



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

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2014**

PREPARED BY THE FINANCE DEPARTMENT

David W. Drury, CPA
Director of Finance

CITY COUNCIL

As of September 30, 2014

MAYOR

RACHEL B. KEESLING

VICE MAYOR

CAROLYN M. FREELAND

COUNCILMEMBER

THOMAS F. CAVANAUGH

COUNCILMEMBER

KIM M. DEVINE

COUNCILMEMBER

NANCY B. PRAFKE

CITY MANAGER

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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INTRODUCTORY SECTION

This section contains
the following subsections:

Letter of Transmittal

List of Elected
and Appointed Officials

City of Punta Gorda Organizational Chart

Certificate of Achievement
for Excellence in Financial Reporting



CITY OF PUNTA GORDA, FLORIDA

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

March 27, 2015

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, 2014.

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, 2014 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, 2014 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 17,600. 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 6.0%. Due to a decline in taxable property values for a number of 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, 2013. This was the twenty-ninth 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

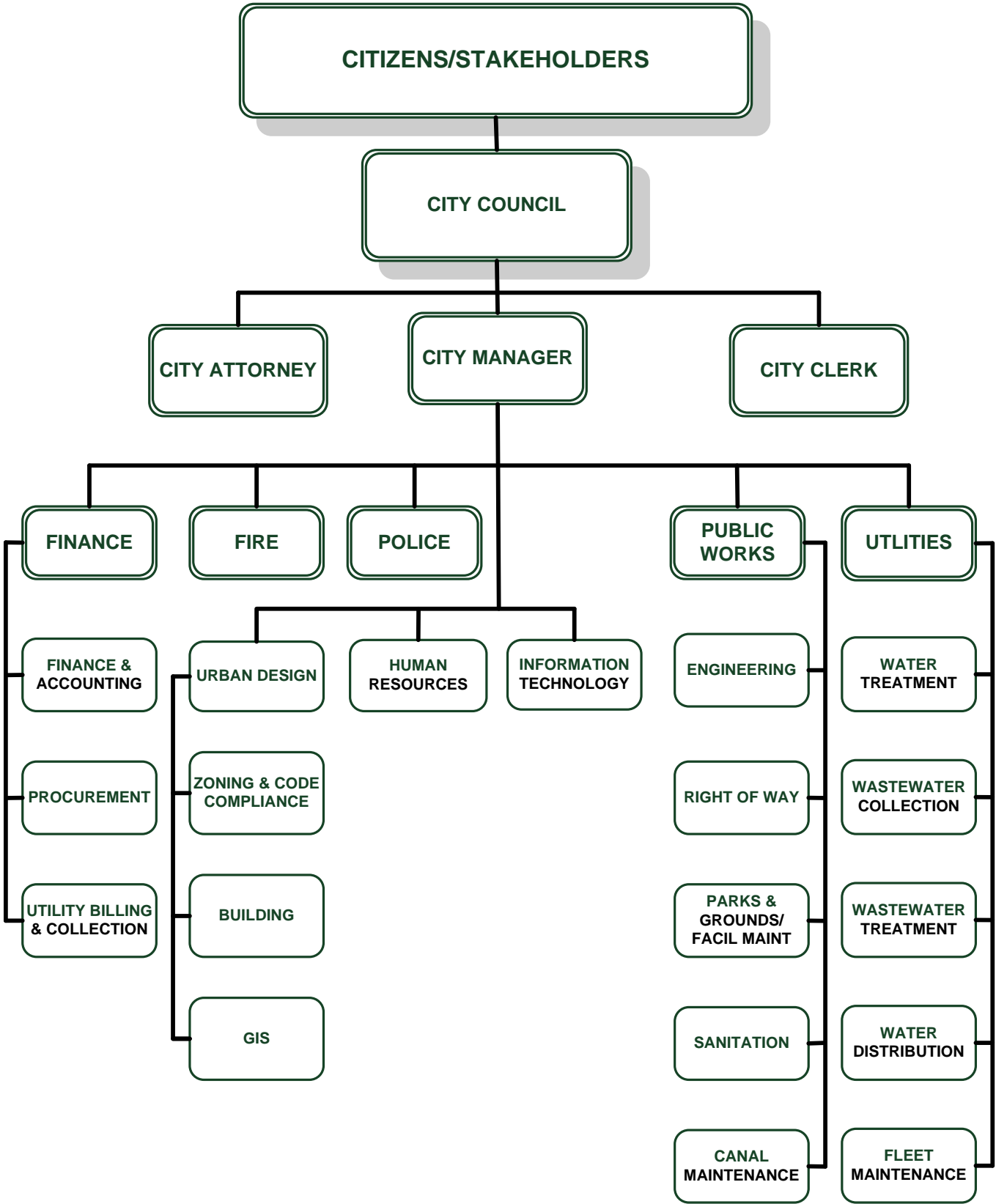


DAVID W. DRURY, CPA
DIRECTOR OF FINANCE

City of Punta Gorda
List of Principal Officials
As of September 30, 2014

<u>Title</u>	<u>Name</u>
Mayor	Rachel B. Keesling
Vice Mayor	Carolyn M. Freeland
Councilmember	Thomas F. Cavanaugh
Councilmember	Kim M. Devine
Councilmember	Nancy B. Prafke
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 Finance	David W. Drury
Director of Public Works	Richard C. Keeney
Director of Utilities	Thomas E. Jackson

**CITY OF PUNTA GORDA
ORGANIZATION STRUCTURE**



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, 2013. 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-nine consecutive years (fiscal years ended 1985 through 2013). 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, 2013

Executive Director/CEO

FINANCIAL SECTION

This section contains
the following subsections:

Report of Independent Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund
Statements and Schedules

Independent Auditor's Report

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Punta Gorda, Florida, (the "City") as of and for the fiscal year ended September 30, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows, 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 required supplementary information, as provided in the table of contents, 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 any 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 statements and schedules, and statistical section, as provided in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and schedules 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 statements and schedules 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.

Punta Gorda, Florida
March 24, 2015

Ashley Brown & Co.

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, 2014.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2014, by \$111.9 million (net position). Of this amount, \$11.0 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 \$4.1 million.
- As of September 30, 2014 the City's governmental funds reported combined ending net position of \$53.4 million. This is an increase of \$2.3 million.
- As of September 30, 2014 the business-type activities reported combined ending net position of \$58.5 million. This is an increase of \$1.8 million.
- The City's total long-term liabilities decreased by \$4.4 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 2014. 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

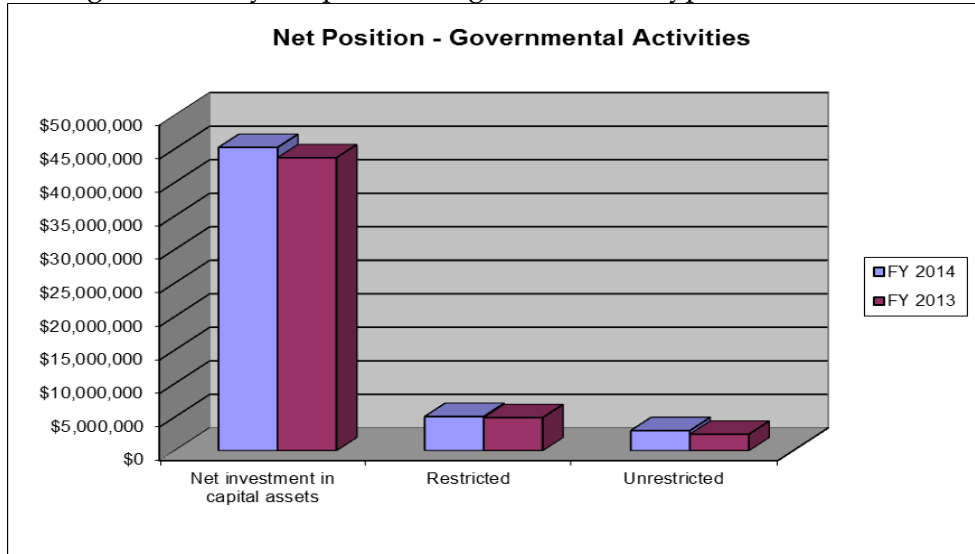
The City's combined net position as of September 30, 2014 was \$111.9 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$43.0 million. Total city-wide expenses were \$38.9 million. The increase to city-wide net position was \$4.1 million (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)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 10,903	\$ 10,447	\$ 10,159	\$ 11,094	\$ 21,062	\$ 21,541
Capital assets	64,705	65,218	53,595	53,438	118,300	118,656
Total assets	<u>75,608</u>	<u>75,665</u>	<u>63,754</u>	<u>64,532</u>	<u>139,362</u>	<u>140,197</u>
Long-term liabilities	(20,803)	(22,874)	(4,086)	(6,385)	(24,889)	(29,259)
Other liabilities	(1,431)	(1,667)	(1,118)	(1,446)	(2,549)	(3,113)
Total liabilities	<u>(22,234)</u>	<u>(24,541)</u>	<u>(5,204)</u>	<u>(7,831)</u>	<u>(27,438)</u>	<u>(32,372)</u>
Net Position:						
Net investment in capital assets	45,245	43,712	50,178	47,680	95,423	91,392
Restricted	5,112	4,945	374	3,535	5,486	8,480
Unrestricted	<u>3,018</u>	<u>2,467</u>	<u>7,997</u>	<u>5,486</u>	<u>11,015</u>	<u>7,953</u>
Total net position	<u>\$ 53,375</u>	<u>\$ 51,124</u>	<u>\$ 58,549</u>	<u>\$ 56,701</u>	<u>\$111,924</u>	<u>\$107,825</u>

The largest portion of the City's net position (85.3%) reflects its investment in capital assets (land, buildings, infrastructure and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. Restricted assets (representing 4.9% of total net position) are subject to external restrictions on how they may be used. The remaining 9.8% balance of unrestricted net position, \$11.0 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 \$2.3 million or 4.4%. Last fiscal year there was a \$0.4 million increase 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 \$1.8 million or 3.2%. The last fiscal year increase was \$2.6 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 \$4.1 million or 3.8%. The prior year increase was \$3.0 million.

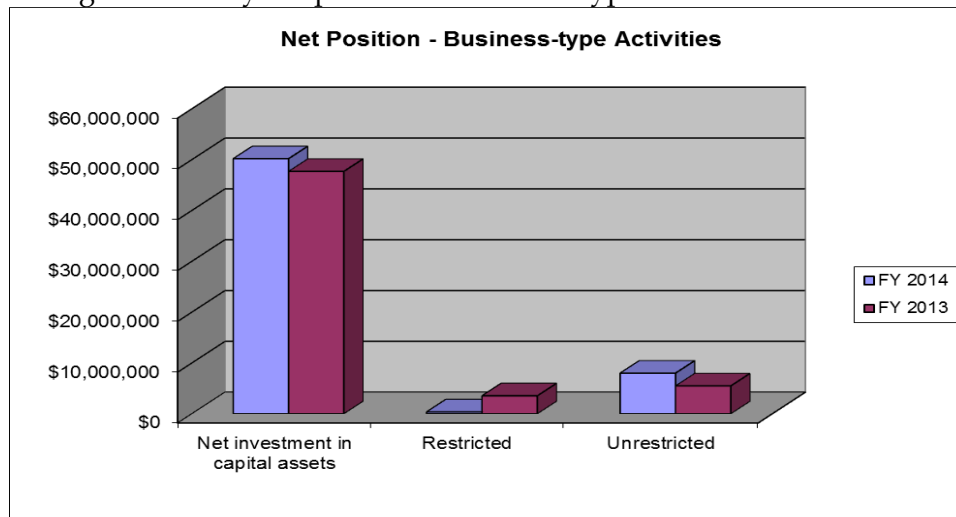
The following is a chart by net position of governmental-type activities.



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

- Current and other assets increased \$0.5 million - primarily cash & prepaid expenses
- Downtown flooding mitigation project, \$1.8 million
- Other capital improvement projects, \$0.4 million
- Other asset purchases, \$0.5 million
- Accumulated depreciation, net of disposals, \$3.0 million
- Capital asset disposals, \$0.2 million
- Principal reduction on long-term liabilities, \$2.1 million
- Other liabilities decreased, \$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 \$0.9 million - primarily cash
- Water plant expansion projects, \$0.4 million

- Wastewater filtration project, \$1.2 million
- Water main upgrade projects, \$0.2 million
- Gravity sewer, force main, and lift station projects, \$1.0 million
- Water and wastewater vehicles and plant equipment, \$0.3 million
- Sanitation garbage trucks (2), \$.5 million
- Accumulated depreciation, net of disposals, \$3.3 million
- Capital asset disposals, \$0.1 million
- Principal reduction on long-term liabilities, \$2.3 million
- Accounts payable and retainage payable decreased \$0.3 million

Table 2
Changes in Net Position
(in Thousands)

	Governmental		Business-type		Total Primary	
	Activities		Activities		Government	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues:						
Program revenues:						
Charges for services	\$ 5,058	\$ 4,816	\$ 18,795	\$ 18,603	\$ 23,853	\$ 23,419
Operating grants and contributions	582	578	30	-	612	578
Capital grants and contributions	2,423	2,066	738	2,000	3,161	4,066
General revenues:						
Property taxes	7,114	7,127	-	-	7,114	7,127
Other taxes	7,375	7,033	-	-	7,375	7,033
Other	654	717	221	150	875	867
Total revenues	<u>23,206</u>	<u>22,337</u>	<u>19,784</u>	<u>20,753</u>	<u>42,990</u>	<u>43,090</u>
Expenses:						
General government	3,104	3,701	-	-	3,104	3,701
Public safety	9,545	8,964	-	-	9,545	8,964
Transportation	2,522	3,135	-	-	2,522	3,135
Economic environment	370	315	-	-	370	315
Recreation	4,903	4,958	-	-	4,903	4,958
Interest on long-term debt	511	862	-	-	511	862
Water and wastewater	-	-	14,178	14,503	14,178	14,503
Sanitation/refuse	-	-	2,828	2,801	2,828	2,801
Building Fund	-	-	617	578	617	578
Marina	-	-	313	263	313	263
Total expenses	<u>20,955</u>	<u>21,935</u>	<u>17,936</u>	<u>18,145</u>	<u>38,891</u>	<u>40,080</u>
Increase (decrease) in net position	2,251	402	1,848	2,608	4,099	3,010
Net position-beginning	<u>51,124</u>	<u>50,722</u>	<u>56,701</u>	<u>54,093</u>	<u>107,825</u>	<u>104,815</u>
Net position-ending	<u>\$ 53,375</u>	<u>\$ 51,124</u>	<u>\$ 58,549</u>	<u>\$ 56,701</u>	<u>\$ 111,924</u>	<u>\$ 107,825</u>

The analysis of Table 2 states the overall Total Primary Government revenues decreased \$0.1 million or 0.2% from the prior year. The Governmental Activities revenues increased \$0.9 million or 3.9%. The Business-type Activities revenues decreased \$1.0 million or 4.7%.

The Total Primary Government expenses decreased \$1.2 million or 2.9% from the prior year. The Governmental Activities expenses decreased by \$1.0 million or 4.5%. The expenses in Business-type Activities decreased \$0.2 million or 1.1%.

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, 2014 consisted of \$1.5 million for unassigned fund balance; \$1.5 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 \$0.4 million increase in fund balance from September 30, 2013. The City Council's financial policy on fund balance minimum is 6.0% 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, 2014 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 \$14 thousand due to various minor changes.

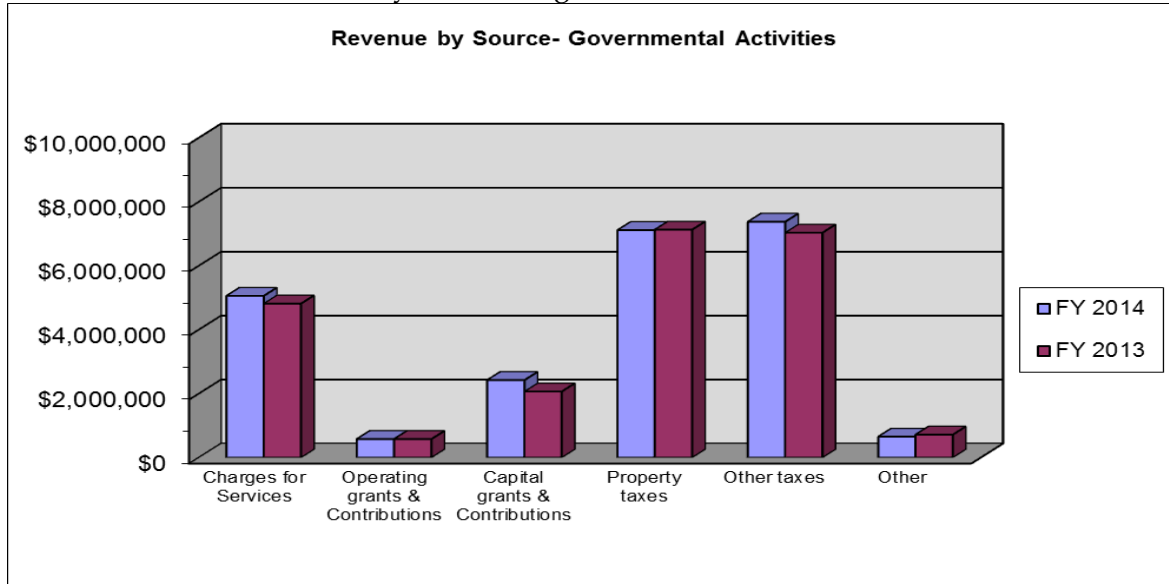
The PGI Canal Maintenance Fund balance increased \$83 thousand. Revenues were slightly higher than the prior year, and the expenditures were \$71 lower due to turnover and a one-time bonus that was paid in the prior year but was not paid in 2014.

The Transportation Impact Fee Fund balance increased \$28 thousand. The impact fee revenues were \$37 thousand (a \$700 increase from the prior year) and the transfer to the General Construction Fund was \$9 thousand (a \$12 thousand decrease from the prior year). Due to lower revenues over the past several years, the amount of capital projects funded with transportation impact fees has also decreased.

The Water and Wastewater Utility Fund net position increased \$1.5 million. Capital assets net of accumulated depreciation had a net decrease of \$0.2 million. Current year revenues as well as prior year assets of \$1.0 million were used to pay debt reducing liabilities by \$2.3 million. In addition a decrease in accounts payable and retainage payable decreased liabilities \$0.3 million and other liabilities decreased \$0.1 million.

Governmental Activities

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



The following details the revenue variances between fiscal years 2013 and 2014.

Charges for services increased 5.0%, \$242 thousand, when compared to FY 2013.

- Electric franchise fees increased \$124 thousand
- Rents reclassified from miscellaneous revenue, \$128 thousand

Operating grants and contributions increased by \$4 thousand.

Capital grants & contributions increased by \$357 thousand due to the following:

- Increase in Downtown Flooding hazard mitigation grant of \$1,336 thousand
- Increase in other grants, \$15 thousand
- Increase in transportation and park impact fees of \$8 thousand
- Decrease in FDOT Lap grants for Multi-Use Recreational Trails of \$685 thousand and FDOT JPA contributions for roadway lighting relocations of \$143 thousand
- Decrease in Marine Advisory Board grant for Gilchrist Landing project of \$102 thousand
- Decrease in Community Development Block Grant of \$45 thousand
- Decrease in CRA contributions \$27 thousand

Property tax revenues decreased by \$13 thousand. The millage rate decreased from 3.2462 to 3.1969 in FY 2014.

Other taxes increased by \$342 thousand.

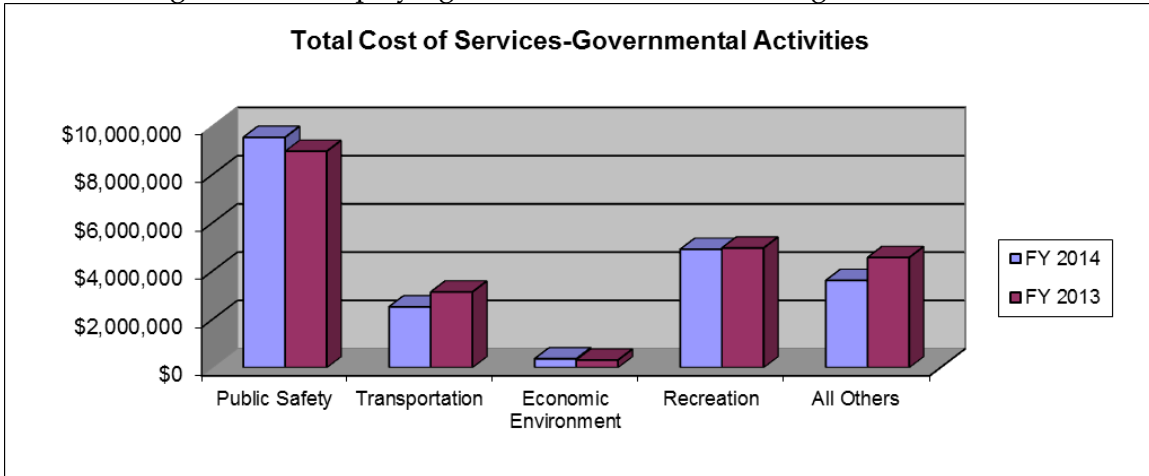
- Utility and Gas taxes increased by \$106 thousand
- Sales Taxes had an increase of \$236 thousand

Other revenues decreased \$63 thousand overall in various miscellaneous revenues.

The cost of all governmental activities this year, including allocations, was \$23.4 million as compared to \$24.4 million in FY 2013. As shown in the Statement of Activities on page 23, the program expenses net of indirect expense allocations (\$2.5 million) were paid through:

- \$5.1 million in charges for services; consisting of \$3.0 million canal maintenance districts assessments and \$1.8 million fees for general government services
- \$0.6 million in operating grants and contributions
- \$2.4 million in capital grants and contributions
- \$15.1 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 \$581 thousand, mainly as a result of personnel related increases and vehicle purchases that were delayed and carried over into FY 2014. Personnel increases related to less turnover in police and fire in FY 2014, three positions transferred to code compliance (two zoning positions from urban design and lot mowing coordinator from finance), and an increase in city contributions for pensions.
- Transportation costs decreased by \$613 thousand. The paving decrease of \$524 thousand was due to projects that were incomplete at end of FY 2014 due to contractor changes and that were carried over to FY 2015. Traffic signal and light maintenance expenses decreased by \$38 thousand in FY 2014 as a result of a decrease in the level of maintenance provided by the county. Personnel decrease related to a one-time bonus in FY 2013.
- Economic environment costs increased by \$55 thousand. Despite decreases in community development block grant projects in FY 2014, the increase is due to repairs of sidewalk and seawalls and restriping of parking lot at Laishley Park and an energy savings (light bulb replacement) project at Herald Court Centre.
- Recreation costs decreased by \$55 thousand due to the one-time bonus and turnover of the canal maintenance supervisor in FY 2013.
- All Others decreased by \$948 thousand which is attributable to the decrease in interest on long-term debt of \$350 thousand, an overall decrease in general government operating expenses of \$319 thousand, and an increase in prepaids of \$278 thousand.

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

Table 3
Governmental Activities
(in Thousands)

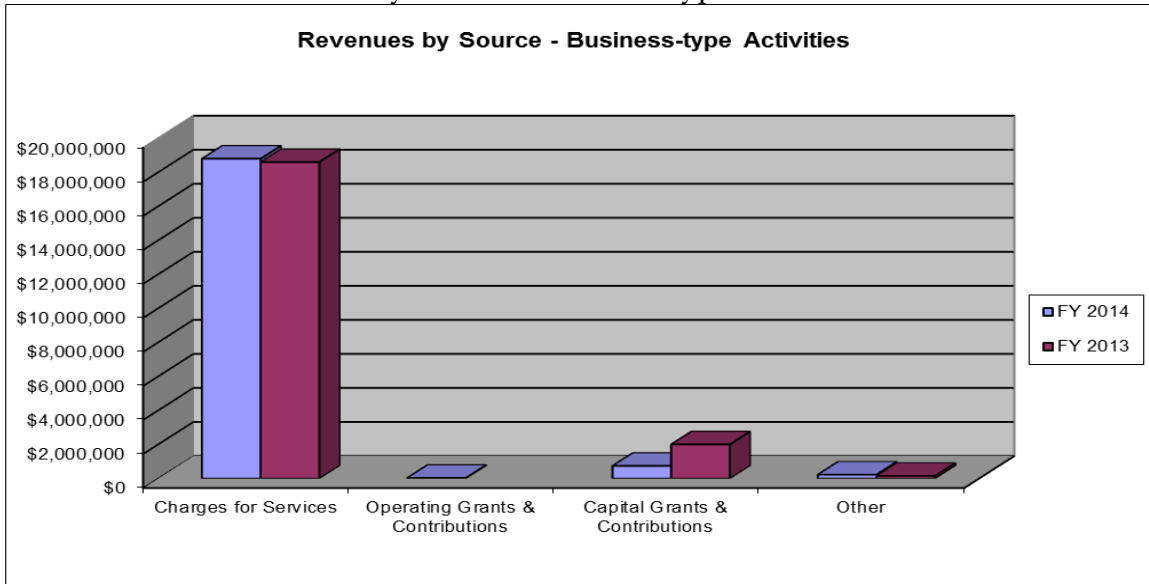
	Total Cost of Services (less indirect expense allocation)		Net Cost of Services	
	2014	2013	2014	2013
Public Safety	\$ 9,545	\$ 8,964	\$ (9,504)	\$ (8,901)
Transportation	2,522	3,135	(2,302)	(2,934)
Economic Environment	370	315	575	701
Recreation	4,903	4,958	(1,796)	(1,930)
All Others	3,615	4,563	135	(1,411)
Totals	\$ 20,955	\$ 21,935	\$ (12,892)	\$ (14,475)

Business-type Activities

Revenues of the City’s Business-type activities (see Table 2) totaled \$19.8 million. Operating expenses were \$18.0 million, showing an increase in net position of \$1.8 million.

The analysis of revenues and expenses disclosed that revenues decreased 4.7% and expenses decreased 1.1% from the prior fiscal year. Ending net position is up 3.2%.

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



Charges for services reported in business-type activities increased \$192 thousand, or 1.0%, in comparison to the prior year. Water & Wastewater Utility experienced an increase in charges for services of \$62 thousand. Although water & wastewater billings increased \$116 thousand, fleet charges were reclassified to miscellaneous revenue. Sanitation’s charges for services increased \$32 thousand, \$53 thousand increase in refuse collection and \$21 thousand decrease due to reclassification of franchise fees. Building’s

charges for services increased \$21 thousand consisting of a \$22 thousand increase in permit activity and a \$1 thousand decrease in other miscellaneous charges. The Laishley Park Marina charges for services for FY 2014 increased \$77 thousand and is the mainly 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.

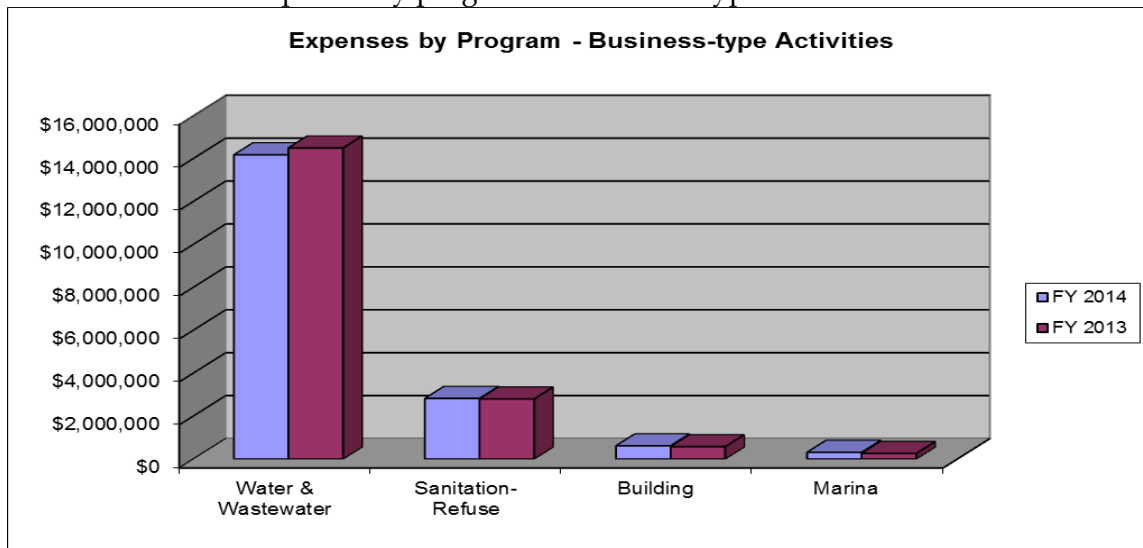
	Revenues (in thousands)		From 2013 to 2014
	2014	2013	% incr (decr)
Water Billings	\$8,306	\$8,250	0.7%
Wastewater Billings	\$6,290	\$6,230	1.0%
Refuse Collection	\$2,976	\$2,923	1.8%
Licenses, Permits, & Special Assessments	\$ 702	\$ 680	3.2%

Operating grants and contributions increased \$30 thousand as there were none in FY 2013.

Capital grants and contributions decreased \$1.3 million, or 63.1%. Developer’s contributed water & wastewater infrastructure decreased \$1.3 million due to larger completed commercial projects in FY 2013 than in FY 2014. Water and Sewer Impact fees increased \$93 thousand from the prior year. Grants for Laishley Park Marina decreased \$60 thousand as there was a grant for a pumpout boat in FY 2013.

The Other category increased by \$71 thousand, or 47.4%. The increase was caused by the reclassification of fleet charges in Water and Wastewater Utility and franchise fees in Sanitation.

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



The Water & Wastewater Utility expenses decreased \$325 thousand, or 2.2%, in comparison to the prior year. Personnel expenses decreased \$85 thousand mainly due to one-time bonus to employees that occurred in FY 2013. Final payment on bonds was

completed in FY 2014 therefore interest expense decreased \$209 thousand. Depreciation expense decreased \$187 thousand. Contractual services increased \$264 thousand for lobbyist services and an energy savings (lightbulb replacement) project. The remaining decrease of \$108 thousand is related to decrease in chemicals by both the water and wastewater treatment plants.

The Sanitation expenses increased by \$27 thousand, or 1.0%. Depreciation expense increased \$30 thousand as 2 new sanitation trucks were purchased in FY 2014. Various other operating expenses decreased \$3 thousand overall.

The Building Fund's expenses increased by \$39 thousand, or 6.7%. Personnel expenses increased \$34 thousand as a result of adding a building inspector and part-time permit tech. Various other operating expenses increased \$5 thousand overall as a result of increased building activity.

The Lashley Park Marina expenses increased \$50 thousand, or 19.0%. This is mainly due to the increase in utilities, contractual services, and pump out boat expenses, which is a direct result of the increase in slip rental occupancy.

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 \$483 thousand or 3.0% from the original budget, which can be briefly summarized as follows:

- Repairs related to insurance recoveries, \$37 thousand
- FDLE Byrne Grant, Mac Grant & JAG Grant for PD, \$63 thousand
- Contributions for specific projects or programs, \$13 thousand
- Repairs & maintenance Fire Stations 1&2, \$18 thousand
- Re-appropriation from prior year for police programs, \$47 thousand
- Re-appropriation from prior year for fire department supplies, equipment and training programs, \$38 thousand
- Re-appropriations from prior year for election expense, \$34 thousand; lot mowing expenditures, \$18 thousand; various other operating expenditures, \$78 thousand.
- Purchase order rollovers from prior year for police vehicles, \$87 thousand; fire department vehicle, \$35 thousand; and various other operating expenditures, \$15 thousand.

The final revenue budget increased by \$356 thousand (including transfers) or 1.9%, from the original budget, which can be briefly summarized as follows:

- 1% local sales tax revenue increase of \$213 thousand as a result of increased consumer spending
- Various contributions for specific projects or programs increase of \$29 thousand
- Federal and local grants increase of \$37 thousand

- Insurance recoveries related to repairs and accidents, \$37 thousand
- Rent income from County for Fire Stations 1&2, \$18 thousand
- Charlotte County school board for SRO program, \$20 thousand
- Other miscellaneous revenues increase of \$2 thousand

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

Revenues:

- Ad Valorem Taxes were over budget \$27 thousand due to property owners paying later and not receiving the full 4% discount.
- Communications Service Taxes were under budget by \$85 thousand due to a decrease in the customer base.
- FPL Utility Taxes were over budget by \$211 thousand due to an increase in customer usage.
- Water Utility and Bottled Gas Taxes were over budget by \$18 thousand due to an increase in customer usage.
- FPL Franchise fees were over budget by \$127 thousand due to an increase in customer usage.
- Procurement admin fees, code fines, demolition revenues, and various other miscellaneous revenues were \$84 thousand over budget due to increased activity.
- Sales Taxes were over budget \$111 thousand due to better than projected economic conditions.

Expenditures:

- General government expenditures were under budget by \$382 thousand. Personnel expenditures were \$147 thousand under budget due to the reduction of staff in Growth Management, turnover, and fewer claims for unemployment compensation. Election expenses were under budget \$20 thousand. Legal services were under budget \$36 thousand due to limiting attorney involvement with boards and committees. In Urban Design, comprehensive and annexation planning were \$25 thousand under budget. In Facilities Maintenance the following main operating accounts were under budget: electricity, \$18 thousand; insurance, \$16 thousand; contractual services such as janitorial, painting and air conditioning, \$14 thousand; various other supply and repair & maintenance, \$24 thousand. All other operating expenditures in all general government department/divisions were under budget \$82 thousand due to continued efforts to contain costs.
- Public Safety police operating expenditures were under budget by \$151 thousand. The police capital expenditures were under budget by \$110 thousand due to vehicles on order but not received at FY 2014 year end and which were re-appropriated to FY 2015. Law Enforcement Trust Funds were under budget \$17 thousand and were also re-appropriated to FY 2015. Personnel and other operating accounts were under budget \$8 thousand and \$16 thousand respectively.

- Public Safety fire was under budget by \$55 thousand. The fire capital expenditures were under budget by \$5 thousand due to equipment being on order and training costs were under budget \$17 thousand and were PO rollovers to FY 2015. Insurance costs and repairs & maintenance were \$16 thousand under budget. Materials and supplies were under budget \$17 thousand.
- Public Safety code compliance was under budget \$14 thousand mainly due to personnel turnover, \$7 thousand and various operating savings of \$7 thousand.
- Right of Way expenditures were \$29 thousand under budget and Parks and Grounds expenditures were \$77 thousand under budget. Personnel expenditures were \$6 thousand under budget. Right of Way delayed vehicle purchase of \$14 thousand and Parks and Grounds contractual services for mowing and fertilizer of \$40 thousand were re-appropriated to FY 2015. Other Right of Way expenditures were under budget \$9 thousand. Savings in Parks and Grounds repairs and maintenance and operating supplies were \$37 thousand under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2014 reflect an investment of \$118.3 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 16,273	\$ 16,213	\$ 5,403	\$ 5,403	\$ 21,676	\$ 21,616
Buildings	19,278	19,920	3,437	3,786	22,715	23,706
Improvements						
other than buildings	7,810	6,836	4,984	5,356	12,794	12,192
Vehicles and equipment	2,048	2,225	1,658	1,269	3,706	3,494
Infrastructure / System	16,656	17,096	36,883	34,633	53,539	51,729
Construction						
work in progress	<u>2,640</u>	<u>2,928</u>	<u>1,230</u>	<u>2,990</u>	<u>3,870</u>	<u>5,918</u>
Total Capital Assets	<u>\$ 64,705</u>	<u>\$ 65,218</u>	<u>\$ 53,595</u>	<u>\$ 53,437</u>	<u>\$ 118,300</u>	<u>\$118,655</u>

Significant changes to assets this year include:

- (4) pickup trucks for Parks & Grounds, \$85 thousand
- (4) police cruisers, \$137 thousand
- Wireless car video transfer system for Police Department, \$13 thousand
- Items for interactive trailer, a sub machine gun and a mobile armored shield for Police Department, \$9 thousand
- Boat motor for Police Department, \$11 thousand
- SUV response vehicle for Fire Department, \$37 thousand
- (2) Tablets, a thermal imaging camera, multigas detector & protective clothing for Fire Department, \$13 thousand.
- Pickup for Code Compliance, \$18 thousand
- ¾ ton, 4x4 pickup for Canal Maintenance, \$32 thousand
- 40 HP outboard boat motor, Canal Maintenance, \$5 thousand
- Security gate at Laishley Marina, \$3 thousand
- 4 door sedan for Utilities Administration, \$18 thousand
- Controllor and portable spectrophotometer for WTP, \$22 thousand
- 34' trailer mounted boomlift for WTP, \$22 thousand
- (3) pumps for WTP, \$48 thousand
- 1,000 gallon tank, flow meter, data recorder & valve for WTP, \$15 thousand
- Cargo van with conversion body for WW Coll., \$37 thousand
- CDL hardware & software, compactor and pump for WW Coll, \$35 thousand
- (3) submersible mixers, (1) flowmeter, (2) pumps for WWTP, \$72 thousand
- (2) breathing apparatus and a pressure washer for WWTP, \$6 thousand
- (2) ¾ ton pick-ups for Water Distribution, \$54 thousand
- Pump for Water Distribution, \$2 thousand
- (2) low entry refuse trucks for Sanitation, \$458 thousand
- (5) laptops, (23) tablets, (30) desktops, (2) servers, and a projector, \$106 thousand
- Public Safety Security, \$21 thousand
- Downtown flooding mitigation, \$1.8 million
- Laishley Park drainage, \$269 thousand
- Shreve St/Olympia blinking stop signs, \$9 thousand
- Fitness equipment for linear park system, \$26 thousand
- Water plant expansion & system improvements, \$574 thousand
- Water collection gravity sewer, lift station, force mains, \$777 thousand
- Wastewater treatment plant improvements, \$1.4 million

Debt

As of September 30, 2014 the City had \$19.5 million of revenue note debt in the Governmental Activities. This is a net decrease of \$2.0 million as compared to the prior year. The business-type activities note debt was \$3.4 million. This is a decrease of \$2.3 million in principal payments, including the final bond payment. 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 (59-62).

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 most recent statement of the Federal Reserve Open Market Committee, issued on June 18, 2014, included the following key points:

- The unemployment rate declined to 5.6% in December 2014, down from 6.7% one year ago. There is sufficient underlying strength in the economy to support ongoing improvement in labor market conditions. As a result, long run unemployment is expected to be in a range of 5.0 to 6.0%.
- Changes in gross domestic product show that recovery started in 2009 but it is expected to be a few more years before the economy returns to a normal long-run trend. For 2014, the overall projected range is 1.9 to 2.4%, and for the long range, the trend is 1.8 to 2.5%.
- The national consumer price index increased 2.1% from May 2013 to May 2014. Core inflation (all items less food and energy) increased 2.0%.
- 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 \$15 billion per month and longer-term Treasury securities at a pace of \$25 billion per month.
- To support continued progress toward maximum employment and price stability, the Federal Reserve reaffirmed its view that a highly accommodative stance of monetary policy remains appropriate.

Florida/Southwest Florida Regional Economic Outlook

The May 2014 Florida Economic Overview, published by the Florida Legislature Office of Economic and Demographic Research, highlighted key economic variables which are shown here:

- Florida's average annual wage has typically been below the national average and stands at 88% of the U.S.
- In 2012, Florida's economic growth was in positive territory for the third year after declining two years in a row. State Gross Domestic Product ranked the state 14th in the nation in real growth with a gain of 2.4%, just slightly below the national average of 2.5%.
- Florida ranked 13th in the nation with personal income growth of 2.9%, higher than the national average of 2.6%.

- Population growth is expected to continue its recovery. In the near-term, growth is anticipated to average 1.3% between 2013 and 2015, and then 1.4% between 2015 and 2020. The state is on track to becoming the third most populous state by 2016, surpassing New York.
- Florida's older population (age 60 and older) will account for 57% of the gains, while the younger population (age 0-17) will account for 14% of the gains.
- Building permit increases in 2013 was 33.4% over the previous year.
- After being ranked first for many months, Florida has now moved to third place among states for non-current mortgages (a measure of delinquencies and foreclosures).
- The first quarter of 2014 calendar year shows that the Florida homeownership rate has moved back to 67%, just slightly above the long run average of 66.3%.
- The turnaround in Florida housing will be led by low home prices, long run sustainable demand and the state's unique demographics and aging of the baby-boom generation.
- In FY 2015, the state's general revenue collections are expected to surpass the prior peak in FY 2006.

Florida's unemployment rate was 5.6% in December 2014, down from 6.2% one year ago.

The Southwest Florida economy continues its recovery. Taxable sales in the region were \$2.3 billion for March 2014, an 8% gain (\$174.7 million) over March 2013. For April 2014, total tourist tax revenues for the three coastal counties increased by 28% over April 2013, continuing the strong trend seen throughout 2013 and 2014. Passenger activity for the three Southwest Florida airports amounted to 1,059,036 in April 2014, an increase of 10% over April 2013.

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 5.1% as of December 2014, less than the state's rate of 5.6%. One year ago, the unemployment rate in the County was 5.8%.
- The median sales price of an existing single family home in the Punta Gorda Metropolitan Statistical Area (all of Charlotte County) was \$137,000 in May 2014, an increase from \$132,800 one year earlier. The supply in the single-family home market was five months, which suggest a market slightly favoring sellers. The statewide median sales price for single family housing was \$180,000, up from \$172,500 one year ago.
- A recently issued U.S. Census report showed the median age of Charlotte County residents as of July 1, 2013, increased to 57.5 from 55.9 in 2010. In comparison since 2010, the median age in Florida has risen from 40.8 to 41.5 years old.
- 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. The airline has service to 23 cities and had passenger activity of 71,894 in April 2014, up 155% over April 2013.

- Cheney Brothers, a Florida based food distribution company, purchased property in the ECAP area and initiated construction on a 340,000 square foot distribution center. The project 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 Murdock Village redevelopment 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.
- 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 sales tax refunds, 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.
- The Charlotte Harbor Visitor & Convention Bureau has initiated development of a marketing plan specifically for Punta Gorda, in an effort to promote eco tourism and the area's amenities.

Punta Gorda Economic Highlights

- Population projections show a projected 2015 City population of 17,632, 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 2015) increased Citywide by 4.1% from the final previous fiscal year, including \$32.8 million of new construction, annexation, and changes in exemption. This is the second straight year experiencing an increase in values after six straight years of declines in taxable value Citywide.
- New housing unit building permit trends since 2005 are shown below. Activity from 2010 through July 2014 demonstrates a positive trend in new residential construction from 2009.

Year	Units Permitted	Year	Units Permitted
2005	467	2010	37
2006	241	2011	30
2007	190	2012	56
2008	98	2013	88
2009	12	2014	110

- The City's business development strategy to enhance business and economic development was highlighted in the aforementioned Strategic Plan accomplishments and priorities.

BASIC FINANCIAL STATEMENTS

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,855,944	\$ 7,082,486	\$ 15,938,430
Investments	9,270	-	9,270
Receivables (net of allowance for uncollectibles)	586,572	988,110	1,574,682
Due from other governments	887,764	2,612	890,376
Internal balances	89,212	(89,212)	-
Inventories	61,943	93,922	155,865
Prepays (including excess NPO \$355,344)	369,650	244,760	614,410
Deferred charges	-	49,103	49,103
Restricted assets:			
Cash and cash equivalents	43,040	1,787,412	1,830,452
Capital assets (net of accumulated depreciation):			
Land	16,272,906	5,403,346	21,676,252
Buildings	19,277,695	3,436,579	22,714,274
Improvements other than buildings	7,810,083	4,983,669	12,793,752
Vehicles and equipment	2,048,051	1,658,000	3,706,051
Infrastructure/System	16,656,506	36,882,844	53,539,350
Construction in progress	2,639,738	1,230,097	3,869,835
Total assets	<u>75,608,374</u>	<u>63,753,728</u>	<u>139,362,102</u>
LIABILITIES			
Accounts payable and other current liabilities	1,316,614	1,061,384	2,377,998
Deferred revenue	114,577	-	114,577
Liabilities payable from restricted assets	-	56,721	56,721
Long-term liabilities:			
Due within one year	2,188,750	915,050	3,103,800
Due in more than one year	18,613,918	3,171,255	21,785,173
Total liabilities	<u>22,233,859</u>	<u>5,204,410</u>	<u>27,438,269</u>
NET POSITION			
Net investment in capital assets	45,244,762	50,177,751	95,422,513
Restricted for:			
Highways and streets	921,683	-	921,683
Capital projects	617,024	-	617,024
Debt service	1,275,303	374,737	1,650,040
CRA District	1,460,067	-	1,460,067
Recreation	794,973	-	794,973
Public Safety	42,875	-	42,875
Other Purposes	165	-	165
Unrestricted	3,017,663	7,996,830	11,014,493
Total net position	<u>\$53,374,515</u>	<u>\$58,549,318</u>	<u>\$111,923,833</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2014

	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	\$ 5,798,673	\$ (2,694,492)	\$ 1,831,762	\$ 543,944	\$ 1,374,624
Public Safety	9,545,036	-	18,000	23,430	-
Transportation	2,428,626	93,160	181,993	-	37,515
Economic environment	369,530	-	-	-	944,237
Recreation	4,778,207	125,379	3,026,325	14,367	67,111
Interest on long-term debt	511,552	-	-	-	-
Total Governmental Activities	23,431,624	(2,475,953)	5,058,080	581,741	2,423,487
Business-type Activities:					
Water and wastewater	12,235,437	1,942,618	14,787,349	-	737,575
Sanitation/refuse	2,402,607	425,428	2,975,695	-	-
Building Fund	543,038	74,103	720,922	-	-
Marina Fund	279,303	33,804	311,782	30,312	-
Total Business-type Activities	15,460,385	2,475,953	18,795,748	30,312	737,575
Total Functions/Programs	\$ 38,892,009	\$ -	\$ 23,853,828	\$ 612,053	\$ 3,161,062

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
\$ 646,149	\$ -	\$ 646,149
(9,503,606)	-	(9,503,606)
(2,302,278)	-	(2,302,278)
574,707	-	574,707
(1,795,783)	-	(1,795,783)
(511,552)	-	(511,552)
<u>(12,892,363)</u>	<u>-</u>	<u>(12,892,363)</u>
-	1,346,869	1,346,869
-	147,660	147,660
-	103,781	103,781
-	28,987	28,987
<u>-</u>	<u>1,627,297</u>	<u>1,627,297</u>
<u>(12,892,363)</u>	<u>1,627,297</u>	<u>(11,265,066)</u>
7,113,559	-	7,113,559
3,944,839	-	3,944,839
3,430,409	-	3,430,409
13,322	12,192	25,514
640,795	208,708	849,503
<u>15,142,924</u>	<u>220,900</u>	<u>15,363,824</u>
2,250,561	1,848,197	4,098,758
51,123,954	56,701,121	107,825,075
<u>\$ 53,374,515</u>	<u>\$ 58,549,318</u>	<u>\$ 111,923,833</u>

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014

ASSETS	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Cash and cash equivalents	\$2,938,633	\$ 1,275,303	\$ 1,499,197	\$ 521,763
Investments	9,270	-	-	-
Accounts receivable (net of allowance of \$38,236)	573,599	-	234	4,494
Restricted cash and equivalents	43,040	-	-	-
Due from other funds	-	-	-	-
Due from other governments	334,899	-	-	33,583
Inventories	61,943	-	-	-
 Total assets	 <u>\$3,961,384</u>	 <u>\$ 1,275,303</u>	 <u>\$ 1,499,431</u>	 <u>\$ 559,840</u>

See Accompanying Notes.

Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
\$ 435,726	\$ 124,585	\$1,697,505	\$ 8,492,712
-	-	-	9,270
5,238	-	-	583,565
-	-	-	43,040
143,273	-	-	143,273
437,970	-	81,312	887,764
-	-	-	61,943
<u>\$ 1,022,207</u>	<u>\$ 124,585</u>	<u>\$1,778,817</u>	<u>\$10,221,567</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014
(Continued)

LIABILITIES AND FUND BALANCES	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Accounts payable	\$ 251,866	\$ -	\$ 12,608	\$ 66,950
Retainage payable	-	-	8,015	5,964
Accrued liabilities	394,695	-	-	16,405
Due to other funds	143,273	-	-	-
Due to other governments	15,686	-	-	108
Deferred revenue	95,836	-	18,741	-
Total liabilities	<u>901,356</u>	<u>-</u>	<u>39,364</u>	<u>89,427</u>
Fund balances				
Nonspendable:				
Inventories	61,943	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Public safety	42,875	-	-	-
Transportation	-	-	-	-
Recreation	-	-	-	470,413
CRA district	-	-	1,460,067	-
Infrastructure Surtax capital projects	-	-	-	-
Infrastructure Surtax debt service	-	1,275,303	-	-
Other purposes	165	-	-	-
Committed for:				
Damages and one-time expenditures	-	-	-	-
Assigned to:				
Subsequent year's budget	1,484,576	-	-	-
Unassigned	1,470,469	-	-	-
Total fund balances	<u>3,060,028</u>	<u>1,275,303</u>	<u>1,460,067</u>	<u>470,413</u>
Total liabilities and fund balances	<u>\$ 3,961,384</u>	<u>\$ 1,275,303</u>	<u>\$ 1,499,431</u>	<u>\$ 559,840</u>

See Accompanying Notes.

Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
\$ 214,817	\$ -	\$ 82,693	\$ 628,934
190,366	-	18,882	223,227
-	-	-	411,100
-	-	-	143,273
-	-	-	15,794
-	-	-	114,577
<u>405,183</u>	<u>-</u>	<u>101,575</u>	<u>1,536,905</u>
-	-	-	61,943
-	-	5,000	5,000
-	-	-	42,875
-	124,585	797,098	921,683
-	-	324,560	794,973
-	-	-	1,460,067
617,024	-	-	617,024
-	-	-	1,275,303
-	-	-	165
-	-	550,584	550,584
-	-	-	1,484,576
-	-	-	1,470,469
<u>617,024</u>	<u>124,585</u>	<u>1,677,242</u>	<u>8,684,662</u>
<u>\$ 1,022,207</u>	<u>\$ 124,585</u>	<u>\$1,778,817</u>	



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CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2014
(Continued)

Total fund balance - governmental funds (page 25)	\$ 8,684,662
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 \$64,704,979 less amount included in internal services \$341,039	64,363,940
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.	660,828
Cumulative effect of business type portion of internal services	89,212
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 \$20,295,543 less amount included in internal services \$9,429 and adjustment to beginning balance \$3,146.	(20,289,260)
Excess "Net Pension Obligation" is an asset on the statement of net position but is not a financial resource.	355,344
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>\$53,374,515</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, 2014

	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund
Revenues				
Taxes	\$10,161,079	\$ -	\$ -	\$ -
Permits, fees and special assessments	1,445,354	-	-	-
Intergovernmental revenues	4,057,447	-	902,447	-
Charges for services	343,258	-	-	-
Judgments, fines and forfeits	42,961	-	-	-
Miscellaneous	3,102,865	-	235,845	2,644,696
Total revenues	19,152,964	-	1,138,292	2,644,696
Expenditures				
Current				
General government	4,811,534	-	-	-
Public safety	9,053,951	-	-	-
Transportation	973,648	-	-	-
Economic environment	-	-	327,740	-
Recreation	1,264,671	-	-	2,561,261
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	2,046,295	-	-
Interest and fiscal charges	-	511,552	-	-
Total expenditures	16,103,804	2,557,847	327,740	2,561,261
Excess expenditures (over) under revenues	3,049,160	(2,557,847)	810,552	83,435

See Accompanying Notes.

<u>Capital Project Fund</u>	<u>Impact Fees Transportation</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$10,161,079
-	-	-	1,445,354
1,358,606	-	865,944	7,184,444
-	-	-	343,258
-	-	-	42,961
<u>26,887</u>	<u>37,659</u>	<u>675,457</u>	<u>6,723,409</u>
<u>1,385,493</u>	<u>37,659</u>	<u>1,541,401</u>	<u>25,900,505</u>
-	-	-	4,811,534
-	-	-	9,053,951
-	-	915,251	1,888,899
-	-	41,790	369,530
-	-	411,156	4,237,088
2,683,976	-	-	2,683,976
-	-	-	2,046,295
-	-	-	511,552
<u>2,683,976</u>	<u>-</u>	<u>1,368,197</u>	<u>25,602,825</u>
<u>(1,298,483)</u>	<u>37,659</u>	<u>173,204</u>	<u>297,680</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2014
(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>3,049,160</u>	<u>(2,557,847)</u>	<u>810,552</u>	<u>83,435</u>
Other financing sources (uses)				
Transfers in	-	2,557,125	458,101	-
Transfers out	<u>(2,686,012)</u>	<u>-</u>	<u>(1,282,466)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,686,012)</u>	<u>2,557,125</u>	<u>(824,365)</u>	<u>-</u>
Net change in fund balances	363,148	(722)	(13,813)	83,435
Fund balances, October 1, 2013	<u>2,696,880</u>	<u>1,276,025</u>	<u>1,473,880</u>	<u>386,978</u>
Fund balances, September 30, 2014	<u>\$ 3,060,028</u>	<u>\$ 1,275,303</u>	<u>\$1,460,067</u>	<u>\$ 470,413</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>(1,298,483)</u>	<u>37,659</u>	<u>173,204</u>	<u>297,680</u>
608,596	-	357,000	3,980,822
<u>-</u>	<u>(9,344)</u>	<u>(3,000)</u>	<u>(3,980,822)</u>
<u>608,596</u>	<u>(9,344)</u>	<u>354,000</u>	<u>-</u>
<u>(689,887)</u>	<u>28,315</u>	<u>527,204</u>	<u>297,680</u>
<u>1,306,911</u>	<u>96,270</u>	<u>1,150,038</u>	<u>8,386,982</u>
<u>\$ 617,024</u>	<u>\$ 124,585</u>	<u>\$ 1,677,242</u>	<u>\$ 8,684,662</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, 2014

Net change in fund balances -- total governmental funds (page 28) \$ 297,680

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 and capital asset adjustments were under capital outlays \$351,345 in the current period. Expensed items 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 of capital assets (\$180,023) is to decrease net assets.	171,322
Repayment of the principal of long-term debt \$2,046,295 consumes the current financial resources of governmental funds. This transaction has no effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest.	2,046,295
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 \$(319,320), Compensated absences \$25,520.	(293,800)
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>29,064</u>
Change in net position of governmental activities (page 23)	<u><u>\$ 2,250,561</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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,991,000	\$ 9,991,000	\$ 10,161,079	\$ 170,079
Permits, fees and special assessments	1,316,100	1,316,100	1,445,354	129,254
Intergovernmental revenue	3,696,725	3,947,342	4,057,447	110,105
Charges for services	312,200	312,200	343,258	31,058
Judgments, fines and forfeits	52,500	52,500	42,961	(9,539)
Miscellaneous	2,935,399	3,040,490	3,102,865	62,375
Total revenues	<u>18,303,924</u>	<u>18,659,632</u>	<u>19,152,964</u>	<u>493,332</u>
Expenditures				
Current				
General government	5,088,602	5,193,746	4,811,534	382,212
Public safety	8,922,540	9,274,520	9,053,951	220,569
Transportation	981,427	1,002,157	973,648	28,509
Recreation	1,336,443	1,341,263	1,264,671	76,592
Total expenditures	<u>16,329,012</u>	<u>16,811,686</u>	<u>16,103,804</u>	<u>707,882</u>
Excess revenues over expenditures	<u>1,974,912</u>	<u>1,847,946</u>	<u>3,049,160</u>	<u>1,201,214</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(2,428,249)	(2,691,161)	(2,686,012)	5,149
Total other financing uses	<u>(2,428,249)</u>	<u>(2,691,161)</u>	<u>(2,686,012)</u>	<u>5,149</u>
Net change in fund balances	<u>\$ (453,337)</u>	<u>\$ (843,215)</u>	363,148	<u>\$ 1,206,363</u>
Fund balances, October 1, 2013			<u>2,696,880</u>	
Fund balances, September 30, 2014			<u>\$ 3,060,028</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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 907,573	\$ 907,573	\$ 902,447	\$ (5,126)
Miscellaneous	296,980	304,248	235,845	(68,403)
Total revenues	<u>1,204,553</u>	<u>1,211,821</u>	<u>1,138,292</u>	<u>(73,529)</u>
Expenditures				
Economic environment	474,815	635,131	327,740	307,391
Total expenditures	<u>474,815</u>	<u>635,131</u>	<u>327,740</u>	<u>307,391</u>
Excess revenues over expenditures	<u>729,738</u>	<u>576,690</u>	<u>810,552</u>	<u>233,862</u>
Other financing sources (uses)				
Transfers in	462,249	462,249	458,101	(4,148)
Transfers out	<u>(1,282,466)</u>	<u>(1,282,466)</u>	<u>(1,282,466)</u>	<u>-</u>
Total other financing uses	<u>(820,217)</u>	<u>(820,217)</u>	<u>(824,365)</u>	<u>(4,148)</u>
Net change in fund balances	<u>\$ (90,479)</u>	<u>\$ (243,527)</u>	(13,813)	<u>\$ 229,714</u>
Fund balances, October 1, 2013			<u>1,473,880</u>	
Fund balances, September 30, 2014			<u>\$ 1,460,067</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, 2014

	<u>Budgets</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$ 500	\$ 500	\$ 1,041	\$ 541
Miscellaneous				
Service assessments	2,612,000	2,612,000	2,611,222	(778)
Other	<u>15,500</u>	<u>27,164</u>	<u>32,433</u>	<u>5,269</u>
Total revenues	<u>2,628,000</u>	<u>2,639,664</u>	<u>2,644,696</u>	<u>5,032</u>
Expenditures				
Current				
Recreation	<u>2,628,000</u>	<u>2,713,927</u>	<u>2,561,261</u>	<u>152,666</u>
Total expenditures	<u>2,628,000</u>	<u>2,713,927</u>	<u>2,561,261</u>	<u>152,666</u>
Revenues under expenditures	<u>-</u>	<u>(74,263)</u>	<u>83,435</u>	<u>157,698</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (74,263)</u>	<u>83,435</u>	<u>\$ 157,698</u>
Fund balances, October 1, 2013			<u>386,978</u>	
Fund balances, September 30, 2014			<u>\$ 470,413</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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ 144	\$ 144
Miscellaneous	30,000	30,000	37,515	7,515
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>37,659</u>	<u>7,659</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>30,000</u>	<u>30,000</u>	<u>37,659</u>	<u>7,659</u>
Other financing uses				
Transfers out	<u>(30,000)</u>	<u>(122,888)</u>	<u>(9,344)</u>	<u>113,544</u>
Total other financing uses	<u>(30,000)</u>	<u>(122,888)</u>	<u>(9,344)</u>	<u>113,544</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (92,888)</u>	28,315	<u>\$ 121,203</u>
Fund balances, October 1, 2013			<u>96,270</u>	
Fund balances, September 30, 2014			<u>\$ 124,585</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014

	Business-type Activities Enterprise Funds	
	<u>Water and Wastewater Utility</u>	<u>Sanitation/ Refuse Fund</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,118,417	\$1,074,258
Accounts and refund receivable (net of allowance of \$306,883)	785,457	197,038
Due from other governments	-	-
Inventories	93,922	-
Prepaid items	22,333	-
Restricted cash and cash equivalents	<u>1,754,071</u>	<u>-</u>
Total current assets	<u>7,774,200</u>	<u>1,271,296</u>
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	52,547,008	985,024
Unamortized issuance costs	49,103	-
Prepaid rent	<u>206,943</u>	<u>-</u>
Total noncurrent assets	<u>52,803,054</u>	<u>985,024</u>
Total assets	<u>\$60,577,254</u>	<u>\$2,256,320</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 768,232	\$ 121,579	\$ 7,082,486	\$ 363,232
182	5,433	988,110	3,007
-	2,612	2,612	-
-	-	93,922	-
-	15,484	37,817	14,306
<u>18,538</u>	<u>14,803</u>	<u>1,787,412</u>	<u>-</u>
<u>786,952</u>	<u>159,911</u>	<u>9,992,359</u>	<u>380,545</u>
-	62,503	53,594,535	341,039
-	-	49,103	-
-	-	206,943	-
<u>-</u>	<u>62,503</u>	<u>53,850,581</u>	<u>341,039</u>
<u>\$ 786,952</u>	<u>\$ 222,414</u>	<u>\$63,842,940</u>	<u>\$ 721,584</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2014
(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	\$ 556,851	\$ 130,239
Retainage payable	43,214	-
Notes payable	30,678	-
Current portion of revenue notes payable	843,669	-
Accumulated unused compensated absences	32,649	5,853
Accrued liabilities	239,683	30,437
Total payable from current assets	1,746,744	166,529
Payable from restricted assets		
Customer deposits	30,083	-
Total payable from restricted assets	30,083	-
Total current liabilities	1,776,827	166,529
NONCURRENT LIABILITIES		
Revenue notes payable	2,518,054	-
Accrued compensated absences	293,838	52,673
Other postemployment benefits payable (OPEB)	202,161	55,072
Total noncurrent liabilities	3,014,053	107,745
Total liabilities	4,790,880	274,274
NET POSITION		
Net investment in capital assets	49,130,224	985,024
Restricted for debt service	374,737	-
Unrestricted	6,281,413	997,022
Total net position	\$55,786,374	\$1,982,046
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	
\$ 23,432	\$ 20,243	\$ 730,765	\$ 23,531
-	-	43,214	-
-	-	30,678	-
-	-	843,669	-
2,201	-	40,703	943
17,285	-	287,405	14,028
<u>42,918</u>	<u>20,243</u>	<u>1,976,434</u>	<u>38,502</u>
18,538	8,100	56,721	-
<u>18,538</u>	<u>8,100</u>	<u>56,721</u>	<u>-</u>
<u>61,456</u>	<u>28,343</u>	<u>2,033,155</u>	<u>38,502</u>
-	-	2,518,054	-
19,807	6,703	373,021	8,486
<u>22,947</u>	<u>-</u>	<u>280,180</u>	<u>13,768</u>
<u>42,754</u>	<u>6,703</u>	<u>3,171,255</u>	<u>22,254</u>
<u>104,210</u>	<u>35,046</u>	<u>5,204,410</u>	<u>60,756</u>
-	62,503	50,177,751	341,039
-	-	374,737	-
<u>682,742</u>	<u>124,865</u>	<u>8,086,042</u>	<u>319,789</u>
<u>\$ 682,742</u>	<u>\$ 187,368</u>	58,638,530	<u>\$ 660,828</u>
		(89,212)	
		<u>\$58,549,318</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, 2014

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 14,787,349	\$ 2,975,695
Licenses and permits	-	19,895
Miscellaneous	113,239	7,882
	<u>14,900,588</u>	<u>3,003,472</u>
Total operating revenues		
Operating expenses		
Personnel services	5,129,328	1,133,017
Contractual services	657,740	726,875
Materials and supplies	1,376,769	160,684
Utilities	733,068	7,346
Depreciation	3,250,277	161,978
Insurance	293,993	40,896
Administrative charges	2,151,478	439,333
Repairs and maintenance	348,446	155,119
Travel and training	15,169	1,496
Rent	52,172	1,822
	<u>14,008,440</u>	<u>2,828,566</u>
Total operating expenses		
Operating income	<u>892,148</u>	<u>174,906</u>
Nonoperating revenues (expenses)		
Interest income	9,411	1,759
Insurance proceeds	8,051	-
Interest expense and fiscal charges	(177,589)	-
Gain on disposition of capital assets	12,479	-
	<u>(147,648)</u>	<u>1,759</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers and contributions	<u>744,500</u>	<u>176,665</u>
Totals carried forward	<u>744,500</u>	<u>176,665</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 19,320	\$ 311,782	\$ 18,094,146	\$ 1,011,587
701,602	-	721,497	-
6,301	40,861	168,283	2,906
<u>727,223</u>	<u>352,643</u>	<u>18,983,926</u>	<u>1,014,493</u>
479,084	-	6,741,429	341,570
7,845	147,941	1,540,401	85,051
7,982	16,446	1,561,881	7,975
1,142	53,602	795,158	4,684
-	19,001	3,431,256	154,794
3,902	18,485	357,276	42,997
110,282	33,804	2,734,897	-
5,491	7,289	516,345	268,566
1,482	-	18,147	7,757
1,312	16,539	71,845	62,368
<u>618,522</u>	<u>313,107</u>	<u>17,768,635</u>	<u>975,762</u>
<u>108,701</u>	<u>39,536</u>	<u>1,215,291</u>	<u>38,731</u>
1,022	-	12,192	219
-	-	8,051	-
-	-	(177,589)	-
-	-	12,479	-
<u>1,022</u>	<u>-</u>	<u>(144,867)</u>	<u>219</u>
<u>109,723</u>	<u>39,536</u>	<u>1,070,424</u>	<u>38,950</u>
<u>109,723</u>	<u>39,536</u>	<u>1,070,424</u>	<u>38,950</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, 2014
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ 744,500	\$ 176,665
Contributions	737,575	-
Change in net position	1,482,075	176,665
Total net position - beginning	54,304,299	1,805,381
Total net position - ending	\$ 55,786,374	\$ 1,982,046

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	
\$ 109,723	\$ 39,536	\$ 1,070,424	\$ 38,950
-	30,312	767,887	-
109,723	69,848	1,838,311	38,950
573,019	117,520		621,878
\$ 682,742	\$ 187,368		\$ 660,828
		9,886	
		\$ 1,848,197	

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 14,776,283	\$ 2,987,744
Cash payments to suppliers for goods and services	(5,545,403)	(1,539,679)
Cash payments to employees for services	(5,113,816)	(1,120,919)
Other receipts	110,827	27,777
	<u> </u>	<u> </u>
Net cash provided by operating activities	<u>4,227,891</u>	<u>354,923</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advance from other fund	-	-
Grant payments	-	-
	<u> </u>	<u> </u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property, plant and equipment	(3,505,193)	(458,324)
Sale of property, plant and equipment	12,479	-
Principal paid on debt	(2,342,140)	-
Interest and fiscal charges paid	(156,885)	-
Contributions	717,022	-
Insurance proceeds	8,051	-
	<u> </u>	<u> </u>
Net cash used in capital and related financing activities	<u>(5,266,666)</u>	<u>(458,324)</u>
Totals carried forward	<u>(1,038,775)</u>	<u>(103,401)</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 721,878	\$ 306,066	\$ 18,791,971	\$ 1,011,587
(122,893)	(287,264)	(7,495,239)	(513,447)
(470,068)	-	(6,704,803)	(341,711)
6,301	40,861	185,766	4,070
<u>135,218</u>	<u>59,663</u>	<u>4,777,695</u>	<u>160,499</u>
-	(28,380)	(28,380)	-
-	87,695	87,695	-
-	59,315	59,315	-
-	-	(3,963,517)	(105,988)
-	-	12,479	-
-	-	(2,342,140)	-
-	-	(156,885)	-
-	-	717,022	-
-	-	8,051	-
-	-	(5,724,990)	(105,988)
<u>135,218</u>	<u>118,978</u>	<u>(887,980)</u>	<u>54,511</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2014
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (1,038,775)	\$ (103,401)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross proceeds from maturities of investments	10,960	-
Interest received	9,411	1,759
	20,371	1,759
Net cash provided by investing activities		
	20,371	1,759
Net increase (decrease) in cash and cash equivalents	(1,018,404)	(101,642)
Balances - beginning of the year	7,890,892	1,175,900
Balances - end of year	\$ 6,872,488	\$ 1,074,258
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 892,148	\$ 174,906
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,250,277	161,978
Net (increase) decrease in:		
Receivables	(6,160)	12,049
Inventories	(12,585)	-
Prepays	22,334	-
Net increase (decrease) in:		
Accounts payable	73,683	(6,108)
Accrued liabilities	12,529	12,098
Customer deposits	(4,335)	-
	4,227,891	354,923
Net cash provided by (used in) operating activities	\$ 4,227,891	\$ 354,923
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Disposal of fully depreciated capital assets	\$ 114,698	\$ -
Donated capital assets	20,554	-

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 135,218	\$ 118,978	\$ (887,980)	\$ 54,511
-	-	10,960	-
1,022	-	12,192	219
<u>1,022</u>	<u>-</u>	<u>23,152</u>	<u>219</u>
136,240	118,978	(864,828)	54,730
650,530	17,404	9,734,726	308,502
<u>\$ 786,770</u>	<u>\$ 136,382</u>	<u>\$ 8,869,898</u>	<u>\$ 363,232</u>
\$ 108,701	\$ 39,536	\$ 1,215,291	\$ 38,731
-	19,001	3,431,256	154,794
204	(3,262)	2,831	1,164
-	-	(12,585)	-
-	(315)	22,019	(14,306)
16,545	7,157	91,277	(19,743)
7,951	(3,646)	28,932	(141)
1,817	1,192	(1,326)	-
<u>\$ 135,218</u>	<u>\$ 59,663</u>	<u>\$ 4,777,695</u>	<u>\$ 160,499</u>
\$ -	\$ -	\$ 114,698	\$ 11,854
-	-	20,554	-

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2014

	Pension Funds
ASSETS	
Cash and cash equivalents	\$ 3,604,804
Receivables: Investment income	139,311
Investments, at fair value	
U.S. Bonds and Bills	1,262,304
Federal Agency Guaranteed Securities	621,871
Corporate Bonds	10,783,232
Stocks	31,951,236
Municipal Obligations	574,549
Mutual Funds	
Fixed Income	3,266,110
Equity	5,461,293
Mutual Funds: Real Estate	1,699,851
Pooled/Common/Commingled Funds:	
Real Estate	2,033,639
Total investments at fair value	57,654,085
Total assets	61,398,200
LIABILITIES	
Payables	
Refunds of Member Contributions	102,987
Benefit payments	679
Total liabilities	103,666
NET POSITION RESTRICTED FOR PENSIONS	\$ 61,294,534

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year September 30, 2014

	Pension Funds
ADDITIONS	
Contributions	
Employer	\$ 2,966,041
Plan members	766,696
State	420,811
Total contributions	4,153,548
Investment earnings	
Net appreciation in fair value of investments	4,197,191
Interest and dividends	1,303,906
Less investment expense ¹	(352,747)
Net investment income	5,148,350
Total additions	9,301,898
DEDUCTIONS	
Benefit payments, including refunds of member contributions	2,615,195
Lump sum DROP distributions	421,493
Administrative expense	87,172
Total deductions	3,123,860
Net increase in net position	6,178,038
Net position restricted for pensions	
Beginning of year	55,116,496
End of year	\$ 61,294,534

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

See Accompanying Notes.



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CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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 reported as Fiduciary Funds. 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, 2014

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, 2014

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

I. Organization and Summary of Significant Accounting Policies, Continued

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

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

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

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

C. Cash and cash equivalents

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

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, 2014

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, 2014.

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, 2014

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 6.0% 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, 2014

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 \$2,694,492 for fiscal year 2014. 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. Beginning with fiscal year 2014, the City implemented GASB No. 67 which amended No. 25. These changes affect how pension plans are reported.

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 \$20,289,260 difference are as follows:

Noncurrent liabilities	\$20,295,543
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	(9,429)
Plus: Compensated absence adjustments to beginning balance	<u>3,146</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities - Noncurrent liabilities	<u><u>\$20,289,260</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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 \$171,322 difference are as follows:

Capital outlay	\$ 3,436,961
Depreciation expense	(3,085,616)
Net effect of misc. capital transactions (disposal, sale, trade-in of assets)	<u>(180,023)</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>\$ 171,322</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 \$2,046,295 difference are as follows:

Principal repayments:	
Capital Improvement revenue notes	<u>\$ 2,046,295</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>\$ 2,046,295</u></u>

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

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 \$293,800 difference are as follows:

Change in Excess Net Pension Obligation	\$ (319,320)
Change in Compensated absences	<u>25,520</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (293,800)</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, 2014.

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, 2014

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, 2014 totaled \$924,227.
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, 2014

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, 2014 the carrying amounts of the City's deposits were \$4,667,169 and the bank balances were \$4,524,696. 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, 2014, 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 \$9,270. These investments have a weighted average maturity of 3 years.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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 \$13,099,973.

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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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, 2014:

Water and Wastewater Utility Fund, Building Fund, Marina Fund	Cash and Cash Equivalents
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	\$ 501,898
Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	570,550
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	374,737
Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	63,424
Utilities Construction Account - reserved for payment of the costs of new projects	229,470
Special Assessments - District #4 - established to account for assessments levied for utility expansion	47,333
	\$ 1,787,412

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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, 2014:

Cash and Cash Equivalents		
Law enforcement activities	\$	42,875
Other		165
	<u>\$</u>	<u>43,040</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ -	\$ 143,273
Capital Project Fund	143,273	-
Governmental funds consolidation	(143,273)	(143,273)
Cumulative effect of internal service funds	<u>89,212</u>	<u>89,212</u>
Statement of Net Position	<u>\$ 89,212</u>	<u>\$ 89,212</u>

The \$143,273 General Fund Liability is the 1¢ sales tax revenue accrual to be used for Capital Projects that will be paid in October 2014.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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 and to the Debt Fund. 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 and Capital Project Fund. Other transfers from Nonmajor Governmental funds was a transfer from the Six Cent Gas Tax Fund to the Capital Projects 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	\$ -	\$ 2,686,012
Debt Service Fund	2,557,125	-
Community Redevelopment	458,101	1,282,466
Capital Projects Fund	608,596	-
Impact Fees - Transportation	-	9,344
Nonmajor Governmental funds	357,000	3,000
Net Governmental Funds	<u>\$ 3,980,822</u>	<u>\$ 3,980,822</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 16,212,906	\$ 60,000	\$ -	\$ 16,272,906
Construction in progress	2,928,736	2,143,978	(2,432,976)	2,639,738
Total capital assets, not being depreciated	<u>19,141,642</u>	<u>2,203,978</u>	<u>(2,432,976)</u>	<u>18,912,644</u>
Capital assets, being depreciated:				
Buildings	24,841,592	-	-	24,841,592
Improvements other than buildings	9,997,078	1,519,547	-	11,516,625
Infrastructure	79,115,077	923,012	-	80,038,089
Vehicles and equipment	10,324,562	516,621	(194,606)	10,646,577
Total capital assets, being depreciated	<u>124,278,309</u>	<u>2,959,180</u>	<u>(194,606)</u>	<u>127,042,883</u>
Less accumulated depreciation for:				
Buildings	(4,922,157)	(641,740)	-	(5,563,897)
Improvements other than buildings	(3,161,107)	(545,435)	-	(3,706,542)
Infrastructure	(62,019,500)	(1,362,083)	-	(63,381,583)
Vehicles and equipment	(8,099,230)	(691,152)	191,856	(8,598,526)
Total accumulated depreciation	<u>(78,201,994)</u>	<u>(3,240,410)</u>	<u>191,856</u>	<u>(81,250,548)</u>
Total capital assets, being depreciated, net	<u>46,076,315</u>	<u>(281,230)</u>	<u>(2,750)</u>	<u>45,792,335</u>
Governmental activities capital assets, net	<u>\$65,217,957</u>	<u>\$ 1,922,748</u>	<u>\$ (2,435,726)</u>	<u>\$64,704,979</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

D. Capital assets, continued

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 5,403,346	\$ -	\$ -	\$ 5,403,346
Construction in progress	2,990,854	964,851	(2,725,608)	1,230,097
Total capital assets, not being depreciated	<u>8,394,200</u>	<u>964,851</u>	<u>(2,725,608)</u>	<u>6,633,443</u>
Capital assets, being depreciated:				
Buildings	25,796,063	-	-	25,796,063
Improvements other than buildings	18,364,411	-	-	18,364,411
System Infrastructure	76,194,524	4,560,165	-	80,754,689
Vehicles and equipment	7,011,946	788,202	(114,698)	7,685,450
Total capital assets, being depreciated	<u>127,366,944</u>	<u>5,348,367</u>	<u>(114,698)</u>	<u>132,600,613</u>
Less accumulated depreciation for:				
Buildings	(22,010,745)	(348,739)	-	(22,359,484)
Improvements other than buildings	(13,007,798)	(372,944)	-	(13,380,742)
System Infrastructure	(41,561,764)	(2,310,081)	-	(43,871,845)
Vehicles and equipment	(5,742,656)	(399,492)	114,698	(6,027,450)
Total accumulated depreciation	<u>(82,322,963)</u>	<u>(3,431,256)</u>	<u>114,698</u>	<u>(85,639,521)</u>
Total capital assets, being depreciated, net	<u>45,043,981</u>	<u>1,917,111</u>	<u>-</u>	<u>46,961,092</u>
Business-type activities capital assets, net	<u>\$53,438,181</u>	<u>\$ 2,881,962</u>	<u>\$ (2,725,608)</u>	<u>\$53,594,535</u>

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

Governmental activities:	
General government	\$ 1,300,082
Public safety	502,060
Transportation	627,595
Recreation	655,879
Internal service funds	154,794
Total depreciation expense -- governmental activities	<u>\$ 3,240,410</u>
Business-type activities:	
Public utilities	\$ 3,250,277
Sanitation/refuse collection	161,978
Building	-
Marina	19,001
Total depreciation expense -- business-type activities	<u>\$ 3,431,256</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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, 2014:

	Governmental Activities - Long-Term Debt		
	Capital Improvement Revenue Notes	Compensated Absences	Total
Debt payable at October 1, 2013	\$ 21,506,512	\$ 1,367,198	\$ 22,873,710
Debt retired	(2,046,295)	-	(2,046,295)
Amortization of original issue discount	-	-	-
Amortization of early call premium	-	-	-
Amortization of underwriters premium	-	-	-
Additions in compensated absences	-	54,697	54,697
Deductions in compensated absences	-	(82,590)	(82,590)
Debt payable at September 30, 2014 (net)	\$ 19,460,217	\$ 1,339,305	\$ 20,799,522

Internal service funds predominantly service the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$9,429 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	Compensated Absences	Total
\$ 1,512,015	\$ 4,178,863	\$ 30,678	\$ 663,649	\$ 6,385,205
(1,525,000)	(817,140)	-	-	(2,342,140)
6,864	-	-	-	6,864
10,446	-	-	-	10,446
(4,325)	-	-	-	(4,325)
-	-	-	68,602	68,602
-	-	-	(38,347)	(38,347)
<u>\$ -0-</u>	<u>\$ 3,361,723</u>	<u>\$ 30,678</u>	<u>\$ 693,904</u>	<u>\$ 4,086,305</u>

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2014 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. \$ 1,255,217

\$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. 18,205,000

Total revenue notes payable 19,460,217

Less current maturities (2,105,217)

Noncurrent portion, revenue notes payable \$ 17,355,000

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility 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. \$ 2,232,025

\$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. \$ 1,129,698

Total revenue notes payable 3,361,723

Less current maturities (843,669)

Noncurrent portion, revenue notes payable \$ 2,518,054

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, 2014

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2014 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt		Business-type Activities Long-Term Debt		
	Capital		Water and Wastewater Utility Revenue Notes		Water and Wastewater Utility Notes
	Improvement Revenue Notes		Principal	Interest	
	Principal	Interest			
2015	\$ 2,105,217	\$ 452,138	\$ 843,669	\$ 99,745	\$ 30,678
2016	900,000	410,792	871,460	72,068	-
2017	950,000	388,314	307,704	52,868	-
2018	1,015,000	364,439	318,151	42,422	-
2019	1,085,000	338,924	328,952	31,621	-
2020-2024	6,585,000	1,248,109	691,787	29,358	-
2025-2028	6,820,000	342,995	-	-	-
Total	\$ 19,460,217	\$ 3,545,711	\$ 3,361,723	\$ 328,082	\$ 30,678

	Compensated Absences		OPEB	Totals
	Current Portion	Noncurrent Portion		
Governmental Activities	\$ 83,533	\$ 751,793	\$ 503,979	\$ 1,339,305
Business-type Activities	40,703	373,021	280,180	693,904
	\$ 124,236	\$ 1,124,814	\$ 784,159	\$ 2,033,209

The amounts included in governmental activities for internal service funds are \$943 current portion of compensated absences, \$8,486 noncurrent portion compensated absences and \$13,768 OPEB.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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, 2014 was \$3.1969 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 2014 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, 2014

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

The Plan is administered by a Board of Trustees:

- 1) Two City Council appointees,
- 2) Two Members of the System elected by a majority of the other covered General Employees, and
- 3) A fifth Member elected by the other four and appointed by Council.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	113
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	13
Active Plan Members	<u>138</u>
	<u>264</u>

Current membership as of September 30, 2014 is comprised of the following:

Retirees receiving benefits	93
Vested terminated employees	16
Beneficiaries	6
DROP	21
Active employees	
Fully-vested	114
Nonvested	9

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Age 60 and 5 years of Credited Service.

Benefit Amount: 3.00% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 55 and 5 years of Credited Service.

Benefit Amount: Accrued benefit, deferred to age 60 or payable immediately and reduced 1/15th per year prior to Age 60.

Vesting (Termination):

Less than 5 years of Credited Service: Refund of Member Contributions.

5 years or more: Accrued benefit payable at age 60, or reduced benefit payable at age 55, or Refund of Member Contributions.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Disability:

Eligibility: Totally and permanently disabled, as determined by the Board. Members are covered after ten (10) years of Credited Service.

Benefit Amount: 3.00% of Average Final Compensation times Credited Service, but not less than 60% of Average Final Compensation for service related disabilities. Benefits are payable for life.

Pre-Retirement Death Benefits:

Less than 10 years of Credited Service: Prior to eligibility for Early or Normal Retirement refund of Member Contributions. After becoming eligible for Retirement, Accrued benefit, payable for 10 years.

At least 10 years of Credited Service: Beneficiary receives the accrued benefit payable for 10 years when the Member would have been eligible for Normal or Early (reduced) Retirement.

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	45.00%
Internation Equity	15.00%
Domestic Fixed Income	30.00%
Global Fixed Income	5.00%
Real Estate	5.00%
Total	100.00%

Concentrations:

The Plan held a 7.4% investment of the Pension Plan's fiduciary net position in Goldman Sachs Fin Sq Treasury Obligation Fund #469.

Rate of Return:

For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.33 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal or Early Retirement requirements.

Participation: Not to exceed 84 months.

Rate of Return: At Member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions,

management fees and transaction costs) credited each fiscal quarter, or

(2) 6.5% per annum compounded monthly.

Members may elect to change form of return one time.

The DROP balance as of September 30, 2014 is \$1,214,325.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

Total Pension Liability	\$	41,969,254
Plan Fiduciary net position	\$	<u>(36,488,073)</u>
Sponsor's Net Pension Liability	\$	<u>5,481,181</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability		86.94%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation		3.00%
Salary Increases		4% -- 6%
Investment Rate of Return		7.75%

RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA.
 Disabled lives are set forward 5 years.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1987-2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

Discount Rate:

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Sponsor's Net Pension Liability	\$ 9,972,424	\$ 5,481,181	\$ 1,894,387

Valuation Date: 10/01/2012

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.
Amortization Method:	Level Dollar, Closed.
Remaining Amortization Period:	29 Years (as of 10/01/2011).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.0% per year.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Salary Increases: 5.0% per year up to the assumed retirement age. Final salary in year of retirement is increased to account for additional non-regular compensation (determined individually).

Interest Rate: 8.0% per year, compounded annually, net of investment related expenses.

Payroll Increase: None.

Retirement Age: Age 60 with 5 years of Credited Service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.

Early Retirement: Commencing upon a member's eligibility for Early Retirement (Age 55 and 5 years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.

Termination Rates: See table below.

Disability Rates: See table below (assumes none are Line-Of-Duty).

Mortality: RP 2000 Combined Healthy (sex distinct), projected to valuation date using scale AA (previously static). Disabled lives are set forward 5 years.

Other Information: Termination and Disability Rate Table.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	17.2%	0.14%
30	15.0%	0.18%
40	8.2%	0.30%
50	1.7%	1.00%
60	1.2%	0.00%

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan

The Plan is administered by a Board of Trustees:

- 1) Two City Council appointees,
- 2) Two Members of the System elected by a majority of the other covered Police Officers, and
- 3) A fifth Member elected by the other four Members.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	27
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	<u>30</u>
	<u>60</u>

Current membership as of September 30, 2014 is comprised of the following:

Retirees receiving benefits	19
Vested terminated employees	4
Beneficiaries	1
Disability benefits	5
DROP	2
Active employees	
Fully-vested	20
Nonvested	10

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Members Hired before December 18, 2013: Earlier of age 45 and the completion of 20 years of Credited Service, or age 55.

Members Hired on and after December 18, 2013: Earlier of age 55 and the completion of 10 years of Credited Service or 25 years of Credited Service regardless of age.

Benefit Amount: Members Hired before December 18, 2013: 3.5% of Average Final Compensation times Credited Service.

Members Hired on and after December 18, 2013: 3.0% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 45 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3.0% per year early.

Vesting (Termination):

Less than 5 years: Refund of Member Contributions.

5 years or more: Accrued benefit payable at age 45 or later, on a reduced basis if to commence prior to Normal Retirement Date or Refund of Member Contributions.

Disability:

Eligibility: a) 10 years of service for non-service related; coverage from date of hire for service-incurred.

b) Total and permanent disability prior to Normal Retirement Date.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Benefit Amount: 3.5% of Average Final Compensation (AFC) times Credited Service, but not less than 60% of AFC for service-incurred disabilities.

Pre-Retirement Death Benefits:

Service-Incurred with Spouse or Dependent Child: To Spouse: 60% of Member's AFC. To each Child (if no spouse): 15% of Member's AFC. Overall maximum benefit to children is 60% of AFC.

Non-Service-Incurred or No Spouse or Children: Value of accrued pension benefit paid to designated beneficiary

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	45.00%
Internation Equity	15.00%
Domestic Fixed Income	27.50%
Global Fixed Income	5.00%
Real Estate	7.50%
Total	100.00%

Concentrations:

The Plan held a 5.1% investment of the Pension Plan's fiduciary net position in Goldman Sachs Fin Sq Treasury Obligation Fund #469.

Rate of Return:

For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.74 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of Normal or Early Retirement requirements (earlier of Age 55, or Age 45 with 20 years of Credited Service).

Participation: Not to exceed 60 months.

Rate of Return: At Member's election:

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.5% per annum compounded monthly.

Members may elect to change form of return one time during the period of DROP participation.

The DROP balance as of September 30, 2014 is \$506,108.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

Total Pension Liability	\$	15,973,772
Plan Fiduciary net position	\$	(14,444,513)
Sponsor's Net Pension Liability	\$	<u>1,529,259</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability		90.43%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	7.00%
Investment Rate of Return	8.00%

RP 2000 Table with no projection – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1991-2009.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

Discount Rate:

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Sponsor's Net Pension Liability	\$ 3,301,258	\$ 1,529,259	\$ 134,646

Valuation Date: 10/01/2012

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Frozen Entry Age Actuarial Cost Method.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	30 Years (as of 10/01/2012).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.0% per year.
Salary Increases:	7.0% per year up to the assumed retirement age. Final salary in year of retirement is increased 20% to account for additional non-regular compensation.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Interest Rate:	8.0% per year, compounded annually, net of investment related expenses.
Payroll Growth:	3.0% per year.
Retirement Age:	Earlier of age 46 and the completion of 21 years of service, or age 56. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing upon a member's eligibility for Early Retirement (Age 45 with 10 years of credited service), Members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.
Termination Rates:	See table below.
Disability Rates:	See table below. It is assumed that 75% of disablements and active Member deaths are service related.
Mortality:	RP 2000 Table with no projection – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.
Other Information:	Termination and Disability Rate Table.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	12.4%	0.03%
30	10.5%	0.04%
40	5.7%	0.07%
50	1.5%	0.18%

(c) Municipal Firefighters' Pension Plan

The Plan is administered by a Board of Trustees:

- 1) Two City Council appointees,
- 2) Two Members of the System elected by a majority of the other covered Firefighters, and
- 3) A fifth Member elected by the other four and appointed by Council.

Plan Membership as of October 1, 2013:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	17
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	1
Active Plan Members	<u>26</u>
	<u>44</u>

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Current membership as of September 30, 2014 is comprised of the following:

Retirees receiving benefits	11
Vested terminated employees	1
Beneficiaries	1
Disability benefits	5
DROP	1
Active employees	
Fully-vested	19
Nonvested	5

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Earlier of age 55 or the completion of 25 years of Credited Service.

Benefit Amount: Members Hired before 10/1/2012: 3.5% of Average Final Compensation times Credited Service.

Members Hired on and after 10/1/2012: 3.0% of Average Final Compensation times Credited Service.

Early Retirement:

Eligibility: Age 45 and 10 years of Credited Service.

Benefit Amount: Accrued benefit, reduced 3.0% per year early.

Vesting (Termination):

Less than 5 years: Refund of Member Contributions.

5 years or more: Accrued benefit payable at age 45 or later, on an actuarially reduced basis if to commence prior to Normal Retirement Date or Refund of Member Contributions.

Disability:

Eligibility: a) 10 years of service for non-service related; coverage from date of hire for service-incurred.

b) Total and permanent disability prior to Normal Retirement Date.

Benefit Amount: 3.5% (3.00% if hired on or after 10/1/2012) of Average Final Compensation (AFC) times Credited Service, but not less than 60% of AFC for service related disabilities, or 25% of AFC for non-service related disabilities.

Death Benefits:

Pre-Retirement Service-Incurred with Spouse or Dependent Child: To Spouse: 60% of Member's Average Final Compensation (AFC).

To each Child (if no spouse): 15% of Member's AFC. Overall maximum benefit to children is 60% of AFC.

Pre-Retirement Non-Service-Incurred or No Spouse or Children: Value of accrued pension benefit paid to designated beneficiary

Contributions

Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2014:

Asset Class	Target Allocation
Domestic Equity	50.00%
Internation Equity	15.00%
Domestic Fixed Income	20.00%
Global Fixed Income	5.00%
Real Estate	10.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2014 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 8.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: 25 years of Credited Service with the City or Normal Retirement Age.

Participation: Not to exceed 60 months.

The DROP balance as of September 30, 2014 is \$96,777.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2014 were as follows:

Total Pension Liability	\$ 12,601,800
Plan Fiduciary net position	\$ (10,361,947)
Sponsor's Net Pension Liability	\$ 2,239,853
Plan Fiduciary Net Position as a percentage of Total Pension Liability	82.23%

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2013 updated to September 30, 2014 using the following actuarial assumptions applied to all measurement periods.

Inflation	3.00%
Salary Increases	6.00%
Investment Rate of Return	8.00%

RP 2000 (combined healthy with no projection) – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.

The actuarial assumptions used in the October 1, 2013 valuation were based on the results of an actuarial experience study for the period 1987-2009.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
Domestic Equity	7.50%
International Equity	8.50%
Domestic Fixed Income	2.50%
Global Fixed Income	3.50%
Real Estate	4.50%

Discount Rate:

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
Sponsor's Net Pension Liability	\$ 3,735,370	\$ 2,239,853	\$ 1,018,984

Valuation Date: 10/01/2012
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Actuarial Cost Method.
Amortization Method:	Level Percentage of Pay, Closed.
Remaining Amortization Period:	26 Years (as of 10/01/2011).
Asset Valuation Method:	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.
Inflation:	3.0% per year.
Salary Increases:	6.0% per year up to the assumed retirement age. Final salary in year of retirement is increased 20% (changed to individual amount with Impact Statement) to account for additional non-regular compensation.
Interest Rate:	8.0% per year, compounded annually, net of investment related expenses.
Payroll Growth:	5.0% per year.
Retirement Age:	Earlier of age 55 or the completion of 25 years of service. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing upon a member's eligibility for Early Retirement (Age 45 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year.
Termination Rates:	See table below.
Disability Rates:	See table below.
Mortality:	RP 2000 (combined healthy with no projection) – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. Disabled lives set forward 5 years.
Other Information:	Termination and Disability Rate Table.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	6.0%	0.03%
30	5.0%	0.04%
40	2.6%	0.07%
50	0.8%	0.18%

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 \$1,678,436, Municipal Police Officers' pension plan \$705,375 and Municipal Firefighters' pension plan \$645,368 for fiscal year ended September 30, 2014.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2012 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, 2012 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 28 years for the General Employees', 30 years for Municipal Police Officers' and 25 years for Municipal Firefighters' plans (as of 10/01/12).

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 89 through 92 of the City's Comprehensive Annual Financial Report.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2014 were as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ASSETS				
Cash and cash equivalents	\$ 2,691,235	\$ 733,743	\$ 179,826	\$ 3,604,804
Receivables: Investment income	89,222	46,562	3,527	139,311
Investments, at fair value				
U.S. Bonds and Bills	1,017,231	245,073	-	1,262,304
Federal Agency Guaranteed Securities	413,814	208,057	-	621,871
Corporate Bonds	7,701,680	3,081,552	-	10,783,232
Stocks	22,516,425	6,658,337	2,776,474	31,951,236
Municipal Obligations	359,294	215,255	-	574,549
Mutual Funds				
Fixed Income	-	693,039	2,573,071	3,266,110
Equity	-	1,490,354	3,970,939	5,461,293
Mutual Funds: Real Estate Pooled/Common/Commingled Funds: Real Estate	1,699,851	-	-	1,699,851
	-	1,072,541	961,098	2,033,639
Total investments at fair value	<u>33,708,295</u>	<u>13,664,208</u>	<u>10,281,582</u>	<u>57,654,085</u>
Total assets	<u>36,488,752</u>	<u>14,444,513</u>	<u>10,464,935</u>	<u>61,398,200</u>
LIABILITIES				
Payables				
Refunds of Member Contributions	-	-	102,987	102,987
Benefit payments	679	-	-	679
Total liabilities	<u>679</u>	<u>-</u>	<u>102,987</u>	<u>103,666</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$36,488,073</u>	<u>\$14,444,513</u>	<u>\$10,361,948</u>	<u>\$61,294,534</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2014 was as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
ADDITIONS				
Contributions				
Employer	\$ 1,956,900	\$ 548,794	\$ 460,347	\$ 2,966,041
Plan Members	478,707	147,103	140,886	766,696
State	-	173,165	247,646	420,811
Total contributions	<u>2,435,607</u>	<u>869,062</u>	<u>848,879</u>	<u>4,153,548</u>
Investment income				
Net appreciation in fair value of investments	2,564,914	1,014,723	617,554	4,197,191
Interest and dividends	741,212	338,377	224,317	1,303,906
Less investment expense ¹	<u>(223,240)</u>	<u>(87,437)</u>	<u>(42,070)</u>	<u>(352,747)</u>
Net investment income	<u>3,082,886</u>	<u>1,265,663</u>	<u>799,801</u>	<u>5,148,350</u>
Total additions	<u>5,518,493</u>	<u>2,134,725</u>	<u>1,648,680</u>	<u>9,301,898</u>
DEDUCTIONS				
Benefit payments, including refunds of member contributions	1,540,895	556,226	518,074	2,615,195
Lump sum DROP distributions	232,572	166,617	22,304	421,493
Administrative expense	<u>32,788</u>	<u>14,495</u>	<u>39,889</u>	<u>87,172</u>
Total deductions	<u>1,806,255</u>	<u>737,338</u>	<u>580,267</u>	<u>3,123,860</u>
Net increase in net position	3,712,238	1,397,387	1,068,413	6,178,038
NET POSITION RESTRICTED FOR PENSIONS				
Beginning of year	<u>32,775,835</u>	<u>13,047,126</u>	<u>9,293,535</u>	<u>55,116,496</u>
End of year	<u>\$ 36,488,073</u>	<u>\$ 14,444,513</u>	<u>\$ 10,361,948</u>	<u>\$ 61,294,534</u>

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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			
9/30/2014	\$ 1,678,436	117%	\$ (278,578)
9/30/2013	1,745,226	100%	(114)
9/30/2012	1,543,335	100%	(121)
Municipal Police Officers' pension plan			
9/30/2014	\$ 705,375	102%	\$ (34,555)
9/30/2013	632,124	100%	(17,970)
9/30/2012	550,628	100%	(19,429)
Municipal Firefighters' pension plan			
9/30/2014	\$ 645,368	104%	\$ (42,325)
9/30/2013	638,724	100%	(17,940)
9/30/2012	594,191	100%	(19,085)

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

	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>
Actuarially Determined			
Contribution (A)	\$ 1,678,429	\$ 1,745,219	\$ 1,543,331
Interest on NPO	(9)	(10)	(10)
Adjustment to (A)	16	17	14
Annual Pension Cost	1,678,436	1,745,226	1,543,335
Contributions Made	1,956,900	1,745,219	1,543,331
Increase (Decrease) in NPO	(278,464)	7	4
NPO Beginning of Year	(114)	(121)	(125)
NPO End of Year	<u>\$ (278,578)</u>	<u>\$ (114)</u>	<u>\$ (121)</u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>
Actuarially Determined			
Contribution (A)	\$ 704,255	\$ 630,665	\$ 548,848
Interest on NPO	(1,438)	(1,554)	(1,697)
Adjustment to (A)	<u>2,558</u>	<u>3,013</u>	<u>3,477</u>
Annual Pension Cost	705,375	632,124	550,628
Contributions Made	<u>721,959</u>	<u>630,665</u>	<u>548,848</u>
Increase in NPO	(16,584)	1,459	1,780
NPO Beginning of Year	<u>(17,970)</u>	<u>(19,429)</u>	<u>(21,209)</u>
NPO End of Year	<u><u>\$ (34,554)</u></u>	<u><u>\$ (17,970)</u></u>	<u><u>\$ (19,429)</u></u>

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

	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>
Actuarially Determined			
Contribution (A)	\$ 644,773	\$ 638,092	\$ 593,537
Interest on NPO	(1,435)	(1,527)	(1,579)
Adjustment to (A)	<u>2,030</u>	<u>2,159</u>	<u>2,233</u>
Annual Pension Cost	645,368	638,724	594,191
Contributions Made	<u>669,753</u>	<u>637,579</u>	<u>593,537</u>
Increase (Decrease) in NPO	(24,385)	1,145	654
NPO Beginning of Year	<u>(17,940)</u>	<u>(19,085)</u>	<u>(19,739)</u>
NPO End of Year	<u><u>\$ (42,325)</u></u>	<u><u>\$ (17,940)</u></u>	<u><u>\$ (19,085)</u></u>

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Funding status and funding progress as of October 1, 2014 for all plans

	General Employees	Police Officers'	Firefighters'
Actuarial accrued liability (AAL)	\$41,969,254	\$15,973,772	\$ 12,601,800
Actuarial value of plan assets	36,488,073	14,444,513	10,361,947
Unfunded actuarial accrued liability (UAAL)	5,481,181	1,529,259	2,239,853
Funded ratio (actuarial value of plan assets/AAL)	86.94%	90.43%	82.23%
Covered payroll (active plan members)	5,909,963	1,838,786	1,575,575
UAAL as a percentage of covered payroll	92.74%	83.17%	142.16%

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 and Police Officers' Plan

Goldman Sachs Fin Sq Treasury

Obligation Administration Fund #469 7.4% and 5.1% 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, 2014 is \$99,146, which includes City and Employee Contributions as well as earnings for the year. Two members are vested with a total account balance of \$21,687. This is included in the amount above. The total number of Plan members was twenty-eight as of September 30, 2014.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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, 2014

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)
10/1/2013 *	N/A	N/A	N/A	N/A	N/A	N/A

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2014

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
09/30/14	N/A	N/A	N/A

(A schedule of funding progress is presented on page 87.)

Valuation Date Applicable for Fiscal Year Ending	10/1/2013 9/30/2014	10/1/2012 9/30/2013
Annual Required Contribution	N/A	\$ 429,470
Intersect on Net OPEB Obligation	N/A	20,927
Adjustment to Annual Required Contribution	N/A	(18,107)
Annual OPEB Cost/(Expense)	N/A	\$ 432,290
Estimated Contributions Made	N/A	(113,179)
Anticipated Increase/(Decrease) in Net OPEB Obligation	N/A	\$ 319,111
Net OPEB Obligation -- Beginning of Year	N/A	343,350
Adjustment to Book Value October 1	N/A	121,698
Estimated Net OPEB Obligation -- End of Year	N/A	\$ 784,159
Funded Status as of:	10/1/2013	10/1/2012
Actuarial Accrued Liability (AAL)	N/A	\$ 4,285,149
Actuarial Value of Assets (AVA)	N/A	0
Unfunded Actuarial Accrued Liability *UAAL)		\$ 4,285,149
Funded Ratio	0.0%	0.0%
Covered Payroll	N/A	12,478,406
Ratio of UAAL to Covered Payroll	N/A	34.3%

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, 2014

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

<u>Schedule of Funding Progress</u>						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2013	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2012	\$ -0-	\$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

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, 2014

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2014, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 7,831
Administrative Charges	2,694,492
Other	400,542
	<u>3,102,865</u>
<u>Community Redevelopment Agency</u>	
Interest	2,329
Other	233,516
	<u>235,845</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	1,041
Service Assessments	2,611,222
Other	32,433
	<u>2,644,696</u>
<u>Capital Project Fund</u>	
Interest	856
Other	26,031
	<u>26,887</u>
<u>Impact Fees - Transportation</u>	
Interest	144
Impact Fees	37,515
	<u>37,659</u>
<u>Other Governmental Funds</u>	
Interest	1,121
Service Assessments	415,103
Impact Fees	67,110
Other	192,123
	<u>675,457</u>
	<u><u>\$ 6,723,409</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information for Pension Plans

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF FUNDING PROGRESS
September 30, 2014

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						
10/01/14	\$ 36,488,073	\$ 41,969,254	\$ 5,481,181	86.94%	\$5,909,963	92.74%
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%
Municipal Police Officers' Pension Plan						
10/01/14	\$ 14,444,513	\$ 15,973,772	\$ 1,529,259	90.43%	\$1,838,786	83.17%
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%
Municipal Firefighters' Pension Plan						
10/01/14	\$ 10,361,947	\$ 12,601,800	\$ 2,239,853	82.23%	\$1,575,575	142.16%
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%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES
September 30, 2014

<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				
2014	\$ 1,678,429	\$ 1,956,900	\$ -	116.59%
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%
Municipal Police Officers' Pension Plan				
2014	\$ 704,255	\$ 548,795	\$ 173,165	102.48%
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%
Municipal Firefighters' Pension Plan				
2014	\$ 609,088	\$ 460,347	\$ 209,406 *	109.96%
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%

* "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, 2014

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan
* Valuation Date	10/01/12	10/01/12	10/01/12
Actuarial Cost Method	Entry age normal	Frozen entry age	Entry age normal
Amortization Method	Level dollar, closed	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	28 years (at 10/1/12)	30 years (at 10/1/12)	25 years (at 10/1/12)
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%
Post retirement COLA	0.0%	0.0%	0.0%

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

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF INVESTMENT RETURNS
Last 4 Fiscal Years

Municipal General Employees' Pension				
	<u>09/30/2014</u>	<u>09/30/2013</u>	<u>09/30/2012</u>	<u>09/30/2011</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	9.33%	13.68%	19.33%	-1.14%
 Municipal Police Officers' Pension				
	<u>09/30/2014</u>	<u>09/30/2013</u>	<u>09/30/2012</u>	<u>09/30/2011</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	9.74%	12.92%	15.65%	-2.59%
 Municipal Firefighters' Pension				
	<u>09/30/2014</u>	<u>09/30/2013</u>	<u>09/30/2012</u>	<u>09/30/2011</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	8.50%	14.74%	16.63%	-1.45%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Municipal General Employees' Pension	<u>09/30/2014</u>
Total Pension Liability	
Service Cost	\$ 1,073,877
Interest	3,082,449
Change in Excess State Money	-
Share Plan Allocation	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,773,467)</u>
Net Change in Total Pension Liability	2,382,859
Total Pension Liability - Beginning	39,586,395
Total Pension Liability - Ending (a)	<u><u>\$ 41,969,254</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	1,956,900
Contributions - State	-
Contributions - Employee	478,707
Net Investment income	3,082,886
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,773,467)</u>
Administrative Expense	(32,788)
Other	-
Net Change in Plan Fiduciary Net Position	<u>3,712,238</u>
 Plan Fiduciary Net Position - Beginning	<u>32,775,835</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 36,488,073</u></u>
 Net Pension Liability - Ending (a) - (b)	<u><u>\$ 5,481,181</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.94%
 Covered Employee Payroll	\$ 5,909,963
Net Pension Liability as a Percentage of covered Employee Payroll	92.74%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Municipal Police Officers' Pension		<u>09/30/2014</u>
Total Pension Liability		
Service Cost	\$	526,910
Interest		1,210,004
Change in Excess State Money		-
Share Plan Allocation		-
Changes of Benefit Terms		
Differences Between Expected and Actual Experience		-
Changes of Assumptions		-
Benefit Payments, Including Refunds of Employee Contributions		(722,843)
Net Change in Total Pension Liability		<u>1,014,071</u>
Total Pension Liability - Beginning		14,959,701
Total Pension Liability - Ending (a)	\$	<u><u>15,973,772</u></u>
Plan Fiduciary Net Position		
Contributions - Employer		548,795
Contributions - State		173,165
Contributions - Employee		147,103
Net Investment income		1,265,663
Benefit Payments, Including Refunds of Employee Contributions		(722,843)
Administrative Expense		(14,496)
Other		-
Net Change in Plan Fiduciary Net Position		<u>1,397,387</u>
Plan Fiduciary Net Position - Beginning		<u>13,047,126</u>
Plan Fiduciary Net Position - Ending (b)	\$	<u><u>14,444,513</u></u>
Net Pension Liability - Ending (a) - (b)	\$	<u><u>1,529,259</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		90.43%
Covered Employee Payroll	\$	1,838,786
Net Pension Liability as a Percentage of covered Employee Payroll		83.17%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Municipal Firefighters' Pension	<u>09/30/2014</u>
Total Pension Liability	
Service Cost	\$ 433,718
Interest	949,706
Change in Excess State Money	-
Share Plan Allocation	38,240
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(540,379)</u>
Net Change in Total Pension Liability	881,285
Total Pension Liability - Beginning	<u>11,720,515</u>
Total Pension Liability - Ending (a)	<u><u>\$ 12,601,800</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	460,347
Contributions - State	247,646
Contributions - Employee	140,886
Net Investment income	799,801
Benefit Payments, Including Refunds of Employee Contributions	(540,379)
Administrative Expense	(39,889)
Other	-
Net Change in Plan Fiduciary Net Position	<u>1,068,412</u>
 Plan Fiduciary Net Position - Beginning	<u>9,293,535</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 10,361,947</u></u>
 Net Pension Liability - Ending (a) - (b)	<u><u>\$ 2,239,853</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.23%
 Covered Employee Payroll	\$ 1,575,575
Net Pension Liability as a Percentage of covered Employee Payroll	142.16%

CITY OF PUNTA GORDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS

Municipal General Employees' Pension	
	<u>09/30/2014</u>
Actuarially Determined Contribution	\$ 1,678,429
Contributions in Relation to the Actuarially Determined Contributions	<u>1,956,900</u>
Contribution Deficiency (Excess)	<u>\$ (278,471)</u>
Covered Employee Payroll	\$ 5,909,963
Contributions as a Percentage of Covered Employee Payroll	33.11%
Municipal Police Officers' Pension	
	<u>09/30/2014</u>
Actuarially Determined Contribution	\$ 704,255
Contributions in Relation to the Actuarially Determined Contributions	<u>721,959</u>
Contribution Deficiency (Excess)	<u>\$ (17,704)</u>
Covered Employee Payroll	\$ 1,838,786
Contributions as a Percentage of Covered Employee Payroll	39.26%
Municipal Firefighters' Pension	
	<u>09/30/2014</u>
Actuarially Determined Contribution	\$ 644,773
Contributions in Relation to the Actuarially Determined Contributions	<u>669,753</u>
Contribution Deficiency (Excess)	<u>\$ (24,980)</u>
Covered Employee Payroll	\$ 1,575,575
Contributions as a Percentage of Covered Employee Payroll	42.51%

CITY OF PUNTA GORDA
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
September 30, 2014

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>
9/30/2014	N/A	N/A	N/A
9/30/2013	\$ 432,290	26.2%	\$ 784,159
9/30/2012	232,316	47.6%	465,048

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>
10/1/2013	N/A	N/A	N/A	N/A	N/A	N/A
10/1/2012	\$ -0-	\$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

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.

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, 2014

	Special Revenue Funds		
	CDBG Fund	Impact Fees Parks	Damage Recovery Fund
ASSETS:			
Cash and cash equivalents	\$ -	\$151,359	\$ 550,584
Due from other governments	55	-	-
Total Assets	\$ 55	\$151,359	\$ 550,584
 LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 55	\$ -	\$ -
Retainage payable	-	-	-
Total Liabilities	55	-	-
Fund Balances:			
Nonspendable:			
Permanent fund principal	-	-	-
Restricted for:			
Transportation	-	-	-
Recreation	-	151,359	-
Committed for:			
Damages or one-time expenditures	-	-	550,584
Total Fund Balances	-	151,359	550,584
Total Liabilities and Fund Balances	\$ 55	\$151,359	\$ 550,584

Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental
BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Gilchrist Intention Fund	
\$ 219,123	\$ 553,385	\$ 217,993	\$ 5,061	\$ 1,697,505
5,338	20,782	55,137	-	81,312
<u>\$ 224,461</u>	<u>\$ 574,167</u>	<u>\$ 273,130</u>	<u>\$ 5,061</u>	<u>\$ 1,778,817</u>
\$ 32,653	\$ 2,475	\$ 47,510	\$ -	\$ 82,693
18,607	275	-	-	18,882
<u>51,260</u>	<u>2,750</u>	<u>47,510</u>	<u>-</u>	<u>101,575</u>
-	-	-	5,061	5,061
-	571,417	225,620	-	797,037
173,201	-	-	-	324,560
-	-	-	-	550,584
<u>173,201</u>	<u>571,417</u>	<u>225,620</u>	<u>5,061</u>	<u>1,677,242</u>
<u>\$ 224,461</u>	<u>\$ 574,167</u>	<u>\$ 273,130</u>	<u>\$ 5,061</u>	<u>\$ 1,778,817</u>

CITY OF PUNTA GORDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2014

	Special Revenue Funds		
	CDBG Fund	Impact Fees Parks	Damage Recovery Fund
Revenues:			
Intergovernmental	\$ 41,790	\$ -	\$ 16,018
Miscellaneous	-	67,249	-
Total revenues	<u>41,790</u>	<u>67,249</u>	<u>16,018</u>
Expenditures:			
Current:			
Transportation	-	-	-
Economic environment	41,790	-	-
Recreation	-	-	-
Total expenditures	<u>41,790</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>67,249</u>	<u>16,018</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	(3,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(3,000)</u>	<u>-</u>
Net change in fund balances	-	64,249	16,018
Fund Balances, October 1, 2013	<u>-</u>	<u>87,110</u>	<u>534,566</u>
Fund Balances, September 30, 2014	<u>\$ -</u>	<u>\$ 151,359</u>	<u>\$ 550,584</u>

Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental
BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Gilchrist Intention Fund	
\$ -	\$ 259,217	\$ 548,919	\$ -	\$ 865,944
415,529	334	192,337	8	675,457
<u>415,529</u>	<u>259,551</u>	<u>741,256</u>	<u>8</u>	<u>1,541,401</u>
-	176,617	738,634	-	915,251
-	-	-	-	41,790
411,156	-	-	-	411,156
<u>411,156</u>	<u>176,617</u>	<u>738,634</u>	<u>-</u>	<u>1,368,197</u>
4,373	82,934	2,622	8	173,204
-	355,000	2,000	-	357,000
-	-	-	-	(3,000)
-	<u>355,000</u>	<u>2,000</u>	-	<u>354,000</u>
4,373	437,934	4,622	8	527,204
<u>168,828</u>	<u>133,483</u>	<u>220,998</u>	<u>5,053</u>	<u>1,150,038</u>
<u>\$ 173,201</u>	<u>\$ 571,417</u>	<u>\$ 225,620</u>	<u>\$ 5,061</u>	<u>\$ 1,677,242</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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 67,070	\$ 126,127	\$ 41,790	\$ (84,337)
Total revenues	<u>67,070</u>	<u>126,127</u>	<u>41,790</u>	<u>(84,337)</u>
Expenditures				
Current				
Economic environment	67,070	126,127	41,790	84,337
Total expenditures	<u>67,070</u>	<u>126,127</u>	<u>41,790</u>	<u>84,337</u>
Revenues over expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, October 1, 2013			-	
Fund balances, September 30, 2014			<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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 35,000	\$ 35,000	\$ 67,249	\$ 32,249
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>67,249</u>	<u>32,249</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>35,000</u>	<u>35,000</u>	<u>67,249</u>	<u>32,249</u>
Other financing uses				
Transfers out	<u>35,000</u>	<u>49,852</u>	<u>(3,000)</u>	<u>46,852</u>
Total other financing uses	<u>35,000</u>	<u>49,852</u>	<u>(3,000)</u>	<u>46,852</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (14,852)</u>	64,249	<u>\$ 79,101</u>
Fund balances, October 1, 2013			<u>87,110</u>	
Fund balances, September 30, 2014			<u>\$ 151,359</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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 415,300	\$ 415,300	\$ 415,529	\$ 229
Total revenues	415,300	415,300	415,529	229
Expenditures				
Current				
Recreation	481,642	481,642	411,156	70,486
Total expenditures	481,642	481,642	411,156	70,486
Revenues over (under) expenditures	(66,342)	(66,342)	4,373	70,715
Net change in fund balance	<u>\$ (66,342)</u>	<u>\$ (66,342)</u>	4,373	<u>\$ 70,715</u>
Fund balances, October 1, 2013			168,828	
Fund balances, September 30, 2014			<u>\$ 173,201</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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 245,000	\$ 245,000	\$ 259,217	\$ 14,217
Miscellaneous	-		334	334
Total revenues	<u>245,000</u>	<u>245,000</u>	<u>259,551</u>	<u>14,551</u>
Expenditures				
Current				
Transportation	<u>600,000</u>	<u>724,122</u>	<u>176,617</u>	<u>547,505</u>
Total expenditures	<u>600,000</u>	<u>724,122</u>	<u>176,617</u>	<u>547,505</u>
Revenues over (under) expenditures	<u>(355,000)</u>	<u>(479,122)</u>	<u>82,934</u>	<u>562,056</u>
Other financing sources				
Transfers in	<u>355,000</u>	<u>355,000</u>	<u>355,000</u>	-
Total other financing sources	<u>355,000</u>	<u>355,000</u>	<u>355,000</u>	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (124,122)</u>	437,934	<u>\$ 562,056</u>
Fund balances, October 1, 2013			<u>133,483</u>	
Fund balances, September 30, 2014			<u>\$ 571,417</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, 2014

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 532,000	\$ 532,000	\$ 548,919	\$ 16,919
Miscellaneous	166,637	175,768	192,337	16,569
Total revenues	<u>698,637</u>	<u>707,768</u>	<u>741,256</u>	<u>33,488</u>
Expenditures				
Current				
Transportation	<u>723,885</u>	<u>786,016</u>	<u>738,634</u>	<u>47,382</u>
Total expenditures	<u>723,885</u>	<u>786,016</u>	<u>738,634</u>	<u>47,382</u>
Revenues over (under) expenditures	<u>(25,248)</u>	<u>(78,248)</u>	<u>2,622</u>	<u>80,870</u>
Other financing sources				
Transfers in	<u>-</u>	<u>3,000</u>	<u>2,000</u>	<u>(1,000)</u>
Total other financing sources	<u>-</u>	<u>3,000</u>	<u>2,000</u>	<u>(1,000)</u>
Net change in fund balance	<u>\$ (25,248)</u>	<u>\$ (75,248)</u>	4,622	<u>\$ 79,870</u>
Fund balances, October 1, 2013			<u>220,998</u>	
Fund balances, September 30, 2014			<u>\$ 225,620</u>	

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, 2014

	<u>Information Technology</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 363,232
Accounts receivable	3,007
Prepaid expense	14,306
Total current assets	<u>380,545</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	<u>341,039</u>
Total noncurrent assets	<u>341,039</u>
Total assets	<u>721,584</u>
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts payable	23,531
Current portion compensated absences	943
Accrued liabilities	14,028
Total current liabilities	<u>38,502</u>
Noncurrent Liabilities	
Accrued compensated absences	8,486
Other postemployment benefits payable	13,768
Total noncurrent liabilities	<u>22,254</u>
Total liabilities	<u>60,756</u>
NET POSITION	
Net investment in capital assets	341,039
Unrestricted	319,789
Total net position	<u>\$ 660,828</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, 2014

	<u>Information Technology</u>
Operating Revenues	
Charges for services	\$ 1,011,587
Miscellaneous	<u>2,906</u>
Total operating revenues	<u>1,014,493</u>
Operating Expenses	
Personal services	341,570
Contractual services	85,051
Materials and supplies	7,975
Utilities	4,684
Depreciation	154,794
Insurance	42,997
Repairs and maintenance	268,566
Travel and training	7,757
Rent	<u>62,368</u>
Total operating expenses	<u>975,762</u>
Operating gain	<u>38,731</u>
Nonoperating revenues	
Interest income	<u>219</u>
Total nonoperating revenues	<u>219</u>
Change in net position	38,950
Net position - beginning	<u>621,878</u>
Net position - ending	<u><u>\$ 660,828</u></u>

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2014

	<u>Information Technology</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from services provided	\$ 1,011,587
Cash payments to suppliers for goods and services	(513,447)
Cash payments to employees for services	(341,711)
Other receipts	4,070
Net cash used in operating activities	<u>160,499</u>
CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of property, plant, and equipment	<u>(105,988)</u>
Net cash used in capital and related financing activities	<u>(105,988)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>219</u>
Net cash provided by investing activities	<u>219</u>
Net increase in cash and cash equivalents	54,730
Cash and cash equivalents at beginning of year	<u>308,502</u>
Cash and cash equivalents at end of year	<u><u>\$ 363,232</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating gain	\$ 38,731
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	154,794
Net (increase) decrease in:	
Accounts receivable	1,164
Prepaid expense	(14,306)
Net increase (decrease) in:	
Accounts payable	(19,743)
Accrued liabilities	(141)
Net cash provided by operating activities	<u><u>\$ 160,499</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Disposal of fully depreciated capital assets	\$ 11,854

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	108
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	113
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	117
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	121
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	123
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			
	2014	2013	2012	2011
Governmental activities				
Net Investment in capital assets	\$ 45,244,762	\$ 43,711,445	\$ 41,531,906	\$ 40,912,696
Restricted	5,112,090	4,945,700	6,870,015	5,811,609
Unrestricted	3,017,663	2,466,809	2,320,145	4,591,120
Total governmental activities net position	<u>\$ 53,374,515</u>	<u>\$ 51,123,954</u>	<u>\$ 50,722,066</u>	<u>\$ 51,315,425</u>
Business-type activities				
Net Investment in capital assets	\$ 50,177,751	\$ 47,680,340	\$ 44,351,423	\$ 40,596,997
Restricted	374,737	3,534,634	4,314,817	3,326,147
Unrestricted	7,996,830	5,486,147	5,427,068	8,924,351
Total business-type activities net position	<u>\$ 58,549,318</u>	<u>\$ 56,701,121</u>	<u>\$ 54,093,308</u>	<u>\$ 52,847,495</u>
Primary government				
Net Investment in capital assets	\$ 95,422,513	\$ 91,391,785	\$ 85,883,329	\$ 81,509,693
Restricted	5,486,827	8,480,334	11,184,832	9,137,756
Unrestricted	11,014,493	7,952,956	7,747,213	13,515,471
Total primary government net position	<u>\$111,923,833</u>	<u>\$107,825,075</u>	<u>\$104,815,374</u>	<u>\$104,162,920</u>

Per the Statement of Net Position

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 41,789,787	\$ 34,583,793	\$ 22,648,403	\$ 33,056,270	\$ 26,355,360	\$ 28,455,370
6,651,036	12,319,882	16,564,079	4,752,331	5,258,454	3,878,852
3,947,931	1,908,437	5,654,823	7,464,821	7,669,666	3,283,673
<u>\$ 52,388,754</u>	<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>
\$ 40,092,054	\$ 36,108,108	\$ 34,966,838	\$ 28,147,738	\$ 25,671,970	\$ 25,258,114
3,906,859	8,085,297	10,545,071	10,821,837	7,632,554	8,136,448
8,205,482	8,293,575	7,746,315	11,059,075	15,001,540	10,925,707
<u>\$ 52,204,395</u>	<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>
\$ 81,881,841	\$ 70,691,901	\$ 57,615,241	\$ 61,204,008	\$ 52,027,330	\$ 53,713,484
10,557,895	20,405,179	27,109,150	15,574,168	12,891,008	12,015,300
12,153,413	10,202,012	13,401,138	18,523,896	22,671,206	14,209,380
<u>\$ 104,593,149</u>	<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>

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2014	2013	2012	2011
Expenses				
Governmental activities:				
General government	\$ 3,104,181	\$ 3,700,758	\$ 3,761,601	\$ 3,789,465
Public safety	9,545,036	8,963,993	8,831,471	8,575,957
Transportation	2,521,786	3,135,032	2,794,684	2,928,550
Economic environment	369,530	315,774	247,121	409,960
Recreation	4,903,586	4,957,977	4,785,081	5,298,806
Storm related event	-	-	-	-
Interest on long-term debt	511,552	861,963	961,431	1,018,596
Total governmental activities expenses	<u>20,955,671</u>	<u>21,935,497</u>	<u>21,381,389</u>	<u>22,021,334</u>
Business-type activities:				
Water and wastewater	14,178,055	14,502,662	14,535,733	14,980,052
Sanitation/refuse	2,828,035	2,801,361	2,726,802	2,583,077
Building Fund	617,141	578,421	538,982	524,200
Marina Fund	313,107	262,959	245,701	243,105
Total business-type activities expenses	<u>17,936,338</u>	<u>18,145,403</u>	<u>18,047,218</u>	<u>18,330,434</u>
Total primary government expenses	<u>\$ 38,892,009</u>	<u>\$ 40,080,900</u>	<u>\$ 39,428,607</u>	<u>\$ 40,351,768</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 1,831,762	\$ 1,610,489	\$ 1,574,413	\$ 1,656,887 ¹
Public Safety	18,000	13,109	12,730	13,939
Transportation	181,993	164,868	161,386	152,488
Recreation	3,026,325	3,027,570	3,027,944	3,026,319
Operating grants and contributions	581,741	578,158	630,204	1,023,291
Capital grants and contributions	2,423,487	2,066,261	1,224,478	1,893,746
Intergovernmental revenues	-	-	-	-
Total governmental activities program revenues	<u>8,063,308</u>	<u>7,460,455</u>	<u>6,631,155</u>	<u>7,766,670</u>
Business-type activities:				
Charges for Services:				
Water and Sewer	14,787,349	14,725,171	14,718,754	14,740,246
Sanitation/refuse	2,975,695	2,943,612	2,926,609	2,913,888
Building Fund	720,922	700,241	498,327	476,797
Marina Fund	311,782	234,247	221,764	205,486
Operating grants and contributions	30,312	-	5,349	-
Capital grants and contributions	737,575	2,000,105	753,196	503,116
Total business-type activities program revenues	<u>19,563,635</u>	<u>20,603,376</u>	<u>19,123,999</u>	<u>18,839,533</u>
Total primary government program revenues	<u>\$ 27,626,943</u>	<u>\$ 28,063,831</u>	<u>\$ 25,755,154</u>	<u>\$ 26,606,203</u>

Fiscal Year					
2010	2009	2008	2007	2006	2005
\$ 3,932,729	\$ 4,206,952	\$ 5,058,263	\$ 4,171,880	\$ 3,279,077	\$ 3,818,813
8,608,147	8,284,731	8,475,071	8,324,762	7,500,777	7,608,668
2,671,254	2,489,020	2,501,444	3,632,732	2,870,066	2,068,295
280,643	105,296	1,549,851	521,498	608,842	501,182
4,799,940	4,545,088	4,914,306	5,346,971	4,929,326	3,729,535
-	-	-	-	-	2,855,483
1,158,268	892,524	349,841	361,620	304,843	203,138
<u>21,450,981</u>	<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>
14,169,605	16,219,660	15,761,078	15,848,537	14,171,524	12,546,070
2,644,978	2,653,853	2,697,547	2,696,303	2,722,014	2,463,665
756,813	878,240	900,760	1,071,282	1,219,504	-
226,092	184,295	214,506	114,477	-	-
<u>17,797,488</u>	<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>\$ 39,248,469</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>
\$ 1,733,185	\$ 447,370	\$ 494,777	\$ 521,702	\$ 602,994	\$ 279,712
11,244	42,485	46,151	37,316	72,032	2,604,091
133,718	131,063	-	-	-	142,322
3,017,860	2,497,317	2,497,130	2,509,787	2,649,555	2,056,033
604,884	572,143	546,568	586,303	565,166	3,216,534
5,506,701	4,674,346	2,497,389	4,312,306	3,312,120	1,223,665
-	-	-	-	-	-
<u>11,007,592</u>	<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>
13,433,435	13,555,767	11,644,843	12,235,089	11,936,777	11,239,816
2,871,430	2,886,005	2,837,053	2,828,985	2,718,416	2,344,094
481,971	393,770	778,176	1,044,109	1,878,408	-
235,027	202,033	216,771	104,320	-	-
-	-	-	61,480	9,322	16,190
<u>345,518</u>	<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>17,367,381</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>\$ 28,374,973</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>

(continued)

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued)

	Fiscal Year			
	2014	2013	2012	2011
Net (Expense)/Revenue				
Government activities	\$ (12,892,363)	\$ (14,475,042)	\$ (14,750,234)	\$ (14,254,664)
Business type activities	1,627,297	2,457,973	1,076,781	509,099
Total primary government net expense	<u>\$ (11,265,066)</u>	<u>\$ (12,017,069)</u>	<u>\$ (13,673,453)</u>	<u>\$ (13,745,565)</u>
General Revenues and Other Changes in Net Position				
Government activities:				
Property taxes	\$ 7,113,559	\$ 7,126,709	\$ 6,239,901	\$ 6,427,277
Franchise fees and other taxes	-	-	-	-
Utility taxes and gas taxes	3,944,839	3,839,081	3,732,770	3,631,650
Sales taxes	3,430,409	3,194,173	3,016,077	2,888,533
Investment earnings	13,322	19,477	32,632	30,563
Miscellaneous	640,795	697,490	1,135,495	203,312
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>15,142,924</u>	<u>14,876,930</u>	<u>14,156,875</u>	<u>13,181,335</u>
Business-type activities:				
Franchise fees and other taxes	-	-	-	-
Investment earnings	12,192	18,180	23,047	26,601
Miscellaneous	208,708	131,660	145,985	107,400
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>220,900</u>	<u>149,840</u>	<u>169,032</u>	<u>134,001</u>
Total primary government	<u>\$ 15,363,824</u>	<u>\$ 15,026,770</u>	<u>\$ 14,325,907</u>	<u>\$ 13,315,336</u>
Change in Net Position				
Governmental activities	\$ 2,250,561	\$ 401,888	\$ (593,359)	\$ (1,073,329)
Business-type activities	1,848,197	2,607,813	1,245,813	643,100
Total primary government	<u>\$ 4,098,758</u>	<u>\$ 3,009,701</u>	<u>\$ 652,454</u>	<u>\$ (430,229)</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					
2010	2009	2008	2007	2006	2005
\$ (10,443,389)	\$ (12,158,887)	\$ (16,766,761)	\$ (14,392,049)	\$ (12,291,064)	\$ (11,262,757)
(430,107)	(1,087,568)	2,279,902	(75,701)	2,578,277	1,320,708
<u>\$ (10,873,496)</u>	<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>
\$ 6,829,344	\$ 7,508,812	\$ 7,319,612	\$ 7,401,394	\$ 6,134,672	\$ 5,733,290
-	1,448,111	1,365,284	1,331,145	1,323,607	1,109,411
3,669,713	3,540,381	3,348,743	3,462,681	3,440,025	3,400,667
2,913,132	2,874,856	3,192,142	3,732,044	4,021,518	3,865,509
39,548	177,625	466,383	881,752	794,741	228,952
568,293	553,909	683,480	961,972	742,086	747,534
-	-	-	-	-	-
-	-	(15,000)	-	(500,000)	-
<u>14,020,030</u>	<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>
-	49,850	13,757	16,060	16,610	13,527
39,390	144,879	546,821	1,035,266	842,404	490,500
108,132	121,595	374,094	746,961	48,504	39,825
-	-	-	-	-	1,857
-	-	15,000	-	500,000	-
<u>147,522</u>	<u>316,324</u>	<u>949,672</u>	<u>1,798,287</u>	<u>1,407,518</u>	<u>545,709</u>
<u>\$ 14,167,552</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>
\$ 3,576,641	\$ 3,944,807	\$ (406,117)	\$ 3,378,939	\$ 3,665,585	\$ 3,822,606
(282,585)	(771,244)	3,229,574	1,722,586	3,985,795	1,866,417
<u>\$ 3,294,056</u>	<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>

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

	Fiscal Year			
	2014	2013	2012	2011
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	61,943	61,130	69,198	69,170
Restricted	43,040	39,272	35,665	31,798
Assigned	1,484,576	1,396,255	650,152	1,323,782
Unassigned	1,470,469	1,200,223	1,390,377	1,251,292
Total general fund	\$ 3,060,028	\$ 2,696,880	\$ 2,145,392	\$ 2,676,042
All Other Governmental Funds				
Reserved				
Community Redevelopment Agency fund	\$ -	\$ -	\$ -	\$ -
Special revenue funds	-	-	-	-
Capital projects fund	-	-	-	-
Debt service	-	-	-	-
Permanent fund	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	5,000	5,000	5,000	5,000
Restricted	5,069,050	4,901,428	6,829,350	4,468,381
Committed	550,584	783,674	911,220	2,920,047
Assigned	-	-	-	1,001,990
Total all other governmental funds	\$ 5,624,634	\$ 5,690,102	\$ 7,745,570	\$ 8,395,418

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					
2010	2009	2008	2007	2006	2005
\$ 20,258	\$ 23,330	\$ 13,325	\$ 12,073	\$ 8,320	\$ 12,873
2,719,651	2,975,814	2,136,234	2,592,762	3,515,022	4,057,485
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,739,909</u>	<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	67,192
4,735,079	7,182,506	14,748,301	4,731,481	5,241,808	3,790,840
1,890,683	2,592,975	1,793,418	-	-	-
5,016	9,117	9,035	8,777	8,326	7,947
4,253,408	4,384,516	4,074,605	5,493,619	4,693,565	(411,586)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 10,884,186</u>	<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>

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

	Fiscal Year			
	2014	2013	2012	2011
Revenues				
Taxes	\$ 10,161,079	\$ 10,195,386	\$ 9,192,748	\$ 9,317,037
Licenses and permits	1,445,354	1,230,021	1,248,740	1,345,101
Intergovernmental	7,184,444	6,543,568	5,843,681	6,403,858
Charges for services	343,258	355,927	292,572	296,764
Fines and forfeits	42,961	63,605	91,278	78,131
Miscellaneous	6,723,409	6,649,596	6,644,602	6,357,689
Total revenues	<u>25,900,505</u>	<u>25,038,103</u>	<u>23,313,621</u>	<u>23,798,580</u>
Expenditures				
Current:				
General government	4,811,534	5,043,882	4,969,592	4,938,277
Public safety	9,053,951	8,424,603	8,568,485	7,922,801
Transportation	1,888,899	2,405,189	2,191,230	2,386,252
Economic environment	369,530	315,774	253,272	613,939
Recreation	4,237,088	4,218,972	4,119,128	4,607,994
Storm related event	-	-	-	-
Debt service:				
Principal	2,046,295	22,172,865 ¹	1,660,535	1,641,790
Interest and other charges	511,552	861,963	961,431	1,018,596
Capital outlay	2,683,976	3,070,412	1,693,244	3,146,647
Total expenditures	<u>25,602,825</u>	<u>46,513,660</u>	<u>24,416,917</u>	<u>26,276,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>297,680</u>	<u>(21,475,557)</u>	<u>(1,103,296)</u>	<u>(2,477,716)</u>
Other financing sources (uses)				
Transfers in	3,980,822	4,509,331	4,060,955	3,302,433
Transfers out	(3,980,822)	(4,567,754)	(4,138,157)	(3,377,352)
Issuance of debt	-	20,030,000 ¹	-	-
Total other financing sources (uses)	<u>-</u>	<u>19,971,577</u>	<u>(77,202)</u>	<u>(74,919)</u>
Net change in fund balances	<u><u>\$ 297,680</u></u>	<u><u>\$ (1,503,980)</u></u>	<u><u>\$ (1,180,498)</u></u>	<u><u>\$ (2,552,635)</u></u>
Debt service as a percentage of noncapital expenditures	<u>11.34%</u>	<u>12.82% ¹</u>	<u>11.70%</u>	<u>11.58%</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					
2010	2009	2008	2007	2006	2005
\$ 9,689,705	\$ 10,246,335	\$ 9,928,267	\$ 11,264,695	\$ 9,922,917	\$ 10,231,641
1,367,597	1,490,496	1,411,185	119,369	156,080	2,736,653
7,877,020	6,918,794	6,921,575	9,099,683	8,709,282	8,211,624
276,077	383,255	369,828	330,834	416,161	254,001
84,706	126,733	167,949	215,000	173,594	103,379
6,436,682	7,893,570	6,251,446	7,245,744	6,670,719	4,762,080
<u>25,731,787</u>	<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>
5,210,592	5,562,439	6,154,605	6,377,140	5,436,018	4,907,746
8,157,088	7,833,093	8,125,330	8,096,334	7,208,484	7,518,937
2,295,249	1,894,342	1,907,488	3,230,449	2,355,179	1,897,888
302,359	121,539	1,661,754	521,498	384,949	342,286
4,137,861	3,897,380	4,341,429	4,710,861	4,270,190	3,074,464
-	-	-	-	-	2,855,483
1,641,750	660,250	648,000	620,500	528,996	1,066,130
1,158,268	892,524	349,841	361,620	304,843	203,138
6,251,510	18,619,817	6,338,689	7,596,255	4,170,804	3,958,521
<u>29,154,677</u>	<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>(3,422,890)</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>
3,726,512	4,045,215	3,704,250	3,987,168	3,542,741	3,092,341
(3,847,785)	(4,229,674)	(3,719,250)	(3,987,168)	(4,042,741)	(3,100,093)
-	7,000,000	14,428,092	-	5,053,000	-
<u>(121,273)</u>	<u>6,815,541</u>	<u>14,413,092</u>	<u>-</u>	<u>4,553,000</u>	<u>(7,752)</u>
<u>\$ (3,544,163)</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>14.20%</u>	<u>8.10%</u>	<u>4.45%</u>	<u>4.40%</u>	<u>4.27%</u>	<u>6.24%</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>
2014	\$2,700,515,874	\$ 202,436,500	\$ 594,728,298	\$ 2,308,224,076	3.1969
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

Source: Charlotte County County Property Appraiser (DR 403)

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

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

Fiscal Year Ended September 30,	Total Direct Rate		Overlapping Rates ^a					Charlotte County School Board	Total Direct and Overlapping Rates
	Operating Millage	SWFWMD	Peace River Basin ^b	WCIND	Other	Charlotte County			
2014	3.1969	0.3658	0.0000	0.0394	0.2000	6.3007	7.3650	17.4678	
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	

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	2014	2013	2012	2011	2010
		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
1	Florida Power & Light Co. Electric Utility	\$ 43.0	\$ 45.1	\$ 40.7	\$ 40.2	\$ 39.1
2	Punta Gorda Medical Center, Inc. Hospital	26.4	29.6	30.0	29.0	33.1
3	Embarq Sprint-United Telephone Company of FL Telephone Utility	11.4	13.3	12.8	11.4	11.9
4	Punta Gorda Hotel, LLC PG Waterfront Hotel	8.2	9.5	11.0	10.5	11.2
5	Harbor Resort Hotel, LLC Four Points by Sheraton	7.6	5.3	5.8	-	-
6	Nu-West Florida, Inc. Shopping Center Fishermen's Village	7.2	12.5	11.3	14.9	10.8
7	Home Depot USA, Inc	6.9	7.1	7.2	7.4	7.8
8	Punta Gorda Assoc., Ltd. Life Care Center	6.8	7.8	7.9	7.8	8.1
9	Colonial Realty, Limited-shopping center Shopping Center Burnt Store	6.1	6.0	6.3	6.2	7.0
10	Isles Yacht Club, Inc.	5.7	5.2	5.7	5.6	-
	SunLoft LLC	-	-	-	7.6	8.0
	Integrated Control Systems, Inc.- Training Center & Impac University	-	-	-	-	10.2
	Palm Isles Condo Dev LLC Condo- Vivante	-	-	-	-	-
	Punta Gorda Partners LLC Condo- Vivante	-	-	-	-	-
	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	\$ 129.3	\$ 141.4	\$ 138.7	\$ 140.6	\$ 147.2
	City Total Taxable Assessed Value	\$ 2,400.9	\$ 2,258.8	\$ 2,367.6	\$ 2,430.2	\$ 2,646.1
	Principal Taxpayer's Percentage of total	5.39%	6.26%	5.86%	5.79%	5.56%

Source: Charlotte County Property Appraiser

<u>2009</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2008</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2007</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2006</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2005</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>
\$ 41.4	\$ 38.4	\$ 37.3	\$ 28.7	\$ 24.1
47.1	46.5	47.0	37.3	31.7
20.9	21.8	23.7	18.1	17.0
13.3	15.2	15.5	-	8.8
-	-	-	-	-
13.0	13.0	15.5	9.3	15.7
9.0	9.6	10.8	-	-
-	7.7	-	-	6.5
-	-	8.5	9.7	11.6
9.0	9.1	-	-	-
13.6	-	-	-	-
-	-	12.3	-	-
9.5	18.5	20.1	8.3	-
9.1	20.3	10.3	8.5	-
-	-	-	9.0	10.2
-	-	-	7.1	-
-	-	-	6.6	6.7
-	-	-	-	8.2
<u>\$ 185.9</u>	<u>\$ 200.1</u>	<u>\$ 201.0</u>	<u>\$ 142.6</u>	<u>\$ 140.5</u>
<u>\$ 2,712.1</u>	<u>\$ 3,519.4</u>	<u>\$ 3,568.3</u>	<u>\$ 2,558.9</u>	<u>\$ 2,408.0</u>
<u>6.85%</u>	<u>5.69%</u>	<u>5.63%</u>	<u>5.57%</u>	<u>5.83%</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>
2014	\$ 7,379,151	\$ 7,113,559	96.40%	\$ -	\$ 7,113,559	96.40%
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%

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
2014	\$ -	\$ 19,460,217	\$ -	\$ -	\$ 3,392,401	\$ -
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

* 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	
Capital Leases	Total Primary Government	Total Personal Income	Per Capita
\$ -	\$ 22,852,618	3.3%	\$ 1,302
-	27,241,053	3.9%	1,431
-	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

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, 2014

	<u>Net Debt Outstanding</u>	<u>Percent Applicable to Punta Gorda ^a</u>	<u>Amount Applicable to Punta Gorda ^a</u>
<u>Governmental Unit</u>			
Overlapping debt			
Charlotte County School Board General Obligation debt	\$ -	0.00%	\$ -
City direct debt	<u>-</u>		<u>-</u>
Total direct and overlapping debt	<u><u>\$ -0-</u></u>		<u><u>\$ -0-</u></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
2014	Revenue Bonds Retired				
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

(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)
2014	17,835	164,739	\$ 39,457	\$ 703,716	6.2%
2013	17,349	162,449	36,694	636,604	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%

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 2005 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 2014

Employer	Employees	Rank	Percentage of Total MSA Employment
Charlotte County School Board	2,140	1	3.10%
Wal - Mart	1,500	2	2.18%
Charlotte County Board of Commisioners	982	3	1.43%
Peace River Regional Medical Center	900	4	1.31%
Fawcett Memorial Hospital Inc.	865	5	1.26%
Publix Supermarkets	790	6	1.15%
Charlotte Regional Medical Center	680	7	0.99%
Charlotte County Sheriff's Office	618	8	0.90%
Home Depot	450	9	0.65%
Charlotte Correctional Institute	340	10	0.50%

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>2014</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>
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	1.50	1.63	1.63	1.50	2.50	3.00	3.00	3.00	3.00
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	3.00
City Clerk	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Procurement	6.50	6.90	7.00	7.25	7.25	8.00	9.00	9.00	8.50	8.00
Finance	7.50	9.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Legal	0.50	0.50	0.50	0.50	0.50	0.50	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	4.80	4.90	4.90	5.00	6.00	6.00	6.00	5.00	5.00
Right of Way Maintenance	13.00	14.00	14.00	14.00	15.00	16.00	17.00	18.00	18.00	18.00
Parks and Grounds	10.00	10.00	10.00	11.50	12.00	14.00	16.00	16.00	16.00	16.00
Facilities Maintenance	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Police										
Police	49.00	49.00	49.00	49.00	52.00	51.00	52.00	52.00	52.00	51.00
Fire										
Fire	28.00	28.00	28.00	28.00	28.00	29.00	30.00	30.00	30.00	30.00
Urban Design										
(1) Growth Mgmt/Urban Design	5.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Zoning & Code Compliance	6.00	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
Punta Gorda Isles Canal Maintenance										
Punta Gorda Isles Canal Maintenance	9.00	9.00	9.00	9.00	9.50	10.50	10.50	10.50	10.50	10.50
Utilities										
Billing and Collections	5.00	5.00	5.00	5.00	4.60	8.00	8.00	8.00	8.00	8.00
Utilities Administration	5.00	5.00	5.00	6.00	6.00	7.00	7.00	7.00	5.00	5.00
Water Treatment	16.00	16.00	16.00	14.50	13.50	16.00	18.00	18.00	18.00	18.00
Wastewater Collection	15.00	15.00	15.00	14.80	15.00	15.00	15.00	15.00	15.00	14.00
Wastewater Treatment	13.50	13.50	13.50	13.50	13.50	13.50	15.00	15.00	15.00	15.00
Water Distribution	18.00	18.00	18.00	17.50	20.00	18.00	20.00	20.00	20.00	16.00
Fleet Maintenance	1.50	1.60	1.60	2.00	3.00	4.00	5.00	5.00	5.00	5.00
Sanitation/Refuse										
Sanitation/Refuse	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	20.00
Building										
Building	6.56	5.00	4.87	4.00	8.00	8.00	8.00	11.00	14.00	14.00
Information Technology										
Information Technology (IT)	5.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Geographic Information Services(GIS)	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Total	<u>263.36</u>	<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>

Source: City of Punta Gorda Amended Authorized Budget Position Summary

(1) FY 2014 Growth Mgmt Admin, Code Compliance and Urban Design were restructured and merged between Urban Design and Zoning & Code Compliance.

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Calls for Service	11,858	12,333	13,289	14,874	15,687	16,177	14,222	13,026	13,940	13,637
Citations Issued	10,567	9,842	8,562	11,446	12,626	13,708	15,652	20,030	20,084	12,306
Traffic crashes	493	441	444	447	491	465	448	534	628	583
Narcotics arrests	190	113	187	285	277	247	226	250	187	215
Fire Department										
Fires	68	50	80	97	52	81	70	87	100	97
EMS and Police assistance calls	2,323	2,248	2,202	2,343	2,529	2,403	2,115	2,047	1,898	1,670
General Government										
Building permits issued	1,580	1,553	812	1,297	1,170	939	1,429	1,723	3,062	11,792
Building inspections conducted	4,139	3,806	2,575	2,613	2,415	2,552	4,834	6,799	8,860	21,105
Dwelling units permitted	100	99	57	30	43	18	98	92	243	467
Streets and highways										
Streets resurfaced (<i>miles</i>)	1.5	5.0	7.3	6.3	6.5	6.2	0.0	6.5	5	5
New sidewalks (<i>linear feet</i>)	350	2,084	6,020	2,000	4,490	6,547	5,180	0	0	350
Water										
New connections	148	111	62	51	9	45	192	322	485	622
Average daily consumption (<i>thousands of gallons</i>)	4,364	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>)	5,318	6,067	6,216	6,471	6,400	6,602	7,061	6,023	6,705	6,300
Water equivalent residential units (ERU)	20,870	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>)	2,507	2,281	2,178	2,092	2,210	1,840	1,884	1,740	2,087	4,000
Sewer equivalent residential units (ERU)	15,694	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>)	23.9	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>) <i>includes yardwaste</i>	13.3	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)	7,398	6,414	6,609	8,436	6,484	4,221	4,248	4,786	8,440	2,354
Seawall cap replacement (feet)	929	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	91.0
Total miles of canals	45.5	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)	1,484	1,788	1,740	1,594	694	750	474	410	154	362
Seawall cap replacement (feet)	0	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	18.0
Total miles of canals	9.0	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.

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	2	2	2	2	2	2	0	0	0	0
Number of Police Officers Authorized	34	34	34	34	34	35	36	36	32	34
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of Firefighters Authorized	26	26	26	26	26	26	27	27	27	27
Streets and highways										
Streets (<i>miles</i>)	116	116	116	116	116	110	110	110	110	110
Unpaved streets (<i>miles</i>)	2	2	2	2	2	2	2	2	2	2
Streetlights	720	720	720	720	590	566	566	566	566	566
Traffic signal intersections	19	19	19	19	18	18	18	18	18	18
Water										
Water mains (<i>miles</i>)	237	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	6,870
Fire hydrants	1,253	1,234	1,234	1,193	1,177	1,173	979	979	1,000	930
Wastewater										
Sanitary sewers (<i>miles</i>)	130	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	4,000
Solid waste collection										
Collection trucks	10	10	10	10	10	10	10	10	11	9
Parks and recreation										
Acreage	104	104	104	90.7	90.7	90.7	90.7	90.7	90.7	90.7
Number of Parks	19	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.

Management Letter

Honorable Mayor and City Council
City of Punta Gorda, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Punta Gorda, Florida (the "City"), as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 24, 2015.

Auditor's Responsibility

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.

Other Reports and Schedule

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, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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.

Official Title and Legal Authority

Section 10.554(1)(i)4., 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.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the City 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.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, 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, 2014. Our comparison of these two reports resulted in no material differences.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting on the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units required to report to the City.

Other Matters

Section 10.554(1)(i)2., 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)3., 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.

Purpose of this Letter

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, the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Punta Gorda, Florida
March 24, 2015

Ashley Brown & Co.



CITY OF PUNTA GORDA, FLORIDA

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

March 26, 2015

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, 2014, 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, 2015.

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.

Punta Gorda, Florida
March 24, 2015

Ashley Brown & Co.

Report of Independent Accountant on Compliance With Local Government Investment Policies

Honorable Mayor and City Council
City of Punta Gorda, Florida

Report on Compliance

We have examined the City of Punta Gorda, Florida's (the "City's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, during the year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

Opinion

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

Punta Gorda, Florida
March 24, 2015

Ashley, Brown & Co.

CITY OF PUNTA GORDA, FLORIDA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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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, 2014, 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, 2015. 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, 2015

Ashley Brown + Co.

CITY OF PUNTA GORDA, FLORIDA

Schedule of Findings and Questioned Costs
Major Federal Awards Programs

Year ended September 30, 2014

Part I – Summary of Auditor’s 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. The Independent Auditor’s on Compliance With Requirements that Could Have a Direct and Material Effect on Each Major Federal Awards Program and on Internal Control Over Compliance in Accordance with 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:

	<u>CFDA #</u>
Department of Homeland Security – Hazard Mitigation Grant	97.039
8. The threshold used to determine Type A federal programs was: \$300,000
9. Auditee qualified as a low-risk for federal purposes? Yes NO

CITY OF PUNTA GORDA, FLORIDA

Schedule of Findings and Questioned Costs
Major Federal Awards Programs (continued)

Year ended September 30, 2014

Part 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*.

Part 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.

Part 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.

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

For the Year Ended September 30, 2014

FEDERAL AGENCY <i>Pass-through entity</i> Federal Program / State Project	CFDA Number	Grant/ Contract Number	Federal Expenditures
<u>DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Florida Department of Agriculture and Consumer Services</i>			
Cooperative Forestry Assistance	10.664	020359	\$ 2,471
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			2,471
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Community Development Block Grant	14.228	B 13-MC-120041	41,790
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			41,790
<u>DEPARTMENT OF THE INTERIOR</u>			
<i>Passed through the Florida Department of Environmental Protection</i>			
Clean Vessel Act	15.616	MV124	6,201
TOTAL DEPARTMENT OF THE INTERIOR			6,201
<u>DEPARTMENT OF JUSTICE</u>			
<i>Passed through the Florida Department of Law Enforcement</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JAGC-CHAR-1-E5-027	13,398
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-JAGD-CHAR-1-E6-104	1,459
TOTAL DEPARTMENT OF JUSTICE			14,857
<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	17,375
TOTAL DEPARTMENT OF TRANSPORTATION			17,375
<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	1,340,106
TOTAL DEPARTMENT OF HOMELAND SECURITY			1,340,106
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,422,800

CITY OF PUNTA GORDA, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2014

NOTE 1 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal awards activity of the City of Punta Gorda, Florida (the “City”). The City’s reporting entity is defined in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2014. All federal financial assistance programs received directly from federal agencies, as well as federal financial assistance programs passed through other government agencies, are included in the 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 1 to the City’s basic financial statements.

**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, 2014. 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, 2014.

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, 2014, 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, 2015, 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, 2015

Ashley Brown & Co.