



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

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2010**

PREPARED BY THE FINANCE DEPARTMENT

David W. Drury, CPA, CGFO
Finance Director

CITY COUNCIL

As of September 30, 2010

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

CITY MANAGER

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

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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 24, 2011

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, 2010.

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, 2010 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, 2010 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.

Other Economic Issues Affecting City Finances

On October 1, 2009 the City increased the water and wastewater rates 3% to stabilize the Utility Fund.

It is the City's policy to have a minimum Unreserved General Fund Balance of 5%, which is the minimum recommended by the GFOA. Due to a decline in taxable property values for the past four straight years the City should consider setting aside a portion of additional savings achieved through the year for a fiscal stabilization reserve to meet unexpected immediate increase in service delivery costs or to maintain service levels in the event of a major storm or other unforeseen disaster that fundamentally alters the current tax base. The City is still dealing with a direct hit by a Category 4 hurricane, and will continue to be affected by it for years to come.

Additional policy changes that affect the City's current and future financial statements are increased outsourcing, annexations, staff reductions and possible changes in the three pension plans.

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, 2009. This was the twenty-fifth 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.

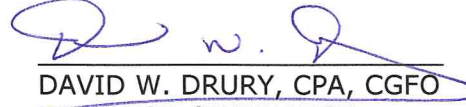
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

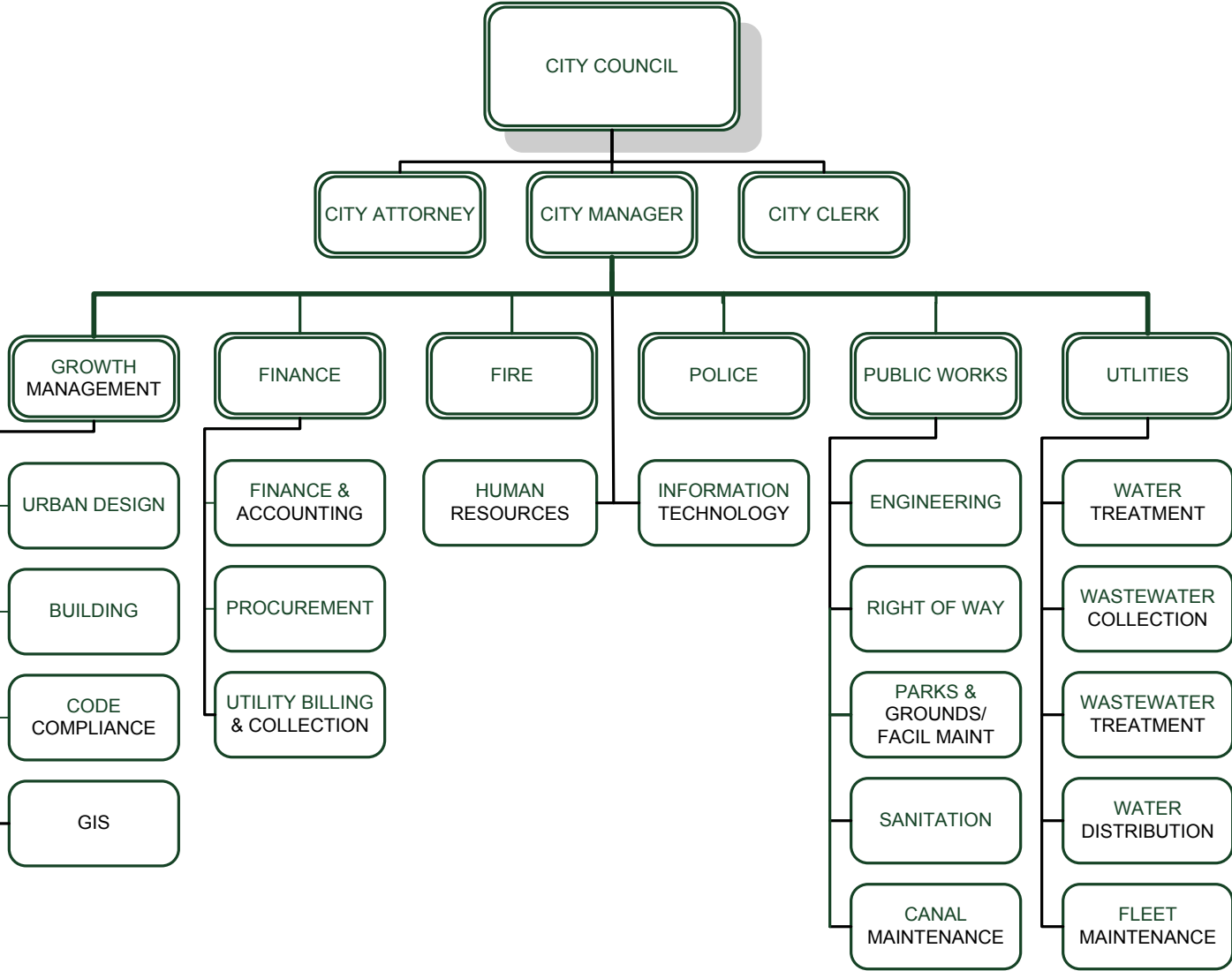


DAVID W. DRURY, CPA, CGFO
DIRECTOR OF FINANCE

City of Punta Gorda
List of Principal Officials
As of September 30, 2010

<u>Title</u>	<u>Name</u>
Mayor	Harvey E. Goldberg
Vice Mayor	William F. Albers
Councilmember	Lawrence J. Friedman
Councilmember	Don McCormick
Councilmember	Charles A. Wallace
City Manager	Howard Kunik
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, 2009. 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-five consecutive years (fiscal years ended 1985 through 2009). 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, 2009

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.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION

This section contains
the following subsections:

Report of Independent Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund
Statements and Schedules

Independent Auditor's Report

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Punta Gorda, Florida, (the "City") as of and for the fiscal year ended September 30, 2010, 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 financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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, based on our audit, 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, 2010, and the respective changes in 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 18, 2011 on our consideration of the City's internal control over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. 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 18, 2011

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, 2010.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2010, by \$104.6 million (net assets). Of this amount, \$12.1 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 \$3.3 million.
- As of September 30, 2010 the City's governmental funds reported combined ending net assets of \$52.4 million. This is an increase of \$3.9 million.
- As of September 30, 2010 the business-type activities reported combined ending net assets of \$52.2 million. This is a decrease of \$0.3 million.
- The City's total long-term liabilities decreased by \$3.8 million during the current fiscal year. This decrease is discussed further in debt administration.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Statement of Net Assets (page 20) and **The Statement of Activities** (page 21) provide information about the activities of the City as a whole and present a longer term view of the City's finances. The statements separate governmental from business-type activities, but both are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The **Fund Financial Statements**, which report by individual fund, begin on page 22. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore you will find the reconciliation on page 27 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the Entity-wide Financial Statements. The Fund Financial Statements present information in more detail than in the Entity-wide Financial Statements. Lesser funds, such as Fair Share Impact Fees, BSI Canal Maintenance District and Storm Fund are combined in an "other funds" column. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

THE ENTITY-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities

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

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

The statement of activities presents information showing how the City's net assets changed during fiscal year 2010. 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. 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

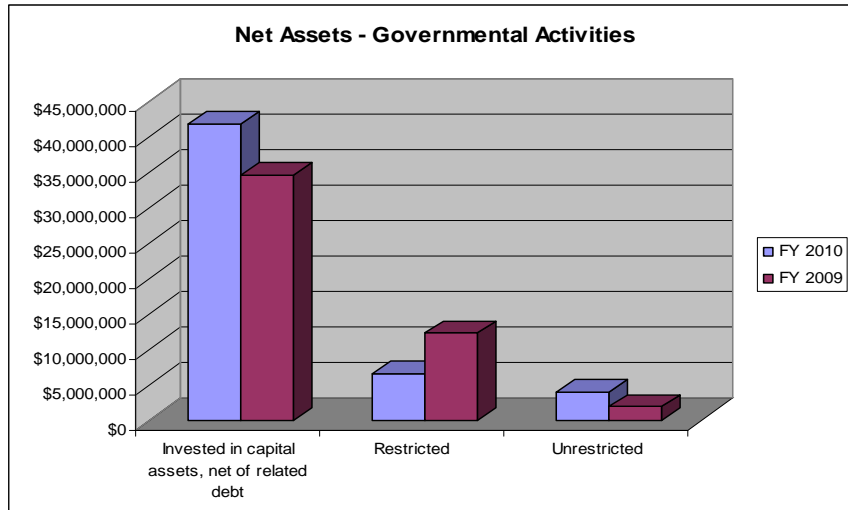
The City's combined net assets as of September 30, 2010 were \$104.6 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$42.5 million. Total city-wide expenses were \$39.2 million. The increase to city-wide net assets was \$3.3 million (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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 15,659	\$ 19,766	\$ 14,030	\$ 18,084	\$ 29,689	\$ 37,850
Capital assets	66,221	60,666	52,349	50,360	118,570	111,026
Total assets	81,880	80,432	66,379	68,444	148,259	148,876
Long-term liabilities	(27,873)	(29,515)	(12,138)	(14,273)	(40,011)	(43,788)
Other liabilities	(1,618)	(2,105)	(2,037)	(1,684)	(3,655)	(3,789)
Total liabilities	(29,491)	(31,620)	(14,175)	(15,957)	(43,666)	(47,577)
Net assets:						
Invested in capital assets, net of debt	41,790	34,584	40,092	36,108	81,882	70,692
Restricted	6,651	12,320	3,907	8,085	10,558	20,405
Unrestricted	3,948	1,908	8,205	8,294	12,153	10,202
Total net assets	<u>\$ 52,389</u>	<u>\$ 48,812</u>	<u>\$ 52,204</u>	<u>\$ 52,487</u>	<u>\$104,593</u>	<u>\$101,299</u>

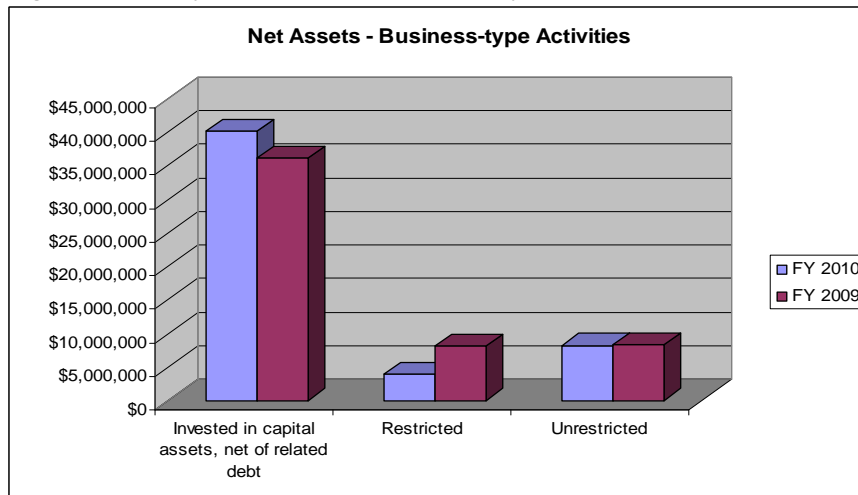
The largest portion of the City's net assets (78.3%) reflects its investment in capital assets (land, buildings, infrastructure and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. Restricted assets (representing 10.1% of total net assets) are subject to external restrictions on how they may be used. The remaining 11.6% balance of unrestricted net assets, \$12.2 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 \$3.6 million or 7.3%. Last fiscal year there was a \$3.9 million increase 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 \$0.3 million or 0.5%. The last fiscal year decrease was \$0.8 million. The analysis of revenues and expenses for business-type activities can be found in this MD&A on pages 11-14. The City's overall financial position improved \$3.3 million or 3.3%. The prior year increase was \$3.2 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:



- Current and other assets decreased by \$4.1 million
- Linear Park Phase 1, \$418 thousand
- Land acquisition, \$2.0 million
- Public Works Utility Campus improvements, \$1.5 million
- Downtown Flooding Project, \$1.6 million
- Other infrastructure projects, \$2.4 million
- Other asset purchases, \$.5 million
- Accumulated Depreciation, \$2.8 million
- Principal reduction on long-term liabilities, \$1.6 million
- Other liabilities decreased, \$0.5 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 \$4.1 million
- County road expansion utility relocation projects, \$1.0 million

- Phase 1 ground water, spillway replacement, and water main upgrade projects, \$3.2 million
- Gravity sewer, force main, and lift station projects, \$1.1 million
- Sanitation packers, \$0.6 million
- Accumulated depreciation, \$3.9 million
- Principal reduction on long-term liabilities, \$2.1 million
- Other liabilities increased, \$0.4 million.

Table 2
Changes in Net Assets
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,896	\$ 3,118	\$ 17,022	\$ 17,038	\$ 21,918	\$ 20,156
Operating grants and contributions	605	572	-	-	605	572
Capital grants and contributions	5,507	4,674	346	1,811	5,853	6,485
General revenues:						
Property taxes	6,829	7,509	-	-	6,829	7,509
Other taxes	6,583	7,864	-	50	6,583	7,914
Other	608	732	147	266	755	998
Total revenues	<u>25,028</u>	<u>24,469</u>	<u>17,515</u>	<u>19,165</u>	<u>42,543</u>	<u>43,634</u>
Expenses:						
General government	3,933	4,207	-	-	3,933	4,207
Public safety	8,608	8,285	-	-	8,608	8,285
Transportation	2,671	2,489	-	-	2,671	2,489
Economic environment	281	105	-	-	281	105
Recreation	4,800	4,545	-	-	4,800	4,545
Interest on long-term debt	1,158	893	-	-	1,158	893
Water and wastewater	-	-	14,170	16,220	14,170	16,220
Sanitation/refuse	-	-	2,645	2,654	2,645	2,654
Building Fund	-	-	757	878	757	878
Marina	-	-	226	184	226	184
Total expenses	<u>21,451</u>	<u>20,524</u>	<u>17,798</u>	<u>19,936</u>	<u>39,249</u>	<u>40,460</u>
Increase (decrease) in net assets	3,577	3,945	(283)	(771)	3,294	3,174
Net assets-beginning	<u>48,812</u>	<u>44,867</u>	<u>52,487</u>	<u>53,258</u>	<u>101,299</u>	<u>98,125</u>
Net assets-ending	<u>\$ 52,389</u>	<u>\$ 48,812</u>	<u>\$ 52,204</u>	<u>\$ 52,487</u>	<u>\$104,593</u>	<u>\$ 101,299</u>

The analysis of Table 2 states the overall Total Primary Government revenues decreased \$1.1 million or 2.5% from the prior year. The Governmental Activities revenues increased \$559 thousand or 2.3%. The Business-type Activities revenues decreased \$1.7 million or 8.6%.

The Total Primary Government expenses decreased \$1.2 million or 3.0% from the prior year. The Governmental Activities expenses increased by \$0.9 million or 10.2%. The expenses in Business-type Activities realized a decrease of \$2.1 million or 10.7%.

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, 2010 consisted of \$1.6 million for undesignated fund balance; \$867 thousand was designated for subsequent year's budget and \$285 thousand was designated for reappropriation for incomplete projects. This is a \$259 thousand decrease in fund balance from September 30, 2009. The decrease represents an intended budgeted use of fund balance to offset the difference between budgeted revenue of \$17.8 million and the budgeted expenditures of \$19.0 million. The City Council's financial policy on fund balance minimums is 5% of annual expenditures. The Debt Service Fund balance at September 30, 2010 was \$1.9 million. This represented a decrease of \$702 thousand from September 30, 2009. 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 \$734 thousand. There was a decrease in revenues of \$54 thousand and a decrease in capital outlay and other expenses of \$687 thousand.

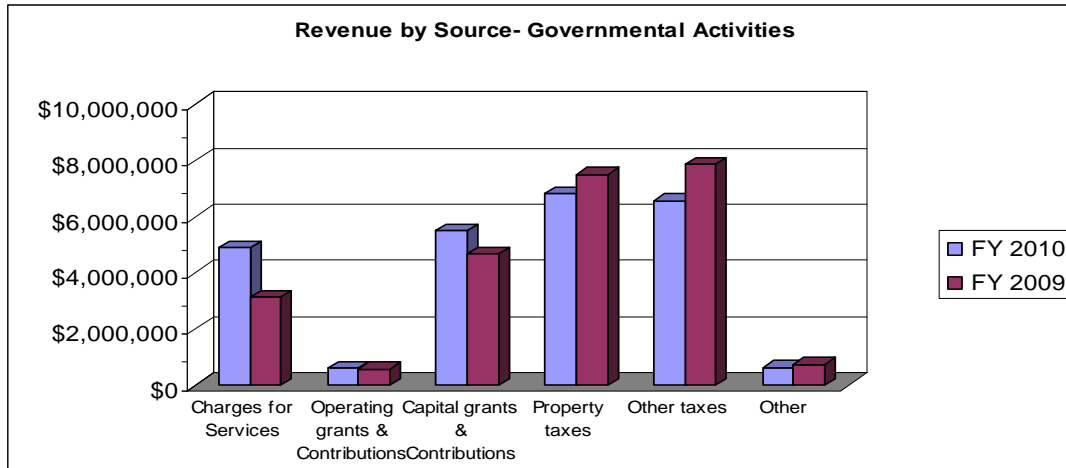
The PGI Canal Maintenance Fund balance decreased \$82 thousand. The revenues were 19.4% higher than the prior year. This was primarily due to a 25% increase in the annual assessment. The expenditures were \$534 thousand higher in 2010 because significant contact work was done in 2010 to the seawall stabilization and canal dredging.

The Transportation Impact Fee Fund decreased \$874 thousand. The interest earnings decreased \$15 thousand due to lower rates and less invested funds. The impact fee revenue decreased by \$164 thousand and the transfer to General Fund decreased by \$608 thousand. Last year's decrease was \$87 thousand.

The Water and Wastewater Utility Fund net assets decreased \$0.3 million. In comparison to the prior year, the water and wastewater user charges decreased \$0.1 million despite a 3% increase in rates. Decreased consumption was mainly attributed to continued water restrictions, the general economy, and increased rainfall in normally drier months. Contributed capital decreased \$1.1 million and impact fees decreased \$0.1 million as a result of the continued decline in the housing market and construction projects in the service area. Interest revenue decreased \$0.1 million due to decreased interest rates. Personnel services decreased \$0.4 million as a result of a reduction of 5.5 full-time equivalent positions. Depreciation expense decreased \$0.5 million caused by several large infrastructure assets becoming fully depreciated in FY 2010. The overall net decrease in all other expenses was \$0.8 million as all expenses were reduced as revenues decreased.

Governmental Activities

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



The following details the revenue variances between fiscal years 2009 and 2010. Charges for services increased by \$1.8 million mainly due to reclassifying Franchise fees from other taxes category to a fee category.

Capital grants & Contributions increased by \$832 thousand due to the following:

- Decrease in County tax increment contribution to CRA of \$111 thousand
- Increase in capital grants of \$1.0 million
- Increase in CDBG of \$21 thousand.
- Decrease in impact fees of \$168 thousand
- Increase in contributed capital of \$1.9 million
- Decrease in reimbursements from insurance in Storm Related Fund of \$1.8 million

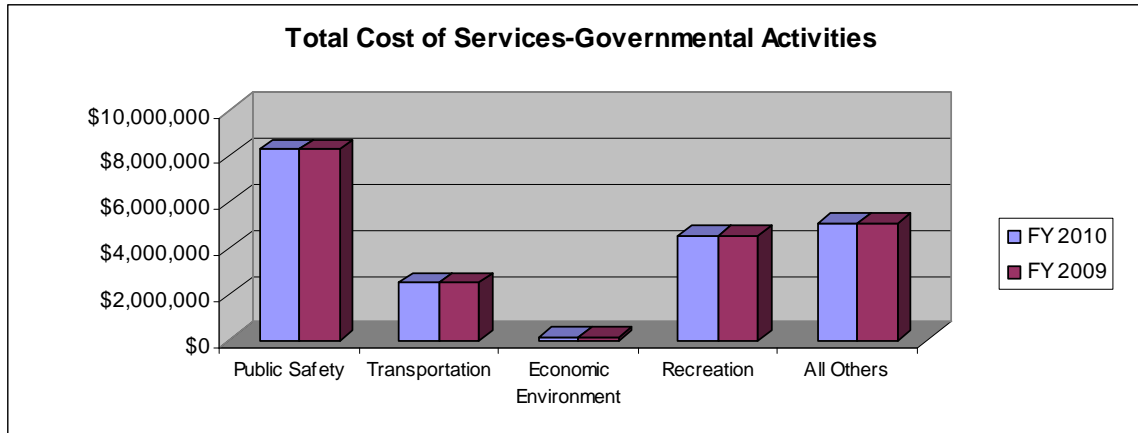
Property taxes and Other taxes decreased by \$2.0 million

- Property tax revenues decreased by \$679 thousand. This is a reflection of a decrease in the overall property valuations
- Other taxes decreased \$1.3 million mainly due to reclassifying Franchise fees from other taxes category to a fee category

The cost of all governmental activities this year, including allocations, was \$23.6 million as compared to \$22.8 million in FY 2009. As shown in the Statement of Activities on page 21, the net cost that was ultimately paid through general revenues was \$10.4 million. The highlights of how the remaining \$11.0 million was provided are as follows:

- \$4.9 million in charges for services: \$3.0 million by the canal maintenance districts and \$1.9 million by various fees for general government services;
- \$0.6 million in operating grants and contributions
- \$5.5 million in capital grants and contributions.
- \$3.6 million increase Change in Net Assets

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



- Transportation costs increased by \$182 thousand.
- Economic environment costs increased by \$176 thousand.
- Public safety costs increased by \$323 thousand. Police Department overall expenses increased by \$326 thousand. Fire Department overall expenses decreased by \$25 thousand. Depreciation increased \$23 thousand.
- Recreation costs increased by \$255 thousand. The majority of the increase was in the seawall and seawall cap replacement program. The entire decrease was in the area of park improvements.
- All Others decreased by \$9 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.

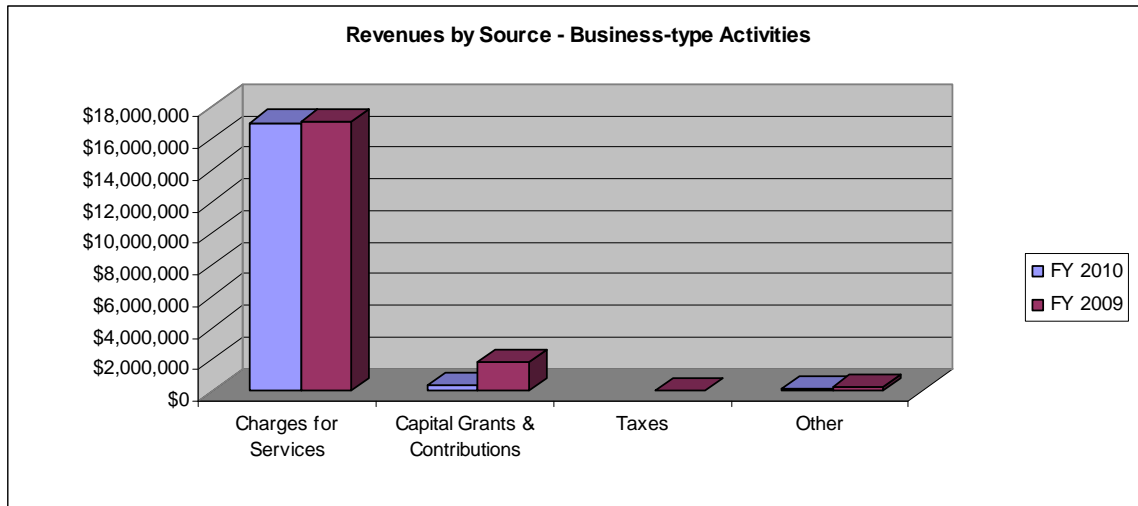
Table 3
Governmental Activities
(in Thousands)

	Total Cost of Services		Net Cost of Services	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Public Safety	\$ 8,608	\$ 8,285	\$ (8,489)	\$ (8,173)
Transportation	2,671	2,489	(2,477)	(2,130)
Economic Environment	281	105	903	1,169
Recreation	4,800	4,545	(1,782)	(1,963)
All Others	5,091	5,100	1,402	(1,062)
Totals	<u>\$ 21,451</u>	<u>\$ 20,524</u>	<u>\$ (10,443)</u>	<u>\$ (12,159)</u>

Business-type Activities

Revenues of the City's Business-type activities (see Table 2) totaled \$17.5 million. Operating expenses were \$17.8 million, showing a decrease in net assets of \$0.3 million. The analysis of revenues and expenses disclosed that revenues decreased 8.6% and expenses decreased 10.7% from the prior fiscal year. Ending net assets are down 0.5%.

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



Charges for services reported in business-type activities decreased \$16 thousand, or 0.1%, in comparison to the prior year. Water & Wastewater Utility experienced a decrease in charges for services of \$122 thousand. Despite a 3% rate increase, water and sewer billing revenue had a decrease of \$108 thousand. Charges for fleet services decrease was \$24 thousand. Various other charges had increases and decreases that netted to a \$10 thousand increase. Sanitation's overall decrease was \$15 thousand with the majority of the decrease in residential refuse collection. Building's charges for services increased by \$88. Building permits declined \$52,000, but other permits moved from General Fund increased \$19 thousand. There was a \$22,000 increase in reinspection, review, and change fees. Certificate of Competencies increased \$55,000 as this category was reclassified from taxes in FY 2010. Additional charges for services were received for inspection services provided for the Utilities Spillway project. The Laishley Park Marina charges for services for FY 2010 increased \$33 thousand; \$45 thousand increase in slip rentals and \$8 thousand decrease in Marina Store rent caused by tenant terminating contract. Various other charges decreased \$4 thousand.

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

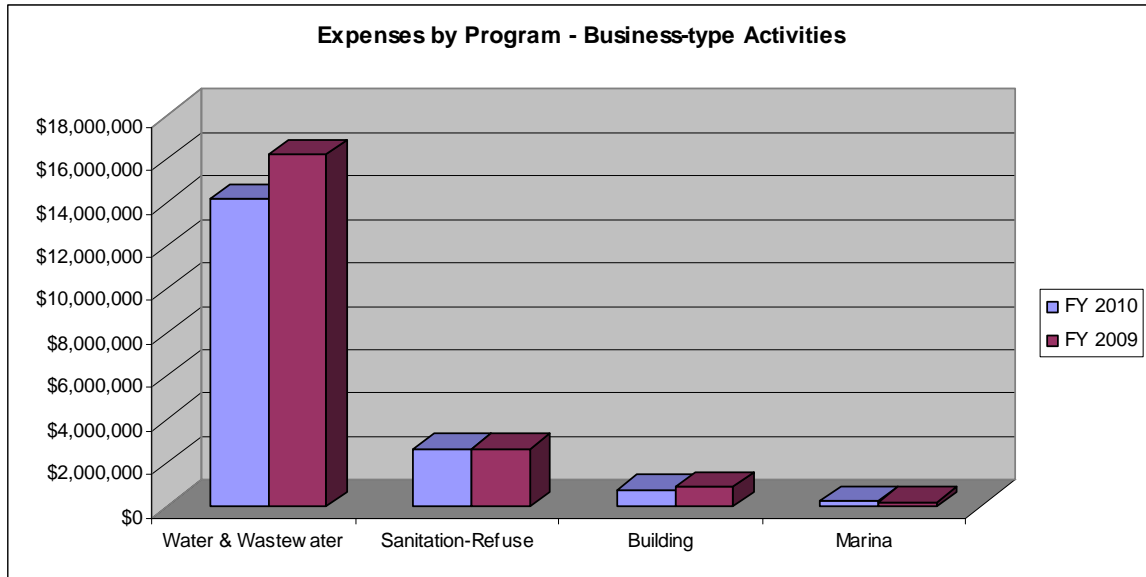
	Revenues (in thousands)		From 2009 to 2010
	2010	2009	% incr (decr)
Water Billings	\$7,330	\$7,556	(3.0%)
Wastewater Billings	\$5,877	\$5,759	2.0%
Refuse Collection	\$2,855	\$2,872	(0.6%)
Licenses, Permits, & Special Assessments	\$ 317	\$ 294	7.8%

Capital grants and contributions decreased by \$1.5 million, or 80.2%. Water and Sewer Impact fees experienced a decrease of \$95 thousand from the prior year. Developer's contributed water & wastewater infrastructure decreased \$1.1 million because of fewer commercial projects. Also, capital grants decreased \$275 thousand. No new grants were approved in FY 2010.

The taxes category decreased \$50 thousand from the prior year, or 100%. In the Building Fund, certificate of competencies were reclassified from taxes to other permits & fees category.

The Other category decreased by \$119 thousand, or 44.6%. The majority of the decrease, \$106 thousand was caused by lower interest rates on investments. Various other miscellaneous revenues decreased \$13 thousand.

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



The Water & Wastewater Utility expenses decreased \$2.1 million, or 12.6%, in comparison to the prior year. Reductions in expenses were made in all areas. Personnel expenses decreased \$411 thousand mainly due to reduction in staff, furloughs, and unfilled vacancies. Depreciation expense decreased \$544 thousand as several very large infrastructure assets became fully depreciated. Contractual services decreased \$403 thousand due to fewer studies, consulting and engineering costs that did not result in a construction project. All other categories decreased as follows: repair & maintenance and materials & supplies, \$383 thousand, administrative costs, \$122 thousand, utilities, \$107 thousand, insurance and rent, \$64 thousand. Interest expense decreased \$76 thousand.

The Sanitation expenses decreased by \$9 thousand, or 0.3%. Although some operating accounts saw increases such as fuel, \$17 thousand, yardwaste & landfill fees, \$14 thousand, depreciation expense, \$38 thousand, other operating accounts has significant decreases. These included personnel expenses (overtime costs), \$26 thousand, administrative charges, \$25 thousand, repair & maintenance, \$17 thousand. Also there had been an asset disposal loss of \$10 thousand in FY 2009 that did not occur in FY 2010.

The Building Fund's expenses decreased by \$121 thousand, or 13.8%. Personnel expenses decreased \$84 thousand. This is a direct result of staff reductions and remaining staff changing to a reduced work schedule to mitigate the anticipated

reduction in revenue activity. Administrative charges were also reduced significantly because of a change in the in fire inspection services provided to the building department and a reduction in overall expenses.

The Laishley Park Marina expenses increased \$42 thousand, or 22.7%. The majority of the increase was caused by an increase in contractual services for electrical work and mangrove trimming, \$9 thousand, contractual labor for additional staffing on weekends and special events, \$15 thousand, and bottom land lease, \$14 thousand.

THE CITY'S FUNDS

General Fund Budgetary Highlights

The following is a brief review of the budgeting changes from the original budget to the final budget for the General Fund. The final expenditure budget increased \$150 thousand or .09% from the original budget, which can be briefly summarized as follows:

- ISS Transfer to General Construction increased by \$124 thousand
- Police Department Capital Equipment increased by \$206 thousand
- Facilities Maintenance Capital Outlay increased by \$38 thousand
- Lot Mowing decreased by \$84 thousand
- Right of Way expenditures decreased by \$51 thousand
- Non Departmental personnel services decreased by \$74 thousand

The final revenue budget increased by \$172 thousand or 1.0%, from the original budget, which can be briefly summarized as follows:

Projected changes in revenues due to economic conditions:

- Infrastructure Sales Surtax, increase \$124 thousand
- Federal Grants increase \$104 thousand
- Insurance Recovery increase \$21 thousand
- Lot mowing decrease \$84 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 \$93 thousand due to final corrections issued by the county appraiser.
- FPL Franchise Fees were under budget by \$130 thousand due to lower than anticipated usage.
- Interest on investments was \$48 thousand under budget due to low interest rates.
- FPL Utility taxes were \$184 thousand over budget due to an FPL rate increase.
- Rental Income was \$31 thousand over budget due to a few new rentals that were not budgeted, and also an increase was realized in some of the monthly rates.
- Infrastructure Sales Surtax revenue was over budget by \$124 thousand as a result of better than anticipated sales.
- Sales Taxes were \$86 thousand over budget, due to better than projected economic conditions.

- Communication Service Taxes were \$37 thousand over budget as a result of higher than anticipated usage.

Expenditures:

- General government expenditures were under budget by \$342 thousand. Lot Mowing was under budget by \$47 thousand. Facilities Maintenance's overall departmental expenses were \$130 thousand under budget. Parks and Grounds expenses were \$103 thousand under budget. Right of Way expenses were \$70 thousand under budget.
- Public Safety police personnel and operating expenses were under budget by \$110 thousand due to savings realized in gas and oil expenses due to conservation efforts and lower than projected pricing, lower than anticipated liability insurance, and lower fleet repair and maintenance expenditures. Capital Equipment expenditures were \$143 thousand under budget.
- Public Safety fire was under budget by \$32 thousand. There were savings in gas and oil, due to conservation efforts and lower pricing than projected, liability insurance was lower than anticipated, as was the amount expended on clothing and uniforms.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2010 reflect an investment of \$118.6 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 16,213	\$ 14,255	\$ 5,403	\$ 5,403	\$ 21,616	\$ 19,658
Buildings	21,228	20,997	4,846	5,344	26,074	26,341
Improvements						
other than buildings	8,019	7,512	6,651	7,206	14,670	14,718
Machinery and equipment	2,782	3,084	1,670	1,781	4,452	4,865
Infrastructure / System	15,249	12,255	26,370	28,152	41,619	40,407
Construction						
work in progress	<u>2,730</u>	<u>2,563</u>	<u>7,409</u>	<u>2,474</u>	<u>10,139</u>	<u>5,037</u>
Total Capital Assets	<u>\$ 66,221</u>	<u>\$ 60,666</u>	<u>\$ 52,349</u>	<u>\$ 50,360</u>	<u>\$ 118,570</u>	<u>\$111,026</u>

Significant changes to assets this year include:

- (5) vehicles with equipment for Police, \$164 thousand
- Outboard boat motor for Police, \$9 thousand
- Mower for Parks and Grounds, \$11 thousand
- Mower for Right of Way, \$11 thousand
- GIS equipment and software for Canal Maintenance, \$9 thousand
- Desktops, laptops, computer catalysts, & servers, \$99 thousand
- Computer equipment, software for CAD/OSSI/FIREHOUSE, \$149 thousand
- Lighting infrastructure at Cooper Street Recreation Center, \$22 thousand
- (3) Packers for Sanitation, \$572 thousand
- Parking garage buildouts, \$284 thousand
- Public Works/Utilities campus improvements, \$1.5 million
- Donated land for parks, \$1.9 million
- Linear Park - Phase 1, \$418 thousand
- Ring Around the City projects (excluding Linear Park - Phase 1), \$444 thousand
- Shreve/Pompano intersection improvements, \$383 thousand
- Retta Esplanade extension project, \$387 thousand
- City beautification, road and park improvements, \$654 thousand
- Aqui Esta widening project, \$247 thousand
- Downtown flooding project, \$1.6 million
- Aqui Esta utility relocation project, \$142 thousand
- Piper Rd utility relocation project, \$794 thousand
- Charlotte Park water main upgrade project, \$120 thousand
- Spillway replacement project, \$2.3 million
- Gravity sewer and inflow abatement projects, \$144 thousand
- Lift Station and WWTP improvements, \$211 thousand
- East Side sewer force main project, \$578 thousand
- Phase 1 ground water project, \$780 thousand
- Filtration/High level disinfection project, 129 thousand

Debt

As of September 30, 2010 the City had \$27.0 million of revenue note debt in the Governmental Activities. This is a net decrease of \$ 1.6 million as compared to prior year. The business-type activities bond and note debt was \$12.0 million. This is a decrease of \$1.9 million in principal payments. Capital leases at year end were \$350 thousand after principal payments of \$129 thousand.

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

ECONOMIC OUTLOOK

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

National Economic Outlook

According to a May 2010 report from the National Association of Realtors, vacancy rates for most commercial sectors are not expected to level out until early 2011. Vacancy rates in the office sector are projected to increase from 16.9% to 17.6%. Annual office rent is likely to fall 2.3% in 2010 and 2.1% in 2011. Leasing activity in the industrial sector is below historical levels with higher vacancies. Industrial vacancy rates are expected to rise from 14.3% to 14.8%. Retail vacancy rates should rise from 12.6% to 12.8%. Multifamily housing is projected to show a different trend - vacancy rates are anticipated to decline from 7.3% to 6.3%.

Florida Economic Outlook

According to a July 2010 report from Wells Fargo Securities, Florida's economic recovery is expected to slowly gain momentum during the coming year. The biggest challenge to overcome is the oversupply of housing constructed during the past decade. This inventory will keep pressure on home prices. Another big challenge is the future of the state's space industry. The anticipated winding down of the Space Shuttle program is expected to result in the loss of 8,000 jobs along the east coast. Florida will likely have to derive growth from other sources (other than tourism, retirees and working-age adults seeking a lower cost of living) in order to return to its position as one of the nation's fastest growing states. The best strategy is to move up the chain in industries such as biotechnology, medical devices, aerospace, international trade and finance, alternative energy, film and new media.

Charlotte County Economic Highlights

Challenges

- The County has issued 153 new residential building permits in FY 2010 (October 2009 through May 2010), which represents an 8% drop from the same period last fiscal year and 27% slide from FY 2008.

- The County's building permits (October 2009 through May 2010) are estimated at \$26.6 million in construction values, down from \$40.2 during the same timeframe last fiscal year and \$54.4 million in FY 2008.
- Unemployment is 12.4% as of June 2010, above the national and state rates of 9.5% and 11.4%, respectively. One year ago, the unemployment rate in the County was 11.7%. The continued impact of the recession is resulting in increased levels of unemployment.
- The single-family home average sales price has fallen from \$246,593 in June 2006 to \$126,000 in May 2010. On a more positive note, months of inventory has decreased from a high of 37.5 in December 2007 to 8.5 in May 2010.
- Population of Charlotte County is estimated to be 164,000 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 including the stagnant economy and lack of baby boomers to follow the current age to retirement.

Opportunities

- The County established an Economic Development Working Group consisting of a County Commissioner, City Council Member and members of the private sector whose objective is to develop a comprehensive set of economic development incentives designed to spur business development and retention.
- The County Economic Development Office received approval from the Federal Department of Homeland Security designating the County as an "EB-5 Regional Center", in which foreigners can qualify more easily than in other areas of the country for permanent residency in exchange for investment into County businesses who are creating 10 or more direct and indirect jobs. Foreigners must invest at least \$500,000 in targeted employment areas such as the Enterprise Charlotte Airport Park (ECAP) or \$1 million elsewhere in the County.
- Significant transportation-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, Piper Road reconstruction in the airport area and Burnt Store Road widening.
- Significant tourism-related, public projects (Charlotte Harbor Event & Conference Center and Charlotte Sports Park Stadium) and future construction of a new ball field in North Charlotte Regional Park serve to enhance the area's ability to attract a variety of entertainment, conference and athletic events.
- 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 projections show a 2010 City population of 17,353 and a 2011 estimate of 17,703. These projections are up from the 2009 estimate of 16,989.

Changes in taxable assessed property values continue to contribute major influence on financial planning and budget preparation. Taxable property values (FY 2011) decreased Citywide by 7.8% and in the Community Redevelopment Area by 14.2% from the previous fiscal year. This is the fourth straight year of declines in taxable value.

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. Deferral of the third year of the fair share impact fee increase to February 2011 was designed to spur new commercial development. Pursuit of a higher education institution resulted in leasing space in Herald Court Centre for the Florida Gulf Coast University Continuing Education Program, Renaissance Academy and Entrepreneurial Academy. Annexation of commercial corridors rounded out business development strategies.

New housing unit building permit trends since 2000 are shown below. Activity in 2010 demonstrates an increase in new residential construction over the previous year but still substantially below years prior.

Year	Units Permitted
2000	332
2001	698
2002	349
2003	343
2004	355
2005	467
2006	241
2007	190
2008	98
2009	12
2010	43

BASIC FINANCIAL STATEMENTS

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$13,106,876	\$ 7,356,486	\$ 20,463,362
Investments	851	-	851
Receivables (net of allowance for uncollectibles)	588,987	779,846	1,368,833
Due from other governments	1,747,357	-	1,747,357
Internal balances	(57,291)	57,291	-
Inventories	57,738	88,910	146,648
Prepays (including excess NPO \$42,927)	194,305	404,145	598,450
Deferred charges	-	347,953	347,953
Restricted assets:			
Cash and cash equivalents	20,258	4,979,429	4,999,687
Investments	-	16,246	16,246
Capital assets (net of accumulated depreciation):			
Land	16,212,906	5,403,346	21,616,252
Buildings	21,228,082	4,845,913	26,073,995
Improvements other than buildings	8,019,680	6,651,111	14,670,791
Vehicles and equipment	2,781,780	1,669,521	4,451,301
Infrastructure/System	15,248,811	26,369,843	41,618,654
Construction in progress	2,730,126	7,409,150	10,139,276
Total assets	<u>81,880,466</u>	<u>66,379,190</u>	<u>148,259,656</u>
LIABILITIES			
Accounts payable and other current liabilities	1,313,842	1,219,517	2,533,359
Deferred revenue	304,420	-	304,420
Liabilities payable from restricted assets	-	817,434	817,434
Long-term liabilities:			
Due within one year	1,726,592	1,625,074	3,351,666
Due in more than one year	26,146,858	10,512,770	36,659,628
Total liabilities	<u>29,491,712</u>	<u>14,174,795</u>	<u>43,666,507</u>
NET ASSETS			
Invested in capital assets, net of related debt	41,789,787	40,092,054	81,881,841
Restricted for:			
Highways and streets	5,016	-	5,016
Capital projects	4,735,079	849,994	5,585,073
Debt service	1,890,683	1,959,675	3,850,358
Other purposes	20,258	1,097,190	1,117,448
Unrestricted	3,947,931	8,205,482	12,153,413
Total net assets	<u>\$52,388,754</u>	<u>\$52,204,395</u>	<u>\$104,593,149</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2010

	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	\$ 6,354,776	\$ (2,422,047)	\$ 1,733,185	\$ 563,225	\$ 4,196,202
Public Safety	8,608,147	-	11,244	40,684	66,806
Transportation	2,558,732	112,522	133,718	975	59,745
Economic environment	280,643	-	-	-	1,183,948
Recreation	4,642,332	157,608	3,017,860	-	-
Interest on long-term debt	1,158,268	-	-	-	-
Total Governmental Activities	23,602,898	(2,151,917)	4,896,007	604,884	5,506,701
Business-type Activities:					
Water and wastewater	12,462,190	1,707,415	13,433,435	-	345,518
Sanitation/refuse	2,370,924	274,054	2,871,430	-	-
Building Fund	586,365	170,448	481,971	-	-
Marina Fund	226,092	-	235,027	-	-
Total Business-type Activities	15,645,571	2,151,917	17,021,863	-	345,518
Total Functions/Programs	\$39,248,469	\$ -0-	\$21,917,870	\$ 604,884	\$ 5,852,219

General Revenues:
Property 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
\$ 2,559,883	\$ -	\$ 2,559,883
(8,489,413)	-	(8,489,413)
(2,476,816)	-	(2,476,816)
903,305	-	903,305
(1,782,080)	-	(1,782,080)
(1,158,268)	-	(1,158,268)
<u>(10,443,389)</u>	<u>-</u>	<u>(10,443,389)</u>
-	(390,652)	(390,652)
-	226,452	226,452
-	(274,842)	(274,842)
-	8,935	8,935
<u>-</u>	<u>(430,107)</u>	<u>(430,107)</u>
<u>(10,443,389)</u>	<u>(430,107)</u>	<u>(10,873,496)</u>
6,829,344	-	6,829,344
3,669,713	-	3,669,713
2,913,132	-	2,913,132
39,548	39,390	78,938
568,293	108,132	676,425
<u>14,020,030</u>	<u>147,522</u>	<u>14,167,552</u>
3,576,641	(282,585)	3,294,056
48,812,113	52,486,980	101,299,093
<u>\$ 52,388,754</u>	<u>\$ 52,204,395</u>	<u>\$ 104,593,149</u>

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010

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	\$2,565,190	\$ 1,890,683	\$ 1,090,901	\$ 813,669	\$ 3,809,460	\$1,076,413	\$1,429,841	\$12,676,157
Investments	851	-	-	-	-	-	-	851
Accounts receivable (net of allowance of \$24,287)	588,987	-	-	-	-	-	-	588,987
Restricted cash and equivalents	20,258	-	-	-	-	-	-	20,258
Due from other funds	-	-	2,254	-	111,970	-	-	114,224
Due from other governments	366,532	-	-	52,723	1,247,565	-	80,537	1,747,357
Inventories	57,738	-	-	-	-	-	-	57,738
Prepaid items	126,134	-	-	6,389	-	-	987	133,510
Total assets	<u>\$3,725,690</u>	<u>\$ 1,890,683</u>	<u>\$ 1,093,155</u>	<u>\$ 872,781</u>	<u>\$ 5,168,995</u>	<u>\$1,076,413</u>	<u>\$1,511,365</u>	<u>\$15,339,082</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010
(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	\$ 259,043	\$ -	\$ 7,113	\$ 82,558	\$ 325,387	\$ -	\$ 102,744	\$ 776,845
Retainage payable	-	-	-	76,503	108,529	-	10,465	195,497
Accrued liabilities	289,986	-	-	13,653	-	-	-	303,639
Due to other funds	111,970	-	-	-	-	-	2,254	114,224
Due to other governments	20,362	-	-	-	-	-	-	20,362
Deferred revenue	304,420	-	-	-	-	-	-	304,420
Total liabilities	<u>985,781</u>	<u>-</u>	<u>7,113</u>	<u>172,714</u>	<u>433,916</u>	<u>-</u>	<u>115,463</u>	<u>1,714,987</u>
Fund balances								
Reserved for:								
Permanent fund	-	-	-	-	-	-	5,016	5,016
Capital improvements and maintenance	-	-	-	-	4,735,079	-	-	4,735,079
Debt service	-	1,890,683	-	-	-	-	-	1,890,683
Reserved for other	20,258	-	-	-	-	-	-	20,258
Unreserved								
Designated for reappropriations	284,521	-	84,932	365,913	-	-	-	735,366
Designated for subsequent years' budget	867,000	-	-	-	-	-	-	867,000
Undesignated - reported in Special Revenue Funds	-	-	-	-	-	-	1,390,886	1,390,886
Undesignated - major funds	1,568,130	-	1,001,110	334,154	-	1,076,413	-	3,979,807
Total fund balances	<u>2,739,909</u>	<u>1,890,683</u>	<u>1,086,042</u>	<u>700,067</u>	<u>4,735,079</u>	<u>1,076,413</u>	<u>1,395,902</u>	<u>13,624,095</u>
Total liabilities and fund balances	<u>\$3,725,690</u>	<u>\$ 1,890,683</u>	<u>\$ 1,093,155</u>	<u>\$ 872,781</u>	<u>\$ 5,168,995</u>	<u>\$1,076,413</u>	<u>\$1,511,365</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2010
(Continued)

Total brought forward \$13,624,095

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 \$66,221,385 less amount included in internal services \$571,115	65,650,270
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.	984,488
Cumulative effect of business type portion of internal services	(57,291)
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 \$27,800,025 less amount included in internal services \$15,456.	(27,784,569)
Excess "Net Pension Obligation" is an asset on the Statement of Net Assets but is not a financial resource.	42,927
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. Total OPEB payable \$73,425 less amount included in internal services \$2,259.	(71,166)
Net assets of governmental activities	<u><u>\$52,388,754</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, 2010

	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	\$ 9,689,705	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,689,705
Permits, fees and special assessments	1,367,597	-	-	-	-	-	-	1,367,597
Intergovernmental revenues	3,653,345	-	1,139,173	-	2,229,068	-	855,434	7,877,020
Charges for services	276,077	-	-	-	-	-	-	276,077
Judgments, fines and forfeits	84,706	-	-	-	-	-	-	84,706
Miscellaneous	2,802,381	-	109,176	2,617,715	244,372	65,377	597,661	6,436,682
Total revenues	17,873,811	-	1,248,349	2,617,715	2,473,440	65,377	1,453,095	25,731,787
Expenditures								
Current								
General government	5,210,592	-	-	-	-	-	-	5,210,592
Public safety	8,157,088	-	-	-	-	-	-	8,157,088
Transportation	987,372	-	-	-	-	-	1,307,877	2,295,249
Economic environment	-	-	253,467	-	-	-	48,892	302,359
Recreation	1,117,988	-	-	2,699,621	-	-	320,252	4,137,861
Capital outlay	-	-	24,554	-	6,226,956	-	-	6,251,510
Debt service								
Principal retirement	40,000	1,101,250	500,500	-	-	-	-	1,641,750
Interest and fiscal charges	4,667	878,719	274,882	-	-	-	-	1,158,268
Total expenditures	15,517,707	1,979,969	1,053,403	2,699,621	6,226,956	-	1,677,021	29,154,677
Excess expenditures (over) under revenues	2,356,104	(1,979,969)	194,946	(81,906)	(3,753,516)	65,377	(223,926)	(3,422,890)

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, 2010
(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	2,356,104	(1,979,969)	194,946	(81,906)	(3,753,516)	65,377	(223,926)	(3,422,890)
Other financing sources (uses)								
Transfers in	85,000	1,277,677	538,621	-	1,376,089	-	449,125	3,726,512
Transfers out	(2,700,339)	-	-	-	(70,000)	(939,616)	(137,830)	(3,847,785)
Debt issued	-	-	-	-	-	-	-	-
Total other financing sources	(2,615,339)	1,277,677	538,621	-	1,306,089	(939,616)	311,295	(121,273)
Net change in fund balances	(259,235)	(702,292)	733,567	(81,906)	(2,447,427)	(874,239)	87,369	(3,544,163)
Fund balances, October 1, 2009	2,999,144	2,592,975	352,475	781,973	7,182,506	1,950,652	1,308,533	17,168,258
Fund balances, September 30, 2010	<u>\$ 2,739,909</u>	<u>\$1,890,683</u>	<u>\$1,086,042</u>	<u>\$ 700,067</u>	<u>\$ 4,735,079</u>	<u>\$ 1,076,413</u>	<u>\$ 1,395,902</u>	<u>\$13,624,095</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, 2010

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

Net change in fund balances -- total governmental funds (page 26)	\$ (3,544,163)
<p>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 (\$2,765,173) and capital asset adjustments were below capital outlays \$6,251,510 in the current period. Donations of capital assets \$1,931,000 increase net assets in the statement of activities, but are not financial resources in governmental funds. The net effect of various miscellaneous transactions involving the disposal, sale, trade-in of assets \$113,008 is to increase net assets.</p>	5,530,345
<p>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 \$1,641,750 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.</p>	1,641,750
<p>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 \$(1,940), Compensated absences \$(622).</p>	(2,562)
<p>Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	<u>(48,729)</u>
Change in net assets of governmental activities (page 21)	<u><u>\$ 3,576,641</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, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,563,595	\$ 9,563,595	\$ 9,689,705	\$ 126,110
Permits, fees and special assessments	1,516,500	1,519,500	1,367,597	(151,903)
Intergovernmental revenue	3,208,500	3,438,873	3,653,345	214,472
Charges for services	353,500	269,500	276,077	6,577
Judgments, fines and forfeits	120,300	120,300	84,706	(35,594)
Miscellaneous	2,817,216	2,840,276	2,802,381	(37,895)
	<u>17,579,611</u>	<u>17,752,044</u>	<u>17,873,811</u>	<u>121,767</u>
Total revenues				
Expenditures				
Current				
General government	5,593,198	5,552,727	5,210,592	342,135
Public safety	8,217,964	8,446,737	8,157,088	289,649
Transportation	1,109,011	1,057,788	987,372	70,416
Recreation	1,207,485	1,220,674	1,117,988	102,686
Debt service				
Principal retirement	40,000	40,000	40,000	-
Interest and fiscal charges	4,667	4,667	4,667	-
	<u>16,172,325</u>	<u>16,322,593</u>	<u>15,517,707</u>	<u>804,886</u>
Total expenditures				
Excess revenues over expenditures	<u>1,407,286</u>	<u>1,429,451</u>	<u>2,356,104</u>	<u>926,653</u>
Other financing sources (uses)				
Transfers in	85,000	85,000	85,000	-
Transfers out	(2,522,075)	(2,643,954)	(2,700,339)	(56,385)
	<u>(2,437,075)</u>	<u>(2,558,954)</u>	<u>(2,615,339)</u>	<u>(56,385)</u>
Total other financing sources (uses)				
Net change in fund balances	<u>\$ (1,029,789)</u>	<u>\$ (1,129,503)</u>	<u>(259,235)</u>	<u>\$ 870,268</u>
Fund balances, October 1, 2009			<u>2,999,144</u>	
Fund balances, September 30, 2010			<u>\$ 2,739,909</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, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,143,658	\$ 1,139,173	\$ 1,139,173	\$ -
Miscellaneous	134,168	113,168	109,176	(3,992)
Total revenues	1,277,826	1,252,341	1,248,349	(3,992)
Expenditures				
Economic environment	185,934	287,361	253,467	33,894
Capital outlay	-	39,891	24,554	15,337
Debt service				
Principal retirement	1,000,500	1,000,500	500,500	500,000
Interest and fiscal charges	275,517	275,517	274,882	635
Total expenditures	1,461,951	1,603,269	1,053,403	549,866
Excess revenues over (under) expenditures	(184,125)	(350,928)	194,946	545,874
Other financing sources (uses)				
Transfers in	540,742	538,621	538,621	-
Total other financing sources	540,742	538,621	538,621	-
Net change in fund balances	\$ 356,617	\$ 187,693	733,567	\$ 545,874
Fund balances, October 1, 2009			352,475	
Fund balances, September 30, 2010			\$ 1,086,042	

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, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	4,000	4,000	4,161	161
Miscellaneous				
Service assessments	2,575,200	2,575,200	2,602,190	26,990
Other	15,000	15,000	11,364	(3,636)
Total revenues	<u>2,594,200</u>	<u>2,594,200</u>	<u>2,617,715</u>	<u>23,515</u>
Expenditures				
Current				
Recreation	<u>2,707,567</u>	<u>3,131,780</u>	<u>2,699,621</u>	<u>432,159</u>
Total expenditures	<u>2,707,567</u>	<u>3,131,780</u>	<u>2,699,621</u>	<u>432,159</u>
Excess revenues over (under) expenditures	<u>(113,367)</u>	<u>(537,580)</u>	<u>(81,906)</u>	<u>455,674</u>
Net change in fund balance	<u>\$ (113,367)</u>	<u>\$ (537,580)</u>	<u>(81,906)</u>	<u>\$ 455,674</u>
Fund balances, October 1, 2009			<u>781,973</u>	
Fund balances, September 30, 2010			<u>\$ 700,067</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, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 3,000	\$ 3,000	\$ 5,632	\$ 2,632
Miscellaneous	200,000	200,000	59,745	(140,255)
Total revenues	203,000	203,000	65,377	(137,623)
Expenditures				
Total expenditures	-	-	-	-
Excess revenues over expenditures	203,000	203,000	65,377	(137,623)
Other financing uses				
Transfers out	-	(1,797,759)	(939,616)	858,143
Total other financing uses	-	(1,797,759)	(939,616)	858,143
Net change in fund balance	\$ 203,000	\$(1,594,759)	(874,239)	\$ 720,520
Fund balances, October 1, 2009			1,950,652	
Fund balances, September 30, 2010			\$ 1,076,413	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010

	Business-type Activities Enterprise Funds	
	<u>Water and Wastewater Utility</u>	<u>Sanitation/ Refuse Fund</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,047,149	\$ 697,639
Accounts and refund receivable (net of allowance of \$326,959)	590,766	189,055
Inventories	88,910	-
Prepaid items	78,916	11,980
Restricted cash and cash equivalents	4,959,481	-
Restricted investments, at amortized cost which approximates fair value	<u>16,246</u>	<u>-</u>
Total current assets	<u>11,781,468</u>	<u>898,674</u>
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	51,616,130	718,613
Unamortized issuance costs	347,953	-
Prepaid rent	<u>296,276</u>	<u>-</u>
Total noncurrent assets	<u>52,260,359</u>	<u>718,613</u>
Total assets	<u>\$64,041,827</u>	<u>\$1,617,287</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
<u>Building Fund</u>	<u>Marina Fund</u>	<u>Total</u>	
\$ 540,315	\$ 71,383	\$ 7,356,486	\$ 430,719
25	-	779,846	-
-	-	88,910	-
706	16,267	107,869	17,868
12,456	7,492	4,979,429	-
-	-	16,246	-
<u>553,502</u>	<u>95,142</u>	<u>13,328,786</u>	<u>448,587</u>
5,589	8,552	52,348,884	571,115
-	-	347,953	-
-	-	296,276	-
<u>5,589</u>	<u>8,552</u>	<u>52,993,113</u>	<u>571,115</u>
<u>\$ 559,091</u>	<u>\$ 103,694</u>	<u>\$66,321,899</u>	<u>\$1,019,702</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2010
(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	\$ 635,452	\$ 71,394
Retainage payable	225,634	-
Notes payable	48,701	-
Current portion of revenue notes payable	742,462	-
Current portion of bonds payable	660,000	-
Current portion of leases payable	-	134,119
Accumulated unused compensated absences	28,300	8,506
Accrued liabilities	224,201	22,152
Total payable from current assets	2,564,750	236,171
Payable from restricted assets		
Accrued liabilities	72,863	-
Current portion of bonds payable	690,000	-
Customer deposits	34,623	-
Total payable from restricted assets	797,486	-
Total current liabilities	3,362,236	236,171
NONCURRENT LIABILITIES		
Revenue notes payable	5,736,869	-
Revenue bonds payable - less unamortized discount of \$167,637	4,162,363	-
Leases payable	-	215,870
Accrued compensated absences	254,705	76,556
Other postemployment benefits payable (OPEB)	28,241	7,907
Total noncurrent liabilities	10,182,178	300,333
Total liabilities	13,544,414	536,504
NET ASSETS		
Invested in capital assets net of related debt	39,709,289	368,624
Restricted for debt service	1,959,675	-
Restricted for renewal and replacement	1,097,190	-
Restricted for capital projects	849,994	-
Unrestricted	6,881,265	712,159
Total net assets	\$50,497,413	\$1,080,783
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	
\$ 1,803	\$ 27,856	\$ 736,505	\$ 7,351
-	-	225,634	-
-	-	48,701	-
-	-	742,462	-
-	-	660,000	-
-	-	134,119	-
2,986	-	39,792	1,546
11,025	-	257,378	10,148
<u>15,814</u>	<u>27,856</u>	<u>2,844,591</u>	<u>19,045</u>
-	-	72,863	-
-	-	690,000	-
12,456	7,492	54,571	-
<u>12,456</u>	<u>7,492</u>	<u>817,434</u>	<u>-</u>
<u>28,270</u>	<u>35,348</u>	<u>3,662,025</u>	<u>19,045</u>
-	-	5,736,869	-
-	-	4,162,363	-
-	-	215,870	-
26,870	-	358,131	13,910
3,389	-	39,537	2,259
<u>30,259</u>	<u>-</u>	<u>10,512,770</u>	<u>16,169</u>
<u>58,529</u>	<u>35,348</u>	<u>14,174,795</u>	<u>35,214</u>
5,589	8,552	40,092,054	571,115
-	-	1,959,675	-
-	-	1,097,190	-
-	-	849,994	-
<u>494,973</u>	<u>59,794</u>	<u>8,148,191</u>	<u>413,373</u>
<u>\$ 500,562</u>	<u>\$ 68,346</u>	52,147,104	<u>\$ 984,488</u>
		57,291	
		<u>\$52,204,395</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, 2010

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
	<u> </u>	<u> </u>
Operating revenue		
Charges for services	\$ 13,433,435	\$ 2,855,060
Licenses and permits	-	16,370
Miscellaneous	42,246	3,873
	<u>13,475,681</u>	<u>2,875,303</u>
Operating expenses		
Personnel services	4,690,476	1,059,101
Contractual services	547,125	732,884
Materials and supplies	1,382,721	108,018
Utilities	717,593	1,595
Depreciation	3,578,638	273,746
Insurance	164,610	24,075
Administrative charges	1,928,048	278,057
Repairs and maintenance	315,705	146,184
Travel and training	6,774	481
Rent	119,244	2,566
	<u>13,450,934</u>	<u>2,626,707</u>
Operating income (loss)	<u>24,747</u>	<u>248,596</u>
Nonoperating revenues (expenses)		
Interest income	35,257	2,401
Insurance proceeds	3,393	-
Interest expense and fiscal charges	(664,318)	(17,285)
Gain (loss) on disposition of capital assets	17,767	-
	<u>(607,901)</u>	<u>(14,884)</u>
Income (loss) before transfers and contributions	<u>(583,154)</u>	<u>233,712</u>
Totals carried forward	<u>(583,154)</u>	<u>233,712</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 164,529	\$ 235,027	\$ 16,688,051	\$ 974,996
317,442	-	333,812	-
13,911	26,942	86,972	-
<u>495,882</u>	<u>261,969</u>	<u>17,108,835</u>	<u>974,996</u>
487,239	-	6,236,816	373,931
2,360	135,824	1,418,193	215,577
7,284	12,938	1,510,961	16,314
2,200	49,435	770,823	4,067
8,595	658	3,861,637	223,136
1,549	8,268	198,502	19,981
224,471	-	2,430,576	-
1,168	4,269	467,326	283,701
6,980	-	14,235	12,333
1,659	14,700	138,169	66,145
<u>743,505</u>	<u>226,092</u>	<u>17,047,238</u>	<u>1,215,185</u>
<u>(247,623)</u>	<u>35,877</u>	<u>61,597</u>	<u>(240,189)</u>
1,727	5	39,390	1,230
-	-	3,393	-
-	-	(681,603)	-
-	-	17,767	310
<u>1,727</u>	<u>5</u>	<u>(621,053)</u>	<u>1,540</u>
<u>(245,896)</u>	<u>35,882</u>	<u>(559,456)</u>	<u>(238,649)</u>
<u>(245,896)</u>	<u>35,882</u>	<u>(559,456)</u>	<u>(238,649)</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, 2010
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (583,154)	\$ 233,712
Transfers in	-	-
Contributions	345,518	-
Change in net assets	(237,636)	233,712
Total net assets - beginning	50,735,049	847,071
Total net assets - ending	\$ 50,497,413	\$ 1,080,783

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>\$ (245,896)</u>	<u>\$ 35,882</u>	<u>\$ (559,456)</u>	<u>\$ (238,649)</u>
-	-	-	121,273
<u>-</u>	<u>-</u>	<u>345,518</u>	<u>-</u>
(245,896)	35,882	(213,938)	(117,376)
<u>746,458</u>	<u>32,464</u>		<u>1,101,864</u>
<u>\$ 500,562</u>	<u>\$ 68,346</u>		<u>\$ 984,488</u>
		<u>(68,647)</u>	
		<u>\$ (282,585)</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2010

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 13,584,892	\$ 2,935,470
Cash payments to suppliers for goods and services	(5,126,690)	(1,293,448)
Cash payments to employees for services	(4,744,223)	(1,056,771)
Other receipts	42,246	3,873
	<u>3,756,225</u>	<u>589,124</u>
Net cash provided by (used in) operating activities		
	<u>3,756,225</u>	<u>589,124</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers	-	-
	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities		
	<u>-</u>	<u>-</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	(4,895,870)	(571,833)
Sale of property, plant and equipment	17,767	-
Principal paid on debt	(1,979,117)	(129,103)
Interest and fiscal charges paid	(544,510)	(17,285)
Contributions	259,119	-
Insurance proceeds	3,393	-
	<u>(7,139,218)</u>	<u>(718,221)</u>
Net cash used in capital and related financing activities		
	<u>(7,139,218)</u>	<u>(718,221)</u>
Totals carried forward	<u>(3,382,993)</u>	<u>(129,097)</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 483,963	\$ 234,602	\$ 17,238,927	\$ 974,996
(243,554)	(217,697)	(6,881,389)	(649,001)
(480,533)	-	(6,281,527)	(371,754)
13,911	26,942	86,972	-
<u>(226,213)</u>	<u>43,847</u>	<u>4,162,983</u>	<u>(45,759)</u>
-	-	-	121,273
-	-	-	121,273
-	(9,210)	(5,476,913)	(248,577)
-	-	17,767	310
-	-	(2,108,220)	-
-	-	(561,795)	-
-	-	259,119	-
-	-	3,393	-
<u>-</u>	<u>(9,210)</u>	<u>(7,866,649)</u>	<u>(248,267)</u>
<u>(226,213)</u>	<u>34,637</u>	<u>(3,703,666)</u>	<u>(172,753)</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2010
(Continued)

	<u>Water and Wastewater Utility</u>	<u>Sanitation/ Refuse Fund</u>
Totals brought forward	\$ (3,382,993)	\$ (129,097)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross proceeds from maturities of investments	1,425	-
Interest received	<u>35,257</u>	<u>2,401</u>
Net cash provided by investing activities	<u>36,682</u>	<u>2,401</u>
Net increase (decrease) in cash and cash equivalents	(3,346,311)	(126,696)
Balances - beginning of the year	<u>14,352,941</u>	<u>824,335</u>
Balances - end of year	<u><u>\$ 11,006,630</u></u>	<u><u>\$ 697,639</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 24,747	\$ 248,596
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,578,638	273,746
Net (increase) decrease in:		
Receivables	144,981	64,040
Inventories	4,515	-
Prepays	26,384	1,850
Net increase (decrease) in:		
Accounts payable	24,231	(1,438)
Accrued liabilities	(46,121)	2,330
Customer deposits	<u>(1,150)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>\$ 3,756,225</u></u>	<u><u>\$ 589,124</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Disposal of fully depreciated capital assets	\$ 176,090	\$ 4,832
Donated capital assets	86,399	-

See Accompanying Notes.

Building Fund	Marina Fund	Total	Internal Service Funds
\$ (226,213)	\$ 34,637	\$ (3,703,666)	\$ (172,753)
-	-	1,425	-
<u>1,727</u>	<u>5</u>	<u>39,390</u>	<u>1,230</u>
<u>1,727</u>	<u>5</u>	<u>40,815</u>	<u>1,230</u>
(224,486)	34,642	(3,662,851)	(171,523)
<u>777,257</u>	<u>44,233</u>	<u>15,998,766</u>	<u>602,242</u>
<u>\$ 552,771</u>	<u>\$ 78,875</u>	<u>\$ 12,335,915</u>	<u>\$ 430,719</u>
\$ (247,623)	\$ 35,877	\$ 61,597	\$ (240,189)
8,595	658	3,861,637	223,136
(25)	-	208,996	-
-	-	4,515	-
3,709	(14,892)	17,051	(16,490)
408	22,629	45,830	(14,393)
6,706	-	(37,085)	2,177
<u>2,017</u>	<u>(425)</u>	<u>442</u>	<u>-</u>
<u>\$ (226,213)</u>	<u>\$ 43,847</u>	<u>\$ 4,162,983</u>	<u>\$ (45,759)</u>
\$ -	\$ -	\$ 180,922	\$ 72,225
-	-	86,399	-

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2010

	<u>Pension Funds</u>
ASSETS	
Cash and cash equivalents	\$ 2,093,608
Interest and payments in transit	192,531
Investments, at fair value	
U.S. Treasury and Government Agencies	4,205,282
Municipal and Corporate Obligations	6,255,579
Common Stocks	22,506,161
Other securities	<u>2,833,058</u>
Total investments at fair value	<u>35,800,080</u>
Total assets	<u>38,086,219</u>
LIABILITIES AND NET ASSETS	
Prepaid contribution	<u>12,810</u>
Total liabilities	<u>12,810</u>
Net assets	
Active and retired member equity	37,992,246
DROP plan benefits	<u>81,163</u>
Total Liabilities and Net Assets	<u><u>\$ 38,086,219</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, 2010

	Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 2,056,271
Insurance Premiums	410,084
Plan members	821,808
Total contributions	3,288,163
Investment earnings	
Net gain in fair value of investments	2,108,909
Interest and dividends	934,215
Total investment gain	3,043,124
Less investment expense	221,599
Net investment gain	2,821,525
Total additions	6,109,688
DEDUCTIONS	
Benefits paid	1,934,362
Refunds of contributions	126,601
Administrative expenses	65,376
Total deductions	2,126,339
Change in net assets	3,983,349
Net assets held in trust for pension benefits	
Beginning of year	34,090,060
End of year	\$ 38,073,409

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010.

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, 2010

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 \$2,422,047 for fiscal year 2010. 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, 2010

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 \$27,784,569 difference are as follows:

Noncurrent liabilities	\$27,800,025
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	(15,456)
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - government-wide statement of net assets - Noncurrent liabilities	\$27,784,569

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.” Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. In the governmental funds, the proceeds from the sale of capital assets increase financial resources. However, in the statement of activities, all gains and losses resulting from sales, disposals and trade-in of capital assets are reported. The details of this \$5,530,345 difference are as follows:

Capital outlay	\$ 6,251,510
Depreciation expense	(2,765,173)
Capital asset donations	1,931,000
Net effect of misc. capital transactions (disposal, sale, trade-in of assets)	113,008
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ 5,530,345

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2010

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

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,641,750 difference are as follows:

Principal repayments:	
Capital Improvement revenue notes	<u>\$ 1,641,750</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 1,641,750</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$2,562 difference are as follows:

Change in Excess Net Pension Obligation	\$ 1,940
Compensated absences	<u>622</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 2,562</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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, 2010.

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, 2010 totaled \$735,366.
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, 2010

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, 2010 the carrying amounts of the City's deposits below were \$2,408,264 and the bank balances were \$2,823,385. The City's deposits are comprised of cash held in a financial institution. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280).

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

At September 30, 2010, petty cash for all funds was \$1,990.

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

The City's investments consist of U.S. Government backed Agencies with a fair value of \$17,097. These investments have a weighted average maturity of 3 years.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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 \$23,052,795.

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, 2010

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, 2010:

<u>Water and Wastewater Utility Fund, Building Fund, Marina Fund</u>	<u>Cash and Cash Equivalents</u>	<u>Investment Securities</u>
Renewal and Replacement Account - reserved for extensions, enlargements and replacements of capital assets of the utility system	\$ 1,097,190	\$ -
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	200,745	-
Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	157,832	-
Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds	7,231	-
Bond Reserve Account - maintained at the level required by the Bond Ordinance	1,564,112	16,246
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	372,086	-
Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	54,571	-
Utilities Construction Account - reserved for payment of the costs of new projects	1,479,160	-
Special Assessments - District #4 - established to account for assessments levied for utility expansion	46,502	-
	<u>\$ 4,979,429</u>	<u>\$ 16,246</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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, 2010:

Cash and Cash Equivalents	
Law enforcement trust	\$ 14,890
Other	5,368
	<u>\$ 20,258</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ -	\$ 111,970
Capital Project Fund	111,970	-
Community Redevelopment	2,254	-
Nonmajor Governmental Funds	-	2,254
	<u>114,224</u>	<u>114,224</u>
Governmental funds consolodation	<u>(114,224)</u>	<u>(114,224)</u>
Statement of Net Assets	<u>\$ -0-</u>	<u>\$ -0-</u>

The \$111,970 General Fund Liability is the 1¢ sales tax revenue accrual to be used for Capital Projects that will be paid in October 2010.

The \$2,254 is a cash flow loan from the CRA Fund to the CDBG Fund to cover expenses that have not yet been reimbursed by grants.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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. Additional 1¢ sales tax revenue is transferred from the General Fund to the Capital Project Fund, to the Debt Fund, and to Information Technology. The transfer from the General Fund to the Additional Five Cent Gas Tax Fund was for increasing the paving program. The transfer from the General Fund to the Capital Project Fund was for engineering and project management services provided for capital projects. The transfer from Impact Fees-Transportation was to the Capital Projects Fund. The Nonmajor Governmental transfers out are impact fees transferred to General Fund, Capital Project Fund, and Information Technology. Other transfers from Nonmajor Governmental funds are transfers from Gilchrist Intention Fund to Six Cent Gas Tax Fund and from the Six Cent Gas Tax Fund to the Additional Five Cent Gas Tax Fund.

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

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
General Fund	\$ 85,000	\$ 2,700,339
Debt Service Fund	1,277,677	-
Community Redevelopment	538,621	-
Capital Projects Fund	1,376,089	70,000
Impact Fees - Transportation	-	939,616
Nonmajor Governmental funds	449,125	137,830
Net Governmental Funds	<u>\$ 3,726,512</u>	<u>\$ 3,847,785</u>
Internal Service Fund		
Information Technology	<u>\$ 121,273</u>	<u>\$ -0-</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2010 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$14,254,736	\$ 1,958,170	\$ -	\$16,212,906
Construction in progress	2,562,657	8,018,704	(7,851,235)	2,730,126
Total capital assets, not being depreciated	<u>16,817,393</u>	<u>9,976,874</u>	<u>(7,851,235)</u>	<u>18,943,032</u>
Capital assets, being depreciated:				
Buildings	23,624,539	884,974	(121,383)	24,388,130
Improvements other than buildings	8,719,409	975,010	(2,017)	9,692,402
Infrastructure	69,487,618	4,021,614	-	73,509,232
Vehicles and equipment	8,900,121	597,620	(180,274)	9,317,467
Total capital assets, being depreciated	<u>110,731,687</u>	<u>6,479,218</u>	<u>(303,674)</u>	<u>116,907,231</u>
Less accumulated depreciation for:				
Buildings	(2,627,315)	(596,733)	64,000	(3,160,048)
Improvements other than buildings	(1,207,594)	(465,935)	807	(1,672,722)
Infrastructure	(57,232,040)	(1,028,381)	-	(58,260,421)
Vehicles and equipment	(5,816,533)	(897,259)	178,105	(6,535,687)
Total accumulated depreciation	<u>(66,883,482)</u>	<u>(2,988,308)</u>	<u>242,912</u>	<u>(69,628,878)</u>
Total capital assets, being depreciated, net	<u>43,848,205</u>	<u>3,490,910</u>	<u>(60,762)</u>	<u>47,278,353</u>
Governmental activities capital assets, net	<u>\$60,665,598</u>	<u>\$ 13,467,784</u>	<u>\$ (7,911,997)</u>	<u>\$66,221,385</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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	2,474,405	5,313,104	(378,359)	7,409,150
Total capital assets, not being depreciated	<u>7,877,751</u>	<u>5,313,104</u>	<u>(378,359)</u>	<u>12,812,496</u>
Capital assets, being depreciated:				
Buildings	25,556,875	-	-	25,556,875
Improvements other than buildings	18,350,260	18,345	-	18,368,605
System Infrastructure	60,910,115	249,971	-	61,160,086
Vehicles and equipment	6,353,819	647,095	(180,921)	6,819,993
Total capital assets, being depreciated	<u>111,171,069</u>	<u>915,411</u>	<u>(180,921)</u>	<u>111,905,559</u>
Less accumulated depreciation for:				
Buildings	(20,212,941)	(498,021)	-	(20,710,962)
Improvements other than buildings	(11,144,700)	(572,794)	-	(11,717,494)
System Infrastructure	(32,758,415)	(2,031,828)	-	(34,790,243)
Vehicles and equipment	(4,572,400)	(758,994)	180,921	(5,150,473)
Total accumulated depreciation	<u>(68,688,456)</u>	<u>(3,861,637)</u>	<u>180,921</u>	<u>(72,369,172)</u>
Total capital assets, being depreciated, net	<u>42,482,613</u>	<u>(2,946,226)</u>	<u>-</u>	<u>39,536,387</u>
Business-type activities capital assets, net	<u>\$50,360,364</u>	<u>\$ 2,366,878</u>	<u>\$ (378,359)</u>	<u>\$52,348,883</u>

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

Governmental activities:	
General government	\$ 1,139,102
Public safety	558,510
Transportation	397,832
Recreation	669,729
Internal service funds	223,136
Total depreciation expense -- governmental activities	<u>\$ 2,988,309</u>
Business-type activities:	
Public utilities	\$ 3,578,638
Sanitation/refuse collection	273,746
Building	8,595
Marina	658
Total depreciation expense -- business-type activities	<u>\$ 3,861,637</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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, 2010:

	Governmental Activities - Long-Term Debt		
	Capital Improvement Revenue Notes	OPEB and Compensated Absences	Total
Debt payable at October 1, 2009	\$ 28,593,759	\$ 905,363	\$ 29,499,122
Debt retired	(1,641,750)	-	(1,641,750)
Amortization of original issue discount	-	-	-
Amortization of early call premium	-	-	-
Amortization of underwriters premium	-	-	-
Additions in OPEB and compensated absences	-	99,272	99,272
Deductions in OPEB and compensated absences	-	(83,194)	(83,194)
Debt payable at September 30, 2010 (net)	\$ 26,952,009	\$ 921,441	\$ 27,873,450

Internal service funds predominantly service the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$15,456 of compensated absences and \$2,259 of OPEB balances for internal service funds are included in the above amounts.

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
\$ 6,720,783	\$ 7,198,447	\$ 48,701	\$ 479,092	\$ 485,847	\$ 14,932,870
(1,260,000)	(719,117)	-	(129,102)	-	(2,108,219)
27,458	-	-	-	-	27,458
41,422	-	-	-	-	41,422
(17,300)	-	-	-	-	(17,300)
-	-	-	-	-	-
-	-	-	-	(48,387)	(48,387)
<u>\$ 5,512,363</u>	<u>\$ 6,479,330</u>	<u>\$ 48,701</u>	<u>\$ 349,990</u>	<u>\$ 437,460</u>	<u>\$ 12,827,844</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2010 are comprised of the following:

Governmental Activities

Revenue Notes

<p>\$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.</p>	<p>\$ 5,898,750</p>
<p>\$4,092,000 Revenue Note, this note was issued on December 5, 2002 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 3.76%. Principal is payable semi-annually. Final maturity scheduled for January 1, 2013. The debt proceeds were used for various projects in the CRA district and to pay off existing CRA debt.</p>	<p>2,535,500</p>
<p>\$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.</p>	<p>4,053,000</p>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Governmental Activities, continued

Revenue Notes, continued

\$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. \$ 36,667

\$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. 13,997,216

\$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 26,952,009

Less current maturities (1,641,790)

Noncurrent portion, revenue notes payable \$ 25,310,219

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Bonds

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

	\$ 5,680,000
Less unamortized discount and call premium	<u>(167,637)</u>
Net	5,512,363
Less current maturities	<u>(1,350,000)</u>
Noncurrent portion, revenue bonds payable	<u><u>\$ 4,162,363</u></u>

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.

	\$ 3,291,896
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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

Revenue Notes, continued

\$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.	<u>\$ 3,187,434</u>
Total revenue notes payable	6,479,330
Less current maturities	<u>(742,460)</u>
Noncurrent portion, revenue notes payable	<u><u>\$ 5,736,870</u></u>
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><u>\$ 48,701</u></u>

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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

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.	\$ 64,787
\$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>285,203</u>
Total leases payable	349,990
Less current maturities	<u>(134,120)</u>
Noncurrent portion, leases payable	<u><u>\$ 215,870</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2010 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt	
	Principal	Interest
2011	\$ 1,641,790	\$ 1,018,968
2012	1,660,535	961,744
2013	6,750,080	798,708
2014	3,038,165	614,047
2015	3,151,528	495,664
2016-2020	10,709,911	1,131,340
2021-2025	-	-
Total	\$ 26,952,009	\$ 5,020,471

Compensated Absences	Current Portion	Noncurrent Portion	OPEB	Totals
Governmental Activities	\$ 84,802	\$ 763,214	\$ 73,425	\$ 921,441
Business-type Activities	39,792	358,131	39,537	437,460
	\$ 124,594	\$ 1,121,345	\$ 112,962	\$ 1,358,901

The amounts included in governmental activities for internal service funds are \$1,546 current portion of compensated absences, \$13,910 noncurrent portion compensated absences and \$2,259 OPEB.

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			
\$ 1,320,000	\$ 258,450	\$ 742,460	\$ 201,987	\$ 48,701	\$146,387	
1,380,000	190,950	766,561	177,639	-	124,137	
1,455,000	118,256	791,446	152,500	-	101,884	
1,525,000	40,031	817,140	126,544	-	-	
-	-	843,669	99,745	-	-	
-	-	2,166,386	219,431	-	-	
-	-	351,668	8,905	-	-	
<u>\$ 5,680,000</u>	<u>\$ 607,687</u>	<u>\$6,479,330</u>	<u>\$ 986,751</u>	<u>\$ 48,701</u>	372,408	Total minimum lease payments
					(22,418)	Less: Amounts representing interest
					<u>\$349,990</u>	Present value of minimum lease payments

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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, 2010

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, 2010 was \$2.6996 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 2010 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, 2010

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	6
Beneficiaries	5
DROP	3
Active employees	
Fully-vested	126
Nonvested	55

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. A new listing is the Deferred Retirement Option Plan (DROP) which allows the member to effectively retire, but continue to remain employed. The DROP payments are put in trust for the employee to take control of when they discontinue employment.

The Plan is administered by a Board of Trustees.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2010

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	14
Vested terminated employees	6
Beneficiaries	1
Disability benefits	4
Active employees	
Fully-vested	22
Nonvested	12

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	14
Nonvested	12

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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, 2010

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 \$1,366,275, Municipal Police Officers' pension plan \$404,486 and Municipal Firefighters' pension plan \$287,450 for fiscal year ended September 30, 2010.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2008 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, 2008 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 28 years (as of 10/01/10) for the General Employees', 26 years for Municipal Police Officers' and 29 years for Municipal Firefighters' plans (as of 10/01/08).

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, 2010

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2010 were as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ASSETS				
Cash and cash equivalents	\$ 1,231,214	\$ 588,661	\$ 273,733	\$ 2,093,608
Interest and payments in transit	76,342	81,502	34,687	192,531
Investments, at fair value				
U.S. Treasury and Government Agencies	2,158,076	1,373,880	673,326	4,205,282
Municipal and Corporate Obligations	2,903,512	2,250,597	1,101,470	6,255,579
Common Stocks	14,353,212	4,620,218	3,532,731	22,506,161
Other securities	1,571,537	694,002	567,519	2,833,058
Total investments at fair value	<u>20,986,337</u>	<u>8,938,697</u>	<u>5,875,046</u>	<u>35,800,080</u>
Total assets	<u>22,293,893</u>	<u>9,608,860</u>	<u>6,183,466</u>	<u>38,086,219</u>
LIABILITIES AND NET ASSETS				
Prepaid contribution	<u>12,328</u>	<u>-</u>	<u>482</u>	<u>12,810</u>
Total liabilities	<u>12,328</u>	<u>-</u>	<u>482</u>	<u>12,810</u>
Net assets				
Active and retired member equity	22,200,402	9,608,860	6,182,984	37,992,246
DROP plan benefits	<u>81,163</u>	<u>-</u>	<u>-</u>	<u>81,163</u>
Total Liabilities and Net Assets	<u>\$ 22,293,893</u>	<u>\$ 9,608,860</u>	<u>\$ 6,183,466</u>	<u>\$ 38,086,219</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2010 was as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ADDITIONS				
Contributions				
Employer	\$ 1,366,271	\$ 403,250	\$ 286,750	\$ 2,056,271
Insurance premiums	-	169,343	240,741	410,084
Plan members	<u>522,845</u>	<u>170,923</u>	<u>128,040</u>	<u>821,808</u>
Total contributions	<u>1,889,116</u>	<u>743,516</u>	<u>655,531</u>	<u>3,288,163</u>
Investment earnings				
Net gain in fair value of investments	1,392,401	436,029	280,479	2,108,909
Interest and dividends	<u>501,565</u>	<u>268,838</u>	<u>163,812</u>	<u>934,215</u>
Total investment gain	<u>1,893,966</u>	<u>704,867</u>	<u>444,291</u>	<u>3,043,124</u>
Less investment expense	<u>132,756</u>	<u>43,688</u>	<u>45,155</u>	<u>221,599</u>
Net investment gain	<u>1,761,210</u>	<u>661,179</u>	<u>399,136</u>	<u>2,821,525</u>
Total additions	<u>3,650,326</u>	<u>1,404,695</u>	<u>1,054,667</u>	<u>6,109,688</u>
DEDUCTIONS				
Benefits paid	1,187,828	399,443	347,091	1,934,362
Refunds of contributions	72,549	39,646	14,406	126,601
Administrative expenses	<u>32,225</u>	<u>15,932</u>	<u>17,219</u>	<u>65,376</u>
Total deductions	<u>1,292,602</u>	<u>455,021</u>	<u>378,716</u>	<u>2,126,339</u>
Change in net assets	2,357,724	949,674	675,951	3,983,349
Net assets held in trust for pension benefits				
Beginning of year	<u>19,923,841</u>	<u>8,659,186</u>	<u>5,507,033</u>	<u>34,090,060</u>
End of year	<u>\$22,281,565</u>	<u>\$ 9,608,860</u>	<u>\$ 6,182,984</u>	<u>\$ 38,073,409</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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			
9/30/2010	\$ 1,366,275	100%	\$ (130)
9/30/2009	1,423,425	100%	(134)
9/30/2008	1,398,430	100%	(130)
Municipal Police Officers' pension plan			
9/30/2010	\$ 404,486	100%	\$ (22,381)
9/30/2009	274,059	100%	(23,617)
9/30/2008	153,707	100%	(24,968)
Municipal Firefighters' pension plan			
9/30/2010	\$ 287,450	100%	\$ (20,416)
9/30/2009	188,621	100%	(21,116)
9/30/2008	187,401	100%	(21,678)

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

	<u>9/30/2010</u>	<u>9/30/2009</u>	<u>9/30/2008</u>
Actuarially Determined			
Contribution (A)	\$ 1,366,271	\$ 1,423,429	\$ 1,398,434
Interest on NPO	(11)	(10)	(10)
Adjustment to (A)	15	6	6
Annual Pension Cost	1,366,275	1,423,425	1,398,430
Contributions Made	1,366,271	1,423,429	1,398,434
Increase (Decrease) in NPO	4	(4)	(4)
NPO Beginning of Year	(134)	(130)	(126)
NPO End of Year	<u>\$ (130)</u>	<u>\$ (134)</u>	<u>\$ (130)</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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>9/30/2010</u>	<u>9/30/2009</u>	<u>9/30/2008</u>
Actuarially Determined			
Contribution (A)	\$ 403,250	\$ 272,708	\$ 152,279
Interest on NPO	(1,889)	(1,997)	(2,112)
Adjustment to (A)	<u>3,125</u>	<u>3,348</u>	<u>3,540</u>
Annual Pension Cost	404,486	274,059	153,707
Contributions Made	<u>403,250</u>	<u>272,708</u>	<u>152,279</u>
Increase in NPO	1,236	1,351	1,428
NPO Beginning of Year	<u>(23,617)</u>	<u>(24,968)</u>	<u>(26,396)</u>
NPO End of Year	<u><u>\$ (22,381)</u></u>	<u><u>\$ (23,617)</u></u>	<u><u>\$ (24,968)</u></u>

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

	<u>9/30/2010</u>	<u>9/30/2009</u>	<u>9/30/2008</u>
Actuarially Determined			
Contribution (A)	\$ 286,750	\$ 188,059	\$ 188,059
Interest on NPO	(1,689)	(1,734)	(1,682)
Adjustment to (A)	<u>2,389</u>	<u>2,296</u>	<u>1,024</u>
Annual Pension Cost	287,450	188,621	187,401
Contributions Made	<u>286,750</u>	<u>188,059</u>	<u>188,059</u>
Increase (Decrease) in NPO	700	562	(658)
NPO Beginning of Year	<u>(21,116)</u>	<u>(21,678)</u>	<u>(21,020)</u>
NPO End of Year	<u><u>\$ (20,416)</u></u>	<u><u>\$ (21,116)</u></u>	<u><u>\$ (21,678)</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Funding status and funding progress as of October 1, 2010 for all plans

	<u>General Employees</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Actuarial accrued liability (AAL)	\$32,333,799	\$11,481,860	\$ 10,159,456
Actuarial value of plan assets	24,169,558	10,443,953	6,735,469
Unfunded actuarial accrued liability (UAAL)	8,164,241	1,037,907	3,423,987
Funded ratio (actuarial value of plan assets/AAL)	74.75%	90.96%	66.30%
Covered payroll (active plan members)	8,306,718	2,087,064	1,595,024
UAAL as a percentage of covered payroll	98.28%	49.73%	214.67%

Concentration of Investments

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

General Employees' Pension Plan and Police Officers' Plan

Goldman Sachs Fin Sq Treasury

Obligation Administration Fund #469 5.54% and 6.14% respectively

H. Other Postemployment Benefits

For all Other Postemployment Benefits the City uses a single-employer plan. 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 incurred a liability beginning last 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, 2010

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)	\$	-0-
Interest on net OPEB obligation		-
Adjustment to ARC		-
Annual OPEB cost		-
Contributions made		-
Increase in net OPEB obligation		-
Net OPEB Obligation - beginning of year		112,962
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:

<u>Year</u> <u>Ending</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net</u> <u>OPEB Cost</u> <u>Obligation</u>
09/30/10	\$ 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, 2010

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%

The funded status of the plans most recent actuarial valuation date is as follows:

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%

A separate audited GAAP-basis postemployment benefit plan report was not prepared.

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).

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

IV. Detailed notes on all funds, Continued

J. Risk Management, continued

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. The fund is fully funded annually. The premiums for this coverage are paid by the various departments on a per employee coverage basis.

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2010, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 11,606
Charges for Services	2,422,047
Other	368,728
	<u>2,802,381</u>
<u>Community Redevelopment Agency</u>	
Interest	4,582
Other	104,594
	<u>109,176</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	4,161
Service Assessments	2,602,190
Other	11,364
	<u>2,617,715</u>
<u>Capital Project Fund</u>	
Interest	11,762
Other	232,610
	<u>244,372</u>
<u>Impact Fees - Transportation</u>	
Interest	5,632
Impact Fees	59,745
	<u>65,377</u>
<u>Other Governmental Funds</u>	
Interest	1,806
Service Assessments	415,670
Insurance Proceeds	4,713
Impact Fees	40,286
Other	135,186
	<u>597,661</u>
	<u>\$ 6,436,682</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2010

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, 2010 consisted of the following:

General Fund	
Reserved for law enforcement	\$ 14,890
Other	5,368
	<u>\$ 20,258</u>

M. State Board Pool Discussion

As discussed in Note IV A, at September 30, 2010, the City had \$23,052,795 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, 2010, the City has \$22,575,108 and \$477,687 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.

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information for Pension Plans

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
September 30, 2010

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						
10/01/10	\$ 24,169,558	\$ 32,333,799	\$ 8,164,241	74.75%	\$8,306,718	98.28%
10/01/09	23,165,282	30,920,378	7,755,096	74.92%	8,793,008	88.20%
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%
Municipal Police Officers' Pension Plan						
10/01/10	\$ 10,443,953	\$ 11,481,860	\$ 1,037,907	90.96%	\$2,087,064	49.73%
10/01/09	9,967,859	10,991,169	1,023,310	90.69%	2,098,774	48.76%
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%
Municipal Firefighters' Pension Plan						
10/01/10	\$ 6,735,469	\$ 10,159,456	\$ 3,423,987	66.30%	\$1,595,024	214.67%
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%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
September 30, 2010

<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				
2010	\$ 1,366,271	\$ 1,366,271	\$ -	100.00%
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%
Municipal Police Officers' Pension Plan				
2010	\$ 572,593	\$ 403,250	\$ 169,343	100.00%
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%
Municipal Firefighters' Pension Plan				
2010	\$ 496,156	\$ 286,750	\$ 209,406	100.00%
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%

* "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, 2010

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	10/01/08	10/01/08	10/01/08
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	28 years	26 years	29 years
Asset valuation Method	4 years smooth of market value	4 years smooth of market value	4 years smooth of market value
Actuarial Assumptions:			
Investment rate of return net of invest- ment related expenses	8.0%	8.0%	8.0%
Projected salary increase	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, 2010

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%
10/1/2008	-	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

* Calculation required bi-annually

Three Year Trend Information

Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
9/30/2010	\$ 150,726	0.0%	\$ 112,962
9/30/2009	150,726	25.1%	112,962
9/30/2008	N/A	N/A	N/A

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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, 2010

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
ASSETS:					
Cash and cash equivalents	\$ -	\$ 45,147	\$ 9,623	\$ 86,564	\$ 4,519
Due from other governments	2,538	-	-	-	-
Prepaid items	-	-	-	-	-
Total Assets	<u>\$ 2,538</u>	<u>\$ 45,147</u>	<u>\$ 9,623</u>	<u>\$ 86,564</u>	<u>\$ 4,519</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	2,254	-	-	-	-
Total Liabilities	<u>2,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Right-of-way improvements	-	-	-	-	-
Unreserved:					
Unreserved undesignated	284	45,147	9,623	86,564	4,519
Total Fund Balances	<u>284</u>	<u>45,147</u>	<u>9,623</u>	<u>86,564</u>	<u>4,519</u>
Total Liabilities and Fund Balances	<u>\$ 2,538</u>	<u>\$ 45,147</u>	<u>\$ 9,623</u>	<u>\$ 86,564</u>	<u>\$ 4,519</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	
\$ 501,973	\$ 393,756	\$ 253,091	\$ 130,152	\$ 5,016	\$ 1,429,841
-	8,422	17,903	51,674	-	80,537
-	987	-	-	-	987
<u>\$ 501,973</u>	<u>\$ 403,165</u>	<u>\$ 270,994</u>	<u>\$ 181,826</u>	<u>\$ 5,016</u>	<u>\$ 1,511,365</u>
\$ 10	\$ 56,464	\$ -	\$ 46,270	\$ -	\$ 102,744
-	10,465	-	-	-	10,465
-	-	-	-	-	2,254
<u>10</u>	<u>66,929</u>	<u>-</u>	<u>46,270</u>	<u>-</u>	<u>115,463</u>
-	-	-	-	5,016	5,016
501,963	336,236	270,994	135,556	-	1,390,886
<u>501,963</u>	<u>336,236</u>	<u>270,994</u>	<u>135,556</u>	<u>5,016</u>	<u>1,395,902</u>
<u>\$ 501,973</u>	<u>\$ 403,165</u>	<u>\$ 270,994</u>	<u>\$ 181,826</u>	<u>\$ 5,016</u>	<u>\$ 1,511,365</u>

CITY OF PUNTA GORDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2010

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
Revenues:					
Intergovernmental	\$ 44,775	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	8,391	8,927	7,741	15,722
Total revenues	<u>44,775</u>	<u>8,391</u>	<u>8,927</u>	<u>7,741</u>	<u>15,722</u>
Expenditures:					
Current:					
Transportation	-	-	-	-	-
Economic environment	44,775	-	-	-	-
Recreation	-	-	-	-	-
Total expenditures	<u>44,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>8,391</u>	<u>8,927</u>	<u>7,741</u>	<u>15,722</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	(35,855)	(10,000)	(62,850)	(15,000)
Total other financing sources (uses)	<u>-</u>	<u>(35,855)</u>	<u>(10,000)</u>	<u>(62,850)</u>	<u>(15,000)</u>
Net change in fund balances	-	(27,464)	(1,073)	(55,109)	722
Fund Balances, October 1, 2009	<u>284</u>	<u>72,611</u>	<u>10,696</u>	<u>141,673</u>	<u>3,797</u>
Fund Balances, September 30, 2010	<u>\$ 284</u>	<u>\$ 45,147</u>	<u>\$ 9,623</u>	<u>\$ 86,564</u>	<u>\$ 4,519</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		
\$ 1,307	\$ -	\$ 241,762	\$ 567,590	\$ -	\$ 855,434
-	416,414	446	139,996	24	597,661
<u>1,307</u>	<u>416,414</u>	<u>242,208</u>	<u>707,586</u>	<u>24</u>	<u>1,453,095</u>
-	-	640,328	667,549	-	1,307,877
4,117	-	-	-	-	48,892
18,285	301,967	-	-	-	320,252
<u>22,402</u>	<u>301,967</u>	<u>640,328</u>	<u>667,549</u>	<u>-</u>	<u>1,677,021</u>
<u>(21,095)</u>	<u>114,447</u>	<u>(398,120)</u>	<u>40,037</u>	<u>24</u>	<u>(223,926)</u>
-	-	445,000	4,125	-	449,125
-	-	-	(10,000)	(4,125)	(137,830)
-	-	445,000	(5,875)	(4,125)	311,295
(21,095)	114,447	46,880	34,162	(4,101)	87,369
<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>\$ 501,963</u>	<u>\$ 336,236</u>	<u>\$ 270,994</u>	<u>\$ 135,556</u>	<u>\$ 5,016</u>	<u>\$ 1,395,902</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, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 80,000	\$ 159,065	\$ 44,775	\$ (114,290)
Total revenues	<u>80,000</u>	<u>159,065</u>	<u>44,775</u>	<u>(114,290)</u>
Expenditures				
Current				
Economic environment	80,000	159,349	44,775	114,574
Total expenditures	<u>80,000</u>	<u>159,349</u>	<u>44,775</u>	<u>114,574</u>
Revenues over (under) expenditures	<u>-</u>	<u>(284)</u>	<u>-</u>	<u>284</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (284)</u>	<u>-</u>	<u>\$ 284</u>
Fund balances, October 1, 2009			<u>284</u>	
Fund balances, September 30, 2010			<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, 2010

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 7,140</u>	<u>\$ 7,140</u>	<u>\$ 8,391</u>	<u>\$ 1,251</u>
Total revenues	<u>7,140</u>	<u>7,140</u>	<u>8,391</u>	<u>1,251</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>7,140</u>	<u>7,140</u>	<u>8,391</u>	<u>1,251</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(35,856)</u>	<u>(35,855)</u>	<u>1</u>
Total other financing uses	<u>-</u>	<u>(35,856)</u>	<u>(35,855)</u>	<u>1</u>
Net change in fund balance	<u>\$ 7,140</u>	<u>\$ (28,716)</u>	<u>(27,464)</u>	<u>\$ 1,252</u>
Fund balances, October 1, 2009			<u>72,611</u>	
Fund balances, September 30, 2010			<u>\$ 45,147</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, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 7,100	\$ 7,100	\$ 8,927	\$ 1,827
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>8,927</u>	<u>1,827</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>7,100</u>	<u>7,100</u>	<u>8,927</u>	<u>1,827</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>\$ (2,900)</u>	<u>\$ (2,900)</u>	(1,073)	<u>\$ 1,827</u>
Fund balances, October 1, 2009			<u>10,696</u>	
Fund balances, September 30, 2010			<u>\$ 9,623</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, 2010

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 16,700</u>	<u>\$ 16,700</u>	<u>\$ 7,741</u>	<u>\$ (8,959)</u>
Total revenues	<u>16,700</u>	<u>16,700</u>	<u>7,741</u>	<u>(8,959)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>16,700</u>	<u>16,700</u>	<u>7,741</u>	<u>(8,959)</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(98,894)</u>	<u>(62,850)</u>	<u>36,044</u>
Total other financing uses	<u>-</u>	<u>(98,894)</u>	<u>(62,850)</u>	<u>36,044</u>
Net change in fund balance	<u>\$ 16,700</u>	<u>\$ (82,194)</u>	<u>(55,109)</u>	<u>\$ 27,085</u>
Fund balances, October 1, 2009			<u>141,673</u>	
Fund balances, September 30, 2010			<u>\$ 86,564</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, 2010

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 15,010</u>	<u>\$ 15,010</u>	<u>\$ 15,722</u>	<u>\$ 712</u>
Total revenues	<u>15,010</u>	<u>15,010</u>	<u>15,722</u>	<u>712</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>15,010</u>	<u>15,010</u>	<u>15,722</u>	<u>712</u>
Other financing uses				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 10</u>	<u>\$ 10</u>	722	<u>\$ 712</u>
Fund balances, October 1, 2009			<u>3,797</u>	
Fund balances, September 30, 2010			<u>\$ 4,519</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, 2010

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 413,032</u>	<u>\$ 413,032</u>	<u>\$ 416,414</u>	<u>\$ 3,382</u>
Total revenues	<u>413,032</u>	<u>413,032</u>	<u>416,414</u>	<u>3,382</u>
Expenditures				
Current				
Recreation	<u>451,628</u>	<u>524,628</u>	<u>301,967</u>	<u>222,661</u>
Total expenditures	<u>451,628</u>	<u>524,628</u>	<u>301,967</u>	<u>222,661</u>
Revenues over (under) expenditures	<u>(38,596)</u>	<u>(111,596)</u>	<u>114,447</u>	<u>226,043</u>
Net change in fund balance	<u><u>\$ (38,596)</u></u>	<u><u>\$ (111,596)</u></u>	<u>114,447</u>	<u><u>\$ 226,043</u></u>
Fund balances, October 1, 2009			<u>221,789</u>	
Fund balances, September 30, 2010			<u><u>\$ 336,236</u></u>	

CITY OF PUNTA GORDA, FLORIDA
 FIVE CENT GAS TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 228,000	\$ 245,000	\$ 241,762	\$ (3,238)
Miscellaneous	-	360	446	86
Total revenues	<u>228,000</u>	<u>245,360</u>	<u>242,208</u>	<u>(3,152)</u>
Expenditures				
Current				
Transportation	<u>693,000</u>	<u>914,474</u>	<u>640,328</u>	<u>274,146</u>
Total expenditures	<u>693,000</u>	<u>914,474</u>	<u>640,328</u>	<u>274,146</u>
Revenues under expenditures	<u>(465,000)</u>	<u>(669,114)</u>	<u>(398,120)</u>	<u>270,994</u>
Other financing sources				
Transfers in	<u>465,000</u>	<u>445,000</u>	<u>445,000</u>	<u>-</u>
Total other financing sources	<u>465,000</u>	<u>445,000</u>	<u>445,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (224,114)</u>	46,880	<u>\$ 270,994</u>
Fund balances, October 1, 2009			<u>224,114</u>	
Fund balances, September 30, 2010			<u>\$ 270,994</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, 2010

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 534,000	\$ 534,000	\$ 567,590	\$ 33,590
Miscellaneous	137,136	141,492	139,996	(1,496)
Total revenues	<u>671,136</u>	<u>675,492</u>	<u>707,586</u>	<u>32,094</u>
Expenditures				
Current				
Transportation	663,742	751,011	667,549	83,462
Total expenditures	<u>663,742</u>	<u>751,011</u>	<u>667,549</u>	<u>83,462</u>
Revenues over (under) expenditures	<u>7,394</u>	<u>(75,519)</u>	<u>40,037</u>	<u>115,556</u>
Other financing sources (uses)				
Transfers in	-	4,125	4,125	-
Transfers out	(30,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>(30,000)</u>	<u>(5,875)</u>	<u>(5,875)</u>	<u>-</u>
Net change in fund balance	<u>\$ (22,606)</u>	<u>\$ (81,394)</u>	34,162	<u>\$ 115,556</u>
Fund balances, October 1, 2009			<u>101,394</u>	
Fund balances, September 30, 2010			<u>\$ 135,556</u>	

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INTERNAL SERVICE FUNDS

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

- 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, 2010

	<u>Information Technology</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 430,719
Prepaid expense	<u>17,868</u>
Total current assets	<u>448,587</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>571,115</u>
Total noncurrent assets	<u>571,115</u>
Total assets	<u>1,019,702</u>
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts payable	7,351
Current portion compensated absences	1,546
Accrued liabilities	<u>10,148</u>
Total current liabilities	<u>19,045</u>
Noncurrent Liabilities	
Accrued compensated absences	13,910
Other postemployment benefits payable	<u>2,259</u>
Total noncurrent liabilities	<u>16,169</u>
Total liabilities	<u>35,214</u>
NET ASSETS	
Invested in capital assets, net of related debt	571,115
Unrestricted (deficit)	<u>413,373</u>
Total net assets	<u><u>\$ 984,488</u></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, 2010

	<u>Information Technology</u>
Operating Revenues	
Charges for services	<u>\$ 974,996</u>
Total operating revenues	<u>974,996</u>
Operating Expenses	
Personal services	373,931
Contractual services	215,577
Materials and supplies	16,314
Utilities	4,067
Depreciation	223,136
Insurance	19,981
Repairs and maintenance	283,701
Travel and training	12,333
Rent	<u>66,145</u>
Total operating expenses	<u>1,215,185</u>
Operating loss	<u>(240,189)</u>
Nonoperating revenues	
Interest income	1,230
Gain on disposal of capital assets	<u>310</u>
Total nonoperating revenues	<u>1,540</u>
Income before transfers	<u>(238,649)</u>
Transfers In	<u>121,273</u>
Change in net assets	(117,376)
Net assets - beginning	<u>1,101,864</u>
Net assets - ending	<u><u>\$ 984,488</u></u>

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2010

	<u>Information Technology</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from services provided	\$ 974,996
Cash payments to suppliers for goods and services	(649,001)
Cash payments to employees for services	<u>(371,754)</u>
Net cash used in operating activities	<u>(45,759)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating Transfers	<u>121,273</u>
Net cash provided by noncapital financing activities	<u>121,273</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of property, plant, and equipment	(248,577)
Sale of equipment disposal	<u>310</u>
Net cash used in capital and related financing activities	<u>(248,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>1,230</u>
Net cash provided by investing activities	<u>1,230</u>
Net decrease in cash and cash equivalents	(171,523)
Cash and cash equivalents at beginning of year	<u>602,242</u>
Cash and cash equivalents at end of year	<u><u>\$ 430,719</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (240,189)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	223,136
Net (increase) decrease in: Prepaids	(16,490)
Net increase (decrease) in: Accounts payable	(14,393)
Accrued liabilities	<u>2,177</u>
Net cash used in operating activities	<u><u>\$ (45,759)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Disposal of fully depreciated capital assets	\$ 72,225

STATISTICAL SECTION

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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 Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2010	2009	2008
Governmental activities			
Invested in capital assets, net of related debt	\$ 41,789,787	\$ 34,583,793	\$ 22,648,403
Restricted	6,651,036	12,319,882	16,564,079
Unrestricted	3,947,931	1,908,437	5,654,823
Total governmental activities net assets	<u>\$ 52,388,754</u>	<u>\$ 48,812,112</u>	<u>\$ 44,867,305</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 40,092,054	\$ 36,108,108	\$ 34,966,838
Restricted	3,906,859	8,085,297	10,545,071
Unrestricted	8,205,482	8,293,575	7,746,315
Total business-type activities net assets	<u>\$ 52,204,395</u>	<u>\$ 52,486,980</u>	<u>\$ 53,258,224</u>
Primary government			
Invested in capital assets, net of related debt	\$ 81,881,841	\$ 70,691,901	\$ 57,615,241
Restricted	10,557,895	20,405,179	27,109,150
Unrestricted	12,153,413	10,202,012	13,401,138
Total primary government net assets	<u>\$104,593,149</u>	<u>\$101,299,092</u>	<u>\$ 98,125,529</u>

Per the Statement of Net Assets

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$33,056,270	\$26,355,360	\$28,455,370	\$25,200,694	\$23,892,442	\$26,662,334
4,752,331	5,258,454	3,878,852	3,802,933	2,826,351	1,747,164
7,464,821	7,669,666	3,283,673	2,791,662	5,304,525	4,584,091
<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>
\$28,147,738	\$25,671,970	\$25,258,114	\$24,718,468	\$23,500,701	\$22,351,238
10,821,837	7,632,554	8,136,448	7,510,942	9,185,654	8,216,625
11,059,075	15,001,540	10,925,707	10,224,442	8,448,403	9,328,883
<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>
\$61,204,008	\$52,027,330	\$53,713,484	\$49,919,162	\$47,393,143	\$49,013,572
15,574,168	12,891,008	12,015,300	11,313,875	12,012,005	9,963,789
18,523,896	22,671,206	14,209,380	13,016,104	13,752,928	13,912,974
<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 Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year		
	2010	2009	2008
Expenses			
Governmental activities:			
General government	\$ 3,932,729	\$ 4,206,952	\$ 5,058,263
Public safety	8,608,147	8,284,731	8,475,071
Transportation	2,671,254	2,489,020	2,501,444
Economic environment	280,643	105,296	1,549,851
Recreation	4,799,940	4,545,088	4,914,306
Storm related	-	-	-
Interest on long-term debt	1,158,268	892,524	349,841
Total governmental activities expenses	<u>21,450,981</u>	<u>20,523,611</u>	<u>22,848,776</u>
Business-type activities:			
Water and wastewater	14,169,605	16,219,660	15,761,078
Sanitation/refuse	2,644,978	2,653,853	2,697,547
Building Fund	756,813	878,240	900,760
Marina Fund	226,092	184,295	214,506
Total business-type activities expenses	<u>17,797,488</u>	<u>19,936,048</u>	<u>19,573,891</u>
Total primary government expenses	<u><u>\$ 39,248,469</u></u>	<u><u>\$ 40,459,659</u></u>	<u><u>\$ 42,422,667</u></u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 1,733,185	\$ 447,370	\$ 494,777
Public Safety	11,244	42,485	46,151
Transportation	133,718	131,063	-
Recreation	3,017,860	2,497,317	2,497,130
Operating grants and contributions	604,884	572,143	546,568
Capital grants and contributions	5,506,701	4,674,346	2,497,389
Intergovernmental revenues	-	-	-
Total governmental activities program revenues	<u>11,007,592</u>	<u>8,364,724</u>	<u>6,082,015</u>
Business-type activities:			
Charges for Services:			
Water and Sewer	13,433,435	13,555,767	11,644,843
Sanitation/refuse	2,871,430	2,886,005	2,837,053
Building Fund	481,971	393,770	778,176
Marina Fund	235,027	202,033	216,771
Operating grants and contributions	-	-	-
Capital grants and contributions	345,518	1,810,905	6,376,950
Total business-type activities program revenues	<u>17,367,381</u>	<u>18,848,480</u>	<u>21,853,793</u>

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 4,171,880	\$ 3,279,077	\$ 3,818,813	\$ 4,196,052	\$ 5,857,625	\$ 3,052,661
8,324,762	7,500,777	7,608,668	6,791,333	5,908,408	5,712,403
3,632,732	2,870,066	2,068,295	2,182,392	1,989,493	2,186,096
521,498	608,842	501,182	254,360	177,115	1,358,570
5,346,971	4,929,326	3,729,535	7,658,375	3,730,291	1,603,157
-	-	2,855,483	4,674,955	-	-
361,620	304,843	203,138	234,058	198,943	151,212
<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>
15,848,537	14,171,524	12,546,070	12,701,810	11,902,457	11,107,858
2,696,303	2,722,014	2,463,665	2,520,655	2,420,658	2,282,279
1,071,282	1,219,504	-	-	-	-
114,477	-	-	-	-	-
<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>
<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>
\$ 521,702	\$ 602,994	\$ 279,712	\$ 165,800	\$ 222,266	\$ 121,257
37,316	72,032	2,604,091	613,741	696,958	658,773
-	-	142,322	118,646	86,486	43,687
2,509,787	2,649,555	2,056,033	2,059,657	1,417,952	1,417,887
586,303	565,166	3,216,534	4,950,127	56,409	210,082
4,312,306	3,312,120	1,223,665	3,430,791	1,163,079	1,736,858
-	-	-	4,511,548	3,927,265	-
<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>
12,235,089	11,936,777	11,239,816	11,864,808	11,146,850	10,987,962
2,828,985	2,718,416	2,344,094	2,509,935	2,208,154	2,091,504
1,044,109	1,878,408	-	-	-	-
104,320	-	-	-	-	-
61,480	9,322	16,190	30,639	24,683	30,917
3,380,915	4,148,396	2,730,343	1,630,102	1,556,869	2,600,528
<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>

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

	Fiscal Year		
	2010	2009	2008
Net (Expense)/Revenue			
Government activities	\$ (10,443,389)	\$(12,158,887)	\$(16,766,761)
Business type activities	(430,107)	(1,087,568)	2,279,902
Total primary government net expense	<u>\$ (10,873,496)</u>	<u>\$(13,246,455)</u>	<u>\$(14,486,859)</u>
General Revenues and Other			
Changes in Net Assets			
Government activities:			
Property taxes	\$ 6,829,344	\$ 7,508,812	\$ 7,319,612
Franchise fees and other taxes	-	1,448,111	1,365,284
Utility taxes and gas taxes	3,669,713	3,540,381	3,348,743
Sales taxes	2,913,132	2,874,856	3,192,142
Occupational licenses	-	-	-
Investment earnings	39,548	177,625	466,383
Miscellaneous	568,293	553,909	683,480
Gain on sale of capital assets	-	-	-
Transfers	-	-	(15,000)
Total governmental activities	<u>14,020,030</u>	<u>16,103,694</u>	<u>16,360,644</u>
Business-type activities:			
Franchise fees and other taxes	-	49,850	13,757
Utility taxes and gas taxes	-	-	-
Intergovernmental revenues	-	-	-
Investment earnings	39,390	144,879	546,821
Miscellaneous	108,132	121,595	374,094
Gain on sale of capital assets	-	-	-
Transfers	-	-	15,000
Total business-type activities	<u>147,522</u>	<u>316,324</u>	<u>949,672</u>
Total primary government	<u>\$ 14,167,552</u>	<u>\$ 16,420,018</u>	<u>\$ 17,310,316</u>
Change in Net Assets			
Governmental activities	\$ 3,576,641	\$ 3,944,807	\$ (406,117)

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ (14,392,049)	\$ (12,291,064)	\$ (11,262,757)	\$ (10,141,215)	\$ (10,291,460)	\$ (9,875,555)
(75,701)	2,578,277	1,320,708	813,019	613,441	2,320,774
<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>
\$ 7,401,394	\$ 6,134,672	\$ 5,733,290	\$ 4,932,027	\$ 4,373,005	\$ 4,177,120
1,331,145	1,323,607	1,109,411	1,044,505	1,016,275	31,641
3,462,681	3,440,025	3,400,667	3,471,836	3,488,370	1,126,818
3,732,044	4,021,518	3,865,509	-	-	-
-	-	-	-	-	136,420
881,752	794,741	228,952	194,637	206,280	335,301
961,972	742,086	747,534	254,509	287,250	203,750
-	-	-	15,672	31,806	28,994
-	(500,000)	-	-	-	3,196,412
<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>
16,060	16,610	13,527	14,815	12,661	903,028
-	-	-	-	-	2,161,270
-	-	-	-	-	146,243
1,035,266	842,404	490,500	267,424	379,771	587,233
746,961	48,504	39,825	223,836	212,774	43,555
-	-	1,857	-	19,365	37,520
-	500,000	-	-	-	(3,196,412)
<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>
<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>
\$ 3,378,939	\$ 3,665,585	\$ 3,822,606	\$ (228,029)	\$ (888,474)	\$ (639,099)

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

	Fiscal Year		
	2010	2009	2008
General Fund			
Reserved	\$ 20,258	\$ 23,330	\$ 13,325
Unreserved	2,719,651	2,975,814	2,136,234
Total general fund	<u>\$ 2,739,909</u>	<u>\$ 2,999,144</u>	<u>\$ 2,149,559</u>
All Other Governmental Funds			
Reserved			
Community Redevelopment Agency fund	\$ -	\$ -	\$ -
Special revenue funds	-	-	-
Capital projects fund	4,735,079	7,182,506	14,748,301
Debt service	1,890,683	2,592,975	1,793,418
Permanent fund	5,016	9,117	9,035
Unreserved, reported in:			
Special revenue funds	4,253,408	4,384,516	4,074,605
Designated for subsequent year's budget	-	-	-
Total all other governmental funds	<u>\$ 10,884,186</u>	<u>\$ 14,169,114</u>	<u>\$ 20,625,359</u>

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 12,073	\$ 8,320	\$ 12,873	\$ 20,976	\$ 16,814	\$ 28,966
2,592,762	3,515,022	4,057,485	3,140,042	3,398,600	3,256,143
<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>
\$ -	\$ -	\$ -	\$ -	\$ 1,850,128	\$ -
-	-	67,192	91,892	384,961	-
4,731,481	5,241,808	3,790,840	3,682,328	2,416,937	1,710,380
-	-	-	-	-	-
8,777	8,326	7,947	7,737	7,639	7,529
5,493,619	4,693,565	(411,586)	114,743	774,022	798,210
-	-	-	-	-	367,728
<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			
	2010	2009	2008	2007
Revenues				
Taxes	\$ 9,689,705	\$ 10,246,335	\$ 9,928,267	\$ 11,264,695
Licenses and permits	1,367,597	1,490,496	1,411,185	119,369
Intergovernmental	7,877,020	6,918,794	6,921,575	9,099,683
Charges for services	276,077	383,255	369,828	330,834
Fines and forfeits	84,706	126,733	167,949	215,000
Miscellaneous	6,436,682	7,893,570	6,251,446	7,245,744
Total revenues	<u>25,731,787</u>	<u>27,059,183</u>	<u>25,050,250</u>	<u>28,275,325</u>
Expenditures				
Current:				
General government	5,210,592	5,562,439	6,154,605	6,377,140
Public safety	8,157,088	7,833,093	8,125,330	8,096,334
Transportation	2,295,249	1,894,342	1,907,488	3,230,449
Economic environment	302,359	121,539	1,661,754	521,498
Recreation	4,137,861	3,897,380	4,341,429	4,710,861
Storm Related	-	-	-	-
Debt service:				
Principal	1,641,750	660,250	648,000	620,500
Interest and other charges	1,158,268	892,524	349,841	361,620
Capital outlay	6,251,510	18,619,817	6,338,689	7,596,255
Total expenditures	<u>29,154,677</u>	<u>39,481,384</u>	<u>29,527,136</u>	<u>31,514,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,422,890)</u>	<u>(12,422,201)</u>	<u>(4,476,886)</u>	<u>(3,239,332)</u>
Other financing sources (uses)				
Transfers in	3,726,512	4,045,215	3,704,250	3,987,168
Transfers out	(3,847,785)	(4,229,674)	(3,719,250)	(3,987,168)
Issuance of debt	-	7,000,000	14,428,092	-
Total other financing sources (uses)	<u>(121,273)</u>	<u>6,815,541</u>	<u>14,413,092</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,544,163)</u>	<u>\$ (5,606,660)</u>	<u>\$ 9,936,206</u>	<u>\$ (3,239,332)</u>
Debt service as a percentage of noncapital expenditures	<u>14.20%</u>	<u>8.10%</u>	<u>4.45%</u>	<u>4.40%</u>

Fiscal Year					
2006	2005	2004	2003	2002	2001
\$ 9,922,917	\$ 10,231,641	\$ 9,448,368	\$ 8,877,651	\$ 5,335,578	\$ 4,831,775
156,080	2,736,653	704,155	837,940	782,102	826,990
8,709,282	8,211,624	12,750,887	4,855,125	4,475,894	3,670,491
416,161	254,001	194,033	167,770	112,312	117,097
173,594	103,379	102,698	104,621	101,718	121,057
6,670,719	4,762,080	4,344,582	3,881,054	4,556,822	4,123,202
<u>26,048,753</u>	<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>
5,436,018	4,907,746	5,129,701	5,422,490	4,713,308	4,295,517
7,208,484	7,518,937	6,805,994	6,025,466	5,879,324	5,250,164
2,355,179	1,897,888	2,019,953	1,900,615	1,975,509	1,876,271
384,949	342,286	273,110	177,115	1,358,570	452,924
4,270,190	3,074,464	6,971,671	2,455,913	909,443	838,074
-	2,855,483	4,674,955	-	-	-
528,996	1,066,130	729,446	2,443,832	381,283	317,170
304,843	203,138	240,530	188,475	134,133	204,954
4,170,804	3,958,521	2,490,746	1,522,110	7,176,170	3,205,864
<u>24,659,463</u>	<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>1,389,290</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>
3,542,741	3,092,341	2,514,222	4,071,526	7,683,806	6,620,578
(4,042,741)	(3,100,093)	(2,514,222)	(4,071,526)	(4,487,394)	(3,417,719)
5,053,000	-	-	4,092,000	352,000	595,523
<u>4,553,000</u>	<u>(7,752)</u>	<u>-</u>	<u>4,092,000</u>	<u>3,548,412</u>	<u>3,798,382</u>
<u>\$ 5,942,290</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>4.27%</u>	<u>6.24%</u>	<u>3.82%</u>	<u>16.94%</u>	<u>6.14%</u>	<u>4.11%</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
2010	\$3,224,453,130	\$ 172,848,079	\$ 751,168,457	\$2,646,132,752	2.6996
2009	3,773,457,668	174,944,721	886,364,162	2,712,148,785	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

Source: Charlotte 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,	Direct Rate	Overlapping Rates ^a					Charlotte County School Board		Total Direct and Overlapping Rates
	Operating Millage	SWFWMD	Peace River Basin	WCIND	Other	Charlotte County			
2010	2.6996	0.3866	0.1827	0.0394	0.2000	5.7096	7.3570	16.5749	
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	

^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	2010	2009	2008	2007
		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
1	Florida Power & Light Co. Electric Utility	\$ 39.1	\$ 41.4	\$ 38.4	\$ 37.3
2	Punta Gorda Medical Center, Inc. Hospital	33.1	47.1	46.5	47.0
3	Sprint-United Telephone Company of FL Telephone Utility	11.9	20.9	21.8	23.7
4	Punta Gorda Hotel, LLC Best Western	11.2	13.3	15.2	15.5
5	Nu-West Florida, Inc. Shopping Center Fishermen's Village	10.8	13.0	13.0	15.5
6	Integrated Control Systems, Inc.- Training Center & Impac University	10.2	-	-	12.3
7	Punta Gorda Assoc., Ltd. Life Care Center	8.1	-	7.7	-
8	SunLoft LLC	8.0	13.6	-	-
9	Home Depot USA, Inc	7.8	9.0	9.6	10.8
10	Colonial Realty, Limited-shopping center Shopping Center Burnt Store	7.0	-	-	8.5
	Palm Isles Condo Dev LLC Condo- Vivante	-	9.5	18.5	20.1
	Punta Gorda Partners LLC Condo- Vivante	-	9.1	20.3	10.3
	Fund VIII Punta Gorda Crossing	-	9.0	9.1	-
	Punta Gorda Pines, Ltd Condo- The Pines	-	-	-	-
	Punta Gorda Land Holdings Condo- Vivante	-	-	-	-
	Semlak LLC Shopping Center-Seminole Plaza	-	-	-	-
	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	\$ 147.2	\$ 185.9	\$ 200.1	\$ 201.0
	City Total Assessed Value	\$ 2,664.1	\$ 2,664.1	\$ 3,062.2	\$ 3,515.6
	Principal Taxpayer's Percentage of total	5.53%	6.98%	6.53%	5.72%

Source: Charlotte County Property Appraiser

2006	2005	2004	2003	2002	2001
Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
\$ 28.7	\$ 24.1	\$ 24.1	\$ 22.5	\$ 20.8	\$ 11.6
37.3	31.7	31.7	32.5	29.0	27.0
18.1	17.0	17.0	17.0	17.5	16.3
-	8.8	8.8	-	-	-
9.3	15.7	15.7	15.2	7.8	11.3
-	-	-	12.6	10.4	9.1
-	6.5	6.5	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9.7	11.6	11.6	13.2	12.8	13.0
8.3	-	-	-	-	-
8.5	-	-	-	-	-
-	-	-	-	-	-
9.0	10.2	10.2	12.9	13.0	-
7.1	-	-	-	-	-
6.6	6.7	6.7	7.1	-	6.2
-	-	-	9.3	8.6	9.2
-	-	-	-	7.2	6.0
-	-	-	-	-	-
-	8.2	8.2	-	-	5.8
-	-	-	-	-	-
-	-	-	9.8	9.5	-
\$ 142.6	\$ 140.5	\$ 140.5	\$ 152.1	\$ 136.6	\$ 115.5
\$ 2,579.2	\$ 2,408.0	\$ 2,081.0	\$ 1,793.0	\$ 1,584.0	\$ 1,415.0
5.53%	5.83%	6.75%	8.48%	8.62%	8.16%

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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>
2010	\$ 7,143,500	\$ 6,829,121	95.60%	\$ -	\$ 6,829,121	95.60%
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%

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
2010	\$ -	\$ 26,952,009	\$ -	\$ 5,680,000	\$ 6,528,031	\$ 349,990
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

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
\$ -	\$ 39,510,030	6.6%	\$ 2,277
-	43,259,999	7.3%	1,237
-	38,951,101	6.9%	2,546
-	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

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, 2010

<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	<u>-</u>		<u>-</u>
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
2010	\$13,877,616	\$ 9,379,526	\$ 4,498,090	\$ 1,578,540	2.8
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

(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

Fiscal year Ended September 30,	Population City of Punta Gorda (a)	Population Charlotte County	Per Capita Income (b)	Total Personal Income City of Punta Gorda (in thousands)	Unemployment Rate (b)
2010	17,353	162,407	34,587	600,188	12.0%
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%

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 2010

Employer	Employees	Rank	Percentage of Total MSA Employment
Charlotte County School Board	2,312	1	3.39%
Wal - Mart	1,525	2	2.24%
Publix Supermarkets	1,405	3	1.82%
Charlotte County Board of Commisioners	1,075	4	1.58%
Fawcett Memorial Hospital Inc.	865	5	1.27%
Peace River Regional Medical Center	700	6	1.03%
Charlotte Regional Medical Center	680	7	1.00%
Charlotte County Sheriff's Office	603	8	0.88%
Home Depot	500	9	0.59%
Charlotte Correctional Institute	480	10	0.70%

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 Eight Fiscal Years

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003
General Government								
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager's Office	1.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	3.00	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	5.00
Procurement	7.25	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	8.00	7.00	7.00
Legal	0.50	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	3.00	5.00
Engineering	5.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00
Right of Way Maintenance	15.00	16.00	17.00	18.00	18.00	18.00	18.00	18.00
Parks and Grounds	12.00	14.00	16.00	16.00	16.00	16.00	14.00	13.50
Police	52.00	51.00	52.00	52.00	52.00	51.00	49.50	48.50
Fire	28.00	29.00	30.00	30.00	30.00	30.00	29.00	26.00
Growth Management								
Growth Management Admin	1.00	2.00	2.00	2.00	2.00	2.00	1.50	1.00
Code Compliance	4.00	5.00	6.00	7.00	7.00	7.00	-	-
Urban Design	6.80	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Facilities Maintenance	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.50
Punta Gorda Isles Canal Maintenance	9.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
Utilities								
Billing and Collections	4.60	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Utilities Administration	6.00	7.00	7.00	7.00	5.00	5.00	5.00	5.00
Water Treatment	13.50	16.00	18.00	18.00	18.00	18.00	17.00	17.00
Wastewater Collection	15.00	15.00	15.00	15.00	15.00	14.00	12.00	12.00
Wastewater Treatment	13.50	13.50	15.00	15.00	15.00	15.00	15.00	15.00
Water Distribution	20.00	18.00	20.00	20.00	20.00	16.00	16.00	16.00
Fleet Maintenance	3.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Sanitation/Refuse	19.00	19.00	19.00	19.00	19.00	20.00	21.00	21.00
Building	8.00	8.00	8.00	11.00	14.00	14.00	14.00	14.00
Information Technology								
Information Technology (IT)	4.00	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>276.15</u>	<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 Six Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police						
Calls for Service	15,687	16,177	14,222	13,026	13,940	13,637
Citations Issued	12,626	13,708	15,652	20,030	20,084	12,306
Traffic crashes	491	465	448	534	628	583
Narcotics arrests	277	247	226	250	187	215
Fire Department						
Fires	52	81	70	87	100	97
EMS and Police assistance calls	2,529	2,403	2,115	2,047	1,898	1,670
General Government						
Building permits issued	1,170	939	1,429	1,723	3,062	11,792
Building inspections conducted	2,415	2,552	4,834	6,799	8,860	21,105
Dwelling units permitted	43	18	98	92	243	722
Streets and highways						
Streets resurfaced (<i>miles</i>)	6.5	6.2	0.0	6.5	5	5
New sidewalks (linear feet)	4,490	6,547	5,180	0	0	350
Water						
New connections	9	45	192	322	485	622
Average daily consumption (<i>thousands of gallons</i>)	4,299	4,101	4,018	4,580	4,776	4,300
Peak daily consumption (<i>thousands of gallons</i>)	6,400	6,602	7,061	6,023	6,705	6,300
Water equivalent residential units (ERU)	20,512	20,651	21,430	21,611	21,234	14,018
Wastewater						
Average daily sewage treatment (<i>thousands of gallons</i>)	2,210	1,840	1,884	1,740	2,087	4,000
Sewer equivalent residential units (ERU)	15,292	15,062	15,688	15,569	15,185	12,310
Solid waste collection						
Solid waste collected (<i>tons per day</i>)	24.8	23.5	26.1	30.3	31.9	38.5
Recyclables collected (<i>tons per day</i>) <i>includes yardwaste</i>	11.4	10.8	10.3	12.4	13.1	10.9
Refuse equivalent residential units (ERU)	10,374	10,690	10,206	10,569	10,252	11,558
Punta Gorda Isles Canal Maintenance Assessment District						
Seawall replacement (feet)	6,484	4,221	4,248	4,786	8,440	2,354
Seawall cap replacement (feet)	6,479	5,076	4,676	6,155	967	5,080
Burnt Store Isles Canal Maintenance Assessment District						
Seawall replacement (feet)	694	750	474	410	154	362
Seawall cap replacement (feet)	898	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 Six Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police						
Stations	1	1	1	1	1	1
Sub-Stations	2	2	0	0	0	0
Number of Police Officers Authorized	34	35	36	36	32	34
Fire						
Stations	3	3	3	3	3	3
Number of Firefighters Authorized	26	26	27	27	27	27
Streets and highways						
Streets (<i>miles</i>)	116	110	110	110	110	110
Unpaved streets (<i>miles</i>)	2	2	2	2	2	2
Streetlights	590	566	566	566	566	566
Traffic signal intersections	18	18	18	18	18	18
Water						
Water mains (<i>miles</i>)	237	237	235	235	226	217
Storage capacity (<i>thousands of gallons</i>)	6,870	6,870	6,870	6,870	6,870	6,870
Fire hydrants	1,177	1,173	979	979	1,000	930
Wastewater						
Sanitary sewers (<i>miles</i>)	129	129	129	129	132	127
Treatment capacity (<i>thousands</i>)	4,000	4,000	4,000	4,000	4,000	4,000
Solid waste collection						
Collection trucks	10	10	10	10	11	9
Parks and recreation						
Acreage	90.7	90.7	90.7	90.7	90.7	90.7
Number of Parks	12	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, 2010, and have issued our report thereon dated March 18, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated March 18, 2011, 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:

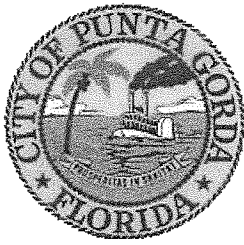
- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.
- 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. 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 provisions of contracts or grant agreements, or abuse, that have occurred or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. 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, 2010, 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, 2010. 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 18, 2011



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 24, 2011

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:

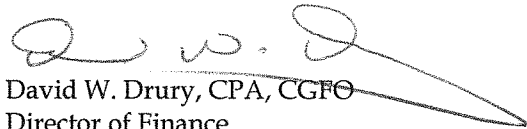
I. Prior year comments which continue to apply.

None.

II. Current year comments and recommendations.

None.

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



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, 2010, and have issued our report thereon dated March 18, 2011. 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Adley Brown & Co.

March 18, 2011