



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

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2006**

PREPARED BY THE FINANCE DEPARTMENT

David W. Drury, CPA, CGFO  
Finance Director

## **CITY COUNCIL**

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

## **CITY MANAGER**

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

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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

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City of **Punta Gorda**, Florida

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

March 6, 2007

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

State law requires that all general-purpose local governments publish within one year of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Punta Gorda for the fiscal year ended September 30, 2006.

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, P.A., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Punta Gorda for the fiscal year ended September 30, 2006 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2006 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Government**

Punta Gorda, founded December 7, 1887, is the only incorporated city in Charlotte County and serves as the County Seat. The City currently occupies a land area of approximately 16 square miles and serves a population of 16,593. The City is empowered to levy a property tax on properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

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

### **Factors Affecting Financial Condition**

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

## **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. This tool not only helps guide the City staff in specific directions, but also helps in the planning of the financial future of the City.

## **Local economy**

As indicated by the top ten leading employers in the Punta Gorda Metropolitan Service Area (MSA) industry is not one of our high points. The top ten include three retail companies, four governmental entities and three hospitals. The advantage to this lack of industry is that our area is not at risk for plant shutdowns or reductions. Our biggest so-called industry is catering to retirees and tourists. This is not conducive to causing major reductions in our tax base or unemployment picture. Currently, the area enjoys an enviable 3.1% unemployment rate. This area tends to be lower than the nation in its unemployment rate. Over the past ten years the rate never exceeded 5%. Property values were surging upward as was the rest of the State of Florida. This trend has slowed greatly, mostly due to the drop in new housing construction and sales of existing homes. It is anticipated that this slowdown will continue through at least 2007 and possibly into 2008. This should not adversely affect the City to a great extent. Regional area job growth is expected to be robust even with this contraction.

## **Major Initiatives**

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

### **GOALS**

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

## STRATEGIC PLAN

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

City Council approved a strategic plan which set priorities. These priorities are delineated below.

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

With the assistance from everyone involved, and these goals and plan as a roadmap, Punta Gorda will thrive in the future.

### **Cash Management**

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

The City maintains a pooled cash account with the State of Florida LGSFTF. This investment vehicle allows flexibility and earns better interest rates for the City's investment. There was \$25,881,699 on deposit with LGSFTF at September 30, 2006. The LGSFTF interest rate at that time was 5.39%. As of September 30, 2006 there were four investments with the Government National Mortgage Association (G.N.M.A.) earning 10% with a fair market value of \$26,466 and nine Federal Agency investments with a fair market value of \$9,894,110 with interest rates ranging from 3% to 5%. The three pension trusts combined had \$28,516,764 (fair value) of investments as of September 30, 2006.

## **Risk Management**

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

## **Pension and other post-employment benefits**

The City sponsors a single-employer defined benefit pension plan for its general and public safety employees. Each year, an independent actuary engaged by the pension plans calculates the amount of the annual contribution that the City must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City fully funds each year's annual required contribution to the pension plans as determined by the actuary. As a result of the City's conservative funding policy, the City has succeeded as of September 30, 2006 in funding 70.71%, 94.04% and 69.42% of the General Employees, Police Officers' and Firefighters' pension plans respectively, the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 30 years for the three plans. The City offers no other post-employment benefit.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2005. This was the twenty-first consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

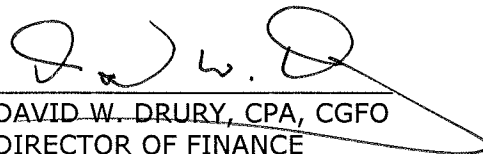
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



HOWARD KUNIK  
CITY MANAGER

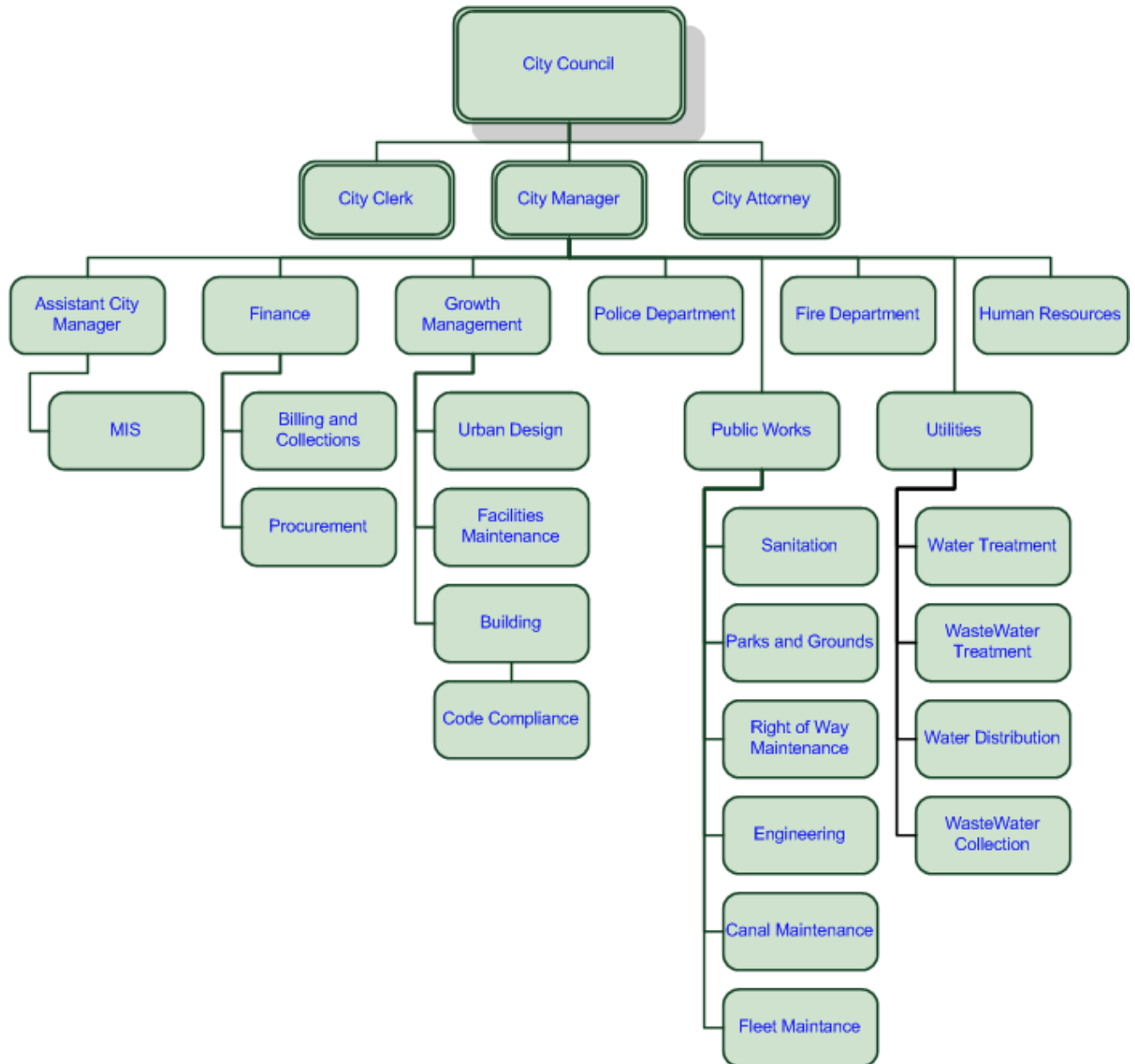


DAVID W. DRURY, CPA, CGFO  
DIRECTOR OF FINANCE

City of Punta Gorda  
List of Principal Officials  
As of September 30, 2006

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

CITY OF PUNTA GORDA, FL  
ORGANIZATION CHART



CERTIFICATE OF ACHIEVEMENT  
FOR EXCELLENCE IN  
FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Punta Gorda, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2005. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Punta Gorda has received a Certificate of Achievement for the last twenty-one consecutive years (fiscal years ended 1985 through 2005). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Punta Gorda  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2005

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



President

Executive Director

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**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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## **Independent Auditor's Report**

Honorable Mayor and City Council  
City of Punta Gorda, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Punta Gorda, Florida, (the "City") as of and for the year ended September 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

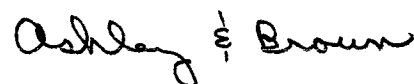
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of

September 30, 2006, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2006, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Handwritten signature in cursive script that reads "Ashley & Brown".

December 29, 2006

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2006.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Punta Gorda exceeded its liabilities at September 30, 2006, by \$87.6 million (net assets). Of this amount, \$22.7 million unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$7.7 million.
- As of September 30, 2006 the City of Punta Gorda's governmental funds reported combined ending fund balances of \$39.3 million. This is an increase of \$3.7 million.
- The City of Punta Gorda's total long-term liabilities increased by net \$3.8 million during the current fiscal year. This increase is discussed further in debt administration.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

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

The **Fund Financial Statements**, which report by individual fund, begin on page 16. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore you will find the reconciliation on page 21 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the entity-wide financial statements. The Fund Financial Statements present information in more detail than in the Entity-wide financial statements. Lesser funds, such as fair-share impact fees, BSI Canal Maintenance District and Storm 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 Assets and the Statement of Activities**

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

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

The statement of activities presents information showing how the City's net assets changed during fiscal year 2005/2006. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes, earned but unused vacation leave.)

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

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain financial control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories:

- Governmental funds – account for most, if not all, of the City's tax-supported activities. Examples are the General fund, the CRA fund, the Capital Projects

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

- Proprietary funds – are used to account for the business-type activities of the government. There are two types: enterprise funds and internal service funds. The City's enterprise funds are Utilities, Sanitation and Building; the internal service funds are Information Technology Services and Fleet Maintenance. All proprietary funds use full accrual basis accounting and the economic measurement focus. Fees or charges are the primary revenue source for proprietary funds. The City's three pension funds are fiduciary funds.
- Fiduciary funds – are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provide in the government-wide and fund financial statements. The notes can be found beginning on page 34.

### **Required Supplementary Information**

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



## THE CITY AS A WHOLE

The City's combined net assets as of September 30, 2006 were \$87.6 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$45.3 million. Total expenses, citywide were \$37.6 million. The increase to citywide net assets was \$7.7 million (Table 2). Below in Table 1 is a condensed Statement of Net Assets, in thousands, for the Governmental activities and the Business-type activities. Per GASB Statement 34, comparative data for the previous year is also presented.

**Table 1**  
**Net Assets**  
**(in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
Current and other assets	\$ 17,623	\$ 11,010	\$ 24,406	\$ 21,214	\$ 42,029	32,224
Capital assets	35,450	33,026	45,408	45,526	80,858	78,552
Total assets	<u>53,073</u>	<u>44,036</u>	<u>69,814</u>	<u>66,740</u>	<u>122,887</u>	<u>110,776</u>
Long-term liabilities	(9,808)	(5,293)	(19,998)	(20,762)	(29,806)	(26,055)
Other liabilities	(3,982)	(3,125)	(1,510)	(1,658)	(5,492)	(4,783)
Total liabilities	<u>(13,790)</u>	<u>(8,418)</u>	<u>(21,508)</u>	<u>(22,420)</u>	<u>(35,298)</u>	<u>(30,838)</u>
Net assets:						
Invested in capital assets, net of debt	26,355	28,455	25,672	25,258	52,027	53,713
Restricted	5,258	3,879	7,632	8,136	12,890	12,015
Unrestricted	7,670	3,284	15,002	10,926	22,672	14,210
Total net assets	<u>\$ 39,283</u>	<u>\$ 35,618</u>	<u>\$ 48,306</u>	<u>\$ 44,320</u>	<u>\$ 87,589</u>	<u>\$ 79,938</u>

The largest portion of the City's net assets (59.4%) reflects its investment in capital assets (land, buildings, plants, and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. Restricted assets (representing 14.7% of total net assets) are subject to external restrictions on how they may be used. The remaining 25.9% balance of unrestricted net assets, \$22,672 thousand, 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 use to repay the outstanding debt on capital assets. The governmental activities net assets increased \$3.7 million or 10%. The business-type activities net assets increased \$4.0 million or 9.0%. The City's overall financial position improved \$7.7 million or 9.6%.

The total governmental activity revenue decreased \$1.5 million from the previous year. However, for FY 2006 the Building Department was changed from a governmental activity to a business activity due to legal restrictions on the revenues. All fees collected should fully support the activity. FY 2006 building operating revenue was \$1.9 million and related expenses were \$1.2 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 3,325	\$ 5,082	\$ 16,534	\$ 13,584	\$ 19,859	\$ 18,666
Operating grants and contributions	565	3,217	9	16	574	3,233
Capital grants and contributions	3,312	1,224	4,148	2,730	7,460	3,954
General revenues:						
Property taxes	6,134	5,733	-	-	6,134	5,733
Other taxes	8,785	8,376	17	14	8,802	8,390
Other	1,037	976	1,391	532	2,428	1,508
Total revenues	<u>23,158</u>	<u>24,608</u>	<u>22,099</u>	<u>16,876</u>	<u>45,257</u>	<u>41,484</u>
Expenses:						
General government	3,279	3,819	-	-	3,279	3,819
Public safety	7,501	7,609	-	-	7,501	7,609
Transportation	2,870	2,068	-	-	2,870	2,068
Economic environment	609	501	-	-	609	501
Recreation	4,929	3,730	-	-	4,929	3,730
Interest on long-term debt	305	203	-	-	305	203
Storm related	-	2,855	-	-	-	2,855
Water and wastewater	-	-	14,171	12,546	14,171	12,546
Sanitation/refuse	-	-	2,722	2,464	2,722	2,464
Building Fund	-	-	1,220	-	1,220	-
Total expenses	<u>19,493</u>	<u>20,785</u>	<u>18,113</u>	<u>15,010</u>	<u>37,606</u>	<u>35,795</u>
Increase in net assets	3,665	3,823	3,986	1,866	7,651	5,689
Net assets-beginning	35,618	31,795	44,320	42,454	79,938	74,249
Net assets-ending	<u>\$ 39,283</u>	<u>\$ 35,618</u>	<u>\$ 48,306</u>	<u>\$ 44,320</u>	<u>\$ 87,589</u>	<u>\$ 79,938</u>

The total primary government expenses increased \$1.8 million, or 5.1%. Of the total, 21% of the increases came from Business-type activities. Water & wastewater expenses increased \$1.6 million, 13%. The total Governmental Activities expense decreased by \$540 thousand. The Storm Related expenses declined by \$2.7 million. The increases were in the areas of transportation which was \$802 thousand, and the recreation expenses increased by \$1.2 million.

The primary government ending net assets was \$87.6 million at Sept. 30, 2006. The increase in net assets for the city overall was \$7.7 million, 9.6%. The prior year increase was \$5.7 million. The Governmental Activities had an increase in net assets of \$3.7 million. Last fiscal year there was a \$3.8 million increase in net assets. The analysis of Governmental Activities revenues and expenses discloses that although total revenues decreased 5.9%, there was an offsetting total expense decrease of 6.2%. Ending net assets are up 10.3%.

The Business-type Activities increase in net assets was almost \$4.0 million. The prior fiscal year increase was \$1.9 million. The analysis of revenues and expenditures disclosed that revenues increased 31% and expenditures increased 2.1%. Ending net assets are up 9%.

The analysis of Table 2 states overall the total Primary Government revenues increased \$3.8 million, 9.1%. The total Governmental activities revenues decreased \$1.5 million, 5.9%. The total Business-type activities increased \$5.2 million, 31%.

The most significant event that affected last year's revenue stream was Hurricane Charley which made landfall in Punta Gorda Friday, Aug. 13, 2004. The hurricane did the most damage to Charlotte and Lee counties. The population of Punta Gorda dropped from 17,168 in 2004 to 16,255 in 2005 but has rebounded somewhat this year to 16,593. The Business-type activities the city provides are Water, Wastewater, Refuse Collection and Building issues. Also rebounding since Charley was the Utility and Refuse revenues. The following chart shows the effect on the revenues.

	Revenues (in thousands)			From 2005 to 2006
	2006	2005	2004	% increase
Water Billings	\$7,016	\$6,511	\$6,917	7.8%
Sewer Billings	\$4,761	\$4,462	\$4,652	6.7%
Refuse Collection	\$2,718	\$2,344	\$2,510	16.0%

#### Major Fund Changes in Net Assets or Fund Balance

The General Fund balance at Sept. 30, 2006 decreased \$547 thousand to \$3.5 million. The undesignated fund balance was \$2.1 million. \$1.1 million was designated for subsequent year's budget and \$300,000 was designated for reappropriation for incomplete projects. The FY 2006 budget earmarked the use of \$1 million of fund balance for general operations. The City Council felt that the \$2.1 million was an adequate emergency reserve and wanted to assist the taxpayers in their recovery from Hurricane Charley by holding the millage rate at the previous year's level. Actual revenues came in \$326 thousand over budget. The significant variances were in interest earnings of an additional \$127 thousand due to higher interest rates and additional idle funds to invest; \$253 thousand from additional utility franchise fees and taxes due partially to growth and partially to a fuel surcharge added to charges by FPL, the electric utility; \$89 thousand increase in fines and permits; offset by a decrease in sales tax of \$133 thousand. The decrease in spending was anticipated as the previous fiscal year was unusually high in consumer spending due to the need to replace furniture and fixtures lost in Hurricane Charley. Actual expenditures came in \$1.1 million less than budgeted. However \$326 thousand of this was requested to be carried over or reappropriated due to incomplete projects. The balance of the savings can be attributed to salaries and benefits due to staff turnover and vacant positions at approximately \$370 thousand; unused professional services (legal, elections, engineering and unemployment comp) of approximately \$88 thousand; savings on cost of vehicles and equipment of

approximately \$80 thousand; and unused operating expenses and reserve for contingency of approximately \$200 thousand.

Community Redevelopment Agency Fund balance increased by \$3 million. A draw down on a line of credit of \$5 million was not fully used and the marina project balance of \$3 million was carried over to be completed in FY2007.

The PGI Canal Maintenance Fund balance increased by \$1.7 million. The assessment fees were increased intentionally to build up an emergency reserve; this was budgeted to be \$700 thousand. The Fund also received unbudgeted reimbursement funds from FEMA of \$150 thousand for a previous year's storm damage. There were expenses that were under budget however there was a subsequent reappropriation request approved by City Council to carry these under spent funds of \$427 thousand over to FY 2007 to complete projects.

The Transportation Impact Fee Fund increased by \$169 thousand. However, the FY 2006 budget had intended to use the entire fund balance for the Aqui Esta road widening project. This project was put on hold by the State of Florida. It is now anticipated that the project scope will be reduced and that less funds will be required by the City. The current fund balance is \$2.2 million. The impact fees collected were short of budgeted by \$97 thousand. This was offset by an increase in interest income of \$64 thousand.

The Water and Wastewater Utility Fund net assets increased by \$2.8 million. The City received contributed capital of \$1million; the water user charges increased by \$425 thousand; the wastewater user charges increased by \$239 thousand; both of these were due to increased customers as well as higher consumption; and interest income increased by \$200 thousand due to increased interest rates and additional idle funds. The budgeted expenses were under spent by \$200 thousand in vacant positions; \$189 thousand in professional fees; \$140 thousand in operating expenses and permits.

### **Governmental Activities**

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

The cost of all governmental activities this year was \$19.5 million as compared to \$20.8 million in FY 2005. As shown in the Statement of Activities on page 15, the net cost that was ultimately paid through taxes and other sources was \$12.3 million. The highlights of how the remaining \$7.2 million was provided follow:

- \$3.3 million in charges for services- \$2.6 million by the canal maintenance districts; and \$.7 million by various fees for general government services;
- \$.5 million in operating grants, capital grants and contributions- \$3.3 million in capital grants - \$2.0 million of this is from FEMA/State of FL to help cover the cost of seawall repairs.

The "all others" category decreased from 2005 to 2006 due to a change in reporting. The Building department, which collected \$2.5 million in fees in 2005 as a governmental activity is now reported as a business activity in 2006.

**Table 3**  
**Governmental Activities**  
**(in Thousands)**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<u><b>2006</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2005</b></u>
Public Safety	\$ 7,501	\$ 7,609	\$ 7,388	\$ 4,678
Transportation	2,870	2,068	2,672	1,867
Economic Environment	609	501	219	401
Recreation	4,929	3,730	188	1,672
All Others	3,584	6,877	2,262	3,447
<b>Totals</b>	<u><u><b>\$ 19,493</b></u></u>	<u><u><b>\$ 20,785</b></u></u>	<u><u><b>\$ 12,729</b></u></u>	<u><u><b>\$ 12,065</b></u></u>

**Business-type Activities**

Revenues of the City's Business-type activities (see Table 2) totaled \$22.1 million. Operating expenses totaled \$18.1 million, showing an increase in net assets of \$4 million.

In the aftermath of Hurricane Charley, the City reviewed the utility rates and found them to be sufficient. However impact fees, which are used to fund infrastructure for growth were increased. Residential sanitation charges for services remained unchanged. Building department fees were increased.

**THE CITY'S FUNDS**

**General Fund Budgetary Highlights**

The differences between the General Fund's final amended budget and actual are highlighted below. Revenues are \$326 thousand higher than budget, most of which is attributable to franchise taxes coming in higher than planned, and the differences between amended budget and actual expenditures total \$1.1 million. This difference is shared between General Government and Public Safety. No specific item or department can be credited with this reduction. All the departments in General Government and Public Safety came in under budget. Actual transfers exceeded budget by \$660 thousand, of which \$500 thousand is directly attributable to the transfer from the General Fund to the Building Fund. The transfer became necessary when the Building Department was made an Enterprise Fund rather than part of the General Fund. This transfer was shown on last year's financial statements as an unreserved designated item.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The City's capital assets as of September 30, 2006 reflect an investment of \$80.9 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>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 9,916	\$ 7,916	\$ 5,403	\$ 5,403	\$ 15,319	\$ 13,319
Buildings	5,373	5,554	3,673	4,555	9,046	10,109
Improvements						
other than buildings	238	234	10,919	10,905	11,157	11,139
Machinery and equipment	3,104	3,208	2,970	2,240	6,074	5,448
Infrastructure / System	12,461	13,286	21,079	20,907	33,540	34,193
Construction						
work in progress	<u>4,358</u>	<u>2,828</u>	<u>1,364</u>	<u>1,516</u>	<u>5,722</u>	<u>4,344</u>
Total Capital Assets	<u>\$ 35,450</u>	<u>\$ 33,026</u>	<u>\$ 45,408</u>	<u>\$ 45,526</u>	<u>\$ 80,858</u>	<u>\$ 78,552</u>

Significant changes to assets this year include:

- Telephone equipment for PW/City Hall. \$ 25 thousand.
- Three Ford Ranger Pick-up Trucks for Building Dept. \$ 37 thousand
- Two riding lawn mowers for right of way. \$ 20 thousand
- One half ton Ford Pick-up for Water Treatment Plant. \$ 18 thousand
- Freightliner 6x4 Cab/Warren Dump Truck Water Treatment. \$ 80 thousand
- Bush Hog Flexwing Rotary Mower for WWTP. \$ 12 thousand
- Linkbelt Rubber -Track Excavator for WWTP. \$ 112 thousand
- Two Ford 4x4 SUV's for Police. \$ 54 thousand
- Four Crane Carrier 25yd Packer Trucks for Sanitation. \$ 636 thousand
- Five Ford Crown Vic Pursuit Vehicles for Police. \$ 125 thousand
- Ford 1 Ton Crewcab Truck for WWTP. \$ 22 thousand.
- Two new trucks for Water Distribution. \$ 58 thousand
- John Deere Tractors & Rotary Cutter for WTP. \$ 226 thousand

- Ford Escape for Fire Department. \$ 19 thousand
- Ford F-150 Truck for Parks & Grounds and WTP. \$ 40 thousand
- Flash trainer Operational Instructions for Fire Dept. \$ 28 thousand
- Dell commercial desktops , workstations, laptops, computer catalysts, & Dell optiplex . \$ 105 thousand
- Two Fujitsu document scanners. \$10 thousand
- Blazer Vacuum Spreader & Magnum Injector for WWTP. \$ 83 thousand
- Eserver 15 (AS400). \$ 92 thousand
- 40 ton chiller for WWTP. \$ 26 thousand
- SCADA Operating System for WWTP. \$ 17 thousand
- Laishley Park Project. \$ 2.4 million
- Courthouse Square Project. \$ 59 thousand
- Improvements to Marion & Olympia . \$ 104 thousand
- Public Works Projects. \$ 86 thousand
- Sidewalks Project. \$ 34 thousand
- Aqui Esta Widening. \$ 26 thousand
- Road improvements. \$ 140 thousand
- Park Improvements. \$ 304 thousand
- Old Charlotte County Court House \$ 98 thousand
- City Beautification . \$ 286 thousand
- Freeman House. \$ 264 thousand.
- Public Parking. \$ 23 thousand.

## **Debt**

As of September 30, 2006 the City had \$9.1 million of revenue note debt in the Governmental Activities. This is a net increase of \$4.556 million over last year. The CRA drew down just over \$5.0 million on its line of credit to help pay for the Laishley Park improvements and marina, with principal payments equaling just under \$.5 million. The business-type Activities bond and note debt was \$19.3 million. This is a decrease of \$1.27 million, totally attributable to principal payments. Capital leases at year end were just under \$1.0 million. This is an increase of \$.5 million. New lease debt of \$.6 million was issued to purchase refuse packer trucks, and debt payments of \$.1 million were made. City-wide compensated absences increased \$51 thousand.

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Even in the aftermath of Hurricane Charley in August 2004, the City enjoys a favorable economic environment and local indicators point to continued stability. According to the May 2006 edition of Inc. Magazine, Punta Gorda is ranked #17 out of 60 on the "Hottest Small Cities" for Entrepreneurs list and ranked #22 overall out of a total of 393 cities featured. The list puts a great deal of focus on job growth, which Inc. Magazine believes is the best way to measure a region's economic vitality.

In December 2005, A.G. Edwards completed its listing of the 200 top-performing communities and 50 states based on residents' personal savings and investing behavior. By measuring a dozen statistical factors, the Nest Egg Index shows the geographic regions where people are succeeding and where they face the greatest difficulty in building and nurturing their nest eggs. Punta Gorda ranks #71 of the top 200 succeeding communities and is #3 in the State of Florida. This information again demonstrates the economic development potential in our community.

In 2002, the U.S. Department of Commerce, Woods & Poole Economics, Inc. published its ranking of Metropolitan Statistical Area (MSA) total employment average annual rate of growth. Punta Gorda ranked #2 for the period 1970-2000 and is ranked #1 for the period 2000-2025.

Private investment (projects of \$1 million or more) in the community since August 2004 is summarized below.

Category	Status	Estimated Value (Millions)
Commercial	Completed	\$ 15.0
Residential	Completed	2.6
Commercial	Under Construction	25.0
Residential	Under Construction	325.5
Mixed-Use	Under Construction	12.0
Commercial	Design	74.0
Residential	Design	15.0
Mixed-Use	Design	140.0

The City pursued and received a significant grant for downtown revitalization, land acquisition, flood mitigation and much needed affordable housing through coordination with the County. A \$9 million Community Development Block Grant (CDBG) Disaster Recovery Grant was approved by the State of Florida Department of Community Affairs (DCA) for affordable housing, floodplain mitigation and commercial rehabilitation. Administrated by Charlotte County, at least 50% of the funds are to be spent in the City. Projects such as funding two community/economic development organizations in the Trabue-Woods area, floodplain mitigation along East Marion Avenue and commercial storefront façade improvements aim to enhance the economic viability of our downtown and economically distressed neighborhoods.

Pertinent economic factors that guide our budget development include:

- Population is back on the rise since the impact of Hurricane Charley. Projections now show a City population of 16,593, up from 16,255 the previous year and a 2007 projection of 17,050.
- Per capita income increased 2.7% to \$26,479.
- As of December 2005, Countywide unemployment stood at 3.1%.
- New construction added \$58 million to the tax base.
- The change in CPI from May 2005 to May 2006 was 4.2%.



# **BASIC FINANCIAL STATEMENTS**

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CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF NET ASSETS  
September 30, 2006

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$14,282,890	\$ 3,221,151	\$17,504,041
Investments	2,501,972	4,300,000	6,801,972
Receivables (net of allowance for uncollectibles)	703,200	950,616	1,653,816
Due from other governments	539,242	-	539,242
Internal balances	(540,786)	540,786	-
Inventories	79,636	105,470	185,106
Prepays (including excess NPO \$48,129)	50,308	22,525	72,833
Deferred charges	-	1,094,903	1,094,903
Restricted assets:			
Cash and cash equivalents	7,169	10,928,364	10,935,533
Investments	-	3,221,915	3,221,915
Receivables	-	19,500	19,500
Capital assets (net of accumulated depreciation):			
Land	9,915,719	5,403,346	15,319,065
Buildings	5,372,741	3,673,540	9,046,281
Improvements other than buildings	238,302	10,918,596	11,156,898
Machinery and equipment	3,103,592	2,970,161	6,073,753
Infrastructure/System	12,461,050	21,078,918	33,539,968
Construction in progress	4,358,373	1,363,871	5,722,244
Total assets	<u>53,073,408</u>	<u>69,813,662</u>	<u>122,887,070</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	1,356,652	754,053	2,110,705
Unearned revenue	2,625,284	-	2,625,284
Liabilities payable from restricted assets	-	755,249	755,249
Long-term liabilities:			
Due within one year	691,857	1,430,721	2,122,578
Due in more than one year	9,116,135	18,567,575	27,683,710
Total liabilities	<u>13,789,928</u>	<u>21,507,598</u>	<u>35,297,526</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	26,355,360	25,671,970	52,027,330
Restricted for:			
Highways and streets	8,326	-	8,326
Capital projects	5,241,808	4,616,415	9,858,223
Debt service	-	1,995,484	1,995,484
Other purposes	8,320	1,020,655	1,028,975
Unrestricted	7,669,666	15,001,540	22,671,206
Total net assets	<u>\$39,283,480</u>	<u>\$48,306,064</u>	<u>\$87,589,544</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2006

	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Functions/Programs</u>					
Governmental Activities:					
General government	\$ 5,680,648	\$ (2,401,571)	\$ 602,994	\$ 550,711	\$ 167,752
Public Safety	7,500,777	-	72,032	14,455	26,406
Transportation	2,754,112	115,954	-	-	198,172
Economic environment	608,842	-	-	-	828,266
Recreation	4,800,167	129,159	2,649,555	-	2,091,524
Interest on long-term debt	304,843	-	-	-	-
<b>Total Governmental Activities</b>	<b>21,649,389</b>	<b>(2,156,458)</b>	<b>3,324,581</b>	<b>565,166</b>	<b>3,312,120</b>
Business-type Activities:					
Water and wastewater	12,579,575	1,591,949	11,936,777	7,322	4,148,396
Sanitation/refuse	2,436,136	285,878	2,718,416	2,000	-
Building Fund	940,873	278,631	1,878,408	-	-
<b>Total Business-type Activities</b>	<b>15,956,584</b>	<b>2,156,458</b>	<b>16,533,601</b>	<b>9,322</b>	<b>4,148,396</b>
<b>Total Functions/Programs</b>	<b>\$37,605,973</b>	<b>\$ -0-</b>	<b>\$19,858,182</b>	<b>\$ 574,488</b>	<b>\$ 7,460,516</b>

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

See Accompanying Notes.

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,957,620)	\$ -	\$ (1,957,620)
(7,387,884)	-	(7,387,884)
(2,671,894)	-	(2,671,894)
219,424	-	219,424
(188,247)	-	(188,247)
(304,843)	-	(304,843)
<u>(12,291,064)</u>	<u>-</u>	<u>(12,291,064)</u>
-	1,920,971	1,920,971
-	(1,598)	(1,598)
<u>-</u>	<u>658,904</u>	<u>658,904</u>
<u>-</u>	<u>2,578,277</u>	<u>2,578,277</u>
<u>(12,291,064)</u>	<u>2,578,277</u>	<u>(9,712,787)</u>
6,134,672	-	6,134,672
1,323,607	16,610	1,340,217
3,440,025	-	3,440,025
4,021,518	-	4,021,518
794,741	842,404	1,637,145
742,086	48,504	790,590
(500,000)	500,000	-
<u>15,956,649</u>	<u>1,407,518</u>	<u>17,364,167</u>
<u>3,665,585</u>	<u>3,985,795</u>	<u>7,651,380</u>
<u>35,617,895</u>	<u>44,320,269</u>	<u>79,938,164</u>
<u>\$39,283,480</u>	<u>\$48,306,064</u>	<u>\$87,589,544</u>

CITY OF PUNTA GORDA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2006

	General	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$1,479,528	\$ 3,897,821	\$1,490,659	\$5,109,846	\$1,233,030	\$ 843,553	\$14,054,437
Investments	1,501,972	-	-	-	1,000,000	-	2,501,972
Taxes receivable	14,512	-	-	-	-	-	14,512
Accounts receivable (net of allowance of \$24,287)	601,591	-	-	-	-	59,038	660,629
Accrued interest receivable	15,225	-	-	-	12,834	-	28,059
Restricted cash and equivalents	7,169	-	-	-	-	-	7,169
Due from other funds	-	64,947	-	159,243	-	-	224,190
Due from other governments	350,531	-	33,989	-	-	154,722	539,242
Inventories	79,636	-	-	-	-	-	79,636
Prepaid items	1,151	-	-	-	-	-	1,151
Total assets	<u>\$4,051,315</u>	<u>\$ 3,962,768</u>	<u>\$1,524,648</u>	<u>\$5,269,089</u>	<u>\$2,245,864</u>	<u>\$1,057,313</u>	<u>\$18,110,997</u>

See Accompanying Notes.

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2006  
(Continued)

LIABILITIES AND FUND BALANCES	General	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Accounts payable	\$ 211,131	\$ 518,225	\$ 101,726	\$ 22,948	\$ -	\$ 80,718	\$ 934,748
Retainage payable	-	135,540	69,064	4,333	-	42,747	251,684
Accrued liabilities	143,318	-	7,532	-	-	-	150,850
Due to other funds	159,243	457,200	-	-	-	64,947	681,390
Unearned revenue	14,281	-	-	-	2,245,864	365,139	2,625,284
Total liabilities	<u>527,973</u>	<u>1,110,965</u>	<u>178,322</u>	<u>27,281</u>	<u>2,245,864</u>	<u>553,551</u>	<u>4,643,956</u>
Fund balances							
Reserved for:							
Permanent fund	-	-	-	-	-	8,326	8,326
Capital improvements and maintenance	-	-	-	5,241,808	-	-	5,241,808
Reserved for other	8,320	-	-	-	-	-	8,320
Unreserved							
Designated for reappropriations	300,230	2,851,803	-	-	-	-	3,152,033
Designated for subsequent year's budget	1,114,440	-	-	-	-	-	1,114,440
Undesignated - reported in Special Revenue Funds	-	-	-	-	-	495,436	495,436
Undesignated - major funds	<u>2,100,352</u>	<u>-</u>	<u>1,346,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,446,678</u>
Total fund balances	<u>3,523,342</u>	<u>2,851,803</u>	<u>1,346,326</u>	<u>5,241,808</u>	<u>-</u>	<u>503,762</u>	<u>13,467,041</u>
Total liabilities and fund balances	<u>\$4,051,315</u>	<u>\$ 3,962,768</u>	<u>\$1,524,648</u>	<u>\$5,269,089</u>	<u>\$2,245,864</u>	<u>\$1,057,313</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2006  
(Continued)

Total brought forward 13,467,041

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total Capital Assets \$35,449,777 less amount included in internal services \$603,494.	34,846,283
Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	758,935
Cumulative effect of business type portion of internal services	(83,586)
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 \$9,807,992 less amount included in internal services \$54,670.	(9,753,322)
Excess "Net Pension Obligation" is an asset on the Statement of Net Assets but is not a financial resource	<u>48,129</u>
Net assets of governmental activities	<u><u>\$39,283,480</u></u>

See Accompanying Notes.



CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2006

	General	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 9,922,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,922,917
Licenses and permits	156,080	-	-	-	-	-	156,080
Intergovernmental revenues	4,702,332	711,131	2,091,524	54,201	-	1,150,094	8,709,282
Charges for services	416,161	-	-	-	-	-	416,161
Fines and forfeitures	173,594	-	-	-	-	-	173,594
Miscellaneous	2,870,360	234,220	2,462,827	215,505	262,190	625,617	6,670,719
<b>Total revenues</b>	<b>18,241,444</b>	<b>945,351</b>	<b>4,554,351</b>	<b>269,706</b>	<b>262,190</b>	<b>1,775,711</b>	<b>26,048,753</b>
Expenditures							
Current							
General government	5,436,018	-	-	-	-	-	5,436,018
Public safety	7,208,484	-	-	-	-	-	7,208,484
Transportation	1,159,563	-	-	-	-	1,195,616	2,355,179
Economic environment	-	127,284	-	-	-	257,665	384,949
Recreation	1,265,157	-	2,836,315	-	-	168,718	4,270,190
Capital outlay	-	2,652,725	-	1,518,079	-	-	4,170,804
Debt service							
Principal retirement	131,996	372,000	25,000	-	-	-	528,996
Interest and fiscal charges	26,691	274,837	3,315	-	-	-	304,843
<b>Total expenditures</b>	<b>15,227,909</b>	<b>3,426,846</b>	<b>2,864,630</b>	<b>1,518,079</b>	<b>-</b>	<b>1,621,999</b>	<b>24,659,463</b>
Excess expenditures (over) under revenues	3,013,535	(2,481,495)	1,689,721	(1,248,373)	262,190	153,712	1,389,290

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2006

	General	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Expenditures (continued)							
Excess expenditures (over) under revenues	3,013,535	(2,481,495)	1,689,721	(1,248,373)	262,190	153,712	1,389,290
Other financing sources (uses)							
Debt proceeds	-	5,053,000	-	-	-	-	5,053,000
Transfers in	60,000	463,400	-	2,799,341	-	220,000	3,542,741
Transfers out	(3,620,551)	-	-	(100,000)	(262,190)	(60,000)	(4,042,741)
Total other financing sources	(3,560,551)	5,516,400	-	2,699,341	(262,190)	160,000	4,553,000
Net change in fund balances	(547,016)	3,034,905	1,689,721	1,450,968	-	313,712	5,942,290
Fund balances, October 1, 2005	4,070,358	(183,102)	(343,395)	3,790,840	-	190,050	7,524,751
Fund balances, September 30, 2006	<u>\$ 3,523,342</u>	<u>\$ 2,851,803</u>	<u>\$ 1,346,326</u>	<u>\$5,241,808</u>	<u>\$ -0-</u>	<u>\$ 503,762</u>	<u>\$13,467,041</u>

CITY OF PUNTA GORDA, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2006

Amounts reported for governmental activities in the statement of activities (page 15)  
are different because:

Net change in fund balances -- total governmental funds (page 20)	\$ 5,942,290
<p style="margin-left: 20px;">Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and capital asset adjustments exceeded capital outlays in the current period.</p>	2,307,683
<p style="margin-left: 20px;">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 on net assets. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest.</p>	(4,523,330)
<p style="margin-left: 20px;">Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, ie Change in Excess NPO (\$1,454) and Compensated absences \$15,829.</p>	14,375
<p style="margin-left: 20px;">Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	<u>(75,433)</u>
Change in net assets of governmental activities (page 15)	<u><u>\$ 3,665,585</u></u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL FUND  
For the Fiscal Year Ended September 30, 2006

	Budgets		Actual	Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,607,595	\$ 9,607,595	\$ 9,922,917	\$ 315,322
Licenses and permits	129,250	129,250	156,080	26,830
Intergovernmental revenues	4,920,020	4,946,443	4,702,332	(244,111)
Charges for services	67,460	455,635	416,161	(39,474)
Fines and forfeitures	103,800	103,800	173,594	69,794
Miscellaneous	2,658,103	2,672,558	2,870,360	197,802
	<u>17,486,228</u>	<u>17,915,281</u>	<u>18,241,444</u>	<u>326,163</u>
Total revenues				
Expenditures				
Current				
General government	5,293,514	5,962,002	5,436,018	525,984
Public safety	7,665,403	7,761,843	7,208,484	553,359
Transportation	1,216,488	1,215,868	1,159,563	56,305
Recreation	1,268,760	1,288,360	1,265,157	23,203
Debt service				
Principal retirement	131,996	131,996	131,996	-
Interest and fiscal charges	25,754	25,754	26,691	(937)
	<u>15,601,915</u>	<u>16,385,823</u>	<u>15,227,909</u>	<u>1,157,914</u>
Total expenditures				
Excess revenues over (under) expenditures	<u>1,884,313</u>	<u>1,529,458</u>	<u>3,013,535</u>	<u>1,484,077</u>
Other financing sources (uses)				
Transfers in	60,000	60,000	60,000	-
Transfers out	(2,960,480)	(2,960,480)	(3,620,551)	(660,071)
	<u>(2,900,480)</u>	<u>(2,900,480)</u>	<u>(3,560,551)</u>	<u>(660,071)</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (1,016,167)</u>	<u>\$ (1,371,022)</u>	<u>(547,016)</u>	<u>\$ 824,006</u>
Fund balances, October 1, 2005			<u>4,070,358</u>	
Fund balances, September 30, 2006			<u>\$ 3,523,342</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
COMMUNITY REDEVELOPMENT AGENCY FUND  
For the Fiscal Year Ended September 30, 2006

	Budgets		Actual	Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 689,352	\$ 636,131	\$ 711,131	\$ 75,000
Miscellaneous	17,500	17,500	234,220	216,720
Total revenues	<u>706,852</u>	<u>653,631</u>	<u>945,351</u>	<u>291,720</u>
Expenditures				
Economic environment	485,000	280,198	127,284	152,914
Capital outlay	4,449,456	5,328,326	2,652,725	2,675,601
Debt service				
Principal retirement	413,000	413,000	372,000	41,000
Interest and fiscal charges	237,000	237,000	274,837	(37,837)
Total expenditures	<u>5,584,456</u>	<u>6,258,524</u>	<u>3,426,846</u>	<u>2,831,678</u>
Excess revenues over expenditures	<u>(4,877,604)</u>	<u>(5,604,893)</u>	<u>(2,481,495)</u>	<u>3,123,398</u>
Other financing sources				
Transfers in	317,947	463,400	463,400	-
Debt proceeds	4,559,657	5,053,000	5,053,000	-
Total other financing sources	<u>4,877,604</u>	<u>5,516,400</u>	<u>5,516,400</u>	<u>-</u>
Net change in fund balances	<u>\$ -0-</u>	<u>\$ (88,493)</u>	3,034,905	<u>\$ 3,123,398</u>
Fund balances, October 1, 2005			<u>(183,102)</u>	
Fund balances, September 30, 2006			<u>\$ 2,851,803</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
P G I CANAL MAINTENANCE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2006

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 1,779,958	\$ 2,091,524	\$ 311,566
Interest	-	-	66,027	66,027
Miscellaneous				
Service assessments	2,371,834	2,371,834	2,389,200	17,366
Other	32,400	32,400	7,600	(24,800)
Total revenues	<u>2,404,234</u>	<u>4,184,192</u>	<u>4,554,351</u>	<u>370,159</u>
Expenditures				
Current				
Recreation	2,154,916	3,404,916	2,836,315	568,601
Debt service				
Principal retirement	25,000	25,000	25,000	-
Interest and fiscal charges	2,953	2,953	3,315	(362)
Total expenditures	<u>2,182,869</u>	<u>3,432,869</u>	<u>2,864,630</u>	<u>568,239</u>
Excess revenues over (under) expenditures	<u>221,365</u>	<u>751,323</u>	<u>1,689,721</u>	<u>938,398</u>
Net change in fund balance	<u>\$ 221,365</u>	<u>\$ 751,323</u>	1,689,721	<u>\$ 938,398</u>
Fund balances, October 1, 2005			<u>(343,395)</u>	
Fund balances, September 30, 2006			<u>\$ 1,346,326</u>	

CITY OF PUNTA GORDA, FLORIDA  
TRANSPORTATION IMPACT FEE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (NON-GAAP)  
For the Fiscal Year Ended September 30, 2006

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Interest	\$ -	\$ 76,853	\$ 76,853
Miscellaneous	295,000	354,200	59,200
Total revenues	<u>295,000</u>	<u>431,053</u>	<u>136,053</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>295,000</u>	<u>431,053</u>	<u>136,053</u>
Other financing sources (uses)			
Debt proceeds	1,600,801	-	(1,600,801)
Transfers out	<u>(2,950,000)</u>	<u>(262,190)</u>	<u>2,687,810</u>
Total other financing uses	<u>(1,349,199)</u>	<u>(262,190)</u>	<u>1,087,009</u>
Net change in fund balance	<u><u>\$(1,054,199)</u></u>	168,863	<u><u>\$ 1,223,062</u></u>
Fund balances, October 1, 2005		<u>2,077,001</u>	
Fund balances, September 30, 2006		<u><u>\$ 2,245,864</u></u>	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 2,245,864
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	<u>(2,245,864)</u>
GAAP Fund Balance	<u><u>\$ -0-</u></u>

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2006

ASSETS	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,861,631	\$ 133,538
Investments	4,300,000	-
Accounts and refund receivable (net of allowance of \$212,025)	693,502	212,257
Inventories	105,470	-
Prepaid items	22,525	-
Accrued interest receivable	44,857	-
Restricted cash and cash equivalents	10,915,501	-
Restricted investments, at amortized cost which approximates fair value	3,221,915	-
Restricted accrued interest receivable	19,500	-
Total current assets	21,184,901	345,795
Capital assets, net	44,309,255	1,066,310
Advances to other funds	457,200	-
Unamortized issuance costs	709,293	-
Prepaid rent	385,610	-
Total noncurrent assets	1,552,103	-
Total assets	\$67,046,259	\$1,412,105

See Accompanying Notes.



<u>Business-type Activities Enterprise Funds</u>		<u>Governmental Activities - Internal Service Funds</u>
<u>Building Fund</u>	<u>Total</u>	
\$1,225,982	\$ 3,221,151	\$ 228,453
-	4,300,000	-
-	905,759	-
-	105,470	-
-	22,525	1,028
-	44,857	-
12,863	10,928,364	-
-	3,221,915	-
-	19,500	-
<u>1,238,845</u>	<u>22,769,541</u>	<u>229,481</u>
<u>32,867</u>	<u>45,408,432</u>	<u>603,494</u>
-	457,200	-
-	709,293	-
-	385,610	-
<u>-</u>	<u>1,552,103</u>	<u>-</u>
<u>\$1,271,712</u>	<u>\$69,730,076</u>	<u>\$ 832,975</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2006  
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Payable from current assets		
Accounts payable	\$ 415,969	\$ 56,054
Retainage payable	433	-
Notes payable	48,701	-
Current portion of revenue notes payable	649,650	-
Current portion of bonds payable	552,500	-
Current portion of leases payable	-	193,610
Accumulated unused compensated absences	22,866	7,999
Accrued liabilities	207,313	12,121
Total payable from current assets	<u>1,897,432</u>	<u>269,784</u>
Payable from restricted assets		
Accrued liabilities	121,848	-
Current portion of bonds payable	570,000	-
Customer deposits	50,538	-
Total payable from restricted assets	<u>742,386</u>	<u>-</u>
Total current liabilities	<u>2,639,818</u>	<u>269,784</u>
NONCURRENT LIABILITIES		
Revenue notes payable	8,569,641	-
Revenue bonds payable - less unamortized discount of \$373,960	8,898,540	-
Leases payable	-	784,745
Accrued compensated absences	205,797	71,991
Total noncurrent liabilities	<u>17,673,978</u>	<u>856,736</u>
Total liabilities	<u>20,313,796</u>	<u>1,126,520</u>
NET ASSETS		
Invested in capital assets net of related debt	25,551,148	87,955
Restricted for system development	335,711	-
Restricted for debt service	1,995,484	-
Restricted for renewal and replacement	684,944	-
Restricted for capital projects	4,616,415	-
Unrestricted	<u>13,548,761</u>	<u>197,630</u>
Total net assets	<u>\$46,732,463</u>	<u>\$ 285,585</u>
Cumulative adjustment for internal service fund activities		
Net assets of business-type activities		

See Accompanying Notes.

Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Building Fund	Total	Funds
\$ 3,339	\$ 475,362	\$ 9,511
-	433	-
-	48,701	-
-	649,650	-
-	552,500	-
-	193,610	-
4,096	34,961	5,467
10,123	229,557	9,859
<u>17,558</u>	<u>2,184,774</u>	<u>24,837</u>
-	121,848	-
-	570,000	-
12,863	63,401	-
<u>12,863</u>	<u>755,249</u>	<u>-</u>
<u>30,421</u>	<u>2,940,023</u>	<u>24,837</u>
-	8,569,641	-
-	8,898,540	-
-	784,745	-
36,861	314,649	49,203
<u>36,861</u>	<u>18,567,575</u>	<u>49,203</u>
<u>67,282</u>	<u>21,507,598</u>	<u>74,040</u>
32,867	25,671,970	603,494
-	335,711	-
-	1,995,484	-
-	684,944	-
-	4,616,415	-
<u>1,171,563</u>	<u>14,917,954</u>	<u>155,441</u>
<u>\$1,204,430</u>	<u>48,222,478</u>	<u>\$ 758,935</u>
	<u>83,586</u>	
	<u>\$48,306,064</u>	

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2006

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 11,936,777	\$ 2,718,416
Licenses and permits	-	-
Miscellaneous	42,318	4,564
	<u>11,979,095</u>	<u>2,722,980</u>
 Total operating revenues		
Operating expenses		
Personal services	4,000,615	975,615
Contractual services	350,777	738,976
Materials and supplies	1,258,218	111,679
Utilities	878,753	3,086
Depreciation	3,999,118	188,180
Insurance	163,020	25,156
Administrative charges	1,794,026	292,706
Repairs and maintenance	555,970	234,829
Travel	26,903	1,024
Rent	89,048	8,089
	<u>13,116,448</u>	<u>2,579,340</u>
 Total operating expenses		
Operating income (loss)	<u>(1,137,353)</u>	<u>143,640</u>
 Nonoperating revenues (expenses)		
Interest income	801,758	2,445
Taxes	-	16,610
Operating grants	7,322	2,000
Interest expense and fiscal charges	(954,526)	(16,938)
Loss on disposition of assets	(76,964)	(123,473)
	<u>(222,410)</u>	<u>(119,356)</u>
 Total nonoperating revenues (expenses)		
 Income (loss) before transfers and contributions	<u>(1,359,763)</u>	<u>24,284</u>
 Totals carried forward	<u>(1,359,763)</u>	<u>24,284</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Building Fund	Total	
\$ 90,242	\$ 14,745,435	\$ 1,377,715
1,788,166	1,788,166	-
1,622	48,504	8,487
<u>1,880,030</u>	<u>16,582,105</u>	<u>1,386,202</u>
811,885	5,788,115	617,903
1,524	1,091,277	246,234
30,925	1,400,822	41,929
3,552	885,391	5,510
3,994	4,191,292	193,863
1,834	190,010	19,314
329,360	2,416,092	15,245
1,483	792,282	267,867
27,540	55,467	12,322
1,704	98,841	84,334
<u>1,213,801</u>	<u>16,909,589</u>	<u>1,504,521</u>
<u>666,229</u>	<u>(327,484)</u>	<u>(118,319)</u>
38,201	842,404	17,375
-	16,610	-
-	9,322	-
-	(971,464)	-
-	(200,437)	(6,041)
<u>38,201</u>	<u>(303,565)</u>	<u>11,334</u>
<u>704,430</u>	<u>(631,049)</u>	<u>(106,985)</u>
<u>704,430</u>	<u>(631,049)</u>	<u>(106,985)</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2006  
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (1,359,763)	\$ 24,284
Transfers in	-	-
Contributions	4,148,396	-
Change in net assets	2,788,633	24,284
Total net assets - beginning	43,943,830	261,301
Total net assets - ending	\$ 46,732,463	\$ 285,585

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

Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Building Fund	Total	Funds
\$ 704,430	\$ (631,049)	\$ (106,985)
500,000	500,000	-
-	4,148,396	-
1,204,430	4,017,347	(106,985)
-		865,920
\$ 1,204,430		\$ 758,935
	(31,552)	
	\$ 3,985,795	

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2006

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 11,909,833	\$ 2,656,413
Cash payments to suppliers for goods and services	(5,075,109)	(1,416,161)
Cash payments to employees for services	(3,966,201)	(973,616)
Other receipts	42,318	4,564
	<u>2,910,841</u>	<u>271,200</u>
<b>Net cash provided by operating activities</b>		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Advances (to) from other funds	(457,200)	-
Taxes	-	16,610
Operating grants	7,322	2,000
Transfers	-	-
Payment on due to other funds	-	(20,000)
	<u>(449,878)</u>	<u>(1,390)</u>
<b>Net cash provided by (used in) noncapital financing activities</b>		
<b>CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of property, plant and equipment	(2,969,355)	(616,064)
Sale of property, plant and equipment	4,064	12,928
Principal paid on debt	(1,273,138)	(136,414)
Interest and fiscal charges paid	(743,302)	(16,938)
Contributions	3,260,208	-
New debt issued	-	616,064
	<u>(1,721,523)</u>	<u>(140,424)</u>
<b>Net cash used in capital and related financing activities</b>		
Totals carried forward	<u>739,440</u>	<u>129,386</u>

See Accompanying Notes.



Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Building Fund	Total	
\$ 1,891,271	\$ 16,457,517	\$ 1,377,715
(394,583)	(6,885,853)	(703,538)
(760,805)	(5,700,622)	(610,096)
1,622	48,504	8,487
<u>737,505</u>	<u>3,919,546</u>	<u>72,568</u>
-	(457,200)	-
-	16,610	-
-	9,322	-
500,000	500,000	-
-	(20,000)	-
<u>500,000</u>	<u>48,732</u>	<u>-</u>
(36,861)	(3,622,280)	(317,003)
-	16,992	50
-	(1,409,552)	-
-	(760,240)	-
-	3,260,208	-
-	616,064	-
<u>(36,861)</u>	<u>(1,898,808)</u>	<u>(316,953)</u>
<u>1,200,644</u>	<u>2,069,470</u>	<u>(244,385)</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2006  
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ 739,440	\$ 129,386
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Gross proceeds from maturities of investments	1,226	-
Interest received	777,750	2,445
Purchase of investments	<u>(500,000)</u>	<u>-</u>
Net cash provided by investing activities	<u>278,976</u>	<u>2,445</u>
Net increase (decrease) in cash and cash equivalents	1,018,416	131,831
Balances - beginning of the year	<u>11,758,716</u>	<u>1,707</u>
Balances - end of year	<u><u>\$ 12,777,132</u></u>	<u><u>\$ 133,538</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (1,137,353)	\$ 143,640
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,999,118	188,180
Net (increase) decrease in:		
Receivables	(16,911)	(62,003)
Inventories	(8,903)	-
Prepays	24,408	-
Net increase (decrease) in:		
Accounts payable	26,101	(616)
Accrued liabilities	34,414	1,999
Customer deposits	<u>(10,033)</u>	<u>-</u>
Net cash provided by operating activities	<u><u>\$ 2,910,841</u></u>	<u><u>\$ 271,200</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>		
Disposal of fully depreciated capital assets	\$ 42,502	\$ 268,622
Donated equipment to/from other funds	70,301	63,125
Donated fixed assets	1,000,303	-

See Accompanying Notes.

Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Funds
Building Fund	Total	
\$ 1,200,644	\$ 2,069,470	\$ (244,385)
-	1,226	-
38,201	818,396	17,375
-	(500,000)	-
<u>38,201</u>	<u>319,622</u>	<u>17,375</u>
1,238,845	2,389,092	(227,010)
-	11,760,423	455,463
<u>\$ 1,238,845</u>	<u>\$ 14,149,515</u>	<u>\$ 228,453</u>
\$ 666,229	\$ (327,484)	\$ (118,319)
3,994	4,191,292	193,863
-	(78,914)	-
-	(8,903)	-
-	24,408	369
3,339	28,824	(11,152)
51,080	87,493	7,807
12,863	2,830	-
<u>\$ 737,505</u>	<u>\$ 3,919,546</u>	<u>\$ 72,568</u>
\$ -	\$ 311,124	\$ 262,164
-	133,426	-
-	1,000,303	-

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
September 30, 2006

	<u>Pension Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,617,383
Interest and dividends receivable	136,073
Member contributions receivable	25,309
Investments, at fair value	
U.S. Treasury and Government Agencies	4,020,557
Corporate Bonds	2,424,462
Corporate Stocks	19,493,189
Mortgage backed securities	<u>2,578,556</u>
Total investments at fair value	<u>28,516,764</u>
Total assets	<u>30,295,529</u>
<b>LIABILITIES AND NET ASSETS</b>	
Refunds payable	<u>17,832</u>
Total liabilities	<u>17,832</u>
Net assets, held in trust for pension benefits	<u><u>\$ 30,277,697</u></u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Fiscal Year Ended September 30, 2006

	Pension Funds
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 1,393,701
Insurance Premiums	400,739
Plan members	907,838
Total contributions	2,702,278
Investment earnings	
Net gain in fair value of investments	1,486,894
Interest and dividends	822,968
Total investment earnings	2,309,862
Less investment expense	170,093
Net investment earnings	2,139,769
Total additions	4,842,047
<b>DEDUCTIONS</b>	
Benefits paid	1,104,437
Refunds of contributions	134,583
Administrative expenses	43,874
Total deductions	1,282,894
Change in net assets	3,559,153
Net assets held in trust for pension benefits	
Beginning of year	26,718,544
End of year	\$ 30,277,697

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

I. Organization and Summary of Significant Accounting Policies

Organization

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

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

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

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

Separate Financial Statements are not prepared for the component units.

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

I. Organization and Summary of Significant Accounting Policies, Continued

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrated the degree to which the direct expenses of a given function or segment 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. 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, 2006

I. Organization and Summary of Significant Accounting Policies, Continued

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

The City reports the following major governmental funds:

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

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

The P G I Canal Maintenance Fund accounts for funds 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. This fund uses a project length budget.

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following funds:

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

I. Organization and Summary of Significant Accounting Policies, Continued

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Wastewater Utility enterprise fund, Sanitation/Refuse enterprise fund, and of the City's internal services funds are charges to customers for sales and services. The Building Fund's revenues are permits and fees collected which are directly related to the building activity in the City. The Water and Wastewater Utility also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Cash and cash equivalents

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

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

D. Accounts receivable and accrued revenues

Accounts receivable in the Water and Wastewater Utility Enterprise Fund do not include amounts for unbilled services for usage due to the immateriality of amount at September 30, 2006.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

I. Organization and Summary of Significant Accounting Policies, Continued

E. Short-term interfund receivables/payables

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

F. Inventories

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

G. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Property, plant, and equipment of the primary government, as well as the component units, 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, 2006

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 and sick pay benefits, which will be paid to employees upon separation from City service if they meet certain criteria. The accumulated compensated absences are accrued when incurred and are reported as long-term liabilities in the Statement of Net Assets.

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

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which does not result in a material difference from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

J. Fund equity

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

K. Intragovernmental allocation of administrative expenses

The General Fund incurs certain administrative expenses for other funds including accounting, legal, personnel administration and other services. The funds that receive these services were charged \$2,401,571 for fiscal year 2006. For the government-wide financial statements these "Indirect Expenses" have been backed out to avoid double counting.

L. Unamortized gains or losses

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$9,753,322 difference are as follows:

Noncurrent liabilities	\$9,807,992
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	<u>(54,670)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - government-wide statement of net assets - Noncurrent liabilities	<u><u>\$9,753,322</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$2,307,683 difference are as follows:

Capital outlay	\$4,238,929
Depreciation expense	(1,877,645)
Adjustments to capital assets - Donations, Transfers, Write offs	<u>(53,601)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$2,307,683</u></u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

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

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$4,523,330 difference are as follows:

New debt issued	\$5,053,000
Change in Accrued interest	(\$674)
Principal repayments:	
Capital Improvement revenue notes	(497,000)
Capital leases	<u>(31,996)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$4,523,330</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$14,375 difference are as follows:

Change in Excess Net Pension Obligation	(\$1,454)
Compensated absences	<u>15,829</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$14,375</u></u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

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, 2006.

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 all Capital Projects Funds.
4. Budget amounts are presented as originally adopted or as amended by the City Council. Unused appropriations lapse at year-end. Any revisions altering the budgeted amounts of total expenditures of any fund must be approved by the City Council. The City Manager can amend the budget within existing appropriations by fund. Supplemental appropriations approved by Council for the fiscal year ended September 30, 2006 totaled \$3,152,033.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP), except as noted in Note L Section IV. A budget was not prepared for the Storm Related Fund. There was no way to anticipate how much was going to be expended, and revenue sources are varied.

C. Interfund transactions

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

D. Deficit fund equity

The General Maintenance Fund had a deficit fund balance of \$18,429 as of September 30, 2006. This deficit is the result of insufficient billing of fleet maintenance. Community Development Block Grant Fund has a deficit fund balance of \$20,607. This deficit was caused by project expenses occurring prior to grant funding. Management is of the opinion that these problems will be resolved in the near future.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

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, 2006 the carrying amounts of the City's deposits below were \$2,553,885 and the bank balances were \$3,367,385. 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, 2006, petty cash for all funds was \$3,990.

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

The City's investments consist of U.S. Government backed Agencies with a fair value of \$9,920,576. These investments have a weighted average maturity of 3 years.

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

**Credit Risk.** The City's investments are U.S. Government backed Agencies with all of the investments having an AAA rating by Standard & Poor's, as well as top ratings by Moody's Investors Service and Fitch Ratings. It is the City's policy to purchase new issue AAA rated U.S. Government backed agencies, and to hold those investments to maturity.

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

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

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CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

A. Cash and Investments, continued

The City also has invested funds in the Florida State Board of Administration Pool which is a "2a-7" like pool as defined in GASB Statement No. 31; therefore, the City's Pool account balance may be used for financial reporting. The fair value of the position in the pool is the same as the value of the pool shares. The amount of investment was \$25,881,699.

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.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

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, 2006:

<u>Water and Wastewater Utility Fund</u>	<u>Cash and Cash Equivalents</u>	<u>Investment Securities</u>
Renewal and Replacement Account - reserved for extensions, enlargements and replacements of capital assets of the utility system	\$ -	\$ 684,944
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	3,748,886	-
Sewer System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	2,494,500	-
Sewer System Capital Improvement Account - established under State guidelines as a prerequisite for receiving State grant funds under the provision of regulatory requirements	335,711	-
Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds	29,779	-
Bond Reserve Account - maintained at the level required by the Bond Ordinance	97,238	1,521,915
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	332,052	-
Water and Building Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	48,345	15,056
Utilities Construction Account - reserved for payment of the costs of new projects	3,800,767	1,000,000
Special Assessments - District #4 - established to account for assessments levied for utility expansion	41,086	-
	<u>\$ 10,928,364</u>	<u>\$ 3,221,915</u>

<u>Accrued Interest Receivable</u>	<u>Total</u>
\$ -	\$ 684,944
-	3,748,886
-	2,494,500
-	335,711
-	29,779
14,500	1,633,653
-	332,052
-	63,401
5,000	4,805,767
<u>-</u>	<u>41,086</u>
<u>\$ 19,500</u>	<u>\$ 14,169,779</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

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, 2006:

Cash and Cash Equivalents	
Law enforcement trust	<u>\$ 7,169</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ -	\$ 159,243
Community Redevelopment Agency	64,947	457,200
Capital Projects - General Construction	159,243	-
Nonmajor Governmental Funds		
CDBG Fund	<u>-</u>	<u>64,947</u>
	224,190	681,390
Governmental funds consolodation	<u>(140,604)</u>	<u>(140,604)</u>
	83,586	540,786
Utilities	457,200	-
Statement of Net Assets	<u>\$ 540,786</u>	<u>\$ 540,786</u>

The interfund assets/liabilities are predominantly short term cash flow loans between funds. The \$159,243 General Fund Liability is the 1¢ sales tax revenue accrual that will be paid in October, 2006. The \$457,200 CRA loan is a cash flow loan to be paid over the next two years. This loan is to cover the unanticipated costs of additional fill needed in the Laishley Park project. The \$64,947 is a cash flow loan from the CRA to the CDBG Fund to cover expenses that had not yet been reimbursed by grants.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

C. Interfund Asset/Liabilities/Transfers, continued

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

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

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$ 60,000	\$ 3,620,551
Community Redevelopment	463,400	-
Capital Projects Fund	2,799,341	100,000
Impact Fees - Transportation	-	262,190
Nonmajor Governmental funds	<u>220,000</u>	<u>60,000</u>
Net Governmental Funds	<u>3,542,741</u>	<u>4,042,741</u>
Business-type		
Building Fund	<u>500,000</u>	-
Total Transfers	<u>\$ 4,042,741</u>	<u>\$ 4,042,741</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2006 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,915,719	\$ 2,000,000	\$ -	\$ 9,915,719
Construction in progress	2,827,586	3,805,419	(2,274,632)	4,358,373
Total capital assets, not being depreciated	<u>10,743,305</u>	<u>5,805,419</u>	<u>(2,274,632)</u>	<u>14,274,092</u>
Capital assets, being depreciated:				
Buildings	7,249,395	-	(21,051)	7,228,344
Improvements other than buildings	563,782	25,648	(11,349)	578,081
Infrastructure	65,734,276	309,251	-	66,043,527
Vehicles and equipment	7,863,211	689,507	(805,107)	7,747,611
Total capital assets, being depreciated	<u>81,410,664</u>	<u>1,024,406</u>	<u>(837,507)</u>	<u>81,597,563</u>
Less accumulated depreciation for:				
Buildings	(1,694,520)	(167,906)	6,823	(1,855,603)
Improvements other than buildings	(330,268)	(19,669)	10,158	(339,779)
Infrastructure	(52,448,411)	(1,134,066)	-	(53,582,477)
Vehicles and equipment	(4,654,987)	(749,866)	760,834	(4,644,019)
Total accumulated depreciation	<u>(59,128,186)</u>	<u>(2,071,507)</u>	<u>777,815</u>	<u>(60,421,878)</u>
Total capital assets, being depreciated, net	<u>22,282,478</u>	<u>(1,047,101)</u>	<u>(59,692)</u>	<u>21,175,685</u>
Governmental activities capital assets, net	<u>\$33,025,783</u>	<u>\$ 4,758,318</u>	<u>\$ (2,334,324)</u>	<u>\$35,449,777</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

D. Capital assets, continued

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,403,346	\$ -	\$ -	\$ 5,403,346
Construction in progress	1,516,340	904,756	(1,057,225)	1,363,871
Total capital assets, not being depreciated	<u>6,919,686</u>	<u>904,756</u>	<u>(1,057,225)</u>	<u>6,767,217</u>
Capital assets, being depreciated:				
Buildings	21,442,431	8,355	(167,700)	21,283,086
Improvements other than buildings	18,330,039	13,358	-	18,343,397
System Infrastructure	46,606,261	2,984,607	-	49,590,868
Vehicles and equipment	4,951,338	1,457,312	(583,563)	5,825,087
Total capital assets, being depreciated	<u>91,330,069</u>	<u>4,463,632</u>	<u>(751,263)</u>	<u>95,042,438</u>
Less accumulated depreciation for:				
Buildings	(16,888,503)	(808,806)	87,763	(17,609,546)
Improvements other than buildings	(7,424,712)	(89)	-	(7,424,801)
System Infrastructure	(25,699,136)	(2,812,814)	-	(28,511,950)
Vehicles and equipment	(2,710,918)	(570,183)	426,175	(2,854,926)
Total accumulated depreciation	<u>(52,723,269)</u>	<u>(4,191,892)</u>	<u>513,938</u>	<u>(56,401,223)</u>
Total capital assets, being depreciated, net	<u>38,606,800</u>	<u>271,740</u>	<u>(237,325)</u>	<u>38,641,215</u>
Business-type activities capital assets, net	<u>\$45,526,486</u>	<u>\$ 1,176,496</u>	<u>\$ (1,294,550)</u>	<u>\$45,408,432</u>

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

<b>Governmental activities:</b>	
General government	\$ 199,936
Public safety	474,206
Transportation	526,491
Canal maintenance	677,012
Internal service funds	193,863
Total depreciation expense -- governmental activities	<u>\$ 2,071,508</u>
<b>Business-type activities:</b>	
Public utilities	\$ 3,999,118
Sanitation/refuse collection	188,180
Building	3,994
Total depreciation expense -- business-type activities	<u>\$ 4,191,292</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

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, 2006:

	Governmental Activities - Long-Term Debt			
	Capital Improvement Revenue Notes	Capital Leases	Compensated Absences	Total
Debt payable at October 1, 2005	\$ 4,538,417	\$ 31,996	\$ 674,734	\$ 5,245,147
Debt retired	(497,000)	(31,996)	-	(528,996)
Debt issued	5,053,000	-	-	5,053,000
Amortization of original issue discount	-	-	-	-
Amortization of early call premium	-	-	-	-
Amortization of underwriters premium	-	-	-	-
Additions in compensated absences	-	-	92,601	92,601
Deductions in compensated absences	-	-	(108,430)	(108,430)
Debt payable at September 30, 2006 (net)	<u>\$ 9,094,417</u>	<u>\$ -0-</u>	<u>\$ 658,905</u>	<u>\$ 9,753,322</u>



Business-type Activities  
Long-Term Debt

Water and Wastewater Utility Revenue Bonds	Water and Wastewater Utility Revenue Notes	Water and Wastewater Utility Notes	Capital Leases	Compensated Absences	Total
\$ 11,029,460	\$ 9,432,429	\$ 48,701	\$ 498,705	\$ 282,640	\$ 21,291,935
(1,060,000)	(213,138)	-	(136,414)	-	(1,409,552)
-	-	-	616,064	-	616,064
27,459	-	-	-	-	27,459
41,421	-	-	-	-	41,421
(17,300)	-	-	-	-	(17,300)
-	-	-	-	95,660	95,660
-	-	-	-	(28,691)	(28,691)
<u>\$ 10,021,040</u>	<u>\$ 9,219,291</u>	<u>\$ 48,701</u>	<u>\$ 978,355</u>	<u>\$ 349,609</u>	<u>\$ 20,616,996</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2006 are comprised of the following:

Governmental Activities

Revenue Notes

<p>\$300,000 Revenue Note, this note is the first of a group of notes authorized to be issued in an outstanding aggregate principal amount not to exceed \$2,150,000 per a line-of-credit agreement with a financial institution; collateralized by a subordinate lien on the City's electric utilities tax revenues as well as a covenant to budget and appropriate until all of the notes are paid. Interest is payable quarterly at 82.6% of the one month London Interbank Offered Rate which was 5.33% on September 30, 2006. Principal is payable quarterly. Final maturity is scheduled for October 1, 2009.</p>	\$ 68,750
<p>\$720,000 Revenue Note, this note is the second of a group of notes authorized to be issued in an outstanding aggregate principal amount not to exceed \$2,150,000 as discussed above. Principal and interest are payable quarterly at 82.6% of the one month London Interbank Offered Rate which was 5.33% on September 30, 2006. Principal is payable quarterly. Final maturity is scheduled for October 1, 2009.</p>	180,000
<p>\$4,092,000 Revenue Note, this note was issued on December 5, 2002 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 5.33%. Principal is payable semi-annually. Final maturity scheduled for January 1, 2013.</p>	3,426,000

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Governmental Activities, continued

Revenue Notes, continued

\$5,053,000 Revenue Note, this note was issued on November 17, 2005 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 4.09%. Principal is payable semi-annually. Final maturity is scheduled for January 1, 2013. 4,963,000

\$800,000 Revenue Note, this note was issued on January 5, 2000, and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable quarterly at 82.6% of the one month London Interbank Offered Rate which was 5.33% on September 30, 2006. Principal is payable quarterly. Final maturity is scheduled for January 1, 2010. 260,000

\$400,000 Land Acquisition Revenue Note, collateralized by the property purchased. Principal is payable monthly in 120 equal installments of \$3,333. Final maturity is scheduled for August 20, 2011. Interest is payable at 8.00% of the remaining principal balance. No prepayment is allowed on this loan. 196,667

Total revenue notes payable 9,094,417

Less current maturities (620,500)

Noncurrent portion, revenue notes payable \$ 8,473,917

CITY OF PUNTA GORDA, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2006

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Bonds

<p>\$16,200,000 Utility System Refunding Revenue Bonds,          Series 2002, collateralized by net revenues, impact fees          and all other system related proceeds. These bonds          are current interest paying serial bonds with interest          rates ranging from 2.50% to 5.25%, with final maturity          on January 1, 2014. Bonds maturing on or after          January 1, 2012 are subject to redemption prior to          maturity at a redemption price equal to the unpaid          principal amount plus accrued interest.</p>	<p>\$ 10,395,000</p>
<p>Less unamortized discount and call premium</p>	<p><u>(373,960)</u></p>
<p>Net</p>	<p>10,021,040</p>
<p>Less current maturities</p>	<p><u>(1,122,500)</u></p>
<p>Noncurrent portion, revenue bonds payable</p>	<p><u><u>\$ 8,898,540</u></u></p>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

Revenue Notes

\$5,193,111 Revenue Notes, two notes were combined after project completion; these notes were issued on March 15, 2000 and are to be repaid by the Water and Wastewater Utility Fund, payable to a State of Florida agency; collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Interest is payable semi-annually at 3.36% per annum. Principal is payable semi-annually. Both principal and interest payments commenced on February 15, 2002 with final maturity scheduled for August 15, 2021. 4,219,291

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

Total revenue notes payable 9,219,291

Less current maturities (649,650)

Noncurrent portion, revenue notes payable \$ 8,569,641

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CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Water and Wastewater Utility Notes Payable

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

\$500,674 Two Capital lease agreements were entered into with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$233,376, minimum lease payments of \$10,011 and \$10,792 including imputed fixed rate interest of 4.42% and 4.19% respectively with maturities of 84 months. All lease payments are payable quarterly.	140,211
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\$275,712 Capital lease agreement was entered into on January 19, 2005 with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$216,630, minimum lease payments of \$11,126, payable quarterly, including imputed fixed rate interest of 3.45% with final maturity on January 21, 2012.	222,080
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\$616,064 Capital lease agreement was entered into on June 7, 2006 with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$572,456, minimum lease payments of \$50,942, payable semi-annually, including imputed fixed rate interest of 4.03% with final maturity on June 8, 2013.	<u>616,064</u>
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Total leases payable	978,355
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Less current maturities	<u>(193,610)</u>
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Noncurrent portion, leases payable	<u>\$ 784,745</u>
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CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2006 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt	
	Capital Improvement Revenue Notes	
	Principal	Interest
2007	620,500	357,464
2008	648,000	332,951
2009	660,250	307,318
2010	540,500	283,380
2011	535,167	261,081
2012-2016	6,090,000	356,321
2017-2021	-	-
Total	\$ 9,094,417	\$ 1,898,515

Compensated Absences	Current Portion	Noncurrent Portion	Totals
Governmental Activities	\$ 65,890	\$ 593,015	\$ 658,905
Business-type Activities	34,961	314,648	\$ 349,609
	\$ 100,851	\$ 907,663	\$ 1,008,514

Interest on the variable-rate portion of the Capital Improvement Notes, and variable-rate portion of the Water and Wastewater Utility Revenue Notes is calculated at 82.6% of the one month London Interbank Offered Rate which was 5.33% on September 30, 2006. Therefore, interest amount used is 4.40%.



Business-type Activities  
Long-Term Debt

Water and Utility Revenue Bonds		Water and Wastewater Utility Revenue Notes		Water and Wastewater Utility Notes	Capital Leases	
Principal	Interest	Principal	Interest			
1,105,000	465,290	649,651	291,896	48,701	229,597	
1,140,000	419,820	674,614	270,531	-	209,576	
1,210,000	371,040	696,579	248,409	-	146,387	
1,260,000	318,540	719,117	225,569	-	146,387	
1,320,000	258,450	742,460	201,987	-	146,387	
4,360,000	349,237	4,090,276	628,494	-	226,001	
-	-	1,646,594	156,268	-	-	
<u>\$10,395,000</u>	<u>\$ 2,182,377</u>	<u>\$ 9,219,291</u>	<u>\$ 2,023,154</u>	<u>\$ 48,701</u>	1,104,335	Total minimum lease payments
					(125,980)	Less: Amounts representing interest
					<u>\$ 978,355</u>	Present value of minimum lease payments

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

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

Water and Wastewater Utility Fund

Utility System Refunding Revenue Bonds, Series 2002.

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

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

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

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

Line-of-credit agreement

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

Of the \$9,145,000 available, on December 5, 2002 \$2,065,000 was drawn down to pay off a previous loan, and \$2,027,000 was drawn down for project expenditures, leaving a balance available of \$5,053,000. This balance was drawn down on November 17, 2005. The interest rate for the final draw down is 4.09%.

CITY OF PUNTA GORDA, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2006

IV. Detailed notes on all funds, Continued

F. Defeased Bond Issues

The current balances of the bond issues related to the City's Water and Wastewater Utility Funds previously defeased by the City are as follows at September 30, 2006:

Refunding Utility Revenue Certificates, Series 1978	\$ 2,225,000
Total outstanding defeased bond issues	\$ 2,225,000

G. 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, 2006 was \$2.4772 per \$1,000 of assessed taxable property value. Property tax revenues are recognized currently in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the City. There were no delinquent or uncollected property taxes at year-end.

No accruals for property tax levy becoming due in November 2006 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, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems

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

Plan Descriptions

(a) General Employees' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	56
Vested terminated employees	5
Beneficiaries	4
Active employees	
Fully-vested	104
Nonvested	102

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

The Plan is administered by a Board of Trustees.

CITY OF PUNTA GORDA, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	11
Vested terminated employees	4
Beneficiaries	1
Disability benefits	4
Active employees	
Fully-vested	16
Nonvested	17

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

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

The Plan is administered by a Board of Trustees.

(c) Municipal Firefighters' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	5
Vested terminated employees	6
Beneficiaries	1
Disability benefits	5
Active employees	
Fully-vested	9
Nonvested	18

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

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

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

The Plan is administered by a Board of Trustees.

Actuarial assumptions and funding

(a) General Employees' Pension Plan

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

(b) Municipal Police Officers' Pension Plan

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan

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

Annual Pension Costs and Net Pension Obligations

The City has no net pension obligations as all actuarially determined amounts are contributed each year. The City's annual pension costs for the General Employees' pension plan was \$1,188,882 Municipal Police Officers' pension plan \$153,468 and Municipal Firefighters' pension plan \$52,805 for fiscal year ended September 30, 2006.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2004 actuarial valuation using the frozen entry age actuarial cost method.

The actuarial value of assets was determined using market value for all three plans. The excess of actuarial value of assets over the actuarial accrued liabilities is being amortized using the level percentage of pay closed method for each of the three plans. As of the October 1, 2004 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 30 years for the General Employees', 30 years for Municipal Police Officers' and 30 years for Municipal Firefighters' plans.

Trend information

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Pension balances at September 30, 2006 were as follows:

	<u>General Employees' Pension Plan</u>	<u>Municipal Police Officers' Pension Plan</u>	<u>Municipal Firefighters' Pension Plan</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,163,060	\$ 267,309	\$ 187,014	\$ 1,617,383
Interest and dividends receivable	68,821	44,148	23,104	136,073
Member contributions receivable	15,716	4,974	4,619	25,309
Investments, at fair value				
U.S. Treasury and Government Agencies	1,929,994	1,387,033	703,530	4,020,557
Corporate Bonds	1,181,397	825,409	417,656	2,424,462
Corporate Stocks	11,859,505	4,643,904	2,989,780	19,493,189
Mortgage backed securities	<u>1,250,111</u>	<u>870,490</u>	<u>457,955</u>	<u>2,578,556</u>
Total investments at fair value	<u>16,221,007</u>	<u>7,726,836</u>	<u>4,568,921</u>	<u>28,516,764</u>
Total assets	<u>17,468,604</u>	<u>8,043,267</u>	<u>4,783,658</u>	<u>30,295,529</u>
<b>LIABILITIES AND NET ASSETS</b>				
Refunds payable	<u>17,832</u>	<u>-</u>	<u>-</u>	<u>17,832</u>
Total liabilities	<u>17,832</u>	<u>-</u>	<u>-</u>	<u>17,832</u>
Net assets, held in trust for pension benefits	<u><u>\$17,450,772</u></u>	<u><u>\$ 8,043,267</u></u>	<u><u>\$ 4,783,658</u></u>	<u><u>\$ 30,277,697</u></u>



CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2006 was as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 1,188,881	\$ 152,241	\$ 52,579	\$ 1,393,701
Insurance premiums	-	195,983	204,756	400,739
Plan members	<u>657,876</u>	<u>142,584</u>	<u>107,378</u>	<u>907,838</u>
Total contributions	<u>1,846,757</u>	<u>490,808</u>	<u>364,713</u>	<u>2,702,278</u>
Investment earnings				
Net gain in fair value of investments	967,333	315,067	204,494	1,486,894
Interest and dividends	<u>440,998</u>	<u>240,746</u>	<u>141,224</u>	<u>822,968</u>
Total investment earnings	1,408,331	555,813	345,718	2,309,862
Less investment expense	<u>95,920</u>	<u>49,825</u>	<u>24,348</u>	<u>170,093</u>
Net investment earnings	<u>1,312,411</u>	<u>505,988</u>	<u>321,370</u>	<u>2,139,769</u>
Total additions	<u>3,159,168</u>	<u>996,796</u>	<u>686,083</u>	<u>4,842,047</u>
<b>DEDUCTIONS</b>				
Benefits paid	586,157	246,806	271,474	1,104,437
Refunds of contributions	85,750	23,125	25,708	134,583
Administrative expenses	<u>22,300</u>	<u>12,403</u>	<u>9,171</u>	<u>43,874</u>
Total deductions	<u>694,207</u>	<u>282,334</u>	<u>306,353</u>	<u>1,282,894</u>
Change in net assets	2,464,961	714,462	379,730	3,559,153
Net assets held in trust for pension benefits				
Beginning of year	<u>14,985,811</u>	<u>7,328,805</u>	<u>4,403,928</u>	<u>26,718,544</u>
End of year	<u>\$17,450,772</u>	<u>\$ 8,043,267</u>	<u>\$ 4,783,658</u>	<u>\$ 30,277,697</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Trend information, continued

Three-Year Trend Information (Dollar)

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
General Employees' pension plan			
9/30/2006	\$ 1,188,882	100%	\$ (122)
9/30/2005	1,110,362	100%	(123)
9/30/2004	1,032,275	100%	(124)
Municipal Police Officers' pension plan			
9/30/2006	\$ 153,468	99%	\$ (27,625)
9/30/2005	43,283	167%	(28,852)
9/30/2004	52,010	100%	0
Municipal Firefighters' pension plan			
9/30/2006	\$ 52,805	100%	\$ (20,382)
9/30/2005	41,826	116%	(20,608)
9/30/2004	155	100%	(13,971)

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

	<u>9/30/2004</u>	<u>9/30/2005</u>	<u>9/30/2006</u>
Actuarially Determined			
Contribution (A)	\$ 1,032,274	\$ 1,110,361	\$ 1,188,881
Interest on NPO	(10)	(10)	(10)
Adjustment to (A)	11	11	11
Annual Pension Cost	1,032,275	1,110,362	1,188,882
Contributions Made	1,032,274	1,110,361	1,188,881
Increase in NPO	1	1	1
NPO Beginning of Year	(125)	(124)	(123)
NPO End of Year	<u>\$ (124)</u>	<u>\$ (123)</u>	<u>\$ (122)</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Trend information, continued

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

	<u>9/30/2004</u>	<u>9/30/2005</u>	<u>9/30/2006</u>
Actuarially Determined			
Contribution (A)	\$ 52,010	\$ 43,283	\$ 152,241
Interest on NPO	-0-	-0-	(2,308)
Adjustment to (A)	<u>-0-</u>	<u>-0-</u>	<u>3,535</u>
Annual Pension Cost	52,010	43,283	153,468
Contributions Made	<u>52,010</u>	<u>72,135</u>	<u>152,241</u>
Increase in NPO	-0-	(28,852)	1,227
NPO Beginning of Year	<u>-0-</u>	<u>-0-</u>	<u>(28,852)</u>
NPO End of Year	<u>\$ -0-</u>	<u>\$ (28,852)</u>	<u>\$ (27,625)</u>

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

	<u>9/30/2004</u>	<u>9/30/2005</u>	<u>9/30/2006</u>
Actuarially Determined			
Contribution (A)	\$ -0-	\$ 41,673	\$ 52,579
Interest on NPO	(1,130)	(1,118)	(1,649)
Adjustment to (A)	<u>1,285</u>	<u>1,271</u>	<u>1,875</u>
Annual Pension Cost	155	41,826	52,805
Contributions Made	<u>-0-</u>	<u>48,463</u>	<u>52,579</u>
Increase in NPO	155	(6,637)	226
NPO Beginning of Year	<u>(14,126)</u>	<u>(13,971)</u>	<u>(20,608)</u>
NPO End of Year	<u>\$ (13,971)</u>	<u>\$ (20,608)</u>	<u>\$ (20,382)</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Trend information, continued

Concentration of Investments

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

General Employees' Pension Plan	
Goldman Sachs Fin Sq Treasury	
Obligation Administration Fund #469	6.7%

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, 2006

IV. Detailed notes on all funds, Continued

J. Risk Management

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

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

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

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

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2006

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2006, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 217,196
Administrative charges to other funds	2,401,571
Other	251,593
	<u>2,870,360</u>
<u>Community Redevelopment Agency</u>	
Interest	224,787
Other	9,433
	<u>234,220</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	66,027
Service Assessments	2,389,200
Other	7,600
	<u>2,462,827</u>
<u>Capital Project Fund</u>	
Interest	209,505
Other	6,000
	<u>215,505</u>
<u>Impact Fees - Transportation</u>	
Interest	64,018
Impact Fees	198,172
	<u>262,190</u>
<u>Other Governmental Funds</u>	
Interest	13,208
Service Assessments	258,855
Impact Fees	57,760
Other	295,794
	<u>625,617</u>
	<u>\$ 6,670,719</u>

CITY OF PUNTA GORDA, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2006

IV. Detailed notes on all funds, Continued

L. Difference Between Budgeted and Actual Results

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

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

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

	<u>Fair Share Impact Fees</u>
Budgetary fund balance	\$ 2,611,003
Basis difference:	
Impact fees received but not recognized as revenue until offsetting expenditures -- GAAP basis -- Unearned Revenue	<u>(2,611,003)</u>
GAAP fund balance	<u><u>\$ -0-</u></u>

M. Other Reserves-Fund Balance

The fund balances classified as "reserved for other" Governmental Activities at September 30, 2006 consisted of the following:

General Fund	
Reserved for prepaids	\$ 1,151
Reserved for law enforcement	7,169
	<u><u>\$ 8,320</u></u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

Trend Information for Pension Plans

CITY OF PUNTA GORDA  
EMPLOYEES' PENSION PLANS  
SCHEDULE OF FUNDING PROGRESS  
September 30, 2006

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded Actuarial Accrued Liability Frozen Entry Age (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as of % of Covered Payroll ((b-a)/c)
General Employees' Pension Plan						
10/01/05	\$ 13,683,632	\$ 19,351,415	\$ 5,667,783	70.71%	\$7,849,841	72.20%
10/01/04	11,816,336	17,072,705	5,256,369	69.21%	6,527,743	80.52%
10/01/03	10,776,210	15,253,900	4,477,690	70.65%	6,205,592	72.16%
10/01/02	9,904,366	14,051,610	4,147,244	70.49%	5,787,289	71.66%
10/01/01	9,603,637	10,711,658	1,108,021	89.66%	5,362,591	20.66%
10/01/00	8,961,695	10,062,790	1,101,095	89.06%	4,781,727	23.03%
10/01/99	7,794,026	8,780,241	986,215	88.77%	3,842,344	25.67%
10/01/98	6,693,918	6,773,262	79,344	98.83%	3,547,740	2.24%
10/01/97	5,648,731	5,766,012	117,281	97.97%	3,367,153	3.48%
10/01/96	4,794,100	4,925,669	131,569	97.33%	3,158,957	4.16%
Municipal Police Officers' Pension Plan						
10/01/05	\$ 6,991,355	\$ 7,434,164	\$ 442,809	94.04%	\$1,518,751	29.16%
10/01/04	6,476,437	6,401,042	(75,395)	101.18%	1,416,311	-5.32%
10/01/03	6,209,824	6,196,921	(12,903)	100.21%	1,250,379	-1.03%
10/01/02	5,996,132	6,065,783	69,651	98.85%	1,262,196	5.52%
10/01/01	5,870,315	5,982,155	111,840	98.13%	1,124,800	9.94%
10/01/00	5,602,431	5,720,200	117,769	97.94%	1,107,961	10.63%
10/01/99	4,997,882	5,121,888	124,006	97.58%	1,082,560	11.45%
10/01/98	4,354,584	4,482,314	127,730	97.15%	958,535	13.33%
10/01/97	3,760,096	3,866,785	106,689	97.24%	913,701	11.68%
10/01/96	3,331,767	3,413,276	81,509	97.61%	806,872	10.10%
Municipal Firefighters' Pension Plan						
10/01/05	\$ 4,391,682	\$ 6,326,331	\$ 1,934,649	69.42%	\$1,225,807	157.83%
10/01/04	4,002,153	5,027,934	1,025,781	79.60%	1,017,908	100.77%
10/01/03	3,860,651	4,372,120	511,469	88.30%	966,509	52.92%
10/01/02	3,700,215	4,173,860	473,645	88.65%	857,052	55.26%
10/01/01	3,573,439	4,044,260	470,821	88.36%	859,555	54.77%
10/01/00	3,351,491	3,810,560	459,069	87.95%	756,054	60.72%
10/01/99	2,933,755	3,031,113	97,358	96.79%	747,333	13.03%
10/01/98	2,548,518	2,509,285	(39,233)	101.56%	746,291	-5.26%
10/01/97	2,136,863	2,137,594	731	99.97%	729,073	0.10%
10/01/96	1,777,924	1,800,680	22,756	98.74%	655,932	3.47%

CITY OF PUNTA GORDA  
EMPLOYEES' PENSION PLANS  
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES  
September 30, 2006

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>Insurance Premiums State</u>	<u>Percentage Contributed</u>
General Employees' Pension Plan				
2006	\$ 1,188,881	\$ 1,188,881	\$ -	100.00%
2005	1,110,361	1,110,361	-	100.00%
2004	1,032,274	1,032,274	-	100.00%
2003	912,387	912,512	-	100.01%
2002	459,749	459,749	-	100.00%
2001	363,675	363,675	-	100.00%
2000	251,037	251,037	-	100.00%
1999	287,208	287,208	-	100.00%
1998	312,560	312,560	-	100.00%
1997	315,476	315,476	-	100.00%
Municipal Police Officers' Pension Plan				
2006	\$ 348,224	\$ 152,241	\$ 195,983	100.00%
2005	236,534	72,135	193,251	112.20%
2004	192,366	52,010	140,356 *	100.00%
2003	130,380	-	140,356 *	107.70%
2002	113,200	-	140,356 *	124.00%
2001	139,596	6,575	133,022	100.00%
2000	142,293	1,937	140,356 *	100.00%
1999	209,282	68,926	140,356 *	100.00%
1998	186,067	45,711	140,356	100.00%
1997	158,736	30,283	128,454	100.00%
Municipal Firefighters' Pension Plan				
2006	\$ 257,335	\$ 52,579	\$ 204,756	100.00%
2005	219,381	48,463	177,708	103.10%
2004	146,733	-	158,815	108.23%
2003	150,596	17,065	146,663	108.72%
2002	117,142	-	125,656	107.27%
2001	88,342	-	110,674	125.28%
2000	98,618	1,030	110,477 *	113.07%
1999	89,591	-	97,588 *	108.93%
1998	93,581	-	128,742	137.57%
1997	108,263	46,072	66,814	104.27%

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

(Continued)

CITY OF PUNTA GORDA  
EMPLOYEES' PENSION PLANS  
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHERS  
(Continued)  
September 30, 2006

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

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan
Valuation Date	10/01/04	10/01/04	10/01/04
Actuarial Cost Method	Frozen entry age	Frozen entry age	Frozen entry age
Amortization Method	Level percent of pay, closed	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	30 years	30 years	30 years
Asset valuation Method	4 years smooth of market value	4 years smooth of market value	4 years smooth of market value
Actuarial Assumptions:			
Investment rate of return net of invest- ment related expenses	8.0%	8.0%	8.0%
Projected salary increase	5.0%	7.0%	6.0%
Inflation portion	3.0%	3.0%	3.0%

CITY OF PUNTA GORDA

**Nonmajor Governmental Funds**

**Special Revenue Funds**

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

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

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

- Parks
- Police
- Fire
- Government

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.

**Permanent Fund**

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

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

CITY OF PUNTA GORDA  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2006

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
<b>ASSETS:</b>					
Cash and cash equivalents	\$ -	\$ 51,783	\$ 73,915	\$ 186,918	\$ 52,523
Accounts receivable	-	-	-	-	-
Due from other governments	44,400	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 44,400</u></b>	<b><u>\$ 51,783</u></b>	<b><u>\$ 73,915</u></b>	<b><u>\$ 186,918</u></b>	<b><u>\$ 52,523</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 60	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Unearned revenue	-	51,783	73,915	186,918	52,523
Due to other funds	64,947	-	-	-	-
<b>Total Liabilities</b>	<b><u>65,007</u></b>	<b><u>51,783</u></b>	<b><u>73,915</u></b>	<b><u>186,918</u></b>	<b><u>52,523</u></b>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Right-of-way improvements	-	-	-	-	-
<b>Unreserved:</b>					
Unreserved undesignated	(20,607)	-	-	-	-
<b>Total Fund Balances</b>	<b><u>(20,607)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 44,400</u></b>	<b><u>\$ 51,783</u></b>	<b><u>\$ 73,915</u></b>	<b><u>\$ 186,918</u></b>	<b><u>\$ 52,523</u></b>

Special Revenue Funds				Permanent Fund	Total Nonmajor Governmental
Storm Related Fund	BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Gilchrist Intention Fund	
\$ 115,531	\$ 205,668	\$ 100,425	\$ 48,464	\$ 8,326	\$ 843,553
59,038	-	-	-	-	59,038
23,475	3,673	28,142	55,032	-	154,722
<u>\$ 198,044</u>	<u>\$ 209,341</u>	<u>\$ 128,567</u>	<u>\$ 103,496</u>	<u>\$ 8,326</u>	<u>\$ 1,057,313</u>
\$ 4,955	\$ 1,879	\$ 27,222	\$ 46,602	\$ -	\$ 80,718
-	11,929	30,818	-	-	42,747
-	-	-	-	-	365,139
-	-	-	-	-	64,947
<u>4,955</u>	<u>13,808</u>	<u>58,040</u>	<u>46,602</u>	<u>-</u>	<u>553,551</u>
-	-	-	-	8,326	8,326
193,089	195,533	70,527	56,894	-	495,436
<u>193,089</u>	<u>195,533</u>	<u>70,527</u>	<u>56,894</u>	<u>8,326</u>	<u>503,762</u>
<u>\$ 198,044</u>	<u>\$ 209,341</u>	<u>\$ 128,567</u>	<u>\$ 103,496</u>	<u>\$ 8,326</u>	<u>\$ 1,057,313</u>

CITY OF PUNTA GORDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2006

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
Revenues:					
Intergovernmental	\$ 117,135	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	60,000
Total revenues	<u>117,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Expenditures:					
Current:					
Transportation	-	-	-	-	-
Economic environment	142,859	-	-	-	-
Recreation	-	-	-	-	-
Total expenditures	<u>142,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(25,724)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(60,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
Net change in fund balances	(25,724)	-	-	-	-
Fund Balances, October 1, 2005	<u>5,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, September 30, 2006	<u><u>\$ (20,607)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



Storm Related Fund	Special Revenue Funds			Permanent Fund Gilchrist Intention Fund	Total Nonmajor Governmental
	BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax		
\$ 63,051	\$ -	\$ 363,786	\$ 606,122	\$ -	\$ 1,150,094
164,155	267,954	974	132,155	379	625,617
<u>227,206</u>	<u>267,954</u>	<u>364,760</u>	<u>738,277</u>	<u>379</u>	<u>1,775,711</u>
-	-	514,233	681,383	-	1,195,616
114,806	-	-	-	-	257,665
-	168,718	-	-	-	168,718
<u>114,806</u>	<u>168,718</u>	<u>514,233</u>	<u>681,383</u>	<u>-</u>	<u>1,621,999</u>
112,400	99,236	(149,473)	56,894	379	153,712
-	-	220,000	-	-	220,000
-	-	-	-	-	(60,000)
-	-	<u>220,000</u>	-	-	<u>160,000</u>
112,400	99,236	70,527	56,894	379	313,712
80,689	96,297	-	-	7,947	190,050
<u>\$ 193,089</u>	<u>\$ 195,533</u>	<u>\$ 70,527</u>	<u>\$ 56,894</u>	<u>\$ 8,326</u>	<u>\$ 503,762</u>

CITY OF PUNTA GORDA, FLORIDA  
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2006

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	<u>\$ 196,691</u>	<u>\$ 196,691</u>	<u>\$ 117,135</u>	<u>\$ (79,556)</u>
Total revenues	<u>196,691</u>	<u>196,691</u>	<u>117,135</u>	<u>(79,556)</u>
Expenditures				
Current				
Economic environment	<u>196,691</u>	<u>196,691</u>	<u>142,859</u>	<u>53,832</u>
Total expenditures	<u>196,691</u>	<u>196,691</u>	<u>142,859</u>	<u>53,832</u>
Revenues under expenditures	<u>-</u>	<u>-</u>	<u>(25,724)</u>	<u>(25,724)</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(25,724)</u>	<u>\$ (25,724)</u>
Fund balances, October 1, 2005			<u>5,117</u>	
Fund balances, September 30, 2006			<u>\$ (20,607)</u>	

CITY OF PUNTA GORDA, FLORIDA  
 PARK IMPACT FEE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL (NON-GAAP)  
 For the Fiscal Year Ended September 30, 2006

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 43,200	\$ 43,200	\$ 47,936	\$ 4,736
Total revenues	43,200	43,200	47,936	4,736
Expenditures				
Total expenditures	-	-	-	-
Excess revenues over expenditures	43,200	43,200	47,936	4,736
Other financing sources (uses)				
Transfers out	-	(70,000)	-	70,000
Total other financing uses	-	(70,000)	-	70,000
Net change in fund balance	\$ 43,200	\$ (26,800)	47,936	
Fund balances, October 1, 2005			3,847	
Fund balances, September 30, 2006			\$ 51,783	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 51,783
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	(51,783)
GAAP Fund Balance	\$ -0-

CITY OF PUNTA GORDA, FLORIDA  
POLICE IMPACT FEE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (NON-GAAP)  
For the Fiscal Year Ended September 30, 2006

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Miscellaneous	\$ 12,300	\$ 18,793	\$ 6,493
Total revenues	12,300	18,793	6,493
Expenditures			
Total expenditures	-	-	-
Excess revenues over expenditures	12,300	18,793	6,493
Net change in fund balance	\$ 12,300	18,793	\$ 6,493
Fund balances, October 1, 2005		55,122	
Fund balances, September 30, 2006		\$ 73,915	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 73,915
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	(73,915)
GAAP Fund Balance	\$ -0-

CITY OF PUNTA GORDA, FLORIDA  
 FIRE IMPACT FEE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL (NON-GAAP)  
 For the Fiscal Year Ended September 30, 2006

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
Revenues			
Miscellaneous	\$ 34,100	\$ 51,593	\$ 17,493
Total revenues	34,100	51,593	17,493
Expenditures			
Total expenditures	-	-	-
Excess revenues over expenditures	34,100	51,593	17,493
Net change in fund balance	\$ 34,100	51,593	\$ 17,493
Fund balances, October 1, 2005		135,325	
Fund balances, September 30, 2006		\$ 186,918	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 186,918
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	(186,918)
GAAP Fund Balance	\$ -0-

CITY OF PUNTA GORDA, FLORIDA  
 GOVERNMENT IMPACT FEE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL (NON-GAAP)  
 For the Fiscal Year Ended September 30, 2006

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	\$ 59,350	\$ 79,062	\$ 19,712
Total revenues	<u>59,350</u>	<u>79,062</u>	<u>19,712</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>59,350</u>	<u>79,062</u>	<u>19,712</u>
Other financing uses			
Transfers out	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Total other financing uses	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (650)</u>	19,062	<u>\$ 19,712</u>
Fund balances, October 1, 2005		<u>33,461</u>	
Fund balances, September 30, 2006		<u>\$ 52,523</u>	

Explanation of difference between budgetary fund balance and GAAP fund balance

Budgetary fund balance	\$ 52,523
Impact fees received but not recognized as revenue until offsetting expenditures - GAAP basis - Unearned Revenue	<u>(52,523)</u>
GAAP Fund Balance	<u>\$ -0-</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, 2006

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	<u>\$ 259,448</u>	<u>\$ 267,954</u>	<u>\$ 8,506</u>
Total revenues	<u>259,448</u>	<u>267,954</u>	<u>8,506</u>
Expenditures			
Current			
Recreation	<u>293,670</u>	<u>168,718</u>	<u>124,952</u>
Total expenditures	<u>293,670</u>	<u>168,718</u>	<u>124,952</u>
Excess revenues over (under) expenditures	<u>(34,222)</u>	<u>99,236</u>	<u>133,458</u>
Net change in fund balance	<u><u>\$ (34,222)</u></u>	<u>99,236</u>	<u><u>\$ 133,458</u></u>
Fund balances, October 1, 2005		<u>96,297</u>	
Fund balances, September 30, 2006		<u><u>\$ 195,533</u></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, 2006

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 356,500	\$ 356,500	\$ 363,786	\$ 7,286
Miscellaneous	-	-	974	974
Total revenues	<u>356,500</u>	<u>356,500</u>	<u>364,760</u>	<u>8,260</u>
Expenditures				
Current				
Transportation	<u>356,500</u>	<u>796,500</u>	<u>514,233</u>	<u>282,267</u>
Total expenditures	<u>356,500</u>	<u>796,500</u>	<u>514,233</u>	<u>282,267</u>
Revenues over (under) expenditures	<u>-</u>	<u>(440,000)</u>	<u>(149,473)</u>	<u>290,527</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>220,000</u>	<u>220,000</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ (440,000)</u>	<u>70,527</u>	<u>\$ 510,527</u>
Fund balances, October 1, 2005			<u>-</u>	
Fund balances, September 30, 2006			<u>\$ 70,527</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, 2006

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 570,500	\$ 570,500	\$ 606,122	\$ 35,622
Miscellaneous	131,640	131,640	132,155	515
Total revenues	<u>702,140</u>	<u>702,140</u>	<u>738,277</u>	<u>36,137</u>
Expenditures				
Current				
Transportation	702,140	702,140	681,383	20,757
Total expenditures	<u>702,140</u>	<u>702,140</u>	<u>681,383</u>	<u>20,757</u>
Excess revenues over expenditures	-	-	56,894	56,894
Net change in fund balance	<u>\$ -0-</u>	<u>\$ -0-</u>	-	<u>\$ -</u>
Fund balances, October 1, 2005			-	
Fund balances, September 30, 2006			<u>\$ 56,894</u>	

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## **INTERNAL SERVICE FUNDS**

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

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

CITY OF PUNTA GORDA, FLORIDA  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 September 30, 2006

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ -	\$ 228,453	\$ 228,453
Prepaid expenses	-	1,028	1,028
Total current assets	<u>-</u>	<u>229,481</u>	<u>229,481</u>
Capital assets, net	<u>16,885</u>	<u>586,609</u>	<u>603,494</u>
Total assets	<u>16,885</u>	<u>816,090</u>	<u>832,975</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Current Liabilities			
Accounts payable	655	8,856	9,511
Accrued liabilities	4,327	5,532	9,859
Current portion compensated absences	<u>3,033</u>	<u>2,434</u>	<u>5,467</u>
Total current liabilities	<u>8,015</u>	<u>16,822</u>	<u>24,837</u>
Noncurrent Liabilities			
Accrued compensated absences	<u>27,299</u>	<u>21,904</u>	<u>49,203</u>
Total noncurrent liabilities	<u>27,299</u>	<u>21,904</u>	<u>49,203</u>
Total liabilities	<u>35,314</u>	<u>38,726</u>	<u>74,040</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	16,885	586,609	603,494
Unrestricted (deficit)	<u>(35,314)</u>	<u>190,755</u>	<u>155,441</u>
Total net assets	<u>\$ (18,429)</u>	<u>\$ 777,364</u>	<u>\$ 758,935</u>

CITY OF PUNTA GORDA, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2006

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
Operating Revenues			
Charges for services	\$ 349,986	\$ 1,027,729	\$ 1,377,715
Miscellaneous	-	8,487	8,487
	<u>349,986</u>	<u>1,036,216</u>	<u>1,386,202</u>
Total operating revenues			
Operating Expenses			
Personal services	311,016	306,887	617,903
Contractual services	1,725	244,509	246,234
Materials and supplies	9,011	32,918	41,929
Utilities	427	5,083	5,510
Depreciation	4,108	189,755	193,863
Insurance	5,869	13,445	19,314
Administrative charges	15,245	-	15,245
Repairs and maintenance	3,426	264,441	267,867
Travel	76	12,246	12,322
Rent	4,171	80,163	84,334
	<u>355,074</u>	<u>1,149,447</u>	<u>1,504,521</u>
Total operating expenses			
Operating loss	<u>(5,088)</u>	<u>(113,231)</u>	<u>(118,319)</u>
Nonoperating revenues (expenses)			
Interest income	-	17,375	17,375
Gain (loss) on disposal of fixed assets	50	(6,091)	(6,041)
	<u>50</u>	<u>11,284</u>	<u>11,334</u>
Total nonoperating revenues			
Change in net assets	(5,038)	(101,947)	(106,985)
Net assets - beginning	<u>(13,391)</u>	<u>879,311</u>	<u>865,920</u>
Net assets - ending	<u>\$ (18,429)</u>	<u>\$ 777,364</u>	<u>\$ 758,935</u>

CITY OF PUNTA GORDA, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2006

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from services provided	\$ 349,986	\$ 1,027,729	\$ 1,377,715
Cash payments to suppliers for goods and services	(40,255)	(663,283)	(703,538)
Cash payments to employees for services	(311,338)	(298,758)	(610,096)
Other receipts	-	8,487	8,487
Net cash provided by (used in) operating activities	<u>(1,607)</u>	<u>74,175</u>	<u>72,568</u>
<b>CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of equipment	-	(317,003)	(317,003)
Sale of equipment	50	-	50
Net cash provided by (used in) capital and related financing activities	<u>50</u>	<u>(317,003)</u>	<u>(316,953)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	-	17,375	17,375
Net decrease in cash and cash equivalents	<u>(1,557)</u>	<u>(225,453)</u>	<u>(227,010)</u>
Cash and cash equivalents at beginning of year	<u>1,557</u>	<u>453,906</u>	<u>455,463</u>
Cash and cash equivalents at end of year	<u>\$ -0-</u>	<u>\$ 228,453</u>	<u>\$ 228,453</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating loss	\$ (5,088)	\$ (113,231)	\$ (118,319)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	4,108	189,755	193,863
Net decrease in:			
Prepays	-	369	369
Net increase (decrease) in:			
Accounts payable	(305)	(10,847)	(11,152)
Accrued liabilities	(322)	8,129	7,807
Net cash provided by (used in) operating activities	<u>\$ (1,607)</u>	<u>\$ 74,175</u>	<u>\$ 72,568</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Disposal of fully depreciated capital assets	\$ 2,363	\$ 259,801	\$ 262,164

**CAPITAL ASSETS**

**USED IN THE OPERATION**

**OF GOVERNMENTAL FUNDS**

CITY OF PUNTA GORDA, FLORIDA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 COMPARATIVE SCHEDULES BY SOURCE <sup>1</sup>  
 September 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Governmental Funds capital assets		
Land	\$ 9,915,719	\$ 7,915,719
Buildings	7,228,344	7,249,395
Improvements other than buildings	574,599	563,773
Infrastructure	66,043,527	65,734,276
Machinery and equipment	<u>6,027,543</u>	<u>6,187,672</u>
Subtotal governmental funds capital assets	89,789,732	87,650,835
Construction work in progress	<u>4,358,373</u>	<u>2,827,586</u>
Total governmental funds capital assets	<u>\$ 94,148,105</u>	<u>\$ 90,478,421</u>
Investment in governmental funds capital assets by source:		
General fund revenues and undetermined sources	\$ 48,407,557	\$ 47,536,910
Special revenue funds	44,913,637	42,114,600
Federal, State and County grants	170,930	170,930
General obligation bonds	577,452	577,452
Contributions	<u>78,529</u>	<u>78,529</u>
Total governmental funds capital assets	<u>\$ 94,148,105</u>	<u>\$ 90,478,421</u>

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



CITY OF PUNTA GORDA, FLORIDA  
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY <sup>1</sup>  
September 30, 2006

	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Infrastructure</u>	<u>Machinery &amp; Equipment</u>	<u>Total</u>
General Government:						
City Council	\$3,306,976	\$ 260,380	\$ -	\$ 531,030	\$ 24,909	\$ 4,123,295
City Manager	-	-	-	-	1,924	1,924
Human Resources	-	-	-	-	777	777
City Clerk	-	-	-	-	7,429	7,429
Finance	-	-	-	-	2,421	2,421
Procurement	-	118,215	2,962	-	36,057	157,234
Planning & Econ Facil	-	-	-	-	5,487	5,487
Public Works Admin	165,832	9,367	-	-	21,254	196,453
Engineering	-	-	-	-	90,449	90,449
Parks and Grounds	2,554,692	85,649	455,641	656,153	483,710	4,235,845
Facility Services	-	2,540,655	13,433	103,928	81,523	2,739,539
CRA	3,789,673	-	-	132,464	-	3,922,137
Total General Govt	<u>9,817,173</u>	<u>3,014,266</u>	<u>472,036</u>	<u>1,423,575</u>	<u>755,940</u>	<u>15,482,990</u>
Public Safety:						
Police	35,640	1,771,453	20,149	-	1,934,580	3,761,822
Fire	31,226	2,442,625	1,194	-	2,098,249	4,573,294
Community Develop	-	-	-	-	29,930	29,930
Total Public Safety	<u>66,866</u>	<u>4,214,078</u>	<u>21,343</u>	<u>-</u>	<u>4,062,759</u>	<u>8,365,046</u>
Transportation:						
Right of Way Maint	31,680	-	74,120	31,838,594	908,178	32,852,572
Total Transportation	<u>31,680</u>	<u>-</u>	<u>74,120</u>	<u>31,838,594</u>	<u>908,178</u>	<u>32,852,572</u>
Canal maintenance:						
PGI Canal Maint	-	-	7,100	26,435,749	300,666	26,743,515
BSI Canal Maint	-	-	-	6,345,609	-	6,345,609
Total Canal Maintenance	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>32,781,358</u>	<u>300,666</u>	<u>33,089,124</u>
 Total	 <u>\$9,915,719</u>	 <u>\$7,228,344</u>	 <u>\$574,599</u>	 <u>\$66,043,527</u>	 <u>\$6,027,543</u>	 <u>89,789,732</u>
 Construction work in progress						 <u>4,358,373</u>
						<u>\$94,148,105</u>

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

CITY OF PUNTA GORDA, FLORIDA  
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY <sup>1</sup>  
For the Fiscal Year Ended September 30, 2006

Function and Activity	Governmental Funds Capital Assets October 1, 2005	Additions	Deductions	Governmental Funds Capital Assets September 30, 2006
General Government				
Service:				
City Council	\$ 4,123,295	\$ -	\$ -	\$ 4,123,295
City Manager	2,622	-	(698)	1,924
Human Resources	777	-	-	777
City Clerk	7,429	-	-	7,429
Finance	10,175	-	(7,754)	2,421
Procurement	157,234	-	-	157,234
Plan & Economic Facil	7,387	-	(1,900)	5,487
Public Works Admin	216,624	-	(20,171)	196,453
Engineering	90,449	-	-	90,449
Parks and Grounds	4,230,832	47,524	(42,511)	4,235,845
Facility Services	2,748,970	-	(9,431)	2,739,539
Community Redev Agency	1,922,137	2,000,000	-	3,922,137
Total General Government	<u>13,517,931</u>	<u>2,047,524</u>	<u>(82,465)</u>	<u>15,482,990</u>
Public Safety:				
Police	3,842,148	247,137	(327,463)	3,761,822
Fire	4,533,192	72,037	(31,935)	4,573,294
Community Development	24,930	5,000	-	29,930
Total Public Safety	<u>8,400,270</u>	<u>324,174</u>	<u>(359,398)</u>	<u>8,365,046</u>
Transportation:				
Right of Way Maint	32,540,329	336,443	(24,200)	32,852,572
Total Transportation	<u>32,540,329</u>	<u>336,443</u>	<u>(24,200)</u>	<u>32,852,572</u>
Canal maintenance:				
PGI Canal Maint	26,846,696	-	(103,181)	26,743,515
BSI Canal Maint	6,345,609	-	-	6,345,609
Total Canal Maintenance	<u>33,192,305</u>	<u>-</u>	<u>(103,181)</u>	<u>33,089,124</u>
 Total	 <u>\$ 87,650,835</u>	 <u>\$ 2,708,141</u>	 <u>\$ (569,244)</u>	 89,789,732
Construction work in progress				<u>4,358,373</u>
				<u>\$ 94,148,105</u>

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

## **STATISTICAL SECTION**

CITY OF PUNTA GORDA, FLORIDA

STATISTICAL SECTION  
(Unaudited)

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	90
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	95
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	99
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.	
<b>Demographic and Economic Information</b>	103
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.	
<b>Operating Information</b>	105
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	

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

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

	<b>Fiscal Year</b>				
	<b>2005 - 06</b>	<b>2004 - 05</b>	<b>2003 - 04</b>	<b>2002 - 03</b>	<b>2001 - 02</b>
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 26,355,360	\$ 28,455,370	\$ 25,200,694	\$ 23,892,442	\$ 26,662,334
Restricted	5,258,454	3,878,852	3,802,933	2,826,351	1,747,164
Unrestricted	<u>7,669,666</u>	<u>3,283,673</u>	<u>2,791,662</u>	<u>5,304,525</u>	<u>4,584,091</u>
Total governmental activities net assets	<u>\$ 39,283,480</u>	<u>\$ 35,617,895</u>	<u>\$ 31,795,289</u>	<u>\$ 32,023,318</u>	<u>\$ 32,993,589</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 25,671,970	\$ 25,258,114	\$ 24,718,468	\$ 23,500,701	\$ 22,351,238
Restricted	7,632,554	8,136,448	7,510,942	9,185,654	8,216,625
Unrestricted	<u>15,001,540</u>	<u>10,925,707</u>	<u>10,224,442</u>	<u>8,448,403</u>	<u>9,328,883</u>
Total business-type activities net assets	<u>\$ 48,306,064</u>	<u>\$ 44,320,269</u>	<u>\$ 42,453,852</u>	<u>\$ 41,134,758</u>	<u>\$ 39,896,746</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 52,027,330	\$ 53,713,484	\$ 49,919,162	\$ 47,393,143	\$ 49,013,572
Restricted	12,891,008	12,015,300	11,313,875	12,012,005	9,963,789
Unrestricted	<u>22,671,206</u>	<u>14,209,380</u>	<u>13,016,104</u>	<u>13,752,928</u>	<u>13,912,974</u>
Total primary government net assets	<u>\$ 87,589,544</u>	<u>\$ 79,938,164</u>	<u>\$ 74,249,141</u>	<u>\$ 73,158,076</u>	<u>\$ 72,890,335</u>

Per the Statement of Net Assets

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

	Fiscal Year				
	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
<b>Expenses</b>					
Governmental activities:					
General government	\$ 3,279,077	\$ 3,818,813	\$ 4,196,052	\$ 5,857,625	\$ 3,052,661
Public safety	7,500,777	7,608,668	6,791,333	5,908,408	5,712,403
Transportation	2,870,066	2,068,295	2,182,392	1,989,493	2,186,096
Economic environment	608,842	501,182	254,360	177,115	1,358,570
Recreation	4,929,326	3,729,535	7,658,375	3,730,291	1,603,157
Storm related	-	2,855,483	4,674,955	-	-
Interest on long-term debt	304,843	203,138	234,058	198,943	151,212
Total governmental activities expenses	<u>19,492,931</u>	<u>20,785,114</u>	<u>25,991,525</u>	<u>17,861,875</u>	<u>14,064,099</u>
Business-type activities:					
Water and wastewater	14,171,524	12,546,070	12,701,810	11,902,457	11,107,858
Sanitation/refuse	2,722,014	2,463,665	2,520,655	2,420,658	2,282,279
Building Fund	1,219,504	-	-	-	-
Total business-type activities expenses	<u>18,113,042</u>	<u>15,009,735</u>	<u>15,222,465</u>	<u>14,323,115</u>	<u>13,390,137</u>
Total primary government expenses	<u>\$ 37,605,973</u>	<u>\$ 35,794,849</u>	<u>\$ 41,213,990</u>	<u>\$ 32,184,990</u>	<u>\$ 27,454,236</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services	\$ 3,324,581	\$ 5,082,158	\$ 2,957,844	\$ 2,423,662	\$ 2,241,604
Operating grants and contributions	565,166	3,216,534	4,950,127	56,409	210,082
Capital grants and contributions	3,312,120	1,223,665	3,430,791	1,163,079	1,736,858
Intergovernmental revenues	-	-	4,511,548	3,927,265	-
Total governmental activities program revenues	<u>7,201,867</u>	<u>9,522,357</u>	<u>15,850,310</u>	<u>7,570,415</u>	<u>4,188,544</u>
Business-type activities:					
Charges for Services					
Water and Sewer	11,936,777	11,239,816	11,864,808	11,146,850	10,987,962
Sanitation/refuse	2,718,416	2,344,094	2,509,935	2,208,154	2,091,504
Building Fund	1,878,408				
Operating grants and contributions	9,322	16,190	30,639	24,683	30,917
Capital grants and contributions	4,148,396	2,730,343	1,630,102	1,556,869	2,600,528
Total business-type activities program revenues	<u>20,691,319</u>	<u>16,330,443</u>	<u>16,035,484</u>	<u>14,936,556</u>	<u>15,710,911</u>
Total primary government program revenues	<u>\$ 27,893,186</u>	<u>\$ 25,852,800</u>	<u>\$ 31,885,794</u>	<u>\$ 22,506,971</u>	<u>\$ 19,899,455</u>
<b>Net (Expense)/Revenue</b>					
Government activities	\$ (12,291,064)	\$ (11,262,757)	\$ (10,141,215)	\$ (10,291,460)	\$ (9,875,555)
Business type activities	2,578,277	1,320,708	813,019	613,441	2,320,774
Total primary government net expense	<u>\$ (9,712,787)</u>	<u>\$ (9,942,049)</u>	<u>\$ (9,328,196)</u>	<u>\$ (9,678,019)</u>	<u>\$ (7,554,781)</u>

(continued)

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

	<b>Fiscal Year</b>				
	<b>2005 - 06</b>	<b>2004 - 05</b>	<b>2003 - 04</b>	<b>2002 - 03</b>	<b>2001 - 02</b>
<b>General Revenues and Other</b>					
<b>Changes in Net Assets</b>					
Government activities:					
Taxes					
Property taxes	\$ 6,134,672	\$ 5,733,290	\$ 4,932,027	\$ 4,373,005	\$ 4,177,120
Franchise fees	1,323,607	1,109,411	1,044,505	1,016,275	31,641
Utility taxes and gas taxes	3,440,025	3,400,667	3,471,836	3,488,370	1,126,818
Sales taxes	4,021,518	3,865,509	-	-	-
Occupational licenses	-	-	-	-	136,420
Investment earnings	794,741	228,952	194,637	206,280	335,301
Miscellaneous	742,086	747,534	254,509	287,250	203,750
Gain on sale of capital assets	-	-	15,672	31,806	28,994
Transfers	(500,000)	-	-	-	3,196,412
Total governmental activities	<u>15,956,649</u>	<u>15,085,363</u>	<u>9,913,186</u>	<u>9,402,986</u>	<u>9,236,456</u>
Business-type activities:					
Franchise fees	16,610	13,527	14,815	12,661	903,028
Utility taxes and gas taxes	-	-	-	-	2,161,270
Intergovernmental revenues	-	-	-	-	146,243
Investment earnings	842,404	490,500	267,424	379,771	587,233
Miscellaneous	48,504	39,825	223,836	212,774	43,555
Gain on sale of capital assets	-	1,857	-	19,365	37,520
Transfers	500,000	-	-	-	(3,196,412)
Total business-type activities	<u>1,407,518</u>	<u>545,709</u>	<u>506,075</u>	<u>624,571</u>	<u>682,437</u>
Total primary government	<u>\$ 17,364,167</u>	<u>\$ 15,631,072</u>	<u>\$ 10,419,261</u>	<u>\$ 10,027,557</u>	<u>\$ 9,918,893</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 3,665,585	\$ 3,822,606	\$ (228,029)	\$ (888,474)	\$ (639,099)
Business-type activities	3,985,795	1,866,417	1,319,094	1,238,012	3,003,211
Total primary government	<u>\$ 7,651,380</u>	<u>\$ 5,689,023</u>	<u>\$ 1,091,065</u>	<u>\$ 349,538</u>	<u>\$ 2,364,112</u>

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

	Fiscal Year				
	2005 - 06	2004 - 05	2003 - 04	2002 - 03	2001 - 02
General Fund					
Reserved	\$ 8,320	\$ 12,873	\$ 20,976	\$ 16,814	\$ 28,966
Unreserved	3,515,022	4,057,485	3,140,042	3,398,600	3,256,143
Total general fund	<u>\$ 3,523,342</u>	<u>\$ 4,070,358</u>	<u>\$ 3,161,018</u>	<u>\$ 3,415,414</u>	<u>\$ 3,285,109</u>
All Other Governmental Funds					
Reserved					
Community Redevelopment Agency fund	\$ -	\$ -	\$ -	\$ 1,850,128	\$ -
Special revenue funds	8,326	67,192	91,892	384,961	163,523
Capital projects fund	5,241,808	3,790,840	3,682,328	2,416,937	1,546,857
Gilchrist Intention permanent fund	-	7,947	7,737	7,639	7,529
Unreserved, reported in:					
Community Redevelopment Agency fund	2,851,803	(183,102)	622,154	705,272	798,210
Storm fund	-	80,689	-	-	-
Special revenue funds	1,841,762	(309,173)	(507,411)	68,750	367,728
Capital projects fund	-	-	-	-	-
Gilchrist Intention permanent fund	-	-	-	-	-
Total all other governmental funds	<u>\$ 9,943,699</u>	<u>\$ 3,454,393</u>	<u>\$ 3,896,700</u>	<u>\$ 5,433,687</u>	<u>\$ 2,883,847</u>

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

	<b>Fiscal Year</b>			
	<b>2005 - 06</b>	<b>2004 - 05</b>	<b>2003 - 04</b>	<b>2002 - 03</b>
<b>Revenues</b>				
Taxes	\$ 9,922,917	\$ 10,231,641	\$ 9,448,368	\$ 8,877,651
Licenses and permits	156,080	2,736,653	704,155	837,940
Intergovernmental	8,709,282	8,211,624	12,750,887	4,855,125
Charges for services	416,161	254,001	194,033	167,770
Fines and forfeits	173,594	103,379	102,698	104,621
Miscellaneous	6,670,719	4,762,080	4,344,582	3,881,054
Total revenues	<u>26,048,753</u>	<u>26,299,378</u>	<u>27,544,723</u>	<u>18,724,161</u>
<b>Expenditures</b>				
Current:				
General government	5,436,018	4,907,746	5,129,701	5,422,490
Public safety	7,208,484	7,518,937	6,805,994	6,025,466
Transportation	2,355,179	1,897,888	2,019,953	1,900,615
Economic environment	384,949	342,286	273,110	177,115
Recreation	4,270,190	3,074,464	6,971,671	2,455,913
Storm Related	-	2,855,483	4,674,955	-
Debt service:				
Principal	528,996	1,066,130	729,446	2,443,832
Interest and other charges	304,843	203,138	240,530	188,475
Capital outlay	4,170,804	3,958,521	2,490,746	1,522,110
Total expenditures	<u>24,659,463</u>	<u>25,824,593</u>	<u>29,336,106</u>	<u>20,136,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,389,290</u>	<u>474,785</u>	<u>(1,791,383)</u>	<u>(1,411,855)</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,542,741	3,092,341	2,514,222	4,071,526
Transfers out	(4,042,741)	(3,100,093)	(2,514,222)	(4,071,526)
Debt Proceeds	5,053,000	-	-	4,092,000
Total other financing sources (uses)	<u>4,553,000</u>	<u>(7,752)</u>	<u>0</u>	<u>4,092,000</u>
<b>Net change in fund balances</b>	<u>\$ 5,942,290</u>	<u>\$ 467,033</u>	<u>\$ (1,791,383)</u>	<u>\$ 2,680,145</u>
Debt service as a percentage of noncapital expenditures	<u>4.24%</u>	<u>6.16%</u>	<u>3.75%</u>	<u>16.47%</u>

Fiscal Year					
2001 - 02	2000 - 01	1999 - 00	1998 - 99	1997 - 98	1996 - 97
\$ 5,335,578	\$ 4,831,775	\$ 4,419,864	\$ 4,221,571	\$ 4,076,040	\$ 3,963,527
782,102	826,990	806,060	825,760	693,784	560,312
4,475,894	3,670,491	3,104,834	2,104,528	1,508,035	1,275,234
112,312	117,097	121,301	128,574	114,360	63,148
101,718	121,057	110,093	125,848	119,283	167,533
4,556,822	4,123,202	3,840,670	3,945,642	3,439,141	3,784,194
<u>15,364,426</u>	<u>13,690,612</u>	<u>12,402,822</u>	<u>11,351,923</u>	<u>9,950,643</u>	<u>9,813,948</u>
4,713,308	4,295,517	4,291,006	3,976,242	4,021,938	3,897,782
5,879,324	5,250,164	4,709,486	4,305,180	4,150,087	3,941,235
1,975,509	1,876,271	1,740,282	1,527,723	2,466,938	2,167,876
1,358,570	452,924	222,097	186,903	165,759	76,503
909,443	838,074	838,279	920,836	-	-
-	-	-	-	-	-
381,283	317,170	285,000	225,000	380,010	846,118
134,133	204,954	235,845	188,650	270,236	228,100
7,176,170	3,205,864	2,189,620	2,516,185	1,332,595	1,249,279
<u>22,527,740</u>	<u>16,440,938</u>	<u>14,511,615</u>	<u>13,846,719</u>	<u>12,787,563</u>	<u>12,406,893</u>
<u>(7,163,314)</u>	<u>(2,750,326)</u>	<u>(2,108,793)</u>	<u>(2,494,796)</u>	<u>(2,836,920)</u>	<u>(2,592,945)</u>
7,683,806	6,620,578	6,493,420	5,307,180	3,882,510	4,165,409
(4,487,394)	(3,417,719)	(3,602,699)	(2,530,433)	(1,239,745)	(1,617,840)
352,000	595,523	800,000	-	-	3,100,000
<u>3,548,412</u>	<u>3,798,382</u>	<u>3,690,721</u>	<u>2,776,747</u>	<u>2,642,765</u>	<u>5,647,569</u>
<u>\$ (3,614,902)</u>	<u>\$ 1,048,056</u>	<u>\$ 1,581,928</u>	<u>\$ 281,951</u>	<u>\$ (194,155)</u>	<u>\$ 3,054,624</u>
<u>3.47%</u>	<u>4.11%</u>	<u>4.41%</u>	<u>3.79%</u>	<u>6.02%</u>	<u>10.65%</u>

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

<b>Fiscal Year Ended September 30,</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2006	\$ 2,995,207,490	\$ 138,710,022	\$ 953,987,243	\$ 2,579,227,371	2.4772
2005	3,056,785,438	134,623,406	782,926,911	2,408,481,933	2.4772
2004	2,563,413,563	121,670,527	604,538,734	2,080,545,356	2.4772
2003	2,166,148,419	115,779,823	488,566,001	1,793,362,241	2.5446
2002	1,888,629,607	106,539,943	411,270,171	1,583,899,379	2.7419
2001	1,718,409,977	96,074,080	399,842,632	1,414,641,425	2.7419
2000	1,478,292,653	94,209,497	322,669,557	1,249,832,593	2.9565
1999	1,298,001,748	93,356,505	252,216,883	1,139,141,370	3.1572
1998	1,240,155,343	96,703,923	244,489,118	1,092,370,148	3.3043
1997	1,178,424,817	88,701,236	208,923,836	1,058,202,217	3.3365

**Source:** Charlotte County County Property Appraiser

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

**City of Punta Gorda, Florida**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (rate per \$1,000 of assessed value)

<b>Fiscal Year Ended September 30,</b>	<b>City of Punta Gorda</b>			<b>Overlapping Rates <sup>a</sup></b>		<b>Total Direct and Overlapping Rates</b>
	<b>Operating Millage</b>	<b>Debt Service Millage</b>	<b>Total City Millage</b>	<b>Charlotte County</b>	<b>Charlotte County School Board</b>	
2006	2.4772	0.0000	2.4772	5.3709	7.5090	15.3571
2005	2.4772	0.0000	2.4772	4.7709	8.4690	15.7171
2004	2.4772	0.0000	2.4772	4.8709	8.4180	15.7661
2003	2.5446	0.0000	2.5446	4.8709	8.6280	16.0435
2002	2.7419	0.0000	2.7419	4.7141	8.7544	16.2104
2001	2.7419	0.0000	2.7419	4.7141	8.8220	16.2780
2000	2.9565	0.0000	2.9565	4.7141	9.1360	16.8066
1999	3.1572	0.0000	3.1572	4.5992	9.7310	17.4874
1998	3.2042	0.1001	3.3043	4.5992	9.5965	17.5000
1997	3.2369	0.0996	3.3365	4.5278	9.8612	17.7255

<sup>a</sup> Overlapping rates are those of county governments that apply to property owners within the City of Punta Gorda.

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

Rank	Taxpayer/Type of Business	2005-2006	2004-2005	2003-2004	2002-2003
		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
1	Punta Gorda Medical Center, Inc. Hospital	\$ 37.3	\$ 31.7	\$ 31.7	\$ 32.5
2	Florida Power & Light Co. Electric Utility	28.7	24.1	24.1	22.5
3	Sprint-United Telephone Company of FL Telephone Utility	18.1	17.0	17.0	17.0
4	Nu-West Florida, Inc. Shopping Center Fishermen's Village	9.3	15.7	15.7	15.2
5	Colonial Realty, Limited-shopping center Shopping Center Burnt Store	9.7	11.6	11.6	13.2
6	Punta Gorda Pines, Ltd Condo- The Pines	9.0	10.2	10.2	12.9
7	Punta Gorda Partners LLC Condo- Vivante	8.5	-	-	-
8	Palm Isles Condo Dev LLC Condo- Vivante	8.3	-	-	-
9	Punta Gorda Land Holdings Condo- Vivante	7.1	-	-	-
10	Semlak LLC Shopping Center-Seminole Plaza	6.6	6.7	6.7	7.1
	Punta Gorda Assoc., Ltd. Life Care Center	-	6.5	6.5	-
	Integrated Control Systems, Inc.- Training Center & Impac University	-	-	-	12.6
	Bayvue, Inc of Florida-Holiday Inn Hotel-HOLIDAY Inn	-	-	-	9.3
	Wal-Mart Stores, Inc. Retail Store	-	-	-	-
	Seminole Lakes- Development	-	-	-	-
	Punta Gorda FL Commercial Shopping Center Punta Gorda Mall	-	8.2	8.2	-
	Punta Gorda Hotel, LLC Best Western	-	8.8	8.8	-
	Golden Key Inv Holiday Inn Harborside	-	-	-	-
	Royal Palm Harbor PA Land	-	-	-	9.8
	<b>Total</b>	<b>\$ 142.6</b>	<b>\$ 140.5</b>	<b>\$ 140.5</b>	<b>\$ 152.1</b>
	<b>City Total Assessed Value</b>	<b>\$ 2,579.0</b>	<b>\$ 2,408.0</b>	<b>\$ 2,081.0</b>	<b>\$ 1,793.0</b>
	<b>Principal Taxpayer's Percentage of total</b>	<b>5.53%</b>	<b>5.83%</b>	<b>6.75%</b>	<b>8.48%</b>

Source: Charlotte County Property Appraiser

<b>2001-2002</b>	<b>2000-2001</b>	<b>1999-2000</b>	<b>1998-1999</b>	<b>1997-1998</b>	<b>1996-1997</b>
<b>Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>
\$ 29.0	\$ 27.0	\$ 25.7	\$ 24.0	\$ 23.6	\$ 22.4
20.8	11.6	11.3	11.0	10.1	10.5
17.5	16.3	14.9	30.0	15.7	17.1
7.8	11.3	12.1	7.6	7.3	7.5
12.8	13.0	12.2	9.6	8.8	8.7
13.0	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6.2	-	-	-	-
-	-	5.8	4.8	4.9	4.8
10.4	9.1	9.0	8.7	9.0	10.4
8.6	9.2	6.6	4.8	4.8	4.8
7.2	6.0	5.4	5.7	5.5	-
-	-	-	4.5	4.4	5.1
-	5.8	-	-	-	9.8
-	-	-	-	-	-
-	-	5.6	-	-	-
9.5	-	-	-	-	-
<b><u>\$ 136.6</u></b>	<b><u>\$ 115.5</u></b>	<b><u>\$ 108.6</u></b>	<b><u>\$ 110.7</u></b>	<b><u>\$ 94.1</u></b>	<b><u>101.1</u></b>
<b><u>\$ 1,584.0</u></b>	<b><u>\$ 1,415.0</u></b>	<b><u>\$ 1,250.0</u></b>	<b><u>\$ 1,139.0</u></b>	<b><u>\$ 1,092.0</u></b>	<b><u>\$ 1,058.0</u></b>
<b><u>8.62%</u></b>	<b><u>8.16%</u></b>	<b><u>8.69%</u></b>	<b><u>9.72%</u></b>	<b><u>8.62%</u></b>	<b><u>9.56%</u></b>

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**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
2006	\$ 6,389,890	\$ 6,126,236	95.87%	\$ 14,562	\$ 6,140,798	96.10%
2005	5,966,228	5,690,417	95.38%	2,957	5,693,374	95.43%
2004	5,153,863	4,931,320	95.68%	31,146	4,962,466	96.29%
2003	4,563,325	4,370,847	95.78%	707	4,371,555	95.80%
2002	4,342,794	4,173,205	96.09%	2,158	4,175,363	96.14%
2001	3,878,709	3,758,581	96.90%	3,915	3,762,496	97.00%
2000	3,695,017	3,564,116	96.46%	2,182	3,566,298	96.52%
1999	3,596,395	3,496,374	97.22%	10,211	3,506,585	97.50%
1998	3,609,415	3,492,301	96.76%	965	3,493,266	96.78%
1997	3,530,592	3,425,535	97.02%	4,720	3,430,256	97.16%

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

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

<b>Fiscal Year Ended September 30,</b>	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		
	<b>General Obligation Bonds</b>	<b>Capital Revenue Notes</b>	<b>Capital Leases</b>	<b>Water and Wastewater Bonds</b>	<b>Water and Wastewater Notes</b>	<b>Capital Leases</b>
2006	\$ -	\$ 9,094,417	\$ -	\$ 10,021,040	\$ 9,219,291	\$ 978,355
2005	-	4,538,417	31,996	11,029,460	9,432,429	498,705
2004	-	5,563,417	73,126	12,217,880	5,173,522	370,202
2003	-	5,951,417	188,356	13,821,299	5,872,897	495,816
2002	-	4,215,417	150,404	15,619,718	6,565,827	620,550
2001	-	4,560,417	186,687	16,946,967	6,106,070	731,896
2000	-	4,468,750	-	17,860,597	3,332,265	307,699
1999	-	3,953,750	-	19,324,228	3,034,951	358,968
1998	-	4,178,750	-	20,452,857	3,534,951	-
1997	100,000	4,445,000	13,760	21,526,487	4,159,951	-

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

N/A - Not Available - Total personal income information was unavailable for FYE 9/30/06.

<u>Internal Services</u>		<b>Ratio of Outstanding Debt to</b>	
<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Total Personal Income</b>	<b>Per Capita</b>
\$ -	\$29,313,103	N/A	\$ 1,767
-	25,531,007	5.7%	1,571
-	23,398,147	5.2%	1,363
-	26,329,785	6.0%	1,587
156,243	27,328,159	6.3%	1,695
232,874	28,764,911	7.3%	1,888
358,707	26,328,018	7.2%	1,835
151,117	26,823,014	8.1%	1,966
60,846	28,227,404	9.4%	2,211
113,936	30,359,134	10.6%	2,423

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

<u>Fiscal year Ended September 30,</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2006	\$ -	\$ -	\$ -	0.00%	\$ -
2005	-	-	-	0.00%	-
2004	-	-	-	0.00%	-
2003	-	-	-	0.00%	-
2002	-	-	-	0.00%	-
2001	-	-	-	0.00%	-
2000	-	-	-	0.00%	-
1999	-	-	-	0.00%	-
1998	-	-	-	0.00%	-
1997	100,000	4,839	95,161	0.01%	7.59

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

**City of Punta Gorda, Florida**  
 Direct and Overlapping Governmental Activities Debt  
 General Obligation Bonds  
 As of September 30, 2006

	<u>Net Debt Outstanding</u>	<u>Percent Applicable to Punta Gorda <sup>a</sup></u>	<u>Amount Applicable to Punta Gorda <sup>a</sup></u>
<b><u>Governmental Unit</u></b>			
<b>Overlapping debt</b>			
Charlotte County School Board General Obligation debt	\$ 6,100,000	14.70%	\$ 896,700
<b>City direct debt</b>			
			<u>0</u>
<b>Total direct and overlapping debt</b>			
			<u>\$ 896,700</u>

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

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

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

**Water & Sewer Utility Revenue Bonds**

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Fiscal Year Ended September 30,	Pledged Revenues (a)	Less: Operating Expenses (b)	Net Available Revenue	Debt Service Requirements	Coverage
2006	\$16,936,571	\$ 8,808,679	\$ 8,127,892	\$ 2,246,295	3.6
2005	14,503,049	7,377,234	7,125,815	2,246,295	3.2
2004	14,000,595	7,193,330	6,807,265	2,246,295	3.0
2003	13,309,397	6,612,357	6,697,040	2,271,120	2.9
2002	14,254,094	5,795,704	8,458,390	2,346,778	3.6
2001	16,119,293	5,348,343	10,770,950	2,393,586	4.5
2000	16,231,922	5,292,420	10,939,502	2,393,586	4.6
1999	15,044,419	5,118,793	9,925,626	2,667,758	3.7
1998	14,908,232	5,250,449	9,657,783	2,667,758	3.6
1997	14,176,896	5,165,342	9,011,554	2,667,758	3.4

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

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

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

<u>Fiscal year Ended September 30,</u>	<u>Population City of Punta Gorda (a)</u>	<u>Population Charlotte County</u>	<u>Per Capita Income (b)</u>	<u>Unemployment Rate (b)</u>
2006	16,593	162,900		2.7%
2005	16,255	154,030	27,618	3.1%
2004	17,168	156,985	26,003	5.0%
2003	16,591	151,995	26,479	4.4%
2002	16,120	148,521	26,932	4.2%
2001	15,236	144,571	25,975	3.4%
2000	14,344	141,627	25,361	2.7%
1999	13,646	136,733	24,195	3.1%
1998	12,768	133,655	23,638	3.6%
1997	12,631	131,307	22,684	4.0%

Note: Information presented is the most current available.

<sup>a</sup> **Source:** Bureau of Economic and Business Research (BEBR) of the University of Florida

<sup>b</sup> **Source:** Florida Statistical Abstract

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

**Fiscal Year End 2006**

<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total MSA Employment</b>
Wal-Mart Associates	1,372	1	3.31%
Charlotte County School Board	ND	2	3.25% est.
Charlotte County Board of Commisioners	1,327	3	3.21%
Publix Supermarkets	1,027	4	2.48%
Charlotte Regional Medical Center	901	5	2.18%
Peace River Regional Medical	807	6	1.95%
Fawcett Memorial Hospital Inc.	703	7	1.70%
Charlotte County Sheriff's Office	561	8	1.36%
The Home Depot	418	9	1.01%
Charlotte Correctional Institute	397	10	0.96%

ND - Nondisclosable

Note: Nine years ago information was unavailable for this schedule



**City of Punta Gorda, Florida**  
 Authorized Full-time Equivalent City Government Employees by Function/Program  
 Fiscal Years 2005 - 06, 2004 - 05 and 2003 - 04

<u>Function/Program</u>	<u>2005 - 06</u>	<u>2004 - 05</u>	<u>2003 - 04</u>
<b>General Government</b>			
City Council	5.00	5.00	5.00
City Manager's Office	3.00	3.00	3.00
Human Resources	4.00	3.00	3.00
City Clerk	5.00	5.00	5.00
Procurement	8.50	8.00	8.00
Finance	8.00	8.00	7.00
Legal	1.00	1.00	1.00
<b>Public Works</b>			
Public Works Administration	3.00	3.00	3.00
Engineering	5.00	5.00	5.00
Right of Way Maintenance	18.00	18.00	18.00
Parks and Grounds	16.00	16.00	14.00
Police	52.00	51.00	49.50
Fire	30.00	30.00	29.00
<b>Growth Management</b>			
Growth Management Admin	2.00	2.00	1.50
Code Compliance	7.00	7.00	6.00
Urban Design	7.00	7.00	8.00
Facilities Maintenance	4.00	4.00	4.00
Punta Gorda Isles Canal Maintenance	10.50	10.50	10.50
<b>Utilities</b>			
Billing and Collections	8.00	8.00	8.00
Utilities Administration	5.00	5.00	5.00
Water Treatment	18.00	18.00	17.00
Wastewater Collection	15.00	14.00	12.00
Wastewater Treatment	15.00	15.00	15.00
Water Distribution	20.00	16.00	16.00
Sanitation/Refuse	19.00	20.00	21.00
Building	14.00	14.00	8.00
Fleet Maintenance	5.00	5.00	5.00
<b>Information Technology</b>			
Management Information Services(MIS)	4.00	3.00	3.00
Geographic Information Services(GIS)	1.00	1.00	0.00
<b>Total</b>	<u>313.00</u>	<u>305.50</u>	<u>290.50</u>

**Source:** City of Punta Gorda Budgeted Position Summary

**City of Punta Gorda, Florida**  
 Operating Indicators by Function/Program  
 Fiscal Year 2005 - 2006

<u>Function/Program</u>	<u>2005 - 06</u>
Police	
Calls for Service	13,940
Citations Issued	20,084
Traffic crashes	628
Narcotics arrests	187
Fire Department	
Fires	100
EMS and Police assistance calls	1,898
General Government	
Building permits issued	3,062
Building inspections conducted	8,860
Dwelling units permitted	243
Streets and highways	
Streets resurfaced ( <i>miles</i> )	4.6
New sidewalks (linear feet)	0
Water	
New connections	485
Average daily consumption ( <i>thousands of gallons</i> )	4,776
Peak daily consumption ( <i>thousands of gallons</i> )	6,705
Water equivalent residential units (ERU)	21,234
Wastewater	
Average daily sewage treatment ( <i>thousands of gallons</i> )	2,087
Sewer equivalent residential units (ERU)	15,185
Solid waste collection	
Solid waste collected ( <i>tons per day</i> )	31.9
Recyclables collected ( <i>tons per day</i> ) <i>includes yardwaste</i>	13.1
Refuse equivalent residential units (ERU)	10,252
Punta Gorda Isles Canal Maintenance Assessment District	
Seawall replacement (feet)	8,440
Seawall cap replacement (feet)	967
Burnt Store Isles Canal Maintenance Assessment District	
Seawall replacement (feet)	154
Seawall cap replacement (feet)	1,342

**Source:** Various city departments monthly reports and 9/30/2006 ERU Total report.

**City of Punta Gorda, Florida**  
 Capital Assets Statistics by Function/Program  
 Fiscal Year 2005-06

<u>Function/Program</u>	<u>2005-06</u>
Police	
Stations	1
Number of Police Officers Authorized	32
Fire	
Stations	3
Number of Firefighters Authorized	27
Streets and highways	
Streets ( <i>miles</i> )	110
Unpaved streets ( <i>miles</i> )	3
Streetlights	566
Traffic signal intersections	18
Water	
Water mains ( <i>miles</i> )	226
Storage capacity ( <i>thousands of gallons</i> )	7,500
Fire hydrants	1,000
Wastewater	
Sanitary sewers ( <i>miles</i> )	132
Treatment capacity ( <i>thousands</i> )	4,000
Solid waste collection	
Collection trucks	11
Parks and recreation	
Acreage	82 +/-
Number of Parks	15

**Source:** City of Punta Gorda Finance Department.

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