

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2018





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**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF SARASOTA, FLORIDA

**For the Fiscal Year Ended
September 30, 2018**



Prepared By
The Financial Administration Department

Kelly R. Strickland, CPA, CGFO
Finance Director



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City of Sarasota, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2018
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Introductory Section



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March 28, 2019

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, 2018. This report is presented in conformity with generally accepted accounting principles (GAAP), was prepared by the City's Financial Administration 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 *Government Audit Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550 Rules of the Auditor General, State of Florida. Information related to this single audit, including a schedule of expenditures of Federal awards and State financial assistance, the report of independent auditors on internal controls over financial reporting and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included.

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

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

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Telephone (941)365-2200
Web Site www.sarasotaFL.gov

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 a professional 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 Lido Pool, the Robert L. Taylor Community Complex, various tennis courts located throughout the City, Bobby Jones Golf Course, a 45-hole course, numerous neighborhood parks, a children's water park on the Bayfront, and a skateboard park. Public Works provides essential street and highway maintenance, traffic signalization 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 1,800 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 right 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 Commercial Tourist 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 a current estimated population of 56,994. 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 73⁰ 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 award-winning Van Wezel Performing Arts Hall, the premier showcase for the performing arts on Florida's southwest coast. In 2016, US News identified Sarasota as one of the top places to live in the U.S., ranking #14 in the nation.

The City's functional (seasonal plus tourist) population swells to almost 100,000 during the winter months. The provision of 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 further improved from last fiscal year. Sarasota County had an unemployment rate of 3.1% in September 2018, much lower than the statewide rate of 3.3% and the national rate of 3.7%.

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 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, Development Services, 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 economy and housing market in Sarasota has been growing since the end of the Great Recession. Property tax revenue increased 9.2% over the previous year from \$29,565,119 in 2017 to \$32,311,140 in 2018. This is attributable to a \$879 million increase in taxable value. This increase in ad valorem tax also included a portion that was previously accounted for in the Community Redevelopment Trust Fund (CRA). The current building boom, dubbed the Billion Dollar Boom, has over 4,000 units of some form of housing completed or recently underway. The unassigned fund balance in the General Fund is \$16.9 million, which is a 25.4% 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 revenue policy to ensure reliability and sufficiency of City revenues to support its operations. Two major rating institutions (Moody's Investors Service, and Fitch Ratings) have evaluated the City's financial management, economic conditions and administrative practices. On September 25, 2017, Moody's Investors Service upgraded the City's general obligation rating from Aa2 to Aa1 and upgraded the City's special obligation rating from Aa3 to Aa2. Also, in September 2017, Fitch Ratings affirmed its ratings of the City's general obligation bonds of AA+ and AA for the City's special obligation bonds. The bond ratings reflect that the City's bonds are one tier away from the highest bond rating available.

Major Initiatives

Numerous major projects were completed during the year. At Ringling and Orange Avenue, the removal of the existing span wire traffic signal was replaced with a modern single lane roundabout. Design and construction of a new sidewalk segment and other pedestrian improvements along 22nd St were

completed. Lighting replacements throughout Payne Park improved safety at night. At Orange Avenue and Hillview Street ADA and traffic signal improvements helps protect pedestrians. Alley reconstruction between Lemon and Orange Avenues and State and Main Streets was also completed. The Utilities Division completed an upgrade to the Sodium Hypochlorite System at the Wastewater Treatment Plant. The lining of aging wastewater pipes in the Tahiti Park and Sapphire Shores neighborhoods was completed. Various lift station rehabilitations were completed to maintain the integrity of the wastewater collection system.

The Office of Housing and Community Development, with federal funds assisted 25 households with home rehabilitation during fiscal year 2018. Federal funds along with State Housing Initiatives Partnership (SHIP) dollars were used to serve 47 low-income households with home rehabilitation. Ten of these households included special needs individuals.

The Development Services Department experienced another very busy year, issuing 6,711 permits compared to last years' 6,090 permits, with a construction value of \$471 million, versus \$251 million construction value last year.

The City has also completed a beach renourishment project and created a parks district.

The City Commission voted to adopt the conceptual master plan to redevelop more than 50 acres of waterfront land around the Van Wezel Performing Art Hall. Full build out could take two decades, the first phase of development has been approved to proceed.

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 its 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, 2017. This was the thirty seventh 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, 2017, the same period covered by this Comprehensive Annual Financial Report. This was the twenty eighth 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.

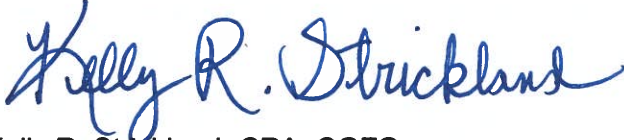
Award for Popular Annual Financial Report

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, 2017. This was the fifth 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. Of the 476 counties and municipalities in the State of Florida, Sarasota is one of just 27 to receive all three GFOA awards, the Trifecta. We are committed to continually provide the citizens of Sarasota with accurate and transparent financial information.

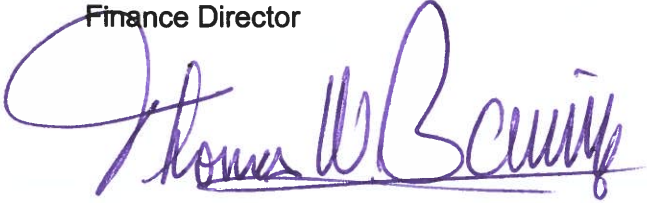
Acknowledgements

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,



Kelly R. Strickland, CPA, 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, 2017

Christopher P. Morill

Executive Director/CEO

City of Sarasota Elected Officials • Fiscal Year 2018



Shelli Freeland Eddie
Commissioner
 District 3



Willie Charles Shaw
Commissioner
 District 1



Liz Alpert
Mayor
 District 2



Jennifer Ahearn-Koch
Vice Mayor
 At-Large



Hagen Brody
Commissioner
 At-Large

City of Sarasota Charter Officials • Fiscal Year 2018



City Manager
Thomas W. Barwin



**Interim City Auditor &
 Clerk**
Shayla Griggs

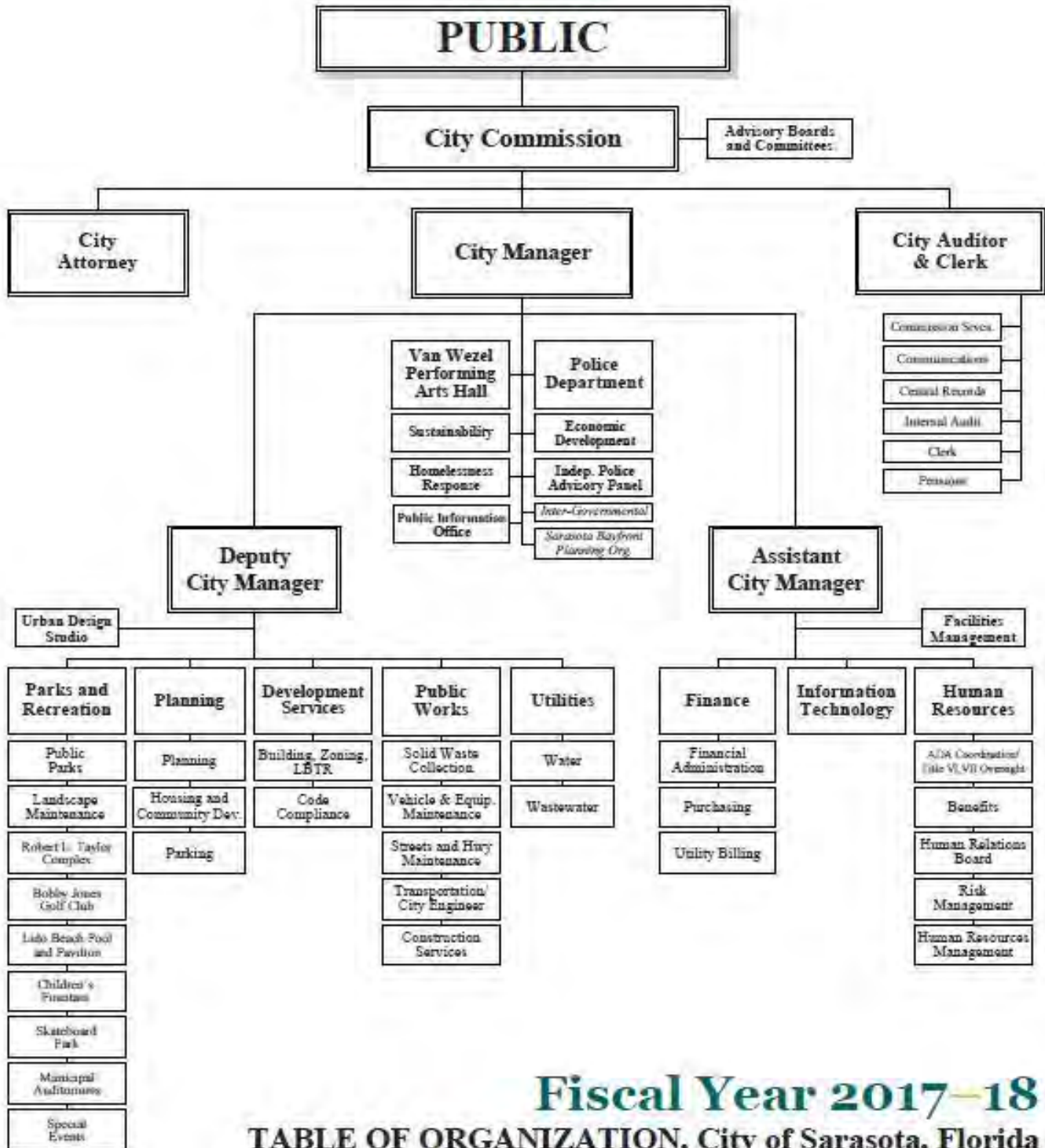


City Attorney
Robert Fournier, ESQ

City of Sarasota Department Directors - Fiscal Year 2018

Thomas W. Barwin
 Marlon C.J. Brown
 John C. Lege III
 Mary R. Bensele
 Steven R. Cover
 Bernadette A. DiPino
 Jerry J. Fogle
 Doug A. Jeffcoat
 Timothy D. Litchet
 Stacie L. Mason
 Herminio Rodriguez
 Kelly R. Strickland
 William Riebe

City Manager
 Deputy City Manager
 Assistant City Manager
 Executive Director - Van Wezel Performing Arts Hall
 Director of Planning
 Chief of Police
 Director of Parks & Recreation
 Director of Public Works
 Director of Development Services
 Director of Human Resources
 Director of Information Technology
 Director of Financial Administration
 Director of Utilities



Fiscal Year 2017-18
TABLE OF ORGANIZATION, City of Sarasota, Florida
Submitted in accordance with the Sarasota City Charter, Article V, Section 3, 4, and 5; Article VI, Section 3, and 4; and Article VII.



Financial Section



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sarasota, Florida (the City) as of and for the year ended September 30, 2018, 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 did not audit the financial statements of the General Employees' Pension Plan, the Police Officers' Pension Plan, or the Firefighters' Pension Plan, which represent 82% of the assets and 43% of the expenditures/deductions of the aggregate remaining fund information, respectively. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the General Employees' Pension Plan, the Police Officers' Pension Plan, and the Firefighters' Pension Plan, is based solely on the reports of the other auditors. 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.

Certified Public Accountants

P.O. Box 141270 • 222 N.E 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350
1560 N. Orange Ave., Suite #450 • Winter Park, Florida 32789
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)

Auditors' Responsibility (Concluded)

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

Opinions

In our opinion, based on our audit and the report of the other auditors, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general 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.

Emphasis of a Matter

As discussed in Note 18 to the financial statements, for the year ended September 30, 2018, the City adopted new accounting guidance Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pension Plans (OPEB)* and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 Honorable Mayor and
Members of the City Commission
City of Sarasota
Sarasota, Florida

INDEPENDENT AUDITORS' REPORT
(Concluded)

Other Matters (Concluded)


Other Information (Concluded)

The Combining and Individual Fund Statements and Schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, based on our audit and the report of the other auditors, 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 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 22, 2019, 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 the effectiveness of the City's 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.


March 22, 2019
Sarasota, Florida



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Management's Discussion and Analysis

This section of the City of Sarasota's Comprehensive Annual Financial Report provides a narrative overview and analysis of the basic financial activities of the City as of and for the year ended September 30, 2018. The intent of the information presented here, in conjunction with the Letter of Transmittal, is to provide the reader with a clearer picture of the City's overall financial status.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$394,048,283 (*net position*). Of this amount, \$341,486,424 represents net investment in capital assets (*capital assets net of related debt*); \$75,512,383 is restricted for specific purposes (*restricted net position*) and the remaining portion represents negative unrestricted net position of \$(22,950,524).
- The government's total net position increased by \$21,101,694, or 5.7% for the year compared to an \$9,086,490 increase in the prior year.
- Total revenues were \$174,120,259, which was \$11,413,632 or 7.0 percent higher than last year.
- Total expenses were \$153,018,565 a decrease of \$601,572 or 0.4 percent from last year.
- Pension and OPEB related items represented a predominant portion of both deferred outflow and deferred inflow of resources. The City's employer contributions to its pension and OPEB plans of \$22,443,591, made in fiscal year 2018, after the measurement date of September 30, 2017, were reported as a deferred outflow of resources and will be recognized as an expense next year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$93,942,351, an increase of \$5,940,594 for the year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$16,908,587 or 25.4% 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 34-36 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 38-47.

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 48-55 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 56-57 of this report.

Component Units

Discretely presented component unit financial statements can be found on pages 58-59 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 63-124 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 127-140 of this report.

Budgetary comparison schedules for combining statements of nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds begin on page 154.

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 \$394,048,283 at the close of the most recent fiscal year. The following schedule is a summary of the Statement of Net Position found on pages 34 and 35 of this report and provides comparable data for the previous fiscal year:

City of Sarasota's Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
Current and other assets	\$ 122,590,134	\$ 114,475,859	\$ 101,619,377	\$ 84,113,078	\$ 224,209,511	\$ 198,588,937
Capital assets, net of depreciation	217,509,646	216,984,930	238,475,033	217,143,456	455,984,679	434,128,386
Total assets	340,099,780	331,460,789	340,094,410	301,256,534	680,194,190	632,717,323
Total deferred outflows of resources	25,137,418	29,638,806	5,412,324	7,488,525	30,549,742	37,127,331
Current and other liabilities	16,142,977	20,274,903	18,046,451	16,671,228	34,189,428	36,946,131
Long-term liabilities outstanding	163,820,524	169,119,992	101,818,227	75,506,560	265,638,751	244,626,552
Total liabilities	179,963,501	189,394,895	119,864,678	92,177,788	299,828,179	281,572,683
Total deferred inflows of resources	10,250,672	1,635,627	6,616,798	239,416	16,867,470	1,875,043
Net position:						
Net investment in capital assets	174,105,644	171,838,648	167,380,780	168,580,384	341,486,424	340,419,032
Restricted	61,734,312	60,595,218	13,778,071	7,265,888	75,512,383	67,861,106
Unrestricted	(60,816,931)	(62,364,793)	37,866,407	40,481,583	(22,950,524)	(21,883,210)
Total net position	\$ 175,023,025	\$ 170,069,073	\$ 219,025,258	\$ 216,327,855	\$ 394,048,283	\$ 386,396,928

*2017 Amounts were not restated for the effects of GASB Statement No. 75 because it was not practical.

At September 30, 2018, the City is able to report positive balances in all categories of net position except for the governmental activities unrestricted net position. The negative unrestricted net position for the governmental activities is due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting of Pensions*, in fiscal year 2015 which resulted in a beginning net position reduction of \$73,790,484. In addition, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented in fiscal year 2018 which resulted in a beginning net position reduction of \$10,452,641.

The largest portion of the City's net position, \$341,486,424 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.

A portion of the City's net position, \$75,512,383, represents resources that are subject to external restrictions on how they may be used. Of the total net position at September 30, 2018, a deficit amount of \$22,950,524 represents unrestricted net position (a negative amount of \$60,816,931 for governmental activities and a positive amount of \$37,866,407 for business-type activities).

The following is a summary of the information presented in the Statement of Activities found on pages 36 of this report:

City of Sarasota's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017*	2018	2017*	2018	2017*
Revenues:						
Program Revenues:						
Charges for services	\$ 12,774,361	\$ 10,994,871	\$ 73,004,130	\$ 74,497,318	\$ 85,778,491	\$ 85,492,189
Operating grants and contributions	6,862,001	8,155,684	1,564,629	964,713	8,426,630	9,120,397
Capital grants and contributions	7,753,085	1,928,706	--	--	7,753,085	1,928,706
General Revenues:						
Property taxes	32,680,481	29,888,235	--	--	32,680,481	29,888,235
Other taxes	28,077,242	26,526,220	--	--	28,077,242	26,526,220
Other	10,551,480	9,184,670	852,850	566,210	11,404,330	9,750,880
Total revenues	98,698,650	86,678,386	75,421,609	76,028,241	174,120,259	162,706,627
Expenses:						
Governmental Activities:						
General government	14,287,513	13,985,373	--	--	14,287,513	13,985,373
Public safety	39,168,721	44,880,581	--	--	39,168,721	44,880,581
Physical environment	8,142,455	4,358,648	--	--	8,142,455	4,358,648
Transportation	10,178,693	11,793,769	--	--	10,178,693	11,793,769
Culture & recreation	2,089,411	4,360,458	--	--	2,089,411	4,360,458
Economic environment	4,686,279	4,793,345	--	--	4,686,279	4,793,345
Human services	730,889	114,533	--	--	730,889	114,533
Interest on long-term debt	2,030,137	2,601,649	--	--	2,030,137	2,601,649
Business-type Activities:						
Water and Sewer	--	--	41,753,490	38,125,966	41,753,490	38,125,966
Van Wezel Performing Arts Hall	--	--	12,040,458	12,617,544	12,040,458	12,617,544
Solid Waste	--	--	11,711,681	10,472,973	11,711,681	10,472,973
Parking Management	--	--	2,921,038	2,092,231	2,921,038	2,092,231
Bobby Jones Golf Course	--	--	2,773,527	2,904,213	2,773,527	2,904,213
Municipal Auditoriums	--	--	504,273	518,854	504,273	518,854
Total expenses	81,314,098	86,888,356	71,704,467	66,731,781	153,018,565	153,620,137
Increase (decrease) in net position before other items	17,384,552	(209,970)	3,717,142	9,296,460	21,101,694	9,086,490
Transfers	(1,977,959)	(293,308)	1,977,959	293,308	--	--
Increase (decrease) in net position	15,406,593	(503,278)	5,695,101	9,589,768	21,101,694	9,086,490
Net position - beg. of year, restated	159,616,432	170,572,351	213,330,157	206,738,087	372,946,589	377,310,438
Net position - end of year	\$ 175,023,025	\$ 170,069,073	\$ 219,025,258	\$ 216,327,855	\$ 394,048,283	\$ 386,396,928

*2017 Amounts were not restated for the effects of GASB Statement No. 75 because it was not practical.

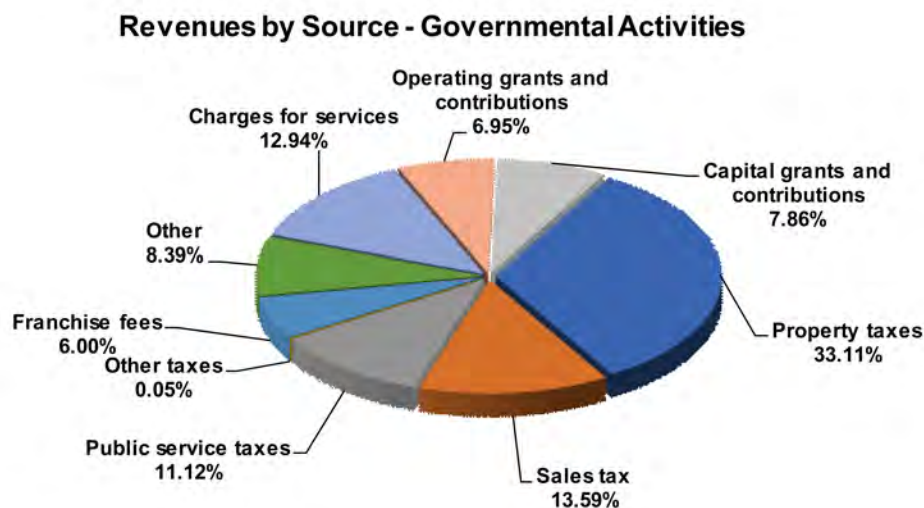
Governmental Activities

As shown on the previous page governmental activities increased the City's net position by \$15.4 million in 2018 compared to a \$503,278 decrease in 2017. A further detail of the expenses and program revenues for governmental activities in 2018 compared to 2017 is below:

Expenses and Net Program Revenue (Expense) - Governmental Activities

Program	2018			2017		
	Expenses	Program Revenues	Net	Expenses	Program Revenues	Net
General Government	\$ 14,287,513	\$ 1,372,755	\$ (12,914,758)	\$ 13,985,373	\$ 1,529,832	\$ (12,455,541)
Public Safety	39,168,721	9,520,969	(29,647,752)	44,880,581	7,595,584	(37,284,997)
Physical Environment	8,142,455	2,224,062	(5,918,393)	4,358,648	1,294,050	(3,064,598)
Transportation	10,178,693	8,437,622	(1,741,071)	11,793,769	2,854,898	(8,938,871)
Culture and Recreation	2,089,411	1,118,655	(970,756)	4,360,458	1,539,171	(2,821,287)
Economic Environment	4,686,279	4,715,384	29,105	4,793,345	5,875,285	1,081,940
Human Services	730,889	-	(730,889)	114,533	-	(114,533)
Interest Expense	2,030,137	-	(2,030,137)	2,601,649	390,441	(2,211,208)
Total	\$ 81,314,098	\$ 27,389,447	\$ (53,924,651)	\$ 86,888,356	\$ 21,079,261	\$ (65,809,095)

The table above shows that program revenues are not sufficient to cover expenses for any of the City's governmental activities for 2018. This is not unusual; governmental activities are primarily funded with general revenues. The following graph shows the composition of revenues for the City's governmental activities:



The net program (expense) above was \$53.9 million in 2018 and \$65.8 million in 2017. These net program expenses must be funded from general revenues, transfers, or from beginning net position. The following is a comparison of these general revenue sources for the last two years:

General Revenues and Transfers

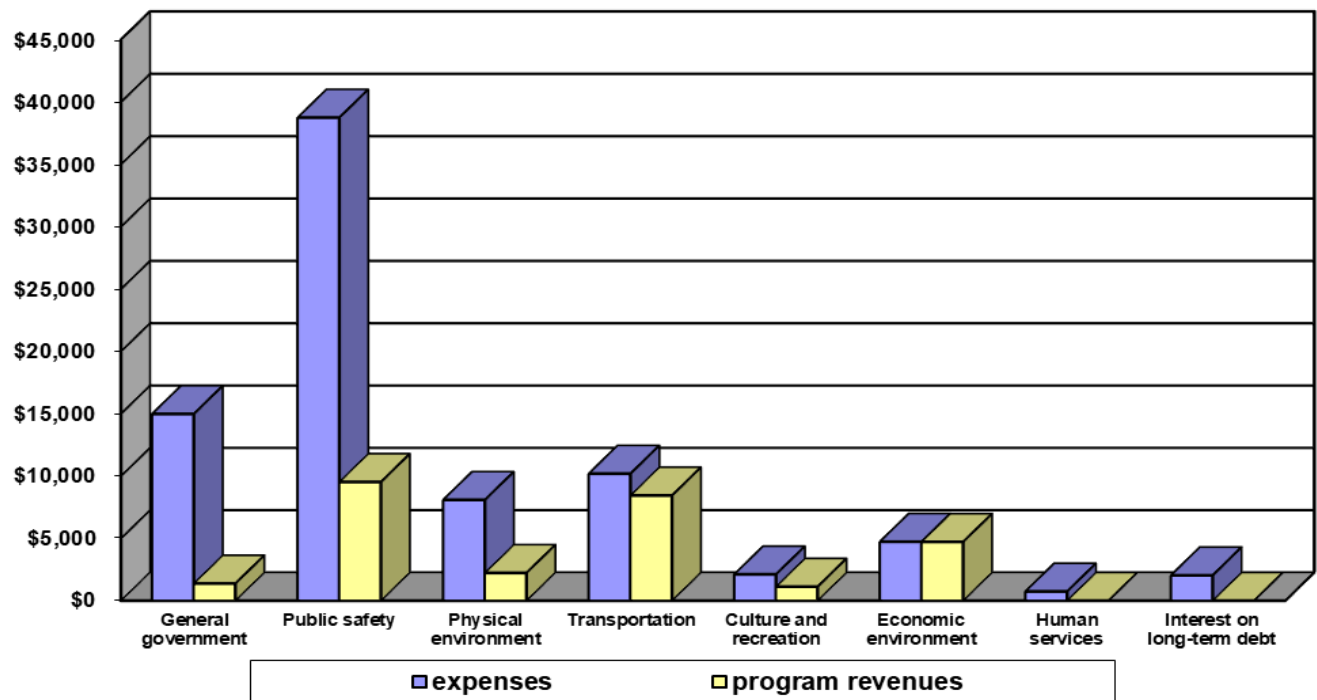
	2018	% of Total	2017	Increase (Decrease)	% change
General Revenues:					
Property taxes	\$ 32,680,481	47.14%	\$ 29,888,235	\$ 2,792,246	9.34%
Gasoline taxes	2,662,715	3.84%	2,547,368	115,347	4.53%
Sales taxes	13,414,362	19.35%	12,489,989	924,373	7.40%
Public service taxes	10,973,068	15.83%	10,563,250	409,818	3.88%
Business taxes	981,692	1.42%	880,237	101,455	11.53%
Other taxes	45,405	0.06%	45,376	29	0.06%
Franchise fees	5,918,250	8.53%	4,699,895	1,218,355	25.92%
State revenue sharing	1,953,814	2.82%	1,883,075	70,739	3.76%
Investment earnings	764,347	1.10%	620,256	144,091	23.23%
Other	1,915,069	2.76%	1,981,444	(66,375)	-3.35%
Net transfers	(1,977,959)	(2.85)%	(293,308)	(1,684,651)	574.36%
Total	<u>\$ 69,331,244</u>	100.00%	<u>\$ 65,305,817</u>	<u>\$ 4,025,427</u>	6.16%

General revenues and transfers increased by \$4.0 million from 2018 to 2017, as shown in the preceding table. The increase is attributed to the following:

- Property tax revenue increased \$2,792,246, a 9.34% increase. The increase is a result of the City's assessed values rising 9.77% over last year even though the City's overall millage rate for the current year decreased from 3.4731 to 3.4473.
- Franchise fee revenue increased by \$1,218,355 for 2018. This was the first year for a new water franchise fee, accounting for \$1,113,979 of the increase.
- Sales tax revenue increased \$924,373 for the year due to the improved economy. Sales tax revenue has been gradually increasing for the last eight years.

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

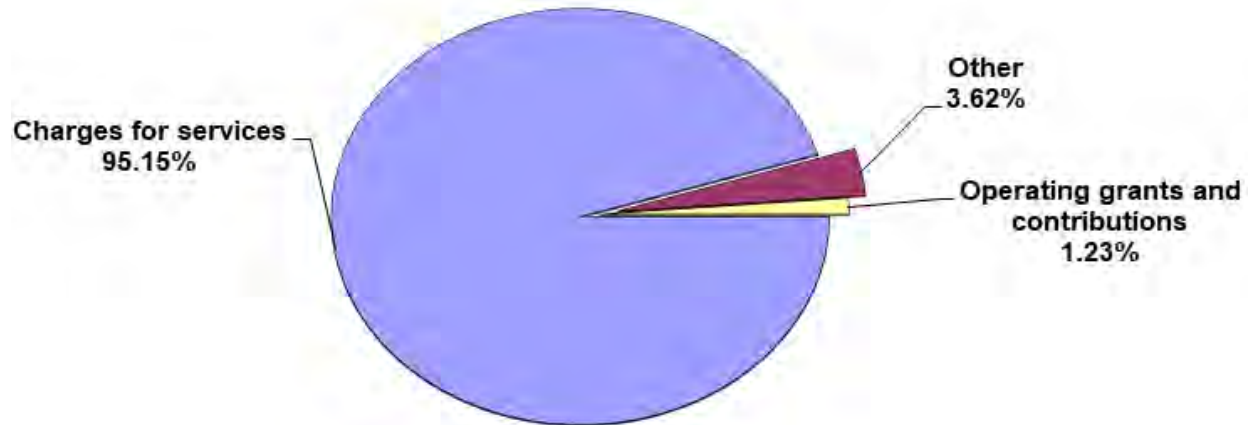
As stated previously, business-type activities increased the City's net position \$5.7 million in 2018 compared to an increase of \$9.6 million in 2017 as a result of operations. The following is a comparison for the last two years:

Changes in Net Position - Business-type Activities

Program	2018			2017		
	Expenses	Program Revenue	Net	Expenses	Program Revenue	Net
Water and Sewer	\$ 41,753,490	\$ 47,364,734	\$ 5,611,244	\$ 38,125,966	\$ 47,014,364	\$ 8,888,398
Van Wezel	12,040,458	11,923,775	(116,683)	12,617,544	12,983,300	365,756
Solid Waste	11,711,681	10,892,212	(819,469)	10,472,973	11,302,312	829,339
Bobby Jones Golf Course	2,773,527	1,961,624	(811,903)	2,904,213	2,312,692	(591,521)
Municipal Auditoriums	504,273	787,933	283,660	518,854	355,741	(163,113)
Parking Management	2,921,038	1,638,481	(1,282,557)	2,092,231	1,493,622	(598,609)
Total	\$ 71,704,467	\$ 74,568,759	2,864,292	\$ 66,731,781	\$ 75,462,031	8,730,250
General Revenues			852,850			566,210
Net Transfers			1,977,959			293,308
Change in Net Position			\$ 5,695,101			\$ 9,589,768

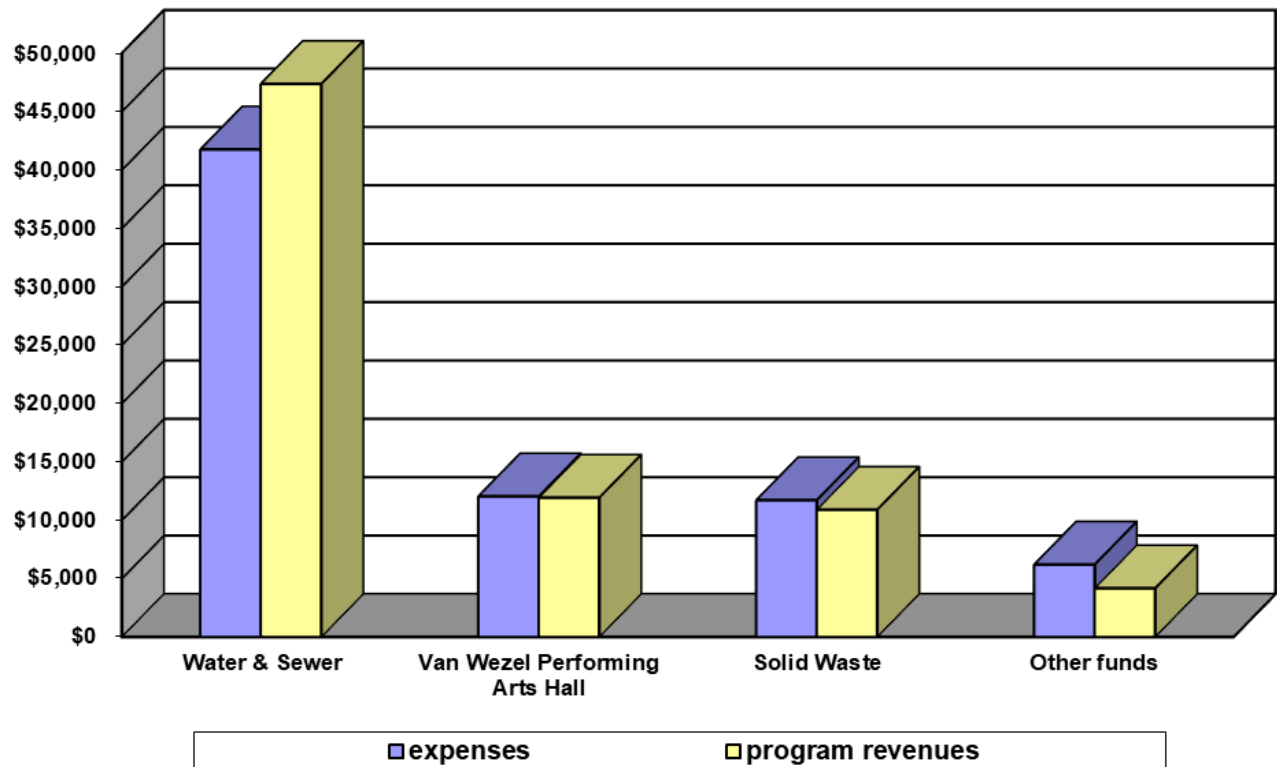
The following graph shows the composition of revenues for the City's business-type activities:

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 26-35. 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 \$93,942,351 an increase of \$5,940,594 for the year. Approximately 16% of this amount (\$15,111,827) 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 (\$24,367,457), 2) restricted for community redevelopment (\$8,547,645), 3) restricted for building services (\$10,754,513), and 4) restricted for transportation (\$7,839,622).

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 \$16,908,587, while total fund balance was \$23,507,616. 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 25.4% (or 3 months) of total General Fund expenditures.

Revenues and transfers in for the City's General Fund increased by \$6,829,983 since the prior year. Key factors for the increases in revenue are:

- The General Fund's property tax rate of 3.1728 mills remained unchanged from the 2017 fiscal year rate. Even though the millage rate did not change, ad valorem taxes increased \$7,499,520 due to a \$858 million increase in assessed value of property subject to tax. The increase also includes ad valorem taxes that were previously reported in the Community Redevelopment Fund.
- In 2017, local business taxes of \$866,281 were reported in the General Fund. For 2018, this revenue is reported in a new Special Revenue Fund.
- Charges for services increased by \$1,263,653 for the current year. \$1,053,968 of the increase was for charges to other City operations to fund the Public Information Office, Facilities Maintenance and Sustainability Departments. These items were previously a reduction of personnel services. Another \$77,000 was for charges for landscape services provided to Golden Gate Point.

Expenditures and transfers out for the General Fund increased by \$5,073,123. \$1,809,583 of the increase was in general government expenditures, of which \$1.5 million was for an anticipated claim expected to be paid in 2019.

The Penny Sales Tax Fund accounts for the revenue from the one-cent local option sales surtax. Total revenues for the year were \$8,420,436 with \$8,319,277 coming from the Infrastructure Sales Surtax and \$101,159 from investment earnings. Expenditures and transfers out for the year totaled \$9,112,913. The net decrease in fund balance was \$692,477 resulting in a fund balance at the end of 2018 of \$24,367,457. Expenditures and transfers out for the current year included the following capital improvement projects:

• Street reconstruction	\$1,840,131
• Debt service transfer out for Parks & Community Center projects	1,305,650
• Osprey Avenue resurfacing	754,424
• Police vehicles	611,650
• US 41 & 10th Street roundabout	378,761
• Ringling/Orange roundabout	362,145
• Information Technology projects	891,877
• Payne Park improvements	288,122
• Arlington Park improvements	212,088
• Bayfront CC/Municipal Auditorium improvements	488,781
• Gailee/Woodlawn Cemetery	143,795
• Other miscellaneous projects	1,835,489

The Community Redevelopment Agency Fund accounts for the operations of the City of Sarasota Community Redevelopment Agency (CRA). The total revenues for the year were \$214,220 and included miscellaneous revenue \$162,271, and investment earnings of \$51,949. There was no tax increment revenue for the year ended September 30, 2018. The 2017 fiscal year was the last year for the Downtown CRA and the Newtown CRA did not generate any tax increment revenue for 2018. Expenditures of \$732,273 included the following:

• State Street Parking Garage	\$270,249
• Housing Authority	90,541
• Newtown Road Improvements	64,995
• Fredd Atkins Park Improvements	66,303
• Downtown transportation	41,819
• Fruitville Road Improvements	31,823
• Newtown Conservation Historic District	24,905
• Citywide Mobility Study	24,837
• Other miscellaneous project costs and events	116,801

The Community Redevelopment Agency Fund has a fund balance of \$8,547,645 as of September 30, 2018, which is reserved for specific projects identified and approved in the CRA's annual budget.

The Housing & Community Development (OHCD) Fund administers Federal housing and community development programs both in the City and County. Total revenues for the current year were \$1,312,143 and expenditures and transfers out were \$1,758,963. During the year, OHCD partnered with non-profits to create housing for low-income households and assisted low-income homeowners with roof replacements, air conditioning units, plumbing and other repairs.

Enterprise funds

The fund financial statements for the City's enterprise funds provide essentially the same type of information found in the business-type activities column of the government-wide financial statements, but in more detail, and by fund. The following is a discussion of each fund's performance for 2018, compared to the prior year.

Water & Sewer Fund

Water utility activities include water supply, treatment, storage and distribution. Sewer utility activities include collection, treatment, and disposal. This fund also includes a reclaimed water distribution system. All three activities require billing and collection, repair/maintenance, and other administrative functions. The Water & Sewer Fund reported an increase in net position of \$6.1 million for 2018 compared to a \$9.3 million increase for 2017.

Operating revenues of the Water and Sewer Fund increased \$225,224 for the current year. This increase is mainly attributed to new customer growth and increased consumption since there was no rate increase for 2018.

Operating expenses for the Water and Sewer Fund increased by \$3,656,078, a 9.9% increase.

- Contractual services accounted for \$1,697,491 of the increase. \$1,113,979 of this increase was due to the new franchise fee adopted for 2018.
- Repairs and maintenance increased \$1,643,741 from that which was reported in 2017. These costs help in maintaining an aging infrastructure before the need of total replacement.

Van Wezel Performing Arts Hall Fund

This fund accounts for the revenues and expenses of a world class performing arts hall which provides a wide variety of entertainment, including performances by nationally and internationally known theater, ballet and musical groups. The fund reported a decrease in net position of \$71,248 for 2018 compared to a \$402,024 increase in 2017.

Operating revenues for the Van Wezel Performing Arts Hall decreased \$1,065,927 in the current year. The decrease was due to less performances in 2018 than in 2017. With less performances, performance fees and other performance expenses decreased by \$805,855, leading to an overall operating expense decrease of \$577,086.

Solid Waste Management Fund

Solid waste operations include the collection and disposal activities of refuse and recycling. The fund reported a decrease in net position of \$561,355 for 2018 compared to a \$444,178 increase in 2017. The fund had an operating revenue decrease of \$420,992 for the current year, which was attributed to a \$223,052 decrease in recycling revenue since the new contractor collecting and processing recyclables did not offer revenue sharing.

Operating expenses increased by \$1,238,510. \$510,321 of the increase in operating expenses were in personnel cost, which included a 3% wage increase, OPEB and pension costs. Contractual services also increased for 2018 by \$487,955, of which equipment rentals accounted for \$191,041 of the increase since the City resumed the collection of yard waste from the private contractor and had to rent trucks until the new ones were delivered. Funding for the Public Information Office, Sustainability and Facilities Maintenance added another \$267,090, which in 2017 was reported as personal services.

Parking Management Fund

Parking Management is responsible for oversight and maintenance of the City's three parking garages, 17 public parking lots, on street parking and enforcement of parking regulations. The fund reported a decrease in net position of \$751,100 for 2018 compared to a \$40,766 increase in 2017.

The \$144,859 increase in operating revenues for 2018 were offset by a \$167,853 increase in operating expenses. The decrease in net position is attributed to bond issuance costs of \$217,113 and interest expense of \$443,841 on the revenue bonds issued in November 2017 for the construction of the St. Armands Parking Garage.

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 and transfers in budget was increased by \$109,000. This amount includes an increase of \$109,000 of grant funding for the Police marine patrol. The General Fund expenditure and transfers out budget increased for the year by \$3,399,295. The difference between the original expenditures budget and the final budget are summarized as follows:

- \$1,500,000 increase for Hurricane Irma recovery using fund balance;
- \$10,000 increase for completion of transportation maps;
- \$610,000 increase for the selection of a building to support Central Records;
- \$375,000 increase for an additional transfer to subsidize Bobby Jones Golf Course.

- \$904,295 increase for re-appropriation of projects that were budgeted in the previous fiscal year but not completed. Those projects included the following:
 - \$280,932 for a comprehensive treatment court for adults with a history of criminal justice involvement;
 - \$190,000 for Bayfront/Island Park improvements;
 - \$48,359 for a City-Wide space study;
 - \$56,836 for a COPS grant match;
 - \$120,998 for homelessness response contingency;
 - \$70,555 for right of way impact mitigation;
 - \$52,776 for operating contingencies;
 - \$83,839 for various other projects.

Actual revenues and transfers in were greater than final budget by \$1,659,699 and actual expenditures and transfers out were less than budgeted expenditures by a total of \$2,815,106. This resulted in a positive budget variance of \$4,474,805. Most of this savings was achieved by higher than expected revenues and the committed efforts to control costs at all levels of management.

Both the original and final budget anticipated \$994,957 and \$4,285,253, respectively, to be expended from available fund balance. However, revenues were greater than budgetary estimates and expenditures were less than budgetary estimates as discussed above. This resulted in a positive change in fund balance of \$189,552, \$4,474,805 more 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, 2018, is \$455,984,679 (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 \$21,856,293 (a 0.2% increase for governmental activities and a 4.9% increase for business-type activities).

The schedule below reflects the City's capital assets as of September 30, 2018 and 2017:

City of Sarasota's Capital Assets

(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 40,783,077	\$ 40,480,911	\$ 11,869,613	\$ 11,869,613	\$ 52,652,690	\$ 52,350,524
Art collections	1,498,183	1,268,224	218,397	218,398	1,716,580	1,486,622
Buildings	52,508,704	52,980,436	33,693,269	34,119,158	86,201,973	87,099,594
Improvements and						
Infrastructure	109,076,828	108,269,692	8,373,847	5,052,654	117,450,675	113,322,346
Utility systems	--	--	124,537,052	121,970,252	124,537,052	121,970,252
Equipment	7,079,700	8,274,525	4,366,477	4,672,937	11,446,177	12,947,462
Construction in progress	6,563,154	5,711,142	55,416,378	39,240,444	61,979,532	44,951,586
Total	\$ 217,509,646	\$ 216,984,930	\$ 238,475,033	\$ 217,143,456	\$ 455,984,679	\$ 434,128,386

Additional information on the City's capital assets can be found in Note 6 on pages 89-90 of this report.

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

- Various system additions and improvements were completed in the Water and Sewer Fund at a cost of \$9,669,882 and construction began on others at a cost of \$17,245,902.
- The construction of the new St. Armands Parking Garage was still in progress at year end which added \$8,427,540 to construction in progress.

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$112,050,346. Of this amount, \$34,885,000 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, and revenue bonds).

Two major rating institutions (Moody's Investors Service, and Fitch Ratings) have evaluated the City's financial management, economic conditions and administrative practices. The bond ratings reflect that the City's bonds have the characteristics of investment quality, as shown below:

	Moody's Investors <u>Service</u>	Fitch <u>Ratings</u>
General Obligation	Aa1	AA+
Special Obligation	Aa2	AA
Water and Sewer	Aa2	AA

The schedule below reflects the City's outstanding debt as of September 30, 2018 and 2017:

City of Sarasota's Outstanding Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 34,885,000	\$ 36,290,000	\$ --	\$ --	\$ 34,885,000	\$ 36,290,000
Special obligation bonds	15,095,346	16,292,954	--	--	15,095,346	16,292,954
Revenue bonds	--	--	62,070,000	48,575,000	62,070,000	48,575,000
Total bonds	49,980,346	52,582,954	62,070,000	48,575,000	112,050,346	101,157,954
Loans payable	--	--	6,114,250	--	6,114,250	--
Total bonds & loans	<u>\$ 49,980,346</u>	<u>\$ 52,582,954</u>	<u>\$ 68,184,250</u>	<u>\$ 48,575,000</u>	<u>\$ 118,164,596</u>	<u>\$ 101,157,954</u>

The City's total debt increased by \$17,006,642. The key factors in this increase are:

- \$15,670,000 in revenue bonds were issued for the construction of the St. Armands Parking Garage.
- \$6,114,250 of loan proceeds were drawn on a state revolving loan for the Lift Station 87 Project.
- Scheduled principal payments of \$4,777,608 were paid when due.

Additional information on the City's long-term debt can be found in Note 8 on pages 92-96 of this report.

Economic Factors and Next Year's Budget and Rates

The General Fund budget for the 2019 fiscal year was balanced without the use of unassigned fund balance. The City's reserve policy states that the City will establish an unassigned fund balance in the General Fund for emergency purposes and/or liquidity purposes of two to three (17% to 25%) months of General Fund expenditures to indicate that it is in sound financial condition. The fund balance for 2019 will result in an estimated unassigned fund balance of \$17,422,553 at September 30, 2019, 23.85% of budgeted expenditures.

The City is faced with balancing strong growth in some revenue categories against others that can be highly volatile with significant fluctuations through economic cycles. As such, a thoughtful and disciplined approach to budgeting and spending is necessary. Factors considered in preparing the City's 2019 fiscal year budget were:

- The taxable value of commercial and residential property increased 8.87% from last year's certified valuation. The \$855 million increase in taxable value for 2019 is the seventh consecutive year that property values have increased.
- The General Fund property tax rate was increased to 3.2632 mills. This is the first millage increase since FY 2014. This increase in property tax revenue is expected to generate \$914,410 of additional revenue. This increase in ad valorem tax is necessary for the operation of the newly acquired parks from Sarasota County.
- The City's population changed slightly from 54,641 reported in 2017 to 55,832 for 2018.
- The City of Sarasota unemployment rate for September 2018 was 2.9%, a decrease of 0.1% from the September 2017 rate of 3.0%. The Sarasota County unemployment rate for September 2018 was 3.1%, a decrease of 0.2% from the 3.3% rate reported in September 2017 and lower than the State and Federal rates (3.3% and 3.7% 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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Basic Financial Statements



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Basic Financial Statements

This part of the City of Sarasota's comprehensive annual financial report represents a minimum combination of financial statements and note disclosures required for fair representation in conformity with Generally Accepted Accounting Principles (GAAP).

Contents

Government-Wide Financial Statements

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This focus of the Government-Wide Financial Statements is on the overall financial position and activities of the City. These financial statements incorporate all of the City's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities

Fund Financial Statements

38-55

The focus of the Fund Financial Statements have a short-term emphasis and for the most part, measure and account for cash and other assets that can be easily converted to cash. The Governmental Fund Financial Statements consist of a Balance Sheet/Statement of Net Position, and a Statement of Revenues, Expenditures and Changes in Fund Balance/Net Position

Component Unit Financial Statements

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Component Units are entities for which the City is considered to be financially accountable. In addition to the separate column in the Government-Wide Financial Statements, the Component Units Financial Statements include the Statement of Net Position and the Statement of Activities

Notes to the Financial Statements

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The Notes to the Financial Statements are a presentation of information integral to the financial statements and essential to a user's understanding of City's financial position.

City of Sarasota, Florida
Statement of Net Position
September 30, 2018

	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 15,154,840	\$ 15,922,826	\$ 31,077,666	\$ 181,441
Investments	97,466,151	71,987,374	169,453,525	1,154,568
Receivables (net):				
Accounts	2,042,057	5,543,024	7,585,081	--
Interest	286,153	189,848	476,001	3,460
Notes	173,884	--	173,884	--
Special assessments	107,781	4,680,000	4,787,781	--
Internal balances	161,999	(161,999)	--	--
Due from other governmental agencies	6,649,009	2,255,807	8,904,816	499
Inventories	90,870	652,025	742,895	--
Prepaid items	457,390	550,472	1,007,862	--
Capital assets:				
Non-depreciable	48,844,414	67,504,388	116,348,802	1,376
Depreciable (net)	<u>168,665,232</u>	<u>170,970,645</u>	<u>339,635,877</u>	<u>1,216,662</u>
Total assets	<u>340,099,780</u>	<u>340,094,410</u>	<u>680,194,190</u>	<u>2,558,006</u>
Deferred Outflows of Resources				
Non-pension:				
Deferred charge on refunding	2,328,389	212,526	2,540,915	--
Pension/OPEB:				
Difference between expected and actual experience	2,468,351	195,807	2,664,158	--
Changes in assumptions	2,445,864	455,214	2,901,078	--
Contributions to the pension plan subsequent to the measurement date	17,894,814	4,548,777	22,443,591	--
Total deferred outflows of resources	<u>25,137,418</u>	<u>5,412,324</u>	<u>30,549,742</u>	<u>--</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Statement of Net Position
September 30, 2018

	Governmental Activities	Business-type Activities	Total	Component Units
Liabilities				
Accounts payable	6,254,824	5,088,222	11,343,046	30,173
Retainages payable	272,902	1,636,520	1,909,422	--
Liability for unpaid claims	2,660,759	--	2,660,759	--
Due to other governmental agencies	1,175,026	313,213	1,488,239	3
Accrued interest payable	630,672	1,414,685	2,045,357	--
Accrued wages	1,765,070	753,184	2,518,254	1,527
Unearned revenue	2,433,471	7,631,617	10,065,088	--
Customer deposits	950,253	1,209,010	2,159,263	--
Noncurrent liabilities:				
Due within one year	5,798,874	3,318,244	9,117,118	--
Due in more than one year	158,021,650	98,499,983	256,521,633	--
Total liabilities	<u>179,963,501</u>	<u>119,864,678</u>	<u>299,828,179</u>	<u>31,703</u>
Deferred Inflows of Resources				
Non-pension:				
Unavailable revenue - special assessments	--	4,680,000	4,680,000	--
Pension/OPEB:				
Difference between expected and actual experience	615,941	--	615,941	--
Net difference between projected and actual earnings on pension plan/OPEB investments	9,634,731	1,936,798	11,571,529	--
Total deferred inflows of resources	<u>10,250,672</u>	<u>6,616,798</u>	<u>16,867,470</u>	<u>--</u>
Net Position				
Net investment in capital assets	174,105,644	167,380,780	341,486,424	1,218,038
Restricted for:				
Debt service	509,683	6,245,148	6,754,831	--
Construction	185,899	7,532,923	7,718,822	--
Community redevelopment	8,547,645	--	8,547,645	--
Infrastructure improvements	24,367,457	--	24,367,457	--
Housing and community development	6,307,098	--	6,307,098	--
Transportation	7,839,622	--	7,839,622	--
Building services	10,754,513	--	10,754,513	--
Law enforcement programs	303,637	--	303,637	--
Tourist development	2,640,096	--	2,640,096	--
Grant programs	120,491	--	120,491	--
Golden Gate Point streetscape	121,388	--	121,388	--
Economic development	36,783	--	36,783	--
Unrestricted (deficit)	(60,816,931)	37,866,407	(22,950,524)	1,308,265
Total net position	<u>\$ 175,023,025</u>	<u>\$ 219,025,258</u>	<u>\$ 394,048,283</u>	<u>\$ 2,526,303</u>

City of Sarasota, Florida
Statement of Activities

For the Year Ended September 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 14,287,513	\$ 1,346,965	\$ 25,790	\$ (12,914,758)	\$	\$	\$ (12,914,758)
Public safety:							
Police	30,561,524	1,722,327	933,342	19,829	(27,886,026)	--	(27,886,026)
Fire	3,108,661	--	133,972	--	(2,974,689)	--	(2,974,689)
Building inspections	4,822,795	6,360,559	--	--	1,537,764	--	1,537,764
Other public safety	675,741	350,940	--	--	(324,801)	--	(324,801)
Physical environment	8,142,455	214,326	1,090,807	--	(5,918,393)	--	(5,918,393)
Transportation	10,178,693	2,295,491	155,954	5,986,177	(1,741,071)	--	(1,741,071)
Culture and recreation	2,089,411	483,753	4,420	630,482	(970,756)	--	(970,756)
Economic environment	4,686,279	--	4,715,384	--	29,105	--	29,105
Human services	730,889	--	--	--	(730,889)	--	(730,889)
Interest and fiscal charges	2,030,137	--	--	--	(2,030,137)	--	(2,030,137)
Total governmental activities	81,314,098	12,774,361	6,862,001	7,753,085	(53,924,651)	--	(53,924,651)
Business-type activities:							
Water and Sewer	41,753,490	47,239,588	125,146	--	--	5,611,244	5,611,244
Van Wezel	12,040,458	10,952,660	971,115	--	--	(116,683)	(116,683)
Solid Waste	11,711,681	10,881,320	10,892	--	--	(819,469)	(819,469)
Bobby Jones Golf Course	2,773,527	1,961,624	--	--	--	(811,903)	(811,903)
Municipal Auditoriums	504,273	330,457	457,476	--	--	283,660	283,660
Parking Management	2,921,038	1,638,481	--	--	--	(1,282,557)	(1,282,557)
Total business-type activities	71,704,467	73,004,130	1,564,629	--	2,864,292	2,864,292	2,864,292
Total primary government	\$ 153,018,565	\$ 85,778,491	\$ 8,426,630	\$ 7,753,085	(53,924,651)	2,864,292	(51,060,359)
Component Units:							
St. Armands Business Improvement District	\$ 228,228	--	--	--	--	--	\$ (228,228)
Downtown Improvement District	393,359	--	--	--	--	--	(393,359)
Total component units	621,587	--	--	--	--	--	(621,587)
General Revenues:							
Property taxes					32,680,481	--	32,680,481
Gasoline taxes					2,662,715	--	2,662,715
Sales tax					13,414,362	--	13,414,362
Public service taxes					10,973,068	--	10,973,068
Business licenses					981,692	--	981,692
Other taxes					45,405	--	45,405
Franchise fees					5,918,250	--	5,918,250
State revenue sharing, unrestricted					1,953,814	--	1,953,814
Investment earnings					764,347	710,187	1,474,534
Miscellaneous					1,872,365	--	1,872,365
Gain on disposition of capital assets					42,704	142,663	185,367
Transfers					(1,977,959)	1,977,959	--
Total general revenues and transfers					69,331,244	2,830,809	72,162,053
Change in net position					15,406,593	5,695,101	21,101,694
Net position - beginning, restated					159,616,432	213,330,157	372,946,589
Net position - ending					\$ 175,023,025	\$ 219,025,258	\$ 394,048,283

The accompanying notes are an integral part of this statements.



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City of Sarasota, Florida
Governmental Funds
Balance Sheet
September 30, 2018

	<u>General</u>	<u>Community Redevelopment Agency</u>
Assets		
Cash and cash equivalents	\$ 3,201,457	\$ 1,162,412
Investments	21,402,788	7,396,816
Receivables (net):		
Accounts	1,906,167	--
Interest	80,261	21,920
Interfund	161,999	--
Notes	--	--
Special assessments	--	--
Due from other governmental agencies	1,541,410	--
Inventories	26,531	--
Prepaid items	447,928	--
Total assets	<u>\$ 28,768,541</u>	<u>\$ 8,581,148</u>
Liabilities		
Accounts payable	\$ 2,839,597	\$ 33,503
Retainages payable	--	--
Due to other funds	--	--
Due to other governmental agencies	824,958	--
Advance from other funds	--	--
Accrued wages	1,552,265	--
Unearned revenue	44,105	--
Customer deposits	--	--
Total liabilities	<u>5,260,925</u>	<u>33,503</u>
Deferred Inflows of Resources		
Unavailable revenue - grants	--	--
Unavailable revenue - notes receivable	--	--
Unavailable revenue - special assessments	--	--
Total deferred inflows of resources	<u>--</u>	<u>--</u>
Fund Balances		
Nonspendable:		
Inventory	26,531	--
Prepaid items	447,928	--
Restricted for:		
Infrastructure improvements	--	--
Community redevelopment	--	8,547,645
Housing and community development	--	--
Building services	--	--
Transportation	--	--
Law enforcement programs	--	--
Golden Gate Point streetscape	--	--
Tourist development	--	--
Grant programs	--	--
Economic development	--	--
Debt service	--	--
Construction	--	--
Committed to:		
Revenue stabilization	2,400,327	--
Development application system	--	--
Public art	--	--
Neighborhood grant programs	--	--
Citizens with disabilities	--	--
Forestry	--	--
Committed Transportation	448,489	--
Affordable housing	500,000	--
Law enforcement	--	--
Committed Economic development	--	--
Culture and recreation	260,000	--
Assigned to:		
Subsequent year expenditures	1,689,180	--
Other purposes	826,574	--
Unassigned	<u>16,908,587</u>	<u>--</u>
Total fund balances	<u>23,507,616</u>	<u>8,547,645</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,768,541</u>	<u>\$ 8,581,148</u>

The accompanying notes are an integral part of this statement.

Housing and Community Development	Penny Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 197,894 1,259,265	\$ 3,279,046 20,865,663	\$ 5,442,793 34,634,305	\$ 13,283,602 85,558,837
--	--	134,679	2,040,846
3,657	60,288	101,240	267,366
--	--	--	161,999
151,917	--	21,967	173,884
--	--	107,781	107,781
542,089	1,276,403	2,822,302	6,182,204
--	--	--	26,531
--	--	1,032	448,960
<u>\$ 2,154,822</u>	<u>\$ 25,481,400</u>	<u>\$ 43,266,099</u>	<u>\$ 108,252,010</u>
\$ 84,242 15,400 -- 11,864 -- 23,202 1,868,200 -- <u>2,002,908</u>	\$ 1,008,857 105,086 -- -- -- -- -- -- <u>1,113,943</u>	\$ 1,559,287 152,416 6,335 313,483 101,445 110,022 521,166 950,253 <u>3,714,407</u>	\$ 5,525,486 272,902 6,335 1,150,305 101,445 1,685,489 2,433,471 950,253 <u>12,125,686</u>
446,820 151,914 -- <u>598,734</u>	-- -- -- <u>--</u>	1,455,492 21,967 107,780 <u>1,585,239</u>	1,902,312 173,881 107,780 <u>2,183,973</u>
--	--	--	26,531
--	--	1,032	448,960
--	24,367,457	--	24,367,457
--	--	--	8,547,645
--	--	6,307,098	6,307,098
--	--	10,754,513	10,754,513
--	--	7,839,622	7,839,622
--	--	303,637	303,637
--	--	121,388	121,388
--	--	2,640,096	2,640,096
--	--	120,491	120,491
--	--	36,783	36,783
--	--	1,253,363	1,253,363
--	--	369,400	369,400
--	--	--	2,400,327
--	--	1,222,544	1,222,544
--	--	717,748	717,748
--	--	36,682	36,682
--	--	131,987	131,987
--	--	325,020	325,020
--	--	4,974,603	5,423,092
--	--	640,726	1,140,726
--	--	6,073	6,073
--	--	1,391,624	1,391,624
--	--	121,963	381,963
--	--	--	1,689,180
--	--	--	826,574
(446,820)	--	(1,349,940)	15,111,827
<u>(446,820)</u>	<u>24,367,457</u>	<u>37,966,453</u>	<u>93,942,351</u>
<u>\$ 2,154,822</u>	<u>\$ 25,481,400</u>	<u>\$ 43,266,099</u>	<u>\$ 108,252,010</u>

City of Sarasota, Florida

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
As of September 30, 2018

Fund balances - total governmental funds \$ 93,942,351

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	\$ 371,231,756	
Less accumulated depreciation	<u>(157,192,142)</u>	214,039,614

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	(630,672)	
General obligation bonds	(34,885,000)	
Special obligation bonds	(15,095,346)	
Capital lease payable	(576,141)	
Other post-employment benefits	-	
Unamortized bond premium	<u>(2,024,405)</u>	(53,211,564)

Deferred outflow of resources are not reported in governmental funds.

Unamortized loss on refunding		2,328,389
-------------------------------	--	-----------

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

Grants	210,804	
Special assessments	107,780	
Mortgages receivable	173,881	
Interest subsidy on Build America Bonds received before interest payment was due	<u>98,536</u>	591,001

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		6,988,341
--	--	-----------

Net pension/OPEB liability and pension/OPEB related deferred outflows and
inflows of resources are not due in the current period and therefore are not
reported in the governmental funds.

Net pension liability	(77,889,164)	
Net OPEB liability	(25,754,208)	
Deferred outflows of resources	22,388,572	
Deferred inflows of resources	<u>(10,091,815)</u>	(91,346,615)

Net position of governmental activities		<u>\$ 173,331,517</u>
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The accompanying notes are an integral part of this statement.



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City of Sarasota, Florida
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended September 30, 2018

	<u>General</u>	<u>Community Redevelopment Agency</u>
Revenues		
Taxes	\$ 40,707,494	\$ --
Franchise fees	5,918,250	--
Special assessments	--	--
Licenses and permits	685,593	--
Intergovernmental	8,711,138	--
Charges for services	3,612,316	--
Charges to other funds	4,389,281	--
Fines and forfeits	1,206,133	--
Investment earnings	245,642	51,949
Miscellaneous	1,565,709	162,271
Total revenues	<u>67,041,556</u>	<u>214,220</u>
Expenditures		
Current:		
General government	17,629,698	--
Public safety	36,733,958	--
Physical environment	4,524,712	--
Transportation	4,330,276	90,046
Culture and recreation	2,244,358	51,543
Economic environment	430,679	205,781
Human services	725,113	--
Debt service:		
Principal payments	--	--
Interest and fiscal charges	--	--
Capital outlay	--	384,903
Total expenditures	<u>66,618,794</u>	<u>732,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>422,762</u>	<u>(518,053)</u>
Other financing sources (uses)		
Transfers in	1,539,271	--
Transfers out	<u>(1,772,481)</u>	<u>--</u>
Total other financing sources (uses)	<u>(233,210)</u>	<u>--</u>
Net change in fund balances	189,552	(518,053)
Fund balances - beginning	<u>23,318,064</u>	<u>9,065,698</u>
Fund balances - ending	<u>\$ 23,507,616</u>	<u>\$ 8,547,645</u>

The accompanying notes are an integral part of this statement.

Housing and Community Development	Penny Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 6,847,674	\$ 47,555,168
--	--	--	5,918,250
--	--	6,873	6,873
--	--	12,765,577	13,451,170
1,263,921	8,319,277	4,644,781	22,939,117
--	--	932,385	4,544,701
--	--	--	4,389,281
--	--	133,489	1,339,622
31,632	101,159	247,485	677,867
16,590	--	194,391	1,938,961
<u>1,312,143</u>	<u>8,420,436</u>	<u>25,772,655</u>	<u>102,761,010</u>
--	103,572	250,366	17,983,636
--	--	5,152,946	41,886,904
--	181,936	385,488	5,092,136
--	216,992	718,587	5,355,901
--	283,276	21,745	2,600,922
1,750,676	--	2,179,430	4,566,566
--	--	--	725,113
--	566,219	2,602,608	3,168,827
--	18,392	2,008,854	2,027,246
--	6,167,308	5,176,426	11,728,637
<u>1,750,676</u>	<u>7,537,695</u>	<u>18,496,450</u>	<u>95,135,888</u>
<u>(438,533)</u>	<u>882,741</u>	<u>7,276,205</u>	<u>7,625,122</u>
--	--	2,363,176	3,902,447
<u>(8,287)</u>	<u>(1,575,218)</u>	<u>(2,230,989)</u>	<u>(5,586,975)</u>
<u>(8,287)</u>	<u>(1,575,218)</u>	<u>132,187</u>	<u>(1,684,528)</u>
(446,820)	(692,477)	7,408,392	5,940,594
--	25,059,934	30,558,061	88,001,757
<u>\$ (446,820)</u>	<u>\$ 24,367,457</u>	<u>\$ 37,966,453</u>	<u>\$ 93,942,351</u>

City of Sarasota, Florida

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to
the Statement of Activities
For the Year Ended September 30, 2018

Net change in fund balances - total governmental funds \$ 7,632,102

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	\$ 12,074,574	
Less current year depreciation	<u>(10,829,965)</u>	1,244,609

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

Book value of capital assets disposed	(22,022)	
Book value of capital assets transferred in from Business-type activities	<u>(67,426)</u>	(89,448)

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. 5,170

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	(6,873)	
Receipts on mortgages receivable	<u>(14,644)</u>	(21,517)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments:		
General obligation bonds	1,405,000	
Special obligation bonds	1,197,608	
Capital lease	<u>566,219</u>	3,168,827

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

Grants	139,099	
Interest subsidy received before interest payment due	(7,756)	
Accrued interest	42,386	
Other post-employment benefits	<u>60,846</u>	234,575

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	197,844	
Amortization of deferred loss on refunding	<u>(243,121)</u>	(45,277)

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds 5,131,679

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

The net expense of the internal service funds is reported with governmental activities.	<u>(1,854,127)</u>
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Change in net position of governmental activities \$ 15,406,593

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 40,050,855	\$ 40,050,555	\$ 40,707,494	\$ 656,939
Franchise fees	5,433,979	5,433,979	5,918,250	484,271
Licenses and permits	697,367	697,667	685,593	(12,074)
Intergovernmental	8,571,835	8,571,835	8,711,138	139,303
Charges for services	3,640,569	3,640,569	3,612,316	(28,253)
Charges to other funds	4,389,850	4,389,850	4,389,281	(569)
Fines and forfeits	1,038,000	1,038,000	1,206,133	168,133
Investment earnings	202,000	202,000	245,642	43,642
Miscellaneous	1,429,977	1,429,977	1,565,709	135,732
Total revenues	<u>65,454,432</u>	<u>65,454,432</u>	<u>67,041,556</u>	<u>1,587,124</u>
Expenditures				
Current:				
General government	15,052,015	17,333,706	17,629,698	(295,992)
Public safety	38,649,544	38,553,832	36,733,958	1,819,874
Physical environment	4,975,130	5,013,158	4,524,712	488,446
Transportation	4,159,451	4,193,906	4,330,276	(136,370)
Culture and recreation	2,567,418	2,764,610	2,244,358	520,252
Economic environment	462,510	462,510	430,679	31,831
Human services	609,304	1,105,545	725,113	380,432
Total expenditures	<u>66,475,372</u>	<u>69,427,267</u>	<u>66,618,794</u>	<u>2,808,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,020,940)</u>	<u>(3,972,835)</u>	<u>422,762</u>	<u>4,395,597</u>
Other financing sources (uses)				
Transfers in	1,357,696	1,466,696	1,539,271	72,575
Transfers out	<u>(1,331,713)</u>	<u>(1,779,114)</u>	<u>(1,772,481)</u>	<u>6,633</u>
Total other financing sources (uses)	<u>25,983</u>	<u>(312,418)</u>	<u>(233,210)</u>	<u>79,208</u>
Net change in fund balance	(994,957)	(4,285,253)	189,552	4,474,805
Fund balance - beginning	<u>23,318,064</u>	<u>23,318,064</u>	<u>23,318,064</u>	<u>--</u>
Fund balance - ending	<u>\$ 22,323,107</u>	<u>\$ 19,032,811</u>	<u>\$ 23,507,616</u>	<u>\$ 4,474,805</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 Balance - Budget and Actual

Year Ended September 30, 2018

	<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	\$ --	\$ --	\$ 51,949	\$ 51,949
Miscellaneous	136,828	136,828	162,271	25,443
Total revenues	<u>136,828</u>	<u>136,828</u>	<u>214,220</u>	<u>77,392</u>
Expenditures				
Current:				
Transportation	1,629	278,010	90,046	187,964
Culture and recreation	6,850	51,543	51,543	--
Economic environment	190,737	2,118,395	205,781	1,912,614
Capital outlay:				
Capital outlay	280,121	6,607,505	384,903	6,222,602
Total expenditures	<u>479,337</u>	<u>9,055,453</u>	<u>732,273</u>	<u>8,323,180</u>
Net change in fund balance	(342,509)	(8,918,625)	(518,053)	8,400,572
Fund balance - beginning	<u>9,065,698</u>	<u>9,065,698</u>	<u>9,065,698</u>	<u>--</u>
Fund balance - ending	<u>\$ 8,723,189</u>	<u>\$ 147,073</u>	<u>\$ 8,547,645</u>	<u>\$ 8,400,572</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 Balance - Budget and Actual

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 2,404,568	\$ 5,674,254	\$ 1,263,921	\$ (4,410,333)
Investment earnings	--	--	31,632	31,632
Miscellaneous	--	--	16,590	16,590
Total revenues	<u>2,404,568</u>	<u>5,674,254</u>	<u>1,312,143</u>	<u>(4,362,111)</u>
Expenditures				
Current:				
Physical environment	--	150,000	--	150,000
Economic environment	2,385,018	5,504,704	1,750,676	3,754,028
Capital outlay:				
Capital outlay	19,550	19,550	--	19,550
Total expenditures	<u>2,404,568</u>	<u>5,674,254</u>	<u>1,750,676</u>	<u>3,923,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>--</u>	<u>(438,533)</u>	<u>(438,533)</u>
Other financing sources (uses)				
Transfers out	--	--	(8,287)	(8,287)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(8,287)</u>	<u>(8,287)</u>
Net change in fund balance	--	--	(446,820)	(446,820)
Fund balance - beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (446,820)</u>	<u>\$ (446,820)</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Proprietary Funds
Statement of Net Position
September 30, 2018

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Assets				
Current assets:				
Cash and cash equivalents	\$ 6,967,489	\$ 1,573,351	\$ 579,622	\$ 94,597
Investments	44,336,444	10,011,759	3,688,330	601,955
Receivables (net):				
Accounts	4,697,373	313,177	428,979	98,605
Interest	131,354	23,330	11,999	1,649
Due from other funds	--	--	--	--
Due from other governmental agencies	--	--	--	--
Inventories	594,808	1,442	--	--
Prepaid items	100,586	358,588	1,788	59,756
Total unrestricted current assets	<u>56,828,054</u>	<u>12,281,647</u>	<u>4,710,718</u>	<u>856,562</u>
Restricted current assets:				
Cash and cash equivalents	754,829	--	1,664	135,569
Cash with fiscal agents	3,393,940	--	2,126,716	276,653
Investments	4,803,223	--	10,586	8,418,018
Accrued interest receivable	18,111	--	--	2,725
Due from other governmental units	2,098,331	--	--	--
Special assessment receivable	--	--	--	4,680,000
Total restricted current assets	<u>11,068,434</u>	<u>--</u>	<u>2,138,966</u>	<u>13,512,965</u>
Total current assets	<u>67,896,488</u>	<u>12,281,647</u>	<u>6,849,684</u>	<u>14,369,527</u>
Noncurrent asset:				
Capital assets:				
Non-depreciable:				
Land	6,040,560	525,000	--	4,219,053
Art collections	--	218,397	--	--
Construction in progress	45,661,588	1,711	--	9,753,079
Depreciable:				
Buildings	25,205,300	28,457,836	174,932	20,427,055
Improvements	300,296,552	903,243	3,760,635	4,424,321
Equipment	10,688,175	1,786,216	6,880,483	596,103
Less accumulated depreciation	<u>(207,153,163)</u>	<u>(18,300,817)</u>	<u>(5,795,259)</u>	<u>(4,662,956)</u>
Total capital assets (net of accumulated depreciation)	180,739,012	13,591,586	5,020,791	34,756,655
Other assets:				
Advance to other funds	--	--	--	--
Total noncurrent assets	<u>180,739,012</u>	<u>13,591,586</u>	<u>5,020,791</u>	<u>34,756,655</u>
Total assets	<u>248,635,500</u>	<u>25,873,233</u>	<u>11,870,475</u>	<u>49,126,182</u>
Deferred Outflows of Resources				
Non-pension:				
Deferred charge on refunding	212,526	--	--	--
Pension/OPEB:				
Changes in assumptions	381,386	3,532	52,008	3,236
Contributions to the pension plan subsequent to the measurement date	3,585,489	201,538	524,978	64,818
Difference between expected and actual experience	164,051	1,519	22,371	1,392
Total deferred outflows of resources	<u>4,343,452</u>	<u>206,589</u>	<u>599,357</u>	<u>69,446</u>

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Other Funds	Totals	
\$ 18,396	\$ 9,233,455	\$ 1,871,238
117,059	58,755,547	11,907,314
4,890	5,543,024	1,211
680	169,012	18,787
--	--	6,335
157,476	157,476	368,269
55,775	652,025	64,339
29,754	550,472	8,430
<u>384,030</u>	<u>75,061,011</u>	<u>14,245,923</u>
--	892,062	--
--	5,797,309	--
--	13,231,827	--
--	20,836	--
--	2,098,331	--
--	4,680,000	--
--	<u>26,720,365</u>	--
<u>384,030</u>	<u>101,781,376</u>	<u>14,245,923</u>
1,085,000	11,869,613	--
--	218,397	--
--	55,416,378	--
4,092,032	78,357,155	2,522,104
6,312,918	315,697,669	1,024,798
499,690	20,450,667	8,712,956
<u>(7,622,651)</u>	<u>(243,534,846)</u>	<u>(8,789,826)</u>
4,366,989	238,475,033	3,470,032
--	--	101,445
<u>4,366,989</u>	<u>238,475,033</u>	<u>3,571,477</u>
<u>4,751,019</u>	<u>340,256,409</u>	<u>17,817,400</u>
--	212,526	--
15,052	455,214	33,500
171,954	4,548,777	372,547
6,474	195,807	14,410
<u>193,480</u>	<u>5,412,324</u>	<u>420,457</u>

(continued)

City of Sarasota, Florida
Proprietary Funds
Statement of Net Position
September 30, 2018

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Liabilities				
Current liabilities:				
Accounts payable	2,588,929	172,233	578,954	24,592
Retainages payable	445,028	--	--	--
Due to other governmental agencies	214,552	41,190	38,272	13,442
Interfund payables	161,999	--	--	--
Accrued interest payable	455	--	--	--
Liability for unpaid claims	--	--	--	--
Accrued wages	470,281	118,682	90,213	38,199
Compensated absences	438,730	71,665	77,252	16,664
Unearned revenue	1,508,033	5,531,265	457,875	--
Capital lease payable	--	--	397,243	--
Total unrestricted current liabilities	<u>5,828,007</u>	<u>5,935,035</u>	<u>1,639,809</u>	<u>92,897</u>
Current liabilities payable from restricted assets:				
Accounts payable	455,045	--	--	1,139,278
Retainages payable	539,696	--	--	651,796
Accrued interest payable	1,136,962	--	--	276,653
Customer deposits	1,196,760	--	12,250	--
Bonds payable	2,260,000	--	--	--
Total current liabilities payable from restricted assets	<u>5,588,463</u>	<u>--</u>	<u>12,250</u>	<u>2,067,727</u>
Total current liabilities	<u>11,416,470</u>	<u>5,935,035</u>	<u>1,652,059</u>	<u>2,160,624</u>
Noncurrent liabilities:				
Compensated absences	492,757	80,490	86,765	18,716
Capital lease debt	--	--	1,729,473	--
Bonds payable and unamortized premium	51,014,149	--	--	16,458,319
Net pension liability	20,534,663	190,155	2,800,223	174,212
Net OPEB liability	2,595,637	557,183	467,318	199,559
Total noncurrent liabilities	<u>74,637,206</u>	<u>827,828</u>	<u>5,083,779</u>	<u>16,850,806</u>
Total liabilities	<u>86,053,676</u>	<u>6,762,863</u>	<u>6,735,838</u>	<u>19,011,430</u>
Deferred Inflows of Resources				
Non-Pension:				
Unavailable revenue - special assessments	--	--	--	4,680,000
Pension/OPEB:				
Net difference between projected and actual earnings on pension plan/OPEB investments	1,544,063	67,081	221,780	30,676
Total deferred inflows of resources	<u>1,544,063</u>	<u>67,081</u>	<u>221,780</u>	<u>4,710,676</u>
Net Position				
Net investment in capital assets	128,229,794	13,591,586	2,894,075	18,298,336
Restricted:				
Debt service	5,438,522	--	--	806,626
Construction	(552,405)	--	2,126,716	5,958,612
Unrestricted	<u>32,265,302</u>	<u>5,658,292</u>	<u>491,423</u>	<u>409,948</u>
Total net position	<u>\$ 165,381,213</u>	<u>\$ 19,249,878</u>	<u>\$ 5,512,214</u>	<u>\$ 25,473,522</u>

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities -
Other Funds	Totals	Internal Service Funds
129,191	3,493,899	729,338
--	445,028	--
5,757	313,213	24,721
--	161,999	--
615	1,070	--
--	--	2,660,759
35,809	753,184	79,581
56,690	661,001	2,505,172
134,444	7,631,617	--
--	397,243	--
<u>362,506</u>	<u>13,858,254</u>	<u>5,999,571</u>
--	1,594,323	--
--	1,191,492	--
--	1,413,615	--
--	1,209,010	--
--	2,260,000	--
--	7,668,440	--
<u>362,506</u>	<u>21,526,694</u>	<u>5,999,571</u>
63,671	742,399	2,824,744
--	1,729,473	--
--	67,472,468	--
810,384	24,509,637	1,803,689
226,309	4,046,006	462,655
<u>1,100,364</u>	<u>98,499,983</u>	<u>5,091,088</u>
<u>1,462,870</u>	<u>120,026,677</u>	<u>11,090,659</u>
--	4,680,000	--
73,198	1,936,798	158,857
<u>73,198</u>	<u>6,616,798</u>	<u>158,857</u>
4,366,989	167,380,780	3,470,032
--	6,245,148	--
--	7,532,923	--
(958,558)	37,866,407	3,518,309
<u>\$ 3,408,431</u>	<u>\$ 219,025,258</u>	<u>\$ 6,988,341</u>

City of Sarasota, Florida
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Operating revenues				
Charges for services	\$ 46,245,062	\$ 9,803,811	\$ 10,856,806	\$ 692,009
Connection fees	947,637	--	--	--
Rents	2,000	1,128,850	(5,000)	149,876
Fines	--	--	--	796,253
Miscellaneous	44,889	19,999	29,514	343
Total operating revenues	<u>47,239,588</u>	<u>10,952,660</u>	<u>10,881,320</u>	<u>1,638,481</u>
Operating expenses				
Personnel services	12,661,700	2,369,945	3,246,414	1,006,984
Contractual services	8,905,157	7,978,111	6,446,347	451,406
Repairs and maintenance	7,174,241	250,089	779,209	168,140
Supplies and materials	2,409,171	222,964	362,633	43,210
Depreciation	9,219,024	1,219,349	867,566	590,344
Other	33,000	--	--	--
Total operating expenses	<u>40,402,293</u>	<u>12,040,458</u>	<u>11,702,169</u>	<u>2,260,084</u>
Operating income (loss)	<u>6,837,295</u>	<u>(1,087,798)</u>	<u>(820,849)</u>	<u>(621,603)</u>
Nonoperating revenues (expenses)				
Grant income	125,146	971,115	10,892	--
Investment earnings	420,777	45,430	28,909	215,823
Interest expense	(1,305,025)	--	--	(443,841)
Loan and bond issue expense	(5,325)	--	(9,512)	(217,113)
Gain (loss) on disposition of capital assets	56,972	5	29,205	15,634
Total nonoperating revenues (expenses)	<u>(707,455)</u>	<u>1,016,550</u>	<u>59,494</u>	<u>(429,497)</u>
Income (loss) before capital contributions and transfers	<u>6,129,840</u>	<u>(71,248)</u>	<u>(761,355)</u>	<u>(1,051,100)</u>
Capital contributions	--	--	--	--
Transfers in	--	--	400,000	300,000
Transfers out	--	--	(200,000)	--
Change in net position	<u>6,129,840</u>	<u>(71,248)</u>	<u>(561,355)</u>	<u>(751,100)</u>
Net position - beginning, as restated	<u>159,251,373</u>	<u>19,321,126</u>	<u>6,073,569</u>	<u>26,224,622</u>
Net position - ending	<u>\$ 165,381,213</u>	<u>\$ 19,249,878</u>	<u>\$ 5,512,214</u>	<u>\$ 25,473,522</u>

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds		Governmental Activities -
Other Funds	Totals	Internal Service Funds
\$ 1,987,429	\$ 69,585,117	\$ 17,965,118
--	947,637	--
324,769	1,600,495	--
--	796,253	--
(20,117)	74,628	596,815
<u>2,292,081</u>	<u>73,004,130</u>	<u>18,561,933</u>
1,096,676	20,381,719	4,489,436
507,145	24,288,166	12,200,943
1,342,343	9,714,022	793,679
126,947	3,164,925	1,860,871
204,420	12,100,703	1,086,620
--	33,000	--
<u>3,277,531</u>	<u>69,682,535</u>	<u>20,431,549</u>
<u>(985,450)</u>	<u>3,321,595</u>	<u>(1,869,616)</u>
457,476	1,564,629	--
(752)	710,187	49,044
--	(1,748,866)	--
--	(231,950)	--
<u>(269)</u>	<u>101,547</u>	<u>(20,912)</u>
<u>456,455</u>	<u>395,547</u>	<u>28,132</u>
(528,995)	3,717,142	(1,841,484)
280,788	280,788	--
1,197,171	1,897,171	60
--	(200,000)	(12,703)
948,964	5,695,101	(1,854,127)
<u>2,459,467</u>	<u>213,330,157</u>	<u>8,842,468</u>
<u>\$ 3,408,431</u>	<u>\$ 219,025,258</u>	<u>\$ 6,988,341</u>

City of Sarasota, Florida
Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds					Totals	Governmental
	Water and	Van	Solid	Parking	Other		Internal
	Sewer	Wezel	Waste	Management	Funds		Service Funds
Cash flows from operating activities							
Cash received from customers and users	\$ 49,964,974	\$ 11,858,863	\$ 11,128,893	\$ 1,554,876	\$ 2,329,007	\$ 76,836,613	\$ 2,274,547
Cash received from other funds for goods and services	--	--	--	--	--	-	16,273,506
Cash payments to vendors for goods and services	(16,813,621)	(8,123,204)	(7,269,095)	(861,377)	(1,800,183)	(34,867,480)	(5,156,871)
Cash payments to employees for services	(11,278,941)	(2,387,668)	(2,734,298)	(995,314)	(1,046,817)	(18,443,038)	(4,436,489)
Cash payments to customers	(731,055)	--	--	--	--	(731,055)	--
Cash payments to other funds	(2,506,729)	(303,276)	(343,506)	(100,027)	(160,802)	(3,414,340)	(258,331)
Claims paid	--	--	--	--	--	-	(9,238,318)
Net cash provided (used) by operating activities	18,634,628	1,044,715	781,994	(401,842)	(678,795)	19,380,700	(541,956)
Cash flows from noncapital financing activities							
Grants	125,146	971,115	10,892	--	300,000	1,407,153	--
Interfund loan borrowings	161,999	--	--	--	--	161,999	--
Interfund loan repayments	(587,450)	--	--	--	--	(587,450)	--
Transfers in	--	--	400,000	300,000	1,197,171	1,897,171	60
Transfers out	--	--	(200,000)	(2,000,000)	--	(2,200,000)	(12,703)
Loan to/from other fund	--	--	--	--	(80,676)	(80,676)	--
Repayment of loan to/from other fund	--	--	--	--	--	-	6,684
Interest on loan to/from other fund	--	--	--	--	--	-	4,922
Net cash provided (used) by noncapital financing activities	(300,305)	971,115	210,892	(1,700,000)	1,416,495	598,197	(1,037)
Cash flows from capital and related financing activities							
Proceeds from issuance of revenue bonds	--	--	--	16,521,675	--	16,521,675	--
Loan proceeds	4,014,844	--	--	--	--	4,014,844	--
Proceeds from capital lease	--	--	2,126,716	--	--	2,126,716	--
Acquisition of capital assets	(19,924,307)	(217,269)	(3,312,415)	(6,716,872)	(810,530)	(30,981,393)	(494,880)
Principal repayments - revenue bonds	(2,175,000)	--	--	--	--	(2,175,000)	--
Interest paid	(2,309,717)	--	--	(230,544)	--	(2,540,261)	--
Fiscal charges paid	(5,325)	--	(9,512)	(217,113)	--	(231,950)	--
Federal Interest subsidy	454,224	--	--	--	--	454,224	--
Proceeds from sale of capital assets	77,021	5	27,534	--	--	104,560	22,963
Net cash used by capital and related financing activities	(19,868,260)	(217,264)	(1,167,677)	9,357,146	(810,530)	(12,706,585)	(471,917)
Cash flows from investing activities							
Interest on investments	425,320	41,710	32,473	216,008	(630)	714,881	45,460
Proceeds from sale and maturities of investments	--	--	1,788,422	--	154,450	1,942,872	695,349
Purchase of investments	(532,293)	(1,846,959)	--	(7,297,770)	(96,468)	(9,773,490)	(245,912)
Net cash provided (used) by investing activities	(106,973)	(1,805,249)	1,820,895	(7,081,762)	57,352	(7,115,737)	494,897
Net increase (decrease) in cash and cash equivalents	(1,640,910)	(6,683)	1,646,104	173,542	(15,478)	156,575	(520,013)
Cash and cash equivalents at beginning of year	12,757,168	1,580,034	1,061,898	333,277	33,874	15,766,251	2,391,251
Cash and cash equivalents at end of year	\$ 11,116,258	\$ 1,573,351	\$ 2,708,002	\$ 506,819	\$ 18,396	\$ 15,922,826	\$ 1,871,238

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Proprietary Funds
Combining Statement of Cash Flows
Year Ended September 30, 2018

	Business-type Activities - Enterprise Funds					Totals	Governmental
	Water and	Van	Solid	Parking	Other		Internal
	Sewer	Wezel	Waste	Management	Funds		Service Funds
Reconciliations of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ 6,837,295	\$ (1,087,798)	\$ (820,849)	\$ (621,603)	\$ (985,450)	\$ 3,321,595	\$ (1,869,616)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	9,219,024	1,219,349	867,566	590,344	204,420	12,100,703	1,086,620
Pension/OPEB expense	1,307,977	(47,693)	483,977	3,224	36,102	1,783,587	#VALUE!
Net (increase) decrease in:							
Accounts receivable	48,039	(53,954)	18,605	(83,605)	(1,408)	(72,323)	(93,147)
Due from other governmental agencies	--	--	--	--	--	-	(26,493)
Inventories	3,875	(265)	--	--	9,412	13,022	13,927
Prepaid items	(12,336)	15,582	3,469	(7,168)	(5,167)	(5,620)	#VALUE!
Net increase (decrease) in:							
Accounts payable	299,475	(3,834)	(10,101)	(295,277)	8,831	(906)	143,048
Retainages payable	210,557	--	(26,077)	--	--	184,480	--
Liability for unpaid claims	--	--	--	--	--	-	3,794
Due to other governmental agencies	31,642	13,201	8,297	3,797	2,374	59,311	1,791
Accrued wages	37,156	39,639	10,006	7,769	5,044	99,614	290,624
Compensated absences	37,626	(9,669)	18,133	677	8,713	55,480	1,327,661
Unearned revenue	614,343	960,157	228,224	--	38,334	1,841,058	--
Customer deposits	(45)	--	744	--	--	699	--
Total adjustments	11,797,333	2,132,513	1,602,843	219,761	306,655	16,059,105	#VALUE!
Net cash provided (used) by operating activities:	\$ 18,634,628	\$ 1,044,715	\$ 781,994	\$ (401,842)	\$ (678,795)	\$ 19,380,700	#VALUE!
Noncash investing, capital, and financing activities							
Amortization of premium on issuance of bonds	\$ 165,860	--	--	63,356	--	\$ 229,216	--
Amortization of deferred loss on defeasance of debt	51,884	--	--	--	--	51,884	--

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 Fiduciary Funds
 Statement of Fiduciary Net Position
 September 30, 2018

	Agency Funds	Pension and OPEB Trust Funds
Assets		
Cash and cash equivalents	\$ 16,271	\$ 523,497
Investments:		
Money market funds	103,537	9,612,147
U.S. Government securities	--	33,483,422
U.S. Government agency securities	--	287,434
Common and preferred stock	--	338,563,378
Corporate bonds and notes	--	75,323,665
Stock mutual funds	--	10,143,121
Bond mutual funds	--	1,903,885
Real estate funds	--	76,110,117
Mortgage backed securities	--	21,784,677
Municipal securities	--	1,365,195
Unit investment trusts	--	326,070
Foreign stocks	--	15,630,561
Foreign mutual funds	--	38,855,624
Foreign bond mutual funds	--	162,008
Total investments	<u>103,537</u>	<u>623,551,304</u>
Receivables (net):		
Accounts Rec	--	2,557,881
Interest and dividends	502	1,248,958
Total receivables	<u>502</u>	<u>3,806,839</u>
Other assets:		
Prepaid items	--	49,791
Total other assets	<u>--</u>	<u>49,791</u>
Total assets	<u>120,310</u>	<u>627,931,431</u>
Liabilities		
Accounts payable	--	1,382,923
Liability for unpaid claims	--	473,361
Accrued liabilities	120,310	--
Total liabilities	<u>120,310</u>	<u>1,856,284</u>
Net Position		
Restricted for pension and OPEB benefits	<u>\$ --</u>	<u>\$ 626,075,147</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, 2018

	Pension and OPEB Trust Funds
Additions	
Contributions	
Plan members	\$ 4,305,282
Employer	
City of Sarasota	22,957,961
Sarasota County	6,408,047
State of Florida	1,072,570
Other	467,607
Total contributions	<u>35,211,467</u>
Investment income	
Net increase	
in fair value of investments	47,025,023
Interest and dividends	11,476,755
Other	1,904,922
Total investment income	60,406,700
Less investment expense	<u>(3,538,691)</u>
Net investment income (loss)	56,868,009
Total additions	<u>92,079,476</u>
Deductions	
Benefits	45,613,675
Other benefits	485,746
Administrative expenses	1,307,594
Total deductions	<u>47,407,015</u>
Net increase (decrease)	44,672,461
Net Position Restricted for Pension and OPEB Benefits	
Beginning of Year	<u>581,402,686</u>
End of Year	<u>\$ 626,075,147</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 Component Units
 Statement of Net Position
 September 30, 2018

	St. Armands Business Improvement District	Downtown Improvement District	Total
Assets			
Cash and cash equivalents	\$ 98,980	\$ 82,461	\$ 181,441
Investments	629,843	524,725	1,154,568
Receivables (net):			
Interest	1,844	1,616	3,460
Due from other governmental agencies	2	497	499
Capital assets:			
Non-depreciable	1,376	--	1,376
Depreciable (net)	951,281	265,381	1,216,662
Total assets	<u>1,683,326</u>	<u>874,680</u>	<u>2,558,006</u>
Liabilities			
Accounts payable	14,406	15,767	30,173
Due to other governmental units	--	3	3
Accrued wages	--	1,527	1,527
Total liabilities	<u>14,406</u>	<u>17,297</u>	<u>31,703</u>
Net Position			
Net investment in capital assets	952,657	265,381	1,218,038
Unrestricted	716,263	592,002	1,308,265
Total net position	<u>\$ 1,668,920</u>	<u>\$ 857,383</u>	<u>\$ 2,526,303</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, 2018

	St. Armands Business Improvement District	Downtown Improvement District	Total
Program expenses:			
Personal services	\$ 3,920	\$ 40,160	\$ 44,080
Contractual services	155,538	167,886	323,424
Repairs and maintenance	6,479	136,810	143,289
Supplies and materials	1,386	881	2,267
Depreciation	60,905	47,622	108,527
Total program expenses	<u>228,228</u>	<u>393,359</u>	<u>621,587</u>
Program profit (loss)	<u>(228,228)</u>	<u>(393,359)</u>	<u>(621,587)</u>
General revenues:			
Property taxes	297,558	649,405	946,963
Investment earnings	4,785	4,961	9,746
Total general revenues	<u>302,343</u>	<u>654,366</u>	<u>956,709</u>
Change in net position	74,115	261,007	335,122
Net position - beginning	1,594,805	596,376	2,191,181
Net position - ending	<u>\$ 1,668,920</u>	<u>\$ 857,383</u>	<u>\$ 2,526,303</u>

The accompanying notes are an integral part of this statement.



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Notes to the Financial Statements



NOTES TO THE FINANCIAL STATEMENTS

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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 55,832. 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). The discretely presented component units are aggregated and reported in a separate column in the government-wide financial statements to emphasize that they are 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 *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 *Penny Sales Tax Fund* accounts for the revenue derived from a one cent local option infrastructure sales surtax imposed by Sarasota County, Florida.

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. The *Parking Management Fund* accounts for the operations of the City's on-street parking, parking garages and surface parking lots.

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, the Solid Waste enterprise fund and the Parking Management 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, money market funds 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 and money market funds. 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 uncollectible. 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, 2018, 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 the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures\expenses when consumed rather than when purchased.

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 \$1,000 for tangible personal property, buildings, improvements, infrastructure and utility systems. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, similar assets, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of the donation. (Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.) 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 \$2,268,955. Of this amount, \$395,730, less investment income of \$13,692, 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 has the following items that qualify for reporting in this category:

- Deferred charges on refunding. 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.
- Differences between expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These amounts are deferred and included in collective pension expense, beginning in the current measurement period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives

of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

- Pension contributions subsequent to measurement date related to the net pension liability are reported as deferred outflows of resources until the next measurement date.

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 the following items that qualify for reporting in this category:

- Unavailable revenues reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the following sources: 1) Revenues that are not collected during the “availability period”. The City considers grant revenues to be available if they are collected within 90 days of the end of the current fiscal period; 2) An offset account to the long-term notes receivables and special assessments in the governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Differences between expected and actual experience with regard to economic and demographic factors in the measurement of the total pension liability. This amount is deferred and included in collective pension expense, beginning in the current measurement period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.
- Net differences between projected and actual earnings on pension plan investments related to the net pension liability. Net differences between projected and actual earnings on pension plan investments identified during the measurement period are deferred and amortized as a component of pension expense in future periods.

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. Bonds payable are reported net of the applicable bond premium or discount. 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. Other bond issuance costs are expensed as incurred.

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. The General Fund is the only fund that reports a positive unassigned fund balance amount.

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.

In a governmental fund other than the General Fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result. If that occurs, amounts assigned to other purposes in that fund should be reduced to eliminate the deficit. If the remaining deficit eliminates all other assigned amounts in the fund, or if there are no amounts assigned to other purposes, the negative residual amount should be classified as *unassigned* fund balance. A negative residual amount should not be reported for restricted, committed, or assigned fund balances in any fund.

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 based on the following seven principles that will guide the initial funding, subsequent funding, withdrawing and replenishment: (1) The maximum balance of the Reserve will be equal to three and a half percent of budgeted General Fund recurring revenues for the then current fiscal year, (2) The Reserve was financed initially through an additional transfer of \$590,833 of available resources from the General Fund Unassigned Fund Balance, (3) Subsequent transfers to the Reserve may be recommended by the City Manager and be based on the General Fund financial results of the most recently ended fiscal year or included as part of the City Manager's budget recommendations for the upcoming fiscal year, (4) Withdrawals from the Reserve can only be considered if there is an unexpected General Fund recurring revenue decline of at least three percent below the original budget projections for the then current fiscal year, (5) Only one-third of the anticipated General Fund recurring revenue decline can be recovered through a transfer from the Reserve in any one fiscal year, (6) No more than twenty-five percent of the balance in the Reserve can be withdrawn in any one fiscal year, (7) Withdrawals from the Reserve must be approved by the City Commission as a formal budget action. At September 30, 2018, the reserve had a balance of \$2,400,327.

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 \$9,665,428,451.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2017-2018 fiscal year, the City levied taxes of 3.1728 mills for the General Fund and an additional 0.2747 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

S. Implementation of Governmental Accounting Standards Statements

During the year ending September 30, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement replaces the requirements of Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. It establishes new accounting and financial reporting requirements for OPEB plans. This statement primary objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

During the year ending September 30, 2018, the City implemented GASB Statement No. 82, *Pension Issues-an Amendment of GASB Statement No. 67, No. 68, and No. 73*. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviation from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defines as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

During the year ending September 30, 2018, the City implemented GASB Statement No. 85, *Omnibus 2017*. This statement addresses practice issues that have been identified during the implementation and application of certain GASB Statements. It addresses a variety of topics including blended component units, goodwill, fair value measurement and application, and postemployment benefits. This statement will enhance consistency in the application of accounting and financial reporting requirements. Improving the usefulness of the information for users of state and local government financial statements.

During the year ending September 30, 2018, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from contractual obligation to pay cash in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

G. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, all special revenue and debt service funds, and the Penny Sales Tax Capital Projects Fund. All other capital projects funds 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.

A. Deficit fund equity

The Glen Oaks Debt Service Fund had a deficit fund balance of \$105,252. This deficit will be eliminated with the collection of special assessments and interest earnings.

The Miscellaneous Grants Special Revenue Fund had a deficit fund balance of \$369,767. This deficit will be eliminated with the collection of grant revenues in 2019.

The Equipment Maintenance Internal Service Fund had a net deficit of \$493,662. In addition, the Information Technology Internal Service Fund had a deficit of \$469,190. The deficit in each fund was due to the allocation of its share of net pension liability for the General Employees' Pension Plan. The deficit will be eliminated by future revenues.

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 meets the criteria of an external investment pool that measures all of its investments at amortized cost for financial reporting purposes. The Florida Prime Fund is administered by the State Board of Administration and was created by Section 218.415, Florida Statutes. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes.

Fair Value Measurement of Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is also an exit price at a measurement date from the perspective of a market participant that controls the asset or is obligated for the liability.

The City uses fair value measurements for the initial recording and subsequent periodic remeasurement of certain assets on a recurring basis. Additionally, the City may be required to record at fair value other assets on a nonrecurring basis. The nonrecurring fair value adjustments typically involve application of lower-of-cost-or-fair-value or asset-impairment accounting.

The City holds less complex types of investments, which are measured at fair value on a recurring basis. The City categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; and Level 3 inputs are significant unobservable inputs.

A. City of Sarasota

As of September 30, 2018, 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	\$ 20,342,310	Not Applicable
Money Market Funds	10,933,069	0.01
Federal Agency Bonds/Notes	8,493,546	1.44
Agency Mortgage-Backed Securities	3,854,664	9.50
Agency Collateralized Mortgage Obligations	2,027,585	8.29
Corporate Notes	34,743,126	1.59
Municipal Obligations	4,220,709	1.31
U.S Treasury Bonds/Notes	50,913,828	2.04
Supra-National Agency Bonds/Notes	11,773,727	1.65
Asset Backed Securities	10,463,514	2.88
Commercial Paper	8,191,798	0.28
Investment pools:		
Florida Prime	36,029,132	0.10
Total Cash & Investments	<u>\$ 201,987,008</u>	
Portfolio weighted average maturity		1.57

City investments include cash and investments for the Primary Government, Component Units and Agency Funds as follows:

Primary Government	
Statement of Net Position	
Cash and Cash Equivalents	\$ 31,077,666
Investments	169,453,525
Component Units	
Cash and Cash Equivalents	181,441
Investments	1,154,568
Agency Funds	
Cash and Cash Equivalents	16,271
Investments	103,537
Total	<u>\$ 201,987,008</u>

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.

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., 25% for Mortgage-Backed Securities, 25% for the Florida Prime Fund, Interest Bearing Time Deposit or Savings Accounts, 50% Intergovernmental Investment Pools, 75% for United States Government Agencies, and up to 100% for United States Government Securities.

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.

Fair Value Measurement of Investments

The City has the following recurring fair value measurements as of September 30, 2018:

Investments	Fair Value	Level	
		1	2
Federal Agency Bonds/Notes	\$ 8,493,546	\$ -	\$ 8,493,546
Agency Mortgage-Backed Securities	3,854,664	-	3,854,664
Agency Collateralized Mortgage Obligations	2,027,585	-	2,027,585
Corporate Notes	34,743,126	-	34,743,126
Municipal Obligations	4,220,709	-	4,220,709
U.S Treasury Bonds/Notes	50,913,828	50,913,828	-
Supra-National Agency Bonds/Notes	11,773,727	-	11,773,727
Asset Backed Securities	10,463,514	-	10,463,514
Commercial Paper	8,191,798	-	8,191,798
Total Investments by Fair Value Level	<u>\$ 134,682,497</u>	<u>\$ 50,913,828</u>	<u>\$ 83,768,669</u>
Investments Measured at Amortized Cost:			
Florida Prime	<u>36,029,132</u>		
Total Investments Measured at Fair Value	<u><u>\$ 170,711,629</u></u>		

Debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued using the following approaches:

- Federal Agency Bonds/Notes, Agency Mortgage-Backed Securities, Supra-National Agency Bonds/Notes, and Asset Backed Securities; Commercial Paper; quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Agency Collateralized Mortgage Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

Investments in Florida Prime are valued at amortized cost and are not subject to the fair value hierarchy. There are no limitations or restrictions on participant withdrawals, including items such as redemption notices, maximum transaction amounts, and Florida Prime's authority to impose liquidity fees or redemption gates.

B. General Employees' Defined Benefit Pension Plan

As of September 30, 2018, the General Employees' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Duration (Years)</u>
Cash Deposits	\$ 65,954	Not Applicable
Money market funds	2,687,273	Not Applicable
U.S. Government securities	9,068,517	4.74
Mortgage backed securities	9,681,767	20.04
Common and preferred stock	105,919,869	Not Applicable
Real estate funds	17,925,504	Not Applicable
Corporate bonds and notes	8,723,835	4.89
Foreign stocks	5,592,352	Not Applicable
Other equities	1,476,284	Not Applicable
Total Cash & Investments	<u>\$ 161,141,355</u>	

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. Ratings for the Plan's applicable securities are as follows:

	<u>September 30, 2018, Credit Ratings</u>	
	<u>S&P</u>	<u>Moody's</u>
US Government Securities	AA+...NR	Aaa
US Government Agency Securities	AAA...AA-	Aaa...NR
Municipal Securities	AAA...AA	Aa1...Aa3
Corporate Bonds	AAA...BBB+	Aaa...Baa2

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 Plan's assets may be invested in securities issued by corporations domiciled outside the United States.

Duration

Duration is the measure of fixed income cash flows using present value, weighted for cash flows as a percentage of the investment's full price. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds, prepayments and variable-rate debt.

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 \$5,592,352 in international investments. This amount represents approximately 3.5% of total Plan investments. Most of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

Fair Value Measurement of Investments

The Plan has the following recurring fair value measurements as of September 30, 2018:

Investments	Fair Value	Level		
		1	2	3
Debt Securities				
US Government Securities	\$ 9,068,517	\$ 9,068,517	\$ --	\$ --
Mortgage Backed Securities	9,681,767	--	9,681,767	--
Corporate Bonds and Notes	8,723,835	--	8,723,835	--
Total Debt Securities	27,474,119	9,068,517	18,405,602	--
Common and Preferred Stock	105,919,869	105,919,869	--	--
Real Estate Funds	8,722,541	--	--	8,722,541
Foreign Stocks	5,592,352	5,592,352	--	--
Other Equities	1,476,284	1,476,284	--	--
Total Investments by Fair Value Level	\$ 149,185,165	\$ 122,057,022	\$ 18,405,602	\$ 8,722,541

Investments Measured at Net Asset Value (NAV):

Real estate funds 9,202,963

Total Investments Measured at Fair Value \$ 158,388,128

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique for similar securities. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Real estate funds classified in Level 3 are valued using independent appraisers to determine the market value of the investments in the fund.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

Investment	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments Measured at Net Asset Value (NAV):				
Real Estate Funds (1)	\$ 9,202,963	\$ -	Quarterly	45 days
Total Investments Measured at NAV	<u>\$ 9,202,963</u>			

(1) *Real estate funds*. This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Capital commitments are accepted by the fund quarterly and are generally called from investors pro rata in the order of the quarter in which they are received. Shares are generally issued quarterly 45 days after quarter-end when that quarter's price per share is published. Redemption requests must be received by the Fund 45 days prior to quarter end, and to the extent the fund has liquid assets, redemption requests will be redeemed after quarter end when that quarter's per share price is published. Because it is not probable that any individual investment

will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

C. Firefighters' Defined Benefit Pension Plan

As of September 30, 2018, the Firefighters' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 155,067	Not Applicable
Money Market Funds	3,053,908	Not Applicable
Common Stock	94,949,011	Not Applicable
Foreign Equities	4,288,797	Not Applicable
Equity Mutual Funds	2,183,211	Not Applicable
Unit Investment Trusts	326,070	Not Applicable
Stock Mutual Funds	100,890	Not Applicable
Government Securities	7,021,953	15.718
Municipal Securities	117,138	22.27
Real Estate Funds	20,618,212	Not Applicable
Mortgage Backed Securities	892,211	2.42
Corporate Bonds and Notes	22,582,795	6.025
Total Cash & Investments	<u>\$ 156,289,263</u>	

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.

As of September 30, 2018, the Plan held investments in one real estate fund totaling \$16,983,520. The mutual fund is Trumbull Property Fund and it represents 11.3 percent of total Plan investments.

Custodial Credit Risk

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

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The plan does not have a policy that addresses the risks associated with investments in foreign currency. The plan holds \$2,725,656 in foreign investments. This amount represents approximately 1.9 percent of total plan investments. Most of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

Fair Value Measurement of Investments

The Plan has the following recurring fair value measurements as of September 30, 2018:

Investments	Fair Value	Level		
		1	2	3
Debt Securities				
Government Securities	\$ 7,021,953	\$ 7,021,953	\$ --	\$ --
Municipal Securities	117,138	--	117,138	--
Mortgage Backed Securities	892,212	--	892,212	--
Corporate Bonds and Notes	22,582,795	--	22,582,795	--
Total Debt Securities	<u>30,614,098</u>	<u>7,021,953</u>	<u>23,592,145</u>	<u>--</u>
Common Stock	94,949,012	88,142,260	6,806,752	--
Foreign Equities	4,288,797	3,441,404	847,393	--
Equity Mutual Funds	2,183,211	--	2,183,211	--
Stock Mutual Funds	100,890	100,890	--	--
Unit Investment Trusts	326,070	326,070	--	--
Real Estate Funds	20,618,212	--	--	20,618,212
Total Investments by Fair Value Level	<u>\$ 153,080,290</u>	<u>\$ 99,032,577</u>	<u>\$ 33,429,501</u>	<u>\$ 20,618,212</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Real estate funds classified in Level 3 are valued using independent appraisers to determine the market value of the investments in the fund.

D. Police Officers' Defined Benefit Pension Plan

As of September 30, 2018, the Police Officers' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Duration (Years)
Cash Deposits	\$ 46,718	Not Applicable
Money Market Funds	2,809,880	Not Applicable
U. S. Government Securities	15,496,867	12.01
Mortgage Backed Securities	10,237,079	17.95
Municipal Securities	1,248,057	17.96
Common Stock	105,946,104	Not Applicable
Preferred Stock	1,494,062	Not Applicable
Corporate Bonds	39,634,402	5.31
Real Estate Mutual Funds	30,851,755	Not Applicable
Foreign Mutual Funds	38,024,706	Not Applicable
Total Cash & Investments	<u>\$ 245,789,630</u>	

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; commercial paper issued by United States Corporations which have a majority of 270 days or less and a rating of A-1 or higher by Standard & Poor's or P-1 or higher by Moody's. All equity investments are limited to fully and easily negotiable equity securities. In addition, 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 rate "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 or United States Government, and 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. Ratings for the Plan's applicable securities are as follows:

	September 30, 2018, Credit Ratings	
	S&P	Moody's
US Government Securities	AA+	Aaa...A
Municipal Securities	A	A1....Aa3
Corporate Bonds	AAA...BBB+	Aaa...Baa2

Rating information for mortgage backed securities and bond mutual funds was not provided. Investments totaling approximately \$7,900,000 were risk rated below investment policy guidelines as described above. The investment policy requires fixed income securities which are downgraded below the minimum rating by both Moody's and Standard & Poor's shall be sold at the earliest beneficial opportunity. Investment positions are reviewed by the Board of Trustees at their regular meetings.

Concentration of Credit Risk

The Plan states that no more than 5% (at market) of an investment manager's equity portfolio may 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. Investments in convertible securities (classified as equity investments) and are limited to 25% of the Plan's total portfolio value and no more than 10% of each investment managers convertible portfolio may be invested in shares of a single corporate issuer.

No more than 10% (at market) of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer. Investments in securities (stocks, bonds and cash equivalents) issued by foreign governments or corporation domiciled outside the United States shall not exceed 25% of the market value of Plan assets. Investments in real estate shall not exceed 15% (at market) of the value of the total Plan assets.

As of September 30, 2018, the Plan held investments in two mutual funds in amounts that exceeded 5% of the total Plan assets. The market values of the mutual funds were \$38,024,706 and \$30,851,755 and they are classified as foreign mutual funds and real estate mutual funds, respectively, for the year ended September 30, 2018.

Duration

Duration is the measure of fixed income cash flows using present value, weighted for cash flows as a percentage of the investment's full price. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows arising from such investments as callable bonds, prepayments and variable-rate debt.

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 \$38,024,706 in foreign investments. This amount represents approximately 15.5% of total plan investments. Many of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

Fair Value Measurement of Investments

The Plan has the following recurring fair value measurements as of September 30, 2018:

Investments	Fair Value	Level		
		1	2	3
Debt Securities				
US Government Securities	\$ 15,496,867	\$ 5,581,058	\$ 9,915,809	\$ --
Mortgage Backed Securities	10,237,079	--	10,237,079	--
Municipal Securities	1,248,057	--	1,248,057	--
Corporate Bonds	39,634,402	--	39,634,402	--
Total Debt Securities	66,616,405	5,581,058	61,035,347	--
Common Stock	105,946,104	80,275,721	25,670,383	--
Preferred Stock	1,494,062	70,875	1,423,187	--
Foreign Mutual Funds	855,761	--	855,761	--
Real Estate Mutual Funds	30,851,755	--	--	30,851,755
Total Investments by Fair Value Level	\$ 205,764,087	\$ 85,927,654	\$ 88,984,678	\$ 30,851,755

Investments Measured at Net Asset Value (NAV):

Global Opportunities Growth Fund 37,168,945

Total Investments Measured at Fair Value \$ 242,933,032

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Real estate funds classified in Level 3 are valued used independent appraisers to determine the market value of the investments in the fund.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

Investment	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Investments Measured at Net Asset Value (NAV):				
Global opportunities growth funds (1)	\$ 37,168,945	--	Unrestricted	None
Total Investments Measured at NAV	<u>\$ 37,168,945</u>			

(1) *Global opportunities growth*. This type includes investments in one fund that invests in companies large and small primarily located in Europe and the Pacific Basin. At least 80 percent of the funds' investments must be in non-U.S. equities in the financial, information technology, consumer discretionary, industrials, healthcare, consumer staples, materials, energy, telecommunications, utilities and real estate sectors. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

E. OPEB Trust Fund

As of September 30, 2018, the OPEB Trust Fund had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 212,411	Not Applicable
Money Market Funds	1,061,086	0.01
U.S. Government Securities	1,896,085	1.09
U.S. Government Agency Securities	287,434	18.88
Common and Preferred Stock	28,778,048	Not Applicable
Corporate Bonds	4,382,633	2.04
Real Estate Funds	6,714,646	Not Applicable
Mortgage Backed Securities	973,620	2.58
Foreign Stocks	5,749,412	Not Applicable
Foreign Bonds	162,008	0.20
Total Cash & Investments	\$ 50,217,383	
Portfolio weighted average maturity		0.38

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 70% 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 \$5,911,420 in foreign investments. This amount represents approximately 12% of total trust fund investments. Many of the foreign investments are denominated in U.S. dollars, therefore minimizing the foreign currency risk.

Fair Value Measurement of Investments

The Plan has the following recurring fair value measurements as of September 30, 2018:

Investments	Fair Value	Level		
		1	2	3
U.S. Government Securities	\$ 1,896,085	\$ --	\$ 1,896,085	\$ --
U.S. Government Agency Securities	287,434	--	287,434	--
Common and Preferred Stock	28,778,048	28,778,048	--	--
Corporate Bonds	4,382,633	--	4,382,633	--
Real Estate Funds	6,714,646	--	--	6,714,646
Mortgage Backed Securities	973,620	--	973,620	--
Foreign Stocks	5,749,412	5,749,412	--	--
Foreign Bonds	162,008	--	162,008	--
Total Investments by Fair Value Level	<u>\$ 48,943,886</u>	<u>\$ 34,527,460</u>	<u>\$ 7,701,780</u>	<u>\$ 6,714,646</u>

Common, preferred and foreign stock classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued using the following approaches:

- U.S. Government, U.S. Government Agency, and Mortgage Backed Securities: quoted prices for identical securities in markets that are not active;
- Corporate Bonds: quoted prices for similar securities in active markets;
- Foreign Bond Mutual Funds: published fair value per share (unit) for each fund.

Real Estate Funds classified in Level 3 are valued using independent appraisers to determine the market value of the investments in the fund.

F. General Employees Defined Contribution Retirement Plan

As of September 30, 2018, the General Employees Defined Contribution Retirement Plan had the following cash, cash equivalents and investments:

Portfolio/Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 43,347	Not Applicable
Stock mutual funds	7,859,020	Not Applicable
Bond mutual funds	1,903,885	7.64
Foreign mutual funds	830,918	Not Applicable
Total Cash & Investments	<u>\$ 10,637,170</u>	
Portfolio weighted average maturity		7.64

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.

Fair Value Measurement of Investments

The Plan has the following recurring fair value measurements as of September 30, 2018:

Investments	Fair Value	Level	
		1	2
Stock Mutual Funds	\$ 7,859,020	\$ --	\$ 7,859,020
Bond Mutual Funds	1,903,885	--	1,903,885
Foreign Mutual Funds	830,918	--	830,918
Total Investments by Fair Value Level	\$ 10,593,823	\$ --	\$ 10,593,823

Domestic, Bond and Foreign Mutual Funds classified in Level 2 are valued using published fair value per share (unit) for each fund.

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:

	Statement of Net Position	Statement of Fiduciary Net Position	Total
Primary Government			
Cash and cash equivalents	\$ 31,077,666	\$ 539,768	\$ 31,617,434
Investments	169,453,525	623,654,841	793,108,366
Total	\$ 200,531,191	\$ 624,194,609	\$ 824,725,800
Component Unit			
Cash and cash equivalents	\$ 181,441		\$ 181,441
Investments	1,154,568		1,154,568
Total	\$ 1,336,009		1,336,009
Total			\$ 826,061,809

NOTE 4 - RECEIVABLES AND UNEARNED 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	\$ 1,906,167	\$ 80,261	\$ 161,999	\$ --	\$ --	\$ 2,148,427
Penny Sales Tax	--	60,288	--	--	--	60,288
Community Redevelopment	--	21,920	--	--	--	21,920
Housing and Community Devl	--	3,657	--	151,917	--	155,574
Nonmajor Governmental Funds	134,679	101,240	--	21,967	107,781	365,667
Internal Service Funds	1,211	18,787	--	--	--	19,998
Total receivables	\$ 2,042,057	\$ 286,153	\$ 161,999	\$ 173,884	\$ 107,781	\$ 2,771,874

City of Sarasota, Florida
Notes to the Financial Statements
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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	Parking Management	Other Funds	Total
Receivables-unrestricted:						
Accounts (billed)	\$ 2,654,600	\$ 313,177	\$ 567,967	\$ 125,881	\$ 4,890	\$ 3,666,515
Accounts (unbilled)	2,293,520	--	--	--	--	2,293,520
Allowance for uncollectibles	(250,747)	--	(138,988)	(27,276)	--	(417,011)
Accounts (net)	4,697,373	313,177	428,979	98,605	4,890	5,543,024
Interest	131,354	23,330	11,999	1,649	680	169,012
Receivables-restricted:						
Interest	18,111	--	--	2,725	--	20,836
Total receivables (net)	<u>\$ 4,846,838</u>	<u>\$ 336,507</u>	<u>\$ 440,978</u>	<u>\$ 102,979</u>	<u>\$ 5,570</u>	<u>\$ 5,732,872</u>

B. Special assessments receivable

Glen Oaks Estates Special Assessment

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 assessment receivable at September 30, 2018, is \$107,781.

St. Armands Parking Garage Special Assessment

In 2016, the City Commission approved construction of a parking garage on St. Armands Key. The City Commission also adopted an assessment resolution for the imposition and levying of a special assessment on commercial properties in the St. Armands assessment area to fund a portion of the costs associated with construction of the parking garage. Under the resolution, the City has pledged a special assessment proceeds to the payment of principal and interest on the St. Armands Paid Parking Area Revenue Bonds Series 2017A. The special assessment receivables are to be collected over a twenty year period beginning with the 2017 fiscal year. The annual assessment is \$260,000 plus administrative costs and the special assessment receivable at September 30, 2018 is \$4,680,000.

The City anticipates Net Parking Revenues (and Assessments as described above with respect to the Series 2017A Bonds) will be collected in an amount sufficient to cover debt service on the Series 2017 Bonds. However, in the event the 2017A Pledged Funds and the 2017B Pledged Funds are insufficient to cover debt service on the Series 2017 Bonds, the City covenanted and agreed and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, amounts sufficient to pay principal and interest on the Series 2017 Bonds.

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, 2018, 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, 2018, 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	\$ 1,877,067
Prepaid occupational licenses	468,449
Receipts for future services	77,562
Rental receipts not yet earned	10,393
Total unearned revenue for governmental funds	\$ 2,433,471
Business-type Funds:	
Van Wezel ticket sales	\$ 4,684,255
Solid Waste collections billed in advance	457,875
Water and Sewer impact & connection fees	1,326,073
Grant receipts not yet earned	86,975
Unused gift certificates	451,936
Rental receipts not yet earned	442,543
Receipts for future services	181,960
Total unearned revenue for business-type funds	\$ 7,631,617

NOTE 5 - INTERFUND BALANCES

Interfund balances at September 30, 2018, consisted of the following amounts:

A. Interfund receivables/payables:

The General Fund has a \$161,999 interfund receivable from the Water and Sewer fund. This amount represents a short-term loan made to cover a temporary cash deficit in pooled cash at year-end.

B. Due to/from other funds:

The City reports interfund balances between funds. The total of all balances agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and for proprietary funds. This balance is an interfund receivable that is expected to be liquidated within one year.

Due to Internal Service Funds from:		
Nonmajor Governmental Funds	\$	6,335

C. Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service	Nonmajor Governmental Funds	\$ 101,445

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.

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

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, 2018, consisted of the following:

<u>Transfer</u>	<u>Purpose</u>	<u>Amount</u>
Transfers to General Fund from:		
Community Redevelopment Fund	Investment earnings	\$ 8,287
Nonmajor Governmental Funds	Program funding	1,263,696
Nonmajor Governmental Funds	Investment earnings	67,288
Solid Waste Fund	Return on investment	<u>200,000</u>
Total transfers to General fund		\$ 1,539,271
Transfers to Nonmajor Governmental Funds from:		
General Fund	Program funding	542,421
Penny Sales Tax Fund	Debt service	1,305,650
Penny Sales Tax Fund	Program funding	2,398
Nonmajor Governmental Funds	Debt service	500,004
Internal Service Funds	Program funding	<u>12,703</u>
Total transfers to Nonmajor Governmental Funds		2,363,176
Transfers to Solid Waste Fund from:		
Nonmajor Governmental Funds	Program funding	400,000
Transfers to Parking Management Fund from:		
General Fund	Operating subsidy	300,000
Transfers to Nonmajor Enterprise Funds from:		
General Fund	Operating subsidies	930,000
Penny Sales Tax Fund	Program funding	<u>267,171</u>
Total transfers to Nonmajor Enterprise Funds		1,197,171
Transfers to Internal Service Funds from:		
General fund	Investment earnings	<u>60</u>
Total interfund transfers in		<u>\$ 5,799,678</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, 2018, was as follows:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 40,480,911	\$ 302,166	\$ --	\$ 40,783,077
Art collections	1,268,224	229,959	--	1,498,183
Construction in progress	5,711,142	1,366,106	514,094	6,563,154
Total capital assets not being depreciated	<u>47,460,277</u>	<u>1,898,231</u>	<u>514,094</u>	<u>48,844,414</u>
Capital asset being depreciated:				
Buildings	77,042,349	458,292	--	77,500,641
Improvements and infrastructure	219,120,219	8,526,165	--	227,646,384
Equipment	29,269,141	3,392,183	3,161,151	29,500,173
Total capital assets being depreciated	<u>325,431,709</u>	<u>12,376,640</u>	<u>3,161,151</u>	<u>334,647,198</u>
Less accumulated depreciation for:				
Buildings	23,095,378	1,896,559	--	24,991,937
Improvements and infrastructure	111,817,062	6,752,494	--	118,569,556
Equipment	20,994,616	4,486,594	3,060,737	22,420,473
Total accumulated depreciation	<u>155,907,056</u>	<u>13,135,647</u>	<u>3,060,737</u>	<u>165,981,966</u>
Total capital assets being depreciated, net	<u>169,524,653</u>	<u>(759,007)</u>	<u>100,414</u>	<u>168,665,232</u>
Governmental Activities capital assets, net	<u>\$ 216,984,930</u>	<u>\$ 1,139,224</u>	<u>\$ 614,508</u>	<u>\$ 217,509,646</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 11,869,613	\$ --	\$ --	\$ 11,869,613
Art collections	218,397	--	--	218,397
Construction in progress	39,240,445	26,070,882	9,894,949	55,416,378
Total capital assets not being depreciated	<u>51,328,455</u>	<u>26,070,882</u>	<u>9,894,949</u>	<u>67,504,388</u>
Capital asset being depreciated:				
Buildings	77,228,733	1,128,422	--	78,357,155
Improvements	11,760,548	3,640,569	--	15,401,117
Utility systems	289,432,373	10,864,179	--	300,296,552
Equipment	19,914,867	1,927,288	1,387,788	20,454,367
Total capital assets being depreciated	<u>398,336,521</u>	<u>17,560,458</u>	<u>1,387,788</u>	<u>414,509,191</u>
Less accumulated depreciation for:				
Buildings	43,109,575	1,554,311	--	44,663,886
Improvements	6,707,894	319,376	--	7,027,270
Utility systems	167,462,121	8,297,379	--	175,759,500
Equipment	15,241,930	2,109,201	1,263,241	16,087,890
Total accumulated depreciation	<u>232,521,520</u>	<u>12,280,267</u>	<u>1,263,241</u>	<u>243,538,546</u>
Total capital assets being depreciated, net	<u>165,815,001</u>	<u>5,280,191</u>	<u>124,547</u>	<u>170,970,645</u>
Business-type Activities capital assets, net	<u>\$ 217,143,456</u>	<u>\$ 31,351,073</u>	<u>\$ 10,019,496</u>	<u>\$ 238,475,033</u>

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Discretely Presented Component Units:				
St. Armands Business Improvement District				
Capital assets not being depreciated:				
Art collections	\$ 1,376	\$ --	\$ --	\$ 1,376
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	1,534	--	67,616
Total capital assets being depreciated	<u>1,574,891</u>	<u>1,534</u>	<u>--</u>	<u>1,576,425</u>
Less accumulated depreciation for:				
Improvements	498,157	60,820	--	558,977
Equipment	66,082	85	--	66,167
Total accumulated depreciation:	<u>564,239</u>	<u>60,905</u>	<u>--</u>	<u>625,144</u>
Total capital assets being depreciated, net	<u>1,010,652</u>	<u>(59,371)</u>	<u>--</u>	<u>951,281</u>
Component unit capital assets, net	<u>\$ 1,012,028</u>	<u>\$ (59,371)</u>	<u>\$ --</u>	<u>\$ 952,657</u>
Downtown Improvement District				
Capital assets being depreciated:				
Improvements	\$ 539,072	\$ 23,320	\$ --	\$ 562,392
Equipment	15,011	--	--	15,011
Total capital assets being depreciated	<u>554,083</u>	<u>23,320</u>	<u>--</u>	<u>577,403</u>
Less accumulated depreciation for:				
Improvements	250,020	47,433	--	297,453
Equipment	14,380	189	--	14,569
Total accumulated depreciation:	<u>264,400</u>	<u>47,622</u>	<u>--</u>	<u>312,022</u>
Total capital assets being depreciated, net	<u>289,683</u>	<u>(24,302)</u>	<u>--</u>	<u>265,381</u>
Component unit capital assets, net	<u>\$ 289,683</u>	<u>\$ (24,302)</u>	<u>\$ --</u>	<u>\$ 265,381</u>

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

Governmental activities:

General government	\$ 968,948
Public safety	2,559,774
Physical environment	1,257,698
Transportation	4,804,269
Culture and recreation	1,220,174
Economic environment	18,436
Human Services	666
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,086,620</u>
Total depreciation expense - governmental activities	<u>\$ 11,916,585</u>

Business-type activities:

Water and Sewer	\$ 9,219,024
Van Wezel	1,219,349
Solid Waste	867,566
Other	794,764
Total depreciation expense - business-type activities	<u>\$ 12,100,703</u>

NOTE 7 – CAPITAL LEASE

The City entered into a \$1,700,000 master tax exempt lease purchase agreement on December 9, 2015, with U.S. Bancorp Government Leasing and Finance, Inc. to finance the purchase of 38 police vehicles and related equipment. This lease agreement has a final maturity date of December 9, 2018, bears interest at 1.61%, and qualifies as a capital lease for accounting purposes and therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The capital assets acquired through the capital lease are as follows:

	Governmental Activities
Equipment	\$ 1,700,000
Less: accumulated depreciation	(1,013,694)
Carrying value	<u>\$ 686,306</u>

In addition, on September 21, 2018, the city entered into a \$2,126,716 Master Tax Exempt Lease with U.S. Bancorp Government Leasing and Finance, Inc. to finance the purchase of solid waste equipment. The lease agreement has a final maturity date of September 21, 2023, bears interest at 3.418%, and qualifies as a capital lease for accounting purposes. As of September 30, 2018, the capital assets for this lease were in the process of being acquired and were not in service.

The following is a schedule of the future minimum lease payments for this capital lease, and the present value of the net minimum lease payments at September 30, 2018:

Year ending September 30,	Governmental Activities	Business Type Activities
2019	\$ 585,010	\$ 469,935
2020	-	469,934
2021	-	469,935
2022	-	469,934
2023	-	469,935
Total minimum lease payments	<u>585,010</u>	<u>2,349,673</u>
Less: amount representing interest	(8,869)	(222,957)
Present value of net minimum lease payments	<u>\$ 576,141</u>	<u>\$ 2,126,716</u>

NOTE 8 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 36,290,000	\$ --	\$ 1,405,000	\$ 34,885,000	\$ 1,455,000
Special obligation bonds	16,292,954	--	1,197,608	15,095,346	1,262,561
Total bonds payable	<u>52,582,954</u>	<u>--</u>	<u>2,602,608</u>	<u>49,980,346</u>	<u>2,717,561</u>
Capital lease:	1,142,360	--	566,219	576,141	576,141
Unamortized premium	2,222,249	--	197,844	2,024,405	--
Compensated absences	5,039,292	2,671,022	2,380,398	5,329,916	2,505,172
Net OPEB obligation	28,690,591	--	2,473,728	26,216,863	--
Net pension liability	97,943,083	--	18,250,230	79,692,853	--
Long-term liabilities	<u>\$ 187,620,529</u>	<u>\$ 2,671,022</u>	<u>\$ 26,471,027</u>	<u>\$ 163,820,524</u>	<u>\$ 5,798,874</u>
Business-type Activities:					
Revenue bonds	\$ 48,575,000	\$ 15,670,000	\$ 2,175,000	\$ 62,070,000	\$ 2,260,000
Loans payable	--	6,114,250	--	6,114,250	--
Capital lease	--	2,126,716	--	2,126,716	397,243
Unamortized premium	925,759	851,675	229,216	1,548,218	--
Compensated absences	1,347,920	682,253	626,773	1,403,400	661,001
Net OPEB liability	4,977,926	--	931,920	4,046,006	--
Net pension liability	27,496,058	--	2,986,421	24,509,637	--
Long-term liabilities	<u>\$ 83,322,663</u>	<u>\$ 25,444,894</u>	<u>\$ 6,949,330</u>	<u>\$ 101,818,227</u>	<u>\$ 3,318,244</u>

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

Bonds and notes outstanding at September 30, 2018, consist of the following:

<u>Description of Debt</u>	<u>Amount Outstanding</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>General Obligation Bonds</u>		
\$2,700,000 General Obligation Bonds, Series 2016, were issued to advance after May 1, 2017. Ad valorem taxes from the Golden Gate Point Streetscape after May 1, 2017. Ad valorem taxes from the Golden Gate Point Streetscape Special District are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 1.74% and the principal is repaid annually with a final maturity of \$250,000 on May 1, 2028.	\$ 2,325,000	
\$33,855,000 General Obligation Refunding Bonds, Series 2015, were issued to advance refund all of the City's General Obligation Bonds, Series 2007 maturing on and after July 1, 2018. Ad valorem taxes are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 3.84% and the principal is repaid annually with a final maturity of \$2,030,000 on July 1, 2037.		32,560,000
<u>Special Obligation Bonds</u>		
\$21,066,000 Build America Capital Improvement Revenue Bonds, Series 2009, were issued for construction of the R. L. Taylor Community Complex, land acquisition for Payne Park, and the construction of the Palm Avenue Parking Garage project. Penny sales tax, tax increment revenue and Federal interest subsidy are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 3.68% and the principal is repaid annually with a final maturity of \$1,414,927 on November 1, 2024.		8,430,346
\$8,260,000 Build America Economic Development Bonds, Series 2010, were issued for rehabilitation of the Ed Smith Sports Stadium Complex. An economic development grant and Federal interest subsidy are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 3.71% and the principal is repaid annually with a final maturity of \$520,000 on February 1, 2037.		6,665,000

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

<u>Description of Debt</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
<u>Revenue Bonds</u>		
\$8,865,000 Water & Sewer System Revenue Refunding Bonds, Series 2010A, were issued to advance refund all of the outstanding Water and Sewer System Revenue Refunding Bonds, Series 1993C. The net revenues from the Water and Sewer System are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 3.28% and the principal is repaid annually with a final maturity of \$580,000 on October 1, 2020.		\$ 1,695,000
\$25,255,000 Water & Sewer System Revenue Bonds, Series 2010B, were issued for system improvements which included compost facility modifications, well construction, and a water meter replacement program. The net revenues from the Water and Sewer System are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 3.65% and the principal is repaid annually starting October 1, 2021 with a final maturity of \$3,865,000 on October 1, 2040.		25,255,000
\$21,885,000 Water & Sewer System Revenue Refunding Bonds, Series 2011, were issued to advance refund all of the outstanding Water and Sewer System Revenue Refunding Bonds, Series 2002B and 2008. The net revenues from the Water and Sewer System are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 4.65% and the principal is repaid annually with a final maturity of \$1,595,000 on October 1, 2028.		15,580,000
\$4,730,000 Water & Sewer System Revenue Refunding Bonds, Series 2015, were issued to advance refund all of the outstanding Water and Sewer System Revenue Refunding Bonds, Series 2005. The net revenues from the Water and Sewer System are used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 2.31% and the principal is repaid annually with a final maturity of \$520,000 on October 1, 2025.		3,870,000
\$13,595,000 St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017A, were issued for the purpose of constructing a parking garage within the St. Armands Circle business district. An Annual Special Assessment and net parking revenues of the St. Armands Paid Parking Area will be used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 3.47% and the principal is repaid annually with a final maturity of \$690,000 on October 1, 2038.		13,595,000
\$2,075,000 St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017 B, were issued for the purpose of constructing improvements in the St. Armands Paid Parking Area. Net parking revenues of the St. Armands Paid Parking Area will be used to pay principal and interest payments. Interest is paid semi-annually at an average rate of 3.17% and the principal is repaid annually with a final maturity of \$135,000 on October1, 2038.		2,075,000
<u>Loans Payable</u>		
\$6,114,250 Clean Water State Revolving Fund, Wastewater Loan WWS80230 was issued for the construction of wastewater and re-claimed water facilities. The net revenues from the Water and Sewer system are used to pay semi-annual principal and interest payments. The first semi-annual principal and interest payment is due August 15, 2021 with interest at 0.25%. The final payment of \$156,609 is due February 15, 2041.		6,114,250
Total bonds and loans	<u>\$ 49,980,346</u>	<u>\$ 68,184,250</u>

The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2018.

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

Annual debt service requirements for Governmental Activities as of September 30, 2018, are as follows:

Fiscal Year	Governmental Activities						Total
	General Obligation Bonds		Special Obligation Bonds		Capital Leases		
	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 1,455,000	\$ 1,345,418	\$ 1,262,561	\$ 900,746	\$ 576,141	\$ 8,869	\$ 5,548,735
2020	1,510,000	1,291,270	1,325,668	828,957	--	--	4,955,895
2021	1,565,000	1,235,017	1,396,112	749,184	--	--	4,945,313
2022	1,615,000	1,176,659	1,472,020	663,984	--	--	4,927,663
2023	1,680,000	1,116,300	1,550,712	574,241	--	--	4,921,253
2024-2028	9,595,000	4,344,734	4,338,273	1,748,204	--	--	20,026,211
2029-2033	9,760,000	2,383,212	1,905,000	990,300	--	--	15,038,512
2034-2038	7,705,000	690,712	1,845,000	269,744	--	--	10,510,456
Total	\$ 34,885,000	\$ 13,583,322	\$ 15,095,346	\$ 6,725,360	\$ 576,141	\$ 8,869	\$ 70,874,038

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included in the totals for governmental activities. Payments on the General Obligation Bonds are made by the Debt Service Funds. Payments on the Special Obligation Bonds and Capital Lease are made by the Penny Sales Tax Fund. 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 liability and Net Pension Liability attributed to the Governmental Activities will be liquidated by the General Fund.

Annual debt service requirements for Business-Type Activities as of September 30, 2018, are as follows:

Fiscal Year	Business-Type Activities						Total
	Revenue Bonds		Capital Leases		SRF Loans Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 2,260,000	\$ 2,776,860	\$ 397,244	\$ 72,691	\$ -	\$ -	\$ 5,506,795
2020	2,915,000	2,677,544	410,821	59,113	-	-	6,062,478
2021	3,020,000	2,562,448	424,863	45,072	149,162	7,643	6,209,188
2022	3,140,000	2,434,786	439,385	30,550	298,884	14,726	6,358,331
2023	3,260,000	2,296,512	454,403	15,531	299,632	13,978	6,340,056
2024 - 2028	13,995,000	9,534,810	-	-	1,509,439	58,611	25,097,860
2029 - 2033	11,655,000	6,855,283	-	-	1,528,413	39,637	20,078,333
2034 - 2038	13,265,000	3,938,436	-	-	1,547,626	20,424	18,771,486
2039 - 2041	8,560,000	783,362	-	-	781,094	2,931	10,127,387
Total	\$ 62,070,000	\$ 33,860,041	\$ 2,126,716	\$ 222,957	\$ 6,114,250	\$ 157,950	\$ 104,551,914

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		
	Penny Sales			Water & Sewer		Parking
	Tax			Net Revenue		Management
Revenue Pledged Thru	11/1/2024			10/1/2040		1/1/2038
Total Principal and Interest Outstanding	\$ 21,820,706			\$ 80,129,950		\$ 22,072,291
Current Year Principal and Interest Paid	2,167,511			4,484,717		230,544
Current Year Revenue	8,319,277			16,056,319		260,118
Description of Debt	Series 2009 and 2010 Special Obligation Bonds			Water & Sewer Utility Revenue Bonds issued 2010-2015		Series 2017 Revenue Bonds
Purpose of Debt	Land and Capital Improvements			Construction and Refunding Bonds		St. Armands Parking Garage
Debt Coverage	3.84			3.58		1.13

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. As of September 30, 2018, there was no defeased debt outstanding.

State Revolving Fund Loans

On June 9, 2017, the City entered into a loan agreement with the Florida Water Pollution Control Financing Corporation for \$25,000,000 at 0.25 percent. The loan proceeds are to be disbursed to the City as costs are incurred for the construction of wastewater and reclaimed water facilities. As of September 30, 2018, the City has drawn down \$6,114,250 of the loan proceeds.

On June 22, 2017, the City entered into a loan agreement with the Florida Department of Environmental Protection for \$1,551,000 at 1.24 percent. The loan proceeds are to be disbursed to the City as costs are incurred for construction associated with drinking water facilities. As of September 30, 2018, the City has not requested or received any loan proceeds.

Both loans are 20-year loans with the first principal and interest payment due on 1/1/2022. Loan repayments do not begin until the final draw is made from the loan proceeds.

St. Armands Paid Parking Area Revenue Bonds

On November 1, 2017 the City issued \$15,670,000 of revenue bonds for the St. Armands Paid Parking Area. The Series 2017A bonds of \$13,595,000 were issued for the purpose of constructing a parking garage within the St. Armands Circle business district. The average interest rate for the Series 2017A bonds is 3.47%. The Series 2017B bonds of \$2,075,000 were issued for the purpose of constructing improvements in the St. Armands Paid Parking Area. The average interest rate for the Series 2017B bonds is 3.17%.

NOTE 9 - 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 10 - RESTRICTED ASSETS

The balances of restricted asset accounts in the enterprise funds at September 30, 2018, are as follows:

<u>Water and Sewer</u>	
Revenue Account - Customer deposits	\$ 1,196,760
Interest & Sinking Account	6,572,463
Construction Accounts	3,299,211
	<u>11,068,434</u>
<u>Solid Waste</u>	
Customer Deposits	12,250
Vehicle Purchase Account	2,126,716
	<u>2,138,966</u>
<u>Parking Management</u>	
Construction Accounts	<u>13,512,965</u>
Total	<u>\$ 26,720,365</u>

NOTE 11 - 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 \$3,134,120 at September 30, 2018, includes \$1,867,228 for workers compensation, \$981,669 for group health, \$225,223 for police liability and \$60,000 for general liability. This claims liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The City is self-insured for the following types of risk exposures which are limited by insurance coverage as noted:

General and Automotive Liability - The City is fully self-insured for general and automotive liability coverage and is relying on state statutes, which limit damage awards against state and local governments to \$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 \$197,876 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, 2018, 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 9/30/17	Year ended 9/30/18	Year ended 9/30/017	Year ended 9/30/18
Unpaid claims, beginning of year	\$ 2,624,484	\$ 2,517,711	\$ 405,875	\$ 473,361
Incurred claims (including IBNRs)	7,626,688	9,381,366	6,636,296	6,658,810
Claim payments	(7,733,461)	(9,238,318)	(6,568,810)	(6,658,810)
Unpaid claims, end of year	<u>\$ 2,517,711</u>	<u>\$ 2,660,759</u>	<u>\$ 473,361</u>	<u>\$ 473,361</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 12 - COMMITMENTS

Construction/consulting commitments

The City has active construction and other projects as of September 30, 2018. At year end the City's commitments with contractors and consultants are as follows:

	Spent to-date	Remaining Commitment
<u>Business-type Activities:</u>		
Lift Station 87 Structure	\$ 5,396,957	\$ 15,870,043
St. Armands Parking Garage	7,501,733	4,472,522
Water Systems	651,317	5,280,307
US 41 Water Main Replacement	8,068,232	1,064,944
Lift Station 87 Engineering	657,928	2,413,472
Solid Waste Vehicles	-	2,126,716
Total	<u>\$ 22,276,167</u>	<u>\$ 31,228,004</u>

Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executory contracts; and open purchase orders). Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities but, rather, as restricted, committed, or assigned governmental fund balance. As of September 30, 2018, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$ 826,574
Penny Sales Tax	4,210,583
Community Redevelopment	459,456
Housing and Community Development	549,315
Nonmajor Governmental Funds	2,685,122
Total	<u>\$ 8,731,050</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 \$3,142,167.

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 13 - 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 Technical Services Inc., 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. 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 was completed by March of 2015, at which point final design decisions were made on how best to complete the project.

Water and Sewer System – Litigation Arising From Lift Station 87

Westra Construction Corp. ("Westra") was the general contractor on the City's Lift Station 87 project, which was comprised of the construction of Lift Station 87 and the installation of related sewer lines and

pumping equipment. The job was halted in midstream, redesigned and is now in the process of completion. Westra sued the City and was seeking in the range of \$12 million for lost profit and lost opportunity. Westra's claim against the City proceeded to a jury trial in October of 2018. The jury returned a verdict in favor of Westra for \$686,000. The City in 2015 provided Westra with a proposal for settlement to set up an award of attorney's fees and costs against Westra. Westra is contending that it has entitlement to attorney's fees and costs per the contract, plus additional fees as sanctions for alleged violations of the case management order by City pertaining to expert discovery. The City's exposure to Westra if the court rejects the City's proposal for settlement and grants Westra entitlement to attorney's fees and costs per the contract could be into the seven figures, but the City's legal counsel believes that the more likely result is that neither side will be awarded attorney's fees and costs on the judgment. The City does have exposure for attorney's fees for the alleged violations of the case management order in the range of \$150,000 as to Westra.

AECOM Technical Service, Inc. v. the City of Sarasota (Counterclaim)

The City was suing AECOM and its principal engineers for substantial damages incurred by the City due to failures in the design of the Lift Station 87 project by AECOM. AECOM had counterclaimed against the City seeking five million dollars in damages for wrongful termination. This case also proceeded to trial in October 2018. The jury awarded zero damages to both the City and AECOM. AECOM in 2016 served the city with a proposal for settlement to set up entitlement to attorney's fees and costs. In addition, AECOM is seeking attorney's fees as sanctions for alleged violations of the case management order by the City pertaining to expert discovery. AECOM is claiming seven figures in attorney's fees and costs against the City based upon this proposal for settlement. The City's legal counsel believes that the more likely result is that the court will not award attorney's fees and costs based upon the proposal for settlement. The City does have exposure for attorney's fees for the alleged violations of the case management order in the range of \$150,000 as to AECOM.

The trial was conducted in October 2018. Motions for the award of attorney fees and costs are pending.

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 14 – DEFINED BENEFIT RETIREMENT PLANS

The City maintains three defined benefit, 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.

Previously, the General Employees', Police Officers' and Firefighters' Defined Benefit Pension Plans implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In addition to other disclosures, the GASB requires the following schedules be included in the Required Supplementary Information section of this report for the General Employees' and Police Officers' Defined Benefit Pension Plans:

- A 10-year schedule of changes in the net pension liability,
- A 10-year schedule of contributions, and
- A 10-year schedule of the annual money-weighted rate of return on pension plan investments.

The GASB requires the following schedules be included in the Required Supplementary Information section of this report for the Firefighters' Defined Benefit Pension Plan:

- A 10-year schedule of the City's proportionate share of the net pension liability,
- A 10-year schedule of City contributions.

Until a full 10-year trend is compiled, the Plans will present information for those years for which information is available.

GASB Statement No. 68 allows a measurement date for employers that is no earlier than the employer's prior fiscal year end. The City chooses to use the prior fiscal year's measurement date for its defined benefit retirement plans. This insures that the City's annual report can be issued on a timely basis.

A. General Employees Defined Benefit Pension Plan

Plan administration. The City of Sarasota General Employees' Defined Benefit Pension Plan, a defined benefit single-employer public employee retirement plan, is administered by the Plan's Board of Trustees in accordance with Chapter 24, Article II, of the Sarasota City Code, 1986, as restated on November 16, 2009. The Plan's Board of Trustees consists of the City Auditor and Clerk, the Finance Director, four (4) members of the Plan, and a trustee who is a legal resident of the City and appointed by the City Commission.

Plan membership. The Plan is closed to new members. At September 30, 2018, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	424
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	<u>166</u>
Total	<u>604</u>

Benefits provided. 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. The Plan also covers some previous City employees that became Sarasota County employees through consolidation. 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 4 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. 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.

Contributions. Plan members are required to contribute 6 percent of their annual pay to the Plan and the City and County contribution must be at least 8 percent of annual payroll. The Plan's Board of Trustees has elected to change to a dollar-based contribution determination method, therefore \$6,726,147 is required to be contributed by the City and County for the fiscal year ending September 30, 2018. The actuarially determined City & County contribution is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

During the year ending September 30, 2018, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2017. Contributions totaling \$7,417,616 were from the following sources; the City and County contributed \$6,726,147 and plan members contributed \$691,469.

Deferred retirement option plan. 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, 2018, was \$1,595,184 and is included in net position restricted for pensions.

Investment policy. All investments of the Plan must be consistent with the investment policy adopted by the Plan's Board of Trustees. The policy is structured to maximize the financial return to the Plan consistent with the risks incumbent in each investment and is structured to establish and maintain an appropriate diversification of the Plan's assets. Investments of the Plan are comprised of money market funds, U.S. Government securities, U.S. Government agency securities, common and preferred stocks, corporate bonds and notes, real estate funds, and foreign stocks as authorized by Plan policies. The investments as of September 30, 2018, for the Plan are reported in Note 3.

Rate of return. For the year ended September 30, 2018, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was 8.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial assumptions. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of September 30, 2017.

The total pension liability was rolled forward from the valuation date to the plan year ending September 30, 2018 using the following actuarial assumptions applied to all measurement periods:

Inflation	2.3%
Salary increases	4.8% to 7.2% depending on service, including inflation
Investment rate of return	6.9%, net of pension plan investment expense

As of September 30, 2018, mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for Annuitants (for postretirement mortality), with mortality improvement projected to all future years after 2000 using Scale BB.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	50%	8.28%
Fixed income	20	2.61
International equity	15	7.45
Real estate	10	4.55
Other (MLPs)	5	6.60

Discount rate. A single discount rate of 6.9% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.9%. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the

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difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments (6.9%) was applied to all periods of projected benefit payments to determine the total pension liability.

The single discount rate was developed as follows:

Single discount rate	6.90%
Long-term expected rate of return	6.90%
Long-term municipal bond rate *	3.80%
Last year ending September 30 in the 2018 to 2118 projection period for which projected benefit payments are fully funded	2118

* Source: Fidelity General Obligation AA rate as of September 30, 2018, which is the rate for Fixed Income Market Data / Yield Curve Data for Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." Fidelity notes that the municipal curves are constructed using option-adjusted analytics across a diverse population of over 10,000 tax exempt municipal securities.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Plan's net pension liability, calculated using a single discount rate of 6.9%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is one percentage-point lower or one percentage-point higher:

	1% Decrease (5.9)%	Current Discount Rate (6.9%)	1% Increase (7.9)%
Net pension liability	\$ 75,816,239	\$ 51,844,478	\$ 31,801,400

Changes in the Net Pension Liability. The changes in Net Pension Liability for the General Employees Defined Benefit Pension Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Balance at September 30, 2016*	\$ 198,396,074	\$ 139,821,460	\$ 58,574,614
Changes for the year:			
Service cost	1,969,896	--	1,969,896
Interest on the total pension liability	13,552,863	--	13,552,863
Differences between expected and actual experience	931,914	--	931,914
Changes of assumptions	2,166,525	--	2,166,525
Contributions from the employer	--	6,387,239	(6,387,239)
Contributions from employees	--	717,631	(717,631)
Net investment income	--	18,226,619	(18,226,619)
Administrative expenses	--	(191,836)	191,836
Other	--	211,681	(211,681)
Benefit payments, including refunds of employee contributions	(11,504,081)	(11,504,081)	--
Net changes	7,117,117	13,847,253	(6,730,136)
Balance at September 30, 2017*	\$ 205,513,191	\$ 153,668,713	\$ 51,844,478

*Measurement date

Net pension liability. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoother actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement). The components of the net pension liability at September 30, 2017, were as follows:

Total pension liability	\$	205,513,191
Plan fiduciary net position		<u>153,668,713</u>
Net pension liability	\$	<u><u>51,844,478</u></u>
Plan fiduciary net position as a percentage of the total pension liability		74.77%

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2018, the City will recognize pension expense of \$9,976,844 for the General Employees Defined Benefit Pension Plan (GEDBPP). At September 30, 2018, the City has deferred outflows and deferred inflows of resources related to the GEDBPP as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 414,184	\$ --
Changes in assumptions	962,900	--
Contributions to the pension plan subsequent to the measurement date	6,678,677	--
Net difference between projected and actual earnings on pension plan investments	--	3,249,563
Total	<u>\$ 8,055,761</u>	<u>\$ 3,249,563</u>

\$6,678,677 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended September 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ 1,161,711
2020	624,040
2021	(1,939,751)
2022	(1,718,479)

B. Firefighters Defined Benefit Pension Plan

Plan administration. The City of Sarasota Firefighters' Defined Benefit Pension Plan, a defined benefit cost-sharing multiple 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, as such the Plan is closed to new entrants. The Plan remains intact with Sarasota County and the City of Sarasota making the employer contributions.

Florida Statute Chapter 175 requires that the Board of Trustees be comprised of two members appointed by the City Commission, two members elected by a majority of the firefighters who are members of the Plan, and a fifth member chosen by a majority of the other members and administratively appointed by the City Commission.

Plan membership. The Plan is closed to new members. At September 30, 2018, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	162
Active plan members	<u>2</u>
Total	<u>164</u>

Benefits provided. The Plan covers former City of Sarasota firefighters who are employed by Sarasota County as a result of the consolidation. Any Plan member 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), and, at all times, must be equal to at least fifty percent of the base salary for a journeyman fire medic top step. 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 eligible 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.

Contributions. Plan members 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 City makes contributions to the Plan in accordance with a funding schedule outlined in an Interlocal Agreement with Sarasota County. The City's contractually required contribution rate for the year ended September 30, 2018, was 33 percent of an actuarially determined amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Plan from the City were \$2,313,428 for the year ended September 30, 2018.

The State of Florida makes contributions from taxes on casualty insurance premiums. The City recognized its portion of 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.

Investment policy. All investments of the Plan must be consistent with the investment policy adopted by the Plan's Board of Trustees. The policy is structured to maximize the financial return to the Plan consistent with the risks incumbent in each investment and is structured to establish and maintain an appropriate diversification of the Plan's assets. Investments of the Plan are comprised of money market funds, U.S. Government securities, U.S. Government agency securities, municipal securities, common stock, corporate bonds and notes, real estate funds, and foreign stocks as authorized by Plan policies. The investments as of September 30, 2018, for the Plan are reported in Note 3.

Rate of return. For the year ended September 30, 2018, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was 10.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial assumptions. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of September 30, 2017. The total pension liability was rolled forward from the valuation date to the plan year ending September 30, 2018 using the following actuarial assumptions applied to all measurement periods:

Inflation	3.75%
Salary increases	3.75% to 6.75% including inflation
Investment rate of return	6.85%

Mortality rates were based on the RP-2000 Mortality Table for males and females. A 2.5% load was used as a margin for future mortality improvements.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	50.0%	7.9%
Fixed income	22.5	2.5
Real estate	12.5	5.0
Master limited partnerships	5.0	6.6
International Equity	10.0	7.5

Discount rate. A single discount rate of 6.85% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.85%. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments (6.85%) was applied to all periods of projected benefit payments to determine the total pension liability.

The single discount rate was developed as follows:

Single discount rate	6.85%
Long-term expected rate of return	6.85%
Long-term municipal bond rate *	3.50%
Last year ending September 30 in the 2018 to 2118 projection period for which projected benefit payments are fully funded	2118

* Source: Fixed income municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of September 30, 2018. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability, calculated using a single discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a single discount rate that is one percentage-point lower or one percentage-point higher:

	Net Pension Liability		
	1% Decrease (6)%	Current Discount Rate (7%)	1% Increase (8)%
City of Sarasota's proportionate share of net pension liability	\$ 19,838,532	\$ 12,309,642	\$ 6,119,513

Net pension liability. At September 30, 2018, the City reported a liability of \$12,309,642 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Plan relative to the projected contributions of all participating employers actuarially determined. At September 30, 2018, the City's proportion was 33 percent, which was the same proportion measured as of September 30, 2017.

Pension plan fiduciary net position. Detailed information about the Plan's fiduciary net position is available in the separately issued Firefighters Defined Benefit Pension Plan financial report.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2018, the City will recognize pension expense of \$872,165 for the Firefighters Defined Benefit Pension Plan (FFDBPP). At September 30, 2018, the City has deferred outflows and deferred inflows of resources related to the FFDBPP as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to the pension plan subsequent to the measurement date	\$ 3,108,661	\$ -
Net difference between projected and actual earnings on pension plan investments	-	643,440
Total	\$ 3,108,661	\$ 643,440

\$2,477,168 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources of resources related to pensions will be recognized as pension expense as follows:

Year Ended September 30,	Deferred Outflows/(Inflows) of Resources
2019	\$ (34,356)
2020	226,248
2021	(521,686)
2022	(313,646)

C. Police Officers Defined Benefit Pension Plan

Plan administration. The City of Sarasota Police Officers' Defined Benefit Pension Plan, a defined benefit single-employer public employee retirement plan, is administered by the Plan's Board of Trustees in accordance with Chapter 24, Article II of the Sarasota City Code, 1986, as amended and restated.

Florida Statute Chapter 185 requires that the Board of Trustees be comprised of two members appointed by the City Commission, two members elected by a majority of the police officers who are members of the Plan, and a fifth member chosen by a majority of the other members and administratively appointed by the City Commission.

The Plan also provides for compliance with Chapter 185, Florida Statutes to ensure 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. The City Commission may not amend the Plan to reduce the vested accrued benefit of members or beneficiaries.

Plan membership. At September 30, 2018, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	219
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>153</u>
Total	<u>376</u>

Benefits provided. The Plan provides disability benefits for both duty related and non-duty related disabilities. If the Board determines that the disability was caused by performance of duty, the pension is calculated the same as if he or she had taken normal retirement after a minimum of 25 years of service. The Plan calls for minimum payments to in the line of duty disability recipients and their beneficiaries. Disability for police officers injured not in the line of duty is computed at 2.5% of average compensation multiplied by years of service (maximum of forty years), plus 5% of police officers' last monthly salary for each eligible child.

If any police officer is killed as a result of performing duties, the beneficiaries are entitled to the same monthly pension as if the deceased had taken a normal retirement after a minimum of 25 years of service.

If any police officer dies of causes not directly related to performing duties, the beneficiaries are entitled to receive the same monthly pension as if the deceased had received disability benefits not in the line of duty and then died.

If an employee separates from the City before achieving 10 years of credited service, the employee will receive the full amount of his or her contributions plus regular interest. This will be a complete discharge of benefits under the Plan. If an employee separates service from the City after 10 years of credited service they may receive a pension starting at age 55, a refund of contributions and interest, or receive a reduced retirement pension starting any time after age 50.

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 Plan actuarially sound, but not less than 8% of payroll.

If a member served as a police officer with the City during a period of previous employment or if a member served as a police officer for any other municipal, county or state law enforcement department in the United States, he or she may contribute an actuarially determined amount to the Plan to effectively purchase those prior service years. However, the member may not purchase prior police service that is counted for retirement benefits from another pension plan. The prior service time must be for at least one year and there is no maximum limit. In addition, the Plan also accepts rollovers of eligible pension accounts solely for the purpose of purchasing credited service.

On December 8, 2017, the City approved Ordinance 17-5232 which establishes a defined contribution plan (a "share plan") to provide special benefits to police officers and retirees with a determination of eligibility made each plan year beginning October 1.

Under the provision of the ordinance, the initial amount to be allocated to the share plan shall be \$421,898, which reflects 50% of the accumulated excess premium tax revenues that have not been allocated to fund benefits as of September 30, 2017.

In any plan year, following the initial funding of share accounts in which annual premium tax revenues exceed \$773,572, the individual share account of each active police officer or DROP participant who was a member of the share plan on the preceding September 30, shall be credited with an equal share of 50% of the excess. For the year ended September 30, 2018, the share plan had a balance of \$467,041.

Contributions. 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.

During the year ended September 30, 2018, contributions totaling \$9,247,874 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2017. The City contributed \$7,533,010; the State of Florida contributed \$655,750 and the employees contributed \$1,059,114.

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.

Deferred retirement option plan. 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, 2017, was \$2,762,625 and is included in net position restricted for pensions.

Investment policy. All investments of the Plan must be consistent with the investment policy adopted by the Plan's Board of Trustees. The policy is structured to maximize the financial return to the Plan consistent with the risks incumbent in each investment and is structured to establish and maintain an appropriate diversification of the Plan's assets. Investments of the Plan are comprised of money market funds, U.S. Government securities, U.S. Government agency securities, municipal securities, common and preferred stocks, stock mutual funds, bond mutual funds, corporate bonds, real estate mutual funds, and foreign mutual funds as authorized by Plan policies. The investments as of September 30, 2018, for the Plan are reported in Note 3.

Rate of return. For the year ended September 30, 2018, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was 10.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial assumptions. The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of September 30, 2017. The total pension liability was rolled forward from the valuation date to the Plan year ending September 30, 2018, using the following actuarial assumptions applied to all measurement periods:

Inflation	2.5%
Salary increases	4.9% to 12.7% depending on service, including inflation
Investment rate of return	7.0%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females with future mortality improvement projected to all future years after 2000 using Scale AA.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of September 30, 2018, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	45.0%	10.63%
Fixed income	25.0	6.06
International equity	15.0	5.89
Real estate	10.0	7.38
Master limited partnerships	5.0	11.91

Discount rate. A single discount rate of 7.0% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments (7.0%) was applied to all periods of projected benefit payments to determine the total pension liability.

The single discount rate was developed as follows:

Single discount rate	7.00%
Long-term expected rate of return	7.00%
Long-term municipal bond rate *	3.80%
Last year ending September 30 in the 2018 to 2118 projection period for which projected benefit payments are fully funded	2118

* Source: Fidelity General Obligation AA rate as of September 29, 2018, which is the rate for Fixed Income Market Data/Yield Curve Data for Municipal Bonds with 20 years to maturity that included only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." Fidelity notes that the municipal curves are constructed using option-adjusted analytics across a diverse population of over 10,000 tax exempt municipal securities.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Plan's net pension liability, calculated using a single discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is one percentage-point lower or one percentage-point higher:

	1% Decrease (6)%	Current Discount Rate (7.0%)	1% Increase (8)%
Net pension liability	\$ 77,368,777	\$ 40,048,370	\$ 9,764,199

City of Sarasota, Florida
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September 30, 2018

Changes in the Net Pension Liability. The changes in Net Pension Liability for the Police Officers Defined Benefit Pension Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)
Balance at September 30, 2016*	\$ 256,737,185	\$ 205,346,043	\$ 51,391,142
Changes for the year:			
Service cost	3,907,539	-	3,907,539
Interest on the total pension liability	17,664,728	-	17,664,728
Differences between expected and actual experience	2,999,965	-	2,999,965
Changes of assumptions	-	-	-
Contributions from the employer	-	9,848,538	(9,848,538)
Contributions from employees	-	1,141,920	(1,141,920)
Net investment income	-	24,697,643	(24,697,643)
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(12,609,309)	(12,609,309)	-
Other	(421,898)	(194,995)	(226,903)
Net changes	11,541,025	22,883,797	(11,342,772)
Balance at September 30, 2017*	\$ 268,278,210	\$ 228,229,840	\$ 40,048,370

*Measurement date

Net pension liability. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoother actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement). The components of the net pension liability at September 30, 2018, were as follows:

Total Pension liability	\$ 268,278,210
Plan fiduciary net position	228,229,840
Net Pension liability	<u>\$ 40,048,370</u>
Plan fiduciary net position as a percentage of the total Pension liability	85.07%

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2018, the City will recognize pension expense of \$5,632,112 for the Police Officers Defined Benefit Pension Plan (PODBPP). At September 30, 2018, the City has deferred outflows and deferred inflows of resources related to the PODBPP as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,249,974	\$ 615,941
Contributions to the Pension Plan subsequent to the measurement date	1,938,178	--
Contributions to the Pension Plan	8,185,691	--
Net difference between projected and actual earning on Pension plan investments	--	6,240,866
Total	<u>\$ 12,373,843</u>	<u>\$ 6,856,807</u>

\$8,185,691 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended

September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended September 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2019	\$ 13,396
2020	1,265,912
2021	(1,870,582)
2022	(2,077,381)

D. Summary of All Defined Benefit Pension Plans

The actuarial valuation of the liabilities as of the September 30, 2017, measurement date were determined as of September 30, 2017. These liabilities were used for GASB Statement No. 68 purposes for the reporting period ending September 30, 2018. Using a measurement date of September 30, 2017, allows for more timely reporting at the end of the year.

Totals for the City's single employer and cost-sharing multiple employer pension plans for the 2018 fiscal year are summarized below:

	<u>Defined Benefit Pension Plans</u>			
	<u>General Employees</u>	<u>Fire- Fighters</u>	<u>Police Officers</u>	<u>Total</u>
Net pension liability	\$ 51,844,478	\$ 12,309,642	\$ 40,048,370	\$ 104,202,490
Deferred outflows of resources related to pensions	8,055,761	3,108,661	12,373,843	23,538,265
Deferred inflows of resources related to pensions	3,249,563	643,440	6,856,807	10,749,810
Pension expense	9,976,844	872,165	5,632,112	16,481,121

Totals by funds are as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense</u>
Governmental activities	\$ 79,692,853	\$ 19,704,501	\$ 9,213,569	\$ 11,568,080
Business-type activities	24,509,637	3,833,764	1,536,241	4,913,041
Totals	<u>\$ 104,202,490</u>	<u>\$ 23,538,265</u>	<u>\$ 10,749,810</u>	<u>\$ 16,481,121</u>

NOTE 15 – GENERAL EMPLOYEES DEFINED CONTRIBUTION RETIREMENT PLAN

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.

City of Sarasota, Florida
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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.

Membership. General Employees Defined Contribution Retirement Plan membership at September 30, 2018, is as follows:

Active employees (vested and non-vested)	294
Retired and terminated members maintaining balances	<u>107</u>
Total	<u>401</u>

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

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 2018, actual contributions were \$924,040 from employees, \$1,131,772 from the City, and \$1,861 from Sarasota County.

The City contributed an additional \$91,242 to fund administrative expenses for the plan. This contribution was from current year forfeitures for employees that have terminated before five years of employment.

Financial Statements of the General Employees Defined Contribution Retirement Plan:

Statement of Plan Net Position

Assets		
Cash and cash equivalents		\$ 43,347
Investments:		
Domestic mutual funds		7,859,020
Bond mutual funds		1,903,885
Foreign mutual funds		<u>830,918</u>
Total investments		<u>10,593,823</u>
Receivables (net):		
Accounts		711,673
Interest and dividends		<u>116</u>
Total receivables		<u>711,789</u>
Total assets		<u>11,348,959</u>
Liabilities		
Accounts payable		<u>9,000</u>
Total liabilities		<u>9,000</u>
Net Position		
Restricted for pension benefits		<u>\$ 11,339,959</u>

Statement of Changes in Plan Net Position

Additions	
Contributions:	
Plan members	\$ 924,040
Employer	
City of Sarasota	1,131,772
Sarasota County	1,861
Other	91,242
Total contributions	<u>2,148,915</u>
Investment income:	
Net increase in fair value of investments	808,714
Interest	49,647
Total investment income	<u>858,361</u>
Less investment expense	<u>(8,084)</u>
Net investment income	<u>850,277</u>
Total additions	<u>2,999,192</u>
Deductions	
Benefits	347,828
Administration expenses	46,430
Total deductions	<u>394,258</u>
Net increase	2,604,934
Net position - beginning of year	8,735,025
Net position - end of year	<u>\$ 11,339,959</u>

NOTE 16 - 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.

For the current fiscal year the Plan has adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. In addition to other disclosures, the GASB requires the following schedules to be included in the Required Supplementary Information section of this report for the OPEB plan:

- A 10-year schedule of changes in the net OPEB liability.
- A 10-year schedule of contributions, and
- A 10-year schedule of the annual money-weighted rate of return on OPEB plan investments.

Until a full 10-year trend is compiled, the Plan will present information for which information is available.

GASB Statement No. 75 allows a measurement date for employers that is no earlier than the employer's prior fiscal year end. The City chooses to use the prior fiscal year's measurement date for its OPEB Plan. This insures that the City's annual report can be issued on a timely basis.

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, 2018:

Retirees and beneficiaries receiving benefits	589
Terminated plan members entitled to but not receiving benefits	12
Active plan members	<u>626</u>
Total	<u><u>1,227</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 2018 fiscal year, the City contributed \$4,416,200 to the plan, and plan members receiving benefits contributed \$1,796,778. Retiree-only coverage is offered to plan members at no cost or up to \$121.81 per month based upon pension benefit and type of plan selected. Dependent coverage is offered at \$308.88 to \$1,362.11 per month depending on the plan selected. Rates vary based upon the type of plan selected by the retiree

D. Net OPEB Liability

Actuarial Assumptions. The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 %
Salary Increase	4.0% - 12.7% depending on plan age and service
Investment Rate of Return	7.0 %
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.5% and gradually decreasing to an ultimate trend rate of 4.49%

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality) with mortality improvements projected to all future years using Scale BB. For females, the base mortality rates include a 100% white collar adjustment. For males in the General Pension Plan, the base mortality rates include a 50% white collar adjustment and a 50% blue collar adjustment. For males in the Police and Fire Pension Plans, the base mortality rates include a 90% blue collar adjustment and 10% white collar adjustment. These are the same mortality rates currently in use for Regular Class and Special Risk Class members of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2008 through 2013.

The actuarial assumptions used in the September 30, 2018, valuation were based on the results of an actuarial experience study performed as of September, 30, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of September 30, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Domestic equity	5.94%	60%
Fixed Income	1.64%	20%
International Equity	5.49%	10%
Real Estate	3.14%	10%

Discount rate. A single discount rate of 7.00% was used to measure the total OPEB liability. This single discount rate was based on the expected rate of return on OPEB plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on OPEB plan investments (7.00%) was applied to all periods of projected benefit payments to determine the total OPEB liability.

The single discount rate was developed as follows:

The single discount rate	7.00%
Long-term expected rate of return	7.00%
Long-term municipal bond rate	3.50%
Last year ending September 30 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117

* Source: Fidelity General Obligation AA rate as of September 29, 2017, which is the rate for Fixed Income Market Data / Yield Curve Data for Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." Fidelity notes that the municipal curves are constructed using option-adjusted analytics across a diverse population of over 10,000 tax exempt municipal securities.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current discount rate:

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

	1% Decrease (6.0)%	Current Discount Rate (7.0)%	1% Increase (8.0)%
Net OPEB Liability	\$ 38,864,225	\$ 30,262,869	\$ 23,094,449

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates. The following presents the Net OPEB Liability of the City, as well as what the City's Net OPEB Liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.5% decreasing to 3.24%) or 1% point higher (7.5% decreasing to 5.24%) than the current healthcare cost trend rates:

	1% Decrease (5.5% decreasing to 3.24%)	Current Discount Rate (6.5% decreasing to 4.24%)	1% Increase (7.5% decreasing to 5.24%)
Net OPEB Liability	\$ 22,485,836	\$ 30,262,869	\$ 39,518,451

Changes in the Net OPEB Liability. The changes in Net OPEB Liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	OPEB Fiduciary Net Position	Net OPEB Liability / (Asset)
Balance at September 30, 2016*	\$ 75,234,443	\$ 41,565,926	\$ 33,668,517
Changes for the year:			
Service cost	486,094	-	486,094
Interest on the total OPEB liability	5,105,715	-	5,105,715
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	4,416,200	(4,416,200)
Contributions from employees	-	4,663,650	(4,663,650)
Net investment income	-	(82,393)	82,393
OPEB Plan Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(5,563,504)	(5,563,504)	-
Net changes	28,305	3,433,953	(3,405,648)
Balance at September 30, 2017*	\$ 75,262,748	\$ 44,999,879	\$ 30,262,869

*Measurement date

Net OPEB liability. The Total OPEB Liability as of September 30, 2018 is based on results of an actuarial valuation date of October 1, 2016 and rolled forward using generally accepted actuarial procedures. The components of the Net OPEB Liability as of September 30, 2018, were as follows.

Total OPEB liability	\$ 75,262,748
Plan fiduciary net position	44,999,879
Net OPEB liability	<u>\$ 30,262,869</u>
Plan fiduciary net position as a percentage of the total OPEB liability	59.79%

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2018, the City will recognize OPEB expense of \$2,448,212, for the Other Post-

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

Employment Benefits (OPEB) Trust Fund. At September 30, 2018, the City has deferred outflows and deferred inflows of resources related to the OPEB are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions to the OPEB Plan subsequent to the measurement date	\$ 4,470,562	\$ -
Net difference between projected and actual earning on Pension plan investments	--	1,437,660
Total	<u>\$ 4,470,562</u>	<u>\$ 1,437,660</u>

\$4,470,562 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended September 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2019	\$ (359,415)
2020	(359,415)
2021	(359,415)
2022	(359,415)

E. Summary of OPEB Plan

The actuarial valuation of the liabilities was determined as of October 1, 2016 (based on the actuarial valuation results as reported in the October 1, 2016 actuarial valuation report dated March 31, 2017) and "rolled-forward" to the September 30, 2017 measurement date. These liabilities are used for GASB Statement No. 75 reporting for the reporting period ending September 30, 2018. Using a measurement date of September 30, 2017 allows for timelier reporting at the end of the year.

Totals for the City's OPEB Plan for the 2018 fiscal year are summarized below:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
Governmental activities	\$ 26,216,863	\$ 3,104,528	\$ 1,037,103	\$ 866,957
Business-type activities	4,046,006	1,366,034	400,557	1,581,255
Totals	<u>\$ 30,262,869</u>	<u>\$ 4,470,562</u>	<u>\$ 1,437,660</u>	<u>\$ 2,448,212</u>

Financial Statements of the Other Post-Employment Benefits Plan:

Statement of Plan Net Position

Assets		
Cash and cash equivalents		\$ 212,411
Investments:		
Money market funds		1,061,086
U.S. Government securities		1,896,085
U.S. Government agency securities		287,434
Common and preferred stock		28,778,048
Corporate bonds and notes		4,382,633
Real estate mutual funds		6,714,646
Mortgage backed securities		973,620
Foreign stocks		5,749,412
Foreign bonds mutual funds		162,008
Total investments		<u>50,004,972</u>
Receivables (net):		
Accounts		-
Interest and dividends		97,761
Prepaid Items		1,638
Total assets		<u>50,316,782</u>
Liabilities		
Accounts payable		275,716
Liability for unpaid claims		473,361
Total liabilities		<u>749,077</u>
Net Position		
Restricted for OPEB benefits		<u>\$ 49,567,705</u>

Statement of Changes In Plan Net Position

Additions		
Contributions:		
Plan members		\$ 1,610,537
Employer		
City of Sarasota		4,470,562
Other		328,656
Total contributions		<u>6,409,755</u>
Investment income :		
Net increase in fair value of investments		5,316,033
Interest and dividends		1,035,113
Total investment income		<u>6,351,146</u>
Less investment expense		<u>(389,405)</u>
Net investment income		<u>5,961,741</u>
Total additions		<u>12,371,496</u>
Deductions		
Benefits		6,658,810
Other benefits		485,746
Administrative expenses		659,114
Total deductions		<u>7,803,670</u>
Net increase		4,567,826
Net position - beginning of year		44,999,879
Net position - end of year		<u>\$ 49,567,705</u>

NOTE 17 - DISCRETELY PRESENTED COMPONENT UNITS

St. Armands Business Improvement District - Balance Sheet for September 30, 2018:

Assets	
Cash and cash equivalents	\$ 98,980
Investments	629,843
Receivables (net):	
Interest	1,844
Due from other governmental agencies	<u>2</u>
Total assets	<u><u>730,669</u></u>
Liabilities	
Accounts Payable	14,406
Due to other governmental agencies	-
Accrued wages	<u>-</u>
Total liabilities	<u><u>14,406</u></u>
Fund Balance	
Unrestricted	<u>716,263</u>
Total fund balance	<u><u>716,263</u></u>
Total liabilities and fund balance	<u><u>\$ 730,669</u></u>

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the fiscal year ended September 30, 2018:

	<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	\$ 296,517	\$ 296,517	\$ 297,558	\$ 1,041
Investment earnings (loss)	1,000	1,000	4,785	3,785
Miscellaneous	2,500	2,500	--	(2,500)
Total revenues	<u>300,017</u>	<u>300,017</u>	<u>302,343</u>	<u>2,326</u>
Expenditures				
Current:				
Economic environment	160,609	197,593	167,323	30,270
Capital outlay:				
Economic environment	<u>148,027</u>	<u>111,043</u>	<u>1,534</u>	<u>109,509</u>
Total expenditures	<u>308,636</u>	<u>308,636</u>	<u>168,857</u>	<u>139,779</u>
Net change in fund balance	<u>(8,619)</u>	<u>(8,619)</u>	<u>133,486</u>	<u>142,105</u>
Fund balance - beginning	<u>582,777</u>	<u>582,777</u>	<u>582,777</u>	<u>--</u>
Fund balance - ending	<u><u>\$ 574,158</u></u>	<u><u>\$ 574,158</u></u>	<u><u>\$ 716,263</u></u>	<u><u>\$ 142,105</u></u>

Reconciliation to Statement of Net Position:

Fund balance - ending	\$ 716,263
Capital assets	1,577,801
Less accumulated depreciation	<u>(625,144)</u>
Net position - ending	<u><u>\$ 1,668,920</u></u>

Reconciliation to Statement of Activities:

Net change in fund balance	\$ 133,486
Expenditures for capital assets	1,534
Current year depreciation	<u>(60,905)</u>
Change in net position	<u><u>\$ 74,115</u></u>

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2018

Downtown Improvement District – Balance Sheet for September 30, 2018.

Assets	
Cash and cash equivalents	\$ 82,461
Investments	524,725
Receivables (net):	
Interest	1,616
Due from other governmental agencies	497
Total assets	<u>609,299</u>
Liabilities	
Accounts Payable	15,767
Due to other governmental agencies	3
Accrued wages	1,527
Total liabilities	<u>17,297</u>
Fund Balance	
Unrestricted	<u>592,002</u>
Total fund balance	<u>592,002</u>
 Total liabilities and fund balance	 <u>\$ 609,299</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual for the fiscal year ended September 30, 2018.

	<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	\$ 640,938	\$ 640,938	\$ 649,405	\$ 8,467
Investment earnings	--	--	4,961	4,961
Total revenues	<u>640,938</u>	<u>640,938</u>	<u>654,366</u>	<u>13,428</u>
Expenditures				
Current:				
Economic environment	409,178	489,693	345,737	(143,956)
Capital outlay:				
Economic environment	236,260	172,745	23,320	(149,425)
Total expenditures	<u>645,438</u>	<u>662,438</u>	<u>369,057</u>	<u>(293,381)</u>
Net change in fund balance	(4,500)	(21,500)	285,309	306,809
Fund balance - beginning	<u>306,693</u>	<u>306,693</u>	<u>306,693</u>	<u>--</u>
Fund balance - ending	<u>\$ 302,193</u>	<u>\$ 285,193</u>	<u>\$ 592,002</u>	<u>\$ 306,809</u>
 Reconciliation to Statement of Net Position:				
Fund balance - ending			\$ 592,002	
Capital assets			577,403	
Less accumulated depreciation			(312,022)	
Net position - ending			<u>\$ 857,383</u>	
 Reconciliation to Statement of Activities:				
Net change in fund balance			\$ 285,309	
Expenditures for capital assets			23,320	
Current year depreciation			(47,622)	
Change in net position			<u>\$ 261,007</u>	

NOTE 18 – RESTATEMENT OF NET POSITION

For the current year, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, the City was required to report its Other Post Employment Benefits (OPEB) liability and deferred outflows. Prior period adjustments were made to decrease the affected Enterprise Funds, Internal Service Funds, and the Governmental Activities and Business-type Activities beginning net positions for the prior period costs associated with reporting the net OPEB liability and deferred outflows. The effects of these restatements are shown below:

	Net Position Previously Reported @ 9/30/2017	Net OPEB Liability @ 9/30/2016	OPEB Deferred Outflows @ 9/30/2016	Restated Net Position @ 9/30/2017
Governmental Activities	\$ 170,069,073	\$ (12,888,613)	\$ 2,435,972	\$ 159,616,432
Business-type Activities	216,327,855	(4,977,926)	1,980,228	213,330,157
Enterprise Funds				
Water and Sewer	161,099,988	(3,193,491)	1,344,876	159,251,373
Van Wezel	19,834,440	(685,520)	172,206	19,321,126
Solid Waste	6,329,127	(574,956)	319,398	6,073,569
Bobby Jones Golf Course	2,534,379	(205,438)	65,106	2,394,047
Municipal Auditoriums	110,229	(72,997)	28,188	65,420
Parking Management	26,419,692	(245,524)	50,454	26,224,622
Total	216,327,855	(4,977,926)	1,980,228	213,330,157
Internal Service Funds				
Equipment Maintenance	(406,023)	(126,585)	83,620	(448,988)
Information Technology	(465,553)	(442,633)	109,530	(798,656)
Total	\$ (871,576)	\$ (569,218)	\$ 193,150	\$ (1,247,644)

NOTE 19 - SUBSEQUENT EVENT

Lease Purchase Agreement - On March 18, 2019, the City entered into a \$1,180,000 master tax exempt lease/purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for the purchase of 26 police vehicles. The lease has a final maturity date of March 19, 2022, with an interest rate of 2.93%. The annual debt service requirements for the lease are as follows:

Payment Date	Principal	Interest	Total Debt Service
3/19/2020	\$ 382,031	\$ 34,574	\$ 416,605
3/19/2021	393,224	23,381	416,605
3/19/2022	404,745	11,859	416,604
Total	\$ 1,180,000	\$ 69,814	\$ 1,249,814

**REQUIRED SUPPLEMENTARY
INFORMATION**

**General Employees' Defined Benefit
Pension Plan**

**Firefighters' Defined Benefit
Pension Plan**

**Police Officers' Defined Benefit
Pension Plan**

Other Post Employment Benefits Plan



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City of Sarasota, Florida

General Employees' Defined Benefit Pension Plan

Required Supplementary Information

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

Last Four Fiscal Years

Fiscal Year	2018	2017	2016	2015
Measurement Date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability				
Service Cost	\$ 1,969,896	\$ 2,064,530	\$ 2,119,194	\$ 2,036,380
Interest on the Total Pension Liability	13,552,863	12,846,131	12,569,430	12,150,963
Benefit Changes	--	--	--	--
Difference Between Actual & Expected Experience Assumption Changes	931,914	(1,020,056)	251,857	74,622
Benefit Payments (discounted to beginning of year)	2,166,525	7,732,264	--	1,949,249
Refunds (discounted to beginning of year)	(11,504,081)	(11,456,287)	(10,452,370)	(9,957,849)
	--	--	(12,822)	(124,586)
Net Change in Total Pension Liability	7,117,117	10,166,582	4,475,289	6,128,779
Total Pension Liability - Beginning	198,396,074	188,229,492	183,754,203	177,625,424
Total Pension Liability - Ending (a)	\$ 205,513,191	\$ 198,396,074	\$ 188,229,492	\$ 183,754,203
Plan Fiduciary Net Position				
Contributions - Employer	\$ 6,387,239	\$ 6,422,747	\$ 6,249,607	\$ 6,011,590
Contributions - Employee	717,631	748,107	767,707	791,009
Net Investment Income	18,226,619	10,327,046	(3,099,197)	13,236,828
Benefit Payments	(11,504,081)	(11,456,287)	(10,452,370)	(9,957,849)
Refunds	--	--	(12,822)	(124,586)
Administrative Expense	(191,836)	(183,110)	(157,689)	(166,043)
Other	211,681	9,429	3,488	2,621
Net Change in Plan Fiduciary Net Position	13,847,253	5,867,932	(6,701,276)	9,793,570
Plan Fiduciary Net Position - Beginning	139,821,460	133,953,528	140,654,804	130,861,234
Plan Fiduciary Net Position - Ending (b)	153,668,713	139,821,460	133,953,528	140,654,804
Net Pension Liability - Ending (a) - (b)	\$ 51,844,478	\$ 58,574,614	\$ 54,275,964	\$ 43,099,399
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.77%	70.48%	71.17%	76.55%
Covered Payroll	\$ 11,960,517	\$ 12,206,056	\$ 12,528,532	\$ 13,183,483
Net Pension Liability as a Percentage of Covered Payroll	433.46%	479.88%	433.22%	326.92%

Notes to Schedule:

The 2015 fiscal year was the year of implementation of GASB Statement No. 68. Ten year trend information will be presented for future fiscal years.

City of Sarasota, Florida
 General Employees' Defined Benefit Pension Plan
 Required Supplementary Information
 Schedule of Contributions
 Last Ten Fiscal Years

Fiscal Year	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 6,726,147	\$ 6,387,239	\$ 6,422,747	\$ 6,249,607
Actual Contribution	6,726,147	6,387,239	6,422,747	6,249,607
Contribution Deficiency (Excess)	\$ --	\$ --	\$ --	\$ --
Covered Payroll	\$ 11,504,110	\$ 11,960,517	\$ 12,206,056	\$ 12,528,532
Actual Contribution as a % of Covered Payroll	58.47%	53.40%	52.62%	49.88%

Notes to Schedule:

Valuation Date 9/30/2016
Measurement Date 9/30/2016
 Actuarially determined contribution rates are calculated as of September 30, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Dollar, Closed
 Remaining Amortization Period 19 years
 Asset Valuation Method 5-year smoothed market
 Inflation 2.30%
 Salary Increases 4.8% to 7.2% depending on age, including inflation
 Investment Rate of Return 7.00%
 Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.
 Mortality RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Regular Class members of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63.

Other Information:

Notes: See Discussion of Valuation Results in the September 30, 2016 Actuarial Valuation Report.

2014	2013	2012	2011	2010	2009
\$ 6,011,590	\$ 3,969,365	\$ 3,626,629	\$ 3,043,240	\$ 2,766,721	\$ 2,867,359
6,011,590	3,969,365	3,626,629	3,043,240	2,766,721	2,867,359
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 13,183,483	\$ 13,956,483	\$ 16,061,250	\$ 21,234,520	\$ 20,849,450	\$ 22,193,183
45.60%	28.44%	22.58%	14.33%	13.27%	12.92%

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

Year Ended September 30,	Annual Money Weighted Rate of Return, Net of Investment Expense
2014	10.41%
2015	(2.33)%
2016	7.89%
2017	13.41%
2018	8.90%

Notes to Schedule:

The 2015 fiscal year was the year of implementation of GASB Statement No. 68. 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 the City's Proportionate Share of the Net Pension Liability

Last Four Fiscal Years

Fiscal Year Measurement Date	2018	2017	2016	2015
	09/30/2017	9/30/2016	9/30/2015	9/30/2014
City's proportion of the net pension liability	33%	33%	33%	33%
City's proportionate share of the net pension liability	\$ 12,309,642	\$ 15,473,385	\$ 14,181,419	\$ 10,079,433
City's proportionate share of covered payroll	\$ 93,478	\$ 130,406	\$ 185,339	\$ 355,773
City's proportionate share of the net pension liability as a percentage of its covered payroll	1,316.85%	11,865.57%	7,651.63%	2,833.11%
Plan fiduciary net position as a percentage of the total pension liability	79.63%	74.39%	75.13%	81.49%

Notes to Schedule:

The 2015 fiscal year was the year of implementation of GASB Statement No. 68. 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 City Contributions
 Last Four Fiscal Years

Fiscal Year	2018	2017	2016	2015
Measurement Date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Contractually required contribution	\$ 2,296,266	\$ 2,073,403	\$ 2,558,238	\$ 2,835,709
Contributions in relation to the contractually required contribution	<u>2,286,547</u>	<u>2,199,466</u>	<u>2,574,844</u>	<u>2,843,398</u>
Contribution deficiency (excess)	<u>\$ 9,719</u> *	<u>\$ (126,063)</u> *	<u>\$ (16,606)</u> *	<u>\$ (7,689)</u> *
City's proportionate share of covered payroll	\$ 93,478	\$ 127,106	\$ 185,339	\$ 355,773
Contributions as a percentage of covered payroll	2,446.09%	1,686.63%	1,389.27%	796.22%

Notes:

* Cumulative Contributions Excess of \$426,176 is being held as deferred revenue.

City of Sarasota, Florida

Police Officers' Defined Benefit Pension Plan

Required Supplementary Information

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

Last Four Fiscal Years

Fiscal Year	2018	2017	2016	2015
Measurement Date	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Total Pension Liability				
Service Cost	\$ 3,907,539	\$ 3,628,723	\$ 3,290,606	\$ 3,150,996
Interest on the Total Pension Liability	17,664,728	16,888,141	16,366,292	15,888,805
Benefit Changes	--	--	3,008,519	--
Difference Between Actual & Expected Experience	2,999,965	(744,518)	(1,917,061)	(838)
Assumption Changes	--	4,218,388	--	--
Benefit Payments	(12,588,537)	(13,458,060)	(13,454,067)	(12,738,564)
Refunds	(20,772)	--	(7,000)	(7,368)
Other	(421,898)	--	--	--
Net Change in Total Pension Liability	11,541,025	10,532,674	7,287,289	6,293,031
Total Pension Liability - Beginning	256,737,185	246,204,511	238,917,222	232,624,191
Total Pension Liability - Ending (a)	\$ 268,278,210	\$ 256,737,185	\$ 246,204,511	\$ 238,917,222
Plan Fiduciary Net Position				
Contributions - Employer	\$ 9,223,890	\$ 8,619,081	\$ 7,864,404	\$ 7,678,913
Contributions - State	624,648	597,419	570,973	544,301
Contributions - Employee	1,141,920	895,489	825,351	760,571
Net Investment Income	24,697,643	16,087,436	1,171,981	18,842,891
Benefit Payments	(12,588,537)	(13,458,060)	(13,454,067)	(12,738,564)
Refunds	(20,772)	--	(7,000)	(7,368)
Administrative Expense	(194,995)	(178,617)	(189,057)	(189,834)
Other	--	(27,740)	--	--
Net Change in Plan Fiduciary Net Position	22,883,797	12,535,008	(3,217,415)	14,890,910
Plan Fiduciary Net Position - Beginning	205,346,043	192,811,035	196,028,450	181,137,540
Plan Fiduciary Net Position - Ending (b)	\$ 228,229,840	\$ 205,346,043	\$ 192,811,035	\$ 196,028,450
Net Pension Liability - Ending (a) - (b)	\$ 40,048,370	\$ 51,391,142	\$ 53,393,476	\$ 42,888,772
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.07%	79.98%	78.31%	82.05%
Covered Payroll	\$ 12,737,375	\$ 10,873,428	\$ 9,806,160	\$ 9,507,138
Net Pension Liability as a Percentage of Covered Payroll	314.42%	472.63%	544.49%	451.12%

Notes to Schedule:

The 2015 fiscal year was the year of implementation of GASB Statement No. 68. Ten year trend information will be presented for future fiscal years.

The 2015 fiscal year reflects a benefit change of \$3,008,519. This is attributable to reinterpretation of an Ordinance for the normal form of payment. The Ordinance was reinterpreted to consider the normal form of payment for years of service earned prior to October 1, 2012 to be a joint and 2/3 survivor form of payment (for married participants) instead of 10 years certain and life. Benefits for police officers who retired after October 1, 2012 have been revised to reflect this Ordinance reinterpretation.

City of Sarasota, Florida
 Police Officers' Defined Benefit Pension Plan
 Required Supplementary Information
 Schedule of Contributions
 Last Ten Fiscal Years

Fiscal Year	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 8,188,760	\$ 9,848,538	\$ 9,120,631	\$ 8,415,647
Actual Contribution	8,188,760	9,848,538	9,216,500	8,435,377
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (95,869)	\$ (19,730)
Covered Payroll	\$ 11,838,600	\$ 12,737,375	\$ 10,873,428	\$ 9,806,160
Actual Contribution as a % of Covered Payroll	69.17%	77.32%	84.76%	86.02%

Notes to Schedule:

Valuation Date 9/30/2016
Measurement Date 9/30/2016
Notes: Actuarially determined contribution rates are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Normal
 Amortization Method Level Dollar, Closed
 Remaining Amortization Period 22 years
 Asset Valuation Method 5-year smoothed market
 Inflation 2.50%
 Salary Increases 4.9% to 12.7% depending on age, including inflation
 Investment Rate of Return 7.00%
 Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.
 Mortality RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63.

Other Information:

Notes: See Discussion of Valuation Results in the September 30, 2016 Actuarial Valuation Report.

2014	2013	2012	2011	2010	2009
\$ 8,207,512	\$ 5,869,827	\$ 5,416,725	\$ 4,143,925	\$ 3,941,662	\$ 4,003,036
8,223,214	5,869,827	5,416,725	4,143,925	3,941,662	4,003,036
\$ (15,702)	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 9,507,138	\$ 9,558,125	\$ 9,412,000	\$ 10,375,692	\$ 10,513,000	\$ 11,356,425
86.50%	61.41%	57.55%	39.94%	37.49%	35.25%

City of Sarasota, Florida

Police Officers' Defined Benefit Pension Plan

Required Supplementary Information

Schedule of Investment Returns

Last Ten Fiscal Years

Year Ended September 30,	Annual Money Weighted Rate of Return, Net of Investment Expense
2009	4.1%
2010	4.1%
2011	2.3%
2012	2.5%
2013	7.1%
2014	9.7%
2015	0.5%
2016	8.6%
2017	12.3%
2018	10.7%

City of Sarasota, Florida

Other Post Employment Benefits Plan

Required Supplementary Information

Schedule of Changes in the Plan's Net OPEB Liability and Related Ratios

Current Fiscal Year

Fiscal Year	2018
Measurement Date	9/30/2017
Total OPEB Liability	
Service Cost	\$ 486,094
Interest on the Total OPEB Liability	5,105,715
Benefit Changes	0
Difference Between Expected & Actual Experience	0
Assumption changes	0
Benefit Payments	(5,563,504)
Net Change in Total OPEB Liability	28,305
Total OPEB Liability - Beginning	75,234,443
Total OPEB Liability - Ending (a)	\$ 75,262,748
Plan Fiduciary Net Position	
Contributions - Employer	\$ 4,416,200
Net Investment Income	4,663,650
Benefit Payments	(5,563,504)
Administrative Expense	(82,393)
Net Change in Plan Fiduciary Net Position	3,433,953
Plan Fiduciary Net Position - Beginning	41,565,926
Plan Fiduciary Net Position - Ending (b)	\$ 44,999,879
Net OPEB Liability - Ending (a) - (b)	\$ 30,262,869
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	59.79%
Covered Payroll	\$ 36,113,256
Net OPEB Liability as a Percentage of Covered Payroll	83.80%

Notes to Schedule:

The 2018 fiscal year was the year of implementation of GASB Statement No.75. 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 Contributions
 Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 4,409,716	\$ 4,300,937	\$ 4,137,688	\$ 4,236,625
Contribution in relation to the actuarially determined contribution	<u>4,470,562</u>	<u>4,416,200</u>	<u>4,251,888</u>	<u>5,244,971</u>
Contribution Deficiency (Excess)	<u>\$ (60,846)</u>	<u>\$ (115,263)</u>	<u>\$ (114,200)</u>	<u>\$ (1,008,346)</u>
Covered Payroll	\$ 38,819,677	\$ 36,113,256	\$ 33,574,133	\$ 33,991,862
Contributions as a % of Covered Payroll	11.52%	12.23%	12.66%	15.43%

Notes to Schedule:

Valuation Date 10/1/2016
Measurement Date 9/30/2017

Actuarially determined contribution rates are calculated as of October 1, which is 12 months prior to the end of the fiscal year in which contributions are made and reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Remaining Amortization Period	11 years
Asset Valuation Method	Market Value
Inflation	2.50%
Health Care Cost Trend	Based upon the Getzen Model, with trend starting at 6.5% and gradually decreasing to an ultimate trend rate of 4.49%, including the impact of the excise tax.
Salary Increases	4.00% to 12.7% depending on plan, including inflation
Investment Rate of Return	7.0%, net of OPEB plan investment expense
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition.
Mortality	Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2016 actuarial valuation of the Florida Retirement System. They are based on the results of a statewide experience study covering the period 2008 through 2013.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs-From Birth to Death"
Expenses	Investment returns are net of the investment expenses; and, Health Plan Administrative expenses directly related to the delivery of benefits are offsets to benefits are included in the per capita costs.

2014	2013	2012	2011	2010	2009
12,615,000	11,771,000	11,114,000	10,808,000	11,992,459	10,098,803
8,579,868	8,617,750	7,999,205	11,043,639	8,203,677	8,181,331
4,035,132	3,153,250	3,114,795	(235,639)	3,788,782	1,917,472
30,245,410	25,210,833	27,478,450	34,450,276	34,500,000	36,988,406
28.37%	34.18%	29.11%	32.06%	23.78%	22.12%

City of Sarasota, Florida

Other Post Employment Benefits Plan

Required Supplementary Information

Schedule of Investment Returns

Last Ten Fiscal Years

Year Ended September 30,	Annual Money Weighted Rate of Return, Net of Investment Expense
2009	15.08%
2010	10.21%
2011	(5.50)%
2012	16.88%
2013	13.78%
2014	9.65%
2015	3.73%
2016	9.62%
2017	11.19%
2018	13.25%



Combining and Individual Fund Statements and Schedules

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.

Multi-Modal Transportation Impact - To account for Impact Fees collected and expenditures restricted for the purpose of acquisition, expansion, and development of the public facilities identified in the Capital Improvement Program.

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.

2015 General Obligation Bonds - To account for the accumulation of resources for the payment of principal and interest on the 2015 General Obligation Bonds issued to advance refund 2007 General Obligation Bonds maturing on or after 7/1/2018.

2016 General Obligation Bonds - To account for the accumulation of resources for the payment of principal and interest on the 2016 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.

Glen Oaks - To account for funds received for the purpose of financing a portion of the cost of the reconstruction of a privacy wall for the Glen Oaks Estates Subdivision.

Nonmajor Governmental Funds

Capital Projects Fund

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.

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.



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City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2018

	Special Revenue Funds			
	State Housing Initiative Partnership	Development Services	Gas Tax	Special Law Enforcement (Forfeiture)
Assets				
Cash and cash equivalents	\$ 890,446	\$ 1,655,329	\$ 672,647	\$ 18,073
Investments	5,666,205	10,533,406	4,280,280	115,002
Receivables (net):				
Accounts	--	--	--	--
Interest	16,895	31,545	12,577	338
Notes	21,967	--	--	--
Special assessments	--	--	--	--
Due from other governmental agencies	--	--	442,211	--
Prepaid items	--	1,032	--	--
Total assets	\$ 6,595,513	\$ 12,221,312	\$ 5,407,715	\$ 133,413
Liabilities				
Accounts payable	\$ 238,553	\$ 84,821	\$ 381,560	\$ --
Retainages payable	25,254	--	40,529	--
Due to other funds	--	--	--	--
Due to other governmental agencies	674	39,641	--	--
Advance from other funds	--	--	--	--
Accrued wages	1,967	108,055	--	--
Unearned revenue	--	10,706	--	--
Customer deposits	--	--	--	--
Total liabilities	266,448	243,223	422,089	--
Deferred Inflows of Resources				
Unavailable revenue - grants	--	--	--	--
Unavailable revenue - notes receivable	21,967	--	--	--
Unavailable revenue - special assessments	--	--	--	--
Total deferred inflows of resources	21,967	--	--	--
Fund Balances				
Nonspendable:				
Prepaid items	--	1,032	--	--
Restricted for:				
Housing and community development	6,307,098	--	--	--
Building services	--	10,754,513	--	--
Transportation	--	--	4,985,626	--
Law enforcement programs	--	--	--	133,413
Golden Gate Point streetscape	--	--	--	--
Tourist development	--	--	--	--
Grant programs	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	--
Construction	--	--	--	--
Committed to:				
Development application system	--	1,222,544	--	--
Public art	--	--	--	--
Neighborhood grant programs	--	--	--	--
Citizens with disabilities	--	--	--	--
Forestry	--	--	--	--
Affordable housing	--	--	--	--
Law enforcement	--	--	--	--
Culture and recreation	--	--	--	--
Unassigned	--	--	--	--
Total fund balances (deficit)	6,307,098	11,978,089	4,985,626	133,413
Total liabilities, deferred inflows of resources and fund balances	\$ 6,595,513	\$ 12,221,312	\$ 5,407,715	\$ 133,413

Special Revenue Funds

Golden Gate Point	Tourist Development Tax	Multi-Modal Transportation Impact Fees	Miscellaneous Grants	Multi-Purpose
\$ 16,463	\$ 360,431	\$ 391,348	\$ 8,437	\$ 1,190,714
104,761	2,293,541	2,490,275	53,690	7,576,908
--	--	--	--	134,679
323	7,465	7,022	596	20,145
--	--	--	--	--
--	494,626	--	1,876,304	8,966
--	--	--	--	--
<u>\$ 121,547</u>	<u>\$ 3,156,063</u>	<u>\$ 2,888,645</u>	<u>\$ 1,939,027</u>	<u>\$ 8,931,412</u>
\$ 159	\$ 56,199	\$ 34,649	\$ 115,387	\$ 596,211
--	--	--	--	--
--	248,964	--	24,204	--
--	--	--	--	--
--	--	--	8,867	501,593
--	--	--	915,648	34,605
<u>159</u>	<u>305,163</u>	<u>34,649</u>	<u>1,064,106</u>	<u>1,132,409</u>
--	210,804	--	1,244,688	--
--	--	--	--	--
--	210,804	--	1,244,688	--
--	--	--	--	--
--	--	--	--	--
121,388	2,640,096	2,853,996	--	4,974,603
--	--	--	--	170,224
--	--	--	120,491	--
--	--	--	--	1,428,407
--	--	--	--	--
--	--	--	717,748	--
--	--	--	36,682	--
--	--	--	--	131,987
--	--	--	--	325,020
--	--	--	--	640,726
--	--	--	--	6,073
--	--	--	--	121,963
--	--	--	(1,244,688)	--
<u>121,388</u>	<u>2,640,096</u>	<u>2,853,996</u>	<u>(369,767)</u>	<u>7,799,003</u>
<u>\$ 121,547</u>	<u>\$ 3,156,063</u>	<u>\$ 2,888,645</u>	<u>\$ 1,939,027</u>	<u>\$ 8,931,412</u>

(continued)

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2018

	Debt Service Funds				
	2015 General Obligation Bonds	2016 General Obligation Bonds	2009 Build America	2010 Sales Tax Payment Rev. Bonds	Glen Oaks
Assets					
Cash and cash equivalents	\$ 72,212	\$ 24,913	\$ 4,543	\$ 68,107	\$ 342
Investments	459,512	158,533	28,907	433,390	2,179
Receivables (net):					
Accounts	--	--	--	--	--
Interest	1,341	463	85	1,162	6
Notes	--	--	--	--	--
Special assessments	--	--	--	--	107,781
Due from other governmental agencies	195	--	--	--	--
Prepaid items	--	--	--	--	--
Total assets	\$ 533,260	\$ 183,909	\$ 33,535	\$ 502,659	\$ 110,308
Liabilities					
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --
Retainages payable	--	--	--	--	--
Due to other funds	--	--	--	--	6,335
Due to other governmental agencies	--	--	--	--	--
Advance from other funds	--	--	--	--	101,445
Accrued wages	--	--	--	--	--
Unearned revenue	--	--	--	--	--
Customer deposits	--	--	--	--	--
Total liabilities	--	--	--	--	107,780
Deferred Inflows of Resources					
Unavailable revenue - grants	--	--	--	--	--
Unavailable revenue - notes receivable	--	--	--	--	--
Unavailable revenue - special assessments	--	--	--	--	107,780
Total deferred inflows of resources	--	--	--	--	107,780
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	533,260	183,909	33,535	502,659	--
Construction	--	--	--	--	--
Committed to:					
Development application system	--	--	--	--	--
Public art	--	--	--	--	--
Neighborhood grant programs	--	--	--	--	--
Citizens with disabilities	--	--	--	--	--
Forestry	--	--	--	--	--
Affordable housing	--	--	--	--	--
Law enforcement	--	--	--	--	--
Culture and recreation	--	--	--	--	--
Unassigned	--	--	--	--	(105,252)
Total fund balances (deficit)	533,260	183,909	33,535	502,659	(105,252)
Total liabilities, deferred inflows of resources and fund balances	\$ 533,260	\$ 183,909	\$ 33,535	\$ 502,659	\$ 110,308

Capital Project Funds

Capital and Extraordinary Maintenance	2007 General Obligation Bonds	2009 Build America Bonds	2010 Stadium Bonds	Total Nonmajor Governmental Funds
\$ 43,465	\$ 149	\$ 24,709	\$ 465	\$ 5,442,793
276,579	948	157,233	2,956	34,634,305
--	--	--	--	134,679
807	2	460	8	101,240
--	--	--	--	21,967
--	--	--	--	107,781
--	--	--	--	2,822,302
--	--	--	--	1,032
<u>\$ 320,851</u>	<u>\$ 1,099</u>	<u>\$ 182,402</u>	<u>\$ 3,429</u>	<u>\$ 43,266,099</u>
\$ 51,748	\$ --	\$ --	\$ --	\$ 1,559,287
86,633	--	--	--	152,416
--	--	--	--	6,335
--	--	--	--	313,483
--	--	--	--	101,445
--	--	--	--	110,022
--	--	--	--	521,166
--	--	--	--	950,253
<u>138,381</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,714,407</u>
--	--	--	--	1,455,492
--	--	--	--	21,967
--	--	--	--	107,780
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,585,239</u>
--	--	--	--	1,032
--	--	--	--	6,307,098
--	--	--	--	10,754,513
--	--	--	--	12,814,225
--	--	--	--	303,637
--	--	--	--	121,388
--	--	--	--	2,640,096
--	--	--	--	120,491
--	--	--	--	1,428,407
--	--	--	--	1,253,363
182,470	1,099	182,402	3,429	369,400
--	--	--	--	1,222,544
--	--	--	--	717,748
--	--	--	--	36,682
--	--	--	--	131,987
--	--	--	--	325,020
--	--	--	--	640,726
--	--	--	--	6,073
--	--	--	--	121,963
--	--	--	--	(1,349,940)
<u>182,470</u>	<u>1,099</u>	<u>182,402</u>	<u>3,429</u>	<u>37,966,453</u>
<u>\$ 320,851</u>	<u>\$ 1,099</u>	<u>\$ 182,402</u>	<u>\$ 3,429</u>	<u>\$ 43,266,099</u>

City of Sarasota, Florida

Nonmajor Governmental Funds

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

Year Ended September 30, 2018

	Special Revenue Funds				
	State Housing Initiative Partnership	Development Services	Gas Tax	Special Law Enforcement (Forfeiture)	Golden Gate Point
Revenues					
Taxes	\$ --	\$ --	\$ 2,662,715	\$ --	\$ 110,811
Special assessments	--	--	--	--	--
Licenses and permits	--	6,193,115	--	--	--
Intergovernmental	2,675,157	--	--	--	--
Charges for services	--	826,190	--	--	--
Fines and forfeits	--	--	--	31,969	--
Investment earnings	64,123	72,708	29,977	863	808
Miscellaneous	2,538	252	--	5,102	--
Total revenues	<u>2,741,818</u>	<u>7,092,265</u>	<u>2,692,692</u>	<u>37,934</u>	<u>111,619</u>
Expenditures					
General government	--	192,796	--	--	--
Public safety	--	4,707,138	--	103,147	--
Physical environment	--	--	--	--	--
Transportation	--	--	378,000	--	92,378
Culture and recreation	--	--	--	--	--
Economic environment	1,726,657	--	--	--	--
Current:					
Debt service:					
Principal payments	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Capital outlay	--	394,784	1,644,099	30,155	8,194
Total expenditures	<u>1,726,657</u>	<u>5,294,718</u>	<u>2,022,099</u>	<u>133,302</u>	<u>100,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,015,161</u>	<u>1,797,547</u>	<u>670,593</u>	<u>(95,368)</u>	<u>11,047</u>
Other financing sources (uses)					
Transfers in	--	--	--	--	--
Transfers out	--	(215,000)	(1,369,669)	--	--
Total other financing sources (uses)	<u>--</u>	<u>(215,000)</u>	<u>(1,369,669)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1,015,161	1,582,547	(699,076)	(95,368)	11,047
Fund balances (deficit) - beginning	<u>5,291,937</u>	<u>10,395,542</u>	<u>5,684,702</u>	<u>228,781</u>	<u>110,341</u>
Fund balances (deficit) - ending	<u>\$ 6,307,098</u>	<u>\$ 11,978,089</u>	<u>\$ 4,985,626</u>	<u>\$ 133,413</u>	<u>\$ 121,388</u>

Special Revenue Funds

Tourist Development Tax	Multi-Modal Transportation Impact Fees	Miscellaneous Grants	Multi-Purpose
\$ 257,212	\$ --	\$ --	\$ 981,692
--	--	--	--
--	1,489,776	96,531	4,986,155
8,198	--	1,961,426	--
--	--	5,661	100,534
--	--	20,000	81,520
17,839	16,471	2,931	18,013
--	--	43,367	111,478
<u>283,249</u>	<u>1,506,247</u>	<u>2,129,916</u>	<u>6,279,392</u>
--	--	30,953	26,617
--	--	193,838	148,823
264,870	--	57,817	37,040
--	35,748	212,461	--
--	--	11,295	10,450
--	--	351,003	101,770
--	--	--	--
--	--	--	--
250,625	44,875	2,220,164	--
<u>515,495</u>	<u>80,623</u>	<u>3,077,531</u>	<u>324,700</u>
<u>(232,246)</u>	<u>1,425,624</u>	<u>(947,615)</u>	<u>5,954,692</u>
--	--	80,809	476,713
<u>(17,839)</u>	<u>--</u>	<u>(611,713)</u>	<u>(14,300)</u>
<u>(17,839)</u>	<u>--</u>	<u>(530,904)</u>	<u>462,413</u>
(250,085)	1,425,624	(1,478,519)	6,417,105
<u>2,890,181</u>	<u>1,428,372</u>	<u>1,108,752</u>	<u>1,381,898</u>
<u>\$ 2,640,096</u>	<u>\$ 2,853,996</u>	<u>\$ (369,767)</u>	<u>\$ 7,799,003</u>

(continued)

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended September 30, 2018

	Debt Service Funds				
	2015 General Obligation Bonds	2016 General Obligation Bonds	2009 Build America	2010 Sales Tax Payment Rev. Bonds	Glen Oaks
Revenues					
Taxes	\$ 2,576,714	\$ 258,530	\$ --	\$ --	\$ --
Special assessments	--	--	--	--	6,873
Licenses and permits	--	--	--	--	--
Intergovernmental	--	--	--	--	--
Charges for services	--	--	--	--	--
Fines and forfeits	--	--	--	--	--
Investment earnings	10,926	1,320	1,154	2,320	4,455
Miscellaneous	--	--	--	--	--
Total revenues	<u>2,587,640</u>	<u>259,850</u>	<u>1,154</u>	<u>2,320</u>	<u>11,328</u>
Expenditures					
General government	--	--	--	--	--
Public safety	--	--	--	--	--
Physical environment	--	--	--	--	--
Transportation	--	--	--	--	--
Culture and recreation	--	--	--	--	--
Economic environment	--	--	--	--	--
Current:					
Debt service:					
Principal payments	1,195,000	210,000	957,608	240,000	--
Interest and fiscal charges	1,345,869	47,252	344,567	266,244	4,922
Capital outlay	--	--	--	--	--
Total expenditures	<u>2,540,869</u>	<u>257,252</u>	<u>1,302,175</u>	<u>506,244</u>	<u>4,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,771</u>	<u>2,598</u>	<u>(1,301,021)</u>	<u>(503,924)</u>	<u>6,406</u>
Other financing sources (uses)					
Transfers in	--	--	1,305,650	500,004	--
Transfers out	--	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>1,305,650</u>	<u>500,004</u>	<u>--</u>
Net change in fund balances	46,771	2,598	4,629	(3,920)	6,406
Fund balances (deficit) - beginning	<u>486,489</u>	<u>181,311</u>	<u>28,906</u>	<u>506,579</u>	<u>(111,658)</u>
Fund balances (deficit) - ending	<u>\$ 533,260</u>	<u>\$ 183,909</u>	<u>\$ 33,535</u>	<u>\$ 502,659</u>	<u>\$ (105,252)</u>

Capital Projects Funds

Capital and Extraordinary Maintenance	2007 General Obligation Bonds	2009 Build America Bonds	2010 Stadium Bonds	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ --	\$ 6,847,674
--	--	--	--	6,873
--	--	--	--	12,765,577
--	--	--	--	4,644,781
--	--	--	--	932,385
--	--	--	--	133,489
2,467	6	1,084	20	247,485
31,654	--	--	--	194,391
<u>34,121</u>	<u>6</u>	<u>1,084</u>	<u>20</u>	<u>25,772,655</u>
--	--	--	--	250,366
--	--	--	--	5,152,946
25,761	--	--	--	385,488
--	--	--	--	718,587
--	--	--	--	21,745
--	--	--	--	2,179,430
--	--	--	--	2,602,608
--	--	--	--	2,008,854
583,530	--	--	--	5,176,426
<u>609,291</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>18,496,450</u>
<u>(575,170)</u>	<u>6</u>	<u>1,084</u>	<u>20</u>	<u>7,276,205</u>
--	--	--	--	2,363,176
<u>(2,468)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(2,230,989)</u>
<u>(2,468)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>132,187</u>
<u>(577,638)</u>	<u>6</u>	<u>1,084</u>	<u>20</u>	<u>7,408,392</u>
<u>760,108</u>	<u>1,093</u>	<u>181,318</u>	<u>3,409</u>	<u>30,558,061</u>
<u>\$ 182,470</u>	<u>\$ 1,099</u>	<u>\$ 182,402</u>	<u>\$ 3,429</u>	<u>\$ 37,966,453</u>

City of Sarasota, Florida

State Housing Initiative Partnership Special Revenue Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 2,021,836	\$ 2,021,836	\$ 2,675,157	\$ 653,321
Investment earnings	--	--	64,123	64,123
Miscellaneous	--	--	2,538	2,538
Total revenues	<u>2,021,836</u>	<u>2,021,836</u>	<u>2,741,818</u>	<u>719,982</u>
Expenditures				
Current:				
Economic environment	2,621,287	7,343,502	1,726,657	5,616,845
Capital outlay:				
Capital outlay	1,000	1,000	--	1,000
Total expenditures	<u>2,622,287</u>	<u>7,344,502</u>	<u>1,726,657</u>	<u>5,617,845</u>
Net change in fund balance	(600,451)	(5,322,666)	1,015,161	6,337,827
Fund balance - beginning	<u>5,291,937</u>	<u>5,291,937</u>	<u>5,291,937</u>	<u>--</u>
Fund balance - ending	<u>\$ 4,691,486</u>	<u>\$ (30,729)</u>	<u>\$ 6,307,098</u>	<u>\$ 6,337,827</u>

City of Sarasota, Florida

Development Services Special Revenue Fund

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

Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	\$ 4,062,030	\$ 4,062,030	\$ 6,193,115	\$ 2,131,085
Charges for services	493,000	543,000	826,190	283,190
Investment earnings	--	--	72,708	72,708
Miscellaneous	--	--	252	252
Total revenues	<u>4,555,030</u>	<u>4,605,030</u>	<u>7,092,265</u>	<u>2,487,235</u>
Expenditures				
Current:				
General government	270,000	320,000	192,796	127,204
Public safety	4,911,847	5,213,670	4,707,138	506,532
Capital outlay:				
Capital outlay	281,032	483,322	394,784	88,538
Total expenditures	<u>5,462,879</u>	<u>6,016,992</u>	<u>5,294,718</u>	<u>722,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(907,849)</u>	<u>(1,411,962)</u>	<u>1,797,547</u>	<u>3,209,509</u>
Other financing sources (uses)				
Transfers in	9,000	9,000	--	(9,000)
Transfers out	(224,000)	(224,000)	(215,000)	9,000
Total other financing sources (uses)	<u>(215,000)</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>--</u>
Net change in fund balance	(1,122,849)	(1,626,962)	1,582,547	3,209,509
Fund balance - beginning	<u>10,395,542</u>	<u>10,395,542</u>	<u>10,395,542</u>	<u>--</u>
Fund balance - ending	<u>\$ 9,272,693</u>	<u>\$ 8,768,580</u>	<u>\$ 11,978,089</u>	<u>\$ 3,209,509</u>

City of Sarasota, Florida

Gas Tax Special Revenue Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,621,439	\$ 2,621,439	\$ 2,662,715	\$ 41,276
Investment earnings	--	--	29,977	29,977
Total revenues	<u>2,621,439</u>	<u>2,621,439</u>	<u>2,692,692</u>	<u>71,253</u>
Expenditures				
Current:				
Transportation	175,371	542,344	378,000	164,344
Capital outlay:				
Capital outlay	<u>2,174,298</u>	<u>5,671,832</u>	<u>1,644,099</u>	<u>4,027,733</u>
Total expenditures	<u>2,349,669</u>	<u>6,214,176</u>	<u>2,022,099</u>	<u>4,192,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>271,770</u>	<u>(3,592,737)</u>	<u>670,593</u>	<u>4,263,330</u>
Other financing sources (uses)				
Transfers out	<u>(1,339,696)</u>	<u>(1,339,696)</u>	<u>(1,369,669)</u>	<u>(29,973)</u>
Total other financing sources (uses)	<u>(1,339,696)</u>	<u>(1,339,696)</u>	<u>(1,369,669)</u>	<u>(29,973)</u>
Net change in fund balance	(1,067,926)	(4,932,433)	(699,076)	4,233,357
Fund balance - beginning	<u>5,684,702</u>	<u>5,684,702</u>	<u>5,684,702</u>	<u>--</u>
Fund balance - ending	<u>\$ 4,616,776</u>	<u>\$ 752,269</u>	<u>\$ 4,985,626</u>	<u>\$ 4,233,357</u>

City of Sarasota, Florida

Special Law Enforcement Forfeiture Special Revenue Fund

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

Year Ended September 30, 2018

	<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	\$ --	\$ --	\$ 31,969	\$ 31,969
Investment earnings	--	--	863	863
Miscellaneous	--	--	5,102	5,102
Total revenues	<u>--</u>	<u>--</u>	<u>37,934</u>	<u>37,934</u>
Expenditures				
Current:				
Public safety	--	101,651	103,147	(1,496)
Capital outlay:				
Capital outlay	--	34,544	30,155	4,389
Total expenditures	<u>--</u>	<u>136,195</u>	<u>133,302</u>	<u>2,893</u>
Net change in fund balance	--	(136,195)	(95,368)	40,827
Fund balance - beginning	<u>228,781</u>	<u>228,781</u>	<u>228,781</u>	<u>--</u>
Fund balance - ending	<u>\$ 228,781</u>	<u>\$ 92,586</u>	<u>\$ 133,413</u>	<u>\$ 40,827</u>

City of Sarasota, Florida

Golden Gate Point Special Revenue Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 110,026	\$ 110,026	\$ 110,811	\$ 785
Investment earnings	--	--	808	808
Total revenues	<u>110,026</u>	<u>110,026</u>	<u>111,619</u>	<u>1,593</u>
Expenditures				
Current:				
Transportation	100,026	100,454	92,378	8,076
Capital outlay:				
Capital outlay	<u>10,000</u>	<u>9,572</u>	<u>8,194</u>	<u>1,378</u>
Total expenditures	<u>110,026</u>	<u>110,026</u>	<u>100,572</u>	<u>9,454</u>
Net change in fund balance	--	--	11,047	11,047
Fund balance - beginning	<u>110,341</u>	<u>110,341</u>	<u>110,341</u>	<u>--</u>
Fund balance - ending	<u>\$ 110,341</u>	<u>\$ 110,341</u>	<u>\$ 121,388</u>	<u>\$ 11,047</u>

City of Sarasota, Florida

Tourist Development Tax Special Revenue Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 3,595,076	\$ 3,595,076	\$ 257,212	\$ (3,337,864)
Intergovernmental	--	--	8,198	8,198
Investment earnings	--	--	17,839	17,839
Total revenues	<u>3,595,076</u>	<u>3,595,076</u>	<u>283,249</u>	<u>(3,311,827)</u>
Expenditures				
Current:				
Physical environment	2,587	38,187	264,870	(226,683)
Capital outlay:				
Capital outlay	3,709,372	3,677,418	250,625	3,426,793
Total expenditures	<u>3,711,959</u>	<u>3,715,605</u>	<u>515,495</u>	<u>3,200,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(116,883)</u>	<u>(120,529)</u>	<u>(232,246)</u>	<u>(111,717)</u>
Other financing sources (uses)				
Transfers out	--	--	(17,839)	(17,839)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(17,839)</u>	<u>(17,839)</u>
Net change in fund balance	(116,883)	(120,529)	(250,085)	(129,556)
Fund balance - beginning	<u>2,890,181</u>	<u>2,890,181</u>	<u>2,890,181</u>	<u>--</u>
Fund balance - ending	<u>\$ 2,773,298</u>	<u>\$ 2,769,652</u>	<u>\$ 2,640,096</u>	<u>\$ (129,556)</u>

City of Sarasota, Florida

Multi-Modal Transportation Impact Fees Special Revenue Fund

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

Year Ended September 30, 2018

	<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	\$ 1,050,000	\$ 1,050,000	\$ 1,489,776	\$ 439,776
Investment earnings	1,000	1,000	16,471	15,471
Total revenues	<u>1,051,000</u>	<u>1,051,000</u>	<u>1,506,247</u>	<u>455,247</u>
Expenditures				
Current:				
Transportation	20,364	26,191	35,748	(9,557)
Capital outlay:				
Capital outlay	<u>1,300,000</u>	<u>1,496,713</u>	<u>44,875</u>	<u>1,451,838</u>
Total expenditures	<u>1,320,364</u>	<u>1,522,904</u>	<u>80,623</u>	<u>1,442,281</u>
Net change in fund balance	(269,364)	(471,904)	1,425,624	1,897,528
Fund balance - beginning	<u>1,428,372</u>	<u>1,428,372</u>	<u>1,428,372</u>	<u>--</u>
Fund balance - ending	<u>\$ 1,159,008</u>	<u>\$ 956,468</u>	<u>\$ 2,853,996</u>	<u>\$ 1,897,528</u>

City of Sarasota, Florida

Miscellaneous Grants Special Revenue Fund

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

Year Ended September 30, 2018

	<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	\$ --	\$ --	\$ 96,531	\$ 96,531
Intergovernmental	500,004	5,323,429	1,961,426	(3,362,003)
Charges for services	--	6,500	5,661	(839)
Fines and forfeits	28,000	28,000	20,000	(8,000)
Investment earnings	80	80	2,931	2,851
Miscellaneous	--	9,920	43,367	33,447
Total revenues	<u>528,084</u>	<u>5,367,929</u>	<u>2,129,916</u>	<u>(3,238,013)</u>
Expenditures				
Current:				
General government	40,000	39,999	30,953	9,046
Public safety	--	243,437	193,838	49,599
Physical environment	--	228,807	57,817	170,990
Transportation	212,466	290,491	212,461	78,030
Culture and recreation	32,058	36,966	11,295	25,671
Economic environment	--	362,576	351,003	11,573
Capital outlay:				
Capital outlay	388,764	5,226,128	2,220,164	3,005,964
Total expenditures	<u>673,288</u>	<u>6,428,404</u>	<u>3,077,531</u>	<u>3,350,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145,204)</u>	<u>(1,060,475)</u>	<u>(947,615)</u>	<u>112,860</u>
Other financing sources (uses)				
Transfers in	--	750,955	80,809	(670,146)
Transfers out	(503,004)	(612,004)	(611,713)	291
Total other financing sources (uses)	<u>(503,004)</u>	<u>138,951</u>	<u>(530,904)</u>	<u>(669,855)</u>
Net change in fund balance	(648,208)	(921,524)	(1,478,519)	(556,995)
Fund balance - beginning	<u>1,108,752</u>	<u>1,108,752</u>	<u>1,108,752</u>	<u>--</u>
Fund balance - ending	<u>\$ 460,544</u>	<u>\$ 187,228</u>	<u>\$ (369,767)</u>	<u>\$ (556,995)</u>

City of Sarasota, Florida

Multi-Purpose Special Revenue Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 937,000	\$ 937,000	\$ 981,692	\$ 44,692
Licenses and permits	60,000	60,000	4,986,155	4,926,155
Charges for services	--	--	100,534	100,534
Fines and forfeits	61,000	61,000	81,520	20,520
Investment earnings	--	--	18,013	18,013
Miscellaneous	--	--	111,478	111,478
Total revenues	<u>1,058,000</u>	<u>1,058,000</u>	<u>6,279,392</u>	<u>5,221,392</u>
Expenditures				
Current:				
General government	1,461	1,461	26,617	(25,156)
Public safety	32,536	224,543	148,823	75,720
Physical environment	--	246,098	37,040	209,058
Culture and recreation	97,852	132,852	10,450	122,402
Economic environment	119,000	139,000	101,770	37,230
Capital outlay:				
Capital outlay	--	67,972	--	67,972
Total expenditures	<u>250,849</u>	<u>811,926</u>	<u>324,700</u>	<u>487,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>807,151</u>	<u>246,074</u>	<u>5,954,692</u>	<u>5,708,618</u>
Other financing sources (uses)				
Transfers in	476,713	476,713	476,713	--
Transfers out	--	--	(14,300)	(14,300)
Total other financing sources (uses)	<u>476,713</u>	<u>476,713</u>	<u>462,413</u>	<u>(14,300)</u>
Net change in fund balance	1,283,864	722,787	6,417,105	5,694,318
Fund balance - beginning	<u>1,381,898</u>	<u>1,381,898</u>	<u>1,381,898</u>	<u>--</u>
Fund balance - ending	<u>\$ 2,665,762</u>	<u>\$ 2,104,685</u>	<u>\$ 7,799,003</u>	<u>\$ 5,694,318</u>

City of Sarasota, Florida

2015 General Obligation Bonds Debt Service Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 2,542,044	\$ 2,542,044	\$ 2,576,714	\$ 34,670
Investment earnings	--	--	10,926	10,926
Total revenues	<u>2,542,044</u>	<u>2,542,044</u>	<u>2,587,640</u>	<u>45,596</u>
Expenditures				
Debt service:				
Principal payments	1,195,000	1,195,000	1,195,000	--
Interest and fiscal charges	<u>1,347,044</u>	<u>1,347,044</u>	<u>1,345,869</u>	<u>1,175</u>
Total expenditures	<u>2,542,044</u>	<u>2,542,044</u>	<u>2,540,869</u>	<u>1,175</u>
Net change in fund balance	--	--	46,771	46,771
Fund balance - beginning	<u>486,489</u>	<u>486,489</u>	<u>486,489</u>	<u>--</u>
Fund balance - ending	<u>\$ 486,489</u>	<u>\$ 486,489</u>	<u>\$ 533,260</u>	<u>\$ 46,771</u>

City of Sarasota, Florida

2016 General Obligation Bonds Debt Service Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 257,109	\$ 257,109	\$ 258,530	\$ 1,421
Investment earnings	500	500	1,320	820
Total revenues	<u>257,609</u>	<u>257,609</u>	<u>259,850</u>	<u>2,241</u>
Expenditures				
Debt service:				
Principal payments	210,000	210,000	210,000	--
Interest and fiscal charges	<u>47,109</u>	<u>47,109</u>	<u>47,252</u>	<u>(143)</u>
Total expenditures	<u>257,109</u>	<u>257,109</u>	<u>257,252</u>	<u>(143)</u>
Net change in fund balance	500	500	2,598	2,098
Fund balance - beginning	<u>181,311</u>	<u>181,311</u>	<u>181,311</u>	<u>--</u>
Fund balance - ending	<u>\$ 181,811</u>	<u>\$ 181,811</u>	<u>\$ 183,909</u>	<u>\$ 2,098</u>

City of Sarasota, Florida

2009 Build America Debt Service Fund

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

Year Ended September 30, 2018

	<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	\$ 1,154	\$ 154
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,154</u>	<u>154</u>
Expenditures				
Debt service:				
Principal payments	957,608	957,608	957,608	--
Interest and fiscal charges	<u>348,535</u>	<u>348,535</u>	<u>344,567</u>	<u>3,968</u>
Total expenditures	<u>1,306,143</u>	<u>1,306,143</u>	<u>1,302,175</u>	<u>3,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,305,143)</u>	<u>(1,305,143)</u>	<u>(1,301,021)</u>	<u>4,122</u>
Other financing sources (uses)				
Transfers in	<u>1,305,650</u>	<u>1,305,650</u>	<u>1,305,650</u>	<u>--</u>
Total other financing sources (uses)	<u>1,305,650</u>	<u>1,305,650</u>	<u>1,305,650</u>	<u>--</u>
Net change in fund balance	507	507	4,629	4,122
Fund balance - beginning	<u>28,906</u>	<u>28,906</u>	<u>28,906</u>	<u>--</u>
Fund balance - ending	<u>\$ 29,413</u>	<u>\$ 29,413</u>	<u>\$ 33,535</u>	<u>\$ 4,122</u>

City of Sarasota, Florida

2010 Sales Tax Payments Revenue Bonds Debt Service Fund

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

Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Investment earnings	\$ 2,000	\$ 2,000	\$ 2,320	\$ 320
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,320</u>	<u>320</u>
Expenditures				
Debt service:				
Principal payments	240,000	240,000	240,000	--
Interest and fiscal charges	<u>270,188</u>	<u>270,188</u>	<u>266,244</u>	<u>3,944</u>
Total expenditures	<u>510,188</u>	<u>510,188</u>	<u>506,244</u>	<u>3,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(508,188)</u>	<u>(508,188)</u>	<u>(503,924)</u>	<u>4,264</u>
Other financing sources (uses)				
Transfers in	<u>500,004</u>	<u>500,004</u>	<u>500,004</u>	<u>--</u>
Total other financing sources (uses)	<u>500,004</u>	<u>500,004</u>	<u>500,004</u>	<u>--</u>
Net change in fund balance	(8,184)	(8,184)	(3,920)	4,264
Fund balance - beginning	<u>506,579</u>	<u>506,579</u>	<u>506,579</u>	<u>--</u>
Fund balance - ending	<u>\$ 498,395</u>	<u>\$ 498,395</u>	<u>\$ 502,659</u>	<u>\$ 4,264</u>

City of Sarasota, Florida

Glen Oaks Debt Service Fund

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

Year Ended September 30, 2018

	<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	\$ 11,024	\$ 11,024	\$ 6,873	\$ (4,151)
Investment earnings	--	--	4,455	4,455
Total revenues	<u>11,024</u>	<u>11,024</u>	<u>11,328</u>	<u>304</u>
Expenditures				
Debt service:				
Principal payments	6,102	6,102	--	6,102
Interest and fiscal charges	<u>4,922</u>	<u>4,922</u>	<u>4,922</u>	<u>--</u>
Total expenditures	<u>11,024</u>	<u>11,024</u>	<u>4,922</u>	<u>6,102</u>
Net change in fund balance	--	--	6,406	6,406
Fund balance - beginning	<u>(111,658)</u>	<u>(111,658)</u>	<u>(111,658)</u>	<u>--</u>
Fund balance - ending	<u>\$ (111,658)</u>	<u>\$ (111,658)</u>	<u>\$ (105,252)</u>	<u>\$ 6,406</u>

City of Sarasota, Florida

Penny Sales Tax Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 8,247,299	\$ 8,679,425	\$ 8,319,277	\$ (360,148)
Investment earnings	11,755	11,755	101,159	89,404
Total revenues	<u>8,259,054</u>	<u>8,691,180</u>	<u>8,420,436</u>	<u>(270,744)</u>
Expenditures				
Current:				
General government	--	104,653	103,572	1,081
Physical environment	4,810	185,162	181,936	3,226
Transportation	23,809	217,357	216,992	365
Culture and recreation	81,000	310,695	283,276	27,419
Economic environment	--	4,386,100	--	4,386,100
Debt service:				
Principal payments	566,619	566,619	566,219	400
Interest and fiscal charges	18,392	18,392	18,392	--
Capital outlay:				
Capital outlay	10,089,644	23,930,253	6,167,308	17,762,945
Total expenditures	<u>10,784,274</u>	<u>29,719,231</u>	<u>7,537,695</u>	<u>22,181,536</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,525,220)</u>	<u>(21,028,051)</u>	<u>882,741</u>	<u>21,910,792</u>
Other financing sources (uses)				
Transfers out	<u>(1,305,650)</u>	<u>(2,069,548)</u>	<u>(1,575,218)</u>	<u>494,330</u>
Total other financing sources (uses)	<u>(1,305,650)</u>	<u>(2,069,548)</u>	<u>(1,575,218)</u>	<u>494,330</u>
Net change in fund balance	(3,830,870)	(23,097,599)	(692,477)	22,405,122
Fund balance - beginning	<u>25,059,934</u>	<u>25,059,934</u>	<u>25,059,934</u>	<u>--</u>
Fund balance - ending	<u>\$ 21,229,064</u>	<u>\$ 1,962,335</u>	<u>\$ 24,367,457</u>	<u>\$ 22,405,122</u>

The accompanying notes are an integral part of this statement.

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.

City of Sarasota, Florida
Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2018

Assets	Bobby Jones Golf Course	Municipal Auditoriums	Total
Current assets:			
Cash and cash equivalents	\$ 15,160	\$ 3,236	\$ 18,396
Investments	96,468	20,591	117,059
Receivables (net):			
Accounts	4,890	--	4,890
Interest	680	--	680
Due from other governmental agencies	--	157,476	157,476
Inventories	55,355	420	55,775
Prepaid items	7,676	22,078	29,754
Total unrestricted current assets	<u>180,229</u>	<u>203,801</u>	<u>384,030</u>
Restricted current assets:			
Total restricted current assets	<u>--</u>	<u>--</u>	<u>--</u>
Total current assets	<u>180,229</u>	<u>203,801</u>	<u>384,030</u>
Noncurrent assets:			
Capital assets			
Land	910,000	175,000	1,085,000
Buildings	1,224,872	2,867,160	4,092,032
Improvements	5,853,057	459,861	6,312,918
Equipment	427,585	72,105	499,690
Less accumulated depreciation	<u>(5,278,215)</u>	<u>(2,344,436)</u>	<u>(7,622,651)</u>
Total capital assets (net of accumulated depreciation)	<u>3,137,299</u>	<u>1,229,690</u>	<u>4,366,989</u>
Total assets	<u>3,317,528</u>	<u>1,433,491</u>	<u>4,751,019</u>
Deferred Outflows of Resources			
Pension/OPEB:			
Changes in assumptions	10,323	4,729	15,052
Contributions to the pension plan subsequent to the measurement date	132,803	39,151	171,954
Difference between expected and actual experience	4,440	2,034	6,474
Total deferred outflows of resources	<u>\$ 147,566</u>	<u>\$ 45,914</u>	<u>\$ 193,480</u>

City of Sarasota, Florida
Nonmajor Enterprise Funds
Combining Statement of Net Position
September 30, 2018

	Bobby Jones Golf Course	Municipal Auditoriums	Total
Liabilities			
Current liabilities:			
Accounts payable	\$ 112,542	\$ 16,649	\$ 129,191
Due to other governmental agencies	3,219	2,538	5,757
Accrued interest payable	--	615	615
Accrued wages	25,556	10,253	35,809
Compensated absences	46,251	10,439	56,690
Unearned revenue	68,008	66,436	134,444
Total current liabilities	<u>255,576</u>	<u>106,930</u>	<u>362,506</u>
Noncurrent liabilities			
Compensated absences	51,947	11,724	63,671
Net pension liability	555,792	254,592	810,384
Net OPEB liability	166,978	59,331	226,309
Total noncurrent liabilities	<u>774,717</u>	<u>325,647</u>	<u>1,100,364</u>
Total liabilities	<u>1,030,293</u>	<u>432,577</u>	<u>1,462,870</u>
Deferred Inflows of Resources			
Non-Pension			
Pension/OPEB:			
Net difference between projected and actual earnings on pension plan/OPEB investments	51,367	21,831	73,198
Total deferred inflows of resources	<u>51,367</u>	<u>21,831</u>	<u>73,198</u>
Net Position			
Net investment in capital assets	3,137,299	1,229,690	4,366,989
Unrestricted	(753,865)	(204,693)	(958,558)
Total net position	<u>\$ 2,383,434</u>	<u>\$ 1,024,997</u>	<u>\$ 3,408,431</u>

City of Sarasota, Florida

Nonmajor Enterprise Funds

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

For the Year Ended September 30, 2018

	Bobby Jones Golf Course	Municipal Auditoriums	Total
Operating revenues:			
Charges for services	\$ 1,940,441	\$ 46,988	\$ 1,987,429
Rents	43,025	281,744	324,769
Miscellaneous	(21,842)	1,725	(20,117)
Total operating revenues	<u>1,961,624</u>	<u>330,457</u>	<u>2,292,081</u>
Operating expenses:			
Personnel services	809,797	286,879	1,096,676
Contractual services	350,278	156,867	507,145
Repairs and maintenance	1,320,732	21,611	1,342,343
Supplies and materials	105,030	21,917	126,947
Depreciation	187,421	16,999	204,420
Total operating expenses	<u>2,773,258</u>	<u>504,273</u>	<u>3,277,531</u>
Operating income (loss)	<u>(811,634)</u>	<u>(173,816)</u>	<u>(985,450)</u>
Nonoperating revenues:			
Grant income	--	457,476	457,476
Investment earnings	1,290	(2,042)	(752)
Gain (loss) on disposition of capital assets	(269)	--	(269)
Total nonoperating revenues	<u>1,021</u>	<u>455,434</u>	<u>456,455</u>
Income (loss) before capital contributions and transfers	(810,613)	281,618	(528,995)
Capital contributions	--	280,788	280,788
Transfers in	800,000	397,171	1,197,171
Change in net position	(10,613)	959,577	948,964
Net position - beginning, as restated	<u>2,394,047</u>	<u>65,420</u>	<u>2,459,467</u>
Net position - ending	<u>\$ 2,383,434</u>	<u>\$ 1,024,997</u>	<u>\$ 3,408,431</u>

City of Sarasota, Florida
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2018

	Bobby Jones Golf Course	Municipal Auditoriums	Total
Cash flows from operating activities			
Cash received from customers	\$ 1,984,698	\$ 344,309	\$ 2,329,007
Cash payments to vendors for goods and services	(1,648,124)	(152,059)	(1,800,183)
Cash payments to employees for services	(747,364)	(299,453)	(1,046,817)
Cash payments to other funds	(120,000)	(40,802)	(160,802)
Net cash provided (used) by operating activities	<u>(530,790)</u>	<u>(148,005)</u>	<u>(678,795)</u>
Cash flows from noncapital financing activities			
Grants	--	300,000	300,000
Transfers in	800,000	397,171	1,197,171
Loan to/from other fund	(80,676)	--	(80,676)
Net cash provided (used) by noncapital financing activities	<u>719,324</u>	<u>697,171</u>	<u>1,416,495</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	<u>(77,454)</u>	<u>(733,076)</u>	<u>(810,530)</u>
Net cash provided (used) by capital and related financing activities	<u>(77,454)</u>	<u>(733,076)</u>	<u>(810,530)</u>
Cash flows from investing activities			
Interest on investments	548	(1,178)	(630)
Proceeds from sale and maturities of investments	--	154,450	154,450
Purchase of investments	(96,468)	--	(96,468)
Net cash provided by investing activities	<u>(95,920)</u>	<u>153,272</u>	<u>57,352</u>
Net increase (decrease) in cash and cash equivalents	15,160	(30,638)	(15,478)
Cash and cash equivalents at beginning of year	--	33,874	33,874
Cash and cash equivalents at end of year	<u>\$ 15,160</u>	<u>\$ 3,236</u>	<u>\$ 18,396</u>

(continued)

City of Sarasota, Florida
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2018

	Bobby Jones Golf Course	Municipal Auditoriums	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (811,634)	\$ (173,816)	\$ (985,450)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	187,421	16,999	204,420
Pension/OPEB expense	49,228	(13,126)	36,102
Net (increase) decrease in:			
Accounts receivable	(1,408)	--	(1,408)
Inventories	9,453	(41)	9,412
Prepaid items	(1,942)	(3,225)	(5,167)
Net increase (decrease) in:			
Accounts payable	(2,727)	11,558	8,831
Due to other governmental agencies	3,132	(758)	2,374
Accrued wages	4,681	363	5,044
Compensated absences	8,524	189	8,713
Unearned revenue	24,482	13,852	38,334
Total adjustments	280,844	25,811	306,655
Net cash provided (used) by operating activities	<u>\$ (530,790)</u>	<u>\$ (148,005)</u>	<u>\$ (678,795)</u>
Noncash investing, capital, and financing activities			
None	\$ -	\$ -	\$ -

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 of 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
Water and Sewer System Enterprise Fund
Combining Schedule of Net Position
September 30, 2018

Assets	Revenue Account	Interest & Sinking Accounts	Renewal Replacement & Improvement Account	General Reserve Account
Current assets:				
Cash and cash equivalents	\$ 69,353	\$ --	\$ 4,419,114	\$ 2,479,022
Investments	441,313	--	28,120,288	15,774,843
Receivables (net):				
Accounts	4,695,845	--	1,528	--
Interest	2,327	--	82,994	46,033
Inventories	--	--	--	--
Prepaid items	99,937	--	--	--
Total unrestricted current assets	<u>5,308,775</u>	<u>--</u>	<u>32,623,924</u>	<u>18,299,898</u>
Restricted current assets:				
Cash and cash equivalent	162,127	429,613	--	--
Cash with fiscal agents	--	3,393,940	--	--
Investments	1,031,665	2,733,767	--	--
Accrued interest receivable	2,968	15,143	--	--
Due from other governmental units	--	--	--	--
Total restricted current assets	<u>1,196,760</u>	<u>6,572,463</u>	<u>--</u>	<u>--</u>
Total current assets	<u>6,505,535</u>	<u>6,572,463</u>	<u>32,623,924</u>	<u>18,299,898</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable:				
Land	6,040,560	--	--	--
Construction in progress	--	--	13,698,113	15,499,216
Depreciable:				
Buildings	25,136,359	--	68,941	--
Improvements	300,296,552	--	--	--
Equipment	1,667,848	--	8,381,834	594,368
Less accumulated depreciation	<u>(199,963,741)</u>	<u>--</u>	<u>(6,650,481)</u>	<u>(513,762)</u>
Total capital assets (net of accumulated depreciation)	<u>133,177,578</u>	<u>--</u>	<u>15,498,407</u>	<u>15,579,822</u>
Total assets	<u>139,683,113</u>	<u>6,572,463</u>	<u>48,122,331</u>	<u>33,879,720</u>
Deferred Outflows of Resources				
Non-pension:				
Deferred charge on refunding	--	212,526	--	--
Pension/OPEB:				
Changes in assumptions	269,450	--	111,936	--
Contributions to the pension plan subsequent to the measurement date	2,616,372	--	959,785	--
Difference between expected and actual experience	115,903	--	48,148	--
Total deferred outflows of resources	<u>\$ 3,001,725</u>	<u>\$ 212,526</u>	<u>\$ 1,119,869</u>	<u>\$ --</u>

Utility Construction Accounts	Utility Stores Account	Totals
\$ --	\$ --	\$ 6,967,489
--	--	44,336,444
--	--	4,697,373
--	--	131,354
--	594,808	594,808
--	649	100,586
<u>--</u>	<u>595,457</u>	<u>56,828,054</u>
163,089	--	754,829
--	--	3,393,940
1,037,791	--	4,803,223
--	--	18,111
<u>2,098,331</u>	<u>--</u>	<u>2,098,331</u>
<u>3,299,211</u>	<u>--</u>	<u>11,068,434</u>
<u>3,299,211</u>	<u>595,457</u>	<u>67,896,488</u>
--	--	6,040,560
16,464,259	--	45,661,588
--	--	25,205,300
--	--	300,296,552
--	44,125	10,688,175
<u>--</u>	<u>(25,179)</u>	<u>(207,153,163)</u>
<u>16,464,259</u>	<u>18,946</u>	<u>180,739,012</u>
<u>19,763,470</u>	<u>614,403</u>	<u>248,635,500</u>
--	--	212,526
--	--	381,386
--	9,332	3,585,489
<u>--</u>	<u>--</u>	<u>164,051</u>
<u>\$ --</u>	<u>\$ 9,332</u>	<u>\$ 4,343,452</u>

(continued)

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Schedule of Net Position
September 30, 2018
(Concluded)

	Revenue Account	Interest & Sinking Accounts	Renewal Replacement & Improvement Account	General Reserve Account
Liabilities				
Current liabilities:				
Accounts payable	\$ 509,551	\$ --	\$ 1,739,057	\$ 308,104
Retainages payable	--	--	445,028	--
Due to other governmental agencies	154,200	--	58,878	--
Interfund payables	--	--	--	--
Accrued interest payable	--	--	--	--
Accrued wages	344,715	--	120,647	--
Compensated absences	353,168	--	84,838	--
Unearned revenue	1,508,033	--	--	--
Total unrestricted current liabilities	<u>2,869,667</u>	<u>--</u>	<u>2,448,448</u>	<u>308,104</u>
Current liabilities payable from restricted assets:				
Accounts payable	--	--	--	--
Retainages payable	--	--	--	--
Accrued interest payable	--	1,133,941	--	--
Customer deposits	1,196,760	--	--	--
Bonds payable	--	2,260,000	--	--
Total current liabilities payable from restricted assets	<u>1,196,760</u>	<u>3,393,941</u>	<u>--</u>	<u>--</u>
Total current liabilities	<u>4,066,427</u>	<u>3,393,941</u>	<u>2,448,448</u>	<u>308,104</u>
Noncurrent liabilities:				
Compensated absences	396,657	--	95,286	--
Bonds payable and unamortized premium	--	51,014,149	--	--
Net pension liability	14,507,831	--	6,026,832	--
Net OPEB liability	1,897,410	--	671,805	--
Total noncurrent liabilities	<u>16,801,898</u>	<u>51,014,149</u>	<u>6,793,923</u>	<u>--</u>
Total liabilities	<u>20,868,325</u>	<u>54,408,090</u>	<u>9,242,371</u>	<u>308,104</u>
Deferred Inflows of Resources				
Pension/OPEB:				
Net difference between projected and actual earnings on pension plan/OPEB investments	1,097,182	--	444,265	--
Net Position				
Net investment in capital assets	133,177,578	(52,509,218)	15,498,407	15,579,822
Restricted:				
Debt service	--	5,438,522	--	--
Construction	--	(552,405)	--	--
Unrestricted	<u>(12,458,247)</u>	<u>--</u>	<u>24,057,157</u>	<u>17,991,794</u>
Total net position	<u>\$ 120,719,331</u>	<u>\$ (47,623,101)</u>	<u>\$ 39,555,564</u>	<u>\$ 33,571,616</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Totals</u>
\$ --	\$ 32,217	\$ 2,588,929
--	--	445,028
--	1,474	214,552
--	161,999	161,999
--	455	455
--	4,919	470,281
--	724	438,730
--	--	1,508,033
<u>--</u>	<u>201,788</u>	<u>5,828,007</u>
455,045	--	455,045
539,696	--	539,696
3,021	--	1,136,962
--	--	1,196,760
<u>--</u>	<u>--</u>	<u>2,260,000</u>
997,762	--	5,588,463
<u>997,762</u>	<u>201,788</u>	<u>11,416,470</u>
--	814	492,757
--	--	51,014,149
--	--	20,534,663
--	26,422	2,595,637
--	27,236	74,637,206
<u>997,762</u>	<u>229,024</u>	<u>86,053,676</u>
<u>--</u>	<u>2,616</u>	<u>1,544,063</u>
16,464,259	18,946	128,229,794
--	--	5,438,522
--	--	(552,405)
<u>2,301,449</u>	<u>373,149</u>	<u>32,265,302</u>
<u>\$ 18,765,708</u>	<u>\$ 392,095</u>	<u>\$ 165,381,213</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, 2018

	Revenue Account	Interest & Sinking Accounts	Renewal Replacement & Improvement Account	General Reserve Account
Operating revenues				
Charges for services				
Charges for services	\$ 46,245,062	\$ --	\$ --	\$ --
Connection fees	--	--	--	947,637
Other	--	--	--	--
Rents	2,000	--	--	--
Miscellaneous	18,259	--	--	--
Total operating revenues	<u>46,265,321</u>	<u>--</u>	<u>--</u>	<u>947,637</u>
Operating expenses				
Personnel services	12,657,322	--	--	--
Contractual services	8,193,062	--	638,539	--
Repairs and maintenance	1,496,288	--	3,691,509	1,986,307
Supplies and materials	2,648,371	--	--	--
Depreciation	8,395,918	--	772,592	39,689
Other	33,000	--	--	--
Total operating expenses	<u>33,423,961</u>	<u>--</u>	<u>5,102,640</u>	<u>2,025,996</u>
Operating income (loss)	<u>12,841,360</u>	<u>--</u>	<u>(5,102,640)</u>	<u>(1,078,359)</u>
Nonoperating revenues (expenses)				
Grant income	--	--	--	125,146
Investment earnings (loss)	106,836	33,852	195,261	102,068
Interest expense	--	(1,305,025)	--	--
Loan and bond issue expense	--	(5,325)	--	--
Gain (loss) on disposition of capital assets	20,608	--	50,499	(14,135)
Total nonoperating revenues (expenses)	<u>127,444</u>	<u>(1,276,498)</u>	<u>245,760</u>	<u>213,079</u>
Income (loss) before transfers	12,968,804	(1,276,498)	(4,856,880)	(865,280)
Transfers in	--	--	11,642,385	1,300,937
Transfers out	<u>(11,106,189)</u>	<u>(2,441,989)</u>	<u>--</u>	<u>--</u>
Change in net position	1,862,615	(3,718,487)	6,785,505	435,657
Net position - beginning, as restated	<u>118,856,716</u>	<u>(43,904,614)</u>	<u>32,770,059</u>	<u>33,135,959</u>
Net position - ending	<u>\$ 120,719,331</u>	<u>\$ (47,623,101)</u>	<u>\$ 39,555,564</u>	<u>\$ 33,571,616</u>

<u>Utility Construction Accounts</u>	<u>Utility Stores Account</u>	<u>Eliminations</u>	<u>Totals</u>
\$ --	\$ --	\$ --	\$ 46,245,062
--	--	--	947,637
--	1,331,994	(1,331,994)	--
--	--	--	2,000
--	26,630	--	44,889
--	1,358,624	(1,331,994)	47,239,588
--	4,378	--	12,661,700
--	73,556	--	8,905,157
--	137	--	7,174,241
--	1,092,794	(1,331,994)	2,409,171
--	10,825	--	9,219,024
--	--	--	33,000
--	1,181,690	(1,331,994)	40,402,293
--	176,934	--	6,837,295
--	--	--	125,146
(15,943)	(1,297)	--	420,777
--	--	--	(1,305,025)
--	--	--	(5,325)
--	--	--	56,972
(15,943)	(1,297)	--	(707,455)
(15,943)	175,637	--	6,129,840
604,856	--	(13,548,178)	--
--	--	13,548,178	--
588,913	175,637	--	6,129,840
18,176,795	216,458	--	159,251,373
<u>\$ 18,765,708</u>	<u>\$ 392,095</u>	<u>\$ --</u>	<u>\$ 165,381,213</u>

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 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, 2018

	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>General Benefits and Insurance</u>	<u>Equipment Replacement</u>	<u>Total</u>
Assets					
Current assets:					
Cash and cash equivalents	\$ 50,473	\$ 76,864	\$ 1,428,862	\$ 315,039	\$ 1,871,238
Investments	321,176	489,112	9,092,325	2,004,701	11,907,314
Receivables (net):					
Accounts	1,211	--	--	--	1,211
Interest	898	1,276	10,906	5,707	18,787
Due from other funds	--	--	6,335	--	6,335
Due from other governmental agencies	4,337	--	363,932	--	368,269
Inventories	64,339	--	--	--	64,339
Prepaid items	1,299	4,674	2,457	--	8,430
Total current assets	<u>443,733</u>	<u>571,926</u>	<u>10,904,817</u>	<u>2,325,447</u>	<u>14,245,923</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable:					
Depreciable:					
Buildings	209,197	290,031	256,570	1,766,306	2,522,104
Improvements	691,606	73,396	2,392	257,404	1,024,798
Equipment	291,693	1,279,409	34,342	7,107,512	8,712,956
Less accumulated depreciation	<u>(828,306)</u>	<u>(1,489,950)</u>	<u>(155,584)</u>	<u>(6,315,986)</u>	<u>(8,789,826)</u>
Total capital assets (net of accumulated depreciation)	<u>364,190</u>	<u>152,886</u>	<u>137,720</u>	<u>2,815,236</u>	<u>3,470,032</u>
Other assets:					
Advance to other funds	--	--	101,445	--	101,445
Total noncurrent assets	<u>364,190</u>	<u>152,886</u>	<u>239,165</u>	<u>2,815,236</u>	<u>3,571,477</u>
Total assets	<u>807,923</u>	<u>724,812</u>	<u>11,143,982</u>	<u>5,140,683</u>	<u>17,817,400</u>
Deferred Outflows of Resources					
Pension/OPEB:					
Changes in assumptions	18,443	15,057	--	--	33,500
Contributions to the pension plan subsequent to the measurement date	160,701	211,846	--	--	372,547
Difference between expected and actual experience	7,933	6,477	--	--	14,410
Total deferred outflows of resources	<u>187,077</u>	<u>233,380</u>	<u>--</u>	<u>--</u>	<u>420,457</u>
Liabilities					
Current liabilities:					
Accounts payable	244,016	30,622	384,063	70,637	729,338
Due to other governmental agencies	9,489	15,232	--	--	24,721
Liability for unpaid claims	--	--	2,660,759	--	2,660,759
Accrued wages	20,830	58,751	--	--	79,581
Compensated absences	21,671	31,035	2,452,466	--	2,505,172
Total current liabilities	<u>296,006</u>	<u>135,640</u>	<u>5,497,288</u>	<u>70,637</u>	<u>5,999,571</u>
Noncurrent liabilities:					
Compensated absences	24,340	34,857	2,765,547	--	2,824,744
Net pension liability	993,002	810,687	--	--	1,803,689
Net OPEB liability	102,887	359,768	--	--	462,655
Total noncurrent liabilities	<u>1,120,229</u>	<u>1,205,312</u>	<u>2,765,547</u>	<u>--</u>	<u>5,091,088</u>
Total liabilities	<u>1,416,235</u>	<u>1,340,952</u>	<u>8,262,835</u>	<u>70,637</u>	<u>11,090,659</u>
Deferred Inflows of Resources					
Pension/OPEB:					
Net difference between projected and actual earnings on pension plan/OPEB investments	72,427	86,430	--	--	158,857
Net Position					
Net investment in capital assets	364,190	152,886	137,720	2,815,236	3,470,032
Unrestricted	<u>(857,852)</u>	<u>(622,076)</u>	<u>2,743,427</u>	<u>2,254,810</u>	<u>3,518,309</u>
Total net position	<u>\$ (493,662)</u>	<u>\$ (469,190)</u>	<u>\$ 2,881,147</u>	<u>\$ 5,070,046</u>	<u>\$ 6,988,341</u>

City of Sarasota, Florida

Internal Service Funds

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

Year Ended September 30, 2018

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Operating revenues					
Charges for services	\$ 2,815,703	\$ 2,749,784	\$ 11,824,254	\$ 575,377	\$ 17,965,118
Miscellaneous	--	--	568,273	28,542	596,815
Total operating revenues	<u>2,815,703</u>	<u>2,749,784</u>	<u>12,392,527</u>	<u>603,919</u>	<u>18,561,933</u>
Operating expenses					
Personnel services	699,777	1,426,577	2,363,082	--	4,489,436
Contractual services	289,013	222,683	11,681,990	7,257	12,200,943
Repairs and maintenance	75,715	647,477	15,809	54,678	793,679
Supplies and materials	1,752,254	24,118	70,145	14,354	1,860,871
Depreciation	44,199	102,316	23,280	916,825	1,086,620
Total operating expenses	<u>2,860,958</u>	<u>2,423,171</u>	<u>14,154,306</u>	<u>993,114</u>	<u>20,431,549</u>
Operating income (loss)	<u>(45,255)</u>	<u>326,613</u>	<u>(1,761,779)</u>	<u>(389,195)</u>	<u>(1,869,616)</u>
Nonoperating revenues (expenses)					
Investment earnings	1,658	2,196	32,052	13,138	49,044
Gain (loss) on disposition of capital assets	(1,077)	657	(9,489)	(11,003)	(20,912)
Total nonoperating revenues (expenses)	<u>581</u>	<u>2,853</u>	<u>22,563</u>	<u>2,135</u>	<u>28,132</u>
Income (loss) before transfers	<u>(44,674)</u>	<u>329,466</u>	<u>(1,739,216)</u>	<u>(387,060)</u>	<u>(1,841,484)</u>
Transfers in	--	--	60	--	60
Transfers out	--	--	--	(12,703)	(12,703)
Change in net position	<u>(44,674)</u>	<u>329,466</u>	<u>(1,739,156)</u>	<u>(399,763)</u>	<u>(1,854,127)</u>
Net position-beginning, as restated	<u>(448,988)</u>	<u>(798,656)</u>	<u>4,620,303</u>	<u>5,469,809</u>	<u>8,842,468</u>
Net position-ending	<u>\$ (493,662)</u>	<u>\$ (469,190)</u>	<u>\$ 2,881,147</u>	<u>\$ 5,070,046</u>	<u>\$ 6,988,341</u>

City of Sarasota, Florida
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2018

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Cash flows from operating activities					
Cash received from customers and users	\$ 12,105	\$ --	\$ 2,262,442	\$ --	\$ 2,274,547
Cash received from other funds for goods and services	2,807,259	2,749,784	10,112,544	603,919	16,273,506
Cash payments to vendors for goods and services	(1,987,299)	(881,208)	--	(157,777)	(5,156,871)
Cash payments to employees for services	(623,507)	(1,724,047)	(2,088,935)	--	(4,436,489)
Cash payments to other funds	(132,000)	--	(119,331)	(7,000)	(258,331)
Claims paid	--	--	(9,238,318)	--	(9,238,318)
Net cash provided (used) by operating activities	<u>76,558</u>	<u>144,529</u>	<u>(1,202,185)</u>	<u>439,142</u>	<u>(541,956)</u>
Cash flows from noncapital financing activities					
Transfers in	--	--	60	--	60
Transfers out	--	--	--	(12,703)	(12,703)
Repayment of loan to/from other fund	--	--	6,684	--	6,684
Interest on loan to/from other fund	--	--	4,922	--	4,922
Net cash provided (used) by noncapital financing activities	<u>--</u>	<u>--</u>	<u>11,666</u>	<u>(12,703)</u>	<u>(1,037)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(10,389)	--	--	(484,491)	(494,880)
Proceeds from sale of capital assets	855	175	152	21,781	22,963
Net cash provided (used) in capital and related financing activities	<u>(9,534)</u>	<u>175</u>	<u>152</u>	<u>(462,710)</u>	<u>(471,917)</u>
Cash flows from investing activities					
Interest on investments	1,162	1,869	29,791	12,638	45,460
Proceeds from sale and maturities of investments	--	--	695,349	--	695,349
Purchase of investments	(66,917)	(137,711)	--	(41,284)	(245,912)
Net cash provided (used) by investing activities	<u>(65,755)</u>	<u>(135,842)</u>	<u>725,140</u>	<u>(28,646)</u>	<u>494,897</u>
Net increase (decrease) in cash and cash equivalents	1,269	8,862	(465,227)	(64,917)	(520,013)
Cash and cash equivalents at beginning of year	<u>49,204</u>	<u>68,002</u>	<u>1,894,089</u>	<u>379,956</u>	<u>2,391,251</u>
Cash and cash equivalents at end of year	<u>\$ 50,473</u>	<u>\$ 76,864</u>	<u>\$ 1,428,862</u>	<u>\$ 315,039</u>	<u>\$ 1,871,238</u>

(continued)

City of Sarasota, Florida
 Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended September 30, 2018

	<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)	\$ (45,255)	\$ 326,613	\$ (1,761,779)	\$ (389,195)	\$ (1,869,616)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	44,199	102,316	23,280	916,825	1,086,620
Pension expense	64,872	(287,021)	--	--	(222,149)
Net (increase) decrease in:					
Accounts receivable	3,661	--	71,267	--	74,928
Due from other governmental agencies	(4,338)	--	(88,809)	--	(93,147)
Inventories	(26,493)	--	--	--	(26,493)
Prepaid items	1,506	12,779	(358)	--	13,927
Net increase (decrease) in:					
Accounts payable	25,895	(2,392)	119,703	(88,488)	54,718
Liability for unpaid claims	--	--	143,048	--	143,048
Due to other governmental agencies	1,111	2,683	--	--	3,794
Accrued wages	3,671	(1,880)	--	--	1,791
Compensated absences	7,729	(8,568)	291,463	--	290,624
Total adjustments	<u>121,813</u>	<u>(182,083)</u>	<u>559,594</u>	<u>828,337</u>	<u>1,327,661</u>
Net cash provided (used) by operating activities	<u>\$ 76,558</u>	<u>\$ 144,530</u>	<u>\$ (1,202,185)</u>	<u>\$ 439,142</u>	<u>\$ (541,955)</u>

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

None

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 Pension Plan.

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

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

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

Agency Funds

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

Community Development - This fund is used to account for fees due to homeowners for repairs to their homes.

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, 2018

	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	\$ 65,954	\$ 46,718	\$ 155,067	\$ 43,347	\$ 212,411	\$ 523,497
Investments:						
Money market funds	2,687,273	2,809,880	3,053,908	--	1,061,086	9,612,147
U.S. Government securities	9,068,517	15,496,867	7,021,953	--	1,896,085	33,483,422
U.S. Government agency securities	--	--	--	--	287,434	287,434
Common and preferred stock	107,396,153	107,440,166	94,949,011	--	28,778,048	338,563,378
Corporate bonds and notes	8,723,835	39,634,402	22,582,795	--	4,382,633	75,323,665
Stock mutual funds	--	--	2,284,101	7,859,020	--	10,143,121
Bond mutual funds	--	--	--	1,903,885	--	1,903,885
Real estate funds	17,925,504	30,851,755	20,618,212	--	6,714,646	76,110,117
Mortgage backed securities	9,681,767	10,237,079	892,211	--	973,620	21,784,677
Municipal securities	--	1,248,057	117,138	--	--	1,365,195
Unit investment trusts	--	--	326,070	--	--	326,070
Foreign stocks	5,592,352	--	4,288,797	--	5,749,412	15,630,561
Foreign mutual funds	--	38,024,706	--	830,918	--	38,855,624
Foreign bond mutual funds	--	--	--	--	162,008	162,008
Total investments	<u>161,075,401</u>	<u>245,742,912</u>	<u>156,134,196</u>	<u>10,593,823</u>	<u>50,004,972</u>	<u>623,551,304</u>
Receivables (net):						
Accounts	1,334,731	511,477	--	711,673	--	2,557,881
Interest and dividends	210,661	417,998	522,422	116	97,761	1,248,958
Total receivables	<u>1,545,392</u>	<u>929,475</u>	<u>522,422</u>	<u>711,789</u>	<u>97,761</u>	<u>3,806,839</u>
Other assets:						
Prepaid items	17,577	1,372	29,204	--	1,638	49,791
Total other assets	<u>17,577</u>	<u>1,372</u>	<u>29,204</u>	<u>--</u>	<u>1,638</u>	<u>49,791</u>
Total assets	<u>162,704,324</u>	<u>246,720,477</u>	<u>156,840,889</u>	<u>11,348,959</u>	<u>50,316,782</u>	<u>627,931,431</u>
Liabilities						
Accounts payable	318,556	236,059	543,592	9,000	275,716	1,382,923
Liability for unpaid claims	--	--	--	--	473,361	473,361
Total liabilities	<u>318,556</u>	<u>236,059</u>	<u>543,592</u>	<u>9,000</u>	<u>749,077</u>	<u>1,856,284</u>
Net Position						
Restricted for pension and OPEB benefits	<u>\$ 162,385,768</u>	<u>\$ 246,484,418</u>	<u>\$ 156,297,297</u>	<u>\$ 11,339,959</u>	<u>\$ 49,567,705</u>	<u>\$ 626,075,147</u>

City of Sarasota, Florida
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2018

	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	\$ 691,469	\$ 1,059,114	\$ 20,122	\$ 924,040	\$ 1,610,537	\$ 4,305,282
Employer						
City of Sarasota	6,680,450	7,533,010	3,142,167	1,131,772	4,470,562	22,957,961
Sarasota County	45,697	--	6,360,489	1,861	--	6,408,047
State of Florida	--	655,750	416,820	--	--	1,072,570
Other	17,629	--	30,080	91,242	328,656	467,607
Total contributions	<u>7,435,245</u>	<u>9,247,874</u>	<u>9,969,678</u>	<u>2,148,915</u>	<u>6,409,755</u>	<u>35,211,467</u>
Investment income:						
Net increase in fair value of investments	11,113,920	20,270,751	9,515,605	808,714	5,316,033	47,025,023
Interest and dividends	3,171,589	3,767,948	3,452,458	49,647	1,035,113	11,476,755
Other	56,433	952,820	895,669	--	--	1,904,922
Total investment income	<u>14,341,942</u>	<u>24,991,519</u>	<u>13,863,732</u>	<u>858,361</u>	<u>6,351,146</u>	<u>60,406,700</u>
Less investment expense	<u>(1,007,634)</u>	<u>(1,160,585)</u>	<u>(972,983)</u>	<u>(8,084)</u>	<u>(389,405)</u>	<u>(3,538,691)</u>
Net investment income	<u>13,334,308</u>	<u>23,830,934</u>	<u>12,890,749</u>	<u>850,277</u>	<u>5,961,741</u>	<u>56,868,009</u>
Total additions	<u>20,769,553</u>	<u>33,078,808</u>	<u>22,860,427</u>	<u>2,999,192</u>	<u>12,371,496</u>	<u>92,079,476</u>
Deductions						
Benefits	11,825,587	14,592,869	12,188,581	347,828	6,658,810	45,613,675
Other benefits	--	--	--	--	485,746	485,746
Administrative expenses	226,911	192,363	182,776	46,430	659,114	1,307,594
Total deductions	<u>12,052,498</u>	<u>14,785,232</u>	<u>12,371,357</u>	<u>394,258</u>	<u>7,803,670</u>	<u>47,407,015</u>
Net increase	8,717,055	18,293,576	10,489,070	2,604,934	4,567,826	44,672,461
Net Position Restricted for Pension and OPEB Benefits						
Beginning of Year	153,668,713	228,190,842	145,808,227	8,735,025	44,999,879	581,402,686
End of Year	<u>\$ 162,385,768</u>	<u>\$ 246,484,418</u>	<u>\$ 156,297,297</u>	<u>\$ 11,339,959</u>	<u>\$ 49,567,705</u>	<u>\$ 626,075,147</u>

City of Sarasota, Florida
 Agency Funds
 Combining Statement of Changes in Assets and Liabilities
 Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Community Development				
Assets				
Cash and cash equivalents	\$ -	\$ 15,178	\$ 13,300	\$ 1,878
Investments	-	12,865	918	11,947
Accrued interest receivable	-	229	194	35
Total assets	-	28,272	14,412	13,860
Liabilities				
Accrued liabilities	-	28,272	14,412	13,860
Total liabilities	-	28,272	14,412	13,860
Impact Fees				
Assets				
Cash and cash equivalents	2,541	2,493,335	2,481,483	14,393
Investments	12,980	102,258	23,648	91,590
Accrued interest receivable	106	6,149	5,788	467
Total assets	15,627	2,601,742	2,510,919	106,450
Liabilities				
Accrued liabilities	15,627	2,601,742	2,510,919	106,450
Total liabilities	15,627	2,601,742	2,510,919	106,450
Total - Agency Funds				
Assets				
Cash and cash equivalents	2,541	2,508,513	2,494,783	16,271
Investments	12,980	115,123	24,566	103,537
Accrued interest receivable	106	6,378	5,982	502
Total assets	15,627	2,630,014	2,525,331	120,310
Liabilities				
Accrued liabilities	15,627	2,630,014	2,525,331	120,310
Total liabilities	\$ 15,627	\$ 2,630,014	\$ 2,525,331	\$ 120,310



Statistical Section



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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.	194-203
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	204-208
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.	210-215
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.	218-219
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.	220-225

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			
	2017-18	2016-17	2015-16	2014-15
Governmental activities				
Net investment in capital assets	\$ 174,105,644	\$ 171,838,648	\$ 170,059,240	\$ 160,348,362
Restricted	61,734,312	60,595,218	60,723,461	56,835,283
Unrestricted (deficit)	(60,816,931)	(62,364,793)	(60,210,350)	(61,059,854)
Total governmental activities net position	<u>\$ 175,023,025</u>	<u>\$ 170,069,073</u>	<u>\$ 170,572,351</u>	<u>\$ 156,123,791</u>
Business-type activities				
Net investment in capital assets	\$ 167,380,780	\$ 168,580,384	\$ 153,553,156	\$ 151,774,709
Restricted	13,778,071	7,265,888	11,202,295	12,301,216
Unrestricted	37,866,407	40,481,583	41,982,636	35,742,792
Total business-type activities net position	<u>\$ 219,025,258</u>	<u>\$ 216,327,855</u>	<u>\$ 206,738,087</u>	<u>\$ 199,818,717</u>
Primary government				
Net investment in capital assets	\$ 341,486,424	\$ 340,419,032	\$ 323,612,396	\$ 312,123,071
Restricted	75,512,383	67,861,106	71,925,756	69,136,499
Unrestricted	(22,950,524)	(21,883,210)	(18,227,714)	(25,317,062)
Total primary government net position	<u>\$ 394,048,283</u>	<u>\$ 386,396,928</u>	<u>\$ 377,310,438</u>	<u>\$ 355,942,508</u>

Note: In fiscal year 2015, the City adopted the provisions of GASB Statement Nos. 68 and 71. As restatement of all prior periods is not practical, the cumulative effect of applying these statements is reported as a restatement of beginning net position as of October 1, 2014.

In fiscal year 2018, the City adopted the provisions of GASB Statement No. 75. As restatement of all prior periods is not practical, the cumulative effect of applying this statement is reported as a restatement of beginning net position as of October 1, 2017.

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008 - 09
\$ 158,951,011	\$ 148,111,650	\$ 160,182,484	\$ 156,114,642	\$ 149,451,384	\$ 137,954,949
59,877,127	62,107,977	62,009,064	60,339,093	66,977,332	70,136,846
2,663,395	10,235,937	13,946,108	17,821,458	28,875,274	30,804,957
<u>\$ 221,491,533</u>	<u>\$ 220,455,564</u>	<u>\$ 236,137,656</u>	<u>\$ 234,275,193</u>	<u>\$ 245,303,990</u>	<u>\$ 238,896,752</u>
\$ 143,855,792	\$ 135,645,189	\$ 113,546,562	\$ 115,645,768	\$ 97,801,582	\$ 93,364,115
12,730,059	12,741,195	14,824,001	14,187,540	28,263,881	38,121,603
52,248,702	53,901,699	50,327,406	39,713,500	17,126,986	9,905,510
<u>\$ 208,834,553</u>	<u>\$ 202,288,083</u>	<u>\$ 178,697,969</u>	<u>\$ 169,546,808</u>	<u>\$ 143,192,449</u>	<u>\$ 141,391,228</u>
\$ 302,806,803	\$ 283,756,839	\$ 273,729,046	\$ 271,760,410	\$ 247,252,966	\$ 231,319,064
72,607,186	74,849,172	76,833,065	74,526,633	95,241,213	108,258,449
54,912,097	64,137,636	64,273,514	57,534,958	46,002,260	40,710,467
<u>\$ 430,326,086</u>	<u>\$ 422,743,647</u>	<u>\$ 414,835,625</u>	<u>\$ 403,822,001</u>	<u>\$ 388,496,439</u>	<u>\$ 380,287,980</u>

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

	Fiscal Year			
	2017-18	2016-17	2015-16	2014-15
Expenses				
Governmental activities:				
General government	\$ 14,287,513	\$ 13,985,373	\$ 10,669,089	\$ 10,194,163
Public safety	39,168,721	44,880,581	42,716,586	35,030,117
Physical environment	8,142,455	4,358,648	3,981,285	7,906,172
Transportation	10,178,693	11,793,769	10,843,955	11,549,091
Culture and recreation	2,089,411	4,360,458	4,344,249	3,499,422
Economic environment	4,686,279	4,793,345	5,189,276	4,417,493
Human services	730,889	114,533	--	--
Interest on long-term debt	2,030,137	2,601,649	3,025,058	3,789,069
Total governmental activities expenses	<u>81,314,098</u>	<u>86,888,356</u>	<u>80,769,498</u>	<u>76,385,527</u>
Business-type activities:				
Water and Sewer	41,753,490	38,125,966	37,761,882	43,023,887
Van Wezel	12,040,458	--	11,690,548	11,058,586
Solid Waste	11,711,681	12,617,544	9,855,086	9,790,922
Bobby Jones Golf Course	2,773,527	--	2,955,312	2,874,348
Municipal Auditoriums	504,273	10,472,973	548,654	503,049
Sports Stadium	--	--	--	--
Parking Management	2,921,038	5,515,298	1,929,783	1,416,980
Total business-type activities expenses	<u>71,704,467</u>	<u>66,731,781</u>	<u>64,741,265</u>	<u>68,667,772</u>
Total primary government expenses	<u>\$ 153,018,565</u>	<u>\$ 153,620,137</u>	<u>\$ 145,510,763</u>	<u>\$ 145,053,299</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 1,346,965	\$ 1,526,181	\$ 1,650,079	\$ 1,635,077
Public safety	8,433,826	6,401,473	8,677,320	7,913,312
Physical environment	214,326	96,130	114,891	99,104
Transportation	2,295,491	2,398,676	1,503,590	707,771
Culture and recreation	483,753	572,411	386,795	403,395
Economic environment	--	--	--	3
Operating grants and contributions	6,862,001	8,155,684	7,681,609	10,941,476
Capital grants and contributions	7,753,085	1,928,706	8,895,208	9,010,585
Total governmental activities program revenues	<u>27,389,447</u>	<u>21,079,261</u>	<u>28,909,492</u>	<u>30,710,723</u>
Business-type activities:				
Charges for Services				
Water and Sewer	47,239,588	47,014,364	44,987,230	42,844,313
Van Wezel	10,952,660	12,018,587	10,748,798	10,757,986
Solid Waste	10,881,320	11,302,312	10,282,196	10,549,474
Bobby Jones Golf Course	1,961,624	2,312,692	2,369,036	2,474,804
Municipal Auditoriums	330,457	355,741	361,778	331,189
Sports Stadium	--	--	--	--
Parking Management	1,638,481	1,493,622	986,326	698,800
Operating grants and contributions	1,564,629	964,713	913,821	951,612
Capital grants and contributions	--	--	--	--
Total business-type activities program revenues	<u>74,568,759</u>	<u>75,462,031</u>	<u>70,649,185</u>	<u>68,608,178</u>
Total primary government program revenues	<u>\$ 101,958,206</u>	<u>\$ 96,541,292</u>	<u>\$ 99,558,677</u>	<u>\$ 99,318,901</u>

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008 - 09
\$ 15,959,585	\$ 13,535,677	\$ 12,479,655	\$ 12,945,611	\$ 14,000,760	\$ 12,918,248
41,197,141	37,595,883	37,040,548	36,325,440	34,182,957	33,915,523
3,534,031	3,202,880	3,654,521	3,333,750	3,138,997	8,202,267
7,230,305	7,379,994	7,397,017	7,288,847	7,275,556	7,619,536
3,503,809	3,294,003	3,384,150	12,259,064	2,043,875	1,880,557
4,923,941	7,685,608	9,057,540	18,211,787	9,239,967	7,076,916
--	--	--	--	--	--
3,908,368	4,187,503	4,519,066	4,740,436	4,692,235	4,191,843
<u>80,257,180</u>	<u>76,881,548</u>	<u>77,532,497</u>	<u>95,104,935</u>	<u>74,574,347</u>	<u>75,804,890</u>
32,303,663	29,244,145	28,810,585	28,570,324	28,968,721	29,568,006
10,305,552	9,077,553	8,997,179	8,508,698	8,390,401	8,203,957
9,774,612	9,093,671	8,806,639	9,129,783	10,010,227	9,691,991
2,890,161	2,698,233	2,826,777	2,855,291	2,903,190	3,074,905
550,798	516,028	572,380	546,406	555,984	566,605
--	--	--	--	44,588	1,287,944
1,314,048	908,379	979,703	753,480	740,142	784,440
<u>57,138,834</u>	<u>51,538,009</u>	<u>50,993,263</u>	<u>50,363,982</u>	<u>51,613,253</u>	<u>53,177,848</u>
<u>\$ 137,396,014</u>	<u>\$ 128,419,557</u>	<u>\$ 128,525,760</u>	<u>\$ 145,468,917</u>	<u>\$ 126,187,600</u>	<u>\$ 128,982,738</u>
\$ 1,261,060	\$ 1,051,097	\$ 842,894	\$ 880,263	\$ 769,980	\$ 785,709
5,455,428	3,551,631	2,746,195	2,575,000	3,152,899	2,580,588
108,441	128,014	71,223	47,453	59,829	141,334
490,497	320,111	304,542	337,083	307,786	356,827
320,790	306,424	314,979	70,915	77,959	58,749
3	71	--	--	--	5,042
7,949,480	10,384,312	12,777,162	17,183,083	12,007,830	15,775,263
7,053,950	6,113,794	7,717,032	9,357,538	6,929,779	6,112,705
<u>22,639,649</u>	<u>21,855,454</u>	<u>24,774,027</u>	<u>30,451,335</u>	<u>23,306,062</u>	<u>25,816,217</u>
39,643,226	37,496,905	36,864,600	34,657,561	32,214,124	30,901,016
9,354,299	8,208,844	8,065,967	7,873,403	7,529,568	7,029,343
10,271,649	10,303,491	10,354,192	9,985,502	10,472,696	10,317,753
2,477,163	2,382,372	2,701,294	2,663,769	2,628,088	3,055,072
332,115	424,189	474,282	415,941	428,652	439,964
--	--	--	--	8,503	583,029
653,577	475,501	659,193	497,309	480,395	468,465
596,987	558,341	653,473	184,408	204,558	132,214
--	--	--	2,530,614	--	22,500
<u>63,329,016</u>	<u>59,849,643</u>	<u>59,773,001</u>	<u>58,808,507</u>	<u>53,966,584</u>	<u>52,949,356</u>
<u>\$ 85,968,665</u>	<u>\$ 81,705,097</u>	<u>\$ 84,547,028</u>	<u>\$ 89,259,842</u>	<u>\$ 77,272,646</u>	<u>\$ 78,765,573</u>

City of Sarasota, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting) - continued

	Fiscal Year			
	2017-18	2016-17	2015-16	2014-15
Net (Expense)/Revenue				
Government activities	\$ (53,924,651)	\$ (65,809,095)	\$ (51,860,006)	\$ (45,674,804)
Business type activities	2,864,292	8,730,250	5,907,920	(59,594)
Total primary government net expense	<u>\$ (51,060,359)</u>	<u>\$ (57,078,845)</u>	<u>\$ (45,952,086)</u>	<u>\$ (45,734,398)</u>
General Revenues and Other				
Changes in Net Position				
Government activities:				
Taxes				
Property taxes	32,680,481	29,888,235	27,873,687	26,527,993
Gasoline taxes	2,662,715	2,547,368	2,495,123	2,432,847
Sales tax	13,414,362	12,489,989	12,244,096	11,808,144
Franchise fees	5,918,250	4,699,895	4,603,205	4,767,877
Public service taxes	10,973,068	10,563,250	10,322,539	10,188,427
Business licenses	981,692	880,237	948,941	893,134
Other taxes	45,405	45,376	43,693	45,873
State revenue sharing, unrestricted	1,953,814	1,883,075	1,843,076	1,828,400
Investment earnings	764,347	620,256	1,144,869	1,014,256
Miscellaneous	1,872,365	1,723,148	1,796,960	3,910,383
Gain (loss) on disposition of capital assets	42,704	258,296	3,149,192	93,077
Transfers	(1,977,959)	(293,308)	(156,815)	(9,412,865)
Special items	--	--	--	--
Total governmental activities	<u>69,331,244</u>	<u>65,305,817</u>	<u>66,308,566</u>	<u>54,097,546</u>
Business-type activities:				
Investment earnings	710,187	495,502	730,305	656,138
Gain (loss) on disposition of capital assets	142,663	70,708	84,931	70,009
Special items	--	--	--	--
Transfers	1,977,959	293,308	196,214	9,412,865
Total business-type activities	<u>2,830,809</u>	<u>859,518</u>	<u>1,011,450</u>	<u>10,139,012</u>
Total primary government	<u>\$ 72,162,053</u>	<u>\$ 66,165,335</u>	<u>\$ 67,320,016</u>	<u>\$ 64,236,558</u>
Change in Net Position				
Governmental activities	\$ 15,406,593	\$ (503,278)	\$ 14,448,560	\$ 8,422,742
Business-type activities	5,695,101	9,589,768	6,919,370	10,079,418
Total primary government	<u>\$ 21,101,694</u>	<u>\$ 9,086,490</u>	<u>\$ 21,367,930</u>	<u>\$ 18,502,160</u>

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009 - 10	2008 - 09
\$ (57,617,531)	\$ (55,026,094)	\$ (52,758,470)	\$ (68,695,553)	\$ (51,268,285)	\$ (49,988,673)
6,190,182	8,311,634	8,779,738	8,444,525	2,353,331	(228,492)
<u>\$ (51,427,349)</u>	<u>\$ (46,714,460)</u>	<u>\$ (43,978,732)</u>	<u>\$ (60,251,028)</u>	<u>\$ (48,914,954)</u>	<u>\$ (50,217,165)</u>
\$ 25,269,921	\$ 22,584,230	\$ 22,364,901	\$ 23,028,286	\$ 25,284,973	\$ 27,858,165
2,358,159	2,310,912	2,294,724	2,344,198	2,419,349	2,479,705
10,812,138	10,036,788	9,308,028	8,976,287	8,779,577	9,104,589
4,800,067	4,472,348	4,600,464	5,013,645	4,905,213	5,319,627
10,115,459	10,084,418	9,838,911	9,621,859	9,750,249	9,641,138
850,720	769,308	776,496	735,278	727,042	791,565
40,957	41,405	40,657	41,254	42,642	46,754
1,790,313	1,765,785	1,750,367	1,744,723	1,740,465	1,751,959
661,340	198,291	1,102,335	1,429,736	2,536,040	5,151,426
1,577,655	1,992,276	1,721,284	1,468,024	1,578,444	1,840,645
241,527	659,551	913,367	88,361	1,578	36,284
135,244	(15,571,310)	758,608	(180,957)	(90,049)	(535,749)
--		--	(685,914)	--	--
<u>58,653,500</u>	<u>54,915,312</u>	<u>55,470,142</u>	<u>53,624,780</u>	<u>57,675,523</u>	<u>63,486,108</u>
419,255	173,167	589,361	501,252	607,582	1,099,058
72,277	(465,997)	13,771	4,669	27,305	14,250
--	--	1,152,170	17,222,926	(1,277,046)	(5,803,787)
<u>(135,244)</u>	<u>15,571,310</u>	<u>(758,608)</u>	<u>180,957</u>	<u>90,049</u>	<u>535,749</u>
<u>356,288</u>	<u>15,278,480</u>	<u>996,694</u>	<u>17,909,804</u>	<u>(552,110)</u>	<u>(4,154,730)</u>
<u>\$ 59,009,788</u>	<u>\$ 70,193,792</u>	<u>\$ 56,466,836</u>	<u>\$ 71,534,584</u>	<u>\$ 57,123,413</u>	<u>\$ 59,331,378</u>
\$ 1,035,969	\$ (15,682,092)	\$ 2,711,672	\$ (11,028,820)	\$ 6,407,238	\$ 13,497,435
6,546,470	23,590,114	9,776,432	26,354,359	1,801,221	(4,383,222)
<u>\$ 7,582,439</u>	<u>\$ 7,908,022</u>	<u>\$ 12,488,104</u>	<u>\$ 15,325,539</u>	<u>\$ 8,208,459</u>	<u>\$ 9,114,213</u>

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

Fiscal Year

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

	<u>2017-18 (a)</u>	<u>2016-17 (a)</u>	<u>2015-16 (a)</u>	<u>2014-15 (a)</u>	<u>2013-14 (a)</u>
General Fund					
Nonspendable	\$ 474,459	\$ 338,110	\$ 396,392	\$ 473,779	\$ 332,712
Restricted	--	--	--	--	--
Committed	3,608,816	3,379,769	3,600,319	4,114,022	1,406,468
Assigned	2,515,754	1,899,250	3,015,970	1,373,373	567,611
Unassigned	16,908,587	17,700,935	17,872,691	16,530,893	15,375,543
Total general fund	<u>\$ 23,507,616</u>	<u>\$ 23,318,064</u>	<u>\$ 24,885,372</u>	<u>\$ 22,492,067</u>	<u>\$ 17,682,334</u>
All Other Governmental Funds					
Nonspendable	\$ 1,032	\$ 26,310	\$ 5,438	\$ 6,141	\$ 22,890
Restricted	69,027,720	61,577,843	61,878,922	58,284,499	63,590,152
Committed	17,445,375	3,191,558	3,089,120	2,160,116	1,772,765
Assigned	--	--	791,238	35,720	358,654
Unassigned	(1,796,760)	(112,018)	(117,888)	(123,952)	(128,964)
Total all other governmental funds	<u>\$ 84,677,367</u>	<u>\$ 64,683,693</u>	<u>\$ 65,646,830</u>	<u>\$ 60,362,524</u>	<u>\$ 65,615,497</u>
Total Fund Balance All Governmental Funds	<u>\$ 108,184,983</u>	<u>\$ 88,001,757</u>	<u>\$ 90,532,202</u>	<u>\$ 82,854,591</u>	<u>\$ 83,297,831</u>

a) GASB 54 implemented beginning Fiscal Year 2010-11

Fiscal Year	
<u>2009-10</u>	<u>2008 - 09</u>
\$ 1,249,786	\$ 1,380,908
20,592,274	19,124,755
<u>\$ 21,842,060</u>	<u>\$ 20,505,663</u>
\$ 5,516,287	\$ 5,193,504
8,280,918	10,022,299
18,835,383	43,605,787
53,545,951	57,083,606
(5,808)	--
582,347	1,143,661
<u>\$ 86,755,078</u>	<u>\$ 117,048,857</u>

<u>2012-13 (a)</u>	<u>2011-12 (a)</u>	<u>2010-11 (a)</u>
\$ 396,743	\$ 367,739	\$ 354,908
-	-	-
2,937,500	2,937,500	2,937,500
1,134,551	2,373,081	2,951,256
15,154,314	15,156,744	15,412,227
<u>\$ 19,623,108</u>	<u>\$ 20,835,064</u>	<u>\$ 21,655,891</u>
\$ -	\$ 14,149	\$ 33,705
66,463,377	66,918,475	65,316,848
1,608,485	1,801,025	1,815,625
836,730	877,853	922,088
(135,556)	(159,750)	(10,060)
<u>\$ 68,908,592</u>	<u>\$ 69,451,752</u>	<u>\$ 68,078,206</u>
<u>\$ 88,531,700</u>	<u>\$ 90,286,816</u>	<u>\$ 89,734,097</u>

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

	Fiscal Year			
	2017-18	2016-17	2015-16	2014-15
Revenues				
Taxes	\$ 47,555,168	\$ 44,010,171	\$ 41,780,352	\$ 41,587,184
Franchise fees	5,918,250	4,699,895	4,603,205	4,767,877
Special assessments	6,873	6,681	109,809	105,969
Licenses and permits	13,451,170	6,293,380	7,841,265	6,756,920
Intergovernmental	22,939,117	24,419,655	29,917,766	30,799,648
Charges for services	4,544,701	3,193,835	3,232,470	3,162,816
Charges to other funds	4,389,281	4,200,531	4,220,527	4,428,888
Fines and forfeits	1,339,622	1,665,623	1,507,831	1,377,080
Investment earnings	677,867	565,944	1,009,071	811,125
Miscellaneous	1,938,961	1,886,842	6,245,253	5,891,767
Total revenues	<u>102,761,010</u>	<u>90,942,557</u>	<u>100,467,549</u>	<u>99,689,274</u>
Expenditures				
Current:				
General government	17,983,636	15,926,090	14,123,658	14,062,592
Public safety	41,886,904	42,100,438	38,554,357	36,779,802
Physical environment	5,092,136	4,091,650	3,701,168	7,612,914
Transportation	5,355,901	7,392,297	6,232,700	7,285,758
Culture and recreation	2,600,922	1,984,588	1,928,203	1,654,757
Economic environment	4,566,566	4,846,066	5,202,131	4,414,891
Human services	725,113	113,013	--	--
Debt service:				
Principal	3,168,827	4,433,959	4,678,302	4,553,534
Interest	2,024,921	4,484,215	4,580,567	4,415,438
Fiscal charges	2,325	10,375	16,379	12,669
Bond issuance costs	--	--	35,162	270,794
Payment to bond escrow agent	--	--	10,120	--
Capital outlay	11,728,637	7,796,208	15,231,030	17,512,659
Total expenditures	<u>95,135,888</u>	<u>93,178,899</u>	<u>94,293,777</u>	<u>98,575,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,625,122</u>	<u>(2,236,342)</u>	<u>6,173,772</u>	<u>1,113,466</u>
Other financing sources (uses)				
Transfers in	3,902,447	7,828,307	10,770,523	10,562,830
Transfers out	(5,586,975)	(8,122,410)	(10,966,684)	(10,334,127)
General obligation bonds issued	--	--	2,700,000	33,855,000
Special obligation bonds issued	--	--	--	--
Premium on bonds issued	--	--	--	2,705,627
Payment to bond escrow agent	--	--	(2,700,000)	(38,346,036)
Capital lease	--	--	1,700,000	--
Total other financing sources (uses)	<u>(1,684,528)</u>	<u>(294,103)</u>	<u>1,503,839</u>	<u>(1,556,706)</u>
Net change in fund balances	<u>\$ 5,940,594</u>	<u>\$ (2,530,445)</u>	<u>\$ 7,677,611</u>	<u>\$ (443,240)</u>
Capital outlay in functional categories	\$ 345,937	\$ 1,142,761	\$ 843,463	\$ 267,590
Debt service as a percentage of noncapital expenditures	6.26%	10.60%	11.59%	11.03%

Fiscal Year					
2013-14	2012-13	2011-12	2010-11	2009-10	2008 - 09
\$ 38,772,510	\$ 35,812,457	\$ 35,365,938	\$ 35,932,144	\$ 38,257,887	\$ 42,518,281
4,800,067	4,472,348	4,600,464	5,013,645	4,905,213	5,319,627
106,385	108,197	114,980	105,000	100,000	95,000
4,322,380	2,384,947	1,735,414	2,312,725	2,429,056	1,752,050
26,888,120	28,101,587	31,119,574	36,438,155	28,731,606	30,723,779
2,782,325	2,134,035	1,885,257	1,743,481	1,805,694	2,102,245
4,403,460	4,320,128	4,373,824	4,391,908	4,365,067	4,419,805
1,142,361	1,361,070	1,057,173	664,025	1,005,681	893,217
511,113	145,123	916,507	1,207,942	2,193,890	4,487,271
2,140,325	2,680,206	4,315,195	1,784,962	1,713,286	1,708,684
<u>85,869,046</u>	<u>81,520,098</u>	<u>85,484,326</u>	<u>89,593,987</u>	<u>85,507,380</u>	<u>94,019,959</u>
17,753,644	16,869,374	16,489,183	15,921,304	13,972,130	14,549,145
36,210,675	33,535,625	33,159,337	31,803,912	33,481,146	35,232,364
3,211,811	3,065,819	3,439,762	3,129,215	2,883,287	8,174,910
3,287,424	3,342,320	3,502,232	3,490,199	3,770,379	4,831,724
1,439,845	1,310,019	1,489,101	10,538,907	480,479	301,778
4,809,019	7,603,733	8,954,673	18,113,223	9,137,088	7,042,409
--	--	--	--	--	--
4,372,345	4,412,802	4,252,633	6,913,110	7,753,493	4,456,205
5,027,905	5,081,645	5,128,296	5,086,801	4,921,376	3,892,994
14,910	12,611	15,728	12,812	16,707	20,473
--	--	--	177,643	400,495	64,113
--	--	--	--	--	--
15,247,920	8,841,241	9,153,022	21,787,140	37,564,418	30,625,828
<u>91,375,498</u>	<u>84,075,189</u>	<u>85,583,967</u>	<u>116,974,266</u>	<u>114,380,998</u>	<u>109,191,943</u>
(5,506,452)	(2,555,091)	(99,641)	(27,380,279)	(28,873,618)	(15,171,984)
10,541,143	10,448,627	9,630,589	9,258,683	10,600,893	12,127,023
(10,133,004)	(9,784,208)	(8,978,229)	(9,001,445)	(10,684,657)	(12,651,808)
--	--	--	--	--	--
--	--	--	8,260,000	--	21,066,000
--	--	--	--	--	--
--	--	--	--	--	--
<u>408,139</u>	<u>664,419</u>	<u>652,360</u>	<u>8,517,238</u>	<u>(83,764)</u>	<u>20,541,215</u>
<u>\$ (5,098,313)</u>	<u>\$ (1,890,672)</u>	<u>\$ 552,719</u>	<u>\$ (18,863,041)</u>	<u>\$ (28,957,382)</u>	<u>\$ 5,369,231</u>
\$ 398,043	\$ 956,795	\$ 1,122,101	\$ 876,582	\$ 730,919	\$ 646,034
12.28%	12.46%	12.10%	12.49%	16.34%	10.54%

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				Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Rate
	Residential Property	Commercial Property	Industrial Property	Personal Property			
2018	\$ 9,547,594	\$ 2,382,464	\$ 2,305,327	\$ 553,264	\$ 5,123,221	\$ 9,665,428	3.4473
2017	8,818,572	2,215,837	2,247,349	488,201	4,972,920	8,797,039	3.4731
2016	7,996,671	1,963,939	2,051,587	474,285	4,378,328	8,108,154	3.4981
2015	7,212,002	1,821,652	1,860,914	441,444	3,740,534	7,595,478	3.5605
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

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	
2018	3.1728	0.2748	3.4473	5.4457	7.2090	16.1020
2017	3.1728	0.3003	3.4731	5.4748	7.4330	16.3809
2016	3.1728	0.3253	3.4981	5.4919	7.7630	16.7530
2015	3.1728	0.3877	3.5605	5.5427	7.7770	16.8802
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

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 2017 - 18			Fiscal Year 2008-09		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Florida Power & Light	\$ 70,977,647	1	0.73%	\$ 51,619,988	4	0.56%
Sarasota Hotel Acquisition Group LLC	50,803,400	2	0.53%			
Westin Sarasota	44,728,173	3	0.46%			
Sarasota Second Street Owner LLC	38,638,300	4	0.40%			
Rosalyn Holdings LLC	38,294,600	5	0.40%			
Plymouth Harbor Inc	36,260,357	6	0.38%	36,489,682	8	0.40%
TDC Blackbird LLC	30,719,000	7	0.32%			
Southgate Mall Owner LLC	29,456,600	8	0.30%			
Health Care Reit Inc	28,348,197	9	0.29%			
CPI-GREP AAI Sarasota LLC	26,275,714	10	0.27%			
SLAB LLC				80,462,382	1	0.87%
Frontier (formerly Verizon Florida Inc)				60,256,710	2	0.66%
Westfield Southgate Shoppington				51,863,165	3	0.56%
Irish American Management Services				51,274,200	5	0.56%
Logan Acquisitions Corp				46,520,143	6	0.51%
Hotel Assoc of Sarasota LTD				38,388,800	7	0.42%
New York Times/Sarasota Herald				33,902,795	9	0.37%
Sarasota Main Real Estate LLC				33,289,800	10	0.36%
	<u>\$ 394,501,988</u>		<u>4.08%</u>	<u>\$ 484,067,665</u>		<u>5.27%</u>

Source: City of Sarasota 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
2018	\$ 33,319,629	\$ 32,505,784	97.56%	\$ 63,885	\$ 32,569,669	97.75%
2017	30,552,996	29,755,565	97.39%	21,581	29,777,146	97.46%
2016	28,363,132	27,750,333	97.84%	23,366	27,773,699	97.92%
2015	27,014,101	26,402,436	97.74%	24,899	26,427,335	97.83%
2014	25,764,313	25,144,192	97.59%	25,378	25,169,570	97.69%
2013	23,047,938	22,475,994	97.52%	58,095	22,534,089	97.77%
2012	22,956,071	22,244,640	96.90%	70,286	22,314,926	97.21%
2011	23,418,667	22,899,277	97.78%	70,867	22,970,144	98.08%
2010	25,793,124	25,181,021	97.63%	21,122	25,202,143	97.71%
2009	28,568,076	27,820,927	97.38%	37,239	27,858,166	97.52%

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

Fiscal year ended September 30,	Water Rate	Sewer Rate	Total
2018	\$ 33.26	\$ 49.81	\$ 83.07
2017	33.26	49.81	83.07
2016	33.26	49.81	83.07
2015	33.26	49.81	83.07
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

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	Capital Leases
2018	\$ 36,909,405	\$ 15,095,346	\$ --	\$ 576,141
2017	38,512,249	16,292,954	--	--
2016	40,020,114	20,740,025	--	--
2015	41,430,667	24,791,622	940,427	--
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	--

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 218.

Business-Type Activities

Revenue Bonds	Loans Payable	Capital Leases	Total Primary Government	Percentage of Personal Income a	Per Capita a
\$ 62,070,000	\$ 6,114,250	\$ 2,126,716	\$ 118,740,737	3.46%	\$ 2,127
49,500,759	--	--	104,305,962	3.23%	1,909
51,994,904	--	--	112,755,043	3.71%	2,093
55,344,553	--	--	122,507,269	4.28%	2,316
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

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
2018	\$ 36,909,405	717,169	36,192,236	0.35%	611.98
2017	38,512,249	663,153	37,849,096	0.43%	692.69
2016	40,020,114	629,576	39,390,538	0.49%	731.28
2015	41,430,667	638,162	40,792,505	0.54%	771.05
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

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

a See page 204 for property value data.

b Population data can be found on page 218.

City of Sarasota, Florida

Direct and Overlapping Governmental Activities Debt

As of September 30, 2018

<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	\$ --	17.71%	^a \$ --
City direct debt:			
General obligation bonds	36,909,405 ^b	100%	36,909,405
Special obligations bonds	15,095,346 ^b	100%	15,095,346
Capital lease	<u>576,141 ^b</u>	100%	<u>576,141</u>
Subtotal	<u>52,580,892</u>		<u>52,580,892</u>
Total direct and overlapping debt			<u><u>\$ 52,580,892</u></u>

a: The percentage of overlapping debt applicable is estimated using taxable assessed property values.

b: 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
2018	\$ 966,542,845	\$ 36,192,236	\$ 930,350,609	3.74%
2017	879,703,907	37,849,096	841,854,811	4.30%
2016	810,815,400	39,390,538	771,424,862	4.86%
2015	759,547,813	40,792,505	718,755,308	5.37%
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%

Legal Debt Margin Calculation for Fiscal Year 2018

Taxable assessed value	<u>\$ 9,665,428,451</u>
Debt limit (10% of assessed value)	<u>966,542,845</u>
Debt applicable to limit:	
General obligation bonds	36,909,405
Less amount set aside for repayment of general obligation bonds	<u>(717,169)</u>
Total net debt applicable to limit	<u>36,192,236</u>
Legal debt margin	<u><u>\$ 930,350,609</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)

Fiscal Year Ended September 30,	Water & Sewer Revenue Bonds				2017 St Armands Paid Parking Area Revenue Bonds			
	Net Available Revenue	Debt Service		Coverage	Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2018	\$ 16,057	\$ 31,183	\$ 16,057	3.58%	\$ 260,118	\$ -	\$ 2,305,440	1.13%
2017	19,323	27,691	19,323	4.11	-	-	-	-
2016	17,838	27,149	17,838	3.18	-	-	-	-
2015	20,022	22,822	20,022	3.03	-	-	-	-
2014	16,445	23,198	16,445	2.69	-	-	-	-
2013	16,826	20,671	16,826	2.70	-	-	-	-
2012	15,945	20,919	15,945	1.94	-	-	-	-
2011	14,157	20,501	14,157	1.70	-	-	-	-
2010	11,737	20,477	11,737	1.19	-	-	-	-
2009	9,843	21,058	9,843	1.33	-	-	-	-

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.

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.

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. 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				2009 Special Obligation Bonds/ Infrastructure Sales Tax Bonds / 2010 Sales Tax Payment Revenue Bonds			
TIF	Debt Service		Coverage	Sales Tax	Debt Service		Coverage
Revenues	Principal	Interest		Revenues	Principal	Interest	
\$ -	\$ -	\$ -	-	\$ 8,319	\$ 1,198	\$ 970	3.84
4,772	1,432	1,983	1.40	7,732	1,139	1,036	3.55
8,539	1,382	1,890	2.61	7,552	1,086	1,100	3.45
7,791	1,335	1,803	2.48	7,306	1,035	1,155	3.34
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

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 d
2018	55,832	3,434,952,136	61,523	2.9%
2017	54,641	3,224,529,333	59,013	3.4%
2016	53,865	3,039,548,085	56,429	4.6%
2015	52,905	2,864,647,035	54,147	4.5%
2014	52,584	2,979,462,024	56,661	5.2%
2013	52,689	2,920,129,758	55,422	6.5%
2012	52,517	2,874,623,029	54,737	8.0%
2011	52,114	2,802,117,666	53,769	9.6%
2010	51,917	2,687,223,920	51,760	10.7%
2009	53,160	2,663,316,000	50,100	11.2%

a Source: US Bureau of Labor Statistics

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	2017-18			2008-09		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board of Sarasota County	5,788	1	3.12%	5,297	1	3.17%
Sarasota Memorial Hospital	4,563	2	2.46%	3,092	2	1.85%
Sarasota County Government	3,620	3	1.95%	2,033	3	1.22%
Publix	3,490	4	1.88%	1,602	4	0.96%
PGT Industries	2,000	5	1.08%	913	5	0.55%
Venice Regional Med Ctr	1,100	6	0.59%	830	6	0.50%
City of Sarasota	738	7	0.40%	651	8	0.39%
Sun Hydraulics Corporation	632	8	0.34%	640	9	0.38%
Tervis	570	9	0.31%			
Shared Services Center	455	10	0.25%			
SunTrust Bank				819	7	0.49%
Comcast Cablevision				595	10	0.36%
Total	17,168		12.38%	16,472		9.87%
Total Sarasota County Employment	185,232			167,156		

Source: Sarasota County Government and Florida Agency for Workforce Innovation

City of Sarasota, Florida

Full-time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Years			
	2017-18	2016-17	2015-16	2014-15
General Government				
City Manager's Office	6.00	4.00	4.00	2.50
Neighborhood Partnership Office			-	-
Facilities Management	11.00	7.00	6.00	5.00
Neighborhood & Development Services	14.65	30.60	27.40	21.15
Planning	11.4			
General Services	4.6	-	-	-
Human Resources	10.00	8.00	7.00	7.00
Financial Administration	18.70	20.00	13.50	12.50
Accounting		-	5.50	5.50
City Auditor and Clerk	20.00	20.00	17.00	15.00
Planning and Redevelopment		-	-	-
Urban and Design Studio	-	2.00	2.00	2.00
Commission Support Office	1.00	1.00	1.00	1.50
Public Information Office	2	2.00	1.00	0.25
Public Safety				
Police - uniform	173.00	162.00	160.00	158.00
Police - general employees	50.00	48.70	48.70	47.70
Homelessness Resonse	3	1.00	1.00	2.00
Code Compliance			-	6.35
COPS Sworn Officers		3.00	3.00	3.00
Physical Environment				
Parks & Landscape Maintenance	36.00	32.43	28.43	25.43
Transportation				
Streets & Highways	18.98	18.38	18.38	16.38
Engineering/Construction Services	13.68	6.25	6.25	6.25
Street Sweeping	1.35	1.35	1.35	2.35
Culture and Recreation				
Skateboard Park	0		-	-
Children's Fountain	-	0.20	0.20	0.20
Special Events/Volunteer Office	2.30	2.00	2.00	0.80
Sustainability	2	1.00	1.00	-
Robert L. Taylor Community Center	10.00	9.00	7.00	7.00
Parks and Recreation	17	3.00	2.00	
Economic Environment				
Housing & Community Development	8.00	8.00	7.00	7.80
Building Services	33.35	30.90	28.10	24.20
Enterprise funds				
Water	79.75	73.75	66.75	62.50
Sewer	67.80	74.50	73.50	72.75
Parking Management	20.00	14.00	12.00	10.00
Bobby Jones Golf Course	7.00	6.80	6.80	7.80
Ed Smith Sports Stadium		-	-	-
Solid Waste Management	47.44	24.34	23.34	24.09
Municipal Auditoriums	4.70	5.00	4.00	3.20
Van Wezel Performing Arts Hall	19.00	17.00	16.00	15.00
Internal Service funds				
Information Technology		16.00	15.00	13.00
Duplicating Services	17		-	-
Central Stores			-	-
Public Works Equipment Maintenance	7.30	7.00	7.00	8.00
Total	738.00	660.20	623.20	596.20

Source: City of Sarasota Finance Department

Fiscal Years					
2013-14	2012-13	2011-12	2010-11	2009-10	2008 - 09
2.75	2.50	2.50	2.50	3.69	4.00
-	-	-	-	-	-
5.00	5.00	5.00	5.00	5.00	5.00
22.75	22.75	22.75	22.75	23.40	22.30
-	-	-	-	-	-
7.00	7.00	7.00	8.00	10.00	10.00
11.50	11.50	11.50	11.50	13.50	14.50
5.50	5.50	5.50	5.50	5.50	5.50
15.00	14.00	14.00	14.00	14.00	14.00
-	-	-	-	-	-
2.00	-	-	-	-	-
1.50	1.50	1.50	1.50	2.00	2.00
-	-	-	-	-	-
166.00	175.00	176.00	176.00	176.00	176.00
42.70	44.50	47.00	54.00	53.00	53.00
-	-	-	-	-	-
6.35	6.35	6.85	8.85	9.85	9.85
-	-	-	-	-	-
21.43	22.43	22.68	23.18	30.18	34.68
16.38	17.73	17.98	17.98	18.98	21.98
6.25	6.25	6.25	4.50	6.00	10.00
2.35	2.00	2.00	3.00	3.00	3.00
-	-	-	-	1.90	1.90
0.20	0.20	0.20	0.20	0.20	0.20
0.80	0.80	0.70	0.50	0.83	-
-	-	0.75	-	-	-
6.00	5.00	4.00	-	-	-
10.00	13.00	13.00	13.00	10.00	11.00
13.90	13.90	17.40	17.40	15.75	15.75
62.01	61.76	60.01	63.40	67.21	72.21
72.24	71.99	72.74	72.35	72.79	77.79
8.00	8.00	9.00	6.00	6.31	8.10
7.80	7.80	7.80	7.80	8.50	8.75
-	-	-	-	0.57	2.15
24.09	23.84	23.59	22.59	25.84	26.34
3.20	3.20	3.30	3.50	3.00	4.00
14.00	13.00	12.00	12.00	13.00	14.42
12.00	12.00	12.00	12.00	10.00	11.00
-	-	-	-	-	-
-	-	-	-	-	-
9.00	9.00	9.00	10.00	11.00	12.00
577.70	587.50	594.00	599.00	621.00	651.42

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

Function/Program	Fiscal Years			
	2017-18	2016-17	2015-16	2014-15
Police				
Physical arrests	2,860	3,789	3,673	3,530
Parking violations	23,413	22,953	24,256	19,032
Traffic violations	15,019	13,804	13,131	10,668
Streets and highways				
Streets resurfaced (miles)	11	11	13	10
Potholes repaired	178	149	133	109
Water				
New connections	162	185	198	206
Water mains breaks	31	33	27	27
Average daily consumption (thousands of gallons)	6,276	6,398	6,196	6,258
Peak daily consumption (thousands of gallons)	7,461	7,427	8,173	8,009
Wastewater				
Average daily treatment (thousands of gallons)	6,180	6,200	6,045	5,777
Solid waste collection				
Solid waste collected (tons per day)	149	152	187	192
Recyclables collected (tons per day) (1)	14	16	15	18

Source: City of Sarasota Finance Department**Notes:**

Operating indicators are not available for the general government function.

- (1) Beginning with the 2008-09 fiscal year, this number is based on residential only. In prior years, commercial was included, however since the City does not control all of the commercial accounts, these accounts should not be included as an indicator.

Fiscal Years					
2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
3,993	4,952	5,092	5,669	5,648	8,625
20,741	15,565	13,364	13,028	16,346	20,585
15,034	13,583	11,817	11,880	11,084	13,717
10	12	13	10	13	13
138	141	106	119	196	205
189	86	80	73	64	122
32	25	43	42	38	63
6,630	6,259	6,451	6,439	6,324	6,522
8,062	7,514	7,862	7,310	7,134	7,478
6,154	6,741	5,660	6,500	6,200	5,800
188	186	164	179	174	163
20	14	14	9	9	9

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

Function/Program	Fiscal Years			
	2017-18	2016-17	2015-16	2014-15
Police				
Stations	1	1	1	1
Sub-stations	2	2	2	2
Patrol units	138	106	100	100
Streets and highways				
Streets (miles)	250	250	250	250
Unpaved streets (miles)	25	25	25	25
Highways (miles)	225	225	225	225
Streetlights	7,172	7,745	7,745	7,745
Traffic signals	93	93	93	92
Water				
Water mains (miles)	328	328	328	328
Storage capacity (thousands of gallons)	10,200	10,200	10,200	10,200
Fire hydrants	1,459	1,459	1,388	1,388
Wastewater				
Sanitary sewers (miles)	200	326	326	326
Treatment capacity (thousands)	10,200	10,200	10,200	10,200
Storm sewers (miles)	68	68	68	68
Solid waste collection				
Collection trucks	20	20	20	20

Source: City of Sarasota Finance Department

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

Fiscal Years					
2013-14	2012-13	2011-12	2010-11	2009-10	2008 - 09
1	1	1	1	1	1
2	3	4	4	4	4
97	105	111	109	109	111
250	250	250	250	250	250
25	25	25	25	25	25
225	225	225	225	225	225
7,275	7,213	7,213	7,213	7,213	7,213
96	97	97	97	97	101
328	328	328	328	328	328
7,000	7,000	7,000	7,000	7,000	7,000
1,388	1,388	1,388	1,388	1,388	1,388
326	326	326	326	326	326
10,200	10,200	10,200	10,200	10,200	10,200
68	68	68	68	68	68
20	20	17	17	17	20



**Single Audit/
Grants Compliance**



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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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 22, 2019. Our report includes a reference to other auditors who audited the financial statements of the City's General Employees', Police Officers', and Firefighters' Pension Plans, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

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.

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*)**

Internal Control over Financial Reporting (*Concluded*)

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.

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 22, 2019
Sarasota, Florida

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 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) *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, 2018. 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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 THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL
(Concluded)**

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, 2018.


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 or 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 the Uniform Guidance 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 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 the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.


March 22, 2019
Sarasota, Florida

**CITY OF SARASOTA
SARASOTA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

1. **Summary of Auditors' Results**

- I. The auditors' report expresses an unmodified opinion on the financial statements of the City of Sarasota, (the City) based upon our audit and the report of other auditors.
- II. There are no findings for the financial statement audit.
- III. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
- IV. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs and state projects are reported in the Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and State Project and on Internal Control Over Compliance in Accordance with the Uniform Guidance.
- V. The auditors' report on compliance for major federal programs and state project expresses an unmodified opinion.
- VI. There are no audit findings that are required to be reported in accordance with Section .516 of the Uniform Guidance and Chapter 10.550 of the *Rules of the Auditor General*.
- VII. The programs tested as federal major programs were:
 - **Department of Transportation, Passed through Florida Department of Transportation**
 - Sarasota Trail-Coon Key (CFDA No. 20.205)
 - Signal Retiming (CFDA No. 20.205)
 - Ringling Boulevard and Orange Avenue Roundabout (CFDA No. 20.205)
 - High Visibility Enforcement (CFDA No. 20.205)

The programs tested as state major projects were:

- **Florida Department of Environmental Protection**
 - Wastewater Treatment Facility Construction (CSFA No. 37.077)
- **Florida Department of State**
 - Municipal Auditorium (CSFA No. 45.032)
 - Federal Building (CSFA No. 45.032)
- **Florida Department of Revenue**
 - Retained Spring Training Facility (CSFA No. 73.016)

VIII. **Dollar Threshold Used to Distinguish Between Type A and Type B Programs**

- **Federal Major Programs - \$750,000**
- **State Major Projects - \$300,000**

**CITY OF SARASOTA
SARASOTA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Concluded)**

1. **Summary of Auditors' Results (Concluded)**

IX. **Auditee Qualification as Low-risk Auditee**

The auditee qualifies as a low-risk auditee per criteria set forth in Section .520 of the Uniform Guidance.

2. **Findings Related to the Basic Financial Statements Required to be Reported Under Generally Accepted Government Auditing Standards (GAGAS)**

The audit disclosed no findings, which are required to be reported under GAGAS.

3. **Findings and Questioned Costs for Federal Awards Required to be Reported Under Section .516 of the Uniform Guidance**

There were no current year findings.

4. **Status of Prior Audit Findings**

There were no audit findings from the prior year for fiscal year ended September 30, 2017.

City of Sarasota, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2018

Federal/State Agency Federal Program/State Project	CFDA/CSFA Number	Contract/Grant Number	Expenditures	Program Total
FEDERAL AWARDS				
Department of Housing and Urban Development				
Direct Programs:				
Entitlement Grants Cluster				
Community Development Block Grant	14.218	B-14-MC-120018	\$ 6,262	
Community Development Block Grant	14.218	B-15-MC-120018	79,137	
Community Development Block Grant	14.218	B-16-MC-120018	58,026	
Community Development Block Grant	14.218	B-17-MC-120018	103,421	
Neighborhood Stabilization Program 3	14.218	B-11-MN-120036	4,568	\$ 251,414
ARRA - Neighborhood Stabilization Program 2	14.256	B-09-CN-FL-0018	15,254	
HOME Investment Partnerships Program	14.239	M-14-DC-120219	2,094	
HOME Investment Partnerships Program	14.239	M-15-DC-120219	28,896	
HOME Investment Partnerships Program	14.239	M-16-DC-120219	88,571	
HOME Investment Partnerships Program	14.239	M-17-DC-120219	717,431	836,992
Total Dept. of Housing and Urban Development			<u>1,103,660</u>	
Department of Justice				
Direct Programs:				
COPS Hiring Grant	16.710	2014-UM-WX-0097	95,861	
Bulletproof Vest Partnership	16.607	2013-BU-BX-13065911	9,918	
Passed through the Florida Attorney General				
Victims of Crime Act	16.575	VOCA-2017 City of Sarasota Police D-00008	44,842	
Total Department of Justice			<u>150,621</u>	
Department of Transportation				
Federal Highway Administration				
Passed through Florida Dept. of Transportation:				
Sarasota Trail-Coon Key	20.205	438255-1-58-01	272	
Signal Retiming	20.205	435345-1-38-01	212,461	
Ringling Blvd. & Orange Ave. Roundabout	20.205	433144-1-58/68-01	782,832	
High Visibility Enforcement	20.205	433144-1 Contract #G0023	35,000	
High Visibility Enforcement	20.205	433144-1 Contract # GOY79	1,842	1,032,407
Total Department of Transportation			<u>1,032,407</u>	
Department of Homeland Security				
Federal Emergency Management Agency				
Passed through Florida Division of Emergency Management				
Public Assistance Program				
FEMA-4280-DR-FL Hurricane Hermine	97.036	17-PA-W1-01-68-01-039	125,146	
FEMA-4337-DR-FL Hurricane Irma	97.036	Z0097	10,892	
Total Department of Homeland Security			<u>136,038</u>	
Total Expenditures of Federal Awards			<u>\$ 2,422,726</u>	

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2018

Federal/State Agency Federal Program/State Project	CFDA/CSFA Number	Contract/Grant Number	Expenditures	Program Total
<u>STATE FINANCIAL ASSISTANCE</u>				
Florida Department of Environmental Protection				
Florida Beach Erosion Control Program	37.003	18ST1	\$ 219,002	
Wastewater Treatment				
Facility Construction	37.077	WW580230	6,113,175	
Drinking Water Facility				
Construction	37.076	DW580240	-	
Total Florida Department of Environmental Protection			<u>6,332,177</u>	
Florida Department of Community Affairs				
Florida Housing Finance Agency				
State Housing Initiative Partnership	40.901	Not Applicable	<u>1,726,653</u>	
Florida Department of State				
Van Wezel Performing Arts Hall				
General Program Support	45.061	18.c.ps.180.279	48,228	
Lighting Renovation Project	45.061	18.c.cf.200.641	20,503	68,731
Special Category Grant				
Municipal Auditorium	45.032	SC713	457,476	
Federal Building	45.032	18.h.sc.100.013	<u>38,493</u>	495,969
Total Florida Department of State			<u>564,700</u>	
Florida Department of Revenue				
Retained Spring Training Facility	73.016	Not Applicable	<u>500,004</u>	
Florida Division of Emergency Management				
Residential Construction Mitigation Program	31.066	18HL-AG-09-68-02-157	<u>194,000</u>	
Total Expenditures of State Financial Assistance			<u>\$ 9,317,534</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, 2018

9. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (federal awards), and Chapter 10.550, *Rules of the Auditor General* of the State of Florida.

B. 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 September 30, 2018, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH FLORIDA STATUTES SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS**

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, 2018, 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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, 2018.

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 22, 2019
Sarasota, Florida

Certified Public Accountants

P.O. Box 141270 • 222 N.E 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350
1560 N. Orange Ave., Suite #450 • Winter Park, Florida 32789

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

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, 2018, and have issued our report thereon dated March 22, 2019. Our report also includes a reference to other auditors, who audited the financial statements of the City's General Employees', Police Officers', and Firefighters' pension plans, as described in our report on the City's financial statements.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

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 Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March 22, 2019, 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 prior year findings or recommendations made in the preceding annual financial audit report.

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

MANAGEMENT LETTER
(Continued)

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 Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate 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 to identify 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 for the City. 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 review of financial information provided by same.

Section 10.554 (1)(i)2, *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of the City, to provide 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 did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate 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 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.

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

MANAGEMENT LETTER
(Concluded)

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.

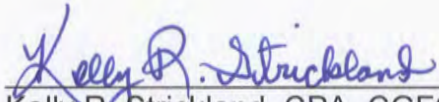
Purvis, Gray and Company, LLP

March 22, 2019
Sarasota, Florida

AFFIDAVIT OF IMPACT FEE COMPLIANCE

BEFORE ME, the undersigned authority, personally appeared Kelly R. Strickland, who being duly sworn, deposes and says on oath that:

1. I am the Director of Financial Administration for the City of Sarasota, Florida, a local governmental entity of the State of Florida;
2. The City of Sarasota, Florida adopted Ordinance No. 14-5090 implementing an impact fee; and
3. The City of Sarasota, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.



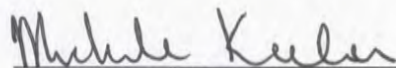
Kelly R. Strickland, CPA, CGFO
Director of Financial Administration

STATE OF FLORIDA
COUNTY OF SARASOTA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Kelly R. Strickland, whom I know personally and whom executed the foregoing instrument and acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 27th day of March 2019.





NOTARY PUBLIC
State of Florida at Large

Seal/Stamp
Commission Expiration Date

10/7/19



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