



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

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2012**

PREPARED BY THE FINANCE DEPARTMENT

David W. Drury, CPA
Director of Finance

CITY COUNCIL

MAYOR

WILLIAM F. ALBERS

VICE MAYOR

RACHEL B. KEESLING

COUNCILMEMBER

CAROLYN M. FREELAND

COUNCILMEMBER

THOMAS F. CAVANAUGH

COUNCILMEMBER

KIM M. DEVINE

CITY MANAGER

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

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INTRODUCTORY SECTION

This section contains
the following subsections:

Letter of Transmittal

List of Elected
and Appointed Officials

City of Punta Gorda Organizational Chart

Certificate of Achievement
for Excellence in Financial Reporting



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CITY OF PUNTA GORDA, FLORIDA

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

March 26, 2013

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

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Punta Gorda for the fiscal year ended September 30, 2012.

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, 2012 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, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Punta Gorda is generally part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This year the City didn't meet the Single Audit criteria, and none was prepared.



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 Damage Recovery Fund since revenues and expenditures couldn't be estimated due to many fiscal uncertainties. 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 or CRA.

Factors Affecting Financial Condition

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

Long-term financial planning

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

Major Initiatives

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

Vision: *Punta Gorda is the model for small cities in the U.S. to live, work and play.*

Vision Elements:

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

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

Mission Elements include:

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

Values Elements:

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

Strategic Plan Priorities:

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

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

- Financial/Economic Sustainability
- Infrastructure Sustainability
- Partnership, Communication & Collaboration
- Marketing
- Quality of Life

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

Other Economic Issues Affecting City Finances

It is the City's policy to have a minimum Unassigned General Fund Balance of 5.5%. Due to a decline in taxable property values for the past six 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.

Additional policy changes that affect the City's current and future financial statements are increased outsourcing, annexations, staff reductions and 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 CAFR for the fiscal year ended September 30, 2011. This was the twenty-seventh 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.

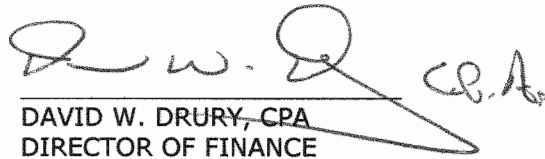
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

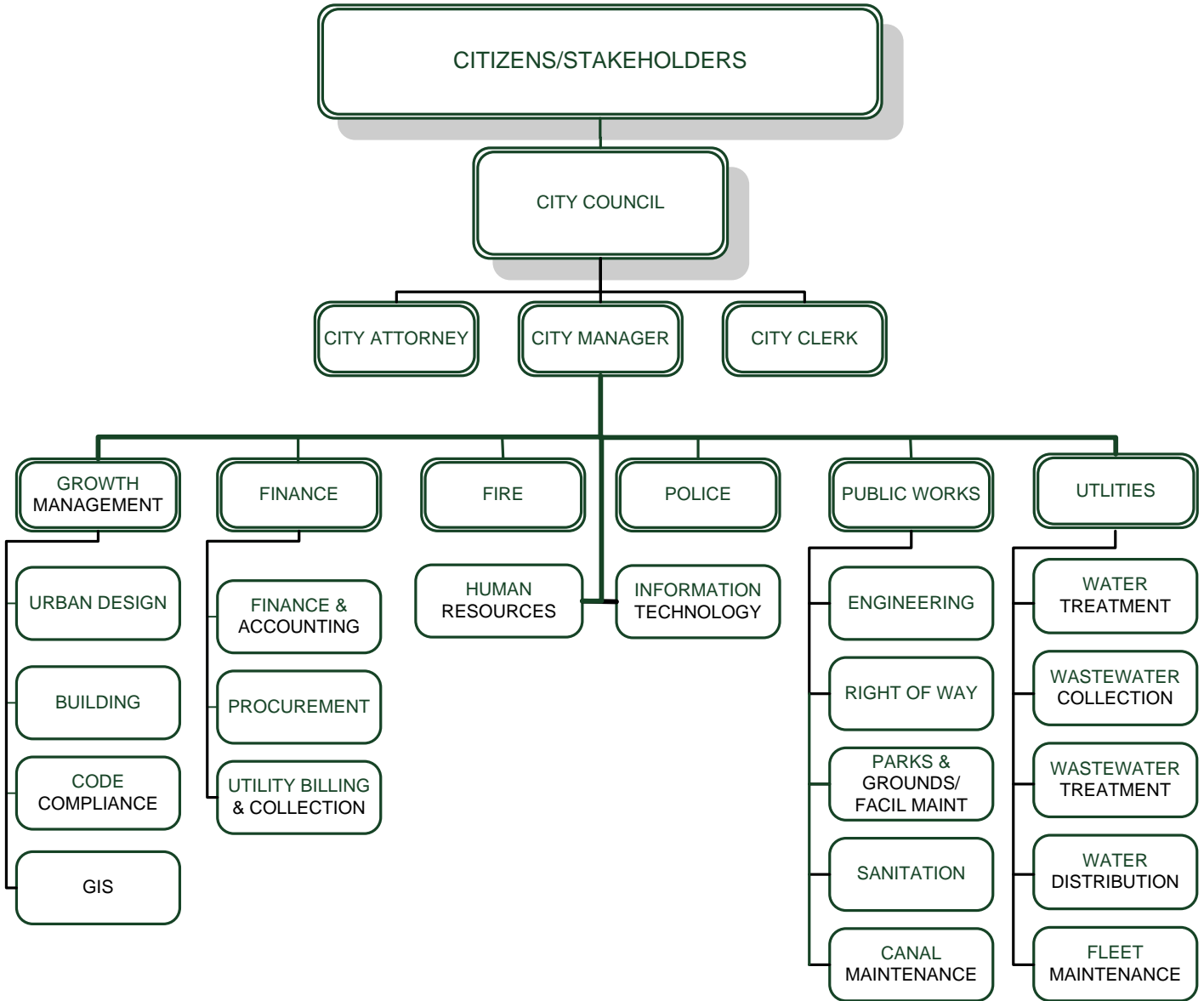


DAVID W. DRURY, CPA
DIRECTOR OF FINANCE

City of Punta Gorda
List of Principal Officials
As of September 30, 2012

| <u>Title</u> | <u>Name</u> |
|-------------------------------|---------------------|
| Mayor | William F. Albers |
| Vice Mayor | Harvey E. Goldberg |
| Councilmember | Carolyn M. Freeland |
| Councilmember | Rachel B. Keesling |
| Councilmember | Charles A. Wallace |
| City Manager | Howard Kunik |
| City Attorney | David M. Levin |
| City Clerk | Sue Foster |
| Chief of Police | Albert A. Arenal |
| Fire Operations Chief | Raymond A. Briggs |
| 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, 2011. 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-seven consecutive years (fiscal years ended 1985 through 2011). 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, 2011

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.



Christopher P. Morill

President

Jeffrey R. Emer

Executive Director



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FINANCIAL SECTION

This section contains
the following subsections:

Report of Independent Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund
Statements and Schedules



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Independent Auditor's Report

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Punta Gorda, Florida, (the "City") as of and for the fiscal year ended September 30, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Community Redevelopment Agency Fund, P G I 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 25, 2013 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 25, 2013

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, 2012.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2012, by \$104.8 million (net assets). Of this amount, \$7.7 million unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$0.6 million.
- As of September 30, 2012 the City's governmental funds reported combined ending net assets of \$50.7 million. This is a decrease of \$0.6 million.
- As of September 30, 2012 the business-type activities reported combined ending net assets of \$54.1 million. This is an increase of \$1.2 million.
- The City's total long-term liabilities decreased by \$3.9 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 21) and **The Statement of Activities** (page 22) 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 23. 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 28 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 2012. 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 Damage Recovery 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 41.

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

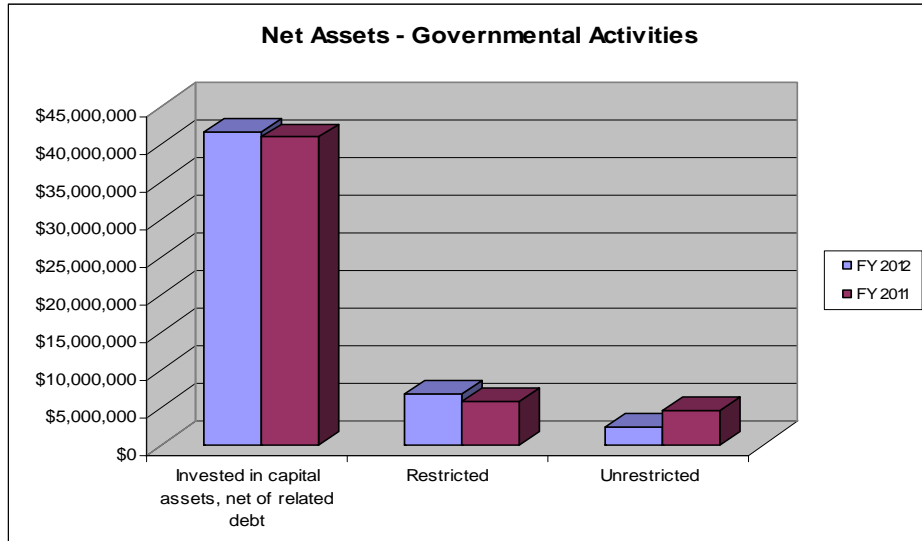
The City's combined net assets as of September 30, 2012 were \$104.8 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$40.1 million. Total city-wide expenses were \$39.4 million. The increase to city-wide net assets was \$0.7 million (Table 2). Below in Table 1 is a condensed Statement of Net Assets, in thousands, for the governmental activities and the business-type activities.

Table 1
Net Assets
(in Thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-----------------------------|------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Current and other assets | \$ 11,804 | \$ 13,469 | \$ 11,189 | \$ 12,137 | \$ 22,993 | \$ 25,606 |
| Capital assets | <u>65,182</u> | <u>66,223</u> | <u>52,348</u> | <u>53,267</u> | <u>117,530</u> | <u>119,490</u> |
| Total assets | <u>76,986</u> | <u>79,692</u> | <u>63,537</u> | <u>65,404</u> | <u>140,523</u> | <u>145,096</u> |
| Long-term liabilities | (24,778) | (26,401) | (7,783) | (10,035) | (32,561) | (36,436) |
| Other liabilities | <u>(1,486)</u> | <u>(1,976)</u> | <u>(1,661)</u> | <u>(2,521)</u> | <u>(3,147)</u> | <u>(4,497)</u> |
| Total liabilities | (26,264) | (28,377) | (9,444) | (12,556) | (35,708) | (40,933) |
| Net assets: | | | | | | |
| Invested in capital assets, | | | | | | |
| net of debt | 41,532 | 40,913 | 44,351 | 40,597 | 85,883 | 81,510 |
| Restricted | 6,870 | 5,811 | 4,315 | 3,327 | 11,185 | 9,138 |
| Unrestricted | <u>2,320</u> | <u>4,591</u> | <u>5,427</u> | <u>8,924</u> | <u>7,747</u> | <u>13,515</u> |
| Total net assets | <u>\$ 50,722</u> | <u>\$ 51,315</u> | <u>\$ 54,093</u> | <u>\$ 52,848</u> | <u>\$104,815</u> | <u>\$104,163</u> |

The largest portion of the City's net assets (81.9%) 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 10.7% of total net assets) are subject to external restrictions on how they may be used. The remaining 7.4% balance of unrestricted net assets, \$7.7 million, may be used to meet the city's ongoing obligations to citizens and creditors. It is important to recognize that this resource may be planned to repay the outstanding debt on capital assets. The governmental activities net assets decreased by \$0.6 million or 1.2%. Last fiscal year there was a \$1.1 million decrease in net assets. The analysis of revenues and expenses for governmental activities can be found in this MD&A on pages 10-11. The business-type activities net assets increased \$1.2 million or 2.3%. The last fiscal year increase was \$0.3 million. The analysis of revenues and expenses for business-type activities can be found in this MD&A on pages 12-14. The City's overall financial position increased by \$0.6 million or 0.6%. The prior year decrease was \$0.4 million.

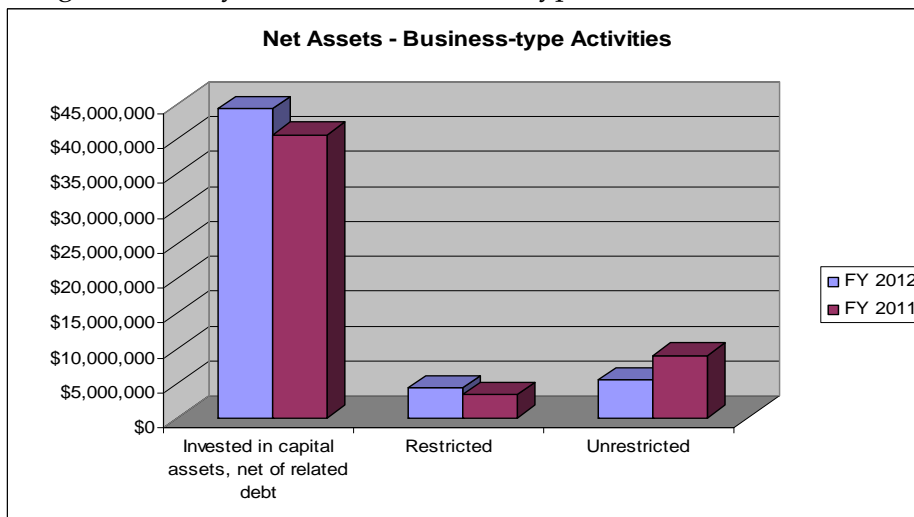
The following is a chart by net assets of governmental-type activities.



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

- Current and other assets decreased, \$1.7 million - primarily cash & grant receivables
- Murt Phase 4 Shreve Street, \$0.6 million
- Harborwalk boat ramp and seawall, \$0.3 million
- San Rocco Drainage, \$0.3 million
- Other capital improvement projects, \$0.4 million
- Other asset purchases, \$0.5 million
- Accumulated Depreciation, net of disposals, \$2.8 million
- Capital asset disposals, \$0.4 million
- Principal reduction on long-term liabilities, \$1.7 million
- Other liabilities decreased, \$0.5 million

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



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

- Current and other assets decreased \$0.9 million
- County road expansion utility relocation projects, \$0.4 million
- Bal Harbor water main and force main project, \$0.6 million
- Water main upgrade projects, \$0.2 million
- Gravity sewer, force main, and lift station projects, \$0.5 million
- Water and wastewater plant equipment, \$0.1 million
- Developer contributed water and wastewater infrastructure assets, \$0.5 million
- Sanitation packer, clamshell truck, and truck wash, \$0.4 million
- Accumulated depreciation, \$3.6 million
- Principal reduction on long-term liabilities, \$2.2 million
- Other liabilities decreased, \$0.9 million

Table 2
Changes in Net Assets
(in Thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------------|----------------------------|------------------|-----------------------------|------------------|-----------------------------|-------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,776 | \$ 4,850 | \$ 18,366 | \$ 18,337 | \$ 23,142 | \$ 23,187 |
| Operating grants and contributions | 630 | 1,023 | 5 | - | 635 | 1,023 |
| Capital grants and contributions | 1,225 | 1,894 | 753 | 503 | 1,978 | 2,397 |
| General revenues: | | | | | | |
| Property taxes | 6,240 | 6,427 | - | - | 6,240 | 6,427 |
| Other taxes | 6,749 | 6,520 | - | - | 6,749 | 6,520 |
| Other | 1,168 | 234 | 169 | 134 | 1,337 | 368 |
| Total revenues | <u>20,788</u> | <u>20,948</u> | <u>19,293</u> | <u>18,974</u> | <u>40,081</u> | <u>39,922</u> |
| Expenses: | | | | | | |
| General government | 3,762 | 3,789 | - | - | 3,762 | 3,789 |
| Public safety | 8,831 | 8,576 | - | - | 8,831 | 8,576 |
| Transportation | 2,795 | 2,929 | - | - | 2,795 | 2,929 |
| Economic environment | 247 | 410 | - | - | 247 | 410 |
| Recreation | 4,785 | 5,299 | - | - | 4,785 | 5,299 |
| Interest on long-term debt | 961 | 1,019 | - | - | 961 | 1,019 |
| Water and wastewater | - | - | 14,536 | 14,980 | 14,536 | 14,980 |
| Sanitation/refuse | - | - | 2,727 | 2,583 | 2,727 | 2,583 |
| Building Fund | - | - | 539 | 524 | 539 | 524 |
| Marina | - | - | 246 | 243 | 246 | 243 |
| Total expenses | <u>21,381</u> | <u>22,022</u> | <u>18,048</u> | <u>18,330</u> | <u>39,429</u> | <u>40,352</u> |
| Increase (decrease) in net assets | (593) | (1,074) | 1,245 | 644 | 652 | (430) |
| Net assets-beginning | <u>51,315</u> | <u>52,389</u> | <u>52,848</u> | <u>52,204</u> | <u>104,163</u> | <u>104,593</u> |
| Net assets-ending | <u>\$ 50,722</u> | <u>\$ 51,315</u> | <u>\$ 54,093</u> | <u>\$ 52,848</u> | <u>\$104,815</u> | <u>\$ 104,163</u> |

The analysis of Table 2 states the overall Total Primary Government revenues increased \$0.1 million or 0.4% from the prior year. The Governmental Activities revenues decreased \$0.2 million or 0.8%. The Business-type Activities revenues increased \$0.3 million or 1.7%.

The Total Primary Government expenses decreased \$0.9 million or 2.3% from the prior year. The Governmental Activities expenses decreased by \$0.6 million or 2.9%. The expenses in Business-type Activities decreased \$0.3 million or 1.5%.

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 12-14.

Major Fund Changes in Net Assets or Fund Balance

The General Fund balance at September 30, 2012 consisted of \$1.4 million for unassigned fund balance; \$0.7 million was assigned for subsequent year's budget. This is a \$0.5 million decrease in fund balance from September 30, 2011. The City Council's financial policy on fund balance minimum is 5% of annual expenditures. A more detailed analysis of revenues and expenditures can be found on pages 14-15 of the MD&A.

The Debt Service Fund balance at September 30, 2012 was \$1.3 million. This represented a decrease of \$23 thousand from September 30, 2011. 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 \$134 thousand. There was an increase in revenues of \$34 thousand and a decrease in other expenses of \$168 thousand. The revenues exceeded the expenditures by \$ 277 thousand. The net transfers out of the fund were \$143 thousand. Reserve funds were planned to increase to cover additional debt service agreements beginning in FY 2012.

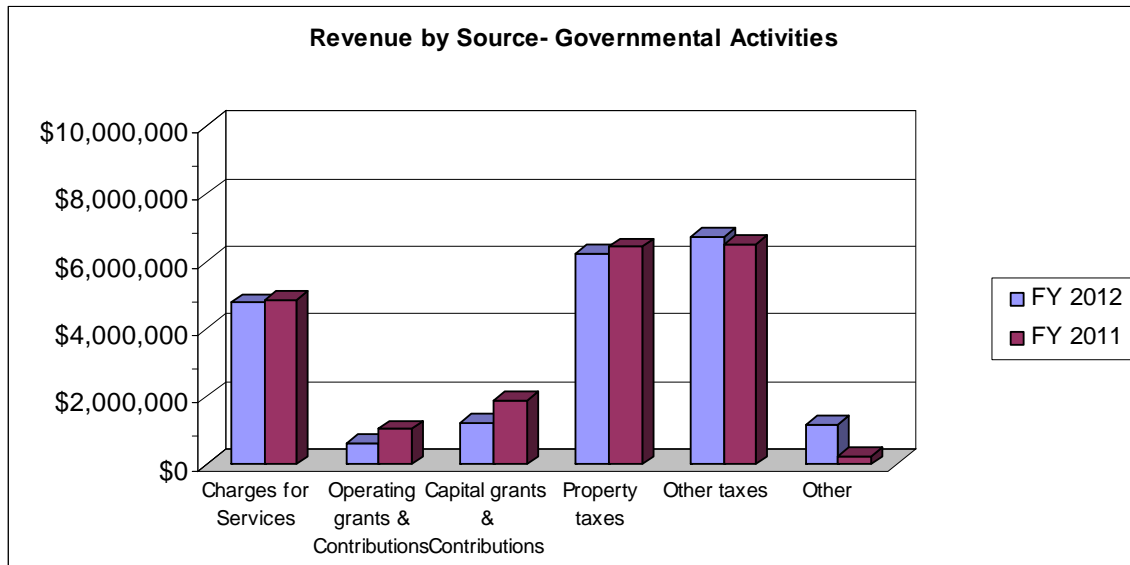
The PGI Canal Maintenance Fund balance increased \$39 thousand. The revenues were 0.2% higher than the prior year. The expenditures were \$382 thousand or 12.8% lower in 2012 because seawall replacement contract work was down by \$450 thousand.

The Transportation Impact Fee Fund balance decreased \$432 thousand. The impact fee revenue increased by \$59 thousand and the transfer to the General Construction Fund, \$537 thousand, was a decrease of \$114 thousand from the previous year.

The Water and Wastewater Utility Fund net assets increased \$1.1 million. In comparison to the prior year, developer contributed infrastructure increased \$0.5 million and impact fees decreased \$0.2 million. Personnel services increased \$0.2 million mainly due to filling of a position in the wastewater treatment plant that had been unfilled in the previous year and increase in benefit costs. Contractual services decreased by \$0.7 million due to high consulting and engineering costs that did not result in a capital project in the prior year. Interest expense decreased \$0.1 million. The overall net decrease in all other expenses was \$0.2 million.

Governmental Activities

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



The following details the revenue variances between fiscal years 2011 and 2012.

Charges for services decreased by 1.5% when compared to FY 2011.

Operating grants and contributions decreased by \$393 thousand due to the following:

- Decrease in FEMA reimbursements from Hurricane Charley projects, \$484 thousand
- Increase in operating grants and private contributions \$40 thousand
- Increase in public safety grants and contributions \$33 thousand
- Increase in transportation & economic environment grants and contributions \$18 thousand.

Capital grants & contributions decreased by \$0.7 million due to the following:

- Decrease in CDBG of \$0.2 million
- Decrease in contributed capital of \$0.1 million
- Overall decrease in capital grants of \$0.4 million

Property tax revenues decreased by \$187 thousand. This is a reflection of a decrease in the overall property valuations.

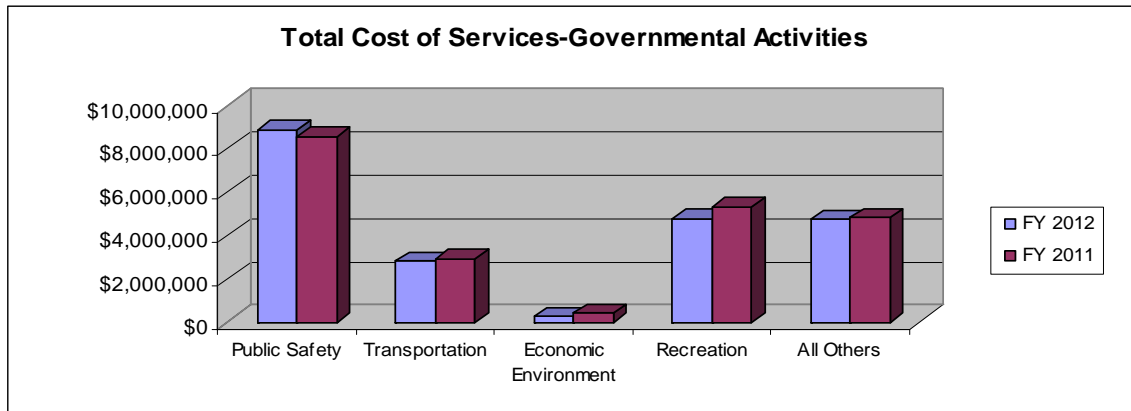
Other taxes increased by \$229 thousand.

- Utility and Gas taxes increased by \$101 thousand
- Sales Taxes had an increase of \$128 thousand

The cost of all governmental activities this year, including allocations, was \$23.7 million as compared to \$24.3 million in FY 2011. As shown in the Statement of Activities on page 22, the program expenses net of indirect expense allocations (\$2.4 million) were paid through:

- \$4.8 million in charges for services; consisting of \$3.0 million canal maintenance districts assessments and \$1.8 million fees for general government services
- \$0.6 million in operating grants and contributions
- \$1.2 million in capital grants and contributions
- \$14.2 million in general revenues (primarily taxes)
- \$0.6 million use of current assets

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



- Transportation costs decreased by \$134 thousand. The decrease by category is paving program, \$190 thousand, Right of Way operations, decreased by \$30 thousand, various operating expenditures decreased by \$10 thousand, and depreciation of infrastructure, \$96 thousand.
- Economic environment costs decreased by \$163 thousand mainly due to decreased expenditures for Herald Court Centre capital outlay.
- Public safety costs increased by \$255 thousand, mainly in the area of personnel expenditures.
- Recreation costs decreased by \$514 thousand. The majority of the decrease was in the seawall replacement program.
- All Others decreased by \$85 thousand of which \$57 thousand is attributable to the decrease in interest on long-term debt.

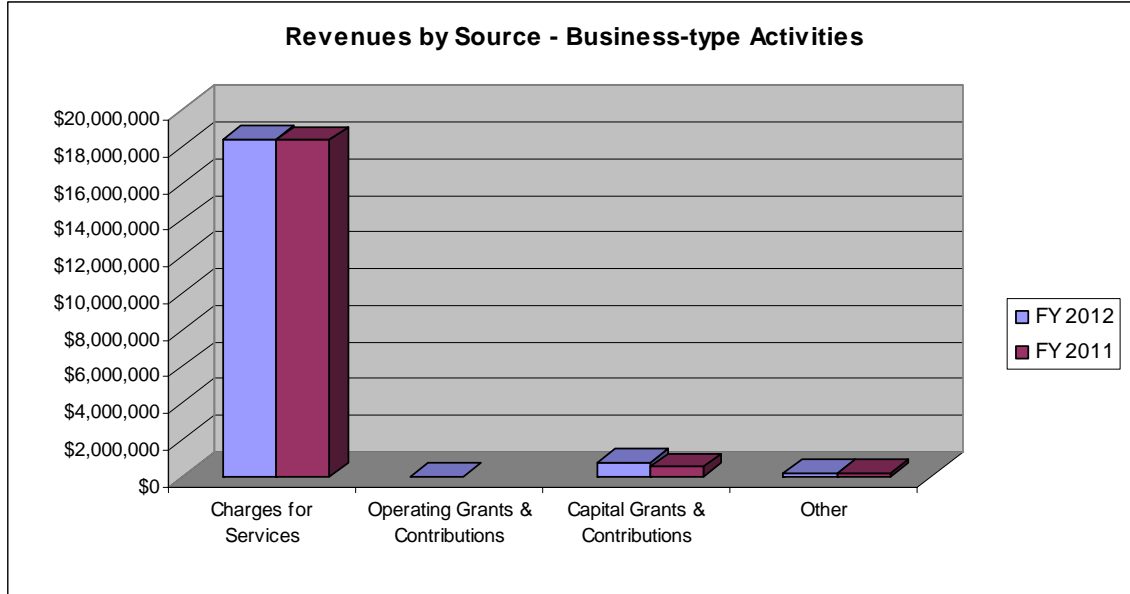
Table 3 presents the cost of each of the City's four largest programs as well as each program's net cost (total cost less revenue, excluding taxes, generated by the activities). The net cost represents the portion of each program that is supported by various taxes.

Table 3
Governmental Activities
(in Thousands)

| | Total Cost of Services (less indirect expense allocation) | | Net Cost of Services | |
|----------------------|--|------------------|----------------------|--------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Public Safety | \$ 8,831 | \$ 8,576 | \$ (8,726) | \$ (8,437) |
| Transportation | 2,795 | 2,929 | (2,589) | (2,693) |
| Economic Environment | 247 | 410 | 741 | 745 |
| Recreation | 4,785 | 5,299 | (1,757) | (2,272) |
| All Others | 4,723 | 4,808 | (2,419) | (1,598) |
| Totals | \$ 21,381 | \$ 22,022 | \$ (14,255) | \$ (14,255) |

Business-type Activities

Revenues of the City's Business-type activities (see Table 2) totaled \$19.3 million. Operating expenses were \$18.1 million, showing an increase in net assets of \$1.2 million. The analysis of revenues and expenses disclosed that revenues increased 1.7% and expenses decreased 1.5% from the prior fiscal year. Ending net assets are up 2.3%. Below is a chart of revenues by source for business-type activities.



Charges for services reported in business-type activities increased \$29 thousand, or 0.2%, in comparison to the prior year. Water & Wastewater Utility experienced a decrease in charges for services of \$21 thousand mainly from a decrease in penalty charges. Sanitation's charges for services increased \$13 thousand in refuse collection. Building's charges for services increased \$21 thousand consisting of a \$31 thousand increase in permit activity and a \$10 thousand decrease in other miscellaneous charges. The Laishley Park Marina charges for services for FY 2012 increased \$13 thousand and is the result of increased slip rentals especially in annual and monthly rentals.

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

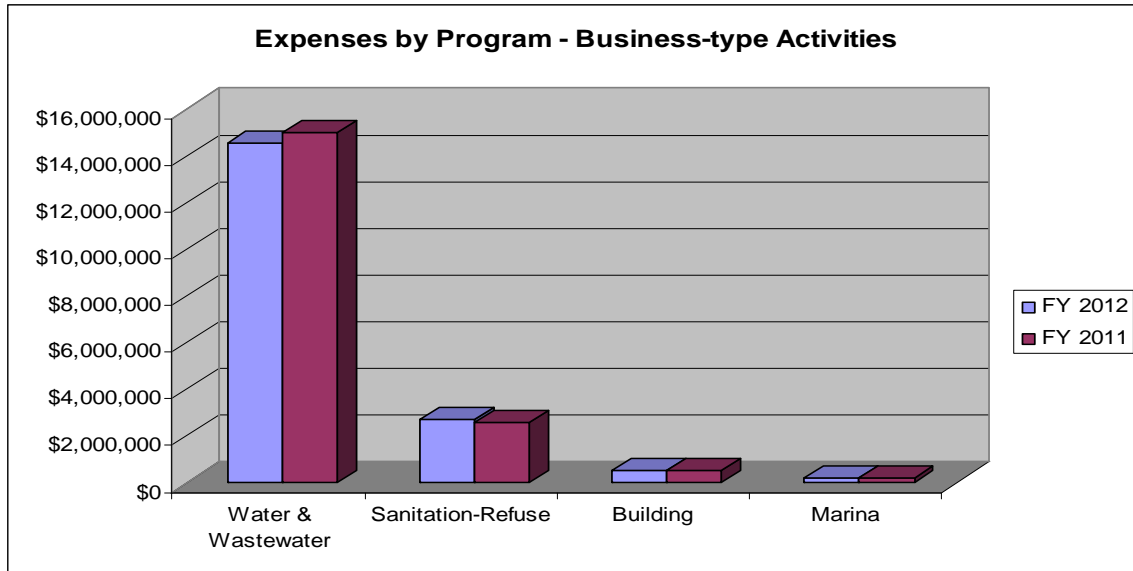
| | Revenues (in thousands) | | From 2011 to 2012 |
|--|-------------------------|-------------|----------------------|
| | <u>2012</u> | <u>2011</u> | <u>% incr (decr)</u> |
| Water Billings | \$8,269 | \$8,300 | (0.4%) |
| Wastewater Billings | \$6,221 | \$6,191 | 0.5% |
| Refuse Collection | \$2,907 | \$2,896 | 0.4% |
| Licenses, Permits, & Special Assessments | \$ 485 | \$ 453 | 7.1% |

Operating grants and contributions increased \$5 thousand due to FEMA grant for tropical storm Debby.

Capital grants and contributions increased by \$250 thousand, or 49.7%. Developer's contributed water & wastewater infrastructure increased \$462 thousand due to completed commercial projects in FY 2012. Water and Sewer Impact fees decreased \$212 thousand from the prior year.

The Other category increased by \$35 thousand, or 26.1%. The increase was caused by an increase in insurance proceeds and PCard rebate which is new revenue source derived from PCard program implemented mid-year in FY 2011.

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



The Water & Wastewater Utility expenses decreased \$0.4 million, or 3.0%, in comparison to the prior year. Personnel expenses increased \$0.2 million mainly due to filling of a position in the wastewater treatment plant that had been unfilled in the previous year and increase in benefit costs. Contractual services decreased by \$0.7 million due to high consulting and engineering costs that did not result in a construction project in the prior year, specifically for the Reverse Osmosis plant in FY 2011 because the City was granted a variance that would eliminate the need of the plant to a future unknown date. Other categories increased or decreased as follows: repair & maintenance and materials & supplies increased \$0.1 million, loss on disposal of assets increased \$0.1 million, and interest expense decreased \$0.1 million.

The Sanitation expenses increased by \$144 thousand, or 5.6%. Increases in personnel of \$43 thousand due to reduced vacant position from prior year, contractual services of \$34 thousand due to correction of vendor pricing to pre-hurricane Charley rates, repairs & maintenance of \$71 thousand due to change in policy of packer replacement schedule of 7 years to 10 years, administrative charges of \$70 thousand due to change in formula, and fuel costs of \$18 thousand. Decreases in depreciation expense of \$84 thousand due to several packers becoming fully depreciated, interest expense of \$5 thousand, and materials & supplies of \$3 thousand.

The Building Fund's expenses increased by \$15 thousand, or 2.8%. Personnel expenses increased \$28 thousand due to elimination of furloughs. Administrative charges decreased \$8 thousand and depreciation expense decreased 4 thousand. Various other expenses decreased overall \$1 thousand.

The Laishley Park Marina expenses decreased \$3 thousand, or 1.1%. Although administrative charges were added this year causing an increase of \$15 thousand, contractual labor was decreased \$11 thousand. Various other expenses decreased overall \$1 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 \$713 thousand or 4.5% from the original budget, which can be briefly summarized as follows:

- Rate Study Impact, \$25 thousand
- Election Expenses, \$20 thousand
- Police department capital budget, \$282 thousand
- Police department various operating supplies \$50 thousand
- Code Compliance operating Expenses, \$26 thousand
- Urban design operating expenses, \$23 thousand
- ISS Transfer to General Construction & IT Fund, \$49 thousand
- Various supply accounts \$14 thousand
- Personnel expenses, \$167 thousand
- Fire dept. operating expenses, \$25 thousand
- Facilities maintenance operating supplies, \$32 thousand

The final revenue budget increased by \$232 thousand (including transfers) or 1.3%, from the original budget, which can be briefly summarized as follows:

- Ad Valorem tax decrease \$5 thousand as a result of a decrease in the collection percentage.
- Utility taxes increase \$148 thousand mainly due to an increase in customer usage.
- Franchise fees decrease \$85 thousand as a result of a significant decrease in customer billings over the past 3 years.
- State revenue sharing & sales tax increase \$62 thousand
- Rental revenue & other miscellaneous revenues increase \$87 thousand
- Reappropriation of Impact Fee Fund transfers increase \$25 thousand

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

Revenues:

- Ad Valorem Taxes were under budget by \$15 thousand as a result of a decrease in the collection percentage.
- FPL Franchise Fees were over budget by \$17 thousand due to a late year increase in anticipated usage.
- Sales Taxes and Infrastructure Sales Surtax were over budget \$6 thousand and \$65 thousand respectively due to better than projected economic conditions.
- Lot Mowing Fees were over budget by \$10 thousand due to higher than anticipated collection of revenues.
- Reappropriation of Impact Fee Fund transfers increase \$25 thousand

Expenditures:

- General government expenditures were under budget by \$351 thousand. Personnel services were under budget \$249 thousand. Various division operating expenditures were under budget \$102 thousand. The following items that were under budget for FY 2012 were specific items or projects that were not completed by the end of the fiscal year and were reappropriated to FY 2013: Vehicle replacement for Police, \$28 thousand, Comp plan contractual work for Urban design, \$26 thousand, Gas Tax paving, \$111 thousand, Primary election expense, \$ 20 thousand, Gas Tax R&M \$46 thousand, CDBG funds for ADA improvements, \$42 thousand.
- Human Resources expenditures were \$31 thousand under budget- \$28 thousand in personnel and \$3 thousand in various other operating expenditures.
- Right of Way expenditures were \$34 thousand under budget - \$10 thousand in personnel and \$24 thousand in various other operating expenditures.
- Parks and Grounds personnel expenditures were under budget \$6 thousand. Operating expenditures were under budget \$54 thousand mainly from savings in contractual services and operating supplies.
- Public Safety police operating expenditures were under budget by \$69 thousand due to reductions in supplies, clothing & uniforms, and various other operating expenditures. Police personnel services were \$93 thousand under budget partially due to pension expenditure savings of \$59 thousand associated with employees entering the DROP program and savings in overall salaries of \$31 thousand, due to not filling some open positions. All other personnel expenditures were \$3 thousand under budget. The police capital expenditures were under budget by \$60 thousand due to vehicles on order but not received at FY 2012 year end and which were reappropriated to FY 2013.
- Public Safety fire was under budget by \$64 thousand. Personnel expenditures were under budget by \$53 thousand. Salaries were \$33 thousand under budget. There were savings in pension contributions \$15 thousand lower than anticipated. There was also \$5 thousand of savings in health insurance expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2012 reflect an investment of \$117.5 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>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Land | \$ 16,213 | \$ 16,213 | \$ 5,403 | \$ 5,403 | \$ 21,616 | \$ 21,616 |
| Buildings | 20,241 | 20,787 | 4,123 | 4,577 | 24,364 | 25,364 |
| Improvements | | | | | | |
| other than buildings | 7,240 | 7,734 | 5,733 | 6,163 | 12,973 | 13,897 |
| Machinery and equipment | 2,567 | 2,725 | 1,361 | 1,225 | 3,928 | 3,950 |
| Infrastructure / System | 17,111 | 17,031 | 34,998 | 29,584 | 52,109 | 46,615 |
| Construction | | | | | | |
| work in progress | <u>1,810</u> | <u>1,733</u> | <u>730</u> | <u>6,315</u> | <u>2,540</u> | <u>8,048</u> |
| Total Capital Assets | <u>\$ 65,182</u> | <u>\$ 66,223</u> | <u>\$ 52,348</u> | <u>\$ 53,267</u> | <u>\$ 117,530</u> | <u>\$119,490</u> |

Significant changes to assets this year include:

- (9) Police patrol vehicles, (1) K-9 vehicle, \$314 thousand
- Advance Life Support equipment, \$57 thousand
- Fire hydraulic rescue tools, \$74 thousand
- Pumps, sterilizer, scales for WTP, \$65 thousand
- Video security camera system for WTP, \$53 thousand
- CCTV Color Pan Tilt Camera for wastewater collection, \$16 thousand
- (2) Submersible pumps for WWTP, \$25 thousand
- (2) Ford Rangers for water distribution, \$35 thousand
- Mower for WWTP, \$14 thousand
- Desktops, laptops, servers and software, \$103 thousand
- (1) Packer for sanitation, \$206 thousand
- (1) Freightliner clamshell loader & truck for sanitation, \$105 thousand
- (3) Roadrunner handheld devices for meter reading , \$19 thousand
- EZ Go golf cart for marina, \$ 3 thousand
- Aeration nozzles for WWTP, \$11 thousand
- (2) Hoshizaki ice machines (public safety and parks & grounds), \$6 thousand

- Truck Wash at PW/Utilities campus, \$113 thousand
- Herald Court Centre tenant buildouts, \$83 thousand
- Public Works/Utilities campus generator transfer switch, \$24 thousand
- Storm sewer reconstruction, \$33 thousand
- San Rocco drainage improvements, \$30 thousand
- Ring Around the City projects, \$474 thousand
- On street parking- Cooper Street, \$15 thousand
- Bal Harbor improvements, \$130 thousand
- Aqui Esta improvements, \$506 thousand
- Downtown flooding improvements, \$187 thousand
- City wide ADA projects, \$22 thousand
- Water main upgrade projects, \$182 thousand
- Lift station, gravity sewer, & collection system improvements, \$499 thousand
- Burnt Store Rd utility relocation, \$335 thousand
- Bal Harbor water main and force main, \$624 thousand
- Filtration/High level disinfection project, \$25 thousand

Debt

As of September 30, 2012 the City had \$23.6 million of revenue note debt in the Governmental Activities. This is a net decrease of \$ 1.7 million as compared to prior year. The business-type activities bond and note debt was \$8.0 million. This is a decrease of \$2.1 million in principal payments. Capital leases at year end were \$99 thousand after principal payments of \$117 thousand.

For additional information regarding capital assets and debt refer to footnote IV. D (pages 55-56) and footnote IV. E (57-63).

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

The May 2012 statement of the Federal Reserve Open Market Committee pointed out that the economy has been expanding moderately. In addition:

- The unemployment rate has declined, but remains elevated at 7.8% as of December 2012; the unemployment rate will decline gradually;

- Household spending and business fixed investment have continued to advance, although the housing sector remains depressed;
- Inflation has picked up somewhat, mainly reflecting higher prices of crude oil and gasoline. Longer-term inflation expectations have remained stable;
- Economic growth is expected to remain moderate over coming quarters and then pick up gradually;
- Strains in global financial markets continue to pose significant downside risks;
- The Federal Reserve expects to maintain a highly accommodative stance for monetary policy, and to keep the target range for the federal funds rate at 0 to ¼ percent; and
- Economic conditions are likely to warrant exceptionally low levels for the federal funds rate at least through late 2014.

Real GDP growth projections for 2012, 2013, and 2014 show a recovery but there remains considerable uncertainty as to how strong the recovery will be. The long-run trend for Real GDP has a range of 2.2 to 3.0 percent growth with a central tendency of 2.3 to 2.6 percent.

National economic growth is expected to be positive this year but below the long-term growth rate of three percent. Issues related to the Federal budget, state budgets, European sovereign debt issues, and oil prices are likely to create some headwinds.

Florida Economic Outlook

The Florida Department of Economic Opportunity (DEO) has completed a draft five-year strategic plan that aims to lead the state into a top performing economy and globally competitive as a location for business, investment, talent, innovation and visitors. The six area specific strategies are:

- Talent Supply & Education
- Innovation & Economic Development
- Infrastructure & Growth Leadership
- Business Climate & Competitiveness
- Civic & Governance Systems
- Quality of Life & Quality Places

Florida's unemployment rate was 8.0% as of December 2012, which is 1.9 percentage points lower than the previous year's rate of 9.9%. The biggest challenge in the state's effort to enhance its economic climate continues to be the oversupply of housing constructed during the past decade. This inventory will keep pressure on home prices. Another big challenge is the winding down of the state's space industry. 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

- Unemployment is 8.0% as of December 2012, mirroring the state's rate shown above. One year ago, the unemployment rate in the County was 9.9%.
- The median sales price of an existing single family home in the Punta Gorda Metropolitan Statistical Area (all of Charlotte County) was \$129,500 as of December 2012, a 32.2% increase from \$97,950 one year earlier.

Opportunities

- The Charlotte County Tourism Bureau Tourism Teams initiative represents a countywide effort to partner with all sectors of the community to enhance business development through visitor attraction and retention. Sixteen teams were formed to address a wide range of tourism-related opportunities including meetings & conventions, arts, ecotourism, gateways and sustainability, among others. Results of these meetings are now being formulated into an implementation plan.
- The Punta Gorda Airport and Enterprise Charlotte Airport Park (ECAP) represent major economic drivers in the area. The Airport Authority is planning for a terminal expansion project to meet current and future demand, primarily from Allegiant Airlines.
- Cheney Brothers, a Florida based food distribution company, purchased property in the ECAP area and will initiate construction in FY 2013 on a 250,000 square feet distribution center. The project represents an approximate \$30 million capital investment and will bring 380 jobs to the Punta Gorda area with wages averaging \$36,000 annually, which is well above the average wage in the area. A significant number of ancillary businesses and jobs are anticipated to be created once the distribution center becomes operational.
- The County is currently evaluating opportunities that a community broadband network would present to the area through strategic investments in fiber optic infrastructure. The Parkside Community Redevelopment Area has been established as an initial pilot project and, based on performance, whether that initiative can be expanded into a countywide project aimed to increase business development.
- Other economic drivers in the County continue to be the future energy self sustaining Babcock Ranch community and the Murdock Village redevelopment (entertainment and water sports/resort districts).

Punta Gorda Economic Highlights

Population & Tax Base

Population projections show a projected 2013 City population of 17,349 and a 2012 estimate of 17,177. These projections are up from the 2010 Census of 16,641.

Changes in property values continue to contribute major influence on financial planning and budget preparation. Taxable property values (FY 2013) decreased Citywide by 3.84% and in the Community Redevelopment Area by .5% from the previous fiscal year. This is the sixth straight year of declines in taxable value Citywide.

Business Development Strategy

The City's business development strategy to enhance business and economic development was highlighted in the Strategic Plan accomplishments and FY 2013 Strategic Plan priorities. One of the more significant initiatives is the planned Mote Marine Laboratory, Aquarium & Research Center on a portion of the former City Marketplace property in downtown Punta Gorda. The County, City and private sector have partnered with Mote to jump start this effort in the following manner:

- Allocation of funding that would allow Mote to develop a marine science educational program for Charlotte County residents.
- Allocation City and private sector funds for business planning and fund raising.

Once sufficient funds are raised and construction is completed, the Mote Aquarium is anticipated to anchor new, mixed use development opportunities on the remaining 5 and ½ acres of Marketplace property.

New housing unit building permit trends since 2005 are shown below. Activity from 2010 through 2012 demonstrates a positive trend in new residential construction from 2009.

| Year | Units Permitted |
|-------------|------------------------|
| 2005 | 467 |
| 2006 | 241 |
| 2007 | 190 |
| 2008 | 98 |
| 2009 | 12 |
| 2010 | 37 |
| 2011 | 30 |
| 2012 | 52 |

BASIC FINANCIAL STATEMENTS



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CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2012

| | Primary Government | | |
|---|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$10,355,627 | \$ 4,570,634 | \$ 14,926,261 |
| Investments | 621 | - | 621 |
| Receivables (net of allowance for uncollectibles) | 579,169 | 1,122,250 | 1,701,419 |
| Due from other governments | 664,708 | 5,349 | 670,057 |
| Internal balances | 60,567 | (60,567) | - |
| Inventories | 61,814 | 102,268 | 164,082 |
| Prepays (including excess NPO \$38,635) | 46,018 | 288,511 | 334,529 |
| Deferred charges | - | 167,284 | 167,284 |
| Restricted assets: | | | |
| Cash and cash equivalents | 35,665 | 4,980,193 | 5,015,858 |
| Investments | - | 12,909 | 12,909 |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 16,212,906 | 5,403,346 | 21,616,252 |
| Buildings | 20,241,299 | 4,122,564 | 24,363,863 |
| Improvements other than buildings | 7,240,025 | 5,732,974 | 12,972,999 |
| Vehicles and equipment | 2,567,322 | 1,361,269 | 3,928,591 |
| Infrastructure/System | 17,110,345 | 34,997,580 | 52,107,925 |
| Construction in progress | 1,809,693 | 730,468 | 2,540,161 |
| Total assets | <u>76,985,779</u> | <u>63,537,032</u> | <u>140,522,811</u> |
| LIABILITIES | | | |
| Accounts payable and other current liabilities | 1,099,708 | 799,537 | 1,899,245 |
| Deferred revenue | 386,075 | - | 386,075 |
| Liabilities payable from restricted assets | - | 861,126 | 861,126 |
| Long-term liabilities: | | | |
| Due within one year | 6,840,588 | 1,689,509 | 8,530,097 |
| Due in more than one year | 17,937,342 | 6,093,552 | 24,030,894 |
| Total liabilities | <u>26,263,713</u> | <u>9,443,724</u> | <u>35,707,437</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 41,531,906 | 44,351,423 | 85,883,329 |
| Restricted for: | | | |
| Highways and streets | 562,153 | - | 562,153 |
| Capital projects | 2,626,882 | 954,729 | 3,581,611 |
| Debt service | 2,642,392 | 1,971,457 | 4,613,849 |
| Other purposes | 1,038,588 | 1,388,631 | 2,427,219 |
| Unrestricted | 2,320,145 | 5,427,068 | 7,747,213 |
| Total net assets | <u>\$50,722,066</u> | <u>\$54,093,308</u> | <u>\$ 104,815,374</u> |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2012

| | Expenses | Indirect Expenses Allocation | Program Revenues | | |
|---|----------------------|------------------------------------|-------------------------|--|--|
| | | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Functions/Programs | | | | | |
| Governmental Activities: | | | | | |
| General government | \$ 6,334,756 | \$ (2,573,155) | \$ 1,574,413 | \$ 553,595 | \$ 175,788 |
| Public Safety | 8,831,471 | - | 12,730 | 46,085 | 46,750 |
| Transportation | 2,722,684 | 72,000 | 161,386 | 17,843 | 25,686 |
| Economic environment | 247,121 | - | - | 12,681 | 976,254 |
| Recreation | 4,641,561 | 143,520 | 3,027,944 | - | - |
| Interest on long-term debt | 961,431 | - | - | - | - |
| Total Governmental Activities | 23,739,024 | (2,357,635) | 4,776,473 | 630,204 | 1,224,478 |
| Business-type Activities: | | | | | |
| Water and wastewater | 12,555,543 | 1,980,190 | 14,718,754 | 5,349 | 753,196 |
| Sanitation/refuse | 2,428,057 | 298,745 | 2,926,609 | - | - |
| Building Fund | 475,482 | 63,500 | 498,327 | - | - |
| Marina Fund | 230,501 | 15,200 | 221,764 | - | - |
| Total Business-type Activities | 15,689,583 | 2,357,635 | 18,365,454 | 5,349 | 753,196 |
| Total Functions/Programs | \$ 39,428,607 | \$ - | \$ 23,141,927 | \$ 635,553 | \$ 1,977,674 |

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 |
|----------------------------|-----------------------------|-----------------------|
| \$ (1,457,805) | \$ - | \$ (1,457,805) |
| (8,725,906) | - | (8,725,906) |
| (2,589,769) | - | (2,589,769) |
| 741,814 | - | 741,814 |
| (1,757,137) | - | (1,757,137) |
| (961,431) | - | (961,431) |
| <u>(14,750,234)</u> | <u>-</u> | <u>(14,750,234)</u> |
| - | 941,566 | 941,566 |
| - | 199,807 | 199,807 |
| - | (40,655) | (40,655) |
| <u>-</u> | <u>(23,937)</u> | <u>(23,937)</u> |
| <u>-</u> | <u>1,076,781</u> | <u>1,076,781</u> |
| <u>(14,750,234)</u> | <u>1,076,781</u> | <u>(13,673,453)</u> |
| 6,239,901 | - | 6,239,901 |
| 3,732,770 | - | 3,732,770 |
| 3,016,077 | - | 3,016,077 |
| 32,632 | 23,047 | 55,679 |
| 1,135,495 | 145,985 | 1,281,480 |
| <u>14,156,875</u> | <u>169,032</u> | <u>14,325,907</u> |
| (593,359) | 1,245,813 | 652,454 |
| 51,315,425 | 52,847,495 | 104,162,920 |
| <u>\$ 50,722,066</u> | <u>\$ 54,093,308</u> | <u>\$ 104,815,374</u> |

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012

| 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 | \$2,282,723 | \$ 1,276,628 | \$ 1,747,709 | \$ 462,627 | \$ 2,718,903 | \$ 79,791 | \$1,436,821 | \$10,005,202 |
| Investments | 621 | - | - | - | - | - | - | 621 |
| Accounts receivable (net of allowance of \$38,236) | 559,053 | - | 934 | 1,965 | 262 | - | 12,871 | 575,085 |
| Restricted cash and equivalents | 35,665 | - | - | - | - | - | - | 35,665 |
| Due from other funds | - | - | 5 | - | 122,742 | - | - | 122,747 |
| Due from other governments | 302,167 | - | - | 42,229 | 230,081 | - | 90,231 | 664,708 |
| Inventories | 61,814 | - | - | - | - | - | - | 61,814 |
| Prepaid items | 7,383 | - | - | - | - | - | - | 7,383 |
| Total assets | <u>\$3,249,426</u> | <u>\$ 1,276,628</u> | <u>\$ 1,748,648</u> | <u>\$ 506,821</u> | <u>\$ 3,071,988</u> | <u>\$ 79,791</u> | <u>\$1,539,923</u> | <u>\$11,473,225</u> |

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012
(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 | \$ 241,381 | \$ - | \$ 8,275 | \$ 88,387 | \$ 147,386 | \$ 2 | \$ 130,019 | \$ 615,450 |
| Retainage payable | - | - | - | 10,993 | 49,436 | - | 18,717 | 79,146 |
| Accrued liabilities | 347,741 | - | - | 15,418 | - | - | - | 363,159 |
| Due to other funds | 122,742 | - | - | - | - | - | 5 | 122,747 |
| Due to other governments | 15,686 | - | - | - | - | - | - | 15,686 |
| Deferred revenue | 376,484 | - | 9,591 | - | - | - | - | 386,075 |
| Total liabilities | <u>1,104,034</u> | <u>-</u> | <u>17,866</u> | <u>114,798</u> | <u>196,822</u> | <u>2</u> | <u>148,741</u> | <u>1,582,263</u> |
| Fund balances | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Inventories | 61,815 | - | - | - | - | - | - | 61,815 |
| Prepays | 7,383 | - | - | - | - | - | - | 7,383 |
| Permanent fund principal | - | - | - | - | - | - | 5,000 | 5,000 |
| Restricted for: | | | | | | | | |
| Public safety | 35,549 | - | - | - | - | - | 9,630 | 45,179 |
| General government | - | - | - | - | - | - | - | - |
| Transportation | - | - | - | - | - | 79,789 | 477,364 | 557,153 |
| Recreation | - | - | - | 392,023 | - | - | 236,252 | 628,275 |
| CRA district (downtown) | - | - | 365,018 | - | - | - | - | 365,018 |
| CRA district debt service | - | - | 1,365,764 | - | - | - | - | 1,365,764 |
| Infrastructure Surtax capital projects | - | - | - | - | 2,626,882 | - | - | 2,626,882 |
| Infrastructure Surtax debt service | - | 1,276,628 | - | - | - | - | - | 1,276,628 |
| Other purposes | 116 | - | - | - | - | - | - | 116 |
| Committed for: | | | | | | | | |
| Capital Improvements | - | - | - | - | 248,284 | - | - | 248,284 |
| Damages and one-time expenditures | - | - | - | - | - | - | 662,936 | 662,936 |
| Assigned to: | | | | | | | | |
| Subsequent year's budget | 650,152 | - | - | - | - | - | - | 650,152 |
| Unassigned | <u>1,390,377</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,390,377</u> |
| Total fund balances | <u>2,145,392</u> | <u>1,276,628</u> | <u>1,730,782</u> | <u>392,023</u> | <u>2,875,166</u> | <u>79,789</u> | <u>1,391,182</u> | <u>9,890,962</u> |
| Total liabilities and fund balances | <u>\$ 3,249,426</u> | <u>\$ 1,276,628</u> | <u>\$ 1,748,648</u> | <u>\$ 506,821</u> | <u>\$ 3,071,988</u> | <u>\$ 79,791</u> | <u>\$ 1,539,923</u> | |

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2012
(Continued)

Total brought forward \$ 9,890,962

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 \$65,181,590 less amount included in internal services \$397,139 | 64,784,451 |
| Internal service funds are used by management to charge the costs of information technology systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | 709,043 |
| Cumulative effect of business type portion of internal services | 60,567 |
| 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 \$24,554,762 less amount included in internal services \$9,472. | (24,545,290) |
| Excess "Net Pension Obligation" is an asset on the Statement of Net Assets but is not a financial resource. | 38,635 |
| 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 \$223,168 less amount included in internal services \$6,866. | <u>(216,302)</u> |
| Net assets of governmental activities | <u><u>\$50,722,066</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, 2012

| | 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 | \$ 9,192,748 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,192,748 |
| Permits, fees and special assessments | 1,248,740 | - | - | - | - | - | - | 1,248,740 |
| Intergovernmental revenues | 3,650,904 | - | 970,103 | - | 406,076 | - | 816,598 | 5,843,681 |
| Charges for services | 292,572 | - | - | - | - | - | - | 292,572 |
| Judgments, fines and forfeits | 91,278 | - | - | - | - | - | - | 91,278 |
| Miscellaneous | 2,900,028 | - | 224,944 | 2,632,503 | 17,854 | 27,449 | 841,824 | 6,644,602 |
| Total revenues | 17,376,270 | - | 1,195,047 | 2,632,503 | 423,930 | 27,449 | 1,658,422 | 23,313,621 |
| Expenditures | | | | | | | | |
| Current | | | | | | | | |
| General government | 4,969,592 | - | - | - | - | - | - | 4,969,592 |
| Public safety | 8,568,485 | - | - | - | - | - | - | 8,568,485 |
| Transportation | 1,049,294 | - | - | - | - | - | 1,141,936 | 2,191,230 |
| Economic environment | - | - | 163,492 | - | - | - | 89,780 | 253,272 |
| Recreation | 1,088,020 | - | - | 2,593,446 | - | - | 437,662 | 4,119,128 |
| Capital outlay | - | - | - | - | 1,693,244 | - | - | 1,693,244 |
| Debt service | | | | | | | | |
| Principal retirement | - | 1,142,035 | 518,500 | - | - | - | - | 1,660,535 |
| Interest and fiscal charges | - | 725,180 | 236,251 | - | - | - | - | 961,431 |
| Total expenditures | 15,675,391 | 1,867,215 | 918,243 | 2,593,446 | 1,693,244 | - | 1,669,378 | 24,416,917 |
| Excess expenditures (over) under revenues | 1,700,879 | (1,867,215) | 276,804 | 39,057 | (1,269,314) | 27,449 | (10,956) | (1,103,296) |

See Accompanying Notes.

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2012
(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 | 1,700,879 | (1,867,215) | 276,804 | 39,057 | (1,269,314) | 27,449 | (10,956) | (1,103,296) |
| Other financing sources (uses) | | | | | | | | |
| Transfers in | 407,800 | 1,843,932 | 424,246 | - | 1,029,977 | - | 355,000 | 4,060,955 |
| Transfers out | (2,639,329) | - | (567,406) | - | (38,000) | (459,788) | (433,634) | (4,138,157) |
| Total other financing sources (uses) | (2,231,529) | 1,843,932 | (143,160) | - | 991,977 | (459,788) | (78,634) | (77,202) |
| Net change in fund balances | (530,650) | (23,283) | 133,644 | 39,057 | (277,337) | (432,339) | (89,590) | (1,180,498) |
| Fund balances, October 1, 2011 | 2,676,042 | 1,299,911 | 1,597,138 | 352,966 | 3,152,503 | 512,128 | 1,480,772 | 11,071,460 |
| Fund balances, September 30, 2012 | <u>\$ 2,145,392</u> | <u>\$1,276,628</u> | <u>\$1,730,782</u> | <u>\$ 392,023</u> | <u>\$ 2,875,166</u> | <u>\$ 79,789</u> | <u>\$ 1,391,182</u> | <u>\$ 9,890,962</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, 2012

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

| | |
|---|----------------------------|
| Net change in fund balances -- total governmental funds (page 27) | \$ (1,180,498) |
| 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 (\$3,027,710) and capital asset adjustments were over capital outlays \$1,693,244 in the current period. Donations of capital assets \$46,750 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 \$322,296 is to increase net assets. | (965,420) |
| 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 \$1,660,535 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. | 1,660,535 |
| 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 \$(2,438), Compensated absences \$(53,446) and Postemployment benefits other than pension (OPEB) \$9,037. | (46,847) |
| Internal service funds are used by management to charge the costs of information technology systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. | <u>(61,129)</u> |
| Change in net assets of governmental activities (page 22) | <u><u>\$ (593,359)</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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 9,065,996 | \$ 9,204,545 | \$ 9,192,748 | \$ (11,797) |
| Permits, fees and special assessments | 1,315,000 | 1,228,900 | 1,248,740 | 19,840 |
| Intergovernmental revenue | 3,517,020 | 3,547,830 | 3,650,904 | 103,074 |
| Charges for services | 246,000 | 276,895 | 292,572 | 15,677 |
| Judgments, fines and forfeits | 69,800 | 82,425 | 91,278 | 8,853 |
| Miscellaneous | 2,799,014 | 2,879,084 | 2,900,028 | 20,944 |
| Total revenues | <u>17,012,830</u> | <u>17,219,679</u> | <u>17,376,270</u> | <u>156,591</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 5,160,186 | 5,320,921 | 4,969,592 | 351,329 |
| Public safety | 8,368,466 | 8,880,808 | 8,568,485 | 312,323 |
| Transportation | 1,044,734 | 1,083,614 | 1,049,294 | 34,320 |
| Recreation | 1,147,248 | 1,148,100 | 1,088,020 | 60,080 |
| Total expenditures | <u>15,720,634</u> | <u>16,433,443</u> | <u>15,675,391</u> | <u>758,052</u> |
| Excess revenues over expenditures | <u>1,292,196</u> | <u>786,236</u> | <u>1,700,879</u> | <u>914,643</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 383,000 | 407,800 | 407,800 | - |
| Transfers out | <u>(2,552,785)</u> | <u>(2,574,745)</u> | <u>(2,639,329)</u> | <u>(64,584)</u> |
| Total other financing uses | <u>(2,169,785)</u> | <u>(2,166,945)</u> | <u>(2,231,529)</u> | <u>(64,584)</u> |
| Net change in fund balances | <u>\$ (877,589)</u> | <u>\$ (1,380,709)</u> | (530,650) | <u>\$ 850,059</u> |
| Fund balances, October 1, 2011 | | | <u>2,676,042</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ 2,145,392</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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | \$ 1,051,369 | \$ 970,104 | \$ 970,103 | \$ (1) |
| Miscellaneous | 236,226 | 218,668 | 224,944 | 6,276 |
| Total revenues | <u>1,287,595</u> | <u>1,188,772</u> | <u>1,195,047</u> | <u>6,275</u> |
| Expenditures | | | | |
| Economic environment | 179,124 | 179,124 | 163,492 | 15,632 |
| Debt service | | | | |
| Principal retirement | 518,500 | 518,500 | 518,500 | - |
| Interest and fiscal charges | 236,462 | 236,462 | 236,251 | 211 |
| Total expenditures | <u>934,086</u> | <u>934,086</u> | <u>918,243</u> | <u>15,843</u> |
| Excess revenues over expenditures | <u>353,509</u> | <u>254,686</u> | <u>276,804</u> | <u>22,118</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 459,785 | 424,246 | 424,246 | - |
| Transfers out | <u>(567,406)</u> | <u>(567,406)</u> | <u>(567,406)</u> | <u>-</u> |
| Total other financing uses | <u>(107,621)</u> | <u>(143,160)</u> | <u>(143,160)</u> | <u>-</u> |
| Net change in fund balances | <u>\$ 245,888</u> | <u>\$ 111,526</u> | 133,644 | <u>\$ 22,118</u> |
| Fund balances, October 1, 2011 | | | <u>1,597,138</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ 1,730,782</u> | |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
P G I CANAL MAINTENANCE SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$ 1,000 | \$ 1,000 | \$ 3,430 | \$ 2,430 |
| Miscellaneous | | | | |
| Service assessments | 2,575,200 | 2,575,200 | 2,613,203 | 38,003 |
| Other | 15,000 | 15,000 | 15,870 | 870 |
| Total revenues | <u>2,591,200</u> | <u>2,591,200</u> | <u>2,632,503</u> | <u>41,303</u> |
| Expenditures | | | | |
| Current | | | | |
| Recreation | <u>2,714,599</u> | <u>2,746,727</u> | <u>2,593,446</u> | <u>153,281</u> |
| Total expenditures | <u>2,714,599</u> | <u>2,746,727</u> | <u>2,593,446</u> | <u>153,281</u> |
| Excess revenues over (under) expenditures | <u>(123,399)</u> | <u>(155,527)</u> | <u>39,057</u> | <u>194,584</u> |
| Net change in fund balance | <u>\$ (123,399)</u> | <u>\$ (155,527)</u> | 39,057 | <u>\$ 194,584</u> |
| Fund balances, October 1, 2011 | | | <u>352,966</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ 392,023</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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|--------------------|---------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$ - | \$ 1,500 | \$ 1,763 | \$ 263 |
| Miscellaneous | 50,000 | 23,500 | 25,686 | 2,186 |
| Total revenues | <u>50,000</u> | <u>25,000</u> | <u>27,449</u> | <u>2,449</u> |
| Expenditures | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess revenues over expenditures | <u>50,000</u> | <u>25,000</u> | <u>27,449</u> | <u>2,449</u> |
| Other financing uses | | | | |
| Transfers out | <u>(149,500)</u> | <u>(536,869)</u> | <u>(459,788)</u> | <u>77,081</u> |
| Total other financing uses | <u>(149,500)</u> | <u>(536,869)</u> | <u>(459,788)</u> | <u>77,081</u> |
| Net change in fund balance | <u>\$ (99,500)</u> | <u>\$ (511,869)</u> | <u>(432,339)</u> | <u>\$ 79,530</u> |
| Fund balances, October 1, 2011 | | | <u>512,128</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ 79,789</u> | |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012

| ASSETS | Business-type Activities Enterprise Funds | |
|--|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 3,070,070 | \$ 968,954 |
| Accounts and refund receivable (net of allowance of \$316,801) | 885,647 | 236,526 |
| Due from other governments | 5,349 | |
| Inventories | 102,268 | - |
| Prepaid items | 22,333 | - |
| Restricted cash and cash equivalents | 4,954,153 | - |
| Restricted investments, at amortized cost which approximates fair value | 12,909 | - |
| Total current assets | 9,052,729 | 1,205,480 |
| NONCURRENT ASSETS | | |
| Capital assets, net of accumulated depreciation | 51,545,772 | 789,919 |
| Unamortized issuance costs | 167,284 | - |
| Prepaid rent | 251,610 | - |
| Total noncurrent assets | 51,964,666 | 789,919 |
| Total assets | \$61,017,395 | \$1,995,399 |

See Accompanying Notes.

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|------------------|---------------------|--|
| Building Fund | Marina Fund | Total | |
| \$ 487,688 | \$ 43,922 | \$ 4,570,634 | \$ 350,425 |
| 77 | - | 1,122,250 | 4,084 |
| - | - | 5,349 | - |
| - | - | 102,268 | - |
| - | 14,568 | 36,901 | - |
| 16,486 | 9,554 | 4,980,193 | - |
| - | - | 12,909 | - |
| <u>504,251</u> | <u>68,044</u> | <u>10,830,504</u> | <u>354,509</u> |
| - | 12,510 | 52,348,201 | 397,139 |
| - | - | 167,284 | - |
| - | - | 251,610 | - |
| <u>-</u> | <u>12,510</u> | <u>52,767,095</u> | <u>397,139</u> |
| <u>\$ 504,251</u> | <u>\$ 80,554</u> | <u>\$63,597,599</u> | <u>\$ 751,648</u> |

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2012
(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 | \$ 386,172 | \$ 121,649 |
| Retainage payable | 8,944 | - |
| Notes payable | 30,678 | - |
| Current portion of revenue notes payable | 791,446 | - |
| Current portion of bonds payable | 727,500 | - |
| Current portion of leases payable | - | 98,886 |
| Accumulated unused compensated absences | 31,793 | 7,226 |
| Accrued liabilities | 225,373 | 27,763 |
| Total payable from current assets | 2,201,906 | 255,524 |
| Payable from restricted assets | | |
| Accrued liabilities | 39,113 | - |
| Current portion of bonds payable | 762,500 | - |
| Customer deposits | 33,473 | - |
| Total payable from restricted assets | 835,086 | - |
| Total current liabilities | 3,036,992 | 255,524 |
| NONCURRENT LIABILITIES | | |
| Revenue notes payable | 4,178,863 | - |
| Revenue bonds payable - less unamortized discount of \$64,476 | 1,425,524 | - |
| Accrued compensated absences | 286,138 | 65,036 |
| Other postemployment benefits payable (OPEB) | 85,834 | 24,033 |
| Total noncurrent liabilities | 5,976,359 | 89,069 |
| Total liabilities | 9,013,351 | 344,593 |
| NET ASSETS | | |
| Invested in capital assets net of related debt | 43,647,880 | 691,033 |
| Restricted for debt service | 1,971,457 | - |
| Restricted for renewal and replacement | 1,388,631 | - |
| Restricted for capital projects | 954,729 | - |
| Unrestricted | 4,041,347 | 959,773 |
| Total net assets | \$52,004,044 | \$1,650,806 |
| 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 | |
| \$ 4,861 | \$ 13,269 | \$ 525,951 | \$ 17,987 |
| - | - | 8,944 | - |
| - | - | 30,678 | - |
| - | - | 791,446 | - |
| - | - | 727,500 | - |
| - | - | 98,886 | - |
| 1,980 | - | 40,999 | 947 |
| 11,506 | - | 264,642 | 8,280 |
| <u>18,347</u> | <u>13,269</u> | <u>2,489,046</u> | <u>27,214</u> |
| - | - | 39,113 | - |
| - | - | 762,500 | - |
| 16,486 | 9,554 | 59,513 | - |
| <u>16,486</u> | <u>9,554</u> | <u>861,126</u> | <u>-</u> |
| <u>34,833</u> | <u>22,823</u> | <u>3,350,172</u> | <u>27,214</u> |
| - | - | 4,178,863 | - |
| - | - | 1,425,524 | - |
| 17,824 | - | 368,998 | 8,525 |
| 10,300 | - | 120,167 | 6,866 |
| <u>28,124</u> | <u>-</u> | <u>6,093,552</u> | <u>15,391</u> |
| <u>62,957</u> | <u>22,823</u> | <u>9,443,724</u> | <u>42,605</u> |
| - | 12,510 | 44,351,423 | 397,139 |
| - | - | 1,971,457 | - |
| - | - | 1,388,631 | - |
| - | - | 954,729 | - |
| <u>441,294</u> | <u>45,221</u> | <u>5,487,635</u> | <u>311,904</u> |
| <u>\$ 441,294</u> | <u>\$ 57,731</u> | 54,153,875 | <u>\$ 709,043</u> |
| | | <u>(60,567)</u> | |
| | | <u>\$54,093,308</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, 2012

| | Business-type Activities Enterprise Funds | |
|---|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| Operating revenue | | |
| Charges for services | \$ 14,718,754 | \$ 2,906,950 |
| Licenses and permits | - | 19,659 |
| Miscellaneous | 90,164 | 15,040 |
| | <u>14,808,918</u> | <u>2,941,649</u> |
| Total operating revenues | | |
| Operating expenses | | |
| Personnel services | 4,941,222 | 1,100,086 |
| Contractual services | 431,173 | 792,297 |
| Materials and supplies | 1,485,813 | 156,933 |
| Utilities | 718,126 | 1,052 |
| Depreciation | 3,472,643 | 133,687 |
| Insurance | 241,561 | 31,691 |
| Administrative charges | 2,193,052 | 302,295 |
| Repairs and maintenance | 353,766 | 195,391 |
| Travel and training | 16,944 | 3,647 |
| Rent | 55,420 | 1,834 |
| | <u>13,909,720</u> | <u>2,718,913</u> |
| Total operating expenses | | |
| Operating income (loss) | <u>899,198</u> | <u>222,736</u> |
| Nonoperating revenues (expenses) | | |
| Interest income | 19,019 | 2,687 |
| Insurance proceeds | 11,744 | - |
| Operating grants | 5,349 | |
| Interest expense and fiscal charges | (484,624) | (7,151) |
| Gain (loss) on disposition of capital assets | (97,162) | - |
| | <u>(545,674)</u> | <u>(4,464)</u> |
| Total nonoperating revenues (expenses) | | |
| Income (loss) before transfers and contributions | <u>353,524</u> | <u>218,272</u> |
| Totals carried forward | <u>353,524</u> | <u>218,272</u> |

See Accompanying Notes.

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|----------------|-------------------|--|
| Building Fund | Marina Fund | Total | |
| \$ 13,210 | \$ 221,764 | \$ 17,860,678 | \$ 933,247 |
| 485,117 | - | 504,776 | - |
| 4,032 | 25,005 | 134,241 | 10,287 |
| <u>502,359</u> | <u>246,769</u> | <u>18,499,695</u> | <u>943,534</u> |
| 405,264 | - | 6,446,572 | 385,182 |
| 3,062 | 129,547 | 1,356,079 | 167,135 |
| 5,519 | 16,749 | 1,665,014 | 19,279 |
| 933 | 48,443 | 768,554 | 3,950 |
| 646 | 2,659 | 3,609,635 | 178,841 |
| 4,213 | 13,295 | 290,760 | 40,382 |
| 102,965 | 15,200 | 2,613,512 | - |
| 1,804 | 3,607 | 554,568 | 262,805 |
| 5,408 | - | 25,999 | 18,894 |
| 968 | 16,086 | 74,308 | 60,971 |
| <u>530,782</u> | <u>245,586</u> | <u>17,405,001</u> | <u>1,137,439</u> |
| <u>(28,423)</u> | <u>1,183</u> | <u>1,094,694</u> | <u>(193,905)</u> |
| 1,341 | - | 23,047 | 788 |
| - | - | 11,744 | - |
| - | - | 5,349 | - |
| - | (115) | (491,890) | - |
| - | - | (97,162) | 1,621 |
| <u>1,341</u> | <u>(115)</u> | <u>(548,912)</u> | <u>2,409</u> |
| <u>(27,082)</u> | <u>1,068</u> | <u>545,782</u> | <u>(191,496)</u> |
| <u>(27,082)</u> | <u>1,068</u> | <u>545,782</u> | <u>(191,496)</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, 2012
(Continued)

| | Business-type Activities Enterprise Funds | |
|------------------------------|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| Totals brought forward | <u>\$ 353,524</u> | <u>\$ 218,272</u> |
| Transfers in | - | - |
| Contributions | <u>753,196</u> | <u>-</u> |
| Change in net assets | 1,106,720 | 218,272 |
| Total net assets - beginning | <u>50,897,324</u> | <u>1,432,534</u> |
| Total net assets - ending | <u>\$ 52,004,044</u> | <u>\$ 1,650,806</u> |

Adjustment to reflect the consolidation of internal service fund
activities related to enterprise funds
Change in net assets of business-type activities (page 22)

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|------------------|---------------------|--|
| Building Fund | Marina Fund | Total | |
| <u>\$ (27,082)</u> | <u>\$ 1,068</u> | <u>\$ 545,782</u> | <u>\$ (191,496)</u> |
| - | - | - | 77,202 |
| <u>-</u> | <u>-</u> | <u>753,196</u> | <u>-</u> |
| (27,082) | 1,068 | 1,298,978 | (114,294) |
| <u>468,376</u> | <u>56,663</u> | | <u>823,337</u> |
| <u>\$ 441,294</u> | <u>\$ 57,731</u> | | <u>\$ 709,043</u> |
| | | <u>(53,165)</u> | |
| | | <u>\$ 1,245,813</u> | |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2012

| | Business-type Activities Enterprise Funds | |
|--|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 14,516,398 | \$ 2,878,709 |
| Cash payments to suppliers for goods and services | (5,682,660) | (1,461,250) |
| Cash payments to employees for services | (4,922,587) | (1,094,791) |
| Other receipts | 90,164 | 15,040 |
| | <u>4,001,315</u> | <u>337,708</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Operating transfers in | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition of property, plant and equipment | (2,611,302) | (408,028) |
| Sale of property, plant and equipment | 1,710 | - |
| Principal paid on debt | (2,164,584) | (116,985) |
| Interest and fiscal charges paid | (369,078) | (7,151) |
| Contributions | 291,374 | - |
| Insurance proceeds | 11,744 | - |
| | <u>(4,840,136)</u> | <u>(532,164)</u> |
| Totals carried forward | <u>(838,821)</u> | <u>(194,456)</u> |

See Accompanying Notes.

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|----------------|--------------------|--|
| Building Fund | Marina Fund | Total | |
| \$ 500,250 | \$ 222,951 | \$ 18,118,308 | \$ 933,247 |
| (124,929) | (243,611) | (7,512,450) | (618,837) |
| (405,624) | - | (6,423,002) | (395,047) |
| 4,032 | 25,005 | 134,241 | 6,203 |
| <u>(26,271)</u> | <u>4,345</u> | <u>4,317,097</u> | <u>(74,434)</u> |
| - | - | - | 77,202 |
| - | - | - | 77,202 |
| - | (3,433) | (3,022,763) | (101,436) |
| - | - | 1,710 | 121 |
| - | - | (2,281,569) | - |
| - | (115) | (376,344) | - |
| - | - | 291,374 | - |
| - | - | 11,744 | - |
| <u>-</u> | <u>(3,548)</u> | <u>(5,375,848)</u> | <u>(101,315)</u> |
| <u>(26,271)</u> | <u>797</u> | <u>(1,058,751)</u> | <u>(98,547)</u> |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2012
(Continued)

| | Business-type Activities Enterprise Funds | |
|---|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| Totals brought forward | \$ (838,821) | \$ (194,456) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Gross proceeds from maturities of investments | 1,755 | - |
| Interest received | <u>19,019</u> | <u>2,687</u> |
| Net cash provided by investing activities | <u>20,774</u> | <u>2,687</u> |
| Net increase (decrease) in cash and cash equivalents | (818,047) | (191,769) |
| Balances - beginning of the year | <u>8,842,270</u> | <u>1,160,723</u> |
| Balances - end of year | <u><u>\$ 8,024,223</u></u> | <u><u>\$ 968,954</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income (loss) | \$ 899,198 | \$ 222,736 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 3,472,643 | 133,687 |
| Net (increase) decrease in: | | |
| Receivables | (190,445) | (47,900) |
| Inventories | (8,908) | - |
| Prepays | 22,333 | - |
| Net increase (decrease) in: | | |
| Accounts payable | (200,230) | 23,890 |
| Accrued liabilities | 8,904 | 5,295 |
| Customer deposits | <u>(2,180)</u> | <u>-</u> |
| Net cash provided by (used in) operating activities | <u><u>\$ 4,001,315</u></u> | <u><u>\$ 337,708</u></u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | | |
| Disposal of fully depreciated capital assets | \$ 37,677 | \$ - |

See Accompanying Notes.

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|------------------|---------------------|--|
| Building Fund | Marina Fund | Total | |
| \$ (26,271) | \$ 797 | \$ (1,058,751) | \$ (98,547) |
| - | - | 1,755 | - |
| 1,341 | - | 23,047 | 788 |
| 1,341 | - | 24,802 | 788 |
| (24,930) | 797 | (1,033,949) | (97,759) |
| 529,104 | 52,679 | 10,584,776 | 448,184 |
| <u>\$ 504,174</u> | <u>\$ 53,476</u> | <u>\$ 9,550,827</u> | <u>\$ 350,425</u> |
| \$ (28,423) | \$ 1,183 | \$ 1,094,694 | \$ (193,905) |
| 646 | 2,659 | 3,609,635 | 178,841 |
| (77) | - | (238,422) | (4,084) |
| - | - | (8,908) | - |
| - | 1 | 22,334 | - |
| (57) | (685) | (177,082) | (45,421) |
| (360) | - | 13,839 | (9,865) |
| 2,000 | 1,187 | 1,007 | - |
| <u>\$ (26,271)</u> | <u>\$ 4,345</u> | <u>\$ 4,317,097</u> | <u>\$ (74,434)</u> |
| \$ - | \$ - | \$ 37,677 | \$ 99,679 |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
September 30, 2012

| | Pension Funds |
|---------------------------------------|------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 3,638,375 |
| Interest and payments in transit | 162,040 |
| Investments, at fair value | |
| U.S. Treasury and Government Agencies | 2,825,957 |
| Municipal and Corporate Obligations | 11,905,199 |
| Common Stocks | 24,006,529 |
| Other securities | 4,664,233 |
| Total investments at fair value | 43,401,918 |
| Total assets | 47,202,333 |
| LIABILITIES AND NET ASSETS | |
| Prepaid contribution | 9,030 |
| Accounts payable | 6,036 |
| Total liabilities | 15,066 |
| Net assets | |
| Active and retired member equity | 46,384,150 |
| DROP plan benefits | 803,117 |
| Total Liabilities and Net Assets | \$ 47,202,333 |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For the Fiscal Year September 30, 2012

| | Pension Funds |
|--|------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 2,300,815 |
| Insurance Premiums | 395,621 |
| Plan members | 953,869 |
| Total contributions | 3,650,305 |
| Investment earnings | |
| Net loss in fair value of investments | 6,290,516 |
| Interest and dividends | 1,090,628 |
| Total investment loss | 7,381,144 |
| Less investment expense | 285,411 |
| Net investment loss | 7,095,733 |
| Total additions | 10,746,038 |
| DEDUCTIONS | |
| Benefits paid | 2,012,004 |
| Refunds of contributions | 131,662 |
| Administrative expenses | 64,000 |
| Total deductions | 2,207,666 |
| Change in net assets | 8,538,372 |
| Net assets held in trust for pension benefits | |
| Beginning of year | 38,663,961 |
| End of year | \$ 47,202,333 |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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, 2012

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, 2012

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 from specific revenue sources related to a specific debt. The General Fund transfers infrastructure sales surtax revenue for debt payments on the infrastructure sales surtax loan and the CRA Fund transfers tax increment financing to make debt payments on Herald Court Centre loan.

The Community Redevelopment Agency (CRA) Fund accounts for the resources received from the City and County tax increment financing to revitalize the downtown Punta Gorda area and lease proceeds that support CRA capital projects.

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

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

The Transportation Impact Fee Fund 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 Lashley 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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

I. Organization and Summary of Significant Accounting Policies, Continued

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

funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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, 2012

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, 2012.

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, 2012

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

The City has established an unassigned fund balance minimum for the General Fund of 5% of total General Fund expenditures. Subsequent to September 30, 2012, the City Council amended this policy to a 5.5% for the General Fund and established a 7.5% minimum for the Utilities Fund.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

I. Organization and Summary of Significant Accounting Policies, Continued

K. Intragovernmental allocation of administrative expenses

The General Fund incurs certain administrative expenses for other funds including accounting, legal, personnel administration and other services. The funds that receive these services were charged \$2,573,155 for fiscal year 2012. 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.

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 \$24,545,290 difference are as follows:

| | |
|--|--------------|
| Noncurrent liabilities | \$24,554,762 |
| Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation | (9,472) |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - government-wide statement of net assets | \$24,545,290 |

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 \$965,420 difference are as follows:

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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

| | |
|--|---------------------|
| Capital outlay | \$ 1,693,244 |
| Depreciation expense | (3,027,710) |
| Capital asset donations | 46,750 |
| Net effect of misc. capital transactions (disposal, sale, trade-in of assets) | <u>322,296</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ (965,420)</u> |

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 \$1,660,535 difference are as follows:

| | |
|--|---------------------|
| Principal repayments: | |
| Capital Improvement revenue notes | <u>\$ 1,660,535</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ 1,660,535</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 \$46,847 difference are as follows:

| | |
|--|------------------|
| Change in Excess Net Pension Obligation | \$ 2,438 |
| Change in Compensated absences | 53,446 |
| Change in Postemployment Benefits Other than Pensions | <u>(9,037)</u> |
| Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ 46,847</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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, 2012.

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, 2012 totaled \$2,432,711.
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 Damage Recovery 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, 2012

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, 2012 the carrying amounts of the City's deposits were \$2,352,309 and the bank balances were \$2,596,863. 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, 2012, petty cash for all funds was \$1,740.

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 \$13,530. These investments have a weighted average maturity of 3 years.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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 \$17,588,070.

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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, 2012:

| <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 | \$ 1,388,631 | \$ - |
| Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system | 233,059 | - |
| Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system | 206,976 | - |
| Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds | 17,447 | - |
| Bond Reserve Account - maintained at the level required by the Bond Ordinance | 1,567,644 | 12,909 |
| State Revolving Loan Fund Reserve - maintained at the level required by the loan documents | 373,471 | - |
| Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits | 59,513 | - |
| Utilities Construction Account - reserved for payment of the costs of new projects | 1,086,294 | - |
| Special Assessments - District #4 - established to account for assessments levied for utility expansion | <u>47,158</u> | <u>-</u> |
| | <u>\$ 4,980,193</u> | <u>\$ 12,909</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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, 2012:

| | |
|---------------------------|------------------|
| Cash and Cash Equivalents | |
| Law enforcement trust | \$ 31,744 |
| Other | 3,921 |
| | <u>\$ 35,665</u> |

C. Interfund Asset/Liabilities/Transfers

| | <u>Asset</u> | <u>Liability</u> |
|-------------------------------------|------------------|------------------|
| General Fund | \$ - | \$ 122,742 |
| Community Redevelopment Agency Fund | 5 | - |
| Capital Project Fund | 122,742 | - |
| Nonmajor Governmental Funds | | |
| CDBG Fund | - | 5 |
| | <u>122,747</u> | <u>122,747</u> |
| Governmental funds consolidation | <u>(122,747)</u> | <u>(122,747)</u> |
| Statement of Net Assets | <u>\$ -0-</u> | <u>\$ -0-</u> |

The \$122,742 General Fund Liability is the 1¢ sales tax revenue accrual to be used for Capital Projects that will be paid in October 2012. The \$5 is a cash flow loan from the Community Redevelopment Agency Fund to the CDBG Fund to cover expenses that had not yet been reimbursed by grants.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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 the paving program. The transfer from the General Fund to the Capital Project Fund was for public works capital projects. The transfer from the CRA Fund to the Debt Fund was for debt service on Herald Court Centre (parking garage). The transfer from the Capital Projects Fund to the General 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 the Six Cent Gas Tax Fund to the Capital Projects Fund and from the Damage Recovery Fund to the General 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 | \$ 407,800 | \$ 2,639,329 |
| Debt Service Fund | 1,843,932 | - |
| Community Redevelopment | 424,246 | 567,406 |
| Capital Projects Fund | 1,029,977 | 38,000 |
| Impact Fees - Transportation | - | 459,788 |
| Nonmajor Governmental funds | 355,000 | 433,634 |
| Net Governmental Funds | <u>\$ 4,060,955</u> | <u>\$ 4,138,157</u> |
| Internal Service Fund | | |
| Information Technology | <u>\$ 77,202</u> | <u>\$ -</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2012 was as follows:

| | Beginning Balance | Reclass/ Increases | Reclass/ Decreases | Ending Balance |
|---|----------------------|-----------------------|-----------------------|---------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$16,212,906 | \$ - | \$ - | \$16,212,906 |
| Construction in progress | 1,732,998 | 1,699,558 | (1,622,863) | 1,809,693 |
| Total capital assets, not being depreciated | <u>17,945,904</u> | <u>1,699,558</u> | <u>(1,622,863)</u> | <u>18,022,599</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 24,452,758 | 78,480 | (1,355) | 24,529,883 |
| Improvements other than buildings | 9,888,622 | 7,516 | - | 9,896,138 |
| Infrastructure | 76,460,619 | 1,344,195 | - | 77,804,814 |
| Vehicles and equipment | 9,881,423 | 664,327 | (376,535) | 10,169,215 |
| Total capital assets, being depreciated | <u>120,683,422</u> | <u>2,094,518</u> | <u>(377,890)</u> | <u>122,400,050</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (3,666,004) | (623,393) | 813 | (4,288,584) |
| Improvements other than buildings | (2,154,985) | (501,128) | - | (2,656,113) |
| Infrastructure | (59,429,237) | (1,265,232) | - | (60,694,469) |
| Vehicles and equipment | (7,156,185) | (816,799) | 371,091 | (7,601,893) |
| Total accumulated depreciation | <u>(72,406,411)</u> | <u>(3,206,552)</u> | <u>371,904</u> | <u>(75,241,059)</u> |
| Total capital assets, being depreciated, net | <u>48,277,011</u> | <u>(1,112,034)</u> | <u>(5,986)</u> | <u>47,158,991</u> |
| Governmental activities capital assets, net | <u>\$66,222,915</u> | <u>\$ 587,524</u> | <u>\$(1,628,849)</u> | <u>\$65,181,590</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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 | 6,315,009 | 1,673,615 | (7,258,156) | 730,468 |
| Total capital assets, not being depreciated | <u>11,718,355</u> | <u>1,673,615</u> | <u>(7,258,156)</u> | <u>6,133,814</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 25,700,342 | 123,986 | (124,715) | 25,699,613 |
| Improvements other than buildings | 18,364,411 | - | - | 18,364,411 |
| System Infrastructure | 66,443,779 | 7,703,821 | - | 74,147,600 |
| Vehicles and equipment | 6,487,718 | 547,527 | (37,677) | 6,997,568 |
| Total capital assets, being depreciated | <u>116,996,250</u> | <u>8,375,334</u> | <u>(162,392)</u> | <u>125,209,192</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (21,123,771) | (478,220) | 24,942 | (21,577,049) |
| Improvements other than buildings | (12,201,441) | (429,996) | - | (12,631,437) |
| System Infrastructure | (36,859,822) | (2,290,198) | - | (39,150,020) |
| Vehicles and equipment | (5,262,757) | (411,221) | 37,679 | (5,636,299) |
| Total accumulated depreciation | <u>(75,447,791)</u> | <u>(3,609,635)</u> | <u>62,621</u> | <u>(78,994,805)</u> |
| Total capital assets, being depreciated, net | <u>41,548,459</u> | <u>4,765,699</u> | <u>(99,771)</u> | <u>46,214,387</u> |
| Business-type activities capital assets, net | <u>\$53,266,814</u> | <u>\$ 6,439,314</u> | <u>\$ (7,357,927)</u> | <u>\$52,348,201</u> |

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

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 1,271,692 |
| Public safety | 499,667 |
| Transportation | 591,543 |
| Recreation | 664,809 |
| Internal service funds | 178,841 |
| Total depreciation expense -- governmental activities | <u>\$ 3,206,552</u> |
| Business-type activities: | |
| Public utilities | \$ 3,472,643 |
| Sanitation/refuse collection | 133,687 |
| Building | 646 |
| Marina | 2,659 |
| Total depreciation expense -- business-type activities | <u>\$ 3,609,635</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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, 2012:

| | Governmental Activities - Long-Term Debt | | |
|--|---|--|---------------|
| | Capital Improvement Revenue Notes | OPEB and Compensated Absences | Total |
| Debt payable at October 1, 2011 | \$ 25,310,219 | \$ 1,090,706 | \$ 26,400,925 |
| Debt retired | (1,660,535) | - | (1,660,535) |
| Amortization of original issue discount | - | - | - |
| Amortization of early call premium | - | - | - |
| Amortization of underwriters premium | - | - | - |
| Additions in OPEB and compensated absences | - | 154,000 | 154,000 |
| Deductions in OPEB and compensated absences | - | (116,460) | (116,460) |
| Debt payable at September 30, 2012 (net) | \$ 23,649,684 | \$ 1,128,246 | \$ 24,777,930 |

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, \$9,472 of compensated absences and \$6,866 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 |
|--|--|---|-------------------|--|---------------------|
| \$ 4,243,944 | \$ 5,736,870 | \$ 48,701 | \$ 215,871 | \$ 517,525 | \$ 10,762,911 |
| (1,380,000) | (766,561) | (18,023) | (116,985) | - | (2,281,569) |
| 27,459 | - | - | - | - | 27,459 |
| 41,422 | - | - | - | - | 41,422 |
| (17,301) | - | - | - | - | (17,301) |
| - | - | - | - | 14,337 | 14,337 |
| - | - | - | - | (1,698) | (1,698) |
| <u>\$ 2,915,524</u> | <u>\$ 4,970,309</u> | <u>\$ 30,678</u> | <u>\$ 98,886</u> | <u>\$ 530,164</u> | <u>\$ 8,545,561</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2012 are comprised of the following:

Governmental Activities

Revenue Notes

| | |
|--|--------------|
| \$7,000,000 Revenue Note, this note was issued on February 19, 2009 and is to be repaid using the City's share of Infrastructure Sales Surtax (ISS); collateralized by ISS revenues. Interest is payable semi-annually at 3.2%. Principal is payable annually beginning on January 1, 2010 with final maturity on January 1, 2015. The debt proceeds were used for various large infrastructure projects throughout the City. | \$ 3,650,092 |
| \$4,092,000 Revenue Note, this note was issued on December 5, 2002 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 3.76%. Principal is payable semi-annually. Final maturity scheduled for January 1, 2013. The debt proceeds were used for various projects in the CRA district and to pay off existing CRA debt. | 2,038,500 |
| \$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. | 3,533,000 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Governmental Activities, continued

Revenue Notes, continued

\$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 23,649,684

Less current maturities (6,750,080)

Noncurrent portion, revenue notes payable \$ 16,899,604

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Bonds

| | |
|--|-----------------------------------|
| <p>\$16,200,000 Utility System Refunding Revenue Bonds, Series 2002, collateralized by net revenues, impact fees and all other system related proceeds. These bonds are current interest paying serial bonds with interest rates ranging from 2.50% to 5.25%, with final maturity on January 1, 2014. Bonds maturing on or after January 1, 2012 are subject to redemption prior to maturity at a redemption price equal to the unpaid principal amount plus accrued interest. The bond proceeds were used to defease prior bonds used for Utility Capital Projects.</p> | <p>\$ 2,980,000</p> |
| <p>Less unamortized discount and call premium</p> | <p><u>(64,476)</u></p> |
| <p>Net</p> | <p>2,915,524</p> |
| <p>Less current maturities</p> | <p><u>(1,490,000)</u></p> |
| <p>Noncurrent portion, revenue bonds payable</p> | <p><u><u>\$ 1,425,524</u></u></p> |

Revenue Notes

| | |
|---|---------------------|
| <p>\$5,193,111 Revenue Notes, two notes were combined after project completion; these notes were issued on March 15, 2000 and are to be repaid by the Water and Wastewater Utility Fund, payable to a State of Florida agency; collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Interest is payable semi-annually at 3.36% per annum. Principal is payable semi-annually. Both principal and interest payments commenced on February 15, 2002 with final maturity scheduled for August 15, 2021. The debt proceeds were used to build Aquifer Storage and Retrieval wells and pumps at the Water Treatment Plant.</p> | <p>\$ 2,779,645</p> |
|---|---------------------|

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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.

| | |
|---|----------------------------|
| | <u>\$ 2,190,664</u> |
| Total revenue notes payable | 4,970,309 |
| Less current maturities | <u>(791,446)</u> |
| Noncurrent portion, revenue notes payable | <u><u>\$ 4,178,863</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>\$ 30,678</u></u> |
|--|-------------------------|

Sanitation Leases Payable

\$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>98,886</u> |
| Total leases payable | 98,886 |
| Less current maturities | <u>(98,886)</u> |
| Noncurrent portion, leases payable | <u><u>\$ -</u></u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2012 are as follows:

| Year Ending September 30 | Governmental Activities Long-Term Debt | |
|-----------------------------|---|--------------|
| | Principal | Interest |
| 2013 | 6,750,080 | 798,708 |
| 2014 | 3,038,165 | 614,047 |
| 2015 | 3,151,528 | 495,664 |
| 2016 | 1,973,819 | 397,904 |
| 2017 | 2,054,525 | 315,532 |
| 2018-2022 | 6,681,567 | 417,904 |
| Total | \$ 23,649,684 | \$ 3,039,759 |

| | Compensated Absences | | | Totals |
|--------------------------|----------------------|-----------------------|------------|--------------|
| | Current Portion | Noncurrent Portion | OPEB | |
| Governmental Activities | \$ 90,508 | \$ 814,570 | \$ 223,168 | \$ 1,128,246 |
| Business-type Activities | 40,999 | 368,998 | 120,167 | 530,164 |
| | \$ 131,507 | \$ 1,183,568 | \$ 343,335 | \$ 1,658,410 |

The amounts included in governmental activities for internal service funds are \$947 current portion of compensated absences, \$8,525 noncurrent portion compensated absences and \$6,866 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 | | | |
| 1,455,000 | 118,256 | 791,446 | 152,500 | 30,678 | 101,884 | |
| 1,525,000 | 40,031 | 817,140 | 126,544 | - | - | |
| - | - | 843,669 | 99,745 | - | - | |
| - | - | 871,460 | 72,068 | - | - | |
| - | - | 307,704 | 52,868 | - | - | |
| - | - | 1,338,890 | 103,400 | - | - | |
| <u>\$ 2,980,000</u> | <u>\$ 158,287</u> | <u>\$ 4,970,309</u> | <u>\$ 607,125</u> | <u>\$ 30,678</u> | 101,884 | Total minimum lease payments |
| | | | | | (2,998) | Less: Amounts representing interest |
| | | | | | <u>\$ 98,886</u> | Present value of minimum lease payments |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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.

Subsequent Event

Subsequent to the Balance Sheet Date the City borrowed \$20,030,000, payments to be made semi-annually with final maturity on January 1, 2028 at a fixed interest rate of 2.43%. The borrowed funds were used to pay off \$5,571,500 in loans that were due on January 1, 2013. \$13,997,216 was to pay off an existing loan with a final maturity on January 1, 2020 at an interest rate of 4.02%. The remaining balance of \$461,284 was used for \$110,000 redemption premium, \$293,567 accrued interest and \$57,717 cost of issuance. This refinancing was related to governmental activities.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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, 2012 was \$2.7462 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 2012 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, 2012

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 | 81 |
| Vested terminated employees | 10 |
| Beneficiaries | 6 |
| DROP | 14 |
| Active employees | |
| Fully-vested | 131 |
| Nonvested | 25 |

Employees attaining age 60 and completing five or more years of service are entitled to a benefit at 3.0% of their average monthly earnings as defined in the Plan for each year of continuous service. The Plan permits early retirement at the age of 55 and the completion of five years of continuous service. Active employees who become disabled receive 60% of average monthly earnings as defined in the Plan. If an active employee dies prior to pension eligibility, the employee's designated beneficiary receives a refund of member contributions plus interest at 3.5% per year. If the deceased member was eligible for pension benefits on date of death, their beneficiary is entitled to receive a benefit payable on a monthly basis for ten years. If a member terminates employment before becoming eligible for any other benefits under the Plan, the member shall receive a refund of the member's contributions plus interest at 3.5% per year. If a member terminates employment after completion of five years of service, but before becoming eligible for retirement under this Plan, the member shall be entitled to the accrued benefit payable at age 60. The Deferred Retirement Option Plan (DROP) 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, 2012

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 | 17 |
| Vested terminated employees | 3 |
| Beneficiaries | 1 |
| Disability benefits | 5 |
| DROP | 4 |
| Active employees | |
| Fully-vested | 18 |
| Nonvested | 11 |

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 Deferred Retirement Option Plan (DROP) 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.

(c) Municipal Firefighters' Pension Plan

Current membership is comprised of the following:

| | |
|-----------------------------|----|
| Retirees receiving benefits | 10 |
| Vested terminated employees | 2 |
| Beneficiaries | 1 |
| Disability benefits | 5 |
| Active employees | |
| Fully-vested | 19 |
| Nonvested | 6 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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 0.0% annually; and (d) the assumption that benefits will not increase after retirement. Employees contribute 8.1% 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, 2012

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 \$1,543,335, Municipal Police Officers' pension plan \$550,628 and Municipal Firefighters' pension plan \$594,191 for fiscal year ended September 30, 2012.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2010 actuarial valuation using the entry age normal 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, 2010 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 30 years for the General Employees', 24 years for Municipal Police Officers' and 27 years for Municipal Firefighters' plans (as of 10/01/10).

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 80 through 83 of the City's Comprehensive Annual Financial Report.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2012 were as follows:

| | General Employees' Pension Plan | Municipal Police Officers' Pension Plan | Municipal Firefighters' Pension Plan | Total |
|--|---------------------------------------|--|--|----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,282,957 | \$ 827,926 | \$ 527,492 | \$ 3,638,375 |
| Interest and payments in transit | 91,598 | 46,097 | 24,345 | 162,040 |
| Investments, at fair value | | | | |
| U.S. Treasury and Government Agencies | 1,754,567 | 618,042 | 453,348 | 2,825,957 |
| Municipal and Corporate Obligations | 6,925,033 | 3,378,440 | 1,601,726 | 11,905,199 |
| Common Stocks | 15,624,831 | 5,352,059 | 3,029,639 | 24,006,529 |
| Other securities | 1,359,547 | 1,143,132 | 2,161,554 | 4,664,233 |
| Total investments at fair value | <u>25,663,978</u> | <u>10,491,673</u> | <u>7,246,267</u> | <u>43,401,918</u> |
| Total assets | <u>28,038,533</u> | <u>11,365,696</u> | <u>7,798,104</u> | <u>47,202,333</u> |
| LIABILITIES AND NET ASSETS | | | | |
| Prepaid contribution | - | 8,972 | 58 | 9,030 |
| Accounts payable | - | - | 6,036 | 6,036 |
| Total liabilities | <u>-</u> | <u>8,972</u> | <u>6,094</u> | <u>15,066</u> |
| Net assets | | | | |
| Active and retired member equity | 27,517,801 | 11,074,339 | 7,792,010 | 46,384,150 |
| DROP plan benefits | 520,732 | 282,385 | - | 803,117 |
| Total Liabilities and Net Assets | <u>\$28,038,533</u> | <u>\$11,365,696</u> | <u>\$7,798,104</u> | <u>\$ 47,202,333</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2012 was as follows:

| | General Employees' Pension Plan | Municipal Police Officers' Pension Plan | Municipal Firefighters' Pension Plan | Total |
|--|---------------------------------------|--|--|----------------------|
| ADDITIONS | | | | |
| Contributions | | | | |
| Employer | \$ 1,543,331 | \$ 373,353 | \$ 384,131 | \$ 2,300,815 |
| Insurance premiums | - | 175,495 | 220,126 | 395,621 |
| Plan members | 668,191 | 148,840 | 136,838 | 953,869 |
| Total contributions | <u>2,211,522</u> | <u>697,688</u> | <u>741,095</u> | <u>3,650,305</u> |
| Investment earnings | | | | |
| Net gain in fair value of investments | 3,999,865 | 1,312,441 | 978,210 | 6,290,516 |
| Interest and dividends | 645,045 | 284,408 | 161,175 | 1,090,628 |
| Total investment gain | <u>4,644,910</u> | <u>1,596,849</u> | <u>1,139,385</u> | <u>7,381,144</u> |
| Less investment expense | <u>174,868</u> | <u>62,216</u> | <u>48,327</u> | <u>285,411</u> |
| Net investment gain | <u>4,470,042</u> | <u>1,534,633</u> | <u>1,091,058</u> | <u>7,095,733</u> |
| Total additions | <u>6,681,564</u> | <u>2,232,321</u> | <u>1,832,153</u> | <u>10,746,038</u> |
| DEDUCTIONS | | | | |
| Benefits paid | 1,220,039 | 431,038 | 360,927 | 2,012,004 |
| Refunds of contributions | 70,388 | 61,274 | - | 131,662 |
| Administrative expenses | <u>28,587</u> | <u>22,580</u> | <u>12,833</u> | <u>64,000</u> |
| Total deductions | <u>1,319,014</u> | <u>514,892</u> | <u>373,760</u> | <u>2,207,666</u> |
| Change in net assets | 5,362,550 | 1,717,429 | 1,458,393 | 8,538,372 |
| Net assets held in trust for pension benefits | | | | |
| Beginning of year | <u>22,675,983</u> | <u>9,648,267</u> | <u>6,339,711</u> | <u>38,663,961</u> |
| End of year | <u>\$28,038,533</u> | <u>\$ 11,365,696</u> | <u>\$ 7,798,104</u> | <u>\$ 47,202,333</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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 | | | |
| 9/30/2012 | \$ 1,543,335 | 100% | \$ (121) |
| 9/30/2011 | 1,457,553 | 100% | (125) |
| 9/30/2010 | 1,366,275 | 100% | (130) |
| Municipal Police Officers' pension plan | | | |
| 9/30/2012 | \$ 550,628 | 100% | \$ (19,429) |
| 9/30/2011 | 385,494 | 100% | (21,209) |
| 9/30/2010 | 404,486 | 100% | (22,381) |
| Municipal Firefighters' pension plan | | | |
| 9/30/2012 | \$ 594,191 | 100% | \$ (19,085) |
| 9/30/2011 | 315,091 | 100% | (19,739) |
| 9/30/2010 | 287,450 | 100% | (20,416) |

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

| | <u>9/30/2012</u> | <u>9/30/2011</u> | <u>9/30/2010</u> |
|----------------------------|------------------|------------------|------------------|
| Actuarially Determined | | | |
| Contribution (A) | \$ 1,543,331 | \$ 1,457,548 | \$ 1,366,271 |
| Interest on NPO | (10) | (10) | (11) |
| Adjustment to (A) | 14 | 15 | 15 |
| Annual Pension Cost | 1,543,335 | 1,457,553 | 1,366,275 |
| Contributions Made | 1,543,331 | 1,457,548 | 1,366,271 |
| Increase (Decrease) in NPO | 4 | 5 | 4 |
| NPO Beginning of Year | (125) | (130) | (134) |
| NPO End of Year | <u>\$ (121)</u> | <u>\$ (125)</u> | <u>\$ (130)</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

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>9/30/2012</u> | <u>9/30/2011</u> | <u>9/30/2010</u> |
|------------------------|---------------------------|---------------------------|---------------------------|
| Actuarially Determined | | | |
| Contribution (A) | \$ 548,848 | \$ 384,322 | \$ 403,250 |
| Interest on NPO | (1,697) | (1,790) | (1,889) |
| Adjustment to (A) | <u>3,477</u> | <u>2,962</u> | <u>3,125</u> |
| Annual Pension Cost | 550,628 | 385,494 | 404,486 |
| Contributions Made | <u>548,848</u> | <u>384,322</u> | <u>403,250</u> |
| Increase in NPO | 1,780 | 1,172 | 1,236 |
| NPO Beginning of Year | <u>(21,209)</u> | <u>(22,381)</u> | <u>(23,617)</u> |
| NPO End of Year | <u><u>\$ (19,429)</u></u> | <u><u>\$ (21,209)</u></u> | <u><u>\$ (22,381)</u></u> |

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

| | <u>9/30/2012</u> | <u>9/30/2011</u> | <u>9/30/2010</u> |
|----------------------------|---------------------------|---------------------------|---------------------------|
| Actuarially Determined | | | |
| Contribution (A) | \$ 593,537 | \$ 314,414 | \$ 286,750 |
| Interest on NPO | (1,579) | (1,633) | (1,689) |
| Adjustment to (A) | <u>2,233</u> | <u>2,310</u> | <u>2,389</u> |
| Annual Pension Cost | 594,191 | 315,091 | 287,450 |
| Contributions Made | <u>593,537</u> | <u>314,414</u> | <u>286,750</u> |
| Increase (Decrease) in NPO | 654 | 677 | 700 |
| NPO Beginning of Year | <u>(19,739)</u> | <u>(20,416)</u> | <u>(21,116)</u> |
| NPO End of Year | <u><u>\$ (19,085)</u></u> | <u><u>\$ (19,739)</u></u> | <u><u>\$ (20,416)</u></u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Funding status and funding progress as of October 1, 2012 for all plans

| | General Employees | Police Officers' | Firefighters' |
|---|----------------------|---------------------|---------------|
| Actuarial accrued liability (AAL) | \$37,102,582 | \$12,511,565 | \$ 11,555,811 |
| Actuarial value of plan assets | 26,865,766 | 11,265,436 | 7,593,369 |
| Unfunded actuarial accrued liability (UAAL) | 10,236,816 | 1,246,129 | 3,962,442 |
| Funded ratio (actuarial value of plan assets/AAL) | 72.41% | 90.04% | 65.71% |
| Covered payroll (active plan members) | 7,189,121 | 1,731,061 | 1,619,708 |
| UAAL as a percentage of covered payroll | 142.39% | 71.99% | 244.64% |

Concentration of Investments

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, Police Officers' Plan and Firefighters' Plan
Goldman Sachs Fin Sq Treasury

Obligation Administration Fund #469 8.1%, 7.3% and 6.8% respectively

The schedule of funding progress for the postemployment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

Defined Contribution Pension Plan

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

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

Plan specifics are as follows:

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

Total Balance in the Plan as of September 30, 2012 is \$3,825, which includes City and Employee Contributions as well as earnings for the year. None of the City's contributions are available since no member is vested at this time. The total number of Plan members was five as of September 30, 2012.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

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 and have no break between his/her active employment and retirement. 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 fiscal year 2009 for the implicit rate subsidy as the City implements GASB 45. The City does not intend to fund the actuarial accrued liability.

This actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability 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 constant revision as actual experience is 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 multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

Calculations are based upon the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Calculations reflect a long-term prospective, so methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

For the Actuarial Valuation, the Entry Age Normal (level % of pay) actuarial cost method was used. Select Actuarial Assumptions are listed in the table below:

| | |
|--------------------------------------|---|
| Funding Interest Rate: | 4.5% |
| Health Care Inflation: | Pre-Medicare: 9% in Fiscal 2011 (grading down to 5% in Fiscal 2015); Post-Medicare: 9% in Fiscal 2011 (grading down to 5% in Fiscal 2015); |
| Payroll Growth/Inflation Assumption: | 4.0% |
| Amortization of UAAL: | Level Percentage of Payroll (Closed Amortization over 30 Years) |

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) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 10/1/2010 * | \$ - | \$1,791,363 | \$1,791,363 | 0.00% | \$10,777,524 | 16.6% |

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

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

| Year Ending | Annual OPEB Cost | Percentage of OPEB Cost Contributed | Net OPEB Cost Obligation |
|----------------|---------------------|---|--------------------------------|
| 09/30/12 | \$ 226,543 | 48.2% | \$ 343,335 |

(A schedule of funding progress is presented on page 83.)

| Valuation Date Applicable for Fiscal Year Ending | 10/1/2010 9/30/2012 | 10/1/2010 9/30/2011 |
|---|------------------------|------------------------|
| Annual Required Contribution | \$ 224,442 | \$ 224,442 |
| Interaset on Net OPEB Obligatoin | 10,168 | 10,168 |
| Adjustment to Annual Required Contribution | (8,067) | (8,067) |
| Annual OPEB Cost/(Expense) | \$ 226,543 | \$ 226,543 |
| Estimated Contributions Made | (109,153) | (109,153) |
| Anticipated Increase/(Decrease) in Net OPEB Obligation | \$ 117,390 | \$ 117,390 |
| Net OPEB Obligation -- Beginning of Year | 112,962 | 112,962 |
| Adjustment to Book Value October 1 | 112,983 | 112,983 |
| Estimated Net OPEB Obligation -- End of Year | \$ 343,335 | \$ 343,335 |
| Funded Status as of: | 10/1/2010 | 10/1/2009 |
| Actuarial Accrued Liability (AAL) | \$ 1,791,363 | \$ 1,312,603 |
| Actuarial Value of Assets (AVA) | 0 | 0 |
| Unfunded Actuarial Accrued Liability *UAAL) | \$ 1,791,363 | \$ 1,312,603 |
| Funded Ratio | 0.0% | 0.0% |
| Covered Payroll | 10,777,524 | 11,735,058 |
| Ratio of UAAL to Covered Payroll | 17.3% | 11.2% |

The numbers shown above do not reflect a decision to fund the program. Therefore, the Contributions made to the program are assumed to be the benefits paid to retirees and administrative expenses.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

| <u>Schedule of Funding Progress</u> | | | | | | |
|-------------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 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) |
| 10/1/2010 | \$ - | \$1,791,363 | \$1,791,363 | 0.00% | \$10,777,524 | 16.6% |
| 10/1/2008 * | - | 1,312,603 | 1,312,603 | 0.00% | 11,735,058 | 11.2% |
| 10/1/2008 | - | 1,190,867 | 1,190,867 | 0.00% | 12,234,108 | 9.7% |

* Applies to the Fiscal Year Ended September 30, 2010

I. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed expenses might constitute a contingent liability of the City. The City does not believe any such contingent liabilities are material.

The City is contingently liable with respect to litigation incidental to the ordinary course of its operations. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits will not have a material adverse effect on the financial position of the City.

J. Risk Management

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

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

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

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2012, miscellaneous revenue consisted of the following:

| | |
|---------------------------------------|---------------------|
| <u>General Fund</u> | |
| Interest | \$ 10,955 |
| Administrative Charges | 2,573,155 |
| Other | 315,918 |
| | <u>2,900,028</u> |
| <u>Community Redevelopment Agency</u> | |
| Interest | 5,725 |
| Other | 219,219 |
| | <u>224,944</u> |
| <u>P G I Canal Maintenance Fund</u> | |
| Interest | 3,430 |
| Service Assessments | 2,613,203 |
| Other | 15,870 |
| | <u>2,632,503</u> |
| <u>Capital Project Fund</u> | |
| Interest | 7,117 |
| Other | 10,737 |
| | <u>17,854</u> |
| <u>Impact Fees - Transportation</u> | |
| Interest | 1,763 |
| Impact Fees | 25,686 |
| | <u>27,449</u> |
| <u>Other Governmental Funds</u> | |
| Interest | 2,780 |
| Service Assessments | 414,741 |
| Insurance Proceeds | 238,214 |
| Impact Fees | 22,740 |
| Other | 163,349 |
| | <u>841,824</u> |
| | <u>\$ 6,644,602</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2012

IV. Detailed notes on all funds, Continued

L. State Board Pool Discussion

As discussed in Note IV A, at September 30, 2012, the City had \$17,588,070 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, 2012, the City has \$17,275,852 and \$312,218 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, 2012

| 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 | | | | | | |
| 10/01/12 | \$ 26,865,766 | \$ 37,102,582 | \$ 10,236,816 | 72.41% | \$7,189,121 | 142.39% |
| 10/01/11 | 24,244,138 | 33,781,159 | 9,537,021 | 71.77% | 7,761,379 | 122.88% |
| 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% |
| Municipal Police Officers' Pension Plan | | | | | | |
| 10/01/12 | \$ 11,265,436 | \$ 12,511,565 | \$ 1,246,129 | 90.04% | \$1,731,061 | 71.99% |
| 10/01/11 | 10,484,228 | 11,595,434 | 1,111,206 | 90.42% | 1,935,114 | 57.42% |
| 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% |
| Municipal Firefighters' Pension Plan | | | | | | |
| 10/01/12 | \$ 7,593,369 | \$ 11,555,811 | \$ 3,962,442 | 65.71% | \$1,619,708 | 244.64% |
| 10/01/11 | 6,848,365 | 10,670,728 | 3,822,363 | 64.18% | 1,636,836 | 233.52% |
| 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% |

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
September 30, 2012

| <u>Year Ended</u> <u>September 30,</u> | <u>Annual Required</u> <u>Contribution</u> | <u>City</u> <u>Contribution</u> | <u>Insurance</u> <u>Premiums</u> <u>State</u> | <u>Percentage</u> <u>Contributed</u> |
|---|---|------------------------------------|---|---|
| General Employees' Pension Plan | | | | |
| 2012 | \$ 1,543,331 | \$ 1,543,331 | \$ - | 100.00% |
| 2011 | 1,457,548 | 1,457,548 | - | 100.00% |
| 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% |
| Municipal Police Officers' Pension Plan | | | | |
| 2012 | \$ 548,848 | \$ 373,353 | \$ 175,495 | 100.00% |
| 2011 | 556,724 | 384,322 | 172,401 | 100.00% |
| 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% |
| Municipal Firefighters' Pension Plan | | | | |
| 2012 | \$ 593,537 | \$ 384,131 | \$ 209,406 * | 100.00% |
| 2011 | 523,820 | 314,414 | 209,406 * | 100.00% |
| 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% |

* "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, 2012

| | General Employees' Pension Plan | Municipal Police Officers' Pension Plan | Municipal Firefighters' Pension Plan |
|--|---------------------------------------|--|--|
| * Valuation Date | 10/01/10 | 10/01/10 | 10/01/10 |
| Actuarial Cost Method | Entry age normal | Entry age normal | Entry age normal |
| Amortization Method | Level percent of pay, closed | Level percent of pay, closed | Level percent of pay, closed |
| Remaining amortization period | 30 years (at 10/1/10) | 24 years (at 10/1/10) | 27 years (at 10/1/10) |
| 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
 SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
 September 30, 2012

Three Year Trend Information

| <u>Year Ending</u> | <u>Annual OPEB Cost</u> | <u>Percentage of OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|--------------------|-------------------------|--|----------------------------|
| 9/30/2012 | \$ 226,558 | 48.2% | \$ 343,335 |
| 9/30/2011 | 226,543 | 48.2% | 343,335 |
| 9/30/2010 | 153,769 | 26.5% | 225,945 |

Schedule of Funding Progress

| <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Accrued Liability (AAL) - Entry Age (b)</u> | <u>Unfunded AAL (UAAL) (b-a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a % of Covered Payroll ((b-a)/c)</u> |
|---------------------------------|--------------------------------------|--|----------------------------------|---------------------------|----------------------------|---|
| 10/1/2010 | \$ - | \$1,791,363 | \$1,791,363 | 0.00% | \$10,777,524 | 16.6% |
| 10/1/2008 * | - | 1,312,603 | 1,312,603 | 0.00% | 11,735,058 | 11.2% |
| 10/1/2008 | - | 1,190,867 | 1,190,867 | 0.00% | 12,234,108 | 9.7% |

* Applies to the Fiscal Year Ended September 30, 2010



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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
- Fire
- Government

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

Burnt Store Isles Canal Maintenance Assessment District accounts for funds to be utilized for the repair and upkeep of City-owned seawalls and maintain navigability of canals located in the Burnt Store Isles subdivision.

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

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

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, 2012

| | Special Revenue Funds | | | |
|---|-----------------------|-------------------------|------------------------|------------------------------|
| | CDBG Fund | Impact Fees Parks | Impact Fees Fire | Impact Fees Government |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ - | \$ 49,011 | \$ 9,630 | \$ - |
| Accounts receivable | | | | |
| Due from other governments | 5 | - | - | - |
| Total Assets | \$ 5 | \$ 49,011 | \$ 9,630 | \$ - |
| LIABILITIES AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 4 | \$ - | \$ - |
| Retainage payable | - | - | - | - |
| Due to other funds | 5 | - | - | - |
| Total Liabilities | 5 | 4 | - | - |
| Fund Balances: | | | | |
| Nonspendable: | | | | |
| Permanent fund principal | - | - | - | - |
| Restricted for: | | | | |
| Public Safety | - | - | 9,630 | - |
| Transportation | - | - | - | - |
| Recreation | - | 49,007 | - | - |
| Committed for: | | | | |
| Damages or one-time expenditures | - | - | - | - |
| Total Fund Balances | - | 49,007 | 9,630 | - |
| Total Liabilities and Fund Balances | \$ 5 | \$ 49,011 | \$ 9,630 | \$ - |

| Damage Recovery Fund | Special Revenue Funds | | | Permanent Fund Gilchrist Intention Fund | Total Nonmajor Governmental |
|----------------------------|-----------------------------|-------------------------|------------------------|---|-----------------------------------|
| | BSI Canal Maintenance | Five Cent Gas Tax | Six Cent Gas Tax | | |
| \$ 662,936 | \$ 200,759 | \$ 291,032 | \$ 218,410 | \$ 5,043 | \$ 1,436,821 |
| - | 316 | - | 12,555 | - | 12,871 |
| - | 6,702 | 20,926 | 62,598 | - | 90,231 |
| <u>\$ 662,936</u> | <u>\$ 207,777</u> | <u>\$ 311,958</u> | <u>\$ 293,563</u> | <u>\$ 5,043</u> | <u>\$ 1,539,923</u> |
| \$ - | \$ 16,178 | \$ 62,650 | \$ 51,187 | \$ - | \$ 130,019 |
| - | 4,354 | 14,363 | - | - | 18,717 |
| - | - | - | - | - | 5 |
| - | 20,532 | 77,013 | 51,187 | - | 148,741 |
| - | - | - | - | 5,000 | 5,000 |
| - | - | - | - | - | 9,630 |
| - | - | 234,945 | 242,376 | 43 | 477,364 |
| - | 187,245 | - | - | - | 236,252 |
| 662,936 | - | - | - | - | 662,936 |
| <u>662,936</u> | <u>187,245</u> | <u>234,945</u> | <u>242,376</u> | <u>5,043</u> | <u>1,391,182</u> |
| <u>\$ 662,936</u> | <u>\$ 207,777</u> | <u>\$ 311,958</u> | <u>\$ 293,563</u> | <u>\$ 5,043</u> | <u>\$ 1,539,923</u> |

CITY OF PUNTA GORDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2012

| | Special Revenue Funds | | | |
|---|-----------------------|-------------------------|------------------------|------------------------------|
| | CDBG Fund | Impact Fees Parks | Impact Fees Fire | Impact Fees Government |
| Revenues: | | | | |
| Intergovernmental | \$ 18,832 | \$ - | \$ - | \$ - |
| Miscellaneous | - | 22,840 | 163 | - |
| Total revenues | <u>18,832</u> | <u>22,840</u> | <u>163</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Transportation | - | - | - | - |
| Economic environment | 18,832 | - | - | - |
| Recreation | - | - | - | - |
| Total expenditures | <u>18,832</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenue over expenditures | <u>-</u> | <u>22,840</u> | <u>163</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (16,298) | (52,692) | (5,410) |
| Total other financing sources (uses) | <u>-</u> | <u>(16,298)</u> | <u>(52,692)</u> | <u>(5,410)</u> |
| Net change in fund balances | - | 6,542 | (52,529) | (5,410) |
| Fund Balances, October 1, 2011 | <u>-</u> | <u>42,465</u> | <u>62,159</u> | <u>5,410</u> |
| Fund Balances, September 30, 2012 | <u>\$ -</u> | <u>\$ 49,007</u> | <u>\$ 9,630</u> | <u>\$ -</u> |

| Damage Recovery Fund | Special Revenue Funds | | | Permanent Fund | Total Nonmajor Governmental |
|----------------------------|-----------------------------|-------------------------|------------------------|--------------------------------|-----------------------------------|
| | BSI Canal Maintenance | Five Cent Gas Tax | Six Cent Gas Tax | Gilchrist Intention Fund | |
| \$ - | \$ - | \$ 248,444 | \$ 549,322 | \$ - | \$ 816,598 |
| 225,721 | 416,164 | 1,203 | 175,719 | 14 | 841,824 |
| <u>225,721</u> | <u>416,164</u> | <u>249,647</u> | <u>725,041</u> | <u>14</u> | <u>1,658,422</u> |
| - | - | 520,476 | 621,460 | - | 1,141,936 |
| 70,948 | - | - | - | - | 89,780 |
| - | 437,662 | - | - | - | 437,662 |
| <u>70,948</u> | <u>437,662</u> | <u>520,476</u> | <u>621,460</u> | <u>-</u> | <u>1,669,378</u> |
| 154,773 | (21,498) | (270,829) | 103,581 | 14 | (10,956) |
| - | - | 355,000 | - | - | 355,000 |
| (345,000) | - | - | (14,234) | - | (433,634) |
| <u>(345,000)</u> | <u>-</u> | <u>355,000</u> | <u>(14,234)</u> | <u>-</u> | <u>(78,634)</u> |
| (190,227) | (21,498) | 84,171 | 89,347 | 14 | (89,590) |
| 853,163 | 208,743 | 150,774 | 153,029 | 5,029 | 1,480,772 |
| <u>\$ 662,936</u> | <u>\$ 187,245</u> | <u>\$ 234,945</u> | <u>\$ 242,376</u> | <u>\$ 5,043</u> | <u>\$ 1,391,182</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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|---------------|---------------|---------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 72,626 | \$ 98,959 | \$ 18,832 | \$ (80,127) |
| Total revenues | <u>72,626</u> | <u>98,959</u> | <u>18,832</u> | <u>(80,127)</u> |
| Expenditures | | | | |
| Current | | | | |
| Economic environment | 72,626 | 98,959 | 18,832 | 80,127 |
| Total expenditures | <u>72,626</u> | <u>98,959</u> | <u>18,832</u> | <u>80,127</u> |
| Revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Fund balances, October 1, 2011 | | | <u>-</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ -</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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|---------------------------|---------------------------|-------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Miscellaneous | \$ 8,100 | \$ 8,100 | \$ 22,840 | \$ 14,740 |
| Total revenues | <u>8,100</u> | <u>8,100</u> | <u>22,840</u> | <u>14,740</u> |
| Expenditures | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess revenues over expenditures | <u>8,100</u> | <u>8,100</u> | <u>22,840</u> | <u>14,740</u> |
| Other financing uses | | | | |
| Transfers out | <u>(39,000)</u> | <u>(40,336)</u> | <u>(16,298)</u> | <u>24,038</u> |
| Total other financing uses | <u>(39,000)</u> | <u>(40,336)</u> | <u>(16,298)</u> | <u>24,038</u> |
| Net change in fund balance | <u><u>\$ (30,900)</u></u> | <u><u>\$ (32,236)</u></u> | 6,542 | <u><u>\$ 38,778</u></u> |
| Fund balances, October 1, 2011 | | | <u>42,465</u> | |
| Fund balances, September 30, 2012 | | | <u><u>\$ 49,007</u></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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|---------------|--------------------|-----------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Miscellaneous | \$ 250 | \$ 250 | \$ 163 | \$ (87) |
| Total revenues | <u>250</u> | <u>250</u> | <u>163</u> | <u>(87)</u> |
| Expenditures | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess revenues over expenditures | <u>250</u> | <u>250</u> | <u>163</u> | <u>(87)</u> |
| Other financing uses | | | | |
| Transfers out | <u>-</u> | <u>(61,418)</u> | <u>(52,692)</u> | <u>8,726</u> |
| Total other financing uses | <u>-</u> | <u>(61,418)</u> | <u>(52,692)</u> | <u>8,726</u> |
| Net change in fund balance | <u>\$ 250</u> | <u>\$ (61,168)</u> | <u>(52,529)</u> | <u>\$ 8,639</u> |
| Fund balances, October 1, 2011 | | | <u>62,159</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ 9,630</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, 2012

| | <u>Budgets</u> | | <u>Actual</u> | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|-----------------|-------------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing uses | | | | |
| Transfers out | <u>-</u> | <u>(5,410)</u> | <u>(5,410)</u> | <u>-</u> |
| Total other financing uses | <u>-</u> | <u>(5,410)</u> | <u>(5,410)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (5,410)</u> | <u>(5,410)</u> | <u>\$ -</u> |
| Fund balances, October 1, 2011 | | | <u>5,410</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ -</u> | |

CITY OF PUNTA GORDA, FLORIDA
 B S I CANAL MAINTENANCE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2012

| | <u>Budgets</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|-----------------------------------|---------------------------|----------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Miscellaneous | <u>\$ 412,530</u> | <u>\$ 412,530</u> | <u>\$ 416,164</u> | <u>\$ 3,634</u> |
| Total revenues | <u>412,530</u> | <u>412,530</u> | <u>416,164</u> | <u>3,634</u> |
| Expenditures | | | | |
| Current | | | | |
| Recreation | <u>446,490</u> | <u>520,332</u> | <u>437,662</u> | <u>82,670</u> |
| Total expenditures | <u>446,490</u> | <u>520,332</u> | <u>437,662</u> | <u>82,670</u> |
| Revenues under expenditures | <u>(33,960)</u> | <u>(107,802)</u> | <u>(21,498)</u> | <u>86,304</u> |
| Net change in fund balance | <u><u>\$ (33,960)</u></u> | <u><u>\$ (107,802)</u></u> | <u>(21,498)</u> | <u><u>\$ 86,304</u></u> |
| Fund balances, October 1, 2011 | | | <u>208,743</u> | |
| Fund balances, September 30, 2012 | | | <u><u>\$ 187,245</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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|--------------------------|----------------------------|--------------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 238,000 | \$ 239,428 | \$ 248,444 | \$ 9,016 |
| Miscellaneous | - | | 1,203 | 1,203 |
| Total revenues | <u>238,000</u> | <u>239,428</u> | <u>249,647</u> | <u>10,219</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | <u>600,000</u> | <u>745,202</u> | <u>520,476</u> | <u>224,726</u> |
| Total expenditures | <u>600,000</u> | <u>745,202</u> | <u>520,476</u> | <u>224,726</u> |
| Revenues under expenditures | <u>(362,000)</u> | <u>(505,774)</u> | <u>(270,829)</u> | <u>234,945</u> |
| Other financing sources | | | | |
| Transfers in | <u>355,000</u> | <u>355,000</u> | <u>355,000</u> | - |
| Total other financing sources | <u>355,000</u> | <u>355,000</u> | <u>355,000</u> | - |
| Net change in fund balance | <u><u>\$ (7,000)</u></u> | <u><u>\$ (150,774)</u></u> | 84,171 | <u><u>\$ 234,945</u></u> |
| Fund balances, October 1, 2011 | | | <u>150,774</u> | |
| Fund balances, September 30, 2012 | | | <u><u>\$ 234,945</u></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, 2012

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|------------------------------------|-------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 512,000 | \$ 512,000 | \$ 549,322 | \$ 37,322 |
| Miscellaneous | 159,280 | 171,832 | 175,719 | 3,887 |
| Total revenues | <u>671,280</u> | <u>683,832</u> | <u>725,041</u> | <u>41,209</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | <u>678,220</u> | <u>704,056</u> | <u>621,460</u> | <u>82,596</u> |
| Total expenditures | <u>678,220</u> | <u>704,056</u> | <u>621,460</u> | <u>82,596</u> |
| Revenues over (under) expenditures | <u>(6,940)</u> | <u>(20,224)</u> | <u>103,581</u> | <u>123,805</u> |
| Other financing uses | | | | |
| Transfers out | <u>-</u> | <u>(14,234)</u> | <u>(14,234)</u> | <u>-</u> |
| Total other financing uses | <u>-</u> | <u>(14,234)</u> | <u>(14,234)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (6,940)</u> | <u>\$ (34,458)</u> | 89,347 | <u>\$ 123,805</u> |
| Fund balances, October 1, 2011 | | | <u>153,029</u> | |
| Fund balances, September 30, 2012 | | | <u>\$ 242,376</u> | |

INTERNAL SERVICE FUNDS

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

- 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, 2012

| ASSETS | <u>Information Technology</u> |
|--|-----------------------------------|
| Current Assets | |
| Cash and cash equivalents | \$ 350,425 |
| Accounts receivable | 4,084 |
| Total current assets | <u>354,509</u> |
| Noncurrent Assets | |
| Capital assets, net of accumulated depreciation | <u>397,139</u> |
| Total noncurrent assets | <u>397,139</u> |
| Total assets | <u>751,648</u> |
| LIABILITIES AND FUND EQUITY | |
| Current Liabilities | |
| Accounts payable | 17,987 |
| Current portion compensated absences | 947 |
| Accrued liabilities | <u>8,280</u> |
| Total current liabilities | <u>27,214</u> |
| Noncurrent Liabilities | |
| Accrued compensated absences | 8,525 |
| Other postemployment benefits payable | <u>6,866</u> |
| Total noncurrent liabilities | <u>15,391</u> |
| Total liabilities | <u>42,605</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 397,139 |
| Unrestricted | <u>311,904</u> |
| Total net assets | <u><u>\$ 709,043</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, 2012

| | <u>Information Technology</u> |
|------------------------------------|-----------------------------------|
| Operating Revenues | |
| Charges for services | \$ 933,247 |
| Miscellaneous | <u>10,287</u> |
| Total operating revenues | <u>943,534</u> |
| Operating Expenses | |
| Personal services | 385,182 |
| Contractual services | 167,135 |
| Materials and supplies | 19,279 |
| Utilities | 3,950 |
| Depreciation | 178,841 |
| Insurance | 40,382 |
| Repairs and maintenance | 262,805 |
| Travel and training | 18,894 |
| Rent | <u>60,971</u> |
| Total operating expenses | <u>1,137,439</u> |
| Operating loss | <u>(193,905)</u> |
| Nonoperating revenues | |
| Interest income | 788 |
| Gain on disposal of capital assets | <u>1,621</u> |
| Total nonoperating revenues | <u>2,409</u> |
| Income before transfers | <u>(191,496)</u> |
| Transfers In | <u>77,202</u> |
| Change in net assets | (114,294) |
| Net assets - beginning | <u>823,337</u> |
| Net assets - ending | <u><u>\$ 709,043</u></u> |

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended September 30, 2012

| | <u>Information Technology</u> |
|---|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Cash received from services provided | \$ 933,247 |
| Cash payments to suppliers for goods and services | (618,837) |
| Cash payments to employees for services | (395,047) |
| Other receipts | 6,203 |
| Net cash used in operating activities | <u>(74,434)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | |
| Operating Transfers in | <u>77,202</u> |
| Net cash provided by noncapital financing activities | <u>77,202</u> |
| CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Acquisition of property, plant, and equipment | (101,436) |
| Sale of equipment disposal | 121 |
| Net cash used in capital and related financing activities | <u>(101,315)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest received | <u>788</u> |
| Net cash provided by investing activities | <u>788</u> |
| Net decrease in cash and cash equivalents | (97,759) |
| Cash and cash equivalents at beginning of year | <u>448,184</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 350,425</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating loss | \$ (193,905) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 178,841 |
| Net (increase) decrease in: | |
| Accounts receivable | (4,084) |
| Net increase (decrease) in: | |
| Accounts payable | (45,421) |
| Accrued liabilities | (9,865) |
| Net cash used in operating activities | <u><u>\$ (74,434)</u></u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | |
| Disposal of fully depreciated capital assets | \$ 99,679 |

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 | 96 |
| 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 | 101 |
| 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 | 105 |
| 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 | 109 |
| 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 | 111 |
| 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 Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | |
|--|----------------------|----------------------|----------------------|-----------------------|
| | 2012 | 2011 | 2010 | 2009 |
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | \$ 41,531,906 | \$ 40,912,696 | \$ 41,789,787 | \$ 34,583,793 |
| Restricted | 6,870,015 | 5,811,609 | 6,651,036 | 12,319,882 |
| Unrestricted | 2,320,145 | 4,591,120 | 3,947,931 | 1,908,437 |
| Total governmental activities net assets | <u>\$ 50,722,066</u> | <u>\$ 51,315,425</u> | <u>\$ 52,388,754</u> | <u>\$ 48,812,112</u> |
| Business-type activities | | | | |
| Invested in capital assets, net of related debt | \$ 44,351,423 | \$ 40,596,997 | \$ 40,092,054 | \$ 36,108,108 |
| Restricted | 4,314,817 | 3,326,147 | 3,906,859 | 8,085,297 |
| Unrestricted | 5,427,068 | 8,924,351 | 8,205,482 | 8,293,575 |
| Total business-type activities net assets | <u>\$ 54,093,308</u> | <u>\$ 52,847,495</u> | <u>\$ 52,204,395</u> | <u>\$ 52,486,980</u> |
| Primary government | | | | |
| Invested in capital assets, net of related debt | \$ 85,883,329 | \$ 81,509,693 | \$ 81,881,841 | \$ 70,691,901 |
| Restricted | 11,184,832 | 9,137,756 | 10,557,895 | 20,405,179 |
| Unrestricted | 7,747,213 | 13,515,471 | 12,153,413 | 10,202,012 |
| Total primary government net assets | <u>\$104,815,374</u> | <u>\$104,162,920</u> | <u>\$104,593,149</u> | <u>\$ 101,299,092</u> |

Per the Statement of Net Assets

| Fiscal Year | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| \$22,648,403 | \$33,056,270 | \$26,355,360 | \$28,455,370 | \$25,200,694 | \$ 23,892,442 |
| 16,564,079 | 4,752,331 | 5,258,454 | 3,878,852 | 3,802,933 | 2,826,351 |
| 5,654,823 | 7,464,821 | 7,669,666 | 3,283,673 | 2,791,662 | 5,304,525 |
| <u>\$44,867,305</u> | <u>\$45,273,422</u> | <u>\$39,283,480</u> | <u>\$35,617,895</u> | <u>\$31,795,289</u> | <u>\$ 32,023,318</u> |
| | | | | | |
| \$34,966,838 | \$28,147,738 | \$25,671,970 | \$25,258,114 | \$24,718,468 | \$ 23,500,701 |
| 10,545,071 | 10,821,837 | 7,632,554 | 8,136,448 | 7,510,942 | 9,185,654 |
| 7,746,315 | 11,059,075 | 15,001,540 | 10,925,707 | 10,224,442 | 8,448,403 |
| <u>\$53,258,224</u> | <u>\$50,028,650</u> | <u>\$48,306,064</u> | <u>\$44,320,269</u> | <u>\$42,453,852</u> | <u>\$ 41,134,758</u> |
| | | | | | |
| \$57,615,241 | \$61,204,008 | \$52,027,330 | \$53,713,484 | \$49,919,162 | \$ 47,393,143 |
| 27,109,150 | 15,574,168 | 12,891,008 | 12,015,300 | 11,313,875 | 12,012,005 |
| 13,401,138 | 18,523,896 | 22,671,206 | 14,209,380 | 13,016,104 | 13,752,928 |
| <u>\$98,125,529</u> | <u>\$95,302,072</u> | <u>\$87,589,544</u> | <u>\$79,938,164</u> | <u>\$74,249,141</u> | <u>\$ 73,158,076</u> |

City of Punta Gorda, Florida

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

| | Fiscal Year | | | |
|---|----------------------|----------------------|---------------------------|----------------------|
| | 2012 | 2011 | 2010 | 2009 |
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 3,761,601 | \$ 3,789,465 | \$ 3,932,729 | \$ 4,206,952 |
| Public safety | 8,831,471 | 8,575,957 | 8,608,147 | 8,284,731 |
| Transportation | 2,794,684 | 2,928,550 | 2,671,254 | 2,489,020 |
| Economic environment | 247,121 | 409,960 | 280,643 | 105,296 |
| Recreation | 4,785,081 | 5,298,806 | 4,799,940 | 4,545,088 |
| Storm related event | - | - | - | - |
| Interest on long-term debt | 961,431 | 1,018,596 | 1,158,268 | 892,524 |
| Total governmental activities expenses | <u>21,381,389</u> | <u>22,021,334</u> | <u>21,450,981</u> | <u>20,523,611</u> |
| Business-type activities: | | | | |
| Water and wastewater | 14,535,733 | 14,980,052 | 14,169,605 | 16,219,660 |
| Sanitation/refuse | 2,726,802 | 2,583,077 | 2,644,978 | 2,653,853 |
| Building Fund | 538,982 | 524,200 | 756,813 | 878,240 |
| Marina Fund | 245,701 | 243,105 | 226,092 | 184,295 |
| Total business-type activities expenses | <u>18,047,218</u> | <u>18,330,434</u> | <u>17,797,488</u> | <u>19,936,048</u> |
| Total primary government expenses | <u>\$ 39,428,607</u> | <u>\$ 40,351,768</u> | <u>\$ 39,248,469</u> | <u>\$ 40,459,659</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | \$ 1,574,413 | \$ 1,656,887 | \$ 1,733,185 ¹ | \$ 447,370 |
| Public Safety | 12,730 | 13,939 | 11,244 | 42,485 |
| Transportation | 161,386 | 152,488 | 133,718 | 131,063 |
| Recreation | 3,027,944 | 3,026,319 | 3,017,860 | 2,497,317 |
| Operating grants and contributions | 630,204 | 1,023,291 | 604,884 | 572,143 |
| Capital grants and contributions | 1,224,478 | 1,893,746 | 5,506,701 | 4,674,346 |
| Intergovernmental revenues | - | - | - | - |
| Total governmental activities program revenues | <u>6,631,155</u> | <u>7,766,670</u> | <u>11,007,592</u> | <u>8,364,724</u> |
| Business-type activities: | | | | |
| Charges for Services: | | | | |
| Water and Sewer | 14,718,754 | 14,740,246 | 13,433,435 | 13,555,767 |
| Sanitation/refuse | 2,926,609 | 2,913,888 | 2,871,430 | 2,886,005 |
| Building Fund | 498,327 | 476,797 | 481,971 | 393,770 |
| Marina Fund | 221,764 | 205,486 | 235,027 | 202,033 |
| Operating grants and contributions | 5,349 | - | - | - |
| Capital grants and contributions | 753,196 | 503,116 | 345,518 | 1,810,905 |
| Total business-type activities program revenues | <u>19,123,999</u> | <u>18,839,533</u> | <u>17,367,381</u> | <u>18,848,480</u> |
| Total primary government program revenues | <u>\$ 25,755,154</u> | <u>\$ 26,606,203</u> | <u>\$ 28,374,973</u> | <u>\$ 27,213,204</u> |

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| \$ 5,058,263 | \$ 4,171,880 | \$ 3,279,077 | \$ 3,818,813 | \$ 4,196,052 | \$ 5,857,625 |
| 8,475,071 | 8,324,762 | 7,500,777 | 7,608,668 | 6,791,333 | 5,908,408 |
| 2,501,444 | 3,632,732 | 2,870,066 | 2,068,295 | 2,182,392 | 1,989,493 |
| 1,549,851 | 521,498 | 608,842 | 501,182 | 254,360 | 177,115 |
| 4,914,306 | 5,346,971 | 4,929,326 | 3,729,535 | 7,658,375 | 3,730,291 |
| - | - | - | 2,855,483 | 4,674,955 | - |
| 349,841 | 361,620 | 304,843 | 203,138 | 234,058 | 198,943 |
| <u>22,848,776</u> | <u>22,359,463</u> | <u>19,492,931</u> | <u>20,785,114</u> | <u>25,991,525</u> | <u>17,861,875</u> |
| 15,761,078 | 15,848,537 | 14,171,524 | 12,546,070 | 12,701,810 | 11,902,457 |
| 2,697,547 | 2,696,303 | 2,722,014 | 2,463,665 | 2,520,655 | 2,420,658 |
| 900,760 | 1,071,282 | 1,219,504 | - | - | - |
| 214,506 | 114,477 | - | - | - | - |
| <u>19,573,891</u> | <u>19,730,599</u> | <u>18,113,042</u> | <u>15,009,735</u> | <u>15,222,465</u> | <u>14,323,115</u> |
| <u>\$ 42,422,667</u> | <u>\$ 42,090,062</u> | <u>\$ 37,605,973</u> | <u>\$ 35,794,849</u> | <u>\$ 41,213,990</u> | <u>\$ 32,184,990</u> |
| \$ 494,777 | \$ 521,702 | \$ 602,994 | \$ 279,712 | \$ 165,800 | \$ 222,266 |
| 46,151 | 37,316 | 72,032 | 2,604,091 | 613,741 | 696,958 |
| - | - | - | 142,322 | 118,646 | 86,486 |
| 2,497,130 | 2,509,787 | 2,649,555 | 2,056,033 | 2,059,657 | 1,417,952 |
| 546,568 | 586,303 | 565,166 | 3,216,534 | 4,950,127 | 56,409 |
| 2,497,389 | 4,312,306 | 3,312,120 | 1,223,665 | 3,430,791 | 1,163,079 |
| - | - | - | - | 4,511,548 | 3,927,265 |
| <u>6,082,015</u> | <u>7,967,414</u> | <u>7,201,867</u> | <u>9,522,357</u> | <u>15,850,310</u> | <u>7,570,415</u> |
| 11,644,843 | 12,235,089 | 11,936,777 | 11,239,816 | 11,864,808 | 11,146,850 |
| 2,837,053 | 2,828,985 | 2,718,416 | 2,344,094 | 2,509,935 | 2,208,154 |
| 778,176 | 1,044,109 | 1,878,408 | - | - | - |
| 216,771 | 104,320 | - | - | - | - |
| - | 61,480 | 9,322 | 16,190 | 30,639 | 24,683 |
| <u>6,376,950</u> | <u>3,380,915</u> | <u>4,148,396</u> | <u>2,730,343</u> | <u>1,630,102</u> | <u>1,556,869</u> |
| <u>21,853,793</u> | <u>19,654,898</u> | <u>20,691,319</u> | <u>16,330,443</u> | <u>16,035,484</u> | <u>14,936,556</u> |
| <u>\$ 27,935,808</u> | <u>\$ 27,622,312</u> | <u>\$ 27,893,186</u> | <u>\$ 25,852,800</u> | <u>\$ 31,885,794</u> | <u>\$ 22,506,971</u> |

(continued)

City of Punta Gorda, Florida

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

(continued)

| | Fiscal Year | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2012 | 2011 | 2010 | 2009 |
| Net (Expense)/Revenue | | | | |
| Government activities | \$ (14,750,234) | \$ (14,254,664) | \$ (10,443,389) | \$ (12,158,887) |
| Business type activities | 1,076,781 | 509,099 | (430,107) | (1,087,568) |
| Total primary government net expense | <u>\$ (13,673,453)</u> | <u>\$ (13,745,565)</u> | <u>\$ (10,873,496)</u> | <u>\$ (13,246,455)</u> |
| General Revenues and Other Changes in Net Assets | | | | |
| Government activities: | | | | |
| Property taxes | \$ 6,239,901 | \$ 6,427,277 | \$ 6,829,344 | \$ 7,508,812 |
| Franchise fees and other taxes | - | - | - | 1,448,111 |
| Utility taxes and gas taxes | 3,732,770 | 3,631,650 | 3,669,713 | 3,540,381 |
| Sales taxes | 3,016,077 | 2,888,533 | 2,913,132 | 2,874,856 |
| Investment earnings | 32,632 | 30,563 | 39,548 | 177,625 |
| Miscellaneous | 1,135,495 | 203,312 | 568,293 | 553,909 |
| Gain on sale of capital assets | - | - | - | - |
| Transfers | - | - | - | - |
| Total governmental activities | <u>14,156,875</u> | <u>13,181,335</u> | <u>14,020,030</u> | <u>16,103,694</u> |
| Business-type activities: | | | | |
| Franchise fees and other taxes | - | - | - | 49,850 |
| Investment earnings | 23,047 | 26,601 | 39,390 | 144,879 |
| Miscellaneous | 145,985 | 107,400 | 108,132 | 121,595 |
| Gain on sale of capital assets | - | - | - | - |
| Transfers | - | - | - | - |
| Total business-type activities | <u>169,032</u> | <u>134,001</u> | <u>147,522</u> | <u>316,324</u> |
| Total primary government | <u>\$ 14,325,907</u> | <u>\$ 13,315,336</u> | <u>\$ 14,167,552</u> | <u>\$ 16,420,018</u> |
| Change in Net Assets | | | | |
| Governmental activities | \$ (593,359) | \$ (1,073,329) | \$ 3,576,641 | \$ 3,944,807 |
| Business-type activities | 1,245,813 | 643,100 | (282,585) | (771,244) |
| Total primary government | <u>\$ 652,454</u> | <u>\$ (430,229)</u> | <u>\$ 3,294,056</u> | <u>\$ 3,173,563</u> |

¹ The increase in FY 2010 in Charges for Services and the decrease in FY 2010 in Franchise fees and other taxes is a result of the reclassification of Franchise fees from the taxes category to permits, fees, and special assessment category.

| Fiscal Year | | | | | |
|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| \$ (16,766,761) | \$ (14,392,049) | \$ (12,291,064) | \$ (11,262,757) | \$ (10,141,215) | \$ (10,291,460) |
| 2,279,902 | (75,701) | 2,578,277 | 1,320,708 | 813,019 | 613,441 |
| <u>\$ (14,486,859)</u> | <u>\$ (14,467,750)</u> | <u>\$ (9,712,787)</u> | <u>\$ (9,942,049)</u> | <u>\$ (9,328,196)</u> | <u>\$ (9,678,019)</u> |
| | | | | | |
| \$ 7,319,612 | \$ 7,401,394 | \$ 6,134,672 | \$ 5,733,290 | \$ 4,932,027 | \$ 4,373,005 |
| 1,365,284 | 1,331,145 | 1,323,607 | 1,109,411 | 1,044,505 | 1,016,275 |
| 3,348,743 | 3,462,681 | 3,440,025 | 3,400,667 | 3,471,836 | 3,488,370 |
| 3,192,142 | 3,732,044 | 4,021,518 | 3,865,509 | - | - |
| 466,383 | 881,752 | 794,741 | 228,952 | 194,637 | 206,280 |
| 683,480 | 961,972 | 742,086 | 747,534 | 254,509 | 287,250 |
| - | - | - | - | 15,672 | 31,806 |
| (15,000) | - | (500,000) | - | - | - |
| <u>16,360,644</u> | <u>17,770,988</u> | <u>15,956,649</u> | <u>15,085,363</u> | <u>9,913,186</u> | <u>9,402,986</u> |
| | | | | | |
| 13,757 | 16,060 | 16,610 | 13,527 | 14,815 | 12,661 |
| 546,821 | 1,035,266 | 842,404 | 490,500 | 267,424 | 379,771 |
| 374,094 | 746,961 | 48,504 | 39,825 | 223,836 | 212,774 |
| - | - | - | 1,857 | - | 19,365 |
| 15,000 | - | 500,000 | - | - | - |
| <u>949,672</u> | <u>1,798,287</u> | <u>1,407,518</u> | <u>545,709</u> | <u>506,075</u> | <u>624,571</u> |
| <u>\$ 17,310,316</u> | <u>\$ 19,569,275</u> | <u>\$ 17,364,167</u> | <u>\$ 15,631,072</u> | <u>\$ 10,419,261</u> | <u>\$ 10,027,557</u> |
| | | | | | |
| \$ (406,117) | \$ 3,378,939 | \$ 3,665,585 | \$ 3,822,606 | \$ (228,029) | \$ (888,474) |
| 3,229,574 | 1,722,586 | 3,985,795 | 1,866,417 | 1,319,094 | 1,238,012 |
| <u>\$ 2,823,457</u> | <u>\$ 5,101,525</u> | <u>\$ 7,651,380</u> | <u>\$ 5,689,023</u> | <u>\$ 1,091,065</u> | <u>\$ 349,538</u> |

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

| | Fiscal Year | | | |
|-------------------------------------|---------------------|---------------------|----------------------|----------------------|
| | 2012 | 2011 | 2010 | 2009 |
| General Fund | | | | |
| Reserved | \$ - | \$ - | \$ 20,258 | \$ 23,330 |
| Unreserved | - | - | 2,719,651 | 2,975,814 |
| Nonspendable | 69,198 | 69,170 | - | - |
| Restricted | 35,665 | 31,798 | - | - |
| Assigned | 650,152 | 1,323,782 | - | - |
| Unassigned | 1,390,377 | 1,251,292 | - | - |
| Total general fund | <u>\$ 2,145,392</u> | <u>\$ 2,676,042</u> | <u>\$ 2,739,909</u> | <u>\$ 2,999,144</u> |
| All Other Governmental Funds | | | | |
| Reserved | | | | |
| Community Redevelopment Agency fund | \$ - | \$ - | \$ - | \$ - |
| Special revenue funds | - | - | - | - |
| Capital projects fund | - | - | 4,735,079 | 7,182,506 |
| Debt service | - | - | 1,890,683 | 2,592,975 |
| Permanent fund | - | - | 5,016 | 9,117 |
| Unreserved, reported in: | | | | |
| Special revenue funds | - | - | 4,253,408 | 4,384,516 |
| Nonspendable | 5,000 | 5,000 | - | - |
| Restricted | 6,829,350 | 4,468,381 | - | - |
| Committed | 911,220 | 2,920,047 | - | - |
| Assigned | - | 1,001,990 | - | - |
| Total all other governmental funds | <u>\$ 7,745,570</u> | <u>\$ 8,395,418</u> | <u>\$ 10,884,186</u> | <u>\$ 14,169,114</u> |

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

| Fiscal Year | | | | | |
|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| \$ 13,325 | \$ 12,073 | \$ 8,320 | \$ 12,873 | \$ 20,976 | \$ 16,814 |
| 2,136,234 | 2,592,762 | 3,515,022 | 4,057,485 | 3,140,042 | 3,398,600 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 2,149,559</u> | <u>\$ 2,604,835</u> | <u>\$ 3,523,342</u> | <u>\$ 4,070,358</u> | <u>\$ 3,161,018</u> | <u>\$ 3,415,414</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,850,128 |
| - | - | - | 67,192 | 91,892 | 384,961 |
| 14,748,301 | 4,731,481 | 5,241,808 | 3,790,840 | 3,682,328 | 2,416,937 |
| 1,793,418 | - | - | - | - | - |
| 9,035 | 8,777 | 8,326 | 7,947 | 7,737 | 7,639 |
| 4,074,605 | 5,493,619 | 4,693,565 | (411,586) | 114,743 | 774,022 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 20,625,359</u> | <u>\$ 10,233,877</u> | <u>\$ 9,943,699</u> | <u>\$ 3,454,393</u> | <u>\$ 3,896,700</u> | <u>\$ 5,433,687</u> |

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

| | Fiscal Year | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2011 | 2010 | 2009 |
| Revenues | | | | |
| Taxes | \$ 9,192,748 | \$ 9,317,037 | \$ 9,689,705 | \$ 10,246,335 |
| Licenses and permits | 1,248,740 | 1,345,101 | 1,367,597 | 1,490,496 |
| Intergovernmental | 5,843,681 | 6,403,858 | 7,877,020 | 6,918,794 |
| Charges for services | 292,572 | 296,764 | 276,077 | 383,255 |
| Fines and forfeits | 91,278 | 78,131 | 84,706 | 126,733 |
| Miscellaneous | 6,644,602 | 6,357,689 | 6,436,682 | 7,893,570 |
| Total revenues | <u>23,313,621</u> | <u>23,798,580</u> | <u>25,731,787</u> | <u>27,059,183</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 4,969,592 | 4,938,277 | 5,210,592 | 5,562,439 |
| Public safety | 8,568,485 | 7,922,801 | 8,157,088 | 7,833,093 |
| Transportation | 2,191,230 | 2,386,252 | 2,295,249 | 1,894,342 |
| Economic environment | 253,272 | 613,939 | 302,359 | 121,539 |
| Recreation | 4,119,128 | 4,607,994 | 4,137,861 | 3,897,380 |
| Storm related event | - | - | - | - |
| Debt service: | | | | |
| Principal | 1,660,535 | 1,641,790 | 1,641,750 | 660,250 |
| Interest and other charges | 961,431 | 1,018,596 | 1,158,268 | 892,524 |
| Capital outlay | 1,693,244 | 3,146,647 | 6,251,510 | 18,619,817 |
| Total expenditures | <u>24,416,917</u> | <u>26,276,296</u> | <u>29,154,677</u> | <u>39,481,384</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,103,296)</u> | <u>(2,477,716)</u> | <u>(3,422,890)</u> | <u>(12,422,201)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 4,060,955 | 3,302,433 | 3,726,512 | 4,045,215 |
| Transfers out | (4,138,157) | (3,377,352) | (3,847,785) | (4,229,674) |
| Issuance of debt | - | - | - | 7,000,000 |
| Total other financing sources (uses) | <u>(77,202)</u> | <u>(74,919)</u> | <u>(121,273)</u> | <u>6,815,541</u> |
| Net change in fund balances | <u>\$ (1,180,498)</u> | <u>\$ (2,552,635)</u> | <u>\$ (3,544,163)</u> | <u>\$ (5,606,660)</u> |
| Debt service as a percentage of noncapital expenditures | <u>11.70%</u> | <u>11.58%</u> | <u>14.20%</u> | <u>8.10%</u> |

| Fiscal Year | | | | | |
|---------------------|-----------------------|---------------------|-------------------|-----------------------|---------------------|
| 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| \$ 9,928,267 | \$ 11,264,695 | \$ 9,922,917 | \$ 10,231,641 | \$ 9,448,368 | \$ 8,877,651 |
| 1,411,185 | 119,369 | 156,080 | 2,736,653 | 704,155 | 837,940 |
| 6,921,575 | 9,099,683 | 8,709,282 | 8,211,624 | 12,750,887 | 4,855,125 |
| 369,828 | 330,834 | 416,161 | 254,001 | 194,033 | 167,770 |
| 167,949 | 215,000 | 173,594 | 103,379 | 102,698 | 104,621 |
| 6,251,446 | 7,245,744 | 6,670,719 | 4,762,080 | 4,344,582 | 3,881,054 |
| <u>25,050,250</u> | <u>28,275,325</u> | <u>26,048,753</u> | <u>26,299,378</u> | <u>27,544,723</u> | <u>18,724,161</u> |
| 6,154,605 | 6,377,140 | 5,436,018 | 4,907,746 | 5,129,701 | 5,422,490 |
| 8,125,330 | 8,096,334 | 7,208,484 | 7,518,937 | 6,805,994 | 6,025,466 |
| 1,907,488 | 3,230,449 | 2,355,179 | 1,897,888 | 2,019,953 | 1,900,615 |
| 1,661,754 | 521,498 | 384,949 | 342,286 | 273,110 | 177,115 |
| 4,341,429 | 4,710,861 | 4,270,190 | 3,074,464 | 6,971,671 | 2,455,913 |
| - | - | - | 2,855,483 | 4,674,955 | - |
| 648,000 | 620,500 | 528,996 | 1,066,130 | 729,446 | 2,443,832 |
| 349,841 | 361,620 | 304,843 | 203,138 | 240,530 | 188,475 |
| 6,338,689 | 7,596,255 | 4,170,804 | 3,958,521 | 2,490,746 | 1,522,110 |
| <u>29,527,136</u> | <u>31,514,657</u> | <u>24,659,463</u> | <u>25,824,593</u> | <u>29,336,106</u> | <u>20,136,016</u> |
| <u>(4,476,886)</u> | <u>(3,239,332)</u> | <u>1,389,290</u> | <u>474,785</u> | <u>(1,791,383)</u> | <u>(1,411,855)</u> |
| 3,704,250 | 3,987,168 | 3,542,741 | 3,092,341 | 2,514,222 | 4,071,526 |
| (3,719,250) | (3,987,168) | (4,042,741) | (3,100,093) | (2,514,222) | (4,071,526) |
| 14,428,092 | - | 5,053,000 | - | - | 4,092,000 |
| 14,413,092 | - | 4,553,000 | (7,752) | - | 4,092,000 |
| <u>\$ 9,936,206</u> | <u>\$ (3,239,332)</u> | <u>\$ 5,942,290</u> | <u>\$ 467,033</u> | <u>\$ (1,791,383)</u> | <u>\$ 2,680,145</u> |
| <u>4.45%</u> | <u>4.40%</u> | <u>4.27%</u> | <u>6.24%</u> | <u>3.82%</u> | <u>16.94%</u> |

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

| <u>Fiscal Year Ended September 30,</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Less: Tax-Exempt Property</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> |
|--|--------------------------|------------------------------|--|---|--------------------------------------|
| 2012 | \$2,748,747,297 | \$ 196,395,091 | \$ 577,549,653 | \$ 2,367,592,735 | 2.7462 |
| 2011 | 2,820,488,011 | 159,561,099 | 549,821,787 | 2,430,227,323 | 2.7251 |
| 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 |

Source: Charlotte County County Property Appraiser (DR 403)

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

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

| Fiscal Year Ended September 30, | Total Direct Rate | | Overlapping Rates ^a | | | | | Charlotte County School Board | Total Direct and Overlapping Rates |
|---------------------------------------|----------------------|--------|-----------------------------------|--------|--------|---------------------|--------|--|---|
| | Operating Millage | SWFWMD | Peace River Basin ^b | WCIND | Other | Charlotte County | | | |
| 2012 | 2.7462 | 0.3928 | 0.0000 | 0.0394 | 0.2000 | 6.2796 | 7.3440 | 17.0020 | |
| 2011 | 2.7251 | 0.3770 | 0.1827 | 0.0394 | 0.2000 | 6.0892 | 7.8410 | 17.4544 | |
| 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 | 0.1827 | 0.0394 | 0.2000 | 4.5426 | 6.2388 | 13.7629 | |
| 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 | |

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

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

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

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

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

| Rank | Taxpayer/Type of Business | <u>2012</u> Taxable Assessed Value | <u>2011</u> Taxable Assessed Value | <u>2010</u> Taxable Assessed Value | <u>2009</u> Taxable Assessed Value | <u>2008</u> Taxable Assessed Value |
|------|---|---|---|---|---|---|
| 1 | Florida Power & Light Co. Electric Utility | \$ 40.7 | \$ 40.2 | \$ 39.1 | \$ 41.4 | \$ 38.4 |
| 2 | Punta Gorda Medical Center, Inc. Hospital | 30.0 | 29.0 | 33.1 | 47.1 | 46.5 |
| 3 | Sprint-United Telephone Company of FL Telephone Utility | 12.8 | 11.4 | 11.9 | 20.9 | 21.8 |
| 4 | Nu-West Florida, Inc. Shopping Center Fishermen's Village | 11.3 | 14.9 | 10.8 | 13.0 | 13.0 |
| 5 | Punta Gorda Hotel, LLC Best Western | 11.0 | 10.5 | 11.2 | 13.3 | 15.2 |
| 6 | Punta Gorda Assoc., Ltd. Life Care Center | 7.9 | 7.8 | 8.1 | - | 7.7 |
| 7 | Home Depot USA, Inc | 7.2 | 7.4 | 7.8 | 9.0 | 9.6 |
| 8 | Colonial Realty, Limited-shopping center Shopping Center Burnt Store | 6.3 | 6.2 | 7.0 | - | - |
| 9 | Harbor Resort Hotel, LLC Four Points by Sheraton | 5.8 | - | - | - | - |
| 10 | Fund VIII Punta Gorda Crossing | 5.7 | 5.6 | - | 9.0 | 9.1 |
| | SunLoft LLC | - | 7.6 | 8.0 | 13.6 | - |
| | Integrated Control Systems, Inc.- Training Center & Impac University | - | - | 10.2 | - | - |
| | Palm Isles Condo Dev LLC Condo- Vivante | - | - | - | 9.5 | 18.5 |
| | Punta Gorda Partners LLC Condo- Vivante | - | - | - | 9.1 | 20.3 |
| | 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 | - | - | - | - | - |
| | Punta Gorda FL Commercial Shopping Center Punta Gorda Mall | - | - | - | - | - |
| | Royal Palm Harbor PA Land | - | - | - | - | - |
| | Total | <u>\$ 138.7</u> | <u>\$ 140.6</u> | <u>\$ 147.2</u> | <u>\$ 185.9</u> | <u>\$ 200.1</u> |
| | City Total Taxable Assessed Value | <u>\$ 2,367.6</u> | <u>\$ 2,430.2</u> | <u>\$ 2,646.1</u> | <u>\$ 2,712.1</u> | <u>\$ 3,519.4</u> |
| | Principal Taxpayer's Percentage of total | <u>5.86%</u> | <u>5.79%</u> | <u>5.56%</u> | <u>6.85%</u> | <u>5.69%</u> |

| <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> |
| \$ 37.3 | \$ 28.7 | \$ 24.1 | \$ 24.1 | \$ 22.5 |
| 47.0 | 37.3 | 31.7 | 31.7 | 32.5 |
| 23.7 | 18.1 | 17.0 | 17.0 | 17.0 |
| 15.5 | 9.3 | 15.7 | 15.7 | 15.2 |
| 15.5 | - | 8.8 | 8.8 | - |
| - | - | 6.5 | 6.5 | - |
| 10.8 | - | - | - | - |
| 8.5 | 9.7 | 11.6 | 11.6 | 13.2 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 12.3 | - | - | - | 12.6 |
| 20.1 | 8.3 | - | - | - |
| 10.3 | 8.5 | - | - | - |
| - | 9.0 | 10.2 | 10.2 | 12.9 |
| - | 7.1 | - | - | - |
| - | 6.6 | 6.7 | 6.7 | 7.1 |
| - | - | - | - | 9.3 |
| - | - | 8.2 | 8.2 | - |
| - | - | - | - | 9.8 |
| <u>\$ 201.0</u> | <u>\$ 142.6</u> | <u>\$ 140.5</u> | <u>\$ 140.5</u> | <u>\$ 152.1</u> |
| <u>\$ 3,568.3</u> | <u>\$ 2,558.9</u> | <u>\$ 2,408.0</u> | <u>\$ 2,081.0</u> | <u>\$ 1,793.0</u> |
| <u>5.63%</u> | <u>5.57%</u> | <u>5.83%</u> | <u>6.75%</u> | <u>8.48%</u> |

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> |
| 2012 | \$ 6,502,365 | \$ 6,239,901 | 95.97% | \$ - | \$ 6,239,901 | 96.00% |
| 2011 | 6,622,612 | 6,424,928 | 97.02% | 2,349 | 6,427,277 | 97.05% |
| 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% |

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



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**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 |
| 2012 | \$ - | \$ 23,649,684 | \$ - | \$ 2,980,000 | \$ 5,000,987 | \$ 98,886 |
| 2011 | - | 25,310,219 | - | 4,360,000 | 5,785,571 | 215,871 |
| 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 |

* FY 2010 Population adjusted to 2010 US Census

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 | |
|--------------------------|---------------------------------|------------------------------|-------------------|
| <u>Capital Leases</u> | <u>Total Primary Government</u> | <u>Total Personal Income</u> | <u>Per Capita</u> |
| \$ - | \$ 31,729,557 | 4.9% | \$ 1,847 |
| - | 35,671,661 | 6.0% | 2,144 |
| - | 39,510,030 | 6.9% | 2,374 * |
| - | 43,259,999 | 7.3% | 2,546 |
| - | 38,951,101 | 6.2% | 2,207 |
| - | 27,107,951 | 4.5% | 1,567 |
| - | 29,313,103 | 5.8% | 1,729 |
| - | 25,531,007 | 5.7% | 1,571 |
| - | 23,398,147 | 5.2% | 1,363 |
| - | 26,329,785 | 6.0% | 1,587 |

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, 2012

| <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 |
|---------------------------------------|-------------------------|------------------------------------|-----------------------------|---------------------------------|----------|
| 2012 | \$15,592,877 | \$ 9,920,795 | \$ 5,672,082 | \$ 1,573,260 | 3.6 |
| 2011 | 15,326,489 | 10,402,002 | 4,924,487 | 1,573,260 | 3.1 |
| 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 |

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

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

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

| <u>Fiscal year Ended September 30,</u> | <u>Population City of Punta Gorda (a)</u> | <u>Population Charlotte County (a)</u> | <u>Per Capita Income (b)</u> | <u>Total Personal Income City of Punta Gorda (in thousands)</u> | <u>Unemployment Rate (b)</u> |
|--|---|--|------------------------------|---|------------------------------|
| 2012 | 17,177 | 160,511 | \$ 37,424 | \$ 642,832 | 9.1% |
| 2011 | 16,641 | 159,978 | 35,858 | 596,713 | 10.1% |
| 2010 | 16,641* | 159,978* | 34,587 | 575,562 * | 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% |

Note: Information presented is the most current available.

* FY 2010 populations have been updated to reflect the 2010 US Census

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

^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 2012

| Employer | Employees | Rank | Percentage of Total MSA Employment |
|--|------------------|-------------|---|
| Charlotte County School Board | 2,245 | 1 | 3.55% |
| Wal - Mart | 1,424 | 2 | 2.25% |
| Peace River Regional Medical Center | 1,067 | 3 | 1.69% |
| Charlotte County Board of Commisioners | 997 | 4 | 1.58% |
| Charlotte Regional Medical Center | 984 | 5 | 1.55% |
| Publix Supermarkets | 977 | 6 | 1.54% |
| Fawcett Memorial Hospital Inc. | 716 | 7 | 1.13% |
| Charlotte County Sheriff's Office | 617 | 8 | 0.97% |
| Charlotte Correctional Institute | 385 | 9 | 0.61% |
| Home Depot | 337 | 10 | 0.53% |

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 Ten Fiscal Years

| <u>Function/Program</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | | | |
| City Council | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| City Manager's Office | 1.63 | 1.63 | 1.50 | 2.50 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Human Resources | 3.00 | 3.00 | 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 | 5.00 | 5.00 |
| Procurement | 7.00 | 7.25 | 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 | 8.00 | 8.00 | 7.00 | 7.00 |
| Legal | 0.50 | 0.50 | 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 | 3.00 | 3.00 | 5.00 |
| Engineering | 4.90 | 4.90 | 5.00 | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Right of Way Maintenance | 14.00 | 14.00 | 15.00 | 16.00 | 17.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| Parks and Grounds | 10.00 | 11.50 | 12.00 | 14.00 | 16.00 | 16.00 | 16.00 | 16.00 | 14.00 | 13.50 |
| Facilities Maintenance | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.50 |
| Police | 49.00 | 49.00 | 52.00 | 51.00 | 52.00 | 52.00 | 52.00 | 51.00 | 49.50 | 48.50 |
| Fire | 28.00 | 28.00 | 28.00 | 29.00 | 30.00 | 30.00 | 30.00 | 30.00 | 29.00 | 26.00 |
| Growth Management | | | | | | | | | | |
| Growth Management Admin | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 1.50 | 1.00 |
| Code Compliance | 4.00 | 4.00 | 4.00 | 5.00 | 6.00 | 7.00 | 7.00 | 7.00 | - | - |
| Urban Design | 6.80 | 6.80 | 6.80 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 8.00 | 8.00 |
| Punta Gorda Isles Canal Maintenance | 9.00 | 9.00 | 9.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 |
| Utilities | | | | | | | | | | |
| Billing and Collections | 5.00 | 5.00 | 4.60 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 |
| Utilities Administration | 5.00 | 6.00 | 6.00 | 7.00 | 7.00 | 7.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Water Treatment | 16.00 | 14.50 | 13.50 | 16.00 | 18.00 | 18.00 | 18.00 | 18.00 | 17.00 | 17.00 |
| Wastewater Collection | 15.00 | 14.80 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 14.00 | 12.00 | 12.00 |
| Wastewater Treatment | 13.50 | 13.50 | 13.50 | 13.50 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| Water Distribution | 18.00 | 17.50 | 20.00 | 18.00 | 20.00 | 20.00 | 20.00 | 16.00 | 16.00 | 16.00 |
| Fleet Maintenance | 1.60 | 2.00 | 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 | 19.00 | 19.00 | 20.00 | 21.00 | 21.00 |
| Building | 4.87 | 4.00 | 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 | 4.00 | 4.00 | 3.00 | 3.00 | 3.00 |
| Geographic Information Services(GIS) | - | - | - | - | 1.00 | 1.00 | 1.00 | 1.00 | - | - |
| Total | <u>264.80</u> | <u>264.88</u> | <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 Amended Authorized Budget Position Summary

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

| <u>Function/Program</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Police | | | | | | | | |
| Calls for Service | 13,289 | 14,874 | 15,687 | 16,177 | 14,222 | 13,026 | 13,940 | 13,637 |
| Citations Issued | 8,562 | 11,446 | 12,626 | 13,708 | 15,652 | 20,030 | 20,084 | 12,306 |
| Traffic crashes | 444 | 447 | 491 | 465 | 448 | 534 | 628 | 583 |
| Narcotics arrests | 187 | 285 | 277 | 247 | 226 | 250 | 187 | 215 |
| Fire Department | | | | | | | | |
| Fires | 80 | 97 | 52 | 81 | 70 | 87 | 100 | 97 |
| EMS and Police assistance calls | 2,202 | 2,343 | 2,529 | 2,403 | 2,115 | 2,047 | 1,898 | 1,670 |
| General Government | | | | | | | | |
| Building permits issued | 812 | 1,297 | 1,170 | 939 | 1,429 | 1,723 | 3,062 | 11,792 |
| Building inspections conducted | 2,575 | 2,613 | 2,415 | 2,552 | 4,834 | 6,799 | 8,860 | 21,105 |
| Dwelling units permitted | 57 | 30 | 43 | 18 | 98 | 92 | 243 | 467 |
| Streets and highways | | | | | | | | |
| Streets resurfaced (<i>miles</i>) | 7.3 | 6.3 | 6.5 | 6.2 | 0.0 | 6.5 | 5 | 5 |
| New sidewalks (linear feet) | 6,020 | 2,000 | 4,490 | 6,547 | 5,180 | 0 | 0 | 350 |
| Water | | | | | | | | |
| New connections | 62 | 51 | 9 | 45 | 192 | 322 | 485 | 622 |
| Average daily consumption (<i>thousands of gallons</i>) | 4,261 | 4,456 | 4,299 | 4,101 | 4,018 | 4,580 | 4,776 | 4,300 |
| Peak daily consumption (<i>thousands of gallons</i>) | 6,216 | 6,471 | 6,400 | 6,602 | 7,061 | 6,023 | 6,705 | 6,300 |
| Water equivalent residential units (ERU) | 20,656 | 20,645 | 20,512 | 20,651 | 21,430 | 21,611 | 21,234 | 14,018 |
| Wastewater | | | | | | | | |
| Average daily sewage treatment (<i>thousands of gallons</i>) | 2,178 | 2,092 | 2,210 | 1,840 | 1,884 | 1,740 | 2,087 | 4,000 |
| Sewer equivalent residential units (ERU) | 15,422 | 15,390 | 15,292 | 15,062 | 15,688 | 15,569 | 15,185 | 12,310 |
| Solid waste collection | | | | | | | | |
| Solid waste collected (<i>tons per day</i>) | 24.7 | 22.7 | 24.8 | 23.5 | 26.1 | 30.3 | 31.9 | 38.5 |
| Recyclables collected (<i>tons per day</i>) <i>includes yardwaste</i> | 13.2 | 11.7 | 11.4 | 10.8 | 10.3 | 12.4 | 13.1 | 10.9 |
| Punta Gorda Isles Canal Maintenance Assessment District | | | | | | | | |
| Seawall replacement (feet) | 6,609 | 8,436 | 6,484 | 4,221 | 4,248 | 4,786 | 8,440 | 2,354 |
| Seawall cap replacement (feet) | 5,304 | 4,420 | 6,479 | 5,076 | 4,676 | 6,155 | 967 | 5,080 |
| Total miles of seawall | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 |
| Total miles of canals | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 |
| Burnt Store Isles Canal Maintenance Assessment District | | | | | | | | |
| Seawall replacement (feet) | 1,740 | 1,594 | 694 | 750 | 474 | 410 | 154 | 362 |
| Seawall cap replacement (feet) | 556 | 2,637 | 898 | 1,036 | 421 | 2,624 | 1,342 | 1,354 |
| Total miles of seawall | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| Total miles of canals | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |

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

| <u>Function/Program</u> | <u>2012</u> | <u>2011</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 | 1 | 1 |
| Sub-Stations | 2 | 2 | 2 | 2 | 0 | 0 | 0 | 0 |
| Number of Police Officers Authorized | 34 | 34 | 34 | 35 | 36 | 36 | 32 | 34 |
| Fire | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of Firefighters Authorized | 26 | 26 | 26 | 26 | 27 | 27 | 27 | 27 |
| Streets and highways | | | | | | | | |
| Streets (<i>miles</i>) | 116 | 116 | 116 | 110 | 110 | 110 | 110 | 110 |
| Unpaved streets (<i>miles</i>) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Streetlights | 720 | 720 | 590 | 566 | 566 | 566 | 566 | 566 |
| Traffic signal intersections | 19 | 19 | 18 | 18 | 18 | 18 | 18 | 18 |
| Water | | | | | | | | |
| Water mains (<i>miles</i>) | 237 | 237 | 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 | 6,870 | 6,870 |
| Fire hydrants | 1,234 | 1,193 | 1,177 | 1,173 | 979 | 979 | 1,000 | 930 |
| Wastewater | | | | | | | | |
| Sanitary sewers (<i>miles</i>) | 130 | 129 | 129 | 129 | 129 | 129 | 132 | 127 |
| Treatment capacity (<i>thousands</i>) | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Solid waste collection | | | | | | | | |
| Collection trucks | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 9 |
| Parks and recreation | | | | | | | | |
| Acreage | 104 | 90.7 | 90.7 | 90.7 | 90.7 | 90.7 | 90.7 | 90.7 |
| Number of Parks | 19 | 12 | 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, 2012, and have issued our report thereon dated March 25, 2013.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in those reports, which are dated March 25, 2013, 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:

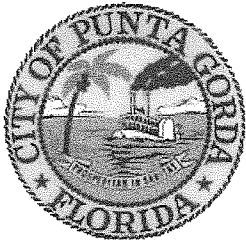
- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit 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, 2012, 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, 2012. 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 25, 2013



CITY OF PUNTA GORDA, FLORIDA

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

March 26, 2013

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
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, 2012, and have issued our report thereon dated March 25, 2013. 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.

March 25, 2013

Ashley, Brown + Co.