



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

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2007**

PREPARED BY THE FINANCE DEPARTMENT

David W. Drury, CPA, CGFO
Finance Director

CITY COUNCIL

MAYOR

LARRY FRIEDMAN

VICE MAYOR

HARVEY E. GOLDBERG

COUNCILMEMBER

MARILYN P. MOONEY

COUNCILMEMBER

WILLIAM F. ALBERS

COUNCILMEMBER

CHARLES A. WALLACE

CITY MANAGER

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

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INTRODUCTORY SECTION

This section contains
the following subsections:

Letter of Transmittal

List of Elected
and Appointed Officials

City of Punta Gorda Organizational Chart

Certificate of Achievement
for Excellence in Financial Reporting

City of **Punta Gorda,** Florida

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

February 27, 2008

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, 2007.

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, 2007 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, 2007 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

In Beautiful Charlotte County

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

Profile of the Government

Punta Gorda, founded December 7, 1887, is the only incorporated city in Charlotte County and serves as the County Seat. The City currently occupies a land area of approximately 16 square miles and serves a population of 18,123. The City is empowered to levy a property tax on properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

The annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriation to the manager on or before March 31. The manager uses these requests as the starting point for developing a proposed budget. The manager uses budget workshops for the goal of presenting a proposed budget to the council for review in May or 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.

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
- Economic and Community Development
- Intergovernmental Relations
- Quality of Life
- Stakeholders
- Transportation
- Utilities
- Waterfront

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 \$26,479,589 on deposit with LGSFTF at September 30, 2007. The LGSFTF interest rate at that time was 5.74%. As of September 30, 2007 there were four investments with the Government National Mortgage Association (G.N.M.A.) earning 10% with a fair market value of \$21,928 and two Federal Agency investments with a fair market value of \$2,000,000 with interest rates of 4% and 5%. The three pension trusts combined had \$33,452,070 (fair value) of investments as of September 30, 2007.

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, 2007 in funding 77.50%, 94.60% and 69.70% 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, 29 and 30 years respectively 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, 2006. This was the twenty-second consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

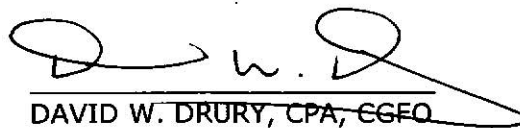
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



HOWARD KUNIK
CITY MANAGER

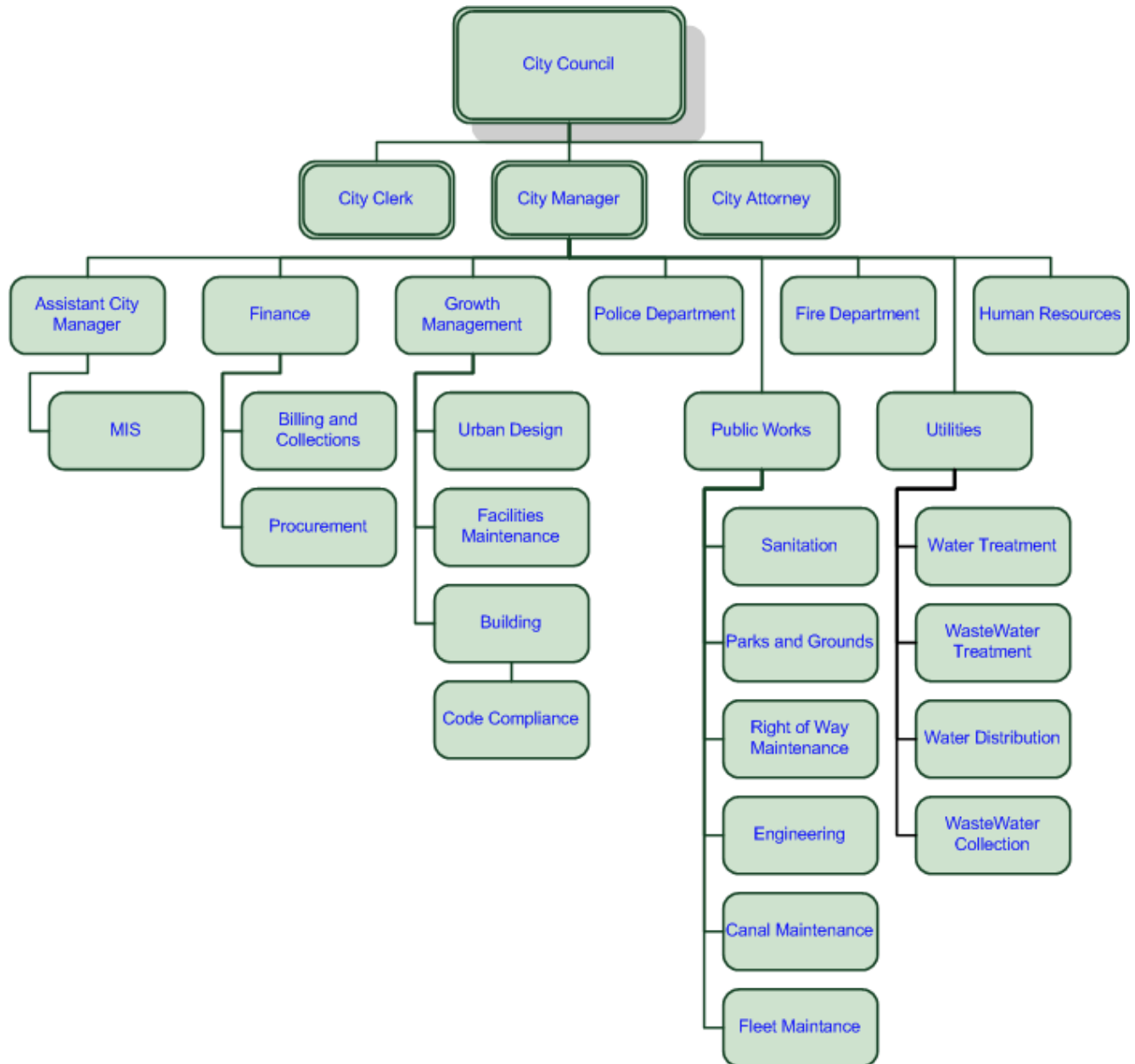


DAVID W. DRURY, CPA, CGFO
DIRECTOR OF FINANCE

City of Punta Gorda
List of Principal Officials
As of September 30, 2007

<u>Title</u>	<u>Name</u>
Mayor	Lawrence J. Friedman
Vice Mayor	Harvey E. Goldberg
Councilmember	Marilyn P. Mooney
Councilmember	William F. Albers
Councilmember	Charles A. Wallace
City Manager	Howard Kunik
Assistant City Manager	Kathleen M. Dailey
City Attorney	David M. Levin
City Clerk	Sue Foster
Chief of Police	Charles R. Rinehart
Fire Chief	Robert F. Hancock
Director of Growth Management	Dennis B. Murphy
Director of Finance	David W. Drury
Director of Public Works	Richard C. Keeney
Director of Utilities	Thomas E. Jackson

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, 2006. 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-two consecutive years (fiscal years ended 1985 through 2006). 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, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

This section contains
the following subsections:

Report of Independent Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund
Statements and Schedules

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, 2007, 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.

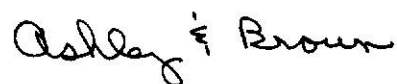
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of

September 30, 2007, and the respective changes in its financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Community Redevelopment Agency Fund, the PGI Canal Maintenance Special Revenue Fund and the Transportation Impact Fee Special Revenue Fund, 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 March 5, 2008, 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.



March 5, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Punta Gorda's financial statements is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ended September 30, 2007.

FINANCIAL HIGHLIGHTS

- The assets of the City of Punta Gorda exceeded its liabilities at September 30, 2007, by \$95.3 million (net assets). Of this amount, \$18.5 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, 2007 the City of Punta Gorda's governmental funds reported combined ending net assets of \$45.3 million. This is an increase of \$6.0 million.
- The City of Punta Gorda's total long-term liabilities decreased by net \$2.3 million during the current fiscal year. This decrease is discussed further in debt administration.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Statement of Net Assets (page 20) and **The Statement of Activities** (page 21) 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 22. 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 27 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 decreases 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 2006/2007. 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, 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, fees and investments.
- **Business-type activities**—The City's Utilities, Sanitation, Building and Marina services are reported here. These services are supported primarily from user fees. 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 Storm fund, the PGI and BSI canal maintenance district funds and the two Gas Tax funds. These funds focus on how money flows into and out of the funds, and the balances left at year-end. The accounting method used is called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash (usually 60 day focus). The two criteria used are that the revenue is measurable and available. Examples of difference from economic focus are that financing and grants are considered current revenue, and purchases of capital are considered expenditures whereas depreciation is not since there is no outlay of cash. In a highly regulatory environment, fund accounting serves a very important purpose, in that funds received for specific purposes are identified as such and can readily be audited.

- Proprietary funds—are used to account for the business-type activities of the government. There are two types: enterprise funds and internal service funds. The City’s enterprise funds are Utilities, Sanitation, Building and Marina; the internal service 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.
- Fiduciary funds—are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City’s own programs. The accounting used for fiduciary funds is similar to proprietary funds. The City’s three pension funds are fiduciary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 40.

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

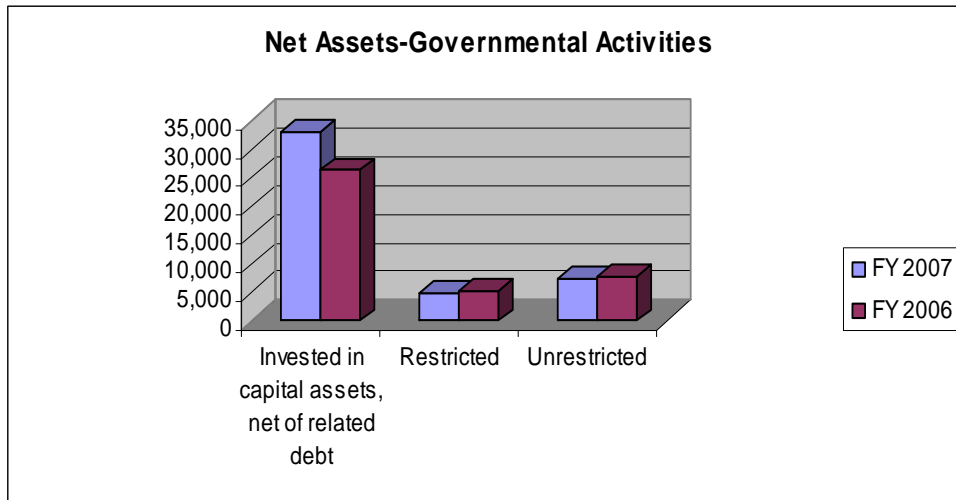
The City's combined net assets as of September 30, 2007 were \$95.3 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$47.2 million. Total expenses, citywide were \$42 million. The increase to citywide net assets was \$7.7 million (Table 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)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 14,540	\$ 17,623	\$ 23,540	\$ 24,406	\$ 38,080	\$ 42,029
Capital assets	41,530	35,450	46,508	45,408	88,038	80,858
Total assets	<u>56,070</u>	<u>53,073</u>	<u>70,048</u>	<u>69,814</u>	<u>126,118</u>	<u>122,887</u>
Long-term liabilities	(9,310)	(9,808)	(18,168)	(19,998)	(27,478)	(29,806)
Other liabilities	(1,487)	(3,982)	(1,851)	(1,510)	(3,337)	(5,492)
Total liabilities	<u>(10,797)</u>	<u>(13,790)</u>	<u>(20,019)</u>	<u>(21,508)</u>	<u>(30,816)</u>	<u>(35,298)</u>
Net assets:						
Invested in capital assets, net of debt	33,056	26,355	28,148	25,672	61,204	52,027
Restricted	4,752	5,258	10,822	7,632	15,574	12,890
Unrestricted	7,465	7,670	11,059	15,002	18,524	22,672
Total net assets	<u>\$ 45,273</u>	<u>\$ 39,283</u>	<u>\$ 50,029</u>	<u>\$ 48,306</u>	<u>\$ 95,302</u>	<u>\$ 87,589</u>

The largest portion of the City's net assets (64.2%) 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 16.3% of total net assets) are subject to external restrictions on how they may be used. The remaining 19.5% balance of unrestricted net assets, \$18.5 million, may be used to meet the city's ongoing obligations to citizens and creditors. It is important to recognize that this resource may be planned to repay the outstanding debt on capital assets. The governmental activities net assets increased \$6.0 million or 15%. The business-type activities net assets increased \$1.7 million or 4.0%. The City's overall financial position improved \$7.7 million or 8.1%. The total governmental activity revenue increased \$758 thousand from the previous year. An increase of \$1 million occurred in the area of capital grants and contributions.

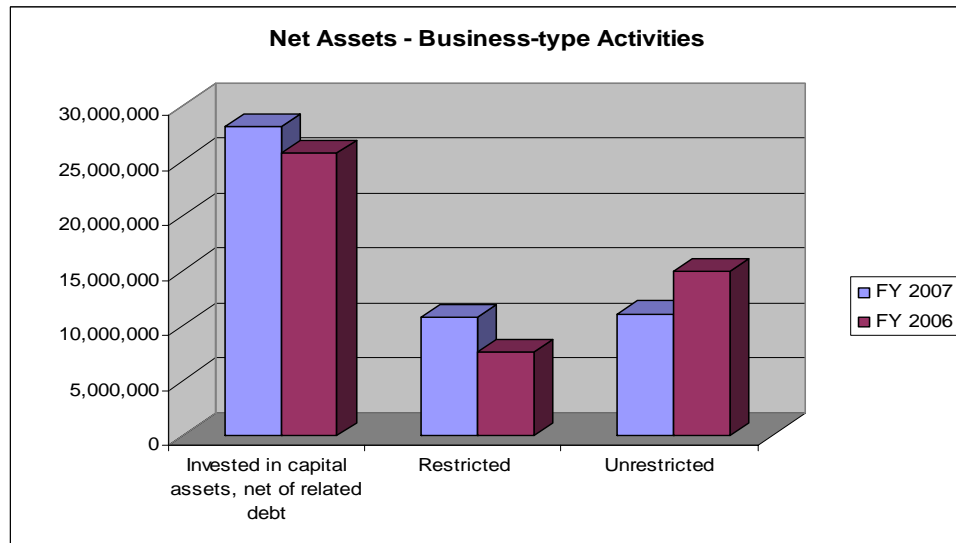
The following is a chart by net assets of governmental-type activities.



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

- Laishley Park Marina, \$5.7 million
- Vehicles and heavy equipment, \$1.1 million
- City Beautification, \$329 thousand

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



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

- WTP Expansion Project, \$1 million

Table 2
Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3,069	\$ 3,325	\$ 16,213	\$ 16,534	\$ 19,282	\$ 19,859
Operating grants and contributions	586	565	61	9	647	574
Capital grants and contributions	4,312	3,312	3,381	4,148	7,693	7,460
General revenues:						
Property taxes	7,401	6,134	-	-	7,401	6,134
Other taxes	8,526	8,785	16	17	8,542	8,802
Other	1,844	1,537	1,782	891	3,626	2,428
Total revenues	<u>25,738</u>	<u>23,658</u>	<u>21,453</u>	<u>21,599</u>	<u>47,191</u>	<u>45,257</u>
Expenses:						
General government	4,172	3,279	-	-	4,172	3,279
Public safety	8,325	7,501	-	-	8,325	7,501
Transportation	3,633	2,870	-	-	3,633	2,870
Economic environment	521	609	-	-	521	609
Recreation	5,347	4,929	-	-	5,347	4,929
Interest on long-term debt	361	305	-	-	361	305
Water and wastewater	-	-	15,849	14,171	15,849	14,171
Sanitation/refuse	-	-	2,696	2,722	2,696	2,722
Building Fund	-	-	1,071	1,220	1,071	1,220
Marina	-	-	114	-	114	-
Total expenses	<u>22,359</u>	<u>19,493</u>	<u>19,730</u>	<u>18,113</u>	<u>41,975</u>	<u>37,606</u>
Increase in net assets before transfers	3,379	4,165	1,723	3,486	5,102	7,651
Transfers	-	(500)	-	500	-	-
Net assets-beginning(as adjusted)	41,894	35,618	48,306	44,320	90,200	79,938
Net assets-ending	<u>\$ 45,273</u>	<u>\$ 39,283</u>	<u>\$ 50,029</u>	<u>\$ 48,306</u>	<u>\$ 95,302</u>	<u>\$ 87,589</u>

The analysis of Table 2 states overall the total Primary Government revenues increased \$1.9 million, 4.3%. The total Governmental Activities revenues increased \$2.1 million, 8.8%. The total Business-type activities decreased \$146 thousand, .7%.

The total Primary Government expenses increased \$4.4 million, or 11.6%. Of the total, 8.9% of the increases came from Business-type activities. Water & wastewater expenses increased \$1.7 million, 11.84%. The total Governmental Activities expense increased \$2.87 million. The increases were in the areas of transportation which was \$763 thousand, and recreation which was \$418 thousand.

The Primary Government ending net assets was \$95.3 million at Sept. 30, 2007. The increase in net assets for the city overall was \$7.7 million, 8.8%. The prior year increase was \$7.7 million. The Governmental Activities had an increase in net assets of \$6.0

million. Last fiscal year there was a \$3.7 million increase in net assets. The analysis of Governmental Activities revenues and expenses discloses that total revenues increased 8.8%, there was an offsetting total expense increase of 14.7%. Ending net assets are up 15.2%.

The transfer of \$500 thousand in FY 2006 represents the change in the Building Department from a governmental activity to a business activity due to the legal restrictions on the revenues. The transition from a department in the General Fund to a new Building Fund required the beginning fund balance to be transferred. In FY 2007, no transfers between governmental-type and business-type activities were needed.

The Business-type Activities increase in net assets was \$1.7 million. The prior fiscal year increase was \$4.0 million. The analysis of revenues and expenditures disclosed that revenues decreased 0.7% and expenditures increased 8.9%. Ending net assets are up 3.6%.

The following chart shows the comparison of the user fee revenues:

	<u>Revenues (in thousands)</u>		<u>From 2006 to 2007</u>
	2007	2006	<u>% incr (decr)</u>
Water Billings	\$7,190	\$7,016	2.5%
Wastewater Billings	\$4,909	\$4,761	3.1%
Refuse Collection	\$2,829	\$2,718	4.1%
Licenses & Permits	\$ 959	\$1,788	(46.4%)

Major Fund Changes in Net Assets or Fund Balance

The General Fund balance at September 30, 2007 consisted of \$ 1.3 million for undesignated fund balance, \$ 1.1 million was designated for subsequent year's budget and \$ 155 thousand was designated for reappropriation for incomplete projects. This is a \$ 918 thousand decrease from September 30, 2006. The decrease represents an intended budgeted use of fund balance to offset the difference between budgeted revenue of \$ 20.3 million and the budgeted expenditures of \$ 21.6 million. The council revised their financial policy on fund balance to 5% of annual expenditures.

Community Redevelopment Agency Fund balance decreased by \$1.9 million. The capital outlays were over \$3.9 million, which included the completion of the marina project, for \$3.4 million.

The PGI Canal Maintenance Fund balance decreased \$270 thousand. The assessment fees were decreased from \$ 460 to \$ 400 per lot.

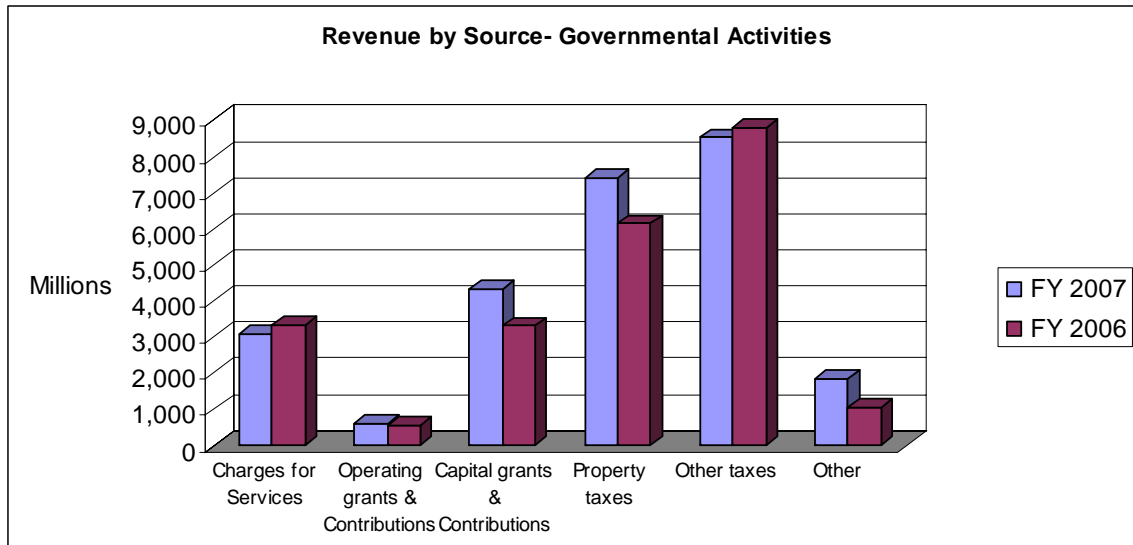
The Transportation Impact Fee Fund increased \$ 67 thousand. The interest earnings increased \$ 58,481, due to higher rates and additional invested funds. The transportation revenue increased \$147,931. The expenditures increased by \$ 139,204. The transfer to general construction was increased by \$ 90,000.

The Water and Wastewater Utility Fund net assets increased \$1.5 million. The City received contributed capital of \$3.4 million; the water user charges increased by \$174 thousand; the wastewater user charges increased \$148 thousand; both of these were due to increased customers as well as higher consumption; and interest income increased by

\$153 thousand due to increased interest rates and additional idle funds. Personnel expenses increased \$801 thousand and other operating expenses increased \$1.1 million. A more detailed analysis of the increases in expenses can be found on Page 13 of the MD&A.

Governmental Activities

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



The following details the revenue variances between fiscal years 2006 and 2007.

Charges for services decreased from \$3.3 million to \$3.1 million

- Decrease was primarily due to a reduction of the PGI canal assessment from \$460 to \$400 per lot.

Capital grants & Contributions increased by \$1 million.

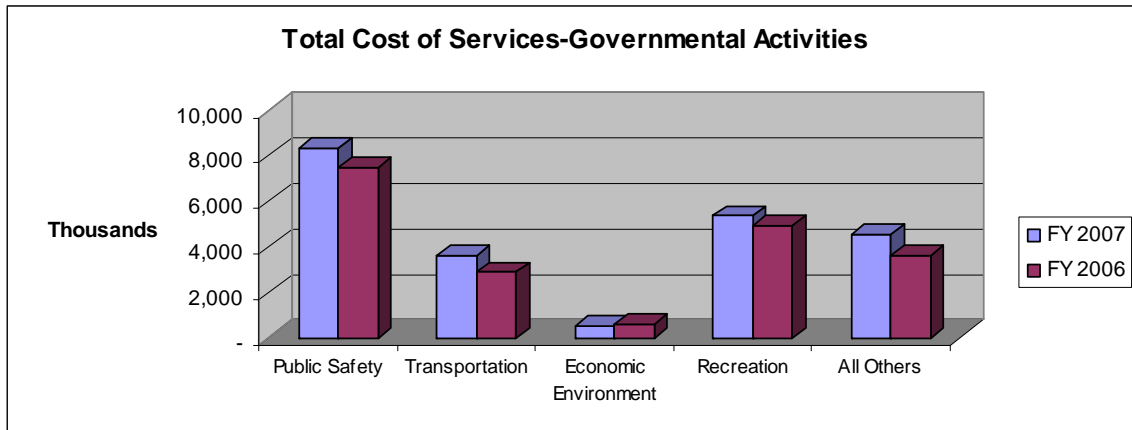
- Increase in County tax increment contribution to CRA of \$750 thousand
- Net increase in Capital Projects grants and contributions of \$ 183 thousand.

Property tax revenue increase of \$1.3 million due to the increase in property values.

The cost of all governmental activities this year, including allocations, was \$24.6 million as compared to \$21.6 million in FY 2006. As shown in the Statement of Activities on page 21, the net cost that was ultimately paid through taxes and other sources was \$14.3 million. The highlights of how the remaining \$8.0 million was provided follow:

- \$3.1 million in charges for services- \$2.5 million by the canal maintenance districts; and \$.6 million by various fees for general government services;
- \$.6 million in operating grants and contributions
- \$4.3 million in capital grants and contributions

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



- Public safety cost increased by \$824 thousand. Personal services increased by almost \$600 thousand. Insurance cost increased by \$56 thousand.
- Transportation cost increased by \$763 thousand. Construction costs increased by over \$250 thousand and paving expenditures increased by over \$500 thousand.
- Economic environment cost decreased by \$90 thousand and this was in the area of various construction projects.
- Recreation costs increased by over \$400 thousand. This was mainly in the area of park improvements and city beautification.
- General government costs increased in the following areas of the government center project which increased by \$277 thousand, demolition work which totaled \$85 thousand, and increases in insurance.

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

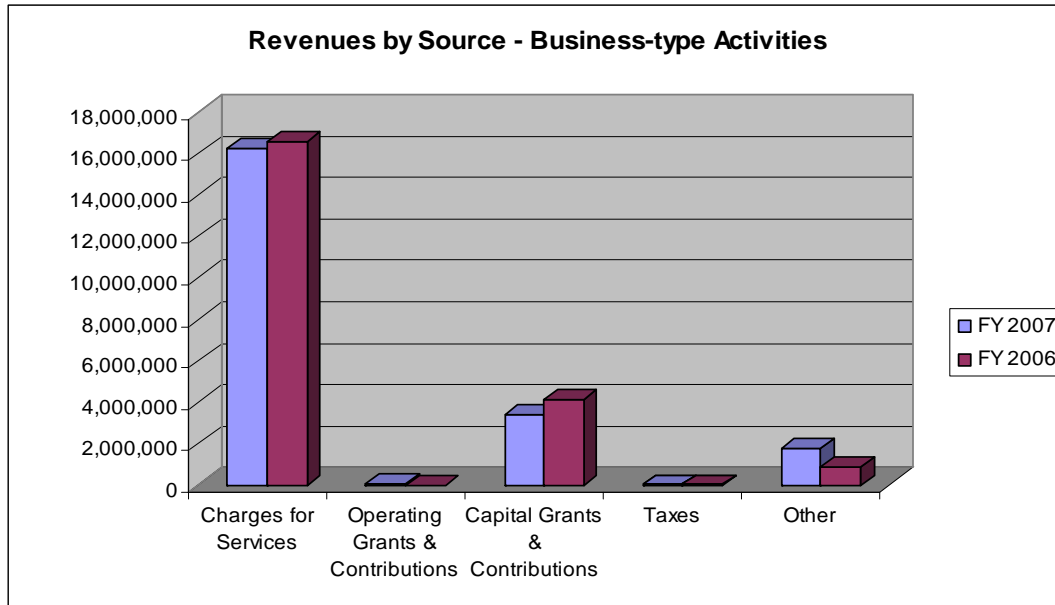
Table 3
Governmental Activities
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Public Safety	\$ 8,325	\$ 7,501	\$ (8,047)	\$ (7,388)
Transportation	3,633	2,870	(3,287)	(2,672)
Economic Environment	521	609	1,904	219
Recreation	5,347	4,929	(2,451)	(188)
All Others	4,533	3,584	(2,511)	(2,262)
Totals	\$ 22,359	\$ 19,493	\$ (14,392)	\$ (12,291)

Business-type Activities

Revenues of the City's Business-type activities (see Table 2) totaled \$21.4 million. Operating expenses totaled \$19.7 million, showing an increase in net assets of \$1.7 million.

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



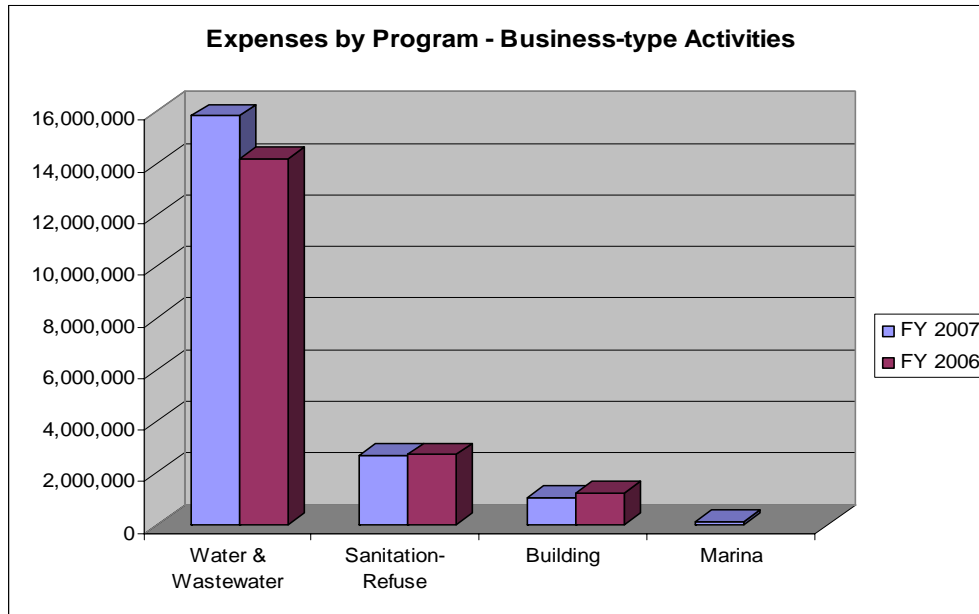
Charges for services reported in business-type activities decreased \$321 thousand, or 1.9%, in comparison to the prior year. Water & Wastewater Utility and Sanitation/Refuse experienced a slight increase in new customers and usage resulting in additional revenues of \$298 thousand and \$111 thousand respectively. However, Building's charges for services decreased significantly by \$834 thousand as a result of a decline in the housing market. A new fund was created in FY 2007 to account for the new Laishley Park Marina which was completed and opened in March 2007. Its charges for services for March through September 2007 were \$104 thousand.

Operating grants and contributions increased by \$52 thousand as a direct result of the Water & Wastewater Utility receiving a grant for \$61 thousand to conduct a reuse feasibility study.

Capital grants and contributions decreased by \$767 thousand, or 18.5%. There was a significant decrease in Water and Sewer Impact fees of \$1.6 million from the prior year. This decrease was partially offset by an increase in Developer's contributed water & wastewater infrastructure of \$418 thousand and the first reimbursement of a capital grant that was recognized in FY 2007 of \$448 thousand for the water plant expansion from 8 mgd to 10 mgd capacity.

The other category increased by \$891 thousand. This was a result of receiving insurance proceeds in the amount of \$672 thousand in the Water & Wastewater Utility related to Hurricane Charley. Also interest earned increased \$193 thousand due to better interest rates on investments and additional funds invested.

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



The Water & Wastewater Utility expenses increased \$1.7 million, or 11.8%, in comparison to the prior year. This increase was caused by several factors. Personnel services increased \$801 thousand as a result of a pay plan adjustment to bring employees' salaries to market level, increases in health insurance rates, all departments having a full staff compared to the prior year when generally six positions were vacant at any time in FY 2006, an addition of two additional authorized positions in the utilities administration, and the use of overtime and temporary employees to cover the licensures needed on premise at all times in the water treatment division. Other operating expenses that increased were fire/general liability insurance by 33% related to overall insurance increases in the state of Florida, materials and supplies caused by a more aggressive meter changeout schedule using automated reading devices, contractual services due to a ECAP water & wastewater planning study, mold remediation, and a new cross-connection control program, administrative charges, depreciation expense, and repairs and maintenance.

The Sanitation/Refuse expenses decreased by \$26 thousand, or .9%. In FY 2006 there was a \$123 thousand loss on asset disposals and in FY 2007 there as a gain of \$34 thousand. The difference in the two fiscal years is offset by a pay plan adjustment to bring employees' salaries to market level and other normal increases in expenses that were expected due to increases in commodities, such a fuel.

The Building Fund's expenses decreased by \$148 thousand, or 12.2%. This is a direct result of a reduction in staff of 2 positions.

The Laishley Park Marina was completed and opened in March 2007. Total expenses from March through September 2007 were \$114 thousand.

THE CITY'S FUNDS

General Fund Budgetary Highlights

The following is a brief review of the budgeting changes from the original budget to the final budget for the General Fund. The final budget increased \$ 757 thousand (includes transfers), or 4.4% from the original budget, which can be briefly summarized as follows:

- Fire protection equipment & supplies - \$ 229 thousand
- Fire department overtime pay- \$ 89 thousand
- Right of Way vehicles - \$ 88 thousand
- Lot Mowing Program - \$ 78 thousand
- Engineering department added a position - \$ 70 thousand
- Economic Development Marketing Plan - \$ 53 thousand
- Police Salaries & Wages - \$ 48 thousand
- Enterprise Punta Gorda - \$ 39 thousand
- Salaries Urban Design - \$ 34 thousand
- Repairs and maintenance/ buildings - \$ 32 thousand

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

Revenues:

- Infrastructure surtax and the local one half cent sales tax were almost \$ 600 thousand under budget. This is directly related to the downturn in the economy, increased unemployment, and a change in the public's purchasing habits.
- Tax revenues exceeded budget by \$ 127 thousand, as a result of increased property values.
- Communications Service Tax exceeded budget by \$ 109 thousand. This is a result of an increase in usage of communication devices as well as a conservative approach to estimating maximum revenue.
- Franchise fees exceeded budget by \$ 41 thousand and was a result of increased utilities usage.

Expenditures:

- General government expenditures were under budget by \$ 496 thousand. Transfers out were under budget by \$ 277 thousand. The lot mowing program was under budget by \$ 78 thousand.
- Public safety police expenses were under budget by \$ 146 thousand. Operating expenses, and insurance came in under budget. Equipment was budgeted and not purchased.
- Public safety fire came in under budget by \$ 185 thousand. Capital expenditures were under budget by \$ 60 thousand; however, the funds were carried over to the next fiscal year for subsequent acquisition. Personal services were under budget by \$ 90 thousand.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2007 reflect an investment of \$88.0 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>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 9,916	\$ 9,916	\$ 5,403	\$ 5,403	\$ 15,319	\$ 15,319
Buildings	6,702	5,373	3,538	3,673	10,240	9,046
Improvements						
other than buildings	5,644	238	8,504	10,919	14,148	11,157
Machinery and equipment	4,101	3,104	3,086	2,970	7,187	6,074
Infrastructure / System	13,923	12,461	22,895	21,079	36,818	33,540
Construction						
work in progress	<u>1,234</u>	<u>4,358</u>	<u>3,082</u>	<u>1,364</u>	<u>4,316</u>	<u>5,722</u>
Total Capital Assets	<u>\$ 41,520</u>	<u>\$ 35,450</u>	<u>\$ 46,508</u>	<u>\$ 45,408</u>	<u>\$ 88,028</u>	<u>\$ 80,858</u>

Significant changes to assets this year include:

- Ford SUV for Engineering. \$ 19 thousand
- Ford F750 Bucket Truck for Facilities Maintenance. \$ 113 thousand
- (30) SCBA Packs & (2) Rapid Intervention Team Packs for Fire. \$ 174 thousand
- Raptor Plus-Power Hawk Rescue System for Fire. \$ 16 thousand
- Bullard thermal imaging equipment for Fire. \$ 13 thousand
- Bobcat Compact Excavator for Parks & Grounds. \$ 20 thousand
- Eight Ford Crown Vic Pursuit Vehicles for Police. \$ 205 thousand
- Ford Expedition SUV for Police. \$ 30 thousand
- Yamaha Boat Motor for Police. \$ 14 thousand
- Sterling Tandem Axle Truck for Right of Way. \$ 94 thousand
- Ford 3/4 Ton extended cab truck for Right of Way. \$ 30 thousand
- JCB Backhoe Loader. \$ 65 thousand
- Ford 3/4 Ton crew cab truck for PGI Canal Maintenance. \$ 27 thousand

- Pontoon Boat with Mercury motor and trailer for PGI Canal Mnt. \$ 23 thousand
- Ford 1/2 ton truck for Sanitation. \$ 14 thousand
- Ford 1 ton truck for Sanitation. \$ 31 thousand
- (2) Ford SUVs for Utilities Admin. \$ 40 thousand
- (2) Ford SUVs & (2) Ford Trucks for Water Distribution. \$ 110 thousand
- International Dump Truck for Water Distribution. \$ 51 thousand
- John Deere Compact Excavator with trailer for Water Distribution. \$ 33 thousand
- JCB Wheel Loader with Accessories for WTP. \$ 106 thousand
- 1/2 ton pickup truck for WTP. \$ 19 thousand
- International cab-chassis truck for WTP. \$ 61 thousand
- Ford 3/4 ton truck for WW Collection. \$ 33 thousand
- Cobra Crawler for WW Collection. \$ 11 thousand
- Sterling Vacuum Truck for WW Collection. \$226 thousand
- Flygt Pumps for WWTP. \$ 22 thousand
- Dell commercial desktops , workstations, laptops, computer catalysts, & scanners. \$ 159 thousand
- 3COM Security Mgmt Systems Unit and Intrusion prevention. \$20 thousand
- Laishley Park Project. \$ 5.7 million
- Parking Garage Project. \$ 154 thousand
- Improvements to Marion & Olympia. \$ 39 thousand
- Storm Sewer Reconstruction. \$130 thousand
- City Beautification. \$ 329 thousand
- Public Parking. \$ 146 thousand
- East Punta Gorda Improvements. \$ 84 thousand
- Road improvements. \$ 190 thousand
- Park Improvements. \$ 24 thousand
- Fire Station. \$ 212 thousand
- Sidewalks Project. \$ 64 thousand
- Aqui Esta Widening Project. \$ 5 thousand
- Railroad Crossing Projects. \$ 73 thousand
- WTP Expansion Project. \$ 984 thousand

Debt

As of September 30, 2007 the City had \$8.5 million of revenue note debt in the Governmental Activities. This is a net decrease of \$.6 million as compared to prior year. The business-type Activities bond and note debt was \$17.6 million. This is a decrease of \$1.7 million, totally attributable to principal payments. Capital leases at year end were \$ 775 thousand. This is a decrease of \$204 thousand. City-wide compensated absences increased \$188 thousand.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

The real estate and construction sectors are key to Florida's economic outlook, which has recently been experiencing a downturn (2006 & 2007) from record-high home sales, rising home prices and substantial increases in both residential and nonresidential construction activity through 2005. The federal funds rate is now 3.5%. This indicates a weakening of the economic outlook and increasing downside risks to growth. While strains in short-term funding markets have erased somewhat, broader financial market conditions have continued to deteriorate and credit has tightened further for some businesses and households. Moreover, incoming information indicates a deepening of the housing contraction as well as some softening in labor markets. Fishkind & Associates developed economic forecasts for both the country and state, as shown below.

United States Forecast Summary 2007-2008

Through June 2008

- Full fledged financial panic
- High energy prices
- Housing correction
- Federal Reserve cuts interest rates ending disintermediation

Through December 2008

- Interest rates trend lower
- Housing market bottoms
- Weaker trajectory for consumption
- Stronger exports from a weaker dollar

Florida Forecast 2007-2008 *Slower growth*

- Weaker national economy
- Soft housing markets limit migration into state
- Florida's single-family market bottoms
- Land prices eroding

Charlotte County Economic Highlights

Challenges

- The number of single-family building permits issued from March through December 2007 averaged below 100 per month, which is well under experience dating back to 2001.

- Taxable sales continue to trend downward from a high in December 2006. This trend is consistent throughout Southwest Florida and the State.
- Unemployment is 6.2% as of December 2007, above the national rate of 4.8% and 4.4% rate Statewide. One year ago, the unemployment rate in the County was only 3.2%. The slowdown in housing and construction is resulting in increased levels of unemployment.
- The single-family home median sales price has fallen from a high of \$240,000 in October 2005 to \$177,300 in November 2007, which is the fourth lowest among all Florida markets.
- In a new 2007 survey, Moody's Economy reported that the Punta Gorda metropolitan statistical area led the nation in home price decline over one year ago - 35.3%. One needs to be cognizant that references to Punta Gorda may actually extend beyond the municipal boundaries of the City.

Opportunities

- Significant development-related projects to be undertaken in the County within the vicinity of the City include improvements to the I-75 off ramps at Jones Loop Road, new Wal-Mart Supercenter on Jones Loop Road, The Loop (mixed-use retail center with more than 1 million square feet of commercial space and future residential units), Publix Super Markets distribution center and Piper Road reconstruction to serve both Publix and the Enterprise Charlotte Airport Park.
- The Airport also has a new \$5.5 million 16,000 square foot terminal and a new low cost airline - Skybus, currently offering airline service to Columbus, Ohio. Additional flights will go to Greensboro, North Carolina and Portsmouth, New Hampshire.
- Significant tourism-related, public projects include reconstruction of a new \$19 million Charlotte Harbor Events & Conference Center in downtown Punta Gorda. Scheduled for completion in September 2008, the 43,500 square foot facility will be twice the size of the former auditorium and outfitted to meet the needs of conferences and events.

Punta Gorda Economic Highlights

Demographics & Tax Base

According to the May 2007 edition of Inc. Magazine, Punta Gorda ranked #43 overall out of a total of 393 cities featured as the best cities for doing business. 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 September 2007, A.G. Edwards completed its listing of the 500 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 #128 of the top 500 performing communities and is #4 in the State of Florida. This information again

demonstrates the economic development potential in our community.

Population is back on the rise in the City since the impact of Hurricane Charley. Projections now show a 2007 City population of 18,123, up from 16,255 two years ago, and a 2010 projection of 19,804.

Changes in taxable assessed property values continue to contribute major influence on financial planning and budget preparation. Taxable property values decreased Citywide by 4.6% and in the Community Redevelopment Area by 2.3% from the previous year.

State property tax reform mandated the level of revenues from property taxes for local government. The City of Punta Gorda was required to cut taxes to the FY 2007 revenue level and then make an additional cut of 5%, as determined by the formula that analyzes taxing performance over the past 5 years. The City's taxing performance has been 1.7% below the statewide average over the past 5 years. The fiscal impact on the FY 2008 budget was an additional \$370,000 in reductions.

Along with the decrease in property values and property tax rates, the City had become aware of the slowdown in permit related activities. Therefore, revenues related to additional housing units (such as utility user fees, impact fees, sales tax, etc) were budgeted with a 0-2% growth rate in FY 2008.

The reduction in revenues guided the expenditure/expense reductions and service level reductions to balance the budget. Also there was a one time reduction of the General Fund Balance Reserve of \$1.1 million from 10% to a 5% minimum reserve level .

BASIC FINANCIAL STATEMENTS

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$11,989,305	\$ 6,295,310	\$18,284,615
Investments	1,001,088	-	1,001,088
Receivables (net of allowance for uncollectibles)	814,557	882,504	1,697,061
Due from other governments	682,370	-	682,370
Internal balances	(92,955)	92,955	-
Inventories	85,596	144,037	229,633
Prepays (including excess NPO \$47,542)	47,542	385,610	433,152
Deferred charges	-	618,958	618,958
Restricted assets:			
Cash and cash equivalents	12,073	13,583,301	13,595,374
Investments	-	1,020,840	1,020,840
Receivables	-	6,985	6,985
Due from other governments	-	509,519	509,519
Capital assets (net of accumulated depreciation):			
Land	9,915,719	5,403,346	15,319,065
Buildings	6,702,308	3,538,020	10,240,328
Improvements other than buildings	5,643,901	8,503,574	14,147,475
Machinery and equipment	4,100,996	3,086,071	7,187,067
Infrastructure/System	13,932,817	22,895,220	36,828,037
Construction in progress	1,234,446	3,081,865	4,316,311
Total assets	<u>56,069,763</u>	<u>70,048,115</u>	<u>126,117,878</u>
LIABILITIES			
Accounts payable and other current liabilities	1,456,694	1,076,845	2,533,539
Deferred revenue	29,457	-	29,457
Liabilities payable from restricted assets	-	774,332	774,332
Long-term liabilities:			
Due within one year	731,627	1,488,154	2,219,781
Due in more than one year	8,578,563	16,680,134	25,258,697
Total liabilities	<u>10,796,341</u>	<u>20,019,465</u>	<u>30,815,806</u>
NET ASSETS			
Invested in capital assets, net of related debt	33,056,270	28,147,738	61,204,008
Restricted for:			
Highways and streets	8,777	-	8,777
Capital projects	4,731,481	7,982,142	12,713,623
Debt service	-	1,975,178	1,975,178
Other purposes	12,073	864,517	876,590
Unrestricted	7,464,821	11,059,075	18,523,896
Total net assets	<u>\$45,273,422</u>	<u>\$50,028,650</u>	<u>\$95,302,072</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2007

	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	\$ 6,725,100	\$ (2,553,220)	\$ 521,702	\$ 554,994	\$ 945,650
Public Safety	8,324,762	-	37,316	7,309	232,923
Transportation	3,485,761	146,971	-	-	346,103
Economic environment	521,498	-	-	24,000	2,401,784
Recreation	5,178,524	168,447	2,509,787	-	385,846
Interest on long-term debt	361,620	-	-	-	-
Total Governmental Activities	24,597,265	(2,237,802)	3,068,805	586,303	4,312,306
Business-type Activities:					
Water and wastewater	14,110,085	1,738,452	12,235,089	61,480	3,380,915
Sanitation/refuse	2,412,231	284,072	2,828,985	-	-
Building Fund	856,004	215,278	1,044,109	-	-
Marina Fund	114,477	-	104,320	-	-
Total Business-type Activities	17,492,797	2,237,802	16,212,503	61,480	3,380,915
Total Functions/Programs	\$42,090,062	\$ -0-	\$19,281,308	\$ 647,783	\$ 7,693,221

General Revenues:
Property taxes
Franchise taxes
Utility taxes and gas taxes
Sales Taxes
Investment earnings
Miscellaneous revenue
Total general revenues
Change in net assets
Net Assets - Beginning
Prior Period Adjustments
Net Assets Beginning (as adjusted)
Net Assets - Ending

See Accompanying Notes.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (2,149,534)	\$ -	\$ (2,149,534)
(8,047,214)	-	(8,047,214)
(3,286,629)	-	(3,286,629)
1,904,286	-	1,904,286
(2,451,338)	-	(2,451,338)
(361,620)	-	(361,620)
<u>(14,392,049)</u>	<u>-</u>	<u>(14,392,049)</u>
-	(171,053)	(171,053)
-	132,682	132,682
-	(27,173)	(27,173)
-	(10,157)	(10,157)
<u>-</u>	<u>(75,701)</u>	<u>(75,701)</u>
<u>(14,392,049)</u>	<u>(75,701)</u>	<u>(14,467,750)</u>
7,401,394	-	7,401,394
1,331,145	16,060	1,347,205
3,462,681	-	3,462,681
3,732,044	-	3,732,044
881,752	1,035,266	1,917,018
961,972	746,961	1,708,933
<u>17,770,988</u>	<u>1,798,287</u>	<u>19,569,275</u>
<u>3,378,939</u>	<u>1,722,586</u>	<u>5,101,525</u>
<u>39,283,480</u>	<u>48,306,064</u>	<u>87,589,544</u>
<u>2,611,003</u>	<u>-</u>	<u>2,611,003</u>
<u>41,894,483</u>	<u>48,306,064</u>	<u>90,200,547</u>
<u>\$ 45,273,422</u>	<u>\$ 50,028,650</u>	<u>\$ 95,302,072</u>

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2007

	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	\$1,045,023	\$ 1,039,625	\$1,196,689	\$4,919,043	\$2,312,895	\$1,182,215	\$11,695,490
Investments	1,001,088	-	-	-	-	-	1,001,088
Taxes receivable	29,941	-	-	-	-	-	29,941
Accounts receivable (net of allowance of \$24,287)	573,729	194,407	-	-	-	-	768,136
Accrued interest receivable	13,825	647	141	674	177	617	16,081
Restricted cash and equivalents	12,073	-	-	-	-	-	12,073
Due from other funds	-	-	-	132,648	-	151,128	283,776
Due from other governments	333,368	55,995	49,587	19,662	-	223,758	682,370
Inventories	85,596	-	-	-	-	-	85,596
Prepaid items	-	-	-	-	-	-	-
Total assets	<u>\$3,094,643</u>	<u>\$ 1,290,674</u>	<u>\$1,246,417</u>	<u>\$5,072,027</u>	<u>\$2,313,072</u>	<u>\$1,557,718</u>	<u>\$14,574,551</u>

See Accompanying Notes.

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2007
(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	\$ 161,953	\$ 215,429	\$ 76,722	\$ 226,042	\$ -	\$ 164,421	\$ 844,567
Retainage payable	-	126,259	85,394	114,504	-	78,903	405,060
Accrued liabilities	165,750	-	8,229	-	-	-	173,979
Due to other funds	132,648	-	-	-	-	150,128	282,776
Deferred revenue	29,457	-	-	-	-	-	29,457
Total liabilities	<u>489,808</u>	<u>341,688</u>	<u>170,345</u>	<u>340,546</u>	<u>-</u>	<u>393,452</u>	<u>1,735,839</u>
Fund balances							
Reserved for:							
Permanent fund	-	-	-	-	-	8,777	8,777
Capital improvements and maintenance	-	-	-	4,731,481	-	-	4,731,481
Reserved for other	12,073	-	-	-	-	-	12,073
Unreserved							
Designated for reappropriations	155,401	948,986	-	-	-	-	1,104,387
Designated for subsequent year's budget	1,132,549	-	-	-	-	-	1,132,549
Undesignated - reported in Special Revenue Funds	-	-	-	-	-	1,155,489	1,155,489
Undesignated - major funds	1,304,812	-	1,076,072	-	2,313,072	-	4,693,956
Total fund balances	<u>2,604,835</u>	<u>948,986</u>	<u>1,076,072</u>	<u>4,731,481</u>	<u>2,313,072</u>	<u>1,164,266</u>	<u>12,838,712</u>
Total liabilities and fund balances	<u>\$3,094,643</u>	<u>\$ 1,290,674</u>	<u>\$1,246,417</u>	<u>\$5,072,027</u>	<u>\$2,313,072</u>	<u>\$1,557,718</u>	

See Accompanying Notes.

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2007
(Continued)

Total brought forward 12,838,712

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 \$41,530,187 less amount included in internal services \$606,673.	40,923,514
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.	815,393
Cumulative effect of business type portion of internal services	(93,955)
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 \$9,310,190 less amount included in internal services \$52,406.	(9,257,784)
Excess "Net Pension Obligation" is an asset on the Statement of Net Assets but is not a financial resource.	47,542
Net assets of governmental activities	<u><u>\$45,273,422</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, 2007

	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	\$11,264,695	\$ -	\$ -	\$ -	\$ -	\$ -	\$11,264,695
Licenses and permits	119,369	-	-	-	-	-	119,369
Intergovernmental revenues	4,542,834	2,193,198	385,846	237,853	-	1,739,952	9,099,683
Charges for services	330,834	-	-	-	-	-	330,834
Fines and forfeitures	215,000	-	-	-	-	-	215,000
Miscellaneous	2,974,868	172,845	2,218,712	263,945	468,602	1,146,772	7,245,744
Total revenues	<u>19,447,600</u>	<u>2,366,043</u>	<u>2,604,558</u>	<u>501,798</u>	<u>468,602</u>	<u>2,886,724</u>	<u>28,275,325</u>
Expenditures							
Current							
General government	6,037,263	-	-	-	-	339,877	6,377,140
Public safety	8,081,643	-	-	-	-	14,691	8,096,334
Transportation	1,426,151	-	-	-	-	1,804,298	3,230,449
Economic environment	-	117,701	-	-	-	403,797	521,498
Recreation	1,428,481	-	2,847,165	-	-	435,215	4,710,861
Capital outlay	-	3,945,106	-	3,651,149	-	-	7,596,255
Debt service							
Principal retirement	100,000	495,500	25,000	-	-	-	620,500
Interest and fiscal charges	21,296	337,677	2,647	-	-	-	361,620
Total expenditures	<u>17,094,834</u>	<u>4,895,984</u>	<u>2,874,812</u>	<u>3,651,149</u>	<u>-</u>	<u>2,997,878</u>	<u>31,514,657</u>
Excess expenditures (over) under revenues	<u>2,352,766</u>	<u>(2,529,941)</u>	<u>(270,254)</u>	<u>(3,149,351)</u>	<u>468,602</u>	<u>(111,154)</u>	<u>(3,239,332)</u>

See Accompanying Notes.

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2007
(Continued)

	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	<u>3,352,766</u>	<u>(2,529,941)</u>	<u>(270,254)</u>	<u>(3,149,351)</u>	<u>468,602</u>	<u>(111,154)</u>	<u>(3,239,332)</u>
Other financing sources (uses)							
Transfers in	91,510	627,124	-	2,670,534	-	598,000	3,987,168
Transfers out	<u>(3,362,783)</u>	<u>-</u>	<u>-</u>	<u>(31,510)</u>	<u>(401,394)</u>	<u>(191,481)</u>	<u>(3,987,168)</u>
Total other financing sources	<u>(3,271,273)</u>	<u>627,124</u>	<u>-</u>	<u>2,639,024</u>	<u>(401,394)</u>	<u>406,519</u>	<u>-</u>
Net change in fund balances	<u>(918,507)</u>	<u>(1,902,817)</u>	<u>(270,254)</u>	<u>(510,327)</u>	<u>67,208</u>	<u>295,365</u>	<u>(3,239,332)</u>
Fund balances, October 1, 2006	3,523,342	2,851,803	1,346,326	5,241,808	-	503,762	13,467,041
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,245,864</u>	<u>365,139</u>	<u>2,611,003</u>
Fund balances, October 1, 2006 (as adjusted)	<u>3,523,342</u>	<u>2,851,803</u>	<u>1,346,326</u>	<u>5,241,808</u>	<u>2,245,864</u>	<u>868,901</u>	<u>16,078,044</u>
Fund balances, September 30, 2007	<u>\$ 2,604,835</u>	<u>\$ 948,986</u>	<u>\$ 1,076,072</u>	<u>\$ 4,731,481</u>	<u>\$ 2,313,072</u>	<u>\$ 1,164,266</u>	<u>\$ 12,838,712</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, 2007

Amounts reported for governmental activities in the statement of activities (page 21)
are different because:

Net change in fund balances -- total governmental funds (page 26)	\$ (3,239,332)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and capital asset adjustments were below capital outlays in the current period.	6,077,231
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest.	620,500
Some expenditures reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, ie Change in Excess NPO (\$587) and Compensated absences \$(124,962).	(125,549)
Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>46,089</u>
Change in net assets of governmental activities (page 21)	<u><u>\$ 3,378,939</u></u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2007

	Budgets		Actual	Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 11,137,887	\$ 11,137,887	\$ 11,264,695	\$ 126,808
Licenses and permits	134,275	134,275	119,369	(14,906)
Intergovernmental revenues	4,917,800	5,153,265	4,542,834	(610,431)
Charges for services	387,850	387,850	330,834	(57,016)
Fines and forfeitures	125,000	125,000	215,000	90,000
Miscellaneous	2,936,498	2,857,382	2,974,868	117,486
	<u>19,639,310</u>	<u>19,795,659</u>	<u>19,447,600</u>	<u>(348,059)</u>
Total revenues				
Expenditures				
Current				
General government	6,217,044	6,533,474	6,037,263	496,211
Public safety	8,070,109	8,453,070	8,081,643	371,427
Transportation	1,314,586	1,416,424	1,426,151	(9,727)
Recreation	1,438,037	1,442,005	1,428,481	13,524
Debt service				
Principal retirement	100,000	127,514	100,000	27,514
Interest and fiscal charges	32,984	27,770	21,296	6,474
	<u>17,172,760</u>	<u>18,000,257</u>	<u>17,094,834</u>	<u>905,423</u>
Total expenditures				
Excess revenues over (under) expenditures	<u>2,466,550</u>	<u>1,795,402</u>	<u>2,352,766</u>	<u>557,364</u>
Other financing sources (uses)				
Transfers in	60,000	130,000	91,510	(38,490)
Transfers out	(3,640,990)	(3,640,007)	(3,362,783)	277,224
	<u>(3,580,990)</u>	<u>(3,510,007)</u>	<u>(3,271,273)</u>	<u>238,734</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (1,114,440)</u>	<u>\$ (1,714,605)</u>	<u>(918,507)</u>	<u>\$ 796,098</u>
Fund balances, October 1, 2006			<u>3,523,342</u>	
Fund balances, September 30, 2007			<u>\$ 2,604,835</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
For the Fiscal Year Ended September 30, 2007

	Budgets		Actual	Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,431,277	\$ 2,202,502	\$ 2,193,198	\$ (9,304)
Miscellaneous	25,500	25,500	172,845	147,345
Total revenues	<u>1,456,777</u>	<u>2,228,002</u>	<u>2,366,043</u>	<u>138,041</u>
Expenditures				
Economic environment	35,000	225,672	117,701	107,971
Capital outlay	900,000	4,602,845	3,945,106	657,739
Debt service				
Principal retirement	495,500	495,500	495,500	-
Interest and fiscal charges	336,690	337,677	337,677	-
Total expenditures	<u>1,767,190</u>	<u>5,661,694</u>	<u>4,895,984</u>	<u>765,710</u>
Excess revenues over expenditures	<u>(310,413)</u>	<u>(3,433,692)</u>	<u>(2,529,941)</u>	<u>903,751</u>
Other financing sources				
Transfers in	682,107	697,124	627,124	(70,000)
Total other financing sources	<u>682,107</u>	<u>697,124</u>	<u>627,124</u>	<u>(70,000)</u>
Net change in fund balances	<u>\$ 371,694</u>	<u>\$ (2,736,568)</u>	(1,902,817)	<u>\$ 833,751</u>
Fund balances, October 1, 2006			<u>2,851,803</u>	
Fund balances, September 30, 2007			<u>\$ 948,986</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, 2007

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 23,500	\$ 385,846	\$ 362,346
Interest	36,000	36,000	121,403	85,403
Miscellaneous				
Service assessments	2,060,160	2,060,160	2,083,316	23,156
Other	20,000	20,000	13,993	(6,007)
Total revenues	<u>2,116,160</u>	<u>2,139,660</u>	<u>2,604,558</u>	<u>464,898</u>
Expenditures				
Current				
Recreation	2,432,308	2,936,218	2,847,165	89,053
Debt service				
Principal retirement	25,000	25,000	25,000	-
Interest and fiscal charges	3,100	3,100	2,647	453
Total expenditures	<u>2,460,408</u>	<u>2,964,318</u>	<u>2,874,812</u>	<u>89,506</u>
Excess revenues over (under) expenditures	<u>(344,248)</u>	<u>(824,658)</u>	<u>(270,254)</u>	<u>554,404</u>
Net change in fund balance	<u>\$ (344,248)</u>	<u>\$ (824,658)</u>	(270,254)	<u>\$ 554,404</u>
Fund balances, October 1, 2006			<u>1,346,326</u>	
Fund balances, September 30, 2007			<u>\$ 1,076,072</u>	

CITY OF PUNTA GORDA, FLORIDA
TRANSPORTATION IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2007

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 18,000	\$ 18,000	\$ 122,499	\$ 104,499
Miscellaneous	310,000	310,000	346,103	36,103
Total revenues	<u>328,000</u>	<u>328,000</u>	<u>468,602</u>	<u>140,602</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>328,000</u>	<u>328,000</u>	<u>468,602</u>	<u>140,602</u>
Other financing sources (uses)				
Debt proceeds	302,000	302,000	-	(302,000)
Transfers out	(630,000)	(2,201,411)	(401,394)	1,800,017
Total other financing uses	<u>(328,000)</u>	<u>(1,899,411)</u>	<u>(401,394)</u>	<u>1,498,017</u>
Net change in fund balance	<u>\$ -</u>	<u>\$(1,571,411)</u>	<u>67,208</u>	<u>\$ 1,638,619</u>
Fund balances, October 1, 2006			-	
Prior period adjustment			<u>2,245,864</u>	
Fund balances, October 1, 2006 (as adjusted)			<u>2,245,864</u>	
Fund balances, September 30, 2007			<u>\$ 2,313,072</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2007

ASSETS	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,764,692	\$ 275,225
Accounts and refund receivable (net of allowance of \$307,495)	642,875	220,795
Inventories	144,037	-
Prepaid items	22,333	-
Accrued interest receivable	14,939	773
Restricted cash and cash equivalents	13,571,331	-
Restricted investments, at amortized cost which approximates fair value	1,020,840	-
Restricted due from other governments	509,519	-
Restricted accrued interest receivable	6,985	-
Total current assets	20,697,551	496,793
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	45,575,193	901,529
Unamortized issuance costs	618,958	-
Prepaid rent	363,277	-
Total noncurrent assets	46,557,428	901,529
Total assets	\$67,254,979	\$1,398,322

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$1,255,188	\$ 205	\$ 6,295,310	\$ 293,815
-	2,921	866,591	-
-	-	144,037	-
-	-	22,333	-
201	-	15,913	399
11,970	-	13,583,301	-
-	-	1,020,840	-
-	-	509,519	-
-	-	6,985	-
<u>1,267,359</u>	<u>3,126</u>	<u>22,464,829</u>	<u>294,214</u>
31,374	-	46,508,096	606,673
-	-	618,958	-
-	-	363,277	-
<u>31,374</u>	<u>-</u>	<u>47,490,331</u>	<u>606,673</u>
<u>\$1,298,733</u>	<u>\$ 3,126</u>	<u>\$69,955,160</u>	<u>\$ 900,887</u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2007
(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	\$ 690,446	\$ 58,494
Retainage payable	68,287	-
Notes payable	48,701	-
Current portion of revenue notes payable	657,131	-
Current portion of bonds payable	570,000	-
Current portion of leases payable	-	171,029
Accumulated unused compensated absences	28,131	10,330
Accrued liabilities	223,647	13,678
Due to other funds	-	-
Total payable from current assets	2,286,343	253,531
Payable from restricted assets		
Accrued liabilities	110,798	-
Current portion of bonds payable	605,000	-
Customer deposits	45,943	-
Total payable from restricted assets	761,741	-
Total current liabilities	3,048,084	253,531
NONCURRENT LIABILITIES		
Revenue notes payable	7,912,510	-
Revenue bonds payable - less unamortized discount of \$322,378	7,792,622	-
Leases payable	-	603,365
Accrued compensated absences	253,181	92,969
Total noncurrent liabilities	15,958,313	696,334
Total liabilities	19,006,397	949,865
NET ASSETS		
Invested in capital assets net of related debt	27,989,229	127,135
Restricted for debt service	1,975,178	-
Restricted for renewal and replacement	770,562	-
Restricted for capital projects	7,982,142	-
Unrestricted	9,531,471	321,322
Total net assets	\$48,248,582	\$ 448,457
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	Marina Fund	Total	
\$ 2,399	\$ 8,561	\$ 759,900	\$ 21,478
-	-	68,287	-
-	-	48,701	-
-	-	657,131	-
-	-	570,000	-
-	-	171,029	-
2,832	-	41,293	5,240
8,412	2,921	248,658	11,610
-	1,000	1,000	-
<u>13,643</u>	<u>12,482</u>	<u>2,565,999</u>	<u>38,328</u>
-	-	110,798	-
-	-	605,000	-
11,970	621	58,534	-
<u>11,970</u>	<u>621</u>	<u>774,332</u>	<u>-</u>
<u>25,613</u>	<u>13,103</u>	<u>3,340,331</u>	<u>38,328</u>
-	-	7,912,510	-
-	-	7,792,622	-
-	-	603,365	-
25,487	-	371,637	47,166
<u>25,487</u>	<u>-</u>	<u>16,680,134</u>	<u>47,166</u>
<u>51,100</u>	<u>13,103</u>	<u>20,020,465</u>	<u>85,494</u>
31,374	-	28,147,738	606,673
-	-	1,975,178	-
-	-	770,562	-
-	-	7,982,142	-
<u>1,216,259</u>	<u>(9,977)</u>	<u>11,059,075</u>	<u>208,720</u>
<u>\$1,247,633</u>	<u>\$ (9,977)</u>	49,934,695	<u>\$ 815,393</u>
		<u>93,955</u>	
		<u>\$50,028,650</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, 2007

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 12,235,089	\$ 2,828,985
Licenses and permits	-	-
Miscellaneous	68,626	1,707
	<u>12,303,715</u>	<u>2,830,692</u>
Total operating revenues		
Operating expenses		
Personal services	4,801,584	1,070,858
Contractual services	476,873	707,749
Materials and supplies	1,645,583	100,908
Utilities	823,116	4,456
Depreciation	4,163,468	233,430
Insurance	217,345	33,442
Administrative charges	2,009,408	288,809
Repairs and maintenance	726,258	244,529
Travel	19,010	1,671
Rent	97,780	7,107
	<u>14,980,425</u>	<u>2,692,959</u>
Total operating expenses		
Operating income (loss)	<u>(2,676,710)</u>	<u>137,733</u>
Nonoperating revenues (expenses)		
Interest income	955,149	11,429
Taxes	-	16,060
Insurance proceeds	671,978	-
Operating grants	61,480	-
Interest expense and fiscal charges	(887,943)	(36,424)
Gain on disposition of capital assets	11,250	34,074
	<u>811,914</u>	<u>25,139</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers and contributions	<u>(1,864,796)</u>	<u>162,872</u>
Totals carried forward	<u>(1,864,796)</u>	<u>162,872</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 84,641	\$ 104,320	\$ 15,253,035	\$ 1,660,081
959,468	-	959,468	-
4,470	180	74,983	-
<u>1,048,579</u>	<u>104,500</u>	<u>16,287,486</u>	<u>1,660,081</u>
674,543	-	6,546,985	716,527
46,977	62,711	1,294,310	202,345
24,795	6,869	1,778,155	83,594
4,770	25,054	857,396	7,462
7,949	-	4,404,847	224,550
2,434	4,056	257,277	27,785
294,575	-	2,592,792	20,445
2,579	680	974,046	238,532
13,548	-	34,229	10,921
1,894	15,107	121,888	87,759
<u>1,074,064</u>	<u>114,477</u>	<u>18,861,925</u>	<u>1,619,920</u>
<u>(25,485)</u>	<u>(9,977)</u>	<u>(2,574,439)</u>	<u>40,161</u>
68,688	-	1,035,266	13,209
-	-	16,060	-
-	-	671,978	-
-	-	61,480	-
-	-	(924,367)	-
-	-	45,324	3,088
<u>68,688</u>	<u>-</u>	<u>905,741</u>	<u>16,297</u>
<u>43,203</u>	<u>(9,977)</u>	<u>(1,668,698)</u>	<u>56,458</u>
<u>43,203</u>	<u>(9,977)</u>	<u>(1,668,698)</u>	<u>56,458</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, 2007
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	<u>\$ (1,864,796)</u>	<u>\$ 162,872</u>
Contributions	<u>3,380,915</u>	<u>-</u>
Change in net assets	1,516,119	162,872
Total net assets - beginning	<u>46,732,463</u>	<u>285,585</u>
Total net assets - ending	<u>\$ 48,248,582</u>	<u>\$ 448,457</u>

Adjustment to reflect the consolidation of internal service fund
activities related to enterprise funds
Change in net assets of business-type activities (page 21)

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
<u>\$ 43,203</u>	<u>\$ (9,977)</u>	<u>\$ (1,668,698)</u>	<u>\$ 56,458</u>
<u>-</u>	<u>-</u>	<u>3,380,915</u>	<u>-</u>
43,203	(9,977)	1,712,217	56,458
<u>1,204,430</u>	<u>-</u>		<u>758,935</u>
<u>\$ 1,247,633</u>	<u>\$ (9,977)</u>		<u>\$ 815,393</u>
		<u>10,369</u>	
		<u>\$ 1,722,586</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2007

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 12,290,332	\$ 2,820,447
Cash payments to suppliers for goods and services	(6,060,123)	(1,386,231)
Cash payments to employees for services	(4,734,081)	(1,045,992)
Other receipts	68,626	1,707
	<u>1,564,754</u>	<u>389,931</u>
 Net cash provided by (used in) operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Payments on advances to/from other funds	457,200	-
Taxes	-	16,060
	<u>457,200</u>	<u>16,060</u>
 Net cash provided by noncapital financing activities		
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	(3,644,670)	(45,723)
Sale of property, plant and equipment	16,329	11,148
Principal paid on debt	(1,754,651)	(203,961)
Interest and fiscal charges paid	(764,809)	(36,424)
Contributions	1,514,103	-
Insurance proceeds	671,978	-
	<u>(3,961,720)</u>	<u>(274,960)</u>
 Net cash used in capital and related financing activities		
Totals carried forward	<u>(1,939,766)</u>	<u>131,031</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 1,043,216	\$ 104,941	\$ 16,258,936	\$ 1,660,081
(392,512)	(105,916)	(7,944,782)	(665,847)
(688,892)	-	(6,468,965)	(717,040)
4,470	180	74,983	-
<u>(33,718)</u>	<u>(795)</u>	<u>1,920,172</u>	<u>277,194</u>
-	1,000	458,200	-
-	-	16,060	-
-	1,000	474,260	-
(6,456)	-	(3,696,849)	(224,762)
-	-	27,477	120
-	-	(1,958,612)	-
-	-	(801,233)	-
-	-	1,514,103	-
-	-	671,978	-
<u>(6,456)</u>	<u>-</u>	<u>(4,243,136)</u>	<u>(224,642)</u>
<u>(40,174)</u>	<u>205</u>	<u>(1,848,704)</u>	<u>52,552</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2007
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (1,939,766)	\$ 131,031
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross proceeds from maturities of investments	6,501,075	-
Interest received	997,582	10,656
	<u>7,498,657</u>	<u>10,656</u>
Net cash provided by investing activities		
	<u>7,498,657</u>	<u>10,656</u>
Net increase (decrease) in cash and cash equivalents	5,558,891	141,687
Balances - beginning of the year	12,777,132	133,538
	<u>12,777,132</u>	<u>133,538</u>
Balances - end of year	\$ 18,336,023	\$ 275,225
	<u>\$ 18,336,023</u>	<u>\$ 275,225</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (2,676,710)	\$ 137,733
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,163,468	233,430
Net (increase) decrease in:		
Receivables	59,838	(8,538)
Inventories	(38,567)	-
Prepays	22,525	-
Net increase (decrease) in:		
Accounts payable	(28,708)	2,440
Accrued liabilities	67,503	24,866
Customer deposits	(4,595)	-
	<u>(4,595)</u>	<u>-</u>
Net cash provided by (used in) operating activities	\$ 1,564,754	\$ 389,931
	<u>\$ 1,564,754</u>	<u>\$ 389,931</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Disposal of fully depreciated capital assets	\$ 216,161	\$ 37,668
Donated equipment to/from other funds	5,606	-
Donated capital assets	1,418,773	-

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ (40,174)	\$ 205	\$ (1,848,704)	\$ 52,552
-	-	6,501,075	-
68,487	-	1,076,725	12,810
68,487	-	7,577,800	12,810
28,313	205	5,729,096	65,362
1,238,845	-	14,149,515	228,453
<u>\$ 1,267,158</u>	<u>\$ 205</u>	<u>\$ 19,878,611</u>	<u>\$ 293,815</u>
\$ (25,485)	\$ (9,977)	\$ (2,574,439)	\$ 40,161
7,949	(2,921)	4,401,926	224,550
-	-	51,300	-
-	-	(38,567)	-
-	-	22,525	1,028
(940)	8,561	(18,647)	11,967
(14,349)	2,921	80,941	(512)
(893)	621	(4,867)	-
<u>\$ (33,718)</u>	<u>\$ (795)</u>	<u>\$ 1,920,172</u>	<u>\$ 277,194</u>
\$ -	\$ -	\$ 253,829	\$ 43,932
-	-	5,606	-
-	-	1,418,773	-

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2007

	<u>Pension Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,608,721
Interest and dividends receivable	174,881
Member contributions receivable	27,445
Investments, at fair value	
U.S. Treasury and Government Agencies	7,296,824
Corporate Obligations	2,696,596
Common Stocks	20,359,168
Common Stocks - ADR	<u>3,099,482</u>
Total investments at fair value	<u>33,452,070</u>
Total assets	<u>36,263,117</u>
LIABILITIES AND NET ASSETS	
Refunds payable	<u>3,051</u>
Total liabilities	<u>3,051</u>
Net assets, held in trust for pension benefits	<u><u>\$ 36,260,066</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, 2007

	Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 1,691,383
Insurance Premiums	442,514
Plan members	764,346
Total contributions	2,898,243
Investment earnings	
Net gain in fair value of investments	3,601,923
Interest and dividends	1,054,874
Total investment earnings	4,656,797
Less investment expense	170,324
Net investment earnings	4,486,473
Total additions	7,384,716
DEDUCTIONS	
Benefits paid	1,185,810
Refunds of contributions	169,062
Administrative expenses	47,475
Total deductions	1,402,347
Change in net assets	5,982,369
Net assets held in trust for pension benefits	
Beginning of year	30,277,697
End of year	\$ 36,260,066

See Accompanying Notes.

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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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, 2007

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, 2007

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.

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

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

I. Organization and Summary of Significant Accounting Policies, Continued

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

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

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

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

C. Cash and cash equivalents

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

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

I. Organization and Summary of Significant Accounting Policies, Continued

D. Accounts receivable and accrued revenues

Accounts receivable in the Water and Wastewater Utility Enterprise Fund do not include amounts for unbilled services for usage due to the immateriality of amount at September 30, 2007.

E. Short-term interfund receivables/payables

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

F. Inventories

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

G. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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, 2007

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 some 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. In prior years the payments were paid out of the respective fund that accrued the liability.

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 \$2,553,220 for fiscal year 2007. 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, 2007

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 \$9,257,784 difference are as follows:

Noncurrent liabilities	\$9,310,190
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	(52,406)
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - government-wide statement of net assets - Noncurrent liabilities	\$9,257,784

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 \$6,077,231 difference are as follows:

Capital outlay	\$ 8,217,085
Depreciation expense	(2,139,854)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ 6,077,231

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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 \$620,500 difference are as follows:

Principal repayments:	
Capital Improvement revenue notes	\$ 620,500
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ 620,500

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 \$125,549 difference are as follows:

Change in Excess Net Pension Obligation	\$ 587
Compensated absences	124,962
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ 125,549

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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, 2007.

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, 2007 totaled \$1,104,387.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). 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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

III. Stewardship, compliance, and accountability, Continued

D. Deficit fund equity

The General Maintenance Fund had a deficit fund balance of \$22,232 as of September 30, 2007. This deficit is the result of insufficient billing of fleet maintenance. Community Development Block Grant Fund has a deficit fund balance of \$32,532. 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. The Five Cent Gas Tax Special Revenue Fund has a deficit fund balance of \$26,495. This was a timing problem and will be rectified.

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, 2007 the carrying amounts of the City's deposits below were \$5,396,510 and the bank balances were \$5,903,953. 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, 2007, petty cash for all funds was \$3,890.

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 \$2,021,928. These investments have a weighted average maturity of 3 years.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

A. Cash and Investments, continued

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.

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 \$26,479,589.

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.

See Note IV N. Subsequent event for discussion regarding the Pool and the City's investment in the Pool.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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, 2007:

<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	\$ 270,562	\$ 500,000
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	2,251,230	-
Sewer System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	1,477,608	-
Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds	34,328	-
Bond Reserve Account - maintained at the level required by the Bond Ordinance	1,048,328	520,840
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	367,025	-
Water and Building Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	45,943	-
Utilities Construction Account - reserved for payment of the costs of new projects	8,031,759	-
Special Assessments - District #4 - established to account for assessments levied for utility expansion	<u>44,548</u>	<u>-</u>
	<u>\$ 13,571,331</u>	<u>\$ 1,020,840</u>

<u>Due from Other Governments</u>	<u>Accrued Interest Receivable</u>	<u>Total</u>
\$ -	\$ -	\$ 770,562
-	517	2,251,747
-	493	1,478,101
-	-	34,328
-	4,657	1,573,825
-	-	367,025
-	-	45,943
509,519	1,255	8,542,533
<u>-</u>	<u>63</u>	<u>44,611</u>
<u>\$ 509,519</u>	<u>\$ 6,985</u>	<u>\$ 15,108,675</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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, 2007:

Cash and Cash Equivalents	
Law enforcement trust	<u>\$ 12,073</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ -	\$ 132,648
Capital Projects - General Construction	132,648	-
Nonmajor Governmental Funds		
CDBG Fund	-	80,128
Storm Related Fund	151,128	-
Six Cent Gas Tax Fund	-	70,000
	<u>283,776</u>	<u>282,776</u>
Governmental funds consolodation	<u>(282,776)</u>	<u>(282,776)</u>
	1,000	-
Internal Service Fund	(93,955)	93,955
Marina Fund	-	(1,000)
Statement of Net Assets	<u>\$ (92,955)</u>	<u>\$ 92,955</u>

The interfund assets/liabilities are predominantly short term cash flow loans between funds. The \$132,648 General Fund Liability is the 1¢ sales tax revenue accrual that will be paid in October, 2007. The \$1,000 Marina Fund loan is a cash flow loan to be paid back when funds become available. The \$80,128 is a cash flow loan from the Storm Related Fund to the CDBG Fund to cover expenses that had not yet been reimbursed by grants. The \$70,000 is a cash flow loan from the Storm Related Fund to the Six Cent Gas Tax Fund to cover a timing issue that will clear up next year.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2007

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	\$ 91,510	\$ 3,362,783
Community Redevelopment	627,124	-
Capital Projects Fund	2,670,534	31,510
Impact Fees - Transportation	-	401,394
Nonmajor Governmental funds	598,000	191,481
Net Governmental Funds	<u>\$ 3,987,168</u>	<u>\$ 3,987,168</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2007 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,915,719	\$ -	\$ -	\$ 9,915,719
Construction in progress	4,358,373	7,627,764	(10,751,691)	1,234,446
Total capital assets, not being depreciated	<u>14,274,092</u>	<u>7,627,764</u>	<u>(10,751,691)</u>	<u>11,150,165</u>
Capital assets, being depreciated:				
Buildings	7,228,344	1,534,823	(36,944)	8,726,223
Improvements other than buildings	578,081	5,564,643	(3,482)	6,139,242
Infrastructure	66,043,527	2,650,427	-	68,693,954
Vehicles and equipment	7,747,611	1,831,153	(327,111)	9,251,653
Total capital assets, being depreciated	<u>81,597,563</u>	<u>11,581,046</u>	<u>(367,536)</u>	<u>92,811,073</u>
Less accumulated depreciation for:				
Buildings	(1,855,603)	(187,330)	19,019	(2,023,915)
Improvements other than buildings	(339,779)	(165,773)	10,211	(495,341)
Infrastructure	(53,582,477)	(1,188,537)	-	(54,771,014)
Vehicles and equipment	(4,644,019)	(832,641)	326,003	(5,150,657)
Total accumulated depreciation	<u>(60,421,878)</u>	<u>(2,374,281)</u>	<u>355,233</u>	<u>(62,440,926)</u>
Total capital assets, being depreciated, net	<u>21,175,685</u>	<u>9,206,765</u>	<u>(12,304)</u>	<u>30,370,146</u>
Governmental activities capital assets, net	<u>\$35,449,777</u>	<u>\$ 16,834,529</u>	<u>\$(10,763,995)</u>	<u>\$41,520,311</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

D. Capital assets, continued

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 5,403,346	\$ -	\$ -	\$ 5,403,346
Construction in progress	1,363,871	2,852,016	(1,134,022)	3,081,865
Total capital assets, not being depreciated	<u>6,767,217</u>	<u>2,852,016</u>	<u>(1,134,022)</u>	<u>8,485,211</u>
Capital assets, being depreciated:				
Buildings	21,283,086	686,577	-	21,969,663
Improvements other than buildings	18,343,397	11,079	(14,019)	18,340,457
System Infrastructure	49,590,868	2,231,376	-	51,822,244
Vehicles and equipment	5,825,087	839,634	(252,486)	6,412,235
Total capital assets, being depreciated	<u>95,042,438</u>	<u>3,768,666</u>	<u>(266,505)</u>	<u>98,544,599</u>
Less accumulated depreciation for:				
Buildings	(17,609,546)	(825,452)	3,355	(18,431,643)
Improvements other than buildings	(7,424,801)	(2,418,800)	6,719	(9,836,882)
System Infrastructure	(28,511,950)	(415,074)	-	(28,927,024)
Vehicles and equipment	(2,854,926)	(745,522)	274,283	(3,326,165)
Total accumulated depreciation	<u>(56,401,223)</u>	<u>(4,404,848)</u>	<u>284,357</u>	<u>(60,521,714)</u>
Total capital assets, being depreciated, net	<u>38,641,215</u>	<u>(636,182)</u>	<u>17,852</u>	<u>38,022,885</u>
Business-type activities capital assets, net	<u>\$45,408,432</u>	<u>\$ 2,215,834</u>	<u>\$ (1,116,170)</u>	<u>\$46,508,096</u>

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

Governmental activities:

General government	\$ 440,889
Public safety	485,869
Transportation	552,707
Recreation	660,389
Internal service funds	224,550
Total depreciation expense -- governmental activities	<u>\$ 2,364,404</u>

Business-type activities:

Public utilities	\$ 4,163,469
Sanitation/refuse collection	233,430
Building	7,949
Total depreciation expense -- business-type activities	<u>\$ 4,404,848</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

E. Long-Term Debt

	Governmental Activities - Long-Term Debt		
	Capital Improvement Revenue Notes	Compensated Absences	Total
Debt payable at October 1, 2006	\$ 9,094,417	\$ 658,905	\$ 9,753,322
Debt retired	(620,500)	-	(620,500)
Amortization of original issue discount	-	-	-
Amortization of early call premium	-	-	-
Amortization of underwriters premium	-	-	-
Additions in compensated absences	-	190,852	190,852
Deductions in compensated absences	-	(65,890)	(65,890)
Debt payable at September 30, 2007 (net)	\$ 8,473,917	\$ 783,867	\$ 9,257,784

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
\$ 10,021,040	\$ 9,219,291	\$ 48,701	\$ 978,355	\$ 349,609	\$ 20,616,996
(1,105,000)	(649,651)	-	(203,961)	-	(1,958,612)
27,459	-	-	-	-	27,459
41,423	-	-	-	-	41,423
(17,300)	-	-	-	-	(17,300)
-	-	-	-	98,282	98,282
-	-	-	-	(34,961)	(34,961)
<u>\$ 8,967,622</u>	<u>\$ 8,569,640</u>	<u>\$ 48,701</u>	<u>\$ 774,394</u>	<u>\$ 412,930</u>	<u>\$ 18,773,287</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2007 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 5.82% on September 30, 2007. Principal is payable quarterly. Final maturity is scheduled for October 1, 2009. The proceeds of this debt were used for capital projects throughout the City.</p>	\$ 43,750
<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 5.82% on September 30, 2007. Principal is payable quarterly. Final maturity is scheduled for October 1, 2009. The proceeds of this debt were used for capital projects throughout the City.</p>	120,000
<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 3.76%. Principal is payable semi-annually. Final maturity scheduled for for January 1, 2013. The debt proceeds were used for various projects in the CRA district and to pay off existing CRA debt.</p>	3,215,500

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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. The debt proceeds were used for various construction projects in the CRA district. 4,758,000

\$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 5.82% on September 30, 2007. Principal is payable quarterly. Final maturity is scheduled for January 1, 2010. The debt proceeds were used for various construction projects in the CRA district. 180,000

\$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. This is debt on the land purchased behind City Hall. 156,667

Total revenue notes payable 8,473,917

Less current maturities (648,000)

Noncurrent portion, revenue notes payable \$ 7,825,917

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2007

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Bonds

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

	\$ 9,290,000
Less unamortized discount and call premium	(322,378)
Net	8,967,622
Less current maturities	(1,175,000)
Noncurrent portion, revenue bonds payable	\$ 7,792,622

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2007

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

Revenue Notes

<p>\$5,193,111 Revenue Notes, two notes were combined after project completion; these notes were issued on March 15, 2000 and are to be repaid by the Water and Wastewater Utility Fund, payable to a State of Florida agency; collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Interest is payable semi-annually at 3.36% per annum. Principal is payable semi-annually. Both principal and interest payments commenced on February 15, 2002 with final maturity scheduled for August 15, 2021. The debt proceeds were used to build Aquifer Storage and Retrieval wells and pumps at the Water Treatment Plant.</p>	<p>3,998,918</p>
<p>\$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. The debt proceeds were used to buy land next to the Water Treatment Plant to be used to build a reservoir.</p>	<p><u>4,570,722</u></p>
<p>Total revenue notes payable</p>	<p>8,569,640</p>
<p>Less current maturities</p>	<p><u>(657,130)</u></p>
<p>Noncurrent portion, revenue notes payable</p>	<p><u><u>\$ 7,912,510</u></u></p>

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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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.	51,408
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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.	184,755
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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>538,231</u>
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Total leases payable	774,394
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Less current maturities	<u>(171,029)</u>
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Noncurrent portion, leases payable	<u>\$ 603,365</u>
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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2007 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt	
	Principal	Interest
2008	\$ 648,000	\$ 332,951
2009	660,250	307,318
2010	540,500	283,380
2011	535,167	261,081
2012	518,500	238,997
2013-2017	5,571,500	110,556
2018-2022	-	-
Total	\$ 8,473,917	\$ 1,534,283

	Current Portion	Noncurrent Portion	Totals
Compensated Absences			
Governmental Activities	\$ 78,387	\$ 705,480	\$ 783,867
Business-type Activities	41,293	371,637	\$ 412,930
	\$ 119,680	\$ 1,077,117	\$ 1,196,797

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 5.82% on September 30, 2007. Therefore, interest amount used is 4.81%.

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			
\$ 1,140,000	\$ 419,820	\$ 657,130	\$ 284,416	\$ 48,701	\$ 198,784	
1,210,000	371,040	682,348	262,797	-	146,387	
1,260,000	318,540	704,576	240,413	-	146,387	
1,320,000	258,450	727,385	217,300	-	146,387	
1,380,000	190,950	751,009	193,438	-	124,117	
2,980,000	158,287	3,708,301	429,494	-	101,884	
-	-	1,338,891	155,600	-	-	
<u>\$ 9,290,000</u>	<u>\$ 1,717,087</u>	<u>\$ 8,569,640</u>	<u>\$ 1,783,458</u>	<u>\$ 48,701</u>	863,946	Total minimum lease payments
					(89,552)	Less: Amounts representing interest
					<u>\$ 774,394</u>	Present value of minimum lease payments

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

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

Water and Wastewater Utility Fund

Utility System Refunding Revenue Bonds, Series 2002.

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

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

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

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

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2007

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, 2007:

Refunding Utility Revenue Certificates, Series 1978	\$ 2,205,000
Total outstanding defeased bond issues	\$ 2,205,000

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, 2007 was \$2.1772 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 2007 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, 2007

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	57
Vested terminated employees	6
Beneficiaries	4
Active employees	
Fully-vested	112
Nonvested	94

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, 2007

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	5
Beneficiaries	1
Disability benefits	4
Active employees	
Fully-vested	19
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	5
Beneficiaries	1
Disability benefits	5
Active employees	
Fully-vested	10
Nonvested	17

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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, 2007

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 \$1,364,563 Municipal Police Officers' pension plan \$189,179 and Municipal Firefighters' pension plan \$138,228 for fiscal year ended September 30, 2007.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2005 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, 2005 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', 29 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 77 through 79 of the City's Comprehensive Annual Financial Report.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Pension balances at September 30, 2007 were as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ASSETS				
Cash and cash equivalents	\$ 1,615,670	\$ 612,570	\$ 380,481	\$ 2,608,721
Interest and dividends receivable	95,416	51,022	28,443	174,881
Member contributions receivable	17,097	5,824	4,524	27,445
Investments, at fair value				
U.S. Treasury and Government Agencies	3,780,006	2,289,779	1,227,039	7,296,824
Corporate Obligations	1,444,158	827,671	424,767	2,696,596
Common Stocks	12,593,463	4,727,393	3,038,312	20,359,168
Common Stocks - ADR	1,744,328	815,011	540,143	3,099,482
Total investments at fair value	<u>19,561,955</u>	<u>8,659,854</u>	<u>5,230,261</u>	<u>33,452,070</u>
Total assets	<u>21,290,138</u>	<u>9,329,270</u>	<u>5,643,709</u>	<u>36,263,117</u>
LIABILITIES AND NET ASSETS				
Refunds payable	<u>3,051</u>	<u>-</u>	<u>-</u>	<u>3,051</u>
Total liabilities	<u>3,051</u>	<u>-</u>	<u>-</u>	<u>3,051</u>
Net assets, held in trust for pension benefits	<u><u>\$ 21,287,087</u></u>	<u><u>\$ 9,329,270</u></u>	<u><u>\$ 5,643,709</u></u>	<u><u>\$ 36,260,066</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2007 was as follows:

	<u>General Employees' Pension Plan</u>	<u>Municipal Police Officers' Pension Plan</u>	<u>Municipal Firefighters' Pension Plan</u>	<u>Total</u>
ADDITIONS				
Contributions				
Employer	\$ 1,364,567	\$ 187,950	\$ 138,866	\$ 1,691,383
Insurance premiums	-	194,294	248,220	442,514
Plan members	<u>473,700</u>	<u>172,578</u>	<u>118,068</u>	<u>764,346</u>
Total contributions	<u>1,838,267</u>	<u>554,822</u>	<u>505,154</u>	<u>2,898,243</u>
Investment earnings				
Net gain in fair value of investments	2,270,041	784,693	547,189	3,601,923
Interest and dividends	<u>582,908</u>	<u>295,301</u>	<u>176,665</u>	<u>1,054,874</u>
Total investment earnings	2,852,949	1,079,994	723,854	4,656,797
Less investment expense	<u>98,969</u>	<u>49,161</u>	<u>22,194</u>	<u>170,324</u>
Net investment earnings	<u>2,753,980</u>	<u>1,030,833</u>	<u>701,660</u>	<u>4,486,473</u>
Total additions	<u>4,592,247</u>	<u>1,585,655</u>	<u>1,206,814</u>	<u>7,384,716</u>
DEDUCTIONS				
Benefits paid	656,991	258,058	270,761	1,185,810
Refunds of contributions	73,556	29,402	66,104	169,062
Administrative expenses	<u>25,385</u>	<u>12,192</u>	<u>9,898</u>	<u>47,475</u>
Total deductions	<u>755,932</u>	<u>299,652</u>	<u>346,763</u>	<u>1,402,347</u>
Change in net assets	3,836,315	1,286,003	860,051	5,982,369
Net assets held in trust for pension benefits				
Beginning of year	<u>17,450,772</u>	<u>8,043,267</u>	<u>4,783,658</u>	<u>30,277,697</u>
End of year	<u>\$21,287,087</u>	<u>\$ 9,329,270</u>	<u>\$ 5,643,709</u>	<u>\$ 36,260,066</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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			
9/30/2007	\$ 1,364,563	100%	\$ (126)
9/30/2006	1,188,882	100%	(122)
9/30/2005	1,110,362	100%	(123)
Municipal Police Officers' pension plan			
9/30/2007	\$ 189,179	99%	\$ (26,396)
9/30/2006	153,468	99%	(27,625)
9/30/2005	43,283	167%	(28,852)
Municipal Firefighters' pension plan			
9/30/2007	\$ 138,228	100%	\$ (21,020)
9/30/2006	52,805	100%	(20,382)
9/30/2005	41,826	116%	(20,608)

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

	<u>9/30/2005</u>	<u>9/30/2006</u>	<u>9/30/2007</u>
Actuarially Determined			
Contribution (A)	\$ 1,110,361	\$ 1,188,881	\$ 1,364,567
Interest on NPO	(10)	(10)	(10)
Adjustment to (A)	<u>11</u>	<u>11</u>	<u>6</u>
Annual Pension Cost	1,110,362	1,188,882	1,364,563
Contributions Made	<u>1,110,361</u>	<u>1,188,881</u>	<u>1,364,567</u>
Increase in NPO	1	1	(4)
NPO Beginning of Year	<u>(124)</u>	<u>(123)</u>	<u>(122)</u>
NPO End of Year	<u><u>\$ (123)</u></u>	<u><u>\$ (122)</u></u>	<u><u>\$ (126)</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

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>9/30/2005</u>	<u>9/30/2006</u>	<u>9/30/2007</u>
Actuarially Determined Contribution (A)	\$ 43,283	\$ 152,241	\$ 187,950
Interest on NPO	-0-	(2,308)	(2,210)
Adjustment to (A)	<u>-0-</u>	<u>3,535</u>	<u>3,439</u>
Annual Pension Cost	43,283	153,468	189,179
Contributions Made	<u>72,135</u>	<u>152,241</u>	<u>187,950</u>
Increase in NPO	(28,852)	1,227	1,229
NPO Beginning of Year	<u>-0-</u>	<u>(28,852)</u>	<u>(27,625)</u>
NPO End of Year	<u>\$ (28,852)</u>	<u>\$ (27,625)</u>	<u>\$ (26,396)</u>

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

	<u>9/30/2005</u>	<u>9/30/2006</u>	<u>9/30/2007</u>
Actuarially Determined Contribution (A)	\$ 41,673	\$ 52,579	\$ 138,866
Interest on NPO	(1,118)	(1,649)	(1,631)
Adjustment to (A)	<u>1,271</u>	<u>1,875</u>	<u>993</u>
Annual Pension Cost	41,826	52,805	138,228
Contributions Made	<u>48,463</u>	<u>52,579</u>	<u>138,866</u>
Increase in NPO	(6,637)	226	(638)
NPO Beginning of Year	<u>(13,971)</u>	<u>(20,608)</u>	<u>(20,382)</u>
NPO End of Year	<u>\$ (20,608)</u>	<u>\$ (20,382)</u>	<u>\$ (21,020)</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

H. Employee Retirement Systems, continued

Trend information, continued

Concentration of Investments

All 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, Police Officers' Plan and Firefighters' Plan
Goldman Sachs Fin Sq Treasury
Obligation Administration Fund #469 7.63%, 6.61% and 6.78% respectively

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.

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).

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, 2007

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2007, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 198,824
Administrative charges to other funds	2,553,220
Other	222,824
	<u>2,974,868</u>
<u>Community Redevelopment Agency</u>	
Interest	133,452
Other	39,393
	<u>172,845</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	121,403
Service Assessments	2,083,316
Other	13,993
	<u>2,218,712</u>
<u>Capital Project Fund</u>	
Interest	263,945
	<u>263,945</u>
<u>Impact Fees - Transportation</u>	
Interest	122,499
Impact Fees	346,103
	<u>468,602</u>
<u>Other Governmental Funds</u>	
Interest	41,629
Service Assessments	415,884
Impact Fees	162,526
Other	526,733
	<u>1,146,772</u>
	<u>\$ 7,245,744</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

L. Other Reserves-Fund Balance

The fund balances classified as "reserved for other" Governmental Activities at September 30, 2007 consisted of the following:

General Fund	
Reserved for law enforcement	<u>\$ 12,073</u>

M. Restatement

In prior years the City recorded impact fee revenues as unearned revenues until they were expended or the refund period expired, whichever came first. Governmental Accounting Standards Board Statement Number 33, *Accounting and Financial Reporting for Nonexchange Transactions (GASB 33)*, addresses the timing of revenue recognition. GASB 33 states that revenue recognition for imposed nonexchange transactions, which impact fees are classified as, should be when there is an enforceable legal claim, or when the resources are received, whichever is first. Therefore, the City has determined an error was made in prior years in the method of recording impact fee revenue. As a result of this error, the beginning net assets of the road impact fees and other governmental funds were understated. The effects of these adjustment on the previously reported financial statement amounts were as follows:

	Impact Fees Transportation	Other Governmental Funds
Fund balances as of September 30, 2006, as previously reported	\$ -	\$ 503,762
Adjustment	2,245,864	365,139
Fund balances as of September 30, 2006, as restated	\$ 2,245,864	\$ 868,901
Change in net assets/fund balances for the year ended September 30, 2006, as previously reported	\$ -	\$ 313,712
Adjustment	2,245,864	365,139
Change in net assets/fund balances for the year ended September 30, 2006, as corrected	\$ 2,245,864	\$ 678,851

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2007

IV. Detailed notes on all funds, Continued

N. Subsequent event

As discussed in Note IV A, at September 30, 2007, the City had \$26,479,589 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14 % of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 37% of their balance or \$4 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of February 27, 2008, the City has \$14,392,179 and \$2,329,228 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

One day prior to the freeze the City withdrew \$10 million from the pool without penalty, which explains the large difference between the September 30, 2007 balance and the February 27, 2008 balances. Since full realization of the principle value of Pool B is indeterminable a write down of the City's holdings in Pool B was not done.

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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, 2007

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						
10/01/06	\$ 16,736,312	\$ 21,594,765	\$ 4,858,453	77.50%	\$8,173,044	59.44%
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%
Municipal Police Officers' Pension Plan						
10/01/06	\$ 7,935,761	\$ 8,388,802	\$ 453,041	94.60%	\$1,636,344	27.69%
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%
Municipal Firefighters' Pension Plan						
10/01/06	\$ 4,847,072	\$ 6,953,848	\$ 2,106,776	69.70%	\$1,339,582	157.27%
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%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
September 30, 2007

<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				
2007	\$ 1,364,567	\$ 1,364,567	\$ -	100.00%
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%
Municipal Police Officers' Pension Plan				
2007	\$ 382,244	\$ 187,950	\$ 194,294	100.00%
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%
Municipal Firefighters' Pension Plan				
2007	\$ 348,272	\$ 138,866	\$ 209,406	100.00%
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%

* "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, 2007

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	10/01/05	10/01/05	10/01/05
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	29 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	6.0%	7.0%	6.0%
Inflation portion	3.0%	3.0%	3.0%

CITY OF PUNTA GORDA

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

- Parks
- Police
- Fire
- Government

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, 2007

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
ASSETS:					
Cash and cash equivalents	\$ -	\$ 70,276	\$ 95,419	\$ 236,416	\$ 63,826
Accrued Interest receivable	-	216	88	99	48
Due from other funds	-	-	-	-	-
Due from other governments	54,596	-	-	-	-
Total Assets	<u>\$ 54,596</u>	<u>\$ 70,492</u>	<u>\$ 95,507</u>	<u>\$ 236,515</u>	<u>\$ 63,874</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 7,000	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	80,128	-	-	-	-
Total Liabilities	<u>87,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Right-of-way improvements	-	-	-	-	-
Unreserved:					
Unreserved undesignated	(32,532)	70,492	95,507	236,515	63,874
Total Fund Balances	<u>(32,532)</u>	<u>70,492</u>	<u>95,507</u>	<u>236,515</u>	<u>63,874</u>
Total Liabilities and Fund Balances	<u>\$ 54,596</u>	<u>\$ 70,492</u>	<u>\$ 95,507</u>	<u>\$ 236,515</u>	<u>\$ 63,874</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		
\$ 333,128	\$ 236,604	\$ 137,505	\$ 265	\$ 8,776	\$ 1,182,215
-	165	-	-	1	617
151,128	-	-	-	-	151,128
-	9,898	29,342	129,922	-	223,758
<u>\$ 484,256</u>	<u>\$ 246,667</u>	<u>\$ 166,847</u>	<u>\$ 130,187</u>	<u>\$ 8,777</u>	<u>\$ 1,557,718</u>
\$ 218	\$ 984	\$ 114,439	\$ 41,780	\$ -	\$ 164,421
-	-	78,903	-	-	78,903
-	-	-	70,000	-	150,128
<u>218</u>	<u>984</u>	<u>193,342</u>	<u>111,780</u>	<u>-</u>	<u>393,452</u>
-	-	-	-	8,777	8,777
484,038	245,683	(26,495)	18,407	-	1,155,489
<u>484,038</u>	<u>245,683</u>	<u>(26,495)</u>	<u>18,407</u>	<u>8,777</u>	<u>1,164,266</u>
<u>\$ 484,256</u>	<u>\$ 246,667</u>	<u>\$ 166,847</u>	<u>\$ 130,187</u>	<u>\$ 8,777</u>	<u>\$ 1,557,718</u>

CITY OF PUNTA GORDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2007

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
Revenues:					
Intergovernmental	\$ 208,586	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	42,563	21,592	49,597	71,351
Total revenues	<u>208,586</u>	<u>42,563</u>	<u>21,592</u>	<u>49,597</u>	<u>71,351</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Economic environment	220,511	-	-	-	-
Recreation	-	-	-	-	-
Total expenditures	<u>220,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(11,925)</u>	<u>42,563</u>	<u>21,592</u>	<u>49,597</u>	<u>71,351</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(23,854)	-	-	(60,000)
Total other financing sources (uses)	<u>-</u>	<u>(23,854)</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
Net change in fund balances	<u>(11,925)</u>	<u>18,709</u>	<u>21,592</u>	<u>49,597</u>	<u>11,351</u>
Fund Balances, October 1, 2006	(20,607)	-	-	-	-
Prior Period Adjustments	<u>-</u>	<u>51,783</u>	<u>73,915</u>	<u>186,918</u>	<u>52,523</u>
Fund Balances, October 1, 2006 (as adjusted)	<u>(20,607)</u>	<u>51,783</u>	<u>73,915</u>	<u>186,918</u>	<u>52,523</u>
Fund Balances, September 30, 2007	<u>\$ (32,532)</u>	<u>\$ 70,492</u>	<u>\$ 95,507</u>	<u>\$ 236,515</u>	<u>\$ 63,874</u>

Storm Related Fund	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental
	BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Gilchrist Intention Fund	
\$ 600,840	\$ -	\$ 350,341	\$ 580,185	\$ -	\$ 1,739,952
389,087	431,868	2,482	137,781	451	1,146,772
<u>989,927</u>	<u>431,868</u>	<u>352,823</u>	<u>717,966</u>	<u>451</u>	<u>2,886,724</u>
339,877	-	-	-	-	339,877
14,691	-	-	-	-	14,691
-	-	1,047,845	756,453	-	1,804,298
183,286	-	-	-	-	403,797
53,497	381,718	-	-	-	435,215
<u>591,351</u>	<u>381,718</u>	<u>1,047,845</u>	<u>756,453</u>	<u>-</u>	<u>2,997,878</u>
<u>398,576</u>	<u>50,150</u>	<u>(695,022)</u>	<u>(38,487)</u>	<u>451</u>	<u>(111,154)</u>
-	-	598,000	-	-	598,000
(107,627)	-	-	-	-	(191,481)
<u>(107,627)</u>	<u>-</u>	<u>598,000</u>	<u>-</u>	<u>-</u>	<u>406,519</u>
<u>290,949</u>	<u>50,150</u>	<u>(97,022)</u>	<u>(38,487)</u>	<u>451</u>	<u>295,365</u>
193,089	195,533	70,527	56,894	8,326	503,762
-	-	-	-	-	365,139
<u>193,089</u>	<u>195,533</u>	<u>70,527</u>	<u>56,894</u>	<u>8,326</u>	<u>868,901</u>
<u>\$ 484,038</u>	<u>\$ 245,683</u>	<u>\$ (26,495)</u>	<u>\$ 18,407</u>	<u>\$ 8,777</u>	<u>\$ 1,164,266</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, 2007

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 84,727	\$ 216,441	\$ 208,586	\$ (7,855)
Total revenues	<u>84,727</u>	<u>216,441</u>	<u>208,586</u>	<u>(7,855)</u>
Expenditures				
Current				
Economic environment	84,727	246,441	220,511	25,930
Total expenditures	<u>84,727</u>	<u>246,441</u>	<u>220,511</u>	<u>25,930</u>
Revenues under expenditures	<u>-</u>	<u>(30,000)</u>	<u>(11,925)</u>	<u>18,075</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ (30,000)</u>	(11,925)	<u>\$ 18,075</u>
Fund balances, October 1, 2006			<u>(20,607)</u>	
Fund balances, September 30, 2007			<u>\$ (32,532)</u>	

CITY OF PUNTA GORDA, FLORIDA
 PARK IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2007

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	<u>\$ 42,000</u>	<u>\$ 42,563</u>	<u>\$ 563</u>
Total revenues	<u>42,000</u>	<u>42,563</u>	<u>563</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>42,000</u>	<u>42,563</u>	<u>563</u>
Other financing sources (uses)			
Transfers out	<u>(70,000)</u>	<u>(23,854)</u>	<u>46,146</u>
Total other financing uses	<u>(70,000)</u>	<u>(23,854)</u>	<u>46,146</u>
Net change in fund balance	<u><u>\$ (28,000)</u></u>	18,709	
Fund balances, October 1, 2006 (as adjusted)		<u>51,783</u>	
Fund balances, September 30, 2007		<u><u>\$ 70,492</u></u>	

CITY OF PUNTA GORDA, FLORIDA
 POLICE IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2007

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	<u>\$ 15,200</u>	<u>\$ 21,592</u>	<u>\$ 6,392</u>
Total revenues	<u>15,200</u>	<u>21,592</u>	<u>6,392</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>15,200</u>	<u>21,592</u>	<u>6,392</u>
Net change in fund balance	<u>\$ 15,200</u>	<u>21,592</u>	<u>\$ 6,392</u>
Fund balances, October 1, 2006 (as adjusted)		<u>73,915</u>	
Fund balances, September 30, 2007		<u>\$ 95,507</u>	

CITY OF PUNTA GORDA, FLORIDA
 FIRE IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2007

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	<u>\$ 41,500</u>	<u>\$ 49,597</u>	<u>\$ 8,097</u>
Total revenues	<u>41,500</u>	<u>49,597</u>	<u>8,097</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>41,500</u>	<u>49,597</u>	<u>8,097</u>
Net change in fund balance	<u>\$ 41,500</u>	<u>49,597</u>	<u>\$ 8,097</u>
Fund balances, October 1, 2006 (as adjusted)		<u>186,918</u>	
Fund balances, September 30, 2007		<u>\$ 236,515</u>	

CITY OF PUNTA GORDA, FLORIDA
 GOVERNMENT IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2007

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues			
Miscellaneous	<u>\$ 65,000</u>	<u>\$ 71,351</u>	<u>\$ 6,351</u>
Total revenues	<u>65,000</u>	<u>71,351</u>	<u>6,351</u>
Expenditures			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>65,000</u>	<u>71,351</u>	<u>6,351</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>\$ 5,000</u>	11,351	<u>\$ 6,351</u>
Fund balances, October 1, 2006 (as adjusted)		<u>52,523</u>	
Fund balances, September 30, 2007		<u>\$ 63,874</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, 2007

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 415,032	\$ 415,032	\$ 431,868	\$ 16,836
Total revenues	<u>415,032</u>	<u>415,032</u>	<u>431,868</u>	<u>16,836</u>
Expenditures				
Current				
Recreation	384,999	456,499	381,718	74,781
Total expenditures	<u>384,999</u>	<u>456,499</u>	<u>381,718</u>	<u>74,781</u>
Excess revenues over (under) expenditures	<u>30,033</u>	<u>(41,467)</u>	<u>50,150</u>	<u>91,617</u>
Net change in fund balance	<u>\$ 30,033</u>	<u>\$ (41,467)</u>	50,150	<u>\$ 91,617</u>
Fund balances, October 1, 2006			<u>195,533</u>	
Fund balances, September 30, 2007			<u>\$ 245,683</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, 2007

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 356,500	\$ 356,500	\$ 350,341	\$ (6,159)
Miscellaneous	-	-	2,482	2,482
Total revenues	<u>356,500</u>	<u>356,500</u>	<u>352,823</u>	<u>(3,677)</u>
Expenditures				
Current				
Transportation	834,993	1,067,261	1,047,845	19,416
Total expenditures	<u>834,993</u>	<u>1,067,261</u>	<u>1,047,845</u>	<u>19,416</u>
Revenues over (under) expenditures	<u>(478,493)</u>	<u>(710,761)</u>	<u>(695,022)</u>	<u>15,739</u>
Other financing sources				
Transfers in	478,000	478,000	598,000	120,000
Net change in fund balance	<u>\$ (493)</u>	<u>\$ (232,761)</u>	(97,022)	<u>\$ 135,739</u>
Fund balances, October 1, 2006			<u>70,527</u>	
Fund balances, September 30, 2007			<u>\$ (26,495)</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, 2007

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 595,000	\$ 595,000	\$ 580,185	\$ (14,815)
Miscellaneous	<u>131,640</u>	<u>136,805</u>	<u>137,781</u>	<u>976</u>
Total revenues	<u>726,640</u>	<u>731,805</u>	<u>717,966</u>	<u>(13,839)</u>
Expenditures				
Current				
Transportation	<u>779,701</u>	<u>788,699</u>	<u>756,453</u>	<u>32,246</u>
Total expenditures	<u>779,701</u>	<u>788,699</u>	<u>756,453</u>	<u>32,246</u>
Excess revenues over expenditures	<u>(53,061)</u>	<u>(56,894)</u>	<u>(38,487)</u>	<u>18,407</u>
Net change in fund balance	<u><u>\$ (53,061)</u></u>	<u><u>\$ (56,894)</u></u>	<u>(38,487)</u>	<u><u>\$ 18,407</u></u>
Fund balances, October 1, 2006			<u>56,894</u>	
Fund balances, September 30, 2007			<u><u>\$ 18,407</u></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, 2007

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 943	\$ 292,872	\$ 293,815
Accrued interest receivable	-	399	399
Total current assets	<u>943</u>	<u>293,271</u>	<u>294,214</u>
Noncurrent Assets			
Capital assets, net of accumulated depreciation	<u>17,272</u>	<u>589,401</u>	<u>606,673</u>
Total noncurrent assets	<u>17,272</u>	<u>589,401</u>	<u>606,673</u>
Total assets	<u>18,215</u>	<u>882,672</u>	<u>900,887</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts payable	367	21,111	21,478
Accrued liabilities	4,616	6,994	11,610
Current portion compensated absences	<u>3,546</u>	<u>1,694</u>	<u>5,240</u>
Total current liabilities	<u>8,529</u>	<u>29,799</u>	<u>38,328</u>
Noncurrent Liabilities			
Accrued compensated absences	<u>31,918</u>	<u>15,248</u>	<u>47,166</u>
Total noncurrent liabilities	<u>31,918</u>	<u>15,248</u>	<u>47,166</u>
Total liabilities	<u>40,447</u>	<u>45,047</u>	<u>85,494</u>
NET ASSETS			
Invested in capital assets, net of related debt	17,272	589,401	606,673
Unrestricted (deficit)	<u>(39,504)</u>	<u>248,224</u>	<u>208,720</u>
Total net assets	<u>\$ (22,232)</u>	<u>\$ 837,625</u>	<u>\$ 815,393</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, 2007

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
Operating Revenues			
Charges for services	<u>\$ 385,149</u>	<u>\$ 1,274,932</u>	<u>\$ 1,660,081</u>
Total operating revenues	<u>385,149</u>	<u>1,274,932</u>	<u>1,660,081</u>
Operating Expenses			
Personal services	331,729	384,798	716,527
Contractual services	1,775	200,570	202,345
Materials and supplies	14,539	69,055	83,594
Utilities	687	6,775	7,462
Depreciation	4,608	219,942	224,550
Insurance	8,300	19,485	27,785
Administrative charges	20,445	-	20,445
Repairs and maintenance	2,887	235,645	238,532
Travel	-	10,921	10,921
Rent	<u>4,102</u>	<u>83,657</u>	<u>87,759</u>
Total operating expenses	<u>389,072</u>	<u>1,230,848</u>	<u>1,619,920</u>
Operating gain (loss)	<u>(3,923)</u>	<u>44,084</u>	<u>40,161</u>
Nonoperating revenues			
Interest income	-	13,209	13,209
Gain on disposal of capital assets	<u>120</u>	<u>2,968</u>	<u>3,088</u>
Total nonoperating revenues	<u>120</u>	<u>16,177</u>	<u>16,297</u>
Change in net assets	(3,803)	60,261	56,458
Net assets - beginning	<u>(18,429)</u>	<u>777,364</u>	<u>758,935</u>
Net assets - ending	<u><u>\$ (22,232)</u></u>	<u><u>\$ 837,625</u></u>	<u><u>\$ 815,393</u></u>

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2007

	<u>General Maintenance</u>	<u>Computer Services</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from services provided	\$ 385,149	\$ 1,274,932	\$ 1,660,081
Cash payments to suppliers for goods and services	(53,022)	(612,825)	(665,847)
Cash payments to employees for services	<u>(326,308)</u>	<u>(390,732)</u>	<u>(717,040)</u>
Net cash provided by operating activities	<u>5,819</u>	<u>271,375</u>	<u>277,194</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of equipment	(4,996)	(219,766)	(224,762)
Sale of equipment	<u>120</u>	<u>-</u>	<u>120</u>
Net cash used in capital and related financing activities	<u>(4,876)</u>	<u>(219,766)</u>	<u>(224,642)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	-	12,810	12,810
Net increase in cash and cash equivalents	<u>943</u>	<u>64,419</u>	<u>65,362</u>
Cash and cash equivalents at beginning of year	<u>-</u>	<u>228,453</u>	<u>228,453</u>
Cash and cash equivalents at end of year	<u>\$ 943</u>	<u>\$ 292,872</u>	<u>\$ 293,815</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating gain (loss)	\$ (3,923)	\$ 44,084	\$ 40,161
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	4,608	219,942	224,550
Net decrease in:			
Prepays	-	1,028	1,028
Net increase (decrease) in:			
Accounts payable	(288)	12,255	11,967
Accrued liabilities	<u>5,422</u>	<u>(5,934)</u>	<u>(512)</u>
Net cash provided by (used in) operating activities	<u>\$ 5,819</u>	<u>\$ 271,375</u>	<u>\$ 277,194</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ 2,215	\$ 41,717	\$ 43,932

CAPITAL ASSETS

USED IN THE OPERATION

OF GOVERNMENTAL FUNDS

CITY OF PUNTA GORDA, FLORIDA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE ¹
 September 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Governmental Funds capital assets		
Land	\$ 9,915,719	\$ 9,915,719
Buildings	8,726,223	7,228,344
Improvements other than buildings	6,139,242	574,599
Infrastructure	68,693,953	66,043,527
Machinery and equipment	<u>7,351,403</u>	<u>6,027,543</u>
Subtotal governmental funds capital assets	100,826,540	89,789,732
Construction work in progress	<u>1,234,446</u>	<u>4,358,373</u>
Total governmental funds capital assets	<u>\$ 102,060,985</u>	<u>\$ 94,148,105</u>
Investment in governmental funds capital assets by source:		
General fund revenues and undetermined sources	\$ 52,367,447	\$ 48,407,557
Special revenue funds	48,866,628	44,913,637
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>\$ 102,060,986</u>	<u>\$ 94,148,105</u>

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

CITY OF PUNTA GORDA, FLORIDA
SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY ¹
September 30, 2007

	Land	Buildings	Improvements other than Buildings	Infrastructure	Machinery & Equipment	Total
General Government:						
City Council	\$2,682,371	\$ 94,048	\$ -	\$ 531,030	\$ 24,910	\$ 3,332,359
City Manager	-	-	-	-	23,590	23,590
Human Resources	-	-	-	-	4,056	4,056
City Clerk	-	-	-	-	7,430	7,430
Finance	-	-	-	-	2,307	2,307
Procurement	-	121,177	-	-	29,635	150,812
Planning & Econ Facil	-	-	-	-	19,728	19,728
Public Works Admin	-	-	-	-	43,978	43,978
Engineering	-	-	-	-	79,848	79,848
Parks and Grounds	3,179,692	141,698	2,866,280	1,012,729	495,795	7,696,194
Facility Services	-	2,783,908	16,395	103,928	196,681	3,100,912
CRA	3,955,110	1,204,982	2,980,789	1,925,260	709,279	10,775,420
Total General Govt	<u>9,817,173</u>	<u>4,345,813</u>	<u>5,863,464</u>	<u>3,572,947</u>	<u>1,637,235</u>	<u>25,236,633</u>
Public Safety:						
Police	35,640	1,771,453	20,149	-	1,926,148	3,753,390
Fire	31,226	2,608,957	1,194	-	2,338,079	4,979,456
Community Develop	-	-	-	-	35,009	35,009
Total Public Safety	<u>66,866</u>	<u>4,380,410</u>	<u>21,343</u>	<u>-</u>	<u>4,299,235</u>	<u>8,767,854</u>
Transportation:						
Right of Way Maint	31,680	-	247,335	32,359,911	1,051,704	33,690,630
Total Transportation	<u>31,680</u>	<u>-</u>	<u>247,335</u>	<u>32,359,911</u>	<u>1,051,704</u>	<u>33,690,630</u>
Canal maintenance:						
PGI Canal Maint	-	-	7,100	26,415,486	361,909	26,784,494
BSI Canal Maint	-	-	-	6,345,609	1,319	6,346,928
Total Canal Maintenance	<u>-</u>	<u>-</u>	<u>7,100</u>	<u>32,761,095</u>	<u>363,228</u>	<u>33,131,423</u>
 Total	 <u>\$9,915,719</u>	 <u>\$8,726,223</u>	 <u>\$ 6,139,242</u>	 <u>\$ 68,693,953</u>	 <u>\$7,351,403</u>	 100,826,540
Construction work in progress						<u>1,234,446</u>
						<u>\$ 102,060,985</u>

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

CITY OF PUNTA GORDA, FLORIDA
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY ¹
For the Fiscal Year Ended September 30, 2007

Function and Activity	Governmental Funds Capital Assets October 1, 2006	Reclasses/ Additions	Reclasses/ Deductions	Governmental Funds Capital Assets September 30, 2007
General Government				
Service:				
City Council	\$ 4,123,295	\$ 165,832	\$ (956,768)	\$ 3,332,359
City Manager	1,924	22,511	(846)	23,589
Human Resources	777	3,279		4,056
City Clerk	7,429	1	-	7,430
Finance	2,421	1,381	(1,495)	2,307
Procurement	157,234	2,962	(9,384)	150,812
Plan & Economic Facil	5,487	14,241	-	19,728
Public Works Admin	196,453	22,724	(175,199)	43,978
Engineering	90,449	31,367	(41,967)	79,849
Parks and Grounds	4,235,845	3,480,289	(19,940)	7,696,193
Facility Services	2,739,539	398,283	(36,910)	3,100,912
Community Redev Agency	3,922,137	6,853,283		10,775,420
Total General Government	<u>15,482,990</u>	<u>10,996,152</u>	<u>(1,242,509)</u>	<u>25,236,634</u>
Public Safety:				
Police	3,761,822	284,670	(293,103)	3,753,389
Fire	4,573,294	461,966	(55,803)	4,979,456
Community Development	29,930	8,795	(3,717)	35,008
Total Public Safety	<u>8,365,046</u>	<u>755,431</u>	<u>(352,623)</u>	<u>8,767,854</u>
Transportation:				
Right of Way Maint	<u>32,852,572</u>	<u>885,347</u>	<u>(47,288)</u>	<u>33,690,631</u>
Total Transportation	<u>32,852,572</u>	<u>885,347</u>	<u>(47,288)</u>	<u>33,690,631</u>
Canal maintenance:				
PGI Canal Maint	26,743,515	86,189	(45,210)	26,784,494
BSI Canal Maint	6,345,609	1,319	-	6,346,928
Total Canal Maintenance	<u>33,089,124</u>	<u>87,508</u>	<u>(45,210)</u>	<u>33,131,422</u>
 Total	 <u>\$ 89,789,732</u>	 <u>\$ 12,724,438</u>	 <u>\$(1,687,630)</u>	 100,826,540
Construction work in progress				<u>1,234,446</u>
				<u>\$ 102,060,985</u>

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

STATISTICAL SECTION

CITY OF PUNTA GORDA, FLORIDA

STATISTICAL SECTION
(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	90
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	95
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
Debt Capacity	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.	
Demographic and Economic Information	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.	
Operating Information	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 Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 33,056,270	\$ 26,355,360	\$ 28,455,370	\$ 25,200,694	\$ 23,892,442	\$ 26,662,334
Restricted	4,752,331	5,258,454	3,878,852	3,802,933	2,826,351	1,747,164
Unrestricted	<u>7,464,821</u>	<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>\$ 45,273,422</u>	<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>
Business-type activities						
Invested in capital assets, net of related debt	\$ 28,147,738	\$ 25,671,970	\$ 25,258,114	\$ 24,718,468	\$ 23,500,701	\$ 22,351,238
Restricted	10,821,837	7,632,554	8,136,448	7,510,942	9,185,654	8,216,625
Unrestricted	<u>11,059,075</u>	<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>\$ 50,028,650</u>	<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>
Primary government						
Invested in capital assets, net of related debt	\$ 61,204,008	\$ 52,027,330	\$ 53,713,484	\$ 49,919,162	\$ 47,393,143	\$ 49,013,572
Restricted	15,574,168	12,891,008	12,015,300	11,313,875	12,012,005	9,963,789
Unrestricted	<u>18,523,896</u>	<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>\$ 95,302,072</u>	<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>

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Expenses						
Governmental activities:						
General government	\$ 4,171,880	\$ 3,279,077	\$ 3,818,813	\$ 4,196,052	\$ 5,857,625	\$ 3,052,661
Public safety	8,324,762	7,500,777	7,608,668	6,791,333	5,908,408	5,712,403
Transportation	3,632,732	2,870,066	2,068,295	2,182,392	1,989,493	2,186,096
Economic environment	521,498	608,842	501,182	254,360	177,115	1,358,570
Recreation	5,346,971	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	361,620	304,843	203,138	234,058	198,943	151,212
Total governmental activities expenses	<u>22,359,463</u>	<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	15,848,537	14,171,524	12,546,070	12,701,810	11,902,457	11,107,858
Sanitation/refuse	2,696,303	2,722,014	2,463,665	2,520,655	2,420,658	2,282,279
Building Fund	1,071,282	1,219,504	-	-	-	-
Marina Fund	114,477	-	-	-	-	-
Total business-type activities expenses	<u>19,730,599</u>	<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>\$ 42,090,062</u>	<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>
Program Revenues						
Governmental activities:						
Charges for services	\$ 3,068,805	\$ 3,324,581	\$ 5,082,158	\$ 2,957,844	\$ 2,423,662	\$ 2,241,604
Operating grants and contributions	586,303	565,166	3,216,534	4,950,127	56,409	210,082
Capital grants and contributions	4,312,306	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>7,967,414</u>	<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	12,235,089	11,936,777	11,239,816	11,864,808	11,146,850	10,987,962
Sanitation/refuse	2,828,985	2,718,416	2,344,094	2,509,935	2,208,154	2,091,504
Building Fund	1,044,109	1,878,408	-	-	-	-
Marina Fund	104,320	-	-	-	-	-
Operating grants and contributions	61,480	9,322	16,190	30,639	24,683	30,917
Capital grants and contributions	3,380,915	4,148,396	2,730,343	1,630,102	1,556,869	2,600,528
Total business-type activities program revenues	<u>19,654,898</u>	<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>\$ 27,622,312</u>	<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>

(continued)

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

	Fiscal Year					
	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue						
Government activities	\$ (14,392,049)	\$ (12,291,064)	\$ (11,262,757)	\$ (10,141,215)	\$ (10,291,460)	\$ (9,875,555)
Business type activities	(75,701)	2,578,277	1,320,708	813,019	613,441	2,320,774
Total primary government net expense	<u>\$ (14,467,750)</u>	<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>
General Revenues and Other						
Changes in Net Assets						
Government activities:						
Taxes						
Property taxes	\$ 7,401,394	\$ 6,134,672	\$ 5,733,290	\$ 4,932,027	\$ 4,373,005	\$ 4,177,120
Franchise fees	1,331,145	1,323,607	1,109,411	1,044,505	1,016,275	31,641
Utility taxes and gas taxes	3,462,681	3,440,025	3,400,667	3,471,836	3,488,370	1,126,818
Sales taxes	3,732,044	4,021,518	3,865,509	-	-	-
Occupational licenses	-	-	-	-	-	136,420
Investment earnings	881,752	794,741	228,952	194,637	206,280	335,301
Miscellaneous	961,972	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>17,770,988</u>	<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	16,060	16,610	13,527	14,815	12,661	903,028
Utility taxes and gas taxes	-	-	-	-	-	2,161,270
Intergovernmental revenues	-	-	-	-	-	146,243
Investment earnings	1,035,266	842,404	490,500	267,424	379,771	587,233
Miscellaneous	746,961	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>1,798,287</u>	<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>\$ 19,569,275</u>	<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>
Change in Net Assets						
Governmental activities	\$ 3,378,939	\$ 3,665,585	\$ 3,822,606	\$ (228,029)	\$ (888,474)	\$ (639,099)
Business-type activities	1,722,586	3,985,795	1,866,417	1,319,094	1,238,012	3,003,211
Total primary government	<u>\$ 5,101,525</u>	<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 Six Fiscal Years
(modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>Fiscal Year 2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund						
Reserved	\$ 12,073	\$ 8,320	\$ 12,873	\$ 20,976	\$ 16,814	\$ 28,966
Unreserved	<u>2,592,762</u>	<u>3,515,022</u>	<u>4,057,485</u>	<u>3,140,042</u>	<u>3,398,600</u>	<u>3,256,143</u>
Total general fund	<u>\$ 2,604,835</u>	<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	-
Capital projects fund	4,731,481	5,241,808	3,790,840	3,682,328	2,416,937	1,710,380
Right-of-Way improvements						7,529
Gilchrist Intention permanent fund	8,777	-	7,947	7,737	7,639	-
Unreserved, reported in:						
Community Redevelopment Agency fund	948,986	2,851,803	(183,102)	622,154	705,272	798,210
Storm fund	-	-	80,689	-	-	-
Special revenue funds	4,544,633	1,841,762	(309,173)	(507,411)	68,750	-
Designated for subsequent year's budget						<u>367,728</u>
Total all other governmental funds	<u>\$ 10,233,877</u>	<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)

	Fiscal Year			
	2007	2006	2005	2004
Revenues				
Taxes	\$ 11,264,695	\$ 9,922,917	\$ 10,231,641	\$ 9,448,368
Licenses and permits	119,369	156,080	2,736,653	704,155
Intergovernmental	9,099,683	8,709,282	8,211,624	12,750,887
Charges for services	330,834	416,161	254,001	194,033
Fines and forfeits	215,000	173,594	103,379	102,698
Miscellaneous	7,245,744	6,670,719	4,762,080	4,344,582
Total revenues	<u>28,275,325</u>	<u>26,048,753</u>	<u>26,299,378</u>	<u>27,544,723</u>
Expenditures				
Current:				
General government	6,377,140	5,436,018	4,907,746	5,129,701
Public safety	8,096,334	7,208,484	7,518,937	6,805,994
Transportation	3,230,449	2,355,179	1,897,888	2,019,953
Economic environment	521,498	384,949	342,286	273,110
Recreation	4,710,861	4,270,190	3,074,464	6,971,671
Storm Related	-	-	2,855,483	4,674,955
Debt service:				
Principal	620,500	528,996	1,066,130	729,446
Interest and other charges	361,620	304,843	203,138	240,530
Capital outlay	7,596,255	4,170,804	3,958,521	2,490,746
Total expenditures	<u>31,514,657</u>	<u>24,659,463</u>	<u>25,824,593</u>	<u>29,336,106</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,239,332)</u>	<u>1,389,290</u>	<u>474,785</u>	<u>(1,791,383)</u>
Other financing sources (uses)				
Transfers in	3,987,168	3,542,741	3,092,341	2,514,222
Transfers out	(3,987,168)	(4,042,741)	(3,100,093)	(2,514,222)
Issuance of debt	-	5,053,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>4,553,000</u>	<u>(7,752)</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,239,332)</u>	<u>\$ 5,942,290</u>	<u>\$ 467,033</u>	<u>\$ (1,791,383)</u>
Debt service as a percentage of noncapital expenditures	<u>4.40%</u>	<u>4.27%</u>	<u>6.24%</u>	<u>3.82%</u>

Fiscal Year					
2003	2002	2001	2000	1999	1998
\$ 8,877,651	\$ 5,335,578	\$ 4,831,775	\$ 4,419,864	\$ 4,221,571	\$ 4,076,040
837,940	782,102	826,990	806,060	825,760	693,784
4,855,125	4,475,894	3,670,491	3,104,834	2,104,528	1,508,035
167,770	112,312	117,097	121,301	128,574	114,360
104,621	101,718	121,057	110,093	125,848	119,283
3,881,054	4,556,822	4,123,202	3,840,670	3,945,642	3,439,141
<u>18,724,161</u>	<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>
5,422,490	4,713,308	4,295,517	4,291,006	3,976,242	4,021,938
6,025,466	5,879,324	5,250,164	4,709,486	4,305,180	4,150,087
1,900,615	1,975,509	1,876,271	1,740,282	1,527,723	2,466,938
177,115	1,358,570	452,924	222,097	186,903	165,759
2,455,913	909,443	838,074	838,279	920,836	-
-	-	-	-	-	-
2,443,832	381,283	317,170	285,000	225,000	380,010
188,475	134,133	204,954	235,845	188,650	270,236
1,522,110	7,176,170	3,205,864	2,189,620	2,516,185	1,332,595
<u>20,136,016</u>	<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>(1,411,855)</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>
4,071,526	7,683,806	6,620,578	6,493,420	5,307,180	3,882,510
(4,071,526)	(4,487,394)	(3,417,719)	(3,602,699)	(2,530,433)	(1,239,745)
4,092,000	352,000	595,523	800,000	-	-
<u>4,092,000</u>	<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>\$ 2,680,145</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>16.94%</u>	<u>6.14%</u>	<u>4.11%</u>	<u>4.41%</u>	<u>3.79%</u>	<u>6.02%</u>

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

Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2007	\$ 4,877,723,823	\$ 168,120,779	\$ 1,530,283,616	\$ 3,515,560,986	2.1772
2006	3,394,504,592	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

Source: Charlotte County County Property Appraiser

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

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

Fiscal Year Ended September 30,	City of Punta Gorda			Overlapping Rates^a		Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Charlotte County	Charlotte County School Board	
2007	2.1772	0.0000	2.1772	4.5426	6.2388	12.9586
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

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

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

Rank	Taxpayer/Type of Business	2007	2006	2005	2004
		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
1	Punta Gorda Medical Center, Inc. Hospital	\$ 47.0	\$ 37.3	\$ 31.7	\$ 31.7
2	Florida Power & Light Co. Electric Utility	37.3	28.7	24.1	24.1
3	Sprint-United Telephone Company of FL Telephone Utility	23.7	18.1	17.0	17.0
4	Nu-West Florida, Inc. Shopping Center Fishermen's Village	15.5	9.3	15.7	15.7
5	Punta Gorda Hotel, LLC Best Western	15.5	-	8.8	8.8
6	Palm Isles Condo Dev LLC Condo- Vivante	20.1	8.3	-	-
7	Integrated Control Systems, Inc.- Training Center & Impac University	12.3	-	-	-
8	Home Depot USA, Inc	10.8	-	-	-
9	Punta Gorda Partners LLC Condo- Vivante	10.3	8.5	-	-
10	Colonial Realty, Limited-shopping center Shopping Center Burnt Store	8.5	9.7	11.6	11.6
	Punta Gorda Pines, Ltd Condo- The Pines	-	9.0	10.2	10.2
	Punta Gorda Land Holdings Condo- Vivante	-	7.1	-	-
	Semlak LLC Shopping Center-Seminole Plaza	-	6.6	6.7	6.7
	Punta Gorda Assoc., Ltd. Life Care Center	-	-	6.5	6.5
	Bayvue, Inc of Florida-Holiday Inn Hotel-HOLIDAY Inn	-	-	-	-
	Wal-Mart Stores, Inc. Retail Store	-	-	-	-
	Seminole Lakes- Development	-	-	-	-
	Punta Gorda FL Commercial Shopping Center Punta Gorda Mall	-	-	8.2	8.2
	Golden Key Inv Holiday Inn Harborside	-	-	-	-
	Royal Palm Harbor PA Land	-	-	-	-
	Total	\$ 201.0	\$ 142.6	\$ 140.5	\$ 140.5
	City Total Assessed Value	\$ 3,543.0	\$ 2,552.0	\$ 2,408.0	\$ 2,081.0
	Principal Taxpayer's Percentage of total	5.67%	5.59%	5.83%	6.75%

Source: Charlotte County Property Appraiser

2003	2002	2001	2000	1999	1998
Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
\$ 32.5	\$ 29.0	\$ 27.0	\$ 25.7	\$ 24.0	\$ 23.6
22.5	20.8	11.6	11.3	11.0	10.1
17.0	17.5	16.3	14.9	30.0	15.7
15.2	7.8	11.3	12.1	7.6	7.3
-	-	-	-	-	-
-	-	-	-	-	-
12.6	10.4	9.1	9.0	8.7	9.0
-	-	-	-	-	-
-	-	-	-	-	-
13.2	12.8	13.0	12.2	9.6	8.8
12.9	13.0	-	-	-	-
-	-	-	-	-	-
7.1	-	6.2	-	-	-
-	-	-	5.8	4.8	4.9
9.3	8.6	9.2	6.6	4.8	4.8
-	7.2	6.0	5.4	5.7	5.5
-	-	-	-	4.5	4.4
-	-	5.8	-	-	-
-	-	-	5.6	-	-
9.8	9.5	-	-	-	-
\$ 152.1	\$ 136.6	\$ 115.5	\$ 108.6	\$ 110.7	\$ 94.1
\$ 1,793.0	\$ 1,584.0	\$ 1,415.0	\$ 1,250.0	\$ 1,139.0	\$ 1,092.0
8.48%	8.62%	8.16%	8.69%	9.72%	8.62%

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

<u>Fiscal year Ended September 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collections within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2007	\$ 7,654,022	\$ 7,371,453	96.31%	\$ 29,941	\$ 7,401,394	96.70%
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%

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

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

Fiscal Year Ended September 30,	Governmental Activities			Business-Type Activities		
	General Obligation Bonds	Capital Revenue Notes	Capital Leases	Water and Wastewater Bonds	Water and Wastewater Notes	Capital Leases
2007	\$ -	\$ 8,473,917	\$ -	\$ 9,290,000	\$ 8,569,640	\$ 774,394
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	-

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

<u>Internal Services</u>		<u>Ratio of Outstanding Debt to</u>	
<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Total Personal Income</u>	<u>Per Capita</u>
\$ -	\$27,107,951	4.7%	\$ 1,495
-	29,313,103	5.9%	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

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

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

City of Punta Gorda, Florida
 Direct and Overlapping Governmental Activities Debt
 General Obligation Bonds
 As of September 30, 2007

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percent Applicable to Punta Gorda ^a</u>	<u>Amount Applicable to Punta Gorda ^a</u>
Overlapping debt			
Charlotte County School Board General Obligation debt	\$ 3,055,000	14.90%	\$ 455,195
City direct debt			<u>0</u>
Total direct and overlapping debt			<u>\$ 455,195</u>

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

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

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

Water & Sewer Utility Revenue Bonds

Fiscal Year Ended September 30,	Pledged Revenues (a)	Less: Operating Expenses (b)	Net Available Revenue	Debt Service Requirements	Coverage
2007	\$14,772,138	\$ 10,437,434	\$ 4,334,704	\$ 1,581,040	2.7
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

(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>Total Personal Income City of Punta Gorda (in thousands)</u>	<u>Unemployment Rate (b)</u>
2007	18,123	165,000	32,000 est	579,936	6.2%
2006	16,593	162,900	29,890	495,965	2.7%
2005	16,255	154,030	27,618	448,931	3.1%
2004	17,168	156,985	26,003	446,420	5.0%
2003	16,591	151,995	26,479	439,313	4.4%
2002	16,120	148,521	26,932	434,144	4.2%
2001	15,236	144,571	25,975	395,755	3.4%
2000	14,344	141,627	25,361	363,778	2.7%
1999	13,646	136,733	24,195	330,165	3.1%
1998	12,768	133,655	23,638	301,810	3.6%
1997	12,631	131,307	22,684	286,522	4.0%

Note: Information presented is the most current available.

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

^b **Source:** Florida Statistical Abstract

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

Fiscal Year End 2007

Employer	Employees	Rank	Percentage of Total MSA Employment
Charlotte County School Board	2,702	1	3.31%
Wal - Mart	1,424	2	3.25%
Charlotte County Board of Commisioners	1,403	3	3.21%
Peace River Regional Medical Center	1,067	4	2.48%
Charlotte Regional Medical Center	984	5	2.18%
Publix Supermarkets	977	6	1.95%
Fawcett Memorial Hospital Inc.	716	7	1.70%
Charlotte County Sheriff's Office	601	8	1.36%
Charlotte Correctional Institute	440	9	1.01%
Winn Dixie	352	10	0.96%

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
 Last Five Fiscal Years

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government					
City Council	5.00	5.00	5.00	5.00	5.00
City Manager's Office	3.00	3.00	3.00	3.00	3.00
Human Resources	4.00	4.00	3.00	3.00	3.00
City Clerk	5.00	5.00	5.00	5.00	5.00
Procurement	9.00	8.50	8.00	8.00	8.00
Finance	8.00	8.00	8.00	7.00	7.00
Legal	1.00	1.00	1.00	1.00	1.00
Public Works					
Public Works Administration	3.00	3.00	3.00	3.00	5.00
Engineering	6.00	5.00	5.00	5.00	5.00
Right of Way Maintenance	18.00	18.00	18.00	18.00	18.00
Parks and Grounds	16.00	16.00	16.00	14.00	13.50
Police	52.00	52.00	51.00	49.50	48.50
Fire	30.00	30.00	30.00	29.00	26.00
Growth Management					
Growth Management Admin	2.00	2.00	2.00	1.50	1.00
Code Compliance	7.00	7.00	7.00	-	-
Urban Design	7.00	7.00	7.00	8.00	8.00
Facilities Maintenance	4.00	4.00	4.00	4.00	4.50
Punta Gorda Isles Canal Maintenance	10.50	10.50	10.50	10.50	10.50
Utilities					
Billing and Collections	8.00	8.00	8.00	8.00	8.00
Utilities Administration	7.00	5.00	5.00	5.00	5.00
Water Treatment	18.00	18.00	18.00	17.00	17.00
Wastewater Collection	15.00	15.00	14.00	12.00	12.00
Wastewater Treatment	15.00	15.00	15.00	15.00	15.00
Water Distribution	20.00	20.00	16.00	16.00	16.00
Sanitation/Refuse	19.00	19.00	20.00	21.00	21.00
Building	11.00	14.00	14.00	14.00	14.00
Fleet Maintenance	5.00	5.00	5.00	5.00	5.00
Information Technology					
Management Information Services(MIS)	4.00	4.00	3.00	3.00	3.00
Geographic Information Services(GIS)	1.00	1.00	1.00	-	-
Total	<u>313.50</u>	<u>313.00</u>	<u>305.50</u>	<u>290.50</u>	<u>288.00</u>

Source: City of Punta Gorda Budgeted Position Summary
 Information in this format was unavailable prior to 2003.

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

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police			
Calls for Service	13,026	13,940	13,637
Citations Issued	20,030	20,084	12,306
Traffic crashes	534	628	583
Narcotics arrests	250	187	215
Fire Department			
Fires	87	100	97
EMS and Police assistance calls	2,047	1,898	1,670
General Government			
Building permits issued	1,723	3,062	11,792
Building inspections conducted	6,799	8,860	21,105
Dwelling units permitted	92	243	722
Streets and highways			
Streets resurfaced (<i>miles</i>)	6.5	5	5
New sidewalks (linear feet)	0	0	350
Water			
New connections	322	485	622
Average daily consumption (<i>thousands of gallons</i>)	4,580	4,776	4,300
Peak daily consumption (<i>thousands of gallons</i>)	6,023	6,705	6,300
Water equivalent residential units (ERU)	21,611	21,234	14,018
Wastewater			
Average daily sewage treatment (<i>thousands of gallons</i>)	1,740	2,087	4,000
Sewer equivalent residential units (ERU)	15,569	15,185	12,310
Solid waste collection			
Solid waste collected (<i>tons per day</i>)	30.3	31.9	38.5
Recyclables collected (<i>tons per day</i>) <i>includes yardwaste</i>	12.4	13.1	10.9
Refuse equivalent residential units (ERU)	10,569	10,252	11,558
Punta Gorda Isles Canal Maintenance Assessment District			
Seawall replacement (feet)	4,786	8,440	2,354
Seawall cap replacement (feet)	6,155	967	5,080
Burnt Store Isles Canal Maintenance Assessment District			
Seawall replacement (feet)	410	154	362
Seawall cap replacement (feet)	2,624	1,342	1,354

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

Information in this format was unavailable prior to 2005.

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

<u>Function/Program</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police			
Stations	1	1	1
Number of Police Officers Authorized	36	32	34
Fire			
Stations	3	3	3
Number of Firefighters Authorized	24	27	27
Streets and highways			
Streets (<i>miles</i>)	107	110	110
Unpaved streets (<i>miles</i>)	78	3	3
Streetlights	566	566	566
Traffic signal intersections	18	18	18
Water			
Water mains (<i>miles</i>)	235	226	217
Storage capacity (<i>thousands of gallons</i>)	7,500	7,500	7,500
Fire hydrants	979	1,000	930
Wastewater			
Sanitary sewers (<i>miles</i>)	129	132	127
Treatment capacity (<i>thousands</i>)	4,000	4,000	4,000
Solid waste collection			
Collection trucks	10	11	9
Parks and recreation			
Acreage	82 +/-	82+-	82+-
Number of Parks	15	15	15

Source: City of Punta Gorda Finance Department.

Note: No capital assets indicators are available for the general government function. Information in this format was unavailable prior to 2005.