

In the opinion of bond counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX MATTERS" herein for a description of other tax consequences to holders of the Bonds.



\$44,460,000
CITY OF SARASOTA, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023
(BAY PARK PHASE 2)

Dated: Date of Delivery

Due: September 1, as shown on the inside cover

The City of Sarasota, Florida (the "City") is issuing its Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) (the "Bonds") as fully registered bonds, which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases will be made in book-entry form only in denominations as described herein. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical delivery of the Bonds. Transfer of ownership in the Bonds will be effected through DTC's book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. Interest on the Bonds is payable on September 1 and March 1 of each year, commencing September 1, 2023. Principal of the Bonds is payable, when due, to the registered holders upon presentation and surrender at the designated corporate office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Registrar and Paying Agent. All payments of principal of, redemption premium, if applicable, and interest on the Bonds shall be payable in lawful money of the United States of America.

Certain of the Bonds are subject to optional and mandatory redemption prior to their stated dates of maturity as set forth herein. See "DESCRIPTION OF THE BONDS – Redemption Provisions" herein.

The Bonds are being issued pursuant to the authority of, and in full compliance with, the Constitution and laws of the State of Florida, including Chapter 166, Florida Statutes; the Charter of the City; and other applicable provisions of law (collectively, the "Act"); and Resolution No. 23R-3175 adopted by the City Commission of the City (the "Commission") on April 17, 2023, as may be amended and supplemented from time to time, and as particularly supplemented by Resolution No. 23R-3176 adopted by the Commission on April 17, 2023 (collectively, the "Resolution"). All terms used herein in capitalized form and not otherwise defined shall have the meanings ascribed thereto in the Resolution.

Pursuant to the Resolution, the City covenants and agrees to appropriate in its annual budget, by amendment, if necessary, for each Fiscal Year in which the Bonds remain Outstanding, sufficient amounts of Non-Ad Valorem Revenues into the Debt Service Fund for the payment of principal of, redemption premium, if applicable, and interest on the Bonds and to make certain other payments required under the Resolution in each such Fiscal Year. "Pledged Funds" consist of (1) Non-Ad Valorem Revenues budgeted and appropriated, and deposited into the Debt Service Fund, and (2) until applied in accordance with the Resolution, all moneys, including the investments thereof, in the funds and accounts established in the Resolution, with the exception of the Rebate Fund. The obligation of the City to make such payments from its Non-Ad Valorem Revenues is subject in all respects to the payment of obligations secured by a pledge of such Non-Ad Valorem Revenues or a covenant to budget and appropriate Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments), and funding requirements for essential public purposes affecting health, welfare, and safety of the inhabitants of the City; however, such obligation is cumulative and would carry over from Fiscal Year to Fiscal Year, as more fully described herein and in the Resolution. Notwithstanding the foregoing, the City has not covenanted to maintain or continue any activities, services, or programs now maintained or provided by the City, including those programs and services which generate user fees, regulatory fees, or other Non-Ad Valorem Revenues. See "SECURITY FOR THE BONDS" and "DEBT SERVICE REQUIREMENTS" herein.

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, FOR THE PAYMENT OF ANY AMOUNTS PAYABLE UNDER THE RESOLUTION, OR IN ORDER TO MAINTAIN ANY SERVICES OR PROGRAMS THAT GENERATE NON-AD VALOREM REVENUES, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

The Bonds are being issued for the purpose of (1) financing and/or reimbursing the costs of design, installation, acquisition, construction, reconstruction, and equipping of various capital projects of the City's Bay Park and its related facilities (see "THE PROJECT" herein for more information), and (2) paying certain costs of issuance incurred with respect thereto.

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued by the City and accepted by the Underwriter, subject to the approving legal opinion of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Fournier, Connolly, Shamsey, Mladinich & Polzak, P.A., Sarasota, Florida, City Attorney, and Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. GrayRobinson, P.A., Tampa, Florida, is serving as counsel to the Underwriter. Dunlap & Associates, Inc., Orlando, Florida, has served as financial advisor to the City with respect to the offering of the Bonds. It is expected that settlement for the Bonds will occur through the facilities of DTC in New York, New York on or about May 11, 2023.

RAYMOND JAMES

\$44,460,000
CITY OF SARASOTA, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023
(BAY PARK PHASE 2)

MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS,
AND INITIAL CUSIP NUMBERS

\$28,365,000 Serial Bonds

Maturity (September 1)	Amount	Interest Rate	Price	Yield	Initial CUSIP Numbers**
2026	\$1,010,000	5.00%	107.354	2.66%	803332AA3
2027	1,060,000	5.00	109.926	2.55	803332AB1
2028	1,110,000	5.00	112.293	2.51	803332AC9
2029	1,170,000	5.00	114.434	2.51	803332AD7
2030	1,225,000	5.00	116.522	2.51	803332AE5
2031	1,285,000	5.00	118.312	2.54	803332AF2
2032	1,350,000	5.00	120.086	2.56	803332AG0
2033	1,420,000	5.00	121.773	2.58	803332AH8
2034	1,490,000	5.00	121.067	2.65*	803332AJ4
2035	1,565,000	5.00	119.275	2.83*	803332AK1
2036	1,645,000	5.00	117.612	3.00*	803332AL9
2037	1,725,000	5.00	116.263	3.14*	803332AM7
2038	1,810,000	5.00	115.216	3.25*	803332AN5
2039	1,900,000	5.00	114.556	3.32*	803332AP0
2040	1,995,000	5.00	113.527	3.43*	803332AQ8
2041	2,095,000	5.00	113.063	3.48*	803332AR6
2042	2,200,000	5.00	112.602	3.53*	803332AS4
2043	2,310,000	5.00	112.142	3.58*	803332AT2

\$7,575,000 4.000% Term Bonds due on September 1, 2046 Price 97.768 – Yield 4.15% - Initial CUSIP Number 803332AU9**

\$8,520,000 4.000% Term Bonds due on September 1, 2049 Price 96.828 – Yield 4.20% - Initial CUSIP Number 803332AV7**

* Yield calculated to first optional redemption date of September 1, 2033.

** Neither the City nor the Underwriter is responsible for the use of the CUSIP Numbers referenced herein nor is any representation made by the City or the Underwriter as to their correctness. The CUSIP Numbers provided herein are included solely for the convenience of the readers of this Official Statement.

CITY OF SARASOTA, FLORIDA

MEMBERS OF THE CITY COMMISSION

Kyle S. Battie, Mayor
Liz Alpert, Vice Mayor
Jen Ahearn-Koch, Commissioner
Erik J. Arroyo, Commissioner
Debbie Trice, Commissioner

CITY MANAGER

Marlon C. J. Brown

CITY AUDITOR AND CLERK

Shayla Griggs

DIRECTOR OF FINANCIAL ADMINISTRATION

Kelly R. Strickland, CPA, CGFO

CITY ATTORNEY

Fournier, Connolly, Shamsey, Mladinich & Polzak, P.A.

BOND AND DISCLOSURE COUNSEL

Bryant Miller Olive P.A.
Tampa, Florida

FINANCIAL ADVISOR

Dunlap & Associates, Inc.
Orlando, Florida

No dealer, broker, salesman or other person has been authorized by the City or the underwriter listed on the cover page hereof (the "Underwriter") to give any information or to make any representations in connection with the Bonds, other than as contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its, responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information set forth herein has been obtained from the City, DTC and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the City with respect to any information provided by others. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR WITH ANY STATE SECURITIES COMMISSION. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CITY OR THE UNDERWRITER AND ANY ONE OR MORE OF THE OWNERS OF THE BONDS.

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APPENDICES:

- APPENDIX A: City of Sarasota, Florida, General Information
- APPENDIX B: Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2022
- APPENDIX C: Form of Bond Resolution
- APPENDIX D: Proposed Form of Bond Counsel Opinion
- APPENDIX E: Form of Continuing Disclosure Certificate

OFFICIAL STATEMENT
relating to

\$44,460,000
CITY OF SARASOTA, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023
(BAY PARK PHASE 2)

INTRODUCTION

This Official Statement is provided by the City of Sarasota, Florida (the "City"), including the cover page, inside cover page and Appendices attached hereto, in order to set forth certain information regarding the City and the City's \$44,460,000 Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) (the "Bonds"), authorized by the Constitution and laws of the State of Florida, including Chapter 166, Florida Statutes; the Charter of the City; and other applicable provisions of law (collectively, the "Act"); and Resolution No. 23R-3175 adopted by the City Commission of the City (the "Commission") on April 17, 2023, as may be amended and supplemented from time to time, and as particularly supplemented by Resolution No. 23R-3176 adopted by the Commission on April 17, 2023 (collectively, the "Resolution").

All capitalized terms used in this Official Statement not otherwise defined herein shall have the same meaning ascribed thereto in the Resolution. Descriptions of the terms and conditions of the Bonds are set forth in the Resolution, the form of which is attached to this Official Statement as APPENDIX C. The descriptions of the Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements. Copies of such documents, reports and statements referred to herein that are not included in their entirety in this Official Statement may be obtained from the City at 1565 1st Street, Sarasota, Florida 34236, Attention: City Auditor and Clerk. The attached appendices are integral parts of the Official Statement and must be read together with all the statements contained herein.

The Bonds are being issued for the purpose of (1) financing and/or reimbursing the costs of design, installation, acquisition, construction, reconstruction, and equipping of various capital projects of the City's Bay Park and its related facilities (the "Project"), and (2) paying certain costs of issuance incurred with respect thereto. See "THE PROJECT" herein for more information.

THE CITY

The City is the county seat of Sarasota County, Florida (the "County"), and is located on the Gulf of Mexico on the southwest coast of the State of Florida (the "State") and covers an area of 24 square miles with an estimated population of 56,494 as of October 1, 2022. Its current official limits include Sarasota Bay and several barrier islands between the Bay and the Gulf of Mexico. Sarasota is a principal city of the Bradenton-Sarasota-Venice, Florida Metropolitan Statistical Area.

For additional information concerning the City, see "APPENDIX A – City of Sarasota, Florida, General Information" attached hereto.

THE PROJECT

The "Project" shall be defined to include the various capital improvements to an approximately 53 acre parcel of property within the City, known as "Bay Park", and related facilities.

BOOK-ENTRY ONLY SYSTEM

THE FOLLOWING INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC") AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE CITY BELIEVES TO BE RELIABLE. THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED HOLDERS OF THE BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds as set forth in the inside cover of this Official Statement in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing

corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has an S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bondholder ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. See "APPENDIX C - Form of Bond Resolution" for more information.

DESCRIPTION OF THE BONDS

General

The principal of or Redemption Price, if applicable, on the Bonds are payable upon presentation and surrender of the Bonds at the designated office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as Registrar and Paying Agent (the "Paying Agent"). Interest on the Bonds is payable semi-annually on each September 1 and March 1 (each an "Interest Date"), commencing September 1, 2023. Interest payable on the Bonds on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any such Bond is not punctually paid or duly provided for by the City on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten days preceding such special record date. All payments of principal of or Redemption Price, if applicable, and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Bonds will be issued initially as book-entry obligations and held by DTC as securities depository. See "BOOK-ENTRY ONLY SYSTEM" above.

Redemption Provisions

Optional Redemption. The Bonds maturing on or after September 1, 2034 may be redeemed prior to maturity at the option of the City, as a whole or in part on September 1, 2033, or on any date thereafter, if in part, from such maturity or maturities as the City shall designate and by lot within a maturity at the Redemption Price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date.

Mandatory Redemption. The Bonds maturing on September 1, 2046 are subject to mandatory redemption in part by the City on September 1 in the years and in the Amortization Installments, plus accrued interest to the redemption date, as set forth below.

<u>Year</u>	<u>Amortization Installments</u>
2044	\$2,425,000
2045	2,525,000
2046*	2,625,000

*Maturity

The Bonds maturing on September 1, 2049 are subject to mandatory redemption in part by the City on September 1 in the years and in the Amortization Installments, plus accrued interest to the redemption date, as set forth below.

<u>Year</u>	<u>Amortization Installments</u>
2047	\$2,730,000
2048	2,840,000
2049*	2,950,000

*Maturity

Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, notice of any redemption made pursuant to the Resolution shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of the Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given to any Holder of Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed.

Prior to any redemption date, the City shall deposit with the Registrar an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds which are to be redeemed on that date.

The City may provide that a notice of redemption may be contingent upon the occurrence of condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of such

rescission shall be mailed in the manner described herein to all Holders as soon as practicable after the City has determined to rescind the redemption.

Selection of the Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The City shall, at least forty (40) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than thirty-five (35) days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the City by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the City and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Payment of Redeemed Bonds. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

Redemption of Portions of the Bonds. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the City shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

Interchangeability, Negotiability, and Transfer

So long as Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to registration, transfer, and exchange of Bonds do not apply to the Bonds.

The Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Bonds issued under the Resolution shall be and have all the qualities and incidents of negotiable instruments under the commercial laws and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any

of the Bonds shall remain Outstanding, the City shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the City, at the office of the Registrar, under such reasonable regulations as the City may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the City shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The City, the Registrar, and any Paying Agent or fiduciary of the City may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the City as the absolute holder of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the City nor the Registrar nor any Paying Agent or other fiduciary of the City shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to the Bonds, forthwith (A) following the fifteenth day prior to an Interest Date; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds; and (C) at any other time as reasonably requested by the Paying Agent, shall certify and furnish to such Paying Agent the names, addresses and holdings of the Holders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of the Resolution. Execution of Bonds in the same manner as is provided in the Resolution for purposes of exchanging, replacing, or transferring Bonds may occur at the time of the original delivery of the Bonds. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the City to be canceled by the Registrar. For every such exchange or transfer of Bonds, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense, or other governmental charge required to be paid with respect to such exchange or transfer. The City and the Registrar shall not be obligated to make any such exchange or transfer of Bonds during the fifteen days next preceding an Interest Date on the Bonds, or, in the case of any proposed redemption of Bonds, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Bonds Mutilated, Destroyed, Stolen, or Lost

In case any Bond shall become mutilated, or be destroyed, stolen, or lost, the City may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen, or lost, and upon the Holder furnishing the City and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the

City or the Registrar may prescribe and paying such expenses as the City and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen, or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to the Resolution shall constitute original, additional contractual obligations on the part of the City whether or not the lost, stolen, or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued under the Resolution.

SECURITY FOR THE BONDS

Bonds Not General Obligations

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE CITY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, FOR THE PAYMENT OF ANY AMOUNTS PAYABLE UNDER THE RESOLUTION, OR IN ORDER TO MAINTAIN ANY SERVICES OR PROGRAMS THAT GENERATE NON-AD VALOREM REVENUES, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE CITY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED IN THE RESOLUTION.

Pledged Funds

The Bonds and the interest thereon are secured by and payable solely from (1) Non-Ad Valorem Revenues budgeted and appropriated by the City in accordance with the Resolution and deposited into the Debt Service Fund, and (2) until applied in accordance with the provisions of the Resolution, all moneys, including the investments thereof, in the funds and accounts established under the Resolution, with the exception of the Rebate Fund (collectively, the "Pledged Funds").

Covenant to Budget and Appropriate

The City has covenanted and agreed in the Resolution and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund amounts sufficient to pay principal of and interest on the Bonds and all other payments due under the Resolution not being paid from other amounts as the same shall become due. The City shall make each deposit no later than five (5) Business Days prior to the date such payment is due. Such covenant and agreement on the part of the City to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided in the Resolution. The City further acknowledged and agreed in

the Resolution that the obligations of the City to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth in the Resolution.

Until such monies are budgeted, appropriated and deposited as provided in the Resolution, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the City from pledging in the future its Non-Ad Valorem Revenues, nor does it require the City to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Holders of the Bonds a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in the Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the City pursuant to the Resolution shall be payable from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for in the Resolution and nothing therein shall be deemed to pledge ad valorem taxing power or ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the City and no Holders of the Bonds nor any other Person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the City or the use or application of ad valorem tax revenues in order to satisfy any payment obligations under the Resolution. The obligation of the City to budget, appropriate, deposit and make payments pursuant to the Resolution from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City. Notwithstanding any provisions of the Resolution or the Bonds to the contrary, the City shall never be obligated to maintain or continue any of the activities of the City which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Until such monies are budgeted, appropriated and deposited as provided herein, neither the Resolution nor the obligations of the City pursuant to the Resolution shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the City, but shall be payable solely as provided in the Resolution and is subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the City and is further subject to the provisions of Section 166.241, Florida Statutes insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the City.

Until applied in accordance with the Resolution, the Non-Ad Valorem Revenues of the City on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established in the Resolution, plus any earnings thereon, shall be pledged to the repayment of the Bonds.

Anti-Dilution

Pursuant to the Resolution the City covenants not to incur any indebtedness payable from Non-Ad Valorem Revenues unless the Non-Ad Valorem Revenues for the preceding Fiscal Year were at least 2.00 times maximum annual debt service of all indebtedness of the City payable from such sources. For the purpose of calculating "maximum annual debt service" on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Bond Buyer Revenue Bond 30 Year Index or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of such City. For purposes of calculating "maximum annual debt service" on

any indebtedness, balloon indebtedness shall be assumed to amortize in up to 20 years (from the date of calculation) on a level debt service basis. For purposes of this paragraph, "balloon indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one year.

Project Fund

The City has covenanted and agreed to establish a special fund known as the "City of Sarasota Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) Project Fund" (the "Project Fund"). Amounts on deposit from time to time in the Project Fund, plus any earnings thereon, are pledged to the repayment of the Bonds. Costs of the Project will be paid from the Project Fund.

Funds and Accounts

The City created and established the "City of Sarasota, Florida Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) Debt Service Fund" (the "Debt Service Fund"). The City shall maintain in the Debt Service Fund three accounts: the "Interest Account," the "Principal Account," and the "Bond Amortization Account." Moneys in the aforementioned funds and accounts, until applied in accordance with the provisions of the Resolution, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

Flow of Funds

The Non-Ad Valorem Revenues appropriated for such purpose will be deposited or credited at least five (5) business days prior to the applicable due date, in the following manner:

1. Interest Account. The City will deposit into or credit to the Interest Account the sum which, together with the balance in said Account, is equal to the interest on all Outstanding Bonds accrued and unpaid and to accrue on such Interest Date. Moneys in the Interest Account will be used to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose.
2. Principal Account. The City will deposit into or credit to the Principal Account the sum which, together with the balance in said Account, is equal the portion of the principal on the Outstanding Bonds next due. Moneys in the Principal Account will be used to pay the principal of the Bonds as and when the same mature, and for no other purpose.
3. Bond Amortization Account. The City will deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, equals the portion of the Amortization Installments of all Bonds next due. Moneys in the Bond Amortization Account will be used to purchase or redeem Term Bonds and for no other purpose. Payments to the Bond Amortization Account will be on a parity with payments to the Principal Account.

On the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the City will withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

No Debt Service Reserve Fund

The City has not established a reserve fund or account to secure the Bonds.

No Impairment

The City has covenanted in the Resolution that the pledging of the Pledged Funds in the manner provided therein shall not be subject to repeal, modification, or impairment by any subsequent ordinance, resolution, or other proceedings of the Commission.

Books and Records

The City shall keep proper books, records and accounts of the receipt of the Non-Ad Valorem Revenues in accordance with generally accepted accounting principles, and any Holder or Holders of Bonds shall have the right at all reasonable times to inspect such books, records, accounts and data of the City relating thereto. The City shall, by April 30th following the close of the prior Fiscal Year of the City, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the City and be made available at reasonable times for inspection by Holders of the Bonds.

Annual Audit

The City shall, immediately after the close of each Fiscal Year, cause the financial statements of the City to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenditures and changes in fund balance, and any other statements as required by law or accounting convention, and a report by such accountants disclosing any material default on the part of the City of any covenant or agreement herein which is disclosed by the audit of the financial statements. The annual financial statements shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to any Holder of a Bond who shall have furnished such Holder's address to the Director of Financial Administration and requested in writing that the same be furnished to such Holder. The City shall be permitted to make a reasonable charge for furnishing such audited financial statements.

Investments

The Project Fund and the Debt Service Fund shall be continuously secured in the manner by which the deposits of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Debt Service Fund and Project Fund may be invested and reinvested in Permitted Investments maturing not later than the date on which the moneys therein will be needed. Any and all income received by the City from the investment of moneys in the Debt Service Fund and the Project Fund shall be retained in such respective Fund or Account unless otherwise required by applicable law.

Nothing contained in the Resolution shall prevent any Permitted Investments acquired as investments of or security for funds held under the Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

The value of Permitted Investments held under the Resolution shall be determined as follows:

(a) For the purpose of determining the amount in any Fund or Account, all Permitted Investments credited to such fund or account shall be valued at fair market value. The City shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Citigroup Global Markets, Bear Stearns or Lehman Brothers.

(b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds are expected to be applied as follows:

SOURCES OF FUNDS FOR THE BONDS:

Par Amount of Bonds	\$44,460,000.00
Plus Net Bond Premium	3,902,571.50
TOTAL SOURCES	<u>\$48,362,571.50</u>

USES OF FUNDS FOR THE BONDS:

Deposit to the Project Fund	\$48,000,000.00
Costs of Issuance ⁽¹⁾	362,571.50
TOTAL USES	<u>\$48,362,571.50</u>

⁽¹⁾ Includes, without limitation, Underwriter's discount, legal, accounting and financial advisory fees, printing costs, and other costs associated with the issuance of the Bonds.

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DEBT SERVICE REQUIREMENTS

The following table shows the scheduled annual principal and interest requirements for the Bonds and total annual debt service on the Bonds:

Year Ended October 1	Principal	Interest	Total Debt Service
2023		\$630,070.83	\$630,070.83
2024		2,062,050.00	2,062,050.00
2025		2,062,050.00	2,062,050.00
2026	\$1,010,000	2,062,050.00	3,072,050.00
2027	1,060,000	2,011,550.00	3,071,550.00
2028	1,110,000	1,958,550.00	3,068,550.00
2029	1,170,000	1,903,050.00	3,073,050.00
2030	1,225,000	1,844,550.00	3,069,550.00
2031	1,285,000	1,783,300.00	3,068,300.00
2032	1,350,000	1,719,050.00	3,069,050.00
2033	1,420,000	1,651,550.00	3,071,550.00
2034	1,490,000	1,580,550.00	3,070,550.00
2035	1,565,000	1,506,050.00	3,071,050.00
2036	1,645,000	1,427,800.00	3,072,800.00
2037	1,725,000	1,345,550.00	3,070,550.00
2038	1,810,000	1,259,300.00	3,069,300.00
2039	1,900,000	1,168,800.00	3,068,800.00
2040	1,995,000	1,073,800.00	3,068,800.00
2041	2,095,000	974,050.00	3,069,050.00
2042	2,200,000	869,300.00	3,069,300.00
2043	2,310,000	759,300.00	3,069,300.00
2044	2,425,000	643,800.00	3,068,800.00
2045	2,525,000	546,800.00	3,071,800.00
2046	2,625,000	445,800.00	3,070,800.00
2047	2,730,000	340,800.00	3,070,800.00
2048	2,840,000	231,600.00	3,071,600.00
2049	2,950,000	118,000.00	3,068,000.00
TOTALS	\$44,460,000	\$33,979,120.83	\$78,439,120.83

DESCRIPTION OF NON-AD VALOREM REVENUES

General

The City generally receives two primary sources of revenue: ad valorem taxes and non-ad valorem revenues. Ad valorem taxes may not be pledged for the payment of debt obligations of the City maturing more than twelve months from the date of issuance thereof without approval of the electorate of the City. *The ad valorem tax revenues of the City are not pledged as security for the payment of the Bonds and the City is not obligated to budget and appropriate ad valorem tax revenues for the payment of the Bonds.*

The Bonds are payable from Pledged Funds which includes Non-Ad Valorem Revenues budgeted, appropriated and deposited by the City for such purpose as described herein, and are not payable from ad valorem taxation. However, the ability of the City to covenant to budget and appropriate Non-Ad Valorem Revenues is subject to a variety of factors, including the obligation of the City to provide governmental services and the provisions of Florida law which require the City to have a balanced budget.

Although the Bonds are not payable from ad valorem taxation, approximately 31% of the City's Governmental Funds Revenues come from ad valorem taxes. To the extent that the future collection of ad valorem tax revenues is adversely affected, a larger portion of Non-Ad Valorem Revenues would be required to balance the budget and provide governmental services.

The City is permitted by the Florida Constitution to levy ad valorem taxes at a rate of up to \$10 per \$1,000 of taxable assessed valuation for general governmental expenditures. The General Fund ad valorem tax millage rate for the Fiscal Year ending September 30, 2023 is \$3.00 per \$1,000. The City is also permitted by the Florida Constitution to levy ad valorem taxes above the \$10 per \$1,000 cap to pay debt service on general obligation long-term debt if approved by a voter referendum. The millage rate for debt service on the City's outstanding general obligation bonds is \$0.1782 per \$1,000 for the Fiscal Year ending September 30, 2023.

Non-Ad Valorem Revenues of the City may be pledged or applied, subject to certain limitations disclosed herein, for the payment of debt obligations of the City. Such Non-Ad Valorem Revenues include a broad category of revenues, including, but not limited to, revenues received from the federal and state governments, investment income and income produced from certain services and facilities of the City, as described below.

Portions of Non-Ad Valorem Revenues have been, and may subsequently be, pledged to secure debt issued by the City. Any such debt is or will be payable from such specific Non-Ad Valorem Revenues prior to payment of debt service on the Bonds. See the section "Debt of City Secured by Non-Ad Valorem Revenues" below for a description of other obligations that must be satisfied prior to the payment of debt service on the Bonds. Amounts in particular categories of Non-Ad Valorem Revenues may increase or decrease in the future due to factors within or outside of the control of the City. Certain categories may cease to exist altogether and new sources may come about from time to time.

The Florida Department of Financial Services ("FDFS") has developed, as part of the Uniform Accounting System Manual's Chart of Accounts, six major categories of local government revenues: taxes; permits, fees and special assessments; intergovernmental revenues; charges for services; judgments, fines and forfeitures; and miscellaneous revenues. Using such categories as a guide, the following describes the

sources of the City's Non-Ad Valorem Revenues and outlines the City's classification of such Non-Ad Valorem Revenues:

Taxes

Utilities Tax Revenues

The "Utilities Tax" (also, commonly referred to as the "Public Services Tax") is imposed by the City pursuant to the Constitution of the State and Section 166.231, Florida Statutes, and other applicable provisions of law. Florida law authorizes any municipality in the State to levy a utilities tax on the purchase within such municipality of electricity, metered natural gas, liquefied petroleum gas either metered or bottled, manufactured gas either metered or bottled, and water service. Services competitive with those enumerated in the previous sentence, as defined by ordinance, shall be taxed on a comparable base at the same rates. However, fuel oil shall be taxed at a rate not to exceed 4 cents per gallon. The City has levied a utilities tax on the purchase of electricity, metered or bottled gas and water service at a rate of ten percent (10%) of the charge made by the seller of such service or commodity and four cents (\$0.04) per gallon upon every purchase of fuel oil.

Florida law provides that a municipality may exempt from the utilities tax the first 500 kilowatts of electricity per month purchased for residential use, metered or bottled gas or fuel oil for agricultural purposes, purchases of electricity, natural gas, liquefied petroleum gas or manufactured gas by industrial customers for use in industrial manufacturing or processing facilities in the municipality and electrical energy used in a facility located in a designated enterprise zone. The City has not adopted any such exemptions but it does exempt purchases by the United States of America, the State, the County, the Sarasota County School District, the City and their respective commissions and agencies from the levy of such tax, as well as purchases by any recognized church in this State for use exclusively for church purposes, pursuant to State law. Additional statutory exemptions are accorded to purchases for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines.

The utilities tax shall not be applied against any fuel adjustment charge. The term "fuel adjustment charge" means all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973.

The utilities tax must be collected by the seller from purchasers at the time of sale and remitted to the City on a monthly basis. Taxes on most utility services are separately itemized on the bill rendered to customers, but separate disclosure is not required. A failure by a consumer to pay that portion of the bill attributable to the utilities tax may result in a suspension of the service involved in the same fashion as the failure to pay that portion of the bill attributable to the particular utility service.

The City, in accordance with Section 166.231, Florida Statutes, has imposed a utilities tax of ten percent (10%) on the purchase of water, gas and electricity pursuant to Ordinance No. 97-4016, enacted by the Commission on September 15, 1997, as amended (the "Utility Tax"). The Utility Tax is collected by Florida Power & Light Company ("FPL") and remitted to the City monthly.

The amount of Utility Tax received by the City may fluctuate as the price of water, gas and/or electricity and the other services subject to the Utility Tax fluctuates and a sustained increase in the price thereof may have an adverse effect on the amount of Utility Tax collected.

Communications Services Tax Revenues

The Communications Services Tax Simplification Act, enacted by Chapter 2000-260, Laws of Florida, as amended by Chapter 2001-140, Laws of Florida, and now codified in part as Chapter 202, Florida Statutes (the "CSTA") established, effective October 1, 2001, a local communications services tax on the sale of communications services as defined in Section 202.11, Florida Statutes, and as of the same date repealed Section 166.231(9), Florida Statutes, which previously granted municipalities the authority to levy a utility services tax on the purchase of telecommunications services. See "DESCRIPTION OF NON-AD VALOREM REVENUES -- Taxes -- *Utilities Tax Revenues*" above. Pursuant to Ordinance No. 01-4316 enacted by the Commission on July 2, 2001, the City has imposed the local communications services tax at a rate of 5.32% which began October 1, 2002. The rate includes the 0.12% add-on permitted by Section 337.401, Florida Statutes, and established by the City for waiving the right to collect permit fees for the use of the rights-of-way by communications providers.

The proceeds of the local communications services tax, less Florida Department of Revenue's ("FDOR") cost of administration which may not exceed 1% of the total tax generated, are deposited in the Local Communications Services Tax Clearing Trust Fund (the "CST Trust Fund") and distributed monthly to the appropriate jurisdiction. The local communications services tax revenues received by the City are deposited into the City's General Fund and may be used for any public purpose. The revenues that are received by the City from such communications services tax which derive from the CST Trust Fund created with the FDOR pursuant to Section 202.193, Florida Statutes, may be pledged for the repayment of current or future bonded indebtedness.

One effect of the CSTA was to replace the former utilities tax on telecommunications, including pre-paid calling arrangements, as well as any revenues from franchise fees on cable and telecommunications service providers and permit fees relating to placing or maintaining facilities in rights-of-way collected from providers of certain telecommunications services, with the local communications services tax. This change in law was intended to be revenue neutral to the counties and municipalities. The communications services tax applies to a broader base of communications services than the former utilities tax on telecommunications.

The local communications services tax applies to the purchase of "communications services" which originated or terminated within the City, with certain exemptions described below. "Communication services" under the CSTA are defined as the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of the protocol used for such transmission or conveyance. The term does not include:

- (a) Information services.
- (b) Installation or maintenance of wiring or equipment on a customer's premises.
- (c) The sale or rental of tangible personal property.
- (d) The sale of advertising, including, but not limited to, directory advertising.
- (e) Bad check charges.
- (f) Late payment charges.
- (g) Billing and collection services.
- (h) Internet access service, electronic mail service, electronic bulletin board service, or similar on-line services.

While, such services have historically been taxed if the charges for such services are not stated separately from the charges for communications services, on a customer's bill, providers now have the ability to exclude such services from the tax if they can be reasonably identified from the selling dealer's books and records kept in the regular course of business. The dealer may support the allocation of charges with books and records kept in the regular course of business covering the dealer's entire service area, including territories outside of Florida.

The sale of communications services to (i) the federal government, or any instrumentality or agency thereof, or any entity that is exempt from state taxes under federal law, (ii) the State or any county, municipality or political subdivision of the State when payment is made directly to the dealer by the governmental entity, and (iii) any home for the aged or educational institution (which includes state tax-supported and nonprofit private schools, colleges and universities and nonprofit libraries, art galleries and museums, among others) or religious institutions (which include, but are not limited to, organizations having an established physical place for worship at which nonprofit religious services and activities are regularly conducted) that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), are exempt from the local communications services tax.

The CSTA provides that, to the extent that a provider of communications services is required to pay to a local taxing jurisdiction a tax, charge, or other fee under any franchise agreement or ordinance with respect to the services or revenues that are also subject to the local communications services tax, such provider is entitled to a credit against the amount of such local communications services tax payable to the State in the amount of such tax, charge, or fee with respect to such service or revenues. The amount of such credit is deducted from the amount that such local taxing jurisdiction is entitled to receive under Section 202.18(3), Florida Statutes. However, the City does not impose any such fees or charges on communications services providers.

Under the CSTA, local governments must work with the FDOR to properly identify service addresses to each municipality and county. If a jurisdiction fails to provide the FDOR with accurate service address information, the local government risks losing tax proceeds that it should properly receive. The City believes it has provided the FDOR with all information that the FDOR has requested as of the date hereof and that such information is accurate.

Providers of communications services collect the local communications services tax and may deduct 0.75% as a collection fee (or 0.25% in the case of providers who do not employ an enhanced zip code database or a data base that is either supplied or certified by the FDOR). The communications services providers remit the remaining proceeds to the FDOR for deposit into the CST Trust Fund. The FDOR then makes monthly contributions from the CST Trust Fund to the appropriate local governments after deducting up to 1% of the total revenues generated as an administrative fee.

The amount of local communications services tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the City, (ii) legislative changes, and/or (iii) technological advances which could affect consumer preferences. The amount of the local communications services tax revenues collected within the City may be adversely affected by de-annexation. Such de-annexation would decrease the number of addresses contained within the City. At this time there are no de-annexations anticipated within the City.

See "—Proposed Legislation" below for more information about legislation which could have an impact on communications services tax revenues.

Business Tax Revenues

The "Business Tax" (formerly called the "Occupational License Tax") includes the business taxes levied and collected by the City pursuant to Chapter 205, Florida Statutes, and Ordinance 15-5128 enacted by the Commission on 18th day of May, 2015. Section 205.042, Florida Statutes, authorizes the City to levy "a business tax for the privilege of engaging in or managing any business, profession, or occupation within its jurisdiction." The Business Tax may be levied on:

(1) Any person who maintains a permanent business location or branch office within the municipality, for the privilege of engaging in or managing any business within its jurisdiction.

(2) Any person who maintains a permanent business location or branch office within the municipality, for the privilege of engaging in or managing any profession or occupation within its jurisdiction.

(3) Any person who does not qualify under subsection (1) or subsection (2) and who transacts any business or engages in any occupation or profession in interstate commerce, if the Business Tax is not prohibited by the United States Constitution.

All Business Tax receipts are issued for payment by the City beginning August 1 of each year and such taxes are due and payable on or before September 30 of each year. Each Business Tax receipt expires on September 30 of the succeeding year. Business Tax receipts that are not renewed when due and payable are delinquent and subject to a delinquency penalty of 10% for the month of October, plus an additional 5% penalty for each subsequent month of delinquency until paid. However, the total delinquency penalty may not exceed 25% of the Business Tax for the delinquent establishment.

Any person who engages in or manages any business, occupation, or profession without first paying the required Business Tax, is subject to a penalty of 25% of the tax due, in addition to any other penalty provided by law or ordinance. Any person who engages in any business, occupation, or profession covered by Chapter 205, Florida Statutes, who does not pay the required Business Tax within 150 days after the initial notice of tax due, and who does not obtain the required Business Tax receipt, is subject to civil actions and penalties, including court costs, reasonable attorneys' fees, additional administrative costs incurred as a result of collection efforts, and a penalty of up to \$250.

Chapter 205, Florida Statutes, provides that the City may only increase by ordinance the rates of Business Taxes every other year by up to 5%. The increase, however, may be enacted only by a majority plus one vote of Commission. The City last increased its Business Tax rates in Fiscal Year 2016 by 5%, the maximum allowed by Chapter 205, Florida Statutes. The City did not increase its Business Tax rates in Fiscal Year 2017.

In past sessions of the Florida Legislature, legislation has been introduced that, had it been enacted, could have reduced the amount of Business Taxes to be collected by the City. Such proposed legislation was not passed. No assurance can be given that similar legislation will not be re-introduced in the future.

Permits, Fees and Special Assessments

Electric Franchise Fee Revenues

The City imposes an Electric Franchise Fee imposed upon and collected from FPL pursuant to Ordinance No. 10-4917, enacted by the Commission on November 1, 2010, as amended by Ordinance No. 12-5022, enacted by the Commission on September 17, 2012 (collectively, the "Electric Franchise Fee Ordinance"), whereby the City granted to FPL, a thirty-year electric franchise which is effective for a term of thirty years. The Electric Franchise Fee Ordinance does not provide for an option to renew the franchise, and any extension or renewal is subject to negotiation between the City and FPL. Under the Electric Franchise Fee Ordinance, FPL is required to pay the City a percentage of the revenues derived from the sale of electrical energy to residential and commercial customers within the corporate limits of the City. The Electric Franchise Fee Ordinance provides that commencing ninety (90) days after the effective date and each month thereafter for the remainder of the term of the franchise, FPL, its successors and assigns, shall pay to the City and its successors an amount which when added to the amount of all licenses, excises, fees, charges and other impositions of any kind whatsoever (except ad valorem property taxes and non-ad valorem assessments on property) levied or imposed by the City against FPL's property, business or operations, and those of its subsidiaries during FPL's monthly billing period ending 60 days prior to each such payment will equal 6% of FPL's billed revenues, less actual write-offs, from the sale of electrical energy to residential, commercial, and industrial customers within the incorporated areas of the City.

Mobile Home Licenses

Section 320.08, Florida Statutes, imposes an annual license tax in lieu of ad valorem taxes upon mobile homes which are not permanently affixed to real property. The annual license taxes are remitted by the Tax Collector to the State. Pursuant to Section 320.081, Florida Statutes, after deduction of a service charge for each license issued, the State remits to the School Board of the county one half of the proceeds collected on each license and the remainder to the Board of County Commissioners, for units that are located within the unincorporated area of the county or to any city within such county, for units which are located within its corporate limits.

Intergovernmental Revenues

General

All revenues received by a local unit from federal, state, and other local government sources in the form of grants, shared revenues, payments in lieu of taxes and payments in lieu of franchise fees would be included in the intergovernmental revenues category. The category can be further classified into eight subcategories: federal grants, federal payments in lieu of taxes ("PILOT"), state grants, state shared revenues, state PILOT, if any, local grants, local shared revenues, and local PILOT. If a particular grant is funded from separate intergovernmental sources, then the revenue is recorded proportionately. At this time, the City does not receive any PILOT revenues from any other government. The largest component is the Local Government Half-Cent Sales Tax.

Half-Cent Sales Tax Revenues

Chapter 218, Part VI, Florida Statutes (the "Sales Tax Act"), authorizes the levy and collection by the State of a sales tax upon, among other things, the sales price of each item or article of tangible personal

property sold at retail in the State, subject to certain exceptions and dealer allowances. In 1982, the Florida Legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes a portion of the sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the Half-Cent Sales Tax Program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half of the fifth cent of every dollar of the sales price of an item subject to sales tax, the name "Half-Cent Sales Tax" has continued to be utilized. As of October 1, 2001, the Half-Cent Sales Tax Trust Fund began receiving a portion of certain taxes imposed by the State on communications services pursuant to Chapter 202, Florida Statutes. Accordingly, moneys distributed from the Half-Cent Sales Tax Trust Fund now consist of funds derived from both general sales tax proceeds and certain taxes imposed on the sales of communications services required to be deposited into the Half-Cent Sales Tax Trust Fund. See "—Proposed Legislation" below regarding legislation which could have an impact on revenues received from communications services.

The Half-Cent Sales Tax is collected on behalf of the State by businesses at the time of sale at retail, use, consumption, or storage for use or consumption, of taxable property and remitted to the State on a monthly basis. The Sales Tax Act provides for penalties and fines, including criminal prosecution, for non-compliance with the provisions thereof.

The general rate of sales tax in the State is currently 6%. Section 212.20, Florida Statutes, provides for the distribution of 8.9744%, reduced by 0.1%, of sales tax revenues to the Half-Cent Sales Tax Clearing Trust Fund (the "Half-Cent Sales Tax Trust Fund"), after providing for certain transfers to the State's General Fund. Such amount deposited in the Half-Cent Sales Tax Trust Fund is earmarked for distribution to the governing body of such county and each participating municipality within that county pursuant the following distribution formula:

$$\begin{array}{l}
 \text{County Share} \\
 \text{(percentage of total Half-Cent Sales Tax receipts)} \\
 \\
 \text{Municipality Share} \\
 \text{(percentage of total Half-Cent Sales Tax receipts)}
 \end{array}
 =
 \begin{array}{l}
 \frac{\text{unincorporated area population}}{\text{total county population}} + \frac{2}{3} \frac{\text{incorporated area population}}{\text{total county population}} \\
 \\
 \frac{\text{municipality population}}{\text{total county population}} + \frac{2}{3} \frac{\text{incorporated area population}}{\text{total county population}}
 \end{array}$$

For purposes of the foregoing formula, "population" is based upon the latest official State estimate of population certified prior to the beginning of the local government fiscal year. Should the City annex any area or should any area of the City de-annex from the City, the share of the Half-Cent Sales Tax received by the City would be respectively increased or decreased according to the foregoing formula.

The Half-Cent Sales Tax is distributed from the Half-Cent Sales Tax Trust Fund on a monthly basis to participating units of local government in accordance with the Sales Tax Act and is deposited by the

City into the City's General Fund. The Sales Tax Act permits the City to pledge its share of the Half-Cent Sales Tax for the payment of principal of and interest on any capital project.

To be eligible to participate in the Half-Cent Sales Tax Program, each municipality and county is required to have satisfied the Eligibility Requirements (defined below). The City must have:

- (i) reported its finances for its most recently completed fiscal year to the Florida Department of Banking and Finance ("FDBF") as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of 3 mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such 3 mill ad valorem tax, to have received certain revenues from a county (in the case of a municipality), collected an occupational license tax, utility tax, or ad valorem tax, or any combination of those four sources;
- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;
- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and
- (vii) certified to FDOR that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

The requirements described in (i) through (vii) are referred to herein as the "Eligibility Requirements". If the City does not comply with the Eligibility Requirements, the City would lose its Half-Cent Sales Tax Trust Fund distributions for twelve (12) months following a "determination of noncompliance" by FDOR. The City has continuously maintained eligibility to receive the Half-Cent Sales Tax.

Although the Sales Tax Act does not impose any limitation on the number of years during which the City can receive distribution of the Half-Cent Sales Tax revenues from the Half-Cent Sales Tax Trust Fund, there may be amendments to the Sales Tax Act in subsequent years imposing additional requirements of eligibility for counties and municipalities participating in the Half-Cent Sales Tax Program, and it is not unusual for the distribution formulas in Sections 212.20(6)(d) or 218.62, Florida Statutes, to be revised from time to time.

The amount of Half-Cent Sales Tax revenues received by the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within the County, (ii) legislative changes relating to the overall sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Half-Cent Sales Tax Trust Fund, (iii) changes in the relative population of the City, which affect the percentage of Local Government Half-Cent Sales Tax received by the City, and (iv) other factors which may be beyond the control of the City, including but not limited to the potential for increased use of electronic commerce and other internet-related sales activity that could have a material adverse impact upon the amount of sales tax collected by the State and then distributed to the City.

Infrastructure Sales Surtax

Pursuant to Chapter 212, Florida Statutes, counties are authorized to levy a local discretionary sales surtax of an additional one-half percent (1/2%) or one percent (1%) pursuant to ordinance enacted by a majority of the members of the board of county commissioners and approved by referendum. Chapter 212, Florida Statutes, provides that the levy on such surtax may be extended upon approval of a majority of the electors of the County voting in a referendum on the discretionary sales surtax.

Pursuant to Ordinance No. 2007-087 enacted by the County on September 25, 2007 and pursuant to a successful vote of the electors of the County held on November 6, 2007, the County is authorized to levy a local one percent (1%) discretionary sales surtax for a period from September 1, 2009 through and including December 31, 2024 (the "Infrastructure Sales Surtax"). On March 29, 2022, the County enacted Ordinance No. 2022-001 and pursuant to a successful vote of the electors of the County on November 5, 2022, the County is authorized to extend the Infrastructure Sales Surtax through December 31, 2039.

The discretionary sales surtax is distributed by the FDOR pursuant to an Interlocal Agreement entered into between the School Board of Sarasota County (the "School Board"), the City, the City of North Port, Town of Longboat Key and the City of Venice. Twenty-five percent of each distribution of the proceeds of such surtax shall be distributed by FDOR to the School Board. The remainder is distributed to the County and the municipalities therein in the same proportion that the population of each municipality and the unincorporated area bears to the entire population of the County. The distribution of the proceeds of such surtax shall be automatically adjusted annually effective each October 1 while such surtax remains in effect, pursuant to the final population estimates issued under Section 186.901, Florida Statutes, for the preceding calendar year. The County shall notify FDOR as to the annual adjustment of the distribution formula at least 60 days prior to October 1 of each year.

The proceeds of the discretionary sales surtax may only be expended to finance, plan and construct "infrastructure" which is defined as any fixed capital expenditure or fixed capital costs associated with the construction, reconstruction or improvement of public facilities which have a life expectancy of five or more years and any land acquisition, land improvement, design and engineering costs related thereto. Pursuant to Section 212.055(2)(e), Florida Statutes, as counties receiving discretionary sales surtax proceeds may pledge such proceeds for the purpose of servicing new bond indebtedness incurred pursuant to law.

The FDOR has the responsibility to administer, collect, and enforce the infrastructure sales surtax. Pursuant to Section 212.054(4)(b), Florida Statutes, the proceeds of the County's discretionary sales surtax collections (including the Replacement Local Option Communications Services Tax) are transferred to the Discretionary Sales Surtax Clearing Trust Fund. A separate account in the trust fund is established for each county imposing such a surtax. FDOR is authorized to deduct 3% of the total revenue generated for all

counties levying a surtax for administrative costs. The amount deducted for administrative costs is required to be used only for those costs solely and directly attributable to the surtax. The total administrative costs are prorated among those counties levying the surtax on the basis of the amount collected for a particular county to the total amount collected for all counties. However, FDOR is currently not deducting any amount of revenue for administering these taxes, even though the authorization currently exists to do so. FDOR is required to submit annually, no later than March 1st, a report detailing the expenses and amounts deducted for administrative costs to the President of the State Senate, the Speaker of the State House of Representatives, and the governing board of each county levying the surtax.

Section 212.055(2)(d), Florida Statutes, expressly states that neither the proceeds from the infrastructure sales surtax nor the interest accrued thereon shall be used for operational expenses of any infrastructure. Further restrictions prohibit counties from using the infrastructure sales surtax to replace or supplant user fees or to reduce ad valorem taxes, and from issuing bonds secured by a pledge of these revenues more frequently than one per year. The surtax applies to all transactions in the County that are subject to the State sales tax imposed on sales, use, rentals, admissions, and other transactions under Chapter 212, Florida Statutes. The surtax does not apply to the sales amount of tangible personal property greater than \$5,000 or to long distance telephone service.

Pursuant to Section 212.15, Florida Statutes, vendors are required to remit sales tax receipts (including proceeds of any discretionary sales surtax) by the twentieth (20th) day of the month immediately following the month of collection. No statute prescribes a deadline for remitting surtax proceeds from FDOR to the local governing bodies. However, according to the accounting division of FDOR, FDOR consistently remits the surtax proceeds to such local governing bodies by the end of the month immediately following receipt by FDOR.

The share of the Infrastructure Sales Surtax that is to be distributed to the City will be affected by changes in the relative populations of the unincorporated and incorporated areas within the County. Such relative populations are subject to change through normal increases and decreases of population within the existing unincorporated and incorporated areas of the County and are also subject to change by annexation and de-annexation by municipalities such as the City.

The total amount of Infrastructure Sales Surtax collected within the County and distributed to the City is also subject to increase or decrease due to increases or decreases in the dollar volume of taxable sales within the County, which, in turn, is subject to among other things, (i) legislative changes which may include or exclude from taxation sales of particular goods or services, and (ii) changes in the dollar volume of purchases in the County, which is affected by changes in population and economic conditions.

Continued increases in use of electronic commerce and other internet-related sales activity may have a material adverse impact upon the amount of Infrastructure Sales Surtax revenues collected by the County and distributed to the City.

Tourist Development Tax

The tourist development tax revenues described below are not legally available to pay debt service on the Bonds.

Pursuant to Section 125.0104(3)(b), Florida Statutes, as amended, counties may levy and impose a tourist development tax within their boundaries on the exercise of the taxable privilege described in Section

125.0104(3)(a), Florida Statutes, as amended. Pursuant to the latter subsection, it is the intent of the Florida Legislature that every person who rents, leases or lets for consideration any living quarters or accommodations in any hotel, apartment hotel, motel, resort motel, apartment, apartment motel, roominghouse, mobile home park, recreational vehicle park, timeshare resort or condominium for a term of six (6) months or less, subject to certain exemptions described in Chapter 212, Florida Statutes, as amended, is exercising a taxable privilege.

Pursuant to Section 125.0104(3)(c), Florida Statutes, counties are authorized to levy a tourist development tax at a rate of up to 2% on the exercise of the taxable privilege described above (the "First and Second Cent") upon approval by the eligible voters in such county in a referendum election. Pursuant to Section 125.0104(3)(d), Florida Statutes, counties which have levied the First and Second Cent for at least three (3) years are authorized to levy an additional tourist development tax at a rate of 1% (the "Third Cent") if there was either extraordinary approval of their respective governing boards, or referendum approval of the Third Cent. Pursuant to Section 125.0104(3)(m), Florida Statutes, a "high tourism impact county" is authorized to levy an additional tourist development tax at a rate of 1% if there was extraordinary approval of the governing board (the "Fourth Cent"). The County was certified as a "high tourism impact county" by the Florida Department of Revenue on July 11, 1990. Pursuant to Section 125.0104(3)(l), Florida Statutes, counties are authorized to levy an additional tourist development tax at a rate of 1% if there was majority approval of their respective governing boards (the "Fifth Cent"). Finally, pursuant to Section 125.0104(3)(n), Florida Statutes, counties that have levied the Fourth Cent are authorized to levy an additional tourist development tax at a rate of 1% if there was majority plus one approval of their respective governing boards (the "Sixth Cent").

Pursuant to Ordinance No. 87-134 enacted by the County on December 12, 1987 as amended by Ordinance Nos. 92-019 enacted by the County on March 3, 1992, 94-098 enacted by the County on December 13, 1994, 96-071 enacted by the County on November 12, 1996, 98-095 enacted by the County on December 10 1998, 03-046 enacted by the County on May 13, 2003, 06-061 enacted by the County on September 13, 2006, 08-101 enacted by the County on September 10, 2008, 09-038 enacted by the County on July 22, 2009, 10-012 enacted by the County on February 19 2002, 10-076 enacted by the County on October 13, 2010, 2022-013 enacted by the County on April 26, 2022, the County levied the First, Second, Third, Fourth, Fifth and Sixth Cent tourist development taxes.

The County determined that fifty percent of the annual revenues generated by the First and Second Cent is to be allocated to beach maintenance, beach restoration, beach renourishment, and beach erosion control for beaches and maintenance of beach park facilities. The First and Second Cent are available only to those governmental entities with posted public beaches and beach accesses, such as the City. The distribution of the First and Second Cent to the City is determined using the same formula presently in effect for distribution of gas revenues, which is population based. Notwithstanding this formula, any municipality that has establishments within its boundaries that cumulatively collect 15% or greater of the total annual tourist development tax revenue shall receive a minimum distribution of \$150,000 in the subsequent fiscal year. Any shortfall between the gas tax formula distribution to such municipality and the \$150,000.00 shall be contributed by the County from the beach allocation distributed to unincorporated areas of the County.

The Projects do not include any beach maintenance beach restoration, beach renourishment, and beach erosion control for beaches and maintenance of beach park facilities projects. Accordingly, none of the tourist development tax revenues may be used to pay debt service on the Bonds.

State Revenue Sharing

A portion of certain taxes levied and collected by the State is shared with local governments under provisions of Section 218.215, Florida Statutes. The amount deposited by the FDOR into the State Revenue Sharing Trust Fund for Municipalities is 1.3653% of available sales and use tax collections after certain required distributions and the net collections from the one-cent municipal fuel tax.

To be eligible for State Revenue Sharing funds beyond the minimum entitlement (defined as the amount necessary to meet obligations to which the City has pledged amounts received from the State Revenue Sharing Trust Fund for Municipalities), a local government must have met the Eligibility Requirements.

If the City fails to comply with such requirements, the FDOR may utilize the best information available to it, if such information is available, or take any necessary action including disqualification, either partial or entire, and the City shall further waive any right to challenge the determination of the FDOR as to its distribution, if any. Eligibility is retained if the local government has met eligibility requirements for the previous three years, even if the local government reduces its millage or utilities taxes because of the receipt of State Revenue Sharing funds.

The amount of the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is the average of three factors: an adjusted population factor; a sales tax collection factor, which is the proportion of the local City's ordinary sales tax distribution the municipality would receive if the distribution were strictly population-based; and a relative revenue-raising ability factor, which measures the municipality's ability to raise revenue relative to other qualifying municipalities in the State.

The distribution to an eligible municipality is determined by the following procedure. First, a municipal government's entitlement is computed on the basis of the apportionment factor applied to all State Revenue Sharing Trust Fund receipts available for distribution. Second, the revenue to be shared via the formula in any fiscal year is adjusted so that no municipality receives fewer funds than its guaranteed entitlement, which is equal to the aggregate amount received from the state in fiscal year 1971-72 under then-existing statutory provisions. Third, the revenue to be shared via the formula in any fiscal year is adjusted so that all municipalities receive at least their minimum entitlement, which means the amount of revenue necessary for a municipality to meet its obligations as the result of pledges, assignments, or trusts entered into that obligated State Revenue Sharing Trust Fund monies. Finally, after making these adjustments, any remaining State Revenue Sharing Trust Fund monies are distributed on the basis of the additional money of each qualified municipality in proportion to the total additional money for all qualified municipalities.

The following are sources of revenues that are deposited into the State Revenue Sharing Trust Fund for Municipalities.

Sales Tax Revenues. Prior to July 1, 2000, a state tax was levied on cigarette packages at varying rates, depending upon the length and number of cigarettes in a package and, pursuant to Section 210.20(2)(a), Florida Statutes, certain amounts derived from such cigarette taxes were deposited to the Revenue Sharing Trust Fund for Municipalities after deducting therefrom certain charges for administration and collection. Effective July 1, 2000, the cigarette tax revenues were eliminated from distribution to the Revenue Sharing Trust Fund for Municipalities and replaced with sales and use tax proceeds. Currently, 1.3653% of the available proceeds of the sales and use

tax imposed pursuant to Chapter 212, Florida Statutes, is transferred monthly to the Revenue Sharing Trust Fund for Municipalities after certain other transfers have been made and certain charges for administration and collection have been deducted therefrom. See “—Proposed Legislation” below regarding legislation which could have an impact on revenues received from communications services.

Municipal Fuel Tax. The proceeds of the municipal fuel tax imposed pursuant to Section 206.41(1)(c), Florida Statutes, after deducting certain service charges and administrative costs is transferred into the Revenue Sharing Trust Fund for Municipalities. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities. None of the debt service on the Bonds is allocable to transportation facilities.

The sales and use tax provides the majority of the receipts for the guaranteed entitlement from the Revenue Sharing Trust Fund for Municipalities. For the State's 2022 fiscal year, approximately 79.6% of the deposits of the Revenue Sharing Trust Fund for Municipalities were from sales and use tax and approximately 20.4% were from the municipal fuel tax.

Fuel Tax

The City receives revenues from the County relating to various fuel taxes imposed within the County. However, such fuel tax revenues may only be used by the City for certain transportation-related expenditures and may only be used to pay that portion of the debt service which is allocable to transportation-related projects. None of the debt service on the Bonds will be allocated to transportation-related expenditures. Accordingly, none of the fuel tax revenues may be used to pay debt service on the Bonds.

Fines and Forfeitures

Fines and forfeitures reflect those penalties and fines imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, and for neglect of official duty. Forfeitures include revenues resulting from ordinance violation fines, filing fees and tax billed penalties.

Tax Increment Revenues

The Project and the redevelopment of Bay Park will enhance the public welfare, provide vital economic, recreational and community opportunities and is likely to increase property values in the surrounding area. Therefore, pursuant to Ordinance No. 20-5341 enacted by the City on November 2, 2020 (the "City TIF Ordinance"), the City established, pursuant to its home rule authority, a tax increment district (the "Bay Park Improvement District") which consists of real properties located in the area around Bay Park within the municipal limits of the City. Pursuant to the City TIF Ordinance, tax increment revenue is calculated annually and deposited into the Bay Park Improvement District Trust Fund ("Bay Park Trust Fund") established therein on or before December 31 of each year.

Additionally, the City and the County entered into an Interlocal Agreement Regarding Cooperative Funding of Capital Improvements to the Bay Park Using Tax Increment Revenues (the "TIF Interlocal Agreement") whereby the City and the County agreed that the County will support the redevelopment of Bay Park through the establishment of a County home rule tax increment mechanism. Pursuant to the TIF Interlocal Agreement, the County will make available tax increment revenues

established by Ordinance No. 2020-056 enacted by the County on November 4, 2020 (the "County TIF Ordinance") and received within the Bay Park Improvement District to the redevelopment of the Project. Such County tax increment revenues will be deposited into the Bay Park Trust Fund. The TIF Interlocal Agreement is effective until December 31, 2049, unless earlier terminated. The TIF Interlocal Agreement may be terminated for the following reasons:

1. If all approved projects have been completed and the financing of the approved projects has been fully paid, then the TIF Interlocal Agreement can be terminated with 60 days written notice by either party delivered to other party; or

2. If no projects are approved, as provided in the TIF Interlocal Agreement, for funding with tax increment revenues within eight years of the execution of the TIF Interlocal Agreement, then the TIF Interlocal Agreement can be terminated with 60 days written notice by either party delivered to the other party; or

3. If no approved projects have commenced construction within ten years of the execution of the TIF Interlocal Agreement, then the TIF Interlocal Agreement can be terminated with 60 days written notice by either party delivered to the other party; or

4. If any Party is in default of the terms of the TIF Interlocal Agreement and such Party remains in default following notice and a reasonable opportunity to cure, then the party not in default may elect to terminate the TIF Interlocal Agreement with 30 days written notice to the other party; or

5. If the Partnership Agreement between the City and Bay Park Conservancy, Inc. terminates, then either Party can terminate the TIF Interlocal Agreement upon written notice delivered to the other party. Notwithstanding such termination, the County and City will remain obligated under the terms of the TIF Interlocal Agreement to continue to contribute Tax Increment Revenues to satisfy the full repayment of any borrowing used to complete approved projects.

On or before May 1 of each year, a proposed annual budget for the use of tax increment revenue in the upcoming City and County fiscal years is presented to the Bay Park Improvement District Board (the "Board"), the Board of County Commissioners, and the Commission for approval. No action is required by the City or the County until the annual budget is approved by the Board. Once approved by the Board, the Board of County Commissioners and the Commission each have full authority to approve or deny the budget request, either in whole or in part, in their sole and absolute discretion. If the budget is approved by the Board, the County Commission and the Commission, then the budget shall constitute the "Annual Approved Budget" that will govern the deposit and expenditure of tax increment revenue into and out of the Bay Park Trust Fund. *There is no guarantee that the Board of County Commissioners or the Commission will approve the annual budget request each year. If the annual budget request is not approved in its entirety by the Board of County Commissioners or the Commission, it could have a negative impact on the City's receipt of tax increment revenues which are legally available to pay debt service on the Bonds.*

Payments to the Bay Park Trust Fund are based on the initial assessed valuation of taxable real property for each year. Pursuant to the City TIF Ordinance and the County TIF Ordinance, the Increment Value is equal to 95% of the difference between the taxable value of the taxable real property within the Bay Park Improvement District less the 2019 taxable value of such property. Tax increment revenues deposited by the City and the County into the Bay Park Trust Fund are legally available to pay debt service on the Bonds.

Current and future tax increment revenue accruing within the Bay Park Improvement District is predicated upon increases in assessed real property valuations in excess of taxable assessed values recognized for a specific base year. The incremental increase in ad valorem taxes is used to measure the amount of the contribution which may be appropriated and contributed by the City and the County. The City and the County cannot be compelled to levy ad valorem taxes to generate tax increment or to make such payments. Future real estate recessions, if any, among other factors, could adversely affect the taxable value of the taxable real property within the Bay Park Improvement District.

Neither the City nor County has covenanted or pledged to levy ad valorem taxes on taxable real property within the Bay Park Improvement District at a level sufficient to generate any tax increment revenues and it would violate the State Constitution for any of them to do so. Consequently, the amount of tax increment revenues to be deposited in the Bay Park Trust Fund is dependent upon, among other things, (i) the millage rates, if any, established by the City and the County and (ii) any decrease or increase in the assessed valuation of taxable real property in the Bay Park Improvement District, which increase will be affected by the annual appraisal at one hundred percent (100%) of the "just value" of taxable real property, including new construction completed within the Bay Park Improvement District, among other factors.

If any constitutional amendments to limit ad valorem taxes (or having the effect of limiting ad valorem taxes) are proposed, such amendments would have the potential, if approved by the voters, to restrict the legal capacity of taxing authorities to levy ad valorem taxes or the rate of such taxes.

Miscellaneous Non-Ad Valorem Revenue

This is a broad category that includes a wide variety of revenues, including but not limited to licensing and regulatory fees, fees for services or publications, transfers from other governmental units, traffic and parking fines, interest earnings and other miscellaneous revenues.

Proposed Legislation

Senate Bill 1432/House Bill 1153 ("SB 1432/HB 1153") have been filed in the 2023 Florida Legislative session which, among other things, propose certain amendments to the CSTA which would reduce the state tax rate on the retail sale of communications services. SB 1432/HB 1153 propose reducing the State tax rate from 4.92% to 3.48% and reducing the rate charged for direct-to-home satellite service from 9.07% to 7.63%. Additionally, SB 1432/HB 1153 provide that any local communications services tax rate in effect as of January 1, 2023 may not be increased before January 1, 2026. If passed in their current form, the reduction in rate charged for communications services could reduce amounts received by the City relating under the Local Government Half-Cent Sales Tax Program and State Revenue Sharing. See "—Local Government Half Cent Sales Tax" and "—State Revenue Sharing" above. While the City cannot predict whether SB 1432/HB 1153 will pass, and in what form, the City does not expect, if passed, it will have a material impact on its ability to pay debt service on the Bonds.

Historical Receipt of Non-Ad Valorem Revenues

The following table shows the historical receipt by the City of significant sources of certain Non-Ad Valorem Revenues for the five Fiscal Years ended September 30 prior to issuance of the Bonds. The table does not necessarily include all of the Non-Ad Valorem Revenues of the City which may be available to pay debt service on the City's debt secured by these revenues:

HISTORICAL NON-AD VALOREM REVENUES

	<u>2018</u>	<u>2019⁽⁹⁾</u>	<u>2020⁽⁷⁾</u>	<u>2021⁽⁷⁾</u>	<u>2022</u>
Tax Revenue:					
Franchise Tax	\$5,918,250	\$6,021,672	\$5,649,620	\$5,566,117	\$6,583,690
Motor Fuel Tax ⁽¹⁾	2,662,715	2,673,664	2,469,133	2,624,801	2,662,283
Utilities Tax	7,702,778	7,817,239	7,789,120	8,083,225	8,600,287
Local Communications Services Tax	3,270,288	3,273,333	3,305,966	3,330,368	3,443,753
Business Tax	966,676	936,579	918,562	987,468	808,483
Tourist Development Tax ⁽¹⁾⁽²⁾	257,212	3,662,952	79,755	182,569	86,024
Other Tax Revenues	15,016	13,563	10,337	16,888	11,077
Total Tax Revenues	20,792,935	24,399,002	20,222,492	20,791,436	22,195,598
Permits, Fees and Special Assessments⁽³⁾	13,451,170	8,049,299	10,880,059	9,120,611	10,732,094
Intergovernmental Revenue:					
Half-Cent Sales Tax	5,095,085	5,248,015	5,003,875	6,019,065	6,852,770
State Revenue Sharing	1,953,814	2,021,901	1,936,476	2,159,423	2,687,668
Infrastructure Sales Surtax	8,319,277	8,791,953	8,505,525	10,170,313	12,083,797
PILOT	509,663	421,073	487,103	460,795	524,651
Other Intergovernmental Revenues ⁽¹⁾⁽⁴⁾	7,061,278	14,804,555	13,875,979	10,292,054	13,825,219
Total Intergovernmental Revenues	22,939,117	31,287,497	29,808,958	29,101,650	35,974,105
Charges for Services	4,544,701	4,822,775	4,563,212	4,890,367	5,804,024
Charges to other funds	4,389,281	4,514,309	4,401,944	4,668,811	4,626,731
Fines and Forfeitures	1,339,622	1,874,363	1,038,032	1,498,818	2,476,967
Interest Income⁽⁵⁾	677,867	4,149,182	3,613,986	197,829	(4,046,393)
Tax Increment Revenues⁽⁶⁾	--	50,061	93,934	133,697	1,438,922
Miscellaneous⁽⁷⁾	1,896,258	1,990,743	2,399,307	2,409,515	2,740,673
Special Assessments⁽¹⁾⁽⁸⁾	6,873	7,017	7,269	6,821	7,114
Total Sources of Non-Ad Valorem Revenues	70,037,824	81,144,248	77,029,192	72,819,555	81,949,835
Less:					
Motor Fuel Tax Revenues ⁽¹⁾	2,662,715	2,673,664	2,469,133	2,624,801	2,662,283
Tourist Development Tax Revenues ⁽¹⁾⁽²⁾	257,212	3,662,952	79,755	182,569	86,024
Other Intergovernmental Revenues ⁽¹⁾⁽⁴⁾	7,061,278	14,804,555	13,875,979	10,292,055	13,825,219
Special Assessments ⁽¹⁾⁽⁷⁾	6,873	7,017	7,269	6,821	7,114
Total Sources of Non-Ad Valorem Revenues Legally Available for Debt Service	\$60,049,746	\$59,996,060	\$60,597,058	\$59,713,310	\$65,369,194

[Footnotes continued on next page]

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- (1) These revenues are not legally available to pay debt service on the Bonds.
 - (2) Tourist Development Taxes are collected by the County and a portion is allocated to the City for beach maintenance. The City draws down these funds on a reimbursement basis. The increase in the fiscal year ended September 30, 2019 was the result of a major beach renourishment project. See "DESCRIPTION OF NON-AD VALOREM REVENUES – Intergovernmental Revenues – Tourist Development Tax" herein for more information.
 - (3) In the fiscal year ended September 30, 2018, the City received road impact fees from the County pursuant to an interlocal agreement in the amount of \$4.9 million to complete a capital improvement project for Fruitville/US 41 Roundabout.
 - (4) Intergovernmental revenue increases in Fiscal Years 2019 and 2020 are primarily attributed to receipt of FEMA reimbursements for Hurricane Irma and Grant funds for beach renourishment. Includes Federal, State and County financial assistance (grants).
 - (5) As of the fiscal year ended September 30, 2022, the City experienced increased unrealized losses. During 2022, the Federal Reserve increased short-term interest rates. As a result of this rapid increase, investors in fixed income securities experienced declines in market values. Similarly, the City's holdings of fixed income securities showed an unrealized loss as interest rates rose in 2022. This unrealized loss mirrored the unrealized gains experienced during the end of 2019 and the beginning of 2020 when the Federal Reserve rapidly decreased short-term interest rates in response to the onset of the global coronavirus pandemic. Going forward, the City expects its investments to benefit from the higher interest rate environment as its portfolios are rebalanced and maturing securities are reinvested.
 - (6) See "DESCRIPTION OF NON-AD VALOREM REVENUES – Tax Increment Revenues" herein for more information. Collections for The Bay Park began in fiscal year 2022.
 - (7) Miscellaneous Revenue includes rental income, public art contributions, private and corporate donations, and reimbursements.
 - (8) A special assessment is being collected for the construction of a wall at the Glen Oaks Estates subdivision. This special assessment expires in 2031.
 - (9) Certain line items for the fiscal years ended September 30, 2019, 2020 and 2021 differ from those included in the City's annual operating data filings for such fiscal years. The City has corrected such revenues in the table above, and believes such changes to be immaterial.

Source: City Finance Department

Debt of City Secured by Non-Ad Valorem Revenues

Set forth below are tables showing (i) debt that is payable from non-ad valorem revenues of the City, and (ii) debt which has a lien on a specific source or sources of non-ad valorem revenues of the City. These tables are exclusive of the debt of the City's business type activities such as in the water and sewer and solid waste enterprise funds.

As of September 30, 2022, the City had approximately \$30,070,000 aggregate principal amount of debt secured by only a covenant to budget and appropriate non-ad valorem revenues. A description of such debt is included in the table below:

<u>Description</u>	<u>Amount Outstanding</u>	<u>Final Payment</u>
Taxable Capital Improvement Revenue Bond, Series 2022 (Bobby Jones Golf Club Project)	\$20,000,000	10/1/2036
Capital Improvement Revenue Bond, Series 2022B (Administration Building)	\$10,070,000	10/1/2032

As of September 30, 2022, the City had approximately \$25,637,005 aggregate principal amount of Debt outstanding that has a lien upon and a pledge of a specific non-ad valorem revenue (collectively, the "Specific Lien Debt") and, where indicated, is also secured by a covenant to budget and appropriate legally available non-ad valorem revenues. A description of such Specific Lien Debt is included in the table below:

<u>Description⁽¹⁾</u>	<u>Source of Security</u>	<u>Amount Outstanding</u>	<u>Maturity</u>
St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017A	Net Parking Revenues and Covenant to Budget and Appropriate	\$12,090,000	10/1/2038
St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017B	Net Parking Revenues and Covenant to Budget and Appropriate	\$1,835,000	10/1/2038
Sales Tax Payments Refunding Revenue Bond, Series 2020	Sales Tax Payments	\$6,496,000	2/1/2037
Capital Improvement Revenue Bond, Series 2009 (Federally Taxable-Build America Bond- Direct Subsidy)	Half-Cent Sales Tax	\$4,018,985	11/1/2024

CERTAIN FINANCIAL MATTERS

General

Certain matters relating to the City's Financial Policies, Disclosure Policies, Budgeting, Accounting and Auditing practices, Other Post-Employment Benefit Plan, Defined Benefit Pension Plans and other financial data can be found in "APPENDIX A – City of Sarasota, Florida, General Information" and in "APPENDIX B – Annual Comprehensive Financial Report Fiscal Year Ended September 30, 2022" attached hereto.

Governmental Funds

To the extent that the future collection of ad valorem tax revenues or Non-Ad Valorem Revenues is adversely affected, a larger portion of Non-Ad Valorem Revenues would be required to balance the budget and provide for the payment of services and programs which are for essential public purposes affecting the health, safety and welfare of the inhabitants of the City or which are mandated by applicable law.

Revenues deposited in the Governmental Funds described in this subsection do not directly correspond to the Non-Ad Valorem Revenues from which debt service on the Bonds is payable as some Governmental Fund Revenues are not legally available to pay debt service on the Bonds. The following chart shows information regarding the Governmental Funds for the City's fiscal years ending September 30, 2018 through and including September 30, 2022:

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GOVERNMENTAL FUNDS REVENUES AND EXPENSES⁽¹⁾

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues					
Taxes	\$47,555,168	\$48,114,940	\$50,250,941	\$52,446,424	\$53,618,071
Franchise fees	5,918,250	6,021,672	5,649,620	5,566,117	6,583,690
Special assessments	6,873	7,017	7,269	6,821	7,114
Permits, Fees and Special Assessments	13,451,170	8,049,299	10,880,059	9,120,611	10,732,094
Intergovernmental	22,939,117	37,674,174	32,451,779	32,042,717	40,161,334
Charges for services	4,544,701	4,822,775	4,563,212	4,890,367	5,804,024
Charges to other funds	4,389,281	4,514,309	4,401,944	4,668,811	4,626,731
Fines and forfeits	1,339,622	1,874,363	1,038,032	1,498,818	2,476,967
Investment earnings	677,867	4,149,182	3,613,986	197,829	(4,046,393)
Miscellaneous	<u>1,938,961</u>	<u>2,458,496</u>	<u>2,469,872</u>	<u>2,537,233</u>	<u>2,785,538</u>
Total revenues	102,761,010	117,686,227	115,326,714	112,975,748	122,749,170
Expenditures⁽²⁾					
General government	17,983,636	17,523,556	19,190,238	17,833,271	19,215,252
Public safety	41,886,904	43,527,586	48,042,994	46,329,714	47,271,491
Physical environment ⁽³⁾	5,092,136	14,734,160	2,473,584	1,871,633	2,259,963
Transportation	5,355,901	5,328,277	5,194,547	4,883,250	5,201,064
Culture and recreation	2,600,922	4,291,644	8,124,039	8,434,512	8,928,532
Economic environment	4,566,566	5,808,579	5,862,448	6,216,994	5,969,567
Human services	725,113	938,906	809,455	820,202	989,124
Debt service:					
Principal payments	3,168,827	3,293,302	3,317,645	3,089,336	3,581,484
Interest and fiscal charges	2,027,246	1,927,004	1,849,257	1,508,351	1,493,131
Bond issuance costs	--	--	--	60,945	44,000
Contribution to other governments	--	--	--	875,769	57,683
Capital outlay	<u>11,728,637</u>	<u>14,861,079</u>	<u>19,649,818</u>	<u>15,473,381</u>	<u>16,720,670</u>
Total expenditures	95,135,888	112,234,093	114,414,025	107,397,358	111,731,961
Excess (deficiency) of revenues over (under) expenditures	7,625,122	5,452,134	912,689	5,578,390	11,017,209
Other financing sources (uses)					
Bond proceeds	--	--	--	6,869,000	10,070,000
Payment to bond escrow agent	--	--	--	(6,372,573)	--
Transfers in	3,902,447	7,378,252	4,269,463	4,369,419	16,204,534
Transfers out	(5,586,975)	(8,797,313)	(5,051,318)	(7,380,634)	(18,544,488)
Total other financing sources (uses)	(1,684,528)	(1,419,061)	(781,855)	(2,514,788)	7,730,046
Net change in fund balances	5,940,594	4,033,073	130,834	3,063,602	18,747,255
Fund balances – beginning	\$88,001,757	\$93,942,351	\$99,155,424	\$99,286,258	\$102,349,860
Fund balances – ending	\$93,942,351	\$99,155,424	\$99,286,258	\$102,349,860	\$121,097,115

(1) This table includes all governmental funds including those which may include non-ad valorem revenues which are not legally available to pay debt service on the Bonds.

(2) See "CERTAIN FINANCIAL MATTERS – Classification of Local Government Expenditures" herein.

(3) Increase in the fiscal year ended September 30, 2019 due to a major beach renourishment project for Lido Beach paid from tourist development tax revenues and grants.

Source: City of Sarasota, Florida, Annual Comprehensive Financial Report for Fiscal Years Ended September 30, 2018 through 2022.

Classification of Local Government Expenditures

The City classifies its expenditures in accordance with the Uniform Accounting System devised by the FDFS.

General government expenditures arise from operations of legislative and administrative activities of the local government. These costs are related to operations of the Commission, pension benefits, comprehensive planning, financial operations, legal expenses and other general government services.

Public safety expenditures reflect all costs associated with the City's police and fire department operations, as well as emergency disaster relief services and protective inspections.

Transportation expenditures relate to the City's public works expenses. Transportation expenditures generally reflect the costs of roads and streets, mass transit systems, and parking facilities.

Capital outlay expenditures include expenditures which result in the acquisition of, or addition to, fixed assets such as buildings, land and roads.

Culture and recreation expenditures include the City's costs of operating parks and recreation facilities and of offering special events, cultural services and programs and similar services.

Debt service expenditures reflect outlays for local government debt.

ABILITY TO BE SUED, JUDGMENTS ENFORCEABLE

Notwithstanding the liability limits described below, the laws of the State provide that each city has waived sovereign immunity for liability in tort to the extent provided in Section 768.28, Florida Statutes. Therefore, the City is liable for tort claims in the same manner and, subject to limits stated below, to the same extent as a private individual under like circumstances, except that the City is not liable for punitive damages or interest for the period prior to judgment. Such legislation also limits the liability of a city to pay a judgment in excess of \$200,000 to any one person or in excess of \$300,000 because of any single tort incident or occurrence. Judgments in excess of \$200,000 and \$300,000 for any tort claim may be rendered, but may be paid from City funds only pursuant to further action of the Florida Legislature in the form of a "claims bill." Notwithstanding the foregoing, the City may agree, within the limits of insurance coverage provided, to settle a claim made or a judgment rendered against it without further action by the Florida Legislature, but the City shall not be deemed to have waived any defense or sovereign immunity or to have increased the limits of its liability as a result of its obtaining insurance coverage for tortuous acts in excess of the \$200,000 or \$300,000 waiver provided by Florida Statutes. In addition, it should be noted that Florida courts have also ruled that municipalities may contractually waive the defense of sovereign immunity including the statutory limits contained in Section 768.28, Florida Statutes, for tort actions, by contractually agreeing to indemnify a third party.

House Bill 401 ("HB 401") and Senate Bill 604 ("SB 604") have been proposed during the 2023 Florida Legislative session. HB 401 would waive sovereign immunity for tort claims brought against the state, its agencies, or subdivisions, by increasing the per person limit amount from \$200,000 to \$2.5 million and increasing the current per incident limit of \$300,000 to \$5 million. Additionally, the bill eliminates the statute of limitations for filing sexual battery actions against the state, its agencies or subdivisions, if the

victim was younger than age 16 at the time of the sexual battery. HB 401 does not resuscitate any such claim which would have been time-barred as of July 1, 2010 and would apply to claims accruing on or after October 1, 2024. If passed, the effective date of HB 401 will be October 1, 2024. SB 604 would waive sovereign immunity for tort claims brought against the state, its agencies, or subdivisions, by increasing the per person limit amount from \$200,000 to \$400,000 and increasing the current per incident limit of \$300,000 to \$600,000. SB 604 authorizes the Department of Financial Services to annually adjust the cap beginning July 1, 2024, to reflect the changes in the Consumer Price Index for the Southeast or a successor index as calculated by the U.S. Department of Labor. If passed, the effective date of SB 604 will be October 1, 2023. The City cannot predict whether HB 401 or SB 604 will pass, in what form and the impact it might have on the City. However, the City does not expect it will have an impact on its ability to pay debt service on the Series 2023 Bonds.

FLORIDA CONSTITUTIONAL LIMITATIONS AND PROPERTY TAX REFORM

Non-Ad Valorem Revenues do not include ad valorem tax revenues. Ad valorem revenues have historically been used, at least in part, by the City for payment of services and programs which are essential government services or which are legally mandated by applicable law. Therefore, a decrease in ad valorem tax revenues may in turn increase the amount of Non-Ad Valorem Revenues required for payment of services and programs which are essential government services or which are legally mandated by applicable law and thereby reduce the amount of Non-Ad Valorem Revenues available to be budgeted and appropriated to satisfy the obligations of the City. The City has provided the following discussion of property tax reform in the State of Florida, to illustrate the various initiatives put forth by the State Legislature and their respective impact, if any, on the City's financial and budgetary matters.

General. During recent years, various legislative proposals and constitutional amendments relating to ad valorem taxation and revenue limitation have been introduced in the State. Many of these proposals sought to provide for new or increased exemptions to ad valorem taxation, limit the amount of revenues that local governments could generate or otherwise restrict the ability of local governments in the State to levy ad valorem taxes at recent, historical levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would, or might apply to, or have a material adverse effect upon the City or either of its finances.

Several Constitutional and Legislative amendments affecting ad valorem taxes have been approved by voters in the past including the following:

Limitation on Increase in Assessed Value of Property. The State Constitution limits the increases in assessed just value of homestead property to the lower of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just value is known as the "Save Our Homes Benefit." Further, any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to \$500,000 of their Save Our Homes Benefit to a new homestead property purchased within three years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, assessment increases for specified nonhomestead real property may not exceed ten percent (10%) of the assessment for the prior year. This assessment limitation is, by its terms, to be repealed effective January 1, 2019; however, the legislature by joint resolution approved an amendment abrogating such repeal, which was approved by the electors in the November 6, 2018 general election and went into effect January 1, 2019.

Homestead Exemption. In addition to the exemptions described above, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to \$50,000. The first \$25,000 applies to all property taxes, including school district taxes. The additional exemption, up to \$25,000, applicable to the assessed value of the property between \$50,000 and \$75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following homestead exemptions are authorized by State law.

Millage Rollback Legislation. In 2007, the State Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 Fiscal Year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero to nine percent (0% to 9%). In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future Fiscal Years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

Constitutional Exemptions. Certain exemptions from property taxes have been enacted. Constitutional exemptions include, but are not limited to, property owned by a municipality and used exclusively by it for municipal or public purposes, certain household goods and personal effects to the value fixed by general law, certain locally approved community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law and historic preservation ad valorem tax exemptions to owners of historic properties, \$25,000 of the assessed value of property subject to tangible personal property tax, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law, and certain real property dedicated in perpetuity for

conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Deployed Military Personnel. The State Constitution provides that by general law and subject to certain conditions specified therein, each person who receives a homestead exemption who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a \$5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Certain Totally and Permanently Disabled Persons. Real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Survivors of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Save Our Homes Portability Affected by Storm Damage (SOH). Owners of homestead property that was significantly damaged or destroyed as a result of a named tropical storm or hurricane can elect to have the property deemed abandoned if the owner establishes a new homestead by January 1 of the second year immediately following the storm or hurricane. This will allow the owner of the homestead property to keep their SOH benefit if they move from the significantly damaged or destroyed property to establish a new homestead by the end of the year following the storm.

Property Tax Relief for Natural Disasters. In light of the recent natural disasters, the state legislature created a property tax relief credit for homestead parcels on which certain residential improvements were damaged or destroyed by a hurricane that occurred in 2016 or 2017, namely hurricanes Hermine, Matthew, and Irma. If the residential improvement is rendered uninhabitable for at least 30 days due to a hurricane that occurred during the 2016 or 2017 calendar year, taxes initially levied in 2019 may be abated. Due to this reduction in ad valorem tax revenue, the legislature is required to appropriate funds to offset the deficit in certain taxing jurisdictions.

Recent Amendments Relating to Ad Valorem Taxation. In the 2016 legislative session, several amendments were passed affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as their permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

During the 2018 State legislative session, the State Legislature passed House Joint Resolution 7001, proposing an amendment to the State Constitution providing that no state tax or fee may be imposed, authorized, raised by the State Legislature, or authorized by the State Legislature to be raised, except through legislation approved by two-thirds of the membership of each house of the State Legislature (the "Supermajority Amendment"). The Supermajority Amendment applies the same two-thirds approval requirement to decreasing or eliminating any state tax or fee exemption or credit. The Supermajority Amendment also required that any proposed state tax or fee imposition, authorization or increase must be contained in a separate bill that contains no other subject. The text of the Supermajority Amendment provided that such amendment would not apply to any tax or fee imposed by, or authorized to be imposed by, a county, municipality, school board, or special district. In the November 2018 General Election, voters approved the Supermajority Amendment to the State Constitution. Although the Supermajority Amendment does not subject local taxes and fees to the stricter voting requirement, local governments could be adversely impacted during recessionary economic environments if State lawmakers are unable to raise taxes.

During the 2020 State legislative session, a constitutional amendment was proposed by the State Legislature which would extend the discount on ad valorem taxes provided to certain honorably discharged veterans to their spouses (the "Surviving Spouse Exemption"). Specifically, the Surviving Spouse Exemption allows the same ad valorem tax discount on homestead property for combat-disabled veterans age 65 or older to transfer to the surviving spouse of a veteran receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. The amendment was approved by voters on November 3, 2019 and such amendment took effect on January 1, 2021.

During the 2020 State legislative session, a constitutional amendment was proposed by the State Legislature which would extend the period for a homestead property owner to transfer the Homestead Assessment Differential to a new homestead from two years to three years (the "Portability Amendment"). Specifically, the Portability Amendment allows a homeowner who establishes a new homestead as of January 1 to have the new homestead assessed at less than just value if the homeowner received a prior homestead exemption as of January 1 of any of the immediately preceding three years. The Portability Amendment was approved by voters on November 3, 2019 and such amendment took effect on January 1, 2021.

During the 2021 State legislative session, State Senate Bill 7061 was passed by the Senate and the House and signed into law by the Governor. This law exempts fully from ad valorem taxation certain affordable housing properties that previously received a 50% discount from ad valorem taxes, along with certain other insignificant or indeterminate modifications to State law regarding ad valorem taxes.

During the 2022 State legislative session, State House Bill 7071 was passed by the Senate and the House and signed into law by the Governor. This law contains provisions for tax relief and changes to tax policy including, but not limited to, the following: providing property tax relief for residential property rendered uninhabitable for 30 days or more due to a catastrophic event; providing property tax relief for property owners affected by the sudden and unforeseen collapse of a residential building; increasing the widows, widowers, blind, or totally and permanently disabled property tax exemption from \$500 to \$5,000; providing an alternative assessment methodology for land used in the production of aquaculture products; clarifying the extent of the homestead exemption on classified lands; updating the qualifying operations for the deployed service member property tax exemption; and providing alternative dates from which to calculate the 15-year required term of an affordable housing agreement for establishing qualification for a property tax exemption. This law took effect on July 1, 2022. Further, State House Bill 777 was passed by the Senate and the House, which would require a local government seeking voter approval to levy certain optional local taxes to be held at a general election. The bill applies to the following local option taxes: tourist development taxes; tourist impact taxes; ad valorem taxes levied by a children's services independent special district; county, municipal and school district voted millage increase and local option fuel taxes and took effect on October 1, 2022.

2023 Legislative Session Proposed Legislation. Proposed House Bill 127, if passed, would expand the current ad valorem tax exemption for not-for-profit homes for the aged to also allow a home for the aged owned by a separate entity that is owned by a not-for-profit corporation to also receive the exemption. Proposed Senate Joint Resolution 126 and House Joint Resolution 159 (collectively, "SJR 126/HJR 159") each propose an amendment to the Florida Constitution to increase the just value of a home that may be eligible to receive an additional homestead exemption for homes owned by seniors 65 years or older from \$250,000 to \$300,000. Under current law, a county or city may authorize an additional homestead exemption for seniors over the age of 65 if the value of the home is \$250,000 or less, has been a permanent residence for at least 25 years, and certain income limitations are met. SJR 126/HJR 159 would simply increase the just value limit of real estate eligible for the homestead tax exemption from \$250,000 to \$300,000. SJR 126/HJR 159 are constitutional amendments and would require the approval of the Florida Legislature and the voters of Florida. Proposed Senate Bill 124 and House Bill 161 would increase the just value limit of real estate eligible for the homestead tax exemption that may be adopted by counties or municipalities for certain persons age 65 and older if SJR 126/HJR 159, or a similar constitutional amendment, is approved by the voters at the next general election. Senate Joint Resolution 122 and House Joint Resolution 469 (collectively, "SJR 122/HJR 469") would reduce the limitation on annual increases of homestead property tax assessments from 3% to 2%. SJR 122/HJR 469 are constitutional amendments and would require the approval of the Florida Legislature and the voters of Florida. Proposed Senate Bill 120 and House Bill 471 (collectively, "SB 120/HB 471") would reduce the limitation on annual increases of homestead property tax assessments from 3% to 2% if SJR 122/HJR 469, or a similar constitutional amendment, is approved by the voters at the next general election. Proposed House Bill 101 and Senate Bill 184 expand the current homestead exemption for the surviving spouse of a first responder who dies in the line of duty to include first responders who die in the line of duty while employed by the United States Government. The City cannot predict whether such legislation will be approved by the legislature and/or the voters in the next general election, and if approved, in what form. However, the City does not expect it will have an impact on its ability to pay debt service on the Bonds.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State legislature. Many of these proposals have provided for new or increased exemptions to ad valorem

taxation and limited increases in assessed valuation of certain types of property or have otherwise restricted the ability of local governments in the State to levy ad valorem taxes at then current levels.

INVESTMENT CONSIDERATIONS

The future financial condition of the City could be affected adversely by, among other things, public health emergencies, legislation, environmental and other regulatory actions, changes in demand for services, economic conditions, demographic changes, hurricanes, droughts and litigation. In particular, some of the possible changes in the future may include, but not be limited to, the following:

1. The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 has generally had a negative financial impact on local, state and national economies around the globe, including initially significantly increased unemployment in certain sectors including especially travel, hospitality and restaurants. COVID-19 is a respiratory virus which was first reported in China and thereafter spread around the world, including the United States. This led to quarantine, remote work and other "social distancing" measures throughout the United States which resulted in a period of less travel resulting in declines in certain revenue sources. While many of the effects of COVID-19 were temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies, including supply chain issues and rising inflation. There can be no guarantee that COVID-19 or another outbreak of a highly contagious disease will not have negative impacts on the City on the collection of non-ad valorem revenues in the future. See "DESCRIPTION OF NON-AD VALOREM REVENUES" and "RATING" herein.

2. The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities such as the City. Such effects can be exacerbated by change in climate. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the City. In order to address the ongoing challenges related to climate change, extreme weather events, and sea level rise, the City adopted a Climate Adaptation Plan ("CAP") to address climate-related issues. The CAP was approved in January 2018. This plan reviewed over 200 City-owned assets and identified more than 50 as vulnerable to future climate conditions. The CAP also identified high-level strategies for protecting and preserving those assets.

On September 28, 2022, the State was impacted by Hurricane Ian. At approximately 3:05 p.m., the center of Hurricane Ian made landfall along the southwestern gulf coast of the State at Cayo Costa as a Category 5 storm with sustained winds of 150 miles per hour, according to the National Weather Service. Cayo Costa is located approximately 50 miles south the City. The City experienced only minor impacts from Hurricane Ian. The City had no properties that suffered substantial damage and very few construction permits have been issued related to Hurricane Ian. Local businesses were operational within three days of the storm making landfall. Hurricane Ian did increase the economy because the storm created more demand in the City, as individuals who lived in highly affected areas were looking for housing in the City and other locations north of the storm damage. Visit Sarasota reported an increase in room stays and visitors in the City because tourists who were previously booked in storm damage areas relocated to the

City. To date, the City has spent/encumbered \$5.25 million. A portion of this amount is expected to be reimbursed with FEMA funding.

3. The City, like many other governmental entities, relies on a technology environment to conduct operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. Computer networks and systems used for data transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to departmental operations and the provision of citizen services. Increasingly, entities in every sector are being targeted by cyberattacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers/hackers can exploit in attempts to effect breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there.

The City requires yearly cybersecurity training to be completed by all personnel on the City's network. Additionally, information technology ("IT") does quarterly phishing tests to engage employees in regularly assessing email for security risks. There are constant threats of which the City is well apprised and uses layers of security to mitigate. The City handles cybersecurity operations internally including two dedicated security analysts on staff and a 24/7 managed detection and response provider with real-time monitoring and response. The City also maintains a real time endpoint detection and response solution with 24/7 monitoring and response. The City also mandates multifactor authentication on all accounts with biometrics for device authentications and cloud logons. Furthermore, the City limits access to City resources access from the continual USA only and has regular patching and verification via internal and external scans, along with ongoing penetration testing. The City also has a verifiable robust, multifaceted backup and response system, with copies out if state, in the cloud using multiple media types.

Additionally, during the 2022 Florida Legislative session, CS/HB 7055 was passed which requires State agencies and local governments, such as the City, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center ("CSOC") and the Cybercrime Office within the Florida Department of Law Enforcement as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report such incidents to their respective sheriff's office. CS/HB 7055 requires State agencies to report low level cybersecurity incidents and provides that local governments may report such incidents. It also requires state agencies and local governments to submit after-action reports to FLDS following a cybersecurity or ransomware incident. CS/HB 7055 requires the CSOC to notify the State Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard the local government's data, IT, and IT resources and it is illegal for any local government in the State to pay ransoms when attacked. The effective date of CS/HB 7055 was July 1, 2022.

4. Currently, the United States is experiencing high levels of inflation which is having an impact on the cost of goods, including construction materials and products needed by the City.

Additionally, the City has encountered adverse effects resulting from labor shortages and current supply chain issues, specifically related to the delivery of goods and construction materials. Deliveries have been delayed, which has the potential to impact the completion of projects. As a result, the City may experience delays and increased costs that might be incurred as a result of supply chain issues. Therefore, for new projects that have not yet started, the City is taking these factors into account in budgeting and scheduling. It is possible that the United States, including the State, may continue to experience supply chain issues and inflation which will impact State and local government finances.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Bryant Miller Olive P.A., Tampa, Florida, Bond Counsel. The proposed legal opinion, in the form attached hereto as APPENDIX D, will be delivered with the Bonds. The actual legal opinion to be delivered by Bond Counsel may vary from the form attached hereto if necessary to reflect facts and law on the date of delivery of the opinion. The opinion will speak only as of its date, and subsequent distribution by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has renewed or expressed any opinion concerning any of the matters referenced in the opinion subsequent to the date of the opinion. Certain other legal matters will be passed upon for the City by the City Attorney, Fournier, Connolly, Shamsey, Mladinich & Polzak, P.A., Sarasota, Florida, and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel. GrayRobinson, P.A., Tampa, Florida, Counsel is serving as counsel to the Underwriter.

In its capacity as Bond Counsel, Bryant Miller Olive P.A. has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriter and the City relating to the accuracy of certain statements contained hereunder under the heading "TAX MATTERS" and certain statements which summarize provisions of the Resolution and the Bonds, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Bonds.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment of the transaction on which the opinion is rendered or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR

Dunlap & Associates, Inc. is employed as Financial Advisor to the City in connection with the issuance of the Bonds, is an SEC registered municipal advisor and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

LITIGATION

There is no pending or, to the knowledge of the City, any threatened litigation against the City which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to their issuance, sale or delivery, or the adoption of the Resolution, or which may materially adversely affect the imposition, collection and pledge of the Pledged Funds and the City's covenant to budget and appropriate Non-Ad Valorem Revenues. Neither the creation, organization or existence, nor the title of the present members of the Commission, or other officers of the City is being contested.

The City experiences routine litigation and claims incidental to the conduct of its affairs. In the opinion of the City Attorney, there are no actions presently pending or to the knowledge of the City threatened, the adverse outcome of which would have a material adverse effect on the financial condition of the City. From time to time, the City is party to other various legal proceedings which individually are not expected to have a material impact thereon. However, in the opinion of the City Attorney, the City and/or its insurance carrier will either successfully defend such actions or otherwise resolve such matters without experiencing a material adverse effect on the financial condition of the City.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Bonds to be included in federal gross income retroactive to the date of issuance of the Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Resolution with respect to the Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Bonds; (iii) the inclusion of interest on Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Bonds in passive

income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors as to the tax consequences of owning the Bonds in their particular state or local jurisdiction and regarding any pending

or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Bonds maturing on September 1, 2046 and September 1, 2049 (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Bonds maturing on September 1, 2026 through and including September 1, 2043 (collectively, the "Premium Bonds"), and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter") at an aggregate purchase price of \$48,253,466.75 (equal to the par amount of the Bonds of \$44,460,000, plus a net bond premium of \$3,902,571.50, and less an Underwriter's discount of \$109,104.75). The Underwriter's

obligations are subject to certain conditions precedent, and it will be obligated to purchase all of the Bonds if any the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the City. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the City. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

RATING

Moody's Investors Service, Inc. has assigned a rating of "Aa1" to the Bonds. The rating reflects only the views of said rating agency and an explanation of the rating may be obtained only from said rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the rating agency, if in its judgment, circumstances so warrant. A downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds. An explanation of the significance of the ratings can be received from the rating agency at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007.

FINANCIAL STATEMENTS

The financial statements included in the Annual Comprehensive Financial Report of the City, for the fiscal year ended September 30, 2022, included in this Official Statement as APPENDIX B, have been audited by MSL P.A., Tampa, Florida, independent certified public accountants, auditors for the City (the "Auditor"). Such statements speak only as of September 30, 2022. The audited financial statements of the City have been included herein as a publicly available document. Consent of the Auditor was not requested, and the Auditor was not requested nor did it perform any procedures with respect to the preparation of the Official Statement or the information presented herein.

For the fiscal year ended September 30, 2019, the City received a management comment from the Auditor relating to numerous post year end client adjustments to clean up areas not fully reconciled during the year, which has been a repeat comment each year since. As a result, the closing of the City's books with all appropriate accounting adjustments necessary to financially report in accordance with accounting principles generally accepted in the United States of America was delayed and not complete for some areas

resulting in several audit adjustments. The City concurs with the Auditor's comments and recommendations and is working to address this management comment. Although this has been a repeat management comment by the Auditor, the City's finance division continues to improve upon the closing process. In previous years there was a lack of staff to meet the needs for the tasks assigned. However, as the COVID-19 pandemic plateaued, the office has been fully staffed. With the implementation of a new accounting system, comprehensive period end accounting closing routines in all key areas are being established for ease of reporting and appropriate follow-up and review.

Additionally, for the fiscal year ended September 30, 2022, the City received a management comment from the Auditor which found that the year-end reconciliations were not being performed timely during the year and at year end. The September 2022 cash reconciliation was not completed until February 2023, and the City's reconciliation process identified an unreconciled difference. This was caused by staff turnover in the department specifically the retirement of a long-term employee responsible for reconciling cash contributed to delays in reconciling cash timely. The City plans to address this management comment and is evaluating internal controls to ensure that bank reconciliations are performed in a timely manner. Finance staff as well as decentralized cash receipt staff will be monitored for timely reconciliations to City cash receipting systems. A new accounting system will also streamline the processing cash receipts for increased timeliness and accuracy. Finance staff will be cross-trained for completing the reconciliation process, as well as other accounting tasks.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the Bondholders to provide certain financial information and operating data relating to the City and the Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The City has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a "Repository") in connection with Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934 (the "Rule") either itself or through its dissemination agent. Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The City has agreed to file notices of certain enumerated events, when and if they occur, with the Repository either itself or through its dissemination agent. The City currently uses Digital Assurance Certification, LLC as its dissemination agent.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX E – Form of Continuing Disclosure Certificate" attached hereto. The Continuing Disclosure Certificate shall be executed by the City upon the issuance of the Bonds. These covenants have been made in order to assist the Underwriter in complying with the continuing disclosure requirements of the Rule.

With respect to the Bonds, no party other than the City is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the Rule. The City has engaged Digital Assurance Certification, L.L.C., as its dissemination agent.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the City except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the City, and certain additional financial information, unless the City believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975, that would be considered material by a reasonable investor.

The City has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The City does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Bonds because the City would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the City would have been pledged or used to pay such securities or the interest thereon.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the federal bankruptcy code or the remedies specified by the Resolution or the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds, including Bond Counsel's approving opinion, will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency, or other similar laws affecting the rights of creditors enacted before or after such delivery. See "APPENDIX C – Form of Resolution" attached hereto for a description of events of default and remedies.

CONTINGENT FEES

The City has retained Bond Counsel, the Financial Advisor, and Disclosure Counsel with respect to the authorization, sale, execution, and delivery of the Bonds. Payment of the fees of such professionals and an underwriting discount to the Underwriter and the fees of its counsel are contingent upon the issuance of the Bonds.

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts, and summaries of all documents, statutes, and information concerning the City and certain reports and statistical data referred to herein do not purport to be complete, comprehensive, or definitive, and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Bonds, the

security for the payment of the Bonds, and the rights and obligations of the owners thereof and to each such statute, report, or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

The Appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the City. At the time of delivery of the Bonds, the undersigned will furnish a certificate to the effect that nothing has come to their attention which would lead them to believe that the Official Statement (except for the information related to DTC and its book-entry-only system of registration, as to all of which no opinion will be expressed), as of its date and as of the date of delivery of the Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

CITY OF SARASOTA, FLORIDA

By: /s/ Marlon C. J. Brown
City Manager

By: /s/ Kelly R. Strickland, CPA, CGFO
Director of Financial Administration

APPENDIX A

City of Sarasota, Florida, General Information

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APPENDIX A

City of Sarasota, Florida, General Information

Government

The City of Sarasota, Florida (the "City"), was incorporated in 1902, and later re-platted in 1912 to be formally incorporated as a City in 1912. The current Charter was approved by the voters of the City on September 3, 1996 with Ordinance No. 96-3951, and became effective November 1, 1996. The City has operated under the City Commission of the City (the "Commission") – City Manager form of government since 1945. The 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.

City elections are held in March of each year on a nonpartisan basis. Three Commissioners, elected by districts, and two Commissioners, elected at large, all serve four-year terms. The Commission elects a Mayor and Vice Mayor from among its members who serve one-year terms. The Mayor presides at all meetings of the Commission and performs such other duties consistent with the office as may be imposed by the Commission. The Mayor has a voice and a vote in the proceedings of the Commission, but no veto power.

The City Manager, as the chief administrative officer of the City, is responsible to the Commission for the proper administration of all affairs of the City, including supervision of all governmental and proprietary functions of the City and all departments and divisions except the offices of the City Auditor and Clerk and the City Attorney. The City Manager also submits an annual budget and table of organization to the Commission for the ensuing fiscal year and a five year capital improvements program. Among the departments established by the City Manager is the Department of Financial Administration. The Director of Financial Administration is head of the department of finance and custodian of all funds of the City and is responsible to the City Manager for the proper administration of all financial affairs of the City placed under his authority.

The City Auditor and Clerk is head of the department of records and custodian of all official records of the City and is responsible to the Commission for the proper administration of all the affairs concerning the records of the City. The City Auditor and Clerk is also the election official for the City. The City Attorney serves as legal advisor to the Commission and all of the governmental and proprietary functions of the City and its departments, divisions, officers, 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, Arlington Park Facilities, Robert L. Taylor Community Complex, various tennis courts located throughout the City, 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 and solid waste collection. The Public Utilities department provides drinking water, 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 development

services, redevelopment, community development, special event permitting, and general administrative services. The City also provides an employee and retiree health center.

Activities under the jurisdiction of the Commission also include 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 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 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 Commission.

Financial Policies

The 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.

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

Debt Policy. The City has implemented a debt management policy (the "Debt Policy"). According to the Debt Policy the term of any City bonds shall not exceed the useful life of the expenditure being financed and the City will: (i) issue bonds only for capital improvements including infrastructure and equipment with a life in excess of four years; (ii) use special assessment, revenue, or self-supporting bonds instead of general obligation bonds, whenever possible; (iii) limit general obligation bonds to no greater than ten percent of the non-exempt assessed valuation of the real property of the City; (iv) the term of any bonds shall not exceed the useful life of the expenditure being financed; (v) not issue notes or bonds to subsidize or finance current operations; (vi) publish and distribute an official statement for each bond issue; (vii) if cost effective, the City will purchase private bond insurance at the time of issuance; (viii) not use general obligation debt to finance the activities of enterprise funds whether of a capital or operating nature; (ix) defease existing bond issues if the resulting savings is significant; (x) maintain an adequate debt service fund regarding each bond issue; and (xi) seek to maintain high bond ratings in order that borrowing costs are minimized and access to credit is preserved.

Investment Policy. The City's investment guidelines have been defined in a written investment policy approved by the City Commission (the "Investment Policy"). The Investment Policy specifies limits

by instrument, and establishes a diversified investment strategy, and a minimum credit quality for investments. In accordance with Section 218.415, Florida Statutes, the Investment Policy applies to all cash and investments held or controlled by the City with the exception of Pension Funds and Other Post-Employment Benefit funds. Funds held by state agencies (e.g., Department of Revenue) are not subject to the provisions of the Investment Policy. The direction of investment strategies, within the Investment Policy limits, is established by an internal investment committee that meets on a quarterly basis or as needed.

The City's Investment Policy allows for the following investments:

1. U.S. Treasury & Government Guaranteed- U. S Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government.
2. Federal Agency/GSE- Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality or government sponsored enterprise (GSE).
3. Suprationals- U.S. dollar denominated debt obligations of a multilateral organization of governments where U.S. is a shareholder and voting member.
4. Corporates- U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a domestic corporation, financial institution, non-profit, or other entity.
5. Municipals- Obligations, including both taxable and tax-exempt, issued or guaranteed by any State, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government or any State or territory.
6. Agency Mortgage Backed Securities- Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
7. Asset-Backed Securities- Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans.
8. Non-Negotiable Certificates of Deposit and Savings Accounts- Non-negotiable interest bearing time certificates of deposit, or savings accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured by the Florida Security for Public Deposit Act, Chapter 280, Florida Statutes.
9. Commercial Paper- U.S. dollar denominated commercial paper issued or guaranteed by a domestic corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs.
10. Repurchase Agreements- Repurchase agreements (Repo or RP) that meet certain requirements that are specified in the Investment Policy.
11. Money Market Funds- Shares in open-end and no load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
12. Local Government Investment Pools- State, local government or privately-sponsored investment pools that are authorized pursuant to state law.

13. The Florida Local Government Surplus Funds Trust Fund ("Florida Prime") – must meet certain requirements that are specified in the Investment Policy.

In addition, the City's cash management policy provides that the City will: i) deposit all cash receipts within twenty-four hours of receipt; ii) collect revenues aggressively, including past due bills of any type and will utilize an outside collection agency to accomplish this; iii) maintain a prudent cash management and investment program in order to meet daily cash requirements, increase funds available for investment, and earn maximum rates or return on invested funds commensurate with appropriate security; iv) follow its adopted investment/portfolio policy when handling public funds; v) the Financial Administration Department/Investment Manager will prepare a quarterly report on investments to the City's Investment Committee; and vi) pool cash from each eligible fund for investment purposes, where permitted by law.

As of September 30, 2022, the City had the following cash, cash equivalents and investments (City investments include Component Units and Agency Funds):

<u>Portfolio / Investments</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Cash Deposits	\$32,910,470	N/A
Money Market Funds	1,919,327	0.01
Federal Agency Bonds/Notes	16,885,206	0.95
Federal Agency Commercial	11,486,625	2.26
Agency Mortgage – Backed Securities	4,158,712	6.87
Agency Collateralized Mortgage Obligation	1,951,951	4.43
Corporate Notes	44,660,833	2.23
Municipal Obligations	2,174,781	1.60
U.S. Treasury Bonds/Notes	70,978,819	1.87
Supra-National Agency Bonds/Notes	7,462,961	1.12
Asset Backed Securities	11,833,400	2.24
Investment Pools		
Florida Palm	27,097,582	N/A
Florida Prime	33,507,049	N/A
Total Cash & Investments	<u>\$267,027,716</u>	
Portfolio Weighted Average Maturity		2.04

Disclosure Policies and Procedures.

General. The City has adopted Disclosure Policies and Procedures dated June 1, 2011 (the "Disclosure Policy"), with regard to the issuance of publicly offered obligations (the "Obligations"). The Director of Financial Administration has general oversight of the entire disclosure process which includes: (i) maintaining appropriate records of compliance with the Disclosure Policy and decisions made with respect to disclosure issues that have been raised as a result of working through the Disclosure Policy; (ii) periodically checking to determine that the Disclosure Policy is being followed; and (iii) evaluating the effectiveness of the procedures contained in the Disclosure Policy and making the appropriate changes to the Disclosure Policy when revisions or modifications to the process become necessary.

Official Statements. Commensurate with the source of security for the Obligations, the Disclosure Policy requires that the Director of Financial Administration collect, coordinate and review, then provide all information that a reasonable investor would want to know in making an informed investment decision by following specific procedures described in the Disclosure Policy.

The adopted policies and procedures require that the City Manager and the Director of Financial Administration provide a certification to the effect that (i) the information contained therein, as of the date of such Official Statement and continuing undertaking, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, and (ii) there has been no material adverse change in the financial condition and affairs of the City from the date of the Official Statement to the date of issuance of the Obligations that was not disclosed in or contemplated by the Official Statements. In connection with each Official Statement, the City Attorney is required to opine to the effect that the information contained therein, as to legal matters and as of the date of such Official Statement, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. In order to support the certification described above, the Director of Financial Administration has adopted the Disclosure Policy. The Director of Financial Administration may, from time to time, as may be necessary, review and update the Disclosure Policy.

Continuing Disclosure. In connection with continuing disclosure filing requirements, the Disclosure Policy requires that by February 28th of each year, the Director of Financial Administration review the City's annual filing requirements in each active continuing disclosure undertaking to determine what financial information and operating data must be updated and filed on an annual basis, and when such filings should be submitted, involve the Deputy Director of Financial Administration, the Accounting and Payroll Manager, the Director, Utilities and the Manager of the Utilities Office, as appropriate, in the preparation of the requisite updates, and comply with the annual filing requirements of all such undertakings. The process of preparation is required to be the same as the preparation of Official Statements. The Director of Financial Administration may employ the services of an outside dissemination agent to assist with the foregoing responsibilities, if necessary. In connection with the filing of an undertaking, the City Manager and the Director of Financial Administration are required to provide a certification to the effect that the information contained therein, as of the date of such filing, is true and accurate. Periodically, the Director of Financial Administration is required to review the list of enumerated events in each active continuing disclosure undertaking, to maintain an awareness of the circumstances which may trigger a filing obligation, including the timeframe within which such a filing would be required to be made, to use his or her best efforts to comply with the ongoing filing requirements of all such undertakings and may employ the services of an outside dissemination agent to assist with the foregoing responsibilities, if necessary, to transmit the annual report to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system.

Periodic Training. The Disclosure Policy provides that at least once every two years, the City's disclosure counsel or bond counsel (if the City does not retain separate disclosure counsel) shall conduct training for the City officials identified in the Disclosure Policy to review the roles and responsibilities in the Disclosure Policy. Such training is required to include updates on current issues in the area of federal securities law as well as a question and answer session.

Budgeting, Accounting and Auditing

Budgeting.

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 Commission meeting of September, the City Manager submits to the 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 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 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.

Distinguished Budget Presentation Award. The City received the GFOA's Award for Distinguished Budget Presentation for its annual financial plan for the fiscal year beginning October 1, 2021, the same period covered by this Annual Comprehensive Financial Report. This was the thirty-second consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. The City is pleased to continue to achieve this distinction.

General Fund Revenue Stabilization Reserve. Maintaining a General Fund Revenue Stabilization Fund is a necessity for sound financial management and fiscal accountability. The General Fund Revenue Stabilization Fund was established to minimize the impact of declines from economic conditions on major General Fund revenue sources. The General Fund Revenue Stabilization Fund was adopted by Resolution 16R-2544 on December 7, 2015. The General Fund Revenue Stabilization Fund balance is committed by the 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 Revenue Stabilization Fund is based on the following seven principles that will guide the initial funding, subsequent funding, withdrawing and replenishment: (1) The maximum balance of the Revenue Stabilization Fund will be equal to three and a half percent of budgeted General Fund recurring revenues for the then current fiscal year, (2) The Revenue Stabilization Fund 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 Revenue Stabilization Fund 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 Revenue Stabilization Fund in any one fiscal year, (6) No more than twenty-five percent of the balance in the Revenue Stabilization Fund can be withdrawn in any one fiscal year, (7) Withdrawals from the Revenue Stabilization Fund must be approved by the Commission as a formal budget action. At September 30, 2022, the reserve had a balance of \$2,664,956.

Accounting. The basic financial statements consist of the government-wide financial statements and fund financial statements. 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. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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.

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 *Building Services Fund* accounts for revenues and expenditures related to providing services to the development community including plans review, construction inspections, and development approval. The *Tourist Development Tax Fund* accounts for tourist development tax revenues and expenditures for tourist related projects.

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 *Custodial Funds* account for impact fees collected from citizens and disbursed to Sarasota County.

Independent Audit. Article IV, Section 9 of the City’s Charter requires an annual audit of the financial statements of the City to be performed by an independent certified public accountant selected by the Commission.

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 30, 2021. This was the ninth year that the City 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.

For the Comprehensive Annual Financial Report of the City for the Fiscal Year ended September 30, 2022, see Appendix B to this Official Statement.

Financial Data Pertaining to the City

The following tables contain certain financial data pertaining to the City:

**DIRECT AND OVERLAPPING DEBT STATEMENT
SEPTEMBER 30, 2022⁽¹⁾**

	General Obligation Debt	Non-Self Supporting Debt	Self Supporting Debt
DIRECT DEBT			
General Obligation Refunding Bonds, Series 2015	\$27,300,000	-	-
General Obligation Bonds, Series 2016	1,440,000	-	-
Build America Capital Improvement Bonds, Series 2009		\$4,018,985	-
Sales Tax Payments Revenue Bonds, Series 2020		6,496,000	-
One Stop Shop Building 2022		10,070,000	-
St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017A		12,090,000	
St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017B		1,835,000	
Bobby Jones Golf Course 2022		20,000,000	
Water and Sewer System Revenue Refunding Bonds, Series 2015	-	-	\$2,020,000
Water and Sewer System Revenue Refunding Bonds, Series 2019			23,750,000
Water and Sewer System Revenue Refunding Bonds, Series 2021			10,245,000
Total Direct Debt	\$28,740,000	\$54,509,985	\$36,015,000

⁽¹⁾ The City does not have any overlapping debt.
Source: City of Sarasota, Florida Finance Department.

**GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Taxes	Franchise Fees	Special Assessments	Licenses and Permits	Inter-governmental Revenues	Charges for Services	Charges to Other Funds	Fines and Forfeits	Investment Earnings	Miscellaneous Revenues	Total
2022	\$53,618,071	\$6,583,690	\$7,114	\$10,732,094	\$40,161,334	\$5,804,024	\$4,626,731	\$2,476,467	\$(4,046,393)	\$2,785,538	\$122,749,170
2021	52,446,424	5,566,117	6,821	9,120,611	32,042,717	4,890,367	4,668,811	1,498,818	197,829	2,537,233	112,975,748
2020	50,250,941	5,649,620	7,269	10,880,059	32,451,779	4,563,212	4,401,944	1,038,032	3,613,986	2,469,872	115,326,714
2019	48,114,940	6,021,672	7,017	8,049,299	37,674,174	4,822,775	4,514,309	1,874,363	4,149,182	2,458,496	117,686,227
2018	47,555,168	5,918,250	6,873	13,451,170	22,939,117	4,544,701	4,389,281	1,339,622	677,867	1,938,961	102,761,010
2017	44,010,171	4,699,895	6,681	6,293,380	24,419,655	3,193,835	4,200,531	1,665,623	565,944	1,886,842	90,942,557
2016	41,780,352	4,603,205	109,809	7,841,265	29,917,766	3,232,470	4,220,527	1,507,831	1,009,071	6,245,253	100,467,549
2015	41,587,184	4,767,877	105,969	6,756,920	30,799,648	3,162,816	4,428,888	1,377,080	811,125	5,891,767	99,689,274
2014	38,772,510	4,800,067	106,385	4,322,380	26,888,120	2,782,325	4,403,460	1,142,361	511,113	2,140,325	85,869,046
2013	35,812,457	4,472,348	108,197	2,384,947	28,101,587	2,134,035	4,320,128	1,361,070	145,123	2,680,206	81,520,098

Source: Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2022.

**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year Ended	General Government	Public Safety	Physical Environment	Transportation	Culture & Recreation	Economic Environment	Human Services	Debt Service	Capital Outlays	Total
2022	\$19,215,252	\$47,271,491	\$2,259,963	\$5,201,064	\$8,928,532	\$5,969,567	\$989,124	\$5,176,298	\$16,720,670	\$111,731,961
2021	17,833,271	46,329,714	1,871,633	4,883,250	8,434,512	6,216,994	820,202	5,534,401	15,473,381	107,397,358
2020	19,190,238	48,042,994	2,473,584	5,194,547	8,124,039	5,862,448	809,455	5,066,902	19,649,818	114,414,025
2019	17,523,556	43,527,586	14,734,160	5,328,277	4,291,644	5,808,579	938,906	5,220,306	14,861,079	112,234,093
2018	17,983,636	41,886,904	5,092,136	5,355,901	2,600,922	4,566,566	725,113	5,196,073	11,728,637	95,135,888
2017	15,926,090	42,100,438	4,091,650	7,392,297	1,984,588	4,846,066	113,013	8,928,549	7,796,208	93,178,899
2016	14,123,658	38,554,357	3,701,168	6,232,700	1,928,203	5,202,131	--	9,320,530	15,231,030	94,293,777
2015	14,062,592	36,779,802	7,612,914	7,285,758	1,654,757	4,414,891	--	9,252,435	17,512,659	98,575,808
2014	17,753,644	36,210,675	3,211,811	3,287,424	1,439,845	4,809,019	--	9,415,160	15,247,920	91,375,498
2013	16,869,374	33,535,625	3,065,819	3,342,320	1,310,019	7,603,733	--	9,507,058	8,841,241	84,075,189

Source: Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2022.

**SPECIAL TAX COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u> <u>Ended 9/30</u>	<u>Property Tax</u>	<u>Gasoline Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Public Service Tax</u>
2022	\$40,754,471	\$2,662,284	\$18,756,212	\$6,583,690	\$12,044,040
2021	40,028,474	2,624,801	16,005,912	5,566,117	11,413,593
2020	38,226,955	2,469,133	13,509,400	5,649,620	11,095,087
2019	36,074,226	2,673,665	14,039,968	6,021,672	11,090,572
2018	32,680,481	2,662,715	13,414,362	5,918,250	10,973,068
2017	29,888,235	2,547,368	12,489,989	4,699,895	10,563,250
2016	27,873,687	2,495,123	12,244,096	4,603,205	10,322,539
2015	26,527,993	2,432,847	11,808,144	4,767,877	10,188,427
2014	25,269,921	2,358,159	10,812,138	4,800,067	10,115,459
2013	22,584,230	2,310,912	10,036,788	4,472,348	10,084,418

Source: Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2022.

**RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(in thousands of dollars)**

<u>Fiscal Year</u> <u>Ended</u>	<u>Population</u>	<u>Total Taxable Assessed Value</u>	<u>General Obligation Bonds</u>	<u>Debt Service Monies Available</u>	<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value (Percent)</u>	<u>Net Bonded Debt Per Capita</u>
2022	56,494	\$14,741,900	\$30,047,184	\$824,281	\$29,222,903	0.23%	\$517.32
2021	55,386	11,827,986	31,829,788	864,240	30,965,548	0.26	559.15
2020	57,683	11,237,185	33,570,390	877,436	32,692,954	0.29	566.77
2019	56,692	10,497,466	35,263,694	817,835	34,445,859	0.33	607.60
2018	55,832	9,665,428	36,909,405	717,169	36,192,236	0.37	648.23
2017	54,641	8,797,039	38,512,249	663,153	37,849,096	0.43	692.69
2016	53,865	8,108,154	40,020,114	629,576	39,390,538	0.49	731.28
2015	52,905	7,595,478	41,430,667	638,162	40,792,505	0.54	771.05
2014	52,584	7,193,320	40,876,336	939,869	39,936,467	0.56	759.48
2013	52,689	6,874,851	42,016,480	921,944	41,094,536	0.60	779.95

Source: Annual Comprehensive Financial Report for Fiscal Year ended September 30, 2022.

Transportation

The City is served by a variety of transportation facilities including an interstate highway, rail freight service, interstate bus transportation, the Sarasota Bradenton International Airport and Port Manatee. The City is situated off of Interstate 75, located five miles east from the center of Sarasota and is a major interstate leading south to Miami and north to Tampa. In addition, two U.S. highways, U.S. 41 and U.S. 301, also traverse the City area. The Sarasota Bradenton International Airport is classified as a small hub airport by the National Plan of Integrated Airport Systems. Sarasota County Area Transit has a bus service called SCAT which offers service throughout the county and also offers limited connections with Manatee County Area Transit. Sarasota County has joined the Tampa Bay Area Regional Transportation Authority to plan and build future transportation infrastructure including light rail, commuter rail and longer range bus service. The signatory airlines are American Airlines, Delta Air Lines, JetBlue, United Airlines and Southwest Airlines (Southwest Airlines entered the SRQ market in February 2021). Air Canada, Allegiant Air, Elite Airways, Frontier and Sun County continue to serve the airport as non-signatory carriers. Passenger enplanements were in excess of 3.8 million in 2022. Port Manatee and the Port of Tampa both provide nearby deep water ports. Port Manatee provides cargo service primarily while the Port of Tampa is more diverse. SeaPort Manatee is the closest U.S. deepwater seaport to the Panama Canal, serving bulk, breakbulk, container, heavy lift, project and general cargo customers.

Health Facilities

Sarasota Memorial Hospital is the largest employer in Sarasota County and one of the largest public health systems in Florida. It has been ranked as one of the Health Grade's America's 50 Best Hospitals consecutively since 2007. The 895 bed, regional non-for-profit acute care facility is staffed by approximately 8,000 staff members and physicians and more than 750 volunteers. It is a full-service facility with specialized expertise in heart, vascular, neurological and oncological services, outpatient services and long-term among its many programs. *U.S. News & World Reports* identified Sarasota Memorial Hospital as the "#1 Hospital in Sarasota-Bradenton" for 2022-2023.

Educational Facilities

The School Board of Sarasota County, Florida, is the governing board of the School District of Sarasota County, Florida. The geographic boundaries of the School District correspond with those of the County. The School District provides a full range of educational programs, including kindergarten through 12th grade, basic and enriched programs and exceptional student education to over 44,000 students. The School District also provides career technical and adult education. During the 2021-22 fiscal year, the District contained 56 schools, including 23 elementary schools, 7 middle schools, 6 high schools, 13 charter schools, 1 technical center and 6 other types of schools, such as a virtual school and all gifted school for grades 2 through 12. As of September 30, 2022, the School District reported serving approximately 44,846 full-time equivalent students and 5,937 full and part-time employees, of which 3,014 were teachers.

State College of Florida and New College of Florida are public institutions of higher education. New College of Florida was established by the Florida Legislature in 2001 as the "Honors College for the State of Florida." Additionally, the University of South Florida and Eckerd College both have campuses in Sarasota. The Ringling School of Art and Design is one of the best-known institutions in the south for preparing students as practitioners of fine arts. Numerous additional educational opportunities are offered within the County in art, theater and music.

Cultural Facilities

The City is an urbane community, offering a wide variety of cultural entertainment. There are six professional theatres, an opera company, a ballet company, a symphony orchestra and more than 30 museums and art galleries, including The Ringling Museum of Art and the Van Wezel Hall for the Performing Arts, owned and managed by the City.

Recreation

The Sarasota area has a number of beautiful beaches, among them Lido Beach, which also offers a public pool for year-round use. The City's popular Payne Park is home to the Payne Park Tennis Center, Skate Park, Circus Park, Café, and Amphitheater. The Robert L. Taylor Community Complex offers residents and visitors the use of an affordable recreational facility. The 13 acre state of the art facility features a fitness center, gym, game room, computer lab, family pool and splash pad, rental rooms and the outdoor park space includes a fitness trail, picnic shelters, lit basketball court, covered playgrounds and hosts Sarasota's only public turf multisport field. The City is the spring training home of the Baltimore Orioles major league baseball team.

Tourism

The County is a major resort area. Tourism revenue contributes significantly to the stability of the local economy. The provision of tourist accommodations, including restaurants, entertainment and other services, constitutes a major source of employment in the City and surrounding area. A Tourist Development Council ("TDC") has been appointed by the County's Board of County Commissioners. The TDC makes recommendations on tourism policy to the County Commissioners and oversees the use of tourist development tax revenues pursuant to Florida law. The TDC also examines the changing dynamics affecting the County's tourist development, cultural environment, and beach maintenance and restoration, and responds to the needs of the tourist industry. Tourist development tax revenues are derived from certain taxes levied on the amount of any payment made by any person to rent, lease, or use for a period of six months or less any living quarters or accommodations in a hotel, apartment hotel, motel, resort motel, apartment, apartment motel, rooming house, tourist or trailer camp, mobile home park, recreational vehicle park, condominium or timeshare resort.

Communications

The County is served by ABC-affiliate WWSB, Frontier Communications, Comcast Cable Television and other channels, such as SNN, BLAB TV, WEDU/PBS, Spiritual Broadcast Network and Fox Sports Nets Ohio. There are approximately fifteen local radio stations and four locally published newspapers. The Sarasota Herald Tribune is a newspaper of general circulation for the County, established in 1925, and maintains its headquarters in the City. Sarasota also publishes several special and general interest magazines.

General Demographics

The following is a table reflecting City, County and State of Florida historical population for the period 1970 through 2022 and projected for the years 2025 to 2050.

CITY, COUNTY AND STATE OF FLORIDA POPULATION TRENDS 1970-2050

Year	City	Annual Average Percentage Increase/ Decrease	County	Annual Average Percentage Increase	State	Annual Average Percentage Increase
1970	40,237	--	120,413	--	8,542,000	--
1980	48,868	2.15%	202,251	6.80%	9,746,961	4.36%
1990	50,897	0.42	277,776	3.73	12,938,071	3.27
2000	52,715	0.35	325,957	1.73	15,982,724	2.35
2010	51,917	(0.15)	379,448	1.64	18,801,332	1.76
2013	52,689	0.50	385,292	0.51	19,259,543	0.81
2014	52,584	(0.20)	387,140	0.48	19,507,369	1.29
2015	52,905	0.61	392,090	1.28	19,815,183	1.58
2016	53,865	1.81	399,538	1.90	20,148,654	1.68
2017	54,641	1.44	407,260	1.93	20,484,142	1.67
2018	55,832	2.18	417,442	2.50	20,840,568	1.74
2019	56,692	1.54	426,275	2.12	21,208,589	1.77
2020	57,683	1.75	434,006	1.81	21,538,187	1.55
2021	55,386	(3.98)	441,508	1.73	21,898,945	1.67
2022	56,494	2.00	452,378	2.46	22,276,132	1.72
2025	N/A	--	467,718	5.94	23,164,008	5.78
2030	N/A	--	493,319	5.47	24,471,129	5.64
2035	N/A	--	513,992	4.19	25,520,837	4.29
2040	N/A	--	531,950	3.49	26,405,472	3.47
2045	N/A	--	547,874	2.99	27,176,715	2.92
2050	N/A	--	561,845	2.55	27,877,707	2.58

Source: University of Florida, Bureau of Economic and Business Research, Population Projection Totals.

**PERSONAL INCOME AND UNEMPLOYMENT
LAST TEN FISCAL YEARS**

Fiscal year Ended <u>September 30.</u>	<u>Population</u>	Personal <u>Income</u>	Per Capita <u>Personal Income</u>	Unemployment <u>Rate</u>
2022	56,494	\$3,918,980,864	69,376	2.6%
2021	55,386	3,925,981,224	70,884	3.7
2020	57,683	3,857,723,674	66,878	5.2
2019	56,692	3,677,496,656	64,868	2.8
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

Source: Annual Comprehensive Financial Reports for Fiscal Years ended September 30, 2013 through 2022.

The following table shows the labor force in the County and the percent of the estimated labor force unemployed from 2013 to December of 2022.

**LABOR FORCE
ESTIMATES BY EMPLOYMENT STATUS**

<u>Year⁽¹⁾</u>	<u>Labor Force⁽¹⁾</u>	<u>Employment⁽¹⁾</u>	Unemployment <u>Number⁽¹⁾</u>	<u>Unemployment Rate</u>		
				<u>County⁽¹⁾</u>	<u>State⁽¹⁾</u>	<u>United States⁽²⁾</u>
2022	195,994	190,365	5,629	2.9%	2.9%	3.6%
2021	189,591	182,038	7,553	4.0%	4.6	5.3
2020	184,240	171,009	13,231	7.2	8.1	8.1
2019	187,849	181,345	6,004	3.2	3.2	3.7
2018	185,960	179,491	6,469	3.5	3.6	3.9
2017	183,191	175,840	7,351	4.0	4.3	4.4
2016	181,607	173,272	8,335	4.6	4.9	4.9
2015	178,504	169,363	9,141	5.1	5.5	5.3
2014	174,637	164,132	10,505	6.1	6.4	6.2
2013	170,288	157,879	12,409	7.3	7.5	7.4

⁽¹⁾ Florida Insight and United States Department of Labor, Bureau of Labor Statistics.

The following table shows the average monthly employment in the various sectors of the labor force in actual numbers of people employed in the County and the average annual wage:

EMPLOYMENT BY SECTOR

Industry Title	Average Monthly Employment	Average Annual Wages
Total, All Industries	174,406	\$55,603
Goods-Producing	24,891	57,751
<i>Natural Resources and Mining</i>	236	68,003
Agriculture, Forestry, Fishing and Hunting	209	44,309
Mining, Quarrying, and Oil and Gas Extraction	0	0
<i>Construction</i>	15,844	57,112
<i>Manufacturing</i>	8,810	58,625
Durable Goods Manufacturing	7,262	60,137
Nondurable Goods Manufacturing	1,549	51,535
Service-Providing	149,516	55,246
<i>Trade, Transportation, and Utilities</i>	31,055	47,820
Wholesale Trade	4,177	81,710
Retail Trade	22,957	22,957
Transportation and Warehousing	3,551	48,446
Utilities	371	128,522
<i>Information</i>	1,835	92,190
<i>Financial Activities</i>	9,614	94,899
Finance and Insurance	5,581	120,950
Real Estate and Rental and Leasing	4,033	58,845
<i>Professional and Business Services</i>	27,965	67,484
Professional and Technical Services	11,967	90,357
Management of Companies and Enterprises	1,399	139,422
Administrative and Waste Services	14,599	41,837
<i>Education and Health Services</i>	41,079	57,663
Educational Services	8,877	52,402
Health Care and Social Assistance	32,202	59,113
<i>Leisure and Hospitality</i>	24,250	29,856
Arts, Entertainment, and Recreation	4,943	34,460
Accommodation and Food Services	19,307	28,677
<i>Other Services</i>	6,558	40,097
Other Services, Except Public Administration	6,558	40,097
<i>Public Administration</i>	6,903	62,980
<i>Unclassified</i>	158	76,053

Source: Florida Department of Economic Opportunity, Florida Employment and Wages by State, Annual NAICS Sector, 2021.

**TEN LARGEST EMPLOYERS IN SARASOTA COUNTY
AS OF SEPTEMBER 30, 2022**

<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
SMH Health Care, Inc.	8,834	4.50%
School Board of Sarasota County	5,937	3.03
Publix Super Markets, Inc.	4,282	2.18
Sarasota County Government	3,630	1.85
PGT Innovations	1,992	1.02
Walmart	1,633	0.83
City of Sarasota	811	0.41
City of North Port	777	0.40
Helios Technologies	718	0.37
Target	585	0.30
Total	<u>29,199</u>	<u>14.89%</u>
 Total Sarasota County Employment	<u>196,145</u>	

Source: City of Sarasota, Florida Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2022.

Property Values and Construction

**PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)**

<u>Fiscal Year</u> <u>Ended</u>	<u>Property Value</u>	
	<u>Commercial and Residential</u>	<u>Exempt</u>
2022	\$20,809,588	\$9,544,506
2021	13,619,374	4,898,590
2020	13,302,050	5,156,816
2019	12,733,240	5,298,934
2018	11,930,058	5,123,221
2017	11,034,409	4,972,920
2016	9,960,610	4,378,328
2015	9,033,654	3,740,534
2014	8,322,623	3,356,200
2013	7,689,394	3,199,822

Source: City of Sarasota, Florida Comprehensive Annual Financial Report for Fiscal Year ended September 30, 2022.

Florida Retirement System Pension Plan

Plan Description

The FRS Pension Plan ("FRS") is a cost-sharing multiple-employer qualified defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") available for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers and firefighters, meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service, while employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

The DROP Program, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the 63 retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment and Retirement Age/Years of Service</u>	<u>% Value</u>
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 years or more of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Offices</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary on a pretax basis to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from December 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows:

<u>Membership Class</u>	<u>December 1, 2021 through June 30, 2022</u>	<u>July 1, 2022 through September 30, 2022</u>
FRS, Regular	10.82%	11.91%
FRS, Elected Officers	51.42%	57.00%
FRS, Senior Management Service	29.01%	31.57%
FRS, Special Risk Administrative Support	37.76%	38.65%
FRS, Special Risk	25.89%	27.83%
FRS, DROP	18.34%	18.60%

The City's contributions, including employee contributions, to the Pension Plan totaled \$1,102,523 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the City reported a liability of \$4,885,770 for its proportionate share of the Pension Plan’s net pension liability, an increase of \$4,885,770 over last year’s liability of \$0. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City’s proportionate share of the net pension liability was based on the City’s 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City’s proportionate share was 0.013130953 percent, which was an increase of 0.00 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$1,356,594. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$232,046	\$-
Change of assumptions	601,703	-
Net Difference between projected and actual earnings on Pension Plan investments	322,607	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	2,948,440	-
City Pension Plan contributions subsequent to the measurement date	<u>277,242</u>	-
Total	<u>\$4,382,038</u>	-

The deferred outflows of resources related to the Pension Plan, totaling \$277,242 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	<u>Amount</u>
<u>September 30:</u>	
2023	\$934,855
2024	760,733
2025	560,771
2026	1,476,893
2027	371,543
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25% average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study completed in 2019 for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

	Target <u>Allocation⁽¹⁾</u>	Annual Arithmetic <u>Return</u>	Compound Annual (Geometric) <u>Return</u>	Standard <u>Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Assumed Inflation - Mean			2.4%	1.2%

⁽¹⁾ As outlined in the FRS Pension Plan's Investment Policy.

Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.7%	Current Discount Rate 6.7%	1% Increase 7.7%
City's proportionate share of the net pension liability	\$8,449,603	\$4,885,770	\$1,905,981

Pension Plan Fiduciary Net Position

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2022, the City reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2022.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (“HIS Plan”) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Detailed information about the HIS Plan’s fiduciary’s net position is available in a separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report which may be obtained through the Florida Department of Management Services website at: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

Benefits Provided

For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution for the period October 1, 2021 through September 30, 2022 was 1.66% pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding five years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The City's contributions to the HIS Plan totaled \$147,820 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the City reported a liability of \$1,664,863 for its proportionate share of the HIS Plan's net pension liability, an increase of \$1,664,863 over last year's liability of \$0. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was 0.015718715 percent, which was an increase of 0.015718715 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$392,439. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$50,533	\$7,326
Change of assumptions	95,431	257,553
Net Difference between projected and actual earnings on HIS Plan		
Investments	2,410	-
Changes in proportion and differences between City HIS Plan contributions and proportionate share of contributions	1,510,608	-
City HIS Plan contributions subsequent to the measurement date	<u>50,483</u>	<u>-</u>
Total	<u>\$1,709,465</u>	<u>\$264,879</u>

The deferred outflows of resources related to the HIS Plan, totaling \$50,483 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending <u>September 30:</u>	<u>Amount</u>
2023	\$251,841
2024	264,696
2025	272,863
2026	264,515
2027	244,398
Thereafter	95,790

Actuarial Assumptions

The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.16%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate

The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the longterm expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
City's proportionate share of the net pension liability	\$1,904,740	\$1,664,863	\$1,466,370

Pension Plan Fiduciary Net Position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan

At September 30, 2022, the City reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2022.

Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2021- 22 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 9.30%, Special Risk Administrative Support class 10.95%, Special Risk class 17.00%, Senior Management Service class 10.67% and City Elected Officers class 14.34%. The allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS covered employment within the five-year period, the employee will regain control over his/her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

Effective July 1, 2017, retirees of the Investment Plan are eligible for renewed membership in the Investment Plan. The retiree must be employed in an FRS-covered position on or after July 1, 2017 in order

to gain renewed membership. This new provision does not afford renewed membership retroactively for the period of July 1, 2010 to June 30, 2017, nor does it grant disability benefits for renewed members.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$122,727 for the fiscal year ended September 30, 2022.

Defined Benefit Pension Plans

Plan Administration

The City's 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 Commission.

A. General Employees Defined Benefit Pension Plan

Plan Membership

The Plan is closed to new members. At September 30, 2022, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	422
Inactive plan members entitled to but not yet receiving benefits	16
Active plan members	95
Total	<u>554</u>

Benefits Provided

The Plan covers permanent, probationary and full time City 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 percent 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 \$6,978,144 is required to be contributed by the City and County for the fiscal year ending September 30, 2022. The actuarially determined City and 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, 2022, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2021. Contributions totaling \$7,440,622 were from the following sources; the City and County contributed \$6,978,144 and Plan members contributed \$462,478.

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 1/2) 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, 2022, was \$1,498,994 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.

Rate of Return

For the year ended September 30, 2022, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was (13.4) percent. 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, 2021.

The total pension liability was rolled forward from the valuation date to the plan year ending September 30, 2022 using the following actuarial assumptions applied to all measurement periods:

Inflation	2.30%
Salary Increases	4.70% to 6.30% depending on age, including inflation
Investment Rate of Return	6.20%, net of pension plan investment expense

As of September 30, 2022, mortality tables use are based on the Pub-2010 Headcount Weighted Mortality Table for Annuitants (for postretirement mortality), with mortality improvement projected for healthy lives to all future years after 2010 using Scale MP-2018. No mortality improvement is projected for disabled lives.

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, 2022 (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Fixed income	1.45%
Domestic equity	6.49
International Equity	5.29
Real Estate	4.69
Infrastructure	3.17

Discount Rate

A single discount rate of 6.20 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.20 percent. 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 (6.20%) 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	6.20%
Long-term expected rate of return	6.20%
Long-term municipal bond rate	2.19%
Last year ending September 30 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121

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, 2021. 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 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 6.20%, 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 <u>(5.20%)</u>	Current Discount <u>Rate (6.20%)</u>	1% Increase <u>(7.20%)</u>
Net pension liability	\$61,691,507	\$36,960,775	\$16,132,308

Changes in the Net Pension Liability

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

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at September 30, 2020*	\$214,209,910	\$156,335,727	\$57,874,183
Changes for the year:			
Service cost	1,909,336	--	1,909,336
Interest on the total pension liability	13,623,094	--	13,623,094
Differences between expected and actual experience	(2,383,477)	--	(2,383,477)
Changes of assumptions	7,691,456	--	7,691,456
Contributions from the employer	--	6,994,858	(6,994,858)
Contributions non-employer contributing entity	--	58,799	(58,799)
Contributions from employees	--	526,151	(526,151)
Net investment income	--	34,434,727	(34,434,727)
Administrative expenses	--	(260,718)	260,718
Benefit payments, including refunds of employee contributions	(14,326,524)	(14,326,524)	--
Net changes	<u>6,513,885</u>	<u>27,427,293</u>	<u>(20,913,408)</u>
Balance at September 30, 2021*	\$220,723,795	\$183,763,020	\$36,960,775

*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, 2021, were as follows:

Total pension liability	\$220,723,795
Plan fiduciary net position	<u>183,763,020</u>
Net pension liability	<u>\$36,960,775</u>
Plan fiduciary net position as a percentage of the total pension liability	83.25%

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City recognizes pension expense of \$4,573,553 for the General Employees Defined Benefit Pension Plan (GEDBPP). At September 30, 2022, the City has deferred outflows and deferred inflows of resources related to the GEDBPP as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$--	\$680,993
Changes in assumptions	2,197,559	--
Contributions to the pension plan subsequent to the measurement date	6,978,144	--
Net difference between projected and actual earnings on pension plan investments	--	14,492,438
Total	<u>\$9,175,703</u>	<u>\$15,173,431</u>

\$6,978,144 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, 2022. 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>	Deferred Outflows/(Inflows) of Resources
2023	\$(1,285,871)
2024	(2,224,341)
2025	(4,580,814)
2026	(4,884,846)

B. Firefighters Defined Benefit Pension Plan

Plan Administration

The City's 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 making the employer contributions.

Florida Statute Chapter 175 requires that the Board of Trustees be comprised of two members appointed by the 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 Commission.

Plan Membership

The Plan is closed to new members. At September 30, 2022, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	<u>156</u>
Total	<u><u>156</u></u>

Benefits Provided

The Plan covers former City 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, 2022, 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 \$1,484,752 for the year ended September 30, 2022.

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.

Rate of Return

For the year ended September 30, 2022, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was (11.78)%. 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, 2021. The total pension liability was rolled forward from the valuation date to the plan year ending September 30, 2022 using the following actuarial assumptions applied to all measurement periods:

Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	6.85

Mortality rates were based on the PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set-forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018.

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, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity Securities	6.50%
Fixed Income Securities	1.30
Real Estate	3.40
Infrastructure	4.90
International Equity	5.30

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	4.40%
Last year ending September 30 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121

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, 2022. 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 6.85%, 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 (Asset)Liability		
	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
City of Sarasota's proportionate share of net pension (asset)liability	\$3,065,957	\$(3,365,730)	\$(8,754,479)

Net Pension Liability

At September 30, 2022, the City reported a liability of \$3,365,730 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, 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, 2022, the City's proportion was 33 percent, which was the same proportion measured as of September 30, 2021.

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, 2022, the City will recognize pension expense of \$(781,253) for the Firefighters Defined Benefit Pension Plan (FFDBPP). At September 30, 2021, 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	\$1,624,320	\$--
Net difference between projected and actual earnings on pension plan investments	--	3,705,967
Total	<u>\$1,624,320</u>	<u>3,705,967</u>

\$1,624,320 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, 2022. 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:

<u>Year Ended September 30,</u>	Deferred Outflows/(Inflows) of Resources
2022	\$(710,174)
2023	(527,470)
2024	(1,074,350)
2025	<u>(1,393,973)</u>
Total	\$(3,705,967)

Police Officers Defined Benefit Pension Plan

Plan administration

The City's 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 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 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 Commission may not amend the Plan to reduce the vested accrued benefit of members or beneficiaries.

Plan Membership

At September 30, 2021, membership consisted of the following

Inactive plan members or beneficiaries currently receiving benefits	238
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>158</u>
Total	<u>402</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 2.50% 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.

The Fund also provides for compliance with Chapter 185, Florida Statutes to ensure the Fund will continue to qualify for funding under Florida Statute 185.08 in the event a change to the statute is effective before the Fund can be amended. The Commission may not amend the Fund to reduce the vested accrued benefit of members of beneficiaries.

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, 2018.

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, 2022, the share plan had a balance of \$275,232.

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, 2022, contributions totaling \$8,570,689 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2021. The City contributed \$6,576,009; the State of Florida contributed \$735,199 and the employees contributed \$1,259,481.

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.

A separate general ledger account is created for each member participating in the DROP to track earnings, contributions and payments. 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 of those amounts. To maximize earnings potential for each DROP participant, the funds are pooled with the investments in the Fund.

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 DROP amount included as a component of net position at September 30, 2022 was \$2,381,644.

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.

Rate of Return

For the year ended September 30, 2022, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was (16.67)%. 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, 2021. The total pension liability was rolled forward from the valuation date to the Plan year ending September 30, 2022, using the following actuarial assumptions applied to all measurement periods:

Inflation	2.30%
Salary Increases	5.20% to 19.30% depending on service, including inflation
Investment rate of return	6.50, net of pension plan investment expense

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 in the July 1, 2018 actuarial valuation of the FRS. Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

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, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	9.56%
Bonds	4.49
International Equity	5.60
Real Estate	8.87
Infrastructure	8.09

Discount Rate

A single discount rate of 6.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.50%. 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 (6.50%) 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	6.50%
Long-term expected rate of return	6.50
Long-term municipal bond rate	2.19
Last year ending September 30 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121

Source: Fidelity General Obligation AA rate as of September 30, 2020, 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 6.50%, 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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$28,518,206	\$(12,786,118)	\$(46,598,777)

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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, 2020*	\$294,177,144	\$270,902,751	\$23,274,393
Changes for the year:			
Service cost	4,538,036	--	4,538,036
Interest on the total pension liability	19,448,189	--	19,448,189
Differences between expected and actual experience	402,170	--	402,170
Changes of assumptions	9,081,088	--	9,081,088
Contributions from the employer	--	7,237,371	(7,237,371)
Contributions from employees	--	1,215,226	(1,215,226)
Net investment income	--	61,299,155	(61,299,155)
Administrative expenses	--	(221,758)	221,758
Benefit payments, including refunds of employee contributions	(16,575,580)	(16,575,580)	--
Net changes	16,893,903	52,954,414	(36,060,511)
Balance at September 30, 2021*	\$311,071,047	\$323,857,165	\$(12,786,118)

*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, 2022, were as follows:

Total pension liability	\$311,071,047
Plan fiduciary net position	<u>323,857,165</u>
Net pension (asset) liability	<u>\$(12,786,118)</u>
Plan fiduciary net position as a percentage of the total pension liability	104.11%

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2022, the City will recognize pension expense of \$(5,054,886) for the Police Officers Defined Benefit Pension Plan (PODBPP). At September 30, 2022, the City has deferred outflows and deferred inflows of resources related to the PODBPP as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$2,151,651	\$--
Contributions to the pension plan subsequent to the measurement date	7,311,208	--
Changes in Assumptions	5,110,338	--
Net difference between projected and actual earnings on pension plan investments	<u>--</u>	<u>38,591,937</u>
Total	<u>\$14,573,197</u>	<u>\$38,591,937</u>

\$7,311,208 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, 2022. 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>
2023	\$(7,618,506)
2024	(6,159,279)
2025	(8,893,193)
2026	(8,658,970)
2027	-
Thereafter	-
Total	<u>\$(31,329,948)</u>

Summary of All Defined Benefit Pension Plans

The actuarial valuation of the liabilities and the measurement date were determined as of the September 30, 2021. These liabilities were used for GASB Statement No. 68 purposes for the reporting period ending September 30, 2022. Using a measurement date of September 30, 2021 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 2022 fiscal year are summarized below:

Defined Benefit Pension Plans

	Florida Retirement <u>System</u>	Retiree Health Ins. Subsidy <u>Program</u>	General <u>Employees</u>	Fire <u>Fighters</u>	Police <u>Officers</u>	<u>Total</u>
Net pension (asset)liability	\$4,885,770	\$1,664,863	\$36,960,775	\$(3,365,730)	\$(12,786,118)	\$27,359,560
Deferred outflows of resources related to pensions	4,382,038	1,709,465	9,175,703	1,624,320	14,573,197	31,464,723
Deferred inflows of resources related to pensions	--	264,879	15,173,431	3,705,967	38,591,937	57,736,214
Pension expense	1,479,321	392,439	4,573,553	(781,253)	(5,054,886)	609,174

Totals by funds are as follows:

	Net Pension <u>(Asset)Liability</u>	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>	Pension <u>Expense</u>
Governmental activities	\$4,751,735	\$24,008,059	\$49,442,613	\$(10,764,663)
Business-type activities	22,607,825	7,456,664	8,293,601	11,373,837
Pension expense	\$27,359,560	\$31,464,723	\$57,736,214	\$609,174

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 Commission approves all plan provisions and amendments. The Plan does not issue a stand-alone financial report and is not included in any other retirement system's or entity's financial report.

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

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

Membership

General Employees Defined Contribution Retirement plan membership at September 30, 2022, is as follows:

Active employees (vested and non-vested)	245
Retired and terminated members maintaining balances	<u>327</u>
Total	<u>572</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 2021, actual contributions were \$994,181 from employees, \$994,182 from the City, and \$147,937 from other.

The City contributed an additional \$60,500 to fund administrative expenses for the plan. This contribution was from current year forfeitures for employees that have terminated before five years of employment.

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Financial Statements of the General Employees Defined Contribution Retirement Plan

Statement of Plan Net Position

Assets

Cash and cash equivalents	\$--
Investments:	
Stock mutual funds	14,678,946
Bond mutual funds	2,923,548
Foreign mutual funds	874,850
Total investments	<u>18,477,344</u>
Receivables (net):	
Accounts	250,172
Interest and dividends	(210)
Total receivables	249,962
Other Assets:	
Investments-FMV Adj.	<u>3,244</u>
Total assets	<u>18,730,550</u>

Liabilities

Accounts payable	3,000
Due to other governmental unit	101,639
Total liabilities	<u>104,639</u>

Net Position

Restricted for pension benefits	<u>\$18,625,911</u>
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Statement of Changes in Plan Net Position

Additions	
Contributions:	
Plan members	\$994,181
Employer	
City of Sarasota	994,182
Other	147,937
Total contributions	\$2,136,300
Investment income:	
Net increase in fair value of investments	(5,008,837)
Interest and Dividend	1,559,891
Total investment income	(3,448,946)
Less investment expense	(42,923)
Net investment income	(3,491,869)
Total additions	(1,355,569)
Deductions	
Benefits	1,264,710
Administration expenses	60,500
Total deductions	1,325,210
Net increase	(2,680,779)
Net position - beginning of year	21,306,690
Net position - end of year	\$18,625,911

Other Post-Employment Benefits Plan

Plan Description

The 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 Commission approves all plan provisions and amendments. Separate financial statements of the plan are not available.

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 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, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	693
Inactive Plan Members Entitles to But Not Yet Receiving Benefits	13
Active Plan Members	<u>716</u>
Total	<u>1,422</u>

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.

Funding Policy and Contributions

The contribution requirements of plan members and the City are established and may be amended by the 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 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 2022 fiscal year, the City contributed \$3,088,000 to the plan, and plan members receiving benefits contributed \$1,416,885. Retiree-only coverage is offered to plan members at no cost or up to \$137.94 per month based upon pension benefit and type of plan selected. Dependent coverage is offered at \$485.66 to \$1,108.09 per month depending on the plan selected. Rates vary based upon the type of plan selected by the retiree.

Net OPEB Liability

Actuarial Assumptions

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% Intermediate, 2.50% Long-Term
Salary Increase	4.70% - 19.30% depending on plan type, age and years of service
Investment Rate of Return	6.00%
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.25% and gradually decreasing to an ultimate trend rate of 3.99%.

Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS), including generational projections of improvements. They are based on the results of a statewide experience study covering the period 2013 through 2018.

The actuarial assumptions used in the September 30, 2021, valuation were based on the results of an actuarial experience study performed as of September, 30, 2020.

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, 2022, 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	6.25%	60%
Fixed Income	0.70%	20%
International Equity	6.55%	10%
Real Estate	5.41%	10%

Discount Rate

A single discount rate of 6.00% 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 6.00%. 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 (6.00%) 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	6.00%
Long-term expected rate of return	6.00%
Long-term municipal bond rate	2.19%
Last year ending September 30 in the 2022 to 2119 projection period for which projected benefit payments are fully funded	2121

Source: Fidelity General Obligation AA rate as of September 30, 2020, 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 (7.0 percent) than the current discount rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Net pension liability	\$11,535,440	\$5,266,634	\$(73,136)

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 (5.25% decreasing to 2.99%) or 1% point higher (7.25% decreasing to 4.99%) than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 2.99%)	Current Discount Rate Trend Rate Assumption	1% Increase (7.25% decreasing to 4.99%)
Net OPEB liability	\$(484,486)	\$5,266,634	\$11,945,463

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, 2020*	\$79,313,309	\$50,852,162	\$28,461,147
Changes for the year:			
Service cost	619,654	-	619,654
Interest on the total OPEB liability	4,577,427	-	4,577,427
Changes of benefit terms	-		-
Differences between expected and actual experience	(1,596,422)	-	(1,596,422)
Changes of assumptions	(11,858,749)	-	(11,858,749)
Contributions from the employer	-	3,902,133	(3,902,133)
Contributions from employees	-	-	-
Net investment income	-	11,099,305	(11,099,305)
OPEB Plan Administrative expenses	-	(65,015)	65,015
Benefit payments, including refunds of employee contributions	(4,092,181)	(4,092,181)	-
Net changes	(12,350,271)	10,844,242	(23,194,513)
Balance at September 30, 2021*	\$66,963,038	\$61,696,404	\$5,266,634

*Measurement date

Net Pension Liability

The Total OPEB Liability as of September 30, 2021, is based on results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures. The components of the Net OPEB Liability as of September 30, 2022, were as follows:

Total OPEB liability	\$66,963,038
Plan fiduciary net position	<u>61,696,404</u>
Net OPEB liability	<u>\$5,266,634</u>
Plan fiduciary net position as a percentage of the total OPEB liability	92.14%

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City will recognize OPEB expense of \$(6,995,395), for the Other Post-Employment Benefits (OPEB) Trust Fund. At September 30, 2022, 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>
Difference between expected and actual experience	\$147,671	\$1,694,499
Assumption Changes	2,046,844	19,359,699
Contributions to the pension plan subsequent to the measurement date	3,042,790	--
Net difference between projected and actual earnings on pension plan investments	--	6,115,359
Total	<u>\$5,237,305</u>	<u>\$27,169,557</u>

\$3,042,790 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, 2022. 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>
2023	\$(6,814,283)
2024	(7,167,142)
2025	(6,911,091)
2026	(4,082,526)

Summary of OPEB Plan

The actuarial valuation of the liabilities was determined as of October 1, 2020 (based on the actuarial valuation results as reported in the October 1, 2020, actuarial valuation report dated July 8, 2021) and "rolled-forward" to the September 30, 2021, measurement date. These liabilities are used for GASB Statement No. 75 reporting for the reporting period ending September 30, 2021. Using a measurement date of September 30, 2021, allows for timelier reporting at the end of the year. An additional deferred outflow of \$45,000 for retiree life insurance is included below that is not included in the actuarially determined amounts above.

Totals for the City's OPEB Plan for the 2022 fiscal year are summarized below:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>OPEB Expense</u>
Governmental activities	\$3,901,646	\$4,668,540	\$20,127,850	\$(5,182,353)
Business-type activities	<u>1,364,988</u>	<u>568,765</u>	<u>7,041,707</u>	<u>(1,813,042)</u>
Totals	<u>\$5,266,634</u>	<u>\$5,237,305</u>	<u>\$27,169,557</u>	<u>\$(6,995,395)</u>

Statement of Plan Net Positions

Assets	
Cash and cash equivalents	\$490,348
Investments:	
Money market funds	1,295,087
U.S. Government securities	6,145
U.S. Government agency securities	3,583,799
Common and preferred stock	27,699,923
Corporate bonds and notes	6,916,052
Real estate mutual funds	5,797,942
Foreign stocks	5,294,673
Foreign bonds mutual funds	215,644
Total investments	\$50,809,265
Receivables (net):	
Interest and dividends	112,781
Prepaid Items	1,777
Total assets	51,414,171
Liabilities	
Accounts payable	529,632
Liability for unpaid claims	482,932
Total liabilities	1,012,564
Net Position	
Restricted for OPEB benefits	\$50,401,607

Statement of Changes In Plan Net Position

Additions	
Contributions:	
Plan members	\$1,416,885
Employer	
City of Sarasota	3,088,000
Other	312,604
Total contributions	4,817,489
Investment income :	
Net increase in fair value of investments	(10,007,647)
Interest and dividends	1,111,460
Total investment income	(8,896,187)
Less investment expense	(480,854)
Net investment income	(9,377,041)
Total additions	(4,559,552)
Deductions	
Benefits	4,842,644
Administrative expenses	1,892,601
Refund of Contributions	-
Total deductions	6,735,245
Net increase	(11,294,797)
Net position - beginning of year	61,696,404
Net position - end of year	\$50,401,607

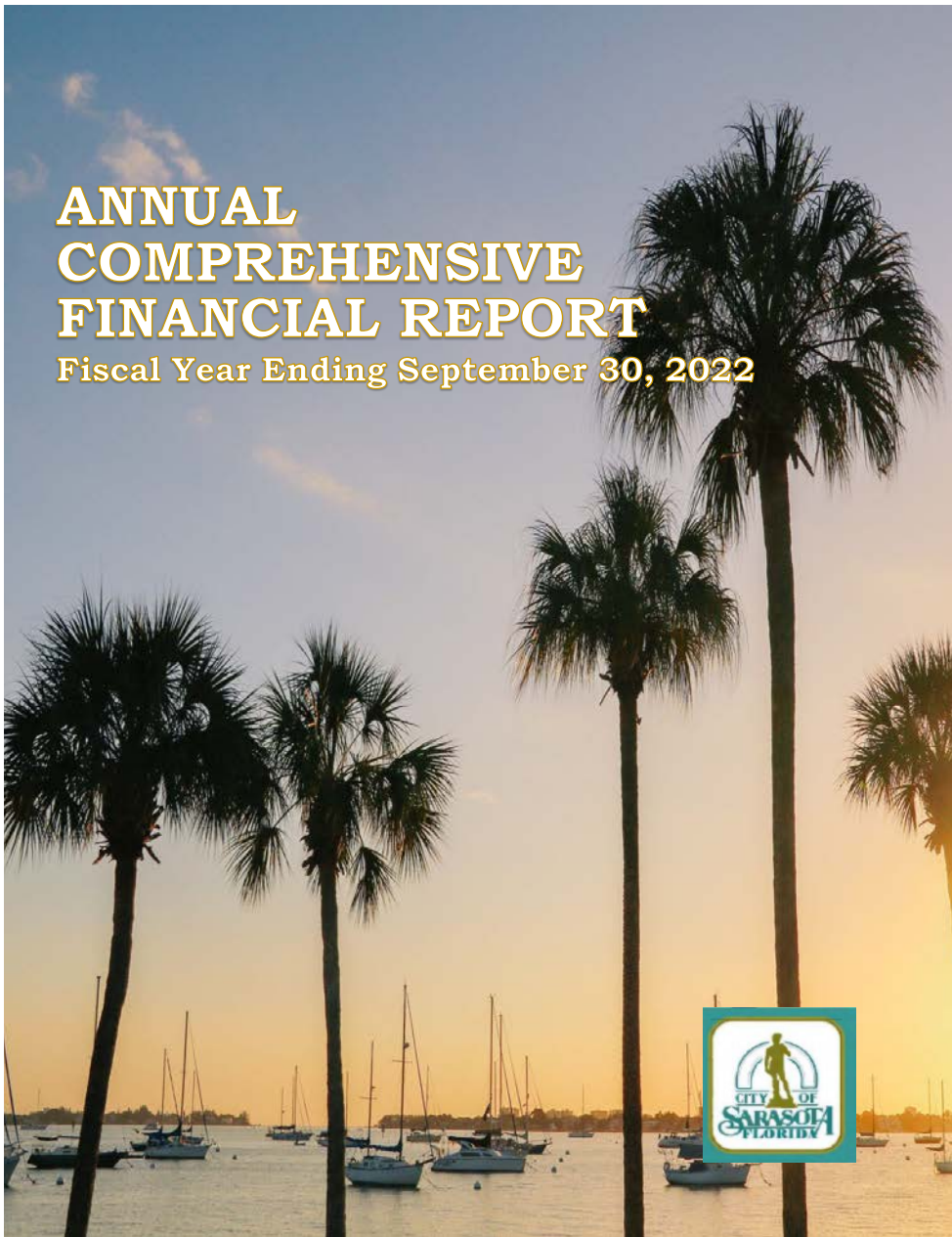
APPENDIX B

**Annual Comprehensive Financial Report
for the Fiscal Year Ended September 30, 2022**

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ending September 30, 2022



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**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF SARASOTA, FLORIDA

**For the Fiscal Year Ended
September 30, 2022**



Prepared By
The Financial Administration Department

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



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**City of Sarasota, Florida
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022
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Introductory Section



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March 22, 2023

Honorable Mayor and City Commissioners,
Citizens of the City of Sarasota
Sarasota, Florida

Dear Mayor and City Commissioners:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Sarasota, Florida, for the fiscal year ending September 30, 2022. 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, MSL, P.A., 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.

City management 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.

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 approved by the voters of the City on September 3, 1996 with Ordinance No. 96-3951, 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, Arlington Park Facilities, Robert L. Taylor Community Complex, various tennis courts located throughout the City, 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 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), the Downtown Improvement District (DID) and the most recently established Bay Park Improvement District (The Bay). The CRA provides for the rehabilitation, conservation and redevelopment of 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. The purpose of The Bay is to establish boundaries of a Tax Increment Financing District (TIF) to provide revenues for the redevelopment of The Bay Park which will be available for a variety of public recreation uses.

Local Economy

The City of Sarasota is located on the Gulf of Mexico on the southwest coast of Florida and covers an area of 25.9 square miles with an estimated population of 56,494. 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 73° 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 2022, US News & World Report identified Sarasota as one of the top places to live in the U.S., ranking #9 in the nation and #1 in the State of Florida.

The City's functional (seasonal plus tourist) population swells to over 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. Sarasota County had an unemployment rate of 2.6% in September 2022, compared to the statewide rate of 2.5% and the national rate of 3.5%.

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 slowed urban sprawl by retaining and adding green space, supporting local culture, and zoning for a pedestrian friendly, vibrant higher density downtown that is guided by the principles of new urbanism.

The economy and housing market in Sarasota has been growing since the end of the Great Recession. Property tax revenue increased 1.81% over the previous year from \$40,028,474 in 2021 to \$40,754,471 in 2022. This is attributable to a \$2,914 million increase in taxable value. The current building boom, dubbed the Billion Dollar Boom, has approximately 7,500 units of some form of housing completed or recently underway. The unassigned fund balance in the General Fund is \$26.9 million, which is a 32% ratio to expenditures and an excellent funding level.

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.

Relevant Financial Policies

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. In 2022, Fitch Ratings affirmed its ratings of the City's general obligation bonds of AA+ and AA1 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

During the year, the Public Works Department continued providing services to maintain the quality of life for its neighborhoods by resurfacing streets, improving roadways, and enhancing multimodal opportunities. The Department accomplished several substantial projects, such as the completion of the Judicial Parking Lot which provided 48 new parking spaces - including 2 electric vehicle (EV) spaces - near the County's Judicial complex and the Cleveland Drive parking layout configuration. Roadway reconstruction and drainage improvements were made at Industrial Court at 14th Street,

Magnolia Street, and Higel Avenue. Public Works also affirmed its commitment to environmental sustainability with the completion of Lido Beach sea turtle and shorebird monitoring.

The Utilities Department continued to deliver reliable and safe drinking water and wastewater service, as well as complete numerous capital improvement projects. Projects completed or substantially completed during the period include the Water Treatment 36" Valve and Pipe Replacement, Wastewater Treatment Plant 48" Low Pressure Pipeline Replacement, Coconut Force Main Replacement Phase C, rehabilitation and/or replacement of numerous water and sewer mains (and appurtenances) throughout the City, rehabilitation of several lift stations, renewal/rehabilitation of several wells, and numerous renewal/rehabilitation projects at the water treatment and wastewater treatment plants.

Because of the waivers allowed due to the COVID-19 pandemic, the City of Sarasota's Office of Housing and Community Development was able to focus on and provide much-needed public services in the form of Senior Care food provisions and Childcare using Community Development Block Grant (CDBG) funds.

Childcare: Reduced cost for Childcare and Scholarships for Very Low Income (VLI) Households: 80 households served, 70 of whom were VLI, with 16 white, 30 white/Hispanic, 25 black, 1 Asian and 8 "Other".

Seniorcare: Nutritious meals and Wellness Checks: were delivered to 696 individuals, with 43% of all individuals over the age of 70; 460 individuals with extremely low income and 236 with very low income, and of which 54% of all individuals have major health issues such as heart disease, diabetes, mental health concerns or cancer.

Additionally, the City provided funds for the acquisition of four sites upon which homes will eventually be built and sold to low-income households. Three homes were funded with CDBG and two of the sites leveraged modest amounts of HOME funds, as well. A fourth home site was solely acquired with HOME funds. There were two acquisitions of older housing stock, both of which were renovated and sold to low-income households; one family of four (white/Hispanic) and another family of three (multi-racial/non-Hispanic).

Eighteen of the SHIP 69 home rehabilitation projects for low-income and very low-income households were leveraged with HOME funds.

The City of Sarasota is also using local Affordable Housing initiative funds leveraged with local philanthropic money which will ultimately result in ten (10) rental units for the benefit of very low-income veterans. Two lots at 1529 and 1539 25th Street which were owned by the City of Sarasota and deemed suitable for affordable housing were deeded to St. Vincent DePaul CARES, Inc. who will develop the two sites into rental housing, manage the site, and provide case management.

The Development Services Department continued to experience a very busy year, issuing 7,310 permits compared to the prior year's 7,519, with a construction value of \$619 million, compared to \$428 million in the year before. The number of permits issued has stayed consistent, while the construction value increased significantly. As the COVID pandemic eased, commercial projects have resumed and multi-family construction is answering the call for more housing, all reflecting the higher construction costs of a changing economy.

The City of Sarasota's Parking Division had a highly successful year compared to years past. The implementation of the Bay Runner Trolley Service in March 2022 has proven to be quite popular. This shuttle is free to the public and currently has active routes from Downtown to both St. Armand's Circle and Lido Beach. Also, the City partnered with VEO Rides in a micro mobility program which provides access to scooters and pedal bike rentals. During the past year we had over 127k rides with the busiest month being May of 2022. Additionally, there was an increase in transient traffic at all three city

operated garages which include State Street Parking Garage, the Palm Avenue Garage, and St. Armand's Parking Garage.

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 Annual Comprehensive Financial Report for the fiscal year ending September 30, 2021. This was the forty-first consecutive year that the City has received this prestigious award. We are pleased to continue to achieve this distinction. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive 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, 2021 the same period covered by this Annual Comprehensive Financial Report. This was the thirty-second consecutive year that the City has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization, and as a communications medium. We are pleased that we continue to achieve this distinction.

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 30, 2021. This was the ninth 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.

Acknowledgments

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
Director of Financial Administration



Marlon Brown
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sarasota
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morvill

Executive Director/CEO



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City of Sarasota Elected Officials • Fiscal Year 2022



Kyle Battie
Mayor
District 1

Liz Alpert
Vice Mayor
District 2

Jennifer Ahearn-Koch
Commissioner
At-Large

Erik Arroyo
Commissioner
District 3

Debbie Trice
Commissioner
At-Large

City of Sarasota Charter Officials • Fiscal Year 2022



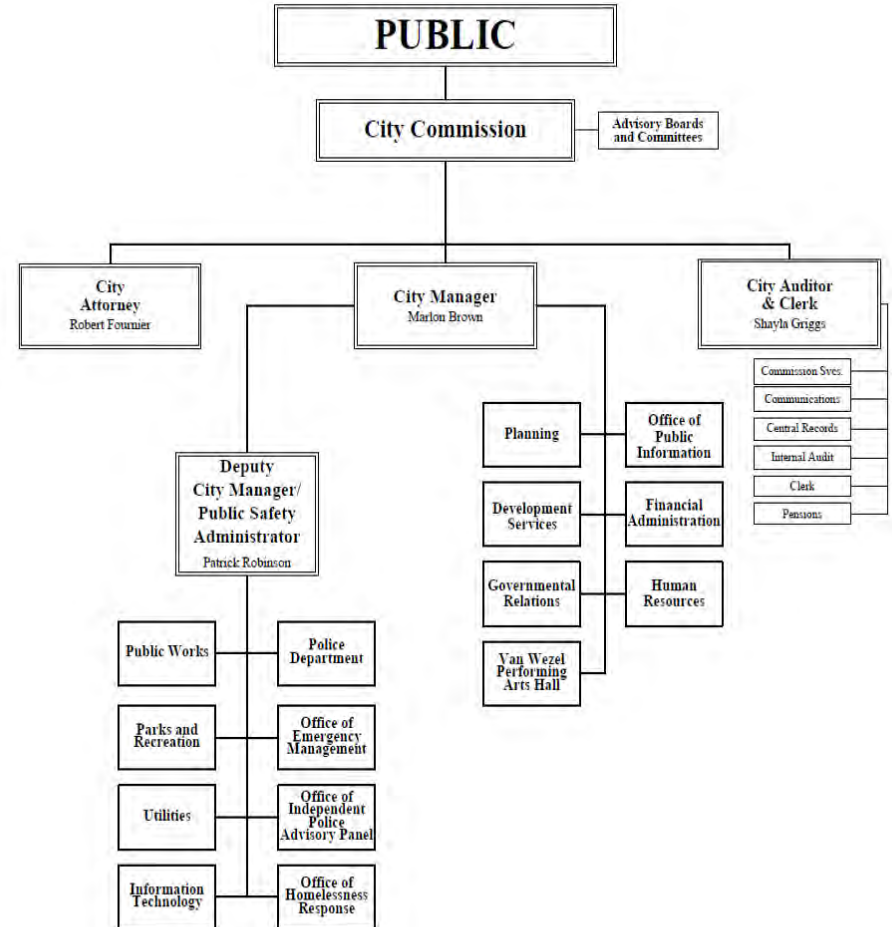
City Manager
Marlon Brown

City Auditor & Clerk
Shayla Griggs

City Attorney
Robert Fournier, ESQ

City of Sarasota Department Directors - Fiscal Year 2022

Marlon Brown	City Manager
Patrick Robinson	Deputy City Manager
Mary Bensef	Executive Director - Van Wezel Performing Arts Hall
Steven Cover	Director of Planning
Jerry Fogle	Director of Parks & Recreation
Doug Jeffcoat	Director of Public Works
Stacie Mason	Director of Human Resources
Lucia Panica	Director of Development Services
William Riebe	Director of Utilities
Hermínio Rodriguez	Director of Information Technology
Kelly Strickland	Director of Financial Administration
Rex Troche	Chief of Police





Financial Section



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Commission
City of Sarasota, Florida

Report on the Audit of the Financial Statements

Opinions

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 fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

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 unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and each major special revenue fund thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the General Employees' Pension Plan, the Police Officers' Plan, or the Firefighters' Pension Plan, which represent 93%, 94%, and 82% of the assets, net position, and revenues/additions 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' Plan, or the Firefighters' Pension Plan, is based solely on the reports of those other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Honorable Mayor and City Commission
City of Sarasota, Florida

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis-of-Matter

As discussed in Note 7 to the financial statements, in the fiscal year ended September 30, 2022, the City adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 87, *Leases*. Our opinion is not modified with respect to this matter.

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 (other than MD&A), as listed in the table of contents, 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.

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and the statistical sections, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 13, 2023



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Management's Discussion and Analysis

City of Sarasota, Florida
Management's Discussion and Analysis
September 30, 2022

This section of the City of Sarasota's Annual Comprehensive 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, 2022. 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 \$568,746,258 (*net position*). Of this amount, \$419,642,311 represents net investment in capital assets (*capital assets net of related debt*); \$95,498,844 is restricted for specific purposes (*restricted net position*) and the remaining portion represents unrestricted net position of \$53,605,103.
- The government's total net position increased by \$73,541,565 , or (14.9%) for the year compared to an \$48,357,806 increase in the prior year.
- Total revenues were \$218,665,801, an increase of \$28,948,765 , or 15.3% from last year.
- Total expenses were \$145,124,236, an increase of \$3,765,006 , or 3 % , 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 \$36,702,028, made in fiscal year 2022, after the measurement date of September 30, 2021, 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 \$121,097,115, an increase of \$18,747,255 for the year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$26,863,306 or 32% of total General Fund expenditures, including transfers out.

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, auditoriums, and parking system.

The City's government-wide financial statements can be found on pages 36-37 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 38-43.

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, Solid Waste Collection, Parking and Bobby Jones Golf Complex. 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 52-61 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 62-63 of this report.

Component Units

Discretely presented component unit financial statements can be found on pages 64-65 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 69-142 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 144-168 of this report.

Budgetary comparison schedules for combining statements of nonmajor governmental, and major capital, begin on page 182.

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 \$568,746,258 at the close of the most recent fiscal year. The following schedule is a summary of the Statement of Net Position found on page 36 of this report and provides comparable data for the previous fiscal year:

City of Sarasota's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 194,326,666	\$ 149,753,895	\$ 113,540,303	\$ 93,936,232	\$ 307,866,969	\$ 243,690,127
Capital assets, net of depreciation	273,888,257	247,815,450	291,685,777	287,753,869	565,574,034	535,569,319
Total assets	468,214,923	397,569,345	405,226,080	381,690,101	873,441,003	779,259,446
Total deferred outflows of resources	30,128,414	29,618,766	8,673,561	9,741,397	38,801,975	39,360,163
Current and other liabilities	28,255,251	23,395,289	16,530,933	21,359,510	44,786,184	44,754,799
Long-term liabilities outstanding	81,276,630	127,990,152	128,364,621	125,191,780	209,641,251	253,181,932
Total liabilities	109,531,881	151,385,441	144,895,554	146,551,290	254,427,435	297,936,731
Total deferred inflows of resources	73,733,977	21,525,212	15,335,308	3,952,973	89,069,285	25,478,185
Net position:						
Net investment in capital assets	234,477,660	204,721,249	185,164,651	203,011,687	419,642,311	407,732,936
Restricted	89,069,822	60,660,381	6,429,022	4,196,159	95,498,844	64,856,540
Unrestricted	(8,470,003)	(11,104,172)	62,075,106	33,719,389	53,605,103	22,615,217
Total net position	\$ 315,077,479	\$ 254,277,458	\$ 253,668,779	\$ 240,927,235	\$ 568,746,258	\$ 495,204,693

At September 30, 2022, the City is able to report positive balances in the business-type activities net position. However, governmental activities reported a negative unrestricted net position. The negative unrestricted net position for the governmental activities is due to the recording of pension and OPEB liabilities.

The largest portion of the City's net position, \$419,642,311 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, \$95,498,844, represents resources that are subject to external restrictions on how they may be used. Of the total net position at September 30, 2022, an amount of

\$53,605,103 represents unrestricted net position \$(8,470,003) for governmental activities and \$62,075,106 for business-type activities.

The following is a summary of the information presented in the Statement of Activities found on page 37 of this report:

City of Sarasota's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 23,852,039	\$ 28,641,569	\$ 81,772,565	\$ 69,486,486	\$ 105,424,604	\$ 98,128,055
Operating grants and contributions	10,736,980	8,309,299	4,918,993	5,217,767	15,655,973	13,527,066
Capital grants and contributions	22,166,554	970,181	--	113,847	22,166,554	1,084,028
General Revenues:						
Property taxes	40,754,471	40,028,474	--	--	40,754,471	40,028,474
Other taxes	34,326,861	31,094,826	--	--	34,326,861	31,094,826
Other	2,113,689	4,919,121	(1,776,351)	935,466	337,338	5,854,587
Total revenues	133,750,594	113,963,470	84,915,207	75,753,566	218,665,801	189,717,036
Expenses:						
Governmental Activities:						
General government	15,502,218	12,039,365	--	--	15,502,218	12,039,365
Public safety	14,978,146	35,881,363	--	--	14,978,146	35,881,363
Physical environment	199,429	330,396	--	--	199,429	330,396
Transportation	9,391,319	7,967,564	--	--	9,391,319	7,967,564
Culture & recreation	20,308,536	13,020,477	--	--	20,308,536	13,020,477
Economic environment	7,880,590	5,192,178	--	--	7,880,590	5,192,178
Human services	837,382	767,810	--	--	837,382	767,810
Interest on long-term debt	1,512,999	1,509,212	--	--	1,512,999	1,509,212
Business-type Activities:						
Water and Sewer	--	--	40,902,402	40,718,729	40,902,402	40,718,729
Van Wezel Performing Arts Hall	--	--	12,052,955	4,746,755	12,052,955	4,746,755
Solid Waste	--	--	13,483,917	13,994,106	13,483,917	13,994,106
Parking Management	--	--	4,816,632	4,661,439	4,816,632	4,661,439
Bobby Jones Golf Course	--	--	2,200,527	150,040	2,200,527	150,040
Municipal Auditoriums	--	--	1,057,184	379,796	1,057,184	379,796
Total expenses	70,610,619	76,708,365	74,513,617	64,650,865	145,124,236	141,359,230
Increase (decrease) in net position before other items	63,139,975	37,255,105	10,401,590	11,102,701	73,541,565	48,357,806
Transfers	(2,339,954)	(481,465)	2,339,954	481,465	--	--
Increase (decrease) in net position	60,800,021	36,773,640	12,741,544	11,584,166	73,541,565	48,357,806
Net position - beg. of year	254,277,458	217,503,818	240,927,235	225,446,095	495,204,693	442,949,913
Prior Period Adjustment	--	--	-	3,896,974	-	3,896,974
Net position - beg. of year restated	\$ 254,277,458	\$ 217,503,818	\$ 240,927,235	\$ 229,343,069	\$ 495,204,693	\$ 446,846,887
Net position - end of year	\$ 315,077,479	\$ 254,277,458	\$ 253,668,779	\$ 240,927,235	\$ 568,746,258	\$ 495,204,693

Governmental Activities

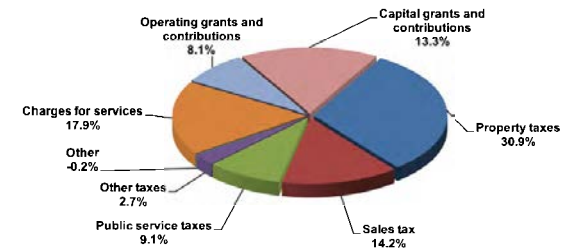
As shown on the previous page governmental activities increased the City's net position by \$60.8 million in 2022 compared to a \$36.8 million increase in 2021. A further detail of the expenses and program revenues for governmental activities in 2022 compared to 2021 is below:

Expenses and Net Program Revenue (Expense) - Governmental Activities

Program	2022			2021		
	Expenses	Revenues	Net	Expenses	Revenues	Net
General Government	\$ 15,502,218	\$ 11,897,293	\$ (3,604,925)	\$ 12,039,365	\$ 19,726,897	\$ 7,687,532
Public Safety	14,978,146	12,566,547	(2,411,599)	35,881,363	7,942,035	(27,939,328)
Physical Environment	199,429	595,071	395,642	330,396	547,963	217,567
Transportation	9,391,319	2,265,170	(7,126,149)	7,967,564	2,670,765	(5,296,799)
Culture and Recreation	20,308,536	21,547,681	1,239,145	13,020,477	1,970,703	(11,049,774)
Economic Environment	7,880,590	7,683,811	(196,779)	5,192,178	5,062,686	(129,492)
Human Services	837,382	-	(837,382)	767,810	-	(767,810)
Interest Expense	1,512,999	-	(1,512,999)	1,509,212	-	(1,509,212)
Total	\$ 70,610,619	\$ 56,555,573	\$ (14,055,046)	\$ 76,708,365	\$ 37,921,049	\$ (38,787,316)

The table above reveals that program revenues are not sufficient to cover expenses for any of the City's governmental activities for fiscal year 2022. 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:

Revenues by Source - Governmental Activities



The net program (expense) above was \$(14.1) million in 2022 and \$(38.8) million in 2021. 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

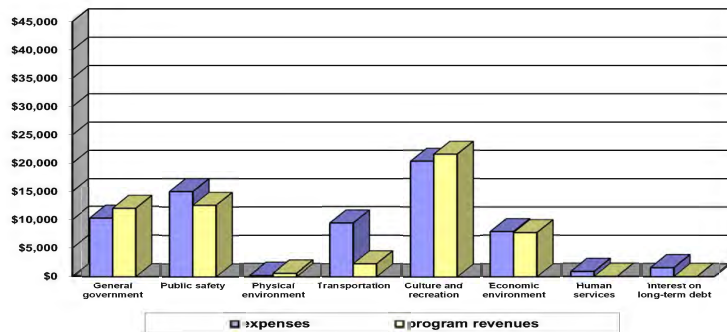
	2022	% of Total	2021	Increase (Decrease)	% change
General Revenues:					
Property taxes	\$ 40,754,471	54.44%	\$ 40,028,474	\$ 725,997	1.81%
Gasoline taxes	2,662,284	3.56%	2,624,801	37,483	1.43%
Sales taxes	18,756,212	25.06%	16,005,912	2,750,300	17.18%
Public service taxes	12,044,040	16.09%	11,413,593	630,447	5.52%
Business taxes	819,560	1.09%	1,004,356	(184,796)	-18.40%
Other taxes	44,765	0.06%	46,164	(1,399)	-3.03%
State revenue sharing	2,687,669	3.59%	1,766,299	921,370	52.16%
Investment earnings/loss	(4,632,609)	-6.19%	268,627	(4,901,236)	-1824.55%
Other	4,058,629	5.42%	2,884,195	1,174,434	40.72%
Net transfers	(2,339,954)	-3.13%	(481,465)	(1,858,489)	386.01%
Total	\$ 74,855,067	100.00%	\$ 75,560,956	\$ (705,889)	-0.93%

General revenues and transfers decreased by \$(705,889) from 2022 to 2021, as shown in the preceding table. The decrease is attributed to the following:

- Property tax revenue increased \$725,997, a 1.81% increase. The increase is a result of the City's assessed values rising 6.43% over last year and the City's overall millage rate for the current year decreased from 3.4866 mills to 3.3472 mills.
- Sales tax revenue increased \$2,750,300 for the year of recovery from the effects of the COVID-19 pandemic.
- Investment earnings decreased \$(4,901,236) in 2022 as the fixed income market leveled out from a highly favorable previous year of returns.

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 \$12,741,544 in 2022 compared to a change in net position of \$11,584,166 in 2021 as a result of operations. The following is a comparison for the last two years:

Changes in Net Position - Business-type Activities

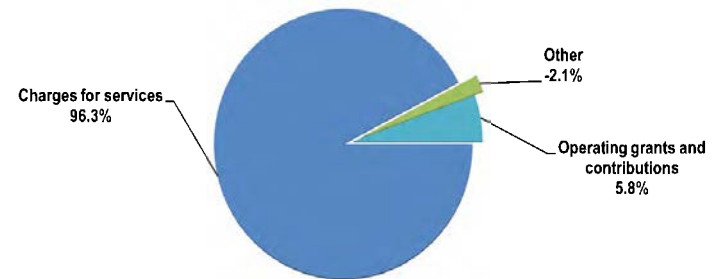
Program	2022			2021		
	Expenses	Program Revenue	Net	Expenses	Program Revenue	Net
Water and Sewer	\$ 40,902,402	\$ 53,739,183	\$ 12,836,781	\$ 40,718,729	\$ 52,599,532	\$ 11,880,803
Van Wezel	12,052,955	14,944,438	2,891,483	4,746,755	5,747,670	1,000,915
Solid Waste	13,483,917	13,160,883	(323,034)	13,994,106	12,699,074	(1,295,032)
Parking Management	4,816,632	4,847,054	30,422	4,661,439	3,739,766	(921,673)
Bobby Jones Golf Course	2,200,527	-	(2,200,527)	150,040	-	(150,040)
Municipal Auditoriums*	1,057,184	-	(1,057,184)	379,796	32,058	(347,738)
Total	\$ 74,513,617	\$ 86,691,558	12,177,941	\$ 64,650,865	\$ 74,818,100	10,167,235

General Revenues	(1,776,351)	935,466
Net Transfers	2,339,954	481,465
Change in Net Position	\$ 12,741,544	\$ 11,584,166

*Municipal Auditoriums were combined into General Fund classified as Culture and Recreation in FY2022.

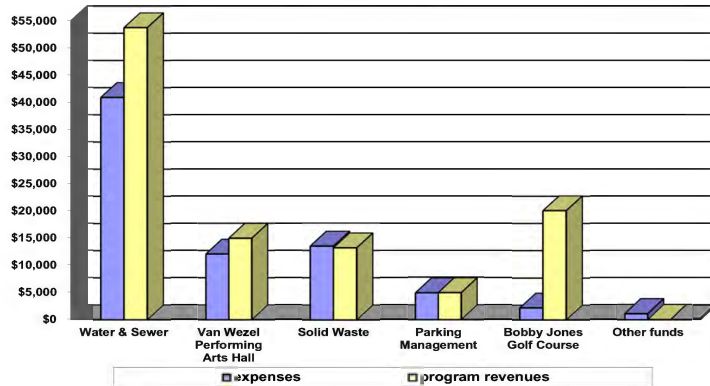
The following graph shows the composition of revenues for the City's business-type activities:

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 38-43. 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 \$121,097,115 an increase of \$18,747,255 for the year. Approximately 22% of this amount or \$26,863,306 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 (\$20,385,042), 2) restricted for community redevelopment (\$3,665,229), 3) restricted for building services (\$6,885,071), 4) restricted for transportation (\$7,935,930), 5) restricted for Housing and Community Development (\$11,401,736) and 6) restricted for Construction (\$21,691,606).

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 \$26,863,306, while total fund balance was \$32,162,690. 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 32 % (or 3.8 months) of total General Fund expenditures and transfers out.

Revenues and transfers in for the City's General Fund increased by \$2,586,175 since the prior year. Key factors for the increases in revenue are:

- The General Fund's ad valorem tax revenue increased \$24,791. The rollback millage of 3.1372 mills was adopted during the FY2021-22 budget process.
- Intergovernmental revenues (including Sales Tax) increased by \$2,560,982 for the current year. This is attributable to a positive economic environment, after the initial effects of the COVID-19 Pandemic.

Other major increases in the General Fund include, Charges for Services \$418,237, Fines & Forfeitures \$713,105 and a decrease of other miscellaneous revenues \$(91,557).

- Investment Earnings decreased (1,706,782).

Expenditures and transfers out for the General Fund increased by \$7,314,212. This is a relatively large all increase that can be attributed to a reset of "normal" City operations, after exercising restraint in prior years for the COVID-19 pandemic.

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 \$214,525 and included tax increment revenue of \$170,944, miscellaneous revenue of \$175,530, and investment earnings of \$(131,949). Expenditures and transfers out of \$756,511 included the following:

- Janie's Garden Buildouts \$277,250
- Blvd. of the Arts - Complete Street 139,746
- 10th Street Streetscape 99,690
- Newtown Business Assistant Grants 52,596
- Salvation Army Street Teams 39,900
- Martin Luther King/Orange Ave. Redevelopment 39,888
- Economic Redevelopment Office 30,000
- Fredd Atkins Plaza Improvement 26,187
- Robert L. Taylor Summer Youth Program 24,000
- Other Miscellaneous Project costs and Events 27,254

The Community Redevelopment Agency Fund has a fund balance of \$ 3,669,229 as of September 30, 2022, 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 \$1,370,500 and expenditures and transfers out were \$2,113,390. 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.

The Penny Sales Tax Fund accounts for the revenue from the one-cent local option sales surtax. Total revenues for the year were \$11,465,942 with \$12,083,797 coming from the Infrastructure Sales Surtax , and \$48,748 for other miscellaneous income. Expenditures and transfers out for the year totaled \$11,576,910. The net decrease in fund balance was \$(110,968) resulting in a fund balance at the end of 2022 of \$20,385,042. Expenditures and transfers out for the current year included the following capital improvement projects:

- Lighting Improvements \$2,319,659
- Police Vehicles 1,859,626
- Housing Authority 1,555,557

• Street Reconstruction	1,431,556
• Debt service transfer out for Parks & Community Center projects	1,377,517
• The Bay - Park Improvements	627,000
• Arlington Park Improvements	594,208
• Construct New Sidewalks	372,945
• Information Technology Enterprise fiber Infrastructure	220,665
• Traffic Signal Rebuild	205,852
• Lido Beach Pavilion Improvements	205,852
• Hyper Converged Infrastructure	198,832
• City Hall/Annex Building	141,236
• Other Miscellaneous Projects	466,405

The Building Services Fund tracks the costs to administer the Florida Building Code. Revenues are specifically designated by Florida Statutes to pay the costs of building/development services. For the current year, licenses and permit fees were \$8,568,844, a \$2,570,234 increase from the prior year, as construction appears to be going strong within the City. Total revenues of \$9,476,142 also included \$1,339,774 for charges for services, and \$(432,609) of investment earnings. Expenditures and transfers out for the year totaled \$14,957,751. This included the transfer out of \$7,485,432 for a new capital project (One Stop Shop), resulting in a net decrease in fund balance of \$(5,481,609).

The Tourist Development Tax Fund is used to account for revenues received for beach maintenance, restoration, re-nourishment and erosion control. For the current year revenues totaled \$123,699, of which \$123,699 was tourist taxes and \$- was investment earnings. Expenditures were \$173,116, all for the re-nourishment maintenance of the beach on Lido Key.

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 fiscal year 2022, compared to the prior fiscal 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 a change in net position of \$11,174,691 for 2022 compared to a change in net position of \$12,051,147 for 2021.

Operating revenues of the Water and Sewer Fund increased \$1,179,261 for the current year. This increase is mainly attributed to a 3.5% rate increase.

Operating expenses for the Water and Sewer Fund increased by \$722,063, or 1.84% change.

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 change in net position of \$2,822,432 for 2022 compared to a change in net position of \$1,015,476 in 2021.

Operating revenues for the Van Wezel Performing Arts Hall increased \$9,806,787 in the current year. With the decline of the COVID-19 pandemic, performances were re-scheduled, related performance fees and other performance expenses increased, leading to an overall increase in operating expenses of \$7,302,984. The Van Wezel also obtained a \$4,730,952 Federal Government Shuttered Venue Operator Grant, which assisted with the Hall operational expenses.

Solid Waste Management Fund

Solid waste operations include the collection and disposal activities of refuse and recycling. The fund reported a change in net position of \$1,543,439 for 2022 compared to a change in net position of \$(1,089,152) in 2021. The fund had an operating revenue increase of \$511,434 for the current year, compared to a revenue increase of \$403,382 for 2021. Operating expenses decreased by \$(495,667).

Parking Management Fund

Parking Management is responsible for oversight and maintenance of the City's four parking garages, 17 public parking lots, on street parking and enforcement of parking regulations. The fund reported a change in net position of \$191,365 for 2022 compared to a change in net position of \$(846,625) in 2021.

The \$949,725 increase in operating revenues for 2022 were offset by a \$175,996 increase in operating expenses. Contributing to the overall increase in net position is the whole year collection of parking fees, where in prior years the fees were temporarily suspended due to the COVID-19 Pandemic. No subsidies were provided to the Parking Management Fund in 2022.

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

Bobby Jones Golf Complex Fund

Bobby Jones Golf Complex is a combination of the reconstruction of the course, as well as the operations of the Golf Course. The course will have 18 regulation holes with 9 executive holes. This fund qualifies as a major fund this year due to the issuance of debt in the amount of \$20 million for the purpose of reconstructing the course. The re-opening of the golf course is projected for August of 2023.

General Fund Budgetary Highlights

Overall the General Fund revenue and transfers in budget was increased by \$5,187,581. This amount includes an increase of \$5,061,881 for the 2nd tranche of American Rescue Plan Act (ARPA) funds, \$31,700 for various donations for Police services and \$94,000 from increased Right-of-way fees. The General Fund expenditure and transfers out budget increased for the year by \$13,351,653. The difference between the original expenditures budget and the final budget are summarized as follows:

- \$1,310,542 increase for outstanding encumbrances from 2021. These are items ordered in the prior year (using prior year budget) but have not yet been received.
- \$3,678,186 increase for reappropriations of project balances. These are the budget balances of projects that have not been completed as of 9/30/21.
- \$35,000 increase for additional tree lighting and specialty holiday lighting Downtown.
- \$1,128,334 increase for funding the 1st debt service payment for the Bobby Jones Golf Complex construction.
- \$1,233,629 increase to fund ten additional police officers, vehicles and other applicable equipment for the new officers.
- \$31,700 increase for expenses funded with Sarasota Police Department donations.

- \$286,875 increase to fund a grant to the St. Armands Circle Association for a holiday tree purchase for St. Armands Circle.
- \$585,506 increase to update the City's Engineering Design criteria Manual (EDCM).
- \$5,061,881 increase for expenses funded with ARPA funds.

Actual revenues and transfers in were more than final budget by \$1,322,417 and actual expenditures and transfers out were less than budgeted expenditures by a total of \$7,318,565. This resulted in a positive budget variance of \$8,640,982. Most of this savings was achieved by committed efforts to control costs at all levels of management.

The final budget anticipated \$10,222,248 to be expended from available fund balance. However, although revenues exceeded budgetary estimates, and expenditures were also less than budgetary estimates as discussed above, the result is a negative change in fund balance of \$(1,581,266), or \$8,640,982 less of a decrease 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, 2022, is \$565,574,034 (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 \$30,004,715 (a 10.5% increase for governmental activities and a 1.4 % increase for business-type activities).

The schedule below reflects the City's capital assets as of September 30, 2022 and 2023:

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 42,408,767	\$ 41,206,351	\$ 11,694,613	\$ 11,869,613	\$ 54,103,380	\$ 53,075,964
Art collections	1,670,683	1,670,683	218,397	218,397	1,889,080	1,889,080
Buildings	50,324,691	47,548,721	39,561,564	41,749,966	89,886,255	89,298,687
Improvements and						
Infrastructure	99,234,695	100,173,065	6,872,420	8,700,762	106,107,115	108,873,827
Utility systems	--	--	203,020,542	149,485,643	203,020,542	149,485,643
Equipment	406,161	6,137,698	5,850,070	7,647,977	6,256,231	13,785,675
Construction in progress	79,843,260	51,078,928	24,468,170	68,081,509	104,311,430	119,160,438
Total	\$ 273,888,257	\$ 247,815,447	\$ 291,685,776	\$ 287,753,867	\$ 565,574,033	\$ 535,569,314

Additional information on the City's capital assets can be found in Note 6 on pages 97-98 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 \$20,930,062 and construction began on others at a cost of \$1,314,799
- The construction on the Bay has started and includes contributed capital of \$30,714,011. See note 19 for further information regarding this project.
- The construction of various streets and highways, such as construction on the US41 and Fruitville roundabout, total \$7,101,018.

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$89,194,985. Of this amount, \$28,740,000 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 Service	Fitch Ratings
General Obligation	Aa1	AA+
Special Obligation	Aa1	AA
Water and Sewer	Aa2	AA

The schedule below reflects the City's outstanding debt as of September 30, 2022 and 2021:

City of Sarasota's Outstanding Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 28,740,000	\$ 30,355,000	\$ --	\$ --	\$ 28,740,000	\$ 30,355,000
Special obligation bonds	10,514,985	12,085,005	--	--	10,514,985	12,085,005
Revenue bonds	--	--	49,940,000	51,805,000	49,940,000	51,805,000
Total bonds	39,254,985	42,440,005	49,940,000	51,805,000	89,194,985	94,245,005
Loans payable	10,070,000	404,745	52,174,082	32,672,974	62,244,082	33,077,719
Total bonds & loans	\$ 49,324,985	\$ 42,844,750	\$ 102,114,082	\$ 84,477,974	\$ 151,439,067	\$ 127,322,724

The City's total debt increased by \$ 24,116,343. The key factors in this increase are:

- The City borrowed \$20,000,000 to complete the reconstruction for the Bobby Jones Golf Course.
- The City borrowed \$10,070,000 to build the One Stop Shop Administration Building.
- \$394,403 of loan proceeds were drawn on a state revolving loan for the Lift Station 87 Project.
- Scheduled principal payments of \$ 5,943,315 were paid when due.

Additional information on the City's long-term debt can be found in Note 9 on pages 102-106 of this report.

Economic Factors and Next Year's Budget and Rates

The General Fund budget for the 2023 fiscal year was balanced utilizing \$3,254,194 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 2023 will result in an estimated unassigned fund balance of \$26,823,988 at September 30, 2023, 31.3% 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 2023 fiscal year budget were:

- The taxable value of commercial and residential property increased 17.85% from last year's certified valuation. The \$2.2 billion increase in taxable value for 2022 is the eleventh consecutive year that property values have increased.
- An adjustment to reduce the millage rate from 3.1372 mills to 3.0000 mills was made to the General Fund property tax rate. Since the property valuation for the 2022 tax year increased and the roll back millage was not set, property tax revenue is expected to increase approximately \$3.6 million.
- The City's population increased slightly from 55,386 reported in 2021 to 56,494 for 2022.
- The City of Sarasota unemployment rate for September 2022 was 2.6%, a decrease of 1.1% from the September 2021 rate of 3.7%. The Sarasota County unemployment rate for September 2022 was 2.6%, a decrease of 1.1% from the 3.7% rate reported in September 2021 and lower than the State and Federal rates (2.5% and 3.4% 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 Financial Administration, Director, 1565 1st Street, Sarasota, Florida 34236 or telephone (941) 263-6407. You can also access our website at www.sarasotaf.gov.



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Basic Financial Statements



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Basic Financial Statements

This part of the City of Sarasota's annual comprehensive 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 Page
Government-Wide Financial Statements 36-37

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 38-63

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 64-65

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 69-142

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, 2022

	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	\$ 18,298,678	\$ 16,347,915	\$ 34,646,593	\$ 173,736
Investments	144,055,229	86,690,073	230,745,302	1,377,531
Receivables (net):				
Accounts	2,493,542	6,612,330	9,105,872	--
Interest	376,906	267,291	644,197	3,577
Notes	141,713	--	141,713	--
Leases	4,163,514	--	4,163,514	183,704
Special assessments	79,986	3,636,302	3,716,288	--
Internal balances	1,467,064	(1,467,064)	--	--
Due from other governmental agencies	6,155,198	545,730	6,700,928	647
Inventories	107,894	250,162	358,056	--
Prepaid items	835,094	657,564	1,492,658	3,000
Net Pension Assets	16,151,848	--	16,151,848	--
Capital assets:				
Non-depreciable	123,922,710	36,381,180	160,303,890	1,376
Depreciable (net)	149,965,547	255,304,597	405,270,144	840,503
Right to use asset	--	--	--	124,259
Total assets	<u>468,214,923</u>	<u>405,226,080</u>	<u>873,441,003</u>	<u>2,708,333</u>
Deferred Outflows of Resources				
Related to refunding	1,451,815	648,132	2,099,947	--
Related to pension	24,008,059	7,456,664	31,464,723	--
Related to OPEB	4,668,540	568,765	5,237,305	--
Total deferred outflows of resources	<u>30,128,414</u>	<u>8,673,561</u>	<u>38,801,975</u>	<u>--</u>
Liabilities				
Accounts payable	7,606,926	4,550,487	12,157,413	109,633
Retainages payable	251,161	10,060	261,221	--
Liability for unpaid claims	3,374,228	--	3,374,228	--
Due to other governmental agencies	583,055	185,768	768,823	408
Accrued interest payable	400,959	965,224	1,366,183	--
Accrued wages	1,072,797	435,697	1,508,494	3,628
Unearned revenue	14,142,109	9,024,798	23,166,907	--
Customer deposits	824,016	1,358,899	2,182,915	4,000
Noncurrent liabilities:				
Due within one year	8,112,997	7,402,444	15,515,441	--
Due in more than one year	73,163,633	120,962,177	194,125,810	124,585
Total liabilities	<u>109,531,881</u>	<u>144,895,554</u>	<u>254,427,435</u>	<u>242,254</u>
Deferred Inflows of Resources				
Pension Related	49,442,613	8,293,601	57,736,214	--
OPEB Related	20,127,850	7,041,707	27,169,557	--
Lease Related	4,163,514	--	4,163,514	183,704
Total deferred inflows of resources	<u>73,733,977</u>	<u>15,335,308</u>	<u>89,069,285</u>	<u>183,704</u>
Net Position				
Net investment in capital assets	234,477,660	185,164,651	419,642,311	841,879
Restricted for:				
Infrastructure improvements	21,404,875	--	21,404,875	--
Community redevelopment	4,059,756	--	4,059,756	--
Housing and community development	16,916,050	--	16,916,050	--
Building services	7,302,867	--	7,302,867	--
Transportation	9,080,024	--	9,080,024	--
Law enforcement programs	1,071,036	--	1,071,036	--
Golden Gate Point streetscape	267,087	--	267,087	--
Tourist development	2,443,264	--	2,443,264	--
Grant programs	716,718	--	716,718	--
Economic development	3,108,641	--	3,108,641	--
Debt service	1,007,898	6,376,569	7,384,467	--
Construction	21,691,606	52,453	21,744,059	--
Unrestricted (deficit)	(8,470,003)	62,075,106	53,605,103	1,440,496
Total net position	<u>\$ 315,077,479</u>	<u>\$ 253,668,779</u>	<u>\$ 568,746,258</u>	<u>\$ 2,282,375</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 15,502,218	\$ 9,037,707	\$ 23,794	\$ 2,835,792	\$ (3,604,925)	\$ (3,604,925)	\$ --	
Public safety:								
Police	3,561,973	2,139,362	1,440,999	11,045	29,433	--	29,433	
Fire	(3,734,145)	--	144,427	--	3,878,572	--	3,878,572	
Building inspections	14,345,771	8,383,147	--	--	(5,962,624)	--	(5,962,624)	
Other public safety	804,547	447,567	--	--	(356,980)	--	(356,980)	
Physical environment	199,429	70,420	524,651	--	395,642	--	395,642	
Transportation	9,391,319	1,712,830	552,340	--	(7,126,149)	--	(7,126,149)	
Culture and recreation	20,308,536	1,861,006	365,958	19,319,717	1,239,145	--	1,239,145	
Economic environment	7,880,590	--	7,683,811	--	(196,779)	--	(196,779)	
Human services	837,382	--	--	--	(837,382)	--	(837,382)	
Interest and fiscal charges	1,512,999	--	--	--	(1,512,999)	--	(1,512,999)	
Total governmental activities	70,610,619	23,652,039	10,736,980	22,166,554	(14,055,046)	(14,055,046)	--	
Business-type activities:								
Water and Sewer	40,602,402	53,739,183	--	--	--	12,836,781	12,836,781	
Van Wezel	12,052,955	10,213,486	4,730,952	--	--	2,891,483	2,891,483	
Solid Waste	13,483,917	13,160,883	--	--	--	(323,034)	(323,034)	
Parking Management	4,816,632	4,659,013	188,041	--	--	30,422	30,422	
Bobby Jones Golf Course	2,200,527	--	--	--	--	(2,200,527)	(2,200,527)	
Municipal Auditoriums	1,057,184	--	--	--	--	(1,057,184)	(1,057,184)	
Total business-type activities	74,513,617	81,772,565	4,918,993	--	--	12,177,941	12,177,941	
Total primary government	\$ 145,124,236	\$ 105,424,604	\$ 15,655,973	\$ 22,166,554	(14,055,046)	12,177,941	(1,877,105)	
Component Units:								
St. Armands Business Improvement District	\$ 402,916	\$ --	\$ --	\$ --	--	--	\$ (402,916)	
Downtown Improvement District	980,594	--	--	--	--	--	(980,594)	
Total component units	\$ 1,383,510	\$ --	\$ --	\$ --	--	--	(1,383,510)	
General Revenues:								
Property taxes				40,754,471	--	40,754,471	1,060,202	
Gasoline taxes				2,662,284	--	2,662,284	--	
Sales tax				18,756,212	--	18,756,212	--	
Public service taxes				12,044,040	--	12,044,040	--	
Business licenses				819,560	--	819,560	--	
Other taxes				44,765	--	44,765	--	
State revenue sharing, unrestricted				2,687,669	--	2,687,669	--	
Investment loss				(4,632,609)	(2,418,916)	(7,051,525)	(60,141)	
Miscellaneous				3,027,960	514,177	3,542,137	--	
Gain on Capital Assets				1,030,669	--	1,030,669	--	
Transfers				(2,339,954)	2,339,954	--	--	
Total general revenues and transfers				74,855,067	563,603	75,418,670	1,000,061	
Change in net position				60,800,021	12,741,544	73,541,565	(383,449)	
Net position - beginning				254,277,458	240,927,235	495,204,693	2,665,824	
Net position - ending				\$ 315,077,479	\$ 253,668,779	\$ 568,746,258	\$ 2,282,375	

The accompanying notes are an integral part of this statements.



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City of Sarasota, Florida
Governmental Funds
Balance Sheet
September 30, 2022

	General	Community Redevelopment Agency	Housing and Community Development
Assets			
Cash and Cash Equivalents	\$ 3,939,105	\$ 658,088	\$ 688,238
Investments	33,179,736	3,037,758	5,456,932
Receivables (net):			
Accounts	2,342,521	--	3,450
Interest	135,895	8,259	13,111
Notes	--	--	--
Leases	4,163,514	--	--
Special Assessments	--	--	--
Due from other Funds	139,337	--	--
Due from other Governmental Agencies	1,703,564	--	394,030
Advances to Other Funds	1,327,727	--	--
Inventories	28,812	--	--
Prepaid Items	695,118	4,000	--
Total assets	<u>\$ 47,655,329</u>	<u>\$ 3,708,105</u>	<u>\$ 6,555,761</u>
Liabilities			
Accounts Payable	\$ 2,515,166	\$ 38,876	\$ 368,622
Retainage Payable	--	--	--
Due to other Funds	--	--	--
Due to other Governmental Agencies	514,240	--	3,182
Advance from other Funds	--	--	--
Accrued Wages	935,028	--	12,384
Unearned Revenue	7,331,957	--	6,134,377
Customer Deposits	5,750	--	--
Total liabilities	<u>11,302,141</u>	<u>38,876</u>	<u>6,518,565</u>
Deferred Inflows of Resources			
Unavailable Revenue - Note Receivable	26,984	--	--
Unavailable Revenue - Grants	--	--	--
Unavailable Revenue - Special Assessments	--	--	--
Unavailable Revenue - Leases	4,163,514	--	--
Total deferred inflows of resources	<u>4,190,498</u>	<u>--</u>	<u>--</u>
Fund Balances			
Nonspendable:			
Inventory	28,812	--	--
Prepaid Expenditures	695,118	4,000	--
Restricted for:			
Infrastructure Improvements	--	--	--
Community Redevelopment	--	3,665,229	--
Housing and Community Development	--	--	37,196
Building Services	--	--	--
Transportation	--	--	--
Law Enforcement Programs	--	--	--
Golden Gate Point Streetscape	--	--	--
Tourist Development	--	--	--
Grant Programs	--	--	--
Economic Development	--	--	--
Debt Service	--	--	--
Construction	--	--	--
Committed to:			
Revenue Stabilization	2,664,956	--	--
Public Art	--	--	--
Citizens with Disabilities	--	--	--
Forestry	--	--	--
Affordable Housing	--	--	--
Culture and Recreation	--	--	--
The Bay Park	--	--	--
Assigned to:			
Subsequent Year Expenditures	1,910,498	--	--
Unassigned			
Unassigned	26,863,306	--	--
Total fund balances	<u>32,162,690</u>	<u>3,669,229</u>	<u>37,196</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,655,329</u>	<u>\$ 3,708,105</u>	<u>\$ 6,555,761</u>

The accompanying notes are an integral part of this statement.

Building Services Fund	Tourist Development Tax	Penny Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 811,954	\$ 253,208	\$ 2,158,641	\$ 6,354,048	\$ 14,863,282
6,437,865	2,007,644	17,115,533	50,327,553	117,563,021
--	--	--	88,697	2,434,668
32,573	4,980	43,208	89,163	327,189
--	--	--	141,713	141,713
--	--	--	--	4,163,514
--	--	--	79,986	79,986
--	--	--	--	139,337
--	128,751	1,818,316	1,851,450	5,896,111
--	--	--	--	1,327,727
--	--	--	--	28,812
1,300	--	--	46,588	747,006
<u>\$ 7,283,692</u>	<u>\$ 2,394,583</u>	<u>\$ 21,135,698</u>	<u>\$ 58,979,198</u>	<u>\$ 147,712,366</u>
\$ 303,878	\$ 24,480	\$ 599,707	\$ 1,429,817	\$ 5,280,546
--	--	150,949	100,212	251,161
--	--	--	7,420	7,420
23,682	2,353	--	24,204	567,661
--	--	--	72,566	72,566
69,761	--	--	--	1,017,173
--	46,720	--	629,055	14,142,109
--	--	--	818,266	824,016
<u>397,321</u>	<u>73,553</u>	<u>750,656</u>	<u>3,081,540</u>	<u>22,162,652</u>
--	--	--	180,986	207,070
--	--	--	2,029	2,029
--	--	--	79,986	79,986
--	--	--	--	4,163,514
--	--	--	262,101	4,452,599
Fund Balances				
Nonspendable:				
--	--	--	--	28,812
1,300	--	--	46,588	747,006
Restricted for:				
--	--	20,385,042	--	20,385,042
--	--	--	--	3,665,229
--	--	--	11,364,540	11,401,736
6,885,071	--	--	--	6,885,071
--	--	--	7,935,930	7,935,930
--	--	--	1,009,055	1,009,055
--	--	--	250,114	250,114
--	2,321,030	--	--	2,321,030
--	--	--	712,922	712,922
--	--	--	2,654,028	2,654,028
--	--	--	1,408,857	1,408,857
--	--	--	21,691,606	21,691,606
Committed to:				
--	--	--	--	2,664,956
--	--	--	1,171,768	1,171,768
--	--	--	76,016	76,016
--	--	--	706,973	706,973
--	--	--	4,624,470	4,624,470
--	--	--	731,429	731,429
--	--	--	1,251,261	1,251,261
Assigned to:				
--	--	--	--	1,910,498
Unassigned				
--	--	--	--	26,863,306
<u>6,886,371</u>	<u>2,321,030</u>	<u>20,385,042</u>	<u>55,635,557</u>	<u>121,097,115</u>
<u>\$ 7,283,692</u>	<u>\$ 2,394,583</u>	<u>\$ 21,135,698</u>	<u>\$ 58,979,198</u>	<u>\$ 147,712,366</u>



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City of Sarasota, Florida
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 As of September 30, 2022

Fund balances - total governmental funds		\$ 121,097,115
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	\$ 472,052,754	
Less accumulated depreciation	<u>(202,447,235)</u>	269,605,519
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	(400,959)	
General obligation bonds	(28,740,000)	
Special obligation bonds	(10,514,985)	
Loans Payable	(10,070,000)	
Unamortized bond premium	<u>(1,307,184)</u>	(51,033,128)
Deferred outflow of resources are not reported in governmental funds.		
Unamortized loss on refunding		1,451,815
Unavailable revenue in governmental funds is susceptible to full accrual on the entity-wide statements.		
Grants	2,029	
Special assessments	141,713	
Mortgages receivable	79,986	
Interest subsidy received before interest payment due	38,373	
Other receivables	<u>26,984</u>	289,085
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		20,730,542
Net pension liability and pension 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	(3,311,772)	
Deferred outflows of resources	23,436,568	
Deferred inflows of resources	<u>(48,935,623)</u>	(28,810,827)
Net OPEB liability and 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 OPEB liability	(3,708,631)	
Deferred outflows of resources	4,588,114	
Deferred inflows of resources	<u>(19,132,125)</u>	(18,252,642)
Net position of governmental activities		<u>\$ 315,077,479</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended September 30, 2022

	General	Community Redevelopment Agency	Housing and Community Development
Revenues			
Taxes	\$ 49,019,186	\$ 170,944	\$ --
Franchise fees	6,583,690	--	--
Special assessments	--	--	--
Licenses and permits	693,454	--	66,650
Intergovernmental	14,041,451	--	1,224,992
Charges for services	4,393,830	--	--
Charges to other funds	4,626,731	--	--
Fines and forfeits	2,109,833	--	--
Investment earnings	(1,653,364)	(131,949)	(100,915)
Miscellaneous	1,983,621	175,530	179,773
Total revenues	81,798,432	214,525	1,370,500
Expenditures			
General government	18,745,087	7,161	--
Public safety	39,719,412	336,746	--
Physical environment	2,167,746	--	--
Transportation	4,692,545	2,990	--
Culture and recreation	8,919,113	--	--
Current:			
Economic environment	--	11,529	2,112,155
Human services	949,224	39,900	--
Debt service:			
Principal payments	--	--	--
Interest and fiscal charges	--	--	--
Bond issuance costs	--	--	--
Contribution to other governments	57,683	--	--
Capital outlay	944,854	304,185	1,235
Total expenditures	76,195,664	702,511	2,113,390
Excess (deficiency) of revenues over (under) expenditures	5,602,768	(487,986)	(742,890)
Other financing sources (uses)			
Issuance of Debt	--	--	--
Transfers in	810,627	--	--
Transfers out	(7,994,661)	(54,000)	--
Total other financing sources (uses)	(7,184,034)	(54,000)	--
Net change in fund balances	(1,581,266)	(541,986)	(742,890)
Fund balances - beginning	33,743,956	4,211,215	780,086
Fund balances - ending	\$ 32,162,690	\$ 3,669,229	\$ 37,196

The accompanying notes are an integral part of this statement.

Building Services Fund	Tourist Development Tax	Penny Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ --	\$ 4,427,941	\$ 53,618,071
--	--	--	--	6,583,690
--	--	--	7,114	7,114
8,568,844	--	--	1,403,146	10,732,094
--	123,699	12,083,797	12,687,395	40,161,334
1,339,774	--	--	70,420	5,804,024
--	--	--	--	4,626,731
--	--	--	367,134	2,476,967
(432,609)	--	(666,603)	(1,060,953)	(4,048,393)
133	--	48,748	397,733	2,785,538
9,476,142	123,699	11,465,942	18,299,930	122,749,170
327,172	--	--	135,832	19,215,252
6,735,166	--	--	480,167	47,271,491
--	3,157	--	89,060	2,259,963
--	--	--	505,529	5,201,064
--	--	--	9,419	8,928,532
--	--	--	3,845,883	5,969,567
--	--	--	--	989,124
--	--	396,464	3,185,020	3,581,484
--	--	11,465	1,481,666	1,493,131
--	--	--	44,000	44,000
57,683	--	--	--	57,683
409,981	169,959	9,338,004	5,552,452	16,720,670
7,472,319	173,116	9,745,933	15,329,028	111,731,961
2,003,823	(49,417)	1,720,009	2,970,902	11,017,209
--	--	--	10,070,000	10,070,000
--	--	--	15,393,907	16,204,534
(7,485,432)	--	(1,830,977)	(1,179,418)	(18,544,488)
(7,485,432)	--	(1,830,977)	24,284,489	7,730,046
(5,481,609)	(49,417)	(110,968)	27,255,391	18,747,255
12,367,980	2,370,447	20,496,010	28,380,166	102,349,860
\$ 6,886,371	\$ 2,321,030	\$ 20,385,042	\$ 55,635,557	\$ 121,097,115



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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, 2022

Net change in fund balances - total governmental funds	\$ 18,747,255	
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. Donation of Capital Assets are not financial resources to Governmental Funds, however, increase net position in the Statement of activities. Governmental Funds report the sale of Capital Assets as a financial source, however, in the statement of activities, only the gain or loss on the sale is reported.		
Expenditures for capital assets	\$ 16,720,670	
Less current year depreciation	(11,004,861)	
Donation of Capital Assets	17,084,165	
Net transfers of capital assets from enterprise funds	296,565	
Less Loss on Sale of Capital Assets	1,003,407	24,099,946
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	(7,114)	
Receipts on mortgages receivable	235,928	228,814
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	1,615,000	
Special obligation bonds	1,570,020	
Proceeds from loan received	(10,070,000)	
Purchase Agreements	404,745	(6,480,235)
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	(443,569)	
Interest subsidy received before interest payment due	38,373	
Accrued interest	52,284	(352,912)
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	167,604	
Amortization of deferred loss on refunding	(204,038)	(36,434)
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		
		16,680,441
Changes to net OPEB liability and OPEB 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		
		4,653,526
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.		
		3,259,620
Change in net position of governmental activities		<u>\$ 60,800,021</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 48,403,848	\$ 48,403,848	\$ 49,019,186	\$ 615,338
Franchise fees	5,451,426	5,451,426	6,583,690	1,132,264
Licenses and permits	434,150	528,150	693,454	165,304
Intergovernmental	8,947,652	14,009,533	14,041,451	31,918
Charges for services	4,036,936	4,036,936	4,393,830	356,894
Charges to other funds	4,626,748	4,626,748	4,626,731	(17)
Fines and forfeits	836,307	836,307	2,109,833	1,273,526
Investment earnings	200,000	200,000	(1,653,364)	(1,853,364)
Miscellaneous	1,894,958	1,926,658	1,983,621	56,963
Total revenues	74,832,025	80,019,606	81,798,432	1,778,826
Expenditures				
Current:				
General government	18,266,613	19,687,753	18,745,087	942,666
Public safety	40,406,739	41,672,652	39,719,412	1,953,240
Physical environment	2,549,296	2,596,688	2,167,746	428,942
Transportation	4,641,922	5,356,166	4,692,545	663,621
Culture and recreation	10,077,010	10,137,010	8,919,113	1,217,897
Human services	1,069,241	1,336,991	949,224	387,767
Contribution to other governments	58,959	58,959	57,683	1,276
Capital outlay	887,457	2,868,010	944,854	1,723,156
Total expenditures	77,957,237	83,514,229	76,195,664	7,318,565
Excess (deficiency) of revenues over (under) expenditures	(3,125,212)	(3,494,623)	5,602,768	9,097,391
Other financing sources (uses)				
Transfers in	1,267,036	1,267,036	810,627	(456,409)
Transfers out	(200,000)	(7,994,661)	(7,994,661)	--
Total other financing sources (uses)	1,067,036	(6,727,625)	(7,184,034)	(456,409)
Net change in fund balance	(2,058,176)	(10,222,248)	(1,581,266)	8,640,982
Fund balance - beginning	33,743,956	33,743,956	33,743,956	--
Fund balance - ending	\$ 31,685,780	\$ 23,521,708	\$ 32,162,690	\$ 8,640,982

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 171,800	\$ 171,800	\$ 170,944	\$ (856)
Investment earnings	5,000	5,000	(131,949)	(136,949)
Miscellaneous	136,828	136,828	175,530	38,702
Total revenues	313,628	313,628	214,525	(99,103)
Expenditures				
Current:				
General government	7,161	7,161	7,161	--
Public safety	553,311	1,375,472	336,746	1,038,726
Transportation	--	--	2,990	(2,990)
Economic environment	10,000	10,000	11,529	(1,529)
Human services	40,000	40,000	39,900	100
Capital outlay:				
Capital outlay	1,351,504	2,933,034	304,185	2,628,849
Total expenditures	1,961,976	4,365,667	702,511	3,663,156
Excess (deficiency) of revenues over (under) expenditures	(1,648,348)	(4,052,039)	(487,986)	3,564,053
Other financing sources (uses)				
Transfers out	(54,000)	(54,000)	(54,000)	--
Total other financing sources (uses)	(54,000)	(54,000)	(54,000)	--
Net change in fund balance	(1,702,348)	(4,106,039)	(541,986)	3,564,053
Fund balance - beginning	4,211,215	4,211,215	4,211,215	--
Fund balance - ending	\$ 2,508,867	\$ 105,176	\$ 3,669,229	\$ 3,564,053

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	\$ --	\$ --	\$ 66,650	\$ 66,650
Intergovernmental	2,496,157	10,025,546	1,224,992	(8,800,554)
Investment earnings	--	--	(100,915)	(100,915)
Miscellaneous	--	--	179,773	179,773
Total revenues	<u>2,496,157</u>	<u>10,025,546</u>	<u>1,370,500</u>	<u>(8,655,046)</u>
Expenditures				
Current:				
Transportation	83,492	83,492	--	83,492
Economic environment	2,230,256	9,761,649	2,112,155	7,649,494
Capital outlay:				
Capital outlay	182,409	182,409	1,235	181,174
Total expenditures	<u>2,496,157</u>	<u>10,027,550</u>	<u>2,113,390</u>	<u>7,914,160</u>
Net change in fund balance	--	(2,004)	(742,890)	(740,886)
Fund balance - beginning	<u>780,086</u>	<u>780,086</u>	<u>780,086</u>	<u>--</u>
Fund balance - ending	<u>\$ 780,086</u>	<u>\$ 778,082</u>	<u>\$ 37,196</u>	<u>\$ (740,886)</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

Building Services Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	\$ 5,220,500	\$ 5,220,500	\$ 8,568,844	\$ 3,348,344
Charges for services	686,000	761,000	1,339,774	578,774
Investment earnings	5,000	5,000	(432,609)	(437,609)
Miscellaneous	--	--	133	133
Total revenues	<u>5,911,500</u>	<u>5,986,500</u>	<u>9,476,142</u>	<u>3,489,642</u>
Expenditures				
General government	288,500	479,327	327,172	152,155
Public safety	7,070,687	7,066,795	6,735,166	331,629
Capital outlay	85,495	831,548	409,981	421,567
Total expenditures	<u>7,444,682</u>	<u>8,377,670</u>	<u>7,472,319</u>	<u>905,351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,533,182)</u>	<u>(2,391,170)</u>	<u>2,003,823</u>	<u>4,394,993</u>
Other financing sources (uses)				
Transfers out	(420,000)	(7,485,432)	(7,485,432)	--
Total other financing sources (uses)	<u>(420,000)</u>	<u>(7,485,432)</u>	<u>(7,485,432)</u>	<u>--</u>
Net change in fund balance	<u>(1,953,182)</u>	<u>(9,876,602)</u>	<u>(5,481,609)</u>	<u>4,394,993</u>
Fund balance - beginning	<u>12,367,980</u>	<u>12,367,980</u>	<u>12,367,980</u>	<u>--</u>
Fund balance - ending	<u>\$ 10,414,798</u>	<u>\$ 2,491,378</u>	<u>\$ 6,886,371</u>	<u>\$ 4,394,993</u>

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida

Tourist Development Tax

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 304,750	\$ 3,216,243	\$ 123,699	\$ (3,092,544)
Total revenues	<u>304,750</u>	<u>3,216,243</u>	<u>123,699</u>	<u>(3,092,544)</u>
Expenditures				
Physical environment	3,174	3,174	3,157	17
Capital outlay	304,750	4,875,703	169,959	4,705,744
Total expenditures	<u>307,924</u>	<u>4,878,877</u>	<u>173,116</u>	<u>4,705,761</u>
Net change in fund balance	(3,174)	(1,662,634)	(49,417)	1,613,217
Fund balance - beginning	<u>2,370,447</u>	<u>2,370,447</u>	<u>2,370,447</u>	<u>--</u>
Fund balance - ending	<u>\$ 2,367,273</u>	<u>\$ 707,813</u>	<u>\$ 2,321,030</u>	<u>\$ 1,613,217</u>



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The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Proprietary Funds
Statement of Net Position
September 30, 2022

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Assets				
Current assets:				
Cash and Cash Equivalents	\$ 5,881,195	\$ 1,919,972	\$ 743,153	\$ 85,176
Investments	46,442,090	15,190,448	5,892,353	625,998
Receivables (net):				
Accounts	5,585,723	404,088	588,754	33,765
Interest	122,442	36,982	15,853	2,888
Due from Other Funds	--	--	--	--
Due from Other Governmental Agencies	--	--	--	188,050
Inventories	247,390	2,772	--	--
Prepaid items	142,070	380,775	2,546	132,173
Total unrestricted current assets	58,420,910	17,935,037	7,242,859	1,068,050
Restricted current assets:				
Cash and Cash Equivalents	543,576	--	968	--
Cash with Fiscal Agents	3,473,646	--	--	871,578
Investments	4,309,935	--	7,671	--
Accrued Interest Receivable	13,176	--	--	813
Due from Other Governmental Units	357,680	--	--	--
Special Assessment Receivable	--	--	--	3,636,302
Total restricted current assets	8,698,013	--	8,639	4,508,693
Total current assets	67,118,923	17,935,037	7,251,298	5,576,743
Noncurrent asset:				
Capital assets:				
Non-depreciable:				
Land	6,040,560	525,000	--	4,219,053
Art Collections	--	218,397	--	--
Construction in Progress	20,081,189	--	--	473,927
Depreciable:				
Buildings	25,251,195	28,855,153	280,022	34,030,638
Improvements	412,551,681	1,474,735	3,886,145	5,417,073
Equipment	14,225,729	2,025,061	13,207,030	1,600,808
Less Accumulated Depreciation	(243,022,011)	(22,855,567)	(12,889,720)	(8,791,473)
Total capital assets (net of accumulated depreciation)	235,128,343	10,242,779	4,483,477	36,950,026
Other assets:				
Advance to Other Funds	--	--	--	--
Total noncurrent assets	235,128,343	10,242,779	4,483,477	36,950,026
Total assets	302,247,266	28,177,816	11,734,775	42,526,769
Deferred Outflows of Resources				
Related to Refunding	648,132	--	--	--
Related to Pension	5,183,762	428,065	1,512,713	332,124
Related to OPEB	374,868	49,041	103,478	41,378
Total deferred outflows of resources	6,206,762	477,106	1,616,191	373,502

Business-type Activities - Enterprise Funds			Governmental Activities -
Bobby Jones Golf Complex	Non-Major Funds	Totals	Internal Service Funds
\$ 1,793,651	\$ --	\$ 10,423,147	\$ 3,435,396
14,221,578	--	82,372,467	26,492,208
--	--	6,612,330	58,874
74,872	265	253,302	49,717
--	--	--	7,420
--	--	188,050	259,087
--	--	250,162	79,082
--	--	657,564	88,088
16,090,101	265	100,757,022	30,469,872
--	--	544,544	--
1,035,000	--	5,380,224	--
--	--	4,317,606	--
--	--	13,989	--
--	--	357,680	--
--	--	3,636,302	--
1,035,000	--	14,250,345	--
17,125,101	265	115,007,367	30,469,872
910,000	--	11,694,613	--
--	--	218,397	--
3,913,054	--	24,468,170	2,512,241
--	--	88,417,008	2,528,732
203,437	--	423,533,071	1,094,797
45,321	--	31,103,949	8,999,791
(190,660)	--	(287,749,431)	(10,852,821)
4,881,152	--	291,685,777	4,282,740
--	--	--	72,566
4,881,152	--	291,685,777	4,355,306
22,006,253	265	406,693,144	34,825,178
--	--	648,132	--
--	--	7,456,664	571,491
--	--	568,765	80,426
--	--	8,673,561	651,917

Continued

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Proprietary Funds
Statement of Net Position
September 30, 2022

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Liabilities				
Current liabilities:				
Accounts Payable	2,717,415	140,321	597,620	170,825
Retainages Payable	--	--	--	--
Due to Other Funds	--	--	--	123,885
Due to Other Governmental Agencies	125,683	8,068	36,130	12,845
Accrued Interest Payable	--	--	--	--
Liability for Unpaid Claims	--	--	--	--
Accrued Wages	268,182	50,879	77,338	27,280
Compensated Absences	621,927	53,775	137,190	55,624
Unearned Revenue	3,089,152	5,369,916	517,620	567
Finance Purchase Agreement	--	--	454,403	--
Total unrestricted current liabilities	6,822,359	5,622,959	1,820,301	391,026
Current liabilities payable from restricted assets:				
Accounts Payable	--	--	--	8,907
Accrued Interest Payable	478,646	--	--	246,578
Bonds Payable	4,079,525	--	--	625,000
Customer Deposits	1,347,470	--	8,639	--
Total current liabilities payable from restricted assets	5,905,641	--	8,639	880,485
Total current liabilities	12,728,000	5,622,959	1,828,940	1,271,511
Noncurrent liabilities:				
Advance from Other Funds	--	--	--	1,327,727
Compensated Absences	306,323	26,486	67,571	27,397
Bonds Payable and Unamortized Premium	64,109,557	--	--	13,827,030
Net OPEB Liability	899,649	117,695	248,339	99,305
Net Pension Liability	18,207,193	345,713	3,761,709	293,210
Total noncurrent liabilities	83,522,722	489,894	4,077,619	15,574,669
Total liabilities	96,250,722	6,112,853	5,906,559	16,846,180
Deferred Inflows of Resources				
Pension Related	7,029,741	13,979	1,238,025	11,856
OPEB Related	4,641,114	607,164	1,281,134	512,295
Total deferred inflows of resources	11,670,855	621,143	2,519,159	524,151
Net Position				
Net Investment in Capital Assets	147,587,390	10,242,780	4,029,074	22,497,995
Restricted:				
Debt Service	6,867,799	--	--	(491,230)
Construction	--	--	--	52,453
Unrestricted	46,077,262	11,678,146	896,174	3,470,722
Total net position	\$ 200,532,451	\$ 21,920,926	\$ 4,925,248	\$ 25,529,940

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Bobby Jones Golf Complex	Non-Major Funds	Totals	Internal Service Funds
Current liabilities:				
Accounts Payable	915,399	--	4,541,580	2,326,382
Retainages Payable	10,060	--	10,060	--
Due to Other Funds	--	15,452	139,337	--
Due to Other Governmental Agencies	--	3,042	185,768	15,394
Accrued Interest Payable	240,000	--	240,000	--
Liability for Unpaid Claims	--	--	--	3,374,228
Accrued Wages	--	12,018	435,697	55,624
Compensated Absences	--	--	868,516	3,912,285
Unearned Revenue	33,092	14,451	9,024,798	--
Finance Purchase Agreement	--	--	454,403	--
Total unrestricted current liabilities	1,198,551	44,963	15,900,159	9,683,913
Current liabilities payable from restricted assets:				
Accounts Payable	--	--	8,907	--
Accrued Interest Payable	--	--	725,224	--
Bonds Payable	1,375,000	--	6,079,525	--
Customer Deposits	290	2,500	1,358,899	--
Total current liabilities payable from restricted assets	1,375,290	2,500	8,172,555	--
Total current liabilities	2,573,841	47,463	24,072,714	9,683,913
Noncurrent liabilities:				
Advance from Other Funds	--	--	1,327,727	--
Compensated Absences	--	--	427,777	1,926,947
Bonds Payable and Unamortized Premium	18,625,000	--	96,561,587	--
Net OPEB Liability	--	--	1,364,988	193,015
Net Pension Liability	--	--	22,607,825	1,439,963
Total noncurrent liabilities	18,625,000	--	122,289,904	3,559,925
Total liabilities	21,198,841	47,463	146,362,618	13,243,838
Deferred Inflows of Resources				
Pension Related	--	--	8,293,601	506,990
OPEB Related	--	--	7,041,707	995,725
Total deferred inflows of resources	--	--	15,335,308	1,502,715
Net Position				
Net Investment in Capital Assets	807,412	--	185,164,651	4,282,738
Restricted:				
Debt Service	--	--	6,376,569	--
Construction	--	--	52,453	--
Unrestricted	--	(47,198)	62,075,106	16,447,804
Total net position	\$ 807,412	\$ (47,198)	\$ 253,668,779	\$ 20,730,542

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Operating revenues				
Charges for services	\$ 52,248,022	\$ 9,359,178	\$ 13,160,883	\$ 3,175,579
Connection fees	1,108,919	--	--	--
Rents	--	854,308	--	75,361
Fines	--	--	--	1,408,068
Miscellaneous	421,852	16,551	49,625	30,493
Total operating revenues	53,778,793	10,230,037	13,210,508	4,689,501
Operating expenses				
Personnel services	14,826,040	2,106,808	4,497,918	1,418,339
Contractual services	9,828,030	8,266,797	6,413,638	1,405,252
Repairs and maintenance	1,962,672	246,845	75,061	322,534
Supplies and materials	3,403,032	269,691	649,938	111,399
Depreciation	9,806,977	1,159,598	1,816,812	1,126,795
Other	33,000	--	--	--
Total operating expenses	39,859,751	12,049,739	13,453,367	4,384,319
Operating income (loss)	13,919,042	(1,819,702)	(242,859)	305,182
Nonoperating revenues (expenses)				
Grant income	--	4,730,952	--	188,041
Investment earnings	(1,824,072)	(89,313)	(183,348)	(41,013)
Interest expense	(1,028,774)	--	(30,550)	(431,711)
Loan and bond issue expense	(4,780)	--	--	(600)
Gain (loss) on disposition of capital assets	113,275	495	196	2,098
Total nonoperating revenues (expenses)	(2,744,351)	4,642,134	(213,702)	(283,185)
Income (loss) before capital contributions and transfers	11,174,691	2,822,432	(456,561)	21,997
Transfers in	--	--	2,000,000	169,368
Transfers out	--	--	--	--
Change in net position	11,174,691	2,822,432	1,543,439	191,365
Net position - beginning	189,357,760	19,098,494	3,381,809	25,338,575
Net position - ending	\$ 200,532,451	\$ 21,920,926	\$ 4,925,248	\$ 25,529,940

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Bobby Jones Golf Complex	Other Funds	Totals	Internal Service Funds
	\$ --	\$ --	\$ 77,943,662	\$ 26,759,727
	--	--	1,108,919	--
	--	--	929,669	--
	--	--	1,408,068	--
	--	--	518,521	409,463
	--	--	81,908,839	27,169,190
	(73,759)	--	22,775,346	5,617,489
	--	--	25,913,717	12,859,940
	--	--	2,607,112	1,385,932
	--	--	4,434,060	2,826,252
	112,659	50,907	14,073,748	616,095
	--	--	33,000	--
	38,900	50,907	69,836,983	23,305,708
	(38,900)	(50,907)	12,071,856	3,863,482
	--	--	4,918,993	--
	96,729	--	(2,041,017)	(631,124)
	(333,333)	--	(1,824,368)	--
	(94,706)	--	(100,086)	--
	(1,733,576)	(1,006,276)	(2,623,788)	27,262
	(2,064,886)	(1,006,276)	(1,670,266)	(603,862)
	(2,103,786)	(1,057,183)	10,401,590	3,259,620
	1,228,661	--	3,398,029	--
	(1,058,075)	--	(1,058,075)	--
	(1,933,200)	(1,057,183)	12,741,544	3,259,620
	2,740,612	1,009,985	240,927,235	17,470,922
	\$ 807,412	\$ (47,198)	\$ 253,668,779	\$ 20,730,542

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Cash flows from operating activities				
Cash received from customers and users	\$ 53,962,323	\$ 9,224,472	\$ 12,876,487	\$ 4,706,155
Cash received from other funds for goods and services	--	--	--	--
Cash payments to vendors for goods and services	(18,290,096)	(8,490,354)	(6,563,818)	(1,780,912)
Cash payments to employees for services	(15,912,730)	(2,614,139)	(4,605,859)	(1,538,111)
Cash payments to customers	(569,040)	--	--	--
Cash payments to other funds	(2,100,638)	(358,399)	(547,857)	(329,290)
Other	--	--	--	169
Claims paid	--	--	--	--
Net cash provided (used) by operating activities	17,089,819	(2,238,420)	1,158,953	1,058,011
Cash flows from noncapital financing activities				
Grants	--	4,730,952	--	188,041
Interfund loan borrowings	--	--	--	--
Transfers in	--	--	2,000,000	169,368
Transfers out	--	--	--	--
Repayment of loan to/from other fund	--	--	--	--
Interest on loan to/from other fund	--	--	--	--
Net cash provided (used) by noncapital financing activities	-	4,730,952	2,000,000	357,409
Cash flows from capital and related financing activities				
Loan proceeds	5,164,773	--	--	--
Acquisition of capital assets	(15,844,650)	(257,764)	(464,098)	(292,748)
Principal repayments	(1,265,000)	--	(439,385)	(600,000)
Interest paid	(1,301,549)	--	(30,550)	(504,356)
Fiscal charges paid	(4,780)	--	--	(600)
Special assessment repayments	--	--	--	260,670
Proceeds from sale of capital assets	136,859	3,712	199	2,098
Proceeds from Insurance	--	--	--	-
Net cash used by capital and related financing activities	(13,114,347)	(254,052)	(933,834)	(1,134,936)
Cash flows from investing activities				
Interest on investments	(1,886,924)	(107,390)	(193,409)	(43,129)
Proceeds from sale and maturities of investments	--	--	--	--
Purchase of investments	(3,851,635)	(2,428,689)	(1,969,341)	(216,580)
Net cash provided (used) by investing activities	(5,738,559)	(2,536,079)	(2,162,750)	(259,709)
Net increase (decrease) in cash and cash equivalents	(1,763,087)	(297,599)	62,369	20,775
Cash and cash equivalents at beginning of year	11,661,504	2,217,571	681,752	935,979
Cash and cash equivalents at end of year	\$ 9,898,417	\$ 1,919,972	\$ 744,121	\$ 956,754

The accompanying notes are an integral part of this statement.

	Business-type Activities - Enterprise Funds			Governmental Activities
	Bobby Jones Golf Complex	Non-Major Funds	Totals	Internal Service Funds
	\$ --	\$ (2,000)	\$ 80,767,437	\$ 2,590,964
	--	--	-	24,577,201
	--	17,304	(35,107,876)	(5,936,739)
	--	(124,766)	(24,795,605)	(6,210,466)
	930,976	--	361,936	--
	--	--	(3,336,184)	(295,301)
	--	--	169	--
	--	--	-	(9,055,715)
	930,976	(109,462)	17,889,877	5,669,944
	--	--	4,918,993	--
	--	--	--	--
	1,228,661	15,452	3,413,481	--
	(1,058,075)	--	(1,058,075)	--
	--	--	--	7,114
	--	--	-	3,745
	170,586	15,452	7,274,399	10,859
	20,000,000	--	25,164,773	--
	(3,913,054)	--	(20,772,314)	(2,588,958)
	--	--	--	(2,304,385)
	(93,333)	--	(1,929,788)	--
	(94,706)	--	--	(100,086)
	--	--	260,670	--
	12	--	142,880	27,259
	--	--	-	--
	15,898,919	-	461,750	(2,561,699)
	21,884	(171)	(2,209,139)	(657,468)
	--	--	-	1,232,213
	(14,197,833)	79,664	(22,584,414)	(4,300,579)
	(14,175,949)	79,493	(24,793,553)	(3,725,834)
	2,824,532	(14,517)	832,473	(606,730)
	4,119	14,517	15,515,442	4,042,126
	\$ 2,828,651	\$ -	\$ 16,347,915	\$ 3,435,396

City of Sarasota, Florida
Proprietary Funds
Combining Statement of Cash Flows
Year Ended September 30, 2022

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Van Wezel	Solid Waste	Parking Management
Reconciliations of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 13,919,042	\$ (1,819,702)	\$ (242,859)	\$ 305,182
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	9,806,977	1,159,598	1,816,812	1,126,795
Pension/OPEB expense	(751,975)	(469,111)	(58,395)	(94,886)
Net (increase) decrease in:				
Accounts receivable	(1,071,606)	27,313	(282,439)	16,654
Due from other governmental agencies	--	--	--	(188,050)
Inventories	(129,540)	(2,008)	--	--
Prepaid items	(10,063)	(1,591)	(31)	(23,247)
Net increase (decrease) in:				
Accounts payable	(3,660,514)	(56,968)	66,925	(52,033)
Retainages payable	(1,213,870)	--	--	--
Liability for unpaid claims	--	--	--	--
Due from other governmental agencies	(150,013)	(4,853)	(39,932)	(7,685)
Accrued wages	(318,459)	(52,068)	(84,245)	(41,066)
Compensated absences	(16,256)	13,848	34,699	16,180
Unearned revenue	568,811	(1,032,878)	(51,324)	169
Customer deposits	117,285	--	(258)	--
Total adjustments	3,170,777	(418,718)	1,401,812	752,831
Net cash provided (used) by operating activities:	\$ 17,089,819	\$ (2,238,420)	\$ 1,158,953	\$ 1,058,013

Noncash investing, capital, and financing activities

Amortization of premium on issuance of bonds	\$ --	--	--	61,445
Amortization of deferred loss on defeasance of debt	11,405	--	--	--

The accompanying notes are an integral part of this statement.

Business-type Activities - Enterprise Funds			Governmental Activities
Bobby Jones Golf Complex	Non-Major Funds	Totals	Internal Service Funds
\$ (38,900)	\$ (50,907)	\$ 12,071,856	\$ 3,863,482
112,659	50,907	14,073,748	616,095
(73,759)	(113,323)	(1,561,449)	(917,175)
--	--	(1,310,078)	76,638
2,691	--	(185,359)	326,712
--	--	(131,548)	(13,449)
--	22,369	(12,563)	(58,339)
915,399	(5,281)	(2,792,472)	1,586,997
10,060	--	(1,203,810)	--
--	--	--	(112,015)
2,826	216	(199,441)	(23,200)
--	--	(495,838)	(80,508)
--	(10,693)	37,778	404,706
--	(2,000)	(517,222)	--
--	(750)	116,277	--
969,876	(58,555)	5,818,023	1,806,462
\$ 930,976	\$ (109,462)	\$ 17,889,879	\$ 5,669,944

City of Sarasota, Florida
 Fiduciary Funds
 Statement of Fiduciary Net Position
 September 30, 2022

	Pension and OPEB Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 1,626,253	\$ 9,469
Investments:		
Money market funds	16,408,435	75,085
U.S. Government securities	47,933,394	--
Mortgage-backed securities	20,948,011	--
Collateralized mortgage oblig	1,570,609	--
Common and preferred stock	331,804,689	--
Corporate bonds and notes	67,600,605	--
Stock mutual funds	16,370,969	--
Bond mutual funds	2,923,548	--
Real estate funds	76,672,296	--
U.S. Government agency securities	6,145	--
Municipal securities	1,294,153	--
Foreign stocks	42,363,906	--
Foreign mutual funds	3,289,109	--
Foreign bonds	511,006	--
Other equities	7,857,688	--
Total investment income (loss)	637,554,563	75,085
Receivables (net):		
Accounts Rec	386,745	--
Contributions	2,225,764	--
Accounts	250,172	--
Interest and dividends	756,634	325
Total receivables	3,619,315	325
Other assets:		
Prepaid items	56,580	--
Investments-FMV adj	3,244	--
Total other assets	59,824	--
Total assets	642,859,955	84,879
Liabilities		
Accounts payable	1,521,401	68,538
Unearned Revenue	232,654	--
Liability for unpaid claims	482,932	--
Due to Other Governments	101,639	--
Accrued liabilities	--	16,341
Total liabilities	2,338,626	84,879
Net Position		
Restricted for Pension benefits	590,119,722	--
Restricted for OPEB benefits	50,401,607	--
Total net position	640,521,329	--

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, 2022

	Pension and OPEB Trust Funds	Custodial Funds
Additions		
Contributions		
Plan members	\$ 4,133,025	\$ --
Employer		
City of Sarasota	19,073,004	--
Sarasota County	3,410,876	--
State of Florida	1,172,856	--
Other	471,137	--
Total contributions	28,260,898	--
Investment income		
Net decrease in fair value of investments	(126,804,294)	--
Interest and dividends	16,995,244	(6,950)
Other	1,631,621	--
Total investment income (loss)	(108,177,429)	(6,950)
Less investment expense	(3,991,440)	--
Net investment income (loss)	(112,168,869)	(6,950)
Impact Fee collections for other governments	--	1,568,291
Insurance reimbursements	--	45,984
Total additions	(83,907,971)	1,607,325
Deductions		
Benefits	50,121,596	--
Administrative expenses	2,725,268	--
Refunds of contributions	160,532	--
Payments of Impact Fees to other governments	--	1,568,291
Insurance disbursements on behalf of homeowners	--	45,984
Interest and Earnings Transfer	--	(6,950)
Total deductions	53,007,396	1,607,325
Net increase (decrease)	(136,915,367)	--
Net Position - beginning	777,436,696	--
Net position - ending	\$ 640,521,329	\$ --

The accompanying notes are an integral part of this statement.

City of Sarasota, Florida
Component Units
Statement of Net Position
September 30, 2022

	St. Armands Business Improvement District	Downtown Improvement District	Total
Assets			
Cash and cash equivalents	\$ 79,598	\$ 94,138	\$ 173,736
Investments	631,124	746,407	1,377,531
Receivables (net):			
Interest	1,635	1,942	3,577
Due from other governmental agencies	404	243	647
Lease receivable	183,704	--	183,704
Prepaid items	3,000	--	3,000
Capital assets:			
Non-depreciable	1,376	--	1,376
Depreciable (net)	721,281	119,222	840,503
Right to use asset (net)	124,259	--	124,259
Total assets	<u>1,746,381</u>	<u>961,952</u>	<u>2,708,333</u>
Liabilities			
Accounts payable	35,251	74,382	109,633
Due to other governmental units	--	408	408
Customer deposits	4,000	--	4,000
Accrued wages	1,098	2,530	3,628
Due in more than one year	124,585	--	124,585
Total liabilities	<u>164,934</u>	<u>77,320</u>	<u>242,254</u>
Deferred Inflows of Resources			
Lease Related	183,704	--	183,704
Total deferred inflows of resources	<u>183,704</u>	<u>--</u>	<u>183,704</u>
Net Position			
Net investment in capital assets	722,657	119,222	841,879
Unrestricted	675,086	765,410	1,440,496
Total net position	<u>\$ 1,397,743</u>	<u>\$ 884,632</u>	<u>\$ 2,282,375</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, 2022

	St. Armands Business Improvement District	Downtown Improvement District	Total
Program expenses:			
Personal services	\$ 30,024	\$ 79,365	\$ 109,389
Contractual services	242,075	550,906	792,981
Repairs and maintenance	27,773	295,079	322,852
Supplies and materials	14,633	34,207	48,840
Depreciation	88,411	21,037	109,448
Total program expenses	<u>402,916</u>	<u>980,594</u>	<u>1,383,510</u>
Program profit (loss)	<u>(402,916)</u>	<u>(980,594)</u>	<u>(1,383,510)</u>
General revenues:			
Property taxes	327,112	733,090	1,060,202
Investment earnings	(25,997)	(34,144)	(60,141)
Total general revenues	<u>301,115</u>	<u>698,946</u>	<u>1,000,061</u>
Change in net position	(101,801)	(281,648)	(383,449)
Net position - beginning	1,499,544	1,166,280	2,665,824
Net position - ending	<u>\$ 1,397,743</u>	<u>\$ 884,632</u>	<u>\$ 2,282,375</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 56,494. 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 available.

The Bay, a home rule tax increment financing district, was approved by both the City and Sarasota County on November 2, 2020. The governing body of this district is substantively the same as the governing body of the City and there is a financial benefit and burden relationship between the district and the City. The tax increment revenue may only be used for the design and construction of capital improvements within the Bay Park, including, but not necessarily limited to a new performing arts center. These revenues may also be used for new bicycle and pedestrian amenities within the District. The base year for the district is January 1, 2019 for a period of 30 years. Both the City and the County will contribute at the lower of 3.0892, or the City's or Sarasota County's millage. Separate financial statements of the District 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 custodial 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.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employment benefit) trust funds, investment trust funds or private-purpose trust funds.

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 *Building Services Fund* accounts for revenues and expenditures related to providing services to the development community including plans review, construction inspections, and development approval. The *Tourist Development Tax Fund* accounts for tourist development tax revenues and expenditures for tourist related projects.

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. The *Bobby Jones Golf Complex Fund* currently accounts for the construction funds for the City golf course, later to add operations, after the golf course is open for business.

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 *Custodial 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. Lease Receivable

Lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources are amortized by the present value, determined at the beginning of the fiscal year, of the payments owed over the term of the lease.

G. 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.

H. 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, 2022, 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.

I. 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.

J. 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.

K. 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.

L. 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.

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

M. Right to Use Assets

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

N. 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 assets that applies to future periods 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 assets that applies to future periods 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 are 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. 3) Leases are the present value of the payments to be received over the terms of the contracts. 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.

O. 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.

P. 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.

Q. 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.

R. 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.

S. General Fund Revenue Stabilization Fund

Maintaining a General Fund Revenue Stabilization Fund is a necessity for sound financial management and fiscal accountability. The General Fund Revenue Stabilization Fund was established to minimize the impact of declines from economic conditions on major General Fund revenue sources. The General Fund Revenue Stabilization Fund was adopted by Resolution 16R-2544 on December 7, 2015. The General Fund Revenue Stabilization Fund 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 Revenue Stabilization Fund is based on the following seven principles that will guide the initial funding, subsequent funding, withdrawing and replenishment: (1) The maximum balance of the Revenue Stabilization Fund will be equal to three and a half percent of budgeted General Fund recurring revenues for the then current fiscal year, (2) The Revenue Stabilization Fund 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 Revenue Stabilization Fund 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 Revenue Stabilization Fund in any one fiscal year, (6) No more than twenty-five percent of the balance in the Revenue Stabilization Fund can be withdrawn in any one fiscal year, (7) Withdrawals from the Revenue Stabilization Fund must be approved by the City

Commission as a formal budget action. At September 30, 2022, the reserve had a balance of \$2,664,956.

T. 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 \$14,741,900,000.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2020-21 fiscal year, the City levied taxes of 3.1372 mills for the General Fund and an additional 0.2100 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

U. Implementation of Governmental Accounting Standards Statements

The following GASB Pronouncements have been issued but are not in effect for the City as of September 30, 2022:

GASB Statement No. 91, Conduit Debt obligations. This standard will become effective for fiscal year end September 30, 2023. This standard clarifies the existing definition of a conduit debt obligation, establishes a conduit obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improving required note disclosures. This standard also addresses arrangements-often characterized as leases-that are associated with debt obligations. This standard is not expected to impact the City's financial statements.

GASB Statement 93, Replacement of Interbank Offered Rates. This standard will become effective for fiscal year end September 30, 2022, with the exception of the removal of LIBOR as an appropriate benchmark interest rate which will become effective September 30, 2023. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank offered Rate ("IBOR"). This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORS does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an

interest rate swap; and(6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended. This standard is not expected to impact the City's financial statements.

GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This standard will become effective for fiscal year end September 30, 2023. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This standard is not expected to impact the City's financial statements.

GASB Statement 96, Subscription-Based Information Technology Arrangements. This standard will become effective for fiscal year end September 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This standard is not expected to impact the City's financial statements.

GASB Statement 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. The standard will become effective for fiscal year end September 30, 2024. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. This standard is not expected to impact the City's financial statements.

GASB Statement 101, Compensated Absences. The standard will become effective for fiscal year end September 30, 2024. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. This standard is not expected to impact the City's financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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.

B. Deficit fund equity

The *Glen Oaks Debt Service Fund* had a deficit fund balance of \$78,671. This deficit will be eliminated with the collection of special assessments and interest earnings. The *Equipment Maintenance Internal Service Fund* had a net deficit fund balance of \$(518,828). The deficit in this 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. The Municipal Auditorium Enterprise Fund had a net deficit Net Position of \$47,198. This is due to a change in classification from an Enterprise Fund to a division within the City's

General Fund. This change was considered to be more appropriate due to consistent subsidies from the General Fund to the Municipal Auditorium. The deficit net position is due to depreciation expenses charged in a proprietary fund that was reclassified to a governmental fund.

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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 fair 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, Supranationals, Asset-Backed Securities 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, 2022, 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	\$ 32,910,470	Not Applicable
Money Market Funds	1,919,327	0.01
Federal Agency Bonds/Notes	16,885,206	0.95
Federal Agency Commercial	11,486,625	2.26
Agency Mortgage-Backed Securities	4,158,712	6.87
Agency Collateralized Mortgage Obligations	1,951,951	4.43
Corporate Notes	44,660,833	2.23
Municipal Obligations	2,174,781	1.60
U.S Treasury Bonds/Notes	70,978,819	1.87
Supra-National Agency Bonds/Notes	7,462,961	1.12
Asset Backed Securities	11,833,400	2.24
Investment pools:		
Florida Palm	27,097,582	Not Applicable
Florida Prime	33,507,049	Not Applicable
Total Cash & Investments	<u>\$ 267,027,716</u>	
Portfolio weighted average maturity		2.04

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

Primary Government	
Statement of Net Position	
Cash and Cash Equivalents	\$ 34,646,593
Investments	230,745,302
Component Units	
Cash and Cash Equivalents	173,736
Investments	1,377,531
Custodial Funds	
Cash and Cash Equivalents	9,469
Investments	75,085
Total	<u>\$ 267,027,716</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 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, 2022:

Investments	Fair Value	Level	
		1	2
Federal Agency Bonds/Notes	\$ 16,885,206	\$ -	\$ 16,885,206
Federal Agency Commercial	11,486,625	-	11,486,625
Agency Mortgage-Backed Securities	4,158,712	-	4,158,712
Agency Collateralized Mortgage Obligations	1,951,951	-	1,951,951
Corporate Notes	44,660,833	-	44,660,833
Municipal Obligations	2,174,781	-	2,174,781
U.S Treasury Bonds/Notes	70,978,819	70,978,819	-
Supra-National Agency Bonds/Notes	7,462,961	-	7,462,961
Asset Backed Securities	11,833,400	-	11,833,400
Total Investments by Fair Value Level	\$ 171,593,288	\$ 70,978,819	\$ 100,614,469
Investments Measured at Amortized Cost:			
Florida Palm	27,097,582		
Florida Prime	33,507,049		
	60,604,631		
Total Investments	\$ 232,197,919		

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, 2022, the General Employees' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Duration (Years)
Cash Deposits	\$ 452,926	Not Applicable
Money market funds	4,452,607	Not Applicable
U.S. Government securities	11,451,724	5.19
Common and preferred stock	67,128,765	Not Applicable
Corporate bonds and notes	5,474,845	4.36
Real estate funds	21,085,248	Not Applicable
Mortgage backed securities	7,505,441	25.49
Collateralized mortgage obligations	1,570,609	24.53
Other equities	7,857,688	Not Applicable
Foreign stocks	22,190,836	Not Applicable
Total Cash & Investments	\$ 149,170,689	

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.

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.

Concentration of Credit Risk

The Plan does not allow for any investment in more than 10% (at fair value) 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 fair value of the total Plan assets. With the exception of 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 fair value) of the Plan's assets may be invested in securities issued by corporations domiciled outside the United States.

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:

	September 30, 2022, Credit Ratings	
	S&P	Moody's
US Government Securities	AA+	Aaa
US Government Agency Securities	AAA	Aaa...NR
Corporate Bonds	AA...BBB	Aaa...Baa2

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. As of September 30, 2022 and 2021, the Plan held \$22,190,836 and \$31,320,084 in international investments, representing approximately 14.92% and 17.24% respectively of total Plan investments. The aggregate investment in Foreign Stocks exceeded the Plan's asset allocation policy of 10%; however, was below the Plan's 17.5% limit for investments in securities issued by corporations

City of Sarasota, Florida
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domiciled outside the United States for both years. The largest concentration of investments in Foreign Stocks with one manager was \$9,571,987 and \$12,926,841 as of September 30, 2022 and 2021, respectively. Most of the international 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, 2021:

Investments	Fair Value	Level		
		1	2	3
Debt Securities:				
US Government Securities	\$ 11,451,724	\$ 1,799,267	\$ 9,652,457	\$ --
Mortgage Backed Securities	7,505,441	--	7,505,441	--
Collateralized mortgage obligations	1,570,609	--	1,570,609	--
Corporate Bonds and Notes	5,474,845	--	5,474,845	--
Total Debt Securities	26,002,619	1,799,267	24,203,352	--
Common and Preferred Stock	67,128,765	67,128,765	--	--
Real Estate Funds	10,521,599	--	--	10,521,599
Foreign Stocks	22,190,836	11,192,299	10,998,537	--
Other Equities	7,857,688	7,857,688	--	--
Total Investments by Fair Value Level	\$ 133,701,507	\$ 87,978,019	\$ 35,201,889	\$ 10,521,599

Investments Measured at Net Asset Value (NAV):

Real Estate Funds 10,563,649

Investments Not Subject to Level Disclosure:

Money Market Funds 4,452,607

Total Investments \$ 148,717,763

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 fair 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)	\$ 10,563,649	\$ -	Quarterly	45 days
Total Investments Measured at NAV	\$ 10,563,649			

(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

City of Sarasota, Florida
Notes to the Financial Statements
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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, 2022, the Firefighters' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 147,421	N/A
Money Market Funds	4,207,710	N/A
U.S. Government agency securities	8,197,114	12.709
Common Stock	83,420,064	N/A
Corporate Bonds and Notes	20,461,844	8.196
Stock Mutual Funds	1,692,023	N/A
Real Estate Funds	22,043,991	N/A
Mortgage Backed Securities	2,110,363	29.716
Municipal Securities	218,535	18.268
Foreign Stocks	14,878,397	N/A
Foreign Bonds	295,362	1.170
Total Cash & Investments	\$ 157,672,824	

Concentration

As of September 30, 2022, the Fund held investments in one real estate fund with a fair value of \$16,159,196.

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 fund 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 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.

	September 30, 2022, Credit Ratings	
	S&P	Moody's
Government securities	-	Aaa
Municipal securities	AAA	A2
Mortgage backed securities	AAA	Aaa
Corporate bonds and notes	AAA...CCC+	Aaa...Baa1

Concentration of Credit Risk

The Plan does not allow for any investment in more than 6% (at fair value) 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 fair 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 time of purchase) of the Fund's total fair 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.

The Plan has concentrated its risk for cash by maintaining deposits which may at times exceed amounts covered by the Federal Deposit Insurance Corporation (FDIC). The Fund has not incurred losses related to these and believes it is not exposed to any significant risk on cash.

Custodial Credit Risk, Investments

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

Investment in securities issued by foreign governments or corporations domiciled outside of the United States shall not exceed 25% of the Fund's total fair value.

Fair Value Measurement of Investments

The Plan has the following recurring fair value measurements as of September 30, 2022:

Investments	Fair Value	Level		
		1	2	3
Debt Securities				
U.S. Government agency securities	\$ 8,197,114	\$ 1,931,257	\$ 6,265,857	\$ --
Municipal Securities	218,535	--	218,535	--
Mortgage Backed Securities	2,110,363	--	2,110,363	--
Corporate Bonds and Notes	20,461,844	--	20,461,844	--
Foreign Bonds	295,362	--	295,362	--
Total Debt Securities	31,283,218	1,931,257	29,351,961	--
Common Stock	83,420,064	74,721,756	8,698,308	--
Foreign Equities	14,878,397	9,606,552	5,271,845	--
Equity Mutual Funds	1,692,023	1,692,023	--	--
Real Estate Funds	22,043,991	--	--	22,043,991
Total Investments by Fair Value Level	\$ 153,317,693	\$ 87,951,588	\$ 43,322,114	\$ 22,043,991

Investments Not Subject to Level Disclosure

Money Market Funds	4,207,710
Total Investments	\$ 157,525,403

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 fair value of the investments in the fund.

D. Police Officers' Defined Benefit Pension Plan

As of September 30, 2022, the Police Officers' Defined Benefit Pension Plan had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Duration (Years)
Cash Deposits	\$ 535,558	N/A
Money Market Funds	6,453,031	N/A
U. S. Government Securities	24,700,757	10.08
Common Stock	153,555,937	N/A
Corporate Bonds	34,747,864	5.19
Real Estate Mutual Funds	27,745,115	N/A
Mortgage and Asset Backed Securities	11,332,207	11.69
Municipal Securities	1,075,618	15.05
Foreign Mutual Funds	2,414,259	N/A
Total Cash & Investments	\$ 262,560,346	

Concentration

As of September 30, 2022, the Plan held investments in two funds with aggregate amounts exceeding 5% of the fair value of the Fund's assets. One equity mutual fund had a fair value totaling \$35,149,056 and one real estate mutual fund had a fair value of \$27,745,115 as of September 30, 2022. The September 30, 2022 investment compliance report did not identify a concentration with any individual issuer in excess of investment policy guidelines.

Duration

Duration is the measure of a fixed income's 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. All investments of the Plan are held by the Plan or its agent in the Plan's name.

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 B-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 fair 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 fair 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, 2022, Credit Ratings	
	S&P	Moody's
US Government Securities	AA+	Aaa
Corporate Bonds	AAA...BBB+	Aaa...Baa1

Rating information for mortgage and asset backed securities and bond mutual funds was not provided. No investments for which ratings were received 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.

Interest Rate Risk

The Plan manages its 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.

Concentration of Credit Risk

The Plan states that no more than 5% (at fair value) 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 fair 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 fair value) 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 fair value of Plan assets. Investments in real estate shall not exceed 15% (at fair value) of the value of the total Plan assets.

The Plan maintains cash deposits at financial institutions which may, at times, exceed amounts covered by the Federal Deposit Insurance Corporation (FDIC). The plan has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk to cash.

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 it has a custodial risk exposure as all its securities are insured, registered and held by an outside custodian.

Foreign Currency Risk

The Board of Trustees retains outside investment managers with the Fund's written investment policy. The Fund's Investment policy states that investments in securities issued by foreign governments or corporation domiciled outside the United States shall not exceed 25% of the fair value of Fund assets. The investment policy specifically prohibits certain investments including interest rate swaps, limited partnerships of any kind, venture capital, and futures contracts. The investment policy also prohibits trading on margin and short selling.

Fair Value Measurement of Investments

The Plan has the following recurring fair value measurements as of September 30, 2022:

Investments	Fair Value	Level		
		1	2	3
Debt Securities				
US Government Securities	\$ 24,700,757	\$ --	\$ 24,700,757	\$ --
Mortgage and Asset Backed Securities	11,332,207	--	11,332,207	--
Municipal Securities	1,075,618	--	1,075,618	--
Corporate Bonds	34,747,864	2,237,264	32,510,600	--
Total Debt Securities	<u>71,856,446</u>	<u>2,237,264</u>	<u>69,619,182</u>	<u>--</u>
Common Stock	153,555,937	112,734,296	40,821,641	--
Foreign Mutual Funds	2,414,259	--	2,288,492	125,767
Real Estate Mutual Funds	27,745,115	--	--	27,745,115
Total Investments by Fair Value Level	<u>\$ 255,571,757</u>	<u>\$ 114,971,560</u>	<u>\$ 112,729,315</u>	<u>\$ 27,870,882</u>

Investments Not Subject to Level

Disclosure	
Money Market Funds	<u>6,453,031</u>
Total Investments	<u>\$ 262,024,788</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 fair value of the investments in the fund.

There were no investments measured at net asset value (NAV) as of September 30, 2022.

(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, 2022, the OPEB Trust Fund had the following cash, cash equivalents and investments:

Portfolio / Investments	Fair Value	Weighted Average Maturity (Years)
Cash Deposits	\$ 490,348	Not Applicable
Money Market Funds	1,295,087	Not Applicable
U.S. Government Securities	3,583,799	0.55
U.S. Government Agency Securities	6,145	0.01
Common Stock Domestic	27,699,923	Not Applicable
Corporate Bonds Domestic	6,916,052	1.65
Real Estate Funds	5,797,942	Not Applicable
Common Stock Foreign	5,294,673	Not Applicable
Corporate Bonds Foreign	215,644	0.02
Total Cash & Investments	<u>\$ 51,299,613</u>	
Portfolio weighted average maturity		2.23

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 5% (at fair value) 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 fair 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 fair value) 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 \$5,510,317 in foreign investments. This amount represents approximately 11 % 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, 2022:

Investments	Fair Value	Level		
		1	2	3
U.S. Government Securities	\$ 3,583,799		\$ 3,583,799	
U.S. Government Agency Securities	6,145		6,145	
Common Stock Domestic	27,699,923	27,699,923		
Corporate Bonds Domestic	6,916,052		6,916,052	
Common Stock Foreign	5,294,673	5,294,673		
Corporate Bonds Foreign	215,644		215,644	
Private Real Estate Fund	5,797,942			5,797,942
Total Investments by Fair Value Level	\$ 49,514,178	\$ 32,994,596	\$ 10,721,640	\$ 5,797,942

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.

Private Real Estate Fund classified in Level 3 are valued using independent appraisers to determine the fair value of the investments in the fund.

F. General Employees Defined Contribution Retirement Plan

As of September 30, 2022, the General Employees Defined Contribution Retirement Plan had the following cash, cash equivalents and investments:

Portfolio/Investments	Fair Value	Weighted Average Maturity (Years)
Cash and Cash Equivalents	\$ -	Not Applicable
Stock mutual funds	14,678,946	Not Applicable
Bond mutual funds	2,923,548	10.12
Foreign mutual funds	874,850	Not Applicable
Total Cash & Investments	\$ 18,477,344	
Portfolio weighted average maturity		10.12

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, 2022:

Investments	Fair Value	Level	
		1	2
Stock Mutual Funds	\$ 14,678,946	\$ --	\$ 14,678,946
Bond Mutual Funds	2,923,548	--	2,923,548
Foreign Mutual Funds	874,850	--	874,850
Total Investments by Fair Value Level	\$ 18,477,344	\$ --	\$ 18,477,344

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	\$ 34,646,593	\$ 1,635,722	\$ 36,282,315
Investments	230,745,302	637,629,648	868,374,950
Total	\$ 265,391,895	\$ 639,265,370	\$ 904,657,265
Component Unit			
Cash and cash equivalents	\$ 173,736		\$ 173,736
Investments	1,377,531		1,377,531
Total	\$ 1,551,267		\$ 1,551,267
Total			\$ 906,208,532

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	Notes	Special Assessment	Leases	Total
General Fund	\$ 2,342,521	\$ 135,895	\$ --	\$ --	\$ 4,163,514	\$ 6,641,930
Community Redevelopment	--	8,259	--	--	--	8,259
Housing and Community Devl	3,450	13,111	--	--	--	16,561
Penny Sales Tax	--	43,208	--	--	--	43,208
Building Services Fund	--	32,573	--	--	--	32,573
Tourist Development Tax	--	4,980	--	--	--	4,980
Nonmajor Governmental Funds	88,697	89,163	141,713	79,986	--	399,559
Internal Service Funds	58,874	49,717	--	--	--	108,591
Total receivables	\$ 2,493,542	\$ 376,906	\$ 141,713	\$ 79,986	\$ 4,163,514	\$ 7,255,661

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 uncollectible accounts are as follows:

	Water and Sewer	Van Wezel	Solid Waste	Parking Management	Bobby Jones Reconstruction	Other Funds	Total
Receivables-unrestricted:							
Accounts (billed)	\$ 3,556,739	\$ 404,088	\$ 709,254	\$ 61,041	\$ --	\$ --	\$ 4,731,122
Accounts (unbilled)	2,369,840	--	--	--	--	--	2,369,840
Allowance for uncollectibles	(340,856)	--	(120,500)	(27,276)	--	--	(488,632)
Accounts (net)	5,585,723	404,088	588,754	33,765	--	--	6,612,330
Interest	122,442	36,982	15,853	2,888	74,872	265	253,302
Receivables-Restricted:							
Interest	13,176	--	--	813	--	--	13,989
Total receivables (net)	\$ 5,721,341	\$ 441,070	\$ 604,607	\$ 37,466	\$ 74,872	\$ 265	\$ 6,879,621

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 nonmajor governmental 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, 2022, is \$79,986.

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, 2022 is \$3,636,302.

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.

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, 2022, the various components of unearned revenue reported in the governmental funds and business-type funds were as follows:

	Unearned
Governmental Funds:	
Grant drawdowns prior to meeting all eligibility requirements	\$ 6,250,904
Prepaid occupational licenses	563,089
Receipts for future services	7,317,231
Rental receipts not yet earned	10,885
Total unearned revenue for governmental funds	\$ 14,142,109
Business-type Funds:	
Van Wezel ticket sales	\$ 3,887,667
Solid Waste collections billed in advance	517,620
Water and Sewer impact & connection fees	3,089,151
Grant receipts not yet earned	122,245
Unused gift certificates	597,426
Rental receipts not yet earned	242,760
Receipts for future services	567,929
Total unearned revenue for business-type funds	\$ 9,024,798

NOTE 5 - INTERFUND BALANCES

Interfund balances at September 30, 2022, consisted of the following amounts:

A. 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 General Fund from:	
Parking Management	\$ 123,885
Municipal Auditoriums	15,452
Total due to General Fund	\$ 139,337
Due to Internal Service Funds from:	
Nonmajor Governmental Funds	\$ 7,420

B. Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Parking Management	\$ 1,327,727
Internal Service	Nonmajor Governmental Funds	72,566

The General Fund provided an advance to the Parking Management Fund for the purchase of 40 parking pay stations and 20 multi-head meters for the St. Armand's Parking Area and 41 parking pay stations, 25 multi-head meters, and 5 single space station for the Downtown Parking Area. The repayment of the advance began in the 2018-19 fiscal year with an extended maturity in 2032. 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.

C. 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, 2022, consisted of the following:

Transfer	Purpose	Amount	
Transfers to General Fund from:			
Community Redevelopment	Program funding	\$ 54,000	
Building Service Funds	Program funding	420,000	
Nonmajor Governmental Funds	Program funding	336,627	
Total transfers to General fund			810,627
Transfers to Governmental Funds from:			
Penny Sales Tax Fund	Debt service	1,377,517	
Penny Sales Tax Fund	Program funding	453,460	
Nonmajor Governmental Funds	Program refunding	(26,581)	
Nonmajor Governmental Funds	Debt service	500,004	
Major Enterprise Funds	Program funding	1,058,075	
Total transfers to Governmental Funds			3,362,475
Transfers to Solid Waste Fund from:			
Nonmajor Governmental Funds	Program funding	200,000	
General Fund	Program funding	1,800,000	
Total Transfers to Solid Waste			2,000,000
Transfer to Capital Project Fund from:			
General Fund	Program funding	4,966,000	
Building Service Fund	Program funding	7,065,432	
Total transfers to Capital Project Funds			12,031,432
Transfers to Nonmajor Enterprise Funds from:			
Non Major Governmental Funds	Program funding		169,368
Transfer to Bobby Jones Construction Fund from:			
General Fund	Debt service	1,128,334	
General Fund	Program funding	100,327	
Total transfers to Bobby Jones Construction Fund			1,228,661
Total interfund transfers in			<u>\$ 19,602,563</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, 2022, was as follows:

	Beginning Balance	Additions and Transfers*	Retirements and Transfers	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 41,206,351	\$ 1,202,416	\$ --	\$ 42,408,767
Art collections	1,670,683	--	--	1,670,683
Construction in progress	51,078,928	32,680,755	3,916,423	79,843,260
Total capital assets not being depreciated	93,955,962	33,883,171	3,916,423	123,922,710
Capital assets being depreciated:				
Buildings	78,315,609	6,790,737	--	85,106,346
Improvements and infrastructure	240,704,120	676,817	--	241,380,937
Equipment	35,329,151	5,238,764	3,789,596	36,778,320
Total capital assets being depreciated	354,348,881	12,706,318	3,789,596	363,265,602
Less accumulated depreciation for:				
Buildings	30,766,888	1,872,130	(2,142,637)	34,781,655
Improvements and infrastructure	140,531,055	2,921,341	1,306,153	142,146,242
Equipment	29,191,453	6,827,486	(353,220)	36,372,159
Total accumulated depreciation	200,489,396	11,620,956	(1,189,704)	213,300,056
Total capital assets being depreciated, net	153,859,485	1,085,362	4,979,300	149,965,547
Governmental Activities capital assets, net	\$ 247,815,447	\$ 34,968,533	\$ 8,895,723	\$ 273,888,257
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 11,869,613	\$ --	\$ 175,000	\$ 11,694,613
Art collections	218,397	--	--	218,397
Construction in progress	68,081,509	7,590,300	51,203,639	24,468,170
Total capital assets not being depreciated	80,169,519	7,590,300	51,378,639	36,381,180
Capital assets being depreciated:				
Buildings	91,988,388	520,653	4,092,032	88,417,008
Improvements	17,164,675	271,479	6,268,230	11,167,924
Utility systems	350,154,889	62,210,258	--	412,365,147
Equipment	30,965,874	3,861,714	3,723,638	31,103,949
Total capital assets being depreciated	490,273,826	66,864,104	14,083,901	543,054,028
Less accumulated depreciation for:				
Buildings	50,238,422	1,881,551	3,264,529	48,855,444
Improvements	8,463,913	365,519	4,533,928	4,295,504
Utility systems	200,669,246	8,675,359	--	209,344,605
Equipment	23,317,897	3,151,318	1,215,336	25,253,879
Total accumulated depreciation	282,689,478	14,073,748	9,013,794	287,749,431
Total capital assets being depreciated, net	207,584,348	52,790,356	5,070,107	255,304,597
Business-type Activities capital assets, net	\$ 287,753,867	\$ 60,380,656	\$ 56,448,746	\$ 291,685,777

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2022

	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	67,616	3,010	--	70,626
Total capital assets being depreciated	<u>1,576,425</u>	<u>3,010</u>	<u>--</u>	<u>1,579,435</u>
Less accumulated depreciation for:				
Improvements	734,620	55,693	--	790,313
Equipment	67,615	226	--	67,841
Total accumulated depreciation:	<u>802,235</u>	<u>55,919</u>	<u>--</u>	<u>858,154</u>
Total capital assets being depreciated, net	<u>774,190</u>	<u>(52,909)</u>	<u>--</u>	<u>721,281</u>
Component unit capital assets, net	<u>\$ 775,566</u>	<u>\$ (52,909)</u>	<u>\$ --</u>	<u>\$ 722,657</u>
Downtown Improvement District				
Capital assets being depreciated:				
Improvements	\$ 562,392	\$ --	\$ --	\$ 562,392
Equipment	16,641	--	--	16,641
Total capital assets being depreciated	<u>579,033</u>	<u>--</u>	<u>--</u>	<u>579,033</u>
Less accumulated depreciation for:				
Improvements	423,601	20,711	--	444,312
Equipment	15,173	326	--	15,499
Total accumulated depreciation:	<u>438,774</u>	<u>21,037</u>	<u>--</u>	<u>459,811</u>
Total capital assets being depreciated, net	<u>140,259</u>	<u>(21,037)</u>	<u>--</u>	<u>119,222</u>
Component unit capital assets, net	<u>\$ 140,259</u>	<u>\$ (21,037)</u>	<u>\$ --</u>	<u>\$ 119,222</u>

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

Governmental activities:	
General government	\$ 996,230
Public safety	2,526,470
Physical environment	1,491,598
Transportation	4,706,424
Culture and recreation	1,262,786
Economic environment	20,471
Human Services	882
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	616,095
Total depreciation expense - governmental activities*	<u>\$ 11,620,956</u>
Business-type activities:	
Water and Sewer	\$ 9,806,977
Van Wezel	1,159,598
Solid Waste	1,816,812
Parking	1,126,795
Other	163,566
Total depreciation expense - business-type activities*	<u>\$ 14,073,748</u>

*The amounts reported in additions and transfers in the disclosure of capital assets by government function includes other items, such as transfers, and depreciation.

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2022

NOTE 7- LEASES

Right to Use Leased Assets

On April 26, 2021, the City of Sarasota entered into a lease for the right to use a building located on St Armands Circle. As of October 1, 2021, the lease required 54 monthly payments of \$3,000. An initial lease liability was recorded in the amount of \$159,761. The lease liability was calculated using the incremental borrowing rate of 0.6320%. The value of the right to use asset as of September 30, 2022 is \$124,259 with accumulated amortization of \$35,502. This right to use leased asset is for the St Armands BID, a discretely presented component unit.

	Restated Beginning Balance	Increase	Decrease	Ending Balance
Right to Use Assets				
Leased Building	\$ 159,761	\$ -	\$ -	\$ 159,761
Total	<u>159,761</u>	<u>-</u>	<u>-</u>	<u>159,761</u>
Less Accumulated Amortization:				
Leased Building	-	35,502	-	35,502
Total	<u>-</u>	<u>35,502</u>	<u>-</u>	<u>35,502</u>
Right to Use Assets, Net	<u>\$ 159,761</u>	<u>\$ (35,502)</u>	<u>\$ -</u>	<u>\$ 124,259</u>

Lease Liability

A lease liability of \$159,761 was recorded for the building lease above. Total principal payments made in fiscal year 2022 were \$35,176. The total outstanding obligation as of September 30, 2022 is \$124,585. This lease liability is for the St Armands BID, a discretely presented component unit.

	Restated Beginning Balance	Increase	Decrease	Ending Balance
Lease Liability				
Leased Building	\$ 159,761	\$ -	\$ 35,176	\$ 124,585
Total	<u>\$ 159,761</u>	<u>\$ -</u>	<u>\$ 35,176</u>	<u>\$ 124,585</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, were as follows:

Fiscal Year	Governmental Activities		Total Payments
	Principal	Interest	
2023	\$ 35,315	\$ 685	\$ 36,000
2024	\$ 35,539	\$ 461	\$ 36,000
2025	\$ 35,764	\$ 236	\$ 36,000
2026	\$ 17,967	\$ 33	\$ 18,000
Total	<u>\$ 124,585</u>	<u>\$ 1,415</u>	<u>\$ 126,000</u>

Lease Receivables

The City of Sarasota has nine building leases with various terms beginning in 2004 and terminating in 2034. The City receives fixed monthly payments on all of the leases and variable payments on two of the leases at rates of 3% of gross receipts less fixed monthly rent received and 10% of sales. The City recognized \$280,327 of rental income from fixed payments and \$120,260 from variable payments. Interest income of \$8,057 was also recognized. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the terms of the lease at discount rates calculated using the City's incremental borrowing rate.

The City of Sarasota has five infrastructure leases with various terms beginning in 2009 and terminating in 2024. The City receives fixed annual payments for these leases and recognized \$216,890 of rental

income and \$880 of interest income. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the terms of the lease at discount rates calculated using the City's incremental borrowing rate.

The City of Sarasota has three land leases with various terms beginning in 2004 and terminating in 2027. The City receives fixed monthly payments on all three leases and variable payments from two of the leases. The variable payments are calculated using 3% of gross receipts less the fixed monthly rent received. The City recognized \$447,722 of rental income from fixed payments and \$359,921 from variable payments. The City also recognized \$24,059 of interest income from these leases. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the terms of the lease at discount rates calculated using the City's incremental borrowing rate.

NOTE 8 – FINANCED PURCHASE AGREEMENT

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 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:

	Business Type Activities
Equipment	\$ 2,126,716
Less: accumulated depreciation	(1,215,266)
Carrying value	<u>\$ 911,450</u>

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, 2022:

	Business Type Activities
Year ending September 30, 2023	<u>469,935</u>
Total minimum lease payments	469,935
Less: amount representing interest	(15,532)
Present value of net minimum lease payments	<u>\$ 454,403</u>

NOTE 9 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended September 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
Bonds payable:					
General obligation bond	\$ 28,690,000	\$ --	\$ 1,390,000	\$ 27,300,000	\$ 1,450,000
General obligation bond*	1,665,000	--	225,000	1,440,000	230,000
Special obligation bond*	12,085,005	--	1,570,020	10,514,985	1,645,712
Total bonds payable	42,440,005	--	3,185,020	39,254,985	3,325,712
Loans payable**	--	10,070,000	--	10,070,000	875,000
Finance purchase agreement**	404,745	--	404,745	--	--
Unamortized premium	1,474,788	--	167,604	1,307,184	--
Compensated absences	5,434,526	5,839,232	5,434,526	5,839,232	3,912,285
Net OPEB liability	20,809,100	--	16,907,454	3,901,646	--
Net pension liability	57,426,988	--	36,523,405	20,903,583	--
Long-term liabilities	\$ 127,990,152	\$ 15,909,232	\$ 62,622,754	\$ 81,276,630	\$ 8,112,997
Business-type Activities:					
Revenue bonds	\$ 14,525,000	\$ --	\$ 600,000	\$ 13,925,000	\$ 625,000
Revenue bond*	37,280,000	--	1,265,000	36,015,000	2,995,000
Total bonds payable	51,805,000	--	1,865,000	49,940,000	3,620,000
Loans payable**	32,672,974	20,394,403	893,295	52,174,082	2,459,525
Finance purchase agreement**	893,788	--	439,385	454,403	454,403
Unamortized premium	588,475	--	61,445	527,030	--
Compensated absences	1,258,515	1,296,293	1,258,515	1,296,293	868,516
Net OPEB liability	7,651,473	--	6,286,485	1,364,988	--
Net pension liability	30,321,554	--	7,713,729	22,607,825	--
Long-term liabilities	\$ 125,191,779	\$ 21,690,696	\$ 18,517,854	\$ 128,364,621	\$ 7,402,444

*Per GASB 88, this debt meets the definition of a direct placement

**Per GASB 88, this debt meets the definition of a direct borrowing

Bonds and notes outstanding at September 30, 2022, consist of the following:

Description of Debt	Amount Outstanding	
	Governmental Activities	Business-type Activities
General Obligation Bond		
\$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.	\$ 27,300,000	
General Obligation Bond - Direct Placement		
\$2,700,000 General Obligation Bonds, Series 2016, were issued to advance refund all of the City's General Obligation Bonds Series 2008 maturing on and 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 2.115% and the principal is repaid annually with a final maturity of \$250,000 on May 1, 2028.	1,440,000	
Special Obligation Bonds - Direct Placement		
\$6,869,000 Sales Tax Payments Refunding Revenue Bond, Series 2020 were issued to refund all of the City's Build America Economic Development Bonds, Series 2010 issued for the purpose of 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 1.84% and the principal is repaid annually with a final maturity of \$490,000 on February 1, 2037.	6,496,000	
\$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.	4,018,985	
Revenue Bonds		
\$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.	12,090,000	
\$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 October 1, 2038.	1,835,000	
Revenue Bonds - Direct Placement		
\$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.	2,020,000	

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2022

Description of Debt (continued)	Amount	Outstanding
	Governmental Activities	Business-type Activities
\$24,535,000 Water & Sewer Revenue Refunding Bonds, Series 2019, were issued to advance refund of all the outstanding Water and Sewer System Revenue Bonds, Series 2010B. 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 3.38% and the principal is repaid annually starting October 1, 2021 with a final maturity of \$1,850,000 on October 1, 2040.		23,750,000
\$10,245,000 Water & Sewer System Revenue Refunding Bonds, Series 2021, were issued to advance refund all of the outstanding Water and Sewer System Revenue Refunding Bonds, Series 2011. 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 1.053% and the principal is repaid annually with a final maturity of \$1,460,000 on October 1, 2028.		10,245,000
Loans Payable - Direct Borrowing		
\$1,508,170 Drinking Water State Revolving Fund, Wastewater Loan DW580240 was issued for a waterline at Lift Station 87. 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, 2022 with interest at 1.24%. The final payment of \$9,777 is due February 15, 2042.		1,508,170
\$31,508,480 Clean Water State Revolving Fund, Wastewater Loan WW580230 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 May 15, 2022 with interest at 0.25%. The final payment of \$815,996 is due November 15, 2041.		30,665,912
***\$20,000,000 Florida Taxable Capital Improvement Revenue Bond, Series 2022 were issued for the reconstruction of the Bobby Jones Golf Club. Non-ad valorem revenues and user fees are pledged to pay principal and interest payments. The first semi-annual interest payment was due April 1, 2022. Principal and interest payments are made semi-annually at an annual fixed rate of 2.40% with a final maturity of \$795,000 on October 1, 2036.		20,000,000
\$10,070,000 Capital Improvement Revenue Bond, Series 2022B, were issued for the construction of the Administration Building (One Stop Shop). Non-ad valorem revenues are used to pay principal and interest payments. The first semi-annual interest payment is due April 1, 2023. Interest is paid semi-annually at an average rate of 2.90% and the principal is repaid annually with a final maturity of \$1,140,000 on October 1, 2032.		10,070,000
Total bonds and loans	<u>\$ 49,324,985</u>	<u>\$ 102,114,082</u>

The City complies with Federal arbitrage regulations and has no rebate liability due as of September 30, 2022.

City of Sarasota, Florida
Notes to the Financial Statements
September 30, 2022

Annual debt service requirements for Governmental Activities as of September 30, 2022, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bond			Total
	Principal	Interest		
2023	\$ 1,450,000	\$ 1,085,844		\$ 2,535,844
2024	1,520,000	1,013,344		2,533,344
2025	1,800,000	937,344		2,537,344
2026	1,675,000	857,344		2,532,344
2027	1,760,000	773,594		2,533,594
2028-2032	9,825,000	2,735,039		12,560,039
2033-2037	9,470,000	1,024,481		10,494,481
Total	<u>\$ 27,300,000</u>	<u>\$ 8,426,990</u>		<u>\$ 35,726,990</u>

Fiscal Year	Governmental Activities				
	General Obligation Bond Direct Placement		Special Obligation Bond Direct Placement		Loans Payable Direct Borrowing
	Principal	Interest	Principal	Interest	Principal
2023	\$ 230,000	\$ 30,456	\$ 1,645,712	\$ 310,645	\$ 875,000
2024	235,000	25,592	1,725,347	229,110	910,000
2025	240,000	20,621	1,808,926	142,721	935,000
2026	240,000	15,545	401,000	94,475	960,000
2027	245,000	10,469	409,000	87,023	990,000
2028-2032	250,000	5,288	2,160,000	318,412	5,400,000
2033-2037	--	--	2,365,000	110,372	--
Total	<u>\$ 1,440,000</u>	<u>\$ 107,971</u>	<u>\$ 10,514,985</u>	<u>\$ 1,292,758</u>	<u>\$ 10,070,000</u>

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 loans payable 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, 2022, are as follows:

Fiscal Year	Business-Type Activities				
	Revenue Bonds		Revenue Bond Direct Placement		Total
	Principal	Interest	Principal	Interest	
2023	\$ 625,000	\$ 481,081	\$ 2,995,000	\$ 929,167	\$ 5,030,248
2024	645,000	456,531	2,700,000	874,202	4,675,733
2025	675,000	431,006	2,750,000	819,930	4,675,936
2026	695,000	404,506	2,790,000	764,594	4,654,100
2027	725,000	377,031	1,740,000	723,921	3,565,952
2028-2032	4,085,000	1,413,505	8,030,000	3,120,242	16,648,747
2033-2037	4,845,000	656,078	8,015,000	1,869,056	15,385,134
2038-2041	1,630,000	53,300	6,995,000	481,735	9,160,035
Total	<u>\$ 13,925,000</u>	<u>\$ 4,273,038</u>	<u>\$ 36,015,000</u>	<u>\$ 9,582,846</u>	<u>\$ 63,795,884</u>

Fiscal Year	Business-Type Activities			
	Purchase Agreement Direct Borrowing		Loans Payable Direct Borrowing	
	Principal	Interest	Principal	Interest
2023	\$ 454,404	\$ 15,532	\$ 2,459,525	\$ 557,976
2024	-	-	2,829,759	524,249
2025	-	-	2,854,219	491,109
2026	-	-	2,888,700	457,408
2027	-	-	2,923,202	422,887
2028-2032	-	-	15,169,275	1,571,010
2033-2037	-	-	15,330,018	589,706
2038-2042	-	-	7,719,383	52,126
Total	<u>\$ 454,404</u>	<u>\$ 15,532</u>	<u>\$ 52,174,082</u>	<u>\$ 4,666,472</u>

Future Revenues that are Pledged

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

Source of Revenue Pledged	Business-Type Activities		
	Governmental Activities Penny Sales Tax	Water & Sewer Net Revenue	Parking Management
Revenue Pledged Thru	11/1/2024	10/1/2040	1/1/2038
Total Principal and Interest Outstanding	\$ 11,807,743	\$ 78,629,259	\$ 18,198,041
Current Year Principal and Interest Paid	1,462,192	4,905,665	1,118,156
Current Year Revenue	12,083,797	23,726,019	1,077,598
Description of Debt	Series 2009 and 2020 Special Obligation Bonds	Water & Sewer Utility Revenue Bonds issued 2010-2019	Series 2017 Revenue Bonds
Purpose of Debt	Land and Capital Improvements	Construction and Refunding Bonds	St. Armands Parking Garage
Debt Coverage	8.26	4.84	0.96

Deceased Debt

The City has defeased certain bonds by placing the proceeds of new bonds in irrevocable trust accounts to provide for all future debt service payments on the old bonds. All such defeasements have been in prior years. The assets of the trust accounts and the liability for the defeased bonds are not included in the City's financial statements.

On September 30, 2022, 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 0.125 percent. The loan proceeds are to be disbursed to the City as costs are incurred for the construction of wastewater and reclaimed water facilities. On November 6, 2017, the City entered into an amendment(1) to increase the loan by \$2,840,000, and on December 14, 2020 the City entered into another amendment (2) to increase the loan by \$5,709,344 for a total loan amount of \$33,549,344. As of September 30, 2022, the City has \$30,665,912 of the loan proceeds outstanding.

This is a 20 year loan with the first principal and interest payment due May 15, 2022.

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. On March 8, 2021 the City entered into an amendment(1) to increase the loan by \$543,193 for a total loan amount of \$2,094,193. The City has since decided to not utilize the funding provided by the first amendment. 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, 2022, the City has \$1,508,170 of the loan proceeds outstanding.

This is a 20 year loan with the first principal and interest payment due August 15, 2022.

NOTE 10 - 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 11 - RESTRICTED ASSETS

The balances of restricted asset accounts in the enterprise funds at September 30, 2022, are as follows:

Water and Sewer			
Revenue Account - Customer deposits	\$	1,347,470	
Interest & Sinking Account		5,862,095	
Construction Accounts		1,488,448	
			\$ 8,698,013
Solid Waste			
Customer Deposits			8,639
Parking Management			
Construction Accounts			4,508,693
Bobby Jones Golf Complex			
Construction Accounts			1,035,000
Total			\$ 14,250,345

NOTE 12 - 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 \$3,374,228 at September 30, 2022, includes \$1,543,106 for workers compensation, \$874,493 for group health, \$189,574 for police liability and \$767,055 for general and automotive 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 \$225,000 for law enforcement that are intentionally killed as a consequence of performing their duties. The City is fully self-insured for this benefit.

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

The claims liability accrued at September 30, 2022, 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, fleet/auto liability and police liability self-insurance programs. Although in the past, the level of funding for some of the City's self-insurance programs have not been based upon actuarial computations for a variety of reasons, the actuarial reviews verified that the programs are adequately funded and the future philosophy will be to fund at the recommended discounted rate determined within the actuarial report.

Changes in claims liability amounts were as follows:

	General Benefits and Insurance Fund		OPEB Trust Fund	
	Year ended 9/30/21	Year ended 9/30/22	Year ended 9/30/21	Year ended 9/30/22
Unpaid claims, beginning of year	\$ 3,107,576	\$ 3,486,243	\$ 539,689	\$ 689,091
Incurred claims (including IBNRs)	8,396,887	8,943,700	5,341,700	4,842,644
Claim payments	(8,018,220)	(9,055,715)	(5,192,298)	(5,048,803)
Unpaid claims, end of year	<u>\$ 3,486,243</u>	<u>\$ 3,374,228</u>	<u>\$ 689,091</u>	<u>\$ 482,932</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 13 - COMMITMENTS

Construction/consulting commitments

The City has active construction and other projects as of September 30, 2022. At year end the City's commitments with contractors and consultants are as follows:

	Spent to-date	Remaining Commitment
Business-type Activities:		
Bobby Jones Golf Course Construction	\$ 5,129,361	\$ 7,412,722
Bobby Jones Clubhouse Design Construction	105,509	438,702
Solid Waste Replacement Vehicles	-	1,531,328
Water Treatment Plant Improvements-Water Quality	81,163	872,906
Sanitary Sewer Lateral Lining & Rehabilitation	1,946,514	250,811
Total	<u>\$ 7,262,547</u>	<u>\$ 10,506,469</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, 2022, total governmental fund encumbrance balances for the City are as follows:

Governmental Activities:	
General Fund	\$ 1,910,498
Penny Sales Tax	1,019,833
Community Redevelopment	339,791
Housing and Community Development	2,572,065
Tourist Development Tax	122,234
Development Services	418,362
Nonmajor Governmental Funds	6,229,732
Total	<u>\$ 12,612,515</u>
Component Units:	
Downtown Improvement District	\$ 10,764
St. Armands Business District	36,281
Total	<u>\$ 47,045</u>

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, 2021, to September 30, 2021. 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: 67% by the County and 33% by the City. For the current fiscal year the required contribution from the City was \$1,509,383.

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 14 - CONTINGENCIES

Grant Programs

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

Other

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

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NOTE 15 – EMPLOYEE RETIREMENT PLANS

The City maintains five public employee retirement plans. They are the Florida Retirement System, the General Employees' Defined Benefit Plan, the Firefighters' Defined Benefit Plan and the Police Officers' Defined Benefit Plan and the General Employees' Defined Contribution Plan.

For the General Employees Defined Benefit Plan, the Firefighters' Defined Benefit Plan and the Police Officers' Defined Benefit Plan, assets are held separately for each plan, and may be used only for the payment of benefits to the members and administrative expenses of the respective plans, and are administered by a separate Board of Trustees (Defined Benefit Plans) and the Employee Retirement Account committee (ERAC) (Defined Contribution Plan). 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 Defined Benefit Plans issue stand alone, audited financial statements including all required note disclosures and 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 stand alone reports may be obtained from the City of Sarasota City Auditor and Clerk's website at:

<https://www.sarasotafl.gov/government/city-auditor-and-clerk>

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. FLORIDA RETIREMENT SYSTEM

General Information. Effective December 1, 2021 all of the City's full-time, permanent part-time and non-sworn (general) employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides

retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature. The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the website:

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Florida Retirement System Pension Plan

Plan Description. The FRS Pension Plan is a cost-sharing multiple-employer qualified defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") available for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers and firefighters, meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service, while employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

The DROP Program, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided - Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the 63 retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment and Retirement Age/Years of Service	% Value
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 years or more of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Offices</i>	3.00
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary on a pretax basis to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from December 1, 2021 through June 30, 2022 and from July 1, 2022 through September 30, 2022, respectively, were as follows:

Membership Class	December 1, 2021 thru June 30, 2022	July 1, 2022 thru September 30, 2022
<i>FRS, Regular</i>	10.82%	11.91%
<i>FRS, Elected Officers</i>	51.42%	57.00%
<i>FRS, Senior Management Service</i>	29.01%	31.57%
<i>FRS, Special Risk Administrative Support</i>	37.76%	38.65%
<i>FRS, Special Risk</i>	25.89%	27.83%
<i>FRS, DROP</i>	18.34%	18.60%

The City's contributions, including employee contributions, to the Pension Plan totaled \$1,102,523 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2022, the City reported a liability of \$4,885,770 for its proportionate share of the Pension Plan's net pension liability, an increase of \$4,885,770 over last year's liability of \$0. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was 0.013130953 percent, which was an increase of 0.00 percent from its proportionate share measured as of June 30, 2021.

City of Sarasota, Florida
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For the fiscal year ended September 30, 2022, the City recognized pension expense of \$1,356,594. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 232,046	-
Change of assumptions	601,703	-
Net Difference between projected and actual earnings on Pension Plan investments	322,607	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	2,948,440	-
City Pension Plan contributions subsequent to the measurement date	277,242	-
Total	\$ 4,382,038	\$ -

The deferred outflows of resources related to the Pension Plan, totaling \$277,242 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2023	\$ 934,855
2024	760,733
2025	560,771
2026	1,476,893
2027	371,543
Thereafter	-

Actuarial Assumptions - The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25% average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study completed in 2019 for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed income	20.0%	3.8%	3.7%	3.3%
Global equity	54.2%	8.2%	6.7%	17.8%
Real estate	10.3%	7.1%	6.2%	13.8%
Private equity	10.8%	11.7%	8.5%	26.4%
Strategic investments	3.7%	5.7%	5.4%	8.4%
Assumed Inflation - Mean			2.4%	1.2%

Note (1) As outlined in the FRS Pension Plan's Investment Policy.

City of Sarasota, Florida
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Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.7%	Current Discount Rate 6.7%	1% Increase 7.7%
City's proportionate share of the net pension liability	\$ 8,449,603	\$ 4,885,770	\$ 1,905,981

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2022, the City reported a payable in the amount of \$0 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2022.

Retiree Health Insurance Subsidy Program

Plan Description - The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement. Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report which may be obtained through the Florida Department of Management Services website at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications

Benefits Provided - For the fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution for the period October 1, 2021 through September 30, 2022 was 1.66% pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding five years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The City's contributions to the HIS Plan totaled \$147,820 for the fiscal year ended September 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At September 30, 2022, the City reported a liability of \$1,664,863 for its

City of Sarasota, Florida
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proportionate share of the HIS Plan's net pension liability, an increase of \$1,664,863 over last year's liability of \$0. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was based on the City's 2021-22 fiscal year contributions relative to the 2020-21 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was .0015718715 percent, which was an increase of 0.015718715 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$392,439. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,533	\$ 7,326
Change of assumptions	95,431	257,553
Net difference between projected and actual earnings on HIS Plan investments	2,410	-
Changes in proportion and differences between City HIS Plan contributions and proportionate share contributions	1,510,608	-
City HIS Plan contributions subsequent to the measurement date	50,483	-
Total	1,709,465	264,879

The deferred outflows of resources related to the HIS Plan, totaling \$50,483 resulting from City contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2023	\$ 251,841
2024	\$ 264,696
2025	\$ 272,863
2026	\$ 264,515
2027	\$ 244,398
Thereafter	\$ 95,790

Actuarial Assumptions – The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.16%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

Discount Rate - The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the longterm expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

City of Sarasota, Florida
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Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease 2.54%	Current Discount Rate 3.54%	1% Increase 4.54%
City's proportionate share of the net pension liability	\$ 1,904,740	\$ 1,664,863	\$ 1,466,370

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan - At September 30, 2022, the City reported a payable in the amount of \$0 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2022.

Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected City Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2021-22 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 9.30%, Special Risk Administrative Support class 10.95%, Special Risk class 17.00%, Senior Management Service class 10.67% and City Elected Officers class 14.34%. The allocations include a required employee contribution of 3% of gross compensation for each member class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over his/her account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

Effective July 1, 2017, retirees of the Investment Plan are eligible for renewed membership in the Investment Plan. The retiree must be employed in an FRS-covered position on or after July 1, 2017 in order to gain renewed membership. This new provision does not afford renewed membership retroactively for the period of July 1, 2010 to June 30, 2017, nor does it grant disability benefits for renewed members.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Annual Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The City's Investment Plan pension expense totaled \$122,727 for the fiscal year ended September 30, 2022.

B. 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, 2022, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	422
Inactive plan members entitled to but not yet receiving benefits	16
Active plan members	<u>95</u>
Total	<u>554</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 percent 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 \$ 6,978,144 is required to be contributed by the City and County for the fiscal year ending September 30, 2022. 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, 2022, contributions were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2021. Contributions totaling \$ 7,440,622 were from the following sources; the City and County contributed \$ 6,978,144 and plan members contributed \$462,478

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, 2022, was \$1,498,994 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, 2022, for the Plan are reported in Note 3.

Rate of return. For the year ended September 30, 2022, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was (13.4) percent. 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, 2021.

The total pension liability was rolled forward from the valuation date to the plan year ending September 30, 2022 using the following actuarial assumptions applied to all measurement periods:

Inflation	2.30%
Salary increases	4.70% to 6.30% depending on age, including inflation
Investment rate of return	6.20%, net of pension plan investment expense

As of September 30, 2022, mortality tables use are based on the Pub-2010 Headcount Weighted Mortality Table for Annuitants (for postretirement mortality), with mortality improvement projected for healthy lives to all future years after 2010 using Scale MP-2018. No mortality improvement is projected for disabled lives.

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, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	1.45%
Domestic equity	6.49%
International equity	5.29%
Real estate	4.69%
Infrastructure	3.17%

Discount rate. A single discount rate of 6.20 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.20 percent. 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

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return on Plan investments, 6.20%, 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	6.20%
Long-term expected rate of return	6.20%
Long-term municipal bond rate	2.19%
Last year ending September 30 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121

* 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, 2021. 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 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 6.20%, 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 5.20%	Current Discount Rate 6.20%	1% Increase 7.20%
Net pension liability	\$ 61,691,507	\$ 36,960,775	\$ 16,132,308

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, 2020*	\$ 214,209,910	\$ 156,335,727	\$ 57,874,183
Changes for the year:			
Service cost	1,909,336	--	1,909,336
Interest on the total pension liability	13,623,094	--	13,623,094
Differences between expected and actual experience	(2,383,477)	--	(2,383,477)
Changes of assumptions	7,691,456	--	7,691,456
Contributions from the employer	--	6,994,858	(6,994,858)
Contributions non-employer contributing entity	--	58,799	(58,799)
Contributions from employees	--	526,151	(526,151)
Net investment income	--	34,434,727	(34,434,727)
Administrative expenses	--	(260,718)	260,718
Benefit payments, including refunds of employee contributions	(14,326,524)	(14,326,524)	--
Net changes	6,513,885	27,427,293	(20,913,408)
Balance at September 30, 2021*	\$ 220,723,795	\$ 183,763,020	\$ 36,960,775

*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, 2021, were as follows:

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Total pension liability	\$ 220,723,795
Plan fiduciary net position	183,763,020
Net pension liability	<u>\$ 36,960,775</u>
Plan fiduciary net position as a percentage of the total pension liability	83.25%

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2022, the City recognizes pension expense of \$4,573,553 for the General Employees Defined Benefit Pension Plan (GEDBPP). At September 30, 2022, the City has deferred outflows and deferred inflows of resources related to the GEDBPP as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ --	\$ 680,993
Changes in assumptions	2,197,559	--
Contributions to the pension plan subsequent to the measurement date	6,978,144	--
Net difference between projected and actual earnings on pension plan investments	--	14,492,438
Total	<u>\$ 9,175,703</u>	<u>\$ 15,173,431</u>

\$6,978,144 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, 2023. 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
2023	\$ (1,285,871)
2024	(2,224,341)
2025	(4,580,814)
2026	(4,884,846)

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, 2022, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	<u>156</u>
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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, 2022, 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 \$1,484,752 for the year ended September 30, 2022.

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, 2022, for the Plan are reported in Note 3.

Rate of return. For the year ended September 30, 2022, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was (11.78)%. 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, 2021. The total pension liability was rolled forward from the valuation date to the plan year ending September 30, 2022 using the following actuarial assumptions applied to all measurement periods:

Inflation	N/A
Salary increases	N/A
Investment rate of return	6.85%

Mortality rates were based on the PUB-2010 Headcount Weighted Safety Healthy Retiree Female Mortality Table and Safety Below Median Healthy Retiree Male Mortality Table, both set-forward 1 year, with fully generational mortality improvements projected to each future decrement date with Scale MP-2018..

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, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity securities	6.50%
Fixed income securities	1.30%
Real estate	3.40%
Infrastructure	4.90%
International Equity	5.30%

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 *	4.40%
Last year ending September 30 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121

* 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, 2022. 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 6.85%, 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:

	<u>Net Pension (Asset)Liability</u>		
	<u>1% Decrease (5.85)%</u>	<u>Current Discount Rate (6.85%)</u>	<u>1% Increase (7.85)%</u>
City of Sarasota's proportionate share of net pension (asset)liability	\$ 3,065,957	\$ (3,365,730)	\$ (8,754,479)

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Net pension liability. At September 30, 2022, the City reported an asset of \$3,365,730 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, 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, 2022, the City's proportion was 33 percent, which was the same proportion measured as of September 30, 2021.

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, 2022, the City will recognize pension expense of \$(781,253) for the Firefighters Defined Benefit Pension Plan (FFDBPP). At September 30, 2021, 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	\$ 1,624,320	\$ --
Net difference between projected and actual earnings on pension plan investments	--	3,705,967
Total	<u>\$ 1,624,320</u>	<u>\$ 3,705,967</u>

\$1,624,320 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, 2023. 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
2022	\$ (710,174)
2023	(527,470)
2024	(1,074,350)
2025	(1,393,973)
Total	<u>\$ (3,705,967)</u>

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.

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Plan membership. At September 30, 2021, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	238
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	158
Total	<u>402</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 2.50% 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.

The Fund also provides for compliance with Chapter 185, Florida Statutes to ensure the Fund will continue to qualify for funding under Florida Statute 185.08 in the event a change to the statute is effective before the Fund can be amended. The City Commission may not amend the Fund to reduce the vested accrued benefit of members or beneficiaries.

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, 2018.

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, 2022, the share plan had a balance of \$275,232.

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

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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, 2022, contributions totaling \$8,570,689 were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of September 30, 2021. The City contributed \$6,576,009; the State of Florida contributed \$735,199 and the employees contributed \$1,259,481

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.

A separate general ledger account is created for each member participating in the DROP to track earnings, contributions and payments. 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 of those amounts. To maximize earnings potential for each DROP participant, the funds are pooled with the investments in the Fund.

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 DROP amount included as a component of net position at September 30, 2022 was \$2,381,644.

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, 2022, for the Plan are reported in Note 3.

Rate of return. For the year ended September 30, 2022, the annual money-weighted rate of return on Plan investments, net of Plan investment expense was (16.67)%. 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, 2021. The total pension liability was rolled forward from the valuation date to the Plan year ending September 30, 2022, using the following actuarial assumptions applied to all measurement periods:

Inflation	2.30%
Salary increases	5.20% to 19.30% depending on service, including inflation
Investment rate of return	6.50%

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

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include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members in the July 1, 2018 actuarial valuation of the Florida Retirement System (FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

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, 2022, (see the discussion of the Plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	9.56%
Bonds	4.49%
International equity	5.60%
Real estate	8.87%
Infrastructure	8.09%

Discount rate. A single discount rate of 6.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Plan investments of 6.50%. 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 (6.50%) 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	6.50%
Long-term expected rate of return	6.50%
Long-term municipal bond rate *	2.19%
Last year ending September 30 in the 2022 to 2121 projection period for which projected benefit payments are fully funded	2121

* Source: Fidelity General Obligation AA rate as of September 30, 2021, 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 6.50%, 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 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension (asset)liability	\$ 28,518,206	\$ (12,786,118)	\$ (46,598,777)

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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, 2020*	\$ 294,177,144	\$ 270,902,751	\$ 23,274,393
Changes for the year:			
Service cost	4,538,036	--	4,538,036
Interest on the total pension liability	19,448,189	--	19,448,189
Differences between expected and actual experience	402,170	--	402,170
Changes of assumptions	9,081,088	--	9,081,088
Contributions from the employer	--	7,237,371	(7,237,371)
Contributions from employees	--	1,215,226	(1,215,226)
Net investment income	--	61,299,155	(61,299,155)
Administrative expenses	--	(221,758)	221,758
Benefit payments, including refunds of employee contributions	(16,575,580)	(16,575,580)	--
Net changes	16,893,903	52,954,414	(36,060,511)
Balance at September 30, 2021*	\$ 311,071,047	\$ 323,857,165	\$ (12,786,118)

*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, 2022, were as follows:

Total Pension liability	\$ 311,071,047
Plan fiduciary net position	323,857,165
Net Pension (asset) liability	<u>\$ (12,786,118)</u>
Plan fiduciary net position as a percentage of the total Pension liability	104.11%

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2022, the City will recognize pension expense of \$(5,054,886) for the Police Officers Defined Benefit Pension Plan (PODBPP). At September 30, 2022, 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	\$ 2,151,651	\$ -
Contributions to the Pension Plan subsequent to the measurement date	7,311,208	--
Changes in Assumptions	5,110,338	--
Net difference between projected and actual earning on Pension plan investments	--	--
Total	<u>\$ 14,573,197</u>	<u>\$ 38,591,937</u>

\$7,311,208 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

City of Sarasota, Florida
Notes to the Financial Statements
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Year Ended September 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ (7,618,506)
2024	(6,159,279)
2025	(8,893,193)
2026	(8,658,970)
2027	-
Thereafter	-
Total	<u>\$ (31,329,948)</u>

D. Summary of All Defined Benefit Pension Plans

The actuarial valuation of the liabilities and the measurement date were determined as of the September 30, 2021. These liabilities were used for GASB Statement No. 68 purposes for the reporting period ending September 30, 2022. Using a measurement date of September 30, 2021 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 2022 fiscal year are summarized below:

	Defined Benefit Pension Plans					
	Florida Retirement System	Retiree Health Ins. Subsidy Prog.	General Employees	Fire Fighters	Police Officers	Total
Net pension (asset) liability	\$ 4,885,770	\$ 1,664,863	\$ 36,960,775	\$(3,365,730)	\$ (12,786,118)	\$ 27,359,560
Deferred outflows of resources related to pensions	4,382,038	1,709,465	9,175,703	1,624,320	14,573,197	31,464,723
Deferred inflows of resources related to pensions	-	264,879	15,173,431	3,705,967	38,591,937	57,736,214
Pension expense	1,479,321	392,439	4,573,553	(781,253)	(5,054,886)	609,174

Totals by funds are as follows:

	Net Pension (Asset) Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Governmental activities	\$ 4,751,735	\$ 24,008,059	\$ 49,442,613	\$ (10,764,663)
Business-type activities	22,607,825	7,456,664	8,293,601	11,373,837
Totals	<u>\$ 27,359,560</u>	<u>\$ 31,464,723</u>	<u>\$ 57,736,214</u>	<u>\$ 609,174</u>

E. 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.

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, 2022, is as follows:

Active employees (vested and non-vested)	245
Retired and terminated members maintaining balances	<u>327</u>
Total	<u>572</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 2021, actual contributions were \$ 994,181 from employees, \$ 994,182 from the City, and \$ 147,937 from other.

The City contributed an additional \$ 60,500 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		\$ -
Investments:		
Stock Mutual Funds	14,678,946	
Bond mutual funds	2,923,548	
Foreign mutual funds	874,850	
Total investments	<u>18,477,344</u>	
Receivables (net):		
Accounts	250,172	
Interest and dividends	<u>(210)</u>	
Total receivables	<u>249,962</u>	
Other Assets:		
Investments-FMV Adj.	3,244	
Total assets	<u>18,730,550</u>	
Liabilities		
Accounts payable		3,000
Due to other governmental unit		<u>101,639</u>
Total liabilities		<u>104,639</u>
Net Position		
Restricted for pension benefits		<u>\$ 18,625,911</u>

Statement of Changes in Plan Net Position

Additions		
Contributions:		
Plan members	\$ 994,181	
Employer		
City of Sarasota	994,182	
Other	<u>147,937</u>	
Total contributions	<u>2,136,300</u>	
Investment income:		
Net increase in fair value of investments	(5,008,837)	
Interest and Dividend	<u>1,559,891</u>	
Total investment income	<u>(3,448,946)</u>	
Less Investment expense	<u>(42,923)</u>	
Net investment income	<u>(3,491,869)</u>	
Total additions	<u>(1,355,569)</u>	
Deductions		
Benefits	1,264,710	
Administration expenses	<u>60,500</u>	
Total deductions	<u>1,325,210</u>	
Net increase	<u>(2,680,779)</u>	
Net position - beginning of year	21,306,690	
Net position - end of year	<u>\$ 18,625,911</u>	

F. Other Post Employment Benefits Plan

Plan Description

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

The 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, 2021:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	693
Inactive Plan Members Entitles to But Not Yet Receiving Benefits	13
Active Plan Members	716
Total	1,422

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.

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 2022 fiscal year, the City contributed \$3,088,000 to the plan, and plan members receiving benefits contributed \$1,416,885. Retiree-only coverage is offered to plan members at no cost or up to \$137.94 per month based upon pension benefit and type of plan selected. Dependent coverage is offered at \$485.66 to \$1,108.09 per month depending on the plan selected. Rates vary based upon the type of plan selected by the retiree.

Net OPEB Liability

Actuarial Assumptions. The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% Intermediate, 2.50% Long-Term
Salary Increase	4.70% - 19.30% depending on plan type, age and years of service
Investment Rate of Return	6.00%
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 6.25% and gradually decreasing to an ultimate trend rate of 3.99%.

Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS), including generational projections of improvements. They are based on the results of a statewide experience study covering the period 2013 through 2018.

The actuarial assumptions used in the September 30, 2021, valuation were based on the results of an actuarial experience study performed as of September, 30, 2020.

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, 2022, 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	6.25%	60%
Fixed Income	0.70%	20%
International Equity	6.55%	10%
Real Estate	5.41%	10%

Discount rate. A single discount rate of 6.00% 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 6.00%. 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 (6.00%) 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	6.00%
Long-term expected rate of return	6.00%
Long-term municipal bond rate	2.19%
Last year ending September 30 in the 2022 to 2119 projection period for which projected benefit payments are fully funded	2121

* Source: Fidelity General Obligation AA rate as of September 30, 2020, 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."

City of Sarasota, Florida
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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 (7.0 percent) than the current discount rate:

	1% Decrease (5.00)%	Current Discount Rate (6.00)%	1% Increase (7.00)%
Net OPEB Liability	\$ 11,535,440	\$ 5,266,634	\$ (73,136)

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 (5.25% decreasing to 2.99%) or 1% point higher (7.25% decreasing to 4.99%) than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 2.99%)	Current Discount Rate Trend Rate Assumption	1% Increase (7.25% decreasing to 4.99%)
Net OPEB Liability	\$ (484,486)	\$ 5,266,634	\$ 11,945,463

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, 2020*	\$ 79,313,309	\$ 50,852,162	\$ 28,461,147
Changes for the year:			
Service cost	619,654	-	619,654
Interest on the total OPEB liability	4,577,427	-	4,577,427
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,596,422)	-	(1,596,422)
Changes of assumptions	(11,858,749)	-	(11,858,749)
Contributions from the employer	-	3,902,133	(3,902,133)
Contributions from employees	-	-	-
Net investment income	-	11,099,305	(11,099,305)
OPEB Plan Administrative expenses	-	(65,015)	65,015
Benefit payments, including refunds of employee contributions	(4,092,181)	(4,092,181)	-
Net changes	(12,350,271)	10,844,242	(23,194,513)
Balance at September 30, 2021*	\$ 66,963,038	\$ 61,696,404	\$ 5,266,634

*Measurement date

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Net OPEB liability. The Total OPEB Liability as of September 30, 2021 is based on results of an actuarial valuation date of September 30, 2020 and rolled forward using generally accepted actuarial procedures. The components of the Net OPEB Liability as of September 30, 2022, were as follows:

Total OPEB liability	\$ 66,963,038
Plan fiduciary net position	61,696,404
Net OPEB liability	<u>\$ 5,266,634</u>
Plan fiduciary net position as a percentage of the total OPEB liability	92.14%

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB. For the year ended September 30, 2022, the City will recognize OPEB expense of (\$6,995,395), for the Other Post-Employment Benefits (OPEB) Trust Fund. At September 30, 2022, the City has deferred outflows and deferred inflows of resources related to the OPEB are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 147,671	\$ 1,694,499
Assumption Changes	2,046,844	19,359,699
Contributions to the OPEB Plan subsequent to Measurement date	3,042,790	--
Net difference between projected and actual earning on Pension plan investments	--	6,115,359
Total	<u>\$ 5,237,305</u>	<u>\$ 27,169,557</u>

\$3,042,790 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, 2023. 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
2023	(6,814,283)
2024	(7,167,142)
2025	(6,911,091)
2026	(4,082,526)

E. Summary of OPEB Plan

The actuarial valuation of the liabilities was determined as of October 1, 2020 (based on the actuarial valuation results as reported in the October 1, 2020 actuarial valuation report dated July 8, 2021) and "rolled-forward" to the September 30, 2021 measurement date. These liabilities are used for GASB Statement No. 75 reporting for the reporting period ending September 30, 2021. Using a measurement date of September 30, 2021 allows for timelier reporting at the end of the year. An additional deferred outflow of \$45,000 for retiree life insurance is included below that is not included in the actuarially determined amounts above.

City of Sarasota, Florida
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Totals for the City's OPEB Plan for the 2022 fiscal year are summarized below:

	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Governmental activities	\$ 3,901,646	\$ 4,668,540	\$ 20,127,850	\$ (5,182,353)
Business-type activities	1,364,988	568,765	7,041,707	(1,813,042)
Totals	<u>\$ 5,266,634</u>	<u>\$ 5,237,305</u>	<u>\$ 27,169,557</u>	<u>\$ (6,995,395)</u>

Financial Statements of the Other Post-Employment Benefits Plan:

Statement of Plan Net Position

Assets	
Cash and cash equivalents	\$ 490,348
Investments:	
Money market funds	1,295,087
U.S. Government securities	6,145
U.S. Government agency securities	3,583,799
Common and preferred stock	27,699,923
Corporate bonds and notes	6,916,052
Real estate mutual funds	5,797,942
Foreign stocks	5,294,673
Foreign bonds mutual funds	215,644
Total investments	<u>50,809,265</u>
Receivables (net):	
Interest and dividends	112,781
Prepaid items	1,777
Total assets	<u>51,414,171</u>
Liabilities	
Accounts payable	529,632
Liability for unpaid claims	482,932
Total liabilities	<u>1,012,564</u>
Net Position	
Restricted for OPEB benefits	<u>\$ 50,401,607</u>

City of Sarasota, Florida
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Statement of Changes In Plan Net Position

Additions	
Contributions:	
Plan members	\$ 1,416,885
Employer	
City of Sarasota	3,088,000
Other	312,604
Total contributions	<u>4,817,489</u>
Investment loss :	
Net decrease in fair value of investments	(10,007,647)
Interest and dividends	1,111,460
Total investment loss	<u>(8,896,187)</u>
Less investment expense	<u>(480,854)</u>
Net investment loss	<u>(9,377,041)</u>
Total additions	<u>(4,559,552)</u>
Deductions	
Benefits	4,842,644
Administrative expenses	1,892,601
Refund of Contributions	-
Total deductions	<u>6,735,245</u>
Net increase	<u>(11,294,797)</u>
Net position - beginning of year	<u>61,696,404</u>
Net position - end of year	<u>\$ 50,401,607</u>

NOTE 16 - DISCRETELY PRESENTED COMPONENT UNITS

St. Armands Business Improvement District - Balance Sheet for September 30, 2022:

Assets	
Cash and cash equivalents	\$ 79,598
Investments	631,124
Receivables (net):	
Interest	1,635
Due from other governmental agencies	404
Lease Receivable	183,704
Prepaid Items	3,000
Total assets	<u>899,465</u>
Liabilities	
Accounts Payable	35,251
Due to other governmental agencies	-
Customer Deposits	4,000
Accrued wages	1,098
Total liabilities	<u>40,349</u>
Deferred Inflows of Resources	
Lease Related	183,704
Total Deferred Inflows of Resources	<u>183,704</u>
Fund Balance	
Unassigned	675,412
Total fund balance	<u>675,412</u>
Total liabilities and fund balance	<u>\$ 899,465</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the fiscal year ended September 30, 2022:

	<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	\$ 321,224	\$ 321,224	\$ 327,112	\$ 5,888
Investment earnings (loss)	5,500	5,500	(25,997)	(31,497)
Capital Lease Proceeds	--	--	159,761	159,761
Miscellaneous	--	--	--	--
Total revenues	<u>326,724</u>	<u>326,724</u>	<u>460,876</u>	<u>134,152</u>
Expenditures				
Current:				
Economic environment	500,830	497,820	341,221	156,599
Capital outlay:				
Economic environment	150,000	379,140	168,221	210,919
Total expenditures	<u>650,830</u>	<u>876,960</u>	<u>509,442</u>	<u>367,518</u>
Net change in fund balance	(324,106)	(550,236)	(48,566)	501,670
Fund balance - beginning	888,478	(122,602)	723,978	846,580
Fund balance - ending	<u>\$ 544,372</u>	<u>\$ (672,838)</u>	<u>\$ 675,412</u>	<u>\$ 1,348,250</u>
Reconciliation to Statement of Net Position:				
Fund balance - ending			\$ 675,412	
Capital assets			1,580,811	
Less accumulated depreciation			(858,154)	
Right to use lease (net)			\$ (326)	
Net position - ending			<u>\$ 1,397,743</u>	
Reconciliation to Statement of Activities:				
Net change in fund balance			\$ (48,566)	
Right to use lease			35,176	
Current year depreciation			(88,411)	
Change in net position	140		<u>\$ (101,801)</u>	

Downtown Improvement District - Balance Sheet for September 30, 2022:

Assets	
Cash and cash equivalents	\$ 94,138
Investments	746,407
Receivables (net):	
Interest	1,942
Due from other governmental agencies	243
Total assets	<u>842,730</u>
Liabilities	
Accounts Payable	74,382
Due to other governmental agencies	408
Accrued wages	2,530
Total liabilities	<u>77,320</u>
Fund Balance	
Unassigned	765,410
Total fund balance	<u>765,410</u>
Total liabilities and fund balance	<u>\$ 842,730</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual for the fiscal year ended September 30, 2022.

	<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	\$ 723,542	\$ 723,542	\$ 733,090	\$ 9,548
Investment earnings	5,000	5,000	(34,144)	(39,144)
Miscellaneous	--	--	-	-
Total revenues	<u>728,542</u>	<u>728,542</u>	<u>698,946</u>	<u>(29,596)</u>
Expenditures				
Current:				
Economic environment	891,010	901,774	959,557	57,783
Capital outlay:				
Economic environment	--	400,000	--	(400,000)
Total expenditures	<u>891,010</u>	<u>1,301,774</u>	<u>959,557</u>	<u>(342,217)</u>
Net change in fund balance	(162,468)	(573,232)	(260,611)	312,621
Fund balance - beginning	1,196,623	1,225,449	1,026,021	(199,428)
Fund balance - ending	<u>\$ 1,034,155</u>	<u>\$ 652,217</u>	<u>\$ 765,410</u>	<u>\$ 113,193</u>
Reconciliation to Statement of Net Position:				
Fund balance - ending			\$ 765,410	
Capital assets			579,033	
Less accumulated depreciation			(459,811)	
Net position - ending			<u>\$ 884,632</u>	
Reconciliation to Statement of Activities:				
Net change in fund balance			\$ (260,611)	
Expenditures for capital assets			--	
Current year depreciation			(21,037)	
Change in net position			<u>\$ (281,648)</u>	

NOTE 17 - THE BAY

The Project

The Bay is a community, City, and Park Conservancy initiative to transform 53 acres of city-owned land, that is mostly parking lot, into a signature public park along the Sarasota Bay. Once complete, The Bay will include a wide range of park uses that will be open and accessible, free and welcoming, to the citizens and visitors of the City. The preliminary cost estimate for a 50+ acre park at The Bay is \$100 - \$150 million, or \$2-\$3 million dollars an acre, to be developed in phases as plans are finalized and approved, and funds raised. The estimated capital cost for Phase 1 is \$22 - \$33 million. The Bay will be funded from a combination of private philanthropic gifts and government sources. Phase 1 will be funded 80% from philanthropy and 20% from government sources. Phase 2 is scheduled to begin construction in fiscal year 2023. This phase will include a Dockside/South Canal District, City Side Cultural District, Sunset Boardwalk/Pier and Western Shore Improvements. The funding of this phase is projected at \$48 million and will be funded with a bond issuance.

Home Rule Tax Increment Financing (TIF) District

On November 2, 2020, both the City of Sarasota and the Sarasota county Commissions voted to finalize an interlocal agreement to create a home rule tax increment financing (TIF) district for The Bay. The tax increment revenue may only be used for the design and construction of capital improvements within the Bay Park, including, but not necessarily limited to a new performing arts center. These revenues may also be used for new bicycle and pedestrian amenities within the District. The base year of the district is January 1, 2019 for a period of 30 years. Both the City and the County will contribute at their adopted millage rate.

As of September 30, 2022, the City has expended \$3,000,000, along with contributions of \$30,714,011 from the Park Conservancy for a total output of \$33,714,011 towards Phase 1 of the project.

REQUIRED SUPPLEMENTARY

INFORMATION

Florida Retirement System (FRS)

**General Employees' Defined Benefit
Pension Plan**

**Firefighters' Defined Benefit
Pension Plan**

**Police Officers' Defined Benefit
Pension Plan**

Other Post Employment Benefits Plan

City of Sarasota, Florida
 Florida Retirement System
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Position Liability
 Last Fiscal Year

Fiscal Year	9/30/2022
Measurement Date	6/30/2022
City's proportion of the net pension liability	0.013130953%
City's proportionate share of the net pension liability	\$ 4,885,770
City's covered payroll during the measurement period	\$ 5,814,001
City's proportionate share of the net pension liability as a percentage of its covered payroll	84.03%
Plan fiduciary net position as a percentage of the total pension liability	82.89%

Notes to the Schedule:
 The schedule will present 10 years once it is accumulated.

City of Sarasota, Florida
 Florida Retirement System
 Required Supplementary Information
 Schedule of Contributions
 Last Fiscal Year

Reporting Period Ending	9/30/2022
Contractually required contribution	\$ 837,574
Contributions in relation to the contractually determined contributions	\$ 837,574
Contribution deficiency (excess)	\$ -
City's covered payroll	\$ 8,881,520
Contributions as a percentage of covered payroll	9.43%

Notes to the Schedule:
 The schedule will present 10 years of information once it is accumulated.

City of Sarasota, Florida
 Florida Retirement System
 Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Health Insurance Subsidy Program
 Last Fiscal Year

Reporting Period Ending	<u>9/30/2022</u>
Measurement Date	<u>6/30/2022</u>
City's proportion of the net pension liability	0.015718715%
City's proportionate share of the net pension liability	\$ 1,664,863
City's covered payroll during the measurement period	\$ 5,814,001
City's proportionate share of the net pension liability as a percentage of its covered payroll	28.64%
Plan fiduciary net position as a percentage of the total pension liability	4.81%

Notes to the Schedule:
 The schedule will present 10 years of information once it is accumulated.

City of Sarasota, Florida
 Florida Retirement System
 Required Supplementary Information
 Schedule of Contributions
 Health Insurance Subsidy Program
 Last Fiscal Year

Reporting Period Ending	<u>9/30/2022</u>
Contractually required contribution	\$ 145,594
Contributions in relation to the contractually determined contributions	<u>\$ 145,594</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered payroll	\$ 8,881,520
Contributions as a percentage of covered payroll	1.64%

Notes to the Schedule:
 The schedule will present 10 years of information once it is accumulated.

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 Eight Fiscal Years

Fiscal Year	2022	2021	2020
Measurement Date	9/30/2021	9/30/2020	9/30/2019
Total Pension Liability			
Service Cost	\$ 1,909,336	\$ 1,982,410	\$ 2,125,447
Interest on the Total Pension Liability	13,623,094	14,006,563	13,943,309
Benefit Changes	--	--	--
Difference Between Actual & Expected Experience	(2,383,477)	(330,324)	(66,942)
Assumption Changes	7,691,456	646,384	2,174,917
Benefit Payments (discounted to beginning of year)	(14,326,524)	(14,198,169)	(14,211,262)
Refunds (discounted to beginning of year)	--	--	--
Net Change in Total Pension Liability	6,513,885	2,106,864	3,965,469
Total Pension Liability - Beginning	214,209,910	212,103,046	208,137,577
Total Pension Liability - Ending (a)	<u>\$ 220,723,795</u>	<u>\$ 214,209,910</u>	<u>\$ 212,103,046</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 7,053,657	\$ 6,794,635	\$ 6,844,845
Contributions - Employee	526,151	601,108	640,783
Net Investment Income	34,434,727	8,754,075	(818,083)
Benefit Payments	(14,326,524)	(14,198,169)	(14,211,262)
Refunds	--	--	--
Administrative Expense	(260,718)	(217,407)	(240,566)
Other	--	--	--
Net Change in Plan Fiduciary Net Position	27,427,293	1,734,242	(7,784,283)
Plan Fiduciary Net Position - Beginning	156,335,727	154,601,485	162,385,768
Plan Fiduciary Net Position - Ending (b)	<u>183,763,020</u>	<u>156,335,727</u>	<u>154,601,485</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 36,960,775</u>	<u>\$ 57,874,183</u>	<u>\$ 57,501,561</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.25%	72.98%	72.89%
Covered Payroll	\$ 8,826,557	\$ 10,001,259	\$ 10,663,586
Net Pension Liability as a Percentage of Covered Payroll	418.75%	578.67%	539.23%

Notes to Schedule:

The 2014 fiscal year was the year of implementation of GASB Statement No. 68. Ten year trend information will be presented for future fiscal years.

	2019	2018	2017	2016	2015
	9/30/2018	9/30/2017	9/30/2016	9/30/2015	9/30/2014
Service Cost	\$ 2,026,714	\$ 1,969,896	\$ 2,064,530	\$ 2,119,194	\$ 2,036,380
Interest on the Total Pension Liability	13,841,183	13,552,863	12,846,131	12,569,430	12,150,963
Benefit Changes	--	--	--	--	--
Difference Between Actual & Expected Experience	(1,473,489)	931,914	(1,020,056)	251,857	74,622
Assumption Changes	55,565	2,166,525	7,732,264	--	1,949,249
Benefit Payments (discounted to beginning of year)	(11,825,587)	(11,504,081)	(11,456,287)	(10,452,370)	(9,957,849)
Refunds (discounted to beginning of year)	--	--	--	(12,822)	(124,586)
	2,624,386	7,117,117	10,166,582	4,475,289	6,128,779
	--	--	--	--	--
	--	--	--	--	--
	205,513,191	198,396,074	188,229,492	183,754,203	177,625,424
	<u>\$ 208,137,577</u>	<u>\$ 205,513,191</u>	<u>\$ 198,396,074</u>	<u>\$ 188,229,492</u>	<u>\$ 183,754,203</u>
Contributions - Employer	\$ 6,726,147	\$ 6,387,239	\$ 6,326,535	\$ 6,141,916	\$ 5,889,483
Contributions - Employee	691,469	717,631	844,319	875,398	913,116
Net Investment Income	13,334,308	18,226,619	10,327,046	(3,099,197)	13,236,828
Benefit Payments	(11,825,587)	(11,504,081)	(11,456,287)	(10,452,370)	(9,957,849)
Refunds	--	--	--	(12,822)	(124,586)
Administrative Expense	(226,911)	(191,836)	(183,110)	(157,689)	(166,043)
Other	17,629	211,681	9,429	3,488	2,621
	8,717,055	13,847,253	5,867,932	(6,701,276)	9,793,570
	153,668,713	139,821,460	133,953,528	140,654,804	130,861,234
	<u>162,385,768</u>	<u>153,668,713</u>	<u>139,821,460</u>	<u>133,953,528</u>	<u>140,654,804</u>
	<u>\$ 45,751,809</u>	<u>\$ 51,844,478</u>	<u>\$ 58,574,614</u>	<u>\$ 54,275,964</u>	<u>\$ 43,099,399</u>
	78.02%	74.77%	70.48%	71.17%	76.55%
	\$ 11,504,110	\$ 11,960,517	\$ 12,206,056	\$ 12,528,532	\$ 13,183,483
	397.70%	433.46%	479.88%	433.22%	326.92%

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

Fiscal Year	2022	2021	2020	2019
Actuarially Determined Contribution	\$ 6,978,144	\$ 7,053,657	\$ 6,766,262	\$ 6,813,954
Actual Contribution	6,978,144	7,053,657	6,794,635	6,844,845
Contribution Deficiency (Excess)	\$ --	\$ --	\$ (28,373)	\$ (30,891)
Covered Payroll	\$ 7,955,225	\$ 8,826,557	\$ 10,001,259	\$ 10,663,586
Actual Contribution as a % of Covered Payroll	87.72%	79.91%	67.94%	64.19%

Notes to Schedule:

Valuation Date 9/30/2020
 Measurement Date 9/30/2021

Actuarial 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 16 years (single equivalent period)
 Asset Valuation Method 5-year smoothed market
 Inflation 2.3%
 Salary Increases 4.7% to 6.3% depending on age, including inflation
 Investment Rate of Return 6.55%
 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 in the July 1, 2018 actuarial valuation of the Florida Retirement System (FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

Other Information: See Discussion of Valuation Results in the September 30, 2020 Actuarial Valuation Report.
 Notes:

2018	2017	2016	2015	2014	2013
\$ 6,726,147	\$ 6,387,239	\$ 6,422,747	\$ 6,249,607	\$ 6,011,590	\$ 3,969,365
6,726,147	6,387,239	6,422,747	6,249,607	6,011,590	3,969,365
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
\$ 11,504,110	\$ 11,960,517	\$ 12,206,056	\$ 12,528,532	\$ 13,183,483	\$ 13,956,483
58.47%	53.40%	52.62%	49.88%	45.60%	28.44%

City of Sarasota, Florida
General Employees' Defined Benefit Pension Plan
Required Supplementary Information
Schedule of Investment Returns
Last Nine 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%
2019	(0.50)%
2020	5.90%
2021	22.97%
2022	(13.37)%



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Notes to Schedule:

The 2014 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 Eight Fiscal Years

Fiscal Year Measurement Date	2022	2021	2020
	9/30/2021	9/30/2020	09/30/2019
City's proportion of the net pension liability	33%	33%	33%
City's proportionate share of the net pension liability	\$ (3,365,730)	\$ 6,599,395	\$ 10,723,383
City's proportionate share of covered payroll	\$ -	\$ -	\$ -
City's proportionate share of the net pension liability as a percentage of its covered payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	1.06%	88.78%	82.72%

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.

	2019	2018	2017	2016	2015
	09/30/2018	09/30/2017	9/30/2016	9/30/2015	9/30/2014
	33%	33%	33%	33%	33%
	\$ 10,244,442	\$ 12,309,642	\$ 15,473,385	\$ 14,181,419	\$ 10,079,433
	\$ 64,319	\$ 93,478	\$ 130,406	\$ 185,339	\$ 355,773
	15,927.56%	13,168.52%	11,865.57%	7,651.63%	2,833.11%
	83.43%	79.63%	74.39%	75.13%	81.49%

City of Sarasota, Florida
 Firefighters' Defined Benefit Pension Plan
 Required Supplementary Information
 Schedule of City Contributions
 Last Nine Fiscal Years

Fiscal Year	2022	2021	2020	2019
Contractually required contribution	\$ 1,624,320	\$ 3,088,345	\$ 3,130,285	\$ 3,137,645
Contributions in relation to the contractually required contribution	\$ 1,624,320	\$ 3,088,345	3,130,284	3,137,646
Contribution deficiency (excess)*	\$ -	\$ -	\$ -	\$ (1)
City's proportionate share of covered payroll	\$ -	\$ -	\$ -	\$ 64,319
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A

2017	2016	2015	2014
\$ 2,296,267	\$ 2,073,403	\$ 2,558,238	\$ 2,825,047
2,286,547	2,199,466	2,574,844	2,832,736
\$ 9,719	\$ (126,062)	\$ (16,606)	\$ (7,689)
\$ 93,478	\$ 130,406	\$ 185,339	\$ 355,773
2,446.09%	1,686.63%	1,389.27%	796.22%

Notes:

* Cumulative Contributions Deficiency of \$12,368 is being held as accrued expense.
 Accrued expenses are being added to the Actuarial Determined Contribution.

Notes to Schedule:

Valuation Date 9/30/2020
Measurement Date 9/30/2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry-Age Normal
 Amortization Method Level Dollar, Closed
 Remaining Amortization Period 4 years beginning October 1, 2019
 Asset Valuation Method 3-year smoothed market
 Wage Inflation 3.75%
 Salary Increases 3.75% to 6.75% including inflation
 Investment Rate of Return 6.85%
 Retirement Age Age and Experience-based table of rates that are specific to the type of eligibility condition.
 Mortality The Florida Retirement System (FRS) mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.
Other Information:
 Cost-of-living Adjustment 3.5% annual increase assumed. 50% minimum of the Top Step Base Pay for current County firefighters.

The schedule will present 10 years of information once it is accumulated.

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 Eight Fiscal Years

Fiscal Year Measurement Date	2022	2021	2020
	9/30/2021	9/30/2020	9/30/2019
Total Pension Liability			
Service Cost	\$ 4,538,036	\$ 4,168,051	\$ 3,890,552
Interest on the Total Pension Liability	19,448,189	19,536,863	18,852,295
Benefit Changes	--	--	--
Difference Between Actual & Expected Experience	402,170	3,512,888	760,661
Assumption Changes	9,081,088	(3,245,192)	--
Benefit Payments	(16,476,823)	(13,609,169)	(13,980,104)
Refunds	(98,757)	(80,287)	(51,169)
Other	--	--	--
Net Change in Total Pension Liability	16,893,903	10,283,154	9,472,235
Total Pension Liability - Beginning	294,177,144	283,893,990	274,421,755
Total Pension Liability - Ending (a)	<u>\$ 311,071,047</u>	<u>\$ 294,177,144</u>	<u>\$ 283,893,990</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 6,558,763	\$ 7,279,326	\$ 7,163,346
Contributions - State	678,608	718,233	671,192
Contributions - Employee	1,215,226	1,153,896	1,093,665
Net Investment Income	61,299,155	28,302,786	6,203,055
Benefit Payments	(16,476,823)	(13,609,169)	(13,980,104)
Refunds	(98,757)	(80,287)	(51,169)
Administrative Expense	(221,758)	(217,186)	(204,259)
Other	--	(24,992)	--
Net Change in Plan Fiduciary Net Position	52,954,414	23,522,607	895,726
Plan Fiduciary Net Position - Beginning	270,902,751	247,380,144	246,484,418
Plan Fiduciary Net Position - Ending (b)	<u>\$ 323,857,165</u>	<u>\$ 270,902,751</u>	<u>\$ 247,380,144</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (12,786,118)</u>	<u>\$ 23,274,393</u>	<u>\$ 36,513,846</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.11%	92.09%	87.14%
Covered Payroll	\$ 13,649,746	\$ 14,255,899	\$ 12,632,276
Net Pension Liability as a Percentage of Covered Payroll	(93.67)%	163.26%	289.05%

Notes to Schedule:

The 2014 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.

2019 9/30/2018	2018 9/30/2017	2017 9/30/2016	2016 9/30/2015	2015 9/30/2014
18,415,452	17,664,728	16,888,141	16,366,292	15,888,805
--	--	--	3,008,519	--
(1,687,251)	2,999,965	(744,518)	(1,917,061)	(838)
(256,101)	--	4,218,388	--	--
(14,592,869)	(12,588,537)	(13,458,060)	(13,454,067)	(12,738,564)
2,422	(20,772)	--	(7,000)	(7,368)
--	(421,898)	--	--	--
6,143,545	11,541,025	10,532,674	7,287,289	6,293,031
268,278,210	256,737,185	246,204,511	238,917,222	232,624,191
<u>\$ 274,421,755</u>	<u>\$ 268,278,210</u>	<u>\$ 256,737,185</u>	<u>\$ 246,204,511</u>	<u>\$ 238,917,222</u>
\$ 7,533,010	\$ 9,223,890	\$ 8,619,081	\$ 7,864,404	\$ 7,678,913
655,750	624,648	597,419	570,973	544,301
1,059,114	1,141,920	895,489	825,351	760,571
23,830,934	24,697,643	16,087,436	1,171,981	18,842,891
(14,592,869)	(12,588,537)	(13,458,060)	(13,454,067)	(12,738,564)
2,422	(20,772)	--	(7,000)	(7,368)
(194,785)	(194,995)	(178,617)	(189,057)	(189,834)
(38,998)	--	(27,740)	--	--
18,254,578	22,883,797	12,535,008	(3,217,415)	14,890,910
228,229,840	205,346,043	192,811,035	196,028,450	181,137,540
<u>\$ 246,484,418</u>	<u>\$ 228,229,840</u>	<u>\$ 205,346,043</u>	<u>\$ 192,811,035</u>	<u>\$ 196,028,450</u>
\$ 27,937,337	\$ 40,048,370	\$ 51,391,142	\$ 53,393,476	\$ 42,888,772
89.82%	85.07%	79.98%	78.31%	82.05%
\$ 11,838,600	\$ 12,737,375	\$ 10,873,428	\$ 9,806,160	\$ 9,507,138
235.99%	314.42%	472.63%	544.49%	451.12%

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

Fiscal Year	2022	2021	2020	2019
Actuarially Determined Contribution	\$ 7,311,822	\$ 7,224,811	\$ 7,997,559	\$ 7,834,538
Actual Contribution	7,311,208	7,237,371	7,997,559	7,834,538
Contribution Deficiency (Excess)	\$ 614	\$ (12,560)	\$ -	\$ -
Covered Payroll	\$ 14,879,572	\$ 13,649,746	\$ 14,255,899	\$ 12,632,276
Actual Contribution as a % of Covered Payroll	49.14%	53.02%	56.10%	62.02%

Valuation Date 9/30/2020

Measurement Date 9/30/2021

Notes: 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 Percentage of Payroll, Closed
Remaining Amortization Period	16 years
Asset Valuation Method	5-year smoothed market
Inflation	2.3%
Salary Increases	5.2% to 19.3% depending on age, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2019 actuarial valuation (with mortality improvements projected to all future years as after 2010 using Scale MP-2018. Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes: See Discussion of Valuation Results in the September 30, 2020 Actuarial Valuation Report.

Notes to Schedule:

The schedule will present 10 years of information once it is accumulated.

2018	2017	2016	2015	2014	2013
\$ 8,188,760	\$ 9,848,538	\$ 9,120,631	\$ 8,415,647	\$ 8,207,512	\$ 5,869,827
8,188,760	9,848,538	9,216,500	8,435,377	8,223,214	5,869,827
\$ --	\$ -	\$ (95,869)	\$ (19,730)	\$ (15,702)	\$ --
\$ 11,838,600	\$ 12,737,375	\$ 10,873,428	\$ 9,806,160	\$ 9,507,138	\$ 9,558,125
69.17%	77.32%	84.76%	86.02%	86.50%	61.41%

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
2013	7.10%
2014	9.70%
2015	0.50%
2016	8.60%
2017	12.30%
2018	10.70%
2019	2.50%
2020	11.60%
2021	23.2%
2022	-16.80%



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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
 Last Five Fiscal Years

Fiscal Year Measurement Date	2022	2021	2020	2019	2018
	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability					
Service Cost	\$ 619,654	\$ 669,112	\$ 593,781	\$ 488,228	\$ 486,094
Interest on the Total OPEB Liability	4,577,427	5,618,706	5,213,053	5,096,255	5,105,715
Benefit Changes	-	-	-	11,512,075	-
Difference Between Expected & Actual Experience	(1,596,422)	246,899	(1,402,051)	239,324	-
Assumption changes	(11,858,749)	(17,270,069)	6,446,242	4,017,204	-
Benefit Payments	(4,092,181)	(5,360,858)	(6,267,998)	(5,789,342)	(5,563,504)
Net Change in Total OPEB Liability	(12,350,271)	(16,096,210)	4,583,027	15,563,744	28,305
Total OPEB Liability - Beginning	79,313,309	95,409,519	90,826,492	75,262,748	75,234,443
Total OPEB Liability - Ending (a)	\$ 66,963,038	\$ 79,313,309	\$ 95,409,519	\$ 90,826,492	\$ 75,262,748
Plan Fiduciary Net Position					
Contributions - Employer	\$ 3,902,133	\$ 4,985,000	\$ 4,546,603	\$ 4,470,562	4,416,200
Net Investment Income	11,099,305	2,978,625	527,489	5,961,741	4,663,650
Benefit Payments	(4,092,181)	(5,360,858)	(6,267,998)	(5,789,342)	(5,563,504)
Administrative Expense	(65,015)	(63,121)	(61,283)	(75,135)	(82,393)
Net Change in Plan Fiduciary Net Position	10,844,242	2,539,646	(1,255,189)	4,567,826	3,433,953
Plan Fiduciary Net Position - Beginning	50,852,162	48,312,516	49,567,705	44,999,879	41,565,926
Plan Fiduciary Net Position - Ending (b)	\$ 61,696,404	\$ 50,852,162	\$ 48,312,516	\$ 49,567,705	\$ 44,999,879
Net OPEB Liability - Ending (a) - (b)	\$ 5,266,634	\$ 28,461,147	\$ 47,097,003	\$ 41,258,787	\$ 30,262,869
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	92.14%	64.12%	50.64%	54.57%	59.79%
Covered Employee Payroll	\$ 46,015,844	\$ 45,291,917	\$ 43,674,583	\$ 40,402,318	\$ 36,113,256
Net OPEB Liability as a Percentage of Covered Employee Payroll	11.45%	62.84%	107.84%	102.12%	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

	2022	2021	2020	2019	2018
Actuarially Determined Contribution	\$ 3,042,790	\$ 3,857,133	\$ 4,937,787	\$ 4,499,315	\$ 4,409,716
Contribution in relation to the actuarially determined contribution	3,042,790	3,902,133	4,985,000	4,546,603	4,470,562
Contribution Deficiency (Excess)	\$ -	\$ (45,000)	\$ (47,213)	\$ (47,288)	\$ (60,846)
Covered Employee Payroll	\$ 48,758,086	\$ 46,015,844	\$ 45,291,917	\$ 43,674,583	\$ 40,402,318
Contributions as a % of Covered Employee Payroll	6.24%	8.48%	11.01%	10.41%	11.07%

Notes to Schedule:

Valuation Date	10/1/2020
Measurement Date	9/30/2021
Roll Forward Procedures	Standard actuarial procedures were applied to roll forward the liability from the Valuation Date to the Measurement Date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25% intermediate, 2.50% long-term
Discount Rate	6.00%, the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2021 at 6.00% and the long-term municipal bond rate as of September 30, 2021 at 2.19%
Salary Increases	4.70% to 19.3% depending on plan, including inflation; varies by plan type, age and years of service.
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, 2020 actuarial valuation of the Florida Retirement System, including generational projections of improvements. They are based on the results of a statewide experience study covering the period 2013 through 2018.
Health Care Cost Trend	Starting at 6.25% and gradually decreasing according to the Getzen Model to an ultimate trend rate of 3.99%.
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.

	2017	2016	2015	2014	2013
	\$ 4,300,937	\$ 4,137,688	\$ 4,236,625	\$ 12,615,000	\$ 11,771,000
	4,416,200	4,251,888	5,244,971	8,579,868	8,617,750
	\$ (115,263)	\$ (114,200)	\$ (1,008,346)	\$ 4,035,132	\$ 3,153,250
	\$ 36,113,256	\$ 33,574,133	\$ 33,991,862	\$ 30,245,410	\$ 25,210,833
	12.23%	12.66%	15.43%	28.37%	34.18%

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
2012	16.88%
2013	13.78%
2014	9.65%
2015	3.73%
2016	9.62%
2017	11.19%
2018	13.25%
2019	1.05%
2020	6.15%
2021	21.88%



**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.

The Bay (Tax Incremental Financing) - To account for deposits of tax increment revenue collected within the Bay Park Improvement District, to be used for funding of capital improvements to the Bay Park.

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

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.

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.



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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.

2022 One Stop Shop Bank Loan- To account for the accumulation of resources for the payment of principal and interest on funds borrowed for the construction of the One Stop Shop municipal facility.

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 the construction of the Robert L. Taylor Community 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.

2020 Sales Tax Payment Revenue Refunding Bonds - To account for the accumulation of resources for the payment principal and interest on the 2020 Sales Tax Payment Revenue Refunding Bonds, issued to refund the 2010 Sales Tax Payment Revenue Bonds, originally issued for the purpose of financing a portion of the Ed Smith Stadium Complex.

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.

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.

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2022

	Special Revenue Funds				
	The Bay Tax Incremental Financing	State Housing Initiative Partnership	Gas Tax	Special Law Enforcement (Forfeiture)	Golden Gate Point
Assets					
Cash and Cash Equivalents	\$ 139,828	\$ 1,277,185	\$ 370,100	\$ 51,159	\$ 30,606
Investments	1,108,674	10,126,608	2,934,464	405,640	242,671
Receivables (net):					
Accounts	--	--	--	--	--
Interest	2,759	25,915	7,507	997	610
Notes	--	--	--	--	--
Special Assessments	--	--	--	--	--
Due from other Governmental Agencies	--	--	427,856	--	6
Prepaid Items	--	--	45,000	--	--
Total assets	\$ 1,251,261	\$ 11,429,708	\$ 3,784,927	\$ 457,796	\$ 273,893
Liabilities					
Accounts Payable	\$ --	\$ 65,168	\$ 130,700	\$ --	\$ 23,779
Retainage Payable	--	--	--	--	--
Due to other Funds	--	--	--	--	--
Due to other Governmental Agencies	--	--	--	--	--
Advance from other Funds	--	--	--	--	--
Unearned Revenue	--	--	--	--	--
Customer Deposits	--	--	--	--	--
Total liabilities	--	65,168	130,700	--	23,779
Deferred Inflows of Resources					
Unavailable Revenue - Note Receivable	--	--	--	--	--
Unavailable Revenue - Grants	--	--	--	--	--
Unavailable Revenue - Special Assessments	--	--	--	--	--
Total deferred inflows of resources	--	--	--	--	--
Fund Balances					
Nonspendable:					
Prepaid Expenditures	--	--	45,000	--	--
Restricted for:					
Housing and Community Development	--	11,364,540	--	--	--
Transportation	--	--	3,609,227	--	--
Law Enforcement Programs	--	--	--	457,796	--
Golden Gate Point Streetscape	--	--	--	--	250,114
Grant Programs	--	--	--	--	--
Debt Service	--	--	--	--	--
Construction	--	--	--	--	--
Committed to:					
Public Art	--	--	--	--	--
Citizens with Disabilities	--	--	--	--	--
Forestry	--	--	--	--	--
Affordable Housing	--	--	--	--	--
Economic Development	--	--	--	--	--
Culture and Recreation	--	--	--	--	--
The Bay Park	1,251,261	--	--	--	--
Total fund balances (deficit)	1,251,261	11,364,540	3,654,227	457,796	250,114
Total liabilities, deferred inflows of resources and fund balances	\$ 1,251,261	\$ 11,429,708	\$ 3,784,927	\$ 457,796	\$ 273,893

Special Revenue Funds			Debt Service Funds			
Multi-Modal Transportation Impact Fees	Miscellaneous Grants	Multi-Purpose	2015 General Obligation Bonds	2016 General Obligation Bonds	2022 One Stop Shop Bank Loan	2009 Build America
\$ 427,924	\$ 324,064	\$ 1,076,941	\$ 67,678	\$ 24,110	\$ 4,761	\$ 9,819
3,392,940	2,569,456	8,486,981	536,604	191,167	37,748	77,849
--	--	88,697	--	--	--	--
--	--	--	--	--	--	--
8,426	6,307	22,185	1,341	477	(2)	120
--	--	141,713	--	--	--	--
--	--	--	--	--	--	--
--	892,602	528,062	2,894	10	--	--
--	1,588	--	--	--	--	--
\$ 3,829,290	\$ 3,794,017	\$ 10,344,599	\$ 608,517	\$ 215,764	\$ 42,507	\$ 87,788
\$ 13,857	\$ 154,209	\$ 622,624	\$ --	\$ --	\$ 36,500	\$ --
--	--	4,793	--	--	--	--
--	--	--	--	--	--	--
--	24,204	--	--	--	--	--
--	--	--	--	--	--	--
--	20,736	608,319	--	--	--	--
--	798,735	19,531	--	--	--	--
13,857	997,884	1,255,267	--	--	36,500	--
--	--	141,713	--	--	--	38,373
--	2,029	--	--	--	--	--
--	--	--	--	--	--	--
--	2,029	141,713	--	--	--	38,373
--	1,588	--	--	--	--	--
3,815,433	--	511,270	--	--	--	--
--	--	358,347	--	--	--	--
--	192,912	--	--	--	--	--
--	712,922	--	608,517	215,764	6,007	49,415
--	--	--	--	--	--	--
--	1,171,768	--	--	--	--	--
--	--	76,016	--	--	--	--
--	--	706,973	--	--	--	--
--	25,487	4,598,983	--	--	--	--
--	61,785	2,592,243	--	--	--	--
--	627,642	103,787	--	--	--	--
3,815,433	2,794,104	8,947,619	608,517	215,764	6,007	49,415
\$ 3,829,290	\$ 3,794,017	\$ 10,344,599	\$ 608,517	\$ 215,764	\$ 42,507	\$ 87,788

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Balance Sheet
 September 30, 2022

	Debt Service Funds		Capital Project Funds		Total Nonmajor Governmental Funds
	Glen Oaks	2020 Sales Tax Refunding Loan	Capital and Extraordinary Maintenance	2009 Build America Bonds	
Assets					
Cash and Cash Equivalents	\$ 144	\$ 67,931	\$ 2,474,892	\$ 6,906	\$ 6,354,048
Investments	1,145	538,613	19,622,236	54,757	50,327,553
Receivables (net):					
Accounts	--	--	--	--	88,697
Interest	26	1,281	11,077	137	89,163
Notes	--	--	--	--	141,713
Special Assessments	79,986	--	--	--	79,986
Due from other Governmental Agencies	--	--	--	--	1,851,450
Prepaid Items	--	--	--	--	46,588
Total assets	\$ 81,301	\$ 607,825	\$ 22,108,205	\$ 61,800	\$ 58,979,198
Liabilities					
Accounts Payable	\$ --	\$ --	\$ 371,050	\$ 11,930	\$ 1,429,817
Retainage Payable	--	--	95,419	--	100,212
Due to other Funds	7,420	--	--	--	7,420
Due to other Governmental Agencies	--	--	--	--	24,204
Advance from other Funds	72,566	--	--	--	72,566
Unearned Revenue	--	--	--	--	629,055
Customer Deposits	--	--	--	--	818,266
Total liabilities	79,986	--	466,469	11,930	3,081,540
Deferred Inflows of Resources					
Unavailable Revenue - Note Receivable	--	--	--	--	180,086
Unavailable Revenue - Grants	--	--	--	--	2,029
Unavailable Revenue - Special Assessments	79,986	--	--	--	79,986
Total deferred inflows of resources	79,986	--	--	--	262,101
Fund Balances					
Nonspendable:					
Prepaid Expenditures	--	--	--	--	46,588
Restricted for:					
Housing and Community Development	--	--	--	--	11,364,540
Transportation	--	--	--	--	7,935,930
Law Enforcement Programs	--	--	--	--	1,009,055
Golden Gate Point Streetscape	--	--	--	--	250,114
Grant Programs	--	--	--	--	712,922
Debt Service	(78,671)	607,825	--	--	1,408,857
Construction	--	--	21,641,736	49,870	21,691,606
Committed to:					
Public Art	--	--	--	--	1,171,768
Citizens with Disabilities	--	--	--	--	76,016
Forestry	--	--	--	--	706,973
Affordable Housing	--	--	--	--	4,624,470
Economic Development	--	--	--	--	2,654,028
Culture and Recreation	--	--	--	--	731,429
The Bay Park	--	--	--	--	1,251,261
Total fund balances (deficit)	(78,671)	607,825	21,641,736	49,870	55,635,557
Total liabilities, deferred inflows of resources and fund balances	\$ 81,301	\$ 607,825	\$ 22,108,205	\$ 61,800	\$ 58,979,198



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City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended September 30, 2022

	Special Revenue Funds				
	The Bay Tax Incremental Financing	State Housing Initiative Partnership	Gas Tax	Special Law Enforcement (Forfeiture)	Golden Gate Point
Revenues					
Taxes	\$ 633,989	\$ --	\$ --	\$ --	\$ 167,081
Special assessments	--	--	--	--	--
Licenses and permits	--	--	--	--	--
Intergovernmental	633,989	6,451,944	2,662,283	--	--
Charges for services	--	--	--	--	--
Fines and forfeits	--	--	--	293,725	--
Investment earnings	(16,717)	(233,631)	(104,891)	--	(10,326)
Miscellaneous	--	32,434	--	432	--
Total revenues	<u>1,251,261</u>	<u>6,250,747</u>	<u>2,557,392</u>	<u>294,157</u>	<u>156,755</u>
Expenditures					
General government	--	--	114,092	--	--
Public safety	--	--	--	85,161	--
Physical environment	--	--	--	--	--
Transportation	--	--	367,683	--	117,032
Culture and recreation	--	--	--	--	--
Economic environment	--	2,986,603	--	--	--
Current:					
Debt service:					
Principal payments	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Bond issuance costs	--	--	--	--	--
Capital outlay	--	--	1,119,427	--	24,826
Total expenditures	<u>--</u>	<u>2,986,603</u>	<u>1,601,202</u>	<u>85,161</u>	<u>141,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,251,261</u>	<u>3,264,144</u>	<u>956,190</u>	<u>208,996</u>	<u>14,897</u>
Other financing sources (uses)					
Issuance of Debt	--	--	--	--	--
Transfers in	--	--	--	--	--
Transfers out	--	--	(764,852)	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(764,852)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>1,251,261</u>	<u>3,264,144</u>	<u>191,338</u>	<u>208,996</u>	<u>14,897</u>
Fund balances (deficit) - beginning	<u>--</u>	<u>8,100,396</u>	<u>3,462,889</u>	<u>248,800</u>	<u>235,217</u>
Fund balances (deficit) - ending	<u>\$ 1,251,261</u>	<u>\$ 11,364,540</u>	<u>\$ 3,654,227</u>	<u>\$ 457,796</u>	<u>\$ 250,114</u>

Special Revenue Funds			Debt Service Funds			
Multi-Modal Transportation Impact Fees	Miscellaneous Grants	Multi-Purpose	2015 General Obligation Bonds	2016 General Obligation Bonds	2022 One Stop Shop Bank Loan	2009 Build America
\$ --	\$ --	\$ 808,483	\$ 2,548,659	\$ 269,729	\$ --	\$ --
805,030	448,717	149,399	--	--	--	--
--	2,362,706	576,473	--	--	--	--
--	--	70,420	--	--	--	--
--	--	73,409	--	--	--	--
(128,987)	(74,904)	(326,011)	(54,615)	(11,391)	7	(1,141)
--	83,393	199,608	--	--	--	--
<u>676,043</u>	<u>2,819,912</u>	<u>1,551,781</u>	<u>2,494,044</u>	<u>258,338</u>	<u>7</u>	<u>(1,141)</u>
--	--	1,740	--	--	20,000	--
--	364,098	30,908	--	--	--	--
--	41,472	47,588	--	--	--	--
20,814	--	--	--	--	--	--
--	9,419	--	--	--	--	--
--	--	859,280	--	--	--	--
--	--	--	1,390,000	225,000	--	1,197,020
--	--	--	1,142,268	35,073	--	177,622
--	--	--	--	--	44,000	--
813,208	2,355,362	636,903	--	--	--	--
<u>834,022</u>	<u>2,770,351</u>	<u>1,576,419</u>	<u>2,532,268</u>	<u>260,073</u>	<u>64,000</u>	<u>1,374,642</u>
<u>(157,979)</u>	<u>49,561</u>	<u>(24,638)</u>	<u>(38,224)</u>	<u>(1,735)</u>	<u>(63,993)</u>	<u>(1,375,783)</u>
--	--	--	--	--	70,000	--
--	1,484,954	--	--	--	--	1,377,517
17,380	(262,578)	(169,368)	--	--	--	--
<u>17,380</u>	<u>1,222,376</u>	<u>(169,368)</u>	<u>--</u>	<u>--</u>	<u>70,000</u>	<u>1,377,517</u>
<u>(140,599)</u>	<u>1,271,937</u>	<u>(194,006)</u>	<u>(38,224)</u>	<u>(1,735)</u>	<u>6,007</u>	<u>1,734</u>
<u>3,956,032</u>	<u>1,522,167</u>	<u>9,141,625</u>	<u>646,741</u>	<u>217,499</u>	<u>--</u>	<u>47,681</u>
<u>\$ 3,815,433</u>	<u>\$ 2,794,104</u>	<u>\$ 8,947,619</u>	<u>\$ 608,517</u>	<u>\$ 215,764</u>	<u>\$ 6,007</u>	<u>\$ 49,415</u>

City of Sarasota, Florida
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended September 30, 2022

	Debt Service Funds		Capital Projects Funds		Total Nonmajor Governmental Funds
	Glen Oaks	2020 Sales Tax Refunding Loan	Capital and Extraordinary Maintenance	2009 Build America Bonds	
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 4,427,941
Special assessments	7,114	--	--	--	7,114
Licenses and permits	--	--	--	--	1,403,146
Intergovernmental	--	--	--	--	12,687,395
Charges for services	--	--	--	--	70,420
Fines and forfeits	--	--	--	--	367,134
Investment earnings	2,892	(16,844)	(81,866)	(2,528)	(1,060,953)
Miscellaneous	--	--	81,866	--	397,733
Total revenues	<u>10,006</u>	<u>(16,844)</u>	<u>--</u>	<u>(2,528)</u>	<u>18,299,930</u>
Expenditures					
General government	--	--	--	--	135,832
Public safety	--	--	--	--	480,167
Physical environment	--	--	--	--	89,060
Transportation	--	--	--	--	505,529
Culture and recreation	--	--	--	--	9,419
Economic environment	--	--	--	--	3,845,883
Current:					
Debt service:					
Principal payments	--	373,000	--	--	3,185,020
Interest and fiscal charges	3,745	122,958	--	--	1,481,666
Bond issuance costs	--	--	--	--	44,000
Capital outlay	--	--	480,352	122,374	5,552,452
Total expenditures	<u>3,745</u>	<u>495,958</u>	<u>480,352</u>	<u>122,374</u>	<u>15,329,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,261</u>	<u>(512,802)</u>	<u>(480,352)</u>	<u>(124,902)</u>	<u>2,970,902</u>
Other financing sources (uses)					
Issuance of Debt	--	--	10,000,000	--	10,070,000
Transfers in	--	500,004	12,031,432	--	15,393,907
Transfers out	--	--	--	--	(1,179,418)
Total other financing sources (uses)	<u>--</u>	<u>500,004</u>	<u>22,031,432</u>	<u>--</u>	<u>24,284,489</u>
Net change in fund balances	6,261	(12,798)	21,551,080	(124,902)	27,255,391
Fund balances (deficit) - beginning	<u>(84,932)</u>	<u>620,623</u>	<u>90,656</u>	<u>174,772</u>	<u>28,380,166</u>
Fund balances (deficit) - ending	<u>\$ (78,671)</u>	<u>\$ 607,825</u>	<u>\$ 21,641,736</u>	<u>\$ 49,870</u>	<u>\$ 55,635,557</u>



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City of Sarasota, Florida

The Bay Tax Incremental Financing
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 633,989	\$ 633,989	\$ 633,989	\$ --
Intergovernmental	633,989	633,989	633,989	--
Investment earnings	1,000	1,000	(16,717)	(17,717)
Total revenues	<u>1,268,978</u>	<u>1,268,978</u>	<u>1,251,261</u>	<u>(17,717)</u>
Net change in fund balance	1,268,978	1,268,978	1,251,261	(17,717)
Fund balance - beginning	--	--	--	--
Fund balance - ending	<u>\$ 1,268,978</u>	<u>\$ 1,268,978</u>	<u>\$ 1,251,261</u>	<u>\$ (17,717)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,920,331	\$ 2,920,331	\$ 6,451,944	\$ 3,531,613
Investment earnings	--	--	(233,631)	(233,631)
Miscellaneous	--	--	32,434	32,434
Total revenues	<u>2,920,331</u>	<u>2,920,331</u>	<u>6,250,747</u>	<u>3,330,416</u>
Expenditures				
Current:				
Economic environment	2,920,331	6,639,244	2,986,603	3,652,641
Capital outlay:				
Capital outlay	--	1,750	--	1,750
Total expenditures	<u>2,920,331</u>	<u>6,640,994</u>	<u>2,986,603</u>	<u>3,654,391</u>
Net change in fund balance	--	(3,720,663)	3,264,144	6,984,807
Fund balance - beginning	<u>8,100,396</u>	<u>8,100,396</u>	<u>8,100,396</u>	<u>--</u>
Fund balance - ending	<u>\$ 8,100,396</u>	<u>\$ 4,379,733</u>	<u>\$ 11,364,540</u>	<u>\$ 6,984,807</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,373,003	\$ 2,373,003	\$ 2,662,283	\$ 289,280
Investment earnings	--	--	(104,891)	(104,891)
Total revenues	<u>2,373,003</u>	<u>2,373,003</u>	<u>2,557,392</u>	<u>184,389</u>
Expenditures				
Current:				
General government	--	--	114,092	(114,092)
Transportation	170,000	554,314	367,683	186,631
Capital outlay:				
Capital outlay	1,282,000	4,058,392	1,119,427	2,938,965
Total expenditures	<u>1,452,000</u>	<u>4,612,706</u>	<u>1,601,202</u>	<u>3,011,504</u>
Excess (deficiency) of revenues over (under) expenditures	<u>921,003</u>	<u>(2,239,703)</u>	<u>956,190</u>	<u>3,195,893</u>
Other financing sources (uses)				
Transfers out	(993,036)	(993,036)	(764,852)	228,184
Total other financing sources (uses)	<u>(993,036)</u>	<u>(993,036)</u>	<u>(764,852)</u>	<u>228,184</u>
Net change in fund balance	(72,033)	(3,232,739)	191,338	3,424,077
Fund balance - beginning	<u>3,462,889</u>	<u>3,462,889</u>	<u>3,462,889</u>	<u>--</u>
Fund balance - ending	<u>\$ 3,390,856</u>	<u>\$ 230,150</u>	<u>\$ 3,654,227</u>	<u>\$ 3,424,077</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, 2022

	Final	Variance with Final Budget Actual Amounts		Positive (Negative)
		Final	Actual	
Revenues				
Fines and forfeits	\$ 62,000	\$ 293,725	\$ 231,725	
Miscellaneous	--	432	432	
Total revenues	<u>62,000</u>	<u>294,157</u>	<u>232,157</u>	
Expenditures				
Current:				
Public safety	196,989	85,161	111,828	
Capital outlay:				
Capital outlay	5,500	--	5,500	
Total expenditures	<u>202,489</u>	<u>85,161</u>	<u>117,328</u>	
Net change in fund balance	(140,489)	208,996	349,485	
Fund balance - beginning	<u>248,800</u>	<u>248,800</u>	<u>--</u>	
Fund balance - ending	<u>\$ 108,311</u>	<u>\$ 457,796</u>	<u>\$ 349,485</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 166,000	\$ 166,000	\$ 167,081	\$ 1,081
Investment earnings	1,000	1,000	(10,326)	(11,326)
Total revenues	<u>167,000</u>	<u>167,000</u>	<u>156,755</u>	<u>(10,245)</u>
Expenditures				
Current:				
Transportation	134,322	150,622	117,032	33,590
Capital outlay:				
Capital outlay	30,000	40,700	24,826	15,874
Total expenditures	<u>164,322</u>	<u>191,322</u>	<u>141,858</u>	<u>49,464</u>
Net change in fund balance	2,678	(24,322)	14,897	39,219
Fund balance - beginning	<u>235,217</u>	<u>235,217</u>	<u>235,217</u>	<u>--</u>
Fund balance - ending	<u>\$ 237,895</u>	<u>\$ 210,895</u>	<u>\$ 250,114</u>	<u>\$ 39,219</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	\$ 900,000	\$ 900,000	\$ 805,030	\$ (94,970)
Investment earnings	5,000	5,000	(128,987)	(133,987)
Total revenues	<u>905,000</u>	<u>905,000</u>	<u>676,043</u>	<u>(228,957)</u>
Expenditures				
Current:				
Transportation	21,296	41,764	20,814	20,950
Capital outlay:				
Capital outlay	453,000	3,317,384	813,208	2,504,176
Total expenditures	<u>474,296</u>	<u>3,359,148</u>	<u>834,022</u>	<u>2,525,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>430,704</u>	<u>(2,454,148)</u>	<u>(157,979)</u>	<u>2,296,169</u>
Other financing sources (uses)				
Transfers out	--	--	17,380	17,380
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>17,380</u>	<u>17,380</u>
Net change in fund balance	430,704	(2,454,148)	(140,599)	2,313,549
Fund balance - beginning	<u>3,956,032</u>	<u>3,956,032</u>	<u>3,956,032</u>	<u>--</u>
Fund balance - ending	<u>\$ 4,386,736</u>	<u>\$ 1,501,884</u>	<u>\$ 3,815,433</u>	<u>\$ 2,313,549</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and permits	\$ --	\$ 448,719	\$ 448,717	\$ (2)
Intergovernmental	500,004	4,188,623	2,362,706	(1,825,917)
Investment earnings	20	20	(74,904)	(74,924)
Miscellaneous	--	60,000	83,393	23,393
Total revenues	<u>500,024</u>	<u>4,697,362</u>	<u>2,819,912</u>	<u>(1,877,450)</u>
Expenditures				
Public safety	--	495,718	364,098	131,620
Physical environment	--	100,000	41,472	58,528
Culture and recreation	33,193	37,613	9,419	28,194
Current:				
Economic environment	--	2,028	--	2,028
Capital outlay:				
Capital outlay	--	5,902,171	2,355,362	3,546,809
Total expenditures	<u>33,193</u>	<u>6,537,530</u>	<u>2,770,351</u>	<u>3,767,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>466,831</u>	<u>(1,840,168)</u>	<u>49,561</u>	<u>1,889,729</u>
Other financing sources (uses)				
Transfers in	--	1,511,535	1,484,954	(26,581)
Transfers out	(500,004)	(500,004)	(262,578)	237,426
Total other financing sources (uses)	<u>(500,004)</u>	<u>1,011,531</u>	<u>1,222,376</u>	<u>210,845</u>
Net change in fund balance	(33,173)	(828,637)	1,271,937	2,100,574
Fund balance - beginning	<u>1,522,167</u>	<u>1,522,167</u>	<u>1,522,167</u>	<u>--</u>
Fund balance - ending	<u>\$ 1,488,994</u>	<u>\$ 693,530</u>	<u>\$ 2,794,104</u>	<u>\$ 2,100,574</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 850,000	\$ 850,000	\$ 808,483	\$ (41,517)
Licenses and permits	40,000	40,000	149,399	109,399
Intergovernmental	--	1,085,164	576,473	(508,691)
Charges for services	--	--	70,420	70,420
Fines and forfeits	27,000	27,000	73,409	46,409
Investment earnings	--	--	(326,011)	(326,011)
Miscellaneous	8,664	17,164	199,608	182,444
Total revenues	<u>925,664</u>	<u>2,019,328</u>	<u>1,551,781</u>	<u>(467,547)</u>
Expenditures				
General government	1,740	1,740	1,740	--
Public safety	35,000	115,080	30,908	84,172
Physical environment	--	51,500	47,588	3,912
Culture and recreation	60,000	121,704	--	121,704
Current:				
Economic environment	1,122,000	3,649,214	859,280	2,789,934
Capital outlay:				
Capital outlay	1,425,001	2,807,895	636,903	2,170,992
Total expenditures	<u>2,643,741</u>	<u>6,747,133</u>	<u>1,576,419</u>	<u>5,170,714</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,718,077)</u>	<u>(4,727,805)</u>	<u>(24,638)</u>	<u>4,703,167</u>
Other financing sources (uses)				
Transfers out	(169,368)	(169,368)	(169,368)	--
Total other financing sources (uses)	<u>(169,368)</u>	<u>(169,368)</u>	<u>(169,368)</u>	<u>--</u>
Net change in fund balance	(1,887,445)	(4,897,173)	(194,006)	4,703,167
Fund balance - beginning	<u>9,141,625</u>	<u>9,141,625</u>	<u>9,141,625</u>	<u>--</u>
Fund balance - ending	<u>\$ 7,254,180</u>	<u>\$ 4,244,452</u>	<u>\$ 8,947,619</u>	<u>\$ 4,703,167</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,538,000	\$ 2,538,000	\$ 2,548,659	\$ 10,659
Investment earnings	10,000	10,000	(54,615)	(64,615)
Total revenues	<u>2,548,000</u>	<u>2,548,000</u>	<u>2,494,044</u>	<u>(53,956)</u>
Expenditures				
Debt service:				
Principal payments	1,390,000	1,390,000	1,390,000	--
Interest and fiscal charges	1,144,444	1,144,444	1,142,268	2,176
Total expenditures	<u>2,534,444</u>	<u>2,534,444</u>	<u>2,532,268</u>	<u>2,176</u>
Net change in fund balance	13,556	13,556	(38,224)	(51,780)
Fund balance - beginning	646,741	646,741	646,741	--
Fund balance - ending	<u>\$ 660,297</u>	<u>\$ 660,297</u>	<u>\$ 608,517</u>	<u>\$ (51,780)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 268,000	\$ 268,000	\$ 269,729	\$ 1,729
Investment earnings	1,000	1,000	(11,391)	(12,391)
Total revenues	<u>269,000</u>	<u>269,000</u>	<u>258,338</u>	<u>(10,662)</u>
Expenditures				
Debt service:				
Principal payments	225,000	225,000	225,000	--
Interest and fiscal charges	38,214	38,214	35,073	3,141
Total expenditures	<u>263,214</u>	<u>263,214</u>	<u>260,073</u>	<u>3,141</u>
Net change in fund balance	5,786	5,786	(1,735)	(7,521)
Fund balance - beginning	217,499	217,499	217,499	--
Fund balance - ending	<u>\$ 223,285</u>	<u>\$ 223,285</u>	<u>\$ 215,764</u>	<u>\$ (7,521)</u>

City of Sarasota, Florida

2022 One Stop Shop Bank Loan
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended September 30, 2022

	Final	Variance with Final Budget Actual Amounts	Positive (Negative)
Revenues			
Investment earnings	\$ --	\$ 7	\$ 7
Total revenues	<u>--</u>	<u>7</u>	<u>7</u>
Expenditures			
Bond issuance costs	70,000	64,000	6,000
Total expenditures	<u>70,000</u>	<u>64,000</u>	<u>6,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(70,000)</u>	<u>(63,993)</u>	<u>6,007</u>
Other financing sources (uses)			
Issuance of Debt	70,000	70,000	--
Total other financing sources (uses)	<u>70,000</u>	<u>70,000</u>	<u>--</u>
Net change in fund balance	--	6,007	6,007
Fund balance - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance - ending	<u>\$ --</u>	<u>\$ 6,007</u>	<u>\$ 6,007</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ 2,000	\$ 2,000	\$ (1,141)	\$ (3,141)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>(1,141)</u>	<u>(3,141)</u>
Expenditures				
Debt service:				
Principal payments	1,197,020	1,197,020	1,197,020	--
Interest and fiscal charges	182,197	182,197	177,622	4,575
Total expenditures	<u>1,379,217</u>	<u>1,379,217</u>	<u>1,374,642</u>	<u>4,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,377,217)</u>	<u>(1,377,217)</u>	<u>(1,375,783)</u>	<u>1,434</u>
Other financing sources (uses)				
Transfers in	1,377,517	1,377,517	1,377,517	--
Total other financing sources (uses)	<u>1,377,517</u>	<u>1,377,517</u>	<u>1,377,517</u>	<u>--</u>
Net change in fund balance	300	300	1,734	1,434
Fund balance - beginning	<u>47,681</u>	<u>47,681</u>	<u>47,681</u>	<u>--</u>
Fund balance - ending	<u>\$ 47,981</u>	<u>\$ 47,981</u>	<u>\$ 49,415</u>	<u>\$ 1,434</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special assessments	\$ 10,970	\$ 10,970	\$ 7,114	\$ (3,856)
Investment earnings	--	--	2,892	2,892
Total revenues	<u>10,970</u>	<u>10,970</u>	<u>10,006</u>	<u>(964)</u>
Expenditures				
Debt service:				
Principal payments	7,188	7,188	--	7,188
Interest and fiscal charges	3,782	3,782	3,745	37
Total expenditures	<u>10,970</u>	<u>10,970</u>	<u>3,745</u>	<u>7,225</u>
Net change in fund balance	--	--	6,261	6,261
Fund balance - beginning	<u>(84,932)</u>	<u>(84,932)</u>	<u>(84,932)</u>	<u>--</u>
Fund balance - ending	<u>\$ (84,932)</u>	<u>\$ (84,932)</u>	<u>\$ (78,671)</u>	<u>\$ 6,261</u>

City of Sarasota, Florida

2020 Sales Tax Refunding Loan
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment earnings	\$ --	\$ --	\$ (16,844)	\$ (16,844)
Total revenues	<u>--</u>	<u>--</u>	<u>(16,844)</u>	<u>(16,844)</u>
Expenditures				
Principal payments	373,000	373,000	373,000	--
Interest and fiscal charges	125,958	125,958	122,958	3,000
Total expenditures	<u>498,958</u>	<u>498,958</u>	<u>495,958</u>	<u>3,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(498,958)</u>	<u>(498,958)</u>	<u>(512,802)</u>	<u>(13,844)</u>
Other financing sources (uses)				
Transfers in	500,004	500,004	500,004	--
Total other financing sources (uses)	<u>500,004</u>	<u>500,004</u>	<u>500,004</u>	<u>--</u>
Net change in fund balance	1,046	1,046	(12,798)	(13,844)
Fund balance - beginning	<u>620,623</u>	<u>620,623</u>	<u>620,623</u>	<u>--</u>
Fund balance - ending	<u>\$ 621,669</u>	<u>\$ 621,669</u>	<u>\$ 607,825</u>	<u>\$ (13,844)</u>

City of Sarasota, Florida

Penny Sales Tax

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

Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 9,168,085	\$ 9,168,085	\$ 12,083,797	\$ 2,915,712
Investment earnings	10,000	10,000	(666,603)	(676,603)
Miscellaneous	--	--	48,748	48,748
Total revenues	<u>9,178,085</u>	<u>9,178,085</u>	<u>11,465,942</u>	<u>2,287,857</u>
Expenditures				
Principal payments	404,745	404,745	396,464	8,281
Interest and fiscal charges	11,859	11,859	11,465	394
Capital outlay	7,323,173	25,115,176	9,338,004	15,777,172
Total expenditures	<u>7,739,777</u>	<u>25,531,780</u>	<u>9,745,933</u>	<u>15,785,847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,438,308</u>	<u>(16,353,695)</u>	<u>1,720,009</u>	<u>18,073,704</u>
Other financing sources (uses)				
Transfers out	(1,377,517)	(1,830,977)	(1,830,977)	--
Total other financing sources (uses)	<u>(1,377,517)</u>	<u>(1,830,977)</u>	<u>(1,830,977)</u>	<u>--</u>
Net change in fund balance	60,791	(18,184,672)	(110,968)	18,073,704
Fund balance - beginning	<u>20,496,010</u>	<u>20,496,010</u>	<u>20,496,010</u>	<u>--</u>
Fund balance - ending	<u>\$ 20,556,801</u>	<u>\$ 2,311,338</u>	<u>\$ 20,385,042</u>	<u>\$ 18,073,704</u>

Nonmajor Enterprise Fund

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.

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 Fund
 Combining Statement of Net Position
 September 30, 2022

	Municipal Auditoriums	Total
Assets		
Current assets:		
Receivables (net):		
Interest	\$ 265	\$ 265
Total unrestricted current assets	<u>265</u>	<u>265</u>
Restricted current assets:		
Total restricted current assets	<u>--</u>	<u>--</u>
Total current assets	<u>265</u>	<u>265</u>
Total assets	<u>265</u>	<u>265</u>
Deferred Outflows of Resources		
Total deferred outflows of resources	<u>\$ --</u>	<u>\$ --</u>
Liabilities		
Current liabilities:		
Due to Other Funds	15,452	15,452
Due to Other Governmental Agencies	3,042	3,042
Accrued Wages	12,018	12,018
Unearned Revenue	14,451	14,451
Total unrestricted current liabilities	<u>44,963</u>	<u>44,963</u>
Current liabilities payable from restricted assets:		
Customer Deposits	2,500	2,500
Total current liabilities payable from restricted assets	<u>2,500</u>	<u>2,500</u>
Total current liabilities	<u>47,463</u>	<u>47,463</u>
Noncurrent liabilities		
Total noncurrent liabilities	<u>--</u>	<u>--</u>
Total liabilities	<u>47,463</u>	<u>47,463</u>
Deferred Inflows of Resources		
Total deferred inflows of resources	<u>--</u>	<u>--</u>
Net Position		
Unrestricted	(47,198)	(47,198)
Total net position	<u>\$ (47,198)</u>	<u>\$ (47,198)</u>

City of Sarasota, Florida
 Nonmajor Enterprise Fund
 Combining Statement of Revenues, Expenses, and Changes in Net Position
 For the Year Ended September 30, 2022

	Municipal Auditoriums	Total
Operating expenses:		
Depreciation	\$ 50,907	\$ 50,907
Total operating expenses	<u>50,907</u>	<u>50,907</u>
Operating income (loss)	<u>(50,907)</u>	<u>(50,907)</u>
Nonoperating revenues:		
Gain (loss) on disposition of capital assets	(1,006,276)	(1,006,276)
Total nonoperating revenues	<u>(1,006,276)</u>	<u>(1,006,276)</u>
Change in net position	(1,057,183)	(1,057,183)
Net position - beginning	<u>1,009,985</u>	<u>1,009,985</u>
Net position - ending	<u>\$ (47,198)</u>	<u>\$ (47,198)</u>

City of Sarasota, Florida
 Nonmajor Enterprise Fund
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2022

	Municipal Auditoriums	Total
Cash flows from operating activities		
Cash received from customers	\$ (2,000)	\$ (2,000)
Cash payments to vendors for goods and services	17,304	17,304
Cash payments to employees for services	(124,766)	(124,766)
Cash payments to other funds	--	--
Net cash provided (used) by operating activities	<u>(109,462)</u>	<u>(109,462)</u>
Cash flows from noncapital financing activities		
Transfers in	15,452	15,452
Transfers out	--	--
Net cash provided (used) by noncapital financing activities	<u>15,452</u>	<u>15,452</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	--	--
Net cash provided (used) by capital and related financing activities	<u>--</u>	<u>--</u>
Cash flows from investing activities		
Interest on investments	(171)	(171)
Proceeds from sale and maturities of investments	79,664	79,664
Net cash provided by investing activities	<u>79,493</u>	<u>79,493</u>
Net increase (decrease) in cash and cash equivalents	(14,517)	(14,517)
Cash and cash equivalents at beginning of year	14,517	14,517
Cash and cash equivalents at end of year	<u>\$ --</u>	<u>\$ --</u>

City of Sarasota, Florida
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2022

	Municipal Auditoriums	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (50,907)	\$ (50,907)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	50,907	50,907
Pension/OPEB expense	(113,323)	(113,323)
Net (increase) decrease in:		
Inventories	--	--
Prepaid items	22,369	22,369
Net increase (decrease) in:		
Accounts payable	(5,281)	(5,281)
Due to other governmental agencies	216	216
Accrued wages	--	--
Compensated absences	(10,693)	(10,693)
Unearned revenue	(2,750)	(2,750)
Total adjustments	<u>(58,555)</u>	<u>(58,555)</u>
Net cash provided (used) by operating activities	<u>\$ (109,462)</u>	<u>\$ (109,462)</u>

Noncash investing, capital, and financing activities

None



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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.

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Schedule of Net Position
September 30, 2022

Assets	Revenue	Interest	Renewal	General
	Account	& Sinking	Replacement	Reserve
		Accounts	& Improvement	Account
Current assets:				
Cash and Cash Equivalents	\$ 1,664,261	\$ 1	\$ 3,040,612	\$ 1,176,320
Investments	13,006,686	--	24,108,542	9,326,862
Receivables (net):				
Accounts	5,585,696	--	27	--
Interest	39,486	--	59,764	23,192
Inventories	247,390	--	--	--
Prepaid items	142,070	--	--	--
Total unrestricted current assets	<u>20,685,589</u>	<u>1</u>	<u>27,208,945</u>	<u>10,526,374</u>
Restricted current assets:				
Rest Cash and Cash Equivalents	150,586	266,599	--	--
Cash with Fiscal Agents	--	3,473,646	--	--
Investments	1,193,974	2,113,828	--	--
Accrued Interest Receivable	2,910	8,022	--	--
Due from Other Governmental Units	--	--	--	--
Total restricted current assets	<u>1,347,470</u>	<u>5,862,095</u>	<u>--</u>	<u>--</u>
Total current assets	<u>22,033,059</u>	<u>5,862,096</u>	<u>27,208,945</u>	<u>10,526,374</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable:				
Land	6,040,560	--	--	--
Construction in Progress	--	--	11,963,019	576,618
Depreciable:				
Buildings	25,182,254	--	68,941	--
Improvements	317,047,918	--	81,107,012	14,396,751
Equipment	13,954,262	--	271,467	--
Less Accumulated Depreciation	<u>(240,132,662)</u>	<u>--</u>	<u>(2,861,196)</u>	<u>(28,153)</u>
Total capital assets (net of accumulated depreciation)	<u>122,092,332</u>	<u>--</u>	<u>90,549,243</u>	<u>14,945,216</u>
Total assets	<u>144,125,391</u>	<u>5,862,096</u>	<u>117,758,188</u>	<u>25,471,590</u>
Deferred Outflows of Resources				
Related to Refunding	--	648,132	--	--
Related to Pension	5,183,762	--	--	--
Related to OPEB	374,868	--	--	--
Total deferred outflows of resources	<u>\$ 5,558,630</u>	<u>\$ 648,132</u>	<u>\$ --</u>	<u>\$ --</u>

Utility Construction Accounts	Totals
\$ 1	\$ 5,881,195
--	46,442,090
--	5,585,723
--	122,442
--	247,390
--	142,070
<u>1</u>	<u>58,420,910</u>
126,391	543,576
--	3,473,646
1,002,133	4,309,935
2,244	13,176
<u>357,680</u>	<u>357,680</u>
<u>1,488,448</u>	<u>8,698,013</u>
<u>1,488,449</u>	<u>67,118,923</u>
--	6,040,560
7,541,552	20,081,189
--	25,251,195
--	412,551,681
--	14,225,729
<u>--</u>	<u>(243,022,011)</u>
<u>7,541,552</u>	<u>235,128,343</u>
<u>9,030,001</u>	<u>302,247,266</u>
--	648,132
--	5,183,762
--	374,868
<u>--</u>	<u>6,206,762</u>

(continued)

City of Sarasota, Florida
Water and Sewer System Enterprise Fund
Combining Schedule of Net Position
September 30, 2022 (Concluded)

	Revenue Account	Interest & Sinking Accounts	Renewal	General Reserve Account	Utility Construction Accounts	
			Replacement & Improvement Account		Totals	Totals
Liabilities						
Current liabilities:						
Accounts Payable	1,433,927	--	1,283,488	--	--	2,717,415
Due to Other Governmental Agencies	125,683	--	--	--	--	125,683
Accrued Wages	268,182	--	--	--	--	268,182
Compensated Absences	621,927	--	--	--	--	621,927
Unearned Revenue	3,089,152	--	--	--	--	3,089,152
Total unrestricted current liabilities	5,538,871	--	1,283,488	--	--	6,822,359
Current liabilities payable from restricted assets:						
CLP Accrued Interest Payable	--	478,646	--	--	--	478,646
Bonds Payable	--	4,079,525	--	--	--	4,079,525
Customer Deposits	1,347,470	--	--	--	--	1,347,470
Total current liabilities payable from restricted assets	1,347,470	4,558,171	--	--	--	5,905,641
Total current liabilities	6,886,341	4,558,171	1,283,488	--	--	12,728,000
Noncurrent liabilities:						
NL Compensated Absences	306,323	--	--	--	--	306,323
Bonds Payable and Unamortized Premium	--	64,109,557	--	--	--	64,109,557
Net OPEB Liability	899,649	--	--	--	--	899,649
Net Pension Liability	18,207,193	--	--	--	--	18,207,193
Total noncurrent liabilities	19,413,165	64,109,557	--	--	--	83,522,722
Total liabilities	26,299,506	68,667,728	1,283,488	--	--	96,250,722
Deferred Inflows of Resources						
Pension Related	7,029,741	--	--	--	--	7,029,741
OPEB Related	4,641,114	--	--	--	--	4,641,114
Total deferred inflows of resources	\$ 11,670,855	\$ --	\$ --	\$ --	\$ --	\$ 11,670,855
Net Position						
Net Investment in Capital Assets	122,092,331	(87,540,950)	90,549,242	14,945,215	7,541,552	147,587,390
Restricted:						
Debt Service	--	6,867,799	--	--	--	6,867,799
Unrestricted	(10,378,671)	18,515,651	25,925,458	10,526,375	1,488,449	46,077,262
Total net position	\$ 111,713,660	\$ (62,157,500)	\$ 116,474,700	\$ 25,471,590	\$ 9,030,001	\$ 200,532,451

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, 2022

	Revenue Account	Interest & Sinking Accounts	Renewal Replacement & Improvement Account	General Reserve Account
Operating revenues				
Charges for services				
Charges for services	\$ 52,248,022	\$ --	\$ --	\$ --
Connection fees	--	--	--	1,108,919
Miscellaneous	421,852	--	--	--
Total operating revenues	<u>52,669,874</u>	<u>--</u>	<u>--</u>	<u>1,108,919</u>
Operating expenses				
Personnel services	14,826,040	--	--	--
Contractual services	9,828,030	--	--	--
Repairs and maintenance	1,961,556	--	1,116	--
Supplies and materials	3,403,032	--	--	--
Depreciation	8,238,702	--	1,540,510	27,765
Other	33,000	--	--	--
Total operating expenses	<u>38,290,360</u>	<u>--</u>	<u>1,541,626</u>	<u>27,765</u>
Operating income (loss)	<u>14,379,514</u>	<u>--</u>	<u>(1,541,626)</u>	<u>1,081,154</u>
Nonoperating revenues (expenses)				
Investment earnings (loss)	(453,611)	(65,912)	(954,707)	(326,752)
Interest expense	--	(1,028,774)	--	--
Loan and bond issue expense	--	(4,780)	--	--
Gain (loss) on disposition of capital assets	1,190,767	--	(1,077,492)	--
Total nonoperating revenues (expenses)	<u>737,156</u>	<u>(1,099,466)</u>	<u>(2,032,199)</u>	<u>(326,752)</u>
Income (loss) before transfers	15,116,670	(1,099,466)	(3,573,825)	754,402
Transfers in	--	5,592,481	45,303,263	--
Transfers out	<u>(18,339,923)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Change in net position	(3,223,253)	4,493,015	41,729,438	754,402
Net position - beginning	<u>114,936,913</u>	<u>(66,650,515)</u>	<u>74,745,262</u>	<u>24,717,188</u>
Net position - ending	<u>\$ 111,713,660</u>	<u>\$ (62,157,500)</u>	<u>\$ 116,474,700</u>	<u>\$ 25,471,590</u>

Utility Construction Accounts	Eliminations	Totals
\$ --	\$ --	\$ 52,248,022
--	--	1,108,919
--	--	421,852
<u>--</u>	<u>--</u>	<u>53,778,793</u>
--	--	14,826,040
--	--	9,828,030
--	--	1,962,672
--	--	3,403,032
--	--	9,806,977
--	--	33,000
<u>--</u>	<u>--</u>	<u>39,859,751</u>
--	--	13,919,042
(23,090)	--	(1,824,072)
--	--	(1,028,774)
--	--	(4,780)
--	--	113,275
<u>(23,090)</u>	<u>--</u>	<u>(2,744,351)</u>
(23,090)	--	11,174,691
--	(50,895,744)	--
<u>(32,555,821)</u>	<u>50,895,744</u>	<u>--</u>
(32,578,911)	--	11,174,691
<u>41,608,912</u>	<u>--</u>	<u>189,357,760</u>
<u>\$ 9,030,001</u>	<u>\$ --</u>	<u>\$ 200,532,451</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.

Fleet Services - 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.



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City of Sarasota, Florida
Internal Service Funds
Combining Statement of Net Position
September 30, 2022

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Assets					
Current assets:					
Cash and Cash Equivalents	\$ 118,152	\$ 414,318	\$ 2,224,311	\$ 678,615	\$ 3,435,396
Investments	935,625	3,285,054	16,890,901	5,380,628	26,492,208
Receivables (net):					
Accounts	1,796	--	57,078	--	58,874
Interest	2,136	7,797	26,678	13,106	49,717
Due from Other Funds	--	--	7,420	--	7,420
Due from Other Governmental Agencies	7,495	--	251,592	--	259,087
Inventories	79,082	--	--	--	79,082
Prepaid items	1,848	76,907	9,333	--	88,088
Total current assets	<u>1,146,134</u>	<u>3,784,076</u>	<u>19,467,313</u>	<u>6,072,349</u>	<u>30,469,872</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable:					
Construction in Progress	--	2,374,023	--	138,218	2,512,241
Depreciable:					
Buildings	209,197	296,659	256,570	1,766,306	2,528,732
Improvements	761,605	73,396	2,392	257,404	1,094,797
Equipment	298,158	1,295,317	26,515	7,379,801	8,999,791
Less Accumulated Depreciation	(980,151)	(1,471,690)	(225,483)	(8,175,497)	(10,852,821)
Total capital assets (net of accumulated depreciation)	<u>288,809</u>	<u>2,567,705</u>	<u>59,994</u>	<u>1,366,232</u>	<u>4,282,740</u>
Other assets:					
Advance to Other Funds	--	--	72,566	--	72,566
Total noncurrent assets	<u>288,809</u>	<u>2,567,705</u>	<u>132,560</u>	<u>1,366,232</u>	<u>4,355,306</u>
Total assets	<u>1,434,943</u>	<u>6,351,781</u>	<u>19,599,873</u>	<u>7,438,581</u>	<u>34,825,178</u>
Deferred Outflows of Resources					
Related to Pension	293,003	278,488	--	--	571,491
Related to OPEB	15,406	65,020	--	--	80,426
Total deferred outflows of resources	<u>308,409</u>	<u>343,508</u>	<u>--</u>	<u>--</u>	<u>651,917</u>
Liabilities					
Current liabilities:					
Accounts Payable	380,677	896,691	876,519	172,495	2,326,382
Due to Other Governmental Agencies	6,819	8,575	--	--	15,394
Liability for Unpaid Claims	--	--	3,374,228	--	3,374,228
Accrued Wages	12,008	43,616	--	--	55,624
Compensated Absences	27,845	65,558	3,818,882	--	3,912,285
Total current liabilities	<u>427,349</u>	<u>1,014,440</u>	<u>8,069,629</u>	<u>172,495</u>	<u>9,683,913</u>
Noncurrent liabilities:					
Compensated Absences	13,715	32,290	1,880,942	--	1,926,947
Net OPEB Liability	36,973	156,042	--	--	193,015
Net Pension Liability	1,141,525	298,438	--	--	1,439,963
Total noncurrent liabilities	<u>1,192,213</u>	<u>486,770</u>	<u>1,880,942</u>	<u>--</u>	<u>3,559,925</u>
Total liabilities	<u>1,619,562</u>	<u>1,501,210</u>	<u>9,950,571</u>	<u>172,495</u>	<u>13,243,838</u>
Deferred Inflows of Resources					
Pension Related	451,883	55,107	--	--	506,990
OPEB Related	190,735	804,990	--	--	995,725
Total deferred inflows of resources	<u>642,618</u>	<u>860,097</u>	<u>--</u>	<u>--</u>	<u>1,502,715</u>
Net Position					
Net Investment in Capital Assets	288,808	2,567,705	59,994	1,366,231	4,282,738
Unrestricted	(807,636)	1,766,277	9,589,308	5,899,855	16,447,804
Total net position	<u>\$ (518,828)</u>	<u>\$ 4,333,982</u>	<u>\$ 9,649,302</u>	<u>\$ 7,266,086</u>	<u>\$ 20,730,542</u>

City of Sarasota, Florida
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
Year Ended September 30, 2022

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Operating revenues					
Charges for services	\$ 4,262,344	\$ 3,987,298	\$ 16,389,631	\$ 2,120,454	\$ 26,759,727
Miscellaneous	--	--	409,463	--	409,463
Total operating revenues	<u>4,262,344</u>	<u>3,987,298</u>	<u>16,799,094</u>	<u>2,120,454</u>	<u>27,169,190</u>
Operating expenses					
Personnel services	873,216	1,050,412	3,693,861	--	5,617,489
Contractual services	471,160	454,145	11,926,851	7,764	12,859,940
Repairs and maintenance	74,098	1,307,861	3,504	469	1,385,932
Supplies and materials	2,725,288	43,245	57,739	--	2,826,252
Depreciation	38,805	52,257	16,875	508,158	616,095
Total operating expenses	<u>4,182,567</u>	<u>2,907,920</u>	<u>15,698,830</u>	<u>516,391</u>	<u>23,305,708</u>
Operating income (loss)	<u>79,777</u>	<u>1,079,378</u>	<u>1,100,264</u>	<u>1,604,063</u>	<u>3,863,482</u>
Nonoperating revenues (expenses)					
Investment earnings	(26,181)	(60,670)	(378,376)	(165,897)	(631,124)
Gain (loss) on disposition of capital assets	24	790	--	26,448	27,262
Total nonoperating revenues (expenses)	<u>(26,157)</u>	<u>(59,880)</u>	<u>(378,376)</u>	<u>(139,449)</u>	<u>(603,862)</u>
Change in net position	<u>53,620</u>	<u>1,019,498</u>	<u>721,888</u>	<u>1,464,614</u>	<u>3,259,620</u>
Net position-beginning	<u>(572,448)</u>	<u>3,314,484</u>	<u>8,927,414</u>	<u>5,801,472</u>	<u>17,470,922</u>
Net position-ending	<u>\$ (518,828)</u>	<u>\$ 4,333,982</u>	<u>\$ 9,649,302</u>	<u>\$ 7,266,086</u>	<u>\$ 20,730,542</u>

City of Sarasota, Florida
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2022

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Cash flows from operating activities					
Cash received from customers and users	\$ 8,863	\$ --	\$ 2,582,101	\$ --	\$ 2,590,964
Cash received from other funds			--		
for goods and services	4,252,458	3,987,298	14,216,991	2,120,454	24,577,201
Cash payments to vendors			--		
for goods and services	(3,017,920)	(1,081,756)	(1,977,592)	140,529	(5,936,739)
Cash payments to employees for services	(771,893)	(2,118,257)	(3,320,316)	--	(6,210,466)
Cash payments to other funds	(244,225)	--	(43,831)	(7,245)	(295,301)
Claims paid	--	--	(9,055,715)	--	(9,055,715)
Net cash provided (used) by operating activities	<u>227,283</u>	<u>787,285</u>	<u>2,401,638</u>	<u>2,253,738</u>	<u>5,669,944</u>
Cash flows from noncapital financing activities					
Transfers in	--	--	--	--	--
Transfers out	--	--	--	--	--
Repayment of loan to/from other fund	--	--	7,114	--	7,114
Interest on loan to/from other fund	--	--	3,745	--	3,745
Net cash provided (used) by noncapital financing activities	<u>--</u>	<u>--</u>	<u>10,859</u>	<u>--</u>	<u>10,859</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(71,606)	(2,224,240)	--	(293,112)	(2,588,958)
Proceeds from sale of capital assets	22	787	--	26,450	27,259
Net cash provided (used) in capital and related financing activities	<u>(71,584)</u>	<u>(2,223,453)</u>	<u>--</u>	<u>(266,662)</u>	<u>(2,561,699)</u>
Cash flows from investing activities					
Interest on investments	(27,302)	(61,884)	(394,669)	(173,613)	(657,468)
Proceeds from sale and maturities of investments	--	1,232,213	--	--	1,232,213
Purchase of investments	(147,151)	--	(2,391,023)	(1,762,405)	(4,300,579)
Net cash provided (used) by investing activities	<u>(174,453)</u>	<u>1,170,329</u>	<u>(2,785,692)</u>	<u>(1,936,018)</u>	<u>(3,725,834)</u>
Net increase (decrease) in cash and cash equivalents	(18,754)	(265,839)	(373,195)	51,058	(606,730)
Cash and cash equivalents at beginning of year	136,906	680,157	2,597,506	627,557	4,042,126
Cash and cash equivalents at end of year	<u>\$ 118,152</u>	<u>\$ 414,318</u>	<u>\$ 2,224,311</u>	<u>\$ 678,615</u>	<u>\$ 3,435,396</u>

City of Sarasota, Florida
Internal Service Funds
Combining Statement of Cash Flows
Year Ended September 30, 2022

	Equipment Maintenance	Information Technology	General Benefits and Insurance	Equipment Replacement	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 79,777	\$ 1,079,378	\$ 1,100,264	\$ 1,604,063	\$ 3,863,482
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	38,805	52,257	16,875	508,158	616,095
Pension expense	110,325	(1,027,500)	--	--	(917,175)
Net (increase) decrease in:					
Accounts receivable	(1,023)	--	77,661	--	76,638
Due from other governmental agencies	(1,571)	--	328,283	--	326,712
Inventories	(13,449)	--	--	--	(13,449)
Prepaid items	(606)	(51,306)	(6,427)	--	(58,339)
Net increase (decrease) in:					
Accounts payable	31,134	790,894	623,452	141,517	1,586,997
Liability for unpaid claims	--	--	(112,015)	--	(112,015)
Due to other governmental agencies	(7,107)	(16,093)	--	--	(23,200)
Accrued wages	(12,902)	(67,606)	--	--	(80,508)
Compensated absences	3,900	27,261	373,545	--	404,706
Total adjustments	<u>147,506</u>	<u>(292,093)</u>	<u>1,301,374</u>	<u>649,675</u>	<u>1,806,462</u>
Net cash provided (used) by operating activities	<u>\$ 227,283</u>	<u>\$ 787,285</u>	<u>\$ 2,401,638</u>	<u>\$ 2,253,738</u>	<u>\$ 5,669,944</u>
Noncash investing, capital, and financing activities					
None					



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Fiduciary Funds

Trust Funds

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

Pension Trust Funds

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

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

Custodial Funds

Custodial 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
Combining Statement of Net Position
Custodial Funds
September 30, 2022

	Community Development	Impact Fees	Total
ASSETS			
Cash and cash equivalents	\$ 1,811	\$ 7,658	\$ 9,469
Money market funds	14,363	60,722	75,085
Interest and dividends	36	289	325
TOTAL ASSETS	\$ 16,210	\$ 68,669	\$ 84,879
LIABILITIES			
Accounts payable	--	68,538	68,538
Accrued liabilities	16,210	131	16,341
TOTAL LIABILITIES	\$ 16,210	\$ 68,669	\$ 84,879

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City of Sarasota, Florida
Statement of Changes in Net Position
Custodial Funds
For the Year Ended September 30, 2022

	Community Development	Impact Fees	Total
ADDITIONS			
Interest and dividends	\$ (197)	\$ (6,753)	\$ (6,950)
Impact Fee collections for other governments	--	1,568,291	1,568,291
Insurance reimbursements	45,984	--	45,984
TOTAL ADDITIONS	45,787	1,561,538	1,607,325
DEDUCTIONS			
Payments of Impact Fees to other governments	--	1,568,291	1,568,291
Insurance disbursements on behalf of homeowners	45,984	--	45,984
Interest and Earnings Transfer	(197)	(6,753)	(6,950)
TOTAL DEDUCTIONS	45,787	1,561,538	1,607,325
NET INCOME (LOSS)	--	--	--
NET POSITION:			
Beginning of year	--	--	--
End of year	\$ --	\$ --	\$ --

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Statistical Section



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Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	226-235
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	236-240
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.	242-249
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.	250-251
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.	252-257

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

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

	Fiscal Year			
	2021-22	2020-21	2019-20	2018-19
Governmental activities				
Net investment in capital assets	\$ 234,477,660	\$ 204,721,249	\$ 195,937,154	\$ 179,406,368
Restricted	89,069,822	60,660,381	61,378,044	68,152,899
Unrestricted (deficit)	(8,470,003)	(11,104,172)	(39,811,380)	(55,431,049)
Total governmental activities net position	<u>\$ 315,077,479</u>	<u>\$ 254,277,458</u>	<u>\$ 217,503,818</u>	<u>\$ 192,128,218</u>
Business-type activities				
Net investment in capital assets	\$ 185,164,651	\$ 203,011,687	\$ 194,694,361	\$ 185,403,654
Restricted	6,429,022	4,196,159	3,898,276	5,112,714
Unrestricted	62,075,106	33,719,389	26,853,458	28,018,896
Total business-type activities net position	<u>\$ 253,668,779</u>	<u>\$ 240,927,235</u>	<u>\$ 225,446,095</u>	<u>\$ 218,535,264</u>
Primary government				
Net investment in capital assets	\$ 419,642,311	\$ 407,732,936	\$ 390,631,515	\$ 364,810,022
Restricted	95,498,844	64,856,540	65,276,320	73,265,613
Unrestricted	53,605,103	22,615,217	(12,957,922)	(27,412,153)
Total primary government net position	<u>\$ 568,746,258</u>	<u>\$ 495,204,693</u>	<u>\$ 442,949,913</u>	<u>\$ 410,663,482</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					
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Governmental activities						
Net investment in capital assets	\$ 174,105,644	\$ 171,838,648	\$ 170,059,240	\$ 160,348,362	\$ 158,951,011	\$ 148,111,650
Restricted	61,734,312	60,595,218	60,723,461	56,835,283	59,877,127	62,107,977
Unrestricted (deficit)	(60,816,931)	(62,364,793)	(60,210,350)	(61,059,854)	2,663,395	10,235,937
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>	<u>\$ 221,491,533</u>	<u>\$ 220,455,564</u>
Business-type activities						
Net investment in capital assets	\$ 167,380,780	\$ 168,580,384	\$ 153,553,156	\$ 151,774,709	\$ 143,855,792	\$ 135,645,189
Restricted	13,778,071	7,265,888	11,202,295	12,301,216	12,730,059	12,741,195
Unrestricted	37,866,407	40,481,583	41,982,636	35,742,792	52,248,702	53,901,699
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>	<u>\$ 208,834,553</u>	<u>\$ 202,288,083</u>
Primary government						
Net investment in capital assets	\$ 341,486,424	\$ 340,419,032	\$ 823,612,396	\$ 812,123,071	\$ 302,806,803	\$ 283,756,839
Restricted	75,512,383	67,861,106	71,925,756	69,136,499	72,607,186	74,849,172
Unrestricted	(22,950,524)	(21,883,210)	(18,227,714)	(25,317,062)	54,912,097	64,137,636
Total primary government net position	<u>\$ 394,048,283</u>	<u>\$ 386,396,928</u>	<u>\$ 877,310,438</u>	<u>\$ 855,942,508</u>	<u>\$ 430,326,086</u>	<u>\$ 422,743,647</u>

City of Sarasota, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting) - continued

	Fiscal Year			
	2021-22	2020-21	2019-20	2018-19
Net (Expense)/Revenue				
Government activities	\$ (14,055,046)	\$ (38,787,316)	\$ (53,572,445)	\$ (60,993,196)
Business type activities	12,177,941	10,167,235	3,874,287	(4,950,216)
Total primary government net expense	<u>\$ (1,877,105)</u>	<u>\$ (28,620,081)</u>	<u>\$ (49,698,158)</u>	<u>\$ (65,943,412)</u>
General Revenues and Other				
Changes in Net Position				
Government activities:				
Taxes				
Property taxes	40,754,471	40,028,474	38,226,955	36,074,226
Gasoline taxes	2,662,284	2,624,801	2,469,133	2,673,665
Sales tax	18,756,212	16,005,912	13,509,400	14,039,968
Franchise fees	--	--	5,649,620	6,021,672
Public service taxes	12,044,040	11,413,593	11,095,087	11,090,572
Business licenses	819,560	1,004,356	928,899	950,142
Other taxes	44,765	46,164	42,939	44,260
State revenue sharing, unrestricted	2,687,669	1,766,299	1,936,476	2,021,900
Investment earnings	(4,632,609)	268,627	3,976,458	4,467,971
Miscellaneous	3,027,960	2,884,195	2,100,346	1,914,002
Gain (loss) on disposition of capital assets	1,030,669	--	(198,768)	360,011
Transfers	(2,339,954)	(481,465)	(788,500)	(1,560,000)
Special items	--	--	--	--
Total governmental activities	<u>74,855,067</u>	<u>75,560,956</u>	<u>78,948,045</u>	<u>78,098,389</u>
Business-type activities:				
Investment earnings	(2,418,916)	185,428	2,235,484	2,758,000
Gain (loss) on disposition of capital assets	128,388	63,964	12,560	142,222
Special items	514,177	686,074	--	--
Transfers	2,339,954	481,465	788,500	1,560,000
Total business-type activities	<u>563,603</u>	<u>1,416,931</u>	<u>3,036,544</u>	<u>4,460,222</u>
Total primary government	<u>\$ 75,418,670</u>	<u>\$ 76,977,887</u>	<u>\$ 81,984,589</u>	<u>\$ 82,558,611</u>
Change in Net Position				
Governmental activities	\$ 60,800,021	\$ 36,773,640	\$ 25,375,600	\$ 17,105,193
Business-type activities	12,741,544	11,584,166	6,910,831	(489,994)
Total primary government	<u>\$ 73,541,565</u>	<u>\$ 48,357,806</u>	<u>\$ 32,286,431</u>	<u>\$ 16,615,199</u>

	Fiscal Year					
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Net (Expense)/Revenue						
Government activities	\$ (53,924,651)	\$ (65,809,095)	\$ (51,860,006)	\$ (45,674,804)	\$ (57,617,531)	\$ (55,026,094)
Business type activities	2,864,292	8,730,250	5,907,920	(59,594)	6,190,182	8,311,634
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>	<u>\$ (51,427,349)</u>	<u>\$ (46,714,460)</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	\$ 25,269,921	\$ 22,584,230
Gasoline taxes	2,662,715	2,547,368	2,495,123	2,432,847	2,358,159	2,310,912
Sales tax	13,414,362	12,489,989	12,244,096	11,808,144	10,812,138	10,036,788
Franchise fees	5,918,250	4,699,895	4,603,205	4,767,877	4,800,067	4,472,348
Public service taxes	10,973,068	10,563,250	10,322,539	10,188,427	10,115,459	10,084,418
Business licenses	981,692	880,237	948,941	893,134	850,720	769,308
Other taxes	45,405	45,376	43,693	45,873	40,957	41,405
State revenue sharing, unrestricted	1,953,814	1,883,075	1,843,076	1,828,400	1,790,313	1,765,785
Investment earnings	764,347	620,256	1,144,869	1,014,256	661,340	198,291
Miscellaneous	1,872,365	1,723,148	1,796,960	3,910,383	1,577,655	1,992,276
Gain (loss) on disposition of capital assets	42,704	258,296	3,149,192	93,077	241,527	659,551
Transfers	(1,977,959)	(293,308)	(156,815)	(9,412,865)	135,244	(15,571,310)
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>	<u>58,653,500</u>	<u>54,915,312</u>
Business-type activities:						
Investment earnings	710,187	495,502	730,305	656,138	419,255	173,167
Gain (loss) on disposition of capital assets	142,663	70,708	84,931	70,009	72,277	(465,997)
Special items	--	--	--	--	--	--
Transfers	1,977,959	293,308	196,214	9,412,865	(135,244)	15,571,310
Total business-type activities	<u>2,830,809</u>	<u>859,518</u>	<u>1,011,450</u>	<u>10,139,012</u>	<u>356,288</u>	<u>15,278,480</u>
Total primary government	<u>\$ 72,162,053</u>	<u>\$ 66,165,335</u>	<u>\$ 67,320,016</u>	<u>\$ 64,236,558</u>	<u>\$ 59,009,788</u>	<u>\$ 70,193,792</u>
Change in Net Position						
Governmental activities	\$ 14,448,560	\$ 8,422,742	\$ 1,035,969	\$ (15,682,092)	\$ 2,711,672	\$ (11,028,820)
Business-type activities	6,919,370	10,079,418	6,546,470	23,590,114	9,776,432	26,354,359
Total primary government	<u>\$ 21,367,930</u>	<u>\$ 18,502,160</u>	<u>\$ 7,582,439</u>	<u>\$ 7,908,022</u>	<u>\$ 12,488,104</u>	<u>\$ 15,325,539</u>

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

	Fiscal Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
General Fund					
Nonspendable	\$ 723,930	\$ 449,928	\$ 328,835	\$ 515,804	\$ 474,459
Restricted	--	--	--	--	--
Committed	2,664,956	2,640,554	5,220,370	2,527,117	3,608,816
Assigned	1,910,498	6,675,879	1,892,219	1,717,830	2,515,754
Unassigned	26,863,306	23,977,595	23,155,761	22,991,192	16,908,587
Total general fund	\$ 32,162,690	\$ 33,743,956	\$ 30,597,185	\$ 27,751,943	\$ 23,507,616
All Other Governmental Funds					
Nonspendable	\$ 51,888	\$ 23,117	\$ 13,200	\$ 8,411	\$ 1,032
Restricted	80,320,620	61,058,674	62,084,015	69,051,229	69,476,209
Committed	8,561,917	7,524,113	6,683,118	4,741,621	2,754,254
Assigned	--	--	--	--	--
Unassigned	-	-	(91,260)	(2,397,780)	(1,796,760)
Total all other governmental funds	\$ 88,934,425	\$ 68,605,904	\$ 68,689,073	\$ 71,403,481	\$ 70,434,735
Total Fund Balance All Governmental Funds	\$ 121,097,115	\$ 102,349,860	\$ 99,286,258	\$ 99,155,424	\$ 93,942,351

	Fiscal Year				
	2016-17	2015-16	2014-15	2013-14	2012-13
	\$ 338,110	\$ 396,392	\$ 473,779	\$ 332,712	\$ 396,743
	--	--	--	--	--
	3,379,769	3,600,319	4,114,022	1,406,468	2,937,500
	1,899,250	3,015,970	1,373,373	567,611	1,134,551
	17,700,935	17,872,691	16,530,893	15,375,543	15,154,314
	\$ 23,318,064	\$ 24,885,372	\$ 22,492,067	\$ 17,682,334	\$ 19,623,108
	\$ 26,310	\$ 5,438	\$ 6,141	\$ 22,890	\$ --
	61,577,843	61,878,922	58,284,499	63,590,152	66,463,377
	3,191,558	3,089,120	2,160,116	1,772,765	1,608,485
	--	791,238	35,720	358,654	836,730
	(112,018)	(117,888)	(123,952)	(128,964)	(135,556)
	\$ 64,683,693	\$ 65,646,830	\$ 60,362,524	\$ 65,615,497	\$ 68,773,036
	\$ 88,001,757	\$ 90,532,202	\$ 82,854,591	\$ 83,297,831	\$ 88,396,144

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

	Fiscal Year			
	2021-22	2020-21	2019-20	2018-19
Revenues				
Taxes	\$ 53,618,071	\$ 52,446,424	\$ 50,250,941	\$ 48,114,940
Franchise fees	6,583,690	5,566,117	5,649,620	6,021,672
Special assessments	7,114	6,821	7,269	7,017
Licenses and permits	10,732,094	9,120,611	10,880,059	8,049,299
Intergovernmental	40,161,334	32,042,717	32,451,779	37,674,174
Charges for services	5,804,024	4,890,367	4,563,212	4,822,775
Charges to other funds	4,626,731	4,668,811	4,401,944	4,514,309
Fines and forfeits	2,476,967	1,498,818	1,038,032	1,874,363
Investment earnings	(4,046,393)	197,829	3,613,986	4,149,182
Miscellaneous	2,785,538	2,537,233	2,469,872	2,458,496
Total revenues	122,749,170	112,975,748	115,326,714	117,686,227
Expenditures				
Current:				
General government	19,215,252	17,833,271	19,190,238	17,523,556
Public safety	47,271,491	46,329,714	48,042,994	43,527,586
Physical environment	2,259,963	1,871,633	2,473,584	14,734,160
Transportation	5,201,064	4,883,250	5,194,547	5,328,277
Culture and recreation	8,928,532	8,434,512	8,124,039	4,291,644
Economic environment	5,969,567	6,216,994	5,862,448	5,808,579
Human services	989,124	820,202	809,455	938,906
Debt service:				
Principal	3,581,484	3,089,336	3,217,645	3,293,302
Interest	1,483,556	1,498,776	1,844,782	1,922,529
Fiscal charges	9,575	9,575	4,475	4,475
Bond issuance costs	44,000	60,945	--	--
Contributions to other Govts.	57,683	875,769	--	--
Capital outlay	16,720,670	15,473,381	19,649,818	14,861,079
Total expenditures	111,731,961	107,397,358	114,414,025	112,234,093
Excess (deficiency) of revenues over (under) expenditures	11,017,209	5,578,390	912,689	5,452,134
Other financing sources (uses)				
Transfers in	16,204,534	4,369,419	4,269,463	7,378,252
Transfers out	(18,544,488)	(7,380,634)	(5,051,318)	(8,797,313)
General obligation bonds issued	--	--	--	--
Special obligation bonds issued	10,070,000	6,869,000	--	--
Premium on bonds issued	--	--	--	--
Payment to bond escrow agent	--	(6,372,573)	--	--
Capital lease	--	--	--	--
Total other financing sources (uses)	7,730,046	(2,514,788)	(781,855)	(1,419,061)
Net change in fund balances	\$ 18,747,255	\$ 3,063,602	\$ 130,834	\$ 4,033,073
Capital outlay in functional categories	\$ --	\$ 221,206	\$ 1,640,190	\$ 601,588
Debt service as a percentage of noncapital expenditures	5.33%	5.00%	5.44%	5.39%

	Fiscal Year					
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenues						
Taxes	\$ 47,555,168	\$ 44,010,171	\$ 41,780,352	\$ 41,587,184	\$ 38,772,510	\$ 35,812,457
Franchise fees	5,918,250	4,699,895	4,603,205	4,767,877	4,800,067	4,472,348
Special assessments	6,873	6,681	109,809	105,969	106,385	108,197
Licenses and permits	13,451,170	6,293,380	7,841,265	6,756,920	4,322,380	2,384,947
Intergovernmental	22,939,117	24,419,655	29,917,766	30,799,648	26,888,120	28,101,587
Charges for services	4,544,701	3,193,835	3,232,470	3,162,816	2,782,325	2,134,035
Charges to other funds	4,389,281	4,200,531	4,220,527	4,428,888	4,403,460	4,320,128
Fines and forfeits	1,339,622	1,665,623	1,507,831	1,377,080	1,142,361	1,361,070
Investment earnings	677,867	565,944	1,009,071	811,125	511,113	145,123
Miscellaneous	1,938,961	1,886,842	6,245,253	5,891,767	2,140,325	2,680,206
Total revenues	102,761,010	90,942,557	100,467,549	99,689,274	85,869,046	81,520,098
Expenditures						
Current:						
General government	17,983,636	15,926,090	14,123,658	14,062,592	17,753,644	16,869,374
Public safety	41,886,904	42,100,438	38,554,357	36,779,802	36,210,675	33,535,625
Physical environment	5,092,136	4,091,650	3,701,168	7,612,914	3,211,811	3,065,819
Transportation	5,355,901	7,392,297	6,232,700	7,285,758	3,287,424	3,342,320
Culture and recreation	2,600,922	1,984,588	1,928,203	1,654,757	1,439,845	1,310,019
Economic environment	4,566,566	4,846,066	5,202,131	4,414,891	4,809,019	7,603,733
Human services	725,113	113,013	--	--	--	--
Debt service:						
Principal	3,168,827	4,433,959	4,678,302	4,553,534	4,372,345	4,412,802
Interest	2,024,921	4,484,215	4,580,567	4,415,438	5,027,905	5,081,645
Fiscal charges	2,325	10,375	16,379	12,669	14,910	12,611
Bond issuance costs	--	--	35,162	270,794	--	--
Contributions to other Govts.	--	--	10,120	--	--	--
Capital outlay	11,728,637	7,796,208	15,231,030	17,512,659	15,247,920	8,841,241
Total expenditures	95,135,888	93,178,899	94,293,777	98,575,808	91,375,498	84,075,189
Excess (deficiency) of revenues over (under) expenditures	7,625,122	(2,236,342)	6,173,772	1,113,466	(5,506,452)	(2,555,091)
Other financing sources (uses)						
Transfers in	3,902,447	7,828,307	10,770,523	10,562,830	10,541,143	10,448,627
Transfers out	(5,586,975)	(8,122,410)	(10,966,684)	(10,334,127)	(10,133,004)	(9,784,208)
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)	(1,684,528)	(294,103)	1,503,839	(1,556,706)	408,139	664,419
Net change in fund balances	\$ 5,940,594	\$(2,530,445)	\$ 7,677,611	\$ (443,240)	\$ (5,098,313)	\$ (1,890,672)
Capital outlay in functional categories	\$ 345,937	\$ 1,142,761	\$ 843,463	\$ 267,590	\$ 398,043	\$ 956,795
Debt service as a percentage of noncapital expenditures	6.25%	10.59%	11.84%	11.10%	12.41%	12.78%

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			
2022	\$ 17,684,785	\$ 3,124,803	\$ 2,885,010	\$ 591,808	\$ 9,544,506	\$ 14,741,900	3.3472
2021	11,039,793	2,579,581	2,520,322	586,880	4,898,590	11,827,986	3.4866
2020	10,661,123	2,640,927	2,546,554	545,397	5,156,816	11,237,185	3.4971
2019	10,189,373	2,543,867	2,466,794	596,366	5,298,934	10,497,466	3.5150
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

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	
2022	3.1372	0.2100	3.3472	5.4510	6.7090	15.5072
2021	3.2632	0.2234	3.4866	5.4683	6.9750	15.9299
2020	3.2632	0.2339	3.4971	5.4546	6.9430	15.8947
2019	3.2632	0.2518	3.5150	5.4281	7.0030	15.9461
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

(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 2022			Fiscal Year 2013		
	Taxable Value	Rank	Percentage of Total City Taxable Value	Taxable Value	Rank	Percentage of Total City Taxable Value
Ashford Sarasota LP	\$ 107,775,635	1	0.75%			
Northland Rosemary LLC	75,881,800	2	0.53%			
BR Desota DST	68,185,100	3	0.47%			
ST ARCOS LLC	63,176,100	4	0.44%			
Rosalynne Holdings LLC	55,377,520	5	0.38%			
Ringling Apartments Sarasota LLC	43,119,120	6	0.30%			
Plymouth Harbor Inc	42,824,072	7	0.30%	32,252,342	5	0.47%
TDC Blackbird SCC LLC	39,441,600	8	0.27%			
Logan Acquisitions Corp	39,111,160	9	0.27%	29,580,714	6	0.43%
One Palm Apartment Owner LLC	37,798,000	10	0.26%			
Westfield Southgate Shoppingtown				55,091,119	1	0.81%
Florida Power & Light				47,027,079	2	0.69%
Verizon Florida Inc.				36,046,707	3	0.53%
Slab/Slab Lido				32,394,009	4	0.47%
Osprey SA, Ltd,				29,486,887	7	0.43%
Sarasota Bay Club				28,879,646	8	0.42%
Health Care Reit Inc.				25,993,292	9	0.38%
Hotel Associates of Sarasota LLC				25,249,100	10	0.37%
	<u>\$ 572,690,107</u>		<u>3.98%</u>	<u>\$ 342,000,895</u>		<u>5.00%</u>

Source: Sarasota County Property Appraiser

City of Sarasota, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal year Ended September 30,	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 40,891,037	\$ 40,674,337	99.47%	\$ 80,134	\$ 40,754,471	99.67%
2021	41,050,278	39,958,636	97.34%	69,838	40,028,474	97.51%
2020	39,297,550	38,202,940	97.21%	24,015	38,226,955	97.28%
2019	36,898,592	36,061,181	97.73%	13,045	36,074,226	97.77%
2018	33,319,629	32,616,595	97.89%	63,885	32,680,480	98.08%
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%

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
2022	\$ 34.71	\$ 57.16	\$ 91.87
2021	33.54	55.23	88.77
2020	31.31	51.54	82.85
2019	30.24	49.81	80.05
2018	30.24	49.81	80.05
2017	30.24	49.81	80.05
2016	30.24	49.81	80.05
2015	28.53	46.99	75.52
2014	26.92	44.32	71.24
2013	25.67	42.61	68.48



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Source: City of Sarasota Finance Department
 Note: Rates are based on 5/8" meter, which is the standard household meter size.

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

Fiscal Year Ended September 30,	Governmental Activities				
	General	Special	Loans	Unamortized	Purchase
	Obligation	Obligation			
	Bonds	Bonds	Payable	Premium	Agreements
2022	\$ 28,740,000	\$ 10,514,985	\$ 10,070,000	\$ 1,307,184	\$ -
2021	30,355,000	12,085,005		1,474,788	404,745
2020	31,920,000	12,507,117	--	1,650,390	797,969
2019	35,263,694	13,832,785	--	1,833,694	1,180,000
2018	36,909,405	15,095,346	--	2,024,405	576,141
2017	38,512,249	16,292,954	--	2,222,249	--
2016	40,020,114	20,740,025	--	2,425,114	--
2015	41,430,667	24,791,622	940,427	2,632,648	--
2014	40,876,336	28,479,704	1,957,127	1,770,000	--
2013	42,016,480	31,826,378	2,930,272	1,940,000	--

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

(a) Personal income and population data can be found on page 252.

Business-Type Activities				Total	Percentage	Per
Revenue	Loans	Unamortized	Purchase	Primary	of Personal	Capita
Bonds	Payable	Premium	Agreements	Government	Income (a)	Capita (a)
\$ 49,940,000	\$ 52,174,083	\$ 527,030	\$ 454,403	\$ 153,727,685	3.92%	2,721
51,805,000	32,672,974	588,475	893,788	126,880,035	3.23%	2,291
56,175,000	23,394,022	1,138,611	1,318,651	116,366,852	3.02%	2,017
59,090,000	12,454,853	1,332,280	1,729,473	121,821,332	3.31%	2,149
62,070,000	6,114,250	1,548,218	2,126,716	120,765,142	3.52%	2,163
49,500,759	--	925,759	--	104,305,962	3.23%	1,909
51,994,904	--	1,109,904	--	112,755,043	3.71%	2,093
55,344,553	--	1,314,553	--	122,507,269	4.28%	2,316
59,296,164	--	1,551,164	--	130,609,331	4.38%	2,484
62,813,590	--	1,818,590	--	139,586,720	4.78%	2,649

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)
2022	\$ 30,047,184	\$ 824,281	\$ 29,222,903	0.23%	\$ 517.32
2021	31,829,788	864,240	30,965,548	0.26%	559.15
2020	33,570,390	877,436	32,692,954	0.29%	566.77
2019	35,263,694	817,835	34,445,859	0.33%	607.60
2018	36,909,405	717,169	36,192,236	0.37%	648.23
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

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

(a) See page 238 for property value data.

(b) Population data can be found on page 252

City of Sarasota, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Sarasota County Board of County Commissioners	\$ --	17.89%	(a) \$ --
City direct debt:			
General obligation bonds	30,047,184 (b)	100%	30,047,184
Special obligations bonds	10,514,985 (b)	100%	10,514,985
Loans payable	10,070,000 (b)	100%	10,070,000
Subtotal	<u>50,632,169</u>		<u>50,632,169</u>
Total direct and overlapping debt			<u>\$ 50,632,169</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
2022	\$ 1,245,671,789	\$ 30,871,465	\$ 1,214,800,324	2.48%
2021	1,182,798,733	31,219,240	1,151,579,493	2.64%
2020	1,123,718,502	32,692,954	1,091,025,548	2.91%
2019	1,049,746,553	34,445,859	1,015,300,694	3.28%
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%

Legal Debt Margin Calculation for Fiscal Year 2022

Taxable assessed value	\$ 12,456,717,891
Debt limit (10% of assessed value)	<u>1,245,671,789</u>
Debt applicable to limit:	
General obligation bonds	30,047,184
Less amount set aside for repayment of general obligation bonds	<u>824,281</u>
Total net debt applicable to limit	<u>30,871,465</u>
Legal debt margin	<u>\$ 1,214,800,324</u>



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

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

Fiscal Year Ended September 30,	2017 St Armands Paid Parking Area							
	Water & Sewer Bonds		Revenue Bonds		Revenue Bonds			
	Net Available Revenue	Debt Service		Coverage	Revenues	Debt Service		Coverage
	Principal	Interest		Principal	Interest			
2022	\$ 23,726	\$ 3,888	\$ 1,017	4.84	\$ 1,078	\$ 625	\$ 493	0.96
2021	22,919	2,725	1,499	5.43	525	600	516	0.47
2020	18,961	2,440	1,560	4.74	932	580	537	0.83
2019	10,838	2,260	2,224	2.42	260	-	553	0.47
2018	16,057	2,175	2,310	3.58	260	-	231	1.13
2017	19,323	2,310	2,394	4.11	-	-	-	-
2016	17,838	3,145	2,467	3.18	-	-	-	-
2015	20,022	3,765	2,834	3.03	-	-	-	-
2014	16,445	3,250	2,863	2.69	-	-	-	-
2013	16,826	3,245	2,981	2.70	-	-	-	-

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 2020 Sales Tax Payment Revenue Refunding 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/ 2020 Sales Tax Payment Revenue Refunding Bonds			
TIF Revenues	Debt Service		Coverage	Sales Tax Revenues	Debt Service		Coverage
	Principal	Interest		Principal	Interest		
\$ -	\$ -	\$ -	-	\$ 12,084	\$ 1,570	\$ 301	6.46
-	-	-	-	10,170	1,131	412	6.59
-	-	-	-	8,506	1,326	829	3.95
-	-	-	-	8,792	1,263	901	4.06
-	-	-	-	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

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)
2022	56,494	\$ 3,918,980,864	\$ 69,376	2.6%
2021	55,386	3,925,981,224	70,884	3.7%
2020	57,683	3,857,723,674	66,878	5.2%
2019	56,692	3,677,496,656	64,868	2.8%
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%

- (a) Source: Florida Bureau of Economic and Business Research
- (b) Source: Calculated (Population x Per Capita Personal Income)
- (c) Source: FRED Economic Data
- (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	2021-22			2012-13		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
SMH Health Care Inc.	8,834	1	4.50%	3,099	3	2.03%
School Board of Sarasota County	5,937	2	3.03%	4,664	1	3.05%
Publix Super Markets, Inc.	4,282	3	2.18%	1,335	5	0.87%
Sarasota County Government	3,630	4	1.85%	3,354	2	2.20%
PGT Innovations	1,992	5	1.02%	1,440	4	0.94%
Walmart	1,633	6	0.83%	-	-	-
City of Sarasota	811	7	0.41%	-	-	-
City of North Port	777	8	0.40%	-	-	-
Helios Technology	718	9	0.37%	702	8	0.46%
Target	585	10	0.30%	-	-	-
Venice Regional Bayfront Health	-	-	-	1,200	6	0.79%
FCCI Insurance Group	-	-	-	720	7	0.47%
Goodwill Industries	-	-	-	682	9	0.45%
Tervis Tumbler	-	-	-	619	10	0.41%
Total	29,199		14.89%	17,815		11.67%
Total Sarasota County Employment (a)	196,145			152,680		

- Source: Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research
- (a) Source: Labor Market Statistics, Local Area Unemployment Statistics Program

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	2013-14	2012-13
	2021-22	2020-21	2019-20	2018-19						
General Government										
City Manager's Office	4.30	4.30	6.30	6.00	4.00	6.00	4.00	2.50	2.75	2.50
Facilities Management	11.00	11.00	11.00	11.00	11.00	7.00	6.00	5.00	5.00	5.00
Development Services	15.00	15.00	15.45	14.65	13.65	30.60	27.40	21.15	22.75	22.75
Planning	14.20	17.20	11.40	11.40	10.40	-	-	-	-	-
Economic Development	-	-	4.60	4.60	4.60	-	-	-	-	-
Human Resources	10.50	9.50	10.50	10.00	8.00	8.00	7.00	7.00	7.00	7.00
Financial Administration	21.70	21.70	20.70	18.70	19.70	20.00	13.50	12.50	11.50	11.50
Accounting	-	-	-	-	-	-	5.50	5.50	5.50	5.50
City Auditor and Clerk	20.00	20.00	20.00	20.00	20.00	20.00	17.00	15.00	15.00	14.00
Non-Park Maintenance	18.30	16.30	17.33	-	-	-	-	-	-	-
Planning and Redevelopment	-	-	-	-	-	-	-	-	-	-
Urban and Design Studio	-	-	-	-	2.00	2.00	2.00	2.00	2.00	-
Commission Support Office	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Public Information Office	2.00	2.00	2.00	2.00	2.00	2.00	1.00	0.25	-	-
Public Safety										
Police - uniform	180.00	180.00	179.00	173.00	169.00	162.00	160.00	158.00	166.00	175.00
Police - general employees	55.00	54.00	52.00	50.00	49.00	48.70	48.70	47.70	42.70	44.50
Homelessness Resonse	3.10	3.10	3.05	3.00	3.00	1.00	1.00	2.00	-	-
Code Compliance	-	-	-	-	-	-	-	6.35	6.35	6.35
COPS Sworn Officers	-	-	-	-	-	3.00	3.00	3.00	-	-
Independent Police Advisory	-	-	-	-	0.80	-	-	-	-	-
Physical Environment										
Parks & Landscape Maintenance	-	-	-	36.00	36.00	32.43	28.43	25.43	21.43	22.43
Transportation										
Streets & Highways	19.50	18.20	19.23	18.98	18.98	18.38	18.38	16.38	16.38	17.73
Engineering/Construction Services	12.90	13.70	14.68	13.68	13.68	6.25	6.25	6.25	6.25	6.25
Street Sweeping	-	1.35	1.35	1.35	1.35	1.35	1.35	2.35	2.35	2.00
Culture and Recreation										
Skateboard Park	-	-	-	-	-	-	-	-	-	-
Children's Fountain	-	-	-	-	0.20	0.20	0.20	0.20	0.20	0.20
Special Events/Volunteer Office	2.50	0.50	2.50	2.30	2.30	2.00	2.00	0.80	0.80	0.80
Sustainability	-	2.15	2.15	2.00	2.00	1.00	1.00	-	-	-
Robert L. Taylor Community Center	-	-	-	10.00	10.00	9.00	7.00	7.00	6.00	5.00
Parks and Recreation	67.20	61.67	64.17	17.00	3.00	3.00	2.00	-	-	-
Economic Environment										
Housing & Community Development	11.00	10.00	10.00	8.00	8.00	8.00	7.00	7.80	10.00	13.00
Building Services	40.00	40.00	38.55	33.35	33.35	30.90	28.10	24.20	13.90	13.90
Enterprise funds										
Water	81.90	81.80	72.80	79.75	86.55	73.75	66.75	62.50	62.01	61.76
Sewer	59.50	59.50	69.50	67.80	61.00	74.50	73.50	72.75	72.24	71.99
Parking Management	22.10	21.10	22.00	20.00	17.00	14.00	12.00	10.00	8.00	8.00
Bobby Jones Golf Course	-	-	-	7.00	6.80	6.80	6.80	7.80	7.80	7.80
Solid Waste Management	46.90	47.40	47.44	47.44	24.44	24.34	23.34	24.09	24.09	23.84
Municipal Auditoriums	-	3.50	4.00	4.70	4.70	5.00	4.00	3.20	3.20	3.20
Van Wezel Performing Arts Hall	20.00	20.00	20.00	19.00	17.00	17.00	16.00	15.00	14.00	13.00
Internal Service funds										
Information Technology	17.00	17.00	17.00	17.00	16.00	16.00	15.00	13.00	12.00	12.00
Public Works Equipment Maintenance	7.30	6.30	7.30	7.30	7.30	7.00	7.00	8.00	9.00	9.00
Total	763.90	759.27	767.00	738.00	687.80	662.20	623.20	596.20	577.70	587.50

City of Sarasota, Florida

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

Function/Program	2021-22	2020-21	2019-20	2018-19
Police				
Physical arrests	2,308	2,061	2,168	2,719
Parking violations	45,035	39,151	20,341	29,165
Traffic violations	15,244	12,692	14,219	18,634
Streets and highways				
Streets resurfaced (miles)	4	7	6	3.5
Potholes repaired	483	420	310	205
Water				
New connections	249	160	133	189
Water mains breaks	52	62	77	34
Average daily consumption (thousands of gallons)	6,922	6,876	6,421	6,238
Peak daily consumption (thousands of gallons)	8,707	8,711	7,502	8,868
Wastewater				
Average daily treatment (thousands of gallons)	6,860	7,131	6,147	6,470
Solid waste collection				
Solid waste collected (tons per day)	166	206	182	158
Recyclables collected (tons per day) (1)	15	18	15	14

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
2,860	3,789	3,673	3,530	3,993	4,952
23,413	22,953	24,256	19,032	20,741	15,565
15,019	13,804	13,131	10,668	15,034	13,583
11	11	13	10	10	12
178	149	133	109	138	141
162	185	198	206	189	86
31	33	27	27	32	25
6,276	6,398	6,196	6,258	6,630	6,259
7,461	7,427	8,173	8,009	8,062	7,514
6,180	6,200	6,045	5,777	6,154	6,741
149	152	187	192	188	186
14	16	15	18	20	14

Source: City of Sarasota

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

(1) Residential only.

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

Function/Program	Fiscal Years			
	2021-22	2020-21	2019-20	2018-19
Police				
Stations	1	1	1	1
Sub-stations	2	2	2	2
Patrol units	150	148	148	161
Streets and highways				
Streets (miles)	250	250	250	250
Unpaved streets (miles)	25	25	25	25
Highways (miles)	225	225	225	225
Streetlights	7,355	7,368	7,177	7,175
Traffic signals	93	94	93	93
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	1,459	1,459
Wastewater				
Sanitary sewers (miles)	326	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	36	36	36	28

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
1	1	1	1	1	1
2	2	2	2	2	3
138	106	100	100	97	105
250	250	250	250	250	250
25	25	25	25	25	25
225	225	225	225	225	225
7,172	7,745	7,745	7,745	7,275	7,213
93	93	93	92	96	97
328	328	328	328	328	328
10,200	10,200	10,200	10,200	7,000	7,000
1,459	1,459	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	20	20	20	20

Source: City of Sarasota
 Note: No capital assets indicators are available for the general government function.



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**Single Audit/
Grants Compliance**



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

The Honorable Mayor and City Commission
City of 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 fiscal year ended September 30, 2022, 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 13, 2023. Our report includes a reference to other auditors who audited the financial statements of the City's General Employees' Pension Plan, the Police Officers' Plan, and the Firefighters' Pension Plan, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditor's 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.

Report on 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) as a basis for designing 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 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.



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The Honorable Mayor and City Commission
City of Sarasota, Florida

Report on Internal Control over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated March 13, 2023.

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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MSL, P.A.

Certified Public Accountants

Tampa, Florida
March 13, 2023



Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

The Honorable Mayor and City Commission
City of Sarasota, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and Major State Project

We have audited the compliance of the City of Sarasota, Florida (the “City”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement* and the requirements described in the Department of Financial Services State Projects *Compliance Supplement* that could have a direct and material effect on each of its major federal programs and major state projects for the fiscal year ended September 30, 2022. The City’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

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 major state projects for the fiscal year ended September 30, 2022.

Basis for Opinion for Each Major Federal Program and State Project

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; and 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*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City’s federal programs and state projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance; and Chapter 10.550, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 13, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis, as required by the Uniform Guidance, Chapter 691-5, *Schedule of Expenditures of State Financial Assistance*, Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

MSK, P.A.
Certified Public Accountants

Tampa, Florida
March 13, 2023

CITY OF SARASOTA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: **Unmodified Opinion**

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards and State Financial Assistance

Internal control over major federal programs and state projects:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Type of auditor’s report issued on compliance for major federal programs and state projects: **Unmodified Opinion**

Any audit findings disclosed that are required to be reported in accordance with 200.516 of the Uniform Guidance or Chapter 10.557, *Rules of the Auditor General*? Yes X No

Identification of Major Federal Programs and Major State Projects:

<u>AL Number</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds

<u>CSFA Numbers</u>	<u>Name of State Project</u>
40.091	State Housing Initiatives Partnership (SHIP) Program

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	<u>\$750,000</u>
State	<u>\$750,000</u>

Auditee qualified as low-risk auditee? X Yes No

CITY OF SARASOTA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended September 30, 2022

SECTION II – FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT, AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

2022-001 – Internal Control over Cash Reconciliation

Type of Finding – Significant Deficiency

Criteria:

Proper internal controls over cash include timely identification of differences between book and bank cash through the reconciliation process. Therefore, reconciliations should be performed on a timely basis, generally considered to be within 30 days of the end of a month.

Condition:

During our testing of cash and the related controls it came to our attention that the year end reconciliations were not being performed timely during the year and at year end. The September 2022 cash reconciliation was not completed until February 2023, and the City’s reconciliation process identified an unreconciled difference.

Cause:

Staff turnover in the department specifically the retirement of a long-term employee responsible for reconciling cash contributed to delays in reconciling cash timely. In addition, the City is decentralized with over thirty locations collecting payments using various systems. This causes the bank reconciliation to be a time consuming and difficult process. Lastly, the City is implementing a new ERP system which has put additional strain on the already limited personnel resources available to investigate the cash difference.

Effect:

Bank reconciliations were not being performed timely resulting in the City having to adjust cash for the unreconciled difference as of September 30, 2022.

Recommendation:

We recommend that the City evaluate its controls over cash to ensure bank reconciliations are performed in a timely manner and consider centralizing cash receipting, where practical. We also recommend that the City cross train personnel to perform key control functions to minimize the impact of staff turnover.

Views of responsible officials and plan corrective action:

See separate letter titled City’s Response to Auditor’s Recommendations for the views of responsible officials and the corrective action plan.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS SECTION REPORTED IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

No matters are reported.

SECTION IV – PRIOR YEAR AUDIT FINDINGS

2021-001 – Special Assessment Capital Contributions – Fully Resolved

City of Sarasota, Florida
Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the Year Ended September 30, 2022

Federal/State Agency Federal Program/State Project	AL/CSFA Number	Contract/Grant Number	Expenditures	Program Total
FEDERAL AWARDS				
Department of Housing and Urban Development				
Entitlement Grants Cluster				
Community Development Block Grant	14.218	B-19-MC-120018	\$ 379,064	
Community Development Block Grant	14.218	B-20-MC-120018	279,515	803,438
Community Development Block Grant	14.218	B-21-MC-120018	144,859	
Neighborhood Stabilization Program 2	14.218	B-09-CN-FL-0018	4,181	
Neighborhood Stabilization Program 3	14.218	B-11-MN-12-0036	13,065	17,246
HOME Investment Partnerships Program	14.239	M-16-DC-120219	50,401	
HOME Investment Partnerships Program	14.239	M-17-DC-120219	23,513	
HOME Investment Partnerships Program	14.239	M-18-DC-120219	302,591	
HOME Investment Partnerships Program	14.239	M-19-DC-120219	53,842	
HOME Investment Partnerships Program	14.239	M-20-DC-120219	126,484	
HOME Investment Partnerships Program	14.239	M-21-DC-120219	6,361	563,192
Total Dept. of Housing and Urban Development			<u>1,383,876</u>	
Department of Justice				
Bulletproof Vest Partnership	16.607	2019-BU-BX-19097586	4,426	
Bulletproof Vest Partnership	16.607	2020-BU-BX-20021681	5,081	9,507
Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-0682	14,934	
Edward Byrne Justice Assistance	16.738	2020-DJ-BX-0557	7,027	
Passed through the Florida Attorney General				
Victims of Crime Act	16.575	D-00635	74,519	
Total Department of Justice			<u>105,987</u>	
Department of Transportation				
Federal Highway Administration				
Passed through Florida Dept. of Transportation:				
High Visibility Enforcement	20.205	433144-1-8404 #G1X15	14,679	
Speed & Aggressive Driving	20.205	SC-2022-00183 #G2135	42,819	
Workzone Safety	20.205	RS-2022-00185 #G2271	40,361	
Total Department of Transportation			<u>97,859</u>	
Department of Treasury				
Passed through Florida Housing Finance Corp				
Coronavirus Relief Funds	21.019	B-20-MW-120018	254,171	
Passed through Sarasota County				
State and Local Fiscal Recovery Funds	20.027	Not Applicable	2,835,792	
Total Department of Treasury			<u>3,089,963</u>	
Department of Homeland Security				
Federal Emergency Management Agency				
Passed through Florida Division of Emergency Management				
Public Assistance Program				
Hazard Mitigation Grant Program	97.039	H0436	152,225	
Hazard Mitigation Grant Program	97.039	H0389	159,525	311,750
Total Department of Homeland Security			<u>311,750</u>	
Small Business Administration				
Passed through Van Wezel Foundation				
Shuttered Venues Operating Grant (SVOG)	59.075	SBAHQ21SV001549	3,896,550	
Total Expenditures of Federal Awards			<u>\$ 8,885,985</u>	

The accompanying notes to the SEFASFA 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, 2022

Federal/State Agency Federal Program/State Project	AL/CSFA Number	Contract/Grant Number	Expenditures	Program Total
STATE FINANCIAL ASSISTANCE				
Florida Department of Environmental Protection				
Florida Beach Erosion Control Program	37.003	20ST1	\$ 2,613	
Florida Beach Erosion Control Program	37.003	22ST1	20,818	37,675
Florida Beach Erosion Control Program	37.003	22ST2	14,244	
State Water-quality Assistance Grant	N/A	NS085	328,125	
State Revolving Fund				
Drinking Water Construction*	37.076	DW580240	24,219	
Waste Water Construction**	37.077	WW580230	357,754	
Total Florida Department of Environmental Protection			<u>747,773</u>	
Florida Department of Community Affairs				
Florida Housing Finance Agency				
State Housing Initiative Partnership	40.901	Not Applicable	2,986,598	
Florida Department of State				
Van Wezel Performing Arts Hall				
General Program Support	45.061	21.c.ps.180.231	78,882	
Florida Department of Transportation				
Beautification Grant				
	55.003	#G2183	100,000	
Florida Department of Revenue				
Retained Spring Training Facility				
	40.040	Not Applicable	500,004	
Total Expenditures of State Financial Assistance			<u>\$ 4,413,257</u>	
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 13,299,242</u>	

*Value of new loans plus the balance of prior year loans:
\$31,390,791 in total as of 09/30/22
**Value of new loans plus the balance of prior year loans:
\$1,551,000 in total as of 09/30/22

The accompanying notes to the SEFASFA 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, 2022

1. Summary of Significant Accounting Policies:

The accounting policies and presentation of the Single Audit Report of the City of Sarasota, Florida have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the 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.

A. Reporting Entity - The Audits of States, Local Governments, and Non-Profit Organizations and the Uniform Guidance 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, 2022, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

3. The auditee did not use the de minimis cost rate.



INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and City Commission
City of Sarasota, Florida

We have examined the compliance of the City of Sarasota, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2022. Management is responsible for the City's compliance with those requirements. 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 with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

MSL, P.A.
Certified Public Accountants

Tampa, Florida
March 13, 2023



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and City Commission
City of Sarasota, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Sarasota, Florida (the "City") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 13, 2023. 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.

Auditor's 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; Title 2 *U.S. Code of Federal Regulations, Cost Principles, and Audit Requirements of Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance in Accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and Independent Accountant's 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 13, 2023, 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. The following finding was disclosed in the 2019, 2020 and 2021 audit report: Finding 2021-002 was fully resolved in the current year.



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2019-1 Financial Reporting – Period End Closing Routine

Criteria:

A year end closing process is needed to prepare timely and accurate financial reports.

Condition:

There were numerous post year end client adjustments to clean up areas not fully reconciled during the year.

Cause:

We attribute these conditions to the following items:

- Recent key accounting, budget, and other department employee retirements with some positions open for an extended period of time and some filled by less experienced personnel not familiar with City operations and activity.
- The City's complex fund and sub fund structure requiring additional time for new employees to learn, master and consolidate for financial reporting.
- Rapid City-wide growth, economic activity and the wide variety of special projects requiring special accounting attention.
- Only partial execution of a period end closing routine to identify all key accounting areas, responsibilities and reconciliation procedures to ensure accurate recording, reconciliation and timely reporting.
- Minimal accounting department communication and oversight with departments having decentralized accounting functions for grants such as Housing and Community Development and Public Works.

Effect:

The closing of the City's books with all appropriate accounting adjustments necessary to financially report in accordance with accounting principles generally accepted in the United States of America was delayed and not complete for some areas resulting in several audit adjustments.

Recommendation:

We recommend that the City look into additional targeted training for newer accounting staff and develop comprehensive period end accounting closing routines that identify all key areas, who is responsible for them and all steps necessary for proper recording, reconciliation and financial reporting with appropriate follow-up and review. Also, it is our understanding that the City is considering acquiring new accounting software in the near future. We recommend that the City review and consolidate the number of sub funds contained in the accounting structure at that time or sooner to simplify this area.

Current Year Status:

The City has experienced turnover in the finance department in previous years and is currently in the process of training new staff. The City is also implementing a new ERP system which put additional strain on the already limited personnel resources resulting in delays and audit adjustments.

Views of responsible officials and plan corrective action:

See separate letter titled City's Response to Auditor's Recommendations for the views of responsible officials and the corrective action plan.

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 legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires 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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. 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 the 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, see finding 2022-001 reported in the Schedule of Findings and Questioned Costs.

Special District Component Units

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, see Attachment A for required information on the dependent special district's that are included in the reporting entity. The information in Attachment A has not been subject to auditing procedures, therefore no assurance is given on the provided information.

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 Mayor, City Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Certified Public Accountant
Tampa, Florida
March 13, 2023
MSL, P.A.

Attachment A

Special District Component Units - Reporting Requirements				
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(f)6, Rules of the Auditor General				
Reporting Requirements from Section 218.39 (3)(b), Florida Statutes	Blended Component Units		Discretely Presented Component Units	
	Golden Gate Point Streetscape	City of Sarasota Community Redevelopment Agency	Downtown Improvement District	St. Armands Business Improvement District
The total number of district employees compensated in the last pay period of the district's fiscal year as of September 30, 2022.	N/A	N/A	N/A	N/A
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as of September 30, 2022.	N/A	2	N/A	N/A
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as of September 30, 2022.	N/A	\$ -	N/A	N/A
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as of September 30, 2022.	N/A	\$ 11,529	N/A	N/A
Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as of September 30, 2022 (provide list).	N/A	See separately issued CRA statements for the list of projects.	N/A	N/A
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as of September 30, 2022.	Refer to page 165 of the ACFR, Budgetary Comparison	Refer to page 45 of the ACFR, Budgetary Comparison	Refer to page 126 of the ACFR, Budgetary Comparison	Refer to page 125 of the ACFR, Budgetary Comparison

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April 17, 2023

City of Sarasota
Financial Administration
1565 1st Street
Sarasota, FL 34236

City's Response to Auditor's Recommendations

2022-001 Internal Control over Cash Reconciliation

We concur with the auditor's comments and recommendations. The City is evaluating internal controls to ensure that bank reconciliations are performed in a timely manner. With the opening of the new One-Stop Shop, a determination will be made concerning centralizing City cash receipting, as appropriate. Until then, Finance staff as well as decentralized cash receipt staff will be monitored for timely reconciliations to City cash receipting systems. The new accounting system, WORKDAY, will also streamline the processing cash receipts for increased timeliness and accuracy. Finance staff will be cross-trained for completing the reconciliation process, as well as other accounting tasks.

2019-1 Financial Reporting – Period End

We concur with the auditor's comments and recommendations. Although this has been an auditor comment for the past three years, the City's Finance division continues to improve upon the closing process. In previous years there was a lack of staff to meet the needs for the tasks assigned. However, as the COVID-19 pandemic plateaus, the office is fully staffed. Although staff are relatively new to governmental accounting, additional training and planning is taking place. With the implementation of a new accounting system, WORKDAY, comprehensive period end accounting closing routines in all key areas are being established for ease of reporting and appropriate follow-up and review.

Sincerely,

Kelly R. Strickland, CPA, CGFO
Finance Director



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APPENDIX C

Form of Resolution

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A RESOLUTION OF THE CITY OF SARASOTA, FLORIDA AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$50,000,000 CITY OF SARASOTA, FLORIDA CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023 (BAY PARK PHASE 2) FOR THE PURPOSE OF FINANCING AND/OR REIMBURSING DESIGN, INSTALLATION, ACQUISITION, CONSTRUCTION, RECONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL IMPROVEMENTS OF THE CITY'S BAY PARK AND ITS RELATED FACILITIES; PROVIDING THAT THE 2023 BONDS SHALL BE LIMITED OBLIGATIONS OF THE CITY PAYABLE FROM NON-AD VALOREM REVENUES BUDGETED, APPROPRIATED AND DEPOSITED AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES AND REMEDIES FOR THE HOLDER OF THE 2023 BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF THE CITY TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE SALE, ISSUANCE AND DELIVERY OF SUCH BONDS; AUTHORIZING THE OPTION TO INSURE ALL, A PORTION, OR NONE OF THE BONDS, BASED ON THE ADVICE OF THE FINANCIAL ADVISOR; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR READING BY TITLE ONLY; AND PROVIDING AN EFFECTIVE DATE.

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BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SARASOTA, FLORIDA:

**ARTICLE I
GENERAL**

Section 1.01 Definitions. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

"Act" shall mean the Constitution of the State of Florida, including Chapter 166, Florida Statutes and other applicable provisions of law.

"Amortization Installment" shall mean an amount designated as such by Supplemental Resolution of the Issuer and established with respect to any Term Bonds.

"Annual Debt Service" shall mean, with respect to any Bond Year, the aggregate amount of (1) all interest required to be paid on the Outstanding Bonds during such Bond Year, except to the extent that such interest is to be paid from deposits in the Interest Account made from Bond proceeds, (2) all principal of Outstanding Serial Bonds maturing in such Bond Year, and (3) all Amortization Installments herein designated with respect to such Bond Year.

"Authorized Issuer Officer" shall mean any person authorized by this Resolution or Supplemental Resolution of the Issuer to perform such act or sign such document.

"Bond Amortization Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.03 hereof.

"Bond Counsel" shall mean any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

"Bond Year" shall mean the period commencing on October 2 and ending twelve months later on October 1, or such other dates as may be determined by the Issuer by Supplemental Resolution of the Issuer adopted prior to the issuance of the Bonds.

"Bondholder" or "Holder" or "holder" or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered holder of any Outstanding Bond or Bonds as provided in the registration books of the Issuer.

"Bonds" shall mean the City of Sarasota, Florida Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) issued pursuant to this Resolution.

"City" or "Issuer" shall mean City of Sarasota, Florida, a municipal corporation, organized and existing under the laws of the State of Florida, including the Act.

"City Attorney" shall mean the City Attorney, or his or her designee.

"Clerk" means the City Auditor and Clerk of the Issuer, any deputy, interim or acting City Auditor and Clerk, or his or her designee.

"City Commission" shall mean the City Commission of the Issuer.

"City Manager" shall mean the City Manager of the Issuer, Deputy City Manager, Assistant City Manager, or his or her designee.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations and rules thereunder in effect or proposed.

"Debt Service Fund" shall mean the City of Sarasota Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) Debt Service Fund established pursuant to Section 4.02 hereof.

"Director of Financial Administration" shall mean the Director of Financial Administration of the Issuer, any Deputy Director of Financial Administration, or his or her designee.

"Federal Securities" shall mean those obligations described in clauses (1) and (2) of the definition of "Permitted Investments," provided that such obligations must provide for timely payment of principal and interest and may not be callable or prepayable prior to the maturity or earlier redemption of the defeased Bonds. "Federal Securities" shall not include securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date.

"Fiscal Year" shall mean the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law.

"Insurer" shall mean as the issuer of the Municipal Bond Insurance Policy, if any, or any successor corporation that assumes the obligations of the issuer of such Municipal Bond Insurance Policy. All references in this Resolution to the Insurer shall be of no force and effect at such time as there are no Bonds Outstanding with respect to which the Insurer has issued the Municipal Bond Insurance Policy.

"Interest Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.03 hereof.

"Interest Date" shall be such date or dates for the payment of interest on the Bonds as shall be provided by Supplemental Resolution.

"Mayor" shall mean the Mayor or Vice Mayor of the Issuer, or his or her designee.

"Municipal Bond Insurance Policy" shall mean the municipal bond insurance policy, if any, issued by the Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"Non-Ad Valorem Revenues" shall mean all revenues of the Issuer not derived from ad valorem taxation, and which are lawfully available to be used to pay debt service on the Bonds.

"Outstanding" when used with reference to Bonds and as of any particular date, shall describe all Bonds theretofore and thereupon being authenticated and delivered except, (1) any Bond in lieu of which another Bond or other Bonds have been issued under an agreement to replace lost, mutilated or destroyed Bonds, (2) any Bond surrendered by the Holder thereof in exchange for another Bond or other Bonds under Section 2.07 hereof, and (3) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity, and (4) Bonds deemed paid in accordance with Section 8.01 hereof.

"Paying Agent" shall mean any paying agent for Bonds appointed by or pursuant to a Supplemental Resolution and its successors or assigns, and any other Person which may at any time be substituted in its place pursuant to this Resolution.

"**Permitted Investments**" shall mean any of the following if and to the extent the same are legal for investment under the laws of the State and the written investment policy of the Issuer.

- 1) **U.S. Treasury & Government Guaranteed** - U.S. Treasury obligations, and obligations the principal and interest of which are backed or guaranteed by the full faith and credit of the U.S. Government, including but not limited to: Treasury bills, bonds, notes, and STRIPS; Resolution Funding Corporation ("REFCORP") Interest STRIPS; and United States Agency for International Development ("US AID") guaranteed notes (including stripped securities) provided that any US AID security shall mature at least 10 business days prior to any cash flow or escrow requirement.
- 2) **Federal Agency/GSE** - Debt obligations, participations or other instruments issued or fully guaranteed by any U.S. Federal agency, instrumentality, corporation, or government-sponsored enterprise (GSE), including but not limited to: Fannie Mae, Freddie Mac, the Federal Home Loan Banks, the Federal Farm Credit System, Tennessee Valley Authority, and REFCORP principal strips.
- 3) **Supranationals** - U.S. dollar denominated debt obligations of a multilateral organization of governments for which the United States government is a participant, shareholder, and/or voting member with minimum ratings of AAA-/Aaa3 (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency, including but not limited to: the Inter-American Development Bank, International Bank for Reconstruction & Development, African Development Bank, Asian Development Bank, and the International Finance Corporation.
- 4) **Corporates and Other Debt Obligations** - U.S. dollar denominated corporate notes, bonds or other debt obligations issued or guaranteed by a U.S. or foreign corporation,

financial institution, non-profit, or other entity with minimum ratings of A-/A3 (or the equivalent) or A-1/P-1 (or the equivalent) by any one rating agency.

- 5) **Municipals** – Obligations issued or guaranteed by any state, territory or possession of the United States, political subdivision, public corporation, authority, agency board, instrumentality or other unit of local government of any U.S. state or with minimum ratings of A-/A3 (or the equivalent) or SP-1/MIG 1 (or the equivalent) by any one rating agency.
- 6) **Agency Mortgage Backed Securities** - Mortgage-backed securities (MBS), backed by residential, multi-family or commercial mortgages, that are issued or fully guaranteed as to principal and interest by a U.S. Federal agency or government sponsored enterprise, including but not limited to pass-throughs, collateralized mortgage obligations (CMOs) and REMICs.
- 7) **Asset-Backed Securities** - Asset-backed securities (ABS) whose underlying collateral consists of loans, leases or receivables, including but not limited to auto loans/leases, credit card receivables, student loans, equipment loans/leases, or home-equity loans with minimum ratings of AAA/Aaa (or the equivalent) or A-1+/P-1 (or the equivalent) by any one rating agency.
- 8) **Collateralized Bank Deposits** - Non-negotiable interest bearing time certificates of deposit, savings accounts or deposit accounts in banks organized under the laws of this state or in national banks organized under the laws of the United States and doing business in this state, provided that any such deposits are secured or collateralized, if required by state or Federal law.
- 9) **Insured Bank Deposits** - Interest bearing time certificates of deposit, savings accounts or deposit accounts fully insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
- 10) **Commercial Paper** – U.S. dollar denominated commercial paper issued or guaranteed by a U.S. or foreign corporation, company, financial institution, trust or other entity, including both unsecured debt and asset-backed programs with minimum ratings of A-1/P-1 (or the equivalent) by any one rating agency.
- 11) **Bankers' Acceptances** - Bankers' acceptances issued, drawn on, or guaranteed by a U.S. bank or U.S. branch of a foreign bank with minimum ratings of A-1/P-1 (or the equivalent) by any one rating agency.
- 12) **Money Market Funds** - Shares in open-end and no-load money market mutual funds, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
- 13) **Guaranteed investment contracts** -- Agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "AA-" or "Aa3" by any nationally recognized rating agency
- 14) **Forward delivery agreements** – Agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "BBB-" or "Baa3" by any nationally recognized rating agency under which obligations described in (1) and/or (2) above are delivered.

- 15) **Term repurchase agreements** – Agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "A-" or "A3" by any nationally recognized rating agency, provided that obligations described in (1) shall be valued at least weekly and posted at a margin of 104% with a third-party custodian, and obligations described in (2) shall be valued at least weekly and posted at a margin of 105% with a third-party custodian.
- 16) **Intergovernmental investment pool** – Intergovernmental investment pools authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Section 163.01, Florida Statutes.
- 17) **The Florida Government Surplus Fund Trust Fund ("SBA")** – Funds deposited with the SBA are invested in the pooled investment account, an external investment pool administered by the State of Florida and operated in a manner consistent with the Security and Exchange Commission's Rule 2a7 of the Investment Company Act of 1940.

"Person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or governmental entity.

"Pledged Funds" shall mean (1) Non-Ad Valorem Revenues budgeted and appropriated by the Issuer in accordance with Section 4.02 hereof and deposited into the Debt Service Fund, and (2) until applied in accordance with the provisions of this Resolution, all moneys, including the investments thereof, in the funds and accounts established hereunder, with the exception of the Rebate Fund.

"Principal Account" shall mean the separate account in the Debt Service Fund established pursuant to Section 4.03 hereof.

"Project" shall mean design, installation, acquisition, construction, reconstruction and equipping of various capital improvements of the Issuer's Bay Park and its related facilities.

"Project Fund" shall mean the City of Sarasota Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) Project Fund established pursuant to Section 2.03 hereof.

"Rebate Amount" shall mean the excess of the future value, as of a computation date, of all receipts on nonpurpose investments (as defined in Section 1.148-1(b) of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

"Rebate Fund" shall mean the City of Sarasota Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) Rebate Fund established pursuant to Section 5.05 hereof.

"Redemption Price" shall mean, with respect to any Bond or portion thereof, the principal amount or portion thereof, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Resolution.

"Registrar" shall mean any registrar for the Bonds appointed by or pursuant to a Supplemental Resolution and its successors and assigns, and any other Person which may at any time be substituted in its place pursuant to Supplemental Resolution.

"Resolution" shall mean this Resolution, as the same may from time to time be amended, modified or supplemented by Supplemental Resolution.

"Serial Bonds" shall mean all of the Bonds other than the Term Bonds.

"Series 2017A Bonds" shall mean the City of Sarasota, Florida St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017A.

"Series 2017B Bonds" shall mean the City of Sarasota, Florida St. Armands Paid Parking Area Improvements Revenue Bonds, Series 2017B.

"Series 2022 Bond" shall mean the City of Sarasota, Florida Taxable Capital Improvement Revenue Bond, Series 2022 (Bobby Jones Golf Club Project).

"Series 2022B Bond" shall mean the City of Sarasota, Florida Capital Improvement Revenue Bond, Series 2022B.

"State" shall mean the State of Florida.

"Supplemental Resolution" shall mean any resolution of the Issuer amending or supplementing this Resolution adopted and becoming effective in accordance with the terms of Sections 7.01 and 7.02 hereof.

"Term Bonds" shall mean those Bonds which shall be designated as Term Bonds hereby or by Supplemental Resolution of the Issuer and which are subject to mandatory redemption by Amortization Installments.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms, shall refer to this Resolution; the term heretofore shall mean before the date of adoption of this Resolution; and the term "hereafter" shall mean after the date of adoption of this Resolution.

Words importing the masculine gender include every other gender.

Words importing the singular number include the plural number, and vice versa.

Section 1.02 Authority for Resolution. This Resolution is adopted pursuant to the provisions of the Act.

Section 1.03 Resolution to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution shall be a part of the contract of the Issuer with the Holders of the Bonds and shall be deemed to be and shall constitute a contract between the Issuer and the

Holders from time to time of the Bonds. The pledge made in this Resolution and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Holders of any and all of said Bonds and the Insurer. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this Resolution.

Section 1.04 Findings. It is hereby ascertained, determined and declared as follows:

(1) The Issuer deems it necessary, desirable and in the best interests of the Issuer and its citizens and to serve a public purpose to finance and/or reimburse the costs of the Project.

(2) For the benefit of its citizens, the Issuer finds, determines and declares that it is necessary for the continued preservation of the welfare and convenience of the Issuer and its citizens to finance and/or reimburse the costs of the Project.

(3) Subsequent to the issuance of the Bonds, other than the Series 2017A Bonds, Series 2017B Bonds, Series 2022 Bond and Series 2022B Bond, the Issuer has not otherwise secured any other indebtedness of the Issuer with a covenant to budget and appropriate Non-Ad Valorem Revenues.

(4) The estimated Non-Ad Valorem Revenues, after satisfying funding requirements for obligations having an express lien on or pledge thereof and after satisfying any funding requirements for essential governmental services of the Issuer which are not funded by ad valorem taxation, will be sufficient to pay the principal of and interest on the Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2022 Bond and the Series 2022B Bond, as the same become due, and to make all other payments provided for in this Resolution.

(5) The principal of and interest on the Bonds and all other payments provided for in this Resolution will be paid solely from the Pledged Funds, and the ad valorem taxing power of the Issuer will never be necessary or authorized to pay the principal of and interest on the Bonds and, except as otherwise provided herein, the Bonds shall not constitute a lien upon any property of the Issuer.

Section 1.05 Authorization of Financing and Project. The Issuer does hereby authorize the financing of the Project and the Project itself.

ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 2.01 Authorization of Bonds. This Resolution authorizes an issue of Bonds of the Issuer to be designated as "City of Sarasota, Florida Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2)" in an aggregate principal amount of not to exceed \$50,000,000 for the purpose of (i) financing and/or reimbursing the costs of the Project, (ii) paying certain costs of issuance incurred with respect thereto and (iii) paying certain costs of issuance incurred with

respect thereto, including the premium for a Municipal Bond Insurance Policy, if any. The Issuer may change such Series designation in the event that the Bonds are not issued in calendar year 2023.

The Bonds may, if and when authorized by the Issuer pursuant to this Resolution, be issued with such further appropriate particular designations added to or incorporated in such title for the Bonds as the Issuer may determine.

The Bonds shall bear interest at such rate or rates not exceeding the maximum rate permitted by law; and shall be payable in lawful money of the United States of America on such dates; all as determined hereunder and by Supplemental Resolution of the Issuer.

The Bonds shall be issued in denominations of \$5,000 or integral multiples thereof, in such form, whether coupon or registered; shall be dated such date; shall bear such numbers; shall be payable at such place or places; shall contain such redemption provisions; shall have such Paying Agent and Registrar; and shall mature in such years and amounts; all as determined hereunder and by Supplemental Resolution of the Issuer.

Section 2.02 Description of Bonds. The Bonds shall be issued as fully registered Bonds; shall be numbered consecutively from one upward in order of maturity preceded by the letter "R"; shall bear interest at a rate or rates not exceeding the maximum rate allowed by Florida law, payable in such manner and on such dates; shall consist of such amounts of Serial Bonds and/or Term Bonds; maturing in such amounts or installments and in such years; shall be payable in such place or places; shall have such Paying Agent and Registrar; and shall contain such redemption provisions; all as the Issuer shall provide hereafter by Supplemental Resolution.

The principal of or Redemption Price, if applicable, on the Bonds are payable upon presentation and surrender of the Bonds at the designated office of the Paying Agent. Interest payable on any such Bond on any Interest Date will be paid by check or draft of the Paying Agent to the Holder in whose name such Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such Interest Date, or, unless otherwise provided by Supplemental Resolution, at the option of the Paying Agent, and at the request and expense of such Holder, by bank wire transfer for the account of such Holder. In the event the interest payable on any such Bond is not punctually paid or duly provided for by the Issuer on such Interest Date, such defaulted interest will be paid to the Holder in whose name such Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Holder, not less than ten days preceding such special record date. All payments of principal of or Redemption Price, if applicable, and interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 2.03 Application of Bond Proceeds. Except as otherwise provided by Supplemental Resolution, the proceeds derived from the sale of the Bonds, including accrued

interest and premium, if any, together with legally available funds of the Issuer, if any, shall, simultaneously with the delivery of the Bonds to the purchaser or purchasers thereof, be applied by the Issuer as follows:

- (1) Accrued interest, if any, shall be deposited in the Interest Account and shall be used only for the purpose of paying the interest which shall thereafter become due on the Bonds.
- (2) Proceeds shall be deposited in the Project Fund described below.
- (3) The balance of the proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds, including the premium for a Municipal Bond Insurance Policy, if any.

The Issuer covenants and agrees to establish a special fund to be designated "City of Sarasota, Florida Capital Improvement Revenue Bonds, Series 2023, (Bay Park Phase 2) Project Fund." The designation and establishment of the Project Fund by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain assets of the Issuer for certain purposes and to establish certain priorities for application of such assets as herein provided. Amounts on deposit from time to time in the Project Fund, plus any earnings thereon, are pledged to the repayment of the Bonds. Costs of the Project will be paid from the Project Fund.

Section 2.04 Execution of Bonds. The Bonds shall be executed in the name of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer shall be imprinted thereon, attested with the manual or facsimile signature of the Clerk and approved as to form and correctness by the City Attorney. In case any one or more of the officers who shall have signed or sealed any of the Bonds, or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bond shall hold the proper office of the Issuer, although, at the date of such Bond, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

Section 2.05 Authentication. No Bond shall be secured hereunder or be entitled to the benefit hereof or shall be valid or obligatory for any purpose unless there shall be manually endorsed on such Bond a certificate of authentication by the Registrar or such other entity as may be approved by the Issuer for such purpose. Such certificate on any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution. The form of such certificate shall be substantially in the form provided in Section 2.09 hereof.

Section 2.06 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Issuer may, in its discretion, issue and deliver, and the Registrar shall authenticate, a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the Issuer and the Registrar proof of such Holder's ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer and the Registrar may incur. All Bonds so surrendered or otherwise substituted shall be canceled by the Registrar. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same or cause the Bond to be paid, upon being indemnified as aforesaid, and if such Bonds be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 2.06 shall constitute original, additional contractual obligations on the part of the Issuer whether or not the lost, stolen or destroyed Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on the Pledged Funds to the same extent as all other Bonds issued hereunder.

Section 2.07 Transfer. Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity of any other authorized denominations.

The Bonds issued under this Resolution shall be and have all the qualities and incidents of negotiable instruments under the commercial laws and the Uniform Commercial Code of the State, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Issuer shall maintain and keep, at the office of the Registrar, books for the registration and transfer of the Bonds.

Each Bond shall be transferable only upon the books of the Issuer, at the office of the Registrar, under such reasonable regulations as the Issuer may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Bond, the Issuer shall issue, and cause to be authenticated, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond. The Issuer, the Registrar and any Paying Agent or fiduciary of the Issuer may deem and treat the Person in whose name any Outstanding Bond shall be registered upon the books of the Issuer as the absolute holder of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Bond and for all other purposes, and all such payments so

made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid and neither the Issuer nor the Registrar nor any Paying Agent or other fiduciary of the Issuer shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to the Bonds, forthwith (A) following the fifteenth day prior to an Interest Date; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds; and (C) at any other time as reasonably requested by the Paying Agent, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Bond shall effect payment of interest on such Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer for the account of such Holder.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Issuer shall execute and the Registrar shall authenticate and deliver such Bonds in accordance with the provisions of this Resolution. Execution of Bonds in the same manner as is provided in Section 2.04 hereof for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Bonds. All Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the Issuer to be canceled by the Registrar. For every such exchange or transfer of Bonds, the Issuer or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Registrar shall not be obligated to make any such exchange or transfer of Bonds during the fifteen days next preceding an Interest Date on the Bonds, or, in the case of any proposed redemption of Bonds, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Section 2.08 Book Entry. A blanket issuer letter of representations (the "Blanket Letter") was entered into by the Issuer with The Depository Trust Company ("DTC"). It is intended that the Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such Blanket Letter. The terms and conditions of such Blanket Letter shall govern the registration of the Bonds. The Bonds shall be initially issued in the form of a single fully registered Bond for each maturity. Upon initial issuance, the ownership of such Bonds shall be registered by the Registrar in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. So long as any Bond is registered in the name of DTC (or its nominee), the Issuer, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive holder of such Bonds registered in its name, and all payments with respect to the principal or redemption price of, if any, and interest on such Bond ("Payments") and all notices with respect to such Bond ("Notices") shall be made or given, as the case may be, to DTC. Transfers of Payments and delivery of Notices to DTC Participants shall be the responsibility of DTC and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time. Transfers of Payments and delivery of Notices to beneficial holders of the Bonds by DTC

Participants shall be the responsibility of such participants, indirect participants and other nominees of such beneficial holders and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time.

Upon (I) (a) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial holders of the Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, (b) termination, for any reason, of the agreement among the Issuer, the Registrar and Paying Agent and DTC evidenced by the Blanket Letter, or (c) determination by the Issuer that such book-entry only system should be discontinued by the Issuer, and (II) compliance with the requirements of any agreement between the Issuer and DTC with respect thereto, the Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions hereof. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Bonds consistent with the terms hereof, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the Blanket Letter shall apply to the registration and transfer of the Bonds and to Payments and Notices with respect thereto.

Section 2.09 Form of Bonds. The text of the Bonds shall be in substantially the following form with such omissions, insertions and variations as may be necessary and/or desirable and approved by the Mayor prior to the issuance thereof (which necessity and/or desirability and approval shall be presumed by the Issuer's delivery of the Bonds to the purchaser or purchasers thereof):

No. R-__ \$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF SARASOTA
CITY OF SARASOTA, FLORIDA
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023 (BAY PARK PHASE 2)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
____%	____/____/____	____/____/____	_____

Registered Holder: _____

Principal Amount: _____

KNOW ALL MEN BY THESE PRESENTS, that City of Sarasota, Florida, a municipality created and existing under the laws of the State of Florida (the "Issuer"), for value received, hereby promises to pay, solely from the Pledged Funds hereinafter described, to the Registered Holder identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and interest on such Principal Amount from the Date of Original Issue identified above or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum identified above on _____ 1 and _____ 1 of each year commencing _____ 1, _____ until such Principal Amount shall have been paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto.

The principal of and redemption premium, if applicable, on this Bond is payable upon presentation and surrender of this Bond at the designated office of The Bank of New York Mellon Trust Company, N.A., as Paying Agent. Interest payable on this Bond on any interest date will be paid by check or draft of the Paying Agent to the Registered Holder in whose name this Bond shall be registered at the close of business on the date which shall be the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date, or, at the option of the Paying Agent, and at the request and expense of such Registered Holder, by bank wire transfer for the account of such Registered Holder. In the event the interest payable on this Bond is not punctually paid or duly provided for by the Issuer on such interest payment date, such defaulted interest will be paid to the Registered Holder in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest as established by notice to such Registered Holder, not less than ten days preceding such special record date. All payments of principal of and redemption premium, if applicable, and interest on this Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ (the "Bonds") of like date, tenor and effect, except as to maturity date, interest rate, denomination and number, issued for the purpose of financing and/or reimbursing the costs of the Project, under the authority of and in full compliance with the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes and other applicable provisions of law (the "Act"), and Resolution No. 23R-3175 duly adopted by the City Commission of the Issuer on _____, 2023, as amended and supplemented from time to time (collectively, the "Resolution"), and is subject to the terms and conditions of this Resolution. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Resolution.

The Bonds and the interest thereon are payable solely from and secured by an irrevocable pledge of the Pledged Funds. Pledged Funds consist of Non-Ad Valorem Revenues which are deposited into the Debt Service Fund and certain moneys on deposit in the accounts and funds established under the Resolution. The Issuer has covenanted and has agreed to appropriate in its annual budget for each fiscal year sufficient amount of Non-Ad Valorem Revenues for the payment of principal of and interest on the Bonds in each fiscal year, and to make certain other payments required by this Resolution, subject to the limitations described in this Resolution. Reference is made to this Resolution for more complete description of the security for the Bonds.

IT IS EXPRESSLY AGREED BY THE REGISTERED HOLDER OF THIS BOND THAT THE FULL FAITH AND CREDIT OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THIS BOND AND THAT SUCH HOLDER SHALL NEVER HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF ANY TAXING POWER OF THE ISSUER, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION THEREOF, TO THE PAYMENT OF SUCH PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. THIS BOND AND THE OBLIGATION EVIDENCED HEREBY SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS.

This Bond is transferable in accordance with the terms of this Resolution only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Registrar by the Registered Holder hereof in person or by such Holder's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Holder or such Holder's attorney duly authorized in writing, and thereupon a new Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor, and upon the payment of the charges, if any, therein prescribed. The Bonds are issuable in the form of fully registered Bonds in the denominations of \$5,000 and integral multiples thereof, not exceeding the aggregate principal amount of the Bonds maturing on the same date. The Issuer, the Registrar and any Paying Agent may treat the Registered Holder of this Bond as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary. The Issuer and the Registrar shall not be obligated to make any exchange or transfer of the Bonds during the fifteen days next preceding an interest payment date, or in the case of

any proposed redemption of the Bonds, then, during the fifteen days next preceding the date of the first mailing of notice of such redemption.

[INSERT REDEMPTION PROVISIONS]

Notice of redemption, unless waived, is to be given by the Registrar by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Holders of the Bonds to be redeemed at such Holders' addresses shown on the registration books maintained by the Registrar or at such other addresses as shall be furnished in writing by such Registered Holders to the Registrar; provided, however, that no defect in any such notice to any Registered Holder of Bonds to be redeemed nor failure to give such notice to any such Registered Holder nor failure of any such Registered Holder to receive such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Registered Holders of Bonds to be redeemed. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds or portions of Bonds shall cease to bear interest.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond, exist, have happened and have been performed, in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds does not violate any constitutional or statutory limitations or provisions.

Neither the members of the City Commission of the Issuer nor any person executing this Bond shall be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, said City of Sarasota, Florida, by resolution duly adopted by its City Commission, has caused this Bond to bear the manual signatures of its Mayor and its City Auditor and Clerk, to be executed by the manual signature of its City Attorney to evidence his approval of this Bond as to form and legal correctness, and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the ____ day of _____, 2023.

CITY OF SARASOTA, FLORIDA

Kyle Battie, Mayor

ATTEST:

APPROVED AS TO FORM AND
LEGAL CORRECTNESS:

City Auditor and Clerk

City Attorney

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within-mentioned Resolution.

DATE OF AUTHENTICATION:

Registrar

By: _____
Authorized Officer

[STATEMENT OF INSURANCE, IF APPLICABLE]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

[Insert Name, Address, Social Security or Other Identifying Number of Assignee]

the within bond and does hereby irrevocably constitute and appoint _____ as attorneys to register the transfer of the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the Registered Holder as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or other identifying number of such assignee must be supplied.

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM--as tenants in common

TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT -- _____
(Cust.)

Custodian for _____

under Uniform Transfer to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the list above.

[Remainder of page intentionally left blank]

ARTICLE III REDEMPTION OF BONDS

Section 3.01 Privilege of Redemption. The Bonds may be subject to optional, and/or mandatory redemption at the times and in the amounts provided by the Supplemental Resolution.

Section 3.02 Selection of Bonds to be Redeemed. The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. The Issuer shall, at least forty (40) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar) notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than thirty-five (35) days prior to the redemption date by the Registrar from the Outstanding Bonds of the maturity or maturities designated by the Issuer by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Bonds or portions of Bonds in principal amounts of \$5,000 and integral multiples thereof.

If less than all of the Outstanding Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the Issuer and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 3.03 Notice of Redemption. Unless waived by any Holder of Bonds to be redeemed, notice of any redemption made pursuant to this section shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to this Section to any Holder of Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state:

- (1) the redemption date,
- (2) the Redemption Price,
- (3) if less than all Outstanding Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Bond, the principal amount) of each Bond to be redeemed,

(4) that, on the redemption date, the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(5) that such Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the Redemption Price at the designated office of the Registrar.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the Redemption Price of all the Bonds or portions of Bonds which are to be redeemed on that date.

The Issuer may provide that a notice of redemption may be contingent upon the occurrence of condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of such rescission shall be mailed in the manner described herein to all Bondholders as soon as practicable after the Issuer has determined to rescind the redemption.

Section 3.04 Redemption of Portions of Bonds. Any Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or written instrument of transfer in form satisfactory to, the Registrar duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Issuer shall execute and the Registrar shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds, of the same interest rate and maturity, and of any authorized denomination as requested by such Holder, in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bonds so surrendered.

Section 3.05 Payment of Redeemed Bonds. Notice of redemption having been given substantially as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate Redemption Price, plus accrued interest. All Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

**ARTICLE IV
SECURITY, SPECIAL FUNDS AND
APPLICATION THEREOF**

Section 4.01 Bonds not to be Indebtedness of Issuer. THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE ISSUER AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND, FOR THE PAYMENT OF ANY

AMOUNTS PAYABLE HEREUNDER, OR IN ORDER TO MAINTAIN ANY SERVICES OR PROGRAMS THAT GENERATE NON-AD VALOREM REVENUES, OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE ISSUER EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER PROVIDED HEREIN.

Section 4.02 Bonds Secured by Covenant to Budget and Appropriate and Pledge of Pledged Funds. Subject to the next paragraph, the Issuer covenants and agrees and has a positive and affirmative duty to appropriate in its annual budget, by amendment, if necessary, from Non-Ad Valorem Revenues, and to deposit into the Debt Service Fund amounts sufficient to pay principal of and interest on the Bonds and all other payments due hereunder not being paid from other amounts as the same shall become due. The Issuer shall make each deposit no later than five (5) business days prior to the date such payment is due. Such covenant and agreement on the part of the Issuer to budget, appropriate and deposit such amounts of Non-Ad Valorem Revenues shall be cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to make all such required payments shall have been budgeted, appropriated, deposited and actually paid. No lien upon or pledge of such budgeted Non-Ad Valorem Revenues shall be in effect until such monies are budgeted, appropriated and deposited as provided herein. The Issuer further acknowledges and agrees that the obligations of the Issuer to include the amount of such amendments in each of its annual budgets and to pay such amounts from Non-Ad Valorem Revenues may be enforced in a court of competent jurisdiction in accordance with the remedies set forth herein.

Until such monies are budgeted, appropriated and deposited as provided herein, such covenant to budget and appropriate does not create any lien upon or pledge of such Non-Ad Valorem Revenues, nor does it preclude the Issuer from pledging in the future its Non-Ad Valorem Revenues, nor does it require the Issuer to levy and collect any particular Non-Ad Valorem Revenues, nor does it give the Holders of the Bonds a prior claim on the Non-Ad Valorem Revenues as opposed to claims of general creditors of the Issuer. Such covenant to budget and appropriate Non-Ad Valorem Revenues is subject in all respects to the prior payment of obligations secured by a pledge of such Non-Ad Valorem Revenues heretofore or hereafter entered into (including the payment of debt service on bonds and other debt instruments). Anything in this Resolution to the contrary notwithstanding, it is understood and agreed that all obligations of the Issuer hereunder shall be payable from the portion of Non-Ad Valorem Revenues budgeted, appropriated and deposited as provided for herein and nothing herein shall be deemed to pledge ad valorem taxing power or ad valorem tax revenues or to permit or constitute a mortgage or lien upon any assets owned by the Issuer and no Holders of the Bonds nor any other Person, may compel the levy of ad valorem taxes on real or personal property within the boundaries of the Issuer or the use or application of ad valorem tax revenues in order to satisfy any payment obligations hereunder. The obligation of the Issuer to budget, appropriate, deposit and make payments hereunder from its Non-Ad Valorem Revenues is subject to the availability of Non-Ad Valorem Revenues after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer. Notwithstanding any provisions of this Resolution or the Bonds to the contrary, the Issuer shall never be obligated to maintain or

continue any of the activities of the Issuer which generate user service charges, regulatory fees or any Non-Ad Valorem Revenues. Until such monies are budgeted, appropriated and deposited as provided herein, neither this Resolution nor the obligations of the Issuer hereunder shall be construed as a pledge of or a lien on all or any legally available Non-Ad Valorem Revenues of the Issuer, but shall be payable solely as provided herein and is subject to the payment of services and programs which are for essential public purposes affecting the health, welfare and safety of the inhabitants of the Issuer and is further subject to the provisions of Section 166.241, Florida Statutes insofar as there are not sufficient Non-Ad Valorem Revenues to comply with such covenant after the satisfaction of the funding requirements for obligations having an express lien on or pledge of such revenues and the funding requirements for essential governmental services of the Issuer.

There is hereby created and established the "City of Sarasota Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) Debt Service Fund" (the "Debt Service Fund"), which fund shall be a trust fund held by the Director of Financial Administration, which shall be held solely for the benefit of the Holders as provided herein. The designation and establishment of the Debt Service Fund in and by this Resolution shall not be construed to require the establishment of a completely independent, self-balancing fund as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues and assets of the Issuer for certain purposes and to establish certain priorities for application of such revenues and assets as herein provided.

The Issuer may at any time and from time to time appoint one or more depositories to hold, for the benefit of the Holders of the Bonds, the Debt Service Fund established hereby. Such depository or depositories shall perform at the direction of the Issuer the duties of the Issuer in depositing, transferring and disbursing moneys to and from such Debt Service Fund as herein set forth, and all records of such depository in performing such duties shall be open at all reasonable times to inspection by the Holders of the Bonds. Any such depository shall be a bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing, and having a combined capital, surplus and undivided profits aggregating not less than fifty million dollars (\$50,000,000).

Until applied in accordance with this Resolution, the Non-Ad Valorem Revenues of the Issuer on deposit in the Debt Service Fund and other amounts on deposit from time to time in the funds and accounts established herein, plus any earnings thereon, shall be pledged to the repayment of the Bonds.

The payment of the debt service of all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a pledge of and a lien upon the Pledged Funds, as now or hereafter constituted. The Issuer does hereby irrevocably pledge such Pledged Funds to the payment of the principal of and interest on the Bonds issued pursuant to this Resolution, and the Issuer does hereby irrevocably agree to the deposit of Non-Ad Valorem Revenues into the Debt Service Fund at the times provided of the sums required to secure to the Holders of the Bonds issued hereunder, and the payment of the principal of and interest thereon when due. The

Pledged Funds shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer.

Section 4.03 Separate Accounts in Debt Service Fund. The Issuer shall maintain in the Debt Service Fund three accounts: the "Interest Account," the "Principal Account," and the "Bond Amortization Account." Moneys in the aforementioned funds and accounts, until applied in accordance with the provisions hereof, shall be subject to a lien and charge in favor of the Holders and for the further security of the Holders.

Section 4.04 Flow of Funds.

(1) Pursuant to Section 4.02 hereof, Non-Ad Valorem Revenues shall be deposited or credited at least five (5) business days prior to the applicable due date, in the following manner:

(a) Interest Account. The Issuer shall deposit into or credit to the Interest Account the sum which, together with the balance in said Account, shall be equal to the interest on all Outstanding Bonds accrued and unpaid and to accrue on such Interest Date. Moneys in the Interest Account shall be used to pay interest on the Bonds as and when the same become due, whether by redemption or otherwise, and for no other purpose.

(b) Principal Account. The Issuer shall deposit into or credit to the Principal Account the sum which, together with the balance in said Account, shall equal the portion of the principal on the Outstanding Bonds next due. Moneys in the Principal Account shall be used to pay the principal of the Bonds as and when the same shall mature, and for no other purpose.

(c) Bond Amortization Account. The Issuer shall deposit into or credit to the Bond Amortization Account the sum which, together with the balance in said Account, shall equal the portion of the Amortization Installments of all Bonds Outstanding next due. Moneys in the Bond Amortization Account shall be used to purchase or redeem Term Bonds in the manner herein provided, and for no other purpose. Payments to the Bond Amortization Account shall be on a parity with payments to the Principal Account.

(2) On the date established for payment of any principal of or Redemption Price, if applicable, or interest on the Bonds, the Issuer shall withdraw from the appropriate account of the Debt Service Fund sufficient moneys to pay such principal or Redemption Price, if applicable, or interest and deposit such moneys with the Paying Agent for the Bonds to be paid.

Section 4.05 Investments. The Project Fund and the Debt Service Fund shall be continuously secured in the manner by which the deposit of public funds are authorized to be secured by the laws of the State. Moneys on deposit in the Debt Service Fund and Project Fund may be invested and reinvested in Permitted Investments maturing not later than the date on which the moneys therein will be needed. Any and all income received by the Issuer from the investment of moneys in the Debt Service Fund and Project Fund shall be retained in such respective Fund or Account unless otherwise required by applicable law.

Nothing contained in this Resolution shall prevent any Permitted Investments acquired as investments of or security for funds held under this Resolution from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

The value of Permitted Investments held hereunder shall be determined as follows:

(a) For the purpose of determining the amount in any Fund or Account hereunder, all Permitted Investments credited to such fund or account shall be valued at fair market value. The Issuer shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, , Citigroup Global Markets,

(b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus accrued interest thereon.

(c) As to any investment not specified above: the value thereof established by prior agreement between the Issuer and Insurer.

Section 4.06. Separate Accounts. The moneys required to be accounted for in each of the foregoing Funds and Accounts established herein may be deposited in a single account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such Funds and Accounts as herein provided.

The designation and establishment of the various Funds and Accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

ARTICLE V OTHER OBLIGATIONS AND COVENANTS OF ISSUER

Section 5.01 Anti-Dilution Test. The Issuer covenants not to incur any indebtedness payable from Non-Ad Valorem Revenues unless the Non-Ad Valorem Revenues for the preceding Fiscal Year were at least 2.00 times maximum annual debt service of all indebtedness of the Issuer payable from such sources. For the purpose of calculating "maximum annual debt service" on any indebtedness which bears interest at a variable rate, such indebtedness shall be deemed to bear interest at the greater of (i) 1.25 times the most recently published Bond Buyer Revenue Bond 30 Year Index or (ii) 1.25 times actual average interest rate during the prior Fiscal Year of such Issuer. For purposes of calculating "maximum annual debt service" on any indebtedness, balloon indebtedness shall be assumed to amortize in up to 20 years (from the date of calculation) on a level debt service basis. For purposes of this paragraph, "balloon

indebtedness" includes indebtedness if 25% or more of the principal amount thereof comes due in any one year.

Notwithstanding anything herein to the contrary, the provisions of this Section 5.01 may be amended, supplemented, or waived from time to time only with the prior written consent of the Insurer, but without the consent of the Bondholders if all the Bonds Outstanding are insured by the Insurer.

Section 5.02 Books and Records. The Issuer shall keep proper books, records and accounts of the receipt of the Non-Ad Valorem Revenues in accordance with generally accepted accounting principles, and any Holder or Holders of Bonds shall have the right at all reasonable times to inspect such books, records, accounts and data of the Issuer relating thereto. The Issuer shall, by April 30th following the close of the prior Fiscal Year of the Issuer, cause an audit of such books, records and accounts to be made by an independent firm of certified public accountants.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

Section 5.03 Annual Audit. The Issuer shall, immediately after the close of each Fiscal Year, cause the financial statements of the Issuer to be properly audited by a recognized independent certified public accountant or recognized independent firm of certified public accountants, and shall require such accountants to complete their report on the annual financial statements in accordance with applicable law. Such annual financial statements shall contain, but not be limited to, a balance sheet, a statement of revenues, expenditures and changes in fund balance, and any other statements as required by law or accounting convention, and a report by such accountants disclosing any material default on the part of the Issuer of any covenant or agreement herein which is disclosed by the audit of the financial statements. The annual financial statements shall be prepared in conformity with generally accepted accounting principles. A copy of the audited financial statements for each Fiscal Year shall be furnished to any Holder of a Bond who shall have furnished such Holder's address to the Director of Financial Administration and requested in writing that the same be furnished to such Holder. The Issuer shall be permitted to make a reasonable charge for furnishing such audited financial statements.

Section 5.04 No Impairment. The pledging of the Pledged Funds in the manner provided herein shall not be subject to repeal, modification or impairment by any subsequent ordinance, resolution or other proceedings of the City Commission of the Issuer.

Section 5.05 Tax Covenants.

(A) The Issuer covenants with the Holders of Bonds that it shall not use the proceeds of such Bonds in any manner which would cause the interest on such Bonds to be or become includable in the gross income of the Holder thereof for federal income tax purposes.

(B) The Issuer covenants with the Holders of Bonds that neither the Issuer nor any Person under its control or direction will make any use of the proceeds of such Bonds (or amounts

deemed to be proceeds under the Code) in any manner which would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and neither the Issuer nor any other Person shall do any act or fail to do any act which would cause the interest on such Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes.

(C) The Issuer hereby covenants with the Holders of Bonds that it will comply with all provisions of the Code necessary to maintain the exclusion of interest on such Bonds from the gross income of the Holder thereof for federal income tax purposes, including, in particular, the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code.

(D) There is hereby created and established a fund to be known as the "City of Sarasota Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) Rebate Fund," and a separate account therein for each Series of Bonds. The Issuer shall deposit into the appropriate account in the Rebate Fund, from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the appropriate account in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by this Section 5.05. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder and after payment in full of the Rebate Amount to the United States in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

ARTICLE VI DEFAULTS AND REMEDIES

Section 6.01 Events of Default. The following events shall each constitute an "Event of Default:"

(1) Default shall be made in the payment of the principal of, Amortization Installment, redemption premium or interest on any Bond when due.

(2) There shall occur the dissolution or liquidation of the Issuer, or the filing by the Issuer of a voluntary petition in bankruptcy, or the commission by the Issuer of any act of bankruptcy, or adjudication of the Issuer as a bankrupt, or assignment by the Issuer for the benefit of its creditors, or appointment of a receiver for the Issuer, or the entry by the Issuer into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Issuer in any proceeding for its reorganization instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted.

(3) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for a period of thirty (30) days after written notice of such default shall have been received from the Holders of not less than twenty-five percent (25%) of the aggregate principal amount of Bonds Outstanding or the Insurer of such amount of Bonds. Notwithstanding the foregoing, the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes curative action and diligently pursues such action until the default has been corrected.

Section 6.02 Remedies. Any Holder of Bonds issued under the provisions of this Resolution or any trustee or receiver acting for such Bondholders may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the Issuer or by any officer thereof.

The Holder or Holders of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then Outstanding may by a duly executed certificate in writing appoint a trustee for Holders of Bonds issued pursuant to this Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders and such certificate shall be executed by such Bondholders or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk. Notice of such appointment, together with evidence of the requisite signatures of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding and the trust instrument under which the trustee shall have agreed to serve shall be filed with the Issuer and the trustee and notice of appointment shall be given to all Holders of Bonds in the same manner as notices of redemption are given hereunder. After the appointment of the first trust hereunder, no further trustees may be appointed; however, the Holders of a majority in aggregate principal amount of all the Bonds then Outstanding may remove the trustee initially appointed and appoint a successor and subsequent successors at any time.

Section 6.03 Directions to Trustee as to Remedial Proceedings. The Holders of a majority in principal amount of the Bonds then Outstanding or, if the Bonds are insured, the Insurer, shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the trustee, to direct the method and place of conducting all remedial proceedings to be taken by the trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions hereof, and that the trustee shall have the right to decline to follow any such direction which in the opinion of the trustee would be unjustly prejudicial to Holders of Bonds not parties to such direction.

Section 6.04 Remedies Cumulative. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every

such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 6.05 Waiver of Default. No delay or omission of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by Section 6.02 of this Resolution to the Bondholders may be exercised from time to time, and as often as may be deemed expedient.

Section 6.06 Application of Moneys After Default. If an Event of Default shall happen and shall not have been remedied, the Issuer or a trustee or receiver appointed for the purpose shall apply all Pledged Funds as follows and in the following order:

(1) To the payment of the reasonable and proper charges, expenses and liabilities of the trustee or receiver, Registrar and Paying Agent hereunder; and

(2) To the payment of the interest and principal or Redemption Price, if applicable, then due on the Bonds, as follows:

(A) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST: to the payment to the Persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or preference;

SECOND: to the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due at maturity or upon mandatory redemption prior to maturity (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of Section 8.01 of this Resolution), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD: to the payment of the Redemption Price of any Bonds called for optional redemption pursuant to the provisions of this Resolution.

(B) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid

upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

ARTICLE VII SUPPLEMENTAL RESOLUTIONS

Section 7.01 Supplemental Resolutions without Bondholders' Consent. The Issuer, from time to time and at any time, may adopt such Supplemental Resolutions without the consent of the Bondholders (which Supplemental Resolutions shall thereafter form a part hereof) for any of the following purposes:

(1) To cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Resolution or to clarify any matters or questions arising hereunder.

(2) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders.

(3) To add to the conditions, limitations and restrictions on the issuance of Bonds under the provisions of this Resolution other conditions, limitations and restrictions thereafter to be observed.

(4) To add to the covenants and agreements of the Issuer in this Resolution other covenants and agreements thereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer.

(5) To specify and determine the matters and things referred to in Sections 2.01 or 2.02 hereof, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with this Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds.

(6) To make any other change that, in the opinion of the Issuer, would not materially adversely affect the security for the Bonds.

If the Insurer of the Bonds is not then in default in the performance of any of its obligations under its Municipal Bond Insurance Policy, it shall receive notice of all Supplemental Resolutions adopted pursuant to this Section 7.01.

Section 7.02 Supplemental Resolutions with Bondholders' Consent. Subject to the terms and provisions contained in this Section 7.02 and Section 7.01 hereof, the Holder or Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such Supplemental Resolution or

resolutions hereto as shall be deemed necessary or desirable by the Issuer for the purpose of supplementing, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution. Any Supplemental Resolution which is adopted in accordance with the provisions of this Section 7.02 shall also require the written consent of the Insurer of any Bonds which are Outstanding at the time such Supplemental Resolution shall take effect. No Supplemental Resolution may be approved or adopted which shall permit or require (A) an extension of the maturity of the principal of or the payment of the interest on any Bond issued hereunder, (B) reduction in the principal amount of any Bond or the Redemption Price or the rate of interest thereon, (C) the creation of a lien upon or a pledge of other than the lien and pledge created by this Resolution which adversely affects any Bondholders, (D) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (E) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolution, unless such Supplemental Resolution has the approval of 100% of the Bondholders and any Insurer of the Bonds. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any Supplemental Resolution as authorized in Section 7.01 hereof.

If, at any time the Issuer shall determine that it is necessary or desirable to adopt any Supplemental Resolution pursuant to this Section 7.02, the Clerk shall cause the Registrar to give notice of the proposed adoption of such Supplemental Resolution and the form of consent to such adoption to be mailed, postage prepaid, to all Bondholders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the offices of the Clerk and the Registrar for inspection by all Bondholders. The Issuer shall not, however, be subject to any liability to any Bondholder by reason of its failure to cause the notice required by this Section 7.02 to be mailed and any such failure shall not affect the validity of such Supplemental Resolution when consented to and approved as provided in this Section 7.02.

Whenever the Issuer shall deliver to the Clerk an instrument or instruments in writing purporting to be executed by the Holders or Insurers, as the case may be, of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Resolution described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Issuer may adopt such Supplemental Resolution in substantially such form, without liability or responsibility to any Holder of any Bond, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such Supplemental Resolution shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the adoption of any Supplemental Resolution pursuant to the provisions of this Section 7.02, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the Issuer and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

Section 7.03 Supplemental Resolutions with Insurer's Consent in lieu of Bondholders' Consent. Notwithstanding any provisions of Section 7.02 above to the contrary, if the Insurer of the Bonds is not then in default in the performance of any of its obligations under its Municipal Bond Insurance Policy, the approvals, consents and notifications required by Section 7.02 above to be given by or to the Owners of the Bonds, as the case may be, may be given solely by or to the Insurer, as the case may be, and the instrument contemplated by Section 7.02 above shall be executed solely by the Insurer, and the Owners of the Bonds subject to such Municipal Bond Insurance Policy shall have no right to receive such notification or give such approvals and consents or to execute such certificate except that the adoption of Supplemental Resolutions that would have any of the effects described in (A) through (E) in Section 7.02 above shall require the approval and consent of all Owners of Bonds then Outstanding and the Insurer.

ARTICLE VIII OPTIONAL MUNICIPAL BOND INSURANCE

Section 8.01 Optional Municipal Bond Insurance. The Mayor, based on the advice of the Financial Advisor, is hereby authorized to insure some, all or none of the Bonds with a policy of municipal bond insurance and to take any actions and do all things necessary, including without necessary the execution and delivery of an agreement related thereto, in order to accept such policy in connection with the issuance of the Bonds, based on the advice of the Financial Advisor.

ARTICLE IX MISCELLANEOUS

Section 9.01 Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders of all Bonds, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Resolution, then the pledge of the Pledged Funds, and all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the Issuer all money or securities held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Any Bonds or interest installments appertaining thereto, whether at or prior to the maturity or redemption date of such Bonds, shall be deemed to have been paid within the meaning of this Section 9.01 if (A) in case any such Bonds are to be redeemed prior to the maturity

thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision shall have been made for the giving of such notice, and (B) there shall have been deposited in irrevocable trust with a banking institution or trust company by or on behalf of the Issuer either moneys in an amount which shall be sufficient, or Federal Securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such bank or trust company at the same time shall be sufficient, to pay the principal of or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be. Except as hereafter provided, neither the Federal Securities nor any moneys so deposited with such bank or trust company nor any moneys received by such bank or trust company on account of principal of or Redemption Price, if applicable, or interest on said Federal Securities shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal of or Redemption Price, if applicable, of the Bonds for the payment or redemption of which they were deposited and the interest accruing thereon to the date of maturity or redemption; provided, however, the Issuer may substitute new Federal Securities and moneys for the deposited Federal Securities and moneys if the new Federal Securities and moneys are sufficient to pay the principal of or Redemption Price, if applicable, and interest on the refunded Bonds.

In the event the Bonds for which moneys are to be deposited for the payment thereof in accordance with this Section 9.01 are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall cause the Registrar to mail a notice to the Holders of such Bonds that the deposit required by this Section 9.01 of moneys or Federal Securities has been made and said Bonds are deemed to be paid in accordance with the provisions of this Section 9.01 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, and interest on said Bonds.

Nothing herein shall be deemed to require the Issuer to call any of the Outstanding Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Issuer in determining whether to exercise any such option for early redemption.

Notwithstanding anything herein to the contrary, in the event that the principal and or interest due on the Bonds shall be paid by the Insurer pursuant to the Municipal Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer and the pledge of the Pledged Funds and all covenants, agreements and other obligations of the Issuer to the registered owners, shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered owners.

Section 9.02 Sale of Bonds. The Bonds shall be issued and sold at public or private sale at one time or in installments from time to time and at such price or prices as shall be consistent

with the provisions of the Act, the requirements of this Resolution and other applicable provisions of law and as shall be approved by Supplemental Resolution of the Issuer.

Section 9.03 General Authority. The members of the City Commission of the Issuer, the City Manager, the City Attorney, the Director of Financial Administration and all other of the Issuer's officers, attorneys and other agents and employees are hereby authorized to perform all acts and things required of them by this Resolution or any Supplemental Resolution or desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds, this Resolution, and any Supplemental Resolution, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

Section 9.04 Interested Parties. (i) To the extent that this Resolution confers upon or gives or grants to the Insurer any right, remedy or claim under or by reason of this Resolution, the Insurer is explicitly recognized as being a third-party beneficiary under this Resolution and may enforce any such right, remedy or claim conferred, given or granted under this Resolution.

(ii) Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Insurer, the Paying Agent, and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Insurer, the Paying Agent, and the registered owners of the Bonds.

Section 9.05 No Personal Liability. Neither the members of the City Commission of the Issuer nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 9.06 Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

Section 9.07 Superseding of Inconsistent Resolutions. This Resolution supersedes all prior actions of the City Commission inconsistent herewith. All prior resolutions or parts thereof in conflict herewith are hereby superseded by this Resolution to the extent of such conflict.

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Section 9.08 Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED by title only, after posting on the bulletin board at the City Hall for at least three (3) days prior to reading, as authorized by Article IV, Section 2(h) of the Charter of the City of Sarasota, 1996.

ADOPTED by the Commission of the City of Sarasota, Florida, this 17th day of April, 2023.

Kyle Battie, Mayor

ATTEST:

City Auditor and Clerk

- _____ Mayor Battie
- _____ Vice Mayor Alpert
- _____ Commissioner Ahearn-Koch
- _____ Commissioner Arroyo
- _____ Commissioner Debbie Trice

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RESOLUTION NO. 23R-3176

A RESOLUTION OF THE CITY OF SARASOTA, FLORIDA SUPPLEMENTING A RESOLUTION ADOPTED ON EVEN DATE HERewith; AUTHORIZING AND APPROVING THE NEGOTIATED SALE OF NOT TO EXCEED \$50,000,000 CITY OF SARASOTA, FLORIDA CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2023 (BAY PARK PHASE 2); AUTHORIZING THE SALE THEREOF TO RAYMOND JAMES & ASSOCIATES, INC. SUBJECT TO THE TERMS AND CONDITIONS CONTAINED HEREIN; APPOINTING THE PAYING AGENT AND REGISTRAR; PROVIDING CERTAIN OTHER MATTERS RELATING TO THE BONDS; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR READING BY TITLE ONLY; AND AN EFFECTIVE DATE.

WHEREAS, the City Commission (the "City Commission") of the City of Sarasota, Florida (the "Issuer") adopted a resolution on even date herewith, as supplemented hereby (collectively, the "Resolution"); and

WHEREAS, all capitalized undefined terms used herein shall have the meanings ascribed thereto in the Resolution; and

WHEREAS, by the Resolution, the Issuer authorized the issuance of (a) not to exceed \$50,000,000 in aggregate principal amount of the City of Sarasota, Florida Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) (the "Bonds") to (i) finance and/or reimburse the costs of the Project, and (ii) pay certain costs of issuance incurred with respect thereto; and

WHEREAS, the Issuer now desires to supplement the Resolution to authorize the sale of the Bonds on a negotiated basis to Raymond James & Associates, Inc. (the "Underwriter") based on satisfaction of the terms and conditions contained herein; and

WHEREAS, due to the willingness of the Underwriter to purchase the Bonds at interest rates favorable to the Issuer, the complicated nature of transactions of this type, and the critical importance of timing of the sale of the Bonds, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Bonds at a negotiated sale upon meeting the terms and conditions contained herein and in the Bond Purchase Contract attached hereto as Exhibit "A" (the "Bond Purchase Contract"); and

WHEREAS, the Issuer expects to receive an offer from the Underwriter to purchase the Bonds, subject to the terms and conditions contained in the Resolution, herein and set forth in the Bond Purchase Contract; and

WHEREAS, the Issuer desires to sell its Bonds subject to the terms and conditions contained in the Resolution, herein and set forth in the Bond Purchase Contract, and authorize execution and distribution of the Official Statement in connection with the issuance of the Bonds; and

WHEREAS, prior to the execution of the Bond Purchase Contract the Issuer will be provided all applicable disclosure information required by Section 218.385, Florida Statutes, a copy of which will be attached to or otherwise included as part of the Bond Purchase Contract; and

WHEREAS, this Resolution shall constitute a Supplemental Resolution under the terms of the Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SARASOTA, FLORIDA, THAT:

SECTION 1. Due to the willingness of the Underwriter to purchase not to exceed \$50,000,000 in aggregate principal amount of the Bonds at interest costs favorable to the Issuer, the complicated nature of transactions of this type, and the critical importance of timing of the sale of the Bonds, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Bonds at a negotiated sale (rather than through a competitive bid) and such sale to the Underwriter (pursuant to the terms and conditions contained in the Resolution, herein and in the Bond Purchase Contract) is hereby authorized and approved.

SECTION 2. Subject to the terms and conditions of Section 3 hereof, the Bonds may be sold in a negotiated sale to the Underwriter upon the terms and conditions set forth in the Resolution, herein and in the Bond Purchase Contract, in substantially the form attached hereto as Exhibit "A" (with such changes and filling of blanks as shall be approved by the Director of Financial Administration) and incorporated by reference. The form of the Bond Purchase Contract is hereby approved by the Issuer (such approval indicating the recognition of the Issuer that the conditions precedent in the Bond Purchase Contract and Section 3 hereof will be met prior to the delivery of the Bonds). Upon satisfaction of the conditions contained in the Resolution, Section 3 hereof and the Bond Purchase Contract, the Issuer hereby authorizes the Director of Financial Administration to execute and deliver the Bond Purchase Contract in the name of and on behalf of the Issuer. All of the provisions of the Bond Purchase Contract, when executed and delivered by the Issuer as authorized herein shall be deemed to be part of this instrument as fully and to the same extent as if incorporated verbatim herein. The execution and delivery of the Bond Purchase Contract shall constitute conclusive evidence of the approval thereof.

SECTION 3. (I) The Issuer hereby delegates to the Director of Financial Administration the authority (a) to determine (i) the dated date, (ii) the maturity dates and amounts, (iii) the interest rates and payment dates, (iv) the redemption features, (v) the Amortization Installments for the Term Bonds, if any, (vi) the delivery date, and (vii) all other details of the Bonds; (b) to

take such further action as shall be required for carrying out the purposes of the Resolution and this Resolution all with respect to the Bonds; and (c) to execute and deliver, on behalf of the Issuer, the Bond Purchase Contract as provided in Section 2 above; provided, however, that the Director of Financial Administration shall not take any action pursuant to this Section 3 unless the Director of Financial Administration shall have received from the Underwriter such information as the Director of Financial Administration shall deem necessary in order to demonstrate that (i) the par amount of the Bonds is not in excess of \$50,000,000, (ii) the true interest cost rate of the Bonds is not in excess of 4.50%, (iii) the final maturity of the Bonds is not later than September 1, 2049, and (iv) the underwriting discount is not greater than 0.300% of the original principal amount of the Bonds.

(II) All actions of the Director of Financial Administration taken pursuant to the authority contained in Section 3(I) shall be evidenced by the Bond Purchase Contract. The execution of the Bond Purchase Contract shall constitute complete evidence of the actions of the Director of Financial Administration in accordance with this Section and shall constitute official action of the Issuer.

SECTION 4. The Bonds shall be issued under and secured by the Resolution and shall be executed and delivered in the manner as set forth in the Resolution, with such additional changes and insertions therein as conform to the provisions of the Bond Purchase Contract, and such execution and delivery shall be conclusive evidence of the approval thereof by such officers.

SECTION 5. The members of the City Commission of the Issuer and the Issuer's officers, attorneys and other agents and employees, including but not limited to the City Manager, the Director of Financial Administration, the Clerk, and the City Attorney, are hereby authorized to perform all acts and things required of them by the Resolution, the Bond Purchase Contract or any other instruments or documents desirable or consistent with the requirements hereof for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds, the Resolution and the Bond Purchase Contract, and they are hereby authorized to execute and deliver all documents which shall be required by Bond Counsel or the initial purchasers of the Bonds to effectuate the sale of the Bonds to said initial purchasers.

SECTION 6. The Bank of New York Mellon Trust Company, N.A. is hereby appointed as Paying Agent and Registrar with respect to the Bonds. The Director of Financial Administration is hereby authorized to execute an agreement with The Bank of New York Mellon Trust Company, N.A. to act as Paying Agent and Registrar, the form of which shall be approved by the City Attorney.

SECTION 7. The Issuer hereby covenants and agrees that, in order to assist the Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") with respect to the Bonds, it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the Issuer prior to the time the Issuer delivers the Bonds to the Underwriter, as it may be amended from time to time in accordance with the terms thereof. The form of the Continuing Disclosure

Certificate, attached hereto as Exhibit "B", is hereby approved and ratified, and the Issuer hereby authorizes the Director of Financial Administration to execute and deliver said Continuing Disclosure Certificate in the name of and on behalf of the Issuer. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with such Continuing Disclosure Certificate shall not be considered an Event of Default under the Resolution. However, the Continuing Disclosure Certificate shall be enforceable by the Bondholders in the event that the Issuer fails to cure a breach thereunder within a reasonable time after written notice from a Bondholder to the Issuer that a breach exists. Any rights of the Bondholders to enforce the provisions of the covenant shall be on behalf of all Bondholders and shall be limited to a right to obtain specific performance of the Issuer's obligations thereunder.

SECTION 8. The Issuer hereby ratifies and approves the form of the Preliminary Official Statement attached hereto as Exhibit "C". The distribution of the final Official Statement relating to the Bonds (as it may be amended and supplemented from time to time, the "Official Statement") is hereby authorized, and the execution of such Official Statement by the City Manager and the Director of Financial Administration is hereby authorized. The Director of Financial Administration of the Issuer is hereby authorized to execute and deliver a certificate of the Issuer which deems such Preliminary Official Statement "final" within the contemplation of the Rule.

SECTION 9. This Resolution supersedes all prior actions of the City Commission inconsistent herewith. All prior resolutions or parts thereof in conflict herewith are hereby superseded by this Resolution to the extent of such conflict.

SECTION 10. If any one or more of the covenants, agreements or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions of this Resolution and shall in no way affect the validity of any of the other covenants, agreements or provisions hereof or of the Bonds issued hereunder.

SECTION 11. Except as may be expressly described herein or in the Resolution, nothing in the Resolution, this Resolution or in the Bonds, expressed or implied, is intended or shall be construed to confer upon anyone of another entity other than the Issuer and the Bondholders any right, remedy or claim, legal or equitable, under and by reason of the Resolution or any provision thereof, or of the Bonds, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Bondholders from time to time.

SECTION 12. Neither the members of the City Commission nor any person executing the Bonds shall be personally liable therefor or be subject to any personal liability or accountability by reason of the issuance thereof.

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SECTION 13. This Resolution shall take effect immediately upon its adoption.

PASSED by title only, after posting on the bulletin board at the City Hall for at least three (3) days prior to reading, as authorized by Article IV, Section 2(h) of the Charter of the City of Sarasota, 1996.

ADOPTED by the Commission of the City of Sarasota, Florida, this 17th day of April, 2023.

Kyle Battie, Mayor

ATTEST:

City Auditor and Clerk

- _____ Mayor Battie
- _____ Vice Mayor Alpert
- _____ Commissioner Ahearn-Koch
- _____ Commissioner Arroyo
- _____ Commissioner Debbie Trice

EXHIBITS

[Intentionally Omitted]

APPENDIX D

Proposed Form of Bond Counsel Opinion

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APPENDIX D

Proposed Form of Bond Counsel Opinion

May 11, 2023

City Commission
City of Sarasota
Sarasota, Florida

Re: \$44,460,000 City of Sarasota, Florida
Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2)

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Sarasota, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$44,460,000 Capital Improvement Revenue Bonds, Series 2023 (Bay Park Phase 2) (the "2023 Bonds") pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Florida Statutes and other applicable provisions of law (collectively, the "Act"); the Charter of the Issuer; and Resolution No. 23R-3175 adopted by the City Commission of the Issuer (the "Commission") on April 17, 2023, as may be amended and supplemented from time to time, and as particularly supplemented by Resolution No. 23R-3176 adopted by the Commission on April 17, 2023 (collectively, the "Bond Resolution"). In such capacity, we have examined such law and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Fournier, Connolly, Shamsey, Mladinich & Polzak, P.A., Issuer's Counsel, as to the due creation and valid existence of the Issuer, the due adoption of the Bond Resolution, the due execution and delivery of the 2023 Bonds and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the 2023 Bonds.

The 2023 Bonds are payable from and secured solely by the Pledged Funds, which consist primarily of Non-Ad Valorem Revenues budgeted and appropriated by the Issuer in accordance with the Bond Resolution and deposited into the Debt Service Fund, and, until applied in accordance with the provisions of the Bond Resolution, all moneys, including the investments thereof, in the funds and accounts established thereunder, with the exception of the Rebate Fund.

The 2023 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the 2023 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Bond Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

2. The 2023 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Funds in the manner and to the extent provided in the Bond Resolution.

3. The Bond Resolution creates a valid lien upon the Pledged Funds for the security of the 2023 Bonds all in the manner and to the extent provided in the Bond Resolution.

4. Interest on the 2023 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, for tax years beginning after December 31, 2022, interest on the 2023 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Internal Revenue Code of 1986, as amended (the "Code"). The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the 2023 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Bond Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2023 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2023 Bonds.

It is to be understood that the rights of the owners of the 2023 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency,

reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any other offering material relating to the 2023 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the 2023 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the 2023 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the 2023 Bonds or regarding the perfection or priority of the lien on the Pledged Funds created by the Bond Resolution. Further, we express no opinion regarding federal, income or state tax consequences arising with respect to the 2023 Bonds other than as expressly set forth herein.

Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

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APPENDIX E

Form of Continuing Disclosure Certificate

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Sarasota, Florida (the "Issuer") in connection with the issuance of \$44,460,000 Capital Improvements Revenue Bonds, Series 2023 (Bay Park Phase 2) (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 23R-3175 adopted by the City Commission of the City (the "Commission") on April 17, 2023, as may be amended and supplemented from time to time, and as particularly supplemented by Resolution No. 23R-3176 adopted by the Commission on April 17, 2023 (collectively, the "Resolution").

SECTION 1. PURPOSE OF THE DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriter in complying with the continuing disclosure requirements of the Rule (defined below).

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access web portal of the MSRB, located at <http://www.emma.msrb.org>.

"Event of Bankruptcy" shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to

which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Obligated Person" shall mean any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity or credit facilities).

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each entity authorized and approved by the Securities and Exchange Commission from time to time to act as a repository for purposes of complying with the Rule. As of the date hereof, the Repository recognized by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through EMMA.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than each April 30th, commencing April 30, 2024 with respect to the report for the 2023 fiscal year, provide to any Repository in the electronic format as required and deemed acceptable by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date provided, further, in such event unaudited financial statements are required to be delivered as part of the Annual Report in accordance with Section 4(a) below. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) If on the fifteenth (15th) day prior to the annual filing date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a). Upon such reminder, the Issuer shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report no later than two (2) business days prior to the annual filing date, or (ii) instruct the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Certificate, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a failure to file

has occurred and to immediately send a notice to the Repository in substantially the form attached as Exhibit A, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository;

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing each Repository to which it was provided; and

(iii) if the Dissemination Agent has not received an Annual Report by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Dissemination Agent in the form set forth in Exhibit B.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement dated April 27, 2023 (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) updates of the historical financial and operating data set forth in the Official Statement in the tables entitled:

- (i) Historical Non-Ad Valorem Revenues;
- (ii) Debt of City Secured by Non-Ad Valorem Revenues; and
- (iii) Governmental Funds Revenues and Expenses.

The information provided under Section 4(b) may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the Repository's Internet website or filed with the Securities and Exchange Commission.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds. Such notice shall be given in a timely manner not in excess of ten (10) business days after the occurrence of the event, with the exception of the event described in number 17 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of the holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. ratings changes;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee, or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and
17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof.

(b) The notice required to be given in paragraph 5(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

SECTION 6. IDENTIFYING INFORMATION. In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Certificate to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

- (a) the category of information being provided;
- (b) the period covered by any annual financial information, financial statement or other financial information or operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);
- (d) the name of any Obligated Person other than the Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5.

SECTION 8. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Digital Assurance Certification, L.L.C.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule

at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the Issuer shall have the right to adopt amendments to this Disclosure Certificate necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DEFAULT. The continuing disclosure obligations of the Issuer set forth herein constitute a contract with the holders of the Bonds. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate; provided, however, the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with the provisions of this Disclosure Certificate shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution.

SECTION 12. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Dissemination Agent as required by this Disclosure Certificate. The Dissemination Agent shall have

no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Certificate. The Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

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SECTION 13. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated as of May 11, 2023

CITY OF SARASOTA, FLORIDA

By: _____
Name: Kelly R. Strickland, CPA, CGFO
Title: Director of Financial Administration

ACKNOWLEDGED BY:

DIGITAL ASSURANCE CERTIFICATION L.L.C.,
as Dissemination Agent

By: _____
Name: Diana O'Brien
Title: Senior Vice President

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Issuer: _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure Agreement: _____

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate between the Issuer and Digital Assurance Certification, L.L.C., as Dissemination Agent. [The Issuer has notified the Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as Dissemination Agent, on behalf of the Issuer

cc:

EXHIBIT B
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name:

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

Number of pages attached: _____

____ Description of Notice Events (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material, and tender offers;"
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the Bonds, if material;"
11. _____ "Rating changes;"
12. _____ "An Event of Bankruptcy or similar event of an Obligated Person;"
13. _____ "The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;"
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15. _____ "Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, Florida 32801
407-515-1100

Date:

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