 26,695	\$ 45,383
Investments	123,793	176,832	300,625
Receivables (net):			
Interest	227	305	532
Capital assets:			
Non-depreciable	1,376	57,156	58,532
Depreciable (net)	1,193,111	265,840	1,458,951
Total assets	<u>1,337,195</u>	<u>526,828</u>	<u>1,864,023</u>
Liabilities			
Accounts payable	5,385	3,545	8,930
Accrued wages	--	1,065	1,065
Unearned revenue	1,100	275	1,375
Total liabilities	<u>6,485</u>	<u>4,885</u>	<u>11,370</u>
Net Position			
Net investment in capital assets	1,194,487	322,996	1,517,483
Unrestricted	136,223	198,947	335,170
Total net position	<u>\$ 1,330,710</u>	<u>\$ 521,943</u>	<u>\$ 1,852,653</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, 2014

	St. Armands Business Improvement District	Downtown Improvement District	Total
Program expenses:			
Personal services	\$ --	\$ 32,989	\$ 32,989
Contractual services	155,574	222,579	378,153
Repairs and maintenance	--	40,774	40,774
Supplies and materials	75	113	188
Depreciation	64,124	37,874	101,998
Total program expenses	<u>219,773</u>	<u>334,329</u>	<u>554,102</u>
Program profit (loss)	<u>(219,773)</u>	<u>(334,329)</u>	<u>(554,102)</u>
General revenues:			
Property taxes	216,243	346,111	562,354
Investment earnings	775	830	1,605
Miscellaneous	2,475	48,414	50,889
Total general revenues	<u>219,493</u>	<u>395,355</u>	<u>614,848</u>
Change in net position	(280)	61,026	60,746
Net position - beginning	<u>1,330,990</u>	<u>460,917</u>	<u>1,791,907</u>
Net position - ending	<u>\$ 1,330,710</u>	<u>\$ 521,943</u>	<u>\$ 1,852,653</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 52,584. The City was created pursuant to the Laws of Florida, Chapter 73-618. The current charter was approved by a special act of the State of Florida legislature in 1973 and by the voters of the City at an election held September 6, 1996. The City operates under the Commission-Manager form of government and provides municipal services such as police protection, public works and all the necessary functions of general government. The City also has certain enterprise operations consisting of a water and sewer utility, a golf course, a performing arts hall, a solid waste collection service, a municipal auditorium and parking management.

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

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

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

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

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

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

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

B. Government-Wide and Fund Financial Statements

The 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 (90 days for grant revenue) 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.

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, Florida Prime 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, Florida Prime 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, real estate, 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, 2014, 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 \$2,798,936. Of this amount, \$1,238,459, less investment income of \$57,712, 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 recorded as prepaid items 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) as a means to ensure funding to help mitigate cyclical downturns in the General Fund revenue base. The Stabilization Reserve is quantified by calculating a 10-year trend of six specific General Fund revenue sources: (1) Communication Services Tax, (2) Electric Franchise Fees, (3) Natural Gas Franchise Fees, (4) State Revenue Sharing, (5) Half-Cent Sales Tax, and (6) Investment Earnings. If revenues exceed the 10-year average for the six General Fund revenue sources, the excess will be transferred to the Stabilization Reserve. If revenues do not meet the 10-year average, the Stabilization Reserve will be reduced. The six revenue sources identified are distinguished from other revenue shortfalls that occur during the normal course of governmental operations. At September 30, 2014, the reserve had a balance of \$1,406,468.

R. Property Tax Calendar

The City levies property taxes each November 1st, which become a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Sarasota County Property Appraiser as of the prior January 1st. The current year's levy is based on taxable assessed property values totaling \$7,193,319,655.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2013-2014 fiscal year, the City levied taxes of 3.1728 mills for the General Fund and an additional 0.4089 mills for debt service on general obligation bonds.

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

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

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

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

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

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

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

- The General Fund revenue budget was decreased by \$924,181. This amount includes a decrease of (\$1,190,134) for red light camera violation revenue, an increase of \$143,660 for sale of land, \$33,000 for program funding from the CRA for summer youth programs, and \$78,944 of grant funding for Marine Patrol. It also includes a reappropriation in the amount of \$10,349 of grant funding for derelict boat removal.
- The General Fund expenditure budget was decreased by a net amount of \$719,409. Increases to the expenditure budget included \$294,065 for the Parking Program subsidy, \$143,660 for property sales proceeds to reduce the City's OPEB obligation, and \$33,000 for the Robert L. Taylor Community Complex for Summer Youth Programs. In order to match budget short-falls for red light camera violation revenue, the General Fund expenditure budget was reduced by a total of (\$1,190,134).
- The General Fund expenditure budget was also increased by \$853,885 for reappropriations for various projects that were budgeted in a previous year but not completed. This includes \$200,000 for environmental remediation at Ed Smith Stadium, \$183,603 for repairs at City Hall, \$116,245 for Public Safety needs, \$216,512 reserve for contingency, and \$137,525 for various other projects.
- The Penny Sales Tax revenue budget was increased by \$432,126 for reappropriations of anticipated revenue for the Brownfield project. In addition to this, the revenue budget was also increased by \$444,630 for donations: \$250,000 to be applied to City Island Drainage Improvements, \$192,880 for the Ringling/Orange Avenue Roundabout and \$1,750 for Handicap Access Improvements.
- The Penny Sales Tax expenditure budget was increased by \$16,736,032 for reappropriations for various projects that were budgeted in the previous fiscal year but not completed. This includes \$4,000,000 for Housing, \$1,477,516 for Street Reconstruction, \$811,266 for intersection improvements at 1st, Main and Ringling, \$797,217 for the Brownfield project, \$668,073 for the US 41 and 14th Street Roundabout, \$553,420 for Parks and Recreation Facilities, \$450,884 for Seawall Reconstruction, \$395,572 for US301 Enhanced Landscaping, and \$7,582,084 for various other projects. In addition to these reappropriations, the expenditure budget was increased by an additional \$444,630. This includes \$250,000 for the City Island Drainage Improvements, \$192,880 for the Ringling/Orange Avenue Roundabout and \$1,750 for Handicap Access Improvements from donations to the City.

- The Community Redevelopment revenue budget was increased by \$1,748,590 for an interfund loan/advance for the State Street Garage, budgeted as an interfund transfer.
- The Community Redevelopment expenditure budget was increased by \$14,879,494 for reappropriations of various projects that were budgeted in the previous fiscal year but not completed. This includes \$6,810,617 for the State Street Parking Garage, \$1,232,292 for 1st Street-US41 to Pineapple, \$895,299 for the Main Street-Orange Avenue Roundabout, \$567,738 for Developer Incentives, and \$5,373,548 for various other projects. In addition to these reappropriations, the expenditure budget was increased by an additional \$2,628,590 for the State Street Parking Garage, by utilizing an interfund loan/advance of \$1,748,590 and use of fund balance in the amount of \$880,000.
- The Housing and Community Development revenue and expenditure budgets were each increased by \$3,310,355. This amount includes reappropriations of \$3,307,926 for grant funding and an additional \$2,429 of additional program income available for grants.

B. Deficit fund equity

The Glen Oaks Debt Service Fund had a deficit fund balance of \$128,964. 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. 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), U.S. Government Securities, U.S. Government Agencies, Interest Bearing Time Deposit or Savings Accounts, Repurchase Agreements, Commercial Paper, State and/or Local Government Taxable and/or Tax-Exempt Debt, 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, real estate, 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, 2014, 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	\$ 23,805,382	Not Applicable
Money Market Funds	2,430,719	0.01
Federal Agency Bonds/Notes	23,468,454	1.78
Federal Agency Mortgage-Backed Securities	8,703,254	3.57
Corporate Notes	26,040,841	1.37
Municipal Obligations	4,341,533	1.48
U.S Treasury Bonds/Notes	67,055,329	1.86
Commercial Paper	11,731,564	0.20
Investment pools:		
Florida Prime	10,016,448	0.01
Municipal Investment Trust	4,957,877	2.57
Total Cash & Investments	<u>\$ 182,551,401</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 Florida Prime are rated AAA by Standard & Poor's. 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, 2014.

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, Intergovernmental Investment Pools, 40% for United States Government Agencies, 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+	\$ 10,740,599	6.8%
Federal National Mortgage Assoc.	AA+	12,369,879	7.8%

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, 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, 2014, 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	\$ 1,193,861	Not Applicable
Money market funds	9,184,103	0.01
U.S. Government securities	4,107,963	2.38
U.S. Government agency securities	13,178,907	19.16
Common and preferred stock	72,233,305	Not Applicable
Corporate bonds and notes	11,068,700	9.40
Real estate funds	6,607,633	Not Applicable
Foreign stocks	22,977,298	Not Applicable
Total Cash & Investments	<u>\$ 140,551,770</u>	
Portfolio weighted average maturity		9.76

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 \$22,977,298 in foreign investments. This amount represents approximately 16.4 percent of total plan investments. Most of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

C. Firefighters' Defined Benefit Pension Plan

As of September 30, 2014, the Firefighters' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 627,608	Not Applicable
Money market funds	5,422,053	0.01
U.S. Government securities	4,375,751	15.86
U.S. Government agency securities	1,673,258	5.93
Common and preferred stock	84,175,638	Not Applicable
Corporate bonds and notes	19,936,605	3.90
Real estate funds	13,640,187	Not Applicable
Mortgage backed securities	1,150,290	29.44
Municipal securities	117,887	26.25
Foreign stocks	3,162,214	Not Applicable
Total Cash & Investments	\$ 134,281,491	
Portfolio weighted average maturity		5.94

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 \$3,162,214 in foreign investments. This amount represents approximately 2.4 percent of total plan investments. Most of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

D. Police Officers' Defined Benefit Pension Plan

As of September 30, 2014, the Police Officers' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 1,124,663	Not Applicable
Money market funds	3,312,389	0.01
Common and preferred stock	99,162,335	Not Applicable
Corporate bonds	18,440,341	4.72
Domestic mutual fund	100,090	Not Applicable
Bond mutual funds	21,550,274	6.70
Real estate funds	22,134,732	Not Applicable
Foreign mutual funds	30,072,727	Not Applicable
Total Cash & Investments	<u>\$ 195,897,551</u>	
Portfolio weighted average maturity		5.35

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 \$30,072,727 in foreign investments. This amount represents approximately 15.4 percent of total plan investments. Many of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

E. OPEB Trust Fund

As of September 30, 2014, the OPEB Trust Fund had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$ 462,116	Not Applicable
Money market funds	1,458,085	0.01
U.S. Government securities	3,162,892	0.98
U.S. Government agency securities	805,238	20.10
Common and preferred stock	20,285,069	Not Applicable
Corporate bonds	3,247,333	2.43
Real estate funds	3,950,756	Not Applicable
Foreign stocks	5,606,940	Not Applicable
Foreign bonds mutual funds	310,103	2.00
Total Cash & Investments	<u>\$ 39,288,532</u>	
Portfolio weighted average maturity		0.71

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 \$5,917,043 in foreign investments. This amount represents approximately 15.1 percent of total trust fund investments. Many of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

F. General Employees Defined Contribution Retirement Plan

As of September 30, 2014, 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	\$ 233,788	Not Applicable
Domestic mutual funds	2,066,107	Not Applicable
Bond mutual funds	1,052,360	7.82
Foreign mutual funds	359,412	Not Applicable
Foreign bond mutual funds	31,909	8.98
Total Cash & Investments	<u>\$ 3,743,576</u>	
Portfolio weighted average maturity		7.85

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>
Primary Government			
Cash and cash equivalents	\$ 36,205,877	\$ 3,643,325	\$ 39,849,202
Investments	145,989,687	510,129,424	656,119,111
Total	<u>\$ 182,195,564</u>	<u>\$ 513,772,749</u>	<u>\$ 695,968,313</u>
Component Unit			
Cash and cash equivalents	\$ 45,383		\$ 45,383
Investments	300,625		300,625
Total	<u>\$ 346,008</u>		<u>\$ 346,008</u>
Total			<u>\$ 696,314,321</u>

NOTE 4 - RECEIVABLES AND DEFERRED REVENUE

A. Receivables

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

	Accounts	Interest	Interfund	Notes	Special Assessments	Total
General Fund	\$ 2,078,435	\$ 25,526	\$ 106,865	\$ --	\$ --	\$ 2,210,826
Penny Sales Tax	--	33,245	--	--	--	33,245
Community Redevelopment	--	25,615	--	--	--	25,615
Housing and Community Devl	--	28	--	329,090	--	329,118
Nonmajor Governmental Funds	85,165	47,089	--	42,765	407,664	582,683
Internal Service Funds	2,891	47,574	--	--	--	50,465
Total receivables	<u>\$ 2,166,491</u>	<u>\$ 179,077</u>	<u>\$ 106,865</u>	<u>\$ 371,855</u>	<u>\$ 407,664</u>	<u>\$ 3,231,952</u>

The interfund receivable in the General Fund was partially 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:

	Water and Sewer	Van Wezel	Solid Waste	Other Funds	Total
Receivables-unrestricted:					
Accounts (billed)	\$ 1,735,897	\$ 303,300	\$ 355,926	\$ 21,371	\$ 2,416,494
Accounts (unbilled)	1,511,432	--	--	--	1,511,432
Allow ance for uncollectibles	<u>(179,702)</u>	<u>--</u>	<u>(82,900)</u>	<u>--</u>	<u>(262,602)</u>
Accounts (net)	3,067,627	303,300	273,026	21,371	3,665,324
Interest	63,563	10,737	11,878	2,473	88,651
Receivables-restricted:					
Interest	<u>27,573</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>27,573</u>
Total receivables (net)	<u>\$ 3,158,763</u>	<u>\$ 314,037</u>	<u>\$ 284,904</u>	<u>\$ 23,844</u>	<u>\$ 3,781,548</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, 2014, are as follows:

St. Armands	\$275,000
Glen Oaks Estates Subdivision	<u>132,664</u>
Total	<u>\$407,664</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, 2014, 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, 2014, the various components of unearned revenue reported in the governmental funds and business-type funds were as follows:

Governmental Funds:	Unearned
Grant drawdowns prior to meeting all eligibility requirements	\$ 268,908
Prepaid occupational licenses	626,302
Receipts for future services	101,517
Prepaid contractors registrations	55,650
Rental receipts not yet earned	<u>11,541</u>
Total unearned revenue for governmental funds	<u>\$ 1,063,918</u>
Business-type Funds:	
Van Wezel ticket sales	\$ 4,313,712
Solid Waste collections billed in advance	401,485
Water and Sewer impact & connection fees	116,521
Grant receipts not yet earned	174,510
Unused gift certificates	283,970
Rental receipts not yet earned	401,957
Receipts for future services	<u>90,441</u>
Total unearned revenue for business-type funds	<u>\$ 5,782,596</u>

NOTE 5 - INTERFUND BALANCES

Interfund balances at September 30, 2014, consisted of the following amounts:

A. Interfund receivables/payables:

The General Fund has a \$106,865 interfund receivable from various 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	\$ 66,374
Nonmajor Governmental Funds	5,346
Water & Sewer	<u>35,145</u>
Total	<u><u>\$ 106,865</u></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:	
Community Redevelopment Agency	\$ 874,295
Nonmajor Governmental Funds	5,429
Internal Service Funds	<u>40,754</u>
Total	<u><u>\$ 920,478</u></u>

C. Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service	Community Redevelopment Agency	\$ 874,295
Internal Service	Nonmajor Governmental Funds	<u>127,235</u>
Total		<u><u>\$ 1,001,530</u></u>

The General Benefits and Insurance Internal Service Fund provided an advance to the Community Redevelopment Agency for the purpose of building a parking garage at the intersection of State Street and Lemon Avenue. The repayment of the advance will begin in the 2015 fiscal year with a final maturity in 2016.

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, 2014, 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	1,428,338
Solid Waste fund	Return on investment	872,856
Internal service funds	Program funding & inv earnings	<u>272,895</u>
Total transfers to General fund		\$ 5,223,835
Transfer to Penny Sales Tax Fund fund from:		
Nonmajor governmental funds	Program funding	22,830
Transfer to Housing & Community Development fund from:		
General fund	Investment earnings	894
Transfers to nonmajor governmental funds from:		
Penny Sales Tax fund	Debt service	1,249,667
Community Redevelopment fund	Debt service	3,543,913
Nonmajor governmental funds	Debt service	<u>500,004</u>
Total transfers to nonmajor governmental funds		5,293,584
Transfers to nonmajor enterprise funds from:		
General fund	Operating subsidies	<u>737,612</u>
Total interfund transfers in		<u><u>\$ 11,278,755</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, 2014, was as follows:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 40,450,911	\$ 30,000	\$ --	\$ 40,480,911
Art collections	859,973	18,000	--	877,973
Construction in progress	7,424,252	8,283,029	1,960,563	13,746,718
Total capital assets not being depreciated	<u>48,735,136</u>	<u>8,331,029</u>	<u>1,960,563</u>	<u>55,105,602</u>
Capital asset being depreciated:				
Buildings	73,072,312	124,088	416,077	72,780,323
Improvements and infrastructure	184,326,653	7,991,553	3,890	192,314,316
Equipment	25,984,811	2,467,582	2,570,088	25,882,305
Total capital assets being depreciated	<u>283,383,776</u>	<u>10,583,223</u>	<u>2,990,055</u>	<u>290,976,944</u>
Less accumulated depreciation for:				
Buildings	15,253,641	1,650,158	416,077	16,487,722
Improvements and infrastructure	89,377,681	5,710,077	3,890	95,083,868
Equipment	19,687,482	2,261,115	2,505,192	19,443,405
Total accumulated depreciation:	<u>124,318,804</u>	<u>9,621,350</u>	<u>2,925,159</u>	<u>131,014,995</u>
Total capital assets being depreciated, net	<u>159,064,972</u>	<u>961,873</u>	<u>64,896</u>	<u>159,961,949</u>
Governmental Activities capital assets, net	<u>\$207,800,108</u>	<u>\$ 9,292,902</u>	<u>\$ 2,025,459</u>	<u>\$215,067,551</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 12,252,113	\$ --	\$ --	\$ 12,252,113
Art collections	218,397	900	--	219,297
Construction in progress	39,730,048	13,215,223	11,587,270	41,358,001
Total capital assets not being depreciated	<u>52,200,558</u>	<u>13,216,123</u>	<u>11,587,270</u>	<u>53,829,411</u>
Capital asset being depreciated:				
Buildings	65,238,764	303,371	63,317	65,478,818
Improvements	11,124,308	168,977	145,399	11,147,886
Utility systems	237,202,417	15,590,511	142,496	252,650,432
Equipment	17,531,440	1,934,347	1,729,715	17,736,072
Total capital assets being depreciated	<u>331,096,929</u>	<u>17,997,206</u>	<u>2,080,927</u>	<u>347,013,208</u>
Less accumulated depreciation for:				
Buildings	36,408,625	1,553,351	60,135	37,901,841
Improvements	5,876,188	213,739	132,124	5,957,803
Utility systems	136,678,716	7,185,138	128,742	143,735,112
Equipment	13,631,528	1,550,481	1,653,289	13,528,720
Total accumulated depreciation:	<u>192,595,057</u>	<u>10,502,709</u>	<u>1,974,290</u>	<u>201,123,476</u>
Total capital assets being depreciated, net	<u>138,501,872</u>	<u>7,494,497</u>	<u>106,637</u>	<u>145,889,732</u>
Business-type Activities capital assets, net	<u>\$190,702,430</u>	<u>\$ 20,710,620</u>	<u>\$ 11,693,907</u>	<u>\$199,719,143</u>

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2014

<i>Discretely Presented Component Units:</i>	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
St. Armands Business Improvement District				
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	66,082	--	--	66,082
Total capital assets being depreciated	<u>1,574,891</u>	<u>--</u>	<u>--</u>	<u>1,574,891</u>
Less accumulated depreciation for:				
Improvements	254,879	60,819	--	315,698
Equipment	62,777	3,305	--	66,082
Total accumulated depreciation:	<u>317,656</u>	<u>64,124</u>	<u>--</u>	<u>381,780</u>
Total capital assets being depreciated, net	<u>1,257,235</u>	<u>(64,124)</u>	<u>--</u>	<u>1,193,111</u>
Component unit capital assets, net	<u>\$ 1,258,611</u>	<u>\$ (64,124)</u>	<u>\$ --</u>	<u>\$ 1,194,487</u>

Downtown Improvement District

Capital assets not being depreciated:				
Construction in progress	\$ 57,156	\$ --	\$ --	\$ 57,156
Total capital assets not being depreciated	<u>57,156</u>	<u>--</u>	<u>--</u>	<u>57,156</u>
Capital assets being depreciated:				
Improvements	\$ 380,116	\$ 11,349	\$ --	\$ 391,465
Equipment	13,686	1,325	--	15,011
Total capital assets being depreciated	<u>393,802</u>	<u>12,674</u>	<u>--</u>	<u>406,476</u>
Less accumulated depreciation for:				
Improvements	95,463	35,011	--	130,474
Equipment	7,299	2,863	--	10,162
Total accumulated depreciation:	<u>102,762</u>	<u>37,874</u>	<u>--</u>	<u>140,636</u>
Total capital assets being depreciated, net	<u>291,040</u>	<u>(25,200)</u>	<u>--</u>	<u>265,840</u>
Component unit capital assets, net	<u>\$ 348,196</u>	<u>\$ (25,200)</u>	<u>\$ --</u>	<u>\$ 322,996</u>

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

Governmental activities:

General government	\$ 574,516
Public safety	2,142,326
Physical environment	216,140
Transportation	3,901,793
Culture and recreation	1,871,698
Economic environment	17,686
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	897,191
Total depreciation expense - governmental activities	<u>\$ 9,621,350</u>

Business-type activities:

Water and Sewer	\$ 8,134,600
Van Wezel	1,006,706
Solid Waste	785,065
Other	576,338
Total depreciation expense - business-type activities	<u>\$ 10,502,709</u>

NOTE 7 - LONG-TERM DEBT

Bonds and notes outstanding at September 30, 2014, consist of the following for governmental activities:

Governmental Activities:	<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	\$ 37,735,000	4.82%
Series 2008	Street improvements	5,800,000	2,966,396	3.93%
Total		<u>52,105,000</u>	<u>40,701,396</u>	
Special Obligation Bonds				
Series 1992 Capital				
Appreciation	Refunding	19,555,000	6,192,875	6.72%
Series 2009	Land and Community Ctr	21,066,000	14,691,829	3.68%
Series 2010	Sports Stadium Rehab	8,260,000	7,595,000	3.71%
Total		<u>48,881,000</u>	<u>28,479,704</u>	
Loans Payable				
2001B FFGFC	Refunding	1,270,000	255,000	4.74%
2003 FFGFC	Parking garage & equip.	5,150,000	1,060,000	3.33%
2005 FFGFC	Land acquisition	5,545,000	640,000	3.22%
Total		<u>11,965,000</u>	<u>1,955,000</u>	
Total for Governmental Activities		<u>\$ 112,951,000</u>	<u>\$ 71,136,100</u>	

Bonds and notes outstanding at September 30, 2014, consist of the following for business-type activities:

Business-type Activities:	<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	\$ 960,000	3.67%
Series 2005 Water & Sewer	System improvements	7,860,000	5,415,000	4.02%
Series 2010A Water & Sewer	System improvements	8,865,000	6,015,000	3.28%
Series 2010B Water & Sewer	System improvements	25,255,000	25,255,000	3.65%
Series 2011 Water & Sewer	Refunding	21,885,000	20,100,000	4.65%
Total for Business-type Activities		<u>\$ 73,780,000</u>	<u>\$ 57,745,000</u>	

The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2014.

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2014

The following is a summary of changes in long-term debt for the year ended September 30, 2014 (in thousands of dollars):

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 41,828	\$ --	\$ 1,127	\$ 40,701	\$ 1,168
Special obligation bonds (a)	31,826	464	3,810	28,480	3,971
Total bonds payable	73,654	464	4,937	69,181	5,139
Loans payable	2,925	--	970	1,955	1,015
Unamortized premium	194	--	17	177	--
Compensated absences	4,606	2,312	2,369	4,549	2,411
Net OPEB obligation	13,366	3,444	114	16,696	--
Long-term liabilities	<u>\$ 94,745</u>	<u>\$ 6,220</u>	<u>\$ 8,407</u>	<u>\$ 92,558</u>	<u>\$ 8,565</u>
Business-type Activities:					
Revenue Bonds	\$ 60,995	\$ --	\$ 3,250	\$ 57,745	\$ 3,390
Unamortized premium	1,819	--	268	1,551	--
Compensated absences	985	709	592	1,102	584
Net OPEB obligation	1,105	1,390	1,105	1,390	--
Long-term liabilities	<u>\$ 64,904</u>	<u>\$ 2,099</u>	<u>\$ 5,215</u>	<u>\$ 61,788</u>	<u>\$ 3,974</u>

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

Annual debt service requirements for Governmental Activities as of September 30, 2014, are as follows:

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds		Special Obligation Bonds		Loans Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2015	\$ 1,167,950	\$ 1,936,548	\$ 3,970,733	\$ 1,357,780	\$1,015,000	\$ 78,675	\$ 9,526,686
2016	1,219,354	1,888,688	4,060,606	1,397,489	390,000	39,225	8,995,362
2017	1,266,010	1,838,720	4,155,411	1,434,316	270,000	22,000	8,986,457
2018	1,322,927	1,785,478	1,197,608	969,903	280,000	11,200	5,567,116
2019	1,380,116	1,728,414	1,262,561	900,746	--	--	5,271,837
2020 - 2024	7,913,701	7,612,384	7,377,858	3,296,349	--	--	26,200,292
2025 - 2029	9,716,338	5,494,216	3,059,927	1,517,925	--	--	19,788,406
2030 - 2034	10,170,000	3,025,175	1,975,000	855,197	--	--	16,025,372
2035 - 2037	6,545,000	631,512	1,420,000	155,142	--	--	8,751,654
Total	<u>\$40,701,396</u>	<u>\$25,941,135</u>	<u>\$28,479,704</u>	<u>\$11,884,847</u>	<u>\$1,955,000</u>	<u>\$151,100</u>	<u>\$ 109,113,182</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, 2014, are as follows:

Fiscal Year	Business-Type Activities		
	Revenue Bonds		
	Principal	Interest	Total
2015	\$ 3,390,000	\$ 2,730,686	\$ 6,120,686
2016	3,520,000	2,590,342	6,110,342
2017	2,275,000	2,472,574	4,747,574
2018	2,145,000	2,381,986	4,526,986
2019	2,235,000	2,289,486	4,524,486
2020 - 2024	12,355,000	9,836,300	22,191,300
2025 - 2029	9,750,000	7,106,287	16,856,287
2030 - 2034	7,395,000	5,203,848	12,598,848
2035 - 2039	8,845,000	2,943,222	11,788,222
2040 - 2041	5,835,000	384,907	6,219,907
Total	<u>\$57,745,000</u>	<u>\$37,939,638</u>	<u>\$ 95,684,638</u>

Future Revenues that are Pledged

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

Source of Revenue Pledged	Governmental Activities		Business-Type Activities
	Tax Increment Revenue	Penny Sales Tax	Water & Sewer Net Revenue
Revenue Pledged Thru	11/1/2016	11/1/2024	10/1/2040
Total Principal and Interest Outstanding	\$9,825,000	\$30,539,552	\$95,684,638
Current Year Principal and Interest Paid	3,004,427	2,193,090	6,113,505
Current Year Revenue	7,267,375	6,676,724	16,445,162
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	2.42	3.04	2.69

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, 2014, outstanding bonds which are considered defeased in substance were:

Governmental Activities:		
Loans Payable	FFGFC Series 1994	<u>\$ 275,000</u>
Business-type Activities:		
Water & Sewer Revenue Bonds	Series 1991	\$ 3,315,000
	Series 1995	965,000
	Series 2002-B	3,400,000
	Series 2008	18,628,730
	Total	<u>\$ 26,308,730</u>

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, 2014, are as follows:

<u>Water and Sewer</u>	
Revenue Account - Customer deposits	\$ 1,033,402
Interest & Sinking Account	8,143,035
Construction Accounts	9,340,515
	<u>18,516,952</u>
<u>Solid Waste</u>	
Customer deposits	<u>11,331</u>
Total	<u><u>\$ 18,528,283</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 \$3,215,172 at September 30, 2014, includes \$2,023,014 for workers compensation, \$878,164 for group health, \$255,569 for police liability and \$ 58,425 for general liability. This claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The City is self-insured for the following types of risk exposures which are limited by insurance coverage as noted:

General and Automotive Liability - The City is fully self-insured for general and automotive liability coverage and is relying on state statutes, which limit damage awards against state and local governments to \$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 \$198,273 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, 2014, 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 9/30/2014	Year ended 9/30/2013	Year ended 9/30/2014
Unpaid claims, beginning of year	\$ 2,766,874	\$ 2,719,884	\$ 565,990	\$ 506,268
Incurring claims (including IBNRs)	5,203,480	8,504,162	6,285,495	6,868,926
Claim payments	(5,250,470)	(8,445,778)	(6,345,217)	(6,938,290)
Unpaid claims, end of year	<u>\$ 2,719,884</u>	<u>\$ 2,778,268</u>	<u>\$ 506,268</u>	<u>\$ 436,904</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, 2014. At year end the City's commitments with contractors and consultants are as follows:

	Spent to-date	Remaining Commitment
<u>Governmental Activities:</u>		
Bradenton Road Improvements	\$ 2,325,011	\$ 1,917,985
Street Resurfacing	268,335	1,691,695
State Street Garage	2,193,458	8,224,544
Total	<u>\$ 4,786,804</u>	<u>\$ 11,834,224</u>
<u>Business-type Activities:</u>		
Lift Stations	\$ 8,263,056	\$ 6,450,242
Utility System Improvements	2,911,645	1,077,163
Total	<u>\$ 11,174,701</u>	<u>\$ 7,527,405</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	\$ 282,440
Penny Sales Tax	3,600,679
Community Redevelopment	8,541,328
Housing and Community Development	196,375
Nonmajor Governmental Funds	2,219,351
Total	<u>\$ 14,840,173</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, 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 \$2,858,623.

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 – Lift Station 87

In late 2005, the City determined to construct a new lift station (Lift Station 87) serving the City's sewage system to replace an existing lift station. The project also entailed the installation of new gravity collection piping utilizing a tunneling process known as micro-tunneling. An outside engineering firm (AECOM, formerly Boyle Engineering) was hired in 2008 to design the system and the City contracted with Westra Construction to build the lift station and install the collection lines. Work began on the project in 2011. The new lift station was substantially completed but there were significant problems encountered with the micro-tunneling operation. Later it was discovered that AECOM had set the elevation of the piping too shallow as it approached the Osprey Avenue bridge crossing of Hudson Bayou. The City terminated AECOM after it failed to timely produce a solution to the micro-tunneling problems and the pipe elevation issue. Costs incurred to date total \$11,239,947, which includes \$2,602,714 for engineering, \$7,226,920 for construction, and \$1,410,313 for capitalized interest.

A new engineering firm (McKim & Creed) was contracted by the City to determine a solution to the problems encountered on the project and to design a solution to bring Lift Station 87 into operation. Although solutions were proposed and a preliminary design direction was proposed by McKim & Creed, it was determined by the City that further investigation needed to be undertaken at the Osprey Avenue bridge crossing to assure that running piping under that bridge at various elevations was indeed feasible. That investigation is expected to be completed by March of 2015, at which point final design decisions will be made on how best to complete the project. Until final design decisions are made on how to proceed with the completion of the project, the eventual cost of project completion, as well as what portions of the improvements in place may end up being utilized or abandoned is not estimable. Accordingly, no write-down for impairment was recorded in 2014.

Water and Sewer System – Litigation Arising From Lift Station 87

In 2013, the City filed suit against AECOM and its design engineers alleging professional negligence in the design and administration of the Lift Station 87 project. The case is styled *City of Sarasota v. AECOM Technical Services, Inc., et al.*, Case No. 2013-CA-001728 NC, Circuit Court for Sarasota County. AECOM has counterclaimed for alleged amounts due it under its contract with the City in the amount of \$105,572.00. The amount of damages the City expects to recover in its claim against AECOM is significant, but presently not estimable due to the remedial design and cost having not yet been established, and claims by Westra Construction arising from the delay in completion of the Lift Station 87 project, which the City seeks to pass through to AECOM, having not been liquidated. The City believes that it has strong defenses to AECOM's counterclaim. No amounts have been accrued for the City's claim, or AECOM's counterclaim, in the accompanying financial statements.

In 2014, Westra Construction filed suit against the City seeking lost profits and other damages associated with delays and disruptions in the Lift Station 87 project. The case is styled *Westra Construction Corp. v. City of Sarasota*, Case No. 2014-CA-006891 NC, Circuit Court for Sarasota County. In pre-suit correspondence, Westra Construction claimed damages against the City of \$15,964,522.23. The City believes that some damages may be due Westra, but far less than Westra is claiming. The City, in its suit against AECOM, intends to hold AECOM accountable for any damages due Westra. Because of the uncertainty of the eventual outcome and/or judgment amounts, no amounts have been accrued in the accompanying financial statements as receivable from AECOM and/or payable for damages due to Westra.

The City's case against AECOM and Westra's case against the City have been consolidated for all purposes. It is anticipated that trial will not occur until late 2016 or sometime in 2017. It is anticipated that mediation of all the claims will be held in advance of trial which may result in a full or partial settlement of the consolidated cases.

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 pension plan's fiduciary net position in the City's annual financial report has been determined on the same basis used in the pension plan's stand-alone financial reports. 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.

For the current year, the General Employees' Police Officers' and Firefighters' Defined Benefit Pension Plans implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. The new note disclosures and required supplementary information required by this statement are included in the Plan's separately issued financial statements to avoid duplication.

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 \$20,087,266 compared to \$13,183,483 for employees covered by the plan.

At September 30, 2014, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	435
Current Employees	
Vested	145
Nonvested	81
Total	<u>661</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 at September 30, 2014, was \$980,832 and is included in net position restricted for pensions.

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, 2014, was \$1,078,100.

At September 30, 2014, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	164
Current Employees	
Vested	9
Nonvested	-
Total	<u>173</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, 2014, was \$9,507,138.

At September 30, 2014, membership consisted of:

Retirees, disabled participants, and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	211
Current Employees	
Vested	69
Nonvested	59
Total	<u>339</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 at September 30, 2014, was \$4,908,932 and is included in net position restricted for pensions.

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, 2014, the actuarial accrued liability exceeded assets by \$55,086,339 determined as follows:

Actuarial Accrued Liability	
Active participants	\$52,566,862
Retired participants and beneficiaries currently receiving benefits	127,055,436
Vested terminated participants not yet receiving benefits	<u>3,151,073</u>
Total Actuarial Accrued Liability	182,773,371
Actuarial Value of Assets (Market Value was \$140,654,804)	127,687,032
Unfunded Actuarial Accrued Liability	<u>\$55,086,339</u>

During the year ended September 30, 2014, the Plan experienced a net increase of \$5,892,292 in the actuarial accrued liability. There were no changes in actuarial methods or benefit provisions.

Firefighters Defined Benefit Pension Plan

As of September 30, 2014, the unfunded actuarial accrued liability was \$36,726,331 determined as follows:

Actuarial Accrued Liability	
Active participants	\$11,853,678
Retired participants and beneficiaries currently receiving benefits	148,446,425
Vested terminated participants not yet receiving benefits	<u>304,828</u>
Total Actuarial Accrued Liability	160,604,931
Actuarial Value of Assets (Market Value was \$134,507,240)	123,878,600
Unfunded Actuarial Accrued Liability	<u>\$36,726,331</u>

During the year ended September 30, 2014, the Plan experienced a net increase of \$5,516,643 in the actuarial accrued liability, of which \$4,198,868 was due to changes in actuarial assumptions.

Police Officers Defined Benefit Pension Plan

As of September 30, 2014, the actuarial accrued liability exceeded assets by \$59,846,380 determined as follows:

Actuarial Accrued Liability	
Active participants	\$45,596,218
Retired participants and beneficiaries currently receiving benefits	186,663,639
Vested terminated participants not yet receiving benefits	904,637
Total Actuarial Accrued Liability	<u>233,164,494</u>
Actuarial Value of Assets (Market Value was \$196,028,540)	<u>173,318,114</u>
Unfunded Actuarial Accrued Liability	<u><u>\$59,846,380</u></u>

During the year ended September 30, 2014, the Plan experienced a net increase of \$7,423,170 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	\$5,889,483	\$2,858,623	80.77%
County	\$122,107	\$5,734,435	Not applicable
State	Not applicable	\$813,198	\$544,301
Employees	6.0%	8.0%	8.0%
Annual pension cost	\$6,011,590	\$8,608,953	\$8,207,512
Contributions made	\$6,011,590	\$8,608,953	\$8,223,214
Actuarial valuation date (c)	9/30/14	9/30/14	9/30/14
Actuarial value of assets	\$127,687,032	\$123,878,600	\$173,318,114
Actuarial accrued liability (AAL)	\$182,773,371	\$160,604,931	\$233,164,494
Unfunded AAL	\$55,086,339	\$36,726,331	\$59,846,380
Funded ratio	69.9%	77.1%	74.3%
Covered payroll	\$13,183,483	\$1,078,100	\$9,507,138
Unfunded AAL as a % of covered payroll	417.8%	3406.6%	629.2%
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	21 years	10 years	24 years
Asset valuation method	5 year Smoothed Market	3 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:			
Investment rate of return*	7.0%	7.25%	7.0%
Projected salary increases*	4.8 - 7.2%	3.75 - 6.75%	4.9 - 12.7%
*Includes inflation at	2.3%	3.5%	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, 2014, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2012. The contributions included (a) \$2,105,634 normal cost (15.97% of active payroll), (b) \$4,560,122 in amortization payment of unfunded actuarial accrued liability (34.59% of active payroll), and (c) \$139,464 balance to cover expenses (1.06% of active payroll). Contributions totaling \$6,805,220 were from the following sources; the City and County contributed \$6,011,590 (45.60% of active payroll); employees contributed \$791,009 (6.0% of active payroll), and other contributions were \$2,621.

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>
9-30-2012	\$3,626,629	100%	0
9-30-2013	3,969,365	100%	0
9-30-2014	6,011,590	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, 2014, contributions from local employers were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2012. The contributions included (a) \$1,158,327 (107.4% of active payroll) for normal cost and administrative expenses and (b) \$7,458,031 (691.8% of active payroll) for amortization of the unfunded actuarial accrued liability. Contributions totaling \$9,551,674 were from the following sources; Sarasota County contributed \$5,734,435 (531.9% of active payroll); the City of Sarasota contributed \$2,858,623 (265.2% of active payroll); the State of Florida contributed \$813,198 (75.4% of active payroll); employees contributed \$86,248 (8% of active payroll) in addition to other contributions of \$59,170 (5.5% 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>
9-30-2012	\$6,985,373	100%	0
9-30-2013	8,542,822	100%	0
9-30-2014	8,608,953	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, 2014, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2012. The contributions included (a) \$3,085,066 normal cost (32.45% of active payroll), (b) \$5,691,924 in

amortization payment of unfunded actuarial accrued liability (59.87% of active payroll), (c) \$191,093 for expenses and to cover the minimum contribution requirements (2.01% of active payroll), and (d) \$15,702 in additional contributions as a result of the State contribution being a different percentage of active payroll than expected (0.2% of active payroll). Contributions totaling \$8,983,785 were from the following sources; the City contributed \$7,678,913 (80.77% of active payroll); the State of Florida contributed \$544,301 (5.73% of active payroll); the employees contributed \$760,571 (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 <u>Ending</u>	Annual Pension <u>Cost(APC)</u>	Percentage Of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
9-30-2012	\$5,416,725	100%	0
9-30-2013	5,869,827	100%	0
9-30-2014	8,207,512	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, 2014, is reported in Note 3 on pages 55 through 62.

NOTE 14 – GENERAL EMPLOYEES DEFINED CONTRIBUTION RETIREMENT PLAN

A. Plan Description

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

The Plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due and a formal commitment to provide contributions has been made. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan.

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

B. Membership

General Employees Defined Contribution Retirement Plan membership at September 30, 2014, is as follows:

Active employees (vested and non-vested)	150
Retired and terminated members maintaining balances	<u>24</u>
Total	<u>174</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 2014, actual contributions were \$414,227 from employees, \$505,430 from the City, and \$3,745 from Sarasota County.

The City contributed an additional \$136,812 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>	
Assets		Additions	
Cash and cash equivalents	\$ 233,788	Contributions:	
Investments:		Plan members	\$ 414,227
Domestic mutual funds	2,066,107	Employer	
Bond mutual funds	1,052,360	City of Sarasota	505,430
Foreign mutual funds	359,412	Sarasota County	3,745
Foreign bond mutual funds	31,909	Other	207,998
Total investments	<u>3,509,788</u>	Total contributions	<u>1,131,400</u>
Receivables (net):		Net increase in fair value of investments	198,786
Accounts	118,142	Interest	23,770
Interest and dividends	304	Total investment income	222,556
Total receivables	<u>118,446</u>	Less investment expense	<u>(2,295)</u>
Total assets	<u>3,862,022</u>	Total additions	<u>1,351,661</u>
Liabilities		Deductions	
Accounts payable	3,000	Benefits	119,946
Accrued wages	706	Administration expenses	45,054
Compensated absences	1,035	Total deductions	<u>165,000</u>
OPEB liability	2,230	Change in net position	1,186,661
Total liabilities	<u>6,971</u>	Total net position - beginning	<u>2,668,390</u>
Net Position		Total net position - ending	<u>\$ 3,855,051</u>
Held in trust for pension benefits	<u>\$ 3,855,051</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.

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, 2014:

Retirees and beneficiaries receiving benefits	574
Terminated plan members entitled to but not receiving benefits	26
Active plan members	<u>546</u>
Total	<u><u>1,146</u></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 2014 fiscal year, the City contributed \$ 8,579,868 to the plan, including \$4,853,080 for current premiums (57 percent of total premiums) an additional \$2,491,759 to prefund benefits (29 percent of total premiums) and \$1,235,029 of contributions from the proprietary and pension funds to pay off their prior years' OPEB liability (14 percent of premiums). Plan members receiving benefits contributed \$1,321,067, or 13 percent of the total premiums through their required contributions. Retiree-only coverage is offered to plan members at no cost or up to \$126.70 per month based upon pension benefit and type of plan selected. Dependent coverage is offered at \$75.00 to \$412.63 per month for dependents less than age 65 and \$75.00 to \$173.49 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	\$ 12,615,000
Interest on net OPEB obligation	758,000
Adjustment to annual required contribution	<u>(1,172,000)</u>
Annual OPEB cost (expense)	12,201,000
Contributions made	<u>(8,579,868)</u>
Increase in net OPEB obligation	3,621,132
Net OPEB obligation - beginning of year	<u>14,486,747</u>
Net OPEB obligation - end of year	<u><u>\$ 18,107,879</u></u>

The net OPEB obligation at the end of the year is \$16,695,386 for governmental activities, \$1,390,175 for business-type activities and \$22,318 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 2014 fiscal year and preceding years are as follows:

<u>Year</u> <u>Ended</u>	<u>OPEB</u> <u>Cost</u>	<u>Annual OPEB</u> <u>Cost Contributed</u>	<u>OPEB</u> <u>Obligation</u>
9/30/2012	\$ 10,908,000	73.33%	\$ 11,654,497
9/30/2013	11,450,000	75.26%	14,486,747
9/30/2014	12,201,000	70.32%	18,107,879

E. Funded Status and Funding Progress

As of October 1, 2013, the most recent actuarial valuation date, the plan was 28.8% funded. The actuarial accrued liability for benefits was \$114,377,806, and the actuarial value of assets was \$32,978,807, resulting in an unfunded actuarial accrued liability (UAAL) of \$81,398,999. The covered payroll (annual payroll of active employees covered by the plan) was \$30,245,410, and the ratio of the UAAL to the covered payroll was 269.13 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, 2013, 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, decreasing gradually. Both rates included a 2.5 percent inflation assumption. The actuarial value of assets was determined using the market value of assets on the valuation date. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at October 1, 2013, was 15 years.

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

Statement of Plan Net Position

Assets		
Cash and cash equivalents		\$ 462,116
Investments:		
Money market funds		1,458,085
U.S. Government securities		3,162,892
U.S. Government agency securities		805,238
Common and preferred stock		20,285,069
Corporate bonds and notes		3,247,333
Real estate mutual funds		3,950,756
Foreign stocks		5,606,940
Foreign bonds mutual funds		310,103
Total investments		<u>38,826,416</u>
Receivables (net):		
Interest and dividends		42,664
Prepaid Items		1,165
Total assets		<u>39,332,361</u>
Liabilities		
Accounts payable		29,950
Liability for unpaid claims		436,904
Total liabilities		<u>466,854</u>
Net Position		
Restricted for OPEB benefits		<u>\$ 38,865,507</u>

Statement of Changes In Plan Net Position

Additions		
Contributions:		
Plan members		\$ 1,321,067
Employer		
City of Sarasota		8,579,868
Other		674,200
Total contributions		<u>10,575,135</u>
Investment income :		
Net increase in fair value of investments		2,991,577
Interest		149,095
Dividends		513,829
Total investment income		<u>3,654,501</u>
Less investment expense		<u>(311,299)</u>
Net investment income		<u>3,343,202</u>
Total additions		<u>13,918,337</u>
Deductions		
Benefits		6,778,117
Other benefits		342,891
Administrative expenses		910,629
Total deductions		<u>8,031,637</u>
Change in net position		5,886,700
Total net position - beginning		<u>32,978,807</u>
Total net position - ending		<u>\$ 38,865,507</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, 2014:

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 214,480	\$ 214,480	\$ 216,243	\$ 1,763
Investment earnings	250	250	775	525
Miscellaneous	2,500	2,500	2,475	(25)
Total revenues	<u>217,230</u>	<u>217,230</u>	<u>219,493</u>	<u>2,263</u>
Expenditures				
Current:				
Economic environment	217,230	267,230	155,649	111,581
Total expenditures	<u>217,230</u>	<u>267,230</u>	<u>155,649</u>	<u>111,581</u>
Excess (deficiency) of revenues over (under) expenditures	--	(50,000)	63,844	113,844
Fund balance - beginning	<u>72,379</u>	<u>72,379</u>	<u>72,379</u>	<u>--</u>
Fund balance - ending	<u>\$ 72,379</u>	<u>\$ 22,379</u>	<u>\$ 136,223</u>	<u>\$ 113,844</u>
Reconciliation to Statement of Net Position:		Reconciliation to Statement of Activities:		
Fund balance - ending	\$ 136,223		Net change in fund balance	\$ 63,844
Capital assets	1,576,267		Expenditures for capital assets	--
Less accumulated depreciation	(381,780)		Current year depreciation	(64,124)
Net position - ending	<u>\$1,330,710</u>		Change in net position	<u>\$ (280)</u>

Downtown Improvement District – Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the fiscal year ended September 30, 2014:

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 342,001	\$ 342,001	\$ 346,111	\$ 4,110
Investment earnings (loss)	500	500	830	330
Miscellaneous	2,000	2,000	48,414	46,414
Total revenues	<u>344,501</u>	<u>344,501</u>	<u>395,355</u>	<u>50,854</u>
Expenditures				
Current:				
Economic environment	262,956	327,235	296,455	30,780
Capital outlay:				
Economic environment	86,542	111,813	12,674	99,139
Total expenditures	<u>349,498</u>	<u>439,048</u>	<u>309,129</u>	<u>129,919</u>
Excess (deficiency) of revenues over (under) expenditures	(4,997)	(94,547)	86,226	180,773
Net change in fund balance	(4,997)	(94,547)	86,226	180,773
Fund balance - beginning	<u>112,721</u>	<u>112,721</u>	<u>112,721</u>	<u>--</u>
Fund balance - ending	<u>\$ 107,724</u>	<u>\$ 18,174</u>	<u>\$ 198,947</u>	<u>\$ 180,773</u>
Reconciliation to Statement of Net Position:		Reconciliation to Statement of Activities:		
Fund balance - ending	\$ 198,947		Net change in fund balance	\$ 86,226
Capital assets	463,632		Expenditures for capital assets	12,674
Less accumulated depreciation	(140,636)		Current year depreciation	(37,874)
Net position - ending	<u>\$ 521,943</u>		Change in net position	<u>\$ 61,026</u>

NOTE 17 – RESTATEMENT OF NET POSITION RESTRICTED FOR PENSIONS

For the current year, the General Employees' Police Officers' and Firefighters' Defined Benefit Pension Plans implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. This statement requires that a defined benefit pension plan recognize a liability for benefits only when ultimately due and payable to the plan member. Therefore, only those amounts that are due and payable to plan members at the Plan's reporting date should be reported as a liability in the Plan's Statement of Fiduciary Net Position. Benefits generally would be due and payable only when they are required to be distributed to the plan member.

The benefits that were previously reported in prior years as a liability have been reclassified as a component of net position restricted for pensions as follows:

	Pension Trust Funds		
	General Employees' Defined Benefit Pension	Police Officers' Defined Benefit Pension	Firefighters' Defined Benefit Pension
Net position restricted for pensions at			
October 1, 2013, as previously reported	\$130,116,889	\$174,254,673	\$118,973,508
DROP Benefits	744,345	6,039,071	--
Chapter 175 Reserves	--	--	3,336,328
Chapter 185 Reserves	--	843,796	--
Share Benefits	--	--	1,223,556
Net position restricted for pensions at			
October 1, 2013, as restated	<u>\$130,861,234</u>	<u>\$181,137,540</u>	<u>\$123,533,392</u>

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial 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)
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
2014	127.69	182.77	69.9	55.08	13.18	417.8

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

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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%
2014	6,011,590	100%

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

	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expenses	10.41%

Notes to Schedule:

The 2013-14 fiscal year was the year of implementation of GASB Statement No. 67. Ten year trend information will be presented for future fiscal years.

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
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
2014@	123.88	160.60	77.1	36.72	1.08	3,406.6

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

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

@ The actuarial value of assets excludes reserve accounts.

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2005	\$ 3,577,340	100%
2006	3,637,413	100%
2007	3,757,948	100%(a)
2008	4,566,249	100%
2009	4,302,657	100%(b)
2010	4,936,275	100%
2011	5,725,453	100%
2012	6,985,373	100%(c)
2013	8,542,822	100%(d)
2014	8,608,953	100%(e)

- (a) Includes \$88,946 for contributions towards share account distributions.
- (b) Includes \$123,604 from funding reserves.
- (c) Includes \$298,909 from funding reserves.
- (d) Includes \$99,337 from funding reserves.
- (e) Includes \$32,309 from funding reserves.

City of Sarasota, Florida
Firefighters' Defined Benefit Pension Plan
Required Supplementary Information
Schedule of Investment Returns

2014

Annual Money-Weighted Rate of Return,
Net of Investment Expenses

10.87%

Notes to Schedule:

The 2013-14 fiscal year was the year of implementation of GASB Statement No. 67. Ten year trend information will be presented for future fiscal years.

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial 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)
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
2014	173.32	233.16	74.3	59.84	9.51	629.2

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

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

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2005	\$3,796,293	100.0%
2006	3,942,053	100.0%
2007	4,333,312	100.0%
2008	4,182,557	100.0%
2009	4,003,036	100.0%
2010	3,941,662	100.0%
2011	4,143,925	100.0%
2012	5,416,725	100.0%
2013	5,869,827	100.0%
2014	8,207,512	100.2%

City of Sarasota, Florida
Police Officers' Defined Benefit Pension Plan
Required Supplementary Information
Schedule of Investment Returns

	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expenses	10.60%

Notes to Schedule:

The 2013-14 fiscal year was the year of implementation of GASB Statement No. 67. Ten year trend information will be presented for future fiscal years.

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Funded Ratio (1)÷(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)÷(5)
10/01/2006	\$0.00	\$130.73	0.0%	\$130.73	\$35.1	372.0%
10/01/2008	4.75	137.37	3.5	132.63	37.0	358.0
10/01/2010	12.86	134.49	9.6	121.63	34.5	353.0
10/01/2011	19.83	142.76	13.9	122.93	27.5	447.0
10/01/2012	22.83	146.35	15.6	123.47	25.2	489.7
10/01/2013	32.98	114.38	28.8	81.40	30.2	269.1

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

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

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 8,765,835	66.18%
2009	10,098,803	80.54%
2010	11,992,459	68.53%
2011	10,808,000	103.23%
2012	11,114,000	73.23%
2013	11,771,000	75.26%
2014	12,615,000	70.32%



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City of Sarasota, Florida
 General Fund
 Schedule of Revenues - Budget and Actual
 Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem	\$ 18,397,816	\$ 18,397,816	\$ 18,461,429	\$ 63,613
Business and occupational	766,150	766,150	836,141	69,991
Utility service taxes				
Electricity	4,640,000	4,640,000	5,301,244	661,244
Communication services	4,000,000	4,000,000	3,181,803	(818,197)
Water	1,445,000	1,445,000	1,476,211	31,211
Natural gas	100,000	100,000	107,347	7,347
Propane	35,200	35,200	48,854	13,654
Total taxes	29,384,166	29,384,166	29,413,029	28,863
Franchise fees				
Electric	5,200,000	5,200,000	4,673,079	(526,921)
Natural gas	120,000	120,000	126,988	6,988
Total franchise fees	5,320,000	5,320,000	4,800,067	(519,933)
Licenses and permits				
Building permits	158,593	158,593	338,771	180,178
Other licenses and permits	123,867	123,867	134,054	10,187
Total licenses and permits	282,460	282,460	472,825	190,365
Intergovernmental				
State shared revenues				
State revenue sharing	1,765,000	1,765,000	1,790,313	25,313
Mobile home licenses	20,000	20,000	41,372	21,372
Alcoholic beverage licenses	105,000	105,000	106,448	1,448
Half cent sales tax	3,900,000	3,900,000	4,135,414	235,414
Insurance premium tax	1,234,000	1,234,000	1,357,499	123,499
Other intergovernmental	982,634	992,983	1,013,260	20,277
Total intergovernmental	\$ 8,006,634	\$ 8,016,983	\$ 8,444,306	\$ 427,323

(continued)

City of Sarasota, Florida
 General Fund
 Schedule of Revenues - Budget and Actual
 Year Ended September 30, 2014 (Concluded)

	<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	\$ 512,791	\$ 512,791	\$ 485,553	\$ (27,238)
Transportation	274,133	274,133	278,569	4,436
Road and bridge	274,000	274,000	255,274	(18,726)
Public safety	603,673	603,673	939,732	336,059
Physical environment	46,000	46,000	49,080	3,080
Culture and recreation	203,450	203,450	252,653	49,203
Total charges for services	<u>1,914,047</u>	<u>1,914,047</u>	<u>2,260,861</u>	<u>346,814</u>
Charges to other funds				
Cost allocations	<u>4,403,460</u>	<u>4,403,460</u>	<u>4,403,460</u>	<u>--</u>
Fines and forfeits				
Court fines	90,000	90,000	117,728	27,728
Red light citations	1,932,000	741,866	387,289	(354,577)
Other	200,800	200,800	207,269	6,469
Total fines and forfeits	<u>2,222,800</u>	<u>1,032,666</u>	<u>712,286</u>	<u>(320,380)</u>
Investment earnings	<u>250,000</u>	<u>250,000</u>	<u>113,249</u>	<u>(136,751)</u>
Miscellaneous				
Rents and royalties	1,141,988	1,141,988	1,069,453	(72,535)
Sale of capital assets	32,700	176,360	241,969	65,609
Other	85,025	85,025	138,679	53,654
Total miscellaneous	<u>1,259,713</u>	<u>1,403,373</u>	<u>1,450,101</u>	<u>46,728</u>
Total revenues	<u>53,043,280</u>	<u>52,007,155</u>	<u>52,070,184</u>	<u>63,029</u>
Other financing sources				
Transfers in				
Special revenue funds	3,869,988	3,981,932	4,072,679	90,747
Capital projects funds	--	--	5,405	5,405
Internal service funds	871,630	871,630	872,856	1,226
Enterprise funds	250,000	250,000	272,895	22,895
Total other financing sources	<u>4,991,618</u>	<u>5,103,562</u>	<u>5,223,835</u>	<u>120,273</u>
Total revenues and other financing sources	<u>\$ 58,034,898</u>	<u>\$ 57,110,717</u>	<u>\$ 57,294,019</u>	<u>\$ 183,302</u>

City of Sarasota, Florida
 General Fund
 Schedule of Expenditures - Budget and Actual
 Year Ended September 30, 2014

Expenditures	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Current				
General government				
City commission	\$ 224,644	\$ 218,644	\$ 206,338	\$ 12,306
City manager's office	634,007	611,507	590,921	20,586
Commission support	118,260	118,060	117,132	928
Urban design studio	300,000	275,000	246,450	28,550
Facilities management	752,701	871,984	700,003	171,981
Human resources	990,630	963,538	1,090,989	(127,451)
Finance director	1,808,253	1,829,125	1,758,149	70,976
Building and zoning	2,249,760	2,207,436	2,169,203	38,233
City auditor/clerk	1,901,674	1,861,540	1,721,677	139,863
City attorney	1,042,159	1,042,159	1,466,259	(424,100)
Miscellaneous administration	7,576,301	7,846,187	7,559,561	286,626
Total general government	<u>17,598,389</u>	<u>17,845,180</u>	<u>17,626,682</u>	<u>218,498</u>
Public safety				
Code enforcement	481,893	477,726	412,719	65,007
Police/fire	33,104,657	33,051,237	33,378,885	(327,648)
Total public safety	<u>33,586,550</u>	<u>33,528,963</u>	<u>33,791,604</u>	<u>(262,641)</u>
Physical environment				
Parks and landscape maintenance	3,142,403	2,984,228	2,808,130	176,098
Total physical environment	<u>3,142,403</u>	<u>2,984,228</u>	<u>2,808,130</u>	<u>176,098</u>
Transportation				
Construction services	287,610	284,710	359,341	(74,631)
Street and highway maintenance	2,894,496	2,768,260	2,595,018	173,242
Total transportation	<u>3,182,106</u>	<u>3,052,970</u>	<u>2,954,359</u>	<u>98,611</u>
Culture and recreation				
Skateboard park	18,184	8,503	2,503	6,000
RL Taylor Community Center	1,117,253	1,100,909	1,004,607	96,302
Lido Beach	171,109	162,241	153,920	8,321
Children's fountain/playground	68,545	68,345	61,451	6,894
Special events	101,895	101,395	93,031	8,364
Total culture and recreation	<u>1,476,986</u>	<u>1,441,393</u>	<u>1,315,512</u>	<u>125,881</u>
Economic environment				
Redevelopment services	25,888	--	--	--
Total economic environment	<u>25,888</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>59,012,322</u>	<u>58,852,734</u>	<u>58,496,287</u>	<u>356,447</u>
Other financing uses				
Transfers out				
Special revenue funds	--	--	894	(894)
Enterprise funds	443,547	737,612	737,612	--
Total other financing uses	<u>443,547</u>	<u>737,612</u>	<u>738,506</u>	<u>(894)</u>
Total expenditures and other financing uses	<u>\$ 59,455,869</u>	<u>\$ 59,590,346</u>	<u>\$ 59,234,793</u>	<u>\$ 355,553</u>

City of Sarasota, Florida

Community Redevelopment Agency

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

Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Ad Valorem	\$ 3,617,897	\$ 3,617,897	\$ 3,591,305	\$ (26,592)
Intergovernmental	3,702,122	3,702,122	3,676,070	(26,052)
Investment earnings	50,000	50,000	94,431	44,431
Miscellaneous	136,828	136,828	169,505	32,677
Total revenues	<u>7,506,847</u>	<u>7,506,847</u>	<u>7,531,311</u>	<u>24,464</u>
Expenditures				
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	47,579	60,079	28,884	31,195
Downtown transportation	8,701	5,268	629	4,639
Transportation master plan	--	94,965	14,977	79,988
North Palm Avenue streetscape	5,500	9,842	8,628	1,214
Enhanced maintenance	15,000	23,500	--	23,500
Total transportation	<u>76,780</u>	<u>193,654</u>	<u>53,118</u>	<u>140,536</u>
Economic environment				
Downtown redevelopment	47,500	51,500	46,434	5,066
Economic development	40,000	40,800	40,800	--
Indirect costs	11,964	11,964	11,964	--
Herald Tribune	--	393,751	35,834	357,917
Salvation Army	--	80,000	79,800	200
Housing Authority	--	744,229	97,588	646,641
Map public private PTSP	--	312,000	--	312,000
Newtown CRA plan/revisit	--	148,800	--	148,800
NCRA- economic development	82,541	1,200	1,200	--
NCRA- community health & welfare	54,168	--	--	--
NCRA- community grants	18,056	--	--	--
NCRA- admin/planning study	51,588	--	--	--
Ringling Square	--	173,987	36,789	137,198
Total economic environment	<u>305,817</u>	<u>1,958,231</u>	<u>350,409</u>	<u>1,607,822</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, 2014 (Concluded)

	<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	\$ 31,969	\$ 221,839	\$ 19,896	\$ 201,943
Pedestrian sleeves	--	3,677	--	3,677
North Palm Avenue streetscape	--	212,809	--	212,809
Intersection improvements US 41 & Main	--	210,131	--	210,131
Main St - segment 1 & 3a	678,893	754,411	751,289	3,122
Five Points to Orange Avenue	4,540	24,330	--	24,330
First St - US 41 to Pineapple	461,219	1,693,511	124,855	1,568,656
Fruitville Road improvements	100,000	100,000	--	100,000
Main St - Orange Ave roundabout	96,784	992,083	22,079	970,004
Newtown Road improvement phase II	--	577,891	--	577,891
Newtown Road improvement Orange Ave	--	645,000	--	645,000
Downtown pedestrian street lights	30,900	58,932	51,900	7,032
State Street parking garage	176,212	11,086,947	2,211,195	8,875,752
Total transportation	<u>1,580,517</u>	<u>16,581,561</u>	<u>3,181,214</u>	<u>13,400,347</u>
Culture and recreation				
Newtown entrance plazas	--	300,000	--	300,000
Robert L. Taylor Community Center	--	408,178	--	408,178
Total culture and recreation	<u>--</u>	<u>708,178</u>	<u>--</u>	<u>708,178</u>
Economic environment				
Downtown redevelopment plan	<u>226,530</u>	<u>175,533</u>	<u>21,803</u>	<u>153,730</u>
Total economic environment	<u>226,530</u>	<u>175,533</u>	<u>21,803</u>	<u>153,730</u>
Total expenditures	<u>2,189,644</u>	<u>19,664,728</u>	<u>3,606,544</u>	<u>16,058,184</u>
Excess of revenues over (under) expenditures	<u>5,317,203</u>	<u>(12,157,881)</u>	<u>3,924,767</u>	<u>16,082,648</u>
Other financing uses				
Transfers in	--	1,748,590	--	(1,748,590)
Transfers out				
General fund	(2,616,746)	(2,649,746)	(2,649,746)	--
Debt service funds	(3,543,913)	(3,543,913)	(3,543,913)	--
Total other financing uses	<u>(6,160,659)</u>	<u>(4,445,069)</u>	<u>(6,193,659)</u>	<u>(1,748,590)</u>
Net change in fund balances	(843,456)	(16,602,950)	(2,268,892)	14,334,058
Fund balances - beginning	<u>16,660,914</u>	<u>16,660,914</u>	<u>16,660,914</u>	<u>--</u>
Fund balances - ending	<u>\$ 15,817,458</u>	<u>\$ 57,964</u>	<u>\$ 14,392,022</u>	<u>\$ 14,334,058</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, 2014

	Special Revenue Funds		
	State Housing Initiative Partnership	Development Services	Gas Tax
Assets			
Cash and cash equivalents	\$ 269,785	\$ 574,366	\$ 813,719
Investments	1,787,161	3,804,814	5,390,379
Receivables (net):			
Accounts	--	--	--
Interest	3,216	6,762	9,423
Notes	42,765	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	386,370
Prepaid items	--	--	--
Total assets	<u>\$ 2,102,927</u>	<u>\$ 4,385,942</u>	<u>\$ 6,599,891</u>
Liabilities			
Accounts payable	\$ 18,609	\$ 15,517	\$ 51,600
Accrued interest payable	--	--	--
Retainages payable	--	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
Advance from other funds	--	--	--
Accrued wages	740	35,066	--
Unearned revenue	--	55,650	--
Customer deposits	--	--	--
Total liabilities	<u>19,349</u>	<u>106,233</u>	<u>51,600</u>
Deferred Inflows of Resources			
Unavailable revenue - notes receivable	42,765	--	--
Unavailable revenue - special assessments	--	--	--
Total deferred inflows of resources	<u>42,765</u>	<u>--</u>	<u>--</u>
Fund Balances			
Nonspendable:			
Prepaid items	--	--	--
Restricted for:			
Housing and community development	2,040,813	--	--
Building services	--	3,798,383	--
Transportation	--	--	6,548,291
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Construction	--	--	--
Committed to:			
Development application system	--	481,326	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Culture and recreation	--	--	--
Assigned to:			
Subsequent year expenditures	--	--	--
Unassigned			
Total fund balances (deficit)	<u>2,040,813</u>	<u>4,279,709</u>	<u>6,548,291</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,102,927</u>	<u>\$ 4,385,942</u>	<u>\$ 6,599,891</u>

Special Revenue Funds

Special Law Enforcement (Forfeiture)	Golden Gate Point	Tourist Development Tax	Miscellaneous Grants	Multi-Purpose
\$ 62,098	\$ 6,047	\$ 383,565	\$ 137,879	\$ 391,980
411,362	40,055	2,540,876	913,365	2,596,620
--	--	--	--	85,165
727	78	4,374	1,744	4,801
--	--	--	--	--
--	--	--	--	--
--	--	187,427	702,511	11,624
17,050	--	--	--	5,840
<u>\$ 491,237</u>	<u>\$ 46,180</u>	<u>\$ 3,116,242</u>	<u>\$ 1,755,499</u>	<u>\$ 3,096,030</u>
\$ 78,717	\$ 192	\$ 95,986	\$ 193,124	\$ 1,882,321
--	--	--	--	--
--	--	--	13,483	--
--	--	--	--	--
--	--	--	19,412	72,812
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	229,795	107,122
--	--	--	253,014	28,566
<u>78,717</u>	<u>192</u>	<u>95,986</u>	<u>708,828</u>	<u>2,090,821</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
17,050	--	--	--	5,840
--	--	--	--	--
--	--	--	--	--
--	--	--	--	115,199
395,470	--	--	--	56,020
--	45,988	--	--	--
--	--	3,020,256	--	--
--	--	--	555,272	--
--	--	--	--	28,110
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	417,250	--
--	--	--	74,149	--
--	--	--	--	147,824
--	--	--	--	108,320
--	--	--	--	112,066
--	--	--	--	317,270
--	--	--	--	5,169
--	--	--	--	89,873
--	--	--	--	19,518
--	--	--	--	--
--	--	--	--	--
<u>412,520</u>	<u>45,988</u>	<u>3,020,256</u>	<u>1,046,671</u>	<u>1,005,209</u>
<u>\$ 491,237</u>	<u>\$ 46,180</u>	<u>\$ 3,116,242</u>	<u>\$ 1,755,499</u>	<u>\$ 3,096,030</u>

(continued)

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet (continued)
 September 30, 2014

	Debt Service Funds		
	1992 Refunding Bonds	2007 General Obligation Bonds	2008 General Obligation Bonds
Assets			
Cash and cash equivalents	\$ 553,752	93,201	29,855
Investments	3,668,260	617,401	197,772
Receivables (net):			
Accounts	--	--	--
Interest	6,245	1,047	337
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	256	--
Prepaid items	--	--	--
Total assets	<u>\$ 4,228,257</u>	<u>\$ 711,905</u>	<u>\$ 227,964</u>
Liabilities			
Accounts payable	\$ --	\$ --	\$ --
Accrued interest payable	--	--	--
Retainages payable	--	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
Advance from other funds	--	--	--
Accrued wages	--	--	--
Unearned revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Inflows of Resources			
Unavailable revenue - notes receivable	--	--	--
Unavailable revenue - special assessments	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances			
Nonspendable:			
Prepaid items	--	--	--
Restricted for:			
Housing and community development	--	--	--
Building services	--	--	--
Transportation	--	--	--
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	4,228,257	711,905	227,964
Construction	--	--	--
Committed to:			
Development application system	--	--	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Culture and recreation	--	--	--
Assigned to:			
Subsequent year expenditures	--	--	--
Unassigned			
Total fund balances (deficit)	<u>4,228,257</u>	<u>711,905</u>	<u>227,964</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,228,257</u>	<u>\$ 711,905</u>	<u>\$ 227,964</u>

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet (concluded)
 September 30, 2014

	Capital Projects Funds		
	Capital and Extraordinary Maintenance	1989 Sales Surtax Bond Construction	2000 First Florida Construction
Assets			
Cash and cash equivalents	\$ 90,996	\$ 30,044	\$ 40,247
Investments	602,794	199,026	266,615
Receivables (net):			
Accounts	--	--	--
Interest	1,054	339	454
Notes	--	--	--
Special assessments	--	--	--
Due from other governmental agencies	--	--	--
Prepaid items	--	--	--
Total assets	<u>\$ 694,844</u>	<u>\$ 229,409</u>	<u>\$ 307,316</u>
Liabilities			
Accounts payable	\$ 288,979	\$ --	\$ --
Accrued interest payable	--	--	--
Retainages payable	47,211	--	--
Due to other funds	--	--	--
Due to other governmental agencies	--	--	--
Interfund payables	--	--	--
Advance from other funds	--	--	--
Accrued wages	--	--	--
Unearned revenue	--	--	--
Customer deposits	--	--	--
Total liabilities	<u>336,190</u>	<u>--</u>	<u>--</u>
Deferred Inflows of Resources			
Unavailable revenue - notes receivable	--	--	--
Unavailable revenue - special assessments	--	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances			
Nonspendable:			
Prepaid items	--	--	--
Restricted for:			
Housing and community development	--	--	--
Building services	--	--	--
Transportation	--	--	--
Law enforcement programs	--	--	--
Golden Gate Point streetscape	--	--	--
Tourist development	--	--	--
Grant programs	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Construction	--	229,409	307,316
Committed to:			
Development application system	--	--	--
Public art	--	--	--
Neighborhood grant programs	--	--	--
Citizens with disabilities	--	--	--
Forestry	--	--	--
Transportation	--	--	--
Affordable housing	--	--	--
Law enforcement	--	--	--
Economic development	--	--	--
Culture and recreation	--	--	--
Assigned to:			
Subsequent year expenditures	358,654	--	--
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>
Total fund balances (deficit)	<u>358,654</u>	<u>229,409</u>	<u>307,316</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 694,844</u>	<u>\$ 229,409</u>	<u>\$ 307,316</u>

Capital Project Funds				
2001 First Florida Construction	2007 General Obligation Bonds	2009 Build America Bonds	2010 Stadium Bonds	Total Nonmajor Governmental Funds
\$ 61,854	\$ 212,306	\$ 154,784	\$ --	\$ 4,046,921
409,746	1,406,394	1,025,349	--	26,808,334
--	--	--	--	85,165
698	2,572	1,760	--	47,089
--	--	--	--	42,765
--	--	--	--	407,664
--	--	--	13,793	1,301,981
--	--	--	--	22,890
<u>\$ 472,298</u>	<u>\$ 1,621,272</u>	<u>\$ 1,181,893</u>	<u>\$ 13,793</u>	<u>\$ 32,762,809</u>
\$ --	\$ 59,951	\$ --	\$ 4,934	\$ 2,689,930
--	--	--	9	9
--	--	--	--	60,694
--	--	--	--	5,429
--	--	--	--	92,224
--	--	--	5,346	5,346
--	--	--	--	127,235
--	--	--	--	35,806
--	--	--	--	392,567
--	--	--	--	281,580
--	59,951	--	10,289	3,690,820
--	--	--	--	42,765
--	--	--	--	407,664
--	--	--	--	450,429
--	--	--	--	22,890
--	--	--	--	2,040,813
--	--	--	--	3,798,383
--	--	--	--	6,663,490
--	--	--	--	451,490
--	--	--	--	45,988
--	--	--	--	3,020,256
--	--	--	--	555,272
--	--	--	--	28,110
--	--	--	--	6,236,672
472,298	1,561,321	1,181,893	3,504	3,755,741
--	--	--	--	481,326
--	--	--	--	417,250
--	--	--	--	74,149
--	--	--	--	147,824
--	--	--	--	108,320
--	--	--	--	112,066
--	--	--	--	317,270
--	--	--	--	5,169
--	--	--	--	89,873
--	--	--	--	19,518
--	--	--	--	358,654
--	--	--	--	(128,964)
<u>472,298</u>	<u>1,561,321</u>	<u>1,181,893</u>	<u>3,504</u>	<u>28,621,560</u>
<u>\$ 472,298</u>	<u>\$ 1,621,272</u>	<u>\$ 1,181,893</u>	<u>\$ 13,793</u>	<u>\$ 32,762,809</u>

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2014

	Special Revenue Funds		
	State Housing Initiative Partnership	Development Services	Gas Tax
Revenues			
Taxes	\$ --	\$ --	\$ 2,358,159
Special assessments	--	--	--
Licenses and permits	--	3,849,555	--
Intergovernmental	983,794	--	--
Charges for services	--	430,909	--
Fines and forfeits	--	--	--
Investment earnings	35,130	15,911	31,343
Miscellaneous	1,331	--	--
Total revenues	<u>1,020,255</u>	<u>4,296,375</u>	<u>2,389,502</u>
Expenditures			
Current:			
General government	--	126,962	--
Public safety	--	1,984,758	--
Physical environment	--	--	--
Transportation	--	--	171,394
Culture and recreation	--	--	--
Economic environment	1,051,419	--	--
Debt service:			
Principal payments	--	--	--
Interest and fiscal charges	--	--	--
Capital outlay	--	--	1,283,844
Total expenditures	<u>1,051,419</u>	<u>2,111,720</u>	<u>1,455,238</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,164)</u>	<u>2,184,655</u>	<u>934,264</u>
Other financing sources (uses)			
Transfers in	--	--	--
Transfers out	--	(215,000)	(1,064,585)
Total other financing sources (uses)	<u>--</u>	<u>(215,000)</u>	<u>(1,064,585)</u>
Net change in fund balances	(31,164)	1,969,655	(130,321)
Fund balances (deficit) - beginning	<u>2,071,977</u>	<u>2,310,054</u>	<u>6,678,612</u>
Fund balances (deficit) - ending	<u>\$ 2,040,813</u>	<u>\$ 4,279,709</u>	<u>\$ 6,548,291</u>

Special Revenue Funds

Special Law Enforcement (Forfeiture)	Golden Gate Point	Tourist Development Tax	Miscellaneous Grants	Multi-Purpose
\$ --	\$ 100,352	\$ 178,251	\$ --	\$ 14,579
--	--	--	--	--
--	--	--	--	--
--	--	93,986	2,448,386	318,805
--	--	--	11,856	78,696
300,607	--	--	65,865	63,603
2,249	373	14,962	3,835	6,037
1,126	--	--	203,714	7,485
<u>303,982</u>	<u>100,725</u>	<u>287,199</u>	<u>2,733,656</u>	<u>489,205</u>
--	--	--	--	--
236,859	--	--	7,503	39,951
--	--	289,954	--	--
--	91,844	--	--	1,880
--	--	--	21,037	27,880
--	--	--	28,150	69,193
--	--	--	--	--
--	--	--	--	--
70,579	--	--	1,981,476	318,396
<u>307,438</u>	<u>91,844</u>	<u>289,954</u>	<u>2,038,166</u>	<u>457,300</u>
<u>(3,456)</u>	<u>8,881</u>	<u>(2,755)</u>	<u>695,490</u>	<u>31,905</u>
--	--	--	--	--
--	--	(14,962)	(646,405)	(4,814)
--	--	(14,962)	(646,405)	(4,814)
(3,456)	8,881	(17,717)	49,085	27,091
415,976	37,107	3,037,973	997,586	978,118
<u>\$ 412,520</u>	<u>\$ 45,988</u>	<u>\$ 3,020,256</u>	<u>\$ 1,046,671</u>	<u>\$ 1,005,209</u>

(continued)

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2014

	Debt Service Funds			
	1992 Refunding Bonds	2007 General Obligation Bonds	2008 General Obligation Bonds	2009 Build America
Revenues				
Taxes	\$ --	\$ 2,844,168	\$ 272,667	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	286,217
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	20,226	8,730	1,483	1,665
Miscellaneous	--	--	--	--
Total revenues	<u>20,226</u>	<u>2,852,898</u>	<u>274,150</u>	<u>287,882</u>
Expenditures				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	475,405	970,000	156,788	1,580,152
Interest and fiscal charges	1,535,695	1,859,594	122,741	891,469
Capital outlay	--	--	--	--
Total expenditures	<u>2,011,100</u>	<u>2,829,594</u>	<u>279,529</u>	<u>2,471,621</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,990,874)</u>	<u>23,304</u>	<u>(5,379)</u>	<u>(2,183,739)</u>
Other financing sources (uses)				
Transfers in	1,648,000	--	--	2,187,950
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>1,648,000</u>	<u>--</u>	<u>--</u>	<u>2,187,950</u>
Net change in fund balances	(342,874)	23,304	(5,379)	4,211
Fund balances (deficit) - beginning	<u>4,571,131</u>	<u>688,601</u>	<u>233,343</u>	<u>613</u>
Fund balances (deficit) - ending	<u>\$ 4,228,257</u>	<u>\$ 711,905</u>	<u>\$ 227,964</u>	<u>\$ 4,824</u>

Debt Service Funds

2010 Sales Tax Payment Rev. Bonds	2001B First Florida	2003 First Florida	2005 First Florida	Glen Oaks
\$ --	\$ --	\$ --	\$ --	\$ --
--	100,530	--	--	5,855
--	--	--	--	--
208,192	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,816	781	869	3,128	6,693
--	--	--	--	--
<u>211,008</u>	<u>101,311</u>	<u>869</u>	<u>3,128</u>	<u>12,548</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
220,000	115,000	240,000	615,000	--
499,545	21,231	55,560	51,024	5,956
--	--	--	--	--
<u>719,545</u>	<u>136,231</u>	<u>295,560</u>	<u>666,024</u>	<u>5,956</u>
<u>(508,537)</u>	<u>(34,920)</u>	<u>(294,691)</u>	<u>(662,896)</u>	<u>6,592</u>
500,004	--	293,330	664,300	--
--	--	--	--	--
<u>500,004</u>	<u>--</u>	<u>293,330</u>	<u>664,300</u>	<u>--</u>
(8,533)	(34,920)	(1,361)	1,404	6,592
<u>536,084</u>	<u>99,785</u>	<u>93,182</u>	<u>378,081</u>	<u>(135,556)</u>
<u>\$ 527,551</u>	<u>\$ 64,865</u>	<u>\$ 91,821</u>	<u>\$ 379,485</u>	<u>\$ (128,964)</u>

(continued)

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2014

	Capital Projects Funds			
	Capital and Extraordinary Maintenance	1989 Sales Surtax Bond Construction	2000 First Florida Construction	2001 First Florida Construction
Revenues				
Taxes	\$ --	\$ --	\$ --	\$ --
Special assessments	--	--	--	--
Licenses and permits	--	--	--	--
Intergovernmental	--	--	--	--
Charges for services	--	--	--	--
Fines and forfeits	--	--	--	--
Investment earnings	4,232	1,174	1,567	2,408
Miscellaneous	--	--	--	--
Total revenues	<u>4,232</u>	<u>1,174</u>	<u>1,567</u>	<u>2,408</u>
Expenditures				
Current:				
General government	--	--	--	--
Public safety	--	--	--	--
Physical environment	--	--	--	--
Transportation	--	--	--	--
Culture and recreation	--	--	--	--
Economic environment	--	--	--	--
Debt service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	<u>478,076</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>478,076</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(473,844)</u>	<u>1,174</u>	<u>1,567</u>	<u>2,408</u>
Other financing sources (uses)				
Transfers in	--	--	--	--
Transfers out	<u>(4,232)</u>	<u>(1,174)</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	<u>(4,232)</u>	<u>(1,174)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(478,076)	--	1,567	2,408
Fund balances (deficit) - beginning	<u>836,730</u>	<u>229,409</u>	<u>305,749</u>	<u>469,890</u>
Fund balances (deficit) - ending	<u>\$ 358,654</u>	<u>\$ 229,409</u>	<u>\$ 307,316</u>	<u>\$ 472,298</u>

Capital Projects Funds			
2007 General Obligation Bonds	2009 Build America Bonds	2010 Stadium Bonds	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ 5,768,176
--	--	--	106,385
--	--	--	3,849,555
--	--	--	4,339,380
--	--	--	521,461
--	--	--	430,075
10,748	6,181	(7)	182,534
--	--	13,793	227,449
<u>10,748</u>	<u>6,181</u>	<u>13,786</u>	<u>15,425,015</u>
--	--	--	126,962
--	--	--	2,269,071
--	--	--	289,954
--	--	--	265,118
--	22,615	13,793	85,325
--	--	--	1,148,762
--	--	--	4,372,345
--	--	--	5,042,815
548,972	30,000	--	4,711,343
<u>548,972</u>	<u>52,615</u>	<u>13,793</u>	<u>18,311,695</u>
<u>(538,224)</u>	<u>(46,434)</u>	<u>(7)</u>	<u>(2,886,680)</u>
--	--	--	5,293,584
--	--	--	(1,951,172)
--	--	--	3,342,412
(538,224)	(46,434)	(7)	455,732
<u>2,099,545</u>	<u>1,228,327</u>	<u>3,511</u>	<u>28,165,828</u>
<u>\$ 1,561,321</u>	<u>\$ 1,181,893</u>	<u>\$ 3,504</u>	<u>\$ 28,621,560</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 315,000	\$ 315,000	\$ 983,794	\$ 668,794
Investment earnings	--	--	35,130	35,130
Miscellaneous	--	--	1,331	1,331
Total revenues	<u>315,000</u>	<u>315,000</u>	<u>1,020,255</u>	<u>705,255</u>
Expenditures				
Current:				
Economic environment	<u>343,621</u>	<u>2,050,870</u>	<u>1,051,419</u>	<u>999,451</u>
Total expenditures	<u>343,621</u>	<u>2,050,870</u>	<u>1,051,419</u>	<u>999,451</u>
Net change in fund balances	(28,621)	(1,735,870)	(31,164)	1,704,706
Fund balances - beginning	<u>2,071,977</u>	<u>2,071,977</u>	<u>2,071,977</u>	<u>--</u>
Fund balances - ending	<u>\$ 2,043,356</u>	<u>\$ 336,107</u>	<u>\$ 2,040,813</u>	<u>\$ 1,704,706</u>

City of Sarasota, Florida
 Development Services Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ 1,959,000	\$ 1,959,000	\$ 3,849,555	\$ 1,890,555
Charges for services	261,000	261,000	430,909	169,909
Investment earnings	6,000	6,000	15,911	9,911
Total revenues	<u>2,226,000</u>	<u>2,226,000</u>	<u>4,296,375</u>	<u>2,070,375</u>
Expenditures				
Current:				
General government	164,178	164,178	126,962	37,216
Public safety	1,995,050	2,036,291	1,984,758	51,533
Capital outlay:				
Public safety	2,340	145	--	145
Total expenditures	<u>2,161,568</u>	<u>2,200,614</u>	<u>2,111,720</u>	<u>88,894</u>
Excess (deficiency) of revenues over (under) expenditures	64,432	25,386	2,184,655	2,159,269
Other financing uses				
Transfers out	<u>(215,000)</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>--</u>
Net change in fund balances	(150,568)	(189,614)	1,969,655	2,159,269
Fund balances - beginning	<u>2,310,054</u>	<u>2,310,054</u>	<u>2,310,054</u>	<u>--</u>
Fund balances - ending	<u>\$ 2,159,486</u>	<u>\$ 2,120,440</u>	<u>\$ 4,279,709</u>	<u>\$ 2,159,269</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,280,000	\$ 2,280,000	\$ 2,358,159	\$ 78,159
Investment earnings	--	--	31,343	31,343
Total revenues	<u>2,280,000</u>	<u>2,280,000</u>	<u>2,389,502</u>	<u>109,502</u>
Expenditures				
Current:				
Transportation	216,895	439,657	171,394	268,263
Capital outlay:				
Transportation	<u>2,401,355</u>	<u>6,631,676</u>	<u>1,283,844</u>	<u>5,347,832</u>
Total expenditures	<u>2,618,250</u>	<u>7,071,333</u>	<u>1,455,238</u>	<u>5,616,095</u>
Excess (deficiency) of revenues over (under) expenditures	(338,250)	(4,791,333)	934,264	5,725,597
Other financing uses				
Transfers out	<u>(1,033,242)</u>	<u>(1,033,242)</u>	<u>(1,064,585)</u>	<u>(31,343)</u>
Net change in fund balances	(1,371,492)	(5,824,575)	(130,321)	5,694,254
Fund balances - beginning	<u>6,678,612</u>	<u>6,678,612</u>	<u>6,678,612</u>	<u>--</u>
Fund balances - ending	<u>\$ 5,307,120</u>	<u>\$ 854,037</u>	<u>\$ 6,548,291</u>	<u>\$ 5,694,254</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeits	\$ --	\$ --	\$ 300,607	\$ 300,607
Investment earnings	--	--	2,249	2,249
Miscellaneous	--	--	1,126	1,126
Total revenues	<u>--</u>	<u>--</u>	<u>303,982</u>	<u>303,982</u>
Expenditures				
Current:				
Public safety	--	364,472	236,859	127,613
Capital outlay:				
Public safety	<u>12,102</u>	<u>77,664</u>	<u>70,579</u>	<u>7,085</u>
Total expenditures	<u>12,102</u>	<u>442,136</u>	<u>307,438</u>	<u>134,698</u>
Net change in fund balance	(12,102)	(442,136)	(3,456)	438,680
Fund balances - beginning	<u>415,976</u>	<u>415,976</u>	<u>415,976</u>	<u>--</u>
Fund balances - ending	<u>\$ 403,874</u>	<u>\$ (26,160)</u>	<u>\$ 412,520</u>	<u>\$ 438,680</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 100,000	\$ 100,000	\$ 100,352	\$ 352
Investment earnings	--	--	373	373
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,725</u>	<u>725</u>
Expenditures				
Current:				
Transportation	<u>101,658</u>	<u>101,658</u>	<u>91,844</u>	<u>9,814</u>
Total expenditures	<u>101,658</u>	<u>101,658</u>	<u>91,844</u>	<u>9,814</u>
Net change in fund balance	(1,658)	(1,658)	8,881	10,539
Fund balances - beginning	<u>37,107</u>	<u>37,107</u>	<u>37,107</u>	<u>--</u>
Fund balances - ending	<u>\$ 35,449</u>	<u>\$ 35,449</u>	<u>\$ 45,988</u>	<u>\$ 10,539</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 450,000	\$ 450,000	\$ 178,251	\$ (271,749)
Intergovernmental	2,712,051	2,876,568	93,986	(2,782,582)
Investment earnings	--	--	14,962	14,962
Total revenues	<u>3,162,051</u>	<u>3,326,568</u>	<u>287,199</u>	<u>(3,039,369)</u>
Expenditures				
Current:				
Physical environment	<u>3,639,251</u>	<u>5,049,580</u>	<u>289,954</u>	<u>4,759,626</u>
Total expenditures	<u>3,639,251</u>	<u>5,049,580</u>	<u>289,954</u>	<u>4,759,626</u>
Excess (deficiency) of revenues over (under) expenditures	(477,200)	(1,723,012)	(2,755)	1,720,257
Other financing uses				
Transfers out	<u>--</u>	<u>--</u>	<u>(14,962)</u>	<u>(14,962)</u>
Net change in fund balances	(477,200)	(1,723,012)	(17,717)	1,705,295
Fund balances - beginning	<u>3,037,973</u>	<u>3,037,973</u>	<u>3,037,973</u>	<u>--</u>
Fund balances - ending	<u>\$ 2,560,773</u>	<u>\$ 1,314,961</u>	<u>\$ 3,020,256</u>	<u>\$ 1,705,295</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 500,004	\$ 3,604,965	\$ 2,448,386	\$ (1,156,579)
Charges for services	--	11,000	11,856	856
Fines and forfeits	30,000	30,000	65,865	35,865
Investment earnings	25	25	3,835	3,810
Miscellaneous	--	500	203,714	203,214
Total revenues	<u>530,029</u>	<u>3,646,490</u>	<u>2,733,656</u>	<u>(912,834)</u>
Expenditures				
Current:				
Public safety	2,058	54,016	7,503	46,513
Culture and recreation	17,725	85,717	21,037	64,680
Economic environment	30,000	228,908	28,150	200,758
Capital outlay:				
Public safety	--	52,381	35,383	16,998
Physical environment	--	194,528	43,173	151,355
Transportation	848,979	1,737,537	1,435,412	302,125
Culture and recreation	<u>35,097</u>	<u>1,583,203</u>	<u>467,508</u>	<u>1,115,695</u>
Total expenditures	<u>933,859</u>	<u>3,936,290</u>	<u>2,038,166</u>	<u>1,898,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(403,830)</u>	<u>(289,800)</u>	<u>695,490</u>	<u>985,290</u>
Other financing sources (uses)				
Transfers out	<u>(500,004)</u>	<u>(583,948)</u>	<u>(646,405)</u>	<u>(62,457)</u>
Net change in fund balances	(903,834)	(873,748)	49,085	922,833
Fund balances - beginning	<u>997,586</u>	<u>997,586</u>	<u>997,586</u>	<u>--</u>
Fund balances - ending	<u>\$ 93,752</u>	<u>\$ 123,838</u>	<u>\$ 1,046,671</u>	<u>\$ 922,833</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 7,500	\$ 7,500	\$ 14,579	\$ 7,079
Intergovernmental	--	318,148	318,805	657
Charges for services	--	31,652	78,696	47,044
Fines and forfeits	15,000	15,000	63,603	48,603
Investment earnings	--	--	6,037	6,037
Miscellaneous	--	--	7,485	7,485
Total revenues	<u>22,500</u>	<u>372,300</u>	<u>489,205</u>	<u>116,905</u>
Expenditures				
Current:				
Public safety	--	62,000	39,951	22,049
Transportation	--	1,213	1,880	(667)
Culture and recreation	26,500	28,500	27,880	620
Economic environment	23,021	219,337	69,193	150,144
Capital outlay:				
Public safety	--	1,310	1,245	65
Transportation	5,174	375,393	317,151	58,242
Culture and recreation	--	3,005	--	3,005
Total expenditures	<u>54,695</u>	<u>690,758</u>	<u>457,300</u>	<u>233,458</u>
Excess (deficiency) of revenues over (under) expenditures	(32,195)	(318,458)	31,905	350,363
Other financing sources (uses)				
Transfers out	--	--	(4,814)	(4,814)
Net change in fund balances	(32,195)	(318,458)	27,091	345,549
Fund balances - beginning	<u>978,118</u>	<u>978,118</u>	<u>978,118</u>	<u>--</u>
Fund balances - ending	<u>\$ 945,923</u>	<u>\$ 659,660</u>	<u>\$ 1,005,209</u>	<u>\$ 345,549</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 10,000	\$ 10,000	\$ 20,226	\$ 10,226
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>20,226</u>	<u>10,226</u>
Expenditures				
Debt service:				
Principal payments	475,405	475,405	475,405	-
Interest and other charges	<u>1,537,595</u>	<u>1,537,595</u>	<u>1,535,695</u>	<u>1,900</u>
Total expenditures	<u>2,013,000</u>	<u>2,013,000</u>	<u>2,011,100</u>	<u>1,900</u>
Excess (deficiency) of revenues over (under) expenditures	(2,003,000)	(2,003,000)	(1,990,874)	12,126
Other financing sources				
Transfers in	<u>1,648,000</u>	<u>1,648,000</u>	<u>1,648,000</u>	<u>--</u>
Net change in fund balances	(355,000)	(355,000)	(342,874)	12,126
Fund balances - beginning	<u>4,571,131</u>	<u>4,571,131</u>	<u>4,571,131</u>	<u>--</u>
Fund balances - ending	<u>\$ 4,216,131</u>	<u>\$ 4,216,131</u>	<u>\$ 4,228,257</u>	<u>\$ 12,126</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,829,000	\$ 2,829,000	\$ 2,844,168	\$ 15,168
Investment earnings	6,000	6,000	8,730	2,730
Total revenues	<u>2,835,000</u>	<u>2,835,000</u>	<u>2,852,898</u>	<u>\$ 17,898</u>
Expenditures				
Debt service:				
Principal payments	970,000	1,309,909	970,000	339,909
Interest and other charges	<u>1,861,769</u>	<u>1,866,569</u>	<u>1,859,594</u>	<u>6,975</u>
Total expenditures	<u>2,831,769</u>	<u>3,176,478</u>	<u>2,829,594</u>	<u>346,884</u>
Net change in fund balances	3,231	(341,478)	23,304	364,782
Fund balance - beginning	<u>688,601</u>	<u>688,601</u>	<u>688,601</u>	<u>--</u>
Fund balance - ending	<u>\$ 691,832</u>	<u>\$ 347,123</u>	<u>\$ 711,905</u>	<u>\$ 364,782</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 273,000	\$ 273,000	\$ 272,667	\$ (333)
Investment earnings	1,000	1,000	1,483	483
Total revenues	<u>274,000</u>	<u>274,000</u>	<u>274,150</u>	<u>150</u>
Expenditures				
Debt service:				
Principal payments	156,788	156,788	156,788	--
Interest and other charges	<u>125,741</u>	<u>125,741</u>	<u>122,741</u>	<u>3,000</u>
Total expenditures	<u>282,529</u>	<u>282,529</u>	<u>279,529</u>	<u>3,000</u>
Net change in fund balances	(8,529)	(8,529)	(5,379)	3,150
Fund balances - beginning	<u>233,343</u>	<u>233,343</u>	<u>233,343</u>	<u>--</u>
Fund balances - ending	<u>\$ 224,814</u>	<u>\$ 224,814</u>	<u>\$ 227,964</u>	<u>\$ 3,150</u>

City of Sarasota, Florida

2009 Build America Debt Service Fund

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

Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 284,022	\$ 284,022	\$ 286,217	\$ 2,195
Investment earnings (loss)	--	--	1,665	1,665
Total revenues	<u>284,022</u>	<u>284,022</u>	<u>287,882</u>	<u>3,860</u>
Expenditures				
Debt service:				
Principal payments	1,580,153	1,580,153	1,580,152	1
Interest and other charges	<u>891,819</u>	<u>891,819</u>	<u>891,469</u>	<u>350</u>
Total expenditures	<u>2,471,972</u>	<u>2,471,972</u>	<u>2,471,621</u>	<u>351</u>
Excess (deficiency) of revenues over (under) expenditures	(2,187,950)	(2,187,950)	(2,183,739)	4,211
Other financing sources				
Transfers in	<u>2,187,950</u>	<u>2,187,950</u>	<u>2,187,950</u>	<u>--</u>
Net change in fund balances	--	--	4,211	4,211
Fund balances - beginning	<u>613</u>	<u>613</u>	<u>613</u>	<u>--</u>
Fund balances - ending	<u>\$ 613</u>	<u>\$ 613</u>	<u>\$ 4,824</u>	<u>\$ 4,211</u>

City of Sarasota, Florida

2010 Sales Tax Payments Revenue Bonds Debt Service Fund

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

Year Ended September 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 204,827	\$ 204,827	\$ 208,192	\$ 3,365
Investment earnings	1,000	1,000	2,816	1,816
Total revenues	<u>205,827</u>	<u>205,827</u>	<u>211,008</u>	<u>5,181</u>
Expenditures				
Debt service:				
Principal payments	220,000	220,000	220,000	--
Interest and other charges	<u>499,545</u>	<u>499,545</u>	<u>499,545</u>	<u>--</u>
Total expenditures	<u>719,545</u>	<u>719,545</u>	<u>719,545</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(513,718)	(513,718)	(508,537)	5,181
Other financing sources				
Transfers in	<u>500,004</u>	<u>500,004</u>	<u>500,004</u>	<u>--</u>
Net change in fund balances	(13,714)	(13,714)	(8,533)	5,181
Fund balances - beginning	<u>536,084</u>	<u>536,084</u>	<u>536,084</u>	<u>--</u>
Fund balances - ending	<u>\$ 522,370</u>	<u>\$ 522,370</u>	<u>\$ 527,551</u>	<u>\$ 5,181</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 105,000	\$ 105,000	\$ 100,530	\$ (4,470)
Investment earnings	600	600	781	181
Total revenues	<u>105,600</u>	<u>105,600</u>	<u>101,311</u>	<u>(4,289)</u>
Expenditures				
Debt service:				
Principal payments	115,000	115,000	115,000	--
Interest and other charges	<u>23,850</u>	<u>23,850</u>	<u>21,231</u>	<u>2,619</u>
Total expenditures	<u>138,850</u>	<u>138,850</u>	<u>136,231</u>	<u>2,619</u>
Net change in fund balances	(33,250)	(33,250)	(34,920)	(1,670)
Fund balances - beginning	<u>99,785</u>	<u>99,785</u>	<u>99,785</u>	<u>--</u>
Fund balances - ending	<u>\$ 66,535</u>	<u>\$ 66,535</u>	<u>\$ 64,865</u>	<u>\$ (1,670)</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 1,000	\$ 1,000	\$ 869	\$ (131)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>869</u>	<u>(131)</u>
Expenditures				
Debt service:				
Principal payments	240,000	240,000	240,000	--
Interest and other charges	<u>56,330</u>	<u>56,330</u>	<u>55,560</u>	<u>770</u>
Total expenditures	<u>296,330</u>	<u>296,330</u>	<u>295,560</u>	<u>770</u>
Excess (deficiency) of revenues over (under) expenditures	(295,330)	(295,330)	(294,691)	639
Other financing sources				
Transfers in	<u>293,330</u>	<u>293,330</u>	<u>293,330</u>	<u>--</u>
Net change in fund balances	(2,000)	(2,000)	(1,361)	639
Fund balances - beginning	<u>93,182</u>	<u>93,182</u>	<u>93,182</u>	<u>--</u>
Fund balances - ending	<u>\$ 91,182</u>	<u>\$ 91,182</u>	<u>\$ 91,821</u>	<u>\$ 639</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 1,000	\$ 1,000	\$ 3,128	\$ 2,128
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>3,128</u>	<u>2,128</u>
Expenditures				
Debt service:				
Principal payments	615,000	615,000	615,000	--
Interest and other charges	<u>51,800</u>	<u>51,800</u>	<u>51,024</u>	<u>776</u>
Total expenditures	<u>666,800</u>	<u>666,800</u>	<u>666,024</u>	<u>776</u>
Excess (deficiency) of revenues over (under) expenditures	(665,800)	(665,800)	(662,896)	2,904
Other financing sources				
Transfers in	<u>664,300</u>	<u>664,300</u>	<u>664,300</u>	<u>--</u>
Net change in fund balances	(1,500)	(1,500)	1,404	2,904
Fund balances - beginning	<u>378,081</u>	<u>378,081</u>	<u>378,081</u>	<u>--</u>
Fund balances - ending	<u>\$ 376,581</u>	<u>\$ 376,581</u>	<u>\$ 379,485</u>	<u>\$ 2,904</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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Special assessments	\$ 12,379	\$ 12,379	\$ 5,855	\$ (6,524)
Investment earnings	--	--	6,693	6,693
Total revenues	<u>12,379</u>	<u>12,379</u>	<u>12,548</u>	<u>169</u>
Expenditures				
Debt service:				
Principal payments	5,237	5,237	--	5,237
Interest and other charges	<u>5,956</u>	<u>5,956</u>	<u>5,956</u>	<u>--</u>
Total expenditures	<u>11,193</u>	<u>11,193</u>	<u>5,956</u>	<u>5,237</u>
Net change in fund balances	1,186	1,186	6,592	5,406
Fund balances (deficit) - beginning	<u>(135,556)</u>	<u>(135,556)</u>	<u>(135,556)</u>	<u>--</u>
Fund balances (deficit) - ending	<u>\$ (134,370)</u>	<u>\$ (134,370)</u>	<u>\$ (128,964)</u>	<u>\$ 5,406</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, 2014

	Bobby Jones Golf Course	Municipal Auditoriums	Parking Management	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 144,123	\$ 21,669	\$ 51,029	\$ 216,821
Investments	954,727	143,544	338,035	1,436,306
Receivables (net):				
Accounts	4,979	--	16,392	21,371
Interest	1,919	--	554	2,473
Due from other governmental agencies	3,404	309	168	3,881
Inventories	31,807	311	--	32,118
Prepaid items	5,025	15,249	26,196	46,470
Total current assets	<u>1,145,984</u>	<u>181,082</u>	<u>432,374</u>	<u>1,759,440</u>
Noncurrent assets:				
Capital assets				
Land	910,000	175,000	4,601,553	5,686,553
Buildings	1,214,058	1,980,863	10,743,154	13,938,075
Improvements	5,314,276	335,445	4,417,856	10,067,577
Equipment	493,857	56,503	501,794	1,052,154
Construction in progress	16,494	--	--	16,494
Less accumulated depreciation	<u>(4,762,296)</u>	<u>(2,232,270)</u>	<u>(2,599,101)</u>	<u>(9,593,667)</u>
Total capital assets (net of accumulated depreciation)	<u>3,186,389</u>	<u>315,541</u>	<u>17,665,256</u>	<u>21,167,186</u>
Total assets	<u>4,332,373</u>	<u>496,623</u>	<u>18,097,630</u>	<u>22,926,626</u>
Liabilities				
Current liabilities:				
Accounts payable	33,476	46,509	28,064	108,049
Interest payable	--	12	--	12
Accrued wages	18,122	5,516	15,306	38,944
Compensated absences	39,241	10,446	12,364	62,051
Unearned revenue	42,445	45,239	--	87,684
Total current liabilities	<u>133,284</u>	<u>107,722</u>	<u>55,734</u>	<u>296,740</u>
Noncurrent liabilities:				
Compensated absences	34,799	9,263	10,964	55,026
Other post-employment benefits	<u>63,858</u>	<u>20,166</u>	<u>47,607</u>	<u>131,631</u>
Total noncurrent liabilities	<u>98,657</u>	<u>29,429</u>	<u>58,571</u>	<u>186,657</u>
Total liabilities	<u>231,941</u>	<u>137,151</u>	<u>114,305</u>	<u>483,397</u>
Net Position				
Net investment in capital assets	3,186,389	315,541	17,665,256	21,167,186
Unrestricted	<u>914,043</u>	<u>43,931</u>	<u>318,069</u>	<u>1,276,043</u>
Total net position	<u>\$ 4,100,432</u>	<u>\$ 359,472</u>	<u>\$ 17,983,325</u>	<u>\$ 22,443,229</u>

City of Sarasota, Florida

Nonmajor Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended September 30, 2014

	Bobby Jones Golf Course	Municipal Auditoriums	Parking Management	Total
Operating revenues:				
Charges for services	\$ 2,446,160	\$ 89,159	\$ 55,452	\$ 2,590,771
Rents	20,512	241,916	28,769	291,197
Fines	--	--	568,718	568,718
Miscellaneous	10,491	1,040	638	12,169
Total operating revenues	2,477,163	332,115	653,577	3,462,855
Operating expenses:				
Personal services	751,226	257,612	582,881	1,591,719
Contractual services	392,819	162,944	274,068	829,831
Repairs and maintenance	1,402,627	61,899	92,554	1,557,080
Supplies and materials	134,442	24,198	25,842	184,482
Depreciation	193,490	44,145	338,703	576,338
Total operating expenses	2,874,604	550,798	1,314,048	4,739,450
Operating income (loss)	(397,441)	(218,683)	(660,471)	(1,276,595)
Nonoperating revenues:				
Investment earnings (loss)	8,501	531	1,079	10,111
Gain (loss) on disposition of capital assets	(15,557)	--	7,508	(8,049)
Total nonoperating revenues	(7,056)	531	8,587	2,062
Income (loss) before transfers and special items	(404,497)	(218,152)	(651,884)	(1,274,533)
Transfers in	--	193,097	544,515	737,612
Change in net position	(404,497)	(25,055)	(107,369)	(536,921)
Total net position - beginning	4,504,929	384,527	18,090,694	22,980,150
Total net position - ending	\$ 4,100,432	\$ 359,472	\$ 17,983,325	\$ 22,443,229

City of Sarasota, Florida
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2014

	Bobby Jones Golf Course	Municipal Auditoriums	Parking Management	Total
Cash flows from operating activities				
Cash received from customers	\$ 2,477,816	\$ 328,101	\$ 652,185	\$ 3,458,102
Cash payments to vendors for goods and services	(1,746,400)	(163,387)	(275,496)	(2,185,283)
Cash payments to employees for services	(722,561)	(252,729)	(560,510)	(1,535,800)
Cash payments to other funds	(147,340)	(43,923)	(100,000)	(291,263)
Net cash provided (used) by operating activities	<u>(138,485)</u>	<u>(131,938)</u>	<u>(283,821)</u>	<u>(554,244)</u>
Cash flows from noncapital financing activities				
Transfers in	--	193,097	544,515	737,612
Net cash provided (used) by noncapital financing activities	<u>--</u>	<u>193,097</u>	<u>544,515</u>	<u>737,612</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(210,420)	(14,669)	(3,167)	(228,256)
Proceeds from sale of capital assets	901	--	--	901
Net cash provided (used) by capital and related financing activities	<u>(209,519)</u>	<u>(14,669)</u>	<u>(3,167)</u>	<u>(227,355)</u>
Cash flows from investing activities				
Interest on investments	9,572	669	(61)	10,180
Proceeds from sale and maturities of investments	177,545	--	--	177,545
Purchase of investments	--	(50,543)	(234,364)	(284,907)
Net cash provided by investing activities	<u>187,117</u>	<u>(49,874)</u>	<u>(234,425)</u>	<u>(97,182)</u>
Net increase (decrease) in cash and cash equivalents	(160,887)	(3,384)	23,102	(141,169)
Cash and cash equivalents at beginning of year	305,010	25,053	27,927	357,990
Cash and cash equivalents at end of year	<u>\$ 144,123</u>	<u>\$ 21,669</u>	<u>\$ 51,029</u>	<u>\$ 216,821</u>

	Bobby Jones Golf Course	Municipal Auditoriums	Parking Management	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (397,441)	\$ (218,683)	\$ (660,471)	\$ (1,276,595)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	193,490	44,145	338,703	576,338
Net (increase) decrease in:				
Accounts receivable	2,642	--	(1,392)	1,250
Due from other governmental agencies	2,262	244	(162)	2,344
Inventories	9,136	178	--	9,314
Prepaid items	1,319	230	8,507	10,056
Net increase (decrease) in:				
Accounts payable	23,431	41,323	8,623	73,377
Accrued wages	1,911	317	5,103	7,331
Compensated absences	11,387	1,511	3,507	16,405
Unearned revenue	(1,989)	(4,258)	--	(6,247)
Other post-employment benefits	15,367	3,055	13,761	32,183
Total adjustments	258,956	86,745	376,650	722,351
Net cash provided (used) by operating activities	\$ (138,485)	\$ (131,938)	\$ (283,821)	\$ (554,244)
Noncash investing, capital, and financing activities				
Capital assets transferred from other funds	\$ --	\$ --	\$ 7,508	\$ 7,508

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Schedule of Net Position
September 30, 2014

	<u>Revenue Account</u>	<u>Interest & Sinking Accounts</u>	<u>Renewal Replacement & Improvement Account</u>	<u>General Reserve Account</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 60,229	\$ --	\$ 2,857,912	\$ 2,600,934
Investments	398,982	--	18,931,881	17,229,563
Receivables (net):				
Accounts	3,067,627	--	--	--
Interest	1,026	--	32,397	30,140
Inventories	--	--	--	--
Prepaid items	275,923	--	--	--
Total unrestricted current assets	<u>3,803,787</u>	<u>--</u>	<u>21,822,190</u>	<u>19,860,637</u>
Restricted current assets:				
Cash and cash equivalents	135,339	437,986	--	--
Cash with fiscal agents	--	4,789,468	--	--
Investments	896,536	2,901,387	--	--
Accrued interest receivable	1,527	11,196	--	--
Prepaid items	--	2,998	--	--
Total restricted current assets	<u>1,033,402</u>	<u>8,143,035</u>	<u>--</u>	<u>--</u>
Total current assets	<u>4,837,189</u>	<u>8,143,035</u>	<u>21,822,190</u>	<u>19,860,637</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable:				
Land	6,040,560	--	--	--
Construction in progress	36,316	--	4,413,544	7,197,188
Depreciable:				
Buildings	25,132,252	--	--	--
Utility systems	252,650,432	--	--	--
Equipment	1,148,771	--	7,206,430	777,473
Less accumulated depreciation	<u>(166,594,328)</u>	<u>--</u>	<u>(5,894,928)</u>	<u>(248,240)</u>
Total capital assets (net of accumulated depreciation)	<u>118,414,003</u>	<u>--</u>	<u>5,725,046</u>	<u>7,726,421</u>
Other assets:				
Prepaid items	--	14,386	--	--
Total other assets	<u>--</u>	<u>14,386</u>	<u>--</u>	<u>--</u>
Total noncurrent assets	<u>118,414,003</u>	<u>14,386</u>	<u>5,725,046</u>	<u>7,726,421</u>
Total assets	<u>123,251,192</u>	<u>8,157,421</u>	<u>27,547,236</u>	<u>27,587,058</u>
Deferred Outflows of Resources				
Deferred charge on refunding	--	480,267	--	--
Total deferred outflows of resources	<u>\$ --</u>	<u>\$ 480,267</u>	<u>\$ --</u>	<u>\$ --</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ --	\$ 5,519,075
--	--	36,560,426
--	--	3,067,627
--	--	63,563
--	137,381	137,381
--	1,229	277,152
<u>--</u>	<u>138,610</u>	<u>45,625,224</u>
1,223,138	--	1,796,463
--	--	4,789,468
8,102,527	--	11,900,450
14,850	--	27,573
--	--	2,998
<u>9,340,515</u>	<u>--</u>	<u>18,516,952</u>
<u>9,340,515</u>	<u>138,610</u>	<u>64,142,176</u>
--	--	6,040,560
29,669,231	--	41,316,279
--	--	25,132,252
--	--	252,650,432
195,633	36,007	9,364,314
<u>(195,633)</u>	<u>(34,706)</u>	<u>(172,967,835)</u>
<u>29,669,231</u>	<u>1,301</u>	<u>161,536,002</u>
<u>--</u>	<u>--</u>	<u>14,386</u>
<u>--</u>	<u>--</u>	<u>14,386</u>
<u>29,669,231</u>	<u>1,301</u>	<u>161,550,388</u>
<u>39,009,746</u>	<u>139,911</u>	<u>225,692,564</u>
<u>--</u>	<u>--</u>	<u>480,267</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ 480,267</u>

(continued)

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Schedule of Net Position
September 30, 2014
(Concluded)

	<u>Revenue Account</u>	<u>Interest & Sinking Account</u>	<u>Renewal Replacement & Improvement Account</u>	<u>General Reserve Account</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 352,600	\$ --	\$ 397,182	\$ 1,292,286
Retainages payable	--	--	86,015	501,343
Due to other governmental agencies	127	--	--	--
Interfund payables	--	--	--	--
Accrued interest payable	--	--	--	--
Accrued wages	206,859	--	78,968	--
Compensated absences	331,236	--	68,452	--
Unearned revenue	206,662	--	--	--
Total unrestricted current liabilities	<u>1,097,484</u>	<u>--</u>	<u>630,617</u>	<u>1,793,629</u>
Current liabilities payable from restricted assets:				
Accounts payable	--	--	--	--
Retainages payable	--	--	--	--
Accrued interest payable	--	1,399,468	--	--
Customer deposits	1,033,402	--	--	--
Revenue bonds & loans payable - current	--	3,390,000	--	--
Total current liabilities payable from restricted assets	<u>1,033,402</u>	<u>4,789,468</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>2,130,886</u>	<u>4,789,468</u>	<u>630,617</u>	<u>1,793,629</u>
Noncurrent liabilities:				
Compensated absences	293,738	--	60,703	--
Other post-employment benefits	672,916	--	258,552	--
Revenue bonds, loans payable and unamortized premium less current maturities	--	55,906,164	--	--
Total noncurrent liabilities	<u>966,654</u>	<u>55,906,164</u>	<u>319,255</u>	<u>--</u>
Total liabilities	<u>3,097,540</u>	<u>60,695,632</u>	<u>949,872</u>	<u>1,793,629</u>
Net Position				
Net investment in capital assets	118,414,003	(55,863,351)	5,725,046	7,726,421
Restricted:				
Debt service	--	6,740,569	--	--
Construction	--	(2,935,162)	--	--
Unrestricted	1,739,649	--	20,872,318	18,067,008
Total net position	<u>\$ 120,153,652</u>	<u>\$ (52,057,944)</u>	<u>\$ 26,597,364</u>	<u>\$ 25,793,429</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ 87,256	\$ 2,129,324
--	--	587,358
--	--	127
--	35,145	35,145
--	105	105
--	1,792	287,619
--	378	400,066
--	--	206,662
<u>--</u>	<u>124,676</u>	<u>3,646,406</u>
307,524	--	307,524
108,339	--	108,339
--	--	1,399,468
--	--	1,033,402
<u>--</u>	<u>--</u>	<u>3,390,000</u>
415,863	--	6,238,733
<u>415,863</u>	<u>124,676</u>	<u>9,885,139</u>
--	336	354,777
--	2,558	934,026
<u>--</u>	<u>--</u>	<u>55,906,164</u>
<u>--</u>	<u>2,894</u>	<u>57,194,967</u>
<u>415,863</u>	<u>127,570</u>	<u>67,080,106</u>
29,669,231	1,301	105,672,651
--	--	6,740,569
8,924,652	--	5,989,490
<u>--</u>	<u>11,040</u>	<u>40,690,015</u>
<u>\$ 38,593,883</u>	<u>\$ 12,341</u>	<u>\$ 159,092,725</u>

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2014

	<u>Revenue Account</u>	<u>Interest & Sinking Accounts</u>	<u>Renewal Replacement & Improvement Account</u>	<u>General Reserve Account</u>
Operating revenues				
Charges for services				
Water sales	\$ 17,359,066	\$ --	\$ --	\$ --
Sewer collection fees	21,822,678	--	--	--
Connection fees	--	--	--	151,580
Reconnection fees	146,905	--	--	--
Other	--	--	--	--
Rents	21,501	--	--	--
Miscellaneous	141,496	--	--	--
Total operating revenues	<u>39,491,646</u>	<u>--</u>	<u>--</u>	<u>151,580</u>
Operating expenses				
Personal services	10,693,790	--	--	--
Contractual services	6,267,886	--	654,962	--
Repairs and maintenance	1,413,528	--	1,080,678	716,403
Supplies and materials	2,331,671	--	--	--
Depreciation	7,554,828	--	444,602	119,380
Other	33,000	--	--	--
Total operating expenses	<u>28,294,703</u>	<u>--</u>	<u>2,180,242</u>	<u>835,783</u>
Operating income (loss)	<u>11,196,943</u>	<u>--</u>	<u>(2,180,242)</u>	<u>(684,203)</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	88,110	24,917	117,762	100,720
Interest expense	--	(959,593)	--	--
Loan and bond issue expense	--	(11,406)	--	--
Gain (loss) on disposition of capital assets	--	--	34,223	--
Total nonoperating revenues (expenses)	<u>88,110</u>	<u>(946,082)</u>	<u>151,985</u>	<u>100,720</u>
Income (loss) before transfers	11,285,053	(946,082)	(2,028,257)	(583,483)
Transfers in	--	4,506,943	1,432,842	2,555,715
Transfers out	<u>(3,270,760)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Change in net position	8,014,293	3,560,861	(595,415)	1,972,232
Total net position - beginning	<u>112,139,359</u>	<u>(55,618,805)</u>	<u>27,192,779</u>	<u>23,821,197</u>
Total net position - ending	<u>\$ 120,153,652</u>	<u>\$ (52,057,944)</u>	<u>\$ 26,597,364</u>	<u>\$ 25,793,429</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Eliminations</u>	<u>Totals</u>
\$ --	\$ --	\$ --	\$ 17,359,066
--	--	--	21,822,678
--	--	--	151,580
--	--	--	146,905
--	1,288,303	(1,288,303)	--
--	--	--	21,501
--	--	--	141,496
<u>--</u>	<u>1,288,303</u>	<u>(1,288,303)</u>	<u>39,643,226</u>
--	52,689	--	10,746,479
--	133,463	--	7,056,311
--	2,890	--	3,213,499
--	1,105,407	(1,288,303)	2,148,775
15,745	45	--	8,134,600
--	--	--	33,000
<u>15,745</u>	<u>1,294,494</u>	<u>(1,288,303)</u>	<u>31,332,664</u>
<u>(15,745)</u>	<u>(6,191)</u>	<u>--</u>	<u>8,310,562</u>
6,033	(539)	--	337,003
--	--	--	(959,593)
--	--	--	(11,406)
--	--	--	34,223
<u>6,033</u>	<u>(539)</u>	<u>--</u>	<u>(599,773)</u>
(9,712)	(6,730)	--	7,710,789
--	--	(8,495,500)	--
<u>(5,224,740)</u>	<u>--</u>	<u>8,495,500</u>	<u>--</u>
(5,234,452)	(6,730)	--	7,710,789
<u>43,828,335</u>	<u>19,071</u>	<u>--</u>	<u>151,381,936</u>
<u>\$ 38,593,883</u>	<u>\$ 12,341</u>	<u>\$ --</u>	<u>\$ 159,092,725</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, 2014

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 4,813	\$ 125,129	\$ 1,742,317	\$ 356,484	\$ 2,228,743
Investments	31,881	828,900	11,541,763	2,361,485	14,764,029
Receivables (net):					
Accounts	2,891	--	--	--	2,891
Interest	--	1,378	42,124	4,072	47,574
Due from other funds	--	--	920,478	--	920,478
Inventories	76,427	--	--	--	76,427
Prepaid items	2,458	16,993	1,900	--	21,351
Total current assets	<u>118,470</u>	<u>972,400</u>	<u>14,248,582</u>	<u>2,722,041</u>	<u>18,061,493</u>
Noncurrent assets:					
Capital assets:					
Improvements	897,650	297,156	258,962	1,338,410	2,792,178
Equipment	265,145	2,432,648	52,042	7,737,338	10,487,173
Construction in progress	1,650	42,000	--	80,373	124,023
Less accumulated depreciation	<u>(666,571)</u>	<u>(2,338,684)</u>	<u>(87,502)</u>	<u>(5,963,812)</u>	<u>(9,056,569)</u>
Total capital assets (net of accumulated depreciation)	<u>497,874</u>	<u>433,120</u>	<u>223,502</u>	<u>3,192,309</u>	<u>4,346,805</u>
Other assets:					
Advance to other funds	--	--	1,001,530	--	1,001,530
Total noncurrent assets	<u>497,874</u>	<u>433,120</u>	<u>1,225,032</u>	<u>3,192,309</u>	<u>5,348,335</u>
Total assets	<u>616,344</u>	<u>1,405,520</u>	<u>15,473,614</u>	<u>5,914,350</u>	<u>23,409,828</u>
Liabilities					
Current liabilities:					
Accounts payable	219,853	47,867	156,508	113,592	537,820
Due to other funds	40,754	--	--	--	40,754
Due to other governmental agencies	894	--	--	--	894
Interest payable	167	--	--	--	167
Liability for unpaid claims	--	--	2,778,268	--	2,778,268
Accrued wages	16,459	25,727	--	--	42,186
Compensated absences	27,855	34,029	2,349,304	--	2,411,188
Total current liabilities	<u>305,982</u>	<u>107,623</u>	<u>5,284,080</u>	<u>113,592</u>	<u>5,811,277</u>
Noncurrent liabilities:					
Compensated absences	24,702	30,177	2,083,345	--	2,138,224
Other post-employment benefits	53,973	92,209	--	--	146,182
Total noncurrent liabilities	<u>78,675</u>	<u>122,386</u>	<u>2,083,345</u>	<u>--</u>	<u>2,284,406</u>
Total liabilities	<u>384,657</u>	<u>230,009</u>	<u>7,367,425</u>	<u>113,592</u>	<u>8,095,683</u>
Net Position					
Net investment in capital assets	497,874	433,120	223,502	3,192,309	4,346,805
Unrestricted	(266,187)	742,391	7,882,687	2,608,449	10,967,340
Total net position	<u>\$ 231,687</u>	<u>\$ 1,175,511</u>	<u>\$ 8,106,189</u>	<u>\$ 5,800,758</u>	<u>\$ 15,314,145</u>

City of Sarasota, Florida

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position

Year Ended September 30, 2014

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Operating revenues					
Charges for services	\$ 2,829,132	\$ 1,900,000	\$ 9,086,725	\$ 454,750	\$ 14,270,607
Miscellaneous	43,449	--	1,414,143	--	1,457,592
Total operating revenues	2,872,581	1,900,000	10,500,868	454,750	15,728,199
Operating expenses					
Personal services	774,468	1,117,517	2,369,344	--	4,261,329
Contractual services	274,290	162,110	10,345,134	7,841	10,789,375
Repairs and maintenance	60,860	457,958	5,954	19,190	543,962
Supplies and materials	1,859,915	10,662	59,998	12,399	1,942,974
Depreciation	53,126	207,453	22,552	614,060	897,191
Total operating expenses	3,022,659	1,955,700	12,802,982	653,490	18,434,831
Operating income (loss)	(150,078)	(55,700)	(2,302,114)	(198,740)	(2,706,632)
Nonoperating revenues (expenses)					
Investment earnings (loss)	(850)	5,165	109,614	15,441	129,370
Interest expense	(2,176)	--	--	--	(2,176)
Gain (loss) on disposition of capital assets	6,589	556	--	58,646	65,791
Total nonoperating revenues (expenses)	3,563	5,721	109,614	74,087	192,985
Income (loss) before transfers	(146,515)	(49,979)	(2,192,500)	(124,653)	(2,513,647)
Transfers out	--	--	(272,895)	--	(272,895)
Change in net position	(146,515)	(49,979)	(2,465,395)	(124,653)	(2,786,542)
Total net position - beginning	378,202	1,225,490	10,571,584	5,925,411	18,100,687
Total net position - ending	\$ 231,687	\$ 1,175,511	\$ 8,106,189	\$ 5,800,758	\$ 15,314,145

City of Sarasota, Florida
 Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended September 30, 2014

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
Cash flows from operating activities					
Cash received from customers and users	\$ 71,801	\$ --	\$ 2,722,776	\$ --	\$ 2,794,577
Cash received from other funds for goods and services	2,813,202	1,900,000	7,778,092	454,750	12,946,044
Cash payments to vendors for goods and services	(1,820,144)	(619,136)	(1,674,827)	(32,485)	(4,146,592)
Cash payments to employees for services	(756,696)	(1,114,374)	(2,410,684)	--	(4,281,754)
Cash payments to other funds	(200,292)	--	(172,862)	(6,945)	(380,099)
Claims paid	--	--	(8,447,000)	--	(8,447,000)
Net cash provided (used) by operating activities	<u>107,871</u>	<u>166,490</u>	<u>(2,204,505)</u>	<u>415,320</u>	<u>(1,514,824)</u>
Cash flows from noncapital financing activities					
Interfund loan repayments	(23,584)	--	--	--	(23,584)
Transfers out	--	--	(272,895)	--	(272,895)
Loan to/from other fund	--	--	(1,748,590)	--	(1,748,590)
Repayment of loan to/from other fund	(39,356)	--	45,211	--	5,855
Interest on loan to/from other fund	(2,176)	--	8,132	--	5,956
Net cash provided (used) by noncapital financing activities	<u>(65,116)</u>	<u>--</u>	<u>(1,968,142)</u>	<u>--</u>	<u>(2,033,258)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(11,610)	(219,615)	--	(927,439)	(1,158,664)
Proceeds from sale of capital assets	6,589	840	--	92,488	99,917
Net cash provided (used) in capital and related financing activities	<u>(5,021)</u>	<u>(218,775)</u>	<u>--</u>	<u>(834,951)</u>	<u>(1,058,747)</u>
Cash flows from investing activities					
Interest on investments	(1,040)	5,652	92,273	17,295	114,180
Proceeds from sale and maturities of investments	--	--	2,137,730	96,651	2,234,381
Purchase of investments	(31,881)	(40,591)	--	--	(72,472)
Net cash provided (used) by investing activities	<u>(32,921)</u>	<u>(34,939)</u>	<u>2,230,003</u>	<u>113,946</u>	<u>2,276,089</u>
Net increase (decrease) in cash and cash equivalents	4,813	(87,224)	(1,942,644)	(305,685)	(2,330,740)
Cash and cash equivalents at beginning of year	--	212,353	3,684,961	662,169	4,559,483
Cash and cash equivalents at end of year	<u>\$ 4,813</u>	<u>\$ 125,129</u>	<u>\$ 1,742,317</u>	<u>\$ 356,484</u>	<u>\$ 2,228,743</u>

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	<u>\$ (150,078)</u>	<u>\$ (55,700)</u>	<u>\$ (2,302,114)</u>	<u>\$ (198,740)</u>	<u>\$ (2,706,632)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	53,126	207,453	22,552	614,060	897,191
Net (increase) decrease in:					
Accounts receivable	12,422	--	--	--	12,422
Due from other governmental agencies	4,197	--	--	--	4,197
Inventories	80,693	--	--	--	80,693
Prepaid items	1,077	7,529	501	--	9,107
Net increase (decrease) in:					
Accounts payable	88,662	4,065	57,512	--	150,239
Liability for unpaid claims	--	--	58,384	--	58,384
Due to other governmental agencies	894	--	--	--	894
Accrued wages	1,763	1,555	--	--	3,318
Compensated absences	4,561	(19,837)	(41,340)	--	(56,616)
Other post-employment benefits	10,554	21,425	--	--	31,979
Total adjustments	<u>257,949</u>	<u>222,190</u>	<u>97,609</u>	<u>614,060</u>	<u>1,191,808</u>
Net cash provided (used) by operating activities	<u>\$ 107,871</u>	<u>\$ 166,490</u>	<u>\$ (2,204,505)</u>	<u>\$ 415,320</u>	<u>\$ (1,514,824)</u>
Noncash investing, capital, and financing activities					
None					



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Fiduciary Funds

Trust Funds

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

Pension Trust Funds

General Employees' 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.

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

City of Sarasota, Florida
Fiduciary Funds
Combining Statement of Fiduciary Net Position
September 30, 2014

	Pension Trust Funds					Total
	General Employees' Defined Benefit Pension	Police Officers' Defined Benefit Pension	Firefighters' Defined Benefit Pension	General Employees' Defined Contribution Retirement	Other Post-Employment Benefits (OPEB)	
Assets						
Cash and cash equivalents	\$ 1,193,861	\$ 1,124,663	\$ 627,608	\$ 233,788	\$ 462,116	\$ 3,642,036
Investments:						
Money market funds	9,184,103	3,312,389	5,422,053	--	1,458,085	19,376,630
U.S. Government securities	4,107,963	--	4,375,751	--	3,162,892	11,646,606
U.S. Government agency securities	13,178,907	--	1,673,258	--	805,238	15,657,403
Common and preferred stock	72,233,305	99,162,335	84,175,638	--	20,285,069	275,856,347
Corporate bonds and notes	11,068,700	18,440,341	19,936,605	--	3,247,333	52,692,979
Domestic mutual funds	--	100,090	--	2,066,107	--	2,166,197
Bond mutual funds	--	21,550,274	--	1,052,360	--	22,602,634
Real estate funds	6,607,633	22,134,732	13,640,187	--	3,950,756	46,333,308
Mortgage backed securities	--	--	1,150,290	--	--	1,150,290
Municipal securities	--	--	117,887	--	--	117,887
Foreign stocks	22,977,298	--	3,162,214	--	5,606,940	31,746,452
Foreign mutual funds	--	30,072,727	--	359,412	--	30,432,139
Foreign bond mutual funds	--	--	--	31,909	310,103	342,012
Total investments	<u>139,357,909</u>	<u>194,772,888</u>	<u>133,653,883</u>	<u>3,509,788</u>	<u>38,826,416</u>	<u>510,120,884</u>
Receivables (net):						
Accounts	56,391	27,740	--	118,142	--	202,273
Interest and dividends	229,613	276,504	412,239	304	42,664	961,324
Total receivables	<u>286,004</u>	<u>304,244</u>	<u>412,239</u>	<u>118,446</u>	<u>42,664</u>	<u>1,163,597</u>
Other assets:						
Prepaid items	18,777	16,450	25,961	--	1,165	62,353
Equipment	575	2,355	949	--	--	3,879
Less accumulated depreciation	(575)	(2,032)	(625)	--	--	(3,232)
Total other assets	<u>18,777</u>	<u>16,773</u>	<u>26,285</u>	<u>--</u>	<u>1,165</u>	<u>63,000</u>
Total assets	<u>140,856,551</u>	<u>196,218,568</u>	<u>134,720,015</u>	<u>3,862,022</u>	<u>39,332,361</u>	<u>514,989,517</u>
Liabilities						
Accounts payable	189,834	156,859	177,552	3,000	29,950	557,195
Liability for unpaid claims	--	--	--	--	436,904	436,904
Accrued wages	2,118	2,118	2,118	706	--	7,060
Compensated absences	3,105	3,105	3,105	1,035	--	10,350
Unearned revenue	-	21,338	23,300	--	--	44,638
OPEB liability	6,690	6,698	6,700	2,230	--	22,318
Total liabilities	<u>201,747</u>	<u>190,118</u>	<u>212,775</u>	<u>6,971</u>	<u>466,854</u>	<u>1,078,465</u>
Net Position						
Restricted for pension and OPEB benefits	<u>\$ 140,654,804</u>	<u>\$ 196,028,450</u>	<u>\$ 134,507,240</u>	<u>\$ 3,855,051</u>	<u>\$ 38,865,507</u>	<u>\$ 513,911,052</u>

City of Sarasota, Florida
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2014

	Pension Trust Funds					Total
	General Employees' Defined Benefit Pension	Police Officers' Defined Benefit Pension	Firefighters' Defined Benefit Pension	General Employees' Defined Contribution Retirement	Other Post-Employment Benefits (OPEB)	
Additions						
Contributions:						
Plan members	\$ 791,009	\$ 760,571	\$ 86,248	\$ 414,227	\$ 1,321,067	\$ 3,373,122
Employer						
City of Sarasota	5,889,483	7,678,913	2,858,623	505,430	8,579,868	25,512,317
Sarasota County	122,107	--	5,734,435	3,745	--	5,860,287
State on behalf payments, through General Fund	--	544,301	813,198	--	--	1,357,499
Other	2,621	--	59,170	207,998	674,200	943,989
Total contributions	<u>6,805,220</u>	<u>8,983,785</u>	<u>9,551,674</u>	<u>1,131,400</u>	<u>10,575,135</u>	<u>37,047,214</u>
Investment income :						
Net increase in fair value of investments	11,234,290	15,799,886	10,192,386	198,786	2,991,577	40,416,925
Interest	902,942	403,623	1,739,258	23,770	149,095	3,218,688
Dividends	1,895,296	3,873,071	2,063,775	--	513,829	8,345,971
Total investment income (loss)	<u>14,032,528</u>	<u>20,076,580</u>	<u>13,995,419</u>	<u>222,556</u>	<u>3,654,501</u>	<u>51,981,584</u>
Less investment expense	<u>(795,700)</u>	<u>(1,233,689)</u>	<u>(862,822)</u>	<u>(2,295)</u>	<u>(311,299)</u>	<u>(3,205,805)</u>
Net investment income (loss)	<u>13,236,828</u>	<u>18,842,891</u>	<u>13,132,597</u>	<u>220,261</u>	<u>3,343,202</u>	<u>48,775,779</u>
Total additions	<u>20,042,048</u>	<u>27,826,676</u>	<u>22,684,271</u>	<u>1,351,661</u>	<u>13,918,337</u>	<u>85,822,993</u>
Deductions						
Benefits	9,957,849	12,738,564	11,537,394	119,946	6,778,117	41,131,870
Other benefits	--	--	--	--	342,891	342,891
Administrative expenses	166,043	189,834	173,029	45,054	910,629	1,484,589
Refunds of contributions	124,586	7,368	--	--	--	131,954
Total deductions	<u>10,248,478</u>	<u>12,935,766</u>	<u>11,710,423</u>	<u>165,000</u>	<u>8,031,637</u>	<u>43,091,304</u>
Net increase (decrease)	9,793,570	14,890,910	10,973,848	1,186,661	5,886,700	42,731,689
Net Position Restricted for Pension and OPEB Benefits						
Beginning of year, restated	<u>130,861,234</u>	<u>181,137,540</u>	<u>123,533,392</u>	<u>2,668,390</u>	<u>32,978,807</u>	<u>471,179,363</u>
End of Year	<u>\$ 140,654,804</u>	<u>\$ 196,028,450</u>	<u>\$ 134,507,240</u>	<u>\$ 3,855,051</u>	<u>\$ 38,865,507</u>	<u>\$ 513,911,052</u>

City of Sarasota, Florida

Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year Ended September 30, 2014

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Impact Fees				
Assets				
Cash and cash equivalents	649	294,322	293,682	1,289
Investments	2,409	6,455	324	8,540
Accrued interest receivable	15	657	629	43
Total assets	<u>3,073</u>	<u>301,434</u>	<u>294,635</u>	<u>9,872</u>
Liabilities				
Accrued liabilities	<u>3,073</u>	<u>301,434</u>	<u>294,635</u>	<u>9,872</u>
Total liabilities	<u>3,073</u>	<u>301,434</u>	<u>294,635</u>	<u>9,872</u>
Total - Agency Funds				
Assets				
Cash and cash equivalents	649	294,322	293,682	1,289
Investments	2,409	6,455	324	8,540
Accrued interest receivable	15	657	629	43
Total assets	<u>3,073</u>	<u>301,434</u>	<u>294,635</u>	<u>9,872</u>
Liabilities				
Accrued liabilities	<u>3,073</u>	<u>301,434</u>	<u>294,635</u>	<u>9,872</u>
Total liabilities	<u>\$ 3,073</u>	<u>\$ 301,434</u>	<u>\$ 294,635</u>	<u>\$ 9,872</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	164-173
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources.	174-178
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	180-187
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	188-189
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	190-195

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)

	Fiscal Year			
	2013-14	2012-13	2011-12	2010-11
Governmental activities				
Net investment in capital assets	\$ 158,951,011	\$ 148,111,650	\$ 160,182,484	\$ 156,114,642
Restricted	59,877,127	62,107,977	62,009,064	60,339,093
Unrestricted	2,663,395	10,235,937	13,946,108	17,821,458
Total governmental activities net position	<u>\$ 221,491,533</u>	<u>\$ 220,455,564</u>	<u>\$ 236,137,656</u>	<u>\$ 234,275,193</u>
Business-type activities				
Net investment in capital assets	\$ 143,855,792	\$ 135,645,189	\$ 113,546,562	\$ 115,645,768
Restricted	12,730,059	12,741,195	14,824,001	14,187,540
Unrestricted	52,248,702	53,901,699	50,327,406	39,713,500
Total business-type activities net position	<u>\$ 208,834,553</u>	<u>\$ 202,288,083</u>	<u>\$ 178,697,969</u>	<u>\$ 169,546,808</u>
Primary government				
Net investment in capital assets	\$ 302,806,803	\$ 283,756,839	\$ 273,729,046	\$ 271,760,410
Restricted	72,607,186	74,849,172	76,833,065	74,526,633
Unrestricted	54,912,097	64,137,636	64,273,514	57,534,958
Total primary government net position	<u>\$ 430,326,086</u>	<u>\$ 422,743,647</u>	<u>\$ 414,835,625</u>	<u>\$ 403,822,001</u>

Fiscal Year

<u>2009-10</u>	<u>2008 - 09</u>	<u>2007 - 08</u>	<u>2006 - 07</u>	<u>2005 - 06</u>	<u>2004 - 05</u>
\$ 149,451,384	\$ 137,954,949	\$ 133,000,217	\$ 129,822,789	\$ 117,220,351	\$ 97,796,211
66,977,332	70,136,846	59,984,371	50,491,705	50,070,947	47,143,195
28,875,274	30,804,957	32,414,729	29,107,634	24,396,995	29,407,288
<u>\$ 245,303,990</u>	<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>
\$ 97,801,582	\$ 93,364,115	\$ 112,285,316	\$ 109,539,036	\$ 101,629,742	\$ 97,496,371
28,263,881	38,121,603	22,979,650	22,313,235	25,619,374	29,046,315
17,126,986	9,905,510	10,509,484	11,104,565	11,432,134	12,229,472
<u>\$ 143,192,449</u>	<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>
\$ 247,252,966	\$ 231,319,064	\$ 245,285,533	\$ 239,361,825	\$ 218,850,093	\$ 195,292,582
95,241,213	108,258,449	82,964,021	72,804,940	75,690,321	76,189,510
46,002,260	40,710,467	42,924,213	40,212,199	35,829,129	41,636,760
<u>\$ 388,496,439</u>	<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>

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

	Fiscal Year			
	2013-14	2012-13	2011-12	2010-11
Expenses				
Governmental activities:				
General government	\$ 15,959,585	\$ 13,535,677	\$ 12,479,655	\$ 12,945,611
Public safety	41,197,141	37,595,883	37,040,548	36,325,440
Physical environment	3,534,031	3,202,880	3,654,521	3,333,750
Transportation	7,230,305	7,379,994	7,397,017	7,288,847
Culture and recreation	3,503,809	3,294,003	3,384,150	12,259,064
Economic environment	4,923,941	7,685,608	9,057,540	18,211,787
Interest on long-term debt	3,908,368	4,187,503	4,519,066	4,740,436
Total governmental activities expenses	<u>80,257,180</u>	<u>76,881,548</u>	<u>77,532,497</u>	<u>95,104,935</u>
Business-type activities:				
Water and Sewer	32,303,663	29,244,145	28,810,585	28,570,324
Van Wezel	10,305,552	9,077,553	8,997,179	8,508,698
Solid Waste	9,774,612	9,093,671	8,806,639	9,129,783
Bobby Jones Golf Course	2,890,161	2,698,233	2,826,777	2,855,291
Municipal Auditoriums	550,798	516,028	572,380	546,406
Sports Stadium	--	--	--	--
Parking Management	1,314,048	908,379	979,703	753,480
Total business-type activities expenses	<u>57,138,834</u>	<u>51,538,009</u>	<u>50,993,263</u>	<u>50,363,982</u>
Total primary government expenses	<u>\$ 137,396,014</u>	<u>\$ 128,419,557</u>	<u>\$ 128,525,760</u>	<u>\$ 145,468,917</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 1,261,060	\$ 1,051,097	\$ 842,894	\$ 880,263
Public safety	5,455,428	3,551,631	2,746,195	2,575,000
Physical environment	108,441	128,014	71,223	47,453
Transportation	490,497	320,111	304,542	337,083
Culture and recreation	320,790	306,424	314,979	70,915
Economic environment	3	71	--	--
Operating grants and contributions	7,949,480	10,384,312	12,777,162	17,183,083
Capital grants and contributions	7,053,950	6,113,794	7,717,032	9,357,538
Total governmental activities program revenues	<u>22,639,649</u>	<u>21,855,454</u>	<u>24,774,027</u>	<u>30,451,335</u>
Business-type activities:				
Charges for Services				
Water and Sewer	39,643,226	37,496,905	36,864,600	34,657,561
Van Wezel	9,354,299	8,208,844	8,065,967	7,873,403
Solid Waste	10,271,649	10,303,491	10,354,192	9,985,502
Bobby Jones Golf Course	2,477,163	2,382,372	2,701,294	2,663,769
Municipal Auditoriums	332,115	424,189	474,282	415,941
Sports Stadium	--	--	--	--
Parking Management	653,577	475,501	659,193	497,309
Operating grants and contributions	596,987	558,341	653,473	184,408
Capital grants and contributions	--	--	--	2,530,614
Total business-type activities program revenues	<u>63,329,016</u>	<u>59,849,643</u>	<u>59,773,001</u>	<u>58,808,507</u>
Total primary government program revenues	<u>\$ 85,968,665</u>	<u>\$ 81,705,097</u>	<u>\$ 84,547,028</u>	<u>\$ 89,259,842</u>

Fiscal Year					
2009-10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05
\$ 14,000,760	\$ 12,918,248	\$ 10,287,848	\$ 10,899,553	\$ 7,821,379	\$ 7,423,720
34,182,957	33,915,523	37,511,528	32,746,468	31,383,128	28,106,970
3,138,997	8,202,267	3,492,376	3,610,591	3,766,791	2,950,548
7,275,556	7,619,536	8,355,780	8,621,398	8,078,302	7,401,451
2,043,875	1,880,557	2,167,296	1,815,131	1,395,900	1,267,238
9,239,967	7,076,916	6,936,439	8,995,712	13,711,861	10,950,202
4,692,235	4,191,843	3,899,134	2,279,026	1,953,660	1,966,514
<u>74,574,347</u>	<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>
28,968,721	29,568,006	30,199,955	29,820,490	28,826,047	26,538,859
8,390,401	8,203,957	9,149,354	11,349,215	10,772,524	10,657,709
10,010,227	9,691,991	9,818,963	10,042,121	10,101,444	9,934,270
2,903,190	3,074,905	3,113,707	2,949,369	2,855,809	2,766,549
555,984	566,605	678,336	594,070	518,293	487,230
44,588	1,287,944	1,466,807	1,589,071	1,466,730	1,319,972
740,142	784,440	868,659	765,339	481,678	451,616
<u>51,613,253</u>	<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>\$ 126,187,600</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>
\$ 769,980	\$ 785,709	\$ 1,161,479	\$ 1,320,772	\$ 1,311,316	\$ 925,733
3,152,899	2,580,588	3,506,335	2,756,092	3,080,895	4,352,243
59,829	141,334	82,293	21,348	34,233	35,712
307,786	356,827	180,092	397,459	210,575	192,518
77,959	58,749	53,716	38,527	48,731	14,054
--	5,042	56	9	9	12
12,007,830	15,775,263	8,404,372	7,420,007	13,474,322	12,219,756
6,929,779	6,112,705	6,595,900	7,909,664	6,003,878	4,347,422
<u>23,306,062</u>	<u>25,816,217</u>	<u>19,984,243</u>	<u>19,863,878</u>	<u>24,163,959</u>	<u>22,087,450</u>
32,214,124	30,901,016	32,177,630	32,296,055	27,529,350	26,520,976
7,529,568	7,029,343	7,026,517	9,046,598	9,080,683	8,838,206
10,472,696	10,317,753	10,822,621	10,615,043	10,342,746	9,928,913
2,628,088	3,055,072	3,158,508	3,320,376	3,177,314	2,794,651
428,652	439,964	407,473	382,498	306,118	321,261
8,503	583,029	635,428	700,088	733,874	644,786
480,395	468,465	531,275	435,951	543,119	600,264
204,558	132,214	201,848	501,723	422,440	613,347
--	22,500	--	--	--	--
<u>53,966,584</u>	<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>\$ 77,272,646</u>	<u>\$ 78,765,573</u>	<u>\$ 74,945,543</u>	<u>\$ 77,162,210</u>	<u>\$ 76,299,603</u>	<u>\$ 72,349,854</u>

City of Sarasota, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting) - continued

	Fiscal Year			
	2013-14	2012-13	2011-12	2010-11
Net (Expense)/Revenue				
Government activities	\$ (57,617,531)	\$ (55,026,094)	\$ (52,758,470)	\$ (68,695,553)
Business type activities	6,190,182	8,311,634	8,779,738	8,444,525
Total primary government net expense	<u>\$ (51,427,349)</u>	<u>\$ (46,714,460)</u>	<u>\$ (43,978,732)</u>	<u>\$ (60,251,028)</u>
General Revenues and Other Changes in Net Position				
Government activities:				
Taxes				
Property taxes	\$ 25,269,921	\$ 22,584,230	\$ 22,364,901	\$ 23,028,286
Gasoline taxes	2,358,159	2,310,912	2,294,724	2,344,198
Sales tax	10,812,138	10,036,788	9,308,028	8,976,287
Franchise fees	4,800,067	4,472,348	4,600,464	5,013,645
Public service taxes	10,115,459	10,084,418	9,838,911	9,621,859
Occupational licenses	850,720	769,308	776,496	735,278
Other taxes	40,957	41,405	40,657	41,254
State revenue sharing, unrestricted	1,790,313	1,765,785	1,750,367	1,744,723
Investment earnings	661,340	198,291	1,102,335	1,429,736
Miscellaneous	1,577,655	1,992,276	1,721,284	1,468,024
Gain (loss) on disposition of capital assets	241,527	659,551	913,367	88,361
Transfers	135,244	(15,571,310)	758,608	(180,957)
Special items	--	--	--	(685,914)
Total governmental activities	<u>58,653,500</u>	<u>39,344,002</u>	<u>55,470,142</u>	<u>53,624,780</u>
Business-type activities:				
Investment earnings	419,255	173,167	589,361	501,252
Gain (loss) on disposition of capital assets	72,277	(465,997)	13,771	4,669
Special items	--	--	1,152,170	17,222,926
Transfers	(135,244)	15,571,310	(758,608)	180,957
Total business-type activities	<u>356,288</u>	<u>15,278,480</u>	<u>996,694</u>	<u>17,909,804</u>
Total primary government	<u>\$ 59,009,788</u>	<u>\$ 54,622,482</u>	<u>\$ 56,466,836</u>	<u>\$ 71,534,584</u>
Change in Net Position				
Governmental activities	\$ 1,035,969	\$ (15,682,092)	\$ 2,711,672	\$ (11,028,820)
Business-type activities	6,546,470	23,590,114	9,776,432	26,354,359
Total primary government	<u>\$ 7,582,439</u>	<u>\$ 7,908,022</u>	<u>\$ 12,488,104</u>	<u>\$ 15,325,539</u>

Fiscal Year					
2009 - 10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05
\$ (51,268,285)	\$ (49,988,673)	\$ (52,666,158)	\$ (49,104,001)	\$ (43,947,062)	\$ (37,979,193)
2,353,331	(228,492)	(334,481)	188,657	(2,886,881)	(1,893,801)
<u>\$ (48,914,954)</u>	<u>\$ (50,217,165)</u>	<u>\$ (53,000,639)</u>	<u>\$ (48,915,344)</u>	<u>\$ (46,833,943)</u>	<u>\$ (39,872,994)</u>
\$ 25,284,973	\$ 27,858,165	\$ 31,552,053	\$ 28,146,368	\$ 22,036,679	\$ 18,655,781
2,419,349	2,479,705	2,623,552	2,977,993	3,064,861	3,017,148
8,779,577	9,104,589	10,435,829	11,803,299	12,631,196	12,619,735
4,905,213	5,319,627	5,208,466	5,578,299	5,451,451	4,415,624
9,750,249	9,641,138	9,814,032	9,750,102	9,899,607	9,722,636
727,042	791,565	901,775	725,009	739,807	692,386
42,642	46,754	31,997	29,625	30,412	30,609
1,740,465	1,751,959	1,810,801	1,868,955	2,176,497	1,846,453
2,536,040	5,151,426	5,581,277	6,144,768	4,083,309	2,321,445
1,578,444	1,840,645	1,390,503	1,496,111	1,269,978	1,998,014
1,578	36,284	1,108,489	(42,716)	895,995	49,557
(90,049)	(535,749)	(1,815,427)	(1,639,977)	(991,131)	(1,751,096)
--	--	--	--	--	--
<u>57,675,523</u>	<u>63,486,108</u>	<u>68,643,347</u>	<u>66,837,836</u>	<u>61,288,661</u>	<u>53,618,292</u>
607,582	1,099,058	1,266,216	2,153,440	1,791,699	679,328
27,305	14,250	70,452	293,512	13,143	75,070
(1,277,046)	(5,803,787)	--	--	--	--
90,049	535,749	1,815,427	1,639,977	991,131	1,751,096
<u>(552,110)</u>	<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>\$ 57,123,413</u>	<u>\$ 59,331,378</u>	<u>\$ 71,795,442</u>	<u>\$ 70,924,765</u>	<u>\$ 64,084,634</u>	<u>\$ 56,123,786</u>
\$ 6,407,238	\$ 13,497,435	\$ 15,977,189	\$ 17,733,835	\$ 17,341,599	\$ 15,639,099
1,801,221	(4,383,222)	2,817,614	4,275,586	(90,908)	611,693
<u>\$ 8,208,459</u>	<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>

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

	Fiscal Year			
	2013-14 (a)	2012-13 (a)	2011-12 (a)	2010-11 (a)
General Fund				
Reserved				
Unreserved				
Total general fund				
All Other Governmental Funds				
Reserved				
Special revenue funds				
Debt service funds				
Capital projects funds				
Unreserved, reported in:				
Special revenue funds				
Debt service funds				
Capital projects funds				
Total all other governmental funds				
	2013-14 (a)	2012-13 (a)	2011-12 (a)	2010-11 (a)
General Fund				
Nonspendable	\$ 332,712	\$ 396,743	\$ 367,739	\$ 354,908
Restricted	--	--	--	--
Committed	1,406,468	2,937,500	2,937,500	2,937,500
Assigned	567,611	1,134,551	2,373,081	2,951,256
Unassigned	15,375,543	15,154,314	15,156,744	15,412,227
Total general fund	<u>\$ 17,682,334</u>	<u>\$ 19,623,108</u>	<u>\$ 20,835,064</u>	<u>\$ 21,655,891</u>
All Other Governmental Funds				
Nonspendable	\$ 22,890	\$ --	\$ 14,149	\$ 33,705
Restricted	63,590,152	66,463,377	66,918,475	65,316,848
Committed	1,772,765	1,608,485	1,801,025	1,815,625
Assigned	358,654	836,730	877,853	922,088
Unassigned	(128,964)	(135,556)	(159,750)	(10,060)
Total all other governmental funds	<u>\$ 65,615,497</u>	<u>\$ 68,773,036</u>	<u>\$ 69,451,752</u>	<u>\$ 68,078,206</u>
Total Fund Balance All Governmental Funds	<u>\$ 83,297,831</u>	<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					
2009-10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05
\$ 1,249,786	\$ 1,380,908	\$ 1,717,963	\$ 2,950,801	\$ 2,438,328	\$ 3,059,378
20,592,274	19,124,755	20,351,671	19,416,753	18,264,778	13,235,630
<u>\$ 21,842,060</u>	<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>
\$ 5,516,287	\$ 5,193,504	\$ 8,600,542	\$ 6,092,975	\$ 12,707,155	\$ 6,487,759
8,280,918	10,022,299	7,713,962	7,012,869	6,543,937	5,990,201
18,835,383	43,605,787	45,022,779	46,342,999	2,936,696	2,100,856
53,545,951	57,083,606	48,778,372	36,233,935	29,272,247	32,825,208
(5,808)	--	--	--	--	(5,928)
582,347	1,143,661	--	--	--	--
<u>\$ 86,755,078</u>	<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>

City of Sarasota, Florida

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2013-14	2012-13	2011-12	2010-11
Revenues				
Taxes	\$ 38,772,510	\$ 35,812,457	\$35,365,938	\$ 35,932,144
Franchise fees	4,800,067	4,472,348	4,600,464	5,013,645
Special assessments	106,385	108,197	114,980	105,000
Licenses and permits	4,322,380	2,384,947	1,735,414	2,312,725
Intergovernmental	26,888,120	28,101,587	31,119,574	36,438,155
Charges for services	2,782,325	2,134,035	1,885,257	1,743,481
Charges to other funds	4,403,460	4,320,128	4,373,824	4,391,908
Fines and forfeits	1,142,361	1,361,070	1,057,173	664,025
Investment earnings	511,113	145,123	916,507	1,207,942
Miscellaneous	2,140,325	2,680,206	4,315,195	1,784,962
Total revenues	<u>85,869,046</u>	<u>81,520,098</u>	<u>85,484,326</u>	<u>89,593,987</u>
Expenditures				
Current:				
General government	17,753,644	16,869,374	16,489,183	15,921,304
Public safety	36,210,675	33,535,625	33,159,337	31,803,912
Physical environment	3,211,811	3,065,819	3,439,762	3,129,215
Transportation	3,287,424	3,342,320	3,502,232	3,490,199
Culture and recreation	1,439,845	1,310,019	1,489,101	10,538,907
Economic environment	4,809,019	7,603,733	8,954,673	18,113,223
Debt service:				
Principal	4,372,345	4,412,802	4,252,633	6,913,110
Interest and other charges	5,042,815	5,094,256	5,144,024	5,099,613
Bond issuance costs	--	--	--	177,643
Capital outlay	15,247,920	8,841,241	9,153,022	21,787,140
Total expenditures	<u>91,375,498</u>	<u>84,075,189</u>	<u>85,583,967</u>	<u>116,974,266</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,506,452)</u>	<u>(2,555,091)</u>	<u>(99,641)</u>	<u>(27,380,279)</u>
Other financing sources (uses)				
Transfers in	10,541,143	10,448,627	9,630,589	9,258,683
Transfers out	(10,133,004)	(9,784,208)	(8,978,229)	(9,001,445)
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>408,139</u>	<u>664,419</u>	<u>652,360</u>	<u>8,517,238</u>
Net change in fund balances	<u>\$ (5,098,313)</u>	<u>\$ (1,890,672)</u>	<u>\$ 552,719</u>	<u>\$ (18,863,041)</u>
Capital outlay in functional categories	\$ 399,043	\$ 956,795	\$ 1,122,101	\$ 876,582
Debt service as a percentage of noncapital expenditures	12.43%	12.80%	12.48%	12.74%

Fiscal Year						
2009-10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	
\$ 38,257,887	\$ 42,518,281	\$ 44,039,066	\$ 40,974,849	\$ 35,374,904	\$ 31,460,986	
4,905,213	5,319,627	5,208,466	5,578,298	5,451,541	4,415,624	
100,000	95,000	95,000	80,000	111,852	104,768	
2,429,056	1,752,050	3,543,118	2,771,644	2,991,586	4,332,541	
28,731,606	30,723,779	27,018,952	27,521,916	33,543,551	30,307,123	
1,805,694	2,102,245	2,109,925	2,432,373	2,560,540	2,052,188	
4,365,067	4,419,805	4,349,457	5,452,096	5,123,752	4,721,887	
1,005,681	893,217	912,839	1,320,276	1,121,965	1,366,904	
2,193,890	4,487,271	4,920,722	5,176,574	3,569,826	2,042,116	
1,713,286	1,708,684	2,466,442	2,432,516	2,129,211	1,979,334	
<u>85,507,380</u>	<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>	
13,972,130	14,549,145	15,398,101	17,283,464	13,482,866	12,337,813	
33,481,146	35,232,364	36,501,295	33,432,710	30,796,766	27,738,867	
2,883,287	8,174,910	3,528,637	3,792,915	3,895,159	3,134,105	
3,770,379	4,831,724	5,569,802	5,885,394	5,473,201	5,004,271	
480,479	301,778	464,595	587,461	360,289	488,292	
9,137,088	7,042,409	6,890,211	8,883,313	13,701,861	10,950,714	
7,753,493	4,456,205	5,188,507	4,796,158	5,270,000	5,775,000	
4,938,083	3,913,467	3,689,685	1,655,075	1,124,429	1,254,166	
400,495	64,113	47,570	560,980	--	--	
37,564,418	30,625,828	7,318,614	15,852,224	8,346,688	12,298,006	
<u>114,380,998</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>(28,873,618)</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>	
10,600,893	12,127,023	9,065,765	14,472,479	9,995,906	6,301,615	
(10,684,657)	(12,651,808)	(10,797,778)	(16,177,625)	(11,053,338)	(8,051,793)	
--	--	--	--	--	5,545,000	
--	--	--	--	--	50,189	
--	--	5,800,000	46,305,000	--	--	
--	21,066,000	--	--	--	--	
--	--	--	276,489	--	--	
<u>(83,764)</u>	<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>\$ (28,957,382)</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>	
\$ 730,919	\$ 646,034	\$ 1,243,974	\$ 1,151,733	\$ 1,339,264	\$ 1,075,235	
16.68%	10.74%	11.68%	8.52%	8.79%	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				
2014	\$6,552,218	\$1,770,405	\$ 1,814,817	\$ 412,080	\$3,356,200	\$ 7,193,320	3.5817
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	6,842,958	3.3547
2011	6,277,260	1,870,758	2,040,278	482,382	3,348,454	7,322,223	3.1983
2010	7,130,741	2,160,428	2,163,206	550,731	3,826,384	8,182,319	3.1523
2009	8,778,639	2,111,301	2,179,937	592,967	4,445,580	9,197,114	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

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

City of Sarasota, Florida

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

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

Fiscal Year Ended September 30,	City of Sarasota			Overlapping Rates ^a		Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Sarasota County	School Board of Sarasota County	
2014	3.1728	0.4089	3.5817	5.5587	7.9700	17.1104
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

^a Overlapping rates are those of county governments that apply to property owners within the City of Sarasota.

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

Taxpayer	Fiscal Year 2013 - 14			Fiscal Year 2004 - 05		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Southgate Mall Owner LLC	\$ 58,874,000	1	0.82%	\$ 56,815,877	3	0.88%
Florida Power & Light	49,985,818	2	0.69%	39,875,931	4	0.62%
Plymouth Harbor Inc.	35,011,079	3	0.49%	27,277,613	9	0.42%
Verizon Florida LLC	31,923,081	4	0.44%	71,780,658	2	1.11%
SLABB LLC	31,496,356	5	0.44%	80,771,756	1	1.25%
Logan Acquisitions Corp/Lido Beach LLC	29,731,900	6	0.41%			
Hotel Assoc. of Sarasota LTD	27,774,010	7	0.39%			
Health Care Reit Inc.	24,172,839	8	0.34%			
National Asset Sarasota LLC	24,141,600	9	0.34%			
Spector Building LLC	20,626,300	10	0.29%			
Calpac Inc.				33,420,118	5	0.52%
Irish American Management Services				33,237,600	6	0.51%
Osprey SA				31,163,719	7	0.48%
Theatre Associates				28,505,968	8	0.44%
Ronald Spector				26,171,250	10	0.40%
	<u>\$ 333,736,983</u>		<u>4.64%</u>	<u>\$ 429,020,490</u>		<u>6.63%</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
2014	\$ 25,764,313	\$ 24,871,524	96.53%	\$ 25,808	\$ 24,897,332	96.63%
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	25,793,124	24,894,298	96.52%	21,173	24,915,471	96.60%
2009	28,568,076	27,657,271	96.81%	37,239	27,694,510	96.94%
2008	32,724,339	31,537,967	96.37%	14,088	31,552,055	96.42%
2007	29,144,461	28,129,512	96.52%	16,856	28,146,368	96.58%
2006	22,852,050	22,010,745	96.32%	25,934	22,036,679	96.43%
2005	19,520,989	18,757,467	96.09%	(101,686) ¹	18,655,781	95.57%

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

Source: City of Sarasota Finance Department

City of Sarasota, Florida
 Base Water and Sewer Rates
 Monthly Rates for 4,000 Gallons per Month
 Last Ten Fiscal Years

<u>Fiscal year ended September 30,</u>	<u>Water Rate</u>	<u>Sewer Rate</u>	<u>Total</u>
2014	\$ 31.38	\$ 45.76	\$ 77.14
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

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

Source: City of Sarasota Finance Department

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



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

Fiscal Year Ended September 30,	Governmental Activities		
	General Obligation Bonds	Special Obligation Bonds	Loans Payable
2014	\$ 40,876,336	\$ 28,479,704	\$ 1,957,127
2013	42,016,480	31,826,378	2,930,272
2012	43,111,021	34,859,613	4,079,820
2011	44,165,173	37,613,745	5,185,708
2010	47,629,138	31,618,419	6,847,883
2009	50,636,760	32,927,988	10,591,314
2008	51,618,799	13,405,017	12,680,958
2007	47,638,429	14,764,079	14,706,788
2006	2,235,000	16,299,204	16,668,770
2005	3,425,000	17,648,209	18,566,862

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

^a Personal income and population data can be found on page 188.

Business-Type Activities				
Water and Sewer Bonds	Loans Payable	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
\$ 59,296,164	\$ -	\$ 130,609,331	4.38%	2,484
62,813,590	-	139,586,720	4.78%	2,649
66,355,593	223,603	148,629,650	5.17%	2,830
71,874,415	441,289	159,280,330	5.68%	3,056
77,146,247	653,214	163,894,901	6.10%	3,100
55,425,298	859,531	150,440,891	5.65%	2,830
38,782,256	1,060,389	117,547,419	3.73%	2,130
44,394,276	1,255,931	122,759,503	3.92%	2,206
49,800,031	1,446,298	86,449,303	2.99%	1,561
54,723,507	1,631,628	95,995,206	3.55%	1,750

City of Sarasota, Florida

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal year Ended September 30,	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
2014	\$ 40,876,336	\$ 939,869	\$ 39,936,467	0.56%	\$ 759.48
2013	42,016,480	921,944	41,094,536	0.60%	779.95
2012	43,111,021	920,502	42,190,519	0.62%	803.37
2011	44,165,173	919,651	43,245,522	0.59%	829.83
2010	47,629,138	838,140	46,790,998	0.57%	901.27
2009	50,636,760	575,896	50,060,864	0.54%	941.70
2008	51,618,799	637,364	50,981,435	0.49%	924.01
2007	47,638,429	350,336	47,288,093	0.49%	849.83
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

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

^a See page 174 for property value data.

^b Population data can be found on page 188.

City of Sarasota, Florida

Direct and Overlapping Governmental Activities Debt

General Obligation Bonds

As of September 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Sarasota County Board of County Commissioners	\$ --	17.65%	a \$ --
City direct debt:			
General obligation bonds	39,936,467 b	100.00%	39,936,467
Special obligations bonds	28,479,704 b	100.00%	28,479,704
Loans payable	1,957,127 b	100.00%	1,957,127
Subtotal	<u>70,373,298</u>		<u>70,373,298</u>
Total direct and overlapping debt			<u><u>\$ 70,373,298</u></u>

a Source: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Taxable assessed property values were provided by the Sarasota County Property Appraiser.

b Source: City of Sarasota Financial Administration Department

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

Fiscal year Ended September 30,	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2014	\$ 719,332,000	\$ 39,936,467	\$ 679,395,533	5.55%
2013	687,485,100	41,094,536	646,390,564	5.98%
2012	684,295,800	42,190,519	642,105,281	6.17%
2011	732,222,339	43,245,522	688,976,817	5.91%
2010	818,231,900	46,790,998	771,440,902	5.72%
2009	919,711,400	50,060,864	869,650,536	5.44%
2008	1,033,552,480	50,981,435	982,571,045	4.93%
2007	971,611,567	47,288,093	924,323,474	4.87%
2006	759,532,366	1,550,292	757,982,074	0.20%
2005	646,733,021	2,650,822	644,082,199	0.41%

Legal Debt Margin Calculation for Fiscal Year 2014

Taxable assessed value	<u>\$ 7,193,319,655</u>
Debt limit (10% of assessed value)	<u>719,331,966</u>
Debt applicable to limit:	
General obligation bonds	40,876,336
Less amount set aside for repayment of general obligation bonds	<u>(939,869)</u>
Total net debt applicable to limit	<u>39,936,467</u>
Legal debt margin	<u><u>\$ 679,395,499</u></u>

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



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

Water & Sewer Revenue Bonds						
Fiscal Year Ended September 30,	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 39,643	\$ 23,198	\$ 16,445	\$ 3,250	\$ 2,863	2.69
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

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

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

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

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

2009 Special Obligation Bonds/ 1992 Special Obligation Bonds ^a				2009 Special Obligation Bonds/ Infrastructure Sales Tax Bonds ^b / 2010 Sales Tax Payment Revenue Bonds ^c			
TIF Revenues	Debt Service		Coverage	Sales Tax Revenues	Debt Service		Coverage
	Principal	Interest			Principal	Interest	
\$ 7,267	\$ 1,289	\$ 1,715	2.42	\$ 6,677	\$ 986	\$ 1,207	3.04
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

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

Fiscal year Ended September 30,	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate
2014	52,584	\$ 2,979,462,024	\$ 56,661	5.4% ^d
2013	52,689	2,920,129,758	55,422	6.8% ^c
2012	52,517	2,874,623,029	54,737	8.7% ^c
2011	52,114	2,802,117,666	53,769	11.0% ^c
2010	51,917	2,687,223,920	51,760	11.9% ^c
2009	53,160	2,663,316,000	50,100	12.3% ^c
2008	55,174	3,154,794,146	57,179	6.7% ^c
2007	55,644	3,127,749,240	56,210	4.3% ^c
2006	55,364	2,894,438,656	54,661	3.1% ^c
2005	54,848	2,702,171,745	50,033	3.3% ^c

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

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

^c **Source:** U.S. Dept of Commerce, Bureau of Economic Analysis for Sarasota County

^d **Source:** Florida Department of Economic Opportunity for City of Sarasota

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

Employer	2013-14			2004-05		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Sarasota County	5,018	1	3.09%	5,745	1	3.54%
Sarasota County Government	3,343	2	2.06%	3,447	3	2.12%
Sarasota Memorial Hospital	3,099	3	1.91%	3,939	2	2.43%
PGT Industries	1,761	4	1.08%	1,462	5	0.90%
Publix Super Markets	1,429	5	0.88%	3,050	4	1.88%
Venice Regional Med Ctr	1,200	6	0.74%	1,009	7	0.62%
Sun Hydraulics Corporation	704	7	0.43%	-	-	0.00%
Sunset Automotive Group	670	8	0.41%	-	-	0.00%
Tervis Tumbler	668	9	0.41%	-	-	0.00%
Goodwill Industries	667	10	0.41%	-	-	0.00%
Wal-Mart	-	-	-	1,207	6	0.74%
Charter One Hotels	-	-	-	700	9	0.43%
Nielson Media Research	-	-	-	700	10	0.43%
City of Sarasota Government	-	-	-	733	8	0.45%
Total	18,559		11.43%	21,992		13.55%

Note: The labor force figure for 2014 and 2005 is 162,358 and 162,295 respectively. These numbers were used to calculate the percentage of total county employment.

Source: Florida Agency for Workforce Innovation, Labor Market Statistics

City of Sarasota, Florida

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Years			
	2013-14	2012-13	2011-12	2010-11
General Government				
City Manager's Office	2.75	2.50	2.50	2.50
Neighborhood Partnership Office	-	-	-	-
Facilities Management	5.00	5.00	5.00	5.00
Neighborhood & Development Services	22.75	22.75	22.75	22.75
General Services			-	-
Human Resources	7.00	7.00	7.00	8.00
Finance	11.50	11.50	11.50	11.50
Accounting	5.50	5.50	5.50	5.50
City Auditor and Clerk	15.00	14.00	14.00	14.00
Planning and Redevelopment	-	-	-	-
Urban and Design Studio	2.00	-	-	-
Commission Support Office	1.50	1.50	1.50	1.50
Public Safety				
Police - uniform	166.00	175.00	176.00	176.00
Police - general employees	42.70	44.50	47.00	54.00
Code Compliance	6.35	6.35	6.85	8.85
Physical Environment				
Parks & Landscape Maintenance	21.43	22.43	22.68	23.18
Transportation				
Streets & Highways	16.38	17.73	17.98	17.98
Engineering/Construction Services	6.25	6.25	6.25	4.50
Street Sweeping	2.35	2.00	2.00	3.00
Culture and Recreation				
Skateboard Park	-	-	-	-
Children's Fountain	0.20	0.20	0.20	0.20
Special Events/Volunteer Office	0.80	0.80	0.70	0.50
Sustainability	-	0.00	0.75	-
Robert L. Taylor Community Center	6.00	5.00	4.00	-
Economic Environment				
Housing & Community Development	10.00	13.00	13.00	13.00
Building Services	13.90	13.90	17.40	17.40
Enterprise funds				
Water	62.01	61.76	60.01	63.40
Sewer	72.24	71.99	72.74	72.35
Parking Management	8.00	8.00	9.00	6.00
Bobby Jones Golf Course	7.80	7.80	7.80	7.80
Ed Smith Sports Stadium	-	-	-	-
Solid Waste Management	24.09	23.84	23.59	22.59
Municipal Auditoriums	3.20	3.20	3.30	3.50
Van Wezel Performing Arts Hall	14.00	13.00	12.00	12.00
Internal Service funds				
Information Technology	12.00	12.00	12.00	12.00
Duplicating Services	-	-	-	-
Central Stores	-	-	-	-
Public Works Equipment Maintenance	9.00	9.00	9.00	10.00
Total	577.70	587.50	594.00	599.00

Source: City of Sarasota Finance Department

Fiscal Years						
2009-10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	
3.69	4.00	5.00	5.00	5.00	5.00	
-	-	4.00	5.00	4.00	5.00	
5.00	5.00	-	-	-	-	
23.40	22.30	-	-	-	-	
-	-	13.13	15.13	11.38	11.38	
10.00	10.00	9.00	11.00	11.00	11.00	
13.50	14.50	9.50	10.50	9.50	8.50	
5.50	5.50	5.50	5.50	5.50	5.50	
14.00	14.00	15.00	15.00	15.00	16.00	
-	-	17.00	21.00	20.00	19.00	
-	-	-	-	-	-	
2.00	2.00	2.00	2.00	2.00	2.00	
176.00	176.00	196.00	200.00	199.00	194.00	
53.00	53.00	63.00	66.00	65.00	64.00	
9.85	9.85	20.45	18.25	16.25	16.81	
30.18	34.68	45.68	47.43	41.43	37.43	
18.98	21.98	22.98	24.73	22.73	23.48	
6.00	10.00	17.00	21.00	21.00	19.00	
3.00	3.00	3.00	3.00	3.00	3.00	
1.90	1.90	3.25	2.25	2.25	2.25	
0.20	0.20	1.10	1.10	1.10	1.10	
0.83	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
10.00	11.00	15.00	17.00	18.00	21.00	
15.75	15.75	19.55	25.75	25.75	23.19	
67.21	72.21	72.61	76.26	62.35	62.85	
72.79	77.79	77.39	74.24	81.15	80.65	
6.31	8.10	9.00	7.00	7.00	6.00	
8.50	8.75	10.00	10.00	10.00	10.00	
0.57	2.15	4.65	4.65	3.65	3.65	
25.84	26.34	27.34	27.34	27.34	25.59	
3.00	4.00	6.00	6.00	7.00	6.50	
13.00	14.42	22.00	25.00	25.00	21.50	
10.00	11.00	14.00	17.00	17.00	15.00	
-	-	1.12	1.12	1.12	1.12	
-	-	2.75	2.75	3.50	3.50	
11.00	12.00	9.00	9.00	9.00	8.00	
<u>621.00</u>	<u>651.42</u>	<u>743.00</u>	<u>777.00</u>	<u>753.00</u>	<u>733.00</u>	

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

Function/Program	Fiscal Years			
	2013-14	2012-13	2011-12	2010-11
Police				
Physical arrests	3,993	4,952	5,092	5,669
Parking violations	20,741	15,565	13,364	13,028
Traffic violations	15,034	13,583	11,817	11,880
Streets and highways				
Streets resurfaced (<i>miles</i>)	10	12	13	10
Potholes repaired	138	141	106	119
Water				
New connections	189	86	80	73
Water mains breaks	32	25	43	42
Average daily consumption (<i>thousands of gallons</i>)	6,630	6,259	6,451	6,439
Peak daily consumption (<i>thousands of gallons</i>)	8,062	7,514	7,862	7,310
Wastewater				
Average daily sewage treatment (<i>thousands of gallons</i>)	6,154	6,741	5,660	6,500
Solid waste collection				
Solid waste collected (<i>tons per day</i>)	188	186	164	179
Recyclables collected (<i>tons per day</i>) ⁽¹⁾	20	14	14	9

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

Fiscal Years					
2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
5,648	8,625	12,130	12,266	10,983	7,692
16,346	20,585	24,857	22,319	23,239	24,804
11,084	13,717	16,692	24,264	21,216	19,929
13	13	11	11	16	15
196	205	286	266	289	280
64	122	114	215	199	210
38	63	53	23	72	69
6,324	6,522	6,921	7,652	7,505	7,418
7,134	7,478	8,118	9,859	9,122	8,879
6,200	5,800	5,597	5,200	7,826	8,976
174	163	160	155	233	205
9	9	30	40	60	60

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			
	2013-14	2012-13	2011-12	2010-11
Police				
Stations	1	1	1	1
Sub-stations	2	3	4	4
Patrol units	97	105	111	109
Streets and highways				
Streets (<i>miles</i>)	250	250	250	250
Unpaved streets (<i>miles</i>)	25	25	25	25
Highways (<i>miles</i>)	225	225	225	225
Streetlights	7,275	7,213	7,213	7,213
Traffic signals	96	97	97	97
Water				
Water mains (<i>miles</i>)	328	328	328	328
Storage capacity (<i>thousands of gallons</i>)	7,000	7,000	7,000	7,000
Fire hydrants	1,388	1,388	1,388	1,388
Wastewater				
Sanitary sewers (<i>miles</i>)	326	326	326	326
Treatment capacity (<i>thousands</i>)	10,200	10,200	10,200	10,200
Storm sewers (<i>miles</i>)	68	68	68	68
Solid waste collection				
Collection trucks	20	20	17	17

Source: City of Sarasota Finance Department

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

Fiscal Years						
2009-10	2008 - 09	2007 - 08	2006 - 07	2005 - 06	2004 - 05	
1	1	1	1	1	1	1
4	4	4	4	4	4	3
109	111	109	114	124	117	
250	250	250	250	250	225	
25	25	25	25	25	25	
225	225	225	225	225	225	
7,213	7,213	7,481	7,476	7,092	6,807	
97	101	99	99	99	99	
328	328	328	288	275	275	
7,000	7,000	7,000	7,000	7,000	7,000	
1,388	1,388	1,373	1,247	1,239	1,234	
326	326	326	326	326	270	
10,200	10,200	10,200	10,200	10,200	10,200	
68	68	68	68	68	68	
17	20	20	20	21	17	



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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 STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, 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, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated March 6, 2015.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free 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

March 6, 2015
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, 2014. 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 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.

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 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 types of 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, 2014.

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 control 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

March 6, 2015
Sarasota, Florida



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City of Sarasota, Florida
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2014

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
14.239	Department of Housing and Urban Development Home Investment Partnerships Program
20.205	Federal Highway Administration Passed through Florida Dept. of Transportation - Osprey Avenue Corridor ATMS - Bike Path/Trail – Alderman Street

City of Sarasota, Florida
 Schedule of Findings and Questioned Costs (continued)
 For the Year Ended September 30, 2014

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

State Awards Section

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

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

Internal Control over compliance:

Material weakness(es) identified? yes x no

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

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

Identification of major projects:

CSFA Number(s)	Name of State Project
52.901	Florida Department of Community Affairs State Housing Initiative Partnership
55.003	Florida Department of Transportation US 301 Landscape Improvements

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, 2014

Federal/State Agency Federal Program/State Project	CFDA/CSFA Number	Contract/Grant Number	Expenditures	Program Total
<u>FEDERAL AWARDS</u>				
Department of Housing and Urban Development				
Direct Programs:				
Entitlement Grants Cluster				
Community Development Block Grant	14.218	B-10-MC-120018	\$ 1,003,870	
Neighborhood Stabilization Program 3	14.218	B-11-MN-120036	305,390	\$ 1,309,260
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-CN-FL-0018	348,171	
HOME Investment Partnerships Program	14.239	M-10-DC-120219	1,290,227	
Total Dept. of Housing and Urban Development			<u>2,947,658</u>	
Department of Justice				
Direct Programs:				
Federal Equitable Sharing Agreement	16.XXX	Not Applicable	91,480	
Edward Byrne Memorial JAG Program	16.738	2013-DJ-BX-0072	35,383	
Edward Byrne Memorial JAG Program	16.738	2012-DJ-BX-0003	2,058	37,441
Bulletproof Vest Partnership	16.607	2013-BU-BX-13065911	13,318	
Total Department of Justice			<u>142,239</u>	
Department of Transportation				
Federal Highway Administration				
Passed through Florida Dept. of Transportation:				
Osprey Avenue Corridor ATMS	20.205	433279-1-58/68-01	246,823	
Bike Path/Trail - Alderman Street	20.205	430163-1-58/68-01	256,626	503,449
Total Department of Transportation			<u>503,449</u>	
Department of Homeland Security				
Federal Emergency Management Agency				
Passed through Florida Dept. of Community Affairs:				
Public Assistance Program				
FEMA-4068-DR-FL Tropical Storm Debby	97.036	13-DB-73-01-68-01-620	78,297	
Total Expenditures of Federal Awards			<u><u>\$ 3,671,643</u></u>	
<u>STATE FINANCIAL ASSISTANCE</u>				
Florida Department of Environmental Protection				
Florida Beach Erosion Control Program	37.003	06ST3	\$ 15,689	
Florida Department of Community Affairs				
Florida Housing Finance Agency				
State Housing Initiative Partnership	52.901	Not Applicable	1,051,419	
Florida Department of State				
General Program Support				
	45.061	14.6.180.045	35,259	
Florida Department of Transportation				
US 301 Landscape Improvements				
	55.003	198010-6-58-01	448,851	
Florida Department of Revenue				
Retained Spring Training Facility				
	73.016	Not Applicable	500,004	
Total Expenditures of State Financial Assistance			<u><u>\$ 2,051,222</u></u>	

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Notes to Schedule of Expenditures of Federal
Awards and State Financial Assistance
September 30, 2014

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.

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

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

2. Contingencies:

Grant monies received and disbursed by the City of Sarasota are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City of Sarasota does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of March 6, 2015, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

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

Report on Compliance

We have examined the City of Sarasota, Florida (the City)'s compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2014, as required by Section 10.556(10)(a), *Rules of the Auditor General*.

Management's Responsibility

Management is responsible for the City's compliance with those requirements.

Accountants' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

Opinion

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

Restriction on Use

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Honorable Mayor and Members of the City Commission, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis, Gray and Company, LLP

March 6, 2015
Sarasota, Florida

Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505
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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Sarasota, Florida (the City), as of and for the year ended September 30, 2014, and have issued our report thereon dated March 6, 2015.

Auditors' Responsibility

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*.

Other Reports and Schedule

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*; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes. Disclosures in those reports and schedule, which are dated March 6, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *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 this management letter, unless disclosed in the notes to the financial statements. The City has disclosed this information in the notes to the financial statements.

Certified Public Accountants

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

MANAGEMENT LETTER
(Continued)

Financial Condition

Section 10.554(1)(i)5.a., *Rules of the Auditor General*, requires that we report the results of our determination as to whether or not the City 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), *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.

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the City provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the City in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2., *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 have the following recommendation.

2014.1—Salem Trust Company - Adverse Opinion on Internal Control

On February 2, 2015, the auditors for USF Affiliate Services, Inc., an entity which includes Salem Trust Company (STC), issued an adverse opinion on STC's internal controls for the year ended June 30, 2014. STC is the custodian of approximately \$500 million of the City's pension trust fund investments. In their report, the auditors concluded that many of STC's internal controls, designed to ensure that its client's investment transactions were processed accurately and timely, were not operating effectively during that period. The auditors noted that numerous errors had occurred in the processing of client data. Accordingly, it is possible, maybe likely, that errors in the City's pension investment transactions may have occurred and gone undetected during the period. We recommend the City perform a review of its pension investment transactions during the year, to determine if any errors existed requiring further resolution.

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

MANAGEMENT LETTER
(Concluded)

Other Matters (Concluded)

Section 10.554(1)(i)3., *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.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and Members of the City Commission, and applicable management, 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

March 6, 2015
Sarasota, Florida



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April 6, 2015

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

Dear Mr. Welch,

I am responding to your auditor comment in the management letter for the fiscal year ended September 30, 2014. The auditors' comment/recommendation contained within is directed to the Office of City Auditor and Clerk. In accordance with the rules of the Auditor General – Local Governmental Entity Audits, Chapter 10.550, the response to the item is outlined below.

Auditor Comment:

2014.1 – Salem Trust Company – Adverse Opinion on Internal Control

On February 2, 2015, the auditors for USF Affiliate Services, Inc., an entity which includes Salem Trust Company (STC), issued an adverse opinion on STC's internal controls for the year ended June 30, 2014. STC is the custodian of approximately \$500 million of the City's pension trust fund investments. In their report, the auditors concluded that many of STC's internal controls, designed to ensure that its client's investment transactions were processed accurately and timely, were not operating effectively during that period. The auditors noted that numerous errors had incurred in the processing of client data. Accordingly, it is possible, maybe likely, that errors in the City's pension investment transactions may have occurred and gone undetected during the period. We recommend the City perform a review of its pension investment transactions during the year, to determine if any errors existed requiring further resolution.

Management Response:

The City's Firefighters' Pension Plan and Police Officers' Pension Plan received unqualified audit opinions from their respective auditors for the fiscal year ended September 30, 2014. The City of Sarasota also received an unqualified audit opinion on its financial statements, which include the General Employees' Pension Plan statements. Additionally, none of these audits identified any errors in the City's pension investment transactions during the audit period.

The Pension Plans Administration Division has effective internal controls in place and performs monthly reconciliations to monitor the activity in the Pension Plans. We are committed to reviewing our internal controls to ensure our internal control system is more robust.



Page 2

Mr. Brad Rinsem, President and CEO of Salem Trust, attended the General Employees' Pension Board meeting on March 16, 2015, the Firefighters' Pension Board meeting on March 25, 2015, and the Police Officers' Pension Board meeting on March 27, 2015 to discuss the issues surrounding the adverse audit opinion. Mr. Rinsem communicated to each of the Boards that, to his knowledge, there has been no loss of investment funds. Further, Mr. Rinsem assured each of the Boards that if any loss of funds was identified Salem Trust would reimburse the Plans.

The City's Firefighters' and Police Officers' Pension Boards have requested that Salem Trust Company engage its independent auditors to perform agreed upon procedures to test the transactions and balances for their respective Plans to identify any errors. In addition, Salem Trust committed to do the agreed upon procedures for the General Employees' Pension Plan as well.

Please feel free to contact me with any questions you may have related to the response.

Respectfully,

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

c: City Commission
Thomas Barwin, City Manager
Robert Fournier, City Attorney
Firefighters' Pension Board
Police Officers' Pension Board
General Employees' Pension Board
Thomas Kelley, Pension Plans Administrator
File