



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

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

PREPARED BY THE FINANCE DEPARTMENT

Kristin Simeone, CPA
Director of Finance

CITY COUNCIL

As of September 30, 2020

MAYOR

NANCY B. PRAFKE

VICE MAYOR

LYNNE R. MATTHEWS

COUNCILMEMBER

DEBORAH J. CAREY

COUNCILMEMBER

JAHA F. CUMMINGS

COUNCILMEMBER

GARY M. WEIN

CITY MANAGER

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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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
FINANCE DEPARTMENT
326 WEST MARION AVENUE
PUNTA GORDA, FL 33950

(941) 575-3318
FAX: (941) 575-3386

April 27, 2021

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 nine months 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 (CAFR) of the City of Punta Gorda for the fiscal year ended September 30, 2020.

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 Ashley Brown & Co., 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, 2020 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 unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020 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 is generally 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.



GAAP requires 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 approximately 19,957. 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, sanitation and marina 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 through March. The manager uses these requests as the starting point for developing a proposed budget. The manager uses budget workshops for the goal of presenting a proposed budget to the council for review in April through August. 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. The City Manager may make transfers between departments within a fund. 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 PGI Canal Maintenance, this comparison is presented as part of the basic financial statements for the governmental funds. For Governmental Funds, other than the funds listed above, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. This includes the following funds: BSI Canal Maintenance, Impact Fees, Gas Tax Funds, Special Use, Buckley's Pass Dredging Area, CDBG, and CHNEP. Project-length financial plans are adopted for all capital project funds and the 1% Local Option Sales Tax Fund. The Debt Service Fund is used for tracking and payment of all major debt incurred by the General Fund, CRA or PGI Canal Maintenance Fund.

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.

Long-term financial planning

For major projects the City uses a five-year capital budget. This helps recognize when major cash infusions will be necessary. These infusions may come from the issuance of debt, grants, new revenue sources, impact fees and/or a build-up of fund balance. Any or all of these methods may be utilized. Not as obvious, but just as important, is the increase in services with the costs associated with these services requested by the citizens, or mandated by external forces. Economic forecasts are performed during the year to avoid surprises due to service changes. As mentioned elsewhere, the City now utilizes a written Council approved strategic plan as well as a Long Range Financial Plan. These tools not only help guide the City staff in specific directions, but also help in the planning of the financial future of the City.

Major Initiatives

A major initiative 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.

Vision: Continue to preserve our small town character while promoting diversity, economic development and sustainability.

Vision Elements:

- Punta Gorda will preserve and enhance its small town, self-sufficient community character.
- Punta Gorda will be an economically sustainable four season community and cultural hub of Charlotte County.
- Punta Gorda will continue to be a safe and secure community.
- Punta Gorda will be a place where residents and visitors recognize the significance and character of its waterfront amenities, natural resources, and vibrant downtown.
- Strong partnerships and collaboration between the City government and all sectors of the community will embody Punta Gorda's ability to sustain its small-town, self-sufficient character.
- Punta Gorda will have a financially sustainable city government.
- Punta Gorda will position itself as the best small town to live, work and visit.

Mission: *"To preserve and enhance Punta Gorda's identity as a vibrant waterfront community, unique in character and history, and as a desirable places to live, work and visit."*

Mission Elements include:

- Become a desired, waterfront destination
- Be a better place to live, work and play
- Deliver a high level of service
- Enhance quality of life
- Retain our unique character

Values Elements:

- Maintain a culture of community engagement, teamwork, partnerships, transparency, respect, customer service, and stewardship.
- Sustain pride in Punta Gorda's history and well-preserved historical areas and natural resources.
- Support and promote local businesses.
- Value a high level of openness, and the fair and equitable treatment of all residents.
- Ensure an ethical, transparent and accountable city government.

Strategic Plan Priorities:

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 a strategic plan which set priorities for FY 2021. These priorities are delineated below.

- Financial/Economic Sustainability
- Infrastructure Sustainability
- Partnerships, Communication & Collaboration
- Strategic Communications Positioning
- Quality of Life

The plan helps us stay focused in our near term objectives and tasks, while still keeping our eye on the long range perspective of our actions. Our strategic plan is dynamic and can be adjusted or molded from time to time as needed. It is a working document that evolves as development takes place. In this way, it is a document by which we can measure our success and by which the community can evaluate our performance.

Other Economic Issues Affecting City Finances

It is the City's policy to have a minimum Unassigned General Fund Balance of 9.0% plus \$120 thousand from health insurance savings in the coming fiscal year. Due to the possibility of a future decline in taxable property values, that could occur during an economic downturn, the City should consider setting aside a portion of additional savings achieved through the year for a fiscal stabilization reserve to meet unexpected immediate increase in service delivery costs or to maintain service levels in the event of a major storm or other unforeseen disaster that fundamentally alters the current tax base.

The City policy that affects the City's current and future financial statements is to increase the above mentioned fund balance an additional 0.5% each year until it meets the GFOA recommended practice of two months operating or 16.67%.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2019. This was the thirty-third 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 unfailing support for maintaining the highest standards of professionalism in the management of the City of Punta Gorda's finances.

Respectfully submitted,



GREGORY B. MURRAY
CITY MANAGER

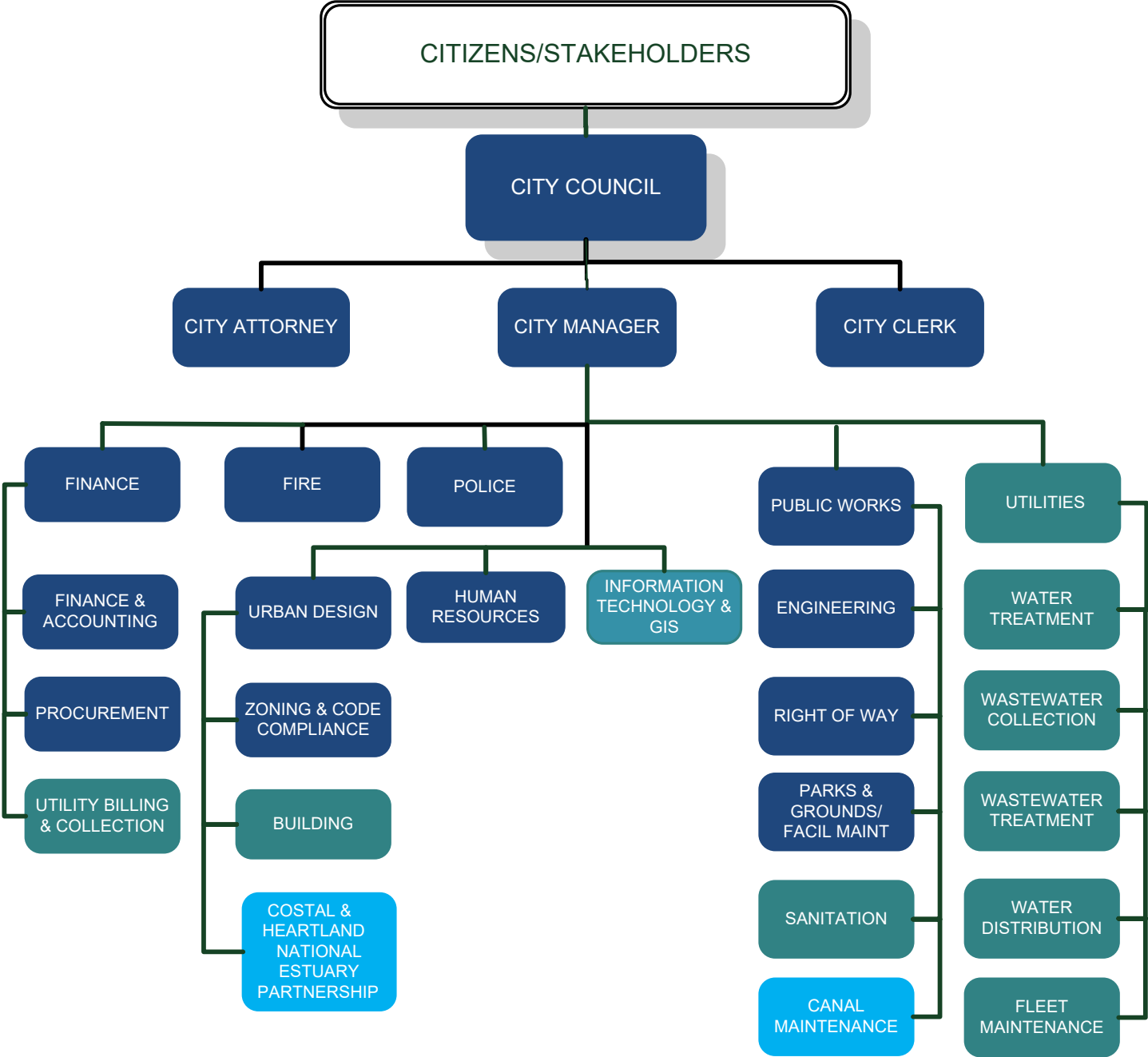


KRISTIN SIMEONE, CPA
DIRECTOR OF FINANCE

City of Punta Gorda, Florida
List of Principal Officials
As of September 30, 2020

<u>Title</u>	<u>Name</u>
Mayor	Nancy B. Prafke
Vice Mayor	Lynne R. Matthews
Councilmember	Deborah J. Carey
Councilmember	Jaha F. Cummings
Councilmember	John Miller
City Manager	Howard Kunik
City Attorney	David M. Levin
City Clerk	Karen Smith
Chief of Police	Pamela Davis
Fire Operations Chief	Raymond A. Briggs
Director of Finance	Kristin Simeone
Director of Public Works	Richard C. Keeney
Director of Utilities	Charles Pavlos

CITY OF PUNTA GORDA
 ORGANIZATION STRUCTURE
 BUDGET FY 2020



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, 2019. 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 thirty-four consecutive years (fiscal years ended 1985 through 2019). 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.



Government Finance Officers Association

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, 2019

Christopher P. Morill

Executive Director/CEO

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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AshleyBrownCPAS.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Punta Gorda, Florida

Report on the Financial Statements

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, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other post-employment benefit schedules, as indicated in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund and internal service fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and Chapter 10.550, Rules of the Auditor General, and are also not a required part of the basic financial statements.

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

In our opinion, the combining and individual nonmajor fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
April 27, 2021

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, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2020, by \$196.5 million (net position). Of this amount, \$14.7 million unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$14.1 million.
- As of September 30, 2020 the City's governmental funds reported combined ending net position of \$96.4 million. This is an increase of \$5.6 million. The unrestricted net position is a deficit balance of \$2.2 million.
- As of September 30, 2020 the business-type activities reported combined ending net position of \$100.1 million. This is an increase of \$8.5 million. The unrestricted net position is \$16.9 million
- The City's total long-term liabilities increased by \$9.7 million during the current fiscal year.
- Total revenues decreased \$30.0 million in comparison to prior year.
- Total expenses increased \$4.0 million in comparison to prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Statement of Net Position (page 22) and **The Statement of Activities** (page 23 and 24) 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 25. 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 29 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, Canal Maintenance Districts and Special Use Fund 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 Position 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during fiscal year 2020. All changes in net position 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, and general administration. Major revenues supporting these activities are ad-valorem taxes, sales and gas taxes, franchise fees, utility and communications service taxes, assessments, intergovernmental revenues, grants, fees and investments.
- Business-type activities—The City's Utilities, Sanitation, Building and Marina services are reported here. These services are supported primarily from user fees. 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. These include the General fund, the CRA fund, 1% Sales Tax fund, the Capital Projects fund, the Debt Service fund, the Coastal and Heartland National Estuary Partnership (CHNEP) fund, the Special Use fund, the PGI and BSI Canal Maintenance District funds, the two Gas Tax funds, Buckley's Pass Dredging Fund and the Fair Share Impact Fee funds. 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, Sanitation, Building and Marina; the internal service fund is Information Technology Services. All proprietary funds use full accrual basis accounting and the economic measurement focus. Fees or charges are the primary revenue source for proprietary 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. The City's three pension funds are fiduciary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes can be found beginning on page 52.

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

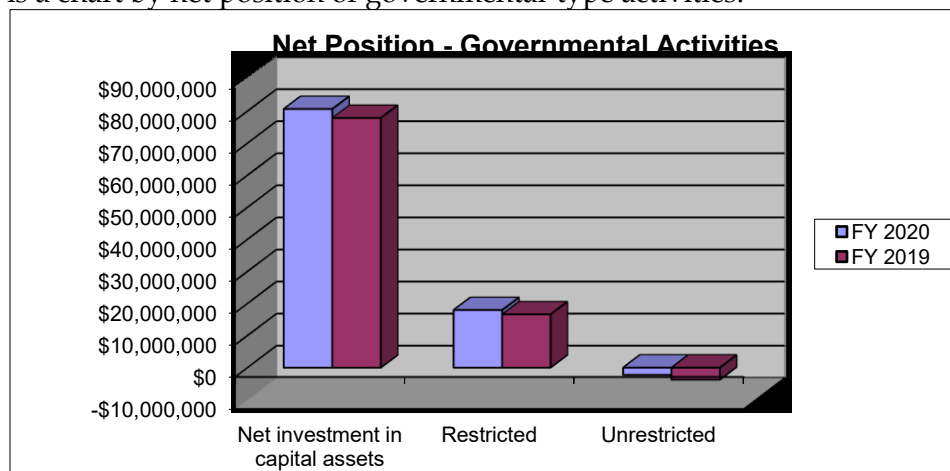
The City's combined net position as of September 30, 2020 was \$196.5 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$65.4 million. Total city-wide expenses were \$51.3 million. The increase to city-wide net position was \$14.1 million (Table 2). Below in Table 1 is a condensed Statement of Net Position, in thousands, for the governmental activities and the business-type activities.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 32,317	\$ 28,940	\$ 33,442	\$ 22,792	\$ 65,759	\$ 51,732
Capital assets	92,916	91,273	93,522	86,472	186,438	177,745
Total assets	125,233	120,213	126,964	109,264	252,197	229,477
Deferred Outflows Pensions/OPEB	3,538	2,448	1,563	973	5,101	3,421
Long-term liabilities	(27,479)	(28,553)	(24,589)	(13,756)	(52,068)	(42,309)
Other liabilities	(2,169)	(1,999)	(3,018)	(4,601)	(5,187)	(6,600)
Total liabilities	(29,648)	(30,552)	(27,607)	(18,357)	(57,255)	(48,909)
Deferred Inflows Pensions/OPEB	(2,750)	(1,359)	(815)	(311)	(3,565)	(1,670)
Net Position:						
Net investment in						
capital assets	80,655	77,868	81,588	80,802	162,243	158,670
Restricted	17,959	16,617	1,613	1,375	19,572	17,992
Unrestricted	(2,241)	(3,735)	16,904	9,392	14,663	5,657
Total net position	\$ 96,373	\$ 90,750	\$ 100,105	\$ 91,569	\$ 196,478	\$ 182,319

The largest portion of the City’s net position (82.6%) reflects its investment in capital assets (land, buildings, infrastructure 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. Restricted assets (representing 9.9% of total net position) are subject to external restrictions on how they may be used. The remaining 7.5% balance of unrestricted net position, \$14.7 million, may be used to meet the city’s ongoing obligations to citizens and creditors. It is important to recognize that this resource may be planned to repay the outstanding debt on capital. The governmental activities net position increased by \$5.6 million or 6.2%. Last fiscal year there was a \$30.8 million increase in net position. The analysis of revenues and expenses for governmental activities can be found in this MD&A on pages 10-12. The business-type activities net position increased \$8.5 million or 9.3%. The last fiscal year increase was \$17.3 million. The analysis of revenues and expenses for business-type activities can be found in this MD&A on pages 12-14. The City’s overall financial position increased by \$14.1 million or 7.8%. The prior year increase was \$48.1 million.

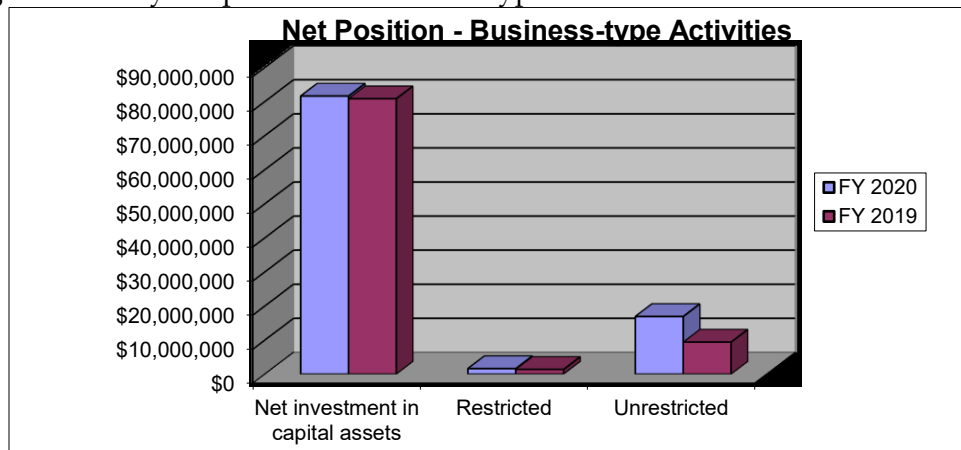
The following is a chart by net position of governmental-type activities.



The increase is due mainly to the following significant changes in assets & liabilities:

- Current and other assets increased \$3.4 million - primarily cash & due from other governments
- Bridge & Mobility Improvements \$1.4 million
- Drainage Projects, \$0.5 million
- Parks and Pathway projects, \$1.5 million
- Buckley's Pass Dredging project, \$1.1 million
- Other capital improvement projects and asset purchases, \$1.3 million
- Accumulated depreciation, net of disposals, \$3.6 million
- Capital asset disposals, \$0.6 million
- Net pension liabilities decreased \$1.8 million
- Net OPEB liabilities increased \$1.8 million
- Principal decrease on long-term liabilities, \$1.1 million
- Other liabilities increased \$0.2 million
- Deferred Outflows Pension/OPEB activity increased \$1.1 million while Deferred inflows from Pension/OPEB activity increased \$1.4 million

The following is a chart by net position of business-type activities.



The overall increase in net position is due mainly to the following significant changes in assets & liabilities:

- Current and other assets increased \$10.7 million - cash increased \$15.4 million while due from other governments decreased \$4.9 million (grant reimbursements processed for the RO project), other assets increased \$0.2 million
- Water plant expansion projects, including RO project, \$9.9 million
- Water mains, gravity sewer, force main, and lift station projects, \$1.0 million (including \$0.7 million in contributed infrastructure)
- Water and wastewater vehicles and plant equipment, \$0.8 million
- Other Capital Asset acquisitions, \$0.5 million
- Accumulated depreciation, net of disposals, \$4.2 million
- Capital asset disposals, \$0.8 million
- SRF Loan Draws for RO Plant-Issuance of Debt \$10.6 million
- Net OPEB liabilities increased \$0.8
- Net Pension liabilities decreased \$0.1
- Principal decrease on long-term liabilities, \$0.5 million
- Accounts/retainage payables and accrued liabilities decreased \$1.5 million
- Deferred Outflows Pension/OPEB activity increased \$0.6 million while Deferred Inflows from Pension/OPEB activity increased \$0.5 million.

Table 2
Changes in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 6,494	\$ 8,167	\$ 24,252	\$ 23,597	\$ 30,746	\$ 31,764
Operating grants and contributions	2,311	2,095	52	8	2,363	2,103
Capital grants and contributions	2,280	25,683	7,715	14,247	9,995	39,930
General revenues:						
Property taxes	11,032	9,590			11,032	9,590
Other taxes	9,232	9,313			9,232	9,313
Other	1,415	1,920	639	769	2,054	2,689
Total revenues	<u>32,764</u>	<u>56,768</u>	<u>32,658</u>	<u>38,621</u>	<u>65,422</u>	<u>95,389</u>
Expenses:						
General government	4,761	4,854			4,761	4,854
Public safety	11,575	10,914			11,575	10,914
Transportation	3,580	3,976			3,580	3,976
Economic environment	355	389			355	389
Recreation	6,513	5,091			6,513	5,091
Interest on long-term debt	357	762			357	762
Water and wastewater			18,483	15,962	18,483	15,962
Sanitation/refuse			3,970	3,903	3,970	3,903
Building Fund			1,266	1,061	1,266	1,061
Marina			403	378	403	378
Total expenses	<u>27,141</u>	<u>25,986</u>	<u>24,122</u>	<u>21,304</u>	<u>51,263</u>	<u>47,290</u>
Increase (decrease) in net position	5,623	30,782	8,536	17,317	14,159	48,099
Net position-beginning	90,750	59,968	91,569	74,252	182,319	134,220
Net position-ending	<u>\$ 96,373</u>	<u>\$ 90,750</u>	<u>\$ 100,105</u>	<u>\$ 91,569</u>	<u>\$ 196,478</u>	<u>\$ 182,319</u>

The analysis of Table 2 states the overall Total Primary Government revenues decreased \$30.0 million or 31.4% from the prior year. The Governmental Activities revenues decreased \$24.0 million or 42.3%. The Business-type Activities revenues decreased \$6.0 million or 15.4%.

The Total Primary Government expenses increased \$4.0 million or 8.4% from the prior year. The Governmental Activities expenses increased by \$1.2 million or 4.4%. The expenses in Business-type Activities increased \$2.8 million or 13.2%.

The analysis of revenues and expenses can be found in this MD&A: Governmental Activities on pages 10-12 and Business-type Activities on pages 12-14.

Major Fund Changes in Net Position or Fund Balance

The General Fund balance at September 30, 2020 consisted of \$5.2 million for unassigned fund balance; \$2.5 million was assigned for subsequent year's budget, and \$0.1 million was for non-spendable inventories and restricted funds for public safety. This is a \$1.3 million increase in fund balance from September 30, 2019. The City Council's financial policy on fund balance minimum is 8.5% of annual expenditures plus \$120 thousand from health insurance savings. A more detailed analysis of revenues and expenditures can be found on pages 14-16 of the MD&A.

The Community Redevelopment Agency Fund balance increased \$0.7 million. Revenues and transfers increased \$324 thousand over the prior year: tax increment financing (TIF) revenues increased \$305 thousand (due to increase in taxable value and City's millage rate) and miscellaneous revenues increased \$19 thousand. Expenditures and transfers for debt increased

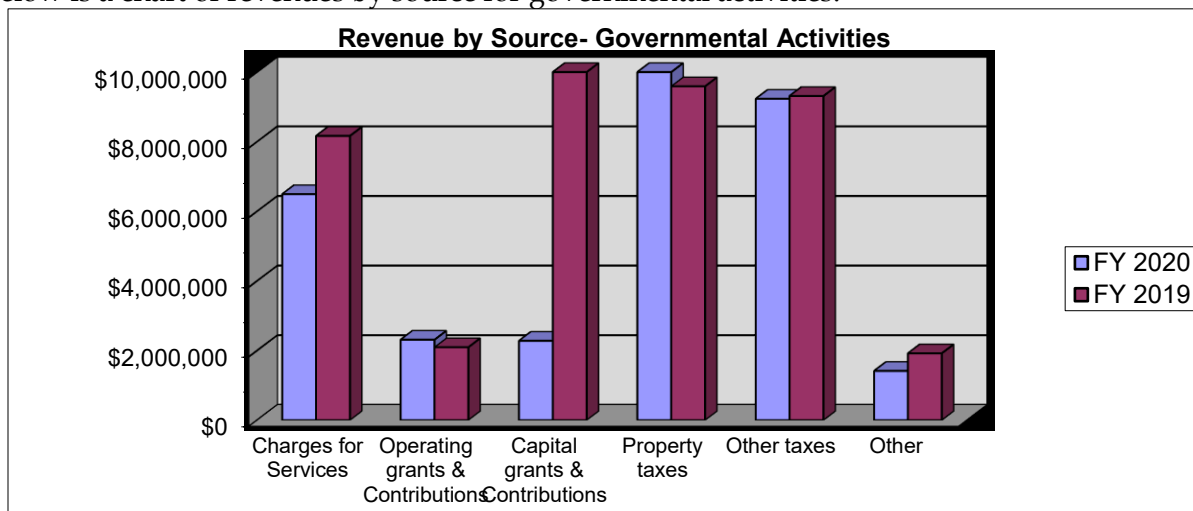
\$4 thousand from FY 2019. Therefore, the difference of increase in fund balance was \$0.3 million when compared to the prior year increase of \$0.4 million to fund balance.

The PGI Canal Maintenance Fund balance increased \$1.1 million. Expenditures decreased \$12.2 million due to the completion Hurricane Irma repairs which were offset by a \$6.6 million decrease of net transfer of financing proceeds from the General Fund. Transfers to the Debt Service fund decreased by \$16.2 million and FEMA reimbursements decreased by \$23.3 million. Therefore, the change in fund balance decreased by \$1.5 million when compared to FY 2019's increase of \$2.6 million.

The Water and Wastewater Utility Fund net position increased \$8.9 million. Capital assets net of accumulated depreciation had a net increase of \$7.2 million. Current and receivable assets increased \$10.6 million, mainly cash, due to loan draws issued in FY 2020 on the RO project, which also increased long term liabilities \$10.6 million. Current year revenues were used to pay debt reducing liabilities by \$0.3 million. Accounts payable, retainage payable and accrued liabilities decreased \$1.7 million. Net pension/OPEB liability increased \$0.3 million.

Governmental Activities

Below is a chart of revenues by source for governmental activities.



The following details the revenue variances between fiscal years 2019 and 2020.

Charges for services decreased \$1.7 million, 20.5%, when compared to FY 2019.

- Various charges for services saw slight increases, but the majority of the decrease was related to the Buckley's Pass Special Assessments implemented in FY 2020. A majority of the assessed properties pre-paid in FY 2019 with the remaining properties choosing the three-year assessment.

Operating grants and contributions increased by \$216 thousand.

- Increase in CHNEP operating grants and contributions of \$130 thousand.
- Increases in public safety grants \$20 thousand, FEMA disaster reimbursements of \$178 thousand, and CARES Act reimbursements of \$33 thousand
- Decreases in state revenue sharing of \$25 thousand, FDEP climate resiliency grant reimbursements of \$75 thousand, and Community Development block grant of \$45 thousand.

Capital grants and contributions decreased by \$23.4 million due to the following:

- Decrease in FEMA and State disaster grants of \$23.9 million.
- Increases in FDOT capital grant of \$0.5 million and various other grants of \$0.1 million.
- Increase in impact fees of \$0.1 million.

Property tax revenues increased by \$1.4 million. Taxes levied increased by \$1.5 million in FY 2020, and the percentage of levy collected decreased by 0.21%.

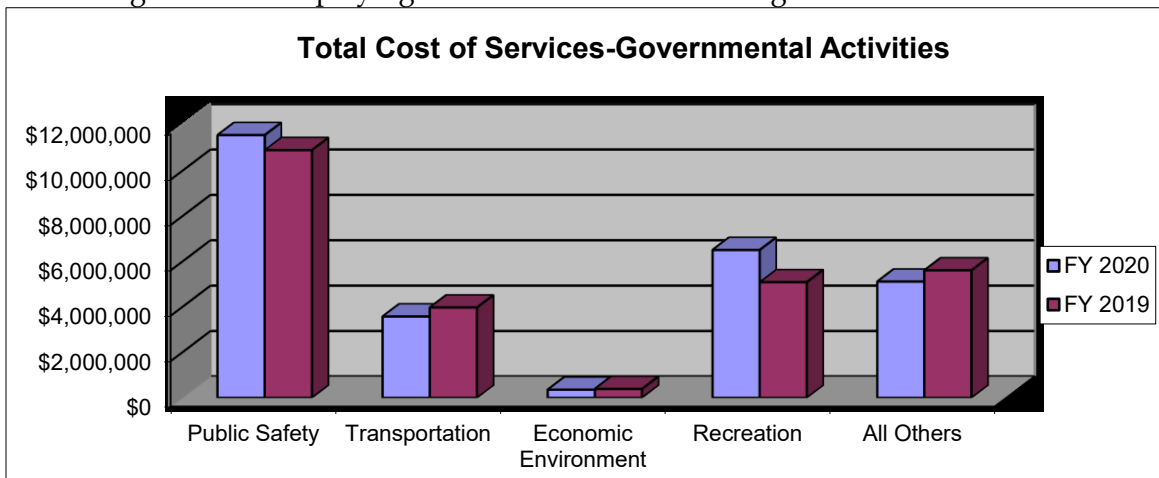
Other taxes decreased by \$81 thousand. Utility and gas taxes decreased by \$3 thousand and sales taxes decreased \$78 thousand.

Other revenues decreased \$0.5 million as a result of \$0.3 million decrease in investment earnings from interest rates declining, and a decrease of \$0.2 million in other miscellaneous revenues.

The cost of all governmental activities this year, including allocations, was \$29.9 million as compared to \$28.7 million in FY 2019. As shown in the Statement of Activities on page 23, the program expenses net of indirect expense allocations (\$2.8 million) were paid through:

- \$6.5 million in charges for services; consisting of \$4.3 million canal maintenance districts and Buckley’s Pass assessments and \$2.2 million fees for general government services
- \$2.3 million in operating grants and contributions
- \$2.3 million in capital grants and contributions
- \$21.7 million in general revenues (primarily taxes)

The following is a chart displaying the total cost of services of governmental activities.



- Public safety costs increased by \$661 thousand. Net OPEB/Pension related activities in FY 2020 decrease of \$176 thousand. Public Safety Employee wages and benefits increased by \$679 thousand or 8.1% and is attributable to addition of a dispatcher, an officer, and (2) training positions, merit and union increases, and health insurance increases. Other public safety expenses increased \$158 thousand due to increased IT needs and supplies related to COVID-19.
- Transportation costs decreased by \$396 thousand. Decrease of \$47 thousand in charges related to OPEB/pension activities in FY 2020. A reduction in expenses related to capital of \$347 thousand. There was an increase in depreciation expense of \$83 thousand, a decrease of \$85 thousand primarily.
- Economic environment costs decreased by \$34 thousand. Although Herald Court Centre expenditures increased \$4 thousand, other expenditures decreased by \$40 thousand related to reduction in Historic District initiatives.
- Recreation costs increased by \$1.4 million. Increase of \$0.1 million in charges related to OPEB/pension activities in FY 2020. Increase in contractual services in Canal Maintenance districts of \$0.9 million, as normal operations started to resume after completing seawall replacements from damages that occurred from Hurricane Irma.

Increase in CHNEP workplan of \$0.1 million. Depreciation expense increased \$0.3 million due to full year depreciation on the Hurricane Irma seawalls.

- All Others decreased \$497 thousand from decrease of interest expense of \$404 thousand due to seawall project financing which was extinguished in FY 2019. Other costs decreased overall \$93 thousand and is attributable to reduced branding activities as a result of reduced budget and COVID-19.

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.

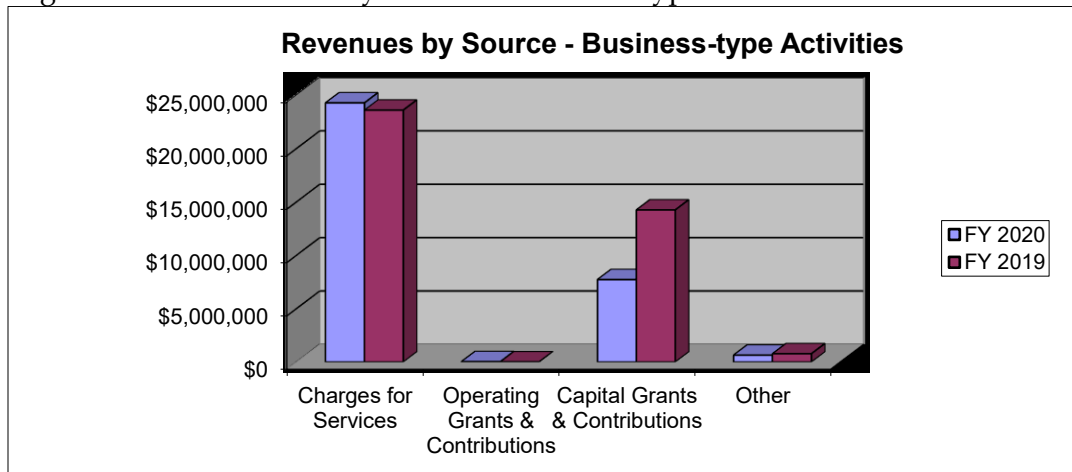
Table 3
Governmental Activities
(in Thousands)

	Total Cost of Services (less indirect expense allocation)		Net Cost of Services	
	2020	2019	2020	2019
Public Safety	\$ 11,575	\$ 10,914	\$ (11,292)	\$ (10,708)
Transportation	3,580	3,976	(2,578)	(3,644)
Economic Environment	355	389	1,022	867
Recreation	6,512	5,091	(931)	26,121
All Others	5,119	5,616	(2,277)	(2,678)
Totals	\$ 27,141	\$ 25,986	\$ (16,056)	\$ 9,958

Business-type Activities

Revenues of the City’s Business-type activities (see Table 2) totaled \$32.6 million. Operating expenses were \$24.1 million, showing an increase in net position of \$8.5 million or 9.3%. The analysis of revenues and expenses disclosed that revenues decreased 15.4% and expenses increased 13.2% from the prior fiscal year.

Following is a chart of revenues by source for business-type activities.



Charges for services reported in business-type activities increased \$655 thousand, or 2.7%, in comparison to the prior year. Water & Wastewater Utility experienced an increase in charges for services of \$864 thousand mainly due to increased housing units and overall consumption. Sanitation’s charges for services increased \$53 thousand in refuse collection due to increased recycling rate. Building’s charges for services decreased \$262 thousand due to 25% reduction in rates during the state of emergency related to COVID-19. The Laishley Park Marina charges for services remained the same.

The following chart shows the comparison of some specific user fee revenues.

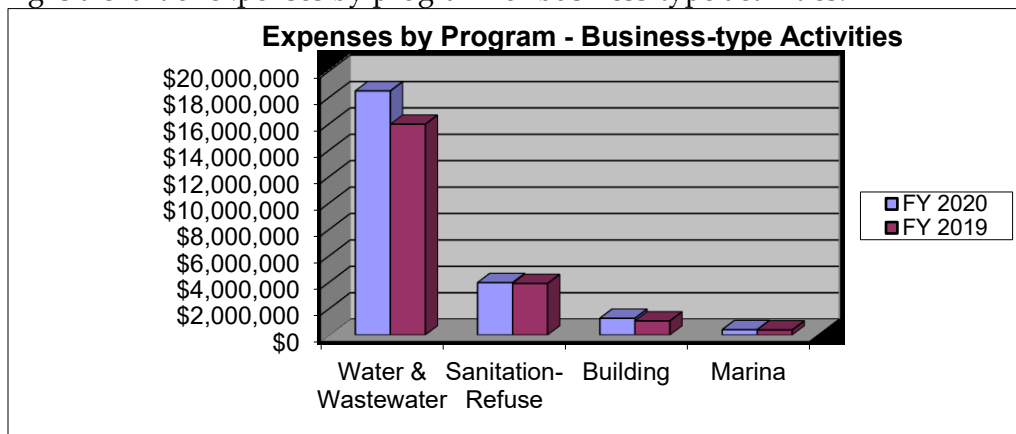
	Revenues (in thousands)		From 2019 to 2020
	2020	2019	% incr (decr)
Water Billings	\$11,122	\$10,358	7.4%
Wastewater Billings	\$7,769	\$ 7,539	3.1%
Refuse Collection	\$3,718	\$ 3,674	1.2%
Licenses, Permits, & Special Assessments	\$939	\$ 1,202	(21.9%)

Operating grants and contributions increased by \$44 thousand primarily from the COVID Cares Act grant.

Capital grants and contributions decreased \$6.5 million. The Reverse Osmosis (RO) plant in Utilities was placed into service. Total grant revenues for this project were \$6.5 million less than FY 2019. There was a decrease in developer’s contributed infrastructure of \$0.5 million in FY 2020 from FY 2019. This was offset by increases in water and sewer impact fees of \$0.6 million from the prior year. The Marina Fund had a decrease of \$0.1 million from the Hurricane Irma dock damage reimbursement by FEMA and the State received in FY 2019.

The other category decreased \$130 thousand due to decrease of \$317 thousand in interest income caused by dropping interest rates and \$187 thousand increase in other miscellaneous revenues.

Following is a chart of expenses by program for business-type activities.



The Water & Wastewater Utility expenses increased \$2.5 million, or 15.8%, in comparison to the prior year. Personnel expenses decreased \$0.2 million. Despite merit increases and a health insurance rate increase, the recording of net deferred charges and expenses from pension and OPEB were a decrease. Depreciation expense increased \$1.0 million with the first year of depreciation on the Reverse Osmosis plant completed in FY 2020. Contractual obligations increased \$1.5 million due to accruing a contingent liability for an interconnect project with the Peace River Manasota Regional Supply Authority. Other operating expenses increased \$0.2 million mainly due to increase in materials and supplies and credit card charges that were paid by the Utility in efforts to reduce in-person contacts during the COVID-19 pandemic as well as increases in administrative charges and interest expense.

The Sanitation expenses increased by \$67 thousand, or 1.7%. Despite merit increases and a health insurance rate increase, the recording of net deferred charges and expenses from pension and OPEB resulted in decreased overall personnel expenses of \$32 thousand. Contractual services increased \$86 thousand due to recycling charges and landfill increase per contracts and

administrative charges increased \$14 thousand. Depreciation decreased \$7 thousand. Material supplies increased by \$5 thousand. Various other expenses increased \$1 thousand.

The Building Fund's expenses increased by \$205 thousand, or 19.3%. Personnel expenses increased \$149 thousand due to 0.5 position increase (engineering technician position split with engineering division), merit increases, health insurance rate increase and increase in pension and OPEB related expenses. Administrative costs increased by \$39 thousand. Contractual services increased \$16 thousand for the demolition of a structure and contracted temporary employee to staff the lobby for document pickup related to the COVID pandemic. Various other operating expenses increased by \$1 thousand.

The Laishley Park Marina expenses increased \$25 thousand, or 6.6% primarily from increases in maintenance and repair costs of the building, docks, and mooring fields as they age.

THE CITY'S FUNDS

General Fund Budgetary Highlights

The following is a brief review of the budgeting changes from the original budget to the final budget for the General Fund. The final expenditure budget (excluding transfers) increased \$1.7 million or 7.9% from the original budget, which can be briefly summarized as follows:

- Supplemental appropriations: police grants, \$221 thousand; professional services for comprehensive plan and land development regulations, \$355 thousand; miscellaneous personnel costs for new City manager to start towards end of FY 2020, intern in Urban Design, and shared temporary employee for lobby area during COVID pandemic, \$62 thousand; and various other operating expenditures, \$69 thousand
- Purchase order rollovers from prior year for (2) Police vessels (insurance proceeds and grant), \$148 thousand, vehicle and equipment in public works and police, \$47 thousand; professional services for planning, \$43 thousand; repairs for fire apparatus & training, \$19 thousand; architectural services for facilities, \$35 thousand.
- Re-appropriations from prior year for police programs and vehicle replacements, \$102 thousand; fire programs and equipment, \$129 thousand; lot mowing, landscaping and replacement lights and decorations, \$209 thousand; equipment for right of way, \$60 thousand; professional services, \$96 thousand; and various other operating expenditures, \$106 thousand.

The final revenue budget (excluding transfers) increased by \$0.3 million or 1.5%, from the original budget, which can be briefly summarized as follows:

- Police grant awards and donations, \$324 thousand
- Interest income, \$14 thousand

An increase in transfers to the general fund included \$355 thousand from the special use fund for professional services for comprehensive plan and land development regulations.

Variances between the General Fund's final amended budget and actual amounts are highlighted as follows:

Revenues:

- Ad Valorem taxes were over budget \$60 thousand due to lower discounts taken.
- Utility and other taxes were over budget \$132 thousand due to increased customer usage while communication taxes were under budget \$25 thousand due to bundling packages.

- Utility Franchise Fees were under budget by \$53 thousand due to COVID pandemic, but permitting fees were over budget by \$15 thousand.
- Sales Taxes and State shared revenues were under budget \$123 thousand due to economic conditions early in the pandemic period caused by local, State and national shutdowns.
- Grant revenues were under budget \$82 thousand. Police department grants were not fully expended, \$116 thousand, and carried over to FY 2021, while Cares Act grant receipts were \$34 thousand.
- Charges for services decreased overall \$19 thousand. Procurement administrative fees, planning and zoning fees, event fees, and lot mowing fees decreased slightly, while lien search fees and engineering variance fees increased slightly.
- Miscellaneous revenues increased \$125 thousand as follows: insurance recoveries from several claims, \$61 thousand; sale of surplus assets, \$26 thousand; donations, \$12 thousand; and various other miscellaneous revenues, \$26 thousand.

Expenditures:

- General government expenditures were under budget by \$794 thousand. Personnel expenditures were \$116 thousand under budget due to turnover changes. Lot Mowing was \$163 thousand under budget primarily due to COVID pandemic shutdowns for several months. Professional services for comprehensive planning, land development regulations, and marketing were under budget \$350 thousand as they were not completed at fiscal yearend. Training and travel were under budget \$39 thousand due to the pandemic. Contingent Legal Services were \$27 thousand under budget. Election expenses were under budget \$11 thousand. Fire General Liability Insurance was under budget by \$15 thousand mainly due to less than anticipated increases in flood policies. All other operating expenditures in all general government department/divisions were under budget \$73 thousand due to continued efforts to contain costs.
- Public Safety police operating expenditures were under budget by \$554 thousand. Personnel expenditures were under budget by \$309 thousand, mainly due to vacancy that remained open pending mediation, turnover, reduced overtime and reduced health insurance costs due to vacancy, turnover and changes in employee elections. Law Enforcement Trust Funds were under budget, \$30 thousand. Fire/General liability insurance associated with Police was \$20 thousand under budget. Repair and Maintenance costs were under budget by \$18 thousand. Police department grant expenditures and donation programs were under budget \$153 thousand. Training and travel were \$15 thousand under budget and other operating accounts were under budget by \$9 thousand mainly due to the pandemic. \$123 thousand of the above amounts under budget were reappropriated to FY 2021.
- Public Safety fire was under budget by \$346 thousand. Personnel expenditures were under budget by \$228 thousand, mainly due to lower than expected required pension contribution caused by favorable investment results in the plan, lower overall workers compensation and employee election changes in health insurance. Repair and Maintenance costs were \$55 thousand under budget. Training was under budget \$25 thousand and other operating expenditures were under budget \$38 thousand mainly due to the pandemic. \$40 thousand was reappropriated to FY 2021.
- Public Safety code operating expenditures were under budget \$83 thousand. Distressed property maintenance budget was \$62 thousand under budget and \$57 thousand of that will be reappropriated to FY 2021. Personnel expenditures were \$21 thousand under budget and other operating expenditures were \$5 thousand under budget.

- Transportation - Right of Way expenditures were \$72 thousand under budget. Personnel expenditures were \$61 thousand under budget due to turnover and operating expenditures were \$11 thousand under budget.
- Recreation - Parks and Grounds expenditures were \$107 thousand under budget. Expenditures under budget are: personnel expenditures, \$22 thousand attributable to turnover; operating expenditures, \$85 thousand mainly in contractual services, decorations and supplies.
- Capital Outlay expenditures were \$793 thousand under budget. Police capital expenditures were under budget by \$197 thousand and \$188 thousand were re-appropriated to FY 2021. Fire capital expenditures were under budget by \$112 thousand and were re-appropriated in FY 2021. Recreation capital expenditures were \$116 thousand under budget and \$94 thousand was carried over into FY 2021. General Government Capital Outlay was \$284 thousand under budget of which \$266 thousand was planned for funding of the capital outlay reserve. Transportation Capital Outlay was under budget by \$84 thousand of which \$65 was carried over to FY 2021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2020 reflect an investment of \$186.4 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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 16,366	\$ 16,383	\$ 5,403	\$ 5,403	\$ 21,769	\$ 21,786
Buildings	16,817	17,377	3,659	4,081	20,476	21,458
Improvements other than buildings	5,709	6,283	2,879	3,233	8,588	9,516
Vehicles and equipment	3,440	4,038	6,621	5,303	10,061	9,341
Infrastructure / System	47,684	44,332	73,876	33,828	121,560	78,160
Construction work in progress	2,901	2,860	1,083	34,624	3,984	37,484
Total Capital Assets	<u>\$ 92,917</u>	<u>\$ 91,273</u>	<u>\$ 93,521</u>	<u>\$ 86,472</u>	<u>\$ 186,438</u>	<u>\$ 177,745</u>

Significant changes to assets this year include:

- (2) Police Boats with motors and trailers and (1) Police Vehicle, \$305 thousand
- Police Department Body Cameras (37) and related equipment, \$55 thousand
- (1) 4 Ton asphalt trailer and (1) ¾ Ton truck for Right of Way, \$74 thousand
- (25) Bunker gear sets for Fire Department, \$72 thousand
- (6) Air Conditioner units for various facilities, \$29 thousand
- (1) Pickup Truck for Canal Maintenance, \$39 thousand
- (1) Pickup Truck for Utilities Administration, \$27 thousand
- (1) Truck with Crane and (1) Pickup Truck for Water Treatment Plant, \$147 thousand

- (1) Crane Truck for Wastewater Collection, \$126 thousand
- (1) Cavity Pump and Other Equip for Wastewater Treatment, \$61 thousand
- (1) Trailer Mounted Trash Pump & (1) Excavator for Water Distribution, \$91 thousand
- (1) Clamshell Truck for Sanitation, \$153 thousand
- Pickup Truck for Building Department, \$22 thousand
- (1) Boat with motor and trailer, (2) Washer/Dryers, 5 ton A/C unit, \$46 thousand
- Citywide ADA Improvements, \$205 thousand
- Herald Court Centre Fountain replacement, \$17 thousand
- Drainage improvement projects, \$847 thousand
- Harborwalk projects, \$1.1million
- Buckley's Pass (additional harbor access) project, \$1.2 million
- Veteran's Park Improvements, \$404 thousand
- US 41 NB MURT bridge & Sailfish bridge, \$987 thousand
- Sidewalk improvements, \$455 thousand
- Ponce De Leon Park improvements project, \$51 thousand
- Computers, laptops, servers & tablets, \$162 thousand
- Water Plant expansion (Reverse Osmosis), \$9.7 million
- Water Treatment Plant generator, \$59 thousand
- Water & wastewater infrastructure (developer contributed), \$719 thousand
- Water main upgrades, \$39 thousand
- Wastewater gravity sewer, force main, and lift station rehabs, \$198 thousand
- Wastewater plant improvements, \$312 thousand

Debt

As of September 30, 2020, the City had \$12.3 million of revenue note debt in the governmental activities. This is a net decrease of \$1.1 million as compared to the prior year. The City refinanced the 2012 revenue note in 2020 after a principal payment of \$1.1 million had been made. The new revenue note has an outstanding principal of \$12.3 million. The business-type activities note debt was \$15.9 million. This is an increase of \$10.2 million as compared to the prior year. Principal payments on the previous SRF loan were \$0.4 million. Additional draws of \$10.6 million were made to finance the RO plant construction. There were no capital leases at year end.

For additional information regarding capital assets and debt refer to footnote IV. D (pages 56-57) and footnote IV. E (66-72).

ECONOMIC OUTLOOK

National and state economies are key factors in assessing the City's future fiscal picture. Changes in the national, state and local economies can affect both revenues and expenditures, due to the impact on sales tax receipts and the costs and demand of providing city services. While economic changes at the state and national level can often translate into comparable changes locally, it is important to note that Punta Gorda and the Southwest Florida region as a whole often behave differently, displaying economic trends and reflecting experience that may lag or precede observed changes elsewhere.

National Economic Outlook

The July 2020 economic forecast from the Congressional Budget Office (CBO) includes the following key points:

- The forecast incorporates information available as of June 26, 2020 and was published to provide congress with CBO's current assessment of the economic outlook in a rapidly evolving environment. The 2020 coronavirus pandemic has brought widespread economic disruption. Mitigation efforts to reduce the contagion world-wide have reduced social activities, travel, and curtailment of activities in schools and businesses. The first quarter of 2020 saw an end to the longest economic expansion and triggered the deepest downturn in output and employment since World War II.
- Despite the above, CBO is projecting a fairly rapid recovery from the third quarter of 2020 through the third quarter of 2021 as the degree of social distancing is projected to gradually diminish to zero.
- A major factor underlying this economic forecast is the agency's projections of the economic effects of the four laws enacted in March and April 2020 to address the public health emergency and to directly assist affected households, businesses, and state and local governments. Those laws-which together are projected to increase the federal deficit by \$2.2 trillion in fiscal year 2020 and by \$0.6 trillion in 2021-will, in CBO's assessment, partially mitigate the deterioration in economic conditions and help spur the recovery.
- Real (inflation-adjusted) GDP recovers rapidly and is expected to grow at a 12.4% annual rate in the second half of 2020 and to recover to its pre-pandemic level by the middle of 2022. Following that, it is projected that a more moderate rate of growth will be seen through 2028.
- The unemployment rate is expected to peak at over 14% in the third quarter of 2020 and then fall quickly as output increases in the second half of 2020 and throughout 2021 to 7.6%. It is expected to be reduced to 5.9% by the end of 2024, still above the pre-pandemic rate.
- Interest rates on federal borrowing throughout the decade remain well below the average rates in recent decades. The federal funds rate is expected to fall from 2.1% in 2019 to below 1.0% in 2020 where it remains steady through 2022.
- CBO stresses that these latest economic projections are surrounded by an unusually high degree of uncertainty due to the nature of the pandemic and the behavioral and policy responses intended to contain its spread. The severity and duration of the pandemic are still subject to significant uncertainty.

Florida/Southwest Florida Regional Economic Outlook

The Florida Legislature Office of Economic and Demographic Research issued its economic overview in December 2020 based on information after start of pandemic. Therefore the highlights in the report are presented as it relates to past performance and Florida's economic drivers:

- After falling -4.3 percent in the first quarter and -30.1 percent in the second quarter, the US Department of Commerce, Bureau of Economic Analysis released GDP data by State for the third quarter of 2020 (July, August and September) on December 23rd. Coming in at +33.4 percent, the state exactly matched the rate for the US as a whole. Even so, given the overall soaring numbers among states during this quarter, Florida only ranked 27th in the country for its real growth at a seasonally adjusted annual rate. The latest Estimating Conference projections are -0.5 percent for the Fiscal Year 2019-20 and +.05 percent for Fiscal Year 2020-21.
- The third quarter result for the 2020 calendar year indicates that Florida's personal income growth ranked 5th in the country even though it showed -4.8 percent growth in personal income over prior quarter, compared to national growth of -10.0%.
- The November 2020 unemployment rate was 6.4%, lower than the US rate of 6.7%.
- Population growth is the state's primary engine of economic growth, fueling both employment and income growth. Florida's population grew by 1.83% between April 1, 2019

and April 1, 2020 to 21,596,068 adding 387,479 residents. As a result of the pandemic, population growth is expected to slow to 297,851 new residents (1.38%), reflecting both slower net migration and a speed-up in the expected negative natural increase (more deaths than births). Between 2021 and 2025, growth is forecast to average 1.36%. Florida is currently the third most populous state, behind California and Texas.

- Florida's tourism-sensitive economy is particularly vulnerable to the longer-term effects of the pandemic. Previous economic studies of disease outbreaks have shown that it can take as much as 12 to 15 months after the outbreak ends for tourism to return to pre-disease levels. The total number of tourists declined -60.3 percent from the prior year in the second quarter of 2020. After that breathtaking decline, tourism in the third quarter managed to recover to 35.4 percent of the prior year's level, buttressed by the stronger than anticipated number of domestic visitors travelling by car. Several industry groups have already predicted that it will take at least two years to reach recovery from this pandemic. Tourism is a major component of the state's economy. The sales tax forecasts rely heavily on strong tourism growth.

The Florida Gulf Coast University (FGCU) Regional Economic Research Institute's Southwest Florida Regional Economic Indicators Report published in July 2020 exemplify the effects of the COVID-19 pandemic:

- Southwest Florida's seasonally-adjusted unemployment rate from April to May 2020, fell from 15.7% to 14.8%, but is significantly up from 3.2% in April 2019. The region's unemployment rate remains above both the state's 14.5% percent and the nation's 13.3% for May 2020.
- Tourist tax revenues for the coastal counties fell 86% in April 2020 as compared to the prior year.
- Taxable sales showed noticeable effects from the COVID-19 pandemic, with April 2020 showing a 36% decline as compared to April 2019.
- Coastal counties issued 693 single-family building permits in May 2020, down 15% from May 2019.
- Single-family home sales for the coastal counties fell by 40% in May 2020 as compared to May 2019.
- Some areas of the economy beginning to show signs of improvement since the start of the pandemic are airport passenger activity which showed an increase of 200% in May 2020 from April 2020, but is still 34% below 2019 and the Florida Consumer Sentiment improved 6.1 points from May to June 2020, but was still 13.8 points below June 2019.
- The FGCU Industry Diversification Index (IDI) measures the degree to which a region's workforce is concentrated in few industries or dispersed into many. Industry diversification is an important factor explaining our state and region's tendency to overheat during expansions in the business cycle and overcorrect during contractions in the business cycle. After 2008, the region exhibits a seasonal trend, mainly due to the stronger influence of tourism and seasonal residents that visit Southwest Florida during the winter season, increasing the demand for retail trade and accommodation and food service jobs. During the fourth quarter of 2019, the IDI for Southwest Florida measured at 8.6, ranking it as the 8th most industrially diverse workforce region in the state of Florida (out of 24).

Charlotte County Economic Highlights

Charlotte County has undertaken a number of initiatives to enhance its business opportunity environment. Some of the more pertinent initiatives and statistics are:

- Charlotte County continues to notice solid growth in population. The 2020 population estimates from the University of Florida, Bureau of Economic Research (BEBR) projects 2020 population at 187,904 up from their 2019 estimated population of 184,700 representing a 1.7% increase. The County ranks second in the state for its population age 65 and older, according to 2019 population estimates from the University of Florida, Bureau of Economic Business Research. By 2029, it's expected the County's population aged 55 and older will be 66%.

- For the eighth consecutive year, the taxable property value in the County has increased, up 6.9% from the previous year. Of that amount, new construction and other adjustments accounted for 3.0%.
- Unemployment was 5.5% in September 2020. One year ago, the unemployment rate in the County was 3.5%.
- The median sales price of an existing single family home in the County was \$245,000 in September 2020, an increase of \$27,750 from the previous year.
- The County’s taxable sales rose to \$271.7 million in September 2020, up 3% from one year ago.
- The Punta Gorda Airport and Enterprise Charlotte Airport Park (ECAP) continue to represent major economic drivers in the area. Allegiant’s service area from Punta Gorda flies to 45 nonstop destinations. The airport is home to a fleet of A320 planes, 400 general aviation aircraft and helicopters, 18 non-airline aviation entities and nearly 500 on-airport full-time employees. Although, passenger activity at the airport has risen significantly since calendar year 2010 through calendar year 2019, passenger activity has seen a decrease recently. Calendar year 2020 shows a passenger count of 1,189,681, down 28% primarily due to the pandemic as shown below:

Year	Passenger Count	Year	Passenger Count	Year	Passenger Count
2010	182,423	2011	291,626	2012	219,357
2013	333,611	2014	628,075	2015	836,472
2016	1,118,303	2017	1,293,337	2018	1,577,164
2019	1,644,916	2020	1,189,681		

- Sunseeker Resort is an estimated \$770 million project in the Charlotte Harbor Community Redevelopment Area bordering the harbor on the north side of the US 41 South Bridge. The development has been placed on hold due to the pandemic.
- Tuckers Grade – a planned mixed-use development at the I-75 and Tuckers Grade interchange to include 1,689 residential units, 400 hotel rooms, and 480,000 commercial retail space. The proposed project plans to attract nearby residents and the traveling public.
- Babcock Ranch, a planned new town situated on 18,000 acres bordering Charlotte County and Lee County, broke ground in June 2016. When completed the development will house 19,500 residential units with an anticipated 50,000 population; six million square feet of commercial space; 75 mega-watt solar facility; and 50 miles of trails. The development is also planning a partnership with Florida Gulf Coast University to house higher educational programs. As of May 2020, 700 single-family permits have been submitted since August 2016, and development of town center is well underway. Babcock Ranch tops the list of “Best Eco-friendly Communities in ideal LIVING for 2020.
- West Port Development – Murdock Village CRA and Charlotte County Board of County Commissioners on August 12, 2019 completed the sale of 452 acres of property in the Murdock Village Community Redevelopment Area to Private Equity Group, LLC (PEG). The agreement puts in motion a development that is projected to create up to 2,400 residential units, 200,000 square feet of retail area, along with commercial space and a 150-room hotel. These plans are still in the developmental stage.

Punta Gorda Economic Highlights

Projections show a FY 2021 population of 20,352 up from the 2010 Census of 16,641.

- Changes in property values continue to contribute major influence on financial planning and budget preparation. Taxable property values (FY 2021) increased Citywide by 4.6% from the final previous fiscal year, including \$47 million of new construction, annexation, and changes in exemption. This is the eighth straight year experiencing an increase in values after six straight years of declines in taxable value Citywide.

- New single-family housing unit building permit trends since FY 2005 are shown below.

Year	Units Permitted	Year	Units Permitted	Year	Units Permitted
FY 2005	467	FY 2006	241	FY 2007	190
FY 2008	98	FY 2009	12	FY 2010	37
FY 2011	30	FY 2012	56	FY 2013	88
FY 2014	100	FY 2015	125	FY 2016	113
FY 2017	127	FY 2018	115	FY 2019	89
FY 2020	102				

- New multi-family housing unit residential construction has also demonstrated a positive trend starting in FY 2012.

Year	Units Permitted	Year	Units Permitted	Year	Units Permitted
FY 2012	4	FY 2013	4	FY 2014	0
FY 2015	86	FY 2016	90	FY 2017	4
FY 2018	35	FY 2019	39	FY 2020	0

- City of Punta Gorda residential development – Vacant vs Developed as of July 2020.

Community	Total Parcels	Developed Residential	Vacant Residential	% Residential Developed
PGI	9,173	8,490	658	92.8%
BSI	1,837	1,613	220	88.0%
BSM	936	726	209	77.6%
Total	11,946	10,829	1,087	90.9%

- Citywide Master Plan – Dover Kohl prepared the PLAN Punta Gorda 2019 Citywide Master Plan, which identified a number of focus areas that offer opportunities for economic growth and sustainability. City Council approved a contract with the firm to prepare comprehensive plan amendments and form-based codes based on Plan recommendations. This work is anticipated to be completed mid-2021. Future years’ strategic plans and budgets will prioritize implementation of Plan recommendations.
- Former IMPAC Campus – City Council approved a rezoning of the four plus acres for a mixed-use planned development to include conversion of one building to a 25-room hotel, relocation of the Military Heritage Museum in another building, 3,500 square feet of office space. The museum opened in April 2019. The hotel is under construction.
- Terracap (former LOOP) development update - Goodkin Consulting (GC) was hired by the property owner to conduct a market analysis concerning development possibilities for Village Center, a proposed 171-acre mixed-use residential and commercial development. The site is at the intersection of Jones Loop Road and I-75 in Punta Gorda. The report’s findings, published in August 2015, are highlighted below:
 - ✓ Residential component – 290 residential units of which 128 are single family detached, 90 single family semi attached and 72 townhome attached.
 - ✓ Retail component – 540,000 square feet of which 300,000 is an outlet mall and 240,000 a village center.
 - ✓ Office component – 150,000 square feet consisting of 80,000 in village center with office over retail, and 70,000 of two or three single users.
 - ✓ Hotel component – dual branded with 200 rooms.

Terracap, the LOOP property owner uses this data in its marketing effort to attract developers to invest in the site. The first such development was an Aldi Market. Completion of the Jones Loop Road forcemain in 2019 is intended to further incentivize development in the area.

BASIC FINANCIAL STATEMENTS



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CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 28,775,898	\$ 19,320,476	\$ 48,096,374
Receivables (net of allowance for uncollectibles)	613,847	1,197,092	1,810,939
Due from other governments	1,077,150	267,458	1,344,608
Internal balances	35,455	(35,455)	-
Inventories	71,249	93,765	165,014
Prepays	-	112,270	112,270
Restricted assets:			
Cash and cash equivalents	1,743,103	12,486,812	14,229,915
Capital assets (net of accumulated depreciation):			
Land	16,365,573	5,403,346	21,768,919
Buildings	16,817,021	3,659,108	20,476,129
Improvements other than buildings	5,709,024	2,878,994	8,588,018
Vehicles and equipment	3,439,731	6,620,979	10,060,710
Infrastructure/System	47,684,207	73,876,433	121,560,640
Construction in progress	2,900,948	1,082,756	3,983,704
Total assets	<u>125,233,206</u>	<u>126,964,034</u>	<u>252,197,240</u>
DEFERRED OUTFLOWS			
Deferred outflows related to pensions/OPEB	<u>3,538,185</u>	<u>1,563,162</u>	<u>5,101,347</u>
LIABILITIES			
Accounts payable and other current liabilities	1,766,944	2,932,195	4,699,139
Unearned revenue	401,973	-	401,973
Liabilities payable from restricted assets	-	85,518	85,518
Long-term liabilities:			
Due within one year	1,373,967	1,187,196	2,561,163
Due in more than one year	11,676,702	15,121,320	26,798,022
Pensions/OPEB payable	14,428,408	8,281,020	22,709,428
Total liabilities	<u>29,647,994</u>	<u>27,607,249</u>	<u>57,255,243</u>
DEFERRED INFLOWS			
Deferred inflows related to pensions/OPEB	<u>2,750,032</u>	<u>815,309</u>	<u>3,565,341</u>
NET POSITION			
Net investment in capital assets	80,655,504	81,587,869	162,243,373
Non-expendable	76,249	-	76,249
Restricted for:			
Highways and streets	1,250,334	-	1,250,334
Capital projects	7,567,038	-	7,567,038
CRA Debt service	1,552,457	1,613,353	3,165,810
CRA District	1,098,588	-	1,098,588
Recreation	6,288,735	-	6,288,735
Public Safety	125,356	-	125,356
Other Purposes	196	-	196
Unrestricted	<u>(2,241,092)</u>	<u>16,903,416</u>	<u>14,662,324</u>
Total net position	<u>\$ 96,373,365</u>	<u>\$ 100,104,638</u>	<u>\$ 196,478,003</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

	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	\$ 7,833,870	\$(3,072,610)	\$ 1,899,885	\$ 941,955	\$ -
Public Safety	11,575,010	-	38,656	194,181	49,690
Transportation	3,509,383	70,555	294,044	-	708,206
Economic environment	339,842	14,935	-	-	1,376,602
Recreation	6,283,537	228,930	4,261,074	1,175,330	145,130
Interest on long-term debt	357,397	-	-	-	-
Total Governmental Activities	<u>29,899,039</u>	<u>(2,758,190)</u>	<u>6,493,659</u>	<u>2,311,466</u>	<u>2,279,628</u>
Business-type Activities:					
Water and wastewater	16,256,712	2,226,435	19,102,732	22,983	7,715,415
Sanitation/refuse	3,578,374	392,100	3,746,490	3,914	-
Building Fund	1,162,117	103,755	939,086	11,476	-
Marina Fund	367,081	35,900	463,467	13,807	-
Total Business-type Activities	<u>21,364,284</u>	<u>2,758,190</u>	<u>24,251,775</u>	<u>52,180</u>	<u>7,715,415</u>
Total Functions/Programs	<u>\$51,263,323</u>	<u>\$ -</u>	<u>\$30,745,434</u>	<u>\$ 2,363,646</u>	<u>\$ 9,995,043</u>

General Revenues:
Property taxes
Utility taxes and gas taxes
Sales Taxes
Investment earnings
Miscellaneous revenue
Total general revenues
Change in net position
Net Position - Beginning
Net Position - Ending

See Accompanying Notes.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,919,420)	\$ -	\$ (1,919,420)
(11,292,483)	-	(11,292,483)
(2,577,688)	-	(2,577,688)
1,021,825	-	1,021,825
(930,933)	-	(930,933)
(357,397)	-	(357,397)
<u>(16,056,096)</u>	<u>-</u>	<u>(16,056,096)</u>
-	8,357,983	8,357,983
-	(220,070)	(220,070)
-	(315,310)	(315,310)
-	74,293	74,293
<u>-</u>	<u>7,896,896</u>	<u>7,896,896</u>
<u>(16,056,096)</u>	<u>7,896,896</u>	<u>(8,159,200)</u>
11,032,152	-	11,032,152
4,437,630	-	4,437,630
4,794,177	-	4,794,177
327,535	187,527	515,062
1,087,990	451,180	1,539,170
<u>21,679,484</u>	<u>638,707</u>	<u>22,318,191</u>
5,623,388	8,535,603	14,158,991
90,749,977	91,569,035	182,319,012
<u>\$ 96,373,365</u>	<u>\$ 100,104,638</u>	<u>\$ 196,478,003</u>

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020

ASSETS	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Cash and cash equivalents	\$7,513,608	\$ -	\$1,136,856	\$ 4,520,244
Accounts receivable (net of allowance of \$ 38,236)	611,441	-	-	-
Restricted cash and equivalents	190,646	-	1,552,457	-
Due from other governments	363,566	-	-	46,257
Inventories	71,249	-	-	-
 Total assets	 <u>\$8,750,510</u>	 <u>\$ -</u>	 <u>\$2,689,313</u>	 <u>\$ 4,566,501</u>

See Accompanying Notes.

Capital Project Fund	1% Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
<u>\$ 616,263</u>	<u>\$ 7,281,110</u>	<u>\$ 7,210,225</u>	<u>\$ 28,278,306</u>
-	-	2,406	613,847
-	-	-	1,743,103
-	194,043	473,284	1,077,150
-	-	-	71,249
<u>\$ 616,263</u>	<u>\$ 7,475,153</u>	<u>\$ 7,685,915</u>	<u>\$ 31,783,655</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2020
(Continued)

LIABILITIES AND FUND BALANCES	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Accounts payable	\$ 464,225	\$ -	\$ 11,955	\$ 43,496
Retainage payable	-	-	-	40,868
Accrued liabilities	320,976	-	-	13,956
Due to other funds	-	-	-	-
Due to other governments	6,764	-	-	-
Unearned revenue	114,808	-	26,313	-
Total liabilities	<u>906,773</u>	<u>-</u>	<u>38,268</u>	<u>98,320</u>
Fund balances				
Nonspendable:				
Inventories and prepaids	71,249	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Police programs	75,642	-	-	-
Transportation/Mobility	-	-	-	-
Recreation	-	-	-	4,468,181
CRA district	-	-	1,098,588	-
CRA district debt service	-	-	1,552,457	-
Capital projects	-	-	-	-
Other purposes	196	-	-	-
Committed for:				
Damages and one-time expenditures	-	-	-	-
Assigned to:				
Subsequent year's budget	2,498,098	-	-	-
Unassigned	5,198,552	-	-	-
Total fund balances	<u>7,843,737</u>	<u>-</u>	<u>2,651,045</u>	<u>4,468,181</u>
Total liabilities and fund balances	<u>\$ 8,750,510</u>	<u>\$ -</u>	<u>\$ 2,689,313</u>	<u>\$ 4,566,501</u>

See Accompanying Notes.

Capital Project Fund	1% Local Option Sales Tax	Other Governmental Funds	Total Governmental Funds
\$ 30,070	\$ 370,214	\$ 287,899	\$ 1,207,859
16,674	107,421	4,540	169,503
-	-	10,811	345,743
-	-	-	-
-	-	-	6,764
-	-	260,852	401,973
<u>46,744</u>	<u>477,635</u>	<u>564,102</u>	<u>2,131,842</u>
-	-	-	71,249
-	-	5,000	5,000
-	-	49,714	125,356
-	-	1,250,334	1,250,334
-	-	1,820,554	6,288,735
-	-	-	1,098,588
-	-	-	1,552,457
569,519	6,997,518	-	7,567,037
-	-	-	196
-	-	3,996,211	3,996,211
-	-	-	2,498,098
-	-	-	5,198,552
<u>569,519</u>	<u>6,997,518</u>	<u>7,121,813</u>	<u>29,651,813</u>
<u>\$ 616,263</u>	<u>\$ 7,475,153</u>	<u>\$ 7,685,915</u>	<u>\$ 31,783,655</u>



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CITY OF PUNTA GORDA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2020
(Continued)

Total fund balance - governmental funds (page 28) \$ 29,651,813

Amounts reported for governmental activities in the statement of net position (page 22) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total Capital Assets \$92,916,504 less amount included in internal services \$517,691	92,398,814
Deferred outflows of resources related to pension liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$1,720,251 less Internal Service Fund \$20,790	1,699,461
Deferred outflows of resources related to OPEB liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$1,817,934 less Internal Service Fund \$68,417	1,749,517
Internal service funds are used by management to charge the costs of information technology systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	552,122
Cumulative effect of business type portion of internal services	35,455
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 and long-term liabilities \$13,050,669 less amount included in internal services \$21,460.	(13,029,209)
Pension plans when unfunded are a liability on the statement of net position but are not a financial use. Total Pension Plans payable \$5,737,348 less amount included in internal services \$129,057.	(5,608,291)
Other Post Employment Benefit plans when unfunded are a liability on the statement but are not a financial use. Total OPEB Plans payable \$8,691,060 less amount included in internal services \$327,083. Plus Actuarial Fees non-current \$5,098.	(8,369,075)
Deferred inflows of resources related to pension liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$2,015,475 less Internal Service Fund \$15,145.	(2,000,330)
Deferred inflows of resources related to OPEB liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$734,557 less Internal Service Fund \$27,645.	(706,912)
Net position of governmental activities (page 22)	<u>\$ 96,373,365</u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020

	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Revenues				
Taxes	\$ 14,645,230	\$ -	\$ -	\$ -
Permits, fees and special assessments	1,479,006	-	-	3,395,797
Intergovernmental revenues	2,565,025	-	1,376,602	2,561
Charges for services	407,980	-	-	-
Judgments, fines and forfeits	36,234	-	-	-
Miscellaneous	3,862,974	-	395,880	58,116
Total revenues	22,996,449	-	1,772,482	3,456,474
Expenditures				
Current				
General government	6,069,926	-	-	-
Public safety	10,954,136	-	-	-
Transportation	1,087,583	-	-	-
Economic environment	-	-	240,030	-
Recreation	1,508,802	-	-	2,343,900
Capital outlay	543,925	-	21,037	38,666
Debt service				
Principal retirement	-	1,185,094	-	-
Interest and fiscal charges	-	353,675	-	-
Total expenditures	20,164,372	1,538,769	261,067	2,382,566
Excess expenditures (over) under revenues	2,832,077	(1,538,769)	1,511,415	1,073,908

See Accompanying Notes.

<u>Capital Project Fund</u>	<u>1% Local Option Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 3,123,417	\$ 824,552	\$ 18,593,199
-	-	2,228,264	7,103,067
650,367	-	310,888	4,905,443
-	-	279,869	687,849
-	-	-	36,234
-	127,644	107,351	4,551,965
<u>650,367</u>	<u>3,251,061</u>	<u>3,750,924</u>	<u>35,877,757</u>
-	-	-	6,069,926
-	-	-	10,954,136
-	-	1,444,565	2,532,148
24,916	89,941	-	354,887
-	-	1,587,952	5,440,654
2,726,926	2,589,535	23,897	5,943,986
-	-	-	1,185,094
-	-	3,722	357,397
<u>2,751,842</u>	<u>2,679,476</u>	<u>3,060,136</u>	<u>32,838,228</u>
<u>(2,101,475)</u>	<u>571,585</u>	<u>690,788</u>	<u>3,039,529</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2020
(Continued)

	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Expenditures (continued)				
Excess expenditures (over) under revenues	2,832,077	(1,538,769)	1,511,415	1,073,908
Other financing sources (uses)				
Transfers in	270,416	1,538,766	750,208	-
Transfers out	(1,826,903)	-	(1,538,766)	-
Issuance of Debt	41,094	-	-	-
Total other financing sources (uses)	(1,515,393)	1,538,766	(788,558)	-
Net change in fund balances	1,316,684	(3)	722,857	1,073,908
Fund balances, October 1, 2019	6,527,053	3	1,928,188	3,394,273
Fund balances, September 30, 2020	<u>\$ 7,843,737</u>	<u>\$ -</u>	<u>\$2,651,045</u>	<u>\$ 4,468,181</u>

See Accompanying Notes.

<u>Capital Project Fund</u>	<u>1% Local Option Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>(2,101,475)</u>	<u>571,585</u>	<u>690,788</u>	<u>3,039,529</u>
1,937,174	-	828,083	5,324,647
-	(90,000)	(1,868,978)	(5,324,647)
<u>-</u>	<u>-</u>	<u>-</u>	<u>41,094</u>
<u>1,937,174</u>	<u>(90,000)</u>	<u>(1,040,895)</u>	<u>41,094</u>
(164,301)	481,585	(350,107)	3,080,623
<u>733,820</u>	<u>6,515,933</u>	<u>7,471,920</u>	<u>26,571,190</u>
<u>\$ 569,519</u>	<u>\$ 6,997,518</u>	<u>\$ 7,121,813</u>	<u>\$29,651,813</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 Fiscal Year Ended September 30, 2020

Net change in fund balances -- total governmental funds (page 33) \$ 3,080,623

Amounts reported for governmental activities in the statement of activities (page 24) are different because:

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 were under capital outlays in the current period. Expensed items decrease net position in the statement of activities, but are not financial uses in governmental funds.	1,620,975
Issuance of debt proceeds from refunding issue	(41,094)
Repayment of the principal of long-term debt \$1,185,094 consumes the current financial resources of governmental funds. This transaction has no effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest.	1,185,094
Some expenditures 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 Compensated absences \$64,824.	(64,824)
Internal service funds are used by management to charge the costs of information technology systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	58,773
Changes in net pension obligations are only reported in the Statement of Activities.	716,708
Changes in net OPEB obligations are only reported in the Statement of Activities.	<u>(932,867)</u>
Change in net position of governmental activities (page 24)	<u><u>\$ 5,623,388</u></u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 14,477,915	\$ 14,477,915	\$ 14,645,230	\$ 167,315
Permits, fees and special assessments	1,517,180	1,517,180	1,479,006	(38,174)
Intergovernmental revenue	2,470,105	2,769,896	2,565,025	(204,871)
Charges for services	427,245	427,245	407,980	(19,265)
Judgments, fines and forfeits	40,500	40,500	36,234	(4,266)
Miscellaneous	3,699,555	3,737,768	3,862,974	125,206
Total revenues	<u>22,632,500</u>	<u>22,970,504</u>	<u>22,996,449</u>	<u>25,945</u>
Expenditures				
Current				
General government	6,055,558	6,863,600	6,069,926	793,674
Public safety	11,575,433	11,937,015	10,954,136	982,879
Transportation	1,159,902	1,159,391	1,087,583	71,808
Recreation	1,564,120	1,615,330	1,508,802	106,528
Capital Outlay	870,250	1,337,328	543,925	793,403
Total expenditures	<u>21,225,263</u>	<u>22,912,664</u>	<u>20,164,372</u>	<u>2,748,292</u>
Excess revenues over (under) expenditures	<u>1,407,237</u>	<u>57,840</u>	<u>2,832,077</u>	<u>2,774,237</u>
Other financing sources (uses)				
Transfers in	214,002	568,632	270,416	(298,216)
Transfers out	(10,050,331)	(10,151,628)	(1,826,903)	8,324,725
Issuance of Debt	8,237,000	8,237,000	41,094	(8,195,906)
Total other financing uses	<u>(1,599,329)</u>	<u>(1,345,996)</u>	<u>(1,515,393)</u>	<u>(169,397)</u>
Net change in fund balances	<u>\$ (192,092)</u>	<u>\$ (1,288,156)</u>	1,316,684	<u>\$ 2,604,840</u>
Fund balances, October 1, 2019			<u>6,527,053</u>	
Fund balances, September 30, 2020			<u>\$ 7,843,737</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,374,992	\$ 1,374,992	\$ 1,376,602	\$ 1,610
Miscellaneous	416,198	432,913	395,880	(37,033)
Total revenues	<u>1,791,190</u>	<u>1,807,905</u>	<u>1,772,482</u>	<u>(35,423)</u>
Expenditures				
Economic environment	357,850	781,292	240,030	541,262
Capital outlay	0	40,374	21,037	19,337
Total expenditures	<u>357,850</u>	<u>821,666</u>	<u>261,067</u>	<u>560,599</u>
Excess revenues over expenditures	<u>1,433,340</u>	<u>986,239</u>	<u>1,511,415</u>	<u>525,176</u>
Other financing sources (uses)				
Transfers in	749,331	749,331	750,208	877
Transfers out	(1,538,772)	(1,538,772)	(1,538,766)	6
Total other financing uses	<u>(789,441)</u>	<u>(789,441)</u>	<u>(788,558)</u>	<u>883</u>
Net change in fund balances	<u>\$ 643,899</u>	<u>\$ 196,798</u>	722,857	<u>\$ 526,059</u>
Fund balances, October 1, 2019			<u>1,928,188</u>	
Fund balances, September 30, 2020			<u>\$ 2,651,045</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
P G I CANAL MAINTENANCE SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits, fees and special assessments	\$ 3,381,400	\$ 3,381,400	\$ 3,395,797	\$ 14,397
Intergovernmental revenues	0	2,914,364	2,561	(2,911,803)
Miscellaneous				
Interest	11,500	11,500	46,502	35,002
Other	500	500	11,614	11,114
Total revenues	3,393,400	6,307,764	3,456,474	(2,851,290)
Expenditures				
Current				
Recreation	2,782,660	3,442,837	2,343,900	1,098,937
Capital Outlay	8,277,000	11,107,352	38,666	11,068,686
Total expenditures	11,059,660	14,550,189	2,382,566	12,167,623
Revenues over/(under) expenditures	(7,666,260)	(8,242,425)	1,073,908	9,316,333
Other financing sources (uses)				
Transfers in	8,237,000	8,237,000	-	(8,237,000)
Transfers out	(5,985,000)	(5,987,905)	-	5,987,905
Total other financing uses	2,252,000	2,249,095	-	(2,249,095)
Net change in fund balance	\$ (5,414,260)	\$ (5,993,330)	1,073,908	\$ 7,067,238
Fund balances, October 1, 2019			3,394,273	
Fund balances, September 30, 2020			\$ 4,468,181	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 15,230,745	\$1,839,341
Accounts and refund receivable (net of allowance of \$306,883)	923,453	220,984
Due from other governments	261,131	-
Inventories	93,765	-
Prepaid items	-	-
Restricted cash and cash equivalents	12,432,239	-
Total current assets	28,941,333	2,060,325
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	92,246,076	1,162,362
Prepaid rent	95,276	-
Total noncurrent assets	92,341,352	1,162,362
Total assets	121,282,685	3,222,687
DEFERRED OUTFLOWS		
Deferred outflows related to pensions/OPEB	1,114,190	280,689

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$1,658,961	\$ 591,429	\$ 19,320,476	\$ 497,592
2,825	49,830	1,197,092	-
-	6,327	267,458	-
-	-	93,765	-
-	16,994	16,994	-
<u>22,776</u>	<u>31,797</u>	<u>12,486,812</u>	<u>-</u>
<u>1,684,562</u>	<u>696,377</u>	<u>33,382,597</u>	<u>497,592</u>
67,892	45,286	93,521,616	517,691
<u>-</u>	<u>-</u>	<u>95,276</u>	<u>-</u>
<u>67,892</u>	<u>45,286</u>	<u>93,616,892</u>	<u>517,691</u>
<u>1,752,454</u>	<u>741,663</u>	<u>126,999,489</u>	<u>1,015,283</u>
<u>168,283</u>	<u>-</u>	<u>1,563,162</u>	<u>89,207</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020
(Continued)

LIABILITIES AND FUND EQUITY	Business-type Activities	
	Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CURRENT LIABILITIES		
Payable from current assets		
Accounts payable	482,668	235,054
Retainage payable	324,418	-
Notes payable	30,678	-
Current portion of revenue notes payable	1,118,520	-
Accumulated unused compensated absences	27,813	6,795
Accrued liabilities	1,371,885	26,825
Due to other Governments	391,447	-
Total payable from current assets	3,747,429	268,674
Payable from restricted assets		
Customer deposits	30,945	-
Total payable from restricted assets	30,945	-
Total current liabilities	3,778,374	268,674
NONCURRENT LIABILITIES		
Revenue notes payable	14,779,341	-
Accrued compensated absences	250,312	61,153
Pension/OPEB benefits payable	5,898,405	1,477,434
Total noncurrent liabilities	20,928,058	1,538,587
Total liabilities	24,706,432	1,807,261
DEFERRED INFLOWS		
Deferred inflows related to pensions/OPEB	580,195	144,231
NET POSITION		
Net investment in capital assets	80,312,329	1,162,362
Restricted for debt service	1,613,353	-
Unrestricted	15,184,566	389,522
Total net position	\$ 97,110,248	\$1,551,884
Cumulative adjustment for internal service fund activities		
Net position of business-type activities		

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
54,580	25,960	798,262	15,841
-	-	324,418	-
-	-	30,678	-
-	-	1,118,520	-
3,390	-	37,998	2,146
19,358	-	1,418,068	16,137
-	-	391,447	-
<u>77,328</u>	<u>25,960</u>	<u>4,119,391</u>	<u>34,124</u>
<u>22,776</u>	<u>31,797</u>	<u>85,518</u>	-
<u>22,776</u>	<u>31,797</u>	<u>85,518</u>	-
<u>100,104</u>	<u>57,757</u>	<u>4,204,909</u>	<u>34,124</u>
-	-	14,779,341	-
30,514	-	341,979	19,314
905,181	-	8,281,020	456,140
<u>935,695</u>	<u>-</u>	<u>23,402,340</u>	<u>475,454</u>
<u>1,035,799</u>	<u>57,757</u>	<u>27,607,249</u>	<u>509,578</u>
<u>90,883</u>	<u>-</u>	<u>815,309</u>	<u>42,790</u>
67,892	45,286	81,587,869	517,691
-	-	1,613,353	-
<u>726,163</u>	<u>638,620</u>	<u>16,938,871</u>	<u>34,431</u>
<u>\$ 794,055</u>	<u>\$ 683,906</u>	100,140,093	<u>\$ 552,122</u>
		<u>(35,455)</u>	
		<u>\$ 100,104,638</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 19,102,732	\$ 3,718,266
Licenses and permits	-	28,224
Operating grants	22,983	3,914
Miscellaneous	355,829	5,737
	<u>19,481,544</u>	<u>3,756,141</u>
 Total operating revenues		
Operating expenses		
Personnel services	6,266,276	1,451,111
Contractual services	1,901,934	1,373,439
Materials and supplies	1,532,574	147,546
Utilities	845,181	1,270
Depreciation	4,501,013	323,848
Insurance	305,456	27,062
Administrative charges	2,601,346	416,265
Repairs and maintenance	371,115	228,088
Travel and training	15,160	1,593
Rent	67,517	1,350
	<u>18,407,572</u>	<u>3,971,572</u>
 Total operating expenses		
Operating income	<u>1,073,972</u>	<u>(215,431)</u>
 Nonoperating revenues (expenses)		
Interest income	145,482	17,091
Insurance proceeds	1,010	-
Intergovernmental Capital grants	4,975,046	-
Interest expense and fiscal charges	(91,566)	-
Gain (loss) on disposition of capital assets	42,528	-
	<u>5,072,500</u>	<u>17,091</u>
 Total nonoperating revenues (expenses)		
Income (loss) before transfers and contributions	<u>6,146,472</u>	<u>(198,340)</u>
 Totals carried forward	<u>6,146,472</u>	<u>(198,340)</u>

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 38,077	\$ 463,467	\$ 23,322,542	\$ 1,756,055
901,009	-	929,233	-
11,476	13,807	52,180	18,525
15,079	24,446	401,091	240
<u>965,641</u>	<u>501,720</u>	<u>24,705,046</u>	<u>1,774,820</u>
998,088	-	8,715,475	699,671
19,070	193,235	3,487,678	548,637
11,083	10,164	1,701,367	16,502
4,515	67,211	918,177	9,754
23,122	6,240	4,854,223	215,387
6,552	10,667	349,737	11,538
193,354	39,045	3,250,010	-
3,806	58,960	661,969	85,520
7,727	-	24,480	23,954
2,377	17,601	88,845	75,253
<u>1,269,694</u>	<u>403,123</u>	<u>24,051,961</u>	<u>1,686,216</u>
<u>(304,053)</u>	<u>98,597</u>	<u>653,085</u>	<u>88,604</u>
18,468	6,486	187,527	-
1,595	-	2,605	-
-	-	4,975,046	-
-	-	(91,566)	-
2,825	2,130	47,483	(8,777)
<u>22,888</u>	<u>8,616</u>	<u>5,121,095</u>	<u>(8,777)</u>
<u>(281,165)</u>	<u>107,213</u>	<u>5,774,180</u>	<u>79,827</u>
<u>(281,165)</u>	<u>107,213</u>	<u>5,774,180</u>	<u>79,827</u>

CITY OF PUNTA GORDA, FLORIDA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2020
 (Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	<u>6,146,472</u>	<u>(198,340)</u>
Contributions	<u>2,740,369</u>	<u>-</u>
Change in net position	8,886,841	(198,340)
Total net position - beginning	<u>88,223,407</u>	<u>1,750,224</u>
Total net position - ending	<u>\$97,110,248</u>	<u>\$ 1,551,884</u>

Adjustment to reflect the consolidation of internal service fund
 activities related to enterprise funds
 Change in net position of business-type activities (page 24)

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
<u>(281,165)</u>	<u>107,213</u>	<u>5,774,180</u>	<u>79,827</u>
<u>-</u>	<u>-</u>	<u>2,740,369</u>	<u>-</u>
(281,165)	107,213	8,514,549	79,827
<u>1,075,220</u>	<u>576,693</u>		<u>472,295</u>
<u>\$ 794,055</u>	<u>\$ 683,906</u>		<u>\$ 552,122</u>
		<u>21,054</u>	
		<u>\$ 8,535,603</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
	CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 18,978,250	\$ 3,709,628
Cash received from Operating Grants	22,983	3,914
Cash payments to suppliers for goods and services	(6,110,630)	(2,139,764)
Cash payments to employees for services	(5,963,403)	(1,342,117)
Other receipts	339,836	33,961
Net cash provided (used) by operating activities	7,267,036	265,622
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	(14,224,416)	(157,639)
Sale of property, plant and equipment	45,870	-
Principal paid on debt	(340,120)	-
Interest and fiscal charges paid	(20,452)	-
New debt	10,599,176	-
Contributions	2,021,343	-
Intergovernmental	9,825,199	3,914
Insurance proceeds	1,010	-
Net cash provided (used) in capital and related financing activities	7,907,610	(153,725)
Totals carried forward	15,174,646	111,897

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 924,514	\$ 430,810	\$ 24,043,202	\$ 1,737,530
11,476	13,807	52,180	18,525
(246,916)	(393,380)	(8,890,690)	(785,068)
(860,356)	-	(8,165,876)	(599,391)
26,555	38,253	438,605	20,332
<u>(144,727)</u>	<u>89,490</u>	<u>7,477,421</u>	<u>391,928</u>
(21,524)	(46,307)	(14,449,886)	(266,717)
2,825	2,130	50,825	20,045
-	-	(340,120)	-
-	-	(20,452)	-
-	-	10,599,176	-
-	-	2,021,343	-
-	966	9,830,079	-
1,595	-	2,605	-
<u>(17,104)</u>	<u>(43,211)</u>	<u>7,693,570</u>	<u>(246,672)</u>
<u>(161,831)</u>	<u>46,279</u>	<u>15,170,991</u>	<u>145,256</u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2020
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
	Totals brought forward	15,174,646
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	145,482	17,091
Net cash provided by investing activities	145,482	17,091
Net increase (decrease) in cash and cash equivalents	15,320,128	128,988
Balances - beginning of the year	12,342,856	1,710,353
Balances - end of year	\$ 27,662,984	\$ 1,839,341
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,073,972	\$ (215,431)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,501,013	323,848
Net (increase) decrease in:		
Receivables	(128,704)	(4,725)
Inventories	834	-
Prepays	26,012	(1,163)
Net increase (decrease) in:		
Accounts payable	2,807	55,686
Accrued liabilities	1,523,133	16,677
Customer deposits	(148)	-
Change in net pension/OPEB liability	328,953	111,689
Change in deferred outflows related to pensions/OPEB	(413,190)	(109,019)
Change in deferred inflows related to pensions/OPEB	352,354	88,060
Net cash provided by (used) in operating activities	\$ 7,267,036	\$ 265,622
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Disposal of fully depreciated capital assets	\$ 313,887	\$ 3,711

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
(161,831)	46,279	15,170,991	145,256
18,468	6,486	187,527	-
18,468	6,486	187,527	-
(143,363)	52,765	15,358,518	145,256
1,825,100	570,461	16,448,770	352,336
<u>\$ 1,681,737</u>	<u>\$ 623,226</u>	<u>\$ 31,807,288</u>	<u>\$ 497,592</u>
\$ (304,053)	\$ 98,597	\$ 653,085	\$ 88,604
23,122	6,240	4,854,223	215,387
(2,472)	(15,440)	(151,341)	1,565
-	-	834	-
-	1,686	26,535	-
1,568	1,817	61,878	(13,909)
8,249	-	1,548,059	11,492
(624)	(3,410)	(4,182)	-
133,864	-	574,506	111,485
(67,944)	-	(590,153)	(48,244)
63,563	-	503,977	25,548
<u>\$ (144,727)</u>	<u>\$ 89,490</u>	<u>\$ 7,477,421</u>	<u>\$ 391,928</u>
\$ 31,144	\$ 20,433	\$ 369,175	\$ 337,899

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2020

	Pension Funds
ASSETS	
Cash and cash equivalents	\$ 1,202,721
Receivables: Investment income	102,152
Investments, at fair value	
U.S. Bonds and Bills	8,483,080
Federal Agency Guaranteed Securities	241,850
Corporate Bonds	11,308,362
Stocks	3,061,269
Mutual Funds	
Fixed Income	9,610,512
Equity	48,334,201
Pooled/Common/Commingled Funds:	
Real Estate	6,506,321
Total investments at fair value	87,545,595
Total assets	88,850,468
LIABILITIES	
Payables	
Refunds of Member Contributions	540
Investment & Admin Expenses	62,658
Total liabilities	63,198
NET POSITION RESTRICTED FOR PENSIONS	\$ 88,787,270

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year September 30, 2020

	Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 2,650,068
Plan members	725,483
State	438,540
Total contributions	3,814,091
Investment earnings	
Net appreciation in fair value of investments	6,453,079
Interest and dividends	2,489,600
Less investment expense ¹	(181,446)
Net investment income	8,761,233
Total additions	12,575,324
DEDUCTIONS	
Benefit payments, including refunds of member contributions	4,094,348
Lump sum DROP and share distributions	957,310
Administrative expense	163,788
Total deductions	5,215,446
Net increase in net position	7,359,878
Net position restricted for pensions	
Beginning of year	81,427,392
End of year	\$ 88,787,270

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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, general administrative services, marina services and the Herald Court Centre retail space with parking garage.

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 reported as Fiduciary Funds. 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 ordinance 1159-96. 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, except as required for the CRA under Florida Statute 163.387.

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

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

I. Organization and Summary of Significant Accounting Policies, Continued

A. Government-wide and fund financial statements

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 is 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, except for grants which are recognized if eligibility requirements have been met. 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, 2020

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 Debt Service Fund accounts for the accumulation of funds from specific revenue sources related to a specific debt. The CRA Fund transfers tax increment financing to make debt payments on Herald Court Centre loan.

The Community Redevelopment Agency (CRA) Fund accounts for the resources received from the City and County tax increment financing to repay debt used in the revitalization of the downtown Punta Gorda area and lease proceeds that support CRA capital maintenance.

The P G I Canal Maintenance Fund accounts for assessments to properties in the P G I Canal Maintenance district to be utilized for the repair and upkeep of City-owned seawalls and maintain navigability of canals located in Punta Gorda Isles subdivision.

The Capital Projects Fund accounts for major projects or equipment purchases using various funding sources such as grants, contributions, and transfers from the General Fund or special revenue funds. This fund uses a project length budget.

The 1% Local Option Sales Tax Fund accounts for projects paid for by the taxpayer approved additional 1% sales tax revenues. This fund uses a project length budget.

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.

The Building Fund accounts for collection of building related permits and fees.

The Marina Fund accounts for the management and revenues of the City's marina located in Laishley Park.

Additionally, the City reports the following funds:

Internal service fund accounting for information technology 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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

I. Organization and Summary of Significant Accounting Policies, Continued

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

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.

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 the City's Internal Services fund are charges to customers for sales and services. The Building Fund's revenues are permits and fees collected which are directly related to the building activity in the City. The predominant revenue source for the Marina Fund is slip rental. 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.

GASB Statement No. 79, an amendment to GASB Statement No. 31 and GASB Statement No. 40 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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

I. Organization and Summary of Significant Accounting Policies, Continued

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, 2020.

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.

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 acquisition 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, are 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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

I. Organization and Summary of Significant Accounting Policies, Continued

H. Accumulated compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation 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 Position.

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

These compensated absences are paid out of the various funds that have payroll, and their accumulated liabilities.

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 position.

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 non-expendable, restricted, committed, assigned, and unassigned fund balances. Non-expendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes by constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations are restricted fund balances. Committed fund balances are amounts that can only be used for specific purposes as formally imposed by the City Council through a resolution. Assigned fund balances are for an intended use as established by the City Council. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. When both restricted and unrestricted fund balance is available for the same purpose, restricted funds will be used first. Also, unrestricted fund balance order for expenditures of the same purpose will be committed, assigned, and unassigned.

The City has established an unassigned fund balance minimum for the General Fund of 8.5% of total General Fund expenditures plus \$120,460 from health insurance savings. Also the City Council established a \$3.1 million minimum for the Utilities Fund.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

I. Organization and Summary of Significant Accounting Policies, Continued

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 \$3,072,610 for fiscal year 2020. For the government-wide financial statements these “Indirect Expenses” have been backed out to avoid double counting.

L. New accounting standards

Beginning with fiscal year 2013, the City implemented GASB Statement No. 63; *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other pronouncements. This statement requires a Statement of Net Position (rather than net assets) format which segregates deferred inflows and deferred outflows from assets and liabilities respectively. Specific Items required to be broken out as deferred inflows or deferred outflows are discussed in GASB Statements 53 and 60. These items are Derivative Investments and Service Concession Arrangements respectively. None of these items affect the City at this time. The other portion of GASB Statement 63 is nomenclature. Statement No. 64; *Derivative Instruments: Application of Hedge Accounting Termination Provisions* is not applicable to the City of Punta Gorda. Fiscal year 2014, the City implemented GASB No. 67 which amended No. 25, and fiscal year 2015 the City implemented GASB 68 which amended No. 27. In fiscal year 2017, the City implemented GASB Statements 71, 73, 78 and 82. These statements amended or clarified GASB statements 67 and 68. These changes affect how pension plans are reported. GASB statement number 79, “Certain External Investment and Pool Participants” and GASB 72, “Fair Value Measurement and Application” were also implemented in fiscal year 2017. In fiscal year 2018 GASB Statement No. 75 “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions” and Statement No. 85, “Omnibus 2017” were implemented. In fiscal year 2019 GASB Statement No. 88 “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements” was implemented. In fiscal year 2020 GASB Statement No. 83, “Certain Asset Retirement Obligations” was implemented.

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 position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. 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 \$13,029,209 difference are as follows:

Noncurrent liabilities	\$13,050,669
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	(21,460)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities - Noncurrent liabilities	\$13,029,209

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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.

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 position 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.” Expensed items decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial uses. In the governmental funds, the proceeds from the sale of capital assets increase financial resources. However, in the statement of activities, all gains and losses resulting from sales, disposals and trade-in of capital assets are reported. The details of this \$1,620,975 difference are as follows

Capital outlay	\$ 5,943,986
Depreciation expense	(4,377,304)
Net effect of misc. capital transactions (disposal, sale, trade-in of assets)	<u>54,293</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,620,975</u>
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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 position. 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 \$1,185,094 difference are as follows:

Principal repayments:	
Capital Improvement revenue notes	<u>\$ 1,185,094</u>

Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,185,094</u>
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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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, 2020.

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, most Special Revenue, Enterprise and Internal Service Funds through passage of a resolution. Project-length financial plans are adopted for the Capital Project Fund, 1% Local Option Sales Tax Fund, and the Utilities Capital Project Fund.
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, 2020 totaled \$3,415,445.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

C. Interfund transactions

Exchanges of equal or almost equal value between funds of the primary government are 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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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, 2020 the carrying amounts of the City's deposits were \$17,490,732 and the bank balances were \$17,419,523. 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, 2020, petty cash for all funds was \$1,400.

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

A. Cash and Investments, continued

Interest Rate Risk, Credit Risk, Concentration of credit risk and Custodial Credit Risk.

The City holds no investments at this time.

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.

Additionally, to comply with GASB Statement No. 79 requirements, Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of AAAM at September 30, 2020 and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes. GASB Statement No. 79 amends GASB Statement No. 31, and the value of the pool is at amortized cost. The amount of the investment was \$44,834,158.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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, 2020:

	Cash and Cash Equivalents
Water and Wastewater Utility Fund, Building Fund, Marina Fund	
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	\$ 3,481,695
Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	1,546,728
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	1,613,353
Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	85,518
Utilities Construction Account - reserved for payment of the costs of new projects and major repairs of existing assets	4,208,531
Utilities Renewal and Replacement Fund	1,500,000
Special Assessments - District #4 - established to account for assessments levied for utility expansion	50,987
	\$ 12,486,812

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

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, 2020:

Cash and Cash Equivalents	
Law enforcement activities	\$ 75,642
Other purposes	196
Unearned revenue	<u>114,808</u>
	<u>\$ 190,646</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
Cumulative effect of internal service funds	<u>\$ 35,455</u>	<u>\$ 35,455</u>
Statement of Net Position	<u>\$ 35,455</u>	<u>\$ 35,455</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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 the General Fund to the Additional Five Cent Gas Tax Fund was for the paving program. The transfer from the General Fund to the Capital Project Fund was for public works capital projects. The transfer from the CRA Fund to the Debt Fund was for debt service on Herald Court Centre (parking garage). The transfer from the 1% Sales Tax Fund to the General Fund is for capital project management. The Nonmajor Governmental transfers out are impact fees transferred to Capital Project Fund and transfers from Special Use Fund to the General Fund and the Capital Projects Fund for contributions to comprehensive plan update and Ponce Park improvements, and transfers from the Buckley's Pass Assessments to the Capital Projects 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	\$ 270,416	\$ 1,826,903
Debt Service Fund	1,538,766	-
1% Sales Tax	-	90,000
Community Redevelopment	750,208	1,538,766
Capital Projects Fund	1,937,174	-
Nonmajor Governmental funds	<u>828,083</u>	<u>1,868,978</u>
Net Governmental Funds	<u>\$ 5,324,647</u>	<u>\$ 5,324,647</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 16,382,776	\$ -	\$ (17,203)	\$ 16,365,573
Construction in progress	2,860,482	5,538,283	(5,497,817)	2,900,948
Total capital assets, not being depreciated	<u>19,243,258</u>	<u>5,538,283</u>	<u>(5,515,020)</u>	<u>19,266,521</u>
Capital assets, being depreciated:				
Buildings	26,214,640	143,046	-	26,357,686
Improvements other than buildings	12,986,668	57,621	(14,215)	13,030,074
Infrastructure	109,862,084	5,116,135	(103,928)	114,874,291
Vehicles and equipment	14,251,813	834,087	(919,550)	14,166,350
Total capital assets, being depreciated	<u>163,315,205</u>	<u>6,150,889</u>	<u>(1,037,693)</u>	<u>168,428,401</u>
Less accumulated depreciation for:				
Buildings	(8,838,060)	(702,605)	-	(9,540,665)
Improvements other than buildings	(6,703,889)	(631,376)	14,215	(7,321,050)
Infrastructure	(65,530,138)	(1,722,303)	62,357	(67,190,084)
Vehicles and equipment	(10,213,352)	(1,321,020)	807,753	(10,726,619)
Total accumulated depreciation	<u>(91,285,439)</u>	<u>(4,377,304)</u>	<u>884,325</u>	<u>(94,778,418)</u>
Total capital assets, being depreciated, net	<u>72,029,766</u>	<u>1,773,585</u>	<u>(153,368)</u>	<u>73,649,983</u>
Governmental activities capital assets, net	<u>\$ 91,273,024</u>	<u>\$ 7,311,868</u>	<u>\$ (5,668,388)</u>	<u>\$ 92,916,504</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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	\$ 5,403,346	\$ -	\$ -	\$ 5,403,346
Construction in progress	34,623,556	10,489,487	(44,030,287)	1,082,756
Total capital assets, not being depreciated	<u>40,026,902</u>	<u>10,489,487</u>	<u>(44,030,287)</u>	<u>6,486,102</u>
Capital assets, being depreciated:				
Buildings	27,899,349	-	(71,373)	27,827,976
Improvements other than buildings	18,437,140	-	(71,397)	18,365,743
System Infrastructure	88,715,469	42,910,426	-	131,625,895
Vehicles and equipment	12,143,249	2,537,865	(368,704)	14,312,410
Total capital assets, being depreciated	<u>147,195,207</u>	<u>45,448,291</u>	<u>(511,474)</u>	<u>192,132,024</u>
Less accumulated depreciation for:				
Buildings	(23,817,895)	(422,346)	71,373	(24,168,868)
Improvements other than buildings	(15,204,177)	(352,779)	70,207	(15,486,749)
System Infrastructure	(54,887,521)	(2,861,941)	-	(57,749,462)
Vehicles and equipment	(6,840,826)	(1,217,157)	366,552	(7,691,431)
Total accumulated depreciation	<u>(100,750,419)</u>	<u>(4,854,223)</u>	<u>508,132</u>	<u>(105,096,510)</u>
Total capital assets, being depreciated, net	<u>46,444,788</u>	<u>40,594,068</u>	<u>(3,342)</u>	<u>87,035,514</u>
Business-type activities capital assets, net	<u>\$ 86,471,690</u>	<u>\$51,083,555</u>	<u>\$ (44,033,629)</u>	<u>\$ 93,521,616</u>

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

Governmental activities:

General government	\$ 1,554,321
Public safety	781,433
Transportation	942,745
Recreation	883,418
Internal service funds	215,387
Total depreciation expense -- governmental activities	<u>\$ 4,377,304</u>

Business-type activities:

Public utilities	\$ 4,501,013
Sanitation/refuse collection	323,848
Building	23,122
Marina	6,240
Total depreciation expense -- business-type activities	<u>\$ 4,854,223</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

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, 2020:

	Governmental Activities - Long-Term Debt				Total
	Capital Improvement Revenue Notes	Pension Benefits Payable	OPEB Benefits Payable	Compensated Absences	
Debt payable at October 1, 2019	\$13,405,000	\$7,604,072	\$6,824,040	\$ 719,789	\$28,552,901
Debt issued	12,261,000	-	-	-	12,261,000
Debt retired	(13,405,000)	-	-	-	(13,405,000)
Additions	-	1,486,355	1,952,485	156,983	3,595,823
Deductions	-	(3,353,079)	(85,465)	(87,103)	(3,525,647)
September 30, 2020 (net)	\$12,261,000	\$5,737,348	\$8,691,060	\$ 789,669	\$27,479,077

Internal service funds predominantly service the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$21,460 of compensated absences, \$129,057 of pension benefits payable and \$327,083 of OPEB balances for internal service funds are included in the above amounts.

Business-type Activities
Long-Term Debt

Water and Wastewater Utility Revenue Notes	Water and Wastewater Utility Notes	Pension Benefits Payable	OPEB Benefits Payable	Compensated Absences	Total
\$ 5,638,804	\$ 30,678	\$ 3,658,355	\$ 4,048,159	\$ 379,956	\$ 13,755,952
10,599,176	-	-	-	-	10,599,176
(340,119)	-	-	-	-	(340,119)
	-	1,555,177	764,775	38,016	2,357,968
-	-	(1,698,579)	(46,867)	(37,995)	(1,783,441)
<u>\$ 15,897,861</u>	<u>\$ 30,678</u>	<u>\$ 3,514,953</u>	<u>\$ 4,766,067</u>	<u>\$ 379,977</u>	<u>\$ 24,589,536</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2020 are comprised of the following:

Governmental Activities

Revenue Notes - Direct Borrowings

\$24,000,000 Line of Credit, this non-revolving line of credit was issued to fund the seawall repairs needed as a result of Hurricane Irma. The line of credit was issued on May 9, 2018, to be repaid from FEMA & State Disaster reimbursements expected in FY 2019 or beyond and PGI Canal Maintenance District assessments. Interest is payable semi-annually at 79% of LIBOR plus 84 basis points. As of September 30, 2018 the outstanding balance was \$9,250,000.00. Additional draws of \$6,610,000 were taken in FY 2019. All \$15,860,000 was repaid prior to September 30, 2019. The unused line of credit remaining and available is \$8,140,000

	\$	-
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\$12,261,000 Revenue Note, Series 2020, this note was used to refund the \$20,030,000 Revenue Note, Series 2012 at a more favorable rate. The note was issued on April 28, 2020 to be repaid with tax increment revenues from the CRA pursuant to the interlocal agreement. In the event and to the extent that the designated revenues are insufficient, non-ad valorem revenues through a covenant to budget and appropriate, or by amendment, shall be used. Interest is payable semi-annually. The annual interest is 1.78% effective July 1, 2020. Principal is payable annually beginning on January 1, 2021 with final maturity on January 1, 2028.

	\$	<u>12,261,000</u>
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Total revenue notes payable		12,261,000
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Less current maturities		<u>(1,295,000)</u>
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Noncurrent portion, revenue notes payable		<u><u>\$ 10,966,000</u></u>
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The City's outstanding notes from direct borrowings related to governmental activities of \$12,261,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make a payment.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Notes - Direct Borrowings

\$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. The debt proceeds were used to build Aquifer Storage and Retrieval wells and pumps at the Water Treatment Plant. \$ 351,668

\$15,546,193 Revenue Note for the construction of a Groundwater Reverse Osmosis Water Treatment Plant. State Revolving Fund Loan Agreement DW080310 authorizing a loan amount of \$27,779,080 excluding capitalized interest. The \$15,546,193 represents the first six draws. Final amount will be determined based on all draws at completion of the project. Note is collateralized by specific revenues pledged for repayment from the water system operation and impact fees. The Interest is payable semi-annually at the following per annum rates: 1.18% up to \$7,228,000 and 1.34% for amounts over. Principal is payable semi-annually. Both principal and interest payments will commence November 15, 2020 and semi-annually thereafter on May 15 and November 15 of each year until all amounts due have been fully paid. 15,546,193

Total revenue notes payable 15,897,861

Less current maturities (1,118,520)

Noncurrent portion, revenue notes payable \$ 14,779,341

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. \$ 30,678

The City's outstanding notes from direct borrowings related to business-type activities of \$15,897,861 contain a provision that in an event of default, such as failing to make any semiannual loan payment for more than 30 days, then the agency shall cause to establish rates and collect fees and charges for use of the Water and Wastewater System in order to fulfill the agreements.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2020 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt		Business-type Activities Long-Term Debt		
	Notes from Direct Borrowings		Notes from Direct Borrowings		
	Capital Improvement Revenue Notes		Water and Wastewater Utility Revenue Notes		Water and Wastewater Utility Notes
	Principal	Interest	Principal	Interest	
2021	\$ 1,295,000	\$ 206,720	\$ 1,118,520	\$ 200,252	\$ 30,678
2022	1,361,000	183,082	692,170	186,091	-
2023	1,426,000	158,278	701,017	177,245	-
2024	1,494,000	132,290	709,976	168,286	-
2025	1,561,000	105,100	719,050	159,212	-
2026-2030	5,124,000	139,534	3,735,470	655,838	-
2031-2035	-	-	3,980,358	410,951	-
2036-2040	-	-	4,241,300	150,009	-
Total	\$ 12,261,000	\$ 925,004	\$ 15,897,861	\$ 2,107,884	\$ 30,678

	Compensated Absences		Pensions Payable	OPEB Payable	Totals
	Current Portion	Noncurrent Portion			
Governmental Activities	\$ 78,967	\$ 710,702	\$ 5,737,348	\$ 8,691,060	\$ 15,218,077
Business-type Activities	37,998	341,979	3,514,953	4,766,067	\$ 8,660,997
	\$ 116,965	\$ 1,052,681	\$ 9,252,301	\$ 13,457,127	\$ 23,879,074

The amounts included in governmental activities for internal service funds are \$2,146 current portion of compensated absences, \$19,314 noncurrent portion compensated absences, \$129,057 pension benefits payable and \$327,083 of OPEB benefits payable.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

F. 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, 2020 was \$3.4337 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 2020 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, 2020

IV. Detailed notes on all funds, Continued

G. 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.

The City also has 3 former employees participating in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:
www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Descriptions

(a) General Employees' Pension Plan

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- 1) Two City Council appointees,
- 2) Two members of the system elected by a majority of the other covered General Employees, and
- 3) A fifth member elected by the other four and appointed by Council.

The Plan is closed as of July 27, 2011.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Plan Membership as of October 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	145
Inactive plan members entitled to but not yet receiving benefits	13
Active plan members	<u>73</u>
	<u>231</u>

Current membership as of September 30, 2020 is comprised of the following:

Retirees receiving benefits	117
Vested terminated employees	14
Beneficiaries	9
DROP	27
Active employees	
Fully-vested	61
Non-vested	0

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Age 60 and 5 years of credited service.

Benefit Amount: 3.00% of average final compensation times credited service.

Early Retirement:

Eligibility: Age 55 and 5 years of credited service.

Benefit Amount: Accrued benefit, deferred to age 60 or payable immediately and reduced 1/15th per year prior to age 60.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Vesting (Termination):

Less than 5 years of credited service: Refund of member contributions.

5 years or more: Accrued benefit payable at age 60, or reduced benefit payable at age 55, or refund of member contributions.

Disability:

Eligibility: Totally and permanently disabled, as determined by the Board. Members are covered after ten (10) years of credited service.

Benefit Amount: 3.00% of average final compensation times credited service, but not less than 60% of average final compensation for service related disabilities. Benefits are payable for life.

Pre-Retirement Death Benefits:

Less than 10 years of credited service: Prior to eligibility for early or normal retirement refund of member contributions. After becoming eligible for retirement, accrued benefit, payable for 10 years.

At least 10 years of credited service: Beneficiary receives the accrued benefit payable for 10 years when the member would have been eligible for normal or early (reduced) retirement.

Contributions

Employee: 8.10% of total pay. When a member's accrued benefit is 100% of AFC, the Member may elect to continue making member contributions and accrue a higher AFC or to discontinue member contributions and freeze his benefit.

City: Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past liability, as provided in Part VII of Chapter 112, Florida Statutes. The City Contribution cannot be less than 12% of payroll.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	35.00%
International Equity	15.00%
Broad Market Fixed Income	35.00%
Fixed Income (Non-Core)	5.00%
Real Estate	10.00%
Total	<u>100.00%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Rate of Return:

For the year ended September 30, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.50 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of normal or early retirement requirements.

Participation: Not to exceed 84 months.

Rate of Return: At member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.50% per annum compounded monthly.

Members may elect to change form of return one time.

The DROP balance as of September 30, 2020 is \$2,213,797.

Net Pension Liability

The measurement date is September 30, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2019 through September 30, 2020.

The Sponsor's Net Pension Liability was measured as of September 30, 2020.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2020 were as follows:

Total Pension Liability	\$	57,696,421
Plan Fiduciary Net Position		(50,743,817)
Sponsor's Net Pension Liability	\$	6,952,604
Plan Fiduciary Net Position as a percentage of Total Pension Liability		87.95%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions applied to all measurement periods.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	6.75%
Investment Rate of Return	6.75%

Mortality Rates Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees.

Male: PubG.H-2010 for Employees, set back one year.

Mortality Rates Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rates Healthy Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We felt this assumption sufficiently accommodates future mortality improvements.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS actuarial valuation report for non-special risk employees, with appropriate adjustments based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated June 9, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Broad Market Fixed Income	2.50%
Fixed Income (Non-Core)	2.50%
Real Estate	4.50%

Discount Rate:

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN NET PENSION LIABILITY

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at September 30, 2019	\$55,015,097	\$47,464,189	\$ 7,550,908
Changes for a Year:			
Service Cost	768,708	-	768,708
Interest	3,787,283	-	3,787,283
Differences between Expected and Actual Experience	(34,975)	-	(34,975)
Changes of assumptions	1,519,844	-	1,519,844
Changes of benefit terms	-	-	-
Contributions - Employer	-	1,831,619	(1,831,619)
Contributions - Employee	-	326,217	(326,217)
Contributions - Buy Back	-	-	-
Net Investment Income	-	4,545,574	(4,545,574)
Benefit Payments, including Refunds of Employee Contributions	(3,359,536)	(3,359,536)	-
Administrative Expense	-	(64,246)	64,246
Net Changes	<u>2,681,324</u>	<u>3,279,628</u>	<u>(598,304)</u>
Balances at September 30, 2020	<u>\$57,696,421</u>	<u>\$50,743,817</u>	<u>\$ 6,952,604</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	\$ 13,052,830	\$ 6,952,604	\$ 1,779,183

For the year ended September 30, 2020, the Sponsor will recognize a Pension Expense of \$2,040,649.

On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 106,781	\$ 23,316
Changes of assumptions	1,013,230	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	792,593
Total	<u>\$ 1,120,011</u>	<u>\$ 815,909</u>

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2021	\$ 220,885
2022	\$ 364,680
2023	\$ (27,985)
2024	\$ (253,478)
2025	\$ -
Thereafter	\$ -

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Valuation Date: 10/01/2018

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

Mortality Rate: *Healthy Active lives:*
Female: PubG.H-2010 (Above Median) for Employees, Prior year assumption: RP2000 Generational, 100% White Collar, Scale BB.
Male: PubG.H-2010 for Employees, set back one year. Prior year assumption: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Healthy Retiree Lives:
Female: PubG.H-2010 for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.
Male: PubG.H-2010 for Healthy Retirees, set back one year. Prior year assumption: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Beneficiary Lives:
Female: PubG.H-2010 for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.
Male: PubG.H-2010 for Healthy Retirees, set back one year. Prior year assumption: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Disabled Lives:
PubG.H-2010 for Disabled Retirees, set forward three years. Prior year assumption (Female): 100% RP2000 Disabled female set forward two years. Prior year assumption (Male): 100% RP2000 Disabled male set back four years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

Termination Rates:	See service based table below. These rates were adopted based on the June 9, 2014 experience study.
Disability Rates:	See table below (assumes none are line-of-duty).
Retirement Age:	See table below. These rates were adopted based on the June 9, 2014 experience study.
Early Retirement:	See table below. These rates were adopted based on the June 9, 2014 experience study.
Interest Rate:	6.75% (prior year 7.00%) net of fees through 2023 and 6.50%(prior year 6.75%) thereafter. This is supported by the target asset allocation of the trust and the expected long-term return by asset class and contemplates a change in the asset allocation after 2023.
Salary Increases:	See the service based table below. Final salary in year of retirement is increased to account for additional non-regular compensation (determined individually). This assumption was adopted based on results of the June 9, 2014 experience study.
Payroll Increase:	None.
Asset Valuation Method:	Each year, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average fair value return. It is possible that over time this technique will produce an insignificant bias above or below fair value.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Decrement Rate Tables:

<u>Age</u>	<u>% Becoming Disabled During the Year</u>	<u>% Retiring During the Year</u>
20	0.14%	
30	0.18%	
40	0.30%	
50	1.00%	
55-56	1.00%	10.0%
57-59	1.00%	2.5%
60		50.0%
61-64		25.0%
65+		100.0%

<u>Service</u>	<u>Expected Salary Increase</u>	<u>Expected Termination Rate</u>
0	6.0%	18.0%
1	6.0%	10.0%
2	5.5%	9.0%
3	4.5%	8.0%
4	4.5%	7.0%
5-9	4.0%	3.0%
10-14	4.0%	3.0%
15-19	4.0%	2.0%
20+	4.0%	1.0%

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- 1) Two City Council appointees,
- 2) Two members of the system elected by a majority of the other covered Police Officers, and
- 3) A fifth member elected by the other four Members.

Plan Membership as of October 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>36</u>
	<u>81</u>

Current membership as of September 30, 2020 is comprised of the following:

Retirees receiving benefits	29
Vested terminated employees	5
Vested Due Refund	5
Beneficiaries	2
Disability benefits	5
DROP	2
Active employees	
Fully-vested	15
Non-vested	20

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Members hired before December 18, 2013: Earlier of age 45 and the completion of 20 years of credited service, or age 55.

Members Hired on and after December 18, 2013: Earlier of age 55 and the completion of 10 years of credited service or 25 years of credited service regardless of age.

Benefit Amount: Members hired before December 18, 2013: 3.50% of average final compensation times credited service.

Members hired on and after December 18, 2013: 3.00% of average final compensation times credited service.

Form of Benefit: 10 Year certain and life thereafter (options available).

Early Retirement:

Eligibility: Age 45 and 10 years of credited service.

Benefit Amount: Accrued benefit, reduced 3.00% per year early.

Vesting (Termination):

Less than 5 years: Refund of member contributions.

5 years or more: Accrued benefit payable at age 45 or later, on a reduced basis if to commence prior to normal retirement date or refund of member contributions.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Disability:

Eligibility: a) 10 years of service for non-service related; coverage from date of hire for service-incurred.

b) Total and permanent disability prior to normal retirement date.

Benefit amount: 3.50% of average final compensation (AFC) times credited service if hired before December 18, 2013, 3.00% after that date, but not less than 60% of AFC for service-incurred disabilities.

Pre-Retirement Death Benefits:

Service-Incurred with Spouse or Dependent Child: To Spouse: 60% of Member's Average Final Compensation (AFC). To each Child (if no spouse): 15% of Member's AFC. Overall maximum benefit to children is 60% of AFC.

Non-Service-Incurred or No Spouse or Children: Value of accrued pension benefit paid to designated beneficiary.

Chapter 185 Share Plan:

Each year, 50% of State Monies received in excess of \$200,000 is allocated to the Share Plan.

Contributions

Employee: 8.00% of total pay.

Premium Tax: 0.85% tax on premiums for casualty insurance policies.

City: Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

Asset Class	Target Allocation
Domestic Equity	45.00%
International Equity	15.00%
Domestic Fixed Income	35.00%
Real Estate	5.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.19 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Deferred Retirement Option Program

Eligibility: Satisfaction of normal or early retirement requirements (earlier of age 55, or age 45 with 20 years of credited service).

Participation: Not to exceed 60 months.

Rate of Return: At member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.50% per annum compounded monthly.

Members may elect to change form of return one time during the period of DROP participation.

The DROP balance as of September 30, 2020 is \$45,969.

Net Pension Liability

The measurement date is September 30, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2019 through September 30, 2020.

The Sponsor's Net Pension Liability was measured as of September 30, 2020.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2020 were as follows:

Total Pension Liability	\$	22,065,039
Plan Fiduciary Net Position		(20,355,902)
Sponsor's Net Pension Liability		\$ 1,709,137
Plan Fiduciary Net Position as a percentage of Total Pension Liability		92.25%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) Municipal Police Officers' Pension Plan, continued

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disables Retirees / 20% PubS.H-2010 for Disables Retirees.

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.

75% of active Member deaths are assumed to be service related.

The most recent actuarial experience study used to review the other significant assumptions was dated June 20, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2020 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Real Estate	4.50%
Total	

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Discount Rate:

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2019	\$ 21,117,875	\$ 18,372,707	\$ 2,745,168
Changes for a Year:			
Service Cost	622,313	-	622,313
Interest	1,482,295	-	1,482,295
Share Plan Allocation	11,385	-	11,385
Differences between Expected and Actual Experience	103,601	-	103,601
Changes of assumptions	(143,341)	-	(143,341)
Contributions - Employer	-	499,503	(499,503)
Contributions - State	-	222,769	(222,769)
Contributions - Employee	-	207,668	(207,668)
Net Investment Income	-	2,242,636	(2,242,636)
Benefit Payments, including Refunds of Employee Contributions	(1,129,089)	(1,129,089)	-
Administrative Expense	-	(60,292)	60,292
Net Changes	947,164	1,983,195	(1,036,031)
Balances at September 30, 2020	<u>\$ 22,065,039</u>	<u>\$ 20,355,902</u>	<u>\$ 1,709,137</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

	Current Discount		
	1% Decrease 6.00%	Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	\$ 4,295,925	\$ 1,709,137	\$ (442,486)

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

For the year ended September 30, 2020, the Sponsor will recognize a Pension Expense of \$511,737.

On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 77,700	\$ 115,382
Changes of assumptions	495,306	107,505
Net Difference between Projected and Actual Earnings on Pension Plan		
Investments	-	604,848
Total	\$ 573,006	\$ 827,735

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net Pension Liability in the year ended September 30, 2020.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2021	\$ (42,984)
2022	\$ 54,399
2023	\$ (73,019)
2024	\$ (193,125)
2025	\$ -
Thereafter	\$ -

Valuation Date: 10/01/2018

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Methods and assumptions used to determine contribution rates:

Funding Method:	Frozen entry age actuarial cost method.
Mortality:	<p><i>Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB.</p> <p><i>Healthy Retiree Lives:</i> Female: PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.</p> <p><i>Beneficiary Lives:</i> Female: PubG.H-2010 for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: PubG.H-2010 for Healthy Retirees, set back one year. Prior Year Assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.</p> <p><i>Disabled Lives:</i> 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. Prior year assumption: Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projections scale.</p> <p>All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel that this assumption sufficiently accommodates future mortality improvements.</p> <p>The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2019 FRS actuarial report for special risk employees, with appropriate adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.</p>
Termination Rates:	See table below. This assumption was adopted as a result of the June 19, 2019 experience study.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

Disability Rates: See table below. It is assumed that 75% of disablements and active member deaths are service related.

Retirement Age: 100% at 25 years of service, otherwise 50% at first eligibility, 20% for next four years of eligibility, and 100% at 5 years first eligibility. This assumption was adopted as a result of the June 19, 2019 experience study.

Early Retirement: Commencing upon a member's eligibility for early retirement, members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.

Interest Rate: 7.00% per year, compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

Salary Increases: Service years 0-4, 7.50%; 5-9, 5.50%; 10-14, 5.00% and 15+, 4.50%. This assumption was adopted as a result of the June 19, 2019 experience study. Final salary in year of retirement is increased individually to account for additional non-regular compensation.

Payroll Growth: 0.86% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Asset Valuation Method: All assets are valued at fair market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. Previously, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average fair value return.

Termination and Disability Rate Table:	% Becoming Disabled		% Terminating	
	Age	During the Year	During the Year	During the Year
	20	0.03%		11.6%
	25	0.03%		11.0%
	30	0.04%		9.8%
	35	0.05%		7.8%
	40	0.07%		5.3%
	45	0.10%		3.3%
	50	0.18%		1.4%
	55	0.36%		0.6%
	60	0.90%		0.5%
	65+	2.22%		0.0%

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan

Plan Description:

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a) Two City Council appointees,
- b) Two members of the system elected by a majority of the other covered Firefighters, and
- c) A fifth member elected by the other four and appointed by Council.

All Firefighters as of the effective date, and all future new Firefighters, shall become members of this system as a condition of employment.

Plan Membership as of October 1, 2019:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>25</u>
	<u>49</u>

Current membership as of September 30, 2020 is comprised of the following:

Retirees receiving benefits	13
Vested terminated employees	4
Beneficiaries	0
Disability benefits	5
DROP	2
Active employees	
Fully-vested	22
Non-vested	4

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Earlier of age 55 or the completion of 25 years of credited service.

Benefit Amount: 3.50% of average final compensation times credited service for members hired before 10/1/2012. 3.00% of average final compensation times credited service for members hired on and after 10/01/2012.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Early Retirement:

Eligibility: Age 45 and 10 years of credited service.

Benefit Amount: Accrued benefit, reduced 3.00% per year early.

Vesting (Termination):

Less than 5 years of Credited Service: Refund of member contributions.

5 years or more: Accrued benefit payable at age 45 or later, on an actuarially reduced basis if to commence prior to normal retirement date or Refund of member contributions.

Disability:

Eligibility: a) 10 years of service for non-service related; coverage from date of hire for service-incurred.

b) Total and permanent disability prior to normal retirement date.

Benefit Amount: 3.50% (3.00% if hired on or after 10/1/2012) of average final compensation (AFC) times credited service, but not less than 60% of AFC for service related disabilities, or 25% of AFC for non-service related disabilities.

Death Benefits:

Pre-Retirement Service-Incurred with Spouse or Dependent Child:

To Spouse: 60% of member's average final compensation (AFC).

To each Child (if no Spouse): 15% of Member's AFC. Overall maximum benefit to children is 60% of AFC.

Pre-Retirement Non-Service-Incurred or no Spouse or Children: Value of accrued pension benefit paid to designated beneficiary.

Chapter 175 Share Plan:

Allocation: Each year premium tax monies received pursuant to Chapter 175, Florida Statutes in excess of \$209,406 will be allocated to individual Member Share accounts based on full years of credited service with the City.

Contributions

Employee: 8.00% of total pay for members hired on or after 10/01/2012. For members hired prior to 10/01/2012: 9.00% for the fiscal year ending 09/30/2014, 9.50% for each fiscal year thereafter.

Premium Tax: 1.85% tax on premiums for insurance policies.

City: Remaining amount necessary for payment of normal (current year's) costs and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. Notwithstanding the previous sentence, the City's total annual contribution shall be at least 12% of the covered payroll.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Asset Class	Target Allocation
Domestic Equity	45.00%
International Equity	15.00%
Domestic Fixed Income	35.00%
Real Estate	5.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2020 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.57 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: 25 years of credited service with the City or normal retirement age.

Participation: Not to exceed 60 months.

The DROP balance as of September 30, 2020 is \$720,586.

Net Pension Liability

The measurement date is September 30, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2019 through September 30, 2020.

The Sponsor's Net Pension Liability was measured as of September 30, 2020.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2020 were as follows:

Total Pension Liability	\$ 18,278,111
Plan Fiduciary Net Position	(17,687,551)
Sponsor's Net Pension Liability	\$ 590,560
Plan Fiduciary Net Position as a percentage of Total Pension Liability	96.77%

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	6.00%
Discount Rate	7.60%
Investment Rate of Return	7.60%

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disables Retirees / 20% PubS.H-2010 for Disables Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel that this assumption sufficiently accommodates future mortality improvements.

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.

90% of active Member deaths are assumed to be service related.

The most recent actuarial experience study used to review the other significant assumptions was dated September 10, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2020 the inflation rate assumption of the investment advisor was 2.50%.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Real Estate	3.50%
Total	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.60 percent. The projection of cash flows used to determine the Discount Rate assumed that plan Member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at September 30, 2019	\$ 16,556,847	\$ 15,590,496	\$ 966,351
Changes for a Year:			
Service Cost	514,933	-	514,933
Interest	1,300,260	-	1,300,260
Share Plan Allocation	6,365	-	6,365
Differences between Expected and Actual Experience	544,754	-	544,754
Changes of assumptions	(82,015)	-	(82,015)
Contributions - Employer	-	318,946	(318,946)
Contributions - State	-	215,771	(215,771)
Contributions - Employee	-	191,598	(191,598)
Net Investment Income	-	1,973,023	(1,973,023)
Benefit Payments, including Refunds of Employee Contributions	(563,033)	(563,033)	-
Administrative Expense	-	(39,250)	39,250
Net Changes	1,721,264	2,097,055	(375,791)
Balances at September 30, 2020	\$ 18,278,111	\$ 17,687,551	\$ 590,560

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.60%	7.60%	8.60%
Sponsor's Net Pension Liability	\$ 2,720,551	\$ 590,560	\$ (1,195,479)

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

For the year ended September 30, 2020, the Sponsor will recognize a Pension Expense of \$87,611.

On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 559,790	\$ 28,257
Changes of assumptions	33,676	68,345
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	687,716
Total	\$ 593,466	\$ 784,318

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2021	\$ (185,298)
2022	\$ (42,104)
2023	\$ 30,676
2024	\$ (71,249)
2025	\$ 77,123
Thereafter	\$ -

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Valuation Date: 10/01/2018 (AIS 12/18/2019)

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Mortality:

Healthy Active Lives: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: PubS.H-2010 (Below Median) for Employees, set forward one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB.

Healthy Retiree Lives: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: PubS.H-2010 for Healthy Retirees, set forward one year. Prior year assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Beneficiary Lives: Female: PubG.H-2010 for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB. Male: PubG.H-2010 for Healthy Retirees, set back one year. Prior Year Assumption: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. Prior year assumption: Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback, no projection scale. Male: 60% RP2000 Disabled Male setback four years/40% Annuitant White Collar with no setback, no projections scale.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel that this assumption sufficiently accommodates future mortality improvements.

The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

	outlined in the July 1, 2019 FRS actuarial report for special risk employees, with appropriate adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements. 90% of active deaths are assumed to occur in the line of duty.
Termination Rates:	See table below. In addition, all members are assumed to have a 1.0% rate for all ages after completing 10 or more years of employment. The assumption is based on the results of an experience study dated September 10, 2020. Prior year rates are the same as those applicable prior to 10 years of employment.
Disability Rates:	See table below. It is assumed that 90% of disablements are service related. This assumption was developed from those used by other plans containing Florida Municipal Firefighters.
Retirement Age:	Retiring during the year after first eligible: Less than 1 year, 70.0%; 1-2 years, 50.0%; and 3 plus years 100.0%, Prior year earlier of age 55 or the completion of 25 years of service. Also, any member who has reached normal retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing upon a member's eligibility for early retirement (age 45 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year. We feel that this assumption is reasonable based on the plan provisions.
Interest Rate:	7.60% per year, compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Salary Increases:	6.0% per year up to the assumed retirement age. Current salary as a percentage of salary at age 55: at age 20, 13.0%; at age 30, 23.3%; at age 40, 41.7%, and at age 50, 74.7%. Final salary in year of retirement is increased individually to account for additional non-regular compensation. We feel that this assumption is reasonable on a long term basis.
Payroll Growth:	0.00% (prior year 1.34%) for purposes of amortizing the unfunded actuarial accrued liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.
Asset Valuation Method:	All assets are valued at fair market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. Previously, the prior actuarial value of assets is brought forward utilizing the historical geometric 4-year average fair value return.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Termination and Disability Rate Table:	Age	% Terminating During the Year	% Becoming Disabled During the Year
	20	6.0%	0.03%
	30	5.0%	0.04%
	40	2.6%	0.07%
	50	0.8%	0.18%

(d) Florida Retirement System (FRS)

Plan Description:

The Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

The City had three employees that had been covered by the Florida Retirement System. All of the three employees have retired and the City hasn't any Net Pension Obligation going forward. The City does not anticipate that it will ever have any other employees under this plan.

As a result the Sponsor will recognize a Net Pension Obligation of \$0, Deferred Outflows of resources of \$0, a Deferred Inflows of Resources of \$0 and a net revenue of \$0 in the current year.

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 \$1,831,619, Municipal Police Officers' pension plan \$499,503, Municipal Firefighters' pension plan \$318,946 for fiscal year ended September 30, 2020.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2020 were as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ASSETS				
Cash and cash equivalents	\$ 728,045	\$ 377,627	\$ 97,049	\$ 1,202,721
Receivables: Investment income	78,160	23,992	-	102,152
Investments, at fair value				
U.S. Bonds and Bills	6,027,174	2,455,906	-	8,483,080
Federal Agency Guaranteed Securities	210,217	31,633	-	241,850
Corporate Bonds	8,202,913	3,105,449	-	11,308,362
Stocks	3,061,269	-	-	3,061,269
Mutual Funds				
Fixed Income	4,667,323	822,327	4,120,862	9,610,512
Equity	22,959,301	13,558,367	11,816,533	48,334,201
Pooled/Common/Commingled Funds: Real Estate	4,848,339	-	1,657,982	6,506,321
Total investments at fair value	49,976,536	19,973,682	17,595,377	87,545,595
Total assets	50,782,741	20,375,301	17,692,426	88,850,468
LIABILITIES				
Payables				
Refunds of Member Contributions	540	-	-	540
Investment & Admin Expenses	38,384	19,399	4,875	62,658
Total liabilities	38,924	19,399	4,875	63,198
NET POSITION RESTRICTED FOR PENSIONS	\$50,743,817	\$20,355,902	\$17,687,551	\$88,787,270

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2020 was as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ADDITIONS				
Contributions				
Employer	\$ 1,831,619	\$ 499,503	\$ 318,946	\$ 2,650,068
Plan Members	326,217	207,668	191,598	725,483
State	-	222,769	215,771	438,540
Total contributions	<u>2,157,836</u>	<u>929,940</u>	<u>726,315</u>	<u>3,814,091</u>
Investment income				
Net Increase in Fair Value of investments	3,406,149	1,898,134	1,148,796	6,453,079
Interest and dividends	1,248,614	387,949	853,037	2,489,600
Less investment expense ¹	<u>(109,189)</u>	<u>(43,447)</u>	<u>(28,810)</u>	<u>(181,446)</u>
Net investment income (loss)	<u>4,545,574</u>	<u>2,242,636</u>	<u>1,973,023</u>	<u>8,761,233</u>
Total additions	<u>6,703,410</u>	<u>3,172,576</u>	<u>2,699,338</u>	<u>12,575,324</u>
DEDUCTIONS				
Benefit payments, including				
refunds of member contributions	2,316,088	1,109,014	563,033	3,988,135
Lump sum DROP and share distributions	957,310	-	-	957,310
Refunds of Member Contributions	86,138	20,075	-	106,213
Administrative expense	<u>64,246</u>	<u>60,292</u>	<u>39,250</u>	<u>163,788</u>
Total deductions	<u>3,423,782</u>	<u>1,189,381</u>	<u>602,283</u>	<u>5,215,446</u>
Net increase (decrease) in net position	3,279,628	1,983,195	2,097,055	7,359,878
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of year	<u>47,464,189</u>	<u>18,372,707</u>	<u>15,590,496</u>	<u>81,427,392</u>
End of year	<u>\$ 50,743,817</u>	<u>\$ 20,355,902</u>	<u>\$ 17,687,551</u>	<u>\$88,787,270</u>

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Below is a summary of the pension plans.

	Fiduciary Net Position	Pension Liabilities	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
General Employees Pension	\$ 50,743,817	\$ 57,696,421	\$ 6,952,604	\$ 1,120,011	\$ 815,909	\$ 2,040,649
Police Pension	20,355,902	22,065,039	1,709,137	573,006	827,735	511,737
Firefighters Pension	17,687,551	18,278,111	590,560	593,466	784,318	87,611
Total	\$ 88,787,270	\$ 98,039,571	\$ 9,252,301	\$ 2,286,483	\$ 2,427,962	\$ 2,639,997

Defined Contribution Pension Plan

August 2011 the City closed the General Employees' Defined Benefit Plan to new entrants. As a replacement the City created a Defined Contribution Plan for new employees as well as current employees who had not joined the Defined Benefit Plan.

The Defined Contribution Plan is self directed by the employee regarding investment choices. The Plan is managed by ICMA, a large investment company used exclusively by Governmental entities.

Plan specifics are as follows:

- Vesting: 0 to 5 years 0%
5+ years 100%
- Contributions:
 - City match is 100% of employees' contribution up to 5% of includable wages
 - City match is 50% of employees' contribution from 5% to 10% of includable wages
 - Maximum City Match 7.5% of includable wages

Total Balance in the Plan as of September 30, 2020 is \$1,873,724, which includes City and Employee Contributions as well as earnings for the year. The amount of forfeitures in FY 2020 were \$34,314. The amount of the City contribution in FY 2020 was \$176,181, resulting in net pension expense of \$141,867. Twenty-five members are vested with a total account balance of \$926,371. This is included in the amount above. The total number of Plan members was seventy-seven as of September 30, 2020.

H. Other Postemployment Benefits (OPEB)

Plan Description:

The City of Punta Gorda's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and life insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2020

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

an OPEB plan administered through a trust.

Employees Covered by Benefit Terms.

At September 30, 2019, the following employees were covered by the benefit terms:

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	288
	303

Benefits Provided:

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents.

Total OPEB Liability.

The measurement date is September 30, 2020. The measurement period for the OPEB expense was October 1, 2019 to September 30, 2020. The reporting period is October 1, 2019 through September 30, 2020.

The Sponsor's Total OPEB Liability was measured as of September 30, 2020.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2020 using the following actuarial assumptions:

Inflation Rate		2.50%
Salary Increase Rate(s)	Varies By Service.	
Discount Rate		2.14%
Initial Trend Rate		7.00%
Ultimate Trend Rate		4.00%
Years to Ultimate		54

Mortality:

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2019 Florida Retirement System (FRS) valuation report.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

Active Lives

For female (non-special risk) lives, the headcount-weighted PubG-2010 female above-median income employee table was used. For female special risk lives, the headcount-weighted PubS-2010 female (below-median income, of Police) employee table, set forward one year, was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male employee table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male (below-median income, for Police) employee table, set forward one year, was used.

Inactive Healthy Lives

For female (non-special risk) lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For female special risk lives, the headcount-weighted PubS-2010 female healthy retiree table, set forward one year, was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male (below-median income, for Firefighters) healthy retiree table, set forward one year, was used.

Disabled Lives

For female (non-special risk) lives, the headcount-weighted PubG-2010 female disabled retiree table, set forward 3 years, was used. For female special risk lives, an 80% headcount-weighted PubG-2010 female disabled retiree, 20% headcount-weighted PubS-2010 female disabled retiree blended table was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male disabled retiree table, set forward 3 years, was used. For Male special risk lives, an 80% headcount-weighted PubG-2010 male disabled retiree, 20% headcount-weighted PubS-2010 male disabled retiree blended table was used.

Discount Rate:

Given the City's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 2.14%. The high quality municipal bond rate was based on the S & P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices on the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

	Change in Total OPEB Liability	Increases and (Decreases) in Total OPEB Liability
Reporting Period Ending September 30, 2019		\$ 10,872,199
Changes for the Year:		
Service Cost		748,017
Interest		413,802
Differences between Expected and Actual Experience		(548,483)
Changes of assumptions		2,095,723
Benefit Payments		(124,132)
Net Changes		2,584,927
Reporting Period Ending September 30, 2020		\$ 13,457,126

Difference Between Expected and Actual Experience reflects the impact of changes to the census data from the prior valuation to the valuation as of September 30, 2020.

Changes in assumptions reflect a change in the discount rate from 3.58% for the reporting period ended September 30, 2019, to 2.14% for the reporting period ended September 30, 2020. Also reflected as assumption changes are:

- Updated Health care costs and premiums,
- Updated health care cost trend rates,
- Updated retirement, termination, and salary increase rates for those in the City's
Firefighters' and Police Officers' pension plans, and
- Updated mortality rates.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>1.14%</u>	<u>2.14%</u>	<u>3.14%</u>
Total OPEB Liability (Asset)	\$ 17,168,064	\$ 13,457,126	\$ 10,702,114

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	<u>3.00%-6.50%</u>	<u>4.00%-7.50%</u>	<u>5.00%-8.50%</u>
Total OPEB Liability (Asset)	\$ 10,563,436	\$ 13,457,126	\$ 17,405,960

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

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

For the year ended September 30, 2020, the Sponsor will recognize OPEB Expense of \$1,370,633.

On September 30, 2019, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 487,540
Changes of assumptions	2,814,866	649,837
Total	\$ 2,814,866	\$ 1,137,377

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB Expense as follows:

Year ended September 30:	
2021	\$ 200,614
2022	\$ 200,614
2023	\$ 200,614
2024	\$ 200,614
2025	\$ 200,617
Thereafter	\$ 674,416

I. 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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

IV. Detailed notes on all funds, Continued

I. Contingencies-continued

The City of Punta Gorda entered into an intergovernmental agreement with The Peace River Manasota Regional Water Supply Management District in 2016 for the construction of the regional Integrated Loop System Phase I Interconnect project, along with Southwest Florida Water Management District (SWFWMD).

The City was to provide up to \$6 million dollars for the project, including a \$4 million pass-thru from the State of Florida. The City has provided the four million pass-thru as well as an initial payment of \$500,000. The total cost of the project was anticipated to be \$12 million. The total was to be split between SWFWMD and the City.

The City was presented an invoice before year end for \$1.5 million for the remainder of the project. The documentation provided did not support that the \$12 million had been spent at that time. As such the City has recorded an intergovernmental payable for \$391,447 for the portion that had supporting documentation and an accrued liability for \$1,108,553 for the unsupported portion. The \$1.5 million was recorded as an expense in contractual services in the Utilities Fund.

J. Risk Management

The City is a member of a local government liability risk pool.

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

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

The City is a member of Public Risk Management (PRM) for the City's employee health plan. It is a self-funded HMO/PPO plan using the Blue Cross Blue Shield of Florida network, administered by Blue Cross Blue Shield of Florida. 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, 2020

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2020, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 95,251
Administrative Charges	3,072,610
Other	695,113
	<u>3,862,974</u>
<u>Community Redevelopment Agency</u>	
Interest	27,822
Other	368,058
	<u>395,880</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	46,502
Other	11,614
	<u>58,116</u>
<u>1% Local Option Sales Tax</u>	
Interest	73,644
Other	54,000
	<u>127,644</u>
<u>Other Governmental Funds</u>	
Interest	84,315
Other	23,036
	<u>107,351</u>
	<u>\$ 4,551,965</u>

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information for Pension Plans

CITY OF PUNTA GORDA, FLORIDA
 EMPLOYEES' PENSION PLANS
 SCHEDULE OF INVESTMENT RETURNS
 Last 10 Fiscal Years

Municipal General Employees' Pension

Year ended September 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Annual Money-Weighted Rate of Return										
Net of Investment Expense	9.50%	4.47%	8.24%	10.41%	7.07%	0.56%	9.33%	13.68%	19.33%	-1.14%

Municipal Police Officers' Pension

Year ended September 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Annual Money-Weighted Rate of Return										
Net of Investment Expense	12.19%	4.06%	9.54%	10.94%	7.83%	-1.39%	9.74%	12.92%	15.65%	-2.59%

Municipal Firefighters' Pension

Year ended September 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Annual Money-Weighted Rate of Return										
Net of Investment Expense	12.57%	4.93%	11.08%	14.04%	9.22%	0.00%	8.50%	14.74%	16.63%	-1.45%

This information is required for 10 years.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Municipal General Employees' Pension	9/30/2020	9/30/2019	9/30/2018	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability							
Service Cost	\$ 768,708	\$ 819,179	\$ 810,496	\$ 779,310	\$ 824,917	\$ 936,664	\$ 1,073,877
Interest	3,787,283	3,667,114	3,612,714	3,518,739	3,370,301	3,249,754	3,082,449
Share Plan Allocation	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	(34,975)	320,344	(129,908)	257,764	(602,266)	(688,753)	-
Changes of assumptions	1,519,844	-	1,269,378	1,280,668	2,014,707	-	-
Contributions - Buy Back	-	51,388	120,000	30,496	-	15,736	-
Benefit Payments, including Refunds of Employee Contributions	(3,359,536)	(2,822,186)	(3,446,926)	(2,521,363)	(1,745,206)	(1,947,218)	(1,773,467)
Net Change in Total Pension Liability	2,681,324	2,035,839	2,235,754	3,345,614	3,862,453	1,566,183	2,382,859
Total Pension Liability - Beginning	55,015,097	52,979,258	50,743,504	47,397,890	43,535,437	41,969,254	39,586,395
Total Pension Liability - Ending (a)	<u>\$ 57,696,421</u>	<u>\$ 55,015,097</u>	<u>\$ 52,979,258</u>	<u>\$ 50,743,504</u>	<u>\$ 47,397,890</u>	<u>\$ 43,535,437</u>	<u>\$ 41,969,254</u>
Plan Fiduciary Net Position							
Contributions - Employer	1,831,619	1,759,599	1,733,431	1,712,254	1,675,103	1,891,929	1,956,900
Contributions - Employee	326,217	352,687	364,789	375,985	412,586	429,302	478,707
Contributions - Buy Back	-	51,388	120,000	30,496	-	15,736	-
Net Investment income	4,545,574	2,074,990	3,637,775	4,235,468	2,683,966	209,246	3,082,886
Benefit Payments, Including Refunds of Employee Contributions	(3,359,536)	(2,822,186)	(3,446,926)	(2,521,363)	(1,745,206)	(1,947,218)	(1,773,467)
Administrative Expense	(64,246)	(61,776)	(71,028)	(61,037)	(71,349)	(42,525)	(32,788)
Net Change in Plan Fiduciary Net Position	3,279,628	1,354,702	2,338,041	3,771,803	2,955,100	556,470	3,712,238
Plan Fiduciary Net Position - Beginning	47,464,189	46,109,487	43,771,446	39,999,643	37,044,543	36,488,073	32,775,835
Plan Fiduciary Net Position - Ending (b)	<u>\$ 50,743,817</u>	<u>\$ 47,464,189</u>	<u>\$ 46,109,487</u>	<u>\$ 43,771,446</u>	<u>\$ 39,999,643</u>	<u>\$ 37,044,543</u>	<u>\$ 36,488,073</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,952,604</u>	<u>\$ 7,550,908</u>	<u>\$ 6,869,771</u>	<u>\$ 6,972,058</u>	<u>\$ 7,398,247</u>	<u>\$ 6,490,894</u>	<u>\$ 5,481,181</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.95%	86.27%	87.03%	86.26%	84.39%	85.09%	86.94%
Covered Payroll ¹	\$ 4,031,904	\$ 4,350,981	\$ 4,503,565	\$ 4,641,783	\$ 5,093,648	\$ 6,865,470	\$ 5,909,963
Net Pension Liability as a Percentage of Covered Payroll	172.44%	173.54%	152.54%	150.20%	145.24%	94.54%	92.74%

Notes to Schedule:

¹The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement Period which includes DROP payroll. The reported Covered Payroll number for the fiscal year 2014 was based on Pensionable Salary.

Changes of Assumptions:

For measurement date 09/30/2020, as a result of Chapter 2015-157, Laws of Florida, the assumed Rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation Report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

For Measurement date 09/30/2019 the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant and the interest rate assumption was changed from 7.75% net of fees through 2023 and 7.25% thereafter to 7.50% net of fees through 2023 and 7.25% thereafter.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.25% to 7.00%.

For measurement date 09/30/2017, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the interest rate assumption was changed from 7.50% net of fees through 2023 and 7.25% thereafter to 7.25% net of fees through 2023 and 7.00% thereafter.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed Rates of mortality were changed to the assumptions used by the Florida Retirement System.

This information is required for 10 years, additional years' information will be provided once it is available.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Municipal Police Officers' Pension Measurement Date ²	09/30/2020	09/30/2019	09/30/2018	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability							
Service Cost	\$ 622,313	\$ 709,884	\$ 593,416	\$ 636,723	\$ 555,746	\$ 570,363	\$ 526,910
Interest	1,482,295	1,501,423	1,448,738	1,360,108	1,263,445	1,286,569	1,210,004
Change in Excess State Money	-	-	-	(134)	-	-	-
Share Plan Allocation	11,385	630	2,156	-	-	-	-
Differences between Expected and Actual Experience	103,601	(230,763)	(435,224)	51,450	(141,785)	(802,974)	-
Changes of assumptions	(143,341)	990,613	-	-	377,986	164,476	-
Contributions-Buy Back	-	-	-	34,736	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(1,129,089)	(1,034,449)	(1,057,059)	(735,142)	(1,043,059)	(923,770)	(722,843)
Net Change in Total Pension Liability	947,164	1,937,338	552,027	1,347,741	1,012,333	294,664	1,014,071
Total Pension Liability - Beginning	21,117,875	19,180,537	18,628,510	17,280,769	16,268,436	15,973,772	14,959,701
Total Pension Liability - Ending (a)	<u>\$ 22,065,039</u>	<u>\$ 21,117,875</u>	<u>\$ 19,180,537</u>	<u>\$ 18,628,510</u>	<u>\$ 17,280,769</u>	<u>\$ 16,268,436</u>	<u>\$ 15,973,772</u>
Plan Fiduciary Net Position							
Contributions - Employer	499,503	432,825	449,219	356,145	409,363	513,912	548,795
Contributions - State	222,769	201,260	204,311	194,170	189,149	174,722	173,165
Contributions - Employee	207,668	198,663	177,160	185,399	175,660	159,694	147,103
Contributions-Buy Back	-	-	-	34,736	-	-	-
Net Investment income	2,242,636	727,996	1,589,295	1,646,451	1,108,041	(205,046)	1,265,663
Benefit Payments, Including Refunds of Employee Contributions	(1,129,089)	(1,034,449)	(1,057,059)	(735,142)	(1,043,059)	(923,770)	(722,843)
Administrative Expense	(60,292)	(75,400)	(52,484)	(28,996)	(21,570)	(23,002)	(14,496)
Net Change in Plan Fiduciary Net Position	1,983,195	450,895	1,310,442	1,652,763	817,584	(303,490)	1,397,387
Plan Fiduciary Net Position - Beginning	18,372,707	17,921,812	16,611,370	14,958,607	14,141,023	14,444,513	13,047,126
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,355,902</u>	<u>\$ 18,372,707</u>	<u>\$ 17,921,812</u>	<u>\$ 16,611,370</u>	<u>\$ 14,958,607</u>	<u>\$ 14,141,023</u>	<u>\$ 14,444,513</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 1,709,137</u>	<u>\$ 2,745,168</u>	<u>\$ 1,258,725</u>	<u>\$ 2,017,140</u>	<u>\$ 2,322,162</u>	<u>\$ 2,127,413</u>	<u>\$ 1,529,259</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.25%	87.00%	93.44%	89.17%	86.56%	86.92%	90.43%
Covered Payroll ¹	\$ 2,595,853	\$ 2,483,295	\$ 2,214,507	\$ 2,317,484	\$ 2,195,754	\$ 2,171,581	\$ 1,838,786 *
Net Pension Liability as a Percentage of Covered Payroll	65.84%	110.55%	56.84%	87.04%	105.76%	97.97%	83.17%

Notes to Schedule:

¹The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

² Effective for the City's fiscal year ending 09/30/2017, the GASB 68 measurement date of the Pension Expense has been approved and changed from 09/30/2016 to 09/30/2017.

Changes of Assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

For measurement date 09/30/2019, amounts reported as changes of assumptions resulted from an Experience Study dated June 19, 2019, the Board approved the following changes to the assumptions and methods:

- 1.) Reduce Investment Return assumption from 7.75% to 7.00%.
- 2.) Amend assumed individual salary increases from a flat 6.0% per year to a service based table.
- 3.) Amend assumed rates of Retirement to be 100% at 25 years, otherwise 50% at first eligibility, 20% for next 4 years of eligibility and 100% at 5 years after first eligibility.
- 4.) Increase all expected termination rates by 25%.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 09/30/2015 the investment rate of return has been lowered from 8.00% to 7.75% per year, net of investment related expenses and the salary increase assumption has been lowered from 7.00% to 6.00%.

This information is required for 10 years, additional years' information will be provided once it is available.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Municipal Firefighters' Pension	09/30/2020	09/30/2019	09/30/2018	09/30/2017	09/30/2016	09/30/2015	09/30/2014
Total Pension Liability							
Service Cost	\$ 514,933	\$ 460,863	\$ 461,830	\$ 455,334	\$ 411,823	\$ 353,613	\$ 433,718
Interest	1,300,260	1,208,636	1,128,827	1,065,754	997,747	1,018,193	949,706
Share Plan Allocation	6,365	-	-	-	15,001	37,775	38,240
Changes of benefit terms	-	(5,618)	-	-	-	-	-
Differences between Expected and Actual Experience	544,754	21,713	118,281	96,635	(169,539)	(1,226,224)	-
Changes of assumptions	(82,015)	-	-	-	202,057	324,227	-
Benefit Payments, including Refunds of Employee Contributions	(563,033)	(563,033)	(782,099)	(838,640)	(407,546)	(430,563)	(540,379)
Net Change in Total Pension Liability	1,721,264	1,122,561	926,839	779,083	1,049,543	77,021	881,285
Total Pension Liability - Beginning	16,556,847	15,434,286	14,507,447	13,728,364	12,678,821	12,601,800	11,720,515
Total Pension Liability - Ending (a)	<u>\$ 18,278,111</u>	<u>\$ 16,556,847</u>	<u>\$ 15,434,286</u>	<u>\$ 14,507,447</u>	<u>\$ 13,728,364</u>	<u>\$ 12,678,821</u>	<u>\$ 12,601,800</u>
Plan Fiduciary Net Position							
Contributions - Employer	318,946	406,246	378,656	284,402	238,589	399,158	460,347
Contributions - State	215,771	198,399	158,594	197,070	224,407	247,181	247,646
Contributions - Employee	191,598	170,587	151,820	161,260	157,379	146,058	140,886
Net Investment income	1,973,023	733,277	1,472,194	1,655,621	1,000,732	(311)	799,801
Benefit Payments, Including Refunds of Employee Contributions	(563,033)	(563,033)	(782,099)	(838,640)	(407,546)	(430,563)	(540,379)
Administrative Expense	(39,250)	(28,965)	(26,283)	(22,956)	(25,679)	(27,006)	(39,889)
Net Change in Plan Fiduciary Net Position	2,097,055	916,511	1,352,882	1,436,757	1,187,882	334,517	1,068,412
Plan Fiduciary Net Position - Beginning	15,590,496	14,673,985	13,321,103	11,884,346	10,696,464	10,361,947	9,293,535
Plan Fiduciary Net Position - Ending (b)	<u>\$ 17,687,551</u>	<u>\$ 15,590,496</u>	<u>\$ 14,673,985</u>	<u>\$ 13,321,103</u>	<u>\$ 11,884,346</u>	<u>\$ 10,696,464</u>	<u>\$ 10,361,947</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 590,560</u>	<u>\$ 966,351</u>	<u>\$ 760,301</u>	<u>\$ 1,186,344</u>	<u>\$ 1,844,018</u>	<u>\$ 1,982,357</u>	<u>\$ 2,239,853</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.77%	94.16%	95.07%	91.82%	86.57%	84.36%	82.23%
Covered Payroll ¹	\$ 2,101,551	\$ 1,869,643	\$ 1,702,646	\$ 1,752,641	\$ 1,700,238	\$ 1,686,074	\$ 1,575,575
Net Pension Liability as a Percentage of Covered Payroll	28.10%	51.69%	44.65%	67.69%	108.46%	117.57%	142.16%

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll. The reported Covered Payroll number for the fiscal year 2014 was based on Pensionable Salary.

Changes of Benefit terms:

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of Assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were additionally, as approved by the Board as a result of an Experience Study performed on September 10, 2020, the following 1) The investment return assumption was reduced from 7.75% to 7.60%, net of investment related expenses. 2) The assumed Normal Retirement Date was amended to be 70% in the first year eligible for Normal Retirement, 50% in each of the next two years after eligibility and 100% at three years following first eligibility for Normal Retirement. Also, the assumption that if a Member is eligible for Normal Retirement on the valuation date, they will work one more year was eliminated. 3) The assumed rates of pre-retirement withdrawal were amended from an age-based table to one based upon age and service.

Effective for the City's fiscal year ending 09/30/2017, the GASB 68 measurement date of the Pension Expense has been approved and changed from 09/30/2019 to 09/30/2017.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For the year ending 09/30/2015 the investment rate of return has been lowered from 8.00% to 7.75% per year, net of investment related expenses.

This information is required for 10 years, additional years' information will be provided once it is available.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS**

Municipal General Employees' Pension

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially Determined Contribution	\$ 1,680,770	\$ 1,658,215	\$ 1,569,292	\$ 1,452,020	\$ 1,674,763	\$ 1,886,773	\$ 1,678,429
Contributions in relation to the Actuarially Determined Contributions	<u>1,831,619</u>	<u>1,759,599</u>	<u>1,733,431</u>	<u>1,712,254</u>	<u>1,675,103</u>	<u>1,891,929</u>	<u>1,956,900</u>
Contribution Deficiency (Excess)	<u>\$ (150,849)</u>	<u>\$ (101,384)</u>	<u>\$ (164,139)</u>	<u>\$ (260,234)</u>	<u>\$ (340)</u>	<u>\$ (5,156)</u>	<u>\$ (278,471)</u>
Covered Payroll ¹	\$ 4,031,904	\$ 4,350,981	\$ 4,503,565	\$ 4,641,783	\$ 5,093,648	\$ 6,865,470	\$ 5,909,963
Contributions as a percentage of Covered Payroll	45.43%	40.44%	38.49%	36.89%	32.89%	27.56%	33.11%

¹The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

This information is required for 10 years, additional years' information will be provided once it is available.

Municipal Police Officers' Pension

	<u>09/30/2020</u>	<u>09/30/2019</u>	<u>09/30/2018</u>	<u>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>
Actuarially Determined Contribution	\$ 701,658	\$ 598,561	\$ 638,368	\$ 531,593	\$ 576,560	\$ 688,345	\$ 704,255
Contributions in relation to the Actuarially Determined Contributions	<u>710,887</u>	<u>633,455</u>	<u>651,374</u>	<u>550,315</u>	<u>598,512</u>	<u>688,634</u>	<u>721,959</u>
Contribution Deficiency (Excess)	<u>\$ (9,229)</u>	<u>\$ (34,894)</u>	<u>\$ (13,006)</u>	<u>\$ (18,722)</u>	<u>\$ (21,952)</u>	<u>\$ (289)</u>	<u>\$ (17,704)</u>
Covered Payroll ¹	\$ 2,595,853	\$ 2,483,295	\$ 2,214,507	\$ 2,317,484	\$ 2,195,754	\$ 2,171,581	\$ 1,838,786
Contributions as a percentage of Covered Payroll	27.39%	25.51%	29.41%	23.75%	27.26%	31.71%	39.26%

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP Payroll.

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

This information is required for 10 years, additional years' information will be provided once it is available.

Municipal Firefighters' Pension

	<u>09/30/2020</u>	<u>09/30/2019</u>	<u>09/30/2018</u>	<u>09/30/2017</u>	<u>09/30/2016</u>	<u>09/30/2015</u>	<u>09/30/2014</u>
Actuarially Determined Contribution	\$ 476,763	\$ 572,534	\$ 537,250	\$ 481,012	\$ 447,995	\$ 608,564	\$ 609,088
Contributions in relation to the Actuarially Determined Contributions	<u>528,352</u>	<u>604,645</u>	<u>537,250</u>	<u>481,472</u>	<u>447,995</u>	<u>608,564</u>	<u>669,753</u>
Contribution Deficiency (Excess)	<u>\$ (51,589)</u>	<u>\$ (32,111)</u>	<u>\$ -</u>	<u>\$ (460)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (60,665)</u>
Covered Payroll ¹	\$ 2,101,551	\$ 1,869,643	\$ 1,702,646	\$ 1,752,641	\$ 1,700,238	\$ 1,686,074	\$ 1,575,575
Contributions as a percentage of Covered Payroll	25.14%	32.34%	31.55%	27.47%	26.35%	36.09%	42.51%

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP Payroll.

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

This information is required for 10 years, additional years' information will be provided once it is available.

CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN THE SPONSOR'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>09/30/2020</u>	<u>09/30/2019</u>	<u>09/30/2018</u>
Total OPEB Liability			
Service Cost	\$ 748,017	\$ 599,223	\$ 667,471
Interest	413,802	387,624	345,039
Differences Between Expected and Actual Experience	(548,483)	-	-
Changes of Assumptions	2,095,723	1,269,335	(1,039,741)
Benefit Payments	(124,132)	(114,937)	(105,933)
Net Change in Total OPEB Liability	<u>2,584,927</u>	<u>2,141,245</u>	<u>(133,164)</u>
Total OPEB Liability - Beginning	10,872,199	8,730,954	8,864,118
Total OPEB Liability - Ending	<u>\$ 13,457,126</u>	<u>\$ 10,872,199</u>	<u>\$ 8,730,954</u>
Covered Payroll	\$ 16,955,823	\$ 15,791,818	\$ 15,059,907
Sponsor's Total OPEB Liability as a Percentage of Covered Payroll	79.37%	68.85%	57.97%

Notes to Schedule:

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

FY 2020	2.14%
FY 2019	3.58%
FY 2018	4.18%
FY 2017	3.64%

This information is required for 10 years, additional years' information will be provided once it is available.

CITY OF PUNTA GORDA, FLORIDA

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.

Impact Fees – Used to account for the receipt and disbursement of impact fees for Parks, Transportation/Mobility and Public Safety.

Special Use Fund – This fund is used to track insurance, grants and other revenues received due to hurricanes and damaged property, with offsetting related repairs and other one-time expenditures.

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.

Five Cent Gas Tax – Legislation allows this tax to be used for road capital.

Six Cent Gas Tax – Legislation allows this tax to be used for transportation expenditures. These allowed uses include street sweeping, street lights, traffic lights, bridge maintenance and sidewalk repairs.

The Coastal and Heartland National Estuary Partnership – Accounts for revenues and expenditures attributable for the protection of the exceptional estuaries and water resources in a 5,416 square mile area that includes the Peace, Myakka, Caloosahatchee, and the Estero Rivers and the coastal waters of Dona and Roberts Bays, Lemon Bay, Charlotte Harbor, the Caloosahatchee, Pine Island Sound, and the Estero Bay.

Buckley's Pass Dredging Area – Accounts for the assessment funds of benefited properties to be utilized for the construction of Buckley's Pass, an additional access to Charlotte Harbor, and repayment of any interfund loans required for the project.

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, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2020

	Special Revenue Funds				
	Impact Fees Parks	Impact Fees Transportation	Impact Fees Mobility	Impact Fees Public Safety	Special Use Fund
ASSETS:					
Cash and cash equivalents	\$ 302,137	\$ -	\$ 245,083	\$49,714	\$3,996,211
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total Assets	<u>\$ 302,137</u>	<u>\$ -</u>	<u>\$ 245,083</u>	<u>\$49,714</u>	<u>\$3,996,211</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Permanent fund principal	-	-	-	-	-
Restricted for:					
Public Safety	-	-	-	49,714	-
Transportation/Mobility	-	-	245,083	-	-
Recreation	302,137	-	-	-	-
Committed for:					
Damages or one-time expenditures	-	-	-	-	3,996,211
Total Fund Balances	<u>302,137</u>	<u>-</u>	<u>245,083</u>	<u>49,714</u>	<u>3,996,211</u>
Total Liabilities and Fund Balances	<u>\$ 302,137</u>	<u>\$ -</u>	<u>\$ 245,083</u>	<u>\$49,714</u>	<u>\$3,996,211</u>

Special Revenue Funds					Permanent Fund	Total Nonmajor Governmental
BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Coastal&Hrtlnd Natl Estuary Partnership	Buckley's Pass Dredging Area	Gilchrist Intention Fund	
\$ 1,019,557	\$ 179,844	\$ 922,064	\$ 439,830	\$ 50,320	\$ 5,465	\$ 7,210,225
-	-	1,829	-	577	-	2,406
7,815	20,459	57,079	365,008	22,923	-	473,284
<u>\$ 1,027,372</u>	<u>\$ 200,303</u>	<u>\$ 980,972</u>	<u>\$ 804,838</u>	<u>\$ 73,820</u>	<u>\$ 5,465</u>	<u>\$ 7,685,915</u>
\$ 15,788	\$ 40,856	\$ 131,093	\$ 99,950	\$ 212	\$ -	\$ 287,899
-	4,540	-	-	-	-	4,540
-	-	-	10,811	-	-	10,811
-	-	-	259,319	1,533	-	260,852
<u>15,788</u>	<u>45,396</u>	<u>131,093</u>	<u>370,080</u>	<u>1,745</u>	<u>-</u>	<u>564,102</u>
-	-	-	-	-	5,000	5,000
-	-	-	-	-	-	49,714
-	154,907	849,879	-	-	465	1,250,334
1,011,584	-	-	434,758	72,075	-	1,820,554
-	-	-	-	-	-	3,996,211
<u>1,011,584</u>	<u>154,907</u>	<u>849,879</u>	<u>434,758</u>	<u>72,075</u>	<u>5,465</u>	<u>7,121,813</u>
<u>\$ 1,027,372</u>	<u>\$ 200,303</u>	<u>\$ 980,972</u>	<u>\$ 804,838</u>	<u>\$ 73,820</u>	<u>\$ 5,465</u>	<u>\$ 7,685,915</u>

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2020

	Special Revenue Funds				
	Impact Fees Parks	Impact Fees Transportation	Impact Fees Mobility	Impact Fees Public Safety	Special Use Fund
	\$	\$	\$	\$	\$
Revenues:					
Taxes	-	-	-	-	-
Permits, fees and Special Assessments	91,130	29,611	28,228	49,690	-
Intergovernmental	-	-	-	-	310,888
Charges for Services	-	-	-	-	-
Miscellaneous	2,524	3,425	13	24	40,164
Total revenues	<u>93,654</u>	<u>33,036</u>	<u>28,241</u>	<u>49,714</u>	<u>351,052</u>
Expenditures:					
Current:					
Transportation	-	-	-	-	-
Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and Fiscal Charges on Loan	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>93,654</u>	<u>33,036</u>	<u>28,241</u>	<u>49,714</u>	<u>351,052</u>
Other Financing Sources (Uses):					
Transfers in	-	-	216,842	-	152,241
Transfers out	-	(319,532)	-	-	(116,233)
Total other financing sources (uses)	<u>-</u>	<u>(319,532)</u>	<u>216,842</u>	<u>-</u>	<u>36,008</u>
Net change in fund balances	93,654	(286,496)	245,083	49,714	387,060
Fund Balances, October 1, 2019	<u>208,483</u>	<u>286,496</u>	<u>-</u>	<u>-</u>	<u>3,609,151</u>
Fund Balances, September 30, 2020	<u>\$ 302,137</u>	<u>\$ -</u>	<u>\$ 245,083</u>	<u>\$ 49,714</u>	<u>\$ 3,996,211</u>

Special Revenue Funds					Permanent Fund	Total Nonmajor Governmental
BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Coastal&Hrtlnd Natl Estuary Partnership	Buckley's Pass Dredging Area	Gilchrist Intention Fund	
\$ -	\$ 259,603	\$ 564,949	\$ -	\$ -	\$ -	\$ 824,552
574,919	-	-	1,164,328	290,358	-	2,228,264
-	-	-	-	-	-	310,888
-	-	279,869	-	-	-	279,869
14,626	1,906	22,284	13,283	9,043	59	107,351
<u>589,545</u>	<u>261,509</u>	<u>867,102</u>	<u>1,177,611</u>	<u>299,401</u>	<u>59</u>	<u>3,750,924</u>
-	684,835	759,730	-	-	-	1,444,565
488,653	-	-	1,097,088	2,211	-	1,587,952
-	-	23,897	-	-	-	23,897
3,722	-	-	-	-	-	3,722
<u>492,375</u>	<u>684,835</u>	<u>783,627</u>	<u>1,097,088</u>	<u>2,211</u>	<u>-</u>	<u>3,060,136</u>
97,170	(423,326)	83,475	80,523	297,190	59	690,788
-	459,000	-	-	-	-	828,083
-	-	-	-	(1,433,213)	-	(1,868,978)
-	459,000	-	-	(1,433,213)	-	(1,040,895)
97,170	35,674	83,475	80,523	(1,136,023)	59	(350,107)
914,414	119,233	766,404	354,235	1,208,098	5,406	7,471,920
<u>\$ 1,011,584</u>	<u>\$ 154,907</u>	<u>\$ 849,879</u>	<u>\$ 434,758</u>	<u>\$ 72,075</u>	<u>\$ 5,465</u>	<u>\$ 7,121,813</u>

CITY OF PUNTA GORDA, FLORIDA
 PARK IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits, fees and Special Assessments	\$ 80,000	\$ 80,000	\$ 91,130	11,130
Miscellaneous	2,000	2,000	2,524	524
Total revenues	<u>82,000</u>	<u>82,000</u>	<u>93,654</u>	<u>11,654</u>
Expenditures				
Total expenditures	-	-	-	-
Excess revenues over expenditures	<u>82,000</u>	<u>82,000</u>	<u>93,654</u>	<u>11,654</u>
Other financing uses				
Transfers out	<u>(80,000)</u>	<u>(179,806)</u>	-	<u>179,806</u>
Total other financing uses	<u>(80,000)</u>	<u>(179,806)</u>	-	<u>179,806</u>
Net change in fund balance	<u>\$ 2,000</u>	<u>\$ (97,806)</u>	93,654	<u>\$ 191,460</u>
Fund balances, October 1, 2019			<u>208,483</u>	
Fund balances, September 30, 2020			<u>\$ 302,137</u>	

CITY OF PUNTA GORDA, FLORIDA
TRANSPORTATION IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits, fees and Special Assessments	\$ 46,000	\$ 26,405	\$ 29,611	\$ 3,206
Miscellaneous	1,700	3,100	3,425	325
Total revenues	<u>47,700</u>	<u>29,505</u>	<u>33,036</u>	<u>3,531</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>47,700</u>	<u>29,505</u>	<u>33,036</u>	<u>3,531</u>
Other financing uses				
Transfers out	<u>(55,000)</u>	<u>(316,001)</u>	<u>(319,532)</u>	<u>(3,531)</u>
Total other financing uses	<u>(55,000)</u>	<u>(316,001)</u>	<u>(319,532)</u>	<u>(3,531)</u>
Net change in fund balance	<u>\$ (7,300)</u>	<u>\$ (286,496)</u>	<u>(286,496)</u>	<u>\$ -</u>
Fund balances, October 1, 2019			<u>286,496</u>	
Fund balances, September 30, 2020			<u>\$ -</u>	

* Fund closed to Mobility Impact Fee Fund as per ordinance adopted February 19, 2020.

CITY OF PUNTA GORDA, FLORIDA
MOBILITY IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits, fees and Special Assessments	\$ -	\$ 15,640	\$ 28,228	\$ 12,588
Miscellaneous	-	-	13	13
Total revenues	-	15,640	28,241	12,601
Expenditures				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	15,640	28,241	12,601
Other financing sources				
Transfers In	-	163,984	216,842	52,858
Transfers Out	-	(98,155)	-	98,155
Total other financing sources	-	65,829	216,842	151,013
Net change in fund balance	\$ -	\$ 81,469	245,083	\$ 163,614
Fund balances, October 1, 2019			-	
Fund balances, September 30, 2020			\$ 245,083	

CITY OF PUNTA GORDA, FLORIDA
PUBLIC SAFETY IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits, fees and Special Assessments	\$ -	\$ 30,230	\$ 49,690	\$ 19,460
Miscellaneous	-	-	24	24
Total revenues	<u>-</u>	<u>30,230</u>	<u>49,714</u>	<u>19,484</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>-</u>	<u>30,230</u>	<u>49,714</u>	<u>19,484</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 30,230</u>	49,714	<u>\$ 19,484</u>
Fund balances, October 1, 2019			<u>-</u>	
Fund balances, September 30, 2020			<u>\$ 49,714</u>	

CITY OF PUNTA GORDA, FLORIDA
SPECIAL USE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 310,888	\$ 310,888
Miscellaneous	90,000	90,000	40,164	(49,836)
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>351,052</u>	<u>261,052</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>90,000</u>	<u>90,000</u>	<u>351,052</u>	<u>261,052</u>
Other financing sources (uses)				
Transfers in	164,550	164,550	152,241	(12,309)
Transfers out	<u>-</u>	<u>(1,093,977)</u>	<u>(116,233)</u>	<u>977,744</u>
Total other financing uses	<u>164,550</u>	<u>(929,427)</u>	<u>36,008</u>	<u>965,435</u>
Net change in fund balance	<u>\$ 254,550</u>	<u>\$ (839,427)</u>	387,060	<u>\$ 1,226,487</u>
Fund balances, October 1, 2019			<u>3,609,151</u>	
Fund balances, September 30, 2020			<u>\$3,996,211</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, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits, fees and Special Assessments	572,750	572,750	574,919	2,169
Miscellaneous	7,875	7,875	14,626	6,751
Total revenues	<u>580,625</u>	<u>580,625</u>	<u>589,545</u>	<u>8,920</u>
Expenditures				
Current				
Transportation				-
Recreation	439,500	507,694	488,653	19,041
Debt Service				
Interest and Fiscal Charges Loan	95,860	189,840	3,722	186,118
Total expenditures	<u>535,360</u>	<u>697,534</u>	<u>492,375</u>	<u>205,159</u>
Revenues over (under) expenditures	<u>45,265</u>	<u>(116,909)</u>	<u>97,170</u>	<u>214,079</u>
Other financing sources (uses)				
Transfers Out	-	(321)	-	321
Total other financing uses	<u>-</u>	<u>(321)</u>	<u>-</u>	<u>321</u>
Net change in fund balance	<u>\$ 45,265</u>	<u>\$ (117,230)</u>	97,170	<u>\$ 214,400</u>
Fund balances, October 1, 2019			<u>914,414</u>	
Fund balances, September 30, 2020			<u>\$ 1,011,584</u>	

CITY OF PUNTA GORDA, FLORIDA
 FIVE CENT GAS TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 266,000	\$ 266,000	\$ 259,603	\$ (6,397)
Miscellaneous	830	830	1,906	1,076
Total revenues	<u>266,830</u>	<u>266,830</u>	<u>261,509</u>	<u>(5,321)</u>
Expenditures				
Current				
Transportation	<u>725,000</u>	<u>809,474</u>	<u>684,835</u>	<u>124,639</u>
Total expenditures	<u>725,000</u>	<u>809,474</u>	<u>684,835</u>	<u>124,639</u>
Revenues over (under) expenditures	<u>(458,170)</u>	<u>(542,644)</u>	<u>(423,326)</u>	<u>119,318</u>
Other financing sources				
Transfers in	<u>459,000</u>	<u>459,000</u>	<u>459,000</u>	<u>-</u>
Total other financing sources	<u>459,000</u>	<u>459,000</u>	<u>459,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 830</u>	<u>\$ (83,644)</u>	35,674	<u>\$ 119,318</u>
Fund balances, October 1, 2019			<u>119,233</u>	
Fund balances, September 30, 2020			<u>\$ 154,907</u>	

CITY OF PUNTA GORDA, FLORIDA
SIX CENT GAS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 589,000	\$ 589,000	\$564,949	\$ (24,051)
Charges for Services	\$ 279,823	\$ 279,823	\$279,869	46
Miscellaneous	11,587	11,589	22,284	10,695
Total revenues	<u>880,410</u>	<u>880,412</u>	<u>867,102</u>	<u>(13,310)</u>
Expenditures				
Current				
Transportation	960,755	1,111,941	759,730	352,211
Capital Outlay	25,000	24,914	23,897	1,017
Total expenditures	<u>985,755</u>	<u>1,136,855</u>	<u>783,627</u>	<u>353,228</u>
Revenues over (under) expenditures	<u>(105,345)</u>	<u>(256,443)</u>	<u>83,475</u>	<u>339,918</u>
Net change in fund balance	<u>\$ (105,345)</u>	<u>\$ (256,443)</u>	83,475	<u>\$ 339,918</u>
Fund balances, October 1, 2019			<u>766,404</u>	
Fund balances, September 30, 2020			<u>\$849,879</u>	

CITY OF PUNTA GORDA, FLORIDA
 COASTAL AND HEARTLAND NATIONAL ESTUARY PARTNERSHIP FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2020

	<u>Budgets</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
Revenues				
Intergovernmental revenue	1,440,750	2,020,046	1,164,328	\$ (855,718)
Miscellaneous	<u>5,600</u>	<u>7,800</u>	<u>13,283</u>	<u>5,483</u>
Total revenues	<u>1,446,350</u>	<u>2,027,846</u>	<u>1,177,611</u>	<u>(850,235)</u>
Expenditures				
Current				
Recreation	<u>1,472,343</u>	<u>2,154,176</u>	<u>1,097,088</u>	<u>1,057,088</u>
Total expenditures	<u>1,472,343</u>	<u>2,154,176</u>	<u>1,097,088</u>	<u>1,057,088</u>
Net change in fund balances	<u>\$ (25,993)</u>	<u>\$ (126,330)</u>	80,523	<u>\$ 206,853</u>
Fund balances, October 1, 2019			<u>354,235</u>	
Fund balances, September 30, 2020			<u>\$ 434,758</u>	

CITY OF PUNTA GORDA, FLORIDA
 BUCKLEY'S PASS DREDGING AREA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2020

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Permits, fees and Special Assessments	293,552	293,552	290,358	\$ (3,194)
Miscellaneous	-	-	9,043	9,043
Total revenues	<u>293,552</u>	<u>293,552</u>	<u>299,401</u>	<u>5,849</u>
Expenditures				
Current				
Recreation	5,000	5,000	2,211	2,789
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,211</u>	<u>2,789</u>
Net change in fund balances	<u>\$ 288,552</u>	<u>\$ 288,552</u>	297,190	<u>\$ 8,638</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(288,552)</u>	<u>(1,487,377)</u>	<u>(1,433,213)</u>	<u>54,164</u>
Total other financing uses	<u>(288,552)</u>	<u>(1,487,377)</u>	<u>(1,433,213)</u>	<u>62,802</u>
Net change in fund balance	<u>\$ (288,552)</u>	<u>\$ (1,198,825)</u>	(1,136,023)	<u>\$ 62,802</u>
Fund balances, October 1, 2019			<u>1,208,098</u>	
Fund balances, September 30, 2020			<u>\$ 72,075</u>	

INTERNAL SERVICE FUNDS

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. The City currently has one Internal Service Fund.

- Information Technology provides a central computer system and communications for the benefit of all City Departments.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
September 30, 2020

	<u>Information Technology</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 497,592
Total current assets	<u>497,592</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	517,691
Total noncurrent assets	<u>517,691</u>
Total assets	<u>1,015,283</u>
Deferred Outflows	
Deferred outflows related to pensions/OPEB	<u>89,207</u>
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts payable	15,841
Current portion compensated absences	2,146
Accrued liabilities	<u>16,137</u>
Total current liabilities	<u>34,124</u>
Noncurrent Liabilities	
Accrued compensated absences	19,314
Pension/OPEB benefits payable	<u>456,140</u>
Total noncurrent liabilities	<u>475,454</u>
Total liabilities	<u>509,578</u>
Deferred Inflows	
Deferred Inflows related to pensions/OPEB	<u>42,790</u>
NET POSITION	
Net investment in capital assets	517,691
Unrestricted	<u>34,431</u>
Total net position	<u><u>\$ 552,122</u></u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Information Technology</u>
Operating Revenues	
Charges for services	\$ 1,756,055
Operating Grant	18,525
Miscellaneous	<u>240</u>
 Total operating revenues	 <u>1,774,820</u>
Operating Expenses	
Personnel services	699,671
Contractual services	548,637
Materials and supplies	16,502
Utilities	9,754
Depreciation	215,387
Insurance	11,538
Repairs and maintenance	85,520
Travel and training	23,954
Rent	<u>75,253</u>
 Total operating expenses	 <u>1,686,216</u>
 Operating gain	 <u>88,604</u>
Nonoperating revenues (expenses)	
Gain (Loss) on disposal of capital assets	<u>(8,777)</u>
 Total nonoperating revenues (expenses)	 <u>(8,777)</u>
 Change in net position	 79,827
 Net position - beginning	 <u>472,295</u>
 Net position - ending	 <u>\$ 552,122</u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2020

	<u>Information Technology</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from services provided	\$ 1,737,530
Cash received from operating grants	\$ 18,525
Cash payments to suppliers for goods and services	(785,068)
Cash payments to employees for services	(599,391)
Other receipts	<u>20,332</u>
Net cash provided by operating activities	<u>391,928</u>
CASH FLOWS (USED FOR) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of property, plant, and equipment	(266,717)
Sale of equipment	<u>20,045</u>
Net cash used in capital and related financing activities	<u>(246,672)</u>
Net increase in cash and cash equivalents	145,256
Cash and cash equivalents at beginning of year	<u>352,336</u>
Cash and cash equivalents at end of year	<u>\$ 497,592</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating gain (Loss)	\$ 88,604
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	215,387
Net (increase) decrease in:	
Accounts receivable	1,565
Net increase (decrease) in:	
Accounts payable	(13,909)
Accrued liabilities	11,492
Change in net pension/OPEB liability	111,485
Change in deferred inflows related to pensions/OPEB	(48,244)
Change in deferred outflows related to pensions/OPEB	<u>25,548</u>
Net cash provided by operating activities	<u>\$ 391,928</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Disposal of fully depreciated capital assets	\$ 337,899

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	138
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	148
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	152
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	156
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	158
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.

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

	Fiscal Year			
	2020	2019	2018	2017
Governmental activities				
Net Investment in capital assets	\$ 80,655,504	\$ 77,868,024	\$ 52,726,536	\$ 49,814,944
Restricted	17,958,953	16,616,812	10,408,669	8,245,109
Unrestricted	<u>(2,241,092)</u>	<u>(3,734,859)</u>	<u>(3,167,480)</u>	<u>2,399,857</u>
Total governmental activities net position	<u>\$ 96,373,365</u>	<u>\$ 90,749,977</u>	<u>\$ 59,967,725</u>	<u>\$ 60,459,910</u>
Business-type activities				
Net Investment in capital assets	\$ 81,587,869	\$ 80,802,208	\$ 57,907,294	\$ 54,273,261
Restricted	1,613,353	1,374,755	807,509	382,212
Unrestricted	<u>16,903,416</u>	<u>9,392,072</u>	<u>15,537,041</u>	<u>16,778,165</u>
Total business-type activities net position	<u>\$ 100,104,638</u>	<u>\$ 91,569,035</u>	<u>\$ 74,251,844</u>	<u>\$ 71,433,638</u>
Primary government				
Net Investment in capital assets	\$ 162,243,373	\$ 158,670,232	\$ 110,633,830	\$ 104,088,205
Restricted	19,572,306	17,991,567	11,216,178	8,627,321
Unrestricted	<u>14,662,324</u>	<u>5,657,213</u>	<u>12,369,561</u>	<u>19,178,022</u>
Total primary government net position	<u>\$ 196,478,003</u>	<u>\$ 182,319,012</u>	<u>\$ 134,219,569</u>	<u>\$ 131,893,548</u>

Per the Statement of Net Position

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 37,664,271	\$ 38,085,493	\$ 45,244,762	\$ 43,711,445	\$ 41,531,906	\$ 40,912,696
6,195,576	5,923,953	5,112,090	4,945,700	6,870,015	5,811,609
9,363,493	3,775,599	3,017,663	2,466,809	2,320,145	4,591,120
<u>\$ 53,223,340</u>	<u>\$ 47,785,045</u>	<u>\$ 53,374,515</u>	<u>\$ 51,123,954</u>	<u>\$ 50,722,066</u>	<u>\$ 51,315,425</u>
\$ 52,611,061	\$ 50,998,883	\$ 50,177,751	\$ 47,680,340	\$ 44,351,423	\$ 40,596,997
377,561	375,436	374,737	3,534,634	4,314,817	3,326,147
11,938,979	7,330,018	7,996,830	5,486,147	5,427,068	8,924,351
<u>\$ 64,927,601</u>	<u>\$ 58,704,337</u>	<u>\$ 58,549,318</u>	<u>\$ 56,701,121</u>	<u>\$ 54,093,308</u>	<u>\$ 52,847,495</u>
\$ 90,275,332	\$ 89,084,376	\$ 95,422,513	\$ 91,391,785	\$ 85,883,329	\$ 81,509,693
6,573,137	6,299,389	5,486,827	8,480,334	11,184,832	9,137,756
21,302,472	11,105,617	11,014,493	7,952,956	7,747,213	13,515,471
<u>\$ 118,150,941</u>	<u>\$ 106,489,382</u>	<u>\$ 111,923,833</u>	<u>\$ 107,825,075</u>	<u>\$ 104,815,374</u>	<u>\$ 104,162,920</u>

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2020	2019	2018	2017
Expenses				
Governmental activities:				
General government	\$ 4,761,260	\$ 4,853,807	\$ 4,636,326	\$ 3,580,902
Public safety	11,575,010	10,914,000	9,815,931	9,929,664
Transportation	3,579,938	3,975,860	3,397,617	3,241,684
Economic environment	354,777	389,599	474,915	762,373
Recreation	6,512,467	5,090,823	4,249,795	5,172,284
Interest on long-term debt	357,397	761,752	402,358	388,313
Total governmental activities expenses	<u>27,140,849</u>	<u>25,985,841</u>	<u>22,976,942</u>	<u>23,075,220</u>
Business-type activities:				
Water and wastewater	18,483,147	15,962,263	15,581,687	14,483,381
Sanitation/refuse	3,970,474	3,902,861	3,455,036	3,240,797
Building Fund	1,265,872	1,061,185	920,858	848,188
Marina Fund	402,981	377,956	457,960	364,672
Total business-type activities expenses	<u>24,122,474</u>	<u>21,304,265</u>	<u>20,415,541</u>	<u>18,937,038</u>
Total primary government expenses	<u>\$ 51,263,323</u>	<u>\$ 47,290,106</u>	<u>\$ 43,392,483</u>	<u>\$ 42,012,258</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,899,885	\$ 1,955,370	\$ 1,905,119	\$ 1,866,062
Public Safety	38,656	32,157	45,945	32,397
Transportation	294,044	281,068	268,664	240,094
Recreation	4,261,074	5,897,890	3,448,788	3,465,713
Operating grants and contributions	2,311,466	2,094,557	1,674,741	1,490,768
Capital grants and contributions	2,279,628	25,683,250	1,723,012	3,115,504
Total governmental activities program revenues	<u>11,084,753</u>	<u>35,944,292</u>	<u>9,066,269</u>	<u>10,210,538</u>
Business-type activities:				
Charges for Services:				
Water and Sewer	19,102,732	18,238,239	17,749,168	17,983,634
Sanitation/refuse	3,746,490	3,693,988	3,550,236	3,376,456
Building Fund	939,086	1,201,603	1,077,971	1,018,537
Marina Fund	463,467	463,010	395,513	410,002
Operating grants and contributions	52,180	7,834	35,378	5,726
Capital grants and contributions	7,715,415	14,246,885	3,043,715	2,619,498
Total business-type activities program revenues	<u>32,019,370</u>	<u>37,851,559</u>	<u>25,851,981</u>	<u>25,413,853</u>
Total primary government program revenues	<u>\$ 43,104,123</u>	<u>\$ 73,795,851</u>	<u>\$ 34,918,250</u>	<u>\$ 35,624,391</u>

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 3,228,631	\$ 3,703,548	\$ 3,104,181	\$ 3,700,758	\$ 3,761,601	\$ 3,789,465
7,636,743	9,855,648	9,545,036	8,963,993	8,831,471	8,575,957
2,977,812	3,863,105	2,521,786	3,135,032	2,794,684	2,928,550
517,709	268,170	369,530	315,774	247,121	409,960
5,183,922	6,016,711	4,903,586	4,957,977	4,785,081	5,298,806
410,793	452,138	511,552	861,963	961,431	1,018,596
<u>19,955,610</u>	<u>24,159,320</u>	<u>20,955,671</u>	<u>21,935,497</u>	<u>21,381,389</u>	<u>22,021,334</u>
14,126,622	14,778,240	14,178,055	14,502,662	14,535,733	14,980,052
2,846,100	2,871,811	2,828,035	2,801,361	2,726,802	2,583,077
661,928	790,186	617,141	578,421	538,982	524,200
365,560	359,993	313,107	262,959	245,701	243,105
<u>18,000,210</u>	<u>18,800,230</u>	<u>17,936,338</u>	<u>18,145,403</u>	<u>18,047,218</u>	<u>18,330,434</u>
<u>\$ 37,955,820</u>	<u>\$ 42,959,550</u>	<u>\$ 38,892,009</u>	<u>\$ 40,080,900</u>	<u>\$ 39,428,607</u>	<u>\$ 40,351,768</u>
\$ 1,831,915	\$ 1,800,456	\$ 1,831,762	\$ 1,610,489	\$ 1,574,413	\$ 1,656,887
57,365	17,073	18,000	13,109	12,730	13,939
216,787	190,366	181,993	164,868	161,386	152,488
3,353,743	3,025,733	3,026,325	3,027,570	3,027,944	3,026,319
1,617,603	1,743,586	581,741	578,158	630,204	1,023,291
1,372,064	1,211,809	2,423,487	2,066,261	1,224,478	1,893,746
<u>8,449,477</u>	<u>7,989,023</u>	<u>8,063,308</u>	<u>7,460,455</u>	<u>6,631,155</u>	<u>7,766,670</u>
16,073,754	15,224,890	14,787,349	14,725,171	14,718,754	14,740,246
3,169,987	3,007,194	2,975,695	2,943,612	2,926,609	2,913,888
952,712	938,682	720,922	700,241	498,327	476,797
401,755	369,635	311,782	234,247	221,764	205,486
-	-	30,312	-	5,349	-
3,350,066	1,403,846	737,575	2,000,105	753,196	503,116
<u>23,948,274</u>	<u>20,944,247</u>	<u>19,563,635</u>	<u>20,603,376</u>	<u>19,123,999</u>	<u>18,839,533</u>
<u>\$ 32,397,751</u>	<u>\$ 28,933,270</u>	<u>\$ 27,626,943</u>	<u>\$ 28,063,831</u>	<u>\$ 25,755,154</u>	<u>\$ 26,606,203</u>

(continued)

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued)

	Fiscal Year			
	2020	2019	2018	2017
Net (Expense)/Revenue				
Government activities	\$ (16,056,096)	\$ 9,958,451	\$ (13,910,673)	\$ (12,864,682)
Business type activities	7,896,896	16,547,294	5,436,440	6,476,815
Total primary government net expense	<u>\$ (8,159,200)</u>	<u>\$ 26,505,745</u>	<u>\$ (8,474,233)</u>	<u>\$ (6,387,867)</u>
General Revenues and Other				
Changes in Net Position				
Government activities:				
Property taxes	\$ 11,032,152	\$ 9,590,484	\$ 8,898,730	\$ 8,288,276
Utility taxes and gas taxes	4,437,630	4,440,498	4,353,742	4,324,289
Sales taxes	4,794,177	4,872,371	4,711,876	4,454,904
Investment earnings	327,535	653,768	355,383	144,617
Miscellaneous	1,087,990	1,266,680	774,346	4,355,310
Transfers	-	-	-	-
Total governmental activities	<u>21,679,484</u>	<u>20,823,801</u>	<u>19,094,077</u>	<u>21,567,396</u>
Business-type activities:				
Investment earnings	187,527	505,242	352,616	151,448
Miscellaneous	451,180	264,655	217,682	204,973
Transfers	-	-	-	-
Total business-type activities	<u>638,707</u>	<u>769,897</u>	<u>570,298</u>	<u>356,421</u>
Total primary government	<u>\$ 22,318,191</u>	<u>\$ 21,593,698</u>	<u>\$ 19,664,375</u>	<u>\$ 21,923,817</u>
Change in Net Position				
Governmental activities	\$ 5,623,388	\$ 30,782,252	\$ 5,183,404	\$ 8,702,714
Business-type activities	8,535,603	17,317,191	6,006,738	6,833,236
Total primary government	<u>\$ 14,158,991</u>	<u>\$ 48,099,443</u>	<u>\$ 11,190,142</u>	<u>\$ 15,535,950</u>

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ (11,506,133)	\$ (16,170,297)	\$ (12,892,363)	\$ (14,475,042)	\$ (14,750,234)	\$ (14,254,664)
5,948,064	2,144,017	1,627,297	2,457,973	1,076,781	509,099
<u>\$ (5,558,069)</u>	<u>\$ (14,026,280)</u>	<u>\$ (11,265,066)</u>	<u>\$ (12,017,069)</u>	<u>\$ (13,673,453)</u>	<u>\$ (13,745,565)</u>
\$ 7,762,213	\$ 7,443,942	\$ 7,113,559	\$ 7,126,709	\$ 6,239,901	\$ 6,427,277
4,108,696	3,976,441	3,944,839	3,839,081	3,732,770	3,631,650
4,142,913	3,776,880	3,430,409	3,194,173	3,016,077	2,888,533
53,246	39,818	13,322	19,477	32,632	30,563
875,852	1,948,105	640,795	697,490	1,135,495	203,312
1,508	26,592	-	-	-	-
<u>16,944,428</u>	<u>17,211,778</u>	<u>15,142,924</u>	<u>14,876,930</u>	<u>14,156,875</u>	<u>13,181,335</u>
52,141	39,298	12,192	18,180	23,047	26,601
224,567	247,355	208,708	131,660	145,985	107,400
(1,508)	(26,592)	-	-	-	-
<u>275,200</u>	<u>260,061</u>	<u>220,900</u>	<u>149,840</u>	<u>169,032</u>	<u>134,001</u>
<u>\$ 17,219,628</u>	<u>\$ 17,471,839</u>	<u>\$ 15,363,824</u>	<u>\$ 15,026,770</u>	<u>\$ 14,325,907</u>	<u>\$ 13,315,336</u>
\$ 5,438,295	\$ 1,041,481	\$ 2,250,561	\$ 401,888	\$ (593,359)	\$ (1,073,329)
6,223,264	2,404,078	1,848,197	2,607,813	1,245,813	643,100
<u>\$ 11,661,559</u>	<u>\$ 3,445,559</u>	<u>\$ 4,098,758</u>	<u>\$ 3,009,701</u>	<u>\$ 652,454</u>	<u>\$ (430,229)</u>

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

	Fiscal Year			
	2020	2019	2018	2017
General Fund				
Non-expendable	\$ 71,249	\$ 118,765	\$ 80,732	\$ 70,083
Restricted	75,838	63,260	45,797	66,499
Assigned	2,498,098	2,235,254	2,270,590	2,318,195
Unassigned	5,198,552	4,109,774	3,434,295	2,896,557
Total general fund	<u>\$ 7,843,737</u>	<u>\$ 6,527,053</u>	<u>\$ 5,831,414</u>	<u>\$ 5,351,334</u>
All Other Governmental Funds				
Non-expendable	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,176
Restricted	17,806,865	16,429,986	10,277,140	8,103,351
Committed	3,996,211	3,609,151	3,911,180	4,403,815
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 21,808,076</u>	<u>\$ 20,044,137</u>	<u>\$ 14,193,320</u>	<u>\$ 12,512,342</u>

Fiscal year 2011 fund balance classifications have been revised due to the implementation of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 63,499	\$ 61,842	\$ 61,943	\$ 61,130	\$ 69,198	\$ 69,170
66,264	56,057	43,040	39,272	35,665	31,798
1,811,189	1,339,579	1,484,576	1,396,255	650,152	1,323,782
<u>2,365,335</u>	<u>2,171,940</u>	<u>1,470,469</u>	<u>1,200,223</u>	<u>1,390,377</u>	<u>1,251,292</u>
<u>\$ 4,306,287</u>	<u>\$ 3,629,418</u>	<u>\$ 3,060,028</u>	<u>\$ 2,696,880</u>	<u>\$ 2,145,392</u>	<u>\$ 2,676,042</u>
\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
5,994,579	4,502,135	5,069,050	4,901,428	6,829,350	4,468,381
1,465,661	1,535,901	550,584	783,674	911,220	2,920,047
-	-	-	-	-	1,001,990
<u>\$ 7,465,240</u>	<u>\$ 6,043,036</u>	<u>\$ 5,624,634</u>	<u>\$ 5,690,102</u>	<u>\$ 7,745,570</u>	<u>\$ 8,395,418</u>

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

	Fiscal Year			
	2020	2019	2018	2017
Revenues				
Taxes	\$ 18,593,199	\$ 13,040,379	\$ 12,272,828	\$ 11,636,110
Licenses and permits	7,103,067	5,029,421	4,452,979	4,406,396
Intergovernmental	4,905,443	33,404,080	8,828,108	9,656,069
Charges for services	687,849	424,245	414,352	429,500
Fines and forfeits	36,234	108,278	49,974	81,856
Miscellaneous	4,551,965	7,833,982	5,329,201	8,605,448
Total revenues	<u>35,877,757</u>	<u>59,840,385</u>	<u>31,347,442</u>	<u>34,815,379</u>
Expenditures				
Current:				
General government	6,069,926	6,256,517	5,827,076	5,176,802
Public safety	10,954,136	10,229,310	9,789,721	9,405,454
Transportation	2,532,148	2,937,941	2,675,045	2,655,518
Economic environment	354,887	387,198	503,464	762,373
Recreation	5,440,654	4,494,391	4,246,892	5,433,875
Debt service:				
Principal	1,185,094	16,945,000	1,015,000	950,000
Interest and other charges	357,397	761,752	402,358	388,313
Capital outlay	<u>5,943,986</u>	<u>17,891,820</u>	<u>13,976,828</u>	<u>3,950,895</u>
Total expenditures	<u>32,838,228</u>	<u>59,903,929</u>	<u>38,436,384</u>	<u>28,723,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,039,529</u>	<u>(63,544)</u>	<u>(7,088,942)</u>	<u>6,092,149</u>
Other financing sources (uses)				
Transfers in	5,324,647	28,013,972	13,817,124	7,065,449
Transfers out	(5,324,647)	(28,013,972)	(13,817,124)	(7,065,449)
Issuance of debt	<u>41,094</u>	<u>6,610,000</u>	<u>9,250,000</u>	<u>-</u>
Total other financing sources (uses)	<u>41,094</u>	<u>6,610,000</u>	<u>9,250,000</u>	<u>-</u>
Net change in fund balances	<u><u>\$ 3,080,623</u></u>	<u><u>\$ 6,546,456</u></u>	<u><u>\$ 2,161,058</u></u>	<u><u>\$ 6,092,149</u></u>
Debt service as a percentage of noncapital expenditures	<u>5.74%</u>	<u>42.15%²</u>	<u>5.79%</u>	<u>5.40%</u>

¹ During FY 2013, (4) loans for the CRA district were refinanced resulting in the retirement of the four loans and new debt financing being issued as one loan. When calculating the debt service as a percentage of noncapital expenditures, the net change in principal plus all interest paid was used.

² During FY 2019, loans for the purpose of restoring seawalls to pre-IRMA conditions, were repaid when FEMA and FDEP reimbursed the City for the expenses incurred during the disaster.

Fiscal Year					
2016	2015	2014	2013	2012	2011
\$ 10,909,448	\$ 10,543,202	\$ 10,161,079	\$ 10,195,386	\$ 9,192,748	\$ 9,317,037
1,524,959	1,486,621	1,445,354	1,230,021	1,248,740	1,345,101
7,717,910	7,492,798	7,184,444	6,543,568	5,843,681	6,403,858
421,882	387,768	343,258	355,927	292,572	296,764
72,172	98,977	42,961	63,605	91,278	78,131
7,544,247	8,011,528	6,723,409	6,649,596	6,644,602	6,357,689
<u>28,190,618</u>	<u>28,020,894</u>	<u>25,900,505</u>	<u>25,038,103</u>	<u>23,313,621</u>	<u>23,798,580</u>
5,002,263	4,846,039	4,811,534	5,043,882	4,969,592	4,938,277
9,262,835	9,108,890	9,053,951	8,424,603	8,568,485	7,922,801
2,513,517	3,143,704	1,888,899	2,405,189	2,191,230	2,386,252
517,709	401,240	369,530	315,774	253,272	613,939
5,310,909	5,414,963	4,237,088	4,218,972	4,119,128	4,607,994
900,000	2,105,216	2,046,295	22,172,865 ¹	1,660,535	1,641,790
410,793	452,138	511,552	861,963	961,431	1,018,596
2,182,992	1,622,108	2,683,976	3,070,412	1,693,244	3,146,647
<u>26,101,018</u>	<u>27,094,298</u>	<u>25,602,825</u>	<u>46,513,660</u>	<u>24,416,917</u>	<u>26,276,296</u>
<u>2,089,600</u>	<u>926,596</u>	<u>297,680</u>	<u>(21,475,557)</u>	<u>(1,103,296)</u>	<u>(2,477,716)</u>
2,666,969	3,025,491	3,980,822	4,509,331	4,060,955	3,302,433
(2,657,496)	(2,964,295)	(3,980,822)	(4,567,754)	(4,138,157)	(3,377,352)
-	-	-	20,030,000 ¹	-	-
<u>9,473</u>	<u>61,196</u>	<u>-</u>	<u>19,971,577</u>	<u>(77,202)</u>	<u>(74,919)</u>
<u>\$ 2,099,073</u>	<u>\$ 987,792</u>	<u>\$ 297,680</u>	<u>\$ (1,503,980)</u>	<u>\$ (1,180,498)</u>	<u>\$ (2,552,635)</u>
<u>5.62%</u>	<u>10.04%</u>	<u>11.16%</u>	<u>6.92% ¹</u>	<u>11.54%</u>	<u>11.50%</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
2020	\$3,991,577,473	\$ 164,560,587	\$ 668,459,733	\$3,487,678,327	3.4337
2019	3,578,689,608	165,735,428	636,253,869	3,108,171,167	3.1969
2018	3,349,072,869	161,058,431	622,275,656	2,887,855,644	3.1969
2017	3,132,857,200	185,081,357	632,635,398	2,685,303,159	3.1969
2016	2,945,135,176	182,943,467	614,313,894	2,513,764,749	3.1969
2015	2,815,013,377	188,769,555	605,534,870	2,398,248,062	3.1969
2014	2,700,515,874	202,436,500	594,728,298	2,308,224,076	3.1969
2013	2,640,313,961	199,879,382	581,427,730	2,258,765,613	3.2462
2012	2,748,747,297	196,395,091	577,549,653	2,367,592,735	2.7462
2011	2,820,488,011	159,561,099	549,821,787	2,430,227,323	2.7251

Source: Charlotte County Property Appraiser (DR 403)

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,	Total Direct Rate		Overlapping Rates ^a				Charlotte County School Board	Total Direct and Overlapping Rates
	Operating Millage	SWFWMD	Peace River Basin ^b	WCIND	Other	Charlotte County		
2020	3.4337	0.2801	0.0000	0.0394	0.2000	6.3007	7.1400	17.3939
2019	3.1969	0.2955	0.0000	0.0394	0.2000	6.3007	6.3480	16.3805
2018	3.1969	0.3131	0.0000	0.0394	0.2000	6.3007	6.5960	16.6461
2017	3.1969	0.3307	0.0000	0.0394	0.2000	6.3007	6.9270	16.9947
2016	3.1969	0.3488	0.0000	0.0394	0.2000	6.3007	7.2110	17.2968
2015	3.1969	0.3658	0.0000	0.0394	0.2000	6.3007	7.3650	17.4678
2014	3.1969	0.3818	0.0000	0.0394	0.2000	6.3007	7.5810	17.6998
2013	3.2462	0.3928	0.0000	0.0394	0.2000	6.2796	7.4910	17.6490
2012	2.7462	0.3928	0.0000	0.0394	0.2000	6.2796	7.3440	17.0020
2011	2.7251	0.3770	0.1827	0.0394	0.2000	6.0892	7.8410	17.4544

Source: Charlotte County Property Appraiser (Tax Roll Certification- Ad Valorem Rates)

Note: The City's operating millage rate is the only component of the Total Direct Rate for the last ten fiscal years.

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

^b Effective with FY 2012, the Peace River Basin no longer exists as a taxable unit. The Regional Basin Boards were rolled into the District Boards for the funding of projects.

City of Punta Gorda, Florida
Principal Property Taxpayers
Last Ten Fiscal Years
(in millions)

Rank Taxpayer/Type of Business	Taxable Assessed Value (in millions)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1 Florida Power & Light Co. Electric Utility	\$ 68.0	\$ 67.3	\$ 59.8	\$ 59.8	\$ 49.2	\$ 43.4	\$ 43.0	\$ 45.1	\$ 40.7	\$ 40.2
2 Punta Gorda Medical Center, Inc./Bayfront Health Punta Gorda Hospital	24.7	23.6	23.2	23.2	25.4	26.1	26.4	29.6	30.0	29.0
3 Wal-Mart Stores East LP	15.8	15.5	-	-	-	-	-	-	-	-
4 JB Fishville Retail Land LLC?/TA Fishville, Shopping Center Fishermen's Village	11.3	8.3	7.5	7.5	8.9	8.4	7.2	12.5	11.3	14.9
5 Gettel PG Dealership	10.0	8.0	6.2	6.2	5.4	5.3	-	-	-	-
6 Punta Gorda Hotel Partners LLC/ Springhill Suites	8.5	-	-	-	-	-	-	-	-	-
7 Punta Gorda AA Hotel, LLC PG Waterfront Hotel	7.6	7.2	7.0	7.0	7.0	7.6	8.2	9.5	11.0	10.5
8 Embarq Sprint-United Telephone Co. of FL Telephone Utility	7.6	8.6	9.4	9.5	10.3	10.6	11.4	13.3	12.8	11.4
9 Punta Gorda Leased Housing Assoc. Seven Palms Apartments	7.3	-	-	-	-	-	-	-	-	-
10 NM Imperial LLC Leasing	7.2	-	-	-	-	-	-	-	-	-
Wyvern Hospitality, LLC	-	6.8	7.2	7.2	7.4	7.3	6.8	7.8	7.9	7.8
Home Depot USA, Inc	-	6.1	6.1	6.2	6.5	6.5	6.9	7.1	7.2	7.4
Isles Yacht Club Inc.	-	6.0	5.9	5.9	5.7	5.7	5.7	5.2	5.7	5.6
Harbor Resort Hotel, LLC Four Points by Sheraton	-	5.8	5.9	5.0	-	-	7.6	5.3	5.8	-
Colonial Realty, Limited-shopping center Shopping Center Burnt Store	-	-	-	-	5.9	6.0	6.1	6.0	6.3	6.2
SunLoft LLC Training Center & Impac University	-	-	-	-	-	-	-	-	-	7.6
Total	\$ 168.0	\$ 163.2	\$ 138.2	\$ 137.5	\$ 131.7	\$ 126.9	\$ 129.3	\$ 141.4	\$ 138.7	\$ 140.6
City Total Taxable Assessed Value	\$3,326.4	\$3,108.7	\$2,890.0	\$2,685.3	\$2,513.8	\$2,398.2	\$2,308.2	\$2,258.8	\$2,367.6	\$2,430.2
Principal Taxpayer's Percentage of total	5.05%	5.25%	4.78%	5.12%	5.24%	5.29%	5.60%	6.26%	5.86%	5.79%

Source: Charlotte County Property Appraiser

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

Fiscal year Ended September 30,	Taxes Levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$11,418,250	\$11,032,152	96.62%	\$ -	\$11,032,152	96.62%
2019	9,938,126	9,589,999	96.50%	485	9,590,484	96.50%
2018	9,232,175	8,897,919	96.38%	811	8,898,730	96.39%
2017	8,584,633	8,286,481	96.53%	1,795	8,288,276	96.55%
2016	8,034,956	7,762,139	96.60%	74	7,762,213	96.61%
2015	7,684,073	7,443,084	96.86%	858	7,443,942	96.87%
2014	7,379,151	7,113,559	96.40%	-	7,113,559	96.40%
2013	7,332,405	7,126,709	97.19%	-	7,126,709	97.19%
2012	6,502,365	6,239,901	95.97%	-	6,239,901	95.96%
2011	6,622,612	6,424,928	97.02%	2,349	6,427,277	97.05%

Source: City of Punta Gorda Finance Department and Charlotte County Tax Collector (DR 403)

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

Fiscal Year Ended September 30,	Governmental	Business-Type Activities			Total Primary Government	Ratio of Outstanding Debt to	
	Capital Revenue Notes	Water and Wastewater Bonds	Water and Wastewater Notes	Capital Leases		Total Personal Income	Per Capita
2020	\$ 12,261,000	\$ -	\$ 15,897,861	\$ -	\$28,158,861	2.9%	\$1,380
2019	13,405,000	-	5,669,482	-	19,074,482	2.1%	956
2018	23,740,000	-	5,998,434	-	29,738,434	3.8%	1,581
2017	15,505,000	-	3,719,981	-	19,224,981	2.7%	1,034
2016	16,455,000	-	1,677,272	-	18,132,272	2.7%	1,017
2015	17,355,000	-	2,548,732	-	19,903,732	2.8%	1,129
2014	19,460,217	-	3,392,401	-	22,852,618	3.3%	1,302
2013	21,506,512	1,525,000	4,209,541	-	27,241,053	4.3%	1,570
2012	23,649,684	2,980,000	5,000,987	98,886	31,729,557	4.9%	1,847
2011	25,310,219	4,360,000	5,785,571	215,871	35,671,661	6.0%	2,144 *

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

There has been no General Bonded Debt Outstanding for the past ten fiscal years.

City of Punta Gorda, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percent Applicable to Punta Gorda ^a</u>	<u>Amount of Overlapping Debt Applicable to Punta Gorda ^a</u>
Overlapping debt^b			
Charlotte County School Board			
Qualified Zone Academy Bonds	\$ 5,000,000	19.00%	\$ 950,000
Qualified School Construction	60,000,000	19.00%	11,400,000
	<u>65,000,000</u>		<u>12,350,000</u>
Charlotte County			
General Obligation Debt	20,975,000	19.00%	3,985,250
Revenue Bonds	16,382,634	19.00%	3,112,700
Notes/Loans	85,968,600	19.00%	16,334,034
	<u>123,326,234</u>		<u>23,431,984</u>
Subtotal Overlapping Debt			35,781,984
City direct debt ^c			12,261,000
Total direct and overlapping debt			<u><u>48,042,984</u></u>

^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.

^b Source: Charlotte County Florida Schedule of Overlapping Debt FY 2020 (unaudited)

^c City of Punta Gorda CAFR Schedule of Outstanding Debt by Type

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	
2020	\$ -	\$ -	\$ -	\$ -	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	Revenue Bonds Retired				
2013	16,766,618	10,119,087	6,647,531	1,565,031	4.2
2012	15,592,877	9,920,795	5,672,082	1,573,260	3.6
2011	15,326,489	10,402,002	4,924,487	1,573,260	3.1

(a) Includes operating and nonoperating revenues, available impact fees and other pledged revenues.

(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 (a)</u>	<u>Per Capita Income (b)</u>	<u>Total Personal Income City of Punta Gorda (in thousands)</u>	<u>Unemployment Rate (c)</u>
2020	20,405	186,662	\$ 47,303	\$ 965,218	5.4%
2019	19,961	181,770	45,839	914,992	3.5%
2018	18,811	177,987	41,310	777,082	3.9%
2017	18,588	178,465	38,473	715,136	4.0%
2016	17,835	173,115	37,745	673,182	5.6%
2015	17,632	173,115	39,997	705,227	5.5%
2014	17,556	164,739	39,457	692,707	6.2%
2013	17,349	162,449	36,694	636,604	6.6%
2012	17,177	160,511	37,424	642,832	9.1%
2011	16,641	159,978	35,858	596,713	10.1%

Note: Information presented is the most current available.

^a **Source:** Bureau of Economic and Business Research (BEBR) of the University of Florida (except for FY 2010)

U.S. Bureau of Economic Analysis, Published November, 2016 for FY 2016

^b **Source:** FY 2011 through FY 2012, the source used for Per Capita Income and Total Personal Income of Punta Gorda was the Florida Statistical Abstract or U.S. Department of Labor, Bureau of Statistics.

FY 2013 through FY 2015 Federal Reserve Bank of St. Louis

FY 2016 through FY 2018, U.S. Department of Labor, Bureau of Statistics.

FY 2019 U.S. Census Bureau Quick Facts.

^c **Source:** U.S. Department of Labor, Bureau of Statistics

City of Punta Gorda, Florida
Principal Employers
(Punta Gorda MSA)

<u>Employer</u>	<u>Fiscal Year End 2020</u>			<u>Fiscal Year End 2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employment</u>
Charlotte County School Board	2,227	1	3.23%	2,245	1	3.67%
Wal-Mart Associates, Inc.	1,395	2	2.02%	1,424	2	2.33%
Publix Super Markets, Inc.	1,321	3	1.91%	977	6	1.60%
Charlotte County Board of Commisioners	1,261	4	1.83%	1,002	4	1.64%
Fawcett Memorial Hospital	815	5	1.18%	716	7	1.17%
Bayfront Health Port Charlotte (fka Peace River Medical)	800	6	1.16%	1,067	3	1.75%
Bayfront Health Punta Gorda (fka Charlotte Regional)	780	7	1.13%	984	5	1.61%
Charlotte County Sheriff's Office	681	8	0.99%	617	8	1.01%
Home Depot	600	9	0.87%	337	10	0.55%
Cheyney Brothers	590	10	0.85%	-		-
Charlotte Correctional Institute	-		-	385	9	0.63%
Total Employed	<u>10,470</u>		<u>15.17%</u>	<u>9,754</u>		<u>15.96%</u>

Note: Percentage calculation is number of employees divided by the total employed labor force as provided by the U.S. Department of Labor, Bureau of Labor Statistics.

Source: Charlotte County Clerk of the Circuit Court and County Comptroller

City of Punta Gorda, Florida
 Authorized Full-time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager's Office	2.50	2.50	2.50	1.50	1.50	1.50	1.50	1.50	1.63	1.63
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
City Clerk	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
Procurement	7.50	7.50	7.50	7.50	6.50	6.50	6.50	6.90	7.00	7.25
Finance	8.50	8.50	8.50	8.00	8.00	8.00	7.50	9.00	8.00	8.00
Legal	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Works										
Public Works Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Engineering	4.50	4.00	4.00	4.00	4.00	4.00	4.80	4.80	4.90	4.90
Right of Way Maint	13.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00
Parks and Grounds	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	11.50
Facilities Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Police	56.00	53.00	53.00	49.00	49.00	49.00	49.00	49.00	49.00	49.00
Fire	30.00	29.00	29.00	29.00	28.00	28.00	28.00	28.00	28.00	28.00
Urban Design										
(1) Urban Design/Growth Mgmt	5.00	5.00	5.00	6.00	5.00	5.00	5.00	1.00	1.00	1.00
Zoning & Code Compliance	6.00	6.00	6.00	5.00	6.00	6.00	6.00	3.00	4.00	4.00
Urban Design	-	-	-	-	-	-	-	6.80	6.80	6.80
Punta Gorda Isles Canal Maintenance	9.00	13.00	13.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Coastal & Heartland National										
(2) Estuary Partnership	6.00	4.00	4.00	4.00	4.00	4.00	-	-	-	-
Utilities										
Billing and Collections	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00
Utilities Administration	7.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00
Water Treatment	18.00	18.00	18.00	17.00	17.00	16.00	16.00	16.00	16.00	14.50
Wastewater Collection	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	14.80
Wastewater Treatment	15.75	15.75	15.50	15.00	15.00	14.00	13.50	13.50	13.50	13.50
Water Distribution	16.00	17.00	16.50	16.50	16.50	18.00	18.00	18.00	18.00	17.50
Fleet Maintenance	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.60	1.60	2.00
Sanitation/Refuse	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Building	9.50	9.50	9.00	8.00	8.00	6.56	6.56	5.00	4.87	4.00
Information Technology										
Information Technology (IT)	7.00	6.00	6.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Total	291.25	287.75	285.50	272.50	270.50	267.56	263.36	264.60	264.80	264.88

Source: City of Punta Gorda Amended Authorized Budget Position Summary

(1) FY 2014 Growth Mgmt Admin, Code Compliance and Urban Design were restructured and merged between Urban Design and Zoning & Code Compliance.

(2) FY 2015 began hosting the Coastal and Heartland National Estuary Partnership (CHNEP)

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Calls for Service	17,012	15,513	14,229	12,597	12,894	13,151	11,858	12,333	13,289	14,874
Citations Issued	5,197	5,839	7,007	4,435	7,194	7,901	10,567	9,842	8,562	11,446
Traffic crashes	633	710	676	604	595	582	493	441	444	447
Narcotics arrests	44	210	293	160	200	244	190	113	187	285
Fire Department										
Fires	57	63	61	70	58	78	68	50	80	97
EMS and Police assistance call	2,362	2,658	2,762	2,688	2,640	2,573	2,323	2,248	2,202	2,343
Building										
Building permits issued	2,740	2,820	2,473	2,001	1,932	1,804	1,580	1,553	812	1,297
Building inspections conducted	4,850	6,288	5,885	5,969	6,316	5,279	4,139	3,806	2,575	2,613
Dwelling units permitted	113	142	164	128	246	120	100	99	57	30
Streets and Highways										
Streets resurfaced (<i>miles</i>)	4.5	4.5	4.0	4.6	5.0	5.0	1.5	5.0	7.3	6.3
New sidewalks (linear feet)	2,670	220	425	0	0	1,090	350	2,084	6,020	2,000
Water										
New connections	344	283	227	227	316	278	148	111	62	51
Average daily consumption (<i>thousands of gallons</i>)	5,365	4,842	5,085	5,165	4,687	4,442	4,364	4,352	4,261	4,456
Peak daily consumption (<i>thousands of gallons</i>)	9,904	8,002	7,328	7,072	6,969	6,481	5,318	6,067	6,216	6,471
Water equivalent residential units (ERU)	23,062	22,706	22,426	22,114	21,511	21,103	20,870	20,790	20,656	20,645
Wastewater										
Average daily sewage treatment (<i>thousands of gallons</i>)	2,522	2,523	2,540	2,451	2,618	2,409	2,507	2,281	2,178	2,092
Sewer equivalent residential units (ERU)	17,567	17,242	16,935	16,602	16,228	15,904	15,694	15,557	15,422	15,390
Solid waste collection										
Solid waste collected (<i>tons per day</i>)	33.8	30.5	32.0	28.5	27.8	24.8	23.9	23.5	24.7	22.7
Recyclables collected (<i>tons per day</i>) includes yardwaste	18.8	19.3	26.6	17.3	16.9	13.5	13.3	13.4	13.2	11.7
Punta Gorda Isles Canal										
Seawall replacement (feet)	4,916	24,965	28,445	8,173	7,164	6,984	7,398	6,414	6,609	8,436
Seawall cap replacement (feet)	-	-	404	916	1,062	559	929	6,126	5,304	4,420
Total miles of seawall	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0	91.0
Total miles of canals	45.5	45.5	45.5	45.5	45.5	45.5	45.5	45.5	45.5	45.5
Burnt Store Isles Canal										
Seawall replacement (feet)	987	2,161	-	1,114	1,206	1,284	1,484	1,788	1,740	1,594
Seawall cap replacement (feet)	-	-	103	331	118	51	0	699	556	2,637
Total miles of seawall	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Total miles of canals	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

Source: Various city departments monthly reports and ERU Total reports.

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	2	2	2	2	2	2	2	2	2	2
Number of Police Officers Authorized	38	37	37	34	34	34	34	34	34	34
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Firefighters Authorized	27	26	26	26	26	26	26	26	26	26
Streets and Highways										
Streets (<i>miles</i>)	120	116	116	116	116	116	116	116	116	116
Unpaved streets (<i>miles</i>)	1	2	2	2	2	2	2	2	2	2
1 Streetlights	1,850	800	800	720	720	720	720	720	720	720
Traffic signal intersections	19	19	19	19	19	19	19	19	19	19
Water										
Water mains (<i>miles</i>)	267	240	240	238	238	238	237	237	237	237
Storage capacity (<i>thousands of gallons</i>)	8,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870	6,870
Fire hydrants	1,319	1,243	1,242	1,230	1,230	1,230	1,253	1,234	1,234	1,193
Wastewater										
Sanitary sewers (<i>miles</i>)	138	129	129	129	130	130	130	130	130	129
Treatment capacity (<i>millions</i>)	4	4	4	4	4	4	4	4	4	4
Solid waste collection										
Collection trucks	10	10	10	10	10	10	10	10	10	10
Parks and recreation										
Acreage	120.0	120.0	120.0	120.0	120.0	110.8	104.0	104.0	104.0	90.7
Number of Parks	22	22	22	22	22	20	19	19	19	12

1 Fiscal Year 2020 includes Streetlights and Highmast lights and excludes decorator lights.

Source: City of Punta Gorda Finance Department.

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

CITY OF PUNTA GORDA, FLORIDA
 SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS
 RELATED TO THE DEEPWATER HORIZON OIL SPILL
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Source</u>	<u>Amount Received in the 2020 Fiscal Year</u>	<u>Amount Expended in the 2020 Fiscal Year</u>
British Petroleum: Class Action Lawsuit - Agreement No. DH011	<u>\$ 195,519</u>	<u>\$ 195,519</u>

Note: The above funds represent 100% of the City's funds received and expended in relation to the Deepwater Horizon Oil Spill. There were no other federal or state awards received by the City that are related to the Deepwater Horizon Oil Spill.

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Punta Gorda, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Punta Gorda, Florida (the “City”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 27, 2021.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 27, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City discloses this information in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units required to report to the City.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we disclosed a grant agreement noncompliance finding (2020-001), which is disclosed in the Schedule of Findings and Questioned Costs.

Purpose of this Letter

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
April 27, 2021



April 27, 2021

Memo to: City Council
Memo through: Gregory Murray, City Manager
Memo from: Kristin Simeone, Director of Finance
Regarding: Comments and recommendations from Auditors regarding our Financial Statements

AUDITORS' COMMENTS:

I. Prior year comments which continue to apply.

None.

II. Current year comments and recommendations.

None.

I agree with the management letter comments from the auditing firm of Ashley, Brown & Co.

Kristin Simeone, CPA
Director of Finance

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the business-type activities, and the aggregate remaining fund information of the City of Punta Gorda, Florida (the “City”), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 27, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control over Financial Reporting , continued

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
April 27, 2021



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366 E OLYMPIA AVE, PUNTA GORDA, FL 33950
AshleyBrownCPAS.com

**Report of Independent Accountant on Compliance with
Local Government Investment Policies and Gulf Coast Audits,
Requirements of Sections 218.415 and 288.8018, *Florida Statutes***

Honorable Mayor and City Council
City of Punta Gorda, Florida

Report on Compliance

We have examined the City of Punta Gorda, Florida's (the "City's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, and Gulf Coast audits (Deepwater Horizon Oil Spill) requirements of 288.8018, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Scope

Our examination was conducted in accordance with AICPA Professional Standards, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

Opinion

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

The purpose of this report is to comply with the audit requirements of Sections 218.415 and 288.8018, Florida Statutes, and Rules of the Auditor General.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
April 27, 2021



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Independent Auditor's Report on Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the financial statements of the City of Punta Gorda, Florida, (the "City") as of and for the year ended September 30, 2020, and have issued our report thereon dated April 27, 2021 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
April 27, 2021

CITY OF PUNTA GORDA, FLORIDA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

Independent Auditor's Report on Compliance for Each Major Federal Awards Program and State Financial Assistance Project and on Internal Control over Compliance Required by the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General of the State of Florida*

Honorable Mayor and City Council
City of Punta Gorda, Florida:

Report on Compliance for Each Major Federal Awards Program and State Financial Assistance Project

We have audited the City of Punta Gorda, Florida's (the "City") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement*; and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of City's major federal award programs and state financial assistance projects for the year ended September 30, 2020. The City's major federal award programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal award programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the *Uniform Guidance* and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal award program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Awards Program and State Financial Assistance Project

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on the major federal awards program is not modified with respect to these matters.

Report on Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal awards program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal awards program and state financial assistance project and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal awards program or state financial assistance project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal awards program or state financial assistance project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal awards program or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

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

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
April 27, 2021

CITY OF PUNTA GORDA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS YEAR ENDED SEPTEMBER 30, 2020

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies)? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Award Programs and State Projects

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditor’s report issued on compliance for major federal programs and state projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550 for state projects? Yes No

Identification of major federal award programs and state projects:

<u>Major Federal Programs:</u>	<u>CFDA No.</u>
Department of the Environmental Protection Agency – Capitalization Grants for Drinking Water State Revolving Funds	66.468
<u>Major Sate Projects:</u>	<u>CSFA No.</u>
State of Florida Department of Transportation – Florida Shared-Use Nonmotorized (SUN) Trail Network Program	55.038

Dollar threshold used to determine Type A programs:

Federal programs	\$ 750,000
State projects	\$ 750,000

Auditee qualified as low-risk auditee for federal purposes? Yes No

CITY OF PUNTA GORDA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2020

Part II – Financial Statement Findings

This section identifies significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

Part III –Federal Award Programs - Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

2020-001 Special Tests and Provisions

Environmental Protection Agency
Passed through the Florida Department of Environmental Protection
CFDA 66.468 – Drinking Water State Revolving Fund

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria: The City must ensure that contractors and subcontractors working on construction projects funded with Federal financial assistance pay appropriate wages (prevailing wage) and comply with the provisions of 29 CFR 5.

Condition: The City was unable to demonstrate the City's compliance with Davis-Bacon Act (prevailing wage) requirements as set forth in the grant agreement.

Cause: The City hired an outside firm to conduct CEI Services for this project, however, upon request neither the City nor its consultant were able to timely provide documentation demonstrating compliance with Davis-Bacon Act (prevailing wage) requirements indicating that 10% of the work force was interviewed, nor could they provide a spot check schedule as required by the grant agreement.

Effect: The lack of internal controls over this compliance requirement provides the opportunity for noncompliance under the Davis-Bacon Act (prevailing wage rate clause).

Questioned Costs: Questioned costs were not identified.

Recommendation: We recommend that City increase its oversight over hired consultants and obtain sufficient records demonstrating the City's compliance with the terms of the grant requirements.

Management's Response and Corrective Action Plan: Refer to the separate corrective action plan on page 5.

CITY OF PUNTA GORDA, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2020

Part IV – State Project Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major state projects, as required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

There were no findings required to be reported by Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN – FEDERAL AWARD PRGRAMS

YEAR ENDED SEPTEMBER 30, 2020

Prior Year Audit Findings:

There were no prior year audit findings.

Corrective Action Plan:

2020-001 Special Tests and Provisions

Environmental Protection Agency
Passed through the Florida Department of Environmental Protection
CFDA 66.468 – Drinking Water State Revolving Fund

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Corrective Action: The City will increase its oversight over CEI consultants and ensure proper documentation demonstrating the City's compliance with grant requirements is obtained.

CITY OF PUNTA GORDA, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

FEDERAL AGENCY <i>Pass-through entity</i> Federal Program - Project Name	Federal CFDA Number	Grant/Contract/Identifying Number	Federal Expenditures
<u>DEPARTMENT OF THE INTERIOR</u>			
<i>Passed through the Florida Department of Environmental Protection</i>			
Clean Vessel Act	15.616	MV334	<u>10,208</u>
TOTAL DEPARTMENT OF THE INTERIOR			<u>10,208</u>
<u>DEPARTMENT OF JUSTICE</u>			
Bulletproof Vest Partnership Program	16.607	N/A	<u>3,360</u>
Body Worn Camera Policy and Implementation Program	16.835	2019-BC-BX-0030	<u>27,648</u>
<i>Passed through the Florida Department of Law Enforcement</i>			
Coronavirus Emergency Supplemental Funding Program	16.034	2020-CESF-CHAR-1-C9-010	<u>30,198</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGC-CHAR-2-Y5-010	15,144
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-JAGD-CHAR-1-Y6-006	1,991
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGD-CHAR-1-N3-076	1,515
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0743	<u>5,468</u>
			<u>24,118</u>
TOTAL DEPARTMENT OF JUSTICE			<u>85,324</u>
<u>DEPARTMENT OF THE TREASURY</u>			
<i>Passed through the Florida Department of Transportation</i>			
<i>Passed through Charlotte County, Florida</i>			
Coronavirus Relief Fund	21.019	Y2278	<u>93,265</u>
TOTAL DEPARTMENT OF THE INTERIOR			<u>93,265</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
National Estuary Program	66.456	00D22214	173,331
National Estuary Program	66.456	00D90019	<u>474,819</u>
			<u>648,150</u>
<i>Passed through the Florida Department of Environmental Protection</i>			
Capitalization Grants for Drinking Water State Revolving Funds - Drinking Water State Revolving Fund Cluster	66.468	DW080310	<u>12,471,263</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>13,119,413</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through the Florida Division of Emergency Management</i>			
Disaster Grants - Public Assistance	97.036	FEMA-4337-DR-FL / Z0243	97,880
Disaster Grants - Public Assistance	97.036	05-PA-C%09-18-02-551	<u>201,865</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>299,745</u>
			<u>\$ 13,607,955</u>

The notes to Schedules of Expenditures of Federal Awards is an integral part of this schedule.

CITY OF PUNTA GORDA, FLORIDA

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

STATE AGENCY State Project - Project Name	CSFA Number	Grant/ Contract Number	State Expenditures
<u>STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>			
Charlotte Harbor National Estuary Program Support - CHNEP	37.051	SD006	\$ 64,998
Early Restoration Deepwater Horizon Oil Spill	37.081	DH011	<u>195,519</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION			<u>260,517</u>
<u>STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION</u>			
Florida Shared-Use Nonmotorized (SUN) Trail Network Program	55.038	440234-1-54-01/G0Z03	<u>650,367</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION			<u>650,367</u>
<u>STATE OF FLORIDA DEPARTMENT OF LAW ENFORCEMENT</u>			
Identity Theft and Fraud Grant Program	71.042	2020-SFA-ITF-08-2D-013	<u>1,455</u>
TOTAL STATE OF FLORIDA DEPARTMENT OF LAW ENFORCEMENT			<u>1,455</u>
			<u>TOTAL STATE FINANCIAL ASSISTANCE \$ 912,339</u>

The notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CITY OF PUNTA GORDA, FLORIDA

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) presents the activity of all federal awards of the City of Punta Gorda, Florida (the “City”) for the year ended September 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), Section 215.97 *Florida Statutes*, and the requirements of Chapter 10.550, *Rules of the Auditor General*. Because the Schedule presents only a selected portion of the operations of the City, the schedule is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City’s reporting entity is defined in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2020. All federal award and state financial assistance programs received directly from federal and state agencies, as well as federal award and state financial assistance programs passed through other government agencies, are included in the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2020.

The City did not utilize the 10-percent de minimis indirect cost rate for reimbursement of grant expenditures as covered in 2 CFR 200.414 (f) Indirect Costs.

NOTE 3 – CONTINGENCIES

Grant monies received by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2020, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

NOTE 4 – SUBRECIPIENTS

Of the federal awards and state financial assistance presented in the Schedules, the City did not provide any amounts to subrecipients.

NOTE 5 – MAJOR FEDERAL PROGRAM DETERMINATION

Major federal program determination has been completed in accordance with the Uniform Guidance.

NOTE 6 – MAJOR STATE PROJECT DETERMINATION

Major state program determination has been completed in accordance with the Florida Single Audit Act.



CITY OF PUNTA GORDA

FINANCE DEPARTMENT
326 WEST MARION AVENUE
PUNTA GORDA, FL 33950
(941) 575-3318
FAX: (941) 575-3386

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Kristin Simeone, who being duly sworn, deposes and says on oath that:

1. I am the Director of Finance for the City of Punta Gorda which is a local governmental entity of the State of Florida;
2. The City of Punta Gorda adopted Ordinance No. 1933-2020 implementing revised impact fees; and
3. The City of Punta Gorda has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Kristin Simeone
Director of Finance, City of Punta Gorda

STATE OF FLORIDA
COUNTY OF CHARLOTTE

SWORN TO AND SUBSCRIBED before me this 28th day of April, 2021.

G. Danielle Berhel
NOTARY PUBLIC
Print Name _____

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

