



**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
of the
CITY OF PUNTA GORDA, FLORIDA**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2005**

PREPARED BY THE FINANCE DEPARTMENT

**David W. Drury, CPA, CGFO
Finance Director**

CITY COUNCIL

MAYOR	STEPHEN M. FABIAN, JR.
VICE MAYOR	LARRY FRIEDMAN
COUNCILMEMBER	MARILYN P. SMITH-MOONEY
COUNCILMEMBER	THOMAS D. POOLE
COUNCILMEMBER	DR. DAVID PHELEN

CITY MANAGER

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005

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INTRODUCTORY SECTION

This section contains
the following subsections:

Letter of Transmittal

List of Elected
and Appointed Officials

City of Punta Gorda Organizational Chart

Certificate of Achievement
for Excellence in Financial Reporting

City of **Punta Gorda**, Florida

CITY HALL
326 WEST MARION AVENUE
PUNTA GORDA, FLORIDA 33950-4492

March 12, 2006

To the Honorable Mayor, Members of the Council and Citizens of the City of Punta Gorda:

State law requires that all general-purpose local governments publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Punta Gorda for the fiscal year ended September 30, 2005.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Punta Gorda's financial statements have been audited by Donald W. Ashley, P.A., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Punta Gorda for the fiscal year ended September 30, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2005 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Punta Gorda was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

In Beautiful Charlotte County

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Punta Gorda, founded December 7, 1887, is the only incorporated city in Charlotte County and serves as the County Seat. The City currently occupies a land area of approximately 16 square miles and serves a population of 16,255. The City is empowered to levy a property tax on properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City's Manager, Clerk and Attorney. The City's Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve two-year staggered terms. The mayor is appointed by the Council to serve a one-year term. All of the council members are elected by district.

This report includes all funds of the City. The City provides a full range of services which include police and fire protection; water, wastewater and sanitation services; the maintenance of highways, streets, canals, and infrastructure; recreational activities and cultural events. In addition to general government activities, the City includes certain agencies and boards in the comprehensive annual financial report.

The annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriation to the manager on or before April 30. The manager uses these requests as the starting point for developing a proposed budget. The manager then presents this proposed budget to the council for review in June. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, CRA and Transportation Impact Fee Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, CRA and Transportation Impact Fee, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. A budget was not prepared for the Storm Related Fund since revenues and expenditures couldn't be estimated due to many fiscal uncertainties created by the storm.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

The City currently enjoys a favorable economic environment and local indicators point to continued stability.

The permitted value of new construction totaled \$317 million for fiscal year 2005. A total of 11,792 building permits were issued during the year.

Punta Gorda has made great strides to promote and market its commitment to serve as a community providing an outstanding quality of life to residents and visitors alike. The City of Punta Gorda was selected the #1 "Best Small Place to Live in the Nation" by Money Magazine in 1996, the "Best Place in the South" in 1997, and the #2 area for "Job Growth to 2010" in 1999. The City of Punta Gorda was classified as "enjoying an economic renaissance" by Florida's well-respected economist, Hank Fishkind. To keep pace with growth the City is continuing its program of maintaining infrastructure.

The region (which includes the City and the surrounding unincorporated area within Charlotte County) has an employed labor force of approximately 40,000, which has been growing at a rate of between 3 percent and 5 percent for the past several years

Major Initiatives

Major initiatives with the future in mind is the City's adoption of a set of Goals and Strategic Objectives. These goals will assist the City as a guide toward a more planned future. They give the entire organization a shared vision, improved motivation, and serve as the basis for setting priorities.

GOALS

- Preserve, enhance and advance the natural resources of Punta Gorda.
- Further develop the economic base and positively influence the diversity of economic development for the City.
- Foster and advance the unique character of Punta Gorda.
- Improve the quality and level of communication between City government and citizenry.
- Increase City Council's awareness of the need to prioritize projects and tasks based on their impact to the City's mission and the resources available to accomplish them in the desired time frame.
- Ensure a professional and safe environment for City employees.
- Maintain fiscally responsible decision-making by Council and staff.
- Promote security, safety, and health by providing services that maintain a high quality of life for the citizens of Punta Gorda.

STRATEGIC PLAN

A strategic plan provides a tool for more effective and economical operations and demonstrates to the public that careful consideration has been given to future development and direction of the organization. The Plan provides a realistic view of the expectations for the organization and community at-large.

City Council approved moving forward with development of a strategic plan which set priorities. These priorities are delineated below.

- Administration and Financial Management
- Annexation
- Economic Development
- Emergency Management/Public Safety
- Intergovernmental Relations
- Quality of Life/Livability
- Stakeholder Involvement
- Transportation/Parking
- Utilities
- Waterfront/Boating

With the assistance from everyone involved, and these goals and plan as a roadmap, Punta Gorda will strive to recover from Hurricane Charley and prosper now and in the future.

Cash Management

In direct response to the investment losses of some local governments, the Florida legislature passed legislation requiring local governments to adopt written investment policies on or before October 1, 1995. The investment policies are required to place a priority on the safety of principal and liquidity. The City adopted a revised investment policy September 6, 1995, which was updated September 5, 2001 to reflect State required changes. The City's cash management program incorporates the principles of keeping all investments free from risk, maintaining adequate liquidity and flexibility to meet both scheduled and unscheduled obligations and maximizing return. Authorized investments include the Local Government Surplus Funds Trust Fund (LGSFTF), negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government and their agencies, non-negotiable interest-bearing time certificates of deposit, repurchase agreements, and savings in "Qualified Public Depositories" as defined in Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Additionally, the Pension Trust Funds are authorized to invest in corporate bonds and equity securities.

The City maintains a pooled cash account with the State of Florida LGSFTF. This investment vehicle allows flexibility and earns better interest rates for the City's investment. There was \$18,260,885 on deposit with LGSFTF at September 30, 2005. The LGSFTF interest rate at that time was 3.79%. As of September 30, 2005 there were four investments with the Government National Mortgage Association (G.N.M.A.) earning 10% and totaling \$25,252 and three Federal agencies totaling \$9,000,000. The three pension trusts combined had \$24,932,489 (fair value) of investments as of September 30, 2005.

Risk Management

The City belongs to Public Risk Management (PRM), a group of self insured public entities. PRM covers risks in the areas of workers compensation, property, and other municipal liability. PRM purchases excess insurance coverage to cover large and catastrophic losses. PRM has a contract with a third-party administrator who provides claims service, loss prevention engineering, management information systems, and brokerage service. The City has a Safety Committee that meets and reviews all accident and injury claims in an ongoing effort to reduce losses. The health care coverage is also through PRM. It is a self-funded PPO plan using the Blue Cross Blue Shield of Florida network, administered by BCBS of Florida and reinsured by Alden Risk Management. The fund is fully funded annually.

Pension and other post-employment benefits

The City sponsors a single-employer defined benefit pension plan for its general and public safety employees. Each year, an independent actuary engaged by the pension plans calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary. As a result of the City's conservative funding policy, the City has succeeded as of September 30, 2005 in funding 69.21%, 101.18% and 79.60% of the General Employees, Police Officers' and Firefighters' pension plans respectively, the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 30 years, 22 years and 29 years respectively. The City offers no other post-employment benefit.

Awards and Acknowledgements

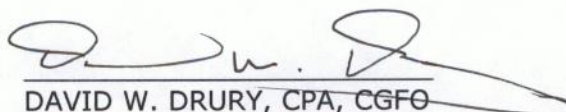
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2004. This was the twentieth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unflinching support for maintaining the highest standards of professionalism in the management of the City of Punta Gorda's finances.

Respectfully submitted,

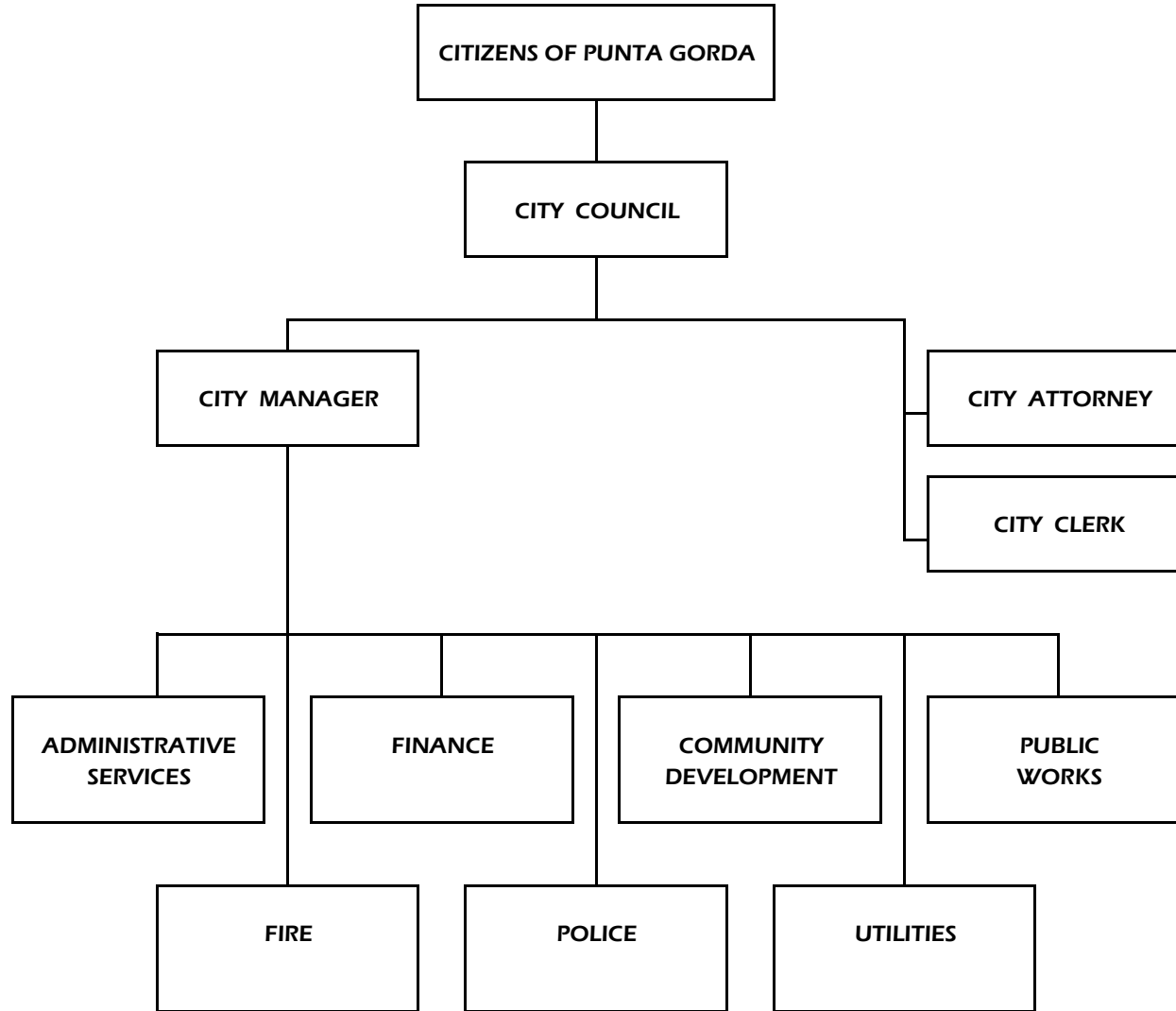

HOWARD KUNIK
CITY MANAGER


DAVID W. DRURY, CPA, CGFO
DIRECTOR OF FINANCE

City of Punta Gorda
List of Principal Officials
As of September 30, 2005

<u>Title</u>	<u>Name</u>
Mayor	Stephen M. Fabian, Jr.
Vice Mayor	Lawrence J. Friedman
Councilmember	Marilyn P. Smith-Mooney
Councilmember	Thomas D. Poole
Councilmember	David Phelen
City Manager	Howard Kunik
City Attorney	David M. Levin
City Clerk	Sue Foster
Chief of Police	Charles R. Rinehart
Fire Chief	Robert F. Hancock
Director of Administrative Services	Dennis B. Murphy
Director of Community Development	David G. Hennis
Director of Finance	David W. Drury
Director of Public Works	Richard C. Keeney
Director of Utilities	Stephen W. Adams

CITY OF PUNTA GORDA
ORGANIZATIONAL CHART



CERTIFICATE OF ACHIEVEMENT
FOR EXCELLENCE IN
FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Punta Gorda, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Punta Gorda has received a Certificate of Achievement for the last twenty consecutive years (fiscal years ended 1985 through 2004). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Punta Gorda,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Perry

President

Jeffrey R. Egan

Executive Director

FINANCIAL SECTION

This section contains
the following subsections:

Report of Independent Accountants

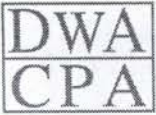
Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund
Statements and Schedules

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Donald W. Ashley, P.A.
Certified Public Accountant

366 East Olympia Avenue
Punta Gorda, Florida 33950
Phone: 941.639.6600
Fax: 941.639.6115

Independent Auditor's Report

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Punta Gorda, Florida, (the "City") as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of

September 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2005, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the required supplementary information, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City, taken as a whole. The accompanying information identified in the table of contents as combining and individual fund statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Donald W. Osley, P.A.

December 22, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Punta Gorda's financial statements is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ended September 30, 2005.

FINANCIAL HIGHLIGHTS

- The assets of the City of Punta Gorda exceeded its liabilities at September 30, 2005, by \$79.9 million (net assets). Of this amount, \$14.2 million unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$5.7 million.
- As of September 30, 2005 the City of Punta Gorda's governmental funds reported combined ending fund balances of \$35.6 million. This is an increase of \$3.8 million. Approximately 9.2% of this total is unrestricted.
- The City of Punta Gorda's total long-term liabilities increased by net \$2.3 million during the current fiscal year. This decrease is discussed further in debt administration.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Statement of Net Assets (page 14) and **The Statement of Activities** (page 15) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. The statements separate governmental from business-type activities but both are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The **Fund Financial Statements**, which report by individual fund, begin on page 16. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore you will find the reconciliation on page 21 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the entity-wide financial statements. The Fund Financial Statements present information in more detail than in the Entity-wide financial statements. Lesser funds, such as fair-share impact fees and canal maintenance districts are combined in an "other funds" column. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

THE ENTITY-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities

Government-wide financial statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. The statements separate governmental from business-type activities. For purposes of these statements, both types are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decrease in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during fiscal year 2004/2005. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes, earned but unused vacation leave.)

Both of these financial statements distinguish the primary types of functions of the City as defined below:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, public works, community development, parks, building and code enforcement and general administration. Major revenues supporting these activities are ad valorem taxes, sales and gas taxes, franchise, utility and communications service taxes, intergovernmental revenues, grants, as well as lesser revenues from building permits, fees, and investments.
- Business-type activities – The City's Utilities and Sanitation services are reported here. These services are supported primarily from user fees. Financing of major capital is usually necessary. The debt service is supported both by user fees and impact fees.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial 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 – account for most, if not all, of the City's tax-supported activities. Examples are the General fund, the CRA fund, the Capital Projects

fund and the PGI and BSI canal maintenance district funds. A temporary fund called "Storm Related fund" has been included in the Governmental Funds. This fund was needed to report fiscal activities caused by a direct hit from a strong category 4 Hurricane named Charley. These funds focus on how money flows into and out of the funds, and the balances left at year-end. The accounting method used is called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash (usually 60 day focus). The two criteria used are that the revenue is measurable and available. Examples of difference from economic focus are that financing and grants are considered current revenue, and purchases of capital are considered expenditures whereas depreciation is not since there is no outlay of cash. In a highly regulatory environment, fund accounting serves a very important purpose, in that funds received for specific purposes are identified as such and can readily be audited.

- Proprietary funds – are used to account for the business-type activities of the government. There are two types: enterprise funds and internal service funds. The City's enterprise funds are Utilities and Sanitation; the internal service funds are Information Technology Services and Fleet Maintenance. All proprietary funds use full accrual basis accounting and the economic measurement focus. Fees or charges are the primary revenue source for proprietary funds. The City's three pension funds are fiduciary funds.
- Fiduciary funds – are used to account for resources held for the benefit of parties outside the government. 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 similar to proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provide in the government-wide and fund financial statements. The notes can be found beginning on page 33.

Required Supplementary Information

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called required supplementary information (RSI) and includes this analysis, the MD&A, budgetary comparisons, and trend data on pension funding.

THE CITY AS A WHOLE

The City's combined net assets as of September 30, 2005 were \$79.9 million. The City's combined revenues, including contributions, grants, taxes and charges for services were \$41.5 million. Total expenses, citywide were \$35.8 million. The increase to citywide net assets was \$5.7 million. Table 1 reflects the condensed Statement of Net Assets in thousands for the Governmental activities and the Business-type activities. Per GASB Statement 34, comparative data for the previous year is also presented.

Table 1
Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 11,010	\$ 13,033	\$ 21,214	\$ 19,488	\$ 32,224	\$ 32,521
Capital assets	33,026	30,837	45,526	41,802	78,552	72,639
Total assets	<u>44,036</u>	<u>43,870</u>	<u>66,740</u>	<u>61,290</u>	<u>110,776</u>	<u>105,160</u>
Long-term liabilities	(5,293)	(6,383)	(20,762)	(17,423)	(26,055)	(23,806)
Other liabilities	<u>(3,125)</u>	<u>(5,691)</u>	<u>(1,658)</u>	<u>(1,413)</u>	<u>(4,783)</u>	<u>(7,104)</u>
Total liabilities	(8,418)	(12,074)	(22,420)	(18,836)	(30,838)	(30,910)
Net assets:						
Invested in capital assets,						
net of debt	28,455	25,201	25,258	24,718	53,713	49,919
Restricted	3,879	3,802	8,136	7,511	12,015	11,313
Unrestricted	3,284	2,792	10,926	10,225	14,210	13,017
Total net assets	<u>\$ 35,618</u>	<u>\$ 31,795</u>	<u>\$ 44,320</u>	<u>\$ 42,454</u>	<u>\$ 79,938</u>	<u>\$ 74,249</u>

The largest portion of the City's net assets (67%) reflects its investment in capital assets (land, buildings, plants, and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. It is also important to recognize that other resources will be required to repay the outstanding debt on capital assets. Restricted assets (representing 15% of total net assets) are subject to external restrictions on how they may be used. The remaining 18% balance of unrestricted net assets, \$14,210 thousand, may be used to meet the city's ongoing obligations to citizens and creditors. The governmental activities net assets increased \$3.8 million or 12%. The business-type activities net assets increased \$1.9 million or 4.4%. The City's overall financial position improved \$5.7 million or 7.7%.

**Table 2
Changes in Net Assets
(in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5,082	\$ 2,987	\$ 13,584	\$ 14,375	\$ 18,666	\$ 17,362
Operating grants and contributions	3,217	5,408	16	31	3,233	5,439
Capital grants and contributions	1,224	4,139	2,730	1,630	3,954	5,769
General revenues:						
Property taxes	5,733	4,955	-	-	5,733	4,955
Other fees and taxes	8,376	7,794	14	15	8,390	7,809
Other	976	480	532	491	1,508	971
Total revenues	<u>24,608</u>	<u>25,763</u>	<u>16,876</u>	<u>16,542</u>	<u>41,484</u>	<u>42,305</u>
Expenses:						
General government	3,819	4,196	-	-	3,819	4,196
Public safety	7,609	6,791	-	-	7,609	6,791
Transportation	2,068	2,183	-	-	2,068	2,183
Economic environment	501	254	-	-	501	254
Recreation	3,730	7,658	-	-	3,730	7,658
Interest on long-term debt	203	234	-	-	203	234
Storm related	2,855	4,675	-	-	2,855	4,675
Water and wastewater	-	-	12,546	12,702	12,546	12,702
Sanitation/refuse	-	-	2,464	2,521	2,464	2,521
Total expenses	<u>20,785</u>	<u>25,991</u>	<u>15,010</u>	<u>15,223</u>	<u>35,795</u>	<u>41,214</u>
Increase (decrease) in net assets	3,823	(228)	1,866	1,319	5,689	1,091
Net assets-beginning	31,795	32,023	42,454	41,135	74,249	73,158
Net assets-ending	<u>\$ 35,618</u>	<u>\$ 31,795</u>	<u>\$ 44,320</u>	<u>\$ 42,454</u>	<u>\$ 79,938</u>	<u>\$ 74,249</u>

The total primary government expenses decreased \$5.4 million, 13%. Of the total, 96% of the decreases came from Governmental activities. Public safety expenses increased \$818 thousand, 12%. The significant decreases were in the Recreation category that includes PGI Canal Maintenance Assessment District, down \$4 million, 51%. The PGI Canal contractual services expenses decreased from 2004, \$4.8 million to 2005, \$913 thousand. The Storm Related expenses were down \$1.8 million, 39% because the largest, initial expenses were incurred closest to the event date. The Business-type activities decreased \$213 thousand, 1.4% from the prior fiscal year.

The primary government ending net assets was \$79.9 million at Sept. 30, 2005. The increase in net assets for the city overall was \$5.7 million, 7.7%. The prior year increase was \$1.1 million. The Governmental Activities had an increase in net assets of \$3.8 million. Last fiscal year there was a \$228 thousand decrease in net assets. The analysis of Governmental Activities revenues and expenses discloses that although total revenues decreased 4.5%, the total expenses decreased 20%. Ending net assets are up 12%.

The Business-type Activities increase in net assets was almost \$1.9 million. The prior fiscal year increase was \$1.3 million. The analysis of revenues and expenditures disclosed that revenues increased 2% and expenditures decreased 1.4%. Ending net assets are up 4.4%.

The analysis of Table 2 states overall the total Primary Government revenues decreased \$821 thousand, 2%. The total Governmental activities revenues decreased \$1.2 million, 4.5%. The total Business-type activities increased \$334 thousand, 2%.

The most significant event that affected the FY 2005 revenue stream was Hurricane Charley which made landfall in Punta Gorda Friday, Aug. 13, 2004. The hurricane did the most damage to Charlotte and Lee counties. The population of Punta Gorda dropped from 17,168 in 2004 to 16,255 in 2005. The Business-type activities the city provides are Water, Wastewater and Refuse collection. The following chart shows the effect on the revenues and customer base (Equivalent Residential Units).

	<u>Revenues (in thousands)</u>		<u>% decrease</u>	<u>ERU</u>	
	2005	2004		2005	2004
Water Billings	\$6,511	\$6,917	-5.9%	14,018	19,271
Sewer Billings	\$4,462	\$4,652	-4.1%	12,310	14,142
Refuse Collection	\$2,344	\$2,510	-6.6%	11,558	11,736

Governmental activities charges for services increased \$2.1 million, 70%. The revenue source that reported the largest increase was building permits. The building permit fees needed for construction and reconstruction were \$2.5 million in FY 2005 up 351% from the \$557 thousand collected in FY 2004. The total grants and contributions had significant decreases from the prior year. They totaled over \$10 million in FY 2004 which includes \$3 million to repair the seawall collapse in Punta Gorda Isles due to the June 2003 tropical storm and \$4.7 million for Hurricane Charley damages. In FY 2005, they totaled \$4.4 million a 53% decrease. The largest grant was another \$2.5 million for Hurricane Charley damage. Property taxes increased \$778 thousand, 15.7%. The taxable value of new construction was \$69.2 million bringing the FY 2005 gross taxable value for operating purposes to \$2.4 billion. Property assessment changes from Hurricane Charley were made to the 2005 tax roll for FY 2006. The FY 2005 millage rate of 2.4772 per thousand of taxable assessed value remained the same as the prior year.

The General Fund balance at Sept. 30, 2005 is almost \$4.1 million. The undesignated fund balance was \$2.54 million, \$1 million was designated for subsequent year's budget and \$500,000 was designated for transfer to the Building Code Enterprise fund established Oct. 1, 2005. The Building Code Enterprise fund was created to identify fees charged to support the cost of enforcing the building code. The \$500,000 is the determined amount of revenue over expenditures during the past number of years.

Governmental Activities

Table 3 presents the cost of each of the City's four largest programs as well as each program's net cost (total cost less revenue, excluding taxes, generated by the activities). The net cost represents the portion of each program that is supported by various taxes.

The cost of all governmental activities this year was \$20.8 million as opposed to \$26 million in FY 2004. As shown in the Statement of Activities on page 15, the net cost that was ultimately paid through taxes and other sources was \$11.3 million. The highlights of how the remaining \$9.5 million was provided follow:

- \$5.1 million in charges for services- \$2.1 million by the canal maintenance districts; and \$3 million by various fees for general government services, of which the license and permit fees of \$2.7 million is the most significant;
- \$4.4 million in operating grants, capital grants and contributions- \$2.5 million of this is from a FEMA/State of FL disaster relief grant for Hurricane Charley.

Table 3
Governmental Activities
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2005	2004	2005	2004
Public Safety	\$ 7,609	\$ 6,791	\$ (4,678)	\$ (6,051)
Transportation	2,068	2,183	(1,867)	(2,023)
Economic Environment	501	254	401	599
Recreation	3,730	7,658	(1,672)	(2,554)
All Others	6,877	9,105	(3,447)	(112)
Totals	\$ 20,785	\$ 25,991	\$ (11,263)	\$ (10,141)

Business-type Activities

Revenues of the City's Business-type activities (see Table 2) totaled \$16.9 million. Operating expenses totaled \$15.0 million, showing an increase in net assets of \$1.9 million.

In the aftermath of Hurricane Charley, the City requested a utility consultant review the utility rates. Any change required will be implemented in the future. Residential sanitation charges for services remained unchanged.

THE CITY'S FUNDS

General Fund Budgetary Highlights

Differences between the General Fund's original expenditure budget and final amended budget equaled \$1.2 million, of which \$419 thousand was budgeted expenditures from fiscal year 2003/2004 carried over to fiscal year 2004/2005. The Fire department received a Homeland Security grant for a live fire training tower that was unbudgeted, and the budget amendment was \$266 thousand. The Building and Code Compliance increased their operating budget by \$132 thousand needed for the unusual, heavy volume of activity funded by building permit fees. These fees were covered by increased revenues from charges for services. These budget amendments are the most significant budget events of the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2005 reflect an investment of \$78.5 million, net of accumulated depreciation.

The following table provides a summary of net capital assets by category for both governmental and Business-type activities.

Table 4
Capital Assets at Year End
(net of Depreciation, in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 7,916	\$ 6,761	\$ 5,403	\$ 488	\$ 13,319	\$ 7,249
Buildings	5,554	5,793	4,555	5,358	10,109	11,151
Improvements						
other than buildings	234	363	10,905	12,043	11,139	12,406
Machinery and equipment	3,208	2,677	2,240	1,984	5,448	4,661
Infrastructure / System	13,286	13,462	20,907	21,686	34,193	35,148
Construction						
work in progress	<u>2,828</u>	<u>1,781</u>	<u>1,516</u>	<u>243</u>	<u>4,344</u>	<u>2,024</u>
Total Capital Assets	<u>\$ 33,026</u>	<u>\$ 30,837</u>	<u>\$ 45,526</u>	<u>\$ 41,802</u>	<u>\$ 78,552</u>	<u>\$ 72,639</u>

Significant changes to assets this year include:

- Replacement of 11 vehicles and 2 pieces of heavy equipment. \$538 thousand
- One 75 foot Quint ladder truck. \$487 thousand
- Fireblast training equipment. \$252 thousand
- Cooper Street drainage and sidewalk improvements. \$329 thousand
- Repair and replacement of sidewalks throughout the city. \$53 thousand
- Wood Street widening project. \$46 thousand
- Installation of fiber optics from City Annex to Bayfront. \$104 thousand
- Construction of the Triangle Fountain Park. \$224 thousand
- Streetscape on Highway 41 from Taylor to Henry. \$29 thousand
- Land acquisition of Ruggieri Property for parks and grounds. \$860 thousand
- Land acquisition of Zabin Property for parks and grounds. \$208 thousand
- Land acquisition of Catanzaro Property for parks and grounds. \$86 thousand
- Fourteen generators for use during storm power outages. \$69 thousand
- SCADA operating system for the Water Treatment Plant. \$117 thousand

- Land acquisition for Water Treatment Plant expansion. \$4.9 million
- US 17 relocation and reconstruction of water lines. \$91 thousand
- Airport and Taylor Road utility relocation. \$100 thousand
- Water main upgrades and assorted system improvements. \$78 thousand
- Water distribution system improvement for Magnolia Way, Klispie Drive, and assorted in house projects. \$67 thousand
- Sewer system improvements including force main replacements, Section 18 inflow abatement and lift stations 2, 3 and 13 and Grace Street emergency repair. \$ 533 thousand
- Aquifer storage and recovery project. \$30 thousand
- Replacement of 2 vehicles and 2 pieces of heavy equipment for utilities. \$336 thousand
- Replacement of pumps, scanners meters, video inspection system, concrete bucket, and power flex drives. \$138 thousand

Debt

As of September 30, 2005 the City had \$25.6 million in bonds, notes and leases.

The Governmental activities did not issue any new debt. Scheduled payments decreased debt \$1.1 million during the fiscal year. The Business-type activities issued a \$5 million revenue note to finance the purchase of a piece of land to be used for a reservoir. Capital leases for \$276 thousand were issued to finance the lease of two sanitation packer trucks. Scheduled payments decreased debts \$2.1 million during the fiscal year. Compensated absences decreased \$65 thousand entity wide.

For additional information regarding capital assets and debt refer to footnotes D and E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City currently enjoys a favorable economic environment and local indicators point to continued stability. According to *Kiplinger's* Punta Gorda is expected to be the national leader in job growth over the next 25 years with estimated growth to about 3% per year. Helping to forge the way is Charlotte Regional Medical Center that was named one of the country's best cardiovascular hospitals. Charlotte Regional Medical Center is the top principal taxpayer in the City. The past year has seen great strides towards revitalization and stabilization of local economic conditions. The CRA along with City Council and various local advisory boards have facilitated public workshops aimed to improve community character. Of utmost importance have been concentrated programs to improve the visual aspects of downtown Punta Gorda. Construction of various mixed use facilities with additional public amenities in the heart of the downtown are also quite far along such as:

- Sunloft Professional Building – an 80,000 square foot, 4 story mixed use project in the heart of downtown featuring retail,

offices and residential with parking. This project replaces a 22,664 square foot professional building.

- Wotitzky Law Building – an 11,000 square foot, 2 story office/retail complex which replaces a 4,603 square foot, 1 story concrete block structure.
- The Charlotte Regional Medical Center – a 50,101 square foot, 3 story professional medical center which replaces a 37,865 square foot, 2 story building lost due to Hurricane Charley.
- Phase I of a new private school serving grades K-8.

Further implementation of the CRA's master planning efforts has involved preparation of construction drawings for implementing a Wayfinding System along downtown streets and gateway areas. The system includes details for informational kiosks, street signs and markers, banners and lighting systems, along with colorful graphics and identification icons.

The City also accepted donation of and moved the historic AC Freeman house from a location on the east side of town to a prominent site adjoining the City Hall in the historic district. The house was built in 1903 and is one of the best preserved examples of the Queen Anne carpentry gingerbread style remaining in Charlotte County. The City is renovating the house and once completed will lease the structure to the Historical Society and local Chamber of Commerce.

As in the past the City continues to pursue multiple grants for landscaping improvements, affordable housing, and downtown revitalization. Through cooperative efforts with the County the City has obtained a little more than one-half of the County's \$9 million in hurricane recovery funding. This funding is allowing the purchase of waterfront land for environmental protection and parks, assisting in several affordable housing projects with local non-profits and community development corporations, and facade grants to assist downtown businesses in rebuilding.

In the aftermath of Hurricane Charley the City Council and Community Redevelopment Agency Board held public workshops to refine and refocus the City of Punta Gorda 2000 Master Plan. The goal was to take advantage of the rebuilding opportunity afforded the City's downtown commercial area as a result of the storm damage. Construction of a new hotel with larger facilities and additional public amenities will be an added improvement along with a new professional center in the heart of downtown with provision of mixed uses and updated architecture; this project is poised for implementation pending favored market conditions. The demolished strip mall will be rebuilt as an upscale mixed-use pedestrian style site which will complement the fabric of the recent investment of the adjoining commercial businesses. This project known as City Marketplace is now preparing for permit approval with an anticipated commencement of construction in the next year.

Further implementation of the Community Redevelopment Agency's efforts has involved preparation of final construction plans for Laishley Park to include an Upland Park and public promenade along the City's waterfront. A marina building has been

designed to complement the space. The City has engaged a contractor-at-risk to complete the project, for a total of \$7.1 million dollars.

Other pertinent statistics include:

- Population decreased approximately 5% from the prior fiscal year to 16,255
- Per Capita income increased 2.7%, to \$26,479
- Charlotte County Unemployment was 4.9% in December of 2004 and decreased to 3.1% December of 2005
- Charlotte County Employment January 2005 was 39,800 and in January 2006 it increased 3.5% to 41,002
- New construction added \$70.8 million and existing taxable value of commercial and residential properties increased \$326 million from the previous fiscal year. However, there was a loss of \$250 million taxable value from Hurricane Charley. Of the net 6% increase, 3% was new construction, 13% was market appreciation and -10% was property value loss.
- Single family residential C.O.s issued this year 457, last year was 126.
- The change in CPI from previous fiscal year was 4.3%.

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BASIC FINANCIAL STATEMENTS

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2005

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,792,214	\$ 2,134,489	\$ 9,926,703
Investments	2,002,111	3,900,000	5,902,111
Receivables (net of allowance for uncollectibles)	508,687	874,236	1,382,923
Due from other governments	664,139	-	664,139
Internal balances	(95,138)	95,138	-
Inventories	74,353	96,567	170,920
Prepays (including excess NPO \$49,583)	53,652	24,599	78,251
Deferred charges	-	1,207,572	1,207,572
Restricted assets:			
Cash and cash equivalents	9,709	9,625,934	9,635,643
Investments	-	3,123,141	3,123,141
Receivables	-	132,197	132,197
Capital assets (net of accumulated depreciation):			
Land	7,915,719	5,403,346	13,319,065
Buildings	5,554,875	4,553,928	10,108,803
Improvements other than buildings	233,514	10,905,327	11,138,841
Machinery and equipment	3,208,224	2,240,421	5,448,645
Infrastructure/System	13,285,865	20,907,124	34,192,989
Construction in progress	2,827,586	1,516,340	4,343,926
Total assets	<u>44,035,510</u>	<u>66,740,359</u>	<u>110,775,869</u>
LIABILITIES			
Accounts payable and other current liabilities	801,675	936,196	1,737,871
Unearned revenue	2,322,930	-	2,322,930
Liabilities payable from restricted assets	-	721,959	721,959
Long-term liabilities:			
Due within one year	511,255	979,017	1,490,272
Due in more than one year	4,781,755	19,782,918	24,564,673
Total liabilities	<u>8,417,615</u>	<u>22,420,090</u>	<u>30,837,705</u>
NET ASSETS			
Invested in capital assets, net of related debt	28,455,370	25,258,114	53,713,484
Restricted for:			
Highways and streets	7,947	-	7,947
Capital projects	3,852,915	5,215,181	9,068,096
Debt service	-	1,992,070	1,992,070
Other purposes	17,990	929,197	947,187
Unrestricted	3,283,673	10,925,707	14,209,380
Total net assets	<u>\$35,617,895</u>	<u>\$44,320,269</u>	<u>\$79,938,164</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2005

	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Functions/Programs</u>					
Governmental Activities:					
General government	\$ 5,517,642	\$ (1,698,829)	\$ 279,712	\$ 3,051,663	\$ 98,853
Public Safety	7,608,668	-	2,604,091	-	326,593
Transportation	2,068,295	-	142,322	-	59,178
Economic environment	501,182	-	-	163,160	739,041
Recreation	3,597,180	132,355	2,056,033	1,711	-
Storm related	2,855,483	-	-	-	-
Interest on long-term debt	203,138	-	-	-	-
Total Governmental Activities	<u>22,351,588</u>	<u>(1,566,474)</u>	<u>5,082,158</u>	<u>3,216,534</u>	<u>1,223,665</u>
Business-type Activities:					
Water and wastewater	11,246,047	1,300,023	11,239,816	16,190	2,730,343
Sanitation/refuse	<u>2,197,214</u>	<u>266,451</u>	<u>2,344,094</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>13,443,261</u>	<u>1,566,474</u>	<u>13,583,910</u>	<u>16,190</u>	<u>2,730,343</u>
Total Functions/Programs	<u>\$35,794,849</u>	<u>\$ -0-</u>	<u>\$18,666,068</u>	<u>\$ 3,232,724</u>	<u>\$ 3,954,008</u>

General Revenues:
Property taxes
Franchise fees
Utility taxes and gas taxes
Sales Taxes
Investment earnings
Miscellaneous revenue
Gain on sale of capital assets
Total general revenues
Change in net assets
Net Assets - Beginning
Net Assets - Ending

See Accompanying Notes.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (388,585)	\$ -	\$ (388,585)
(4,677,984)	-	(4,677,984)
(1,866,795)	-	(1,866,795)
401,019	-	401,019
(1,671,791)	-	(1,671,791)
(2,855,483)	-	(2,855,483)
(203,138)	-	(203,138)
<u>(11,262,757)</u>	<u>-</u>	<u>(11,262,757)</u>
-	1,440,279	1,440,279
<u>-</u>	<u>(119,571)</u>	<u>(119,571)</u>
-	1,320,708	1,320,708
<u>(11,262,757)</u>	<u>1,320,708</u>	<u>(9,942,049)</u>
5,733,290	-	5,733,290
1,109,411	13,527	1,122,938
3,400,667	-	3,400,667
3,865,509	-	3,865,509
228,952	490,500	719,452
747,534	39,825	787,359
-	1,857	1,857
<u>15,085,363</u>	<u>545,709</u>	<u>15,631,072</u>
<u>3,822,606</u>	<u>1,866,417</u>	<u>5,689,023</u>
<u>31,795,289</u>	<u>42,453,852</u>	<u>74,249,141</u>
<u>\$35,617,895</u>	<u>\$44,320,269</u>	<u>\$79,938,164</u>

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2005

	General	Community Redevelopment Agency Fund	Storm Related Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$2,324,418	\$ 106	\$ 92,961	\$3,473,410	\$1,077,001	\$ 368,855	\$ 7,336,751
Investments	1,002,111	-	-	-	1,000,000	-	2,002,111
Taxes receivable	2,950	-	-	-	-	-	2,950
Accounts receivable (net of allowance of \$24,287)	486,584	-	-	-	-	-	486,584
Accrued interest receivable	18,494	-	-	-	-	-	18,494
Restricted cash and equivalents	9,709	-	-	-	-	-	9,709
Due from other funds	152,000	-	-	506,108	-	-	658,108
Due from other governments	572,376	-	3,653	-	-	88,110	664,139
Inventories	74,353	-	-	-	-	-	74,353
Prepaid items	3,164	-	-	-	-	905	4,069
Total assets	<u>\$4,646,159</u>	<u>\$ 106</u>	<u>\$ 96,614</u>	<u>\$3,979,518</u>	<u>\$2,077,001</u>	<u>\$ 457,870</u>	<u>\$11,257,268</u>

See Accompanying Notes.

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2005
(Continued)

LIABILITIES AND FUND BALANCES	General	Community Redevelopment Agency Fund	Storm Related Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Accounts payable	\$ 249,424	\$ 51,208	\$ 15,925	\$ 166,204	\$ -	\$ 89,831	\$ 572,592
Retainage payable	-	-	-	22,474	-	26,617	49,091
Accrued liabilities	143,095	-	-	-	-	6,701	149,796
Due to other funds	165,108	132,000	-	-	-	341,000	638,108
Unearned revenue	18,174	-	-	-	2,077,001	227,755	2,322,930
Total liabilities	<u>575,801</u>	<u>183,208</u>	<u>15,925</u>	<u>188,678</u>	<u>2,077,001</u>	<u>691,904</u>	<u>3,732,517</u>
Fund balances							
Reserved for:							
Right-of-way improvements	-	-	-	-	-	7,947	7,947
Capital improvements and maintenance	-	-	-	3,790,840	-	62,075	3,852,915
Reserved for other	12,873	-	-	-	-	5,117	17,990
Unreserved							
Designated for building fund	500,000	-	-	-	-	-	500,000
Designated for subsequent year's budget	1,016,167	-	-	-	-	34,222	1,050,389
Designated for Special Revenue Funds	-	-	-	-	-	(343,395)	(343,395)
Undesignated - major funds	2,541,318	(183,102)	80,689	-	-	-	2,438,905
Total fund balances	<u>4,070,358</u>	<u>(183,102)</u>	<u>80,689</u>	<u>3,790,840</u>	<u>-</u>	<u>(234,034)</u>	<u>7,524,751</u>
Total liabilities and fund balances	<u>\$4,646,159</u>	<u>\$ 106</u>	<u>\$ 96,614</u>	<u>\$3,979,518</u>	<u>\$2,077,001</u>	<u>\$ 457,870</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2005
(Continued)

Total brought forward 7,524,751

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total Capital Assets \$33,025,783 less amount included in internal services \$487,183.	32,538,600
Accrued interest payable is due in the current period, therefore it is included.	(674)
Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	865,920
Cumulative effect of business type portion of internal services	(115,138)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Total debt \$5,293,010 less amount included in internal services \$47,863.	(5,245,147)
Excess "Net Pension Obligation" is an asset on the Statement of Net Assets but is not a financial resource	49,583
Net assets of governmental activities	<u><u>\$35,617,895</u></u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2005

	General	Community Redevelopment Agency Fund	Storm Related Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$10,231,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,231,641
Licenses and permits	2,736,653	-	-	-	-	-	2,736,653
Intergovernmental revenues	4,795,712	739,041	2,513,711	-	-	163,160	8,211,624
Charges for services	254,001	-	-	-	-	-	254,001
Fines and forfeitures	103,379	-	-	-	-	-	103,379
Miscellaneous	1,915,511	21,574	430,213	63,829	112,306	2,218,647	4,762,080
Total revenues	20,036,897	760,615	2,943,924	63,829	112,306	2,381,807	26,299,378
Expenditures							
Current							
General government	4,907,746	-	-	-	-	-	4,907,746
Public safety	7,518,937	-	-	-	-	-	7,518,937
Transportation	1,897,888	-	-	-	-	-	1,897,888
Economic environment	-	142,871	-	-	-	199,415	342,286
Recreation	1,194,656	-	-	-	-	1,879,808	3,074,464
Storm related	-	-	2,855,483	-	-	-	2,855,483
Capital outlay	-	1,380,908	-	2,577,613	-	-	3,958,521
Debt service							
Principal retirement	766,130	275,000	-	-	-	25,000	1,066,130
Interest and fiscal charges	49,797	150,825	-	-	-	2,516	203,138
Total expenditures	16,335,154	1,949,604	2,855,483	2,577,613	-	2,106,739	25,824,593
Excess expenditures (over) under revenues	3,701,743	(1,188,989)	88,441	(2,513,784)	112,306	275,068	474,785

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2005

	General	Community Redevelopment Agency Fund	Storm Related Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Expenditures (continued)							
Excess expenditures (over) under revenues	3,701,743	(1,188,989)	88,441	(2,513,784)	112,306	275,068	474,785
Other financing sources (uses)							
Transfers in	86,312	383,733	-	2,622,296	-	-	3,092,341
Transfers out	(2,878,715)	-	(7,752)	-	(112,306)	(101,320)	(3,100,093)
Total other financing sources	(2,792,403)	383,733	(7,752)	2,622,296	(112,306)	(101,320)	(7,752)
Net change in fund balances	909,340	(805,256)	80,689	108,512	-	173,748	467,033
Fund balances, October 1, 2004	3,161,018	622,154	-	3,682,328	-	(407,782)	7,057,718
Fund balances, September 30, 2005	<u>\$ 4,070,358</u>	<u>\$ (183,102)</u>	<u>\$ 80,689</u>	<u>\$3,790,840</u>	<u>\$ -0-</u>	<u>\$ (234,034)</u>	<u>\$ 7,524,751</u>

CITY OF PUNTA GORDA, 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, 2005

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances -- total governmental funds (page 16)	\$ 467,033
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and capital asset adjustments exceeded capital outlays in the current period.	2,220,185
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest.	1,076,380
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, ie Change in Excess NPO \$35,488 and Accruals \$10,251, Compensated absences \$18,828.	64,567
Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(5,559)</u>
Change in net assets of governmental activities (page 13)	<u>\$ 3,822,606</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2005

	Budgets		Actual	Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,248,938	\$ 10,397,140	\$ 10,231,641	\$ (165,499)
Licenses and permits	848,150	1,185,880	2,736,653	1,550,773
Intergovernmental revenues	3,853,598	4,053,083	4,795,712	742,629
Charges for services	188,921	188,921	254,001	65,080
Fines and forfeitures	100,250	100,250	103,379	3,129
Miscellaneous	1,930,997	1,955,729	1,915,511	(40,218)
	<u>17,170,854</u>	<u>17,881,003</u>	<u>20,036,897</u>	<u>2,155,894</u>
Expenditures				
Current				
General government	5,224,266	5,524,900	4,907,746	617,154
Public safety	7,120,116	7,823,701	7,518,937	304,764
Transportation	2,136,018	2,317,870	1,897,888	419,982
Recreation	1,223,271	1,226,806	1,194,656	32,150
Debt service				
Principal retirement	766,130	766,130	766,130	-
Interest and fiscal charges	45,909	50,142	49,797	345
	<u>16,515,710</u>	<u>17,709,549</u>	<u>16,335,154</u>	<u>1,374,395</u>
Excess revenues over (under) expenditures	<u>655,144</u>	<u>171,454</u>	<u>3,701,743</u>	<u>3,530,289</u>
Other financing sources (uses)				
Transfers in	86,312	86,312	86,312	-
Transfers out	(2,520,593)	(2,503,066)	(2,878,715)	(375,649)
	<u>(2,434,281)</u>	<u>(2,416,754)</u>	<u>(2,792,403)</u>	<u>(375,649)</u>
Net change in fund balances	<u>\$ (1,779,137)</u>	<u>\$ (2,245,300)</u>	<u>909,340</u>	<u>\$ 3,154,640</u>
Fund balances, October 1, 2004			<u>3,161,018</u>	
Fund balances, September 30, 2005			<u>\$ 4,070,358</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
For the Fiscal Year Ended September 30, 2005

	Budgets		Actual	Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 788,995	\$ 739,041	\$ 739,041	\$ -
Miscellaneous	19,500	20,500	21,574	1,074
Total revenues	<u>808,495</u>	<u>759,541</u>	<u>760,615</u>	<u>1,074</u>
Expenditures				
Economic environment	257,200	312,851	142,871	169,980
Capital outlay	2,557,940	1,519,590	1,380,908	138,682
Debt service				
Principal retirement	502,985	275,000	275,000	-
Interest and fiscal charges	313,527	151,330	150,825	505
Total expenditures	<u>3,631,652</u>	<u>2,258,771</u>	<u>1,949,604</u>	<u>309,167</u>
Excess revenues over expenditures	<u>(2,823,157)</u>	<u>(1,499,230)</u>	<u>(1,188,989)</u>	<u>310,241</u>
Other financing sources				
Transfers in	401,260	383,733	383,733	-
Debt proceeds	2,442,333	493,343	-	(493,343)
Total other financing sources	<u>2,843,593</u>	<u>877,076</u>	<u>383,733</u>	<u>(493,343)</u>
Net change in fund balances	<u>\$ 20,436</u>	<u>\$ (622,154)</u>	(805,256)	<u>\$ (183,102)</u>
Fund balances, October 1, 2004			<u>622,154</u>	
Fund balances, September 30, 2005			<u>\$ (183,102)</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
TRANSPORTATION IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended September 30, 2005

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Interest	\$ 29,940	\$ 53,128	\$ 23,188
Miscellaneous	<u>175,000</u>	<u>290,463</u>	<u>115,463</u>
Total revenues	<u>204,940</u>	<u>343,591</u>	<u>138,651</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>204,940</u>	<u>343,591</u>	<u>138,651</u>
Other financing uses			
Transfers out	<u>(319,000)</u>	<u>(112,306)</u>	<u>206,694</u>
Total other financing uses	<u>(319,000)</u>	<u>(112,306)</u>	<u>206,694</u>
Net change in fund balance	<u>\$ (114,060)</u>	231,285	<u>\$ 345,345</u>
Fund balances, October 1, 2004		<u>1,845,716</u>	
Fund balances, September 30, 2005		<u>\$ 2,077,001</u>	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 2,077,001
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	<u>(2,077,001)</u>
GAAP Fund Balance	<u>\$ -0-</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2005

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Wastewater Utility	Sanitation/ Refuse Fund	Total	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,132,782	\$ 1,707	\$ 2,134,489	\$ 455,463
Investments	3,900,000	-	3,900,000	-
Accounts and refund receivable (net of allowance of \$116,605)	703,715	150,254	853,969	659
Inventories	96,567	-	96,567	-
Prepaid items	24,599	-	24,599	-
Accrued interest receivable	20,267	-	20,267	-
Restricted cash and cash equivalents	9,625,934	-	9,625,934	-
Restricted investments, at amortized cost which approximates fair value	3,123,141	-	3,123,141	-
System development fees receivable	112,115	-	112,115	-
Restricted accrued interest receivable	20,082	-	20,082	-
Total current assets	<u>19,759,202</u>	<u>151,961</u>	<u>19,911,163</u>	<u>456,122</u>
Capital assets, net	<u>44,751,659</u>	<u>774,827</u>	<u>45,526,486</u>	<u>487,183</u>
Unamortized issuance costs	799,628	-	799,628	-
Prepaid rent	407,944	-	407,944	-
Total noncurrent assets	<u>1,207,572</u>	<u>-</u>	<u>1,207,572</u>	<u>-</u>
Total assets	<u>\$65,718,433</u>	<u>\$ 926,788</u>	<u>\$66,645,221</u>	<u>\$ 943,305</u>

See Accompanying Notes.

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CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2005
(Continued)

	Wastewater Utility	Refuse Fund	Total	Service Funds
LIABILITIES AND FUND EQUITY				
CURRENT LIABILITIES				
Payable from current assets				
Accounts payable	\$ 632,424	\$ 56,670	\$ 689,094	\$ 20,663
Retainage payable	89,298	-	89,298	-
Notes payable	48,701	-	48,701	-
Current portion of revenue notes payable	213,138	-	213,138	-
Current portion of bonds payable	552,500	-	552,500	-
Current portion of leases payable	-	136,414	136,414	-
Accumulated unused compensated absences	20,222	8,042	28,264	4,786
Accrued liabilities	148,109	9,695	157,804	8,859
Due to other funds	-	20,000	20,000	-
Total payable from current assets	<u>1,704,392</u>	<u>230,821</u>	<u>1,935,213</u>	<u>34,308</u>
Payable from restricted assets				
Accrued liabilities	131,388	-	131,388	-
Current portion of bonds payable	530,000	-	530,000	-
Customer deposits	60,571	-	60,571	-
Total payable from restricted assets	<u>721,959</u>	<u>-</u>	<u>721,959</u>	<u>-</u>
Total current liabilities	<u>2,426,351</u>	<u>230,821</u>	<u>2,657,172</u>	<u>34,308</u>
NONCURRENT LIABILITIES				
Revenue notes payable	9,219,291	-	9,219,291	-
Revenue bonds payable - less unamortized discount of \$425,540	9,946,960	-	9,946,960	-
Leases payable	-	362,291	362,291	-
Accrued compensated absences	182,001	72,375	254,376	43,077
Total noncurrent liabilities	<u>19,348,252</u>	<u>434,666</u>	<u>19,782,918</u>	<u>43,077</u>
Total liabilities	<u>21,774,603</u>	<u>665,487</u>	<u>22,440,090</u>	<u>77,385</u>
NET ASSETS				
Invested in capital assets net of related debt	24,845,774	412,340	25,258,114	487,183
Restricted for system development	320,360	-	320,360	-
Restricted for debt service	1,992,070	-	1,992,070	-
Restricted for renewal and replacement	608,839	-	608,839	-
Restricted for capital projects	5,215,181	-	5,215,181	-
Unrestricted	10,961,606	(151,039)	10,810,567	378,737
Total net assets	<u>\$43,943,830</u>	<u>\$ 261,301</u>	44,205,131	<u>\$ 865,920</u>
Cumulative adjustment for internal service fund activities			<u>115,138</u>	
Net assets of business-type activities			<u>\$44,320,269</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2005

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 11,239,816	\$ 2,344,094
Miscellaneous	26,521	13,304
	<u>11,266,337</u>	<u>2,357,398</u>
Operating expenses		
Personal services	3,573,348	1,016,847
Contractual services	391,755	642,127
Materials and supplies	1,138,349	92,141
Utilities	663,021	4,642
Depreciation	3,771,208	110,410
Insurance	157,712	24,509
Administrative charges	1,469,966	269,758
Repairs and maintenance	420,445	276,460
Travel	16,768	-
Rent	90,640	6,032
	<u>11,693,212</u>	<u>2,442,926</u>
Total operating expenses	<u>11,693,212</u>	<u>2,442,926</u>
Operating income (loss)	<u>(426,875)</u>	<u>(85,528)</u>
Nonoperating revenues (expenses)		
Interest income	490,179	321
Taxes	-	13,527
Operating grants	16,190	-
Interest expense and fiscal charges	(844,234)	(18,700)
Gain (loss) on disposition of assets	(2,823)	1,857
	<u>(340,688)</u>	<u>(2,995)</u>
Total nonoperating revenues	<u>(340,688)</u>	<u>(2,995)</u>
Income (loss) before transfers and contributions	<u>(767,563)</u>	<u>(88,523)</u>
Totals carried forward	<u>(767,563)</u>	<u>(88,523)</u>

See Accompanying Notes.

<u>Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<u>Total</u>	
\$ 13,583,910	\$ 1,208,002
39,825	-
<u>13,623,735</u>	<u>1,208,002</u>
4,590,195	568,692
1,033,882	118,668
1,230,490	36,717
667,663	6,083
3,881,618	220,584
182,221	18,713
1,739,724	12,668
696,905	161,135
16,768	11,062
96,672	82,001
<u>14,136,138</u>	<u>1,236,323</u>
<u>(512,403)</u>	<u>(28,321)</u>
490,500	8,335
13,527	-
16,190	-
(862,934)	-
(966)	(1,165)
<u>(343,683)</u>	<u>7,170</u>
<u>(856,086)</u>	<u>(21,151)</u>
<u>(856,086)</u>	<u>(21,151)</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2005
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (767,563)	\$ (88,523)
Transfers in	-	-
Contributions	2,730,343	-
Change in net assets	1,962,780	(88,523)
Total net assets - beginning	41,981,050	349,824
Total net assets - ending	\$ 43,943,830	\$ 261,301

Adjustment to reflect the consolidation of internal service fund
activities related to enterprise funds
Change in net assets of business-type activities (page 15)

<u>Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<u>Total</u>	
<u>\$ (856,086)</u>	<u>\$ (21,151)</u>
-	7,752
<u>2,730,343</u>	<u>-</u>
1,874,257	(13,399)
	<u>879,319</u>
	<u>\$ 865,920</u>
<u>(7,840)</u>	
<u>\$ 1,866,417</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2005

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 11,369,844	\$ 2,429,346
Cash payments to suppliers for goods and services	(4,337,594)	(1,309,545)
Cash payments to employees for services	(3,681,429)	(1,027,380)
Other receipts	26,521	13,304
	<u>3,377,342</u>	<u>105,725</u>
Net cash provided by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances (to) from other funds	59,108	28,228
Taxes	-	13,527
Operating grants	46,829	-
Operating transfers	-	-
	<u>105,937</u>	<u>41,755</u>
Net cash provided by (used in) noncapital financing activities		
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	(6,898,518)	(275,712)
Sale of property, plant and equipment	9,589	18,581
Principal paid on debt	(1,932,392)	(147,209)
Interest and fiscal charges paid	(713,391)	(18,700)
Contributions	2,774,167	-
New debt issued	5,000,000	275,712
	<u>(1,760,545)</u>	<u>(147,328)</u>
Net cash provided by (used in) capital and related financing activities		
Totals carried forward	<u>1,722,734</u>	<u>152</u>

See Accompanying Notes.

<u>Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<u>Total</u>	
\$ 13,799,190	\$ 1,208,002
(5,647,139)	(426,662)
(4,708,809)	(574,261)
<u>39,825</u>	<u>-</u>
 <u>3,483,067</u>	 <u>207,079</u>
 87,336	 46,910
13,527	-
46,829	-
<u>-</u>	<u>7,752</u>
 <u>147,692</u>	 <u>54,662</u>
 (7,174,230)	 (190,114)
28,170	5
(2,079,601)	-
(732,091)	-
2,774,167	-
<u>5,275,712</u>	<u>-</u>
 <u>(1,907,873)</u>	 <u>(190,109)</u>
 <u>1,722,886</u>	 <u>71,632</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2005
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ 1,722,734	\$ 152
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross proceeds from maturities of investments	3,155	-
Interest received	485,479	321
Purchase of investments	<u>(500,000)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(11,366)</u>	<u>321</u>
Net increase (decrease) in cash and cash equivalents	1,711,368	473
Balances - beginning of the year	<u>10,047,348</u>	<u>1,234</u>
Balances - end of year	<u><u>\$ 11,758,716</u></u>	<u><u>\$ 1,707</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (426,875)	\$ (85,528)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,771,208	110,410
Net (increase) decrease in:		
Receivables	140,479	85,252
Inventories	(5,600)	-
Prepays	20,067	-
Net increase (decrease) in:		
Accounts payable	(3,405)	6,124
Accrued liabilities	(108,082)	(10,533)
Customer deposits	<u>(10,450)</u>	<u>-</u>
Net cash provided by operating activities	<u><u>\$ 3,377,342</u></u>	<u><u>\$ 105,725</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Disposal of fully depreciated capital assets	\$ 32,740	\$ 330,545
Donated equipment to other funds	12,965	-

See Accompanying Notes.

<u>Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
<u>Total</u>	
\$ 1,722,886	\$ 71,632
3,155	-
485,800	8,335
<u>(500,000)</u>	<u>-</u>
<u>(11,045)</u>	<u>8,335</u>
1,711,841	79,967
<u>10,048,582</u>	<u>375,496</u>
<u>\$ 11,760,423</u>	<u>\$ 455,463</u>
\$ (512,403)	\$ (28,321)
3,881,618	220,584
225,731	-
(5,600)	-
20,067	22,000
2,719	(1,615)
(118,615)	(5,569)
<u>(10,450)</u>	<u>-</u>
<u>\$ 3,483,067</u>	<u>\$ 207,079</u>
\$ 363,285	\$ 6,812
12,965	1,500

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2005

	<u>Pension Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,680,561
Interest and dividends receivable	105,494
Investments, at fair value	
U.S. Treasury and Government Agencies	3,601,832
Corporate Bonds	1,744,833
Corporate Stocks	17,785,592
Mortgage backed securities	<u>1,800,232</u>
Total investments at fair value	<u>24,932,489</u>
Total assets	<u>26,718,544</u>
LIABILITIES AND NET ASSETS	
Total liabilities	<u>-</u>
Net assets, held in trust for pension benefits	<u><u>\$ 26,718,544</u></u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2005

	Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 1,230,959
Insurance Premiums	288,539
Plan members	657,479
Total contributions	2,176,977
Investment earnings	
Net gain in fair value of investments	2,343,946
Interest and dividends	671,155
Total investment earnings	3,015,101
Less investment expense	130,312
Net investment earnings	2,884,789
Total additions	5,061,766
DEDUCTIONS	
Benefits paid	1,000,331
Refunds of contributions	71,741
Administrative expenses	38,301
Total deductions	1,110,373
Change in net assets	3,951,393
Net assets held in trust for pension benefits	
Beginning of year	22,767,151
End of year	\$ 26,718,544

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

I. Organization and Summary of Significant Accounting Policies

Organization

The City of Punta Gorda, Florida (the City) was created by authority granted under the laws of Florida 5085 (1901). The City operates under a form of government which is comprised of an elected City Council (five members), of which one of those members serves as Mayor. The City provides the following services: public safety, sanitation, right of way maintenance, parks and grounds maintenance, streets and roads, canal maintenance, planning and zoning, water and wastewater services, and general administrative services.

The City has adopted Statement of Governmental Accounting Standards Board Number 14, "Financial Reporting Entity" (GASB 14). This statement requires the financial statements of the City (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable.

Under criteria established by GASB 14 component units are to be either blended with the primary government or presented discretely. For a component unit to be blended it must meet one or both of the following two situations: (1) The board of the component unit is "substantively the same" as that of the primary government or (2) The component unit serves the primary government exclusively, or almost exclusively. The Community Redevelopment Agency meets both of these criteria in that the CRA board is the five City Council members plus an additional two at large members, and the CRA exists for the exclusive benefit of the primary government. The Punta Gorda Isles (PGI) and Burnt Store Isles (BSI) Canal Maintenance Assessment Districts are blended since they meet the necessary criteria in that these districts are "to be governed by a board of five members, who shall be the members of the City Council of the City of Punta Gorda". Also, the districts exist to maintain the City owned seawalls, and maintain navigability of canals within the city limits. This maintenance is almost exclusively for the benefit of the City. The pension plans of the City are also included as blended components. All changes in the pension plans must be approved by the City Council, and the pension plans were created for the exclusive benefit of the City.

The legal authority for the CRA is City ordinance #989-90. The legal authority for PGI and BSI is City ordinances #549-79 and #825-86 respectively. The legal authority for the General Employee, Police and Firefighters' Pension Funds is City ordinances #910-88, #836-86 and #837-86 respectively.

Separate Financial Statements are not prepared for the component units.

The following is a summary of the more significant accounting policies used in the preparation of these financial statements.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

I. Organization and Summary of Significant Accounting Policies, Continued

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrated 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 includes 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 are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and 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 so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

I. Organization and Summary of Significant Accounting Policies, Continued

B. Measurement focus, basis of accounting, and financial statement presentation, continued

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Community Redevelopment Agency accounts for the resources received from the City and County to revitalize the downtown Punta Gorda area.

The "Storm Related Fund" was set up specifically to deal with the revenues and expenditures necessitated by severe damage to the City by Hurricane Charley. This fund will be closed at the conclusion of storm issues.

The Capital Projects Fund accounts for major projects or equipment purchases using various funding sources. This fund uses a project length budget.

The Transportation Impact Fee accounts for revenue received from impact fees and legal expenditures of these funds.

The City reports the following major proprietary funds:

The Water and Wastewater Utility accounts for the activities of providing customers with potable water and wastewater disposal services.

The Sanitation/Refuse accounts for the collection and disposal of solid waste.

Additionally, the City reports the following funds:

Internal service funds account for data processing and fleet maintenance services provided to other departments or agencies of the City.

The Fiduciary Funds represent the Pension Trust Funds which account for the activities of the City's retirement system, which accumulate resources for pension benefit payments made to qualified general and public safety employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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 City'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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

I. Organization and Summary of Significant Accounting Policies, Continued

B. Measurement focus, basis of accounting, and financial statement presentation, continued

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Wastewater Utility enterprise fund, Sanitation/Refuse enterprise fund, and of the City's internal services funds are charges to customers for sales and services. The Water and Wastewater Utility also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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 nonoperating revenues and expenses.

C. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, cash on deposit with financial institutions, and funds on deposit in the Local Government Surplus Funds Trust Fund Investment Pool administered by the Florida State Board of Administration. The City maintains pooled cash for substantially all City funds except for restricted cash and investments held with trustees. Equity in pooled cash is an accounting and investment tool employed by the City by which the City is able to invest large amounts of idle cash for short periods of time thereby maximizing earning potential. The pooled cash is included with cash and cash equivalents. Interest income is allocated based upon the proportionate balance of each fund's equity in pooled cash and investments. For the purposes of the statement of cash flows, the City considers highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

The City has implemented GASB Statement No. 31 which calls for investment reporting at fair value at Balance Sheet date. Since the difference between fair value and cost is minimal at Balance Sheet date, investments are stated at cost, or amortized cost, which approximates fair value. Investments held by the City's Pension Trust Funds are carried at fair value.

D. Accounts receivable and accrued revenues

Accounts receivable in the Water and Wastewater Utility Enterprise Fund do not include amounts for unbilled services for usage due to the immateriality of amount at September 30, 2005.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

I. Organization and Summary of Significant Accounting Policies, Continued

E. Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

F. Inventories

Inventories consisting primarily of expendable supplies held for consumption are stated at average cost. For its governmental fund type inventories, the City utilizes the consumption method of accounting, which provides that expenditures are recognized when inventory is used. Inventories in the Enterprise Fund are valued at the lower of cost (average cost method) or market.

G. 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, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Improvements other than buildings	10-40
Public domain infrastructure	20-50
System infrastructure	10-40
Machinery and equipment	5-20

H. Accumulated compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from City service if they meet certain criteria. The accumulated compensated absences are accrued when incurred and are reported as long-term liabilities in the Statement of Net Assets.

The pay or salary rates in effect at the balance sheet date were used in the accrual calculation.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

I. Organization and Summary of Significant Accounting Policies, Continued

I. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which does not result in a material difference from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Principal payments of long-term debt are reported as debt service expenditures.

J. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

K. Intragovernmental allocation of administrative expenses

The General Fund incurs certain administrative expenses for other funds including accounting, legal, personnel administration and other services. The funds that receive these services were charged \$1,698,829 for fiscal year 2005. For the government-wide financial statements these "Indirect Expenses" have been backed out to avoid double counting.

L. Unamortized gains or losses

Gains or losses from debt refundings are reported in the accompanying financial statements as an addition or deduction to bonds payable and have been charged to operations using the effective - interest method in accordance with the provisions of GASB Statement No. 23.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$5,245,147 difference are as follows:

Noncurrent liabilities	\$5,293,010
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	(47,863)
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - government-wide statement of net assets - Noncurrent liabilities	\$5,245,147

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,220,185 difference are as follows:

Capital outlay	\$4,250,093
Depreciation expense	(1,871,012)
Adjustments to capital assets - Donations, Transfers, Write offs	(158,896)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$2,220,185

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

II. Reconciliation of government-wide and fund financial statements, Continued

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities, continued

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,076,380 difference are as follows:

Change in Accrued interest	\$10,250
Principal repayments:	
Capital Improvement revenue notes	1,025,000
Capital leases	<u>41,130</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$1,076,380</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$64,567 difference are as follows:

Change in Excess Net Pension Obligation	\$35,488
Compensated absences	18,828
Change in accruals	<u>10,251</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$64,567</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

III. Stewardship, compliance, and accountability

A. Encumbrances

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. All encumbrances lapse at year-end. There were no outstanding encumbrances at September 30, 2005.

B. Budgets and budgetary accounting

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

1. On or before the fifteenth day of August, the City Manager submits to the City Council a proposed operating budget for the fiscal year then commencing. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. On or before September 30th, the budget is legally enacted for the General, Special Revenue, Enterprise and Internal Service Funds through passage of a resolution. Project-length financial plans are adopted for all Capital Projects Funds.
4. Budget amounts are presented as originally adopted or as amended by the City Council. Unused appropriations lapse at year-end. Any revisions altering the budgeted amounts of total expenditures of any fund must be approved by the City Council. The City Manager can amend the budget within existing appropriations by fund. Supplemental appropriations approved by Council for the fiscal year ended September 30, 2005 totaled \$2,291,530.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), except as noted in Note M Section IV. A budget was not prepared for the Storm Related Fund. There was no way to anticipate how much was going to be expended, and revenue sources are varied.

C. Interfund transactions

Exchanges of equal or almost equal value between funds of the primary government is treated as interfund services provided and used. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as transfers in or out.

D. Deficit fund equity

The General Maintenance Fund had a deficit fund balance of \$13,391 as of September 30, 2005. This deficit is the result of insufficient billing of fleet maintenance. The PGI Canal Maintenance Fund had a deficit of \$343,395 due to a June 2003 storm event. Also, the Community Redevelopment Agency Fund has a deficit fund balance of \$183,102. This deficit was caused by project expenses occurring prior to debt funding. Management is of the opinion that these problems will be resolved in the near future.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds

A. Cash and Investments

Deposits - The City's deposits policy allows deposits to be held in demand deposit and money market accounts. Florida Statutes require all depositories used by the City to be qualified financial institutions. All depositories used by the City are institutions designated as qualified depositories by the State Treasurer.

At September 30, 2005 the carrying amounts of the City's deposits below were \$1,283,090 and the bank balances were \$1,648,212. The City's deposits are comprised of cash held in a financial institution. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280).

Under this Act, financial institutions qualified as public depositories place with the State Board of Administration securities which have a fair value equal to 50% of the average daily balances for each month of all public deposits in excess of any applicable deposit insurance. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

At September 30, 2005, petty cash for all funds was \$5,090.

Investments - Florida Statutes, the City's Investment Policy and various bond covenants authorize investments in money market accounts, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund Investment Pool administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. Certificates of deposit, savings accounts and bank balances whose value exceeds the amount of federal depository insurance are collateralized pursuant to the Florida Security for Public Deposits Act of the State of Florida. All financial institutions used by the City are institutions designated as qualified depositories by the State Treasurer.

The City's investments consist of U.S. Government backed Agencies with a fair value of \$8,866,885. These investments have a weighted average maturity of 3 years.

Interest Rate Risk. In accordance with the City's investment policy, the City has purchased investments with maturities that are less than or equal to three years in length. This policy reduces the City's exposure to fluctuations in interest rates over the life of the investments. Also, it is the City's policy to hold investments to maturity.

Credit Risk. The City's investments are U.S. Government backed Agencies with all of the investments having an AAA rating by Standard & Poor's, as well as top ratings by Moody's Investors Service and Fitch Ratings.

Concentration of credit risk. The City holds only U.S. Government backed Agencies creating no concentration of credit risk.

Custodial Credit Risk. This is the risk that the counterparty holding the City's investments will be unable to provide the investment when it becomes necessary. This isn't an issue since the City's investments are held in a safekeeping account by a major financial institution in the City's name.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

A. Cash and Investments, continued

The City also has invested funds in the Florida State Board of Administration Pool which is a "2a-7" like pool as defined in GASB Statement No. 31; therefore, the City's Pool account balance may be used for financial reporting. The fair value of the position in the pool is the same as the value of the pool shares. The amount of investment was \$18,260,885.

The Local Government Surplus Funds Trust Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operations procedures consistent with the requirements for a 2a-7 fund.

Since 2a-7 like pools are similar to money market funds where shares are owned in the fund rather than the actual underlying investments, disclosures for foreign currency risk, custodial credit risk and concentration of credit risk are not applicable. For credit quality risk the State Pool is not rated by a nationally recognized statistical rating agency. The pool funds are reported by the City as cash equivalents.

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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

B. Restricted Assets – All Funds

Restricted assets of the Enterprise Funds were comprised of the following at September 30, 2005:

<u>Water and Wastewater Utility Fund</u>	<u>Cash and Cash Equivalents</u>	<u>Investment Securities</u>
Renewal and Replacement Account - reserved for extensions, enlargements and replacements of capital assets of the utility system	\$ 8,839	\$ 600,000
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	2,318,406	-
Sewer System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	1,709,570	-
Sewer System Capital Improvement Account - established under State guidelines as a prerequisite for receiving State grant funds under the provision of regulatory requirements	320,360	-
Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds	22,938	-
Bond Reserve Account - maintained at the level required by the Bond Ordinance	104,386	1,523,141
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	326,523	-
Water Deposit Escrow Account - escrow account established for maintaining customer deposits for utility service	60,571	-
Utilities Construction Account - reserved for payment of the costs of new projects	4,730,954	1,000,000
Special Assessments - District #4 - established to account for assessments levied for utility expansion	23,387	-
	<u>\$ 9,625,934</u>	<u>\$ 3,123,141</u>

<u>System Development Fees Receivable</u>	<u>Accrued Interest Receivable</u>	<u>Total</u>
\$ -	\$ -	\$ 608,839
50,462	-	2,368,868
61,653	-	1,771,223
-	-	320,360
-	-	22,938
-	15,082	1,642,609
-	-	326,523
-	-	60,571
-	5,000	5,735,954
<u>-</u>	<u>-</u>	<u>23,387</u>
<u>\$ 112,115</u>	<u>\$ 20,082</u>	<u>\$ 12,881,272</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

B. Restricted Assets – All Funds, continued

Restricted assets of the General Fund was comprised of the following at September 30, 2005:

Cash and Cash Equivalents	
Law enforcement trust	\$ 4,300
Federal law enforcement sharing	5,409
	<u>\$ 9,709</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ 152,000	\$ 165,108
Community Redevelopment Agency	-	132,000
Capital Projects - General Construction	506,108	-
Nonmajor Governmental Funds		
PGI Canal Maintenance	-	341,000
	<u>658,108</u>	<u>638,108</u>
Governmental funds consolodation	<u>(562,970)</u>	<u>(562,970)</u>
	95,138	75,138
Sanitation Refuse	-	20,000
Statement of Net Assets	<u>\$ 95,138</u>	<u>\$ 95,138</u>

The interfund assets/liabilities are predominantly short term cash flow loans between funds. The \$165,108 General Fund Liability is the 1¢ sales tax revenue accrual that will be paid in October, 2005. The \$20,000 Sanitation Refuse loan is a cash flow loan to be paid back in Fiscal Year 05/06.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

C. Interfund Asset/Liabilities/Transfers, continued

The interfund transfer from General Fund to CRA is the amount of incremental tax revenue received in the district. The transfer from Nonmajor to General is for impact fees used by the General Fund for allowed purposes. The General Fund transfer to Nonmajor is additional 1¢ sales tax revenue transferred to the Capital Project Fund. The Nonmajor Governmental transfers out are impact fees transferred to General Fund and Capital Project Fund.

For government-wide statement reporting purposes all transfers between major and nonmajor governmental funds have been eliminated.

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$ 86,312	\$ 2,878,715
Community Redevelopment	383,733	-
Storm Related Fund	-	7,752
Capital Projects Fund	2,622,296	-
Impact Fees - Transportation	-	112,306
Nonmajor Governmental funds	-	101,320
Net Governmental Funds	<u>3,092,341</u>	<u>3,100,093</u>
Internal Service		
Computer Services	<u>7,752</u>	-
Total Transfers	<u>\$ 3,100,093</u>	<u>\$ 3,100,093</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2005 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,761,323	\$ 1,154,396	\$ -	\$ 7,915,719
Construction in progress	1,780,419	3,607,275	(2,560,108)	2,827,586
Total capital assets, not being depreciated	<u>8,541,742</u>	<u>4,761,671</u>	<u>(2,560,108)</u>	<u>10,743,305</u>
Capital assets, being depreciated:				
Buildings	7,321,482	6,367	(78,454)	7,249,395
Improvements other than buildings	731,262	-	(167,480)	563,782
Infrastructure	64,785,758	948,518	-	65,734,276
Vehicles and equipment	6,764,903	1,283,757	(185,449)	7,863,211
Total capital assets, being depreciated	<u>79,603,405</u>	<u>2,238,642</u>	<u>(431,383)</u>	<u>81,410,664</u>
Less accumulated depreciation for:				
Buildings	(1,528,184)	(168,282)	1,946	(1,694,520)
Improvements other than buildings	(368,260)	(19,161)	57,153	(330,268)
Infrastructure	(51,323,545)	(1,108,170)	(16,696)	(52,448,411)
Vehicles and equipment	(4,087,921)	(795,983)	228,917	(4,654,987)
Total accumulated depreciation	<u>(57,307,910)</u>	<u>(2,091,596)</u>	<u>271,320</u>	<u>(59,128,186)</u>
Total capital assets, being depreciated, net	<u>22,295,495</u>	<u>147,046</u>	<u>(160,063)</u>	<u>22,282,478</u>
Governmental activities capital assets, net	<u>\$30,837,237</u>	<u>\$ 4,908,717</u>	<u>\$ (2,720,171)</u>	<u>\$33,025,783</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

D. Capital assets, continued

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 487,593	\$ 4,915,753	\$ -	\$ 5,403,346
Construction in progress	243,500	7,109,543	(5,836,703)	1,516,340
Total capital assets, not being depreciated	<u>731,093</u>	<u>12,025,296</u>	<u>(5,836,703)</u>	<u>6,919,686</u>
Capital assets, being depreciated:				
Buildings	21,583,028	11,110	(151,707)	21,442,431
Improvements other than buildings	18,335,280	-	(5,241)	18,330,039
System Infrastructure	45,762,892	843,369	-	46,606,261
Vehicles and equipment	4,608,881	759,020	(416,563)	4,951,338
Total capital assets, being depreciated	<u>90,290,081</u>	<u>1,613,499</u>	<u>(573,511)</u>	<u>91,330,069</u>
Less accumulated depreciation for:				
Buildings	(16,224,893)	(811,280)	147,670	(16,888,503)
Improvements other than buildings	(6,292,082)	(1,128,373)	(4,257)	(7,424,712)
System Infrastructure	(24,077,300)	(1,621,836)	-	(25,699,136)
Vehicles and equipment	(2,624,622)	(320,129)	233,833	(2,710,918)
Total accumulated depreciation	<u>(49,218,897)</u>	<u>(3,881,618)</u>	<u>377,246</u>	<u>(52,723,269)</u>
Total capital assets, being depreciated, net	<u>41,071,184</u>	<u>(2,268,119)</u>	<u>(196,265)</u>	<u>38,606,800</u>
Business-type activities capital assets, net	<u>\$41,802,277</u>	<u>\$ 9,757,177</u>	<u>\$ (6,032,968)</u>	<u>\$45,526,486</u>

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

Governmental activities:	
General government	\$ 704,364
Public safety	303,205
Transportation	171,806
Canal maintenance	691,637
Internal service funds	220,584
Total depreciation expense -- governmental activities	<u>\$ 2,091,596</u>
Business-type activities:	
Public utilities	\$ 3,771,208
Sanitation/refuse collection	110,410
Total depreciation expense -- business-type activities	<u>\$ 3,881,618</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt

The following is a summary of changes in bonded and other indebtedness of the City for the year ended September 30, 2005:

	Governmental Activities - Long-Term Debt			
	Capital Improvement Revenue Notes	Capital Leases	Compensated Absences	Total
Debt payable at October 1, 2004	\$ 5,563,417	\$ 73,126	\$ 740,329	\$ 6,376,872
Debt retired	(1,025,000)	(41,130)	-	(1,066,130)
Debt issued	-	-	-	-
Amortization of original issue discount	-	-	-	-
Amortization of early call premium	-	-	-	-
Amortization of underwriters premium	-	-	-	-
Additions in compensated absences	-	-	59,688	59,688
Deductions in compensated absences	-	-	(125,283)	(125,283)
Debt payable at September 30, 2005 (net)	<u>\$ 4,538,417</u>	<u>\$ 31,996</u>	<u>\$ 674,734</u>	<u>\$ 5,245,147</u>

Business-type Activities
Long-Term Debt

Water and Wastewater Utility Revenue Bonds	Water and Wastewater Utility Revenue Notes	Water and Wastewater Utility Notes	Capital Leases	Compensated Absences	Total
\$ 12,217,880	\$ 5,124,821	\$ 48,701	\$ 370,202	\$ 281,834	\$ 18,043,438
(1,240,000)	(692,392)	-	(147,209)	-	(2,079,601)
-	5,000,000	-	275,712	-	5,275,712
27,459	-	-	-	-	27,459
41,421	-	-	-	-	41,421
(17,300)	-	-	-	-	(17,300)
-	-	-	-	32,908	32,908
-	-	-	-	(32,102)	(32,102)
<u>\$ 11,029,460</u>	<u>\$ 9,432,429</u>	<u>\$ 48,701</u>	<u>\$ 498,705</u>	<u>\$ 282,640</u>	<u>\$ 21,291,935</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2005 are comprised of the following:

Governmental Activities

Revenue Notes

\$300,000 Revenue Note, this note is the first of a group of notes authorized to be issued in an outstanding aggregate principal amount not to exceed \$2,150,000 per a line-of-credit agreement with a financial institution; collateralized by a subordinate lien on the City's electric utilities tax revenues as well as a covenant to budget and appropriate until all of the notes are paid. Interest is payable quarterly at 82.6% of the one month London Interbank Offered Rate which was 3.86% on September 30, 2005. Principal is payable quarterly. Final maturity is scheduled for October 1, 2009.	\$ 93,750
\$720,000 Revenue Note, this note is the second of a group of notes authorized to be issued in an outstanding aggregate principal amount not to exceed \$2,150,000 as discussed above. Principal and interest are payable quarterly at 82.6% of the one month London Interbank Offered Rate which was 3.86% on September 30, 2005. Principal is payable quarterly. Final maturity is scheduled for October 1, 2009.	240,000
\$4,092,000 Revenue Note, this note was issued on December 5, 2002 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 3.76%. Principal is payable semi-annually. Final maturity scheduled for January 1, 2013.	3,628,000

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Revenue Notes, continued

<p>\$800,000 Revenue Note, this note was issued on January 5, 2000, and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable quarterly at 82.6% of the one month London Interbank Offered Rate which was 3.86% on September 30, 2005. Principal is payable quarterly. Final maturity is scheduled for January 1, 2010.</p>	340,000
<p>\$400,000 Land Acquisition Revenue Note, collateralized by the property purchased. Principal is payable monthly in 120 equal installments of \$3,333. Final maturity is scheduled for August 20, 2011. Interest is payable at 8.00% of the remaining principal balance. No prepayment is allowed on this loan.</p>	<u>236,667</u>
Total revenue notes payable	4,538,417
Less current maturities	<u>(407,000)</u>
Noncurrent portion, revenue notes payable	<u><u>\$ 4,131,417</u></u>

Capital Lease Payable

<p>\$195,523 A Capital Lease agreement was entered into with a financial institution, collateralized by equipment purchased with this lease, having a current carrying value of \$16,294, minimum lease payments of \$10,890 quarterly including imputed fixed rate interest of 4.20%. Payments are payable quarterly. Final maturity is scheduled for May 3, 2006.</p>	<u>\$ 31,996</u>
Total leases payable	<u>31,996</u>
Less current maturities	<u>(31,996)</u>
Noncurrent portion, leases payable	<u><u>\$ -0-</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Bonds

\$16,200,000 Utility System Refunding Revenue Bonds, Series 2002, collateralized by net revenues, impact fees and all other system related proceeds. These bonds are current interest paying serial bonds with interest rates ranging from 2.50% to 5.25%, with final maturity on January 1, 2014. Bonds maturing on or after January 1, 2012 are subject to redemption prior to maturity at a redemption price equal to the unpaid principal amount plus accrued interest.

\$ 11,455,000

Less unamortized discount and call premium

(425,540)

Net

11,029,460

Less current maturities

(1,082,500)

Noncurrent portion, revenue bonds payable

\$ 9,946,960

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

Revenue Notes

\$5,193,111 Revenue Notes, two notes were combined after project completion; these notes were issued on March 15, 2000 and are to be repaid by the Water and Wastewater Utility Fund, payable to a State of Florida agency; collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Interest is payable semi-annually at 3.36% per annum. Principal is payable semi-annually. Both principal and interest payments commenced on February 15, 2002 with final maturity scheduled for August 15, 2021. 4,432,429

\$5,000,000 Revenue Note issued on September 22, 2005 to be repaid by the Water and Wastewater Utility Fund, payable to a financial institution, collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Principal is payable annually. Interest is payable semi-annually at 3.17% per annum. Interest payments commence April 1, 2006, and principal payments commence October 1, 2006. 5,000,000

Total revenue notes payable 9,432,429

Less current maturities (213,138)

Noncurrent portion, revenue notes payable \$ 9,219,291

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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Water and Wastewater Utility Notes Payable

Noninterest-bearing advance from a local governmental agency, payable upon collection of specified sewer impact fees anticipated to be collected in the future.	<u>\$ 48,701</u>
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Sanitation Leases Payable

<p>\$390,815 A total of three Capital lease agreements were entered into with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$90,530, minimum lease payments of \$9,827, \$1,545 and \$5,284 including imputed fixed rate interest of 4.27%, 4.19% and 5.02% respectively with maturities of 84 months, 60 months and 84 months. All lease payments payable quarterly.</p>	<u>\$ 25,184</u>
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<p>\$500,674 Two Capital lease agreements were entered into with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$286,246, minimum lease payments of \$10,011 and \$10,792 including imputed fixed rate interest of 4.42% and 4.19% respectively with maturities of 84 months. All lease payments are payable quarterly.</p>	215,380
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<p>\$275,712 Capital lease agreement was entered into on January 19, 2005 with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$256,018, minimum lease payments of \$11,126, payable quarterly, including imputed fixed rate interest of 3.45% with final maturity on January 21, 2012.</p>	<u>258,141</u>
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Total leases payable	498,705
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Less current maturities	<u>(136,414)</u>
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Noncurrent portion, leases payable	<u>\$ 362,291</u>
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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2005 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt			Capital Leases
	Capital Improvement Revenue Notes		Interest	
	Principal	Interest		
2006	407,000	170,356	32,670	
2007	415,500	154,527	-	
2008	423,000	138,396	-	
2009	425,250	121,964	-	
2010	295,500	106,817	-	
2011-2015	2,572,167	216,680	-	
2016-2020	-	-	-	
2021-2025	-	-	-	
Total	\$ 4,538,417	\$ 908,740	32,670	Total minimum lease payments
			(674)	Less: Amounts representing interest
			\$ 31,996	Present value of minimum lease payments

Compensated Absences	Current Portion	Noncurrent Portion	Totals
Governmental Activities	\$ 67,473	\$ 607,261	\$ 674,734
Business-type Activities	28,264	254,376	\$ 282,640
	\$ 95,737	\$ 861,637	\$ 957,374

Interest on the variable-rate portion of the Capital Improvement Notes, and variable-rate portion of the Water and Wastewater Utility Revenue Notes is calculated at 82.6% of the one month London Interbank Offered Rate which was 3.86% on September 30, 2005. Therefore, interest amount used is 3.19%.

Business-type Activities
Long-Term Debt

Water and Utility Revenue Bonds		Water and Wastewater Utility Revenue Notes		Water and Wastewater Utility Notes	Capital Leases	
Principal	Interest	Principal	Interest			
1,060,000	506,470	213,138	230,338	48,701	148,915	
1,105,000	465,290	649,651	291,896	-	124,886	
1,140,000	419,820	674,614	270,531	-	106,585	
1,210,000	371,040	696,579	248,409	-	44,503	
1,260,000	318,540	719,117	225,569	-	44,503	
5,680,000	607,687	3,961,275	758,413	-	66,757	
-	-	1,994,908	219,430	-	-	
-	-	523,147	8,904	-	-	
<u>\$11,455,000</u>	<u>\$ 2,688,847</u>	<u>\$ 9,432,429</u>	<u>\$ 2,253,490</u>	<u>\$ 48,701</u>	536,149	Total minimum lease payments
					(37,444)	Less: Amounts representing interest
					<u>\$ 498,705</u>	Present value of minimum lease payments

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The following Utility Bond Resolutions established certain accounts and determined the order in which certain revenues are to be deposited into those accounts. The purpose of the accounts, in order of priority of revenue transfers, is as follows:

Water and Wastewater Utility Fund

Utility System Refunding Revenue Bonds, Series 2002.

1. General Revenue Account - Deposit of revenues received from customers as well as non-operating revenues.
2. Operating and Maintenance Accounts - Deposit sums which are necessary to pay the cost of operation and maintenance.
3. Debt Service Fund

Sinking Fund Account - Deposit amounts necessary to fund the principal and interest becoming due each year on January 1 and July 1.

Reserve Account – If not fully funded deposit substantially equal monthly installments over a sixty-month period to make the amounts on deposit therein at the end of such period equal to the lesser of 125% of average debt service or maximum bond service requirement.

4. Renewal and Replacement Account - Deposit into the Renewal and Replacement Account an amount equal to 1/12th of 5% of the gross revenues of the system for the preceding fiscal year, plus an amount equal to any unrestored withdrawal made to cure deficiencies in the Sinking Fund; provided, however, that no further deposits shall be required whenever and so long as the City shall obtain a certificate from a qualified independent consultant that, in its judgment, the amount on deposit in the Renewal and Replacement Account is adequate to pay the cost of replacements of capital assets and any emergency repairs described in the Bond Ordinance.
5. Remaining Monies - Any monies remaining after the transfers to the previously mentioned accounts may be used by the City in any manner provided by law, subject to lien for the payment of principal and interest due on the line-of-credit Revenue Notes and the Land Acquisition Revenue Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Line-of-credit agreement

On December 5, 2002 the City entered into a line-of-credit agreement with a financial institution. The outstanding aggregate principal amount may not exceed \$9,145,000 at any time during its three year life. Interest is payable semi-annually at a rate of 3.76%. All outstanding principal is due on or before January 1, 2013.

Of the \$9,145,000 available, on December 5, 2002 \$2,065,000 was drawn down to pay off a previous loan, and \$2,027,000 was drawn down for project expenditures, leaving a balance available of \$5,053,000. This balance was drawn down on November 17, 2005.

F. Defeased Bond Issues

The current balances of the bond issues related to the City's Water and Wastewater Utility Funds previously defeased by the City are as follows at September 30, 2005:

Refunding Utility Revenue Certificates, Series 1978	<u>\$ 2,235,000</u>
Total outstanding defeased bond issues	<u><u>\$ 2,235,000</u></u>

G. Utility System Development Fees Receivable

The City collects a payment from those connecting to the water and wastewater system to cover the costs of future increases in the system's capacity. Funds collected are required to be restricted for future system developments and segregated from other City funds. Amounts collected are to be invested and, together with interest earned thereon, shall be reserved for future improvements to the systems. In certain instances the City enters agreements with those connecting to the System allowing the fees to be paid over a specified period of time.

At September 30, 2005, the City had \$112,115 in system development fees receivable under various utility agreements with customers.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

H. Property Taxes

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Charlotte County, Florida, Tax Collector's office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services for the fiscal year ended September 30, 2005 was \$2.4772 per \$1,000 of assessed taxable property value. Property tax revenues are recognized currently in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the City. There were no delinquent or uncollected property taxes at year-end.

No accruals for property tax levy becoming due in November 2005 are included in the accompanying general purpose financial statements since such taxes do not meet the criteria of (NCGA) Interpretation No. 3 and GASB Interpretation No. 5. The property tax calendar is as follows:

July 1	Assessment roll validated
September 30	Millage ordinance approved
October 1	Beginning of 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 discount rates
April 1	Taxes delinquent
June 1	Tax certificates sold by County

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems

The City has three defined benefit pension plans which cover substantially all full-time employees. They are the General Employees' Pension Plan, Municipal Police Officers' Pension Plan and Municipal Firefighters' Pension Plan, all of which are single-employer, contributory plans. Benefit provisions and employer and employee obligations to contribute to the plans are established by State Statutes and City Ordinances. The City accounts for the plans as pension trust funds, and are included as part of the City's reporting entity. Stand-alone financial reports are not issued.

Plan Descriptions

(a) General Employees' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	53
Vested terminated employees	3
Beneficiaries	5
Active employees	
Fully-vested	99
Nonvested	97

Employees attaining age 60 and completing five or more years of service are entitled to a benefit at 3.0% of their average monthly earnings as defined in the Plan for each year of continuous service. The Plan permits early retirement at the age of 55 and the completion of five years of continuous service. Active employees who become disabled receive 60% of average monthly earnings as defined in the Plan. If an active employee dies prior to pension eligibility, the employee's designated beneficiary receives a refund of member contributions plus interest at 3.5% per year. If the deceased member was eligible for pension benefits on date of death, their beneficiary is entitled to receive a benefit payable on a monthly basis for ten years. If a member terminates employment before becoming eligible for any other benefits under the Plan, the member shall receive a refund of the member's contributions plus interest at 3.5% per year. If a member terminates employment after completion of five years of service, but before becoming eligible for retirement under this Plan, the member shall be entitled to the accrued benefit payable at age 60.

The Plan is administered by a Board of Trustees.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	10
Vested terminated employees	4
Beneficiaries	1
Disability benefits	4
Active employees	
Fully-vested	17
Nonvested	16

Police officers attaining the later of age 45 or the completion of twenty years of service but not later than age 55 are entitled to a benefit of 3.5% of average monthly earnings times the years of credited service. The Plan permits early retirement at age 45 and ten years of service. Active employees who become disabled receive 3.5% average monthly earnings times credited service but not less than 60% of average monthly earnings as defined in the Plan. If an active employee dies, the employee's spouse receives a maximum of 60% of the member's base pay. When a member has a dependent child or children each child receives 15% of the member's base pay with a total maximum of 60% for children and spouse. If a member terminates employment before becoming eligible for any other benefits under the Plan, the member is entitled to the following:

- With less than five years of credited service, a refund of member contributions.
- With five years or more of credited service, accrued benefits payable at age 45 or later, or a refund of member contributions.

The Plan is administered by a Board of Trustees.

(c) Municipal Firefighters' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	5
Vested terminated employees	5
Beneficiaries	1
Disability benefits	5
Active employees	
Fully-vested	8
Nonvested	19

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Firefighters attaining the earlier of age 55 or the completion of twenty-five years of service are entitled to a benefit of 3.5% of average monthly earnings times the years of credited service. The Plan permits early retirement at age 45 and ten years of service. Active employees who become disabled receive 3.5% of average monthly earnings times credited service but not less than 60% of average monthly earnings as defined in the Plan. If an active employee dies, the employee's spouse receives a maximum of 60% of the member's base pay. When a member has a dependent child or children each child receives 15% of the member's base pay with a total maximum of 60% for children and spouse. If a member terminates employment before becoming eligible for any other benefits under the Plan, the member is entitled to the following:

- With less than five years of credited service, a refund of member contributions.
- With five years or more of credited service, accrued benefits payable at age 45 or later, or a refund of member contributions.

The Plan is administered by a Board of Trustees.

Actuarial assumptions and funding

(a) General Employees' Pension Plan

Significant actuarial assumptions used in determining the annual required contribution include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually; (b) projected salary increases of 6.0% are calculated using 3.0% as a result of inflation and 3.0% as a result of seniority and/or merit adjustments (compounded annually); (c) payroll growth increases of 5.0% annually; and (d) the assumption that benefits will not increase after retirement. Employees contribute 5.0% of their annual covered salary.

(b) Municipal Police Officers' Pension Plan

Significant actuarial assumptions used in determining the annual required contribution include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually; (b) projected salary increases of 7.0% are calculated using 3.0% as a result of inflation and 4.0% as a result of seniority and/or merit adjustments (compounded annually); (c) payroll growth increases of 3.0% annually; and (d) the assumption that benefits will not increase after retirement. Employees contribute 8.0% of their annual covered salary.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan

Significant actuarial assumptions used in determining the annual required contribution include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually; (b) projected salary increases of 6.0% are calculated using 3.0% as a result of inflation and 3.0% as a result of seniority and/or merit adjustments (compounded annually); (c) payroll growth increases of 5.0% annually; and (d) the assumption that benefits will not increase after retirement. Employees contribute 8.0% of their annual covered salary.

Annual Pension Costs and Net Pension Obligations

The City has no net pension obligations as all actuarially determined amounts are contributed each year. The City's annual pension costs for the General Employees' pension plan was \$1,110,361, Municipal Police Officers' pension plan \$72,135 and Municipal Firefighters' pension plan \$48,463 for fiscal year ended September 30, 2005.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2003 actuarial valuation using the frozen entry age actuarial cost method.

The actuarial value of assets was determined using market value for all three plans. The excess of actuarial value of assets over the actuarial accrued liabilities is being amortized using the level percentage of pay closed method for each of the three plans. As of the October 1, 2003 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 30 years for the General Employees', 22 years for Municipal Police Officers' and 29 years for Municipal Firefighters' plans.

Trend information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The information is presented on pages 71 through 73 of the City's Comprehensive Annual Financial Report.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

Pension balances at September 30, 2005 were as follows:

	<u>General Employees' Pension Plan</u>	<u>Municipal Firefighters' Pension Plan</u>	<u>Municipal Police Officers' Pension Plan</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 639,084	\$ 401,007	\$ 640,470	\$ 1,680,561
Interest and dividends receivable	53,418	19,890	32,186	105,494
Investments, at fair value				
U.S. Treasury and Government Agencies	1,705,726	682,672	1,213,434	3,601,832
Corporate Bonds	864,546	323,462	556,825	1,744,833
Corporate Stocks	10,916,876	2,595,073	4,273,643	17,785,592
Mortgage backed securities	<u>806,161</u>	<u>381,824</u>	<u>612,247</u>	<u>1,800,232</u>
Total investments at fair value	<u>14,293,309</u>	<u>3,983,031</u>	<u>6,656,149</u>	<u>24,932,489</u>
Total assets	<u>14,985,811</u>	<u>4,403,928</u>	<u>7,328,805</u>	<u>26,718,544</u>
LIABILITIES AND NET ASSETS				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, held in trust for pension benefits	<u>\$14,985,811</u>	<u>\$ 4,403,928</u>	<u>\$ 7,328,805</u>	<u>\$ 26,718,544</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2005 was as follows:

	<u>General Employees' Pension Plan</u>	<u>Municipal Firefighters' Pension Plan</u>	<u>Municipal Police Officers' Pension Plan</u>	<u>Total</u>
ADDITIONS				
Contributions				
Employer	\$ 1,110,361	\$ 48,463	\$ 72,135	\$ 1,230,959
Insurance premiums	-	177,708	110,831	288,539
Plan members	<u>398,958</u>	<u>65,270</u>	<u>193,251</u>	<u>657,479</u>
Total contributions	<u>1,509,319</u>	<u>291,441</u>	<u>376,217</u>	<u>2,176,977</u>
Investment earnings				
Net gain in fair value of investments	1,552,650	304,931	486,365	2,343,946
Interest and dividends	<u>333,477</u>	<u>128,798</u>	<u>208,880</u>	<u>671,155</u>
Total investment earnings	1,886,127	433,729	695,245	3,015,101
Less investment expense	<u>62,412</u>	<u>27,219</u>	<u>40,681</u>	<u>130,312</u>
Net investment earnings	<u>1,823,715</u>	<u>406,510</u>	<u>654,564</u>	<u>2,884,789</u>
Total additions	<u>3,333,034</u>	<u>697,951</u>	<u>1,030,781</u>	<u>5,061,766</u>
DEDUCTIONS				
Benefits paid	480,273	280,394	239,664	1,000,331
Refunds of contributions	40,795	7,131	23,815	71,741
Administrative expenses	<u>17,238</u>	<u>8,651</u>	<u>12,412</u>	<u>38,301</u>
Total deductions	<u>538,306</u>	<u>296,176</u>	<u>275,891</u>	<u>1,110,373</u>
Change in net assets	2,794,728	401,775	754,890	3,951,393
Net assets held in trust for pension benefits				
Beginning of year	<u>12,191,083</u>	<u>4,002,153</u>	<u>6,573,915</u>	<u>22,767,151</u>
End of year	<u>\$14,985,811</u>	<u>\$ 4,403,928</u>	<u>\$ 7,328,805</u>	<u>\$ 26,718,544</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

Trend information, continued

Three-Year Trend Information (Dollar)

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
General Employees' pension plan			
9/30/2005	\$ 1,110,362	100%	\$(123)
9/30/2004	1,032,275	100%	\$(124)
9/30/2003	912,387	100%	\$(125)
Municipal Police Officers' pension plan			
9/30/2005	\$ 43,283	100%	(\$28,852)
9/30/2004	52,010	100%	\$0
9/30/2003	-0-	100%	\$0
Municipal Firefighters' pension plan			
9/30/2005	\$ 41,826	100%	\$(20,608)
9/30/2004	155	100%	\$(13,971)
9/30/2003	3,945	434%	\$(14,126)

The development of the Net Pension Obligation to date for the General Employees' pension plan is as follows:

	<u>9/30/2003</u>	<u>9/30/2004</u>	<u>9/30/2005</u>
Actuarially Determined			
Contribution (A)	\$ 912,387	\$ 1,032,274	\$ 1,110,361
Interest on NPO	-0-	(10)	(10)
Adjustment to (A)	-0-	11	11
Annual Pension Cost	912,387	1,032,275	1,110,362
Contributions Made	912,512	1,032,274	1,110,361
Increase in NPO	(125)	1	1
NPO Beginning of Year	-0-	(125)	(124)
NPO End of Year	<u>\$ (125)</u>	<u>\$ (124)</u>	<u>\$ (123)</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

Trend information, continued

The development of the Net Pension Obligation to date for the Municipal Police Officers' pension plan is as follows:

	<u>9/30/2003</u>	<u>9/30/2004</u>	<u>9/30/2005</u>
Actuarially Determined			
Contribution (A)	\$ -0-	\$ 52,010	\$ 43,283
Interest on NPO	-0-	-0-	-0-
Adjustment to (A)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Annual Pension Cost	-0-	52,010	43,283
Contributions Made	<u>-0-</u>	<u>52,010</u>	<u>72,135</u>
Increase in NPO	-0-	-0-	(28,852)
NPO Beginning of Year	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NPO End of Year	<u><u>\$ -0-</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ (28,852)</u></u>

The development of the Net Pension Obligation to date for the Municipal Firefighters' pension plan is as follows:

	<u>9/30/2003</u>	<u>9/30/2004</u>	<u>9/30/2005</u>
Actuarially Determined			
Contribution (A)	\$ 3,933	\$ -0-	\$ 41,673
Interest on NPO	(80)	(1,130)	(1,118)
Adjustment to (A)	<u>92</u>	<u>1,285</u>	<u>1,271</u>
Annual Pension Cost	3,945	155	41,826
Contributions Made	<u>17,065</u>	<u>-0-</u>	<u>48,463</u>
Increase in NPO	(13,120)	155	(6,637)
NPO Beginning of Year	<u>(1,006)</u>	<u>(14,126)</u>	<u>(13,971)</u>
NPO End of Year	<u><u>\$ (14,126)</u></u>	<u><u>\$ (13,971)</u></u>	<u><u>\$ (20,608)</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

I. Employee Retirement Systems, continued

Trend information, continued

Concentration of Investments

Two of the three pension plans have a concentration of investments that are not direct governmental obligations or agency securities, and that total 5% or more of the individual plan's assets. These concentrations of investments are:

Municipal Police Officers' Pension Plan	
Goldman Sachs Fin Sq Treasury	
Obligation Administration Fund #469	8.7%
Municipal Firefighters' Pension Plan	
Goldman Sachs Fin Sq Treasury	
Obligation Administration Fund #469	9.1%

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

J. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed expenses might constitute a contingent liability of the City. The City does not believe any such contingent liabilities are material.

The City is contingently liable with respect to litigation incidental to the ordinary course of its operations. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits will not have a material adverse effect on the financial position of the City.

K. Risk Management

The City is a member of Public Risk Management (PRM), a local government liability risk pool.

PRM administers insurance activities relating to property, general, automobile, public officials liability, workers' compensation, and auto physical damage. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

For the fund years ended September 30, 1987/88, 1989, and 1990, the member contracts with PRM included a minimum and maximum premium to be charged. The minimum premium represented management's best estimate of all of the costs for expected claims and charges. In the event PRM needs additional funds in order to pay claims expenses for those years PRM may bill additional premiums to the members up to the maximum amount set forth in the contracts. Due to the uncertainty of liability and lack of materiality the City has not recorded a liability for these premiums. No additional premiums for these periods were assessed to the City during the year. Starting with the fund year beginning October 1, 1990, PRM's loss fund was funded up to the aggregate reinsurance attachment point; therefore, additional premiums are not billable to the members for years after 1990.

To reduce its exposure to large losses on all types of insured events PRM uses reinsurance policies purchased from third-party carriers.

The City is also a member of PRM for the City's employee health plan. It is a self funded PPO plan using the Blue Cross Blue Shield of Florida network, administered by Blue Cross Blue Shield of Florida and reinsured by Alden Risk Management. The fund is fully funded annually. The premiums for this coverage are paid by the various departments on a per employee coverage basis.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

L. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2005, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 69,335
Rental income	59,487
Administrative charges to other funds	1,698,829
Other	87,860
	<u>1,915,511</u>
<u>Community Redevelopment Agency</u>	
Interest	16,074
Other	5,500
	<u>21,574</u>
<u>Storm Related Fund</u>	
Insurance proceeds	<u>430,213</u>
<u>Capital Project Fund</u>	
Interest	<u>63,829</u>
<u>Impact Fees - Transportation</u>	
Interest	53,128
Impact Fees	59,178
	<u>112,306</u>
<u>Other Governmental Funds</u>	
Interest	\$ 26,586
Service Assessments	2,056,033
Impact Fees	98,853
Other	37,175
	<u>2,218,647</u>
	<u>\$ 4,762,080</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2005

IV. Detailed notes on all funds, Continued

M. Difference Between Budgeted and Actual Results

The City adopts budgets for its Governmental Funds on a basis consistent with generally accepted accounting principles (GAAP) except as follows:

- Nonmajor – Fair Share Impact Fees – Unearned revenues from impact fees are budgeted as current year revenue.

The following adjustment was necessary to present Fair Share Impact Fees' actual data on a budgetary basis (Non-GAAP):

	Fair Share Impact Fees
Budgetary fund balance	\$ 2,304,756
Basis difference:	
Impact fees received but not recognized as revenue until offsetting expenditures -- GAAP basis -- Unearned Revenue	(2,304,756)
GAAP fund balance	\$ -0-

N. Other Reserves-Fund Balance

The fund balances classified as "reserved for other" Governmental Activities at September 30, 2005 consisted of the following:

General Fund	
Reserved for prepaids	\$ 3,164
Reserved for law enforcement	4,300
Reserved for Federal law enforcement sharing	5,409
	\$ 12,873

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information for Pension Plans

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
September 30, 2005

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded Actuarial Accrued Liability Frozen Entry Age (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as of % of Covered Payroll ((b-a)/c)
General Employees' Pension Plan						
10/01/04	\$ 11,816,336	\$ 17,072,705	\$ 5,256,369	69.21%	\$6,527,743	80.52%
10/01/03	10,776,210	15,253,900	4,477,690	70.65%	6,205,592	72.16%
10/01/02	9,904,366	14,051,610	4,147,244	70.49%	5,787,289	71.66%
10/01/01	9,603,637	10,711,658	1,108,021	89.66%	5,362,591	20.66%
10/01/00	8,961,695	10,062,790	1,101,095	89.06%	4,781,727	23.03%
10/01/99	7,794,026	8,780,241	986,215	88.77%	3,842,344	25.67%
10/01/98	6,693,918	6,773,262	79,344	98.83%	3,547,740	2.24%
10/01/97	5,648,731	5,766,012	117,281	97.97%	3,367,153	3.48%
10/01/96	4,794,100	4,925,669	131,569	97.33%	3,158,957	4.16%
10/01/95	4,172,413	4,289,435	117,022	97.27%	3,248,173	3.60%
Municipal Police Officers' Pension Plan						
10/01/04	\$ 6,476,437	\$ 6,401,042	\$ (75,395)	101.18%	\$1,416,311	-5.32%
10/01/03	6,209,824	6,196,921	(12,903)	100.21%	1,250,379	-1.03%
10/01/02	5,996,132	6,065,783	69,651	98.85%	1,262,196	5.52%
10/01/01	5,870,315	5,982,155	111,840	98.13%	1,124,800	9.94%
10/01/00	5,602,431	5,720,200	117,769	97.94%	1,107,961	10.63%
10/01/99	4,997,882	5,121,888	124,006	97.58%	1,082,560	11.45%
10/01/98	4,354,584	4,482,314	127,730	97.15%	958,535	13.33%
10/01/97	3,760,096	3,866,785	106,689	97.24%	913,701	11.68%
10/01/96	3,331,767	3,413,276	81,509	97.61%	806,872	10.10%
10/01/95	2,999,836	3,075,069	75,233	97.55%	787,013	9.56%
Municipal Firefighters' Pension Plan						
10/01/04	\$ 4,002,153	\$ 5,027,934	\$ 1,025,781	79.60%	\$1,017,908	100.77%
10/01/03	3,860,651	4,372,120	511,469	88.30%	966,509	52.92%
10/01/02	3,700,215	4,173,860	473,645	88.65%	857,052	55.26%
10/01/01	3,573,439	4,044,260	470,821	88.36%	859,555	54.77%
10/01/00	3,351,491	3,810,560	459,069	87.95%	756,054	60.72%
10/01/99	2,933,755	3,031,113	97,358	96.79%	747,333	13.03%
10/01/98	2,548,518	2,509,285	(39,233)	101.56%	746,291	-5.26%
10/01/97	2,136,863	2,137,594	731	99.97%	729,073	0.10%
10/01/96	1,777,924	1,800,680	22,756	98.74%	655,932	3.47%
10/01/95	1,528,805	1,551,696	22,891	98.52%	712,709	3.21%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
September 30, 2005

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>Insurance Premiums State</u>	<u>Percentage Contributed</u>
General Employees' Pension Plan				
2005	\$ 1,110,361	\$ 1,110,361	\$ -	100.00%
2004	1,032,274	1,032,274	-	100.00%
2003	912,387	912,512	-	100.01%
2002	459,749	459,749	-	100.00%
2001	363,675	363,675	-	100.00%
2000	251,037	251,037	-	100.00%
1999	287,208	287,208	-	100.00%
1998	312,560	312,560	-	100.00%
1997	315,476	315,476	-	100.00%
1996	297,015	297,015	-	100.00%
Municipal Police Officers' Pension Plan				
2005	\$ 236,534	\$ 72,135	\$ 193,251	112.20%
2004	192,366	52,010	140,356 *	100.00%
2003	130,380	-	140,356 *	107.70%
2002	113,200	-	140,356 *	124.00%
2001	139,596	6,575	133,022	100.00%
2000	142,293	1,937	140,356 *	100.00%
1999	209,282	68,926	140,356 *	100.00%
1998	186,067	45,711	140,356	100.00%
1997	158,736	30,283	128,454	100.00%
1996	150,789	31,304	119,486	100.00%
Municipal Firefighters' Pension Plan				
2005	\$ 219,381	\$ 48,463	\$ 177,708	103.10%
2004	146,733	-	158,815	108.23%
2003	150,596	17,065	146,663	108.72%
2002	117,142	-	125,656	107.27%
2001	88,342	-	110,674	125.28%
2000	98,618	1,030	110,477 *	113.07%
1999	89,591	-	97,588 *	108.93%
1998	93,581	-	128,742	137.57%
1997	108,263	46,072	66,814	104.27%
1996	102,822	46,896	59,132	103.12%

* "Frozen" pursuant to the provisions of Chapter 175 or 185 Florida Statutes, as amended.

(Continued)

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS
(Continued)
September 30, 2005

The information presented in the required supplementary schedules was determined as a part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	<u>General Employees' Pension Plan</u>	<u>Municipal Police Officers' Pension Plan</u>	<u>Municipal Firefighters' Pension Plan</u>
Valuation Date	10/01/03	10/01/03	10/01/03
Actuarial Cost Method	Frozen entry age	Frozen entry age	Frozen entry age
Amortization Method	Level percent of pay, closed	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	30 years	22 years	29 years
Asset valuation Method	4 years smooth of market value	4 years smooth of market value	4 years smooth of market value
Actuarial Assumptions:			
Investment rate of return net of invest- ment related expenses	8.0%	8.0%	8.0%
Projected salary increase	6.0%	7.0%	6.0%
Inflation portion	3.0%	3.0%	3.0%

CITY OF PUNTA GORDA

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

CDBG Revitalization Project Fund – This fund is used to account for the community development block grant that is funding the revitalization project for substandard housing within the government as well as other legal uses.

Impact Fees – Used to account for the receipt and disbursement of impact fees for:

- Parks
- Police
- Fire
- Government

Punta Gorda Isles Canal Maintenance Assessment District accounts for funds to be utilized for the repair and upkeep of City-owned seawalls and maintain navigability of canals located in the Punta Gorda Isles subdivision.

Burnt Store Isles Canal Maintenance Assessment District accounts for funds to be utilized for the repair and upkeep of City-owned seawalls and maintain navigability of canals located in the Burnt Store Isles subdivision.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Gilchrist Intention – This fund accounts for assets donated by Albert W. Gilchrist, the interest on which shall be spent on right-of-way beautification.

CITY OF PUNTA GORDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2005

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
ASSETS:					
Cash and cash equivalents	\$ 8,158	\$ 3,847	\$ 55,122	\$ 135,325	\$ 33,461
Due from other governments	7,500	-	-	-	-
Prepaid items	-	-	-	-	-
Total Assets	<u>\$ 15,658</u>	<u>\$ 3,847</u>	<u>\$ 55,122</u>	<u>\$ 135,325</u>	<u>\$ 33,461</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 10,541	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	3,847	55,122	135,325	33,461
Due to other funds	-	-	-	-	-
Total Liabilities	<u>10,541</u>	<u>3,847</u>	<u>55,122</u>	<u>135,325</u>	<u>33,461</u>
Fund Balances:					
Reserved for:					
Revitalization and other legal uses	5,117	-	-	-	-
Right-of-way improvements	-	-	-	-	-
Capital improvements and maintenance	-	-	-	-	-
Unreserved:					
Designated for subsequent years' expenditures	-	-	-	-	-
Unreserved undesignated	-	-	-	-	-
Total Fund Balances	<u>5,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 15,658</u>	<u>\$ 3,847</u>	<u>\$ 55,122</u>	<u>\$ 135,325</u>	<u>\$ 33,461</u>

<u>Special Revenue Funds</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental</u>
<u>PGI Canal Maintenance</u>	<u>BSI Canal Maintenance</u>	<u>Gilchrist Intention Fund</u>	
\$ 17,728	\$ 107,267	\$ 7,947	\$ 368,855
78,104	2,506	-	88,110
905	-	-	905
<u>\$ 96,737</u>	<u>\$ 109,773</u>	<u>\$ 7,947</u>	<u>\$ 457,870</u>
\$ 65,814	\$ 13,476	\$ -	\$ 89,831
26,617	-	-	26,617
6,701	-	-	6,701
-	-	-	227,755
341,000	-	-	341,000
<u>440,132</u>	<u>13,476</u>	<u>-</u>	<u>691,904</u>
-	-	-	5,117
-	-	7,947	7,947
-	62,075	-	62,075
-	34,222	-	34,222
<u>(343,395)</u>	<u>-</u>	<u>-</u>	<u>(343,395)</u>
<u>(343,395)</u>	<u>96,297</u>	<u>7,947</u>	<u>(234,034)</u>
<u>\$ 96,737</u>	<u>\$ 109,773</u>	<u>\$ 7,947</u>	<u>\$ 457,870</u>

CITY OF PUNTA GORDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2005

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
Revenues:					
Intergovernmental	\$ 163,160	\$ -	\$ -	\$ -	\$ -
Service assessments	-	-	-	-	-
Interest	71	581	-	-	1,886
Miscellaneous	22,978	34,739	-	-	64,114
Total revenues	<u>186,209</u>	<u>35,320</u>	<u>-</u>	<u>-</u>	<u>66,000</u>
Expenditures:					
Current:					
Economic environment	199,415	-	-	-	-
Recreation	-	-	-	-	-
Debt Service:					
Principal retirement	-	-	-	-	-
Interest charges	-	-	-	-	-
Total expenditures	<u>199,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(13,206)</u>	<u>35,320</u>	<u>-</u>	<u>-</u>	<u>66,000</u>
Other Financing Sources (Uses):					
Transfers out	-	(35,320)	-	-	(66,000)
Total other financing sources (uses)	<u>-</u>	<u>(35,320)</u>	<u>-</u>	<u>-</u>	<u>(66,000)</u>
Net change in fund balances	(13,206)	-	-	-	-
Fund Balances, October 1, 2004	<u>18,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, September 30, 2005	<u>\$ 5,117</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

<u>Special Revenue Funds</u>		<u>Permanent Fund</u>	<u>Total Nonmajor Governmental</u>
<u>PGI Canal Maintenance</u>	<u>BSI Canal Maintenance</u>	<u>Gilchrist Intention Fund</u>	
\$ -	\$ -	\$ -	\$ 163,160
1,879,151	176,882	-	2,056,033
19,702	4,136	210	26,586
14,197	-	-	136,028
<u>1,913,050</u>	<u>181,018</u>	<u>210</u>	<u>2,381,807</u>
-	-	-	199,415
1,674,186	205,622	-	1,879,808
25,000	-	-	25,000
2,516	-	-	2,516
<u>1,701,702</u>	<u>205,622</u>	<u>-</u>	<u>2,106,739</u>
<u>211,348</u>	<u>(24,604)</u>	<u>210</u>	<u>275,068</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,320)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,320)</u>
211,348	(24,604)	210	173,748
<u>(554,743)</u>	<u>120,901</u>	<u>7,737</u>	<u>(407,782)</u>
<u>\$ (343,395)</u>	<u>\$ 96,297</u>	<u>\$ 7,947</u>	<u>\$ (234,034)</u>

CITY OF PUNTA GORDA, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2005

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 96,000	\$ 778,253	\$ 163,160	\$ (615,093)
Interest	-	-	71	71
Miscellaneous	-	-	22,978	22,978
Total revenues	<u>96,000</u>	<u>778,253</u>	<u>186,209</u>	<u>(592,044)</u>
Expenditures				
Current				
Economic environment	<u>96,000</u>	<u>778,253</u>	<u>199,415</u>	<u>578,838</u>
Total expenditures	<u>96,000</u>	<u>778,253</u>	<u>199,415</u>	<u>578,838</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(13,206)</u>	<u>(13,206)</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(13,206)</u>	<u>\$ (13,206)</u>
Fund balances, October 1, 2004			<u>18,323</u>	
Fund balances, September 30, 2005			<u>\$ 5,117</u>	

CITY OF PUNTA GORDA, FLORIDA
PARK IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended September 30, 2005

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Interest	\$ -	\$ 581	\$ 581
Miscellaneous	23,310	38,586	15,276
	<u>23,310</u>	<u>39,167</u>	<u>15,857</u>
Total revenues			
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>23,310</u>	<u>39,167</u>	<u>15,857</u>
Other financing sources (uses)			
Transfers out	<u>(20,312)</u>	<u>(35,320)</u>	<u>(15,008)</u>
Total other financing uses	<u>(20,312)</u>	<u>(35,320)</u>	<u>(15,008)</u>
Net change in fund balance	<u>\$ 2,998</u>	3,847	<u>\$ 849</u>
Fund balances, October 1, 2004		<u>-</u>	
Fund balances, September 30, 2005		<u>\$ 3,847</u>	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 3,847
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	<u>(3,847)</u>
GAAP Fund Balance	<u>\$ -0-</u>

CITY OF PUNTA GORDA, FLORIDA
POLICE IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended September 30, 2005

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 7,945	\$ 14,451	\$ 6,506
Total revenues	<u>7,945</u>	<u>14,451</u>	<u>6,506</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>7,945</u>	<u>14,451</u>	<u>6,506</u>
Net change in fund balance	<u>\$ 7,945</u>	14,451	<u>\$ 6,506</u>
Fund balances, October 1, 2004		<u>40,671</u>	
Fund balances, September 30, 2005		<u>\$ 55,122</u>	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 55,122
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	<u>(55,122)</u>
GAAP Fund Balance	<u>\$ -0-</u>

CITY OF PUNTA GORDA, FLORIDA
 FIRE IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP)
 For the Fiscal Year Ended September 30, 2005

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 22,050	\$ 39,721	\$ 17,671
Total revenues	<u>22,050</u>	<u>39,721</u>	<u>17,671</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>22,050</u>	<u>39,721</u>	<u>17,671</u>
Net change in fund balance	<u>\$ 22,050</u>	39,721	<u>\$ 17,671</u>
Fund balances, October 1, 2004		<u>95,604</u>	
Fund balances, September 30, 2005		<u>\$ 135,325</u>	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 135,325
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	<u>(135,325)</u>
GAAP Fund Balance	<u>\$ -0-</u>

CITY OF PUNTA GORDA, FLORIDA
 GOVERNMENT IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL (NON-GAAP)
 For the Fiscal Year Ended September 30, 2005

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Interest	\$ -	\$ 1,886	\$ 1,886
Miscellaneous	<u>38,500</u>	<u>63,659</u>	<u>25,159</u>
Total revenues	<u>38,500</u>	<u>65,545</u>	<u>27,045</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>38,500</u>	<u>65,545</u>	<u>27,045</u>
Other financing uses			
Transfers out	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>
Total other financing uses	<u>(66,000)</u>	<u>(66,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (27,500)</u>	(455)	<u>\$ 27,045</u>
Fund balances, October 1, 2004		<u>33,916</u>	
Fund balances, September 30, 2005		<u>\$ 33,461</u>	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 33,461
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	<u>(33,461)</u>
GAAP Fund Balance	<u>\$ -0-</u>

CITY OF PUNTA GORDA, FLORIDA
P G I CANAL MAINTENANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2005

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 41,022	\$ -	\$ (41,022)
Interest	-	-	19,702	19,702
Miscellaneous				
Service assessments	1,864,800	1,864,800	1,879,151	14,351
Other	32,400	32,400	14,197	(18,203)
Total revenues	<u>1,897,200</u>	<u>1,938,222</u>	<u>1,913,050</u>	<u>(25,172)</u>
Expenditures				
Current				
Recreation	1,603,253	1,799,358	1,674,186	125,172
Debt service				
Principal retirement	25,000	25,000	25,000	-
Interest and fiscal charges	1,000	1,000	2,516	(1,516)
Total expenditures	<u>1,629,253</u>	<u>1,825,358</u>	<u>1,701,702</u>	<u>123,656</u>
Excess revenues over (under) expenditures	<u>267,947</u>	<u>112,864</u>	<u>211,348</u>	<u>98,484</u>
Net change in fund balance	<u>\$ 267,947</u>	<u>\$ 112,864</u>	211,348	<u>\$ 98,484</u>
Fund balances, October 1, 2004			<u>(554,743)</u>	
Fund balances, September 30, 2005			<u>\$ (343,395)</u>	

CITY OF PUNTA GORDA, FLORIDA
 B S I CANAL MAINTENANCE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2005

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ -	\$ -	\$ 4,136	\$ 4,136
Miscellaneous				
Service assessments	<u>176,970</u>	<u>176,970</u>	<u>176,882</u>	<u>(88)</u>
Total revenues	<u>176,970</u>	<u>176,970</u>	<u>181,018</u>	<u>4,048</u>
Expenditures				
Current				
Recreation	<u>224,302</u>	<u>224,302</u>	<u>205,622</u>	<u>18,680</u>
Total expenditures	<u>224,302</u>	<u>224,302</u>	<u>205,622</u>	<u>18,680</u>
Excess revenues over (under) expenditures	<u>(47,332)</u>	<u>(47,332)</u>	<u>(24,604)</u>	<u>22,728</u>
Net change in fund balance	<u><u>\$ (47,332)</u></u>	<u><u>\$ (47,332)</u></u>	<u>(24,604)</u>	<u><u>\$ 22,728</u></u>
Fund balances, October 1, 2004			<u>120,901</u>	
Fund balances, September 30, 2005			<u><u>\$ 96,297</u></u>	

INTERNAL SERVICE FUNDS

The Internal Service Funds are operated on a cost-reimbursement basis used to account for the financing of services provided by one department or agency to other departments of the City.

- General Maintenance provides repair and maintenance service to City owned vehicles and equipment.
- Computer Service provides a central computer system for the benefit of all City Departments.

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 September 30, 2005

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 1,557	\$ 453,906	\$ 455,463
Refund receivable	-	659	659
Total current assets	<u>1,557</u>	<u>454,565</u>	<u>456,122</u>
Capital assets, net	<u>20,993</u>	<u>466,190</u>	<u>487,183</u>
Total assets	<u>22,550</u>	<u>920,755</u>	<u>943,305</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts payable	960	19,703	20,663
Accrued liabilities	4,260	4,599	8,859
Current portion compensated absences	<u>3,072</u>	<u>1,714</u>	<u>4,786</u>
Total current liabilities	<u>8,292</u>	<u>26,016</u>	<u>34,308</u>
Noncurrent Liabilities			
Accrued compensated absences	<u>27,649</u>	<u>15,428</u>	<u>43,077</u>
Total noncurrent liabilities	<u>27,649</u>	<u>15,428</u>	<u>43,077</u>
Total liabilities	<u>35,941</u>	<u>41,444</u>	<u>77,385</u>
NET ASSETS			
Invested in capital assets, net of related debt	20,993	466,190	487,183
Unrestricted (deficit)	<u>(34,384)</u>	<u>413,121</u>	<u>378,737</u>
Total net assets	<u>\$ (13,391)</u>	<u>\$ 879,311</u>	<u>\$ 865,920</u>

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2005

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
Operating Revenues			
Charges for services	<u>\$ 354,006</u>	<u>\$ 853,996</u>	<u>\$ 1,208,002</u>
Operating Expenses			
Personal services	314,037	254,655	568,692
Contractual services	1,686	116,982	118,668
Materials and supplies	12,368	24,349	36,717
Utilities	453	5,630	6,083
Depreciation	4,759	215,825	220,584
Insurance	7,930	10,783	18,713
Administrative charges	12,668	-	12,668
Repairs and maintenance	2,238	158,897	161,135
Travel	-	11,062	11,062
Rent	<u>4,360</u>	<u>77,641</u>	<u>82,001</u>
Total operating expenses	<u>360,499</u>	<u>875,824</u>	<u>1,236,323</u>
Operating income (loss)	<u>(6,493)</u>	<u>(21,828)</u>	<u>(28,321)</u>
Nonoperating revenues (expenses)			
Interest income	-	8,335	8,335
Loss on disposal of fixed assets	<u>-</u>	<u>(1,165)</u>	<u>(1,165)</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>7,170</u>	<u>7,170</u>
Income (loss) before transfers	<u>(6,493)</u>	<u>(14,658)</u>	<u>(21,151)</u>
Transfer in	<u>-</u>	<u>7,752</u>	<u>7,752</u>
Change in net assets	(6,493)	(6,906)	(13,399)
Net assets - beginning	<u>(6,898)</u>	<u>886,217</u>	<u>879,319</u>
Net assets - ending	<u><u>\$ (13,391)</u></u>	<u><u>\$ 879,311</u></u>	<u><u>\$ 865,920</u></u>

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2005

	General Maintenance	Computer Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from services provided	\$ 354,006	\$ 853,996	\$ 1,208,002
Cash payments to suppliers for goods and services	(41,708)	(384,954)	(426,662)
Cash payments to employees for services	(318,437)	(255,824)	(574,261)
Net cash provided by operating activities	(6,139)	213,218	207,079
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of equipment	(7,104)	(183,010)	(190,114)
Sale of equipment	-	5	5
Net cash used in capital and related financing activities	(7,104)	(183,005)	(190,109)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	7,752	7,752
Advances to other funds	13,726	33,184	46,910
Net cash provided by (used in) noncapital financing activities	13,726	40,936	54,662
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	8,335	8,335
Net increase (decrease) in cash and cash equivalents	483	79,484	79,967
Cash and cash equivalents at beginning of year	1,074	374,422	375,496
Cash and cash equivalents at end of year	\$ 1,557	\$ 453,906	\$ 455,463
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (6,493)	\$ (21,828)	\$ (28,321)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	4,759	215,825	220,584
Net (decrease) in:			
Prepays	-	22,000	22,000
Net (decrease) in:			
Accounts payable	(5)	(1,610)	(1,615)
Accrued liabilities	(4,400)	(1,169)	(5,569)
Net cash provided by (used in) operating activities	\$ (6,139)	\$ 213,218	\$ 207,079
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ -	\$ 6,812	\$ 6,812
Transfer of fully depreciated capital assets	1,500	-	1,500

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

CITY OF PUNTA GORDA, FLORIDA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE ¹
 September 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Governmental Funds capital assets		
Land	\$ 7,915,719	\$ 6,761,323
Buildings	7,249,395	7,321,482
Improvements other than buildings	563,773	731,262
Infrastructure	65,734,276	64,785,759
Machinery and equipment	<u>6,187,672</u>	<u>5,265,495</u>
Subtotal governmental funds capital assets	87,650,835	84,865,321
Construction work in progress	<u>2,827,586</u>	<u>1,780,419</u>
Total governmental funds capital assets	<u><u>\$ 90,478,421</u></u>	<u><u>\$ 86,645,740</u></u>
Investment in governmental funds capital assets by source:		
General fund revenues and undetermined sources	\$ 47,536,910	\$ 48,056,190
Special revenue funds	42,114,600	37,762,639
Federal, State and County grants	170,930	170,930
General obligation bonds	577,452	577,452
Contributions	<u>78,529</u>	<u>78,529</u>
Total governmental funds capital assets	<u><u>\$ 90,478,421</u></u>	<u><u>\$ 86,645,740</u></u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of the internal service funds are included as governmental activities in the statement of net assets.

CITY OF PUNTA GORDA, FLORIDA
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY ¹
September 30, 2005

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Infrastructure</u>	<u>Machinery & Equipment</u>	<u>Total</u>
General Government:						
City Council	\$3,306,976	\$ 260,380	\$ -	\$ 531,030	\$ 24,909	\$ 4,123,295
City Manager	-	-	-	-	2,622	2,622
Human Resources	-	-	-	-	777	777
City Clerk	-	-	-	-	7,429	7,429
Finance	-	-	-	-	10,175	10,175
Procurement	-	118,215	2,962	-	36,057	157,234
Planning & Econ Facil	-	-	-	-	7,387	7,387
Public Works Admin	165,832	9,367	-	-	41,425	216,624
Engineering	-	-	-	-	90,449	90,449
Parks and Grounds	2,554,692	106,700	464,964	656,153	448,323	4,230,832
Facility Services	-	2,540,655	13,433	103,928	90,954	2,748,970
CRA	1,789,673	-	-	132,464	-	1,922,137
Total General Govt	<u>7,817,173</u>	<u>3,035,317</u>	<u>481,359</u>	<u>1,423,575</u>	<u>760,507</u>	<u>13,517,931</u>
Public Safety:						
Police	35,640	1,771,453	-	-	2,035,055	3,842,148
Fire	31,226	2,442,625	1,194	-	2,058,147	4,533,192
Community Develop	-	-	-	-	24,930	24,930
Total Public Safety	<u>66,866</u>	<u>4,214,078</u>	<u>1,194</u>	<u>-</u>	<u>4,118,132</u>	<u>8,400,270</u>
Transportation:						
Right of Way Maint	31,680	-	74,120	31,529,343	905,186	32,540,329
Total Transportation	<u>31,680</u>	<u>-</u>	<u>74,120</u>	<u>31,529,343</u>	<u>905,186</u>	<u>32,540,329</u>
Canal maintenance:						
PGI Canal Maint	-	-	7,100	26,435,749	403,847	26,846,696
BSI Canal Maint	-	-	-	6,345,609	-	6,345,609
Total Canal Maintenance	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>32,781,358</u>	<u>403,847</u>	<u>33,192,305</u>
 Total	 <u>\$7,915,719</u>	 <u>\$7,249,395</u>	 <u>\$563,773</u>	 <u>\$65,734,276</u>	 <u>\$6,187,672</u>	 <u>87,650,835</u>
 Construction work in progress						 <u>2,827,586</u>
						<u>\$90,478,421</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of the internal service funds are included as governmental activities in the statement of net assets.

CITY OF PUNTA GORDA, FLORIDA
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY ¹
For the Fiscal Year Ended September 30, 2005

Function and Activity	Governmental Funds Capital Assets October 1, 2004	Additions	Deductions	Governmental Funds Capital Assets September 30, 2005
General Government				
Service:				
City Council	\$ 2,949,853	\$ 1,174,142	\$ (700)	\$ 4,123,295
City Manager	2,622	-	-	2,622
Human Resources	777	-	-	777
City Clerk	7,429	-	-	7,429
Finance	10,985	-	(810)	10,175
Procurement	157,234	-	-	157,234
Plan & Economic Facil	7,387	-	-	7,387
Public Works Admin	274,724	18,978	(77,078)	216,624
Engineering	90,483	4,196	(4,230)	90,449
Parks and Grounds	3,979,931	284,602	(33,701)	4,230,832
Facility Services	2,651,490	141,438	(43,958)	2,748,970
Community Redev Agency	1,922,137	-	-	1,922,137
Total General Government	<u>12,055,052</u>	<u>1,623,356</u>	<u>(160,477)</u>	<u>13,517,931</u>
Public Safety:				
Police	3,691,488	205,552	(54,892)	3,842,148
Fire	3,790,651	773,805	(31,264)	4,533,192
Community Development	25,024	1,325	(1,419)	24,930
Total Public Safety	<u>7,507,163</u>	<u>980,682</u>	<u>(87,575)</u>	<u>8,400,270</u>
Transportation:				
Right of Way Maint	32,115,741	427,282	(2,694)	32,540,329
Total Transportation	<u>32,115,741</u>	<u>427,282</u>	<u>(2,694)</u>	<u>32,540,329</u>
Canal maintenance:				
PGI Canal Maint	26,841,756	4,940	-	26,846,696
BSI Canal Maint	6,345,609	-	-	6,345,609
Total Canal Maintenance	<u>33,187,365</u>	<u>4,940</u>	<u>-</u>	<u>33,192,305</u>
 Total	 <u>\$ 84,865,321</u>	 <u>\$ 3,036,260</u>	 <u>\$ (250,746)</u>	 87,650,835
Construction work in progress				<u>2,827,586</u>
				<u>\$ 90,478,421</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of the internal service funds are included as governmental activities in the statement of net assets.

STATISTICAL SECTION

CITY OF PUNTA GORDA, FLORIDA

STATISTICAL SECTION
(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	87
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	92
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
Debt Capacity	96
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.	
Table of Computation of Legal Debt Margin is omitted because the Constitution of the State of Florida (FS 200.181) and City of Punta Gorda set no legal debt limit.	
Demographic and Economic Information	100
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	101
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Punta Gorda, Florida
Net Assets by Component
Last Four Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004 - 05	2003 - 04	2002 - 03	2001 - 02
Governmental activities				
Invested in capital assets, net of related debt	\$ 28,455,370	\$ 25,200,694	\$ 23,892,442	\$ 26,662,334
Restricted	3,878,852	3,802,933	2,826,351	1,747,164
Unrestricted	3,283,673	2,791,662	5,304,525	4,584,091
Total governmental activities net assets	<u>\$ 35,617,895</u>	<u>\$ 31,795,289</u>	<u>\$ 32,023,318</u>	<u>\$ 32,993,589</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 25,258,114	\$ 24,718,468	\$ 23,500,701	\$ 22,351,238
Restricted	8,136,448	7,510,942	9,185,654	8,216,625
Unrestricted	10,925,707	10,224,442	8,448,403	9,328,883
Total business-type activities net assets	<u>\$ 44,320,269</u>	<u>\$ 42,453,852</u>	<u>\$ 41,134,758</u>	<u>\$ 39,896,746</u>
Primary government				
Invested in capital assets, net of related debt	\$ 53,713,484	\$ 49,919,162	\$ 47,393,143	\$ 49,013,572
Restricted	12,015,300	11,313,875	12,012,005	9,963,789
Unrestricted	14,209,380	13,016,104	13,752,928	13,912,974
Total primary government net assets	<u>\$ 79,938,164</u>	<u>\$ 74,249,141</u>	<u>\$ 73,158,076</u>	<u>\$ 72,890,335</u>

Per the Statement of Net Assets

City of Punta Gorda, Florida
Changes in Net Assets
Last Four Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004 - 05	2003 - 04	2002 - 03	2001 - 02
Expenses				
Governmental activities:				
General government	\$ 3,818,813	\$ 4,196,052	\$ 5,857,625	\$ 3,052,661
Public safety	7,608,668	6,791,333	5,908,408	5,712,403
Transportation	2,068,295	2,182,392	1,989,493	2,186,096
Economic environment	501,182	254,360	177,115	1,358,570
Recreation	3,729,535	7,658,375	3,730,291	1,603,157
Storm related	2,855,483	4,674,955	-	-
Interest on long-term debt	203,138	234,058	198,943	151,212
Total governmental activities expenses	<u>20,785,114</u>	<u>25,991,525</u>	<u>17,861,875</u>	<u>14,064,099</u>
Business-type activities:				
Water and wastewater	12,546,070	12,701,810	11,902,457	11,107,858
Sanitation/refuse	2,463,665	2,520,655	2,420,658	2,282,279
Total business-type activities expenses	<u>15,009,735</u>	<u>15,222,465</u>	<u>14,323,115</u>	<u>13,390,137</u>
Total primary government expenses	<u>\$ 35,794,849</u>	<u>\$ 41,213,990</u>	<u>\$ 32,184,990</u>	<u>\$ 27,454,236</u>
Program Revenues				
Governmental activities:				
Charges for services	\$ 5,082,158	\$ 2,957,844	\$ 2,423,662	\$ 2,241,604
Operating grants and contributions	3,216,534	4,950,127	56,409	210,082
Capital grants and contributions	1,223,665	3,430,791	1,163,079	1,736,858
Intergovernmental revenues	-	4,511,548	3,927,265	-
Total governmental activities program revenues	<u>9,522,357</u>	<u>15,850,310</u>	<u>7,570,415</u>	<u>4,188,544</u>
Business-type activities:				
Charges for Services				
Water and Sewer	11,239,816	11,864,808	11,146,850	10,987,962
Sanitation/refuse	2,344,094	2,509,935	2,208,154	2,091,504
Operating grants and contributions	16,190	30,639	24,683	30,917
Capital grants and contributions	2,730,343	1,630,102	1,556,869	2,600,528
Total business-type activities program revenues	<u>16,330,443</u>	<u>16,035,484</u>	<u>14,936,556</u>	<u>15,710,911</u>
Total primary government program revenues	<u>\$ 25,852,800</u>	<u>\$ 31,885,794</u>	<u>\$ 22,506,971</u>	<u>\$ 19,899,455</u>
Net (Expense)/Revenue				
Government activities	\$ (11,262,757)	\$ (10,141,215)	\$ (10,291,460)	\$ (9,875,555)
Business type activities	1,320,708	813,019	613,441	2,320,774
Total primary government net expense	<u>\$ (9,942,049)</u>	<u>\$ (9,328,196)</u>	<u>\$ (9,678,019)</u>	<u>\$ (7,554,781)</u>

(continued)

City of Punta Gorda, Florida
Changes in Net Assets
Last Four Fiscal Years
(accrual basis of accounting)
(continued)

	Fiscal Year			
	2004 - 05	2003 - 04	2002 - 03	2001 - 02
General Revenues and Other				
Changes in Net Assets				
Government activities:				
Taxes				
Property taxes	\$ 5,733,290	\$ 4,932,027	\$ 4,373,005	\$ 4,177,120
Franchise fees	1,109,411	1,044,505	1,016,275	31,641
Utility taxes and gas taxes	3,400,667	3,471,836	3,488,370	1,126,818
Sales taxes	3,865,509	-	-	-
Intergovernmental revenues	-	-	-	3,482,164
Occupational licenses	-	-	-	136,420
Investment earnings	228,952	194,637	206,280	335,301
Miscellaneous	747,534	254,509	287,250	203,750
Gain on sale of capital assets	-	15,672	31,806	28,994
Transfers	-	-	-	3,196,412
Total governmental activities	<u>15,085,363</u>	<u>9,913,186</u>	<u>9,402,986</u>	<u>12,718,620</u>
Business-type activities:				
Franchise fees	13,527	14,815	12,661	903,028
Utility taxes and gas taxes	-	-	-	2,161,270
Intergovernmental revenues	-	-	-	146,243
Investment earnings	490,500	267,424	379,771	587,233
Miscellaneous	39,825	223,836	212,774	43,555
Gain on sale of capital assets	1,857	-	19,365	37,520
Transfers	-	-	-	(3,196,412)
Total business-type activities	<u>545,709</u>	<u>506,075</u>	<u>624,571</u>	<u>682,437</u>
Total primary government	<u>\$ 15,631,072</u>	<u>\$ 10,419,261</u>	<u>\$ 10,027,557</u>	<u>\$ 13,401,057</u>
Change in Net Assets				
Governmental activities	\$ 3,822,606	\$ (228,029)	\$ (888,474)	\$ 2,843,065
Business-type activities	1,866,417	1,319,094	1,238,012	3,003,211
Total primary government	<u>\$ 5,689,023</u>	<u>\$ 1,091,065</u>	<u>\$ 349,538</u>	<u>\$ 5,846,276</u>

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City of Punta Gorda, Florida
Fund Balances of Governmental Funds
Last Four Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004 - 05	2003 - 04	2002 - 03	2001 - 02
General Fund				
Reserved	\$ 12,873	\$ 20,976	\$ 16,814	\$ 28,966
Unreserved	4,057,485	3,140,042	3,398,600	3,256,143
Total general fund	<u>\$ 4,070,358</u>	<u>\$ 3,161,018</u>	<u>\$ 3,415,414</u>	<u>\$ 3,285,109</u>
All Other Governmental Funds				
Reserved				
Community Redevelopment Agency fund	\$ -	\$ -	\$ 1,850,128	\$ -
Special revenue funds	67,192	91,892	384,961	163,523
Capital projects fund	3,790,840	3,682,328	2,416,937	1,546,857
Gilchrist Intention permanent fund	7,947	7,737	7,639	7,529
Unreserved, reported in:				
Community Redevelopment Agency fund	(183,102)	622,154	705,272	798,210
Storm fund	80,689	-	-	-
Special revenue funds	(309,173)	(507,411)	68,750	367,728
Capital projects fund	-	-	-	-
Gilchrist Intention permanent fund	-	-	-	-
Total all other governmental funds	<u>\$ 3,454,393</u>	<u>\$ 3,896,700</u>	<u>\$ 5,433,687</u>	<u>\$ 2,883,847</u>

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

Economic environment

	Fiscal Year			
	2004 - 05	2003 - 04	2002 - 03	2001 - 02
Revenues				
Taxes	\$ 10,231,641	\$ 9,448,368	\$ 8,877,651	\$ 5,335,578
Licenses and permits	2,736,653	704,155	837,940	782,102
Intergovernmental	8,211,624	12,750,887	4,855,125	4,475,894
Charges for services	254,001	194,033	167,770	112,312
Fines and forfeits	103,379	102,698	104,621	101,718
Miscellaneous	4,762,080	4,344,582	3,881,054	4,556,822
Total revenues	<u>26,299,378</u>	<u>27,544,723</u>	<u>18,724,161</u>	<u>15,364,426</u>
Expenditures				
Current:				
General government	4,907,746	5,129,701	5,422,490	4,713,308
Public safety	7,518,937	6,805,994	6,025,466	5,879,324
Transportation	1,897,888	2,019,953	1,900,615	1,975,509
Economic environment	342,286	273,110	177,115	1,358,570
Recreation	3,074,464	6,971,671	2,455,913	909,443
Storm Related	2,855,483	4,674,955	-	-
Debt service:				
Principal	1,066,130	729,446	2,443,832	381,283
Interest and other charges	203,138	240,530	188,475	134,133
Capital outlay	3,958,521	2,490,746	1,522,110	7,176,170
Total expenditures	<u>25,824,593</u>	<u>29,336,106</u>	<u>20,136,016</u>	<u>22,527,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>474,785</u>	<u>(1,791,383)</u>	<u>(1,411,855)</u>	<u>(7,163,314)</u>
Other financing sources (uses)				
Transfers in	3,092,341	2,514,222	4,071,526	7,683,806
Transfers out	(3,100,093)	(2,514,222)	(4,071,526)	(4,487,394)
Debt Proceeds	-	-	4,092,000	352,000
Total other financing sources (uses)	<u>(7,752)</u>	<u>0</u>	<u>4,092,000</u>	<u>3,548,412</u>
Net change in fund balances	<u>\$ 467,033</u>	<u>\$ (1,791,383)</u>	<u>\$ 2,680,145</u>	<u>\$ (3,614,902)</u>
Debt service as a percentage of noncapital expenditures	<u>6.16%</u>	<u>3.75%</u>	<u>16.47%</u>	<u>3.47%</u>

Fiscal Year					
2000 - 01	1999 - 00	1998 - 99	1997 - 98	1996 - 97	1995 - 96
\$ 4,831,775	\$ 4,419,864	\$ 4,221,571	\$ 4,076,040	\$ 3,963,527	\$ 3,878,567
826,990	806,060	825,760	693,784	560,312	508,007
3,670,491	3,104,834	2,104,528	1,508,035	1,275,234	1,590,586
117,097	121,301	128,574	114,360	63,148	45,702
121,057	110,093	125,848	119,283	167,533	100,308
4,123,202	3,840,670	3,945,642	3,439,141	3,784,194	2,910,132
<u>13,690,612</u>	<u>12,402,822</u>	<u>11,351,923</u>	<u>9,950,643</u>	<u>9,813,948</u>	<u>9,033,302</u>
4,295,517	4,291,006	3,976,242	4,021,938	3,897,782	3,888,929
5,250,164	4,709,486	4,305,180	4,150,087	3,941,235	3,689,913
1,876,271	1,740,282	1,527,723	2,466,938	2,167,876	2,096,313
452,924	222,097	186,903	165,759	76,503	192,728
838,074	838,279	920,836	-	-	-
-	-	-	-	-	-
317,170	285,000	225,000	380,010	846,118	301,784
204,954	235,845	188,650	270,236	228,100	123,459
3,205,864	2,189,620	2,516,185	1,332,595	1,249,279	1,373,739
<u>16,440,938</u>	<u>14,511,615</u>	<u>13,846,719</u>	<u>12,787,563</u>	<u>12,406,893</u>	<u>11,666,865</u>
<u>(2,750,326)</u>	<u>(2,108,793)</u>	<u>(2,494,796)</u>	<u>(2,836,920)</u>	<u>(2,592,945)</u>	<u>(2,633,563)</u>
6,620,578	6,493,420	5,307,180	3,882,510	4,165,409	3,486,504
(3,417,719)	(3,602,699)	(2,530,433)	(1,239,745)	(1,617,840)	(1,029,646)
595,523	800,000	-	-	3,100,000	-
<u>3,798,382</u>	<u>3,690,721</u>	<u>2,776,747</u>	<u>2,642,765</u>	<u>5,647,569</u>	<u>2,456,858</u>
<u>\$ 1,048,056</u>	<u>\$ 1,581,928</u>	<u>\$ 281,951</u>	<u>\$ (194,155)</u>	<u>\$ 3,054,624</u>	<u>\$ (176,705)</u>
<u>4.11%</u>	<u>4.41%</u>	<u>3.79%</u>	<u>6.02%</u>	<u>10.65%</u>	<u>4.31%</u>

City of Punta Gorda, Florida
 Just Value and Taxable Value of All Property
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	\$ 3,056,785,438	\$ 134,623,406	\$ 782,926,911	\$ 2,408,481,933	\$ 2.4772
2004	2,563,413,563	121,670,527	604,538,734	2,080,545,356	2.4772
2003	2,166,148,419	115,779,823	488,566,001	1,793,362,241	2.5446
2002	1,888,629,607	106,539,943	411,270,171	1,583,899,379	2.7419
2001	1,718,409,977	96,074,080	399,842,632	1,414,641,425	2.7419
2000	1,478,292,653	94,209,497	322,669,557	1,249,832,593	2.9565
1999	1,298,001,748	93,356,505	252,216,883	1,139,141,370	3.1572
1998	1,240,155,343	96,703,923	244,489,118	1,092,370,148	3.3043
1997	1,178,424,817	88,701,236	208,923,836	1,058,202,217	3.3365
1996	1,135,608,834	86,214,090	190,582,674	1,031,240,250	3.3522

Source: Charlotte County 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 Punta Gorda, 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 Punta Gorda			Overlapping Rates^a		Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Charlotte County	Charlotte County School Board	
2005	2.4772	0.0000	2.4772	4.7709	8.4690	15.7171
2004	2.4772	0.0000	2.4772	4.8709	8.4180	15.7661
2003	2.5446	0.0000	2.5446	4.8709	8.6280	16.0435
2002	2.7419	0.0000	2.7419	4.7141	8.7544	16.2104
2001	2.7419	0.0000	2.7419	4.7141	8.8220	16.2780
2000	2.9565	0.0000	2.9565	4.7141	9.1360	16.8066
1999	3.1572	0.0000	3.1572	4.5992	9.7310	17.4874
1998	3.2042	0.1001	3.3043	4.5992	9.5965	17.5000
1997	3.2369	0.0996	3.3365	4.5278	9.8612	17.7255
1996	3.2483	0.1039	3.3522	4.4983	9.6802	17.5307

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

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

<u>Taxpayer</u>	<u>Fiscal Year 2004 - 05</u>			<u>Fiscal Year 1995 - 96</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Punta Gorda Medical Center, Inc.-hospital	\$ 31,710,065	1	1.3%	\$ 22,850,378	1	2.2%
Florida Power & Light Co.	24,056,932	2	1.0%	11,785,834	3	1.1%
Sprint-United Telephone Company of FL	16,988,080	3	0.7%	16,081,352	2	1.5%
Nu-West Florida, Inc.-Fisherman's Village	15,705,184	4	0.7%	7,622,070	6	0.7%
Colonial Realty, Limited-shopping center	11,639,600	5	0.5%	8,816,063	4	0.8%
Punta Gorda Pines, Ltd	10,197,040	6	0.4%			
P. G. Hotel, LLC/ Best Western	8,757,599	7	0.4%			
P. G. Crossings, LLC	8,212,828	8	0.3%			
Farmers Market Dr., Inc.-Kash N Karry	6,705,388	9	0.3%			
Punta Gorda Assoc., Ltd.-Life Care Center	6,490,256	10	0.3%	4,043,058	9	0.4%
Integrated Control Systems, Inc.-training center	-			8,504,388	5	0.8%
Bayvue, Inc of Florida-Holiday Inn	-			5,157,792	7	0.5%
Wal-Mart Stores, Inc.	-			4,760,342	8	0.4%
Seminole Lakes-development	-			2,971,196	10	0.3%
	<u>\$ 140,462,972</u>		<u>5.83%</u>	<u>\$ 92,592,473</u>		<u>8.7%</u>

Source: Charlotte County Property Appraiser

City of Punta Gorda, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal year Ended September 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collections within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2005	\$ 5,966,228	\$ 5,690,417	95.38%	\$ 2,957	\$ 5,693,374	95.43%
2004	5,153,863	4,931,320	95.68%	31,146	4,962,466	96.29%
2003	4,563,325	4,370,847	95.78%	707	4,371,555	95.80%
2002	4,342,794	4,173,205	96.09%	2,158	4,175,363	96.14%
2001	3,878,709	3,758,581	96.90%	3,915	3,762,496	97.00%
2000	3,695,017	3,564,116	96.46%	2,182	3,566,298	96.52%
1999	3,596,395	3,496,374	97.22%	10,211	3,506,585	97.50%
1998	3,609,415	3,492,301	96.76%	965	3,493,266	96.78%
1997	3,530,592	3,425,535	97.02%	4,720	3,430,256	97.16%
1996	3,456,612	3,363,971	97.32%	9,747	3,373,717	97.60%

Source: City of Punta Gorda Finance Department and Charlotte County Tax Collector

City of Punta Gorda, Florida
 Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year Ended September 30,	Governmental Activities			Business-Type Activities			Internal Services	Total Primary Government	Per Capita
	General Obligation Bonds	Capital Revenue Notes	Capital Leases	Water and Wastewater Bonds	Water and Wastewater Notes	Capital Leases	Capital Leases		
2005	\$ -	\$ 4,528,417	\$ 31,996	\$ 11,029,460	\$ 9,432,429	\$ 498,705	\$ -	\$ 25,521,007	\$ 1,570
2004	-	5,563,417	73,126	12,217,880	5,173,522	370,202	-	23,398,147	1,363
2003	-	5,951,417	188,356	13,821,299	5,872,897	495,816	-	26,329,785	1,587
2002	-	4,215,417	150,404	15,619,718	6,565,827	620,550	156,243	27,328,159	1,695
2001	-	4,560,417	186,687	16,946,967	6,106,070	731,896	232,874	28,764,911	1,888
2000	-	4,468,750	-	17,860,597	3,332,265	307,699	358,707	26,328,018	1,835
1999	-	3,953,750	-	19,324,228	3,034,951	358,968	151,117	26,823,014	1,966
1998	-	4,178,750	-	20,452,857	3,534,951	-	60,846	28,227,404	2,211
1997	100,000	4,445,000	13,760	21,526,487	4,159,951	-	113,936	30,359,134	2,423
1996	190,000	2,088,250	26,628	22,550,117	4,536,845	-	164,232	29,556,072	2,401

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

City of Punta Gorda, Florida
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

<u>Fiscal year Ended September 30,</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2005	\$ -	\$ -	\$ -	0.00%	\$ -
2004	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2001	-	-	-	0.00%	-
2000	-	-	-	0.00%	-
1999	-	-	-	0.00%	-
1998	-	-	-	0.00%	-
1997	100,000	4,839	95,161	0.01%	7.59
1996	190,000	5,074	184,926	0.02%	15.02

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

City of Punta Gorda, Florida
 Direct and Overlapping Governmental Activities Debt
 General Obligation Bonds
 As of September 30, 2005

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percent Applicable to Punta Gorda ^a</u>	<u>Amount Applicable to Punta Gorda ^a</u>
Overlapping debt			
Charlotte County School Board General Obligation debt	\$ 8,980,000	18.59%	\$ 1,669,181
City direct debt			<u>0</u>
Total direct and overlapping debt			<u>\$ 1,669,181</u>

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

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values in the City of Punta Gorda to total taxable assessed valuation of property in Charlotte County.

City of Punta Gorda, Florida
Pledged-Revenues Coverage
Last Ten Fiscal Years

Water & Sewer Utility Revenue Bonds

Fiscal Year Ended September 30,	Pledged Revenues (a)	Less: Operating Expenses (b)	Net Available Revenue	Debt Service Requirements	Coverage
2005	\$14,503,049	\$ 7,377,234	\$ 7,125,815	\$ 2,246,295	3.2
2004	14,000,595	7,193,330	6,807,265	2,246,295	3.0
2003	13,309,397	6,612,357	6,697,040	2,271,120	2.9
2002	14,254,094	5,795,704	8,458,390	2,346,778	3.6
2001	16,119,293	5,348,343	10,770,950	2,393,586	4.5
2000	16,231,922	5,292,420	10,939,502	2,393,586	4.6
1999	15,044,419	5,118,793	9,925,626	2,667,758	3.7
1998	14,908,232	5,250,449	9,657,783	2,667,758	3.6
1997	14,176,896	5,165,342	9,011,554	2,667,758	3.4
1996	13,017,000	5,351,919	7,665,081	2,667,758	2.9

(a) Includes operating and nonoperating revenues, available impact fees and other pledged revenues. Before 2002 pledged revenues included utility taxes, franchise fees and State Revenue Sharing

(b) Excludes depreciation expense and the cost associated with Billing and Collection division.

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

<u>Fiscal year Ended September 30,</u>	<u>Population City of Punta Gorda (a)</u>	<u>Population Charlotte County</u>	<u>Per Capita Income (b)</u>	<u>Unemployment Rate (b)</u>
2005	16,255	154,030		
2004	17,168	156,985		
2003	16,591	151,995		4.4%
2002	16,120	148,521	26,932	4.2%
2001	15,236	144,571	25,975	3.4%
2000	14,344	141,627	25,361	2.7%
1999	13,646	136,733	24,195	3.1%
1998	12,768	133,655	23,638	3.6%
1997	12,631	131,307	22,684	4.0%
1996	12,308	129,468	21,360	4.2%
1995	11,978	127,646	20,620	4.7%
1994	11,873	124,883	19,215	6.0%

Note: Information presented is the most current available.

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

^b **Source:** 2004 Florida Statistical Abstract

City of Punta Gorda, Florida
 Authorized Full-time Equivalent City Government Employees by Function/Program
 Fiscal Years 2004 - 05, 2003 - 04 and 2002 - 03

<u>Function/Program</u>	<u>2004 - 05</u>	<u>2003 - 04</u>	<u>2002 - 03</u>
General Government			
City Council	5.00	5.00	5.00
City Manager's Office	3.00	3.00	3.00
Human Resources	3.00	3.00	3.00
City Clerk	5.00	5.00	5.00
Finance	8.00	7.00	7.00
Legal	1.00	1.00	1.00
Public Works			
Public Works Administration	3.00	3.00	5.00
Engineering	5.00	5.00	5.00
Right of Way Maintenance	18.00	18.00	18.00
Parks and Grounds	16.00	14.00	13.50
Sanitation/Refuse	20.00	21.00	21.00
Punta Gorda Isles Canal Maintenance	10.50	10.50	10.50
Community Development	7.00	8.00	8.00
Public Safety			
Police	51.00	49.50	48.50
Fire	30.00	29.00	26.00
Administrative Services			
Administrative Services	2.00	1.50	1.00
Procurement	8.00	8.00	8.00
Building and Code Compliance	21.00	14.00	14.00
Facilities Maintenance	4.00	4.00	4.50
Fleet Maintenance	5.00	5.00	5.00
Management Information Services (MIS)	3.00	3.00	3.00
Geographic Information Services (GIS)	1.00	-	-
Utilities			
Billing and Collections	8.00	8.00	8.00
Utilities Administration	5.00	5.00	5.00
Water Treatment	18.00	17.00	17.00
Wastewater Collection	14.00	12.00	12.00
Wastewater Treatment	15.00	15.00	15.00
Water Distribution	16.00	16.00	16.00
Total	<u><u>305.50</u></u>	<u><u>290.50</u></u>	<u><u>288.00</u></u>

Source: City of Punta Gorda Budgeted Position Summary

City of Punta Gorda, Florida
 Operating Indicators by Function/Program
 Fiscal Year 2004 - 05

<u>Function/Program</u>	<u>2004 - 05</u>
Police	
Calls for Service	13,637
Citations Issued	12,306
Traffic crashes	583
Narcotics arrests	215
Fire Department	
Fires	97
EMS and Police assistance calls	1,670
General Government	
Building permits issued	11,792
Building inspections conducted	21,105
Dwelling units permitted	722
Streets and highways	
Streets resurfaced (<i>miles</i>)	4.5
New sidewalks (linear feet)	350
Water	
New connections	622
Average daily consumption (<i>thousands of gallons</i>)	4,300
Peak daily consumption (<i>thousands of gallons</i>)	6,300
Water equivalent residential units (ERU)	14,018
Wastewater	
Average daily sewage treatment (<i>thousands of gallons</i>)	4,000
Sewer equivalent residential units (ERU)	12,310
Solid waste collection	
Solid waste collected (<i>tons per day</i>)	38.5
Recyclables collected (<i>tons per day</i>) <i>includes yardwaste</i>	10.9
Refuse equivalent residential units (ERU)	11,558
Punta Gorda Isles Canal Maintenance Assessment District	
Seawall replacement (feet)	2,354
Seawall cap replacement (feet)	5,080
Burnt Store Isles Canal Maintenance Assessment District	
Seawall replacement (feet)	362
Seawall cap replacement (feet)	1,354

Source: Various city departments monthly reports and 9/30/2005 ERU Total report.

City of Punta Gorda, Florida
 Capital Assets Statistics by Function/Program
 Fiscal Year 2004 - 05

<u>Function/Program</u>	<u>2004 - 05</u>
Police	
Stations	1
Number of Police Officers Authorized	34
Fire	
Stations	3
Number of Firefighters Authorized	27
Streets and highways	
Streets (<i>miles</i>)	110
Unpaved streets (<i>miles</i>)	3
Streetlights	566
Traffic signal intersections	18
Water	
Water mains (<i>miles</i>)	217
Storage capacity (<i>thousands of gallons</i>)	7,500
Fire hydrants	930
Wastewater	
Sanitary sewers (<i>miles</i>)	127
Treatment capacity (<i>thousands</i>)	4,000
Solid waste collection	
Collection trucks	9
Parks and recreation	
Acreage	82 +/-
Number of Parks	15

Source: City of Punta Gorda Finance Department.

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