



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

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2009**

PREPARED BY THE FINANCE DEPARTMENT

David W. Drury, CPA, CGFO
Finance Director

CITY COUNCIL

MAYOR	HARVEY E. GOLDBERG
VICE MAYOR	WILLIAM F. ALBERS
COUNCILMEMBER	DON McCORMICK
COUNCILMEMBER	LARRY FRIEDMAN
COUNCILMEMBER	CHARLES A. WALLACE

CITY MANAGER

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

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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

FINANCE DEPARTMENT
326 West Marion Avenue
Punta Gorda, Florida, 33950
(941) 575-3318 Telephone
(941) 575-3386 Fax
www.punta-gorda.fl.us

March 26, 2010

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, 2009.

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

The City of Punta Gorda's financial statements have been audited by Ashley Brown & Co., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Punta Gorda for the fiscal year ended September 30, 2009 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, 2009 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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



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

Profile of the Government

Punta Gorda, founded December 7, 1887, is the only incorporated city in Charlotte County and serves as the County Seat. The City currently occupies a land area of approximately 16 square miles and serves a population of approximately 17,000. 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 1. The manager uses these requests as the starting point for developing a proposed budget. The manager uses budget workshops for the goal of presenting a proposed budget to the council for review in April or May. 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. Project-length financial plans are adopted for all capital project funds. The Debt Service Fund is used for tracking and payment of all major debt incurred by the General Fund.

Factors Affecting Financial Condition

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

Long-term financial planning

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

Major Initiatives

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

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
- Business Development
- Quality of Life
- Stakeholders
- Utilities
- Waterfront/Canal System

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

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 \$32,216,581 on deposit with LGSFTF at September 30, 2009. The LGSFTF interest rate at that time was .37%. As of September 30, 2009 there were four investments with the Government National Mortgage Association (G.N.M.A.) earning 10% with a fair market value of \$18,577. The three pension trusts combined had \$34,090,060 (fair value) of investments as of September 30, 2009.

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. The City's funding percentage as of September 30, 2009 was 75.35%, 95.05% and 66.85% 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 29, 27 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, 2008. This was the twenty-fourth 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.

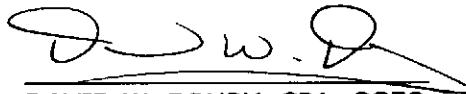
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

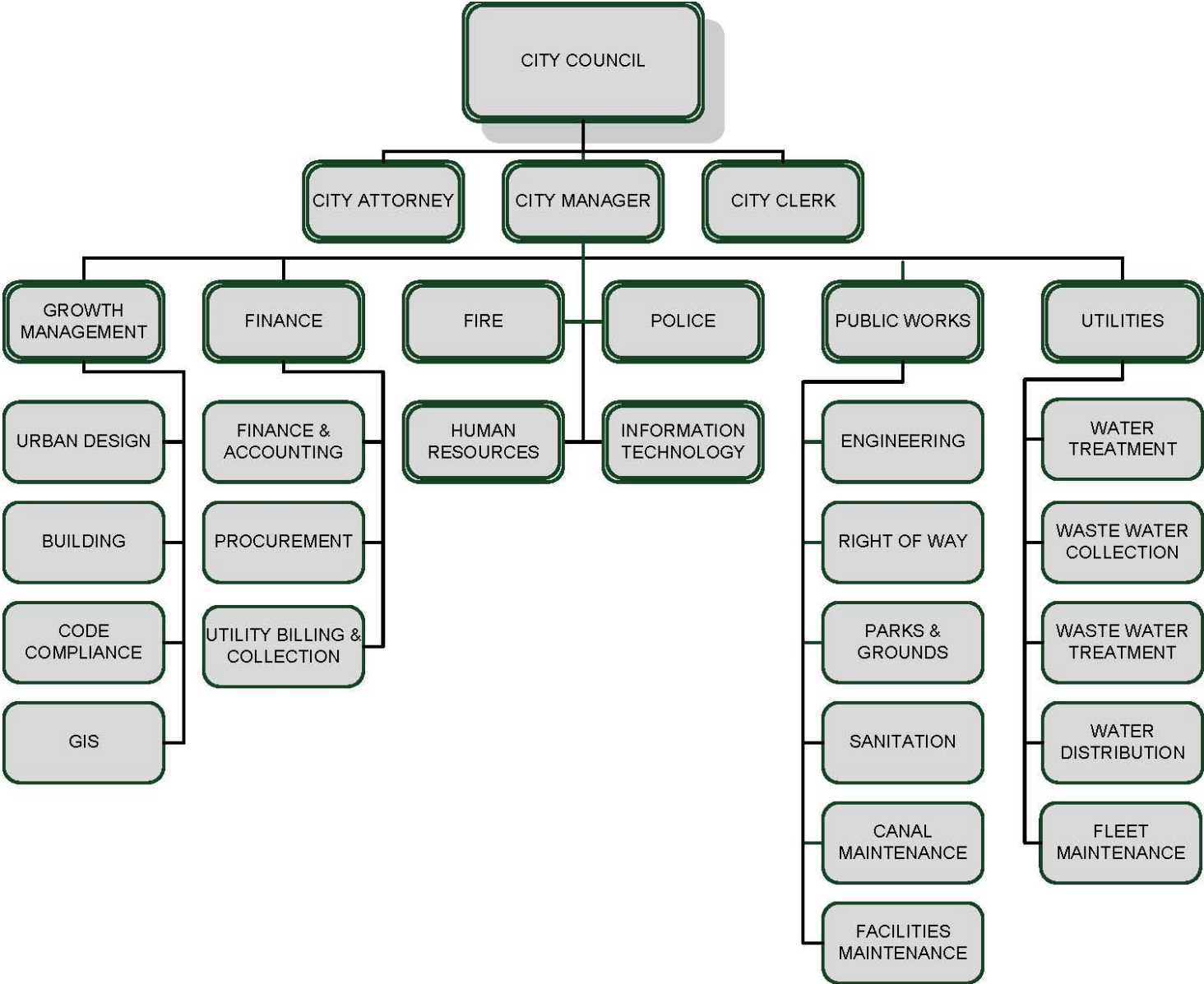


DAVID W. DRURY, CPA, CGFO
DIRECTOR OF FINANCE

City of Punta Gorda
List of Principal Officials
As of September 30, 2009

<u>Title</u>	<u>Name</u>
Mayor	Lawrence J. Friedman
Vice Mayor	Harvey E. Goldberg
Councilmember	Don McCormick
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	Albert A. Arenal
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
ORGANIZATIONAL CHART



CERTIFICATE OF ACHIEVEMENT
FOR EXCELLENCE IN
FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Punta Gorda, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2008. 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-four consecutive years (fiscal years ended 1985 through 2008). 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, 2008

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.



A stylized, handwritten signature in black ink, appearing to be "JHR".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emmer".

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 fiscal year ended September 30, 2009, 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, 2009, 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 fiscal 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 23, 2010 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 financial 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.

Ashley, Brown & Co.

March 23, 2010

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, 2009.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2009, by \$101.3 million (net assets). Of this amount, \$10.2 million unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3.2 million.
- As of September 30, 2009 the City's governmental funds reported combined ending net assets of \$48.8 million. This is an increase of \$3.9 million.
- As of September 30, 2009 the business-type activities reported combined ending net assets of \$52.5 million. This is a decrease of \$0.8 million.
- The City's total long-term liabilities increased by \$4.5 million during the current fiscal year. This increase is discussed further in debt administration.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Statement of Net Assets (page 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 2009. 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 fees, 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. The debt service is supported both by user fees and impact fees.

Fund Financial Statements

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

- Governmental funds account for most, if not all, of the City's tax supported activities. These include the General fund, the CRA fund, the Capital Projects fund, the Debt Service fund, the Storm fund, the PGI and BSI Canal Maintenance District funds, the two Gas Tax funds, and the Fair Share Impact Fee funds. These

funds focus on how money flows into and out of the funds, and the balances left at year end. The accounting method used is called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash (usually 60 day focus). The two criteria used are that the revenue is measurable and available. Examples of difference from economic focus are that financing and grants are considered current revenue, and purchases of capital are considered expenditures whereas depreciation is not since there is no outlay of cash. In a highly regulatory environment, fund accounting serves a very important purpose in that funds received for specific purposes are identified as such and can readily be audited.

- Proprietary funds are used to account for the business-type activities of the government. There are two types: enterprise funds and internal service funds. The City's enterprise funds are Utilities, Sanitation, Building and Marina; the internal service fund is Information Technology Services. Previously, an internal service fund called Fleet Maintenance was reported here, but that operation has been transferred to Utilities. 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, trend data on pension funding, and Other Postemployment Benefits (OPEB).

THE CITY AS A WHOLE

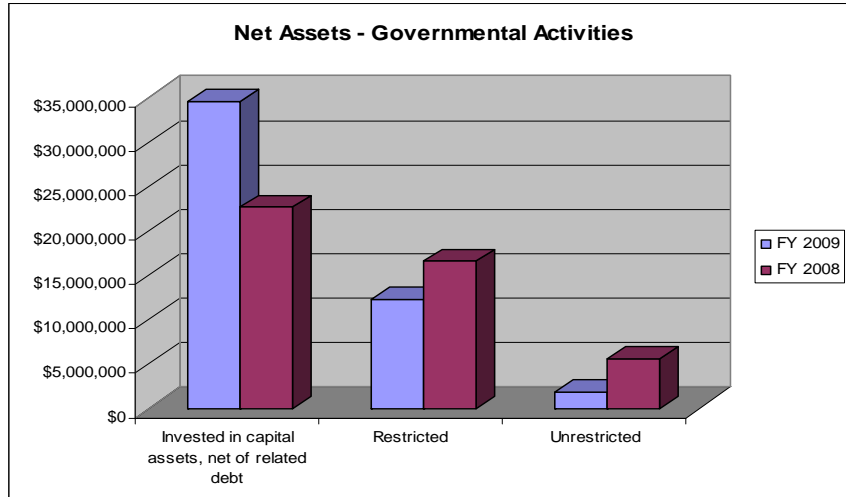
The City's combined net assets as of September 30, 2009 were \$101.3 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$43.6 million. Total city-wide expenses were \$40.4 million. The increase to city-wide net assets was \$3.2 million (Table 2). Below in Table 1 is a condensed Statement of Net Assets, in thousands, for the governmental activities and the business-type activities.

Table 1
Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 19,766	\$ 26,075	\$ 18,084	\$ 20,766	\$ 37,850	\$ 46,841
Capital assets	<u>60,666</u>	<u>44,902</u>	<u>50,360</u>	<u>51,055</u>	<u>111,026</u>	<u>95,957</u>
Total assets	<u>80,432</u>	<u>70,977</u>	<u>68,444</u>	<u>71,821</u>	<u>148,876</u>	<u>142,798</u>
Long-term liabilities	(29,515)	(23,101)	(14,273)	(16,202)	(43,788)	(39,303)
Other liabilities	<u>(2,105)</u>	<u>(3,009)</u>	<u>(1,684)</u>	<u>(2,361)</u>	<u>(3,789)</u>	<u>(5,370)</u>
Total liabilities	(31,620)	(26,110)	(15,957)	(18,563)	(47,577)	(44,673)
Net assets:						
Invested in capital assets,						
net of debt	34,584	22,648	36,108	34,967	70,692	57,615
Restricted	<u>12,320</u>	<u>16,564</u>	<u>8,085</u>	<u>10,545</u>	<u>20,405</u>	<u>27,109</u>
Unrestricted	<u>1,908</u>	<u>5,655</u>	<u>8,294</u>	<u>7,746</u>	<u>10,202</u>	<u>13,401</u>
Total net assets	<u>\$ 48,812</u>	<u>\$ 44,867</u>	<u>\$ 52,487</u>	<u>\$ 53,258</u>	<u>\$101,299</u>	<u>\$ 98,125</u>

The largest portion of the City's net assets (69.8%) reflects its investment in capital assets (land, buildings, infrastructure and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. Restricted assets (representing 20.1% of total net assets) are subject to external restrictions on how they may be used. The remaining 10.1% balance of unrestricted net assets, \$10.2 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 by \$3.9 million or 8.8%. Last fiscal year there was a \$0.4 million decrease in net assets. The analysis of revenues and expenses for governmental activities can be found in this MD&A on pages 10-11. The business-type activities net assets decreased \$0.8 million or 1.4%. The last fiscal year increase was \$3.2 million. The analysis of revenues and expenses for business-type activities can be found in this MD&A on pages 12-13. The City's overall financial position improved \$3.2 million or 3.2%. The prior year increase was \$2.8 million.

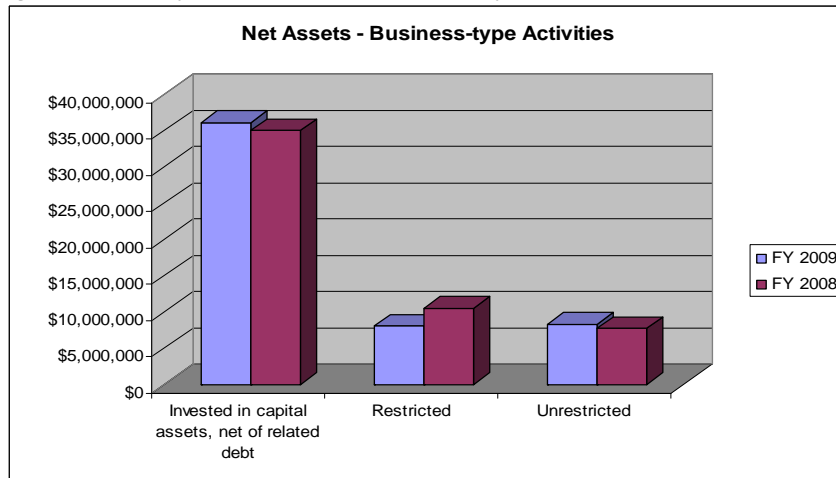
The following is a chart by net assets of governmental-type activities.



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

- Debt issued for the various Infrastructure Sales Surtax (ISS) projects is \$7 million
- Current and other assets decreased by \$6.3 million
- Construction-In-Progress Infrastructure decreased \$2.1 million
- Herald Court Centre expenditures increased \$9.3 million
- Accumulated Depreciation increased \$1.7 million.

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



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

- Current and other assets decreased \$2.7 million
- Developer contributed Water and Wastewater infrastructure assets, \$1.2 million
- County road expansion utility relocation projects, \$1.0 million
- Water Treatment Plant expansion, dam rehabilitation, and water main upgrade projects, \$1.4 million
- Accumulated depreciation, \$4.4 million
- Principal reduction on long-term liabilities, \$2.0 million
- Other liabilities decreased, \$0.7 million.

Table 2
Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 3,118	\$ 3,038	\$ 17,038	\$ 15,477	\$ 20,156	\$ 18,515
Operating grants and contributions	572	546	-	-	572	546
Capital grants and contributions	4,674	2,497	1,811	6,377	6,485	8,874
General revenues:						
Property taxes	7,509	7,320	-	-	7,509	7,320
Other taxes	7,864	7,906	50	14	7,914	7,920
Other	732	1,150	266	920	998	2,070
Total revenues	<u>24,469</u>	<u>22,457</u>	<u>19,165</u>	<u>22,788</u>	<u>43,634</u>	<u>45,245</u>
Expenses:						
General government	4,207	5,058	-	-	4,207	5,058
Public safety	8,285	8,475	-	-	8,285	8,475
Transportation	2,489	2,501	-	-	2,489	2,501
Economic environment	105	1,550	-	-	105	1,550
Recreation	4,545	4,914	-	-	4,545	4,914
Interest on long-term debt	893	350	-	-	893	350
Water and wastewater	-	-	16,220	15,761	16,220	15,761
Sanitation/refuse	-	-	2,654	2,697	2,654	2,697
Building Fund	-	-	878	901	878	901
Marina	-	-	184	215	184	215
Total expenses	<u>20,524</u>	<u>22,848</u>	<u>19,936</u>	<u>19,574</u>	<u>40,460</u>	<u>42,422</u>
Increase in net assets before transfers	3,945	(391)	(771)	3,214	3,174	2,823
Transfers	-	(15)	-	15	-	-
Net assets-beginning	<u>44,867</u>	<u>45,273</u>	<u>53,258</u>	<u>50,029</u>	<u>98,125</u>	<u>95,302</u>
Net assets-ending	<u>\$ 48,812</u>	<u>\$ 44,867</u>	<u>\$ 52,487</u>	<u>\$ 53,258</u>	<u>\$101,299</u>	<u>\$ 98,125</u>

The analysis of Table 2 states the overall Total Primary Government revenues decreased \$1.6 million or 3.6% from the prior year. The Governmental Activities revenues increased \$2.0 million or 9.0%. The Business-type Activities revenues decreased \$3.6 million or 15.9%.

The Total Primary Government expenses decreased \$2.0 million or 4.6% from the prior year. The Governmental Activities expenses decreased by \$2.3 million or 10.2%. The expenses in Business-type Activities realized an increase of \$362 thousand or 1.8%.

The analysis of revenues and expenses can be found in this MD&A: Governmental Activities on pages 10-11 and Business-type Activities on pages 12-13.

Major Fund Changes in Net Assets or Fund Balance

The General Fund balance at September 30, 2009 consisted of \$926 thousand for undesignated fund balance; \$1.8 million was designated for subsequent year's budget and \$278 thousand was designated for reappropriation for incomplete projects. This is an \$850 thousand increase in fund balance from September 30, 2008. The increase represents an intended budgeted use of fund balance to offset the difference between budgeted revenue of \$18.7 million and the budgeted expenditures of \$19.5 million. The City Council's financial policy on fund balance minimums is 5% of annual expenditures. The increase in current assets and long-term liabilities relates to the issuance of debt proceeds for the various ISS projects. More details of the debt are included on page 16 of this MD&A.

The Debt Service Fund balance at September 30, 2009 was \$2.6 million. This represented an increase of \$800 thousand from September 30, 2008. The fund balance is necessary to cover debt payments that come due relatively early in the next fiscal year.

The Community Redevelopment Agency Fund balance increased \$124 thousand. There was an increase in revenues of \$32 thousand and a decrease in capital outlay and other expenses.

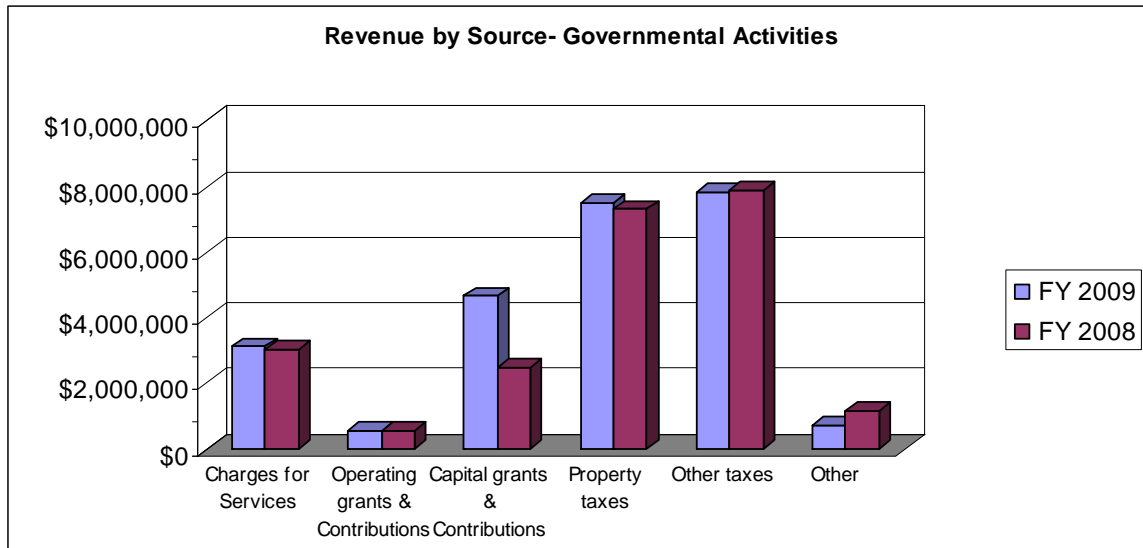
The PGI Canal Maintenance Fund balance increased \$26 thousand. The revenues were 1.3% less than the prior year. The expenditures were less in 2009 because significant contact work was done in 2008 to the seawall stabilization and canal dredging.

The Transportation Impact Fee Fund decreased \$87 thousand. The interest earnings decreased \$50 thousand due to lower rates and less invested funds. The impact fee revenue increased by \$82 thousand and the transfer to General Fund decreased by \$155 thousand. Last year's decrease was \$275 thousand.

The Water and Wastewater Utility Fund net assets decreased \$0.6 million. In comparison to the prior year, the water and wastewater user charges increased \$1.9 million mostly as a result of a 15% increase in rates. Contributed capital decreased \$3.6 million and impact fees decreased \$0.6 million as a result of the continued decline in the housing market and construction projects in the service area. Interest revenue decreased \$0.4 million due to decreased interest rates. Insurance proceeds decreased \$0.2 million. Personnel services increased \$246 thousand as a result of a new fleet/equipment maintenance division added to this fund. Depreciation expense increased \$222 thousand caused by the completion of the 8 mgd to 10 mgd plant expansion and several other large infrastructure projects. The overall net decrease in all other expenses was \$9 thousand.

Governmental Activities

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



The following details the revenue variances between fiscal years 2008 and 2009.

Charges for services increased by \$80 thousand.

Capital grants & Contributions increased by \$2.2 million due to the following:

- Increase in County tax increment contribution to CRA of \$14 thousand
- Increase in capital grants of \$647 thousand
- Increase in reimbursements from insurance in Storm Related Fund of \$1.8 million
- Increase in impact fees of \$73 thousand
- Decrease in public safety grants of \$113 thousand
- Decrease in CDBG of \$138 thousand.

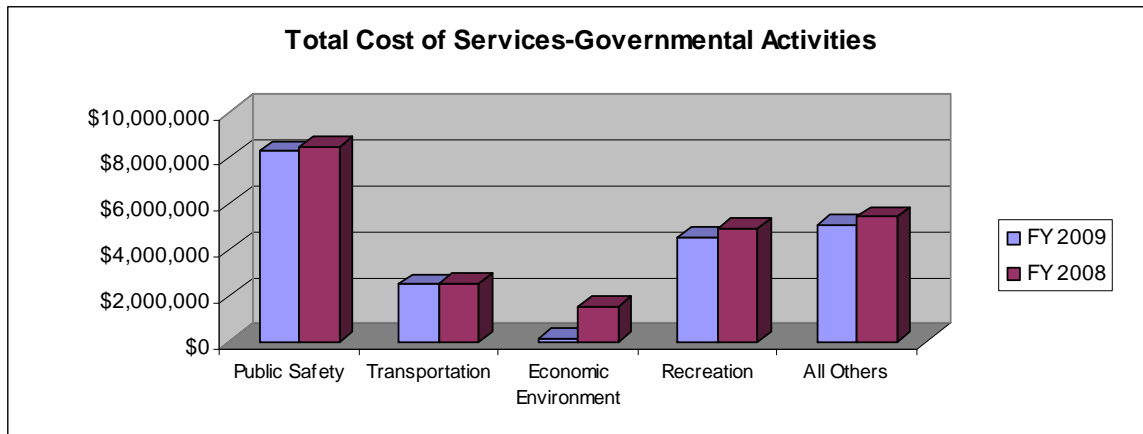
Property taxes and Other taxes increased by \$146 thousand.

- Property tax revenues increased by \$189 thousand. The collection percentage of levied taxes showed a slight decrease.
- Franchise taxes increased by \$83 thousand mainly due to an FPL rate increase.
- Utility & Gas taxes increased by \$192 thousand due to an increase in usage and FPL rate increase.
- Sales tax revenues were down by \$317 thousand which is a reflection of the downturn in the economy.

The cost of all governmental activities this year, including allocations, was \$22.8 million as compared to \$25.2 million in FY 2008. As shown in the Statement of Activities on page 21, the net cost that was ultimately paid through general revenues was \$12.2 million. The highlights of how the remaining \$8.4 million was provided are as follows:

- \$3.1 million in charges for services: \$2.5 million by the canal maintenance districts and \$0.6 million by various fees for general government services;
- \$0.6 million in operating grants and contributions
- \$4.7 million in capital grants and contributions.
- \$3.9 million increase Change in Net Assets

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



- Transportation costs decreased by \$2 thousand.
- Economic environment costs decreased by \$1.4. FY 2008 included \$1.3 million of costs related to the construction in progress on the new parking garage project.
- Public safety costs decreased by \$190 thousand. Police Department overall expenses decreased by \$112 thousand. Fire Department overall expenses decreased by \$136 thousand. Depreciation increased \$23 thousand. Vacation and sick escrow increased by \$12 thousand. Liability for other than pension benefits was \$32 thousand.
- Recreation costs decreased by \$369 thousand. The entire decrease was in the area of park improvements. In FY 2008, \$375 thousand was paid to Charlotte County as part of the agreement for the Event Center.
- All Others decreased by \$313 thousand. Lot Mowing expense decreased by \$197 thousand. Legal expense decreased by \$45 thousand. Procurement expense decreased by \$34 thousand. Urban Design expense decreased by \$34 thousand.

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.

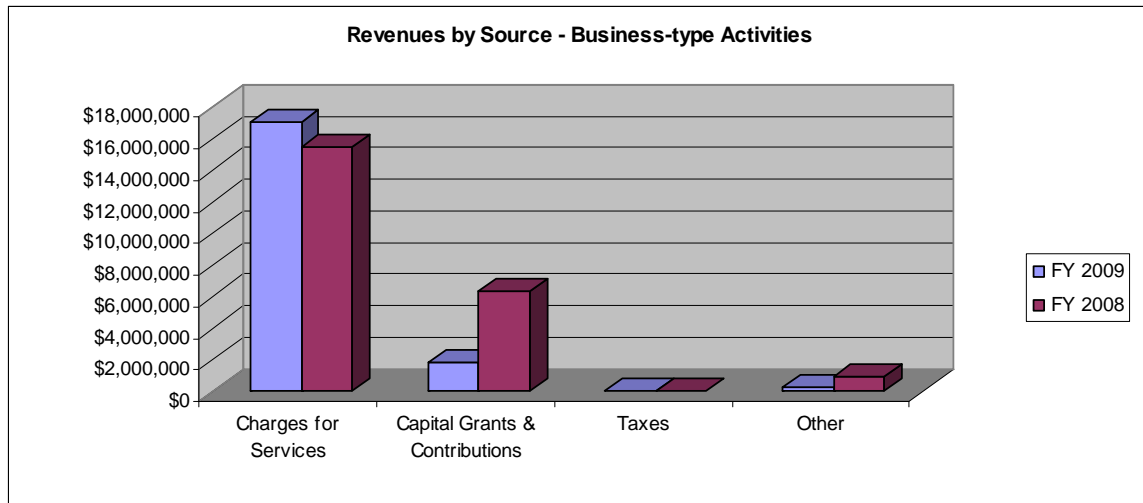
Table 3
Governmental Activities
(in Thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Public Safety	\$ 8,285	\$ 8,475	\$ (8,173)	\$ (8,268)
Transportation	2,489	2,501	(2,130)	(2,357)
Economic Environment	105	1,550	1,169	(152)
Recreation	4,545	4,914	(1,963)	(2,337)
All Others	5,100	5,423	(1,062)	(3,652)
Totals	<u>\$ 20,524</u>	<u>\$ 22,863</u>	<u>\$ (12,159)</u>	<u>\$ (16,766)</u>

Business-type Activities

Revenues of the City's Business-type activities (see Table 2) totaled \$19.1 million. Operating expenses were \$19.9 million, showing a decrease in net assets of \$0.8 million. The analysis of revenues and expenses disclosed that revenues decreased 15.9% and expenses increased 1.8% from the prior fiscal year. Ending net assets are down 1.4%.

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



Charges for services reported in business-type activities increased \$1.6 million, or 10.1%, in comparison to the prior year. Water & Wastewater Utility experienced an increase in charges for services of \$1.9 million due to an increase in rates of 15%. Sanitation's overall increase was \$49 thousand. There were increases of \$25 thousand in the recycling program and \$25 thousand in residential refuse collection and a decrease of \$15 thousand in commercial refuse collection. Also, there was an increase of \$14 thousand caused by a reclassification of franchise fees from the taxes category to licenses and permits category. Building's charges for services decreased by \$384 thousand as a result of the continued decline in the housing market. The Laishley Park Marina charges for services for FY 2009 decreased \$15 thousand; \$10 thousand decrease in slip rentals and \$5 thousand decrease in community room rental.

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

	Revenues (in thousands)		From 2008 to 2009
	2009	2008	% incr (decr)
Water Billings	\$7,556	\$6,523	15.8%
Wastewater Billings	\$5,759	\$4,941	16.6%
Refuse Collection	\$2,872	\$2,837	1.2%
Licenses & Permits	\$ 294	\$ 645	(54.4%)

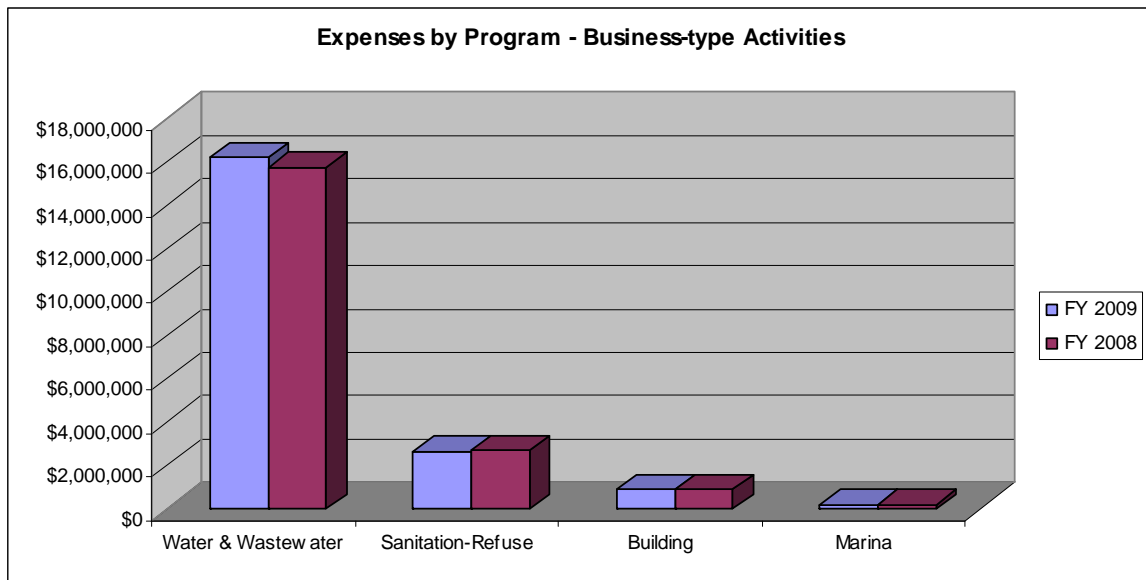
Capital grants and contributions decreased by \$4.6 million, or 71.6%. There was a significant decrease in Water and Sewer Impact fees of \$0.6 million from the prior year. Another significant decrease was in Developer's contributed water & wastewater

infrastructure of \$3.6 million as several large commercial projects were completed in the prior year. Also there was a decrease of \$385 thousand in capital grants for the water plant expansion from 8 mgd to 10 mgd capacity.

The taxes category increased \$36 thousand from the prior year, or 262%. This was due to two changes in the State of Florida’s Uniform Chart of Accounts. First in the Building Fund, certificate of competencies were reclassified from licenses to taxes. Second, in the Sanitation Fund, franchise fees were reclassified from taxes to the licenses and permits category.

The Other category decreased by \$654 thousand, or 71.1%. This was a result of decreased insurance proceeds of \$213 thousand in the Water & Wastewater Utility. Interest earned decreased \$402 thousand due to lower interest rates on investments and gain on disposals of capital assets decreased \$31 thousand.

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



The Water & Wastewater Utility expenses increased \$459 thousand, or 2.9%, in comparison to the prior year. This increase was caused by two main factors. Personnel services increased \$246 thousand as a result of a new fleet/equipment maintenance division added to this fund. Previously, fleet had been an internal service fund. The most significant change in operating expenses was the increase in depreciation expense of \$222 thousand caused by the completion of the 8 mgd to 10 mgd plant expansion and several other large infrastructure projects. The overall net decrease in all other expenses was \$9 thousand.

The Sanitation expenses decreased by \$43 thousand, or 1.6%. Although some operating accounts saw increases such as contractual services for recycling, \$60 thousand, and administrative charges, \$20 thousand, other operating accounts had significant decreases. These included fuel, \$44 thousand, yardwaste & landfill fees, \$24 thousand, and repairs & maintenance, \$55 thousand.

The Building Fund's expenses decreased by \$23 thousand, or 2.5%. This is a direct result of staff changing to a reduced work schedule towards the end of FY 2009 to mitigate the anticipated reduction in revenue activity. Operating expenses were also reduced for this same reason.

The Laishley Park Marina expenses decreased by \$31 thousand or 14.4%. There was a \$6 thousand decrease due to a reduction in cleaning and landscaping services and a \$24 thousand decrease in contracted labor due to an eliminated position in FY 2009.

THE CITY'S FUNDS

General Fund Budgetary Highlights

The following is a brief review of the budgeting changes from the original budget to the final budget for the General Fund. The final expenditure budget increased \$173 thousand or .1% from the original budget, which can be briefly summarized as follows:

Incomplete projects from the prior year:

- Engineering Contract Services, \$31 thousand
- Facilities Maintenance Repairs, Painting, AC repairs, \$54 thousand
- Code Compliance Distressed Property Maintenance, \$23 thousand
- Urban Design Comprehensive Planning, \$31 thousand
- Fire Department Capital Equipment, \$34 thousand.

The final revenue budget increased by \$991 thousand or 5.62%, from the original budget, which can be briefly summarized as follows:

Projected changes in revenues due to economic conditions:

- Infrastructure Sales Surtax, increase \$1.4 million
- Water Utility Tax, increase \$60 thousand
- FPL Franchise Fee, increase \$18 thousand
- Sales Tax, decrease \$175 thousand
- Interest on Investments, decrease \$105 thousand
- FPL Utility Tax, decrease \$94 thousand
- Fines and Forfeitures, decrease \$76 thousand
- Ad Valorem Taxes, decrease \$50 thousand.

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

Revenues:

- Ad Valorem Revenues were under budget by \$50 thousand due to final corrections issued by the county appraiser.
- FPL Franchise Fees were under budget by \$34 thousand due to lower than anticipated usage.
- Interest on investments was \$19 thousand under budget due to low interest rates.
- Miscellaneous Revenues were \$42 thousand over budget due to unanticipated one time revenues.
- FPL Utility taxes were \$38 thousand over budget due to an FPL rate increase.

- Rental Income was \$16 thousand over budget due to a few new rentals that were not budgeted.

Expenditures:

- General government expenditures were under budget by \$626 thousand. Lot Mowing was under budget by \$205 thousand. Facilities Maintenance's overall departmental expenses were \$139 thousand under budget. Parks and Grounds expenses were \$96 thousand under budget. Right of Way expenses were \$123 thousand under budget. Procurement expenses were \$49 thousand under budget.
- Public Safety police personnel and operating expenses were under budget by \$234 thousand due to savings from turnover - vacancies and lower salaries and also savings realized in gas and oil expenses due to prices being lower than anticipated and conservation efforts.
- Public Safety fire was under budget by \$263 thousand. Personnel expenses were \$194 thousand under budget. Operating expenses such as gas and oil, supplies and clothing and uniforms all came in under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2009 reflect an investment of \$111.0 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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 14,255	\$ 10,527	\$ 5,403	\$ 5,403	\$ 19,658	\$ 15,930
Buildings	20,997	6,496	5,344	2,920	26,341	9,416
Improvements						
other than buildings	7,512	6,250	7,206	7,847	14,718	14,097
Machinery and equipment	3,084	3,609	1,781	2,405	4,865	6,014
Infrastructure / System	12,255	13,402	28,152	27,027	40,407	40,429
Construction						
work in progress	<u>2,563</u>	<u>4,618</u>	<u>2,474</u>	<u>5,453</u>	<u>5,037</u>	<u>10,071</u>
Total Capital Assets	<u>\$ 60,666</u>	<u>\$ 44,902</u>	<u>\$ 50,360</u>	<u>\$ 51,055</u>	<u>\$111,026</u>	<u>\$ 95,957</u>

Significant changes to assets this year include:

- Motorcycle equipment for Police, \$29 thousand
- Radios, radars, & digital video camera mirror kits for Police, \$33 thousand
- ADA improvements at Police Substation, \$11 thousand
- Breathing air system for Fire, \$33 thousand
- 2009 GEM electric vehicle for Water Distribution, \$11 thousand
- Pumps, flushing devices, transducers at WTP, \$17 thousand
- ABS process mixers for WWTP, \$20 thousand
- Pumps for WWTP, \$15 thousand
- Desktops, laptops, computer catalysts, & servers, \$75 thousand
- Computer equipment for CAD/OSSI, \$75 thousand
- Phone system at WTP & WWTP, \$31 thousand
- Laishley Park interactive fountain & playground, \$296 thousand
- Laishley Park pavilions, driveway, and parking, \$564 thousand
- Parking garage project, \$10.6 million
- Public Works/Utilities campus land and building acquisition, \$4.6 million
- City beautification, road and park improvements, \$636 thousand
- Fire station, \$167 thousand
- Aqui Esta widening project, \$169 thousand
- Downtown flooding project, \$966 thousand
- WTP expansion project, \$324 thousand
- Aqui Esta utility relocation project, \$764 thousand
- Burnt Store Rd utility relocation project, \$126 thousand
- Charlotte Park water main upgrade project, \$211 thousand
- Hendrickson Dam rehabilitation, \$251 thousand
- Spillway replacement project, \$486 thousand
- Inflow abatement projects, \$165 thousand
- East Side sewer force main project, \$122 thousand
- BPF/WWTP Relief force main project, \$127 thousand.

Debt

As of September 30, 2009 the City had \$28.6 million of revenue note debt in the Governmental Activities. This is a net increase of \$ 6.3 million as compared to prior year. A revenue note, in the amount of \$ 7.0 million was issued on February 19, 2009. The debt proceeds were used for various large infrastructure projects throughout the city. Principal of \$0.7 million was paid on existing debt. The business-type activities bond and note debt was \$13.9 million. This is a decrease of \$1.9 million in principal payments. Capital leases at year end were \$479 thousand after principal payments of \$124 thousand.

For additional information regarding capital assets and debt refer to footnote D (pages 54-55) and footnote E (56-63).

ECONOMIC FACTORS AFFECTING 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.

As noted by the Chief Economist of Moody's Investors Services, the global financial system collapsed in the latter part of 2008, undermining investor, household and business confidence and pushing the economy into a recession. The proximate cause of the crises was the collapse of the U.S. housing market and the resulting surge in mortgage loan defaults. In response, the full faith and credit of the U.S. government now effectively backstop the financial system in an effort to break the cycle. The Federal Reserve has also vastly expanded its role. The Fed has adopted a zero interest rate policy in an attempt to bring down long-term interest rates. The federal government has also adopted the American Recovery and Reinvestment Act, a stimulus plan designed to mitigate the severe economic downturn. All of these efforts on the national level will impact the ability of the State of Florida and the local Southwest Florida area to recover from the current economic downturn.

Charlotte County Economic Highlights

Challenges

- Building permit activity was down 44% from May 2008 to May 2009.
- Taxable sales continue to trend downward from a high in December 2006. For instance, over the past year (April 2008 to April 2009) taxable sales have declined 10.9% in Charlotte County. All sectors monitored by the Florida Legislature's Office of Economic and Demographic Research experienced decreased activity, except for Tourism & Recreation, which increased by 4.2%. The declining trend is consistent throughout Southwest Florida and the State.
- Unemployment is 11.9% as of June 2009, above the national and state rates of 9.5% and 10.6%, respectively. One year ago, the unemployment rate in the County was 7.7%. The continued slowdown in housing and construction is resulting in increased levels of unemployment. The counties in the State least affected have been insulated largely by a high number of government jobs, or are rural counties which are home to state prisons.
- The single-family home median sales price has fallen from a high of \$240,000 in October 2005 to \$97,200 in May 2009. Nationally the price was \$173,000 as of May 2009.
- Population of Charlotte County is estimated to be 160,000 in 2010, which reflects a more conservative projection than previous years. Population growth may not be as large in the future due to a number of factors such as building code and

hurricane restrictions, construction costs and lack of baby boomers to follow the current age to retirement.

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, The Loop (mixed-use retail center with more than 1 million square feet of commercial space and future residential units), and Piper Road reconstruction to serve the Enterprise Charlotte Airport Park. Due to economic conditions, The Loop project has been placed in a holding pattern.
- The Airport also has a new \$5.5 million 16,000 square foot terminal to serve commercial airline service. Direct Air and Allegiant Air currently offer service to several selected destination communities.
- Significant tourism-related, public projects recently completed include the 43,000 square foot Charlotte Harbor Event & Conference Center in downtown Punta Gorda, and the renovated Charlotte Sports Park Stadium which houses the Tampa Bay Rays spring training games and Charlotte Stone Crabs minor league games.
- Other major economic drivers in the County continue to be the future Babcock Ranch community and Murdock Village redevelopment.

Punta Gorda Economic Highlights

Demographics & Tax Base

Population is steadily increasing in the City since the impact of Hurricane Charley in 2004. Projections now show a 2009 City population of 16,989, up from 16,255 in FY 2005, and a 2010 projection of 17,353.

Changes in taxable assessed property values continue to contribute major influence on financial planning and budget preparation. Taxable property values (FY 2010) decreased Citywide by 13% and in the Community Redevelopment Area by 6.3% from the previous fiscal year. This is the third straight year of declines in taxable value.

The new housing unit building permit trends show significant decreases. From 467 units in 2005 to 16 units in 2009.

Business Development Strategy

As pointed out in the Strategic Plan, the City undertook a number of initiatives to enhance business and community development in the Punta Gorda area. Adoption of a commercial impact fee installment program and deferral of the third year of the fair share impact fee increase to February 2010 were two measures designed to spur new commercial development. Two utility line extension agreements were approved for two commercial and industrial developments in and near Enterprise Charlotte Airport Park. Pursuit of a higher education institution, primarily through partnerships with IMPAC

University and Edison College to offer more opportunities at their underutilized campuses, was a major focus of the City and TEAM Punta Gorda. Annexation of commercial corridors rounded out business development strategies.

Current development projects and improvements in the City include:

- Retail space buildout of Herald Court Centre
- Linear park, Harborwalk, and Multi-Use recreational trails that will link the City's pedestrian system
- Downtown flooding mitigation project with 75% grant funding
- Public Works/Utilities Campus purchase and improvements

Based on mandates of State tax reform, a stagnant economy, declining general fund revenues, and a fiscal forecast that projects revenue shortfalls through FY 2013, the budget was developed with the following guidelines:

- Match recurring revenues with expenditures, whenever possible
- Plan for future projected revenue shortfalls
- Leave funds on sound financial footing for the future

Along with the decrease in property values, 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 2010. The water and wastewater fund had a rate adjustment of 3% to cover additional debt service to fund priority capital projects as defined in the five year capital improvement plan.

The reduction in revenues guided the expenditure/expense reductions and service level reductions to balance the budget. In the FY 2008 budget, the financial policy for the General Fund reserves was readdressed to include a range of 5% minimum to 10% preferred. As in the FY 2009 budget, the FY 2010 budget kept the 5% reserve minimum with any remaining reserves used to balance the budget. Also, citywide, there was a reduction of 14.85 funded full-time equivalent positions through attrition, layoffs, and reduction in work schedules.

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BASIC FINANCIAL STATEMENTS

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$17,489,639	\$ 7,192,311	\$ 24,681,950
Investments	905	-	905
Receivables (net of allowance for uncollectibles)	730,749	988,842	1,719,591
Due from other governments	1,395,807	-	1,395,807
Internal balances	(125,938)	125,938	-
Inventories	58,269	93,425	151,694
Prepays (including excess NPO \$44,867)	193,144	421,196	614,340
Deferred charges	-	438,288	438,288
Restricted assets:			
Cash and cash equivalents	23,330	8,806,455	8,829,785
Investments	-	17,672	17,672
Capital assets (net of accumulated depreciation):			
Land	14,254,736	5,403,346	19,658,082
Buildings	20,997,224	5,343,934	26,341,158
Improvements other than buildings	7,511,815	7,205,560	14,717,375
Vehicles and equipment	3,083,588	1,781,419	4,865,007
Infrastructure/System	12,255,578	28,151,700	40,407,278
Construction in progress	2,562,657	2,474,405	5,037,062
Total assets	<u>80,431,503</u>	<u>68,444,491</u>	<u>148,875,994</u>
LIABILITIES			
Accounts payable and other current liabilities	1,828,102	884,104	2,712,206
Deferred revenue	276,822	-	276,822
Liabilities payable from restricted assets	-	800,537	800,537
Long-term liabilities:			
Due within one year	1,726,479	1,571,551	3,298,030
Due in more than one year	27,787,988	12,701,319	40,489,307
Total liabilities	<u>31,619,391</u>	<u>15,957,511</u>	<u>47,576,902</u>
NET ASSETS			
Invested in capital assets, net of related debt	34,583,793	36,108,108	70,691,901
Restricted for:			
Highways and streets	9,117	-	9,117
Capital projects	9,694,460	5,153,895	14,848,355
Debt service	2,592,975	1,956,122	4,549,097
Other purposes	23,330	975,280	998,610
Unrestricted	1,908,437	8,293,575	10,202,012
Total net assets	<u>\$48,812,112</u>	<u>\$52,486,980</u>	<u>\$101,299,092</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2009

	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	\$ 6,800,097	\$ (2,593,145)	\$ 447,370	\$ 549,069	\$ 3,041,666
Public Safety	8,284,731	-	42,485	23,074	45,838
Transportation	2,390,165	98,855	131,063	-	228,241
Economic environment	105,296	-	-	-	1,274,003
Recreation	4,361,608	183,480	2,497,317	-	84,598
Interest on long-term debt	892,524	-	-	-	-
Total Governmental Activities	22,834,421	(2,310,810)	3,118,235	572,143	4,674,346
Business-type Activities:					
Water and wastewater	14,420,120	1,799,540	13,555,767	-	1,810,905
Sanitation/refuse	2,354,528	299,325	2,886,005	-	-
Building Fund	666,295	211,945	393,770	-	-
Marina Fund	184,295	-	202,033	-	-
Total Business-type Activities	17,625,238	2,310,810	17,037,575	-	1,810,905
Total Functions/Programs	\$40,459,659	\$ -0-	\$20,155,810	\$ 572,143	\$ 6,485,251

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

See Accompanying Notes.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (168,847)	\$ -	\$ (168,847)
(8,173,334)	-	(8,173,334)
(2,129,716)	-	(2,129,716)
1,168,707	-	1,168,707
(1,963,173)	-	(1,963,173)
(892,524)	-	(892,524)
<u>(12,158,887)</u>	<u>-</u>	<u>(12,158,887)</u>
-	(852,988)	(852,988)
-	232,152	232,152
-	(484,470)	(484,470)
-	17,738	17,738
<u>-</u>	<u>(1,087,568)</u>	<u>(1,087,568)</u>
<u>(12,158,887)</u>	<u>(1,087,568)</u>	<u>(13,246,455)</u>
7,508,812	-	7,508,812
1,448,111	49,850	1,497,961
3,540,381	-	3,540,381
2,874,856	-	2,874,856
177,625	144,879	322,504
553,909	121,595	675,504
<u>16,103,694</u>	<u>316,324</u>	<u>16,420,018</u>
3,944,807	(771,244)	3,173,563
44,867,305	53,258,224	98,125,529
<u>\$ 48,812,112</u>	<u>\$ 52,486,980</u>	<u>\$ 101,299,092</u>

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009

ASSETS	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$2,535,761	\$ 2,493,472	\$ 367,220	\$ 860,997	\$ 7,326,769	\$1,950,652	\$1,352,526	\$16,887,397
Investments	905	-	-	-	-	-	-	905
Accounts receivable (net of allowance of \$24,287)	722,184	-	-	-	-	-	81,640	803,824
Restricted cash and equivalents	23,330	-	-	-	-	-	-	23,330
Due from other funds	-	99,503	-	-	-	-	-	99,503
Due from other governments	331,952	-	-	44,051	946,729	-	954	1,323,686
Inventories	58,269	-	-	-	-	-	-	58,269
Prepaid items	138,868	-	-	7,077	-	-	-	145,945
Total assets	<u>\$3,811,269</u>	<u>\$ 2,592,975</u>	<u>\$ 367,220</u>	<u>\$ 912,125</u>	<u>\$ 8,273,498</u>	<u>\$1,950,652</u>	<u>\$1,435,120</u>	<u>\$19,342,859</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009
(Continued)

LIABILITIES AND FUND BALANCES	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Accounts payable	\$ 155,052	\$ -	\$ 14,745	\$ 57,637	\$ 556,575	\$ -	\$ 113,567	\$ 897,576
Retainage payable	-	-	-	60,123	534,417	-	13,020	607,560
Accrued liabilities	253,005	-	-	12,392	-	-	-	265,397
Due to other funds	99,503	-	-	-	-	-	-	99,503
Due to other governments	27,743	-	-	-	-	-	-	27,743
Deferred revenue	276,822	-	-	-	-	-	-	276,822
Total liabilities	<u>812,125</u>	<u>-</u>	<u>14,745</u>	<u>130,152</u>	<u>1,090,992</u>	<u>-</u>	<u>126,587</u>	<u>2,174,601</u>
Fund balances								
Reserved for:								
Permanent fund	-	-	-	-	-	-	9,117	9,117
Capital improvements and maintenance	-	-	-	-	7,182,506	-	-	7,182,506
Debt service	-	2,592,975	-	-	-	-	-	2,592,975
Reserved for other	23,330	-	-	-	-	-	-	23,330
Unreserved								
Designated for reappropriations	277,517	-	339,931	-	-	-	-	617,448
Designated for subsequent years' budget	1,771,857	-	-	-	-	-	-	1,771,857
Undesignated - reported in Special Revenue Funds	-	-	-	-	-	-	1,299,416	1,299,416
Undesignated - major funds	926,440	-	12,544	781,973	-	1,950,652	-	3,671,609
Total fund balances	<u>2,999,144</u>	<u>2,592,975</u>	<u>352,475</u>	<u>781,973</u>	<u>7,182,506</u>	<u>1,950,652</u>	<u>1,308,533</u>	<u>17,168,258</u>
Total liabilities and fund balances	<u><u>\$3,811,269</u></u>	<u><u>\$ 2,592,975</u></u>	<u><u>\$ 367,220</u></u>	<u><u>\$ 912,125</u></u>	<u><u>\$ 8,273,498</u></u>	<u><u>\$1,950,652</u></u>	<u><u>\$1,435,120</u></u>	

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2009
(Continued)

Total brought forward \$17,168,258

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 \$60,665,598 less amount included in internal services \$545,674	60,119,924
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.	1,104,123
Cumulative effect of business type portion of internal services	(125,938)
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 \$29,441,042 less amount included in internal services \$15,345.	(29,425,697)
Excess "Net Pension Obligation" is an asset on the Statement of Net Assets but is not a financial resource.	44,867
Postemployment Benefit Plans other than pension plans (OPEB) when unfunded is a liability on the Statement of Net Assets but is not a financial use.	(73,425)
Net assets of governmental activities	<u><u>\$48,812,112</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, 2009

	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$10,246,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$10,246,335
Licenses and permits	1,490,496	-	-	-	-	-	-	1,490,496
Intergovernmental revenues	3,509,955	-	1,250,570	84,598	1,217,983	-	855,688	6,918,794
Charges for services	383,255	-	-	-	-	-	-	383,255
Fines and forfeitures	126,733	-	-	-	-	-	-	126,733
Miscellaneous	2,953,482	-	51,346	2,107,625	117,155	244,219	2,419,743	7,893,570
Total revenues	18,710,256	-	1,301,916	2,192,223	1,335,138	244,219	3,275,431	27,059,183
Expenditures								
Current								
General government	5,562,439	-	-	-	-	-	-	5,562,439
Public safety	7,833,093	-	-	-	-	-	-	7,833,093
Transportation	1,051,506	-	-	-	-	-	842,836	1,894,342
Economic environment	-	-	94,132	-	-	-	27,407	121,539
Recreation	1,282,223	-	-	2,147,196	-	-	467,961	3,897,380
Capital outlay	-	-	811,019	-	17,808,798	-	-	18,619,817
Debt service								
Principal retirement	100,000	-	541,500	18,750	-	-	-	660,250
Interest and fiscal charges	8,291	590,206	293,903	124	-	-	-	892,524
Total expenditures	15,837,552	590,206	1,740,554	2,166,070	17,808,798	-	1,338,204	39,481,384
Excess expenditures (over) under revenues	2,872,704	(590,206)	(438,638)	26,153	(16,473,660)	244,219	1,937,227	(12,422,201)

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, 2009
(Continued)

	General	Debt Service Fund	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	2,872,704	(590,206)	(438,638)	26,153	(16,473,660)	244,219	1,937,227	(12,422,201)
Other financing sources (uses)								
Transfers in	110,000	1,389,763	562,664	-	1,981,632	-	1,156	4,045,215
Transfers out	(2,133,119)	-	-	-	(73,767)	(331,509)	(1,691,279)	(4,229,674)
Debt issued	-	-	-	-	7,000,000	-	-	7,000,000
Total other financing sources	(2,023,119)	1,389,763	562,664	-	8,907,865	(331,509)	(1,690,123)	6,815,541
Net change in fund balances	849,585	799,557	124,026	26,153	(7,565,795)	(87,290)	247,104	(5,606,660)
Fund balances, October 1, 2008	2,149,559	1,793,418	228,449	755,820	14,748,301	2,037,942	1,061,429	22,774,918
Fund balances, September 30, 2009	<u>\$ 2,999,144</u>	<u>\$ 2,592,975</u>	<u>\$ 352,475</u>	<u>\$ 781,973</u>	<u>\$ 7,182,506</u>	<u>\$ 1,950,652</u>	<u>\$ 1,308,533</u>	<u>\$17,168,258</u>

CITY OF PUNTA GORDA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2009

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)	(5,606,660)
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.	15,782,451
The issuance of long-term debt (e.g., bonds, leases) \$(7,000,000) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt \$660,250 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.	(6,339,750)
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 \$(1,909), Compensated absences \$(21,526) and Postemployment benefits other than pension (OPEB) (\$71,166).	(94,601)
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>203,367</u>
Change in net assets of governmental activities (page 21)	<u><u>\$ 3,944,807</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, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,309,372	\$ 10,232,833	\$ 10,246,335	\$ 13,502
Licenses and permits	1,504,750	1,515,528	1,490,496	(25,032)
Intergovernmental revenues	2,257,300	3,479,970	3,509,955	29,985
Charges for services	394,550	394,550	383,255	(11,295)
Fines and forfeitures	201,500	125,250	126,733	1,483
Miscellaneous	2,961,980	2,871,990	2,953,482	81,492
	<u>17,629,452</u>	<u>18,620,121</u>	<u>18,710,256</u>	<u>90,135</u>
Total revenues				
Expenditures				
Current				
General government	6,085,986	6,187,951	5,562,439	625,512
Public safety	8,469,048	8,525,884	7,833,093	692,791
Transportation	1,182,067	1,174,345	1,051,506	122,839
Recreation	1,355,386	1,377,725	1,282,223	95,502
Debt service				
Principal retirement	100,000	100,000	100,000	-
Interest and fiscal charges	9,555	9,555	8,291	1,264
	<u>17,202,042</u>	<u>17,375,460</u>	<u>15,837,552</u>	<u>1,537,908</u>
Total expenditures				
Excess revenues over expenditures	<u>427,410</u>	<u>1,244,661</u>	<u>2,872,704</u>	<u>1,628,043</u>
Other financing sources (uses)				
Transfers in	190,000	110,000	110,000	-
Transfers out	(811,011)	(2,133,119)	(2,133,119)	-
	<u>(621,011)</u>	<u>(2,023,119)</u>	<u>(2,023,119)</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (193,601)</u>	<u>\$ (778,458)</u>	849,585	<u>\$ 1,628,043</u>
Fund balances, October 1, 2008			<u>2,149,559</u>	
Fund balances, September 30, 2009			<u>\$ 2,999,144</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY REDEVELOPEMENT AGENCY FUND
For the Fiscal Year Ended September 30, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,032,475	\$ 1,250,570	\$ 1,250,570	\$ -
Miscellaneous	10,500	48,966	51,346	2,380
Total revenues	<u>1,042,975</u>	<u>1,299,536</u>	<u>1,301,916</u>	<u>2,380</u>
Expenditures				
Economic environment	50,000	190,711	94,132	96,579
Capital outlay	430,000	1,054,198	811,019	243,179
Debt service				
Principal retirement	541,500	541,500	541,500	-
Interest and fiscal charges	296,744	293,946	293,903	43
Total expenditures	<u>1,318,244</u>	<u>2,080,355</u>	<u>1,740,554</u>	<u>339,801</u>
Excess revenues over (under) expenditures	<u>(275,269)</u>	<u>(780,819)</u>	<u>(438,638)</u>	<u>342,181</u>
Other financing sources (uses)				
Transfers in	583,878	562,664	562,664	-
Total other financing sources	<u>583,878</u>	<u>562,664</u>	<u>562,664</u>	<u>-</u>
Net change in fund balances	<u>\$ 308,609</u>	<u>\$ (218,155)</u>	124,026	<u>\$ 342,181</u>
Fund balances, October 1, 2008			<u>228,449</u>	
Fund balances, September 30, 2009			<u>\$ 352,475</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
P G I CANAL MAINTENANCE SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 84,598	\$ 84,598	\$ -
Interest	14,000	14,000	8,119	(5,881)
Miscellaneous				
Service assessments	2,060,160	2,060,160	2,082,670	22,510
Other	20,000	20,000	16,836	(3,164)
Total revenues	<u>2,094,160</u>	<u>2,178,758</u>	<u>2,192,223</u>	<u>13,465</u>
Expenditures				
Current				
Recreation	2,394,329	2,664,691	2,147,196	517,495
Debt service				
Principal retirement	18,750	18,750	18,750	-
Interest and fiscal charges	422	422	124	298
Total expenditures	<u>2,413,501</u>	<u>2,683,863</u>	<u>2,166,070</u>	<u>517,793</u>
Excess revenues over (under) expenditures	<u>(319,341)</u>	<u>(505,105)</u>	<u>26,153</u>	<u>531,258</u>
Net change in fund balance	<u>\$ (319,341)</u>	<u>\$ (505,105)</u>	26,153	<u>\$ 531,258</u>
Fund balances, October 1, 2008			<u>755,820</u>	
Fund balances, September 30, 2009			<u>\$ 781,973</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
TRANSPORTATION IMPACT FEE SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 50,000	\$ 50,000	\$ 20,504	\$ (29,496)
Miscellaneous	<u>150,000</u>	<u>150,000</u>	<u>223,715</u>	<u>73,715</u>
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>244,219</u>	<u>44,219</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>200,000</u>	<u>200,000</u>	<u>244,219</u>	<u>44,219</u>
Other financing uses				
Transfers out	<u>(250,000)</u>	<u>(2,228,302)</u>	<u>(331,509)</u>	<u>1,896,793</u>
Total other financing uses	<u>(250,000)</u>	<u>(2,228,302)</u>	<u>(331,509)</u>	<u>1,896,793</u>
Net change in fund balance	<u><u>\$ (50,000)</u></u>	<u><u>\$(2,028,302)</u></u>	<u>(87,290)</u>	<u><u>\$ 1,941,012</u></u>
Fund balances, October 1, 2008			<u>2,037,942</u>	
Fund balances, September 30, 2009			<u><u>\$ 1,950,652</u></u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2009

ASSETS	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,564,842	\$ 824,335
Accounts and refund receivable (net of allowance of \$307,495)	735,747	253,095
Inventories	93,425	-
Prepaid items	82,967	13,830
Restricted cash and cash equivalents	8,788,099	-
Restricted investments, at amortized cost which approximates fair value	17,672	-
Total current assets	15,282,752	1,091,260
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	49,925,654	420,526
Unamortized issuance costs	438,288	-
Prepaid rent	318,609	-
Total noncurrent assets	50,682,551	420,526
Total assets	\$65,965,303	\$1,511,786

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
<u>Building Fund</u>	<u>Marina Fund</u>	<u>Total</u>	
\$ 766,818	\$ 36,316	\$ 7,192,311	\$ 602,242
-	-	988,842	-
-	-	93,425	-
4,415	1,375	102,587	1,378
10,439	7,917	8,806,455	-
-	-	17,672	-
<u>781,672</u>	<u>45,608</u>	<u>17,201,292</u>	<u>603,620</u>
14,184	-	50,360,364	545,674
-	-	438,288	-
-	-	318,609	-
<u>14,184</u>	<u>-</u>	<u>51,117,261</u>	<u>545,674</u>
<u>\$ 795,856</u>	<u>\$ 45,608</u>	<u>\$68,318,553</u>	<u>\$1,149,294</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2009
(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	\$ 483,131	\$ 72,832
Retainage payable	66,880	-
Notes payable	48,701	-
Current portion of revenue notes payable	719,117	-
Current portion of bonds payable	630,000	-
Current portion of leases payable	-	129,102
Accumulated unused compensated absences	33,896	8,450
Accrued liabilities	222,928	20,383
Total payable from current assets	<u>2,204,653</u>	<u>230,767</u>
Payable from restricted assets		
Accrued liabilities	86,408	-
Current portion of bonds payable	660,000	-
Customer deposits	35,773	-
Total payable from restricted assets	<u>782,181</u>	<u>-</u>
Total current liabilities	<u>2,986,834</u>	<u>230,767</u>
NONCURRENT LIABILITIES		
Revenue notes payable	6,479,330	-
Revenue bonds payable - less unamortized discount of \$219,217	5,430,783	-
Leases payable	-	349,990
Accrued compensated absences	305,066	76,051
Other postemployment benefits payable (OPEB)	28,241	7,907
Total noncurrent liabilities	<u>12,243,420</u>	<u>433,948</u>
Total liabilities	<u>15,230,254</u>	<u>664,715</u>
NET ASSETS		
Invested in capital assets net of related debt	36,152,490	(58,566)
Restricted for debt service	1,956,122	-
Restricted for renewal and replacement	975,280	-
Restricted for capital projects	5,153,895	-
Unrestricted	<u>6,497,262</u>	<u>905,637</u>
Total net assets	<u>\$50,735,049</u>	<u>\$ 847,071</u>
Cumulative adjustment for internal service fund activities		
Net assets of business-type activities		

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 1,395	\$ 5,227	\$ 562,585	\$ 21,744
-	-	66,880	-
-	-	48,701	-
-	-	719,117	-
-	-	630,000	-
-	-	129,102	-
2,285	-	44,631	1,535
11,328	-	254,639	8,082
<u>15,008</u>	<u>5,227</u>	<u>2,455,655</u>	<u>31,361</u>
-	-	86,408	-
-	-	660,000	-
10,439	7,917	54,129	-
<u>10,439</u>	<u>7,917</u>	<u>800,537</u>	<u>-</u>
<u>25,447</u>	<u>13,144</u>	<u>3,256,192</u>	<u>31,361</u>
-	-	6,479,330	-
-	-	5,430,783	-
-	-	349,990	-
20,562	-	401,679	13,810
3,389	-	39,537	2,259
<u>23,951</u>	<u>-</u>	<u>12,701,319</u>	<u>16,069</u>
<u>49,398</u>	<u>13,144</u>	<u>15,957,511</u>	<u>47,430</u>
14,184	-	36,108,108	545,674
-	-	1,956,122	-
-	-	975,280	-
-	-	5,153,895	-
<u>732,274</u>	<u>32,464</u>	<u>8,167,637</u>	<u>556,190</u>
<u>\$ 746,458</u>	<u>\$ 32,464</u>	52,361,042	<u>\$1,101,864</u>
		<u>125,938</u>	
		<u>\$52,486,980</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, 2009

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 13,555,767	\$ 2,871,595
Licenses and permits	-	14,410
Miscellaneous	80,664	1,928
	<u>13,636,431</u>	<u>2,887,933</u>
Total operating revenues		
Operating expenses		
Personnel services	5,101,776	1,085,695
Contractual services	950,367	710,831
Materials and supplies	1,497,455	85,097
Utilities	824,890	2,417
Depreciation	4,122,220	235,558
Insurance	204,968	28,550
Administrative charges	2,049,613	303,625
Repairs and maintenance	583,493	163,682
Travel and training	6,127	1,972
Rent	143,425	4,323
	<u>15,484,334</u>	<u>2,621,750</u>
Total operating expenses		
Operating income (loss)	<u>(1,847,903)</u>	<u>266,183</u>
Nonoperating revenues (expenses)		
Interest income	131,939	3,853
Taxes	-	-
Insurance proceeds	25,458	-
Interest expense and fiscal charges	(740,762)	(22,114)
Gain (loss) on disposition of capital assets	218	(10,082)
	<u>(583,147)</u>	<u>(28,343)</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers and contributions	<u>(2,431,050)</u>	<u>237,840</u>
Totals carried forward	<u>(2,431,050)</u>	<u>237,840</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 99,280	\$ 202,033	\$ 16,728,675	\$ 1,071,685
294,490	-	308,900	-
5,756	7,571	95,919	-
<u>399,526</u>	<u>209,604</u>	<u>17,133,494</u>	<u>1,071,685</u>
571,237	-	6,758,708	332,600
3,794	106,692	1,771,684	162,415
7,716	12,130	1,602,398	13,554
2,583	52,645	882,535	5,089
8,595	-	4,366,373	204,357
1,920	7,725	243,163	22,800
268,925	-	2,622,163	-
840	3,480	751,495	226,231
11,886	-	19,985	10,691
1,983	1,623	151,354	70,652
<u>879,479</u>	<u>184,295</u>	<u>19,169,858</u>	<u>1,048,389</u>
<u>(479,953)</u>	<u>25,309</u>	<u>(2,036,364)</u>	<u>23,296</u>
8,900	187	144,879	2,761
49,850	-	49,850	-
-	-	25,458	-
-	-	(762,876)	-
-	-	(9,864)	(381)
<u>58,750</u>	<u>187</u>	<u>(552,553)</u>	<u>2,380</u>
<u>(421,203)</u>	<u>25,496</u>	<u>(2,588,917)</u>	<u>25,676</u>
<u>(421,203)</u>	<u>25,496</u>	<u>(2,588,917)</u>	<u>25,676</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, 2009
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (2,431,050)	\$ 237,840
Transfers in	-	-
Contributions	1,810,905	-
Change in net assets	(620,145)	237,840
Total net assets - beginning	51,355,194	609,231
Total net assets - ending	\$ 50,735,049	\$ 847,071

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

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
<u>\$ (421,203)</u>	<u>\$ 25,496</u>	<u>\$ (2,588,917)</u>	<u>\$ 25,676</u>
-	-	-	184,459
<u>-</u>	<u>-</u>	<u>1,810,905</u>	<u>-</u>
(421,203)	25,496	(778,012)	210,135
<u>1,167,661</u>	<u>6,968</u>		<u>891,729</u>
<u>\$ 746,458</u>	<u>\$ 32,464</u>		<u>\$ 1,101,864</u>
		<u>6,768</u>	
		<u>\$ (771,244)</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2009

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 13,247,433	\$ 2,823,980
Cash payments to suppliers for goods and services	(6,310,976)	(1,304,957)
Cash payments to employees for services	(5,025,395)	(1,065,844)
Other receipts	80,664	1,928
	<u>1,991,726</u>	<u>455,107</u>
Net cash provided by (used in) operating activities		
	<u>1,991,726</u>	<u>455,107</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants	189,062	-
Taxes	-	-
Operating transfers	-	-
	<u>189,062</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities		
	<u>189,062</u>	<u>-</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	(3,046,125)	(2,452)
Sale of property, plant and equipment	4,348	-
Principal paid on debt	(1,906,579)	(124,273)
Interest and fiscal charges paid	(619,850)	(22,114)
Contributions	655,952	-
Insurance proceeds	25,458	-
	<u>(4,886,796)</u>	<u>(148,839)</u>
Net cash used in capital and related financing activities		
	<u>(4,886,796)</u>	<u>(148,839)</u>
Totals carried forward	<u>(2,706,008)</u>	<u>306,268</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 394,785	\$ 206,574	\$ 16,672,772	\$ 1,071,685
(303,672)	(239,488)	(8,159,093)	(551,361)
(567,751)	-	(6,658,990)	(355,644)
5,756	7,571	95,919	-
<u>(470,882)</u>	<u>(25,343)</u>	<u>1,950,608</u>	<u>164,680</u>
-	-	189,062	-
49,850	-	49,850	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>184,459</u>
<u>49,850</u>	<u>-</u>	<u>238,912</u>	<u>184,459</u>
-	-	(3,048,577)	(203,042)
-	-	4,348	17,569
-	-	(2,030,852)	-
-	-	(641,964)	-
-	-	655,952	-
<u>-</u>	<u>-</u>	<u>25,458</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>(5,035,635)</u>	<u>(185,473)</u>
<u>(421,032)</u>	<u>(25,343)</u>	<u>(2,846,115)</u>	<u>163,666</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2009
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (2,706,008)	\$ 306,268
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross proceeds from maturities of investments	1,282	-
Interest received	<u>138,029</u>	<u>4,380</u>
Net cash provided by investing activities	<u>139,311</u>	<u>4,380</u>
Net increase (decrease) in cash and cash equivalents	(2,566,697)	310,648
Balances - beginning of the year	<u>16,919,638</u>	<u>513,687</u>
Balances - end of year	<u><u>\$ 14,352,941</u></u>	<u><u>\$ 824,335</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (1,847,903)	\$ 266,183
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,122,220	235,558
Net (increase) decrease in:		
Receivables	(283,098)	(62,025)
Inventories	22,689	-
Prepays	34,500	(2,940)
Net increase (decrease) in:		
Accounts payable	(107,827)	(1,520)
Accrued liabilities	58,185	19,851
Customer deposits	<u>(7,040)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>\$ 1,991,726</u></u>	<u><u>\$ 455,107</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Disposal of fully depreciated capital assets	\$ 88,995	\$ 2,522
Donated capital assets	1,154,953	-

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ (421,032)	\$ (25,343)	\$ (2,846,115)	\$ 163,666
-	-	1,282	-
<u>9,075</u>	<u>252</u>	<u>151,736</u>	<u>3,067</u>
<u>9,075</u>	<u>252</u>	<u>153,018</u>	<u>3,067</u>
(411,957)	(25,091)	(2,693,097)	166,733
<u>1,189,214</u>	<u>69,324</u>	<u>18,691,863</u>	<u>-</u>
<u>\$ 777,257</u>	<u>\$ 44,233</u>	<u>\$ 15,998,766</u>	<u>\$ 166,733</u>
\$ (479,953)	\$ 25,309	\$ (2,036,364)	\$ 23,296
8,595	-	4,366,373	204,357
-	2,504	(342,619)	-
-	-	22,689	-
(3,635)	106	28,031	1,378
(390)	(55,299)	(165,036)	(41,307)
3,486	(2,504)	79,018	(23,044)
<u>1,015</u>	<u>4,541</u>	<u>(1,484)</u>	<u>-</u>
<u>\$ (470,882)</u>	<u>\$ (25,343)</u>	<u>\$ 1,950,608</u>	<u>\$ 164,680</u>
\$ -	\$ -	\$ 91,517	\$ 40,307
-	-	1,154,953	-

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2009

	<u>Pension Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,116,832
Interest and dividends receivable	141,646
Investments, at fair value	
U.S. Treasury and Government Agencies	4,265,126
Corporate Obligations	5,231,679
Common Stocks	19,654,531
Common Stocks - ADR	<u>2,680,246</u>
Total investments at fair value	<u>31,831,582</u>
Total assets	<u>34,090,060</u>
LIABILITIES AND NET ASSETS	
Total liabilities	<u>-</u>
Net assets	
Active and retired member equity	34,063,171
DROP plan benefits	<u>26,889</u>
Total Liabilities and Net Assets	<u><u>\$ 34,090,060</u></u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Fiscal Year September 30, 2009

	Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 1,884,196
Insurance Premiums	510,430
Plan members	746,981
Total contributions	3,141,607
Investment earnings	
Net loss in fair value of investments	(917,111)
Interest and dividends	964,619
Total investment gain	47,508
Less investment expense	203,847
Net investment loss	(156,339)
Total additions	2,985,268
DEDUCTIONS	
Benefits paid	1,878,848
Refunds of contributions	106,324
Administrative expenses	40,344
Total deductions	2,025,516
Change in net assets	959,752
Net assets held in trust for pension benefits	
Beginning of year	33,130,308
End of year	\$ 34,090,060

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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.

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

I. Organization and Summary of Significant Accounting Policies, Continued

A. Government-wide and fund financial statements

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrated the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

I. Organization and Summary of Significant Accounting Policies, Continued

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

The Debt Service Fund accounts for the accumulation of funds to make debt payments for the parking garage and infrastructure sales surtax loans.

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 marina located in Laishley Park.

Additionally, the City reports the following funds:

Internal service fund accounting for information technology services provided to other departments or agencies of the City.

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

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, 2009

I. Organization and Summary of Significant Accounting Policies, Continued

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

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

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

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

C. Cash and cash equivalents

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

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, 2009

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, 2009.

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, 2009

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.

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 \$2,593,145 for fiscal year 2009. 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, 2009

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 \$29,425,697 difference are as follows:

Noncurrent liabilities	\$29,441,042
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	(15,345)
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities - Noncurrent liabilities	\$29,425,697

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 \$15,782,451 difference are as follows:

Capital outlay	\$ 18,492,303
Depreciation expense	(2,709,852)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ 15,782,451

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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 \$6,339,750 difference are as follows:

Principal repayments:	
Capital Improvement revenue notes	\$ (660,250)
Principal debt issuance	<u>7,000,000</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 6,339,750</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$94,601 difference are as follows:

Change in Excess Net Pension Obligation	\$ 1,909
Compensated absences	21,526
Change in Postemployment Benefits Other than Pensions (OPEB)	<u>71,166</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 94,601</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, 2009.

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, 2009 totaled \$617,448.
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 are treated as interfund services provided and used. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as transfers in or out.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, 2009 the carrying amounts of the City's deposits below were \$1,293,346 and the bank balances were \$1,842,662. 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, 2009, petty cash for all funds was \$1,808.

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 \$18,577. These investments have a weighted average maturity of 3 years.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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 \$32,216,581.

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 M. Discussion regarding the Pool and the City's investment in the Pool.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, 2009:

<u>Water and Wastewater Utility Fund, Building Fund, Marina Fund</u>	Cash and Cash Equivalents	Investment Securities
Renewal and Replacement Account - reserved for extensions, enlargements and replacements of capital assets of the utility system	\$ 975,280	\$ -
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	187,153	-
Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	108,869	-
Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds	6,610	-
Bond Reserve Account - maintained at the level required by the Bond Ordinance	1,561,079	17,672
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	370,761	-
Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	54,129	-
Utilities Construction Account - reserved for payment of the costs of new projects	5,496,217	-
Special Assessments - District #4 - established to account for assessments levied for utility expansion	46,357	-
	<u>\$ 8,806,455</u>	<u>\$ 17,672</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, 2009:

Cash and Cash Equivalents		
Law enforcement trust	\$	17,970
Other		<u>5,360</u>
	<u>\$</u>	<u>23,330</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ -	\$ 99,503
Debt Service Fund	<u>99,503</u>	<u>-</u>
	99,503	99,503
 Governmental funds consolodation	 <u>(99,503)</u>	 <u>(99,503)</u>
 Statement of Net Assets	 <u>\$ -0-</u>	 <u>\$ -0-</u>

The \$99,503 General Fund Liability is the 1¢ sales tax revenue accrual to be used for debt service that will be paid in October, 2009.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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 Capital Projects is insurance proceed funds used on the Public Works building. 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. The transfer from General to Information Technology was to cover computer purchases for the General Fund departments.

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	\$ 110,000	\$ 2,133,119
Debt Service Fund	1,389,763	-
Community Redevelopment	562,664	-
Capital Projects Fund	1,981,632	73,767
Impact Fees - Transportation	-	331,509
Nonmajor Governmental funds	1,156	1,691,279
Net Governmental Funds	<u>\$ 4,045,215</u>	<u>\$ 4,229,674</u>
Internal Service Fund		
Information Technology	<u>\$ 184,459</u>	<u>\$ -0-</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$10,526,584	\$ 3,728,152	\$ -	\$14,254,736
Construction in progress	4,618,492	18,620,492	(20,676,327)	2,562,657
Total capital assets, not being depreciated	<u>15,145,076</u>	<u>22,348,644</u>	<u>(20,676,327)</u>	<u>16,817,393</u>
Capital assets, being depreciated:				
Buildings	8,726,223	14,898,316	-	23,624,539
Improvements other than buildings	7,065,444	1,653,965	-	8,719,409
Infrastructure	69,408,431	79,187	-	69,487,618
Vehicles and equipment	8,978,023	402,251	(480,153)	8,900,121
Total capital assets, being depreciated	<u>94,178,121</u>	<u>17,033,719</u>	<u>(480,153)</u>	<u>110,731,687</u>
Less accumulated depreciation for:				
Buildings	(2,230,670)	(396,645)	-	(2,627,315)
Improvements other than buildings	(815,553)	(392,041)	-	(1,207,594)
Infrastructure	(56,005,938)	(1,226,102)	-	(57,232,040)
Vehicles and equipment	(5,368,624)	(899,421)	451,512	(5,816,533)
Total accumulated depreciation	<u>(64,420,785)</u>	<u>(2,914,209)</u>	<u>451,512</u>	<u>(66,883,482)</u>
Total capital assets, being depreciated, net	<u>29,757,336</u>	<u>14,119,510</u>	<u>(28,641)</u>	<u>43,848,205</u>
Governmental activities capital assets, net	<u>\$44,902,412</u>	<u>\$36,468,154</u>	<u>\$(20,704,968)</u>	<u>\$60,665,598</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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	5,452,822	2,909,505	(5,887,922)	2,474,405
Total capital assets, not being depreciated	<u>10,856,168</u>	<u>2,909,505</u>	<u>(5,887,922)</u>	<u>7,877,751</u>
Capital assets, being depreciated:				
Buildings	22,198,441	3,358,434	-	25,556,875
Improvements other than buildings	18,343,037	7,223	-	18,350,260
System Infrastructure	57,776,541	3,133,574	-	60,910,115
Vehicles and equipment	6,365,210	165,321	(176,712)	6,353,819
Total capital assets, being depreciated	<u>104,683,229</u>	<u>6,664,552</u>	<u>(176,712)</u>	<u>111,171,069</u>
Less accumulated depreciation for:				
Buildings	(19,278,477)	(934,464)	-	(20,212,941)
Improvements other than buildings	(10,496,428)	(648,272)	-	(11,144,700)
System Infrastructure	(30,749,866)	(2,008,549)	-	(32,758,415)
Vehicles and equipment	(3,959,811)	(775,088)	162,499	(4,572,400)
Total accumulated depreciation	<u>(64,484,582)</u>	<u>(4,366,373)</u>	<u>162,499</u>	<u>(68,688,456)</u>
Total capital assets, being depreciated, net	<u>40,198,647</u>	<u>2,298,179</u>	<u>(14,213)</u>	<u>42,482,613</u>
Business-type activities capital assets, net	<u>\$51,054,815</u>	<u>\$ 5,207,684</u>	<u>\$ (5,902,135)</u>	<u>\$50,360,364</u>

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

Governmental activities:	
General government	\$ 905,506
Public safety	544,981
Transportation	589,205
Recreation	670,160
Internal service funds	204,357
Total depreciation expense -- governmental activities	<u>\$ 2,914,209</u>
Business-type activities:	
Public utilities	\$ 4,122,220
Sanitation/refuse collection	235,558
Building	8,595
Total depreciation expense -- business-type activities	<u>\$ 4,366,373</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

E. Long-Term Debt

The following is a summary of changes in bonded and other indebtedness of the City for the year ended September 30, 2009:

	Governmental Activities - Long-Term Debt		
	Capital Improvement Revenue Notes	OPEB and Compensated Absences	Total
Debt payable at October 1, 2008	\$ 22,254,009	\$ 810,412	\$ 23,064,421
Debt issued	7,000,000	-	7,000,000
Debt retired	(660,250)	-	(660,250)
Amortization of original issue discount	-	-	-
Amortization of early call premium	-	-	-
Amortization of underwriters premium	-	-	-
Additions in OPEB and compensated absences	-	175,992	175,992
Deductions in OPEB and compensated absences	-	(81,041)	(81,041)
Debt payable at September 30, 2009 (net)	\$ 28,593,759	\$ 905,363	\$ 29,499,122

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	OPEB and Compensated Absences	Total
\$ 7,879,202	\$ 7,895,026	\$ 48,701	\$ 603,365	\$ 405,175	\$ 16,831,469
-	-	-	-	-	-
(1,210,000)	(696,579)	-	(124,273)	-	(2,030,852)
27,458	-	-	-	-	27,458
41,423	-	-	-	-	41,423
(17,300)	-	-	-	-	(17,300)
-	-	-	-	121,190	121,190
-	-	-	-	(40,518)	(40,518)
<u>\$ 6,720,783</u>	<u>\$ 7,198,447</u>	<u>\$ 48,701</u>	<u>\$ 479,092</u>	<u>\$ 485,847</u>	<u>\$ 14,932,870</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2009 are comprised of the following:

Governmental Activities

Revenue Notes

\$7,000,000 Revenue Note, this note was issued on February 19, 2009 and is to be repaid using the City's share of Infrastructure Sales Surtax (ISS); collateralized by ISS revenues. Interest is payable semi-annually at 3.2%. Principal is payable annually beginning on January 1, 2010 with final maturity on January 1, 2015. The debt proceeds were used for various large infrastructure projects throughout the City.	\$ 7,000,000
\$4,092,000 Revenue Note, this note was issued on December 5, 2002 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 3.76%. Principal is payable semi-annually. Final maturity scheduled for January 1, 2013. The debt proceeds were used for various projects in the CRA district and to pay off existing CRA debt.	2,771,000
\$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.	4,298,000

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Governmental Activities, continued

Revenue Notes, continued

<p>\$800,000 Revenue Note, this note was issued on January 5, 2000, and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable quarterly at 82.6% of the one month London Interbank Offered Rate which was .2473% on September 30, 2009. 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.</p>	\$ 20,000
<p>\$400,000 Land Acquisition Revenue Note, collateralized by the property purchased. Principal is payable monthly in 120 equal installments of \$3,333. Final maturity is scheduled for August 20, 2011. Interest is payable at 8.00% of the remaining principal balance. No prepayment is allowed on this loan. This is debt on the land purchased behind City Hall.</p>	76,667
<p>\$13,997,216 Revenue Note, this note is a tax exempt note issued on June 19, 2008, to be repaid with non-ad valorem revenues through a covenant to budget and appropriate. Interest is payable semi-annually at 4.02%. Principal is payable annually beginning on January 1, 2014 with final maturity on January 1, 2020. The debt proceeds are being used for the construction of a public parking garage in the downtown area.</p>	13,997,216

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Governmental Activities, continued

Revenue Notes, continued

\$430,876 Revenue Note, this note is a taxable note issued on June 19, 2008, to be repaid with non-ad valorem revenues through a covenant to budget and appropriate. Interest is payable semi-annually at 6.38%. Principal is payable annually beginning on January 1, 2014 with final maturity on January 1, 2020. The debt proceeds are being used for the retail portion of a public parking garage in the downtown area.

\$ 430,876

Total revenue notes payable

28,593,759

Less current maturities

(1,641,750)

Noncurrent portion, revenue notes payable

\$ 26,952,009

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.

\$ 6,940,000

Less unamortized discount and call premium

(219,217)

Net

6,720,783

Less current maturities

(1,290,000)

Noncurrent portion, revenue bonds payable

\$ 5,430,783

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2009

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

Revenue Notes

\$5,193,111 Revenue Notes, two notes were combined after project completion; these notes were issued on March 15, 2000 and are to be repaid by the Water and Wastewater Utility Fund, payable to a State of Florida agency; collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Interest is payable semi-annually at 3.36% per annum. Principal is payable semi-annually. Both principal and interest payments commenced on February 15, 2002 with final maturity scheduled for August 15, 2021. The debt proceeds were used to build Aquifer Storage and Retrieval wells and pumps at the Water Treatment Plant. \$ 3,535,479

\$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. 3,662,968

Total revenue notes payable 7,198,447

Less current maturities (719,117)

Noncurrent portion, revenue notes payable \$ 6,479,330

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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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

\$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.	106,159
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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>372,933</u>
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Total leases payable	479,092
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Less current maturities	<u>(129,102)</u>
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Noncurrent portion, leases payable	<u>\$ 349,990</u>
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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

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

Year Ending September 30	Governmental Activities Long-Term Debt	
	Principal	Interest
2010	\$ 1,641,750	\$ 1,162,099
2011	1,641,790	1,022,341
2012	1,660,535	964,278
2013	6,750,080	798,708
2014	3,038,165	614,047
2015-2019	11,544,503	1,579,558
2020-2024	2,316,936	47,444
Total	\$ 28,593,759	\$ 6,188,475

Compensated Absences	Current Portion	Noncurrent Portion	OPEB	Totals
Governmental Activities	\$ 83,194	\$ 748,744	\$ 73,425	\$ 905,363
Business-type Activities	44,631	401,679	39,537	485,847
	\$ 127,825	\$ 1,150,423	\$ 112,962	\$ 1,391,210

Interest on the variable-rate portion of the Capital Improvement Notes is calculated at 82.6% of the one month London Interbank Offered Rate which was .2473% on September 30, 2009. Therefore, interest amount used is .2043%.

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		
\$ 1,260,000	\$ 318,540	\$ 719,117	\$ 225,569	\$ 48,701	\$ 146,387
1,320,000	258,450	742,460	201,987	-	146,387
1,380,000	190,950	766,561	177,639	-	124,117
1,455,000	118,256	791,445	152,499	-	101,884
1,525,000	40,031	817,140	126,545	-	-
-	-	2,669,936	298,722	-	-
-	-	691,788	39,357	-	-
<u>\$ 6,940,000</u>	<u>\$ 926,227</u>	<u>\$ 7,198,447</u>	<u>\$ 1,222,318</u>	<u>\$ 48,701</u>	518,775
					(39,683)
					<u>\$ 479,092</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, 2009

IV. Detailed notes on all funds, Continued

F. Property Taxes

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Charlotte County, Florida, Tax Collector's office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services for the fiscal year ended September 30, 2009 was \$2.5689 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 2009 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, 2009

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems

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

Plan Descriptions

(a) General Employees' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	76
Vested terminated employees	5
Beneficiaries	5
Active employees	
Fully-vested	115
Nonvested	75

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, 2009

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	13
Vested terminated employees	6
Beneficiaries	1
Disability benefits	4
Active employees	
Fully-vested	21
Nonvested	14

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	7
Vested terminated employees	4
Beneficiaries	1
Disability benefits	5
Active employees	
Fully-vested	12
Nonvested	13

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

G. 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 5.0% are calculated using 3.0% as a result of inflation and 2.0% 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 6.0% 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, 2009

IV. Detailed notes on all funds, Continued

G. 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 \$1,423,425, Municipal Police Officers' pension plan \$274,059 and Municipal Firefighters' pension plan \$188,621 for fiscal year ended September 30, 2009.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2007 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, 2007 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 29 years (as of 10/01/09) for the General Employees', 27 years for Municipal Police Officers' and 29 years for Municipal Firefighters' plans.

Trend information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The information is presented on pages 78 through 81 of the City's Comprehensive Annual Financial Report.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2009 were as follows:

	<u>General Employees' Pension Plan</u>	<u>Municipal Police Officers' Pension Plan</u>	<u>Municipal Firefighters' Pension Plan</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 1,193,900	\$ 629,507	\$ 293,425	\$ 2,116,832
Interest and dividends receivable	72,338	44,062	25,246	141,646
Investments, at fair value				
U.S. Treasury and Government Agencies	2,221,091	1,296,171	747,864	4,265,126
Municipal and Corporate Obligations	2,221,408	1,889,073	1,121,198	5,231,679
Common Stocks	12,660,510	4,127,353	2,866,668	19,654,531
Other securities	<u>1,554,594</u>	<u>673,020</u>	<u>452,632</u>	<u>2,680,246</u>
Total investments at fair value	<u>18,657,603</u>	<u>7,985,617</u>	<u>5,188,362</u>	<u>31,831,582</u>
Total assets	<u>19,923,841</u>	<u>8,659,186</u>	<u>5,507,033</u>	<u>34,090,060</u>
LIABILITIES AND NET ASSETS				
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets				
Active and retired member equity	19,896,952	8,659,186	5,507,033	34,063,171
DROP Plan Benefits	<u>26,889</u>	<u>-</u>	<u>-</u>	<u>26,889</u>
Total Liabilities and Net Assets	<u>\$ 19,923,841</u>	<u>\$ 8,659,186</u>	<u>\$ 5,507,033</u>	<u>\$ 34,090,060</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2009 was as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ADDITIONS				
Contributions				
Employer	\$ 1,423,429	\$ 272,708	\$ 188,059	\$ 1,884,196
Insurance premiums	-	187,816	322,614	510,430
Plan members	450,625	168,337	128,019	746,981
Total contributions	<u>1,874,054</u>	<u>628,861</u>	<u>638,692</u>	<u>3,141,607</u>
Investment earnings				
Net loss in fair value of investments	(609,569)	(188,158)	(119,384)	(917,111)
Interest and dividends	529,645	270,286	164,688	964,619
Total investment gain (loss)	<u>(79,924)</u>	<u>82,128</u>	<u>45,304</u>	<u>47,508</u>
Less investment expense	122,543	45,078	36,226	203,847
Net investment gain (loss)	<u>(202,467)</u>	<u>37,050</u>	<u>9,078</u>	<u>(156,339)</u>
Total increase	<u>1,671,587</u>	<u>665,911</u>	<u>647,770</u>	<u>2,985,268</u>
DEDUCTIONS				
Benefits paid	1,133,723	398,034	347,091	1,878,848
Refunds of contributions	58,818	36,636	10,870	106,324
Administrative expenses	21,080	9,204	10,060	40,344
Total deductions	<u>1,213,621</u>	<u>443,874</u>	<u>368,021</u>	<u>2,025,516</u>
Change in net assets	457,966	222,037	279,749	959,752
Net assets held in trust for pension benefits				
Beginning of year	<u>19,465,875</u>	<u>8,437,149</u>	<u>5,227,284</u>	<u>33,130,308</u>
End of year	<u>\$19,923,841</u>	<u>\$ 8,659,186</u>	<u>\$ 5,507,033</u>	<u>\$ 34,090,060</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

G. 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			
9/30/2009	\$ 1,423,425	100%	\$ (134)
9/30/2008	1,398,434	100%	(130)
9/30/2007	1,364,563	100%	(126)
Municipal Police Officers' pension plan			
9/30/2009	\$ 274,059	100%	\$ (23,617)
9/30/2008	153,707	100%	(24,968)
9/30/2007	189,179	100%	(26,396)
Municipal Firefighters' pension plan			
9/30/2009	\$ 188,621	100%	\$ (21,116)
9/30/2008	158,975	100%	(21,678)
9/30/2007	138,228	100%	(21,020)

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

	<u>9/30/2007</u>	<u>9/30/2008</u>	<u>9/30/2009</u>
Actuarially Determined			
Contribution (A)	\$ 1,364,567	\$ 1,398,434	\$ 1,423,429
Interest on NPO	(10)	(10)	(10)
Adjustment to (A)	6	6	6
Annual Pension Cost	1,364,563	1,398,430	1,423,425
Contributions Made	1,364,567	1,398,434	1,423,429
Increase (Decrease) in NPO	(4)	(4)	(4)
NPO Beginning of Year	(122)	(126)	(130)
NPO End of Year	<u>\$ (126)</u>	<u>\$ (130)</u>	<u>\$ (134)</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

G. 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>9/30/2007</u>	<u>9/30/2008</u>	<u>9/30/2009</u>
Actuarially Determined			
Contribution (A)	\$ 187,950	\$ 152,279	\$ 272,708
Interest on NPO	(2,210)	(2,112)	(1,997)
Adjustment to (A)	<u>3,439</u>	<u>3,540</u>	<u>3,348</u>
Annual Pension Cost	189,179	153,707	274,059
Contributions Made	<u>187,950</u>	<u>152,279</u>	<u>272,708</u>
Increase in NPO	1,229	1,428	1,351
NPO Beginning of Year	<u>(27,625)</u>	<u>(26,396)</u>	<u>(24,968)</u>
NPO End of Year	<u><u>\$ (26,396)</u></u>	<u><u>\$ (24,968)</u></u>	<u><u>\$ (23,617)</u></u>

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

	<u>9/30/2007</u>	<u>9/30/2008</u>	<u>9/30/2009</u>
Actuarially Determined			
Contribution (A)	\$ 138,866	\$ 159,633	\$ 188,059
Interest on NPO	(1,631)	(1,682)	(1,734)
Adjustment to (A)	<u>993</u>	<u>1,024</u>	<u>2,296</u>
Annual Pension Cost	138,228	158,975	188,621
Contributions Made	<u>138,866</u>	<u>159,633</u>	<u>188,059</u>
Increase (Decrease) in NPO	(638)	(658)	562
NPO Beginning of Year	<u>(20,382)</u>	<u>(21,020)</u>	<u>(21,678)</u>
NPO End of Year	<u><u>\$ (21,020)</u></u>	<u><u>\$ (21,678)</u></u>	<u><u>\$ (21,116)</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Funding status and funding progress as of October 1, 2009 for all plans

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Actuarial accrued liability (AAL)	\$30,742,313	\$10,486,922	\$ 9,491,056
Actuarial value of plan assets	23,165,282	9,967,859	6,344,731
Unfunded actuarial accrued liability (UAAL)	7,577,031	519,063	3,146,325
Funded ratio (actuarial value of plan assets/AAL)	75.35%	95.05%	66.85%
Covered payroll (active plan members)	8,793,008	2,098,774	1,601,481
UAAL as a percentage of covered payroll	86.17%	24.73%	196.46%

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 6.40%, 7.88% and 5.66% respectively

H. Other Postemployment Benefits

In addition to providing pension benefits, the City allows retirees to purchase health, life, vision and dental benefits at the same rate as active employees, in accordance with state statutes. To be eligible for this benefit, the employee must retire from the City, have no break between his/her active employment and retirement, and be collecting pension benefits from one of the City's three pension plans. The retirees pay all premiums for the coverage elected.

In order to comply with the requirements of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, the City contracted with a certified actuarial firm to provide an actuarial valuation of postemployment benefits. The postemployment health insurance benefits will continue to be offered on a pay-as-you-go basis with no premium subsidy to the retirees. As required by the State of Florida Statute 112.08011, the claims experience of the retirees is co-mingled with that of active employees in determining the health plan cost. In accordance with GASB 45, the co-mingling of claims requirement equates to an implicit subsidy to retirees that creates an OPEB liability on the part of the City. Therefore, the City will incur a liability beginning this fiscal year for the implicit rate subsidy as the City implements GASB 45. The City does not intend to fund the actuarial accrued liability.

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

accordance with the parameters of GASB 45. In the year of implementation, the net OPEB Obligation and the ARC are the same amount. The calculation produced an unfunded obligation of \$112,962 and an ARC as 1.2% of average projected payroll. The following table shows the components of the City's OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution (ARC)	\$	150,726
Interest on net OPEB obligation		-
Adjustment to ARC		-
Annual OPEB cost		150,726
Contributions made		37,764
Increase in net OPEB obligation		112,962
Net OPEB Obligation - beginning of year		-
Net OPEB Obligation - end of year	\$	112,962

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Cost Obligation
09/30/09	\$ 150,726	25.1%	\$ 112,962

(A schedule of funding progress is presented on page 81.)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

The information presented in the required supplementary schedule was determined as a part of the actuarial valuation at the date indicated:

Valuation date	10/1/2008
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate	4.5% per year
Healthcare cost trend	9.0% initially 5.0% ultimately, in 2013
Payroll growth/inflation assumptions	4.0%

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 HMO/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, 2009

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2009, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 26,131
Charges for Services	2,593,145
Other	334,206
	<u>2,953,482</u>
<u>Community Redevelopment Agency</u>	
Interest	11,583
Other	39,763
	<u>51,346</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	8,119
Service Assessments	2,082,670
Other	16,836
	<u>2,107,625</u>
<u>Capital Project Fund</u>	
Interest	107,425
Other	9,730
	<u>117,155</u>
<u>Impact Fees - Transportation</u>	
Interest	20,504
Impact Fees	223,715
	<u>244,219</u>
<u>Other Governmental Funds</u>	
Interest	6,193
Service Assessments	414,647
Insurance Proceeds	1,805,560
Impact Fees	44,361
Other	148,982
	<u>2,419,743</u>
	<u>\$ 7,893,570</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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, 2009 consisted of the following:

General Fund	
Reserved for law enforcement	\$ 17,970
Other	5,360
	<u>\$ 23,330</u>

M. State Board Pool Discussion

As discussed in Note IV A, at September 30, 2009, the City had \$32,216,581 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. 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 and Pool B.

Currently, Pool A participants may withdraw all of their balances without penalty.

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 September 30, 2009, the City has \$31,599,042 and \$617,539 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.

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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, 2009

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						
10/01/09	\$ 23,165,282	\$ 30,742,313	\$ 7,577,031	75.35%	\$8,793,008	86.17%
10/01/08	22,098,799	27,954,446	5,855,647	79.05%	8,851,764	66.15%
10/01/07	19,944,703	24,628,804	4,684,101	80.98%	8,826,863	53.07%
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%
Municipal Police Officers' Pension Plan						
10/01/09	\$ 9,967,859	\$ 10,486,922	\$ 519,063	95.05%	\$2,098,774	24.73%
10/01/08	9,618,921	10,055,556	436,635	95.66%	1,972,600	22.13%
10/01/07	8,966,928	9,388,245	421,317	95.51%	1,981,580	21.26%
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%
Municipal Firefighters' Pension Plan						
10/01/09	\$ 6,344,731	\$ 9,491,056	\$ 3,146,325	66.85%	\$1,601,481	196.46%
10/01/08	5,964,279	8,902,564	2,938,285	67.00%	1,543,063	190.42%
10/01/07	5,513,761	7,609,551	2,095,790	72.46%	1,470,077	142.56%
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%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
September 30, 2009

<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				
2009	\$ 1,423,429	\$ 1,423,429	\$ -	100.00%
2008	1,398,434	1,398,434	-	100.00%
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%
Municipal Police Officers' Pension Plan				
2009	\$ 460,524	\$ 272,708	\$ 187,816	100.00%
2008	348,756	152,279	196,477 *	100.00%
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%
Municipal Firefighters' Pension Plan				
2009	\$ 397,465	\$ 188,059	\$ 209,406 *	100.00%
2008	369,039	159,633	209,406	100.00%
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%

* "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, 2009

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	10/01/07	10/01/07	10/01/07
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	29 years	27 years	30 years
Asset valuation Method	4 years smooth of market value	4 years smooth of market value	4 years smooth of market value
Actuarial Assumptions:			
Investment rate of return net of invest- ment related expenses	8.0%	8.0%	8.0%
Projected salary increase	5.0%	7.0%	6.0%
Inflation portion	3.0%	3.0%	3.0%

* This is the valuation date that the City's current year contribution requirements were calculated.

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
September 30, 2009

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2008	\$ -	\$1,190,867	\$1,190,867	0.00%	\$12,234,108	9.7%
10/1/2007	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2006	N/A	N/A	N/A	N/A	N/A	N/A

Three Year Trend Information

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2009	\$ 150,726	25.1%	\$ 112,962
9/30/2008	N/A	N/A	N/A
9/30/2007	N/A	N/A	N/A

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, 2009

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
ASSETS:					
Cash and cash equivalents	\$ 265	\$ 72,611	\$ 10,696	\$ 141,673	\$ 3,797
Due from other governments	1,196	-	-	-	-
Prepaid items	-	-	-	-	-
Total Assets	<u>\$ 1,461</u>	<u>\$ 72,611</u>	<u>\$ 10,696</u>	<u>\$ 141,673</u>	<u>\$ 3,797</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 1,177	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Total Liabilities	<u>1,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Right-of-way improvements	-	-	-	-	-
Unreserved:					
Unreserved undesignated	284	72,611	10,696	141,673	3,797
Total Fund Balances	<u>284</u>	<u>72,611</u>	<u>10,696</u>	<u>141,673</u>	<u>3,797</u>
Total Liabilities and Fund Balances	<u>\$ 1,461</u>	<u>\$ 72,611</u>	<u>\$ 10,696</u>	<u>\$ 141,673</u>	<u>\$ 3,797</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	
\$ 523,058	\$ 276,039	\$ 205,079	\$ 110,191	\$ 9,117	\$ 1,352,526
-	8,770	19,035	52,639	-	81,640
-	954	-	-	-	954
<u>\$ 523,058</u>	<u>\$ 285,763</u>	<u>\$ 224,114</u>	<u>\$ 162,830</u>	<u>\$ 9,117</u>	<u>\$ 1,435,120</u>
\$ -	\$ 50,954	\$ -	\$ 61,436	\$ -	\$ 113,567
-	13,020	-	-	-	13,020
<u>-</u>	<u>63,974</u>	<u>-</u>	<u>61,436</u>	<u>-</u>	<u>126,587</u>
-	-	-	-	9,117	9,117
523,058	221,789	224,114	101,394	-	1,299,416
<u>523,058</u>	<u>221,789</u>	<u>224,114</u>	<u>101,394</u>	<u>9,117</u>	<u>1,308,533</u>
<u>\$ 523,058</u>	<u>\$ 285,763</u>	<u>\$ 224,114</u>	<u>\$ 162,830</u>	<u>\$ 9,117</u>	<u>\$ 1,435,120</u>

CITY OF PUNTA GORDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2009

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
Revenues:					
Intergovernmental	\$ 23,433	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	2,826	9,195	19,439	15,640
Total revenues	<u>23,433</u>	<u>2,826</u>	<u>9,195</u>	<u>19,439</u>	<u>15,640</u>
Expenditures:					
Current:					
Transportation	-	-	-	-	-
Economic environment	27,407	-	-	-	-
Recreation	-	-	-	-	-
Total expenditures	<u>27,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(3,974)</u>	<u>2,826</u>	<u>9,195</u>	<u>19,439</u>	<u>15,640</u>
Other Financing Sources (Uses):					
Transfers in	1,156	-	-	-	-
Transfers out	-	(10,000)	(10,000)	(130,123)	(40,000)
Total other financing sources (uses)	<u>1,156</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(130,123)</u>	<u>(40,000)</u>
Net change in fund balances	(2,818)	(7,174)	(805)	(110,684)	(24,360)
Fund Balances, October 1, 2008	<u>3,102</u>	<u>79,785</u>	<u>11,501</u>	<u>252,357</u>	<u>28,157</u>
Fund Balances, September 30, 2009	<u>\$ 284</u>	<u>\$ 72,611</u>	<u>\$ 10,696</u>	<u>\$ 141,673</u>	<u>\$ 3,797</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		
\$ 29,397	\$ -	\$ 243,311	\$ 559,547	\$ -	\$ 855,688
1,805,560	416,979	881	149,141	82	2,419,743
<u>1,834,957</u>	<u>416,979</u>	<u>244,192</u>	<u>708,688</u>	<u>82</u>	<u>3,275,431</u>
-	-	193,626	649,210	-	842,836
-	-	-	-	-	27,407
-	467,961	-	-	-	467,961
<u>-</u>	<u>467,961</u>	<u>193,626</u>	<u>649,210</u>	<u>-</u>	<u>1,338,204</u>
<u>1,834,957</u>	<u>(50,982)</u>	<u>50,566</u>	<u>59,478</u>	<u>82</u>	<u>1,937,227</u>
-	-	-	-	-	1,156
<u>(1,501,156)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,691,279)</u>
<u>(1,501,156)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,690,123)</u>
333,801	(50,982)	50,566	59,478	82	247,104
<u>189,257</u>	<u>272,771</u>	<u>173,548</u>	<u>41,916</u>	<u>9,035</u>	<u>1,061,429</u>
<u>\$ 523,058</u>	<u>\$ 221,789</u>	<u>\$ 224,114</u>	<u>\$ 101,394</u>	<u>\$ 9,117</u>	<u>\$ 1,308,533</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, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 80,000	\$ 80,551	\$ 23,433	\$ (57,118)
Total revenues	<u>80,000</u>	<u>80,551</u>	<u>23,433</u>	<u>(57,118)</u>
Expenditures				
Current				
Economic environment	63,184	84,809	27,407	57,402
Total expenditures	<u>63,184</u>	<u>84,809</u>	<u>27,407</u>	<u>57,402</u>
Revenues over (under) expenditures	<u>16,816</u>	<u>(4,258)</u>	<u>(3,974)</u>	<u>284</u>
Other financing sources				
Transfers in	-	-	1,156	1,156
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,156</u>	<u>1,156</u>
Net change in fund balance	<u>\$ 16,816</u>	<u>\$ (4,258)</u>	<u>(2,818)</u>	<u>\$ 1,440</u>
Fund balances, October 1, 2008			<u>3,102</u>	
Fund balances, September 30, 2009			<u>\$ 284</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, 2009

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 10,750</u>	<u>\$ 10,750</u>	<u>\$ 2,826</u>	<u>\$ (7,924)</u>
Total revenues	<u>10,750</u>	<u>10,750</u>	<u>2,826</u>	<u>(7,924)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>10,750</u>	<u>10,750</u>	<u>2,826</u>	<u>(7,924)</u>
Other financing uses				
Transfers out	<u>(70,000)</u>	<u>(80,000)</u>	<u>(10,000)</u>	<u>70,000</u>
Total other financing uses	<u>(70,000)</u>	<u>(80,000)</u>	<u>(10,000)</u>	<u>70,000</u>
Net change in fund balance	<u><u>\$ (59,250)</u></u>	<u><u>\$ (69,250)</u></u>	<u>(7,174)</u>	<u><u>\$ 62,076</u></u>
Fund balances, October 1, 2008			<u>79,785</u>	
Fund balances, September 30, 2009			<u><u>\$ 72,611</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, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 7,247	\$ 7,247	\$ 9,195	\$ 1,948
Total revenues	<u>7,247</u>	<u>7,247</u>	<u>9,195</u>	<u>1,948</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>7,247</u>	<u>7,247</u>	<u>9,195</u>	<u>1,948</u>
Other financing uses				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (2,753)</u>	<u>\$ (2,753)</u>	(805)	<u>\$ 1,948</u>
Fund balances, October 1, 2008			<u>11,501</u>	
Fund balances, September 30, 2009			<u>\$ 10,696</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, 2009

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 20,200</u>	<u>\$ 18,600</u>	<u>\$ 19,439</u>	<u>\$ 839</u>
Total revenues	<u>20,200</u>	<u>18,600</u>	<u>19,439</u>	<u>839</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>20,200</u>	<u>18,600</u>	<u>19,439</u>	<u>839</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(130,123)</u>	<u>(130,123)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(130,123)</u>	<u>(130,123)</u>	<u>-</u>
Net change in fund balance	<u>\$ 20,200</u>	<u>\$ (111,523)</u>	<u>(110,684)</u>	<u>\$ 839</u>
Fund balances, October 1, 2008			<u>252,357</u>	
Fund balances, September 30, 2009			<u>\$ 141,673</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, 2009

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 25,300</u>	<u>\$ 13,025</u>	<u>\$ 15,640</u>	<u>\$ 2,615</u>
Total revenues	<u>25,300</u>	<u>13,025</u>	<u>15,640</u>	<u>2,615</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>25,300</u>	<u>13,025</u>	<u>15,640</u>	<u>2,615</u>
Other financing uses				
Transfers out	<u>(50,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total other financing uses	<u>(50,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance	<u><u>\$ (24,700)</u></u>	<u><u>\$ (26,975)</u></u>	<u>(24,360)</u>	<u><u>\$ 2,615</u></u>
Fund balances, October 1, 2008			<u>28,157</u>	
Fund balances, September 30, 2009			<u><u>\$ 3,797</u></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, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 415,032	\$ 415,032	\$ 416,979	\$ 1,947
Total revenues	415,032	415,032	416,979	1,947
Expenditures				
Current				
Recreation	462,429	569,873	467,961	101,912
Total expenditures	462,429	569,873	467,961	101,912
Revenues over (under) expenditures	(47,397)	(154,841)	(50,982)	103,859
Net change in fund balance	<u>\$ (47,397)</u>	<u>\$ (154,841)</u>	(50,982)	<u>\$ 103,859</u>
Fund balances, October 1, 2008			<u>272,771</u>	
Fund balances, September 30, 2009			<u>\$ 221,789</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, 2009

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 235,000	\$ 235,000	\$ 243,311	\$ 8,311
Miscellaneous	-	600	881	281
Total revenues	<u>235,000</u>	<u>235,600</u>	<u>244,192</u>	<u>8,592</u>
Expenditures				
Current				
Transportation	<u>235,000</u>	<u>409,148</u>	<u>193,626</u>	<u>215,522</u>
Total expenditures	<u>235,000</u>	<u>409,148</u>	<u>193,626</u>	<u>215,522</u>
Revenues over (under) expenditures	<u>-</u>	<u>(173,548)</u>	<u>50,566</u>	<u>224,114</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ (173,548)</u>	50,566	<u>\$ 224,114</u>
Fund balances, October 1, 2008			<u>173,548</u>	
Fund balances, September 30, 2009			<u>\$ 224,114</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, 2009

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 575,000	\$ 560,000	\$ 559,547	\$ (453)
Miscellaneous	<u>130,893</u>	<u>148,856</u>	<u>149,141</u>	<u>285</u>
Total revenues	<u>705,893</u>	<u>708,856</u>	<u>708,688</u>	<u>(168)</u>
Expenditures				
Current				
Transportation	<u>705,893</u>	<u>728,166</u>	<u>649,210</u>	<u>78,956</u>
Total expenditures	<u>705,893</u>	<u>728,166</u>	<u>649,210</u>	<u>78,956</u>
Revenues over (under) expenditures	<u>-</u>	<u>(19,310)</u>	<u>59,478</u>	<u>78,788</u>
Net change in fund balance	<u>\$ -0-</u>	<u>\$ (19,310)</u>	59,478	<u>\$ 78,788</u>
Fund balances, October 1, 2008			<u>41,916</u>	
Fund balances, September 30, 2009			<u>\$ 101,394</u>	

INTERNAL SERVICE FUNDS

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

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

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 September 30, 2009

ASSETS	<u>General Maintenance</u>	<u>Information Technology</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ -	\$ 602,242	\$ 602,242
Prepaid expense	-	1,378	1,378
Total current assets	<u>-</u>	<u>603,620</u>	<u>603,620</u>
Noncurrent Assets			
Capital assets, net of accumulated depreciation	-	545,674	545,674
Total noncurrent assets	<u>-</u>	<u>545,674</u>	<u>545,674</u>
Total assets	<u>-</u>	<u>1,149,294</u>	<u>1,149,294</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts payable	-	21,744	21,744
Current portion compensated absences	-	1,535	1,535
Accrued liabilities	-	8,082	8,082
Total current liabilities	<u>-</u>	<u>31,361</u>	<u>31,361</u>
Noncurrent Liabilities			
Accrued compensated absences	-	13,810	13,810
Other postemployment benefits payable	-	2,259	2,259
Total noncurrent liabilities	<u>-</u>	<u>16,069</u>	<u>16,069</u>
Total liabilities	<u>-</u>	<u>47,430</u>	<u>47,430</u>
NET ASSETS			
Invested in capital assets, net of related debt	-	545,674	545,674
Unrestricted (deficit)	-	556,190	556,190
Total net assets	<u>\$ -</u>	<u>\$ 1,101,864</u>	<u>\$ 1,101,864</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, 2009

	<u>General Maintenance</u>	<u>Information Technology</u>	<u>Total</u>
Operating Revenues			
Charges for services	<u>\$ -</u>	<u>\$ 1,071,685</u>	<u>\$ 1,071,685</u>
Total operating revenues	<u>-</u>	<u>1,071,685</u>	<u>1,071,685</u>
Operating Expenses			
Personal services	-	332,600	332,600
Contractual services	-	162,415	162,415
Materials and supplies	-	13,554	13,554
Utilities	-	5,089	5,089
Depreciation	-	204,357	204,357
Insurance	-	22,800	22,800
Repairs and maintenance	-	226,231	226,231
Travel and training	-	10,691	10,691
Rent	-	70,652	70,652
Total operating expenses	<u>-</u>	<u>1,048,389</u>	<u>1,048,389</u>
Operating gain (loss)	<u>-</u>	<u>23,296</u>	<u>23,296</u>
Nonoperating revenues (expenses)			
Interest income	-	2,761	2,761
Gain (loss) on disposal of capital assets	<u>4,528</u>	<u>(4,909)</u>	<u>(381)</u>
Total nonoperating revenues (expenses)	<u>4,528</u>	<u>(2,148)</u>	<u>2,380</u>
Income before transfers	<u>4,528</u>	<u>21,148</u>	<u>25,676</u>
Transfers In	<u>-</u>	<u>184,459</u>	<u>184,459</u>
Change in net assets	4,528	205,607	210,135
Net assets - beginning	<u>(4,528)</u>	<u>896,257</u>	<u>891,729</u>
Net assets - ending	<u>\$ -</u>	<u>\$ 1,101,864</u>	<u>\$ 1,101,864</u>

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2009

	<u>General Maintenance</u>	<u>Information Technology</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from services provided	\$ -	\$ 1,071,685	\$ 1,071,685
Cash payments to suppliers for goods and services	(315)	(551,046)	(551,361)
Cash payments to employees for services	<u>(24,545)</u>	<u>(331,099)</u>	<u>(355,644)</u>
Net cash provided by (used in) operating activities	<u>(24,860)</u>	<u>189,540</u>	<u>164,680</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers	<u>-</u>	<u>184,459</u>	<u>184,459</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>184,459</u>	<u>184,459</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of property, plant, and equipment	-	(203,042)	(203,042)
Sale of equipment disposal	<u>17,274</u>	<u>295</u>	<u>17,569</u>
Net cash provided by (used in) capital and related financing activities	<u>17,274</u>	<u>(202,747)</u>	<u>(185,473)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>-</u>	<u>3,067</u>	<u>3,067</u>
Net cash provided by investing activities	<u>-</u>	<u>3,067</u>	<u>3,067</u>
 Net increase (decrease) in cash and cash equivalents	 (7,586)	 174,319	 166,733
Cash and cash equivalents at beginning of year	<u>7,586</u>	<u>427,923</u>	<u>435,509</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ 602,242</u></u>	<u><u>\$ 602,242</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating gain (loss)	\$ -	\$ 23,296	\$ 23,296
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	204,357	204,357
Net decrease in:			
Prepays	-	1,378	1,378
Net increase (decrease) in:			
Accounts payable	(315)	(40,992)	(41,307)
Accrued liabilities	<u>(24,545)</u>	<u>1,501</u>	<u>(23,044)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (24,860)</u></u>	<u><u>\$ 189,540</u></u>	<u><u>\$ 164,680</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Disposal of fully depreciated capital assets	\$ 72,103	\$ 40,307	\$ 112,410

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	95
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	100
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	104
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	108
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	110
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 Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities								
Invested in capital assets, net of related debt	\$ 34,583,793	\$ 22,648,403	\$ 33,056,270	\$ 26,355,360	\$ 28,455,370	\$ 25,200,694	\$ 23,892,442	\$ 26,662,334
Restricted	12,319,882	16,564,079	4,752,331	5,258,454	3,878,852	3,802,933	2,826,351	1,747,164
Unrestricted	1,908,437	5,654,823	7,464,821	7,669,666	3,283,673	2,791,662	5,304,525	4,584,091
Total governmental activities net assets	<u>\$ 48,812,112</u>	<u>\$ 44,867,305</u>	<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	\$ 36,108,108	\$ 34,966,838	\$ 28,147,738	\$ 25,671,970	\$ 25,258,114	\$ 24,718,468	\$ 23,500,701	\$ 22,351,238
Restricted	8,085,297	10,545,071	10,821,837	7,632,554	8,136,448	7,510,942	9,185,654	8,216,625
Unrestricted	8,293,575	7,746,315	11,059,075	15,001,540	10,925,707	10,224,442	8,448,403	9,328,883
Total business-type activities net assets	<u>\$ 52,486,980</u>	<u>\$ 53,258,224</u>	<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	\$ 70,691,901	\$ 57,615,241	\$ 61,204,008	\$ 52,027,330	\$ 53,713,484	\$ 49,919,162	\$ 47,393,143	\$ 49,013,572
Restricted	20,405,179	27,109,150	15,574,168	12,891,008	12,015,300	11,313,875	12,012,005	9,963,789
Unrestricted	10,202,012	13,401,138	18,523,896	22,671,206	14,209,380	13,016,104	13,752,928	13,912,974
Total primary government net assets	<u>\$ 101,299,092</u>	<u>\$ 98,125,529</u>	<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 Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Expenses								
Governmental activities:								
General government	\$ 4,206,952	\$ 5,058,263	\$ 4,171,880	\$ 3,279,077	\$ 3,818,813	\$ 4,196,052	\$ 5,857,625	\$ 3,052,661
Public safety	8,284,731	8,475,071	8,324,762	7,500,777	7,608,668	6,791,333	5,908,408	5,712,403
Transportation	2,489,020	2,501,444	3,632,732	2,870,066	2,068,295	2,182,392	1,989,493	2,186,096
Economic environment	105,296	1,549,851	521,498	608,842	501,182	254,360	177,115	1,358,570
Recreation	4,545,088	4,914,306	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	892,524	349,841	361,620	304,843	203,138	234,058	198,943	151,212
Total governmental activities expenses	<u>20,523,611</u>	<u>22,848,776</u>	<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	16,219,660	15,761,078	15,848,537	14,171,524	12,546,070	12,701,810	11,902,457	11,107,858
Sanitation/refuse	2,653,853	2,697,547	2,696,303	2,722,014	2,463,665	2,520,655	2,420,658	2,282,279
Building Fund	878,240	900,760	1,071,282	1,219,504	-	-	-	-
Marina Fund	184,295	214,506	114,477	-	-	-	-	-
Total business-type activities expenses	<u>19,936,048</u>	<u>19,573,891</u>	<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>\$ 40,459,659</u>	<u>\$ 42,422,667</u>	<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	\$ 3,118,235	\$ 3,038,058	\$ 3,068,805	\$ 3,324,581	\$ 5,082,158	\$ 2,957,844	\$ 2,423,662	\$ 2,241,604
Operating grants and contributions	572,143	546,568	586,303	565,166	3,216,534	4,950,127	56,409	210,082
Capital grants and contributions	4,674,346	2,497,389	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>8,364,724</u>	<u>6,082,015</u>	<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	13,555,767	11,644,843	12,235,089	11,936,777	11,239,816	11,864,808	11,146,850	10,987,962
Sanitation/refuse	2,886,005	2,837,053	2,828,985	2,718,416	2,344,094	2,509,935	2,208,154	2,091,504
Building Fund	393,770	778,176	1,044,109	1,878,408	-	-	-	-
Marina Fund	202,033	216,771	104,320	-	-	-	-	-
Operating grants and contributions	-	-	61,480	9,322	16,190	30,639	24,683	30,917
Capital grants and contributions	1,810,905	6,376,950	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>18,848,480</u>	<u>21,853,793</u>	<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>\$ 27,213,204</u>	<u>\$ 27,935,808</u>	<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 Eight Fiscal Years
(accrual basis of accounting)
(continued)

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
Net (Expense)/Revenue								
Government activities	\$ (12,158,887)	\$ (16,766,761)	\$ (14,392,049)	\$ (12,291,064)	\$ (11,262,757)	\$ (10,141,215)	\$ (10,291,460)	\$ (9,875,555)
Business type activities	(1,087,568)	2,279,902	(75,701)	2,578,277	1,320,708	813,019	613,441	2,320,774
Total primary government net expense	<u>\$ (13,246,455)</u>	<u>\$ (14,486,859)</u>	<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:								
Property taxes	\$ 7,508,812	\$ 7,319,612	\$ 7,401,394	\$ 6,134,672	\$ 5,733,290	\$ 4,932,027	\$ 4,373,005	\$ 4,177,120
Franchise fees and other taxes	1,448,111	1,365,284	1,331,145	1,323,607	1,109,411	1,044,505	1,016,275	31,641
Utility taxes and gas taxes	3,540,381	3,348,743	3,462,681	3,440,025	3,400,667	3,471,836	3,488,370	1,126,818
Sales taxes	2,874,856	3,192,142	3,732,044	4,021,518	3,865,509	-	-	-
Occupational licenses	-	-	-	-	-	-	-	136,420
Investment earnings	177,625	466,383	881,752	794,741	228,952	194,637	206,280	335,301
Miscellaneous	553,909	683,480	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	-	(15,000)	-	(500,000)	-	-	-	3,196,412
Total governmental activities	<u>16,103,694</u>	<u>16,360,644</u>	<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 and other taxes	49,850	13,757	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	144,879	546,821	1,035,266	842,404	490,500	267,424	379,771	587,233
Miscellaneous	121,595	374,094	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	-	15,000	-	500,000	-	-	-	(3,196,412)
Total business-type activities	<u>316,324</u>	<u>949,672</u>	<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>\$ 16,420,018</u>	<u>\$ 17,310,316</u>	<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	\$ 3,944,807	\$ (406,117)	\$ 3,378,939	\$ 3,665,585	\$ 3,822,606	\$ (228,029)	\$ (888,474)	\$ (639,099)
Business-type activities	(771,244)	3,229,574	1,722,586	3,985,795	1,866,417	1,319,094	1,238,012	3,003,211
Total primary government	<u>\$ 3,173,563</u>	<u>\$ 2,823,457</u>	<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>

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

	Fiscal Year							
	2009	2008	2007	2006	2005	2004	2003	2002
General Fund								
Reserved	\$ 23,330	\$ 13,325	\$ 12,073	\$ 8,320	\$ 12,873	\$ 20,976	\$ 16,814	\$ 28,966
Unreserved	2,975,814	2,136,234	2,592,762	3,515,022	4,057,485	3,140,042	3,398,600	3,256,143
Total general fund	<u>\$ 2,999,144</u>	<u>\$ 2,149,559</u>	<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	-	-	-	-	67,192	91,892	384,961	-
Capital projects fund	7,182,506	14,748,301	4,731,481	5,241,808	3,790,840	3,682,328	2,416,937	1,710,380
Debt service	2,592,975	1,793,418	-	-	-	-	-	-
Permanent fund	9,117	9,035	8,777	8,326	7,947	7,737	7,639	7,529
Unreserved, reported in:								
Special revenue funds	4,384,516	4,074,605	5,493,619	4,693,565	(411,586)	114,743	774,022	798,210
Designated for subsequent year's budget	-	-	-	-	-	-	-	367,728
Total all other governmental funds	<u>\$ 14,169,114</u>	<u>\$ 20,625,359</u>	<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			
	2009	2008	2007	2006
Revenues				
Taxes	\$ 10,246,335	\$ 9,928,267	\$ 11,264,695	\$ 9,922,917
Licenses and permits	1,490,496	1,411,185	119,369	156,080
Intergovernmental	6,918,794	6,921,575	9,099,683	8,709,282
Charges for services	383,255	369,828	330,834	416,161
Fines and forfeits	126,733	167,949	215,000	173,594
Miscellaneous	7,893,570	6,251,446	7,245,744	6,670,719
Total revenues	<u>27,059,183</u>	<u>25,050,250</u>	<u>28,275,325</u>	<u>26,048,753</u>
Expenditures				
Current:				
General government	5,562,439	6,154,605	6,377,140	5,436,018
Public safety	7,833,093	8,125,330	8,096,334	7,208,484
Transportation	1,894,342	1,907,488	3,230,449	2,355,179
Economic environment	121,539	1,661,754	521,498	384,949
Recreation	3,897,380	4,341,429	4,710,861	4,270,190
Storm Related	-	-	-	-
Debt service:				
Principal	660,250	648,000	620,500	528,996
Interest and other charges	892,524	349,841	361,620	304,843
Capital outlay	18,619,817	6,338,689	7,596,255	4,170,804
Total expenditures	<u>39,481,384</u>	<u>29,527,136</u>	<u>31,514,657</u>	<u>24,659,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,422,201)</u>	<u>(4,476,886)</u>	<u>(3,239,332)</u>	<u>1,389,290</u>
Other financing sources (uses)				
Transfers in	4,045,215	3,704,250	3,987,168	3,542,741
Transfers out	(4,229,674)	(3,719,250)	(3,987,168)	(4,042,741)
Issuance of debt	7,000,000	14,428,092	-	5,053,000
Total other financing sources (uses)	<u>6,815,541</u>	<u>14,413,092</u>	<u>-</u>	<u>4,553,000</u>
Net change in fund balances	<u>\$ (5,606,660)</u>	<u>\$ 9,936,206</u>	<u>\$ (3,239,332)</u>	<u>\$ 5,942,290</u>
Debt service as a percentage of noncapital expenditures	<u>8.10%</u>	<u>4.45%</u>	<u>4.40%</u>	<u>4.27%</u>

Fiscal Year					
2005	2004	2003	2002	2001	2000
\$ 10,231,641	\$ 9,448,368	\$ 8,877,651	\$ 5,335,578	\$ 4,831,775	\$ 4,419,864
2,736,653	704,155	837,940	782,102	826,990	806,060
8,211,624	12,750,887	4,855,125	4,475,894	3,670,491	3,104,834
254,001	194,033	167,770	112,312	117,097	121,301
103,379	102,698	104,621	101,718	121,057	110,093
4,762,080	4,344,582	3,881,054	4,556,822	4,123,202	3,840,670
<u>26,299,378</u>	<u>27,544,723</u>	<u>18,724,161</u>	<u>15,364,426</u>	<u>13,690,612</u>	<u>12,402,822</u>
4,907,746	5,129,701	5,422,490	4,713,308	4,295,517	4,291,006
7,518,937	6,805,994	6,025,466	5,879,324	5,250,164	4,709,486
1,897,888	2,019,953	1,900,615	1,975,509	1,876,271	1,740,282
342,286	273,110	177,115	1,358,570	452,924	222,097
3,074,464	6,971,671	2,455,913	909,443	838,074	838,279
2,855,483	4,674,955	-	-	-	-
1,066,130	729,446	2,443,832	381,283	317,170	285,000
203,138	240,530	188,475	134,133	204,954	235,845
3,958,521	2,490,746	1,522,110	7,176,170	3,205,864	2,189,620
<u>25,824,593</u>	<u>29,336,106</u>	<u>20,136,016</u>	<u>22,527,740</u>	<u>16,440,938</u>	<u>14,511,615</u>
<u>474,785</u>	<u>(1,791,383)</u>	<u>(1,411,855)</u>	<u>(7,163,314)</u>	<u>(2,750,326)</u>	<u>(2,108,793)</u>
3,092,341	2,514,222	4,071,526	7,683,806	6,620,578	6,493,420
(3,100,093)	(2,514,222)	(4,071,526)	(4,487,394)	(3,417,719)	(3,602,699)
-	-	4,092,000	352,000	595,523	800,000
<u>(7,752)</u>	<u>-</u>	<u>4,092,000</u>	<u>3,548,412</u>	<u>3,798,382</u>	<u>3,690,721</u>
<u>\$ 467,033</u>	<u>\$ (1,791,383)</u>	<u>\$ 2,680,145</u>	<u>\$ (3,614,902)</u>	<u>\$ 1,048,056</u>	<u>\$ 1,581,928</u>
<u>6.24%</u>	<u>3.82%</u>	<u>16.94%</u>	<u>6.14%</u>	<u>4.11%</u>	<u>4.41%</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
2009	\$ 3,747,877,426	\$ 174,860,357	\$ 886,689,987	\$ 3,036,047,796	2.5689
2008	4,489,549,443	181,787,031	1,151,893,564	3,519,442,910	2.1728
2007	4,929,676,708	168,814,978	1,529,441,491	3,568,269,513	2.4772
2006	3,371,934,192	138,710,022	951,760,195	2,558,884,019	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

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	SWFWMD	Peace River Basin	WCIND	Alligator Creek	Charlotte County	Charlotte County School Board	
2009	2.5689	0.3866	0.1827	0.0394	0.0000	5.9096	6.3600	15.4472
2008	2.1728	0.3866	0.1872	0.0394	0.0000	4.7426	6.2388	13.7674
2007	2.1772	0.4220	0.1950	0.0400	0.0000	4.8409	6.1540	13.8291
2006	2.4772	0.4220	0.1950	0.0400	0.4900	5.3709	7.5090	16.5041
2005	2.4772	0.4220	0.1950	0.0400	0.4900	4.7709	8.4690	16.8641
2004	2.4772	0.4220	0.1950	0.0400	0.4900	4.8709	8.4180	16.9131
2003	2.5446	0.4220	0.1950	0.0400	0.4900	4.8709	8.6280	17.1905
2002	2.7419	0.4220	0.1950	0.0400	0.4900	4.7141	8.7544	17.3574
2001	2.7419	0.4220	0.1950	0.0400	0.4700	4.7141	8.8220	17.4050
2000	2.9565	0.0422	0.1950	0.0400	0.4500	4.7141	9.1360	17.5338

^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	2009	2008	2007	2006
		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
1	Punta Gorda Medical Center, Inc. Hospital	\$ 47.1	\$ 46.5	\$ 47.0	\$ 37.3
2	Florida Power & Light Co. Electric Utility	41.4	38.4	37.3	28.7
3	Sprint-United Telephone Company of FL Telephone Utility	20.9	21.8	23.7	18.1
4	SunLoft LLC	13.6	-	-	-
5	Punta Gorda Hotel, LLC Best Western	13.3	15.2	15.5	-
6	Nu-West Florida, Inc. Shopping Center Fishermen's Village	13.0	13.0	15.5	9.3
7	Palm Isles Condo Dev LLC Condo- Vivante	9.5	18.5	20.1	8.3
8	Punta Gorda Partners LLC Condo- Vivante	9.1	20.3	10.3	8.5
9	Home Depot USA, Inc	9.0	9.6	10.8	-
10	Fund VIII Punta Gorda Crossing	9.0	9.1	-	-
	Punta Gorda Assoc., Ltd. Life Care Center	-	7.7	-	-
	Integrated Control Systems, Inc.- Training Center & Impac University	-	-	12.3	-
	Colonial Realty, Limited-shopping center Shopping Center Burnt Store	-	-	8.5	9.7
	Punta Gorda Pines, Ltd Condo- The Pines	-	-	-	9.0
	Punta Gorda Land Holdings Condo- Vivante	-	-	-	7.1
	Semiak LLC Shopping Center-Seminole Plaza	-	-	-	6.6
	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	-	-	-	-
	Golden Key Inv Holiday Inn Harborside	-	-	-	-
	Royal Palm Harbor PA Land	-	-	-	-
	Total	\$ 185.9	\$ 200.1	\$ 201.0	\$ 142.6
	City Total Assessed Value	\$ 2,664.1	\$ 3,062.2	\$ 3,515.6	\$ 2,579.2
	Principal Taxpayer's Percentage of total	6.98%	6.53%	5.72%	5.53%

Source: Charlotte County Property Appraiser

<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>
\$ 31.7	\$ 31.7	\$ 32.5	\$ 29.0	\$ 27.0	\$ 25.7
24.1	24.1	22.5	20.8	11.6	11.3
17.0	17.0	17.0	17.5	16.3	14.9
-	-	-	-	-	-
8.8	8.8	-	-	-	-
15.7	15.7	15.2	7.8	11.3	12.1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6.5	6.5	-	-	-	5.8
-	-	12.6	10.4	9.1	9.0
11.6	11.6	13.2	12.8	13.0	12.2
10.2	10.2	12.9	13.0	-	-
-	-	-	-	-	-
6.7	6.7	7.1	-	6.2	-
-	-	9.3	8.6	9.2	6.6
-	-	-	7.2	6.0	5.4
-	-	-	-	-	-
8.2	8.2	-	-	5.8	-
-	-	-	-	-	5.6
-	-	9.8	9.5	-	-
<u>\$ 140.5</u>	<u>\$ 140.5</u>	<u>\$ 152.1</u>	<u>\$ 136.6</u>	<u>\$ 115.5</u>	<u>\$ 108.6</u>
<u>\$ 2,408.0</u>	<u>\$ 2,081.0</u>	<u>\$ 1,793.0</u>	<u>\$ 1,584.0</u>	<u>\$ 1,415.0</u>	<u>\$ 1,250.0</u>
<u>5.83%</u>	<u>6.75%</u>	<u>8.48%</u>	<u>8.62%</u>	<u>8.16%</u>	<u>8.69%</u>

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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>
2009	\$ 7,866,623	\$ 7,495,907	95.29%	\$ 3,196	\$ 7,499,103	95.33%
2008	7,646,888	7,319,612	95.72%	-	7,319,612	95.72%
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	4,371,554	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%

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
2009	\$ -	\$ 28,593,759	\$ -	\$ 6,940,000	\$ 7,247,148	\$ 479,092
2008	-	22,254,009	-	8,150,000	7,943,727	603,365
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

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

<u>Internal Services</u>		Ratio of Outstanding Debt to	
Capital Leases	Total Primary Government	Total Personal Income	Per Capita
\$ -	\$43,259,999	7.3%	\$ 1,237
-	38,951,101	6.9%	2,140
-	27,107,951	4.7%	1,495
-	29,313,103	5.9%	1,803
-	25,531,007	5.7%	1,487
-	23,398,147	5.2%	1,410
-	26,329,785	6.0%	1,633
156,243	27,328,159	6.3%	1,794
232,874	28,764,911	7.3%	2,005
358,707	26,328,018	7.2%	1,929
151,117	26,823,014	8.1%	2,101

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, 2009

<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	\$ -	0.00%	\$ -
City direct debt	-		-
Total direct and overlapping debt	<u>\$ -0-</u>		<u>\$ -0-</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
2009	\$15,604,951	\$ 10,808,535	\$ 4,796,416	\$ 1,578,540	3.0
2008	18,884,053	10,363,438	8,520,615	1,581,040	5.4
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

(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>
2009	16,989	159,127	34,978	594,241	13.0%
2008	17,651	159,889	35,837	632,559	9.6%
2007	17,302	164,584	34,978	605,189	6.2%
2006	16,952	162,900	29,890	506,725	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%

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 or U.S. Department of Labor, Bureau of Labor Statistics

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

Fiscal Year End 2009

Employer	Employees	Rank	Percentage of Total MSA Employment
Charlotte County School Board	2,309	1	3.75%
Wal - Mart	1,424	2	2.31%
Charlotte County Board of Commisioners	1,111	3	1.80%
Peace River Regional Medical Center	1,067	4	1.59%
Charlotte Regional Medical Center	984	5	1.60%
Publix Supermarkets	977	6	1.73%
Fawcett Memorial Hospital Inc.	716	7	1.16%
Charlotte County Sheriff's Office	604	8	0.98%
Charlotte Correctional Institute	426	9	0.69%
Winn Dixie Stores	352	10	0.57%

Note: Nine years ago information was unavailable for this schedule.

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

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

<u>Function/Program</u>	<u>2009</u>	<u>2008</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	5.00	5.00
City Manager's Office	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	3.00	4.00	4.00	4.00	3.00	3.00	3.00
City Clerk	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Procurement	8.00	9.00	9.00	8.50	8.00	8.00	8.00
Finance	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Legal	0.50	1.00	1.00	1.00	1.00	1.00	1.00
Public Works							
Public Works Administration	3.00	3.00	3.00	3.00	3.00	3.00	5.00
Engineering	6.00	6.00	6.00	5.00	5.00	5.00	5.00
Right of Way Maintenance	16.00	17.00	18.00	18.00	18.00	18.00	18.00
Parks and Grounds	14.00	16.00	16.00	16.00	16.00	14.00	13.50
Police	51.00	52.00	52.00	52.00	51.00	49.50	48.50
Fire	29.00	30.00	30.00	30.00	30.00	29.00	26.00
Growth Management							
Growth Management Admin	2.00	2.00	2.00	2.00	2.00	1.50	1.00
Code Compliance	5.00	6.00	7.00	7.00	7.00	-	-
Urban Design	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Facilities Maintenance	3.00	4.00	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	10.50	10.50
Utilities							
Billing and Collections	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Utilities Administration	7.00	7.00	7.00	5.00	5.00	5.00	5.00
Water Treatment	16.00	18.00	18.00	18.00	18.00	17.00	17.00
Wastewater Collection	15.00	15.00	15.00	15.00	14.00	12.00	12.00
Wastewater Treatment	13.50	15.00	15.00	15.00	15.00	15.00	15.00
Water Distribution	18.00	20.00	20.00	20.00	16.00	16.00	16.00
Fleet Maintenance	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Sanitation/Refuse	19.00	19.00	19.00	19.00	20.00	21.00	21.00
Building	8.00	8.00	11.00	14.00	14.00	14.00	14.00
Information Technology							
Management Information Services(MIS)	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Geographic Information Services(GIS)	-	1.00	1.00	1.00	1.00	-	-
Total	<u>291.00</u>	<u>308.50</u>	<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 Five Fiscal Years

<u>Function/Program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police					
Calls for Service	16,177	14,222	13,026	13,940	13,637
Citations Issued	13,708	15,652	20,030	20,084	12,306
Traffic crashes	465	448	534	628	583
Narcotics arrests	247	226	250	187	215
Fire Department					
Fires	81	70	87	100	97
EMS and Police assistance calls	2,403	2,115	2,047	1,898	1,670
General Government					
Building permits issued	939	1,429	1,723	3,062	11,792
Building inspections conducted	2,552	4,834	6,799	8,860	21,105
Dwelling units permitted	18	98	92	243	722
Streets and highways					
Streets resurfaced (<i>miles</i>)	6.2	0.0	6.5	5	5
New sidewalks (linear feet)	6,547	5,180	0	0	350
Water					
New connections	45	192	322	485	622
Average daily consumption (<i>thousands of gallons</i>)	4,101	4,018	4,580	4,776	4,300
Peak daily consumption (<i>thousands of gallons</i>)	6,602	7,061	6,023	6,705	6,300
Water equivalent residential units (ERU)	20,651	21,430	21,611	21,234	14,018
Wastewater					
Average daily sewage treatment (<i>thousands of gallons</i>)	1,840	1,884	1,740	2,087	4,000
Sewer equivalent residential units (ERU)	15,062	15,688	15,569	15,185	12,310
Solid waste collection					
Solid waste collected (<i>tons per day</i>)	23.5	26.1	30.3	31.9	38.5
Recyclables collected (<i>tons per day</i>) <i>includes yardwaste</i>	10.8	10.3	12.4	13.1	10.9
Refuse equivalent residential units (ERU)	10,690	10,206	10,569	10,252	11,558
Punta Gorda Isles Canal Maintenance Assessment District					
Seawall replacement (feet)	4,221	4,248	4,786	8,440	2,354
Seawall cap replacement (feet)	5,076	4,676	6,155	967	5,080
Burnt Store Isles Canal Maintenance Assessment District					
Seawall replacement (feet)	750	474	410	154	362
Seawall cap replacement (feet)	1,036	421	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 Five Fiscal Years

<u>Function/Program</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police					
Stations	1	1	1	1	1
Sub-Stations	2	0	0	0	0
Number of Police Officers Authorized	35	36	36	32	34
Fire					
Stations	3	3	3	3	3
Number of Firefighters Authorized	26	27	27	27	27
Streets and highways					
Streets (<i>miles</i>)	110	110	110	110	110
Unpaved streets (<i>miles</i>)	2	2	2	2	2
Streetlights	566	566	566	566	566
Traffic signal intersections	18	18	18	18	18
Water					
Water mains (<i>miles</i>)	237	235	235	226	217
Storage capacity (<i>thousands of gallons</i>)	6,870	6,870	6,870	6,870	6,870
Fire hydrants	1,173	979	979	1,000	930
Wastewater					
Sanitary sewers (<i>miles</i>)	129	129	129	132	127
Treatment capacity (<i>thousands</i>)	4,000	4,000	4,000	4,000	4,000
Solid waste collection					
Collection trucks	10	10	10	11	9
Parks and recreation					
Acreage	90.7	90.7	90.7	90.7	90.7
Number of Parks	12	12	12	12	12

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.

Management Letter

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the basic financial statements of the City of Punta Gorda, Florida (the "City"), as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated March 23, 2010.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated March 23, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The recommendations made in the preceding annual financial audit have been implemented.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management, accounting procedures and internal controls. In connection with our audit, we did not have any such recommendations.

- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2009, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2009. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the management and City Council of the City of Punta Gorda, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than those specified parties.

Ashley, Brown & Co.

March 23, 2010



CITY OF PUNTA GORDA, FLORIDA

FINANCE DEPARTMENT
326 West Marion Avenue
Punta Gorda, Florida, 33950
(941) 575-3318 Telephone
(941) 575-3386 Fax
www.punta-gorda.fl.us

March 26, 2010

Memo to : City Council
Memo through: Howard Kunik, City Manager
Memo from: Dave Drury, Director of Finance
Regarding: **Comments and recommendations from Auditors' regarding our Financial Statements**

AUDITORS' COMMENTS:

I. Prior year comments which continue to apply.

None.

II. Current year comments and recommendations

None.

I agree with the management letter comments from the auditing firm of Ashley Brown & Co., and will perform their recommended changes.

David W. Drury, CPA, CGFO
Director of Finance

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the basic financial statements of the City of Punta Gorda, Florida, (the "City") as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated March 23, 2010. We conducted our audit in accordance 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the management and City Council of the City of Punta Gorda, the Auditor General of the State of Florida, and other state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

March 23, 2010

Ashley, Brown + Co.

Report of Independent Auditor's

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited, 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, the basic financial statements of the City of Punta Gorda, Florida, as of and for the fiscal year ended September 30, 2009 and have issued our report thereon dated March 23, 2010.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the terms, covenants, provisions or conditions as prescribed in the authorizing resolutions for the Special Refunding Utility Revenue Bonds, Series 2002, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the use of the management and City Council of the City of Punta Gorda, Florida, the Auditor General of the State of Florida and other federal and state audit agencies. However, this report is a matter of public record and its distribution is not limited.

March 23, 2010

Ashley, Brown & Co.