



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

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013**

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, 2013

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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 27, 2014

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, 2013.

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, 2013 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, 2013 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. These reports are available in the City's separately issued Single Audit Report.



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

Profile of the Government

Punta Gorda, founded December 7, 1887, is the only incorporated city in Charlotte County and serves as the County Seat. The City currently occupies a land area of approximately 16 square miles and serves a population of approximately 17,300. 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. 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. During the year all of these policy changes have been implemented.


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, 2012. This was the twenty-eighth 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

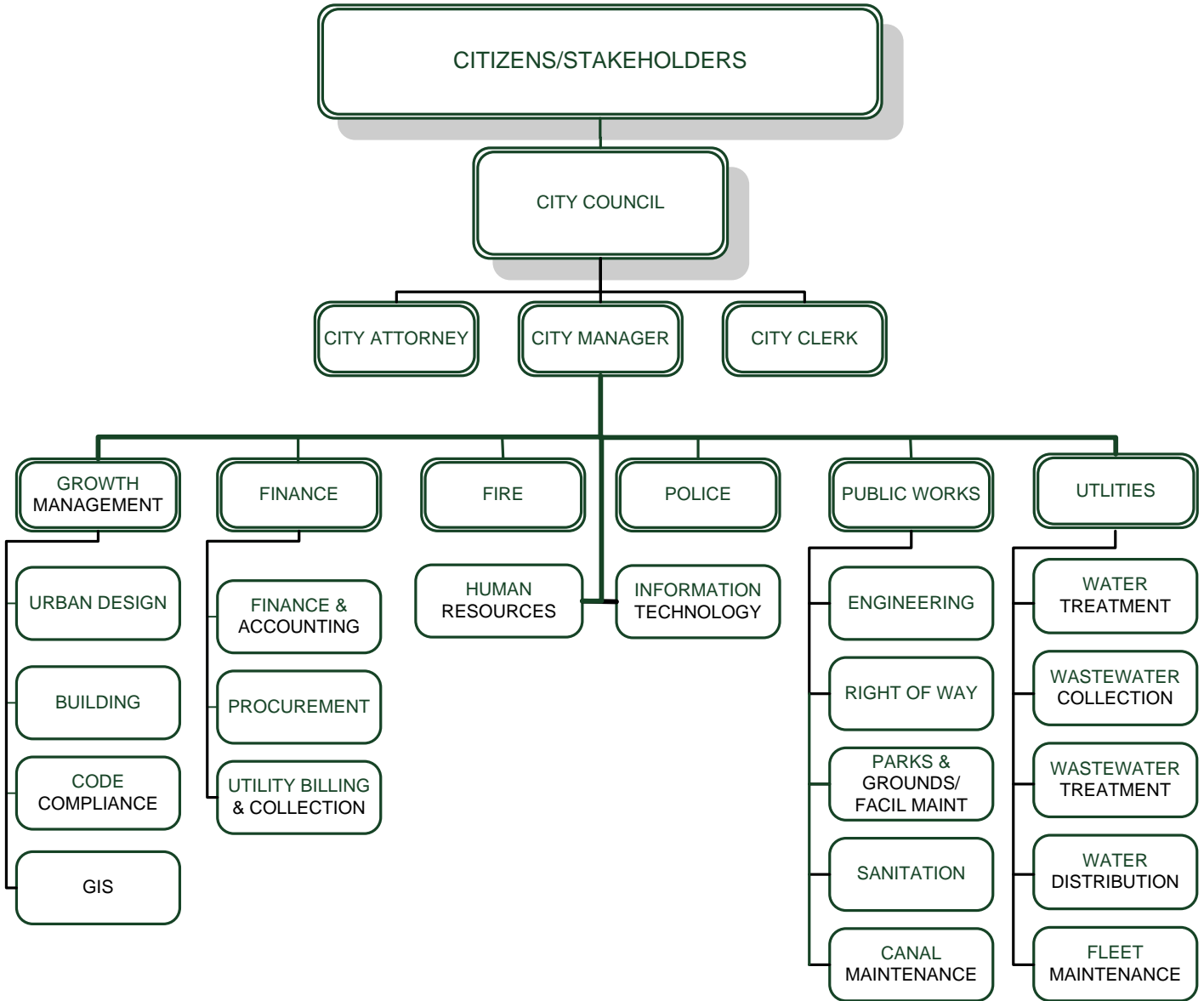


DAVID W. DRURY, CPA
DIRECTOR OF FINANCE

City of Punta Gorda
List of Principal Officials
As of September 30, 2013

<u>Title</u>	<u>Name</u>
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 Attorney	David M. Levin
City Clerk	Karen Smith
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, 2012. 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-eight consecutive years (fiscal years ended 1985 through 2012). 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.



Government Finance Officers Association

**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, 2012

Executive Director/CEO



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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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of September 30, 2013, 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, PGI Canal Maintenance Special Revenue Fund and the Transportation Impact Fee Special Revenue Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Ashley, Brown + Co.

March 24, 2014

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, 2013.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2013, by \$107.8 million (net position). Of this amount, \$8.0 million unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3.0 million.
- As of September 30, 2013 the City's governmental funds reported combined ending net position of \$51.1 million. This is a increase of \$0.4 million.
- As of September 30, 2013 the business-type activities reported combined ending net position of \$56.7 million. This is an increase of \$2.6 million.
- The City's total long-term liabilities decreased by \$3.3 million during the current fiscal year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Statement of Net Position (page 22) and **The Statement of Activities** (page 23) 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 24. 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 29 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 Damage Recovery 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 Position 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during fiscal year 2013. All changes in net position 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 42.

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

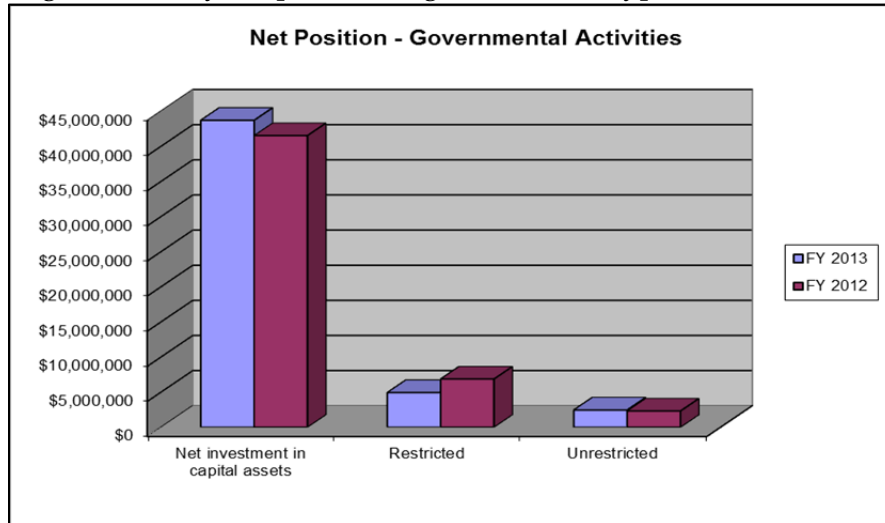
The City's combined net position as of September 30, 2013 was \$107.8 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$43.1 million. Total city-wide expenses were \$40.1 million. The increase to city-wide net position was \$3.0 million (Table 2). Below in Table 1 is a condensed Statement of Net Position, in thousands, for the governmental activities and the business-type activities.

Table 1
Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 10,447	\$ 11,804	\$ 11,094	\$ 11,189	\$ 21,541	\$ 22,993
Capital assets	65,218	65,182	53,438	52,348	118,656	117,530
Total assets	<u>75,665</u>	<u>76,986</u>	<u>64,532</u>	<u>63,537</u>	<u>140,197</u>	<u>140,523</u>
Long-term liabilities	(22,874)	(24,778)	(6,385)	(7,783)	(29,259)	(32,561)
Other liabilities	(1,667)	(1,486)	(1,446)	(1,661)	(3,113)	(3,147)
Total liabilities	<u>(24,541)</u>	<u>(26,264)</u>	<u>(7,831)</u>	<u>(9,444)</u>	<u>(32,372)</u>	<u>(35,708)</u>
Net Position:						
Net investment in						
capital assets	43,712	41,532	47,680	44,351	91,392	85,883
Restricted	4,945	6,870	3,535	4,315	8,480	11,185
Unrestricted	2,467	2,320	5,486	5,427	7,953	7,747
Total net position	<u>\$ 51,124</u>	<u>\$ 50,722</u>	<u>\$ 56,701</u>	<u>\$ 54,093</u>	<u>\$107,825</u>	<u>\$104,815</u>

The largest portion of the City's net position (84.8%) reflects its investment in capital assets (land, buildings, infrastructure and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. Restricted assets (representing 7.9% of total net position) are subject to external restrictions on how they may be used. The remaining 7.3% balance of unrestricted net position, \$8.0 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 position increased by \$0.4 million or 0.8%. Last fiscal year there was a \$0.6 million decrease in net position. The analysis of revenues and expenses for governmental activities can be found in this MD&A on pages 11-13. The business-type activities net position increased \$2.6 million or 4.8%. The last fiscal year increase was \$1.2 million. The analysis of revenues and expenses for business-type activities can be found in this MD&A on pages 13-15. The City's overall financial position increased by \$3.0 million or 2.9%. The prior year increase was \$0.6 million.

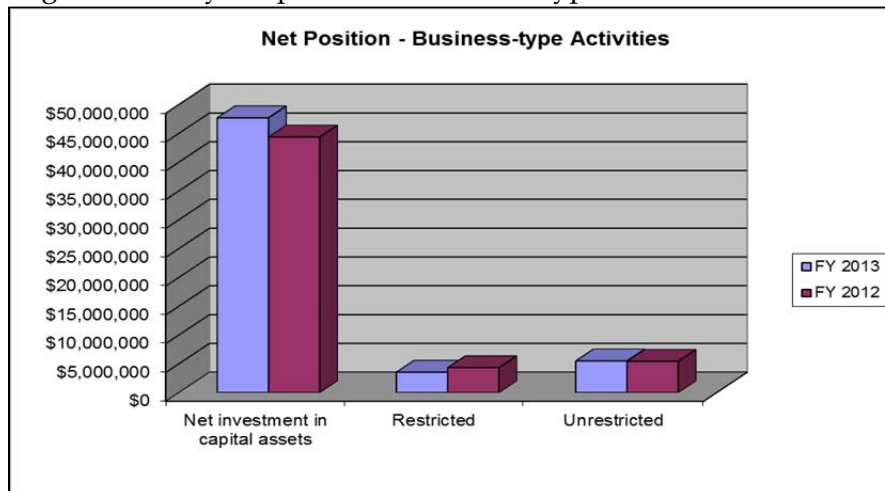
The following is a chart by net position of governmental-type activities.



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

- Current and other assets decreased, \$1.4 million - primarily cash & grant receivables
- Aqui Esta sidewalks, \$0.5 million
- Other capital improvement projects, \$0.2 million
- Other asset purchases, \$0.06 million
- Accumulated Depreciation, net of disposals, \$2.8 million
- Capital asset disposals, \$0.1 million
- Principal reduction on long-term liabilities, \$1.9 million
- Other liabilities increased, \$0.2 million

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



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

- Current and other assets decreased \$0.1 million
- Water plant expansion projects, \$0.1 million
- Wastewater filtration project, \$2.5 million
- Water main upgrade projects, \$0.2 million

- Gravity sewer, force main, and lift station projects, \$0.2 million
- Water and wastewater plant equipment, \$0.3 million
- Developer contributed water and wastewater infrastructure assets, \$1.3 million
- Marina pumpout boat, \$0.1 million
- Accumulated depreciation, \$3.6 million
- Principal reduction on long-term liabilities, \$2.2 million
- Accounts payable and retainage payable increased \$0.5 million
- Other liabilities decreased, \$0.1 million

Table 2
Changes in Net Position
(in Thousands)

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,816	\$ 4,776	\$ 18,603	\$ 18,366	\$ 23,419	\$ 23,142
Operating grants and contributions	578	630	-	5	578	635
Capital grants and contributions	2,066	1,225	2,000	753	4,066	1,978
General revenues:						
Property taxes	7,127	6,240	-	-	7,127	6,240
Other taxes	7,033	6,749	-	-	7,033	6,749
Other	717	1,168	150	169	867	1,337
Total revenues	<u>22,337</u>	<u>20,788</u>	<u>20,753</u>	<u>19,293</u>	<u>43,090</u>	<u>40,081</u>
Expenses:						
General government	3,701	3,762	-	-	3,701	3,762
Public safety	8,964	8,831	-	-	8,964	8,831
Transportation	3,135	2,795	-	-	3,135	2,795
Economic environment	315	247	-	-	315	247
Recreation	4,958	4,785	-	-	4,958	4,785
Interest on long-term debt	862	961	-	-	862	961
Water and wastewater	-	-	14,503	14,536	14,503	14,536
Sanitation/refuse	-	-	2,801	2,727	2,801	2,727
Building Fund	-	-	578	539	578	539
Marina	-	-	263	246	263	246
Total expenses	<u>21,935</u>	<u>21,381</u>	<u>18,145</u>	<u>18,048</u>	<u>40,080</u>	<u>39,429</u>
Increase (decrease) in net position	402	(593)	2,608	1,245	3,010	652
Net position-beginning	50,722	51,315	54,093	52,848	104,815	104,163
Net position-ending	<u>\$ 51,124</u>	<u>\$ 50,722</u>	<u>\$ 56,701</u>	<u>\$ 54,093</u>	<u>\$ 107,825</u>	<u>\$ 104,815</u>

The analysis of Table 2 states the overall Total Primary Government revenues increased \$3.0 million or 7.5% from the prior year. The Governmental Activities revenues increased \$1.5 million or 7.5%. The Business-type Activities revenues increased \$1.5 million or 7.6%.

The Total Primary Government expenses increased \$0.7 million or 1.7% from the prior year. The Governmental Activities expenses increased by \$0.6 million or 2.6%. The expenses in Business-type Activities increased \$0.1 million or 0.5%.

The analysis of revenues and expenses can be found in this MD&A: Governmental Activities on pages 11-13 and Business-type Activities on pages 13-15.

Major Fund Changes in Net Position or Fund Balance

The General Fund balance at September 30, 2013 consisted of \$1.2 million for unassigned fund balance; \$1.4 million was assigned for subsequent year's budget, and \$0.1 million was for non spendable inventories and restricted funds for public safety. This is a \$0.6 million increase in fund balance from September 30, 2012. The City Council's financial policy on fund balance minimum is 5.5% of annual expenditures. A more detailed analysis of revenues and expenditures can be found on pages 15-17 of the MD&A.

The Debt Service Fund balance at September 30, 2013 was \$1.3 million with no change from the prior year. 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 decreased \$257 thousand. This was due to an approved use of fund balance to refinance CRA debt.

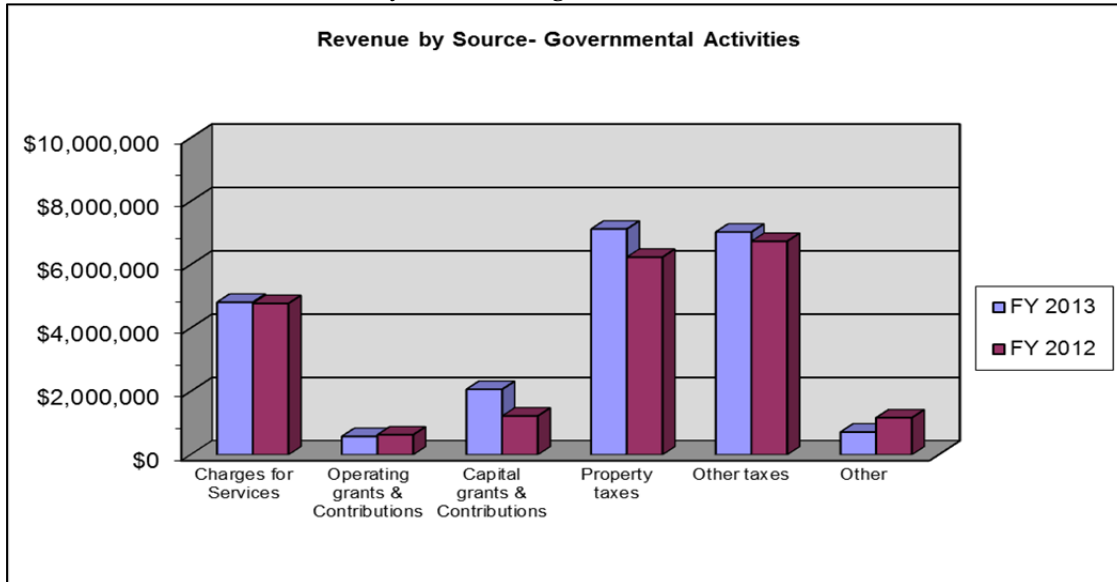
The PGI Canal Maintenance Fund balance decreased \$5 thousand. Although revenues of were slightly lower than the prior year, the expenditures were \$39 higher due to turnover and a one-time bonus to employees.

The Transportation Impact Fee Fund balance increased \$16 thousand. The impact fee revenues were \$37 thousand which was a \$10 thousand increase from the prior year representing a trend of increased building activity. The transfer to the General Construction Fund of \$21 thousand, which was a decrease of \$439 thousand from the prior year and represents that the prior year construction projects used up much of remaining fund balance that had been accumulated in previous years.

The Water and Wastewater Utility Fund net position increased \$2.3 million. Capital assets had a net increase of \$1.1 million for capital purchased and constructed, as well as developer contributed infrastructure less the depreciation expense for the year. Current year revenues as well as prior year assets of \$0.4 million were used to pay debt reducing liabilities by \$2.2 million; however an increase in accounts payable and retainage payable caused by payments due on the wastewater filtration project increased liabilities \$0.5 million and a \$0.1 million increase was due to an increase in the OPEB liability.

Governmental Activities

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



The following details the revenue variances between fiscal years 2012 and 2013.

Charges for services increased by 0.8% when compared to FY 2012.

Operating grants and contributions decreased by \$52 thousand due to the following:

- Decrease in FEMA reimbursements from Tropical Storm Debby, \$34 thousand
- Decrease in operating grants and private contributions \$18 thousand

Capital grants & contributions increased by \$841 thousand due to the following:

- Increase in FDOT Lap grants for Multi-Use Recreational Trails of \$702 thousand
- Increase in FDOT JPA contribution for roadway lighting relocation of \$143 thousand
- Increase in Marine Advisory Board grant for Gilchrist Landing project of \$102 thousand
- Increase in transportation and park impact fees of \$37 thousand due to increased building activity
- Decrease in hazard mitigation grants of \$147 thousand
- Decrease in other contributions \$5 thousand

Property tax revenues increased by \$887 thousand. The millage rate increased from 2.7462 to 3.2462 in FY 2013.

Other taxes increased by \$293 thousand.

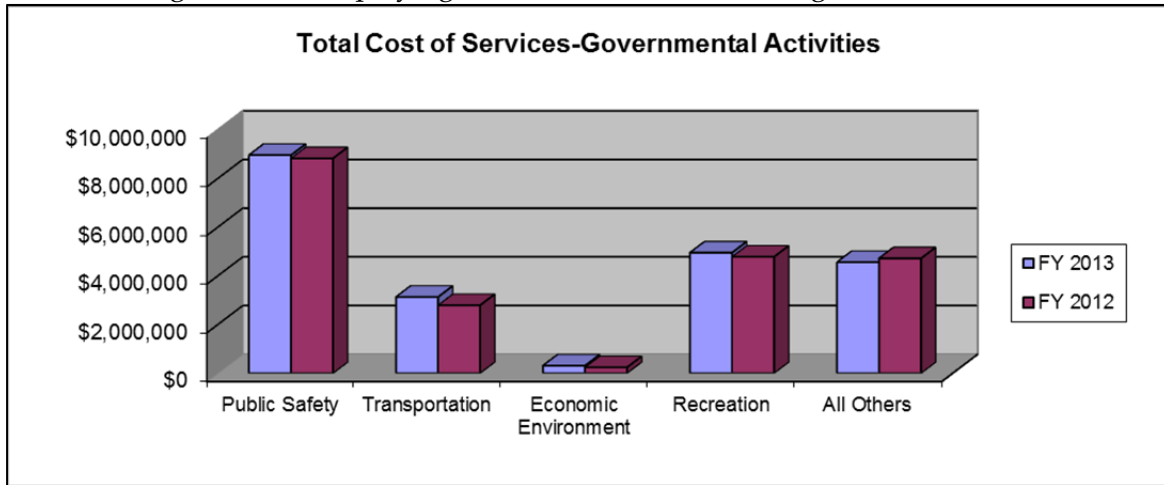
- Utility and Gas taxes increased by \$106 thousand
- Sales Taxes had an increase of \$178 thousand

Other revenues decreased \$451 thousand due to specific FY 2012 items - final insurance recoveries from Hurricane Charley and a joint city/county road project.

The cost of all governmental activities this year, including allocations, was \$24.4 million as compared to \$23.7 million in FY 2012. As shown in the Statement of Activities on page 23, the program expenses net of indirect expense allocations (\$2.5 million) were paid through:

- \$4.8 million in charges for services; consisting of \$3.0 million canal maintenance districts assessments and \$1.6 million fees for general government services
- \$0.6 million in operating grants and contributions
- \$2.1 million in capital grants and contributions
- \$14.9 million in general revenues (primarily taxes)

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



- Public safety costs increased by \$133 thousand, mainly as a result of personnel related increases for a one-time bonus to employees, increases in salary for fire personnel who completed training for Advanced Life Support program, OPEB accrual increase, and increase in City's contribution to pension plans.
- Transportation costs increased by \$340 thousand. The paving increase of \$180 thousand was due to carryover of FY 2012 incomplete projects to FY 2013. Right of Way operating expenses increased \$160 thousand for sidewalk replacements and traffic signal & light maintenance and relocations. Additionally, there was a net decrease of \$22 thousand in personnel related expenses despite increases for a one-time bonus, OPEB accrual, and City's contribution to pension plans due to a vacancy.
- Economic environment costs increased by \$68 thousand. The increase by category is \$42 thousand in professional services, \$16 thousand for insurance and Herald Court expenses, and \$10 thousand in other expenses.
- Recreation costs increased by \$173 thousand which is attributable to personnel increases for a one-time bonus to employees, OPEB accrual, City's contribution to pension plan, and turnover in Canal Maintenance.
- All Others decreased by \$160 thousand which is attributable to the decrease in interest on long-term debt and an overall decrease in general government operating expenses.

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)

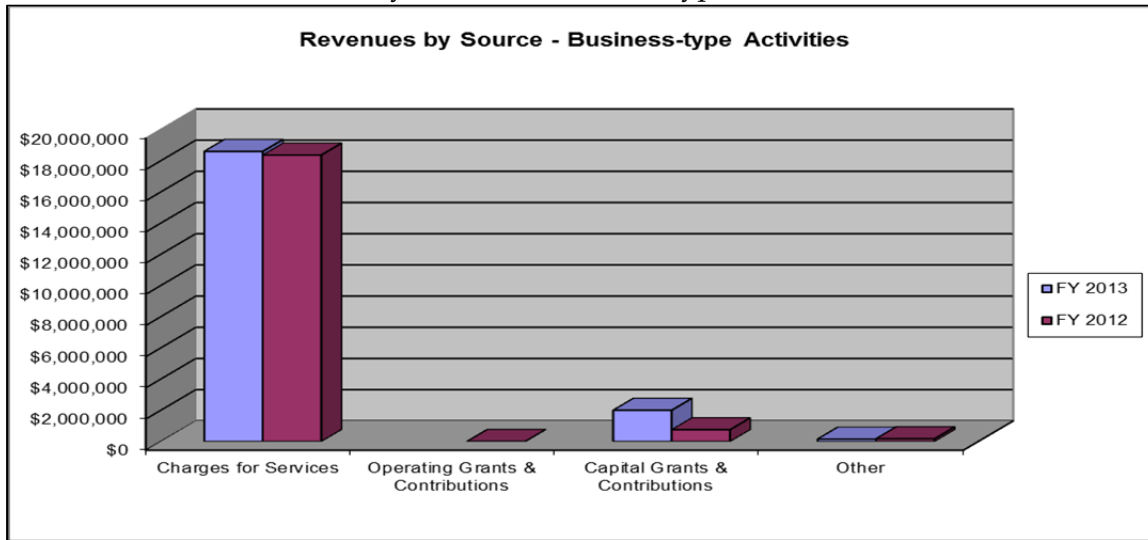
	Total Cost of Services (less indirect expense allocation)		Net Cost of Services	
	2013	2012	2013	2012
Public Safety	\$ 8,964	\$ 8,831	\$ (8,901)	\$ (8,726)
Transportation	3,135	2,795	(2,934)	(2,589)
Economic Environment	316	247	701	741
Recreation	4,958	4,785	(1,930)	(1,757)
All Others	4,563	4,723	(1,411)	(2,419)
Totals	\$ 21,936	\$ 21,381	\$ (14,475)	\$ (14,750)

Business-type Activities

Revenues of the City’s Business-type activities (see Table 2) totaled \$20.7 million. Operating expenses were \$18.1 million, showing an increase in net position of \$2.6 million.

The analysis of revenues and expenses disclosed that revenues increased 7.6% and expenses increased 0.5% from the prior fiscal year. Ending net position is up 4.8%.

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



Charges for services reported in business-type activities increased \$238 thousand, or 1.3%, in comparison to the prior year. Water & Wastewater Utility experienced an increase in charges for services of \$6 thousand. Although water & wastewater billings decrease \$10 thousand other charges increased overall \$16 thousand mainly in water service installations and sewer tap fees. Sanitation’s charges for services increased \$17 thousand in refuse collection. Building’s charges for services increased \$202 thousand consisting of a \$197 thousand increase in permit activity and a \$5 thousand increase in other miscellaneous charges. The Laishley Park Marina charges for services for FY 2013

increased \$13 thousand and is the result of increased slip rentals especially in annual and semi-annual rentals.

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

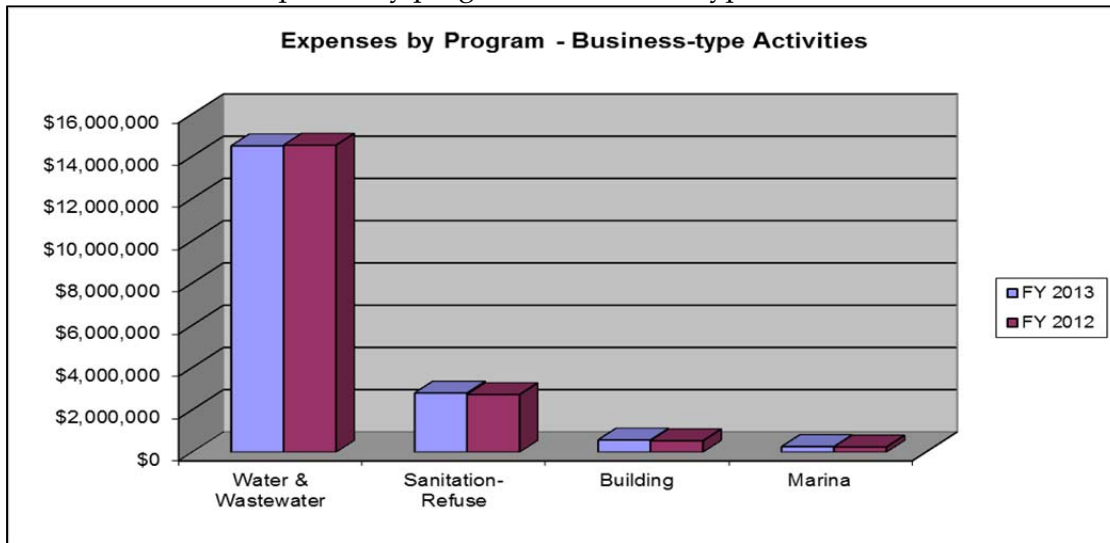
	Revenues (in thousands)		From 2012 to 2013
	2013	2012	% incr (decr)
Water Billings	\$8,250	\$8,269	(0.2%)
Wastewater Billings	\$6,230	\$6,221	0.1%
Refuse Collection	\$2,923	\$2,907	0.6%
Licenses, Permits, & Special Assessments	\$ 680	\$ 485	40.2%

Operating grants and contributions decreased \$5 thousand as there were none in FY 2013.

Capital grants and contributions increased by \$1.2 million, or 165.6%. Developer’s contributed water & wastewater infrastructure increased \$855 thousand due to completed commercial projects in FY 2013. Water and Sewer Impact fees increased \$332 thousand from the prior year. There was one capital grant of \$60 thousand in FY 2013 towards the purchase of a pumpout boat for Laisley Park Marina.

The Other category decreased by \$19 thousand, or 11.4%. The decrease was caused by a decrease in interest income and PCard rebates from the prior year.

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



The Water & Wastewater Utility expenses decreased \$33 thousand, or 0.2%, in comparison to the prior year. Personnel expenses increased \$273 thousand mainly due to one-time bonus to employees, an increase in the OPEB accrual, and an increase in the City’s contribution to the General Employees’ retirement plan. Interest expense decreased \$98 thousand, loss on disposal of assets decreased \$97 thousand, and

The Sanitation expenses increased by \$74 thousand, or 2.7%. Increases in personnel of \$29 thousand were due to the same contributing factors as stated in the Water & Wastewater Utility; however, some of Sanitation's personnel increase was offset by turnover and use of contractual labor. Administrative charges increased \$112 thousand due to an update in the formula, contractual services decreased \$41 thousand due to competitive bidding of the recycling contract, and repairs & maintenance decreased \$28 thousand due to the replacement of a packer and clamshell truck during the prior year.

The Building Fund's expenses increased by \$39 thousand, or 7.2%. Personnel expenses increased \$39 thousand mainly due to a one-time bonus to employees, an increase in the OPEB accrual, and an increase in the City's contribution to the General Employees' retirement plan.

The Laishley Park Marina expenses increased \$17 thousand, or 6.9%. This is mainly due to the increase in administrative charges associated with the change in formula.

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 \$353 thousand or 2.2% from the original budget, which can be briefly summarized as follows:

- One-time bonus for employees (amount needed from another fund), \$48 thousand
- FDLE Byrne grants for police department, \$21 thousand
- Donations for various projects or programs, \$25 thousand
- Repairs related to insurance recoveries, \$12 thousand
- Fire dept. battalion chief vehicle (was budgeted for FY 2014 but was moved to FY 2013 with the use of additional ISS revenue to avoid a costly repair), \$37 thousand
- Reappropriation from prior year for police vehicles, \$58 thousand
- Reappropriation from prior year for police programs, \$35 thousand
- Reappropriations from prior year for election expense, \$20 thousand; demolition of buildings, \$22 thousand; comprehensive planning, \$26 thousand
- Purchase order rollovers and other reappropriations from prior year for various other operating expenditures, \$49 thousand

The final revenue budget increased by \$254 thousand (including transfers) or 1.4%, from the original budget, which can be briefly summarized as follows:

- ISS revenue increase of \$122 thousand as a result of increased consumer spending
- Various contributions for specific projects or programs increase of \$25 thousand
- Damage recovery related funds transfer increase of \$48 thousand towards one-time bonus for employees

- Federal Grants - FDLE Byrne grants increase of \$21 thousand
- Other miscellaneous revenues increase of \$38 thousand

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

Revenues:

- Communications Service Taxes were over budget by \$59 thousand due to an increase in the customer base.
- FPL Utility Taxes were over budget by \$79 thousand due to an increase in customer usage.
- Water Utility Taxes were over budget by \$32 thousand due to an increase in customer usage.
- Procurement admin fees, code fines, demolition revenues, and various other miscellaneous revenues were \$98 thousand over budget due to increased activity.
- Sales Taxes were over budget \$53 thousand due to better than projected economic conditions.
- Lot Mowing Fees were over budget by \$36 thousand due to actual billings higher than anticipated collections.

Expenditures:

- General government expenditures were under budget by \$376 thousand. Personnel expenditures were \$121 thousand under budget due to the reduction of staff in Finance and Procurement, as well as savings in pension related to employees entering the drop program and turnover. Unemployment compensation in the Human Resource division was under budget \$17 thousand based on fewer claims. Election expenses and legal advertising in the City Clerks department were under budget \$19 thousand. Legal services were under budget \$29 thousand due to limiting attorney involvement with boards and committees. In the Urban Design division, comprehensive planning was under budget \$19 thousand, but these funds were reappropriated to FY 2014 to complete. In Facilities Maintenance the following main operating accounts were under budget: electricity, \$29 thousand; insurance, \$15 thousand; contractual services such as janitorial, painting and air conditioning, \$33 thousand; various other supply and repair & maintenance, \$18 thousand. All other operating expenditures in all general government department/divisions were under budget \$76 thousand due to continued efforts to contain costs.
- Public Safety police operating expenditures were under budget by \$200 thousand. Personnel services were \$51 thousand under budget due to savings in health benefits related to turnover and vacancies. The police capital expenditures were under budget by \$103 thousand due to vehicles on order but not received at FY 2013 year end and which were reappropriated to FY 2014. Law Enforcement Trust Funds were under budget \$24 thousand and were also reappropriated to FY 2014. Other operating accounts were under budget \$22 thousand.
- Public Safety fire was under budget by \$148 thousand. Personnel expenditures were under budget by \$83 thousand mainly due to turnover and a vacancy part

of the year and savings in pension costs due to union negotiations. The fire capital expenditures were under budget by \$37 thousand due to a vehicle being on order but not yet received at FY 2013 year end and which was reappropriated to FY 2014. Advanced Life Support (ALS) training and medical supply costs were under budget \$18 thousand and other materials and supplies were under budget \$10 thousand.

- Right of Way expenditures were \$69 thousand under budget and Parks and Grounds expenditures were \$34 thousand under budget. Personnel expenditures were \$67 thousand under budget due to a vacancy in right of way that was not filled and was eliminated in the FY 2014 budget. Savings in repairs and maintenance and operating supplies were \$23 thousand mostly in parks and grounds. Various other operating expenditures were \$13 thousand under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2013 reflect an investment of \$118.7 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 16,213	\$ 16,213	\$ 5,403	\$ 5,403	\$ 21,616	\$ 21,616
Buildings	19,920	20,241	3,786	4,123	23,706	24,364
Improvements						
other than buildings	6,836	7,240	5,356	5,733	12,192	12,973
Machinery and equipment	2,225	2,567	1,269	1,361	3,494	3,928
Infrastructure / System	17,096	17,111	34,633	34,998	51,729	52,109
Construction						
work in progress	<u>2,928</u>	<u>1,810</u>	<u>2,990</u>	<u>730</u>	<u>5,918</u>	<u>2,540</u>
Total Capital Assets	<u>\$ 65,218</u>	<u>\$ 65,182</u>	<u>\$ 53,437</u>	<u>\$ 52,348</u>	<u>\$ 118,655</u>	<u>\$ 117,530</u>

Significant changes to assets this year include:

- Roof for Cooper Street building, \$293 thousand
- (3) dell poweredge servers, and (1) IBM series 8202 processor \$86 thousand
- (3) Fujitsu lifebooks , (4) dell laptops and (2) dell precision T 3500, \$16 thousand
- Message monitor, windows and team view software, \$22 thousand
- Smartboard, (10) dell optiplex towers, and 60" display, \$19 thousand
- Miscellaneous IT , rackmount server and other components, \$17 thousand
- Pumpout boat, trailer and outboard motor for Marina, \$80 thousand
- John Deere mini excavator and dump trailer for WWCOLL, \$40 thousand
- 2013 Ford F250 and chainsaw for Water Distribution, \$33 thousand
- Hydroflow 14" mixed flow pump and booster pump for WTP, \$59 thousand
- (2) Flygt pumps, turbidimeters, ice machine and Pumps for WTP, \$52 thousand
- 2013 Ford Interceptor for Police Department, & DVM Mirror kits \$41 thousand
- Turf Tiger diesel riding mower for WTP, \$14 thousand
- Interactive trailer and canine platform for Police Department, \$13 thousand
- Mercury outboard motor and aluminum trailer, \$8 thousand
- Construction of IT and Billing & Collections offices, \$7 thousand
- Marine Contracting Harborwalk, \$662 thousand
- Aqui Esta and other sidewalk improvements, \$530 thousand
- Gilchrist Landing dredging, \$102 thousand
- Defibrillator CPR monitors, \$98 thousand
- Herald Court buildout, \$91 thousand
- ADA Gazebo - Harborwalk, \$44 thousand
- Installation of decorator street lights, \$36 thousand
- Ponce de Leon Park ADA improvements & Benches , \$46 thousand
- Fallzone safety surfacing, \$23 thousand
- Hurricane shutters, \$10 thousand
- ALS equipment, \$10 thousand
- Wastewater master pump facility force main break, \$246 thousand
- Wastewater gravity sewer and lift station rehab \$266 thousand
- Water infrastructure Charlotte Park water main, \$181 thousand
- Water infrastructure Peace River intercom PH 1A, \$37 thousand

Debt

As of September 30, 2013 the City had \$21.5 million of revenue note debt in the Governmental Activities. This is a net decrease of \$2.1 million as compared to the prior year. A new \$20 million revenue note with a more favorable interest rate of 2.43% was issued to pay off a number of previous revenue notes. The business-type activities bond and note debt was \$5.7 million. This is a decrease of \$2.3 million in principal payments. After principal payments of \$99 thousand, there were no capital leases at year end.

For additional information regarding capital assets and debt refer to footnote IV. D (pages 57-58) and footnote IV. E (59-64).

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 2013 statement of the Federal Reserve Open Market Committee pointed out that the economy has been expanding moderately. In addition:

- The unemployment rate declined to 6.7% in December 2013, down from 7.8% one year ago. The unemployment rate will decline gradually.
- Changes in gross domestic product are projected at 3-3.5% in 2014, 2.9-3.6% in 2015 and 2.3-2.5% in the longer run.
- Core inflation will run from 1.5-1.8% in 2014 and 1.7-2.0% in 2015.
- Household spending and business fixed investment has advanced as well as the housing sector, but fiscal policy is restraining economic growth.
- To support a stronger economic recovery and to help ensure that inflation, over time, is at the rate most consistent with its dual mandate, the Federal Reserve will continue purchasing additional agency mortgage-backed securities at a pace of \$40 billion per month and longer-term Treasury securities at a pace of \$45 billion per month.
- To support continued progress toward maximum employment and price stability, the Federal Reserve decided to keep the target range of the federal funds rate at 0 to ¼ percent and currently anticipates that this exceptionally low range will be appropriate at least as long as the unemployment rate remains above 6.5%.
- When the Committee decides to begin to remove policy accommodation, it will take a balanced approach consistent with its longer-run goals of maximum employment and inflation of 2 percent.

Florida Economic Outlook

The five-year strategic plan of the Florida Department of Economic Opportunity (DEO) is the framework that guides the state towards its goal as a top performing economy and globally competitive as a location for business, investment, talent, innovation and visitors. The six area specific strategies incorporated in the plan are:

- ✓ Talent Supply & Education
- ✓ Innovation & Economic Development
- ✓ Infrastructure & Growth Leadership
- ✓ Business Climate & Competitiveness

- ✓ Civic & Governance Systems
- ✓ Quality of Life & Quality Places

In conjunction with the aforementioned strategic initiatives, Enterprise Florida, in its May 2013 indicators report, provided the following highlights of the state's economy.

- ✓ 4th most populous state in the nation
- ✓ 4th largest gross domestic product in the nation
- ✓ 4th in total personal income
- ✓ 4th in total employment in the nation
- ✓ 4th in state-origin exports in nation
- ✓ 6th in total value of state-origin exports in nation
- ✓ 3rd in exports of high-tech products and in number of high-tech establishments in nation

Florida's unemployment rate was 6.2% as of December 2013, which is 1.8 percentage points lower than the previous year's rate of 8.0%.

Charlotte County Economic Highlights

As part of the Southwest Florida region, Charlotte County has undertaken a number of initiatives to enhance its business opportunity environment. Some of the more pertinent initiatives and statistics are:

- Unemployment is 5.8% as of December 2013, slightly less than the state's rate of 6.2%. One year ago, the unemployment rate in the County was 8.0%.
- The median sales price of an existing single family home in the Punta Gorda Metropolitan Statistical Area (all of Charlotte County) was \$150,000 as of December 2013, a 15.8% increase from \$129,500 one year earlier.
- The Punta Gorda Airport and Enterprise Charlotte Airport Park (ECAP) represent major economic drivers in the area. The Airport Authority is underway with 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 soon initiate construction on a large 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 participating in the Southwest Florida Regional Planning Council broadband initiative aimed to present to the area strategic investments in fiber optic infrastructure.
- The Murdock Village redevelopment (entertainment and water sports/resort districts) continues to be a major economic driver in future County development opportunities. The County is exploring infrastructure initiatives that may provide an incentive for private investment in the area.

opportunities. The County is exploring infrastructure initiatives that may provide an incentive for private investment in the area.

- The County established an Enterprise Zone, which identifies distressed areas and provides incentives by both the state and local government to induce private investment in those respective zones. Such incentives as property tax credits and job tax credits are available for participating businesses. The City entered into an interlocal agreement with the County for the enterprise zones located within its jurisdiction, primarily east of U.S. 41.

Punta Gorda Economic Highlights

- Population projections show a projected 2014 City population of 17,546, 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 2014) increased Citywide by 1.7% from the final previous fiscal year, including \$10 million of new construction, annexation, and changes in exemption. This is the first year experiencing an increase in values after six straight years of declines in taxable value Citywide.
- Activity for new housing unit building permits from FY 2010 through FY 2013 demonstrates a positive trend in new residential construction from FY 2009.

Year	Units Permitted
2005	467
2006	241
2007	190
2008	98
2009	12
2010	37
2011	30
2012	56
2013	99

- The City’s business development strategy to enhance business and economic development was highlighted in the Strategic Plan accomplishments and FY 2014 Strategic Plan priorities.
- The City is partnering with other governmental and private entities in their exploration of a Florida Gulf Coast Regional Revolving Loan Fund, whose objective is to establish a sustainable loan bank for small business development currently unattainable in the open market. Two initiatives are underway in this effort – business development services and funding.

BASIC FINANCIAL STATEMENTS

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
September 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,539,910	\$ 4,728,020	\$ 13,267,930
Investments	550	-	550
Receivables (net of allowance for uncollectibles)	552,828	990,942	1,543,770
Due from other governments	1,090,222	59,996	1,150,218
Internal balances	127,478	(127,478)	-
Inventories	61,130	81,337	142,467
Prepays (including excess NPO \$36,024)	36,024	266,779	302,803
Deferred charges	-	76,948	76,948
Restricted assets:			
Cash and cash equivalents	39,272	5,006,706	5,045,978
Investments	-	10,960	10,960
Capital assets (net of accumulated depreciation):			
Land	16,212,906	5,403,346	21,616,252
Buildings	19,919,435	3,785,318	23,704,753
Improvements other than buildings	6,835,971	5,356,613	12,192,584
Vehicles and equipment	2,225,332	1,269,290	3,494,622
Infrastructure/System	17,095,577	34,632,760	51,728,337
Construction in progress	2,928,736	2,990,854	5,919,590
Total assets	<u>75,665,371</u>	<u>64,532,391</u>	<u>140,197,762</u>
LIABILITIES			
Accounts payable and other current liabilities	1,285,363	1,356,498	2,641,861
Deferred revenue	382,344	-	382,344
Liabilities payable from restricted assets	-	89,477	89,477
Long-term liabilities:			
Due within one year	2,132,617	1,648,665	3,781,282
Due in more than one year	20,741,093	4,736,630	25,477,723
Total liabilities	<u>24,541,417</u>	<u>7,831,270</u>	<u>32,372,687</u>
NET POSITION			
Net investment in capital assets	43,711,445	47,680,340	91,391,785
Restricted for:			
Highways and streets	455,804	-	455,804
Capital projects	1,057,803	14,408	1,072,211
Debt service	1,276,025	1,958,016	3,234,041
CRA District	1,473,880		1,473,880
Recreation	642,916		642,916
Public Safety	38,517		38,517
Other Purposes	755		755
Renewal and replacment	-	1,562,210	1,562,210
Unrestricted	2,466,809	5,486,147	7,952,956
Total net position	<u>\$51,123,954</u>	<u>\$56,701,121</u>	<u>\$107,825,075</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013

	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<u>Functions/Programs</u>					
Governmental Activities:					
General government	\$ 6,396,547	\$ (2,695,789)	\$ 1,610,489	\$ 528,353	\$ 1,013,107
Public Safety	8,963,993	-	13,109	49,805	-
Transportation	3,060,839	74,193	164,868	-	36,631
Economic environment	315,774	-	-	-	1,016,523
Recreation	4,820,114	137,863	3,027,570	-	-
Interest on long-term debt	861,963	-	-	-	-
Total Governmental Activities	24,419,230	(2,483,733)	4,816,036	578,158	2,066,261
Business-type Activities:					
Water and wastewater	12,532,578	1,970,084	14,725,171	-	1,940,109
Sanitation/refuse	2,393,497	407,864	2,943,612	-	-
Building Fund	506,145	72,276	700,241	-	-
Marina Fund	229,450	33,509	234,247	-	59,996
Total Business-type Activities	15,661,670	2,483,733	18,603,271	-	2,000,105
Total Functions/Programs	\$ 40,080,900	\$ -	\$ 23,419,307	\$ 578,158	\$ 4,066,366

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

See Accompanying Notes.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (548,809)	\$ -	\$ (548,809)
(8,901,079)	-	(8,901,079)
(2,933,533)	-	(2,933,533)
700,749	-	700,749
(1,930,407)	-	(1,930,407)
(861,963)	-	(861,963)
<u>(14,475,042)</u>	<u>-</u>	<u>(14,475,042)</u>
-	-	-
-	-	-
-	2,457,973	2,457,973
<u>-</u>	<u>2,457,973</u>	<u>2,457,973</u>
-	2,457,973	2,457,973
<u>(14,475,042)</u>	<u>2,457,973</u>	<u>(12,017,069)</u>
7,126,709	-	7,126,709
3,839,081	-	3,839,081
3,194,173	-	3,194,173
19,477	18,180	37,657
697,490	131,660	829,150
<u>14,876,930</u>	<u>149,840</u>	<u>15,026,770</u>
401,888	2,607,813	3,009,701
50,722,066	54,093,308	104,815,374
<u>\$ 51,123,954</u>	<u>\$ 56,701,121</u>	<u>\$ 107,825,075</u>

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013

ASSETS	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Cash and cash equivalents	\$2,891,726	\$ 1,276,025	\$ 1,508,736	\$ 497,057
Investments	550	-	-	-
Accounts receivable (net of allowance of \$38,236)	533,208	-	-	2,224
Restricted cash and equivalents	39,272	-	-	-
Due from other funds	-	-	-	-
Due from other governments	300,936	-	-	37,806
Inventories	61,130	-	-	-
Total assets	<u>\$3,826,822</u>	<u>\$ 1,276,025</u>	<u>\$ 1,508,736</u>	<u>\$ 537,087</u>

See Accompanying Notes.

Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
\$ 692,102	\$ 96,270	\$1,269,492	\$ 8,231,408
-	-	-	550
631	-	12,594	548,657
-	-	-	39,272
130,940	-	28,380	159,320
682,590	-	68,890	1,090,222
-	-	-	61,130
<u>\$ 1,506,263</u>	<u>\$ 96,270</u>	<u>\$1,379,356</u>	<u>\$10,130,559</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013
(Continued)

LIABILITIES AND FUND BALANCES	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Accounts payable	\$ 260,698	\$ -	\$ 16,539	\$ 110,867
Retainage payable	-	-	-	21,798
Accrued liabilities	358,591	-	-	17,336
Due to other funds	130,940	-	-	-
Due to other governments	15,686	-	-	108
Deferred revenue	364,027	-	18,317	-
Total liabilities	<u>1,129,942</u>	<u>-</u>	<u>34,856</u>	<u>150,109</u>
Fund balances				
Nonspendable:				
Inventories	61,130	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Public safety	38,517	-	-	-
Transportation	-	-	-	-
Recreation	-	-	-	386,978
CRA district	-	-	1,473,880	-
Infrastructure Surtax capital projects	-	-	-	-
Infrastructure Surtax debt service	-	1,276,025	-	-
Other purposes	755	-	-	-
Committed for:				
Capital Improvements	-	-	-	-
Damages and one-time expenditures	-	-	-	-
Assigned to:				
Subsequent year's budget	1,396,255	-	-	-
Unassigned	1,200,223	-	-	-
Total fund balances	<u>2,696,880</u>	<u>1,276,025</u>	<u>1,473,880</u>	<u>386,978</u>
Total liabilities and fund balances	<u>\$ 3,826,822</u>	<u>\$ 1,276,025</u>	<u>\$ 1,508,736</u>	<u>\$ 537,087</u>

See Accompanying Notes.

Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
\$ 96,075	\$ -	\$ 185,235	\$ 669,414
103,277	-	44,083	169,158
-	-	-	375,927
-	-	-	130,940
-	-	-	15,794
-	-	-	382,344
<u>199,352</u>	<u>-</u>	<u>229,318</u>	<u>1,743,577</u>
-	-	-	61,130
-	-	5,000	5,000
-	-	-	38,517
-	96,270	354,534	450,804
-	-	255,938	642,916
-	-	-	1,473,880
1,057,803	-	-	1,057,803
-	-	-	1,276,025
-	-	-	755
249,108	-	-	249,108
-	-	534,566	534,566
-	-	-	1,396,255
-	-	-	1,200,223
<u>1,306,911</u>	<u>96,270</u>	<u>1,150,038</u>	<u>8,386,982</u>
<u>\$ 1,506,263</u>	<u>\$ 96,270</u>	<u>\$1,379,356</u>	



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CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013
(Continued)

Total fund balance - governmental funds (page 25)	\$ 8,386,982
Amounts reported for governmental activities in the statement of net position (page 22) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total Capital Assets \$65,217,957 less amount included in internal services \$389,845	64,828,112
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 position.	621,878
Cumulative effect of business type portion of internal services	99,098
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 and long-term liabilities \$22,369,731 less amount included in internal services \$11,802.	(22,357,929)
Excess "Net Pension Obligation" is an asset on the statement of net position but is not a financial resource.	36,024
Postemployment Benefit Plans other than pension plans (OPEB) when unfunded is a liability on the statement of net position but is not a financial use. Total OPEB payable \$503,979 less amount included in internal services \$13,768.	(490,211)
Net position of governmental activities (page 22)	<u><u>\$51,123,954</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, 2013

	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Revenues				
Taxes	\$10,195,386	\$ -	\$ -	\$ -
Permits, fees and special assessments	1,230,021	-	-	-
Intergovernmental revenues	3,803,748	-	929,373	-
Charges for services	355,927	-	-	-
Judgments, fines and forfeits	63,605	-	-	-
Miscellaneous	3,036,273	-	290,007	2,626,945
Total revenues	18,684,960	-	1,219,380	2,626,945
Expenditures				
Current				
General government	5,043,882	-	-	-
Public safety	8,424,603	-	-	-
Transportation	982,162	-	-	-
Economic environment	-	-	228,624	-
Recreation	1,152,449	-	-	2,631,990
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	22,172,865	-	-
Interest and fiscal charges	-	861,963	-	-
Total expenditures	15,603,096	23,034,828	228,624	2,631,990
Excess expenditures (over) under revenues	3,081,864	(23,034,828)	990,756	(5,045)

See Accompanying Notes.

Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$10,195,386
-	-	-	1,230,021
952,893	-	857,554	6,543,568
-	-	-	355,927
-	-	-	63,605
<u>8,172</u>	<u>36,981</u>	<u>651,218</u>	<u>6,649,596</u>
<u>961,065</u>	<u>36,981</u>	<u>1,508,772</u>	<u>25,038,103</u>
-	-	-	5,043,882
-	-	-	8,424,603
-	-	1,423,027	2,405,189
-	-	87,150	315,774
-	-	434,533	4,218,972
3,070,412	-	-	3,070,412
-	-	-	22,172,865
-	-	-	861,963
<u>3,070,412</u>	<u>-</u>	<u>1,944,710</u>	<u>46,513,660</u>
<u>(2,109,347)</u>	<u>36,981</u>	<u>(435,938)</u>	<u>(21,475,557)</u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2013
(Continued)

	<u>General</u>	<u>Debt Service Fund</u>	<u>Community Redevelopment Agency Fund</u>	<u>P G I Canal Maintenance Fund</u>
Expenditures (continued)				
Excess expenditures (over) under revenues	<u>3,081,864</u>	<u>(23,034,828)</u>	<u>990,756</u>	<u>(5,045)</u>
Other financing sources (uses)				
Transfers in	128,370	3,004,225	480,644	-
Transfers out	(2,658,746)	-	(1,728,302)	-
Loan proceeds	<u>-</u>	<u>20,030,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,530,376)</u>	<u>23,034,225</u>	<u>(1,247,658)</u>	<u>-</u>
Net change in fund balances	551,488	(603)	(256,902)	(5,045)
Fund balances, October 1, 2012	<u>2,145,392</u>	<u>1,276,628</u>	<u>1,730,782</u>	<u>392,023</u>
Fund balances, September 30, 2013	<u><u>\$ 2,696,880</u></u>	<u><u>\$ 1,276,025</u></u>	<u><u>\$1,473,880</u></u>	<u><u>\$ 386,978</u></u>

See Accompanying Notes.

<u>Capital Project Fund</u>	<u>Impact Fees Transportation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>(2,109,347)</u>	<u>36,981</u>	<u>(435,938)</u>	<u>(21,475,557)</u>
541,092	-	355,000	4,509,331
-	(20,500)	(160,206)	(4,567,754)
<u>-</u>	<u>-</u>	<u>-</u>	<u>20,030,000</u>
<u>541,092</u>	<u>(20,500)</u>	<u>194,794</u>	<u>19,971,577</u>
(1,568,255)	16,481	(241,144)	(1,503,980)
<u>2,875,166</u>	<u>79,789</u>	<u>1,391,182</u>	<u>9,890,962</u>
<u>\$ 1,306,911</u>	<u>\$ 96,270</u>	<u>\$ 1,150,038</u>	<u>\$ 8,386,982</u>



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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, 2013

Net change in fund balances -- total governmental funds (page 28) \$ (1,503,980)

Amounts reported for governmental activities in the statement of activities (page 23) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,993,550) and capital asset adjustments were over capital outlays \$3,070,412 in the current period. Expensed items (\$90,552) decrease net position in the statement of activities, but are not financial uses in governmental funds.	
The net effect of various miscellaneous transactions involving the disposal, sale, trade-in of assets \$57,351 is to increase net position.	43,661
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds (\$20,030,000), while the repayment of the principal of long-term debt \$22,173,172 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest.	2,143,172
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 \$(2,611), Compensated absences \$44,189 and Postemployment benefits other than pension (OPEB) \$(273,909).	(232,331)
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>(48,634)</u>
Change in net position of governmental activities (page 23)	<u><u>\$ 401,888</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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,030,150	\$ 10,030,150	\$ 10,195,386	\$ 165,236
Permits, fees and special assessments	1,228,900	1,228,900	1,230,021	1,121
Intergovernmental revenue	3,582,945	3,741,037	3,803,748	62,711
Charges for services	277,200	279,621	355,927	76,306
Judgments, fines and forfeits	55,700	55,700	63,605	7,905
Miscellaneous	2,947,389	2,992,667	3,036,273	43,606
Total revenues	<u>18,122,284</u>	<u>18,328,075</u>	<u>18,684,960</u>	<u>356,885</u>
Expenditures				
Current				
General government	5,286,115	5,419,686	5,043,882	375,804
Public safety	8,608,542	8,772,851	8,424,603	348,248
Transportation	1,041,844	1,051,639	982,162	69,477
Recreation	1,141,312	1,186,629	1,152,449	34,180
Total expenditures	<u>16,077,813</u>	<u>16,430,805</u>	<u>15,603,096</u>	<u>827,709</u>
Excess revenues over expenditures	<u>2,044,471</u>	<u>1,897,270</u>	<u>3,081,864</u>	<u>1,184,594</u>
Other financing sources (uses)				
Transfers in	80,000	128,370	128,370	-
Transfers out	<u>(2,575,489)</u>	<u>(2,658,746)</u>	<u>(2,658,746)</u>	<u>-</u>
Total other financing uses	<u>(2,495,489)</u>	<u>(2,530,376)</u>	<u>(2,530,376)</u>	<u>-</u>
Net change in fund balances	<u>\$ (451,018)</u>	<u>\$ (633,106)</u>	551,488	<u>\$ 1,184,594</u>
Fund balances, October 1, 2012			<u>2,145,392</u>	
Fund balances, September 30, 2013			<u>\$ 2,696,880</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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 962,346	\$ 929,373	\$ 929,373	\$ -
Miscellaneous	257,913	315,631	290,007	(25,624)
Total revenues	<u>1,220,259</u>	<u>1,245,004</u>	<u>1,219,380</u>	<u>(25,624)</u>
Expenditures				
Economic environment	185,633	253,098	228,624	24,474
Debt service				
Principal retirement	665,000	-	-	-
Interest and fiscal charges	110,556	-	-	-
Total expenditures	<u>961,189</u>	<u>253,098</u>	<u>228,624</u>	<u>24,474</u>
Excess revenues over expenditures	<u>259,070</u>	<u>991,906</u>	<u>990,756</u>	<u>(1,150)</u>
Other financing sources (uses)				
Transfers in	497,689	480,644	480,644	-
Transfers out	(590,208)	(1,728,302)	(1,728,302)	-
Total other financing uses	<u>(92,519)</u>	<u>(1,247,658)</u>	<u>(1,247,658)</u>	<u>-</u>
Net change in fund balances	<u>\$ 166,551</u>	<u>\$ (255,752)</u>	(256,902)	<u>\$ (1,150)</u>
Fund balances, October 1, 2012			<u>1,730,782</u>	
Fund balances, September 30, 2013			<u>\$ 1,473,880</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, 2013

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 500	\$ 500	\$ 1,904	\$ 1,404
Miscellaneous				
Service assessments	2,612,000	2,612,000	2,612,254	254
Other	<u>15,500</u>	<u>12,150</u>	<u>12,787</u>	<u>637</u>
Total revenues	<u>2,628,000</u>	<u>2,624,650</u>	<u>2,626,945</u>	<u>2,295</u>
Expenditures				
Current				
Recreation	<u>2,701,368</u>	<u>2,706,504</u>	<u>2,631,990</u>	<u>74,514</u>
Total expenditures	<u>2,701,368</u>	<u>2,706,504</u>	<u>2,631,990</u>	<u>74,514</u>
Revenues under expenditures	<u>(73,368)</u>	<u>(81,854)</u>	<u>(5,045)</u>	<u>76,809</u>
Net change in fund balance	<u>\$ (73,368)</u>	<u>\$ (81,854)</u>	(5,045)	<u>\$ 76,809</u>
Fund balances, October 1, 2012			<u>392,023</u>	
Fund balances, September 30, 2013			<u>\$ 386,978</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, 2013

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ -	\$ -	\$ 349	\$ 349
Miscellaneous	<u>30,000</u>	<u>22,400</u>	<u>36,632</u>	<u>14,232</u>
Total revenues	<u>30,000</u>	<u>22,400</u>	<u>36,981</u>	<u>14,581</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>30,000</u>	<u>22,400</u>	<u>36,981</u>	<u>14,581</u>
Other financing uses				
Transfers out	<u>(30,000)</u>	<u>(102,189)</u>	<u>(20,500)</u>	<u>81,689</u>
Total other financing uses	<u>(30,000)</u>	<u>(102,189)</u>	<u>(20,500)</u>	<u>81,689</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (79,789)</u>	16,481	<u>\$ 96,270</u>
Fund balances, October 1, 2012			<u>79,789</u>	
Fund balances, September 30, 2013			<u>\$ 96,270</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013

ASSETS	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,918,164	\$1,175,900
Accounts and refund receivable (net of allowance of \$306,883)	779,298	209,087
Due from other governments	-	-
Inventories	81,337	-
Prepaid items	22,333	-
Restricted cash and cash equivalents	4,972,728	-
Restricted investments, at amortized cost which approximates fair value	10,960	-
Total current assets	8,784,820	1,384,987
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	52,668,000	688,678
Unamortized issuance costs	76,948	-
Prepaid rent	229,277	-
Total noncurrent assets	52,974,225	688,678
Total assets	\$61,759,045	\$2,073,665

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
<u>Building Fund</u>	<u>Marina Fund</u>	<u>Total</u>	
\$ 633,809	\$ 147	\$ 4,728,020	\$ 308,502
386	2,171	990,942	4,171
-	59,996	59,996	-
-	-	81,337	-
-	15,169	37,502	-
16,721	17,257	5,006,706	-
-	-	10,960	-
<u>650,916</u>	<u>94,740</u>	<u>10,915,463</u>	<u>312,673</u>
-	81,503	53,438,181	389,845
-	-	76,948	-
-	-	229,277	-
<u>-</u>	<u>81,503</u>	<u>53,744,406</u>	<u>389,845</u>
<u>\$ 650,916</u>	<u>\$ 176,243</u>	<u>\$64,659,869</u>	<u>\$ 702,518</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2013
(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	\$ 803,872	\$ 136,347
Retainage payable	118,992	-
Notes payable	30,678	-
Current portion of revenue notes payable	817,140	-
Current portion of bonds payable	762,500	-
Accumulated unused compensated absences	31,594	4,991
Accrued liabilities	237,701	26,956
Due to other funds	-	-
Total payable from current assets	<u>2,802,477</u>	<u>168,294</u>
Payable from restricted assets		
Accrued liabilities	20,016	-
Customer deposits	34,418	-
Total payable from restricted assets	<u>54,434</u>	<u>-</u>
Total current liabilities	<u>2,856,911</u>	<u>168,294</u>
NONCURRENT LIABILITIES		
Revenue notes payable	3,361,723	-
Revenue bonds payable - less unamortized discount of \$12,985	749,605	-
Accrued compensated absences	284,346	44,918
Other postemployment benefits payable (OPEB)	202,161	55,072
Total noncurrent liabilities	<u>4,597,835</u>	<u>99,990</u>
Total liabilities	<u>7,454,746</u>	<u>268,284</u>
NET POSITION		
Net investment in capital assets	46,910,159	688,678
Restricted for debt service	1,958,016	-
Restricted for renewal and replacement	1,562,210	-
Restricted for capital projects	14,408	-
Unrestricted	3,859,506	1,116,703
Total net position	<u>\$54,304,299</u>	<u>\$1,805,381</u>
Cumulative adjustment for internal service fund activities		
Net position of business-type activities		

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 6,887	\$ 13,086	\$ 960,192	\$ 43,274
-	-	118,992	-
-	-	30,678	-
-	-	817,140	-
-	-	762,500	-
1,762	-	38,347	1,180
12,657	-	277,314	11,796
-	28,380	28,380	-
<u>21,306</u>	<u>41,466</u>	<u>3,033,543</u>	<u>56,250</u>
1,065	10,349	31,430	-
16,721	6,908	58,047	-
17,786	17,257	89,477	-
<u>39,092</u>	<u>58,723</u>	<u>3,123,020</u>	<u>56,250</u>
-	-	3,361,723	-
-	-	749,605	-
15,858	-	345,122	10,622
22,947	-	280,180	13,768
<u>38,805</u>	<u>-</u>	<u>4,736,630</u>	<u>24,390</u>
<u>77,897</u>	<u>58,723</u>	<u>7,859,650</u>	<u>80,640</u>
-	81,503	47,680,340	389,845
-	-	1,958,016	-
-	-	1,562,210	-
-	-	14,408	-
<u>573,019</u>	<u>36,017</u>	<u>5,585,245</u>	<u>232,033</u>
<u>\$ 573,019</u>	<u>\$ 117,520</u>	56,800,219	<u>\$ 621,878</u>
		<u>(99,098)</u>	
		<u>\$56,701,121</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2013

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 14,725,171	\$ 2,922,636
Licenses and permits	-	20,976
Miscellaneous	73,687	7,708
	<u>14,798,858</u>	<u>2,951,320</u>
Total operating revenues		
Operating expenses		
Personnel services	5,213,909	1,128,708
Contractual services	393,723	751,617
Materials and supplies	1,467,269	158,907
Utilities	691,758	2,856
Depreciation	3,436,866	132,014
Insurance	276,401	36,232
Administrative charges	2,179,772	414,924
Repairs and maintenance	346,717	167,489
Travel and training	20,967	2,581
Rent	55,631	1,937
	<u>14,083,013</u>	<u>2,797,265</u>
Total operating expenses		
Operating income (loss)	<u>715,845</u>	<u>154,055</u>
Nonoperating revenues (expenses)		
Interest income	15,172	1,985
Insurance proceeds	12,479	-
Interest expense and fiscal charges	(387,065)	(2,999)
Gain on disposition of capital assets	3,715	1,534
	<u>(355,699)</u>	<u>520</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers and contributions	<u>360,146</u>	<u>154,575</u>
Totals carried forward	<u>360,146</u>	<u>154,575</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 20,333	\$ 234,247	\$ 17,902,387	\$ 936,086
679,908	-	700,884	-
4,032	28,505	113,932	4,989
<u>704,273</u>	<u>262,752</u>	<u>18,717,203</u>	<u>941,075</u>
445,055	-	6,787,672	372,063
4,914	126,505	1,276,759	143,758
7,256	13,010	1,646,442	28,577
1,075	44,298	739,987	4,350
-	11,002	3,579,882	163,533
4,840	14,681	332,154	38,238
103,486	33,509	2,731,691	-
2,533	4,687	521,426	264,531
3,439	-	26,987	9,232
973	15,267	73,808	63,031
<u>573,571</u>	<u>262,959</u>	<u>17,716,808</u>	<u>1,087,313</u>
<u>130,702</u>	<u>(207)</u>	<u>1,000,395</u>	<u>(146,238)</u>
1,023	-	18,180	230
-	-	12,479	-
-	-	(390,064)	-
-	-	5,249	420
<u>1,023</u>	<u>-</u>	<u>(354,156)</u>	<u>650</u>
<u>131,725</u>	<u>(207)</u>	<u>646,239</u>	<u>(145,588)</u>
<u>131,725</u>	<u>(207)</u>	<u>646,239</u>	<u>(145,588)</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2013
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	<u>\$ 360,146</u>	<u>\$ 154,575</u>
Transfers in	-	-
Contributions	<u>1,940,109</u>	<u>-</u>
Change in net position	2,300,255	154,575
Total net position - beginning	<u>52,004,044</u>	<u>1,650,806</u>
Total net position - ending	<u>\$ 54,304,299</u>	<u>\$ 1,805,381</u>

Adjustment to reflect the consolidation of internal service fund
activities related to enterprise funds
Change in net position of business-type activities (page 23)

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
<u>\$ 131,725</u>	<u>\$ (207)</u>	<u>\$ 646,239</u>	<u>\$ (145,588)</u>
-	-	-	58,423
<u>-</u>	<u>59,996</u>	<u>2,000,105</u>	<u>-</u>
131,725	59,789	2,646,344	(87,165)
<u>441,294</u>	<u>57,731</u>		<u>709,043</u>
<u>\$ 573,019</u>	<u>\$ 117,520</u>		<u>\$ 621,878</u>
		<u>(38,531)</u>	
		<u>\$ 2,607,813</u>	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2013

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 14,839,192	\$ 2,971,051
Cash payments to suppliers for goods and services	(5,382,081)	(1,522,475)
Cash payments to employees for services	(5,084,558)	(1,120,199)
Other receipts	73,687	7,708
	<u>4,446,240</u>	<u>336,085</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advance from other fund	-	-
Grant payments	5,349	-
	<u>5,349</u>	<u>-</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	(2,721,421)	(49,288)
Sale of property, plant and equipment	3,715	20,049
Principal paid on debt	(2,246,446)	(98,886)
Interest and fiscal charges paid	(273,658)	(2,999)
Contributions	623,290	-
Insurance proceeds	12,479	-
	<u>(4,602,041)</u>	<u>(131,124)</u>
Totals carried forward	<u>(150,452)</u>	<u>204,961</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 701,232	\$ 239,779	\$ 18,751,254	\$ 936,086
(126,490)	(252,741)	(7,283,787)	(526,430)
(433,441)	-	(6,638,198)	(359,315)
4,032	28,505	113,932	4,902
<u>145,333</u>	<u>15,543</u>	<u>4,943,201</u>	<u>55,243</u>
-	28,380	28,380	-
-	-	5,349	58,423
-	28,380	33,729	58,423
-	(79,995)	(2,850,704)	(156,239)
-	-	23,764	420
-	-	(2,345,332)	-
-	-	(276,657)	-
-	-	623,290	-
-	-	12,479	-
-	(79,995)	(4,813,160)	(155,819)
<u>145,333</u>	<u>(36,072)</u>	<u>163,770</u>	<u>(42,153)</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2013
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (150,452)	\$ 204,961
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross proceeds from maturities of investments	1,949	-
Interest received	15,172	1,985
	17,121	1,985
Net cash provided by investing activities		
	17,121	1,985
Net increase (decrease) in cash and cash equivalents	(133,331)	206,946
Balances - beginning of the year	8,024,223	968,954
	8,024,223	968,954
Balances - end of year	\$ 7,890,892	\$ 1,175,900
	\$ 7,890,892	\$ 1,175,900
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 715,845	\$ 154,055
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,436,866	132,014
Net (increase) decrease in:		
Receivables	113,076	27,439
Inventories	20,931	-
Prepays	22,333	-
Net increase (decrease) in:		
Accounts payable	6,893	14,698
Accrued liabilities	129,351	7,879
Customer deposits	945	-
	945	-
Net cash provided by (used in) operating activities	\$ 4,446,240	\$ 336,085
	\$ 4,446,240	\$ 336,085
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Disposal of fully depreciated capital assets	\$ 65,835	\$ 204,405
Donated capital assets	1,316,819	-

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 145,333	\$ (36,072)	\$ 163,770	\$ (42,153)
-	-	1,949	-
1,023	-	18,180	230
1,023	-	20,129	230
146,356	(36,072)	183,899	(41,923)
504,174	53,476	9,550,827	350,425
<u>\$ 650,530</u>	<u>\$ 17,404</u>	<u>\$ 9,734,726</u>	<u>\$ 308,502</u>
\$ 130,702	\$ (207)	\$ 1,000,395	\$ (146,238)
-	11,002	3,579,882	163,533
(309)	(2,171)	138,035	(87)
-	-	20,931	-
-	(601)	21,732	-
2,026	(183)	23,434	25,287
12,679	10,349	160,258	12,748
235	(2,646)	(1,466)	-
<u>\$ 145,333</u>	<u>\$ 15,543</u>	<u>\$ 4,943,201</u>	<u>\$ 55,243</u>
\$ -	\$ -	\$ 270,240	\$ 73,589
-	-	1,316,819	-

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2013

	Pension Funds
ASSETS	
Cash and cash equivalents	\$ 3,735,352
Interest and payments in transit	300,305
Investments, at fair value	
U.S. Treasury and Government Agencies	3,203,792
Municipal and Corporate Obligations	11,973,581
Common Stocks	33,119,683
Other securities	2,805,588
Total investments at fair value	51,102,644
Total assets	55,138,301
LIABILITIES	
Prepaid contribution	1
Accounts payable	21,804
Total liabilities	21,805
Net position	
Active and retired member equity	53,757,601
DROP plan benefits	1,358,895
Total Net Position	\$ 55,116,496

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year September 30, 2013

	Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 2,635,602
Insurance Premiums	404,392
Plan members	879,894
Total contributions	3,919,888
Investment earnings	
Net gain in fair value of investments	5,681,656
Interest and dividends	1,160,041
Total investment gain	6,841,697
Less investment expense	294,890
Net investment gain	6,546,807
Total additions	10,466,695
DEDUCTIONS	
Benefits paid	2,365,224
Refunds of contributions	90,291
Administrative expenses	81,951
Total deductions	2,537,466
Change in net position	7,929,229
Net position held in trust for pension benefits	
Beginning of year	47,187,267
End of year	\$ 55,116,496

See Accompanying Notes.



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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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 position and the statement of changes in net position) 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, 2013

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, 2013

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, 2013

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.

GASB Statement No. 31 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, 2013

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, 2013.

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, 2013

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 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 Position.

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 position. 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 5.5% of total General Fund expenditures. Also the City Council established a 7.5% minimum for the Utilities Fund.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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 \$2,695,789 for fiscal year 2013. 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.

M. New accounting standards

Beginning with fiscal year 2013, the City implemented GASB Statement No. 63; *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other pronouncements. This statement requires a Statement of Net Position (rather than net assets) format which segregates deferred inflows and deferred outflows from assets and liabilities respectively. Specific Items required to be broken out as deferred inflows or deferred outflows are discussed in GASB Statements 53 and 60. These items are Derivative Investments and Service Concession Arrangements respectively. None of these items affect the City at this time. The other portion of GASB Statement 63 is nomenclature. Statement No. 64; *Derivative Instruments: Application of Hedge Accounting Termination Provisions* is not applicable to the City of Punta Gorda.

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 position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. 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 \$22,357,929 difference are as follows:

Noncurrent liabilities	\$22,369,731
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	(11,802)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities - Noncurrent liabilities	<u>\$22,357,929</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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

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 position 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.” Expensed items decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial uses. 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 \$43,661 difference are as follows:

Capital outlay	\$ 3,070,412
Depreciation expense	(2,993,550)
Expensed items	(90,552)
Net effect of misc. capital transactions (disposal, sale, trade-in of assets)	<u>57,351</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 43,661</u></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 position. 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 \$2,143,172 difference are as follows:

Debt issuance	\$ (20,030,000)
Principal repayments:	
Capital Improvement revenue notes	<u>\$ 22,173,172</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 2,143,172</u></u>

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2013

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

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

Another element of that reconciliation states that "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 \$232,331 difference are as follows:

Change in Excess Net Pension Obligation	\$ (2,611)
Change in Compensated absences	44,189
Change in Postemployment Benefits Other than Pensions	<u>(273,909)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (232,331)</u>

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, 2013.

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

III. Stewardship, compliance, and accountability, Continued

B. Budgets and budgetary accounting, continued

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, 2013 totaled \$710,649.
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, 2013

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, 2013 the carrying amounts of the City's deposits were \$2,286,571 and the bank balances were \$2,627,051. 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, 2013, 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 \$11,510. These investments have a weighted average maturity of 3 years.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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 \$16,025,597.

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, 2013

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, 2013:

<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	\$ 1,562,210	\$ -
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	362,439	-
Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	352,210	-
Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds	2,291	-
Bond Reserve Account - maintained at the level required by the Bond Ordinance	1,570,557	10,960
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	374,208	-
Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	68,396	-
Utilities Construction Account - reserved for payment of the costs of new projects	667,136	-
Special Assessments - District #4 - established to account for assessments levied for utility expansion	47,259	-
	<u>\$ 5,006,706</u>	<u>\$ 10,960</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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, 2013:

Cash and Cash Equivalents	
Law enforcement activities	\$ 38,517
Other	755
	<u>\$ 39,272</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ -	\$ 130,940
Capital Project Fund	130,940	-
Nonmajor Governmental Funds		
Damage Recovery	28,380	-
	<u>159,320</u>	<u>130,940</u>
Marina Fund	-	28,380
Governmental funds consolidation	(130,940)	(130,940)
Cumulative effect of internal service funds	<u>99,098</u>	<u>99,098</u>
Statement of Net Position	<u>\$ 127,478</u>	<u>\$ 127,478</u>

The \$130,940 General Fund Liability is the 1¢ sales tax revenue accrual to be used for Capital Projects that will be paid in October 2013. The \$28,380 is a cash flow loan from the Damage Recovery Fund to the Marina Fund to cover a capital asset purchase that had not yet been reimbursed by a grant.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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 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	\$ 128,370	\$ 2,658,746
Debt Service Fund	3,004,225	-
Community Redevelopment	480,644	1,728,302
Capital Projects Fund	541,092	-
Impact Fees - Transportation	-	20,500
Nonmajor Governmental funds	<u>355,000</u>	<u>160,206</u>
Net Governmental Funds	<u><u>\$ 4,509,331</u></u>	<u><u>\$ 4,567,754</u></u>
 Internal Service Fund		
Information Technology	<u><u>\$ 58,423</u></u>	<u><u>\$ -</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Reclass/ Increases</u>	<u>Reclass/ Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$16,212,906	\$ -	\$ -	\$16,212,906
Construction in progress	1,809,693	3,153,323	(2,034,280)	2,928,736
Total capital assets, not being depreciated	<u>18,022,599</u>	<u>3,153,323</u>	<u>(2,034,280)</u>	<u>19,141,642</u>
Capital assets, being depreciated:				
Buildings	24,529,883	311,709	-	24,841,592
Improvements other than buildings	9,896,138	100,940	-	9,997,078
Infrastructure	77,804,814	1,310,263	-	79,115,077
Vehicles and equipment	10,169,215	357,384	(202,037)	10,324,562
Total capital assets, being depreciated	<u>122,400,050</u>	<u>2,080,296</u>	<u>(202,037)</u>	<u>124,278,309</u>
Less accumulated depreciation for:				
Buildings	(4,288,584)	(633,573)	-	(4,922,157)
Improvements other than buildings	(2,656,113)	(504,994)	-	(3,161,107)
Infrastructure	(60,694,469)	(1,325,031)	-	(62,019,500)
Vehicles and equipment	(7,601,893)	(693,485)	196,148	(8,099,230)
Total accumulated depreciation	<u>(75,241,059)</u>	<u>(3,157,083)</u>	<u>196,148</u>	<u>(78,201,994)</u>
Total capital assets, being depreciated, net	<u>47,158,991</u>	<u>(1,076,787)</u>	<u>(5,889)</u>	<u>46,076,315</u>
Governmental activities capital assets, net	<u>\$65,181,590</u>	<u>\$ 2,076,536</u>	<u>\$(2,040,169)</u>	<u>\$65,217,957</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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	730,468	2,990,491	(730,105)	2,990,854
Total capital assets, not being depreciated	<u>6,133,814</u>	<u>2,990,491</u>	<u>(730,105)</u>	<u>8,394,200</u>
Capital assets, being depreciated:				
Buildings	25,699,613	96,450	-	25,796,063
Improvements other than buildings	18,364,411	-	-	18,364,411
System Infrastructure	74,147,600	2,046,924	-	76,194,524
Vehicles and equipment	6,997,568	284,618	(270,240)	7,011,946
Total capital assets, being depreciated	<u>125,209,192</u>	<u>2,427,992</u>	<u>(270,240)</u>	<u>127,366,944</u>
Less accumulated depreciation for:				
Buildings	(21,577,049)	(433,696)	-	(22,010,745)
Improvements other than buildings	(12,631,437)	(376,361)	-	(13,007,798)
System Infrastructure	(39,150,020)	(2,411,744)	-	(41,561,764)
Vehicles and equipment	(5,636,299)	(358,080)	251,723	(5,742,656)
Total accumulated depreciation	<u>(78,994,805)</u>	<u>(3,579,881)</u>	<u>251,723</u>	<u>(82,322,963)</u>
Total capital assets, being depreciated, net	<u>46,214,387</u>	<u>(1,151,889)</u>	<u>(18,517)</u>	<u>45,043,981</u>
Business-type activities capital assets, net	<u>\$52,348,201</u>	<u>\$ 1,838,602</u>	<u>\$ (748,622)</u>	<u>\$53,438,181</u>

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

Governmental activities:	
General government	\$ 1,230,975
Public safety	492,597
Transportation	613,973
Recreation	656,005
Internal service funds	163,533
Total depreciation expense -- governmental activities	<u>\$ 3,157,083</u>
Business-type activities:	
Public utilities	\$ 3,436,866
Sanitation/refuse collection	132,013
Building	-
Marina	11,002
Total depreciation expense -- business-type activities	<u>\$ 3,579,881</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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, 2013:

	Governmental Activities - Long-Term Debt		
	Capital Improvement Revenue Notes	OPEB and Compensated Absences	Total
Debt payable at October 1, 2012	\$ 23,649,684	\$ 1,128,246	\$ 24,777,930
Debt issued	20,030,000	-	20,030,000
Debt retired	(22,173,172)	-	(22,173,172)
Amortization of original issue discount	-	-	-
Amortization of early call premium	-	-	-
Amortization of underwriters premium	-	-	-
Additions in OPEB and compensated absences	-	280,811	280,811
Deductions in OPEB and compensated absences	-	(41,859)	(41,859)
Debt payable at September 30, 2013 (net)	\$ 21,506,512	\$ 1,367,198	\$ 22,873,710

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, \$11,802 of compensated absences and \$13,768 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
\$ 2,915,524	\$ 4,970,309	\$ 30,768	\$ 98,886	\$ 530,164	\$ 8,545,651
-	-	-	-	-	-
(1,455,000)	(791,446)	-	(98,886)	-	(2,345,332)
27,370	-	-	-	-	27,370
41,422	-	-	-	-	41,422
(17,301)	-	-	-	-	(17,301)
-	-	-	-	160,013	160,013
-	-	-	-	(26,528)	(26,528)
<u>\$ 1,512,015</u>	<u>\$ 4,178,863</u>	<u>\$ 30,768</u>	<u>\$ -0-</u>	<u>\$ 663,649</u>	<u>\$ 6,385,295</u>



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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2013 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. \$ 2,471,512

\$20,030,000 Revenue Note, this note was used to pay off a number of previous loans at a more favorable rate and period. The note was issued on November 16, 2012, to be repaid with non-ad valorem revenue through a covenant to budget and appropriate. Interest is payable semi-annually at 2.43% annual interest. Principal is payable annually beginning on January 1, 2013 with Final maturity on January 1, 2028. 19,035,000

Total revenue notes payable 21,506,512

Less current maturities (2,046,295)

Noncurrent portion, revenue notes payable \$ 19,460,217

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Bonds

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

\$ 1,525,000

Less unamortized discount and call premium

(12,985)

Net

1,512,015

Less current maturities

(1,512,015)

Noncurrent portion, revenue bonds payable

\$ -

Revenue Notes

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

\$ 2,510,405

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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.

\$ 1,668,458

Total revenue notes payable

4,178,863

Less current maturities

(817,140)

Noncurrent portion, revenue notes payable

\$ 3,361,723

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.

\$ 30,678

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2013 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt	
	Capital Improvement Revenue Notes	
	Principal	Interest
2014	\$ 2,046,295	\$ 512,094
2015	2,105,217	452,138
2016	900,000	410,792
2017	950,000	388,314
2018	1,015,000	364,439
2019-2023	6,190,000	1,403,325
2024-2028	8,300,000	526,703
Total	\$ 21,506,512	\$ 4,057,805

	Compensated Absences			Totals
	Current Portion	Noncurrent Portion	OPEB	
Governmental Activities	\$ 86,322	\$ 776,897	\$ 503,979	\$ 1,367,198
Business-type Activities	38,347	345,122	280,180	663,649
	\$ 124,669	\$ 1,122,019	\$ 784,159	\$ 2,030,847

The amounts included in governmental activities for internal service funds are \$1,180 current portion of compensated absences, \$10,622 noncurrent portion compensated absences and \$13,768 OPEB.

Business-type Activities
Long-Term Debt

Water and Utility Revenue Bonds		Water and Wastewater Utility Revenue Notes		Water and Wastewater Utility Notes
Principal	Interest	Principal	Interest	
\$ 1,525,000	\$ 40,031	\$ 817,140	\$ 126,544	\$ 30,678
-	-	843,669	99,745	-
-	-	871,460	72,068	-
-	-	307,704	52,868	-
-	-	318,151	42,422	-
-	-	1,020,739	60,977	-
-	-	-	-	-
<u>\$ 1,525,000</u>	<u>\$ 40,031</u>	<u>\$ 4,178,863</u>	<u>\$ 454,624</u>	<u>\$ 30,678</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

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

Water and Wastewater Utility Fund

Utility System Refunding Revenue Bonds, Series 2002.

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

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

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

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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, 2013 was \$3.2462 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 2013 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, 2013

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	87
Vested terminated employees	13
Beneficiaries	6
DROP	20
Active employees	
Fully-vested	125
Nonvested	13

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, 2013

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	18
Vested terminated employees	3
Beneficiaries	1
Disability benefits	5
DROP	3
Active employees	
Fully-vested	17
Nonvested	13

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	11
Vested terminated employees	1
Beneficiaries	1
Disability benefits	5
Active employees	
Fully-vested	20
Nonvested	6

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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. For members hired on or after October 1, 2012 the benefit drops to 3.0%. 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, 2013

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 8.5% 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 \$1,745,226, Municipal Police Officers' pension plan \$632,124 and Municipal Firefighters' pension plan \$638,724 for fiscal year ended September 30, 2013.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2011 actuarial valuation using the entry age normal actuarial cost method or frozen entry age for Municipal Police Officers' plan.

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, 2011 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 29 years for the General Employees', 23 years for Municipal Police Officers' and 26 years for Municipal Firefighters' plans (as of 10/01/11).

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 81 through 84 of the City's Comprehensive Annual Financial Report.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2013 were as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ASSETS				
Cash and cash equivalents	\$ 2,385,103	\$ 860,780	\$ 489,469	\$ 3,735,352
Interest and payments in transit	176,335	64,190	59,780	300,305
Investments, at fair value				
U.S. Treasury and Government Agencies	2,020,165	741,095	442,532	3,203,792
Municipal and Corporate Obligations	6,964,663	3,291,714	1,717,204	11,973,581
Common Stocks	19,709,000	7,711,152	5,699,531	33,119,683
Other securities	1,520,569	400,000	885,019	2,805,588
Total investments at fair value	<u>30,214,397</u>	<u>12,143,961</u>	<u>8,744,286</u>	<u>51,102,644</u>
Total assets	<u>32,775,835</u>	<u>13,068,931</u>	<u>9,293,535</u>	<u>55,138,301</u>
LIABILITIES				
Prepaid contribution	-	1	-	1
Accounts payable	-	21,804	-	21,804
Total liabilities	<u>-</u>	<u>21,805</u>	<u>-</u>	<u>21,805</u>
Net position				
Active and retired member equity	31,909,076	12,554,990	9,293,535	53,757,601
DROP plan benefits	866,759	492,136	-	1,358,895
Total net position	<u>\$32,775,835</u>	<u>\$13,047,126</u>	<u>\$9,293,535</u>	<u>\$55,116,496</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2013 was as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ADDITIONS				
Contributions				
Employer	\$ 1,745,219	\$ 462,210	\$ 428,173	\$ 2,635,602
Insurance premiums	-	168,455	235,937	404,392
Plan members	592,827	146,241	140,826	879,894
Total contributions	<u>2,338,046</u>	<u>776,906</u>	<u>804,936</u>	<u>3,919,888</u>
Investment earnings				
Net gain in fair value of investments	3,367,276	1,288,342	1,026,038	5,681,656
Interest and dividends	709,559	262,122	188,360	1,160,041
Total investment gain	<u>4,076,835</u>	<u>1,550,464</u>	<u>1,214,398</u>	<u>6,841,697</u>
Less investment expense	<u>184,002</u>	<u>69,108</u>	<u>41,780</u>	<u>294,890</u>
Net investment gain	<u>3,892,833</u>	<u>1,481,356</u>	<u>1,172,618</u>	<u>6,546,807</u>
Total additions	<u>6,230,879</u>	<u>2,258,262</u>	<u>1,977,554</u>	<u>10,466,695</u>
DEDUCTIONS				
Benefits paid	1,429,384	524,647	411,193	2,365,224
Refunds of contributions	29,987	23,823	36,481	90,291
Administrative expenses	34,206	19,390	28,355	81,951
Total deductions	<u>1,493,577</u>	<u>567,860</u>	<u>476,029</u>	<u>2,537,466</u>
Change in net position	4,737,302	1,690,402	1,501,525	7,929,229
Net position held in trust for pension benefits				
Beginning of year	<u>28,038,533</u>	<u>11,356,724</u>	<u>7,792,010</u>	<u>47,187,267</u>
End of year	<u>\$32,775,835</u>	<u>\$ 13,047,126</u>	<u>\$ 9,293,535</u>	<u>\$ 55,116,496</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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			
9/30/2013	\$ 1,745,226	100%	\$ (114)
9/30/2012	1,543,335	100%	(121)
9/30/2011	1,457,553	100%	(125)
Municipal Police Officers' pension plan			
9/30/2013	\$ 632,124	100%	\$ (17,970)
9/30/2012	550,628	100%	(19,429)
9/30/2011	385,494	100%	(21,209)
Municipal Firefighters' pension plan			
9/30/2013	\$ 638,724	100%	\$ (17,940)
9/30/2012	594,191	100%	(19,085)
9/30/2011	315,091	100%	(19,739)

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

	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>
Actuarially Determined			
Contribution (A)	\$ 1,745,219	\$ 1,543,331	\$ 1,457,548
Interest on NPO	(10)	(10)	(10)
Adjustment to (A)	17	14	15
Annual Pension Cost	1,745,226	1,543,335	1,457,553
Contributions Made	1,745,219	1,543,331	1,457,548
Increase (Decrease) in NPO	7	4	5
NPO Beginning of Year	(121)	(125)	(130)
NPO End of Year	<u>\$ (114)</u>	<u>\$ (121)</u>	<u>\$ (125)</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>
Actuarially Determined			
Contribution (A)	\$ 630,665	\$ 548,848	\$ 384,322
Interest on NPO	(1,554)	(1,697)	(1,790)
Adjustment to (A)	<u>3,013</u>	<u>3,477</u>	<u>2,962</u>
Annual Pension Cost	632,124	550,628	385,494
Contributions Made	<u>630,665</u>	<u>548,848</u>	<u>384,322</u>
Increase in NPO	1,459	1,780	1,172
NPO Beginning of Year	<u>(19,429)</u>	<u>(21,209)</u>	<u>(22,381)</u>
NPO End of Year	<u><u>\$ (17,970)</u></u>	<u><u>\$ (19,429)</u></u>	<u><u>\$ (21,209)</u></u>

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

	<u>9/30/2013</u>	<u>9/30/2012</u>	<u>9/30/2011</u>
Actuarially Determined			
Contribution (A)	\$ 638,092	\$ 593,537	\$ 314,414
Interest on NPO	(1,527)	(1,579)	(1,633)
Adjustment to (A)	<u>2,159</u>	<u>2,233</u>	<u>2,310</u>
Annual Pension Cost	638,724	594,191	315,091
Contributions Made	<u>637,579</u>	<u>593,537</u>	<u>314,414</u>
Increase (Decrease) in NPO	1,145	654	677
NPO Beginning of Year	<u>(19,085)</u>	<u>(19,739)</u>	<u>(20,416)</u>
NPO End of Year	<u><u>\$ (17,940)</u></u>	<u><u>\$ (19,085)</u></u>	<u><u>\$ (19,739)</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Funding status and funding progress as of October 1, 2013 for all plans

	General Employees	Police Officers'	Firefighters'
Actuarial accrued liability (AAL)	\$40,088,617	\$13,648,528	\$ 11,856,721
Actuarial value of plan assets	30,407,000	12,400,159	8,621,141
Unfunded actuarial accrued liability (UAAL)	9,681,617	1,248,369	3,235,580
Funded ratio (actuarial value of plan assets/AAL)	75.85%	90.85%	72.71%
Covered payroll (active plan members)	6,761,656	2,013,763	1,799,896
UAAL as a percentage of covered payroll	143.18%	61.99%	179.76%

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 7.9%, 7.1% and 5.6% 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

August 2011 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, 2013 is \$45,298, 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 thirteen as of September 30, 2013.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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, 2013

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: 8.5% in Fiscal 2013 (grading down to 4.5% in Fiscal 2017); Post-Medicare: 8.5% in Fiscal 2012 (grading down to 4.5% in Fiscal 2017);
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)
10/1/2012 *	\$ -	\$4,285,149	\$4,285,149	0.00%	\$12,478,406	34.3%

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

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
09/30/13	\$ 432,290	26.2%	\$ 784,159

(A schedule of funding progress is presented on page 84.)

Valuation Date Applicable for Fiscal Year Ending	10/1/2012 9/30/2013	10/1/2010 9/30/2011
Annual Required Contribution	\$ 429,470	\$ 224,457
Interaset on Net OPEB Obligation	20,927	10,168
Adjustment to Annual Required Contribution	(18,107)	(8,067)
Annual OPEB Cost/(Expense)	\$ 432,290	\$ 226,558
Estimated Contributions Made	(113,179)	(109,153)
Anticipated Increase/(Decrease) in Net OPEB Obligation	\$ 319,111	\$ 117,405
Net OPEB Obligation -- Beginning of Year	343,350	112,962
Adjustment to Book Value October 1	121,698	112,983
Estimated Net OPEB Obligation -- End of Year	\$ 784,159	\$ 343,350
Funded Status as of:	10/1/2012	10/1/2010
Actuarial Accrued Liability (AAL)	\$ 4,285,149	\$ 1,791,363
Actuarial Value of Assets (AVA)	0	0
Unfunded Actuarial Accrued Liability *UAAL)	\$ 4,285,149	\$ 1,791,363
Funded Ratio	0.0%	0.0%
Covered Payroll	12,478,406	10,777,524
Ratio of UAAL to Covered Payroll	34.3%	17.3%

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, 2013

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

<u>Schedule of Funding Progress</u>						
<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>
10/1/2012	\$ -	\$4,285,149	\$4,285,149	0.00%	\$12,478,406	34.3%
10/1/2011	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2010	-	1,791,363	1,791,363	0.00%	10,777,524	16.6%

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, 2013

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2013, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 8,370
Administrative Charges	2,695,789
Other	332,114
	<u>3,036,273</u>
<u>Community Redevelopment Agency</u>	
Interest	3,380
Other	286,627
	<u>290,007</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	1,904
Service Assessments	2,612,254
Other	12,787
	<u>2,626,945</u>
<u>Capital Project Fund</u>	
Interest	3,999
Other	4,173
	<u>8,172</u>
<u>Impact Fees - Transportation</u>	
Interest	350
Impact Fees	36,631
	<u>36,981</u>
<u>Other Governmental Funds</u>	
Interest	1,473
Service Assessments	415,317
Impact Fees	60,214
Other	174,214
	<u>651,218</u>
	<u>\$ 6,649,596</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

IV. Detailed notes on all funds, Continued

L. State Board Pool Discussion

As discussed in Note IV A, at September 30, 2013, the City had \$16,025,596 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, 2013, the City has \$15,882,663 and \$142,933 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, 2013

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						
10/01/13	\$ 30,407,000	\$ 40,088,617	\$ 9,681,617	75.85%	\$6,761,658	143.18%
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%
Municipal Police Officers' Pension Plan						
10/01/13	\$ 12,400,159	\$ 13,648,528	\$ 1,248,369	90.85%	\$2,013,763	61.99%
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%
Municipal Firefighters' Pension Plan						
10/01/13	\$ 8,621,141	\$ 11,856,721	\$ 3,235,580	72.71%	\$1,799,896	179.76%
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%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
September 30, 2013

<u>Year Ended September 30,</u>	<u>Annual Required Contribution</u>	<u>City Contribution</u>	<u>Insurance Premiums State</u>	<u>Percentage Contributed</u>
General Employees' Pension Plan				
2013	\$ 1,745,219	\$ 1,745,219	\$ -	100.00%
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%
Municipal Police Officers' Pension Plan				
2013	\$ 630,665	\$ 462,210	\$ 168,455	100.00%
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%
Municipal Firefighters' Pension Plan				
2013	\$ 638,092	\$ 428,173	\$ 209,406 *	100.00%
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%

* "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, 2013

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan
* Valuation Date	10/01/11	10/01/11	10/01/11
Actuarial Cost Method	Entry age normal	Frozen entry age	Entry age normal
Amortization Method	Level percent of pay, closed	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	29 years (at 10/1/11)	23 years (at 10/1/11)	26 years (at 10/1/11)
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, 2013

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>
9/30/2013	\$ 432,290	26.2%	\$ 784,159
9/30/2012	232,316	47.6%	465,048
9/30/2011	226,558	48.2%	343,350

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>
10/1/2012	\$ -	\$4,285,149	\$4,285,149	0.00%	\$12,478,406	34.3%
10/1/2011	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2010	-	1,791,363	1,791,363	0.00%	10,777,524	16.6%



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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

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, 2013

	Special Revenue Funds			
	CDBG Fund	Impact Fees Parks	Impact Fees Fire	Damage Recovery Fund
ASSETS:				
Cash and cash equivalents	\$ -	\$ 87,111	\$ -	\$ 506,186
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	28,380
	-	-	-	28,380
Total Assets	\$ -	\$ 87,111	\$ -	\$ 534,566
 LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ -	\$ 1	\$ -	\$ -
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1	-	-
 Fund Balances:				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted for:				
Public Safety	-	-	-	-
Transportation	-	-	-	-
Recreation	-	87,110	-	-
Committed for:				
Damages or one-time expenditures	-	-	-	534,566
Total Fund Balances	-	87,110	-	534,566
Total Liabilities and Fund Balances	\$ -	\$ 87,111	\$ -	\$ 534,566

Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental
BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Gilchrist Intention Fund	
\$ 206,084	\$ 229,144	\$ 235,914	\$ 5,053	\$ 1,269,492
257	-	12,337	-	12,594
6,010	20,282	42,598	-	68,890
-	-	-	-	28,380
<u>\$ 212,351</u>	<u>\$ 249,426</u>	<u>\$ 290,849</u>	<u>\$ 5,053</u>	<u>\$ 1,379,356</u>
\$ 27,965	\$ 87,418	\$ 69,851	\$ -	\$ 185,235
15,558	28,525	-	-	44,083
-	-	-	-	-
<u>43,523</u>	<u>115,943</u>	<u>69,851</u>	<u>-</u>	<u>229,318</u>
-	-	-	5,000	5,000
-	-	-	-	-
-	133,483	220,998	53	354,534
168,828	-	-	-	255,938
-	-	-	-	534,566
<u>168,828</u>	<u>133,483</u>	<u>220,998</u>	<u>5,053</u>	<u>1,150,038</u>
<u>\$ 212,351</u>	<u>\$ 249,426</u>	<u>\$ 290,849</u>	<u>\$ 5,053</u>	<u>\$ 1,379,356</u>

CITY OF PUNTA GORDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2013

	Special Revenue Funds			
	CDBG Fund	Impact Fees Parks	Impact Fees Fire	Damage Recovery Fund
Revenues:				
Intergovernmental	\$ 87,150	\$ -	\$ -	\$ -
Miscellaneous	-	60,288	21	-
Total revenues	<u>87,150</u>	<u>60,288</u>	<u>21</u>	<u>-</u>
Expenditures:				
Current:				
Transportation	-	-	-	-
Economic environment	87,150	-	-	-
Recreation	-	-	-	-
Total expenditures	<u>87,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>60,288</u>	<u>21</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(22,185)	(9,651)	(128,370)
Total other financing sources (uses)	<u>-</u>	<u>(22,185)</u>	<u>(9,651)</u>	<u>(128,370)</u>
Net change in fund balances	-	38,103	(9,630)	(128,370)
Fund Balances, October 1, 2012	<u>-</u>	<u>49,007</u>	<u>9,630</u>	<u>662,936</u>
Fund Balances, September 30, 2013	<u>\$ -</u>	<u>\$ 87,110</u>	<u>\$ -</u>	<u>\$ 534,566</u>

Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental
<u>BSI Canal Maintenance</u>	<u>Five Cent Gas Tax</u>	<u>Six Cent Gas Tax</u>	<u>Gilchrist Intention Fund</u>	
\$ -	\$ 243,574	\$ 526,830	\$ -	\$ 857,554
416,116	567	174,216	10	651,218
<u>416,116</u>	<u>244,141</u>	<u>701,046</u>	<u>10</u>	<u>1,508,772</u>
-	700,603	722,424	-	1,423,027
-	-	-	-	87,150
434,533	-	-	-	434,533
<u>434,533</u>	<u>700,603</u>	<u>722,424</u>	<u>-</u>	<u>1,944,710</u>
(18,417)	(456,462)	(21,378)	10	(435,938)
-	355,000	-	-	355,000
-	-	-	-	(160,206)
-	<u>355,000</u>	<u>-</u>	<u>-</u>	<u>194,794</u>
(18,417)	(101,462)	(21,378)	10	(241,144)
187,245	234,945	242,376	5,043	1,391,182
<u>\$ 168,828</u>	<u>\$ 133,483</u>	<u>\$ 220,998</u>	<u>\$ 5,053</u>	<u>\$ 1,150,038</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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 66,082	\$ 146,208	\$ 87,150	\$ (59,058)
Total revenues	<u>66,082</u>	<u>146,208</u>	<u>87,150</u>	<u>(59,058)</u>
Expenditures				
Current				
Economic environment	66,082	146,208	87,150	59,058
Total expenditures	<u>66,082</u>	<u>146,208</u>	<u>87,150</u>	<u>59,058</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, 2012			<u>-</u>	
Fund balances, September 30, 2013			<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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 14,500	\$ 14,500	\$ 60,288	\$ 45,788
Total revenues	<u>14,500</u>	<u>14,500</u>	<u>60,288</u>	<u>45,788</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>14,500</u>	<u>14,500</u>	<u>60,288</u>	<u>45,788</u>
Other financing uses				
Transfers out	<u>(13,000)</u>	<u>(37,037)</u>	<u>(22,185)</u>	<u>14,852</u>
Total other financing uses	<u>(13,000)</u>	<u>(37,037)</u>	<u>(22,185)</u>	<u>14,852</u>
Net change in fund balance	<u>\$ 1,500</u>	<u>\$ (22,537)</u>	38,103	<u>\$ 60,640</u>
Fund balances, October 1, 2012			<u>49,007</u>	
Fund balances, September 30, 2013			<u>\$ 87,110</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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ -	\$ 21	\$ 21	\$ -
Total revenues	-	21	21	-
Expenditures				
Total expenditures	-	-	-	-
Excess revenues over expenditures	-	21	21	-
Other financing uses				
Transfers out	-	(9,651)	(9,651)	-
Total other financing uses	-	(9,651)	(9,651)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (9,630)</u>	(9,630)	<u>\$ -</u>
Fund balances, October 1, 2012			<u>9,630</u>	
Fund balances, September 30, 2013			<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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 415,300	\$ 415,300	\$ 416,116	\$ 816
Total revenues	<u>415,300</u>	<u>415,300</u>	<u>416,116</u>	<u>816</u>
Expenditures				
Current				
Recreation	<u>434,385</u>	<u>435,669</u>	<u>434,533</u>	<u>1,136</u>
Total expenditures	<u>434,385</u>	<u>435,669</u>	<u>434,533</u>	<u>1,136</u>
Revenues under expenditures	<u>(19,085)</u>	<u>(20,369)</u>	<u>(18,417)</u>	<u>1,952</u>
Net change in fund balance	<u>\$ (19,085)</u>	<u>\$ (20,369)</u>	<u>(18,417)</u>	<u>\$ 1,952</u>
Fund balances, October 1, 2012			<u>187,245</u>	
Fund balances, September 30, 2013			<u>\$ 168,828</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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 248,000	\$ 244,338	\$ 243,574	\$ (764)
Miscellaneous	-		567	567
Total revenues	<u>248,000</u>	<u>244,338</u>	<u>244,141</u>	<u>(197)</u>
Expenditures				
Current				
Transportation	<u>600,000</u>	<u>824,726</u>	<u>700,603</u>	<u>124,123</u>
Total expenditures	<u>600,000</u>	<u>824,726</u>	<u>700,603</u>	<u>124,123</u>
Revenues under expenditures	<u>(352,000)</u>	<u>(580,388)</u>	<u>(456,462)</u>	<u>123,926</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>\$ 3,000</u>	<u>\$ (225,388)</u>	(101,462)	<u>\$ 123,926</u>
Fund balances, October 1, 2012			<u>234,945</u>	
Fund balances, September 30, 2013			<u>\$ 133,483</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, 2013

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 530,000	\$ 530,000	\$ 526,830	\$ (3,170)
Miscellaneous	164,966	164,966	174,216	9,250
Total revenues	<u>694,966</u>	<u>694,966</u>	<u>701,046</u>	<u>6,080</u>
Expenditures				
Current				
Transportation	<u>725,243</u>	<u>771,628</u>	<u>722,424</u>	<u>49,204</u>
Total expenditures	<u>725,243</u>	<u>771,628</u>	<u>722,424</u>	<u>49,204</u>
Revenues under expenditures	<u>(30,277)</u>	<u>(76,662)</u>	<u>(21,378)</u>	<u>55,284</u>
Net change in fund balance	<u>\$ (30,277)</u>	<u>\$ (76,662)</u>	<u>(21,378)</u>	<u>\$ 55,284</u>
Fund balances, October 1, 2012			<u>242,376</u>	
Fund balances, September 30, 2013			<u>\$ 220,998</u>	



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INTERNAL SERVICE FUNDS

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. The City currently has one Internal Service Fund.

- Information Technology provides a central computer system and communications for the benefit of all City Departments.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
September 30, 2013

ASSETS	<u>Information Technology</u>
Current Assets	
Cash and cash equivalents	\$ 308,502
Accounts receivable	4,171
Total current assets	<u>312,673</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>389,845</u>
Total noncurrent assets	<u>389,845</u>
Total assets	<u>702,518</u>
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts payable	43,274
Current portion compensated absences	1,180
Accrued liabilities	11,796
Total current liabilities	<u>56,250</u>
Noncurrent Liabilities	
Accrued compensated absences	10,622
Other postemployment benefits payable	13,768
Total noncurrent liabilities	<u>24,390</u>
Total liabilities	<u>80,640</u>
NET POSITION	
Net investment in capital assets	389,845
Unrestricted	232,033
Total net position	<u><u>\$ 621,878</u></u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2013

	<u>Information Technology</u>
Operating Revenues	
Charges for services	\$ 936,086
Miscellaneous	<u>4,989</u>
Total operating revenues	<u>941,075</u>
Operating Expenses	
Personal services	372,063
Contractual services	143,758
Materials and supplies	28,577
Utilities	4,350
Depreciation	163,533
Insurance	38,238
Repairs and maintenance	264,531
Travel and training	9,232
Rent	<u>63,031</u>
Total operating expenses	<u>1,087,313</u>
Operating loss	<u>(146,238)</u>
Nonoperating revenues	
Interest income	230
Gain on disposal of capital assets	<u>420</u>
Total nonoperating revenues	<u>650</u>
Loss before transfers	<u>(145,588)</u>
Transfers In	<u>58,423</u>
Change in net position	(87,165)
Net position - beginning	<u>709,043</u>
Net position - ending	<u><u>\$ 621,878</u></u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2013

	<u>Information Technology</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from services provided	\$ 936,086
Cash payments to suppliers for goods and services	(526,430)
Cash payments to employees for services	(359,315)
Other receipts	4,902
Net cash used in operating activities	<u>55,243</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Operating Transfers in	<u>58,423</u>
Net cash provided by noncapital financing activities	<u>58,423</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of property, plant, and equipment	(156,239)
Sale of equipment disposal	420
Net cash used in capital and related financing activities	<u>(155,819)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>230</u>
Net cash provided by investing activities	<u>230</u>
Net decrease in cash and cash equivalents	(41,923)
Cash and cash equivalents at beginning of year	<u>350,425</u>
Cash and cash equivalents at end of year	<u><u>\$ 308,502</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (146,238)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	163,533
Net (increase) decrease in:	
Accounts receivable	(87)
Net increase (decrease) in:	
Accounts payable	25,287
Accrued liabilities	12,748
Net cash provided by operating activities	<u><u>\$ 55,243</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Disposal of fully depreciated capital assets	\$ 73,589

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.

City of Punta Gorda, Florida
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2013	2012	2011	2010
Governmental activities				
Net Investment in capital assets	\$ 43,711,445	\$ 41,531,906	\$ 40,912,696	\$ 41,789,787
Restricted	4,945,700	6,870,015	5,811,609	6,651,036
Unrestricted	<u>2,466,809</u>	<u>2,320,145</u>	<u>4,591,120</u>	<u>3,947,931</u>
Total governmental activities net position	<u>\$ 51,123,954</u>	<u>\$ 50,722,066</u>	<u>\$ 51,315,425</u>	<u>\$ 52,388,754</u>
Business-type activities				
Net Investment in capital assets	\$ 47,680,340	\$ 44,351,423	\$ 40,596,997	\$ 40,092,054
Restricted	3,534,634	4,314,817	3,326,147	3,906,859
Unrestricted	<u>5,486,147</u>	<u>5,427,068</u>	<u>8,924,351</u>	<u>8,205,482</u>
Total business-type activities net position	<u>\$ 56,701,121</u>	<u>\$ 54,093,308</u>	<u>\$ 52,847,495</u>	<u>\$ 52,204,395</u>
Primary government				
Net Investment in capital assets	\$ 91,391,785	\$ 85,883,329	\$ 81,509,693	\$ 81,881,841
Restricted	8,480,334	11,184,832	9,137,756	10,557,895
Unrestricted	<u>7,952,956</u>	<u>7,747,213</u>	<u>13,515,471</u>	<u>12,153,413</u>
Total primary government net position	<u>\$107,825,075</u>	<u>\$104,815,374</u>	<u>\$104,162,920</u>	<u>\$104,593,149</u>

Per the Statement of Net Position

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 34,583,793	\$ 22,648,403	\$ 33,056,270	\$ 26,355,360	\$ 28,455,370	\$ 25,200,694
12,319,882	16,564,079	4,752,331	5,258,454	3,878,852	3,802,933
1,908,437	5,654,823	7,464,821	7,669,666	3,283,673	2,791,662
<u>\$ 48,812,112</u>	<u>\$ 44,867,305</u>	<u>\$ 45,273,422</u>	<u>\$ 39,283,480</u>	<u>\$ 35,617,895</u>	<u>\$ 31,795,289</u>
\$ 36,108,108	\$ 34,966,838	\$ 28,147,738	\$ 25,671,970	\$ 25,258,114	\$ 24,718,468
8,085,297	10,545,071	10,821,837	7,632,554	8,136,448	7,510,942
8,293,575	7,746,315	11,059,075	15,001,540	10,925,707	10,224,442
<u>\$ 52,486,980</u>	<u>\$ 53,258,224</u>	<u>\$ 50,028,650</u>	<u>\$ 48,306,064</u>	<u>\$ 44,320,269</u>	<u>\$ 42,453,852</u>
\$ 70,691,901	\$ 57,615,241	\$ 61,204,008	\$ 52,027,330	\$ 53,713,484	\$ 49,919,162
20,405,179	27,109,150	15,574,168	12,891,008	12,015,300	11,313,875
10,202,012	13,401,138	18,523,896	22,671,206	14,209,380	13,016,104
<u>\$ 101,299,092</u>	<u>\$ 98,125,529</u>	<u>\$ 95,302,072</u>	<u>\$ 87,589,544</u>	<u>\$ 79,938,164</u>	<u>\$ 74,249,141</u>

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2013	2012	2011	2010
Expenses				
Governmental activities:				
General government	\$ 3,700,758	\$ 3,761,601	\$ 3,789,465	\$ 3,932,729
Public safety	8,963,993	8,831,471	8,575,957	8,608,147
Transportation	3,135,032	2,794,684	2,928,550	2,671,254
Economic environment	315,774	247,121	409,960	280,643
Recreation	4,957,977	4,785,081	5,298,806	4,799,940
Storm related event	-	-	-	-
Interest on long-term debt	861,963	961,431	1,018,596	1,158,268
Total governmental activities expenses	<u>21,935,497</u>	<u>21,381,389</u>	<u>22,021,334</u>	<u>21,450,981</u>
Business-type activities:				
Water and wastewater	14,502,662	14,535,733	14,980,052	14,169,605
Sanitation/refuse	2,801,361	2,726,802	2,583,077	2,644,978
Building Fund	578,421	538,982	524,200	756,813
Marina Fund	262,959	245,701	243,105	226,092
Total business-type activities expenses	<u>18,145,403</u>	<u>18,047,218</u>	<u>18,330,434</u>	<u>17,797,488</u>
Total primary government expenses	<u>\$ 40,080,900</u>	<u>\$ 39,428,607</u>	<u>\$ 40,351,768</u>	<u>\$ 39,248,469</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,610,489	\$ 1,574,413	\$ 1,656,887	\$ 1,733,185 ¹
Public Safety	13,109	12,730	13,939	11,244
Transportation	164,868	161,386	152,488	133,718
Recreation	3,027,570	3,027,944	3,026,319	3,017,860
Operating grants and contributions	578,158	630,204	1,023,291	604,884
Capital grants and contributions	2,066,261	1,224,478	1,893,746	5,506,701
Intergovernmental revenues	-	-	-	-
Total governmental activities program revenues	<u>7,460,455</u>	<u>6,631,155</u>	<u>7,766,670</u>	<u>11,007,592</u>
Business-type activities:				
Charges for Services:				
Water and Sewer	14,725,171	14,718,754	14,740,246	13,433,435
Sanitation/refuse	2,943,612	2,926,609	2,913,888	2,871,430
Building Fund	700,241	498,327	476,797	481,971
Marina Fund	234,247	221,764	205,486	235,027
Operating grants and contributions	-	5,349	-	-
Capital grants and contributions	2,000,105	753,196	503,116	345,518
Total business-type activities program revenues	<u>20,603,376</u>	<u>19,123,999</u>	<u>18,839,533</u>	<u>17,367,381</u>
Total primary government program revenues	<u>\$ 28,063,831</u>	<u>\$ 25,755,154</u>	<u>\$ 26,606,203</u>	<u>\$ 28,374,973</u>

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 4,206,952	\$ 5,058,263	\$ 4,171,880	\$ 3,279,077	\$ 3,818,813	\$ 4,196,052
8,284,731	8,475,071	8,324,762	7,500,777	7,608,668	6,791,333
2,489,020	2,501,444	3,632,732	2,870,066	2,068,295	2,182,392
105,296	1,549,851	521,498	608,842	501,182	254,360
4,545,088	4,914,306	5,346,971	4,929,326	3,729,535	7,658,375
-	-	-	-	2,855,483	4,674,955
892,524	349,841	361,620	304,843	203,138	234,058
<u>20,523,611</u>	<u>22,848,776</u>	<u>22,359,463</u>	<u>19,492,931</u>	<u>20,785,114</u>	<u>25,991,525</u>
16,219,660	15,761,078	15,848,537	14,171,524	12,546,070	12,701,810
2,653,853	2,697,547	2,696,303	2,722,014	2,463,665	2,520,655
878,240	900,760	1,071,282	1,219,504	-	-
184,295	214,506	114,477	-	-	-
<u>19,936,048</u>	<u>19,573,891</u>	<u>19,730,599</u>	<u>18,113,042</u>	<u>15,009,735</u>	<u>15,222,465</u>
<u>\$ 40,459,659</u>	<u>\$ 42,422,667</u>	<u>\$ 42,090,062</u>	<u>\$ 37,605,973</u>	<u>\$ 35,794,849</u>	<u>\$ 41,213,990</u>
\$ 447,370	\$ 494,777	\$ 521,702	\$ 602,994	\$ 279,712	\$ 165,800
42,485	46,151	37,316	72,032	2,604,091	613,741
131,063	-	-	-	142,322	118,646
2,497,317	2,497,130	2,509,787	2,649,555	2,056,033	2,059,657
572,143	546,568	586,303	565,166	3,216,534	4,950,127
4,674,346	2,497,389	4,312,306	3,312,120	1,223,665	3,430,791
-	-	-	-	-	4,511,548
<u>8,364,724</u>	<u>6,082,015</u>	<u>7,967,414</u>	<u>7,201,867</u>	<u>9,522,357</u>	<u>15,850,310</u>
13,555,767	11,644,843	12,235,089	11,936,777	11,239,816	11,864,808
2,886,005	2,837,053	2,828,985	2,718,416	2,344,094	2,509,935
393,770	778,176	1,044,109	1,878,408	-	-
202,033	216,771	104,320	-	-	-
-	-	61,480	9,322	16,190	30,639
<u>1,810,905</u>	<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>18,848,480</u>	<u>21,853,793</u>	<u>19,654,898</u>	<u>20,691,319</u>	<u>16,330,443</u>	<u>16,035,484</u>
<u>\$ 27,213,204</u>	<u>\$ 27,935,808</u>	<u>\$ 27,622,312</u>	<u>\$ 27,893,186</u>	<u>\$ 25,852,800</u>	<u>\$ 31,885,794</u>

(continued)

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued)

	Fiscal Year			
	2013	2012	2011	2010
Net (Expense)/Revenue				
Government activities	\$ (14,475,042)	\$ (14,750,234)	\$ (14,254,664)	\$ (10,443,389)
Business type activities	2,457,973	1,076,781	509,099	(430,107)
Total primary government net expense	<u>\$ (12,017,069)</u>	<u>\$ (13,673,453)</u>	<u>\$ (13,745,565)</u>	<u>\$ (10,873,496)</u>
General Revenues and Other Changes in Net Position				
Government activities:				
Property taxes	\$ 7,126,709	\$ 6,239,901	\$ 6,427,277	\$ 6,829,344
Franchise fees and other taxes	-	-	-	-
Utility taxes and gas taxes	3,839,081	3,732,770	3,631,650	3,669,713
Sales taxes	3,194,173	3,016,077	2,888,533	2,913,132
Investment earnings	19,477	32,632	30,563	39,548
Miscellaneous	697,490	1,135,495	203,312	568,293
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>14,876,930</u>	<u>14,156,875</u>	<u>13,181,335</u>	<u>14,020,030</u>
Business-type activities:				
Franchise fees and other taxes	-	-	-	-
Investment earnings	18,180	23,047	26,601	39,390
Miscellaneous	131,660	145,985	107,400	108,132
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>149,840</u>	<u>169,032</u>	<u>134,001</u>	<u>147,522</u>
Total primary government	<u>\$ 15,026,770</u>	<u>\$ 14,325,907</u>	<u>\$ 13,315,336</u>	<u>\$ 14,167,552</u>
Change in Net Position				
Governmental activities	\$ 401,888	\$ (593,359)	\$ (1,073,329)	\$ 3,576,641
Business-type activities	2,607,813	1,245,813	643,100	(282,585)
Total primary government	<u>\$ 3,009,701</u>	<u>\$ 652,454</u>	<u>\$ (430,229)</u>	<u>\$ 3,294,056</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					
2009	2008	2007	2006	2005	2004
\$ (12,158,887)	\$ (16,766,761)	\$ (14,392,049)	\$ (12,291,064)	\$ (11,262,757)	\$ (10,141,215)
(1,087,568)	2,279,902	(75,701)	2,578,277	1,320,708	813,019
<u>\$ (13,246,455)</u>	<u>\$ (14,486,859)</u>	<u>\$ (14,467,750)</u>	<u>\$ (9,712,787)</u>	<u>\$ (9,942,049)</u>	<u>\$ (9,328,196)</u>
\$ 7,508,812	\$ 7,319,612	\$ 7,401,394	\$ 6,134,672	\$ 5,733,290	\$ 4,932,027
1,448,111	1,365,284	1,331,145	1,323,607	1,109,411	1,044,505
3,540,381	3,348,743	3,462,681	3,440,025	3,400,667	3,471,836
2,874,856	3,192,142	3,732,044	4,021,518	3,865,509	-
177,625	466,383	881,752	794,741	228,952	194,637
553,909	683,480	961,972	742,086	747,534	254,509
-	-	-	-	-	15,672
-	(15,000)	-	(500,000)	-	-
<u>16,103,694</u>	<u>16,360,644</u>	<u>17,770,988</u>	<u>15,956,649</u>	<u>15,085,363</u>	<u>9,913,186</u>
49,850	13,757	16,060	16,610	13,527	14,815
144,879	546,821	1,035,266	842,404	490,500	267,424
121,595	374,094	746,961	48,504	39,825	223,836
-	-	-	-	1,857	-
-	15,000	-	500,000	-	-
<u>316,324</u>	<u>949,672</u>	<u>1,798,287</u>	<u>1,407,518</u>	<u>545,709</u>	<u>506,075</u>
<u>\$ 16,420,018</u>	<u>\$ 17,310,316</u>	<u>\$ 19,569,275</u>	<u>\$ 17,364,167</u>	<u>\$ 15,631,072</u>	<u>\$ 10,419,261</u>
\$ 3,944,807	\$ (406,117)	\$ 3,378,939	\$ 3,665,585	\$ 3,822,606	\$ (228,029)
(771,244)	3,229,574	1,722,586	3,985,795	1,866,417	1,319,094
<u>\$ 3,173,563</u>	<u>\$ 2,823,457</u>	<u>\$ 5,101,525</u>	<u>\$ 7,651,380</u>	<u>\$ 5,689,023</u>	<u>\$ 1,091,065</u>

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

	Fiscal Year			
	2013	2012	2011	2010
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ 20,258
Unreserved	-	-	-	2,719,651
Nonspendable	61,130	69,198	69,170	-
Restricted	39,272	35,665	31,798	-
Assigned	1,396,255	650,152	1,323,782	-
Unassigned	1,200,223	1,390,377	1,251,292	-
Total general fund	<u>\$ 2,696,880</u>	<u>\$ 2,145,392</u>	<u>\$ 2,676,042</u>	<u>\$ 2,739,909</u>
All Other Governmental Funds				
Reserved				
Community Redevelopment Agency fund	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-
Capital projects fund	-	-	-	4,735,079
Debt service	-	-	-	1,890,683
Permanent fund	-	-	-	5,016
Unreserved, reported in:				
Special revenue funds	-	-	-	4,253,408
Nonspendable	5,000	5,000	5,000	-
Restricted	4,901,428	6,829,350	4,468,381	-
Committed	783,674	911,220	2,920,047	-
Assigned	-	-	1,001,990	-
Total all other governmental funds	<u>\$ 5,690,102</u>	<u>\$ 7,745,570</u>	<u>\$ 8,395,418</u>	<u>\$ 10,884,186</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					
2009	2008	2007	2006	2005	2004
\$ 23,330	\$ 13,325	\$ 12,073	\$ 8,320	\$ 12,873	\$ 20,976
2,975,814	2,136,234	2,592,762	3,515,022	4,057,485	3,140,042
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,999,144</u>	<u>\$ 2,149,559</u>	<u>\$ 2,604,835</u>	<u>\$ 3,523,342</u>	<u>\$ 4,070,358</u>	<u>\$ 3,161,018</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	67,192	91,892
7,182,506	14,748,301	4,731,481	5,241,808	3,790,840	3,682,328
2,592,975	1,793,418	-	-	-	-
9,117	9,035	8,777	8,326	7,947	7,737
4,384,516	4,074,605	5,493,619	4,693,565	(411,586)	114,743
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,169,114</u>	<u>\$ 20,625,359</u>	<u>\$ 10,233,877</u>	<u>\$ 9,943,699</u>	<u>\$ 3,454,393</u>	<u>\$ 3,896,700</u>

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

	Fiscal Year			
	2013	2012	2011	2010
Revenues				
Taxes	\$ 10,195,386	\$ 9,192,748	\$ 9,317,037	\$ 9,689,705
Licenses and permits	1,230,021	1,248,740	1,345,101	1,367,597
Intergovernmental	6,543,568	5,843,681	6,403,858	7,877,020
Charges for services	355,927	292,572	296,764	276,077
Fines and forfeits	63,605	91,278	78,131	84,706
Miscellaneous	6,649,596	6,644,602	6,357,689	6,436,682
Total revenues	<u>25,038,103</u>	<u>23,313,621</u>	<u>23,798,580</u>	<u>25,731,787</u>
Expenditures				
Current:				
General government	5,043,882	4,969,592	4,938,277	5,210,592
Public safety	8,424,603	8,568,485	7,922,801	8,157,088
Transportation	2,405,189	2,191,230	2,386,252	2,295,249
Economic environment	315,774	253,272	613,939	302,359
Recreation	4,218,972	4,119,128	4,607,994	4,137,861
Storm related event	-	-	-	-
Debt service:				
Principal	22,172,865 ¹	1,660,535	1,641,790	1,641,750
Interest and other charges	861,963	961,431	1,018,596	1,158,268
Capital outlay	3,070,412	1,693,244	3,146,647	6,251,510
Total expenditures	<u>46,513,660</u>	<u>24,416,917</u>	<u>26,276,296</u>	<u>29,154,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,475,557)</u>	<u>(1,103,296)</u>	<u>(2,477,716)</u>	<u>(3,422,890)</u>
Other financing sources (uses)				
Transfers in	4,509,331	4,060,955	3,302,433	3,726,512
Transfers out	(4,567,754)	(4,138,157)	(3,377,352)	(3,847,785)
Issuance of debt	20,030,000 ¹	-	-	-
Total other financing sources (uses)	<u>19,971,577</u>	<u>(77,202)</u>	<u>(74,919)</u>	<u>(121,273)</u>
Net change in fund balances	<u>\$ (1,503,980)</u>	<u>\$ (1,180,498)</u>	<u>\$ (2,552,635)</u>	<u>\$ (3,544,163)</u>
Debt service as a percentage of noncapital expenditures	<u>12.82% ¹</u>	<u>11.70%</u>	<u>11.58%</u>	<u>14.20%</u>

¹ During FY 2013, (4) loans for the CRA district were refinanced resulting in the retirement of the four loans and new debt financing being issued as one loan. When calculating the debt service as a percentage of noncapital expenditures, the net change in principal plus all interest paid was used.

Fiscal Year					
2009	2008	2007	2006	2005	2004
\$ 10,246,335	\$ 9,928,267	\$ 11,264,695	\$ 9,922,917	\$ 10,231,641	\$ 9,448,368
1,490,496	1,411,185	119,369	156,080	2,736,653	704,155
6,918,794	6,921,575	9,099,683	8,709,282	8,211,624	12,750,887
383,255	369,828	330,834	416,161	254,001	194,033
126,733	167,949	215,000	173,594	103,379	102,698
7,893,570	6,251,446	7,245,744	6,670,719	4,762,080	4,344,582
<u>27,059,183</u>	<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>
5,562,439	6,154,605	6,377,140	5,436,018	4,907,746	5,129,701
7,833,093	8,125,330	8,096,334	7,208,484	7,518,937	6,805,994
1,894,342	1,907,488	3,230,449	2,355,179	1,897,888	2,019,953
121,539	1,661,754	521,498	384,949	342,286	273,110
3,897,380	4,341,429	4,710,861	4,270,190	3,074,464	6,971,671
-	-	-	-	2,855,483	4,674,955
660,250	648,000	620,500	528,996	1,066,130	729,446
892,524	349,841	361,620	304,843	203,138	240,530
18,619,817	6,338,689	7,596,255	4,170,804	3,958,521	2,490,746
<u>39,481,384</u>	<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>(12,422,201)</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>
4,045,215	3,704,250	3,987,168	3,542,741	3,092,341	2,514,222
(4,229,674)	(3,719,250)	(3,987,168)	(4,042,741)	(3,100,093)	(2,514,222)
<u>7,000,000</u>	<u>14,428,092</u>	<u>-</u>	<u>5,053,000</u>	<u>-</u>	<u>-</u>
<u>6,815,541</u>	<u>14,413,092</u>	<u>-</u>	<u>4,553,000</u>	<u>(7,752)</u>	<u>-</u>
<u>\$ (5,606,660)</u>	<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>8.10%</u>	<u>4.45%</u>	<u>4.40%</u>	<u>4.27%</u>	<u>6.24%</u>	<u>3.82%</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>
2013	\$2,640,313,961	\$ 199,879,382	\$ 581,427,730	\$ 2,258,765,613	3.2462
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

Source: Charlotte 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			
2013	3.2462	0.3928	0.0000	0.0394	0.2000	6.2796	7.4910	17.6490	
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	

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	2013	2012	2011	2010	2009
		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
1	Florida Power & Light Co. Electric Utility	\$ 45.1	\$ 40.7	\$ 40.2	\$ 39.1	\$ 41.4
2	Punta Gorda Medical Center, Inc. Hospital	29.6	30.0	29.0	33.1	47.1
3	Embarq Sprint-United Telephone Company of FL Telephone Utility	13.3	12.8	11.4	11.9	20.9
4	Nu-West Florida, Inc. Shopping Center Fishermen's Village	12.5	11.3	14.9	10.8	13.0
5	Punta Gorda Hotel, LLC PG Waterfront Hotel	9.5	11.0	10.5	11.2	13.3
6	Punta Gorda Assoc., Ltd. Life Care Center	7.8	7.9	7.8	8.1	-
7	Home Depot USA, Inc	7.1	7.2	7.4	7.8	9.0
8	Colonial Realty, Limited-shopping center Shopping Center Burnt Store	6.0	6.3	6.2	7.0	-
9	Harbor Resort Hotel, LLC Four Points by Sheraton	5.3	5.8	-	-	-
10	Isles Yacht Club, Inc.	5.2	5.7	5.6	-	9.0
	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
	Punta Gorda Partners LLC Condo- Vivante	-	-	-	-	9.1
	Punta Gorda Pines, Ltd Condo- The Pines	-	-	-	-	-
	Punta Gorda Land Holdings Condo- Vivante	-	-	-	-	-
	Semlak LLC Shopping Center-Seminole Plaza	-	-	-	-	-
	Punta Gorda FL Commercial Shopping Center Punta Gorda Mall	-	-	-	-	-
	Total	\$ 141.4	\$ 138.7	\$ 140.6	\$ 147.2	\$ 185.9
	City Total Taxable Assessed Value	\$ 2,258.8	\$ 2,367.6	\$ 2,430.2	\$ 2,646.1	\$ 2,712.1
	Principal Taxpayer's Percentage of total	6.26%	5.86%	5.79%	5.56%	6.85%

Source: Charlotte County Property Appraiser

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Taxable</u>	<u>Taxable</u>	<u>Taxable</u>	<u>Taxable</u>	<u>Taxable</u>
<u>Assessed</u>	<u>Assessed</u>	<u>Assessed</u>	<u>Assessed</u>	<u>Assessed</u>
<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>
\$ 38.4	\$ 37.3	\$ 28.7	\$ 24.1	\$ 24.1
46.5	47.0	37.3	31.7	31.7
21.8	23.7	18.1	17.0	17.0
13.0	15.5	9.3	15.7	15.7
15.2	15.5	-	8.8	8.8
7.7	-	-	6.5	6.5
9.6	10.8	-	-	-
-	8.5	9.7	11.6	11.6
-	-	-	-	-
9.1	-	-	-	-
-	-	-	-	-
-	12.3	-	-	-
18.5	20.1	8.3	-	-
20.3	10.3	8.5	-	-
-	-	9.0	10.2	10.2
-	-	7.1	-	-
-	-	6.6	6.7	6.7
-	-	-	8.2	8.2
<u>\$ 200.1</u>	<u>\$ 201.0</u>	<u>\$ 142.6</u>	<u>\$ 140.5</u>	<u>\$ 140.5</u>
<u>\$ 3,519.4</u>	<u>\$ 3,568.3</u>	<u>\$ 2,558.9</u>	<u>\$ 2,408.0</u>	<u>\$ 2,081.0</u>
<u>5.69%</u>	<u>5.63%</u>	<u>5.57%</u>	<u>5.83%</u>	<u>6.75%</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>
2013	\$ 7,332,405	\$ 7,126,709	97.19%	\$ -	\$ 7,126,709	97.19%
2012	6,502,365	6,239,901	95.97%	-	6,239,901	95.97%
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%

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
2013	\$ -	\$ 21,506,512	\$ -	\$ 1,525,000	\$ 4,209,541	\$ --
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

* 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>
\$ -	\$ 27,241,053	3.9%	\$ 1,578
-	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

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, 2013

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percent Applicable to Punta Gorda ^a</u>	<u>Amount Applicable to Punta Gorda ^a</u>
Overlapping debt			
Charlotte County School Board General Obligation debt	\$ -	0.00%	\$ -
City direct debt	-		-
Total direct and overlapping debt	<u>\$ -0-</u>		<u>\$ -0-</u>

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

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

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

Water & Sewer Utility Revenue Bonds

Fiscal Year Ended September 30,	Pledged Revenues (a)	Less: Operating Expenses (b)	Net Available Revenue	Debt Service Requirements	Coverage
2013	\$16,766,618	\$ 10,119,087	\$ 6,647,531	\$ 1,565,031	4.2
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

(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

Fiscal year Ended September 30,	Population City of Punta Gorda (a)	Population Charlotte County (a)	Per Capita Income (b)	Total Personal Income City of Punta Gorda (in thousands)	Unemployment Rate (c)
2013	17,258	162,449	\$ 36,694	\$ 691,110	6.6%
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%

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:** FY 2013 Federal Reserve Bank of St. Louis
FY 2004 through 2012, the source used for Per Capita Income and Total Personal Income of Punta Gorda was the Florida Statistical Abstract or U.S. Department of Labor, Bureau of Statistics.

^c **Source:** U.S. Department of Labor, Bureau of Statistics

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

Fiscal Year End 2013

Employer	Employees	Rank	Percentage of Total MSA Employment
Charlotte County School Board	2,140	1	3.29%
Wal - Mart	1,500	2	2.31%
Charlotte County Board of Commisioners	1,112	3	1.71%
Publix Supermarkets	1,105	4	1.70%
Peace River Regional Medical Center	900	5	1.38%
Fawcett Memorial Hospital Inc.	840	6	1.30%
Charlotte Regional Medical Center	780	7	1.20%
Charlotte County Sheriff's Office	617	8	0.95%
Home Depot	450	9	0.69%
Charlotte Correctional Institute	340	10	0.52%

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>2013</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>
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	1.50	1.63	1.63	1.50	2.50	3.00	3.00	3.00	3.00	3.00
Human Resources	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	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	6.90	7.00	7.25	7.25	8.00	9.00	9.00	8.50	8.00	8.00
Finance	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Legal	0.50	0.50	0.50	0.50	0.50	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	3.00
Engineering	4.80	4.90	4.90	5.00	6.00	6.00	6.00	5.00	5.00	5.00
Right of Way Maintenance	14.00	14.00	14.00	15.00	16.00	17.00	18.00	18.00	18.00	18.00
Parks and Grounds	10.00	10.00	11.50	12.00	14.00	16.00	16.00	16.00	16.00	14.00
Facilities Maintenance	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Police	49.00	49.00	49.00	52.00	51.00	52.00	52.00	52.00	51.00	49.50
Fire	28.00	28.00	28.00	28.00	29.00	30.00	30.00	30.00	30.00	29.00
Growth Management										
Growth Management Admin	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.50
Code Compliance	3.00	4.00	4.00	4.00	5.00	6.00	7.00	7.00	7.00	-
Urban Design	6.80	6.80	6.80	6.80	7.00	7.00	7.00	7.00	7.00	8.00
Punta Gorda Isles Canal Maintenance	9.00	9.00	9.00	9.50	10.50	10.50	10.50	10.50	10.50	10.50
Utilities										
Billing and Collections	5.00	5.00	5.00	4.60	8.00	8.00	8.00	8.00	8.00	8.00
Utilities Administration	5.00	5.00	6.00	6.00	7.00	7.00	7.00	5.00	5.00	5.00
Water Treatment	16.00	16.00	14.50	13.50	16.00	18.00	18.00	18.00	18.00	17.00
Wastewater Collection	15.00	15.00	14.80	15.00	15.00	15.00	15.00	15.00	14.00	12.00
Wastewater Treatment	13.50	13.50	13.50	13.50	13.50	15.00	15.00	15.00	15.00	15.00
Water Distribution	18.00	18.00	17.50	20.00	18.00	20.00	20.00	20.00	16.00	16.00
Fleet Maintenance	1.60	1.60	2.00	3.00	4.00	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	19.00	20.00	21.00
Building	5.00	4.87	4.00	8.00	8.00	8.00	11.00	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	4.00	3.00	3.00
Geographic Information Services(GIS)	-	-	-	-	-	1.00	1.00	1.00	1.00	-
Total	<u>264.60</u>	<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>

Source: City of Punta Gorda Amended Authorized Budget Position Summary

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police									
Calls for Service	15,324	13,289	14,874	15,687	16,177	14,222	13,026	13,940	13,637
Citations Issued	9,842	8,562	11,446	12,626	13,708	15,652	20,030	20,084	12,306
Traffic crashes	441	444	447	491	465	448	534	628	583
Narcotics arrests	113	187	285	277	247	226	250	187	215
Fire Department									
Fires	50	80	97	52	81	70	87	100	97
EMS and Police assistance calls	2,248	2,202	2,343	2,529	2,403	2,115	2,047	1,898	1,670
General Government									
Building permits issued	1,553	812	1,297	1,170	939	1,429	1,723	3,062	11,792
Building inspections conducted	3,806	2,575	2,613	2,415	2,552	4,834	6,799	8,860	21,105
Dwelling units permitted	99	57	30	43	18	98	92	243	467
Streets and highways									
Streets resurfaced (<i>miles</i>)	5.0	7.3	6.3	6.5	6.2	0.0	6.5	5	5
New sidewalks (linear feet)	2,084	6,020	2,000	4,490	6,547	5,180	0	0	350
Water									
New connections	111	62	51	9	45	192	322	485	622
Average daily consumption (<i>thousands of gallons</i>)	4,352	4,261	4,456	4,299	4,101	4,018	4,580	4,776	4,300
Peak daily consumption (<i>thousands of gallons</i>)	6,067	6,216	6,471	6,400	6,602	7,061	6,023	6,705	6,300
Water equivalent residential units (ERU)	20,790	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>)	2,281	2,178	2,092	2,210	1,840	1,884	1,740	2,087	4,000
Sewer equivalent residential units (ERU)	15,557	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>)	23.5	24.7	22.7	24.8	23.5	26.1	30.3	31.9	38.5
Recyclables collected (<i>tons per day</i>) includes yardwaste	13.4	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)	6,414	6,609	8,436	6,484	4,221	4,248	4,786	8,440	2,354
Seawall cap replacement (feet)	6,126	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	91.0
Total miles of canals	45.5	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)	1,788	1,740	1,594	694	750	474	410	154	362
Seawall cap replacement (feet)	699	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	18.0
Total miles of canals	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0

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

Information in this format was unavailable prior to 2005.

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police									
Stations	1	1	1	1	1	1	1	1	1
Sub-Stations	2	2	2	2	2	0	0	0	0
Number of Police Officers Authorized	34	34	34	34	35	36	36	32	34
Fire									
Stations	3	3	3	3	3	3	3	3	3
Number of Firefighters Authorized	26	26	26	26	26	27	27	27	27
Streets and highways									
Streets (<i>miles</i>)	116	116	116	116	110	110	110	110	110
Unpaved streets (<i>miles</i>)	2	2	2	2	2	2	2	2	2
Streetlights	720	720	720	590	566	566	566	566	566
Traffic signal intersections	19	19	19	18	18	18	18	18	18
Water									
Water mains (<i>miles</i>)	237	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	6,870
Fire hydrants	1,234	1,234	1,193	1,177	1,173	979	979	1,000	930
Wastewater									
Sanitary sewers (<i>miles</i>)	130	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	4,000
Solid waste collection									
Collection trucks	10	10	10	10	10	10	10	11	9
Parks and recreation									
Acreage	104	104	90.7	90.7	90.7	90.7	90.7	90.7	90.7
Number of Parks	19	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 financial statements of the City of Punta Gorda, Florida (the "City"), as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated March 24, 2014.

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; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated March 24, 2014, 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:

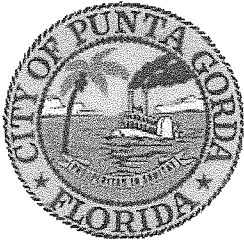
- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit 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 noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., 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)6.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)6.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, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.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.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown + Co.

March 24, 2014



CITY OF PUNTA GORDA, FLORIDA

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

March 27, 2014

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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 24, 2014

Ashley, Brown & Co.

CITY OF PUNTA GORDA, FLORIDA
SINGLE AUDIT REPORT
SEPTEMBER 30, 2013

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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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 24, 2014. We also have audited the financial statement of the Community Redevelopment Agency.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Punta Gorda, Florida
March 24, 2014

Ashley, Brown & Co.

**Independent Auditor's Report on Compliance for Each Major Federal Awards Program
and on Internal Control over Compliance Required by OMB Circular A-133**

Honorable Mayor and City Council
City of Punta Gorda, Florida

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Punta Gorda, Florida, (the "City") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended September 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 24, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Punta Gorda, Florida
March 24, 2014



CITY OF PUNTA GORDA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2013

FEDERAL AGENCY <i>Pass-through entity</i> Federal Program / State Project	CFDA Number	Grant/ Contract Number	Federal Expenditures
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Community Development Block Grant	14.228	B 12-MC-120041	\$ 6,999
Community Development Block Grant	14.228	B 11-MC-120041	72,626
Community Development Block Grant	14.228	B 10-MC-120041	7,524
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			87,149
<u>DEPARTMENT OF THE INTERIOR</u>			
<i>Passed through the Florida Department of Environmental Protection</i>			
Clean Vessel Act	15.616	MV114	59,996
TOTAL DEPARTMENT OF THE INTERIOR			59,996
<u>DEPARTMENT OF JUSTICE</u>			
<i>Passed through the Florida Department of Law Enforcement</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-1404	3,573
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-JAGC-CHAR-4-D7-223	10,837
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-0127	4,371
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-JAGD-CHAR-1-D8-084	2,008
TOTAL DEPARTMENT OF JUSTICE			20,789
<u>DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through the Florida Department of Transportation</i>			
Highway Planning and Construction	20.205	FPN# 428139-1-58-01	701,840
TOTAL DEPARTMENT OF TRANSPORTATION			701,840
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through the Florida Division of Emergency Management</i>			
Hazard Mitigation Grant	97.039	07HM-7@09-18-02-062	5,185
TOTAL DEPARTMENT OF HOMELAND SECURITY			5,185
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 874,959

CITY OF PUNTA GORDA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF FEDERAL AWARDS

Scope of Presentation

The accompanying schedule presents only the expenditures incurred (and related awards received) by the City of Punta Gorda, Florida (the “City”) that are reimbursable under programs of federal agencies providing financial assistance. For the purposes of this schedule, financial assistance includes both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of the program expenditures with such federal funds is reported in the accompanying schedule. The portion of program expenditures that were funded with local or other non-federal funds are excluded from the accompanying schedule.

Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in note one to the City’s basic financial statements for the fiscal year ended September 30, 2013.

Major Programs

The City had one major program for the year ended September 30, 2013, consisting of expenditures from the United States Department of Transportation. The major program had disbursements of \$701,840. This amount calculates to 80% of the total disbursements from federal awards. The City did not meet the requirement to be a low risk auditee. Therefore, the City’s major programs have to cover at least 50% of the total expenditures of federal awards.

Relationship to Basic Financial Statements

Federal award expenditures agree or can be reconciled with the amounts reported in the City’s financial statements.

CITY OF PUNTA GORDA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2013

SECTION I – SUMMARY OF AUDITORS’ RESULTS

1. The Independent Auditor’s Report on the basic financial statements expresses an **unqualified opinion**.
2. No significant deficiencies related to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the City of Punta Gorda, Florida were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal awards are reported.
5. Independent Auditor’s Report on Compliance for Each Major Federal Awards Program and on Internal Control over Compliance Required by OMB Circular A-133, expressed an **unqualified opinion**.
6. There were no audit findings relative to major federal awards programs for the City of Punta Gorda, Florida.
7. The programs tested as major programs included: CFDA #

Department of Transportation – Highway Planning and Construction	20.205
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8. The threshold used to determine Type A federal programs was: \$300,000
9. Auditee qualified as a low-risk for federal purposes? No

CITY OF PUNTA GORDA, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)
Year ended September 30, 2013

SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There are no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

SECTION III - FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, related to the audit of major federal programs, as required to be reported in accordance with 510(a) of OMB Circular A-133.

There are no findings or questioned costs required to be reported in accordance with 510(a) of OMB Circular A-133.

CITY OF PUNTA GORDA, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION COSTS
Year ended September 30, 2013

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN

There were no prior year audit findings.

There were no audit findings in the current year independent auditor's report that required corrective action.