



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

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2011**

PREPARED BY THE FINANCE DEPARTMENT

David W. Drury, CPA  
Finance Director

## **CITY COUNCIL**

MAYOR

WILLIAM F. ALBERS

VICE MAYOR

HARVEY E. GOLDBERG

COUNCILMEMBER

CAROLYN M. FREELAND

COUNCILMEMBER

RACHEL B. KEESLING

COUNCILMEMBER

CHARLES A. WALLACE

## **CITY MANAGER**

HOWARD KUNIK

CITY OF PUNTA GORDA, FLORIDA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

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## INTRODUCTORY SECTION

This section contains  
the following subsections:

Letter of Transmittal

List of Elected  
and Appointed Officials

City of Punta Gorda Organizational Chart

Certificate of Achievement  
for Excellence in Financial Reporting

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## CITY OF PUNTA GORDA, FLORIDA

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

March 26, 2012

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 of the City of Punta Gorda for the fiscal year ended September 30, 2011.

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, 2011 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, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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





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

### **Profile of the Government**

Punta Gorda, founded December 7, 1887, is the only incorporated city in Charlotte County and serves as the County Seat. The City currently occupies a land area of approximately 16 square miles and serves a population of approximately 17,000. The City is empowered to levy a property tax on properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City's Manager, Clerk and Attorney. The City's Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve two-year staggered terms. The mayor is appointed by the Council to serve a one-year term. All of the council members are elected by district.

This report includes all funds of the City. The City provides a full range of services which include police and fire protection; water, wastewater, sanitation and marina services; the maintenance of highways, streets, canals, and infrastructure; recreational activities and cultural events. In addition to general government activities, the City includes certain agencies and boards in the comprehensive annual financial report.

The annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriation to the manager on or before March 1. The manager uses these requests as the starting point for developing a proposed budget. The manager uses budget workshops for the goal of presenting a proposed budget to the council for review in April or May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the special approval of the council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, CRA, PGI Canal Maintenance and Transportation Impact Fee Fund, this comparison is presented as part of the basic financial statements for the governmental funds. For Governmental Funds, other than the General Fund, CRA, PGI Canal Maintenance and Transportation Impact Fee, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. A budget was not prepared for the Storm Related Fund since revenues and expenditures couldn't be estimated due to many fiscal uncertainties created by the storm. Project-length financial plans are adopted for all capital project funds. The Debt Service Fund is used for tracking and payment of all major debt incurred by the General Fund.

### **Factors Affecting Financial Condition**

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

## **Long-term financial planning**

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

## **Major Initiatives**

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

### **GOALS**

- Preserve, enhance and advance the natural resources of Punta Gorda.
- Further develop the economic base and positively influence the diversity of economic development for the City.
- Foster and advance the unique character of Punta Gorda.
- Improve the quality and level of communication between City government and citizenry.
- Increase City Council's awareness of the need to prioritize projects and tasks based on their impact to the City's mission and the resources available to accomplish them in the desired time frame.
- Ensure a professional and safe environment for City employees.
- Maintain fiscally responsible decision-making by Council and staff.
- Promote security, safety, and health by providing services that maintain a high quality of life for the citizens of Punta Gorda.

### **STRATEGIC PLAN**

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

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

- Administration
- Business Development
- Quality of Life
- Stakeholders

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

**Other Economic Issues Affecting City Finances**

On October 1, 2010 the City increased the water and wastewater rates 3% to stabilize the Utility Fund.

It is the City's policy to have a minimum Unreserved General Fund Balance of 5.5%. Due to a decline in taxable property values for the past five straight years the City should consider setting aside a portion of additional savings achieved through the year for a fiscal stabilization reserve to meet unexpected immediate increase in service delivery costs or to maintain service levels in the event of a major storm or other unforeseen disaster that fundamentally alters the current tax base. The City is still dealing with a direct hit by a Category 4 hurricane, and will continue to be affected by it for years to come.

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

**Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. This was the twenty-sixth 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,

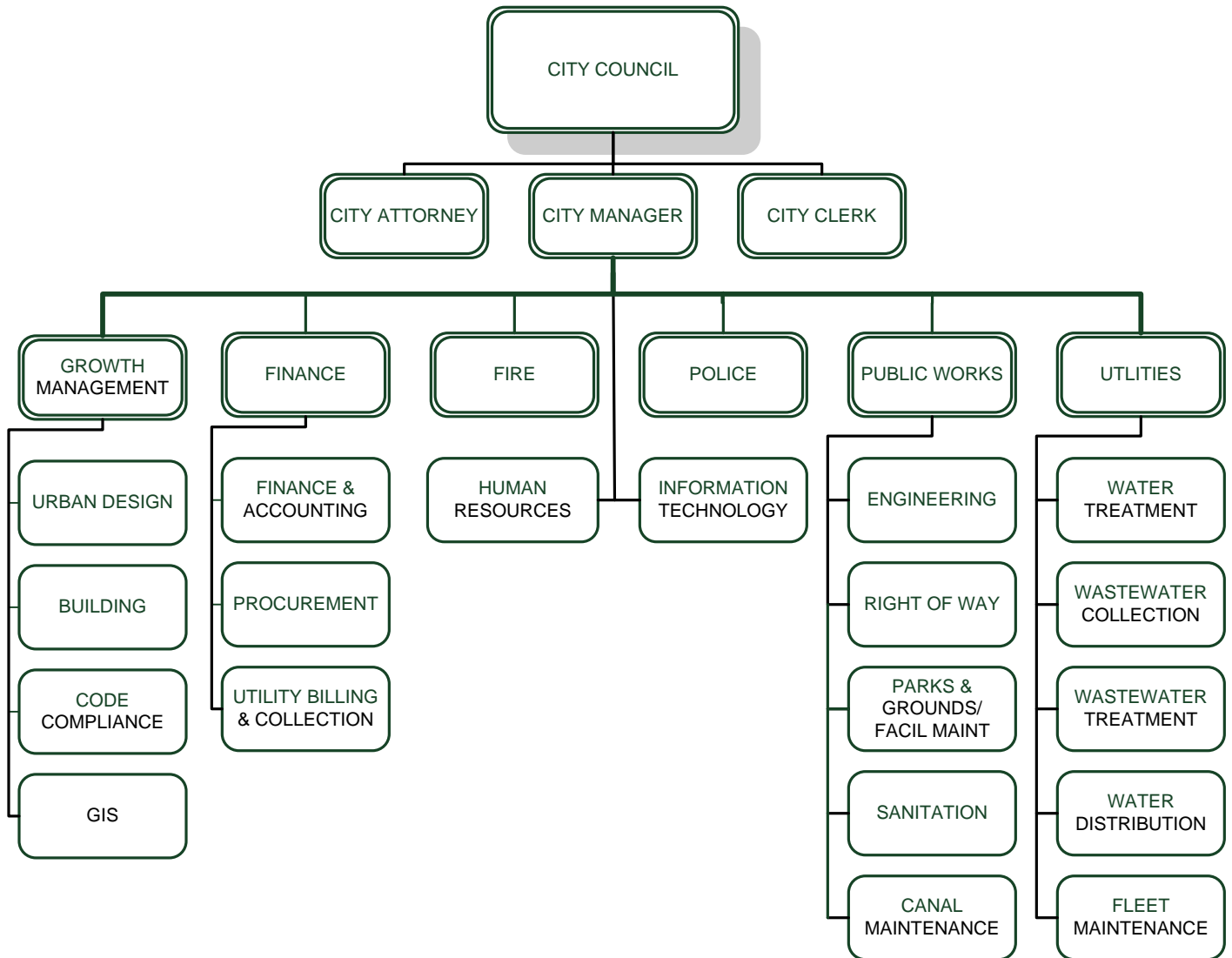
  
\_\_\_\_\_  
HOWARD KUNIK  
CITY MANAGER

  
\_\_\_\_\_  
DAVID W. DRURY, CPA  
DIRECTOR OF FINANCE

City of Punta Gorda  
List of Principal Officials  
As of September 30, 2011

<u>Title</u>	<u>Name</u>
Mayor	Harvey E. Goldberg
Vice Mayor	William F. Albers
Councilmember	Lawrence J. Friedman
Councilmember	Rachel B. Keesling
Councilmember	Charles A. Wallace
City Manager	Howard Kunik
City Attorney	David M. Levin
City Clerk	Sue Foster
Chief of Police	Albert A. Arenal
Fire Chief	Robert F. Hancock
Director of Growth Management	Dennis B. Murphy
Director of Finance	David W. Drury
Director of Public Works	Richard C. Keeney
Director of Utilities	Thomas E. Jackson

# CITY OF PUNTA GORDA, FL ORGANIZATIONAL CHART



CERTIFICATE OF ACHIEVEMENT  
FOR EXCELLENCE IN  
FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Punta Gorda, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2010. 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-six consecutive years (fiscal years ended 1985 through 2010). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Punta Gorda  
Florida

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

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**FINANCIAL SECTION**

This section contains  
the following subsections:

Report of Independent Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund  
Statements and Schedules

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### **Independent Auditor's Report**

Honorable Mayor and City Council  
City of Punta Gorda, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Punta Gorda, Florida, (the "City") as of and for the fiscal year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Community Redevelopment Agency Fund, the PGI Canal Maintenance Special Revenue Fund,

the Capital Projects Fund and the Transportation Impact Fee Special Revenue Fund, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2012 on our consideration of the City's internal control over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and the required supplementary information, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the City, taken as a whole. The accompanying information identified in the table of contents as combining financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Ashley Brown & Co.

March 23, 2012

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2011.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at September 30, 2011, by \$104.16 million (net assets). Of this amount, \$13.52 million unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$0.43 million.
- As of September 30, 2011 the City's governmental funds reported combined ending net assets of \$51.31 million. This is a decrease of \$1.07 million.
- As of September 30, 2011 the business-type activities reported combined ending net assets of \$52.85 million. This is an increase of \$0.64 million.
- The City's total long-term liabilities decreased by \$3.57 million during the current fiscal year. This decrease is discussed further in debt administration.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

**The Statement of Net Assets** (page 21) and **The Statement of Activities** (page 22) provide information about the activities of the City as a whole and present a longer term view of the City's finances. The statements separate governmental from business-type activities, but both are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The **Fund Financial Statements**, which report by individual fund, begin on page 23. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore you will find the reconciliation on page 28 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the Entity-wide Financial Statements. The Fund Financial Statements present information in more detail than in the Entity-wide Financial Statements. Lesser funds, such as Fair Share Impact Fees, BSI Canal Maintenance District and Storm Fund are combined in an "other funds" column. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

## THE ENTITY-WIDE FINANCIAL STATEMENTS

### **The Statement of Net Assets and the Statement of Activities**

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

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

The statement of activities presents information showing how the City's net assets changed during fiscal year 2011. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes, earned but unused vacation leave.)

Both of these financial statements distinguish the primary types of functions of the City as defined below:

- **Governmental activities**—Most of the City's basic services are reported here, including the police, fire, public works, community development, parks, and general administration. Major revenues supporting these activities are ad-valorem taxes, sales and gas taxes, franchise fees, utility and communications service taxes, intergovernmental revenues, grants, fees and investments.
- **Business-type activities**—The City's Utilities, Sanitation, Building and Marina services are reported here. These services are supported primarily from user fees. The debt service is supported both by user fees and impact fees.

### **Fund Financial Statements**

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

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

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

- Proprietary funds are used to account for the business-type activities of the government. There are two types: enterprise funds and internal service funds. The City's enterprise funds are Utilities, Sanitation, Building and Marina; the internal service fund is Information Technology Services. All proprietary funds use full accrual basis accounting and the economic measurement focus. Fees or charges are the primary revenue source for proprietary funds.
- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to proprietary funds. The City's three pension funds are fiduciary funds.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes can be found beginning on page 41.

### **Required Supplementary Information**

Generally Accepted Accounting Principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called Required Supplementary Information (RSI) and includes this analysis, the MD&A, budgetary comparisons, trend data on pension funding, and Other Postemployment Benefits (OPEB).

## THE CITY AS A WHOLE

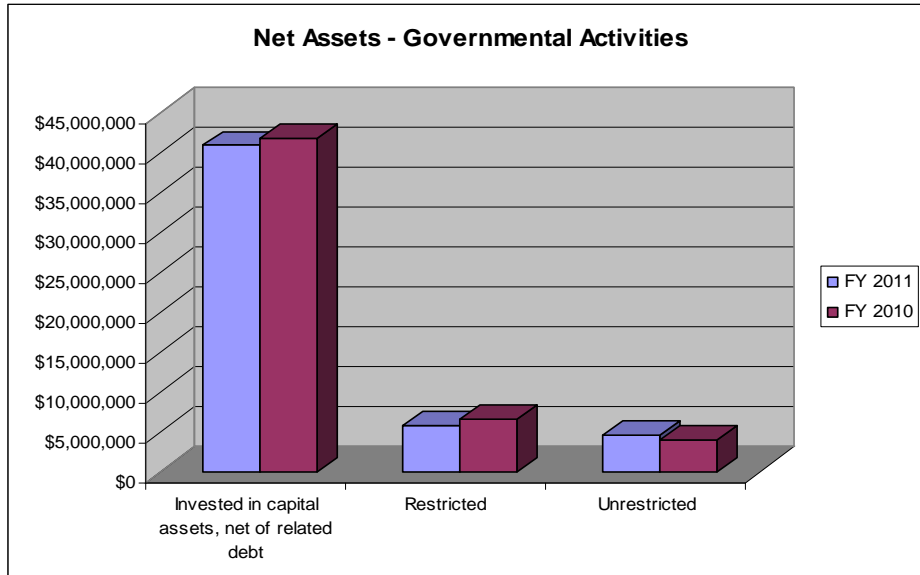
The City's combined net assets as of September 30, 2011 were \$104.2 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$39.9 million. Total city-wide expenses were \$40.3 million. The decrease to city-wide net assets was \$0.4 million (Table 2). Below in Table 1 is a condensed Statement of Net Assets, in thousands, for the governmental activities and the business-type activities.

**Table 1**  
**Net Assets**  
**(in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Current and other assets	\$ 13,469	\$ 15,659	\$ 12,137	\$ 14,030	\$ 25,606	\$ 29,689
Capital assets	66,223	66,221	53,267	52,349	119,490	118,570
Total assets	79,692	81,880	65,404	66,379	145,096	148,259
Long-term liabilities	(26,401)	(27,873)	(10,035)	(12,138)	(36,436)	(40,011)
Other liabilities	(1,976)	(1,618)	(2,521)	(2,037)	(4,497)	(3,655)
Total liabilities	(28,377)	(29,491)	(12,556)	(14,175)	(40,933)	(43,666)
Net assets:						
Invested in capital assets, net of debt	40,913	41,790	40,597	40,092	81,510	81,882
Restricted	5,811	6,651	3,327	3,907	9,138	10,558
Unrestricted	4,591	3,948	8,924	8,205	13,515	12,153
Total net assets	\$ 51,315	\$ 52,389	\$ 52,848	\$ 52,204	\$104,163	\$104,593

The largest portion of the City's net assets (78.3%) reflects its investment in capital assets (land, buildings, infrastructure and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. Restricted assets (representing 8.8% of total net assets) are subject to external restrictions on how they may be used. The remaining 12.9% balance of unrestricted net assets, \$13.5 million, may be used to meet the city's ongoing obligations to citizens and creditors. It is important to recognize that this resource may be planned to repay the outstanding debt on capital assets. The governmental activities net assets decreased by \$1.1 million or 2.0%. Last fiscal year there was a \$3.6 million increase in net assets. The analysis of revenues and expenses for governmental activities can be found in this MD&A on pages 10-11. The business-type activities net assets increased \$0.6 million or 1.2%. The last fiscal year decrease was \$0.3 million. The analysis of revenues and expenses for business-type activities can be found in this MD&A on pages 12-14. The City's overall financial position decreased by \$0.4 million or 0.4%. The prior year increase was \$3.3 million.

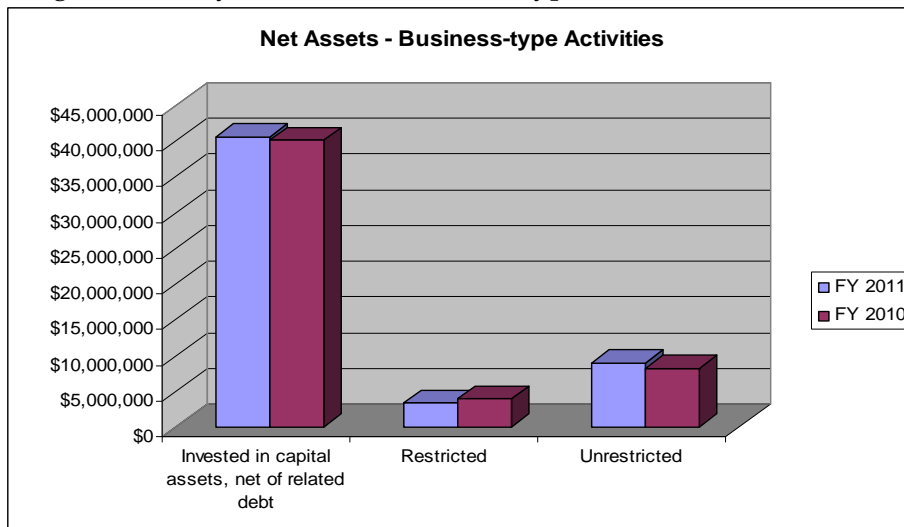
The following is a chart by net assets of governmental-type activities.



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

- Current and other assets decreased, \$2.2 million - primarily cash & grant receivables
- Roadway improvements, \$0.8 million
- Ring Around the City trail projects, \$1.1 million
- Laishley Park day docks and East Mooring Field, \$0.5 million
- Other capital improvement projects, \$0.9 million
- Other asset purchases, \$0.3 million
- Accumulated Depreciation, net of disposals, \$2.8 million
- Capital asset disposals, \$0.8 million
- Principal reduction on long-term liabilities, \$1.6 million
- OPEB liability increased, \$0.2 million
- Other liabilities increased, \$0.3 million

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





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

- Current and other assets decreased \$1.9 million
- County road expansion utility relocation projects, \$1.3 million
- Bal Harbor water main and force main project, \$0.4 million
- BPF force main project, \$2.4 million
- Gravity sewer, force main, and lift station projects, \$0.5 million
- Accumulated depreciation, \$3.7 million
- Principal reduction on long-term liabilities, \$2.2 million
- OPEB liability increased, \$0.1 million
- Other liabilities increased, \$0.5 million

**Table 2**  
**Changes in Net Assets**  
**(in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Revenues:						
Program revenues:						
Charges for services	\$ 4,850	\$ 4,896	\$ 18,337	\$ 17,022	\$ 23,187	\$ 21,918
Operating grants and contributions	1,023	605	-	-	1,023	605
Capital grants and contributions	1,894	5,507	503	346	2,397	5,853
General revenues:						
Property taxes	6,427	6,829	-	-	6,427	6,829
Other taxes	6,520	6,583	-	-	6,520	6,583
Other	234	608	134	147	368	755
Total revenues	<u>20,948</u>	<u>25,028</u>	<u>18,974</u>	<u>17,515</u>	<u>39,922</u>	<u>42,543</u>
Expenses:						
General government	3,789	3,933	-	-	3,789	3,933
Public safety	8,576	8,608	-	-	8,576	8,608
Transportation	2,929	2,671	-	-	2,929	2,671
Economic environment	410	281	-	-	410	281
Recreation	5,299	4,800	-	-	5,299	4,800
Interest on long-term debt	1,019	1,158	-	-	1,019	1,158
Water and wastewater	-	-	14,980	14,170	14,980	14,170
Sanitation/refuse	-	-	2,583	2,645	2,583	2,645
Building Fund	-	-	524	757	524	757
Marina	-	-	243	226	243	226
Total expenses	<u>22,022</u>	<u>21,451</u>	<u>18,330</u>	<u>17,798</u>	<u>40,352</u>	<u>39,249</u>
Increase (decrease) in net assets	(1,074)	3,577	644	(283)	(430)	3,294
Net assets-beginning	<u>52,389</u>	<u>48,812</u>	<u>52,204</u>	<u>52,487</u>	<u>104,593</u>	<u>101,299</u>
Net assets-ending	<u>\$ 51,315</u>	<u>\$ 52,389</u>	<u>\$ 52,848</u>	<u>\$ 52,204</u>	<u>\$104,163</u>	<u>\$ 104,593</u>

The analysis of Table 2 states the overall Total Primary Government revenues decreased \$2.6 million or 6.2% from the prior year. The Governmental Activities revenues decreased \$4.1 million or 16.3%. The Business-type Activities revenues increased \$1.5 million or 8.3%.

The Total Primary Government expenses increased \$1.1 million or 2.8% from the prior year. The Governmental Activities expenses increased by \$0.6 million or 2.7%. The expenses in Business-type Activities increased \$0.5 million or 3.0%.

The analysis of revenues and expenses can be found in this MD&A: Governmental Activities on pages 10-11 and Business-type Activities on pages 12-14.

### **Major Fund Changes in Net Assets or Fund Balance**

The General Fund balance at September 30, 2011 consisted of \$1.3 million for unassigned fund balance; \$1.3 million was assigned for subsequent year's budget. This is a \$64 thousand decrease in fund balance from September 30, 2010. The City Council's financial policy on fund balance minimum is 5% of annual expenditures. A more detailed analysis of revenues and expenditures can be found on pages 14-15 of the MD&A.

The Debt Service Fund balance at September 30, 2011 was \$1.3 million. This represented a decrease of \$591 thousand from September 30, 2010. The fund balance is necessary to cover debt payments that come due relatively early in the next fiscal year.

The Community Redevelopment Agency Fund balance increased \$511 thousand. There was a decrease in revenues of \$87 thousand and an increase in other expenses of \$33 thousand. The revenues exceeded the expenditures by \$ 75 thousand. The transfers into the fund were \$436 thousand. Reserve funds were planned to increase to cover additional debt service agreements beginning in FY 2012.

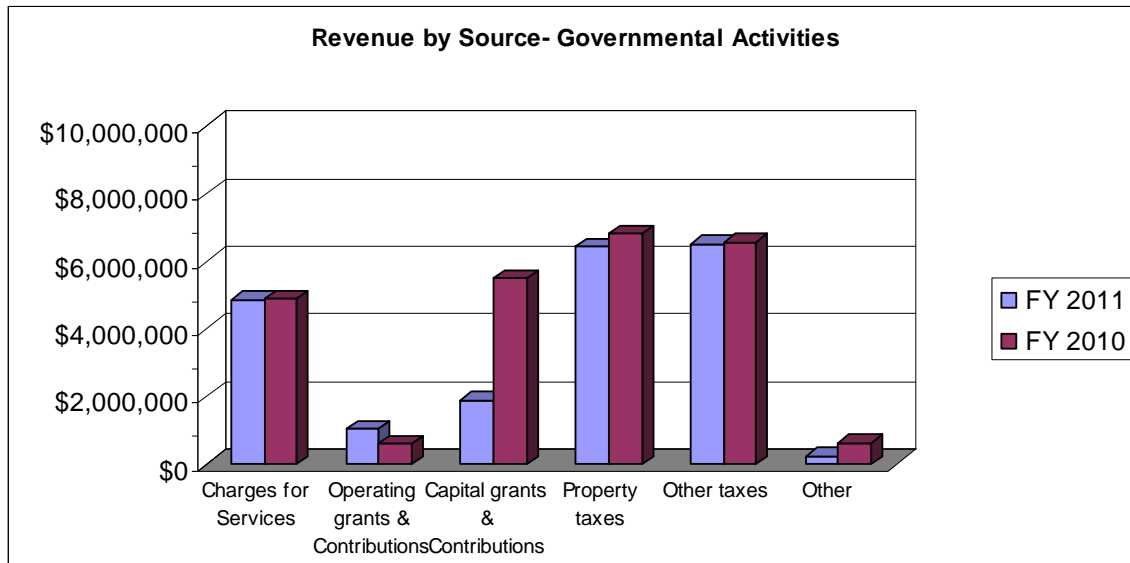
The PGI Canal Maintenance Fund balance decreased \$347 thousand. The revenues were 0.4% higher than the prior year. The expenditures were \$276 thousand or 10.2% higher in 2011 because additional seawall replacement contract work was completed.

The Transportation Impact Fee Fund balance decreased \$564 thousand. The impact fee revenue increased by \$23 thousand and the transfer to the General Construction Fund, \$651 thousand, was a decrease of \$289 thousand from the previous year.

The Water and Wastewater Utility Fund net assets increased \$400 thousand. In comparison to the prior year, the water and wastewater user charges increased \$1.3 million due to a 3% increase in rates and increased consumption mainly attributed to lifted water restrictions and a decrease in rainfall for the year. Contributed capital decreased \$87 thousand and impact fees increased \$244 thousand as a result of a multifamily complex being added to the system. Interest revenue decreased \$12 thousand and gains on asset disposals decreased \$18 thousand. Personnel services increased \$73 thousand mainly due to the elimination of furloughs and additional OPEB expense which is calculated every two years. Contractual services increased by \$598 thousand due to an increase in consulting and engineering costs that did not result in a capital project. Depreciation expense decreased \$134 thousand caused by several infrastructure assets becoming fully depreciated in FY 2011. The overall net increase in all other expenses was \$274 thousand.

## Governmental Activities

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



The following details the revenue variances between fiscal years 2010 and 2011.

Charges for services decreased by less than 1% when compared to FY 2010.

Operating grants and contributions increased by \$418 thousand due to the following:

- Increase in FEMA reimbursements from Hurricane Charley projects, \$484 thousand
- Decrease in operating grants and private contributions \$40 thousand
- Decrease in public safety grants and contributions \$26 thousand

Capital grants & contributions decreased by \$3.6 million due to the following:

- Decrease in County tax increment contribution to CRA of \$0.2 million
- Increase in CDBG of \$0.1 million
- Decrease in contributed capital of \$1.8 million
- Overall decrease in capital grants of \$1.7 million

Property tax revenues decreased by \$402 thousand. This is a reflection of a decrease in the overall property valuations.

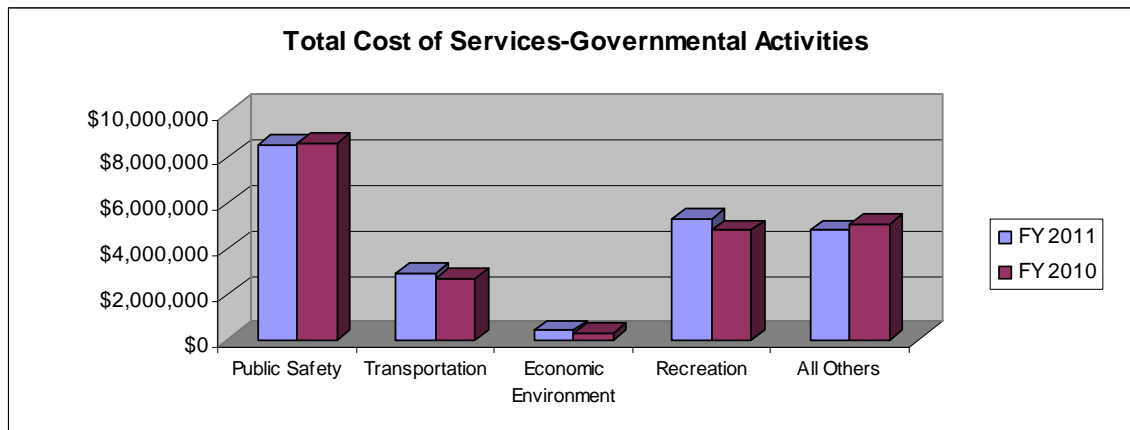
Other taxes decreased by \$63 thousand.

- Gas taxes decreased by \$67 thousand
- Utility taxes had a net increase of \$4 thousand

The cost of all governmental activities this year, including allocations, was \$24.3 million as compared to \$23.6 million in FY 2010. As shown in the Statement of Activities on page 22, the program expenses net of indirect expense allocations (\$2.3 million) were paid through:

- \$4.8 million in charges for services; consisting of \$3.0 million canal maintenance districts assessments and \$1.8 million fees for general government services
- \$1.0 million in operating grants and contributions
- \$1.9 million in capital grants and contributions
- \$13.2 million in general revenues (primarily taxes)
- \$1.1 million use of current assets

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



- Transportation costs increased by \$258 thousand. The increase by category is paving program, \$70 thousand, Right of Way operations, \$56 thousand, and depreciation of infrastructure, \$132 thousand.
- Economic environment costs increased by \$129 thousand mainly due to increased expenditures for Herald Court Centre insurance and operating costs and more Community Development Block Grant projects being completed.
- Public safety costs decreased by \$32 thousand.
- Recreation costs increased by \$499 thousand. The majority of the increase was in the seawall and seawall cap replacement program.
- All Others decreased by \$283 thousand of which \$140 thousand is attributable to the decrease in interest on long-term debt.

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

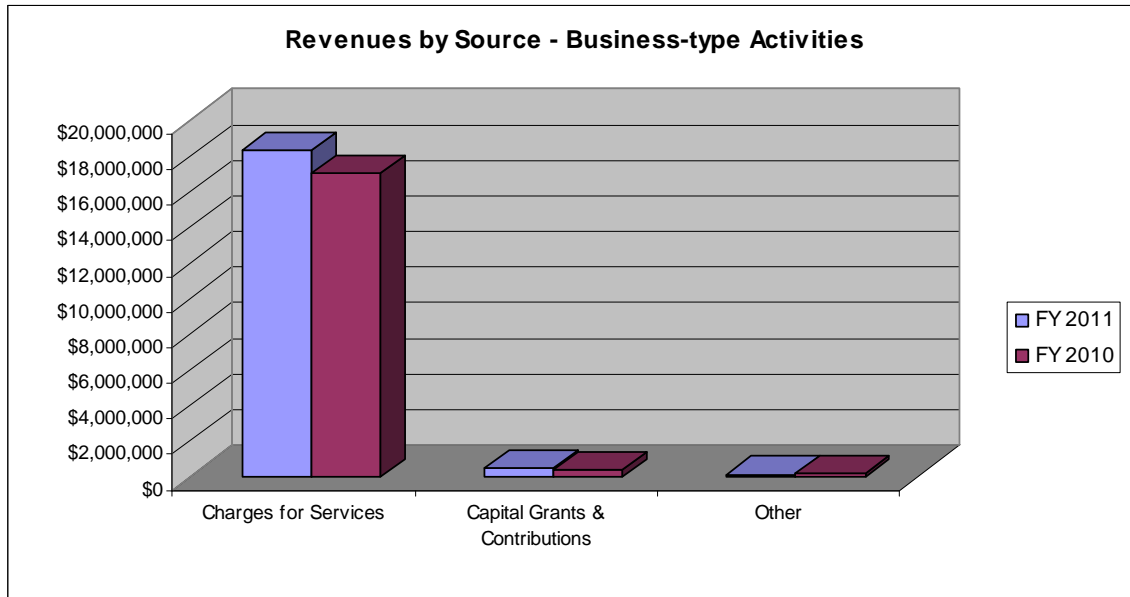
**Table 3**  
**Governmental Activities**

	<b>(in Thousands)</b>			
	<b>Total Cost of Services (less indirect expense allocation)</b>		<b>Net Cost of Services</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Public Safety	\$ 8,576	\$ 8,608	\$ (8,437)	\$ (8,489)
Transportation	2,929	2,671	(2,693)	(2,477)
Economic Environment	410	281	745	903
Recreation	5,299	4,800	(2,272)	(1,782)
All Others	4,808	5,091	(1,598)	1,402
<b>Totals</b>	<b>\$ 22,022</b>	<b>\$ 21,451</b>	<b>\$ (14,255)</b>	<b>\$ (10,443)</b>

## Business-type Activities

Revenues of the City's Business-type activities (see Table 2) totaled \$18.9 million. Operating expenses were \$18.3 million, showing an increase in net assets of \$0.6 million. The analysis of revenues and expenses disclosed that revenues increased 8.3% and expenses increased 3.0% from the prior fiscal year. Ending net assets are up 1.2%.

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



Charges for services reported in business-type activities increased \$1.3 million, or 7.7%, in comparison to the prior year. Water & Wastewater Utility experienced an increase in charges for services of \$1.3 million. This was due to a 3% rate increase in water and sewer user fees and increased consumption largely attributed to the lifting of watering restrictions. Sanitation's charges for services increased \$42 thousand in refuse collection. Building's charges for services decreased \$5 thousand consisting of a decrease in fire prevention permits. It should be noted that although the building permits showed an increase of \$133 thousand due to the reclassification of miscellaneous fees to building permit fees there was a similar decrease in the miscellaneous fees category. The Laisley Park Marina charges for services for FY 2011 decreased \$29 thousand and is the result of decreased slip rentals especially in annual rentals.

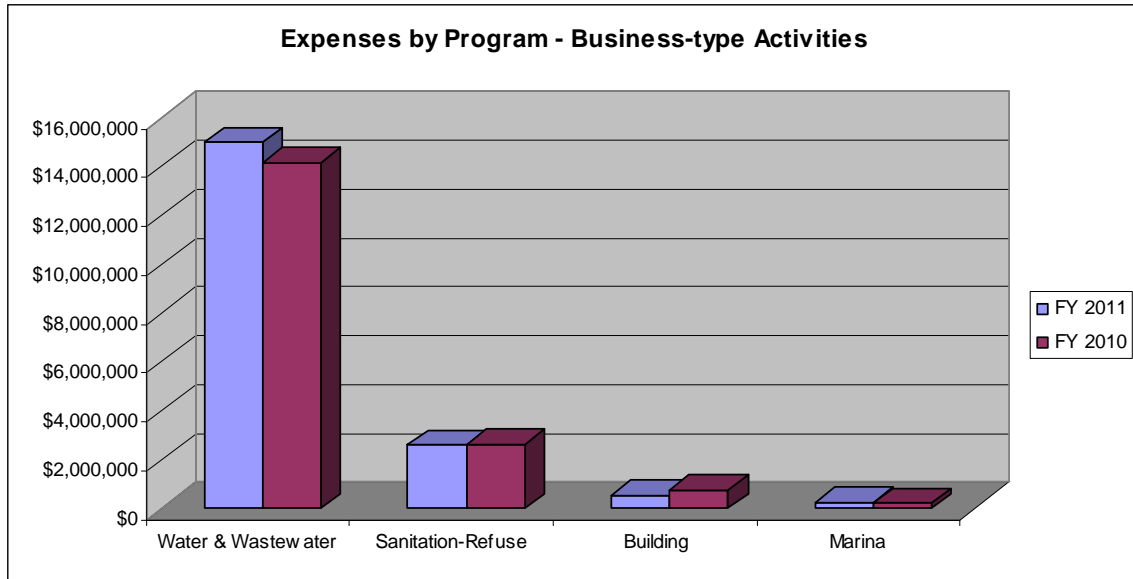
The following chart shows the comparison of some specific user fee revenues.

	Revenues (in thousands)		From 2010 to 2011
	2011	2010	% incr (decr)
Water Billings	\$8,300	\$7,330	13.2%
Wastewater Billings	\$6,191	\$5,877	5.3%
Refuse Collection	\$2,896	\$2,855	1.4%
Licenses, Permits, & Special Assessments	\$ 453	\$ 317	42.9%

Capital grants and contributions increased by \$157 thousand, or 45.4%. Water and Sewer Impact fees increased \$244 thousand from the prior year. Developer's contributed water & wastewater infrastructure decreased \$87 thousand due to no new commercial projects in FY 2011.

The Other category decreased by \$13 thousand, or 8.9%. The decrease was caused by lower interest earnings on investments.

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



The Water & Wastewater Utility expenses increased \$0.8 million, or 5.7%, in comparison to the prior year. Personnel expenses increased \$73 thousand mainly due to the elimination of furloughs and increased OPEB expense which is calculated every two years. Contractual services increased \$598 thousand due to more consulting and engineering costs that did not result in a construction project, specifically for the Reverse Osmosis plant in FY 2011 because the City was granted a variance that would eliminate the need of the plant to a future unknown date. Administrative costs increased \$271 thousand due to calculation that factors in administration of capital projects. Depreciation expense decreased \$134 thousand as several large infrastructure assets became fully depreciated. All other categories increased or decreased as follows: repair & maintenance and materials & supplies increased \$54 thousand, insurance increased \$98 thousand, rent decreased \$64 thousand, and interest expense decreased \$86 thousand.

The Sanitation expenses decreased by \$62 thousand, or 2.3%. Decreases such as depreciation expense (3 packer disposals), \$55 thousand, administrative charges, \$46 thousand, repair & maintenance, \$22 thousand, and interest expense, \$5 thousand were offset by increases in fuel, \$29 thousand, materials & supplies, \$10 thousand, contractual services increases for temporary employee to fill vacant position, \$15 thousand, recycling, \$10 thousand, and other contract services, \$2 thousand.

The Building Fund's expenses decreased by \$233 thousand, or 30.7%. Personnel expenses decreased \$110 thousand. This is a direct result of staff reductions and remaining staff changing to a reduced work schedule to mitigate the reduction in revenue activity over the past several years. Administrative charges were also reduced significantly, \$113 thousand, because of a change in the fire inspection services provided to the building department and a reduction in overall expenses. Various other expenses decreased overall \$10 thousand.

The Laishley Park Marina expenses increased \$17 thousand, or 7.5%. The increased expenses are attributable to increased special events and the opening of a new mooring field. All categories increased as follows: insurance and rent, \$6 thousand, repair & maintenance and materials & supplies, \$8 thousand, utilities, \$1 thousand, contractual services, \$1 thousand, and depreciation expense, \$1 thousand.

## **THE CITY'S FUNDS**

### **General Fund Budgetary Highlights**

The following is a brief review of the budgeting changes from the original budget to the final budget for the General Fund. The final expenditure budget increased \$310 thousand or 2.0% from the original budget, which can be briefly summarized as follows:

Incomplete projects from prior year:

- Police department vehicle purchases, \$143 thousand
- Police department programs and operating supplies, \$32 thousand
- Comprehensive Planning for annexations, \$15 thousand
- Comprehensive Planning Evaluation & Appraisal Report, \$28 thousand
- E-Procurement system & training, \$17 thousand
- Various repair & maintenance projects, \$17 thousand

New Projects:

- Police department operating & capital grant awards, \$34 thousand
- Impact fee study, \$24 thousand

The final revenue budget increased by \$199 thousand (including transfers) or 1.2%, from the original budget, which can be briefly summarized as follows:

- Ad Valorem tax increase \$106 thousand as a result of an increase in the collection percentage.
- Utility taxes increase \$82 thousand mainly due to an increase in customer usage.
- Public Safety federal grants increase \$34 thousand
- Franchise fees decrease \$222 thousand as a result of a significant decrease in customer billings over the past 2 years.
- State revenue sharing & sales tax increase \$58 thousand
- Rental revenue & other miscellaneous revenues increase \$117 thousand
- Impact Fee Fund transfers increase \$24 thousand

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

Revenues:

- Water Utility Taxes were over budget by \$32 thousand as a result of higher than anticipated usage.
- FPL Franchise Fees were over budget by \$52 thousand due to a late year increase in anticipated usage.
- Sales Taxes and Infrastructure Sales Surtax were over budget \$21 thousand and \$38 thousand respectively due to better than projected economic conditions.
- Housing Authority payment in lieu of taxes was under budget by \$70 thousand due to a change in classification of properties from nontaxable to taxable.
- Lot Mowing Fees were over budget by \$22 thousand due to higher than anticipated collection of revenues.
- Disposition of fixed assets revenue was over budget by \$31 thousand.
- Impact Fee Fund transfer was under budget by \$24 thousand, but was reappropriated to FY 2012 because the impact fee study was in process.

Expenditures:

- General government expenditures were under budget by \$334 thousand. Personnel services were under budget \$66 thousand. Various division operating expenditures were under budget \$137 thousand. The following items that were under budget for FY 2011 were specific items or projects that were not completed by the end of the fiscal year and were reappropriated to FY 2012: Generator for PW/Utility Campus, \$30 thousand, election expenses, \$40 thousand, impact fee study, \$24 thousand, business development, \$11 thousand, comprehensive planning contractual services, \$26 thousand.
- Right of Way expenditures were \$34 thousand under budget - \$13 thousand in personnel and \$21 thousand in various other operating expenditures.
- Parks and Grounds personnel expenditures were under budget \$55 thousand due to a position vacancy. Operating expenditures were under budget \$64 thousand mainly from savings in contractual services and operating supplies.
- Public Safety code compliance personnel and operating expenditures were under budget \$16 thousand.
- Public Safety police operating expenditures were under budget by \$32 thousand due to reductions in supplies, clothing & uniforms, and various other operating expenditures. Police personnel services were \$71 thousand under budget partially due to pension expenditure savings associated with four employees entering the DROP program and savings in dependent health insurance coverage caused by employees that changed elections. The police capital expenditures were under budget by \$280 thousand due to vehicles on order but not received at FY 2011 year end and which were reappropriated to FY 2012.
- Public Safety fire was under budget by \$25 thousand. There were savings in liability insurance which was \$4 thousand lower than anticipated, as was the amount expended on clothing and uniforms, which was \$12 thousand less than budgeted, and materials and supplies were \$5 thousand under budget. The \$25 thousand was reappropriated to FY 2012 for bunker gear needs.



## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The City's capital assets as of September 30, 2011 reflect an investment of \$119.5 million, net of accumulated depreciation.

The following table provides a summary of net capital assets by category for both Governmental and Business-type activities.

**Table 4**  
**Capital Assets at Year End**  
**(net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 16,213	\$ 16,213	\$ 5,403	\$ 5,403	\$ 21,616	\$ 21,616
Buildings	20,787	21,228	4,577	4,846	25,364	26,074
Improvements						
other than buildings	7,734	8,019	6,163	6,651	13,897	14,670
Machinery and equipment	2,725	2,782	1,225	1,670	3,950	4,452
Infrastructure / System	17,031	15,249	29,584	26,370	46,615	41,619
Construction						
work in progress	<u>1,733</u>	<u>2,730</u>	<u>6,315</u>	<u>7,409</u>	<u>8,048</u>	<u>10,139</u>
Total Capital Assets	<u>\$ 66,223</u>	<u>\$ 66,221</u>	<u>53,267</u>	<u>\$ 52,349</u>	<u>\$ 119,490</u>	<u>\$118,570</u>

Significant changes to assets this year include:

- (2) vehicles for Code Compliance, \$30 thousand
- Segway Patroller for Police, \$10 thousand
- T-3 personal electric mobility vehicle for Police, \$12 thousand
- Caterpillar 400KW generator for water treatment plant, \$34 thousand
- ABS Mixer Pump for WWTP, \$11 thousand
- Ford E350 Van for WWTP, \$33 thousand
- New split system HVAC unit for WWTP, \$53 thousand
- Ford 1 ton crew cab for water distribution, \$38 thousand
- Access control system for IT, \$12 thousand
- Mugshot & document scanning software, \$8 thousand
- Desktops, laptops, & servers for IT, \$35 thousand
- Firehouse staff scheduling module, \$17 thousand
- Procurement card tracking module, \$11 thousand
- Herald Court Centre tenant buildouts, \$163 thousand
- Public Works/Utilities campus pole barns & bin covers, \$92 thousand

- City wayfinding signage, \$68 thousand
- Playground at Cooper Street Rec Center, \$135 thousand
- East Mooring Field, \$147 thousand
- Floating day docks at Laishley Park Marina, \$341 thousand
- Carmalita roadway improvements, \$360 thousand
- San Rocco drainage improvements, \$251 thousand
- Aqui Esta widening project, \$184 thousand
- MLK Blvd. street improvements - phase 5, \$138 thousand
- Ring Around the City projects, \$1.1 million
- City beautification, road and park improvements, 187 thousand
- Bal Harbor Booster Station transfer switch, \$30 thousand
- Travelling water screens for raw water pump station, \$157 thousand
- Water main upgrade projects, \$173 thousand
- Lift station, gravity sewer, & collection system improvements, \$294 thousand
- Force main projects, \$239 thousand
- Filtration/High level disinfection project, \$138 thousand
- Burnt Store Rd utility relocation, \$0.9 million
- Piper Rd utility relocation, \$0.5 million
- Bal Harbor water main and force main, \$0.4 million
- BPF relief force main replacement/upgrade project, \$2.4 million

## **Debt**

As of September 30, 2011 the City had \$25.3 million of revenue note debt in the Governmental Activities. This is a net decrease of \$ 1.7 million as compared to prior year. The business-type activities bond and note debt was \$10.1 million. This is a decrease of \$2.0 million in principal payments. Capital leases at year end were \$216 thousand after principal payments of \$134 thousand.

For additional information regarding capital assets and debt refer to footnote IV. D (pages 55-56) and footnote IV. E (57-64).

## **ECONOMIC OUTLOOK**

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

### **National Economic Outlook**

According to a June 2011 report from the National Association of Realtors, May sales of existing homes were down 15.3% from May 2010. Spiking gasoline prices and tight credit were primary factors in the decline. The national median existing home price was \$166,500 in May, down 4.6% from a year earlier. The homes in or under threat of foreclosure made up 31% of sales in May; this is approximately the same as a year earlier.

The national realtors association also forecasts that commercial real estate markets are stabilizing and job creation is boosting demand for commercial space. The economy should be adding between 1.5 and 2 million jobs annually both this year and next, with the unemployment rate falling to 8% by the end of next year. Vacancy rates in the office sector are projected to fall from 16.9% in May 2010 to 15.3% by May 2012. Industrial vacancy rates are expected to decline from 14.3% to 13%. Retail vacancy rates should remain at 12.6%. Multi-family housing is projected to show a different trend - vacancy rates are anticipated to decline from 7.3% to 4.7%.

### **Florida Economic Outlook**

The biggest challenge in the state's effort to enhance its economic climate continues to be the oversupply of housing constructed during the past decade. This inventory will keep pressure on home prices. Another big challenge is the winding down of the state's space industry. Florida will likely have to derive growth from other sources (other than tourism, retirees and working-age adults seeking a lower cost of living) in order to return to its position as one of the nation's fastest growing states. The best strategy is to move up the chain in industries such as biotechnology, medical devices, aerospace, international trade and finance, alternative energy, film and new media.

### **Charlotte County Economic Highlights**

#### Challenges

- The County's residential building permits (October 2010 through June 2011) are estimated at \$32.7 million in construction values, slightly up from \$29.0 million during the same timeframe last fiscal year.

- Unemployment is 10.4% as of May 2011, slightly below the state rate of 10.6%. One year ago, the unemployment rate in the County was 11.7%.
- The median sales price of an existing single family home in the Punta Gorda Metropolitan Statistical Area (all of Charlotte County) was \$102,900 in June 2011, a slight 1% decrease from \$103,900 one year earlier.

## Opportunities

- The County's Economic Development Working Group consisting of a County Commissioner, City Council Member and members of the private sector completed its development of a comprehensive set of economic development incentives designed to spur business development and retention. The County Commission approved moving forward with the incentives for qualified businesses.
- Community Hospitality Healthcare Services, based in the County, was awarded \$63 million in New Markets Tax Credits authority from the US Treasury to assist businesses build, expand or rebuild older, non-productive facilities to meet community needs. The new Port Charlotte CRA in the Medical Arts District represents a location to bring in these tax credits to help revitalize the area.
- Significant transportation-related projects under construction in the County within the vicinity of the City include improvements to the intersection of Jones Loop Road & US 41, Piper Road reconstruction in the airport area and Burnt Store Road widening.
- The Charlotte County Tourism Bureau Tourism Teams initiative represents a countywide effort to partner with all sectors of the community to enhance business development through visitor attraction and retention. Sixteen teams were formed to address a wide range of tourism-related opportunities including meetings & conventions, arts, ecotourism, gateways and sustainability, among others.
- The Punta Gorda Airport and Enterprise Charlotte Airport Park represent major economic drivers in the area. Since restoration of airline service in the fall of 2007, there have been over 594,000 passengers traveling through the airport. During May 2011, there were 13,685 passengers which represent an increase of 106% over May 2010. Three airlines provide commercial service - Direct Air, Allegiant Air and Vision Airlines. The Airport Authority has finished a terminal expansion project needed to meet current and future demand.
- Other economic drivers in the County continue to be the future Babcock Ranch community and the Murdock Village redevelopment (entertainment and water sports/resort districts).

## **Punta Gorda Economic Highlights**

### **Demographics & Tax Base**

Population projections show a 2011 City population of 16,907 and a 2012 estimate of 17,177. These projections are up from the 2010 Census of 16,641.

Changes in property values continue to contribute major influence on financial planning and budget preparation. Taxable property values (FY 2012) decreased Citywide by 3.27% and decreased in the Community Redevelopment Area by 2.34% from the previous fiscal year. This is the fifth straight year of declines in taxable value Citywide.

### **Business Development Strategy**

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

New housing unit building permit trends since 2005 are shown below. Although activity in 2010 demonstrated a significant increase in new residential construction from 2009, the activity in 2011 was slightly lower than the previous year.

<b>Year</b>	<b>Units Permitted</b>
2005	467
2006	241
2007	190
2008	98
2009	12
2010	38
2011	30

## **BASIC FINANCIAL STATEMENTS**

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF NET ASSETS  
September 30, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$11,777,103	\$ 5,752,538	\$ 17,529,641
Investments	681	-	681
Receivables (net of allowance for uncollectibles)	669,257	883,828	1,553,085
Due from other governments	872,472	-	872,472
Internal balances	7,402	(7,402)	-
Inventories	61,347	93,360	154,707
Prepays (including excess NPO \$41,073)	48,896	310,845	359,741
Deferred charges	-	257,619	257,619
Restricted assets:			
Cash and cash equivalents	31,798	4,832,238	4,864,036
Investments	-	14,664	14,664
Capital assets (net of accumulated depreciation):			
Land	16,212,906	5,403,346	21,616,252
Buildings	20,786,754	4,576,571	25,363,325
Improvements other than buildings	7,733,637	6,162,970	13,896,607
Vehicles and equipment	2,725,238	1,224,961	3,950,199
Infrastructure/System	17,031,382	29,583,957	46,615,339
Construction in progress	1,732,998	6,315,009	8,048,007
Total assets	<u>79,691,871</u>	<u>65,404,504</u>	<u>145,096,375</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	1,591,200	1,679,229	3,270,429
Deferred revenue	384,321	-	384,321
Liabilities payable from restricted assets	-	842,369	842,369
Long-term liabilities:			
Due within one year	1,746,385	1,661,983	3,408,368
Due in more than one year	24,654,540	8,373,428	33,027,968
Total liabilities	<u>28,376,446</u>	<u>12,557,009</u>	<u>40,933,455</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	40,912,696	40,596,997	81,509,693
Restricted for:			
Highways and streets	5,029	-	5,029
Capital projects	3,152,503	126,536	3,279,039
Debt service	2,622,279	1,965,272	4,587,551
Other purposes	31,798	1,234,339	1,266,137
Unrestricted	4,591,120	8,924,351	13,515,471
Total net assets	<u>\$51,315,425</u>	<u>\$52,847,495</u>	<u>\$ 104,162,920</u>

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2011

	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>					
Governmental Activities:					
General government	\$ 6,329,361	\$ (2,539,896)	\$ 1,656,887	\$ 1,010,081	\$ 543,458
Public Safety	8,575,957	-	13,939	13,210	112,038
Transportation	2,833,175	95,375	152,488	-	83,161
Economic environment	409,960	-	-	-	1,155,089
Recreation	5,159,655	139,151	3,026,319	-	-
Interest on long-term debt	1,018,596	-	-	-	-
<b>Total Governmental Activities</b>	<b>24,326,704</b>	<b>(2,305,370)</b>	<b>4,849,633</b>	<b>1,023,291</b>	<b>1,893,746</b>
Business-type Activities:					
Water and wastewater	12,976,621	2,003,431	14,740,246	-	503,116
Sanitation/refuse	2,355,244	227,833	2,913,888	-	-
Building Fund	450,094	74,106	476,797	-	-
Marina Fund	243,105	-	205,486	-	-
<b>Total Business-type Activities</b>	<b>16,025,064</b>	<b>2,305,370</b>	<b>18,336,417</b>	<b>-</b>	<b>503,116</b>
<b>Total Functions/Programs</b>	<b>\$ 40,351,768</b>	<b>\$ -</b>	<b>\$ 23,186,050</b>	<b>\$ 1,023,291</b>	<b>\$ 2,396,862</b>

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

See Accompanying Notes.



Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (579,039)	\$ -	\$ (579,039)
(8,436,770)	-	(8,436,770)
(2,692,901)	-	(2,692,901)
745,129	-	745,129
(2,272,487)	-	(2,272,487)
(1,018,596)	-	(1,018,596)
<u>(14,254,664)</u>	<u>-</u>	<u>(14,254,664)</u>
-	263,310	263,310
-	330,811	330,811
-	(47,403)	(47,403)
<u>-</u>	<u>(37,619)</u>	<u>(37,619)</u>
<u>-</u>	<u>509,099</u>	<u>509,099</u>
<u>(14,254,664)</u>	<u>509,099</u>	<u>(13,745,565)</u>
6,427,277	-	6,427,277
3,631,650	-	3,631,650
2,888,533	-	2,888,533
30,563	26,601	57,164
203,312	107,400	310,712
<u>13,181,335</u>	<u>134,001</u>	<u>13,315,336</u>
(1,073,329)	643,100	(430,229)
52,388,754	52,204,395	104,593,149
<u>\$ 51,315,425</u>	<u>\$ 52,847,495</u>	<u>\$ 104,162,920</u>

CITY OF PUNTA GORDA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2011

ASSETS	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$2,749,890	\$ 1,299,911	\$ 1,605,995	\$ 453,625	\$ 3,212,602	\$ 512,128	\$1,494,768	\$11,328,919
Investments	681	-	-	-	-	-	-	681
Accounts receivable (net of allowance of \$28,236)	669,257	-	-	-	-	-	-	669,257
Restricted cash and equivalents	31,798	-	-	-	-	-	-	31,798
Due from other funds	-	-	-	-	115,527	-	-	115,527
Due from other governments	267,803	-	-	45,501	393,965	-	165,203	872,472
Inventories	61,347	-	-	-	-	-	-	61,347
Prepaid items	7,823	-	-	-	-	-	-	7,823
Total assets	<u>\$3,788,599</u>	<u>\$ 1,299,911</u>	<u>\$ 1,605,995</u>	<u>\$ 499,126</u>	<u>\$ 3,722,094</u>	<u>\$ 512,128</u>	<u>\$1,659,971</u>	<u>\$13,087,824</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2011  
(Continued)

LIABILITIES AND FUND BALANCES	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Accounts payable	\$ 287,259	\$ -	\$ 8,857	\$ 110,464	\$ 416,845	\$ -	\$ 149,463	\$ 972,888
Retainage payable	-	-	-	20,526	152,746	-	29,736	203,008
Accrued liabilities	309,764	-	-	15,170	-	-	-	324,934
Due to other funds	115,527	-	-	-	-	-	-	115,527
Due to other governments	15,686	-	-	-	-	-	-	15,686
Deferred revenue	384,321	-	-	-	-	-	-	384,321
Total liabilities	<u>1,112,557</u>	<u>-</u>	<u>8,857</u>	<u>146,160</u>	<u>569,591</u>	<u>-</u>	<u>179,199</u>	<u>2,016,364</u>
Fund balances								
Nonspendable:								
Inventories	61,347	-	-	-	-	-	-	61,347
Prepays	7,823	-	-	-	-	-	-	7,823
Permanent fund principal	-	-	-	-	-	-	5,000	5,000
Restricted for:								
Public safety	31,578	-	-	-	-	-	62,159	93,737
General government	-	-	-	-	-	-	5,410	5,410
Transportation	-	-	-	-	-	512,128	303,832	815,960
Recreation	-	-	-	204,139	-	-	251,208	455,347
CRA district (downtown)	-	-	274,770	-	-	-	-	274,770
Infrastructure Surtax capital projects	-	-	-	-	2,854,735	-	-	2,854,735
Other purposes	220	-	-	-	-	-	-	220
Committed for:								
Capital Improvements	-	-	-	-	297,768	-	-	297,768
Debt Service	-	1,299,911	1,322,368	-	-	-	-	2,622,279
Assigned to:								
Subsequent year's budget	1,323,782	-	-	148,827	-	-	369,623	1,842,232
Other purposes	-	-	-	-	-	-	483,540	483,540
Unassigned	1,251,292	-	-	-	-	-	-	1,251,292
Total fund balances	<u>2,676,042</u>	<u>1,299,911</u>	<u>1,597,138</u>	<u>352,966</u>	<u>3,152,503</u>	<u>512,128</u>	<u>1,480,772</u>	<u>11,071,460</u>
Total liabilities and fund balances	<u>\$ 3,788,599</u>	<u>\$ 1,299,911</u>	<u>\$ 1,605,995</u>	<u>\$ 499,126</u>	<u>\$ 3,722,094</u>	<u>\$ 512,128</u>	<u>\$ 1,659,971</u>	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2011  
(Continued)

Total brought forward                   \$11,071,460

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total Capital Assets \$66,222,915 less amount included in internal services \$473,044	65,749,871
Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	823,337
Cumulative effect of business type portion of internal services	7,402
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 \$26,168,720 less amount included in internal services \$16,341.	(26,152,379)
Excess "Net Pension Obligation" is an asset on the Statement of Net Assets but is not a financial resource.	41,073
Postemployment Benefit Plans other than pension plans (OPEB) when unfunded is a liability on the Statement of Net Assets but is not a financial use. Total OPEB payable \$232,205 less amount included in internal services \$6,866.	<u>(225,339)</u>
Net assets of governmental activities	<u><u>\$51,315,425</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, 2011

	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Revenues								
Taxes	\$ 9,317,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,317,037
Permits, fees and special assessments	1,345,101	-	-	-	-	-	-	1,345,101
Intergovernmental revenues	3,494,712	-	974,341	-	526,896	-	1,407,909	6,403,858
Charges for services	296,764	-	-	-	-	-	-	296,764
Judgments, fines and forfeits	78,131	-	-	-	-	-	-	78,131
Miscellaneous	2,846,545	-	186,825	2,628,317	8,748	86,400	600,854	6,357,689
<b>Total revenues</b>	<b>17,378,290</b>	<b>-</b>	<b>1,161,166</b>	<b>2,628,317</b>	<b>535,644</b>	<b>86,400</b>	<b>2,008,763</b>	<b>23,798,580</b>
Expenditures								
Current								
General government	4,938,277	-	-	-	-	-	-	4,938,277
Public safety	7,922,801	-	-	-	-	-	-	7,922,801
Transportation	1,038,534	-	-	-	-	-	1,347,718	2,386,252
Economic environment	-	-	331,748	-	-	-	282,191	613,939
Recreation	1,089,435	-	-	2,975,418	-	-	543,141	4,607,994
Capital outlay	-	-	-	-	3,146,647	-	-	3,146,647
Debt service								
Principal retirement	36,667	1,106,623	498,500	-	-	-	-	1,641,790
Interest and fiscal charges	1,467	761,260	255,869	-	-	-	-	1,018,596
<b>Total expenditures</b>	<b>15,027,181</b>	<b>1,867,883</b>	<b>1,086,117</b>	<b>2,975,418</b>	<b>3,146,647</b>	<b>-</b>	<b>2,173,050</b>	<b>26,276,296</b>
Excess expenditures (over) under revenues	2,351,109	(1,867,883)	75,049	(347,101)	(2,611,003)	86,400	(164,287)	(2,477,716)

See Accompanying Notes.

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended September 30, 2011  
(Continued)

	General	Debt Service Fund	Community Redevelopment Agency Fund	P G I Canal Maintenance Fund	Capital Project Fund	Impact Fees Transportation	Other Governmental Funds	Total Governmental Funds
Expenditures (continued)								
Excess expenditures (over) under revenues	2,351,109	(1,867,883)	75,049	(347,101)	(2,611,003)	86,400	(164,287)	(2,477,716)
Other financing sources (uses)								
Transfers in	90,848	1,277,111	436,047	-	1,113,427	-	385,000	3,302,433
Transfers out	(2,505,824)	-	-	-	(85,000)	(650,685)	(135,843)	(3,377,352)
Total other financing sources	(2,414,976)	1,277,111	436,047	-	1,028,427	(650,685)	249,157	(74,919)
Net change in fund balances	(63,867)	(590,772)	511,096	(347,101)	(1,582,576)	(564,285)	84,870	(2,552,635)
Fund balances, October 1, 2010	2,739,909	1,890,683	1,086,042	700,067	4,735,079	1,076,413	1,395,902	13,624,095
Fund balances, September 30, 2011	<u>\$ 2,676,042</u>	<u>\$1,299,911</u>	<u>\$1,597,138</u>	<u>\$ 352,966</u>	<u>\$ 3,152,503</u>	<u>\$ 512,128</u>	<u>\$ 1,480,772</u>	<u>\$11,071,460</u>

CITY OF PUNTA GORDA, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended September 30, 2011

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

Net change in fund balances -- total governmental funds (page 27)	\$ (2,552,635)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,980,870) and capital asset adjustments were below capital outlays \$3,146,647 in the current period. Donations of capital assets \$86,800 increase net assets in the statement of activities, but are not financial resources in governmental funds. The net effect of various miscellaneous transactions involving the disposal, sale, trade-in of assets \$152,976 is to decrease net assets.</p>	
	99,601
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt \$1,641,790 consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest.</p>	
	1,641,790
<p>Some expenditures reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, ie Change in Excess NPO \$(1,854), Compensated absences \$(9,600) and Postemployment benefits other than pension (OPEB) \$(154,173).</p>	
	(165,627)
<p>Internal service funds are used by management to charge the costs of fleet maintenance and management information systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>	
	<u>(96,458)</u>
Change in net assets of governmental activities (page 22)	<u><u>\$ (1,073,329)</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, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,084,575	\$ 9,268,750	\$ 9,317,037	\$ 48,287
Permits, fees and special assessments	1,511,500	1,294,000	1,345,101	51,101
Intergovernmental revenue	3,372,000	3,498,415	3,494,712	(3,703)
Charges for services	244,500	261,295	296,764	35,469
Judgments, fines and forfeits	74,600	86,012	78,131	(7,881)
Miscellaneous	2,752,193	2,806,191	2,846,545	40,354
<b>Total revenues</b>	<b>17,039,368</b>	<b>17,214,663</b>	<b>17,378,290</b>	<b>163,627</b>
Expenditures				
Current				
General government	5,300,397	5,272,207	4,938,277	333,930
Public safety	8,063,975	8,346,704	7,922,801	423,903
Transportation	1,025,786	1,073,032	1,038,534	34,498
Recreation	1,200,489	1,208,322	1,089,435	118,887
Debt service				
Principal retirement	36,667	36,667	36,667	-
Interest and fiscal charges	1,467	1,467	1,467	-
<b>Total expenditures</b>	<b>15,628,781</b>	<b>15,938,399</b>	<b>15,027,181</b>	<b>911,218</b>
Excess revenues over expenditures	1,410,587	1,276,264	2,351,109	1,074,845
Other financing sources (uses)				
Transfers in	91,369	115,648	90,848	(24,800)
Transfers out	(2,468,956)	(2,468,956)	(2,505,824)	(36,868)
<b>Total other financing sources (uses)</b>	<b>(2,377,587)</b>	<b>(2,353,308)</b>	<b>(2,414,976)</b>	<b>(61,668)</b>
<b>Net change in fund balances</b>	<b>\$ (967,000)</b>	<b>\$ (1,077,044)</b>	<b>(63,867)</b>	<b>\$ 1,013,177</b>
Fund balances, October 1, 2010			2,739,909	
Fund balances, September 30, 2011			<u>\$ 2,676,042</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, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 976,672	\$ 976,672	\$ 974,341	\$ (2,331)
Miscellaneous	213,627	213,627	186,825	(26,802)
Total revenues	<u>1,190,299</u>	<u>1,190,299</u>	<u>1,161,166</u>	<u>(29,133)</u>
Expenditures				
Economic environment	254,905	324,500	331,748	(7,248)
Capital outlay	-	15,337	-	15,337
Debt service				
Principal retirement	798,500	798,500	498,500	300,000
Interest and fiscal charges	256,241	256,241	255,869	372
Total expenditures	<u>1,309,646</u>	<u>1,394,578</u>	<u>1,086,117</u>	<u>308,461</u>
Excess revenues over (under) expenditures	<u>(119,347)</u>	<u>(204,279)</u>	<u>75,049</u>	<u>279,328</u>
Other financing sources (uses)				
Transfers in	437,090	437,090	436,047	(1,043)
Total other financing sources	<u>437,090</u>	<u>437,090</u>	<u>436,047</u>	<u>(1,043)</u>
Net change in fund balances	<u>\$ 317,743</u>	<u>\$ 232,811</u>	511,096	<u>\$ 278,285</u>
Fund balances, October 1, 2010			<u>1,086,042</u>	
Fund balances, September 30, 2011			<u>\$ 1,597,138</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, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 1,000	\$ 1,000	\$ 2,897	\$ 1,897
Miscellaneous				
Service assessments	2,575,200	2,575,200	2,611,482	36,282
Other	15,000	15,000	13,938	(1,062)
	<u>2,591,200</u>	<u>2,591,200</u>	<u>2,628,317</u>	<u>37,117</u>
Total revenues				
Expenditures				
Current				
Recreation	2,682,886	3,048,799	2,975,418	73,381
	<u>2,682,886</u>	<u>3,048,799</u>	<u>2,975,418</u>	<u>73,381</u>
Total expenditures				
Excess revenues over (under) expenditures	<u>(91,686)</u>	<u>(457,599)</u>	<u>(347,101)</u>	<u>110,498</u>
Net change in fund balance	<u>\$ (91,686)</u>	<u>\$ (457,599)</u>	<u>(347,101)</u>	<u>\$ 110,498</u>
Fund balances, October 1, 2010			<u>700,067</u>	
Fund balances, September 30, 2011			<u>\$ 352,966</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, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 1,000	\$ 1,000	\$ 3,239	\$ 2,239
Miscellaneous	50,000	50,000	83,161	33,161
Total revenues	51,000	51,000	86,400	35,400
Expenditures				
Total expenditures	-	-	-	-
Excess revenues over expenditures	51,000	51,000	86,400	35,400
Other financing uses				
Transfers out	(250,000)	(1,066,914)	(650,685)	416,229
Total other financing uses	(250,000)	(1,066,914)	(650,685)	416,229
Net change in fund balance	\$ (199,000)	\$(1,015,914)	(564,285)	\$ 451,629
Fund balances, October 1, 2010			1,076,413	
Fund balances, September 30, 2011			\$ 512,128	

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2011

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,032,885	\$1,160,723
Accounts and refund receivable (net of allowance of \$306,883)	695,202	188,626
Inventories	93,360	-
Prepaid items	22,333	-
Restricted cash and cash equivalents	4,809,385	-
Restricted investments, at amortized cost which approximates fair value	14,664	-
Total current assets	9,667,829	1,349,349
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	52,738,855	515,577
Unamortized issuance costs	257,619	-
Prepaid rent	273,943	-
Total noncurrent assets	53,270,417	515,577
Total assets	\$62,938,246	\$1,864,926

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
<u>Building Fund</u>	<u>Marina Fund</u>	<u>Total</u>	
\$ 514,618	\$ 44,312	\$ 5,752,538	\$ 448,184
-	-	883,828	-
-	-	93,360	-
-	14,569	36,902	-
14,486	8,367	4,832,238	-
-	-	14,664	-
<u>529,104</u>	<u>67,248</u>	<u>11,613,530</u>	<u>448,184</u>
646	11,736	53,266,814	473,044
-	-	257,619	-
-	-	273,943	-
<u>646</u>	<u>11,736</u>	<u>53,798,376</u>	<u>473,044</u>
<u>\$ 529,750</u>	<u>\$ 78,984</u>	<u>\$65,411,906</u>	<u>\$ 921,228</u>

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
September 30, 2011  
(Continued)

LIABILITIES AND FUND EQUITY	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
	CURRENT LIABILITIES	
Payable from current assets		
Accounts payable	\$ 873,301	\$ 97,759
Retainage payable	416,737	-
Notes payable	48,701	-
Current portion of revenue notes payable	766,562	-
Current portion of bonds payable	690,000	-
Current portion of leases payable	-	116,985
Accumulated unused compensated absences	30,479	7,106
Accrued liabilities	238,725	23,667
Total payable from current assets	3,064,505	245,517
Payable from restricted assets		
Accrued liabilities	56,363	-
Current portion of bonds payable	727,500	-
Customer deposits	35,653	-
Total payable from restricted assets	819,516	-
Total current liabilities	3,884,021	245,517
NONCURRENT LIABILITIES		
Revenue notes payable	4,970,309	-
Revenue bonds payable - less unamortized discount of \$116,056	2,826,444	-
Leases payable	-	98,885
Accrued compensated absences	274,314	63,957
Other postemployment benefits payable (OPEB)	85,834	24,033
Total noncurrent liabilities	8,156,901	186,875
Total liabilities	12,040,922	432,392
NET ASSETS		
Invested in capital assets net of related debt	40,284,908	299,707
Restricted for debt service	1,965,272	-
Restricted for renewal and replacement	1,234,339	-
Restricted for capital projects	126,536	-
Unrestricted	7,286,269	1,132,827
Total net assets	\$50,897,324	\$1,432,534
Cumulative adjustment for internal service fund activities		
Net assets of business-type activities		

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 4,918	\$ 13,954	\$ 989,932	\$ 63,408
-	-	416,737	-
-	-	48,701	-
-	-	766,562	-
-	-	690,000	-
-	-	116,985	-
2,150	-	39,735	1,634
10,168	-	272,560	11,276
<u>17,236</u>	<u>13,954</u>	<u>3,341,212</u>	<u>76,318</u>
-	-	56,363	-
-	-	727,500	-
14,486	8,367	58,506	-
<u>14,486</u>	<u>8,367</u>	<u>842,369</u>	<u>-</u>
<u>31,722</u>	<u>22,321</u>	<u>4,183,581</u>	<u>76,318</u>
-	-	4,970,309	-
-	-	2,826,444	-
-	-	98,885	-
19,352	-	357,623	14,707
10,300	-	120,167	6,866
<u>29,652</u>	<u>-</u>	<u>8,373,428</u>	<u>21,573</u>
<u>61,374</u>	<u>22,321</u>	<u>12,557,009</u>	<u>97,891</u>
646	11,736	40,596,997	473,044
-	-	1,965,272	-
-	-	1,234,339	-
-	-	126,536	-
<u>467,730</u>	<u>44,927</u>	<u>8,931,753</u>	<u>350,293</u>
<u>\$ 468,376</u>	<u>\$ 56,663</u>	52,854,897	<u>\$ 823,337</u>
		<u>(7,402)</u>	
		<u>\$52,847,495</u>	

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2011

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Operating revenue		
Charges for services	\$ 14,740,246	\$ 2,895,936
Licenses and permits	-	17,952
Miscellaneous	58,153	4,221
	<u>14,798,399</u>	<u>2,918,109</u>
Total operating revenues		
Operating expenses		
Personnel services	4,763,249	1,056,832
Contractual services	1,144,912	758,716
Materials and supplies	1,334,199	142,219
Utilities	729,091	1,040
Depreciation	3,444,185	218,106
Insurance	262,468	33,940
Administrative charges	2,198,910	231,852
Repairs and maintenance	416,611	124,254
Travel and training	1,091	496
Rent	54,127	2,255
	<u>14,348,843</u>	<u>2,569,710</u>
Total operating expenses		
Operating income (loss)	<u>449,556</u>	<u>348,399</u>
Nonoperating revenues (expenses)		
Interest income	23,451	1,900
Insurance proceeds	1,523	-
Interest expense and fiscal charges	(577,417)	(12,268)
Gain (loss) on disposition of capital assets	(318)	13,720
	<u>(552,761)</u>	<u>3,352</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers and contributions	<u>(103,205)</u>	<u>351,751</u>
Totals carried forward	<u>(103,205)</u>	<u>351,751</u>

See Accompanying Notes.



Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 23,243	\$ 205,486	\$ 17,864,911	\$ 865,271
453,554	-	471,506	-
3,857	25,926	92,157	-
<u>480,654</u>	<u>231,412</u>	<u>18,428,574</u>	<u>865,271</u>
377,317	-	6,197,398	386,665
3,341	136,934	2,043,903	135,775
5,469	15,374	1,497,261	14,487
1,517	50,471	782,119	5,330
4,943	1,816	3,669,050	212,003
4,589	13,541	314,538	32,509
111,100	-	2,541,862	-
384	9,538	550,787	232,258
4,432	-	6,019	10,679
988	15,431	72,801	72,262
<u>514,080</u>	<u>243,105</u>	<u>17,675,738</u>	<u>1,101,968</u>
<u>(33,426)</u>	<u>(11,693)</u>	<u>752,836</u>	<u>(236,697)</u>
1,240	10	26,601	627
-	-	1,523	-
-	-	(589,685)	-
-	-	13,402	-
<u>1,240</u>	<u>10</u>	<u>(548,159)</u>	<u>627</u>
<u>(32,186)</u>	<u>(11,683)</u>	<u>204,677</u>	<u>(236,070)</u>
<u>(32,186)</u>	<u>(11,683)</u>	<u>204,677</u>	<u>(236,070)</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2011  
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (103,205)	\$ 351,751
Transfers in	-	-
Transfers Out	-	-
Contributions	503,116	-
Change in net assets	399,911	351,751
Total net assets - beginning	50,497,413	1,080,783
Total net assets - ending	\$ 50,897,324	\$ 1,432,534

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

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
<u>\$ (32,186)</u>	<u>\$ (11,683)</u>	<u>\$ 204,677</u>	<u>\$ (236,070)</u>
-	-	-	86,618
-	-	-	(11,699)
-	-	503,116	-
(32,186)	(11,683)	707,793	(161,151)
<u>500,562</u>	<u>68,346</u>		<u>984,488</u>
<u>\$ 468,376</u>	<u>\$ 56,663</u>		<u>\$ 823,337</u>
		<u>(64,693)</u>	
		<u>\$ 643,100</u>	

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2011

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 14,642,249	\$ 2,914,317
Cash payments to suppliers for goods and services	(5,837,452)	(1,256,427)
Cash payments to employees for services	(4,665,918)	(1,053,190)
Other receipts	58,153	4,221
	<u>4,197,032</u>	<u>608,921</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating transfers	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of property, plant and equipment	(4,382,910)	(16,156)
Sale of property, plant and equipment	15,144	14,806
Principal paid on debt	(2,062,460)	(134,119)
Interest and fiscal charges paid	(460,838)	(12,268)
Contributions	503,116	-
Insurance proceeds	1,523	-
	<u>(6,386,425)</u>	<u>(147,737)</u>
Totals carried forward	<u>(2,189,393)</u>	<u>461,184</u>

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ 478,852	\$ 206,361	\$ 18,241,779	\$ 865,271
(127,999)	(253,493)	(7,475,371)	(429,375)
(379,617)	-	(6,098,725)	(380,045)
3,857	25,926	92,157	-
<u>(24,907)</u>	<u>(21,206)</u>	<u>4,759,840</u>	<u>55,851</u>
-	-	-	74,919
-	-	-	74,919
-	(5,000)	(4,404,066)	(113,932)
-	-	29,950	-
-	-	(2,196,579)	-
-	-	(473,106)	-
-	-	503,116	-
-	-	1,523	-
<u>-</u>	<u>(5,000)</u>	<u>(6,539,162)</u>	<u>(113,932)</u>
<u>(24,907)</u>	<u>(26,206)</u>	<u>(1,779,322)</u>	<u>16,838</u>

(Continued)

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended September 30, 2011  
(Continued)

	Business-type Activities Enterprise Funds	
	Water and Wastewater Utility	Sanitation/ Refuse Fund
Totals brought forward	\$ (2,189,393)	\$ 461,184
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Gross proceeds from maturities of investments	1,582	-
Interest received	<u>23,451</u>	<u>1,900</u>
Net cash provided by investing activities	<u>25,033</u>	<u>1,900</u>
Net increase (decrease) in cash and cash equivalents	(2,164,360)	463,084
Balances - beginning of the year	<u>11,006,630</u>	<u>697,639</u>
Balances - end of year	<u><u>\$ 8,842,270</u></u>	<u><u>\$ 1,160,723</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ 449,556	\$ 348,399
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,444,185	218,106
Net (increase) decrease in:		
Receivables	(104,436)	429
Inventories	(4,450)	-
Prepays	78,916	11,980
Net increase (decrease) in:		
Accounts payable	229,491	26,365
Accrued liabilities	102,740	3,642
Customer deposits	<u>1,030</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>\$ 4,197,032</u></u>	<u><u>\$ 608,921</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>		
Disposal of fully depreciated capital assets	\$ 93,775	\$ 252,992

See Accompanying Notes.

Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
Building Fund	Marina Fund	Total	
\$ (24,907)	\$ (26,206)	\$ (1,779,322)	\$ 16,838
-	-	1,582	-
1,240	10	26,601	627
1,240	10	28,183	627
(23,667)	(26,196)	(1,751,139)	17,465
552,771	78,875	12,335,915	430,719
<u>\$ 529,104</u>	<u>\$ 52,679</u>	<u>\$ 10,584,776</u>	<u>\$ 448,184</u>
\$ (33,426)	\$ (11,693)	\$ 752,836	\$ (236,697)
4,943	1,816	3,669,050	212,003
25	-	(103,982)	-
-	-	(4,450)	-
706	1,698	93,300	17,868
3,115	(13,902)	245,069	56,057
(2,300)	-	104,082	6,620
2,030	875	3,935	-
<u>\$ (24,907)</u>	<u>\$ (21,206)</u>	<u>\$ 4,759,840</u>	<u>\$ 55,851</u>
\$ -	\$ -	\$ 346,767	\$ -

CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
September 30, 2011

	Pension Funds
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,341,178
Interest and payments in transit	172,906
Investments, at fair value	
U.S. Treasury and Government Agencies	3,718,079
Municipal and Corporate Obligations	7,959,440
Common Stocks	20,643,340
Other securities	2,836,841
Total investments at fair value	35,157,700
Total assets	38,671,784
<b>LIABILITIES AND NET ASSETS</b>	
Prepaid contribution	7,823
Total liabilities	7,823
Net assets	
Active and retired member equity	38,399,862
DROP plan benefits	264,099
Total Liabilities and Net Assets	\$ 38,671,784

See Accompanying Notes.



CITY OF PUNTA GORDA, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For the Fiscal Year September 30, 2011

	Pension Funds
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 2,156,284
Insurance Premiums	392,855
Plan members	845,824
Total contributions	3,394,963
Investment earnings	
Net loss in fair value of investments	(1,347,832)
Interest and dividends	1,010,712
Total investment loss	(337,120)
Less investment expense	263,919
Net investment loss	(601,039)
Total additions	2,793,924
<b>DEDUCTIONS</b>	
Benefits paid	1,969,101
Refunds of contributions	163,475
Administrative expenses	70,796
Total deductions	2,203,372
Change in net assets	590,552
Net assets held in trust for pension benefits	
Beginning of year	38,073,409
End of year	\$ 38,663,961

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

I. Organization and Summary of Significant Accounting Policies

Organization

The City of Punta Gorda, Florida (the City) was created by authority granted under the laws of Florida 5085 (1901). The City operates under a form of government which is comprised of an elected City Council (five members), of which one of those members serves as Mayor. The City provides the following services: public safety, sanitation, right of way maintenance, parks and grounds maintenance, streets and roads, canal maintenance, planning and zoning, water and wastewater services, and general administrative services.

The City has adopted Statement of Governmental Accounting Standards Board Number 14, "Financial Reporting Entity" (GASB 14). This statement requires the financial statements of the City (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable.

Under criteria established by GASB 14 component units are to be either blended with the primary government or presented discretely. For a component unit to be blended it must meet one or both of the following two situations: (1) The board of the component unit is "substantively the same" as that of the primary government or (2) The component unit serves the primary government exclusively, or almost exclusively. The Community Redevelopment Agency meets both of these criteria in that the CRA board is the five City Council members plus an additional two at large members, and the CRA exists for the exclusive benefit of the primary government. The Punta Gorda Isles (PGI) and Burnt Store Isles (BSI) Canal Maintenance Assessment Districts are blended since they meet the necessary criteria in that these districts are "to be governed by a board of five members, who shall be the members of the City Council of the City of Punta Gorda". Also, the districts exist to maintain the City owned seawalls, and maintain navigability of canals within the city limits. This maintenance is almost exclusively for the benefit of the City. The pension plans of the City are also included as blended components. All changes in the pension plans must be approved by the City Council, and the pension plans were created for the exclusive benefit of the City.

The legal authority for the CRA is City ordinance #989-90. The legal authority for PGI and BSI is City ordinances #549-79 and #825-86 respectively. The legal authority for the General Employee, Police and Firefighters' Pension Funds is City ordinances #910-88, #836-86 and #837-86 respectively.

Separate Financial Statements are not prepared for the component units.

The following is a summary of the more significant accounting policies used in the preparation of these financial statements.

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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, 2011

I. Organization and Summary of Significant Accounting Policies, Continued

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

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

The Community Redevelopment Agency accounts for the resources received from the City and County to revitalize the downtown Punta Gorda area.

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

The Capital Projects Fund accounts for major projects or equipment purchases using various funding sources. This fund uses a project length budget.

The Transportation Impact Fee accounts for revenue received from impact fees and legal expenditures of these funds.

The City reports the following major proprietary funds:

The Water and Wastewater Utility accounts for the activities of providing customers with potable water and wastewater disposal services.

The Sanitation/Refuse accounts for the collection and disposal of solid waste.

The Building Fund accounts for collection of building related permits and fees.

The Marina Fund accounts for the management and revenues of the City's marina located in Laishley Park.

Additionally, the City reports the following funds:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

I. Organization and Summary of Significant Accounting Policies, Continued

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

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

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

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

C. Cash and cash equivalents

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

The City has implemented GASB Statement No. 31 which calls for investment reporting at fair value at Balance Sheet date. Since the difference between fair value and cost is minimal at Balance Sheet date, investments are stated at cost, or amortized cost, which approximates fair value. Investments held by the City's Pension Trust Funds are carried at fair value.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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, 2011.

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, 2011

I. Organization and Summary of Significant Accounting Policies, Continued

H. Accumulated compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and some sick pay benefits, which will be paid to employees upon separation from City service if they meet certain criteria. The accumulated compensated absences are accrued when incurred and are reported as long-term liabilities in the Statement of Net Assets.

The pay or salary rates in effect at the balance sheet date were used in the accrual calculation.

These compensated absences are paid out of the various funds that have payroll, and their accumulated liabilities.

I. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which does not result in a material difference from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Principal payments of long-term debt are reported as debt service expenditures.

J. Fund equity

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes by constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations are restricted fund balances. Committed fund balances are amounts that can only be used for specific purposes as formally imposed by the City Council through an ordinance or resolution. Assigned fund balances are for an intended use as established by the City Council or city administrator. 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.

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 \$2,539,896 for fiscal year 2011. For the government-wide financial statements these "Indirect Expenses" have been backed out to avoid double counting.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

I. Organization and Summary of Significant Accounting Policies, Continued

L. Unamortized gains or losses

Gains or losses from debt refundings are reported in the accompanying financial statements as an addition or deduction to bonds payable and have been charged to operations using the effective - interest method in accordance with the provisions of GASB Statement No. 23.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$26,152,379 difference are as follows:

Noncurrent liabilities	\$26,168,720
Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation	<u>(16,341)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities - Noncurrent liabilities	<u><u>\$26,152,379</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. In the governmental funds, the proceeds from the sale of capital assets increase financial resources. However, in the statement of activities, all gains and losses resulting from sales, disposals and trade-in of capital assets are reported. The details of this \$99,601 difference are as follows:



CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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

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

Capital outlay	\$ 3,146,647
Depreciation expense	(2,980,870)
Capital asset donations	86,800
Net effect of misc. capital transactions (disposal, sale, trade-in of assets)	<u>(152,976)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 99,601</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,641,790 difference are as follows:

Principal repayments:	
Capital Improvement revenue notes	<u>\$ 1,641,790</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 1,641,790</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$165,627 difference are as follows:

Change in Excess Net Pension Obligation	\$ 1,854
Change in Compensated absences	9,600
Change in Postemployment Benefits Other than Pensions	<u>154,173</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 165,627</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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, 2011.

B. Budgets and budgetary accounting

The City follows these procedures in establishing the budgetary data presented in the financial statements:

1. On or before the fifteenth day of August, the City Manager submits to the City Council a proposed operating budget for the fiscal year then commencing. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. On or before September 30th, the budget is legally enacted for the General, most Special Revenue, Enterprise and Internal Service Funds through passage of a resolution. Project-length financial plans are adopted for all Capital Projects Funds.
4. Budget amounts are presented as originally adopted or as amended by the City Council. Unused appropriations lapse at year-end. Any revisions altering the budgeted amounts of total expenditures of any fund must be approved by the City Council. The City Manager can amend the budget within existing appropriations by fund. Supplemental appropriations approved by Council for the fiscal year ended September 30, 2011 totaled \$728,572.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). A budget was not prepared for the Storm Related Fund. There was no way to anticipate how much was going to be expended, and revenue sources are varied.

C. Interfund transactions

Exchanges of equal or almost equal value between funds of the primary government are treated as interfund services provided and used. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as transfers in or out.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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, 2011 the carrying amounts of the City's deposits below were \$3,733,954 and the bank balances were \$3,846,504. 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, 2011, petty cash for all funds was \$1,940.

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 \$15,345. These investments have a weighted average maturity of 3 years.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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 \$18,657,783.

The Local Government Surplus Funds Trust Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operations procedures consistent with the requirements for a 2a-7 fund.

Since 2a-7 like pools are similar to money market funds where shares are owned in the fund rather than the actual underlying investments, disclosures for foreign currency risk, custodial credit risk and concentration of credit risk are not applicable. For credit quality risk the State Pool is not rated by a nationally recognized statistical rating agency. The pool funds are reported by the City as cash equivalents.

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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, 2011:

<u>Water and Wastewater Utility Fund, Building Fund, Marina Fund</u>	<u>Cash and Cash Equivalents</u>	<u>Investment Securities</u>
Renewal and Replacement Account - reserved for extensions, enlargements and replacements of capital assets of the utility system	\$ 1,234,339	\$ -
Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system	305,107	-
Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system	281,892	-
Utility Revenue Certificate Sinking Account - reserved for current debt service on revenue bonds	12,347	-
Bond Reserve Account - maintained at the level required by the Bond Ordinance	1,565,808	14,664
State Revolving Loan Fund Reserve - maintained at the level required by the loan documents	372,453	-
Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits	58,506	-
Utilities Construction Account - reserved for payment of the costs of new projects	955,163	-
Special Assessments - District #4 - established to account for assessments levied for utility expansion	46,623	-
	<u>\$ 4,832,238</u>	<u>\$ 14,664</u>

CITY OF PUNTA GORDA, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2011

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, 2011:

Cash and Cash Equivalents		
Law enforcement trust	\$	23,895
Other		<u>7,903</u>
	<u>\$</u>	<u>31,798</u>

C. Interfund Asset/Liabilities/Transfers

	<u>Asset</u>	<u>Liability</u>
General Fund	\$ -	\$ 115,527
Capital Project Fund	<u>115,527</u>	<u>-</u>
	115,527	115,527
 Governmental funds consolidation	 <u>(115,527)</u>	 <u>(115,527)</u>
 Statement of Net Assets	 <u>\$ -0-</u>	 <u>\$ -0-</u>

The \$115,527 General Fund Liability is the 1¢ sales tax revenue accrual to be used for Capital Projects that will be paid in October 2011.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

C. Interfund Asset/Liabilities/Transfers, continued

The interfund transfer from General Fund to CRA is the amount of incremental tax revenue received in the district. Additional 1¢ sales tax revenue is transferred from the General Fund to the Capital Project Fund, to the Debt Fund, and to Information Technology. The transfer from the General Fund to the Additional Five Cent Gas Tax Fund was for the paving program. The transfer from the General Fund to the Six Cent Gas Tax Fund is for road and sidewalk maintenance. The transfer from the Capital Projects Fund to the General Fund was for engineering and project management services provided for capital projects. The transfer from Impact Fees-Transportation was to the Capital Projects Fund. The Nonmajor Governmental transfers out are impact fees transferred to General Fund, Capital Project Fund, and Information Technology. Other transfers from Nonmajor Governmental funds are transfers from the Six Cent Gas Tax Fund to the Capital Projects Fund and CDBG to Capital Projects and General Funds. The transfer from Information Technology is 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	\$ 90,848	\$ 2,505,824
Debt Service Fund	1,277,111	-
Community Redevelopment	436,047	-
Capital Projects Fund	1,113,427	85,000
Impact Fees - Transportation	-	650,685
Nonmajor Governmental funds	385,000	135,843
Net Governmental Funds	<u>\$ 3,302,433</u>	<u>\$ 3,377,352</u>
Internal Service Fund		
Information Technology	<u>\$ 86,618</u>	<u>\$ 11,699</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

D. Capital assets

Capital assets activity for the year ended September 30, 2011 was as follows:

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$16,212,906	\$ -	\$ -	\$16,212,906
Construction in progress	2,730,126	3,350,626	(4,347,754)	1,732,998
Total capital assets, not being depreciated	<u>18,943,032</u>	<u>3,350,626</u>	<u>(4,347,754)</u>	<u>17,945,904</u>
Capital assets, being depreciated:				
Buildings	24,388,130	557,105	(492,477)	24,452,758
Improvements other than buildings	9,692,402	209,888	(13,668)	9,888,622
Infrastructure	73,509,232	2,951,387	-	76,460,619
Vehicles and equipment	9,317,467	875,309	(311,353)	9,881,423
Total capital assets, being depreciated	<u>116,907,231</u>	<u>4,593,689</u>	<u>(817,498)</u>	<u>120,683,422</u>
Less accumulated depreciation for:				
Buildings	(3,160,048)	(614,166)	108,210	(3,666,004)
Improvements other than buildings	(1,672,722)	(495,838)	13,575	(2,154,985)
Infrastructure	(58,260,421)	(1,168,816)	-	(59,429,237)
Vehicles and equipment	(6,535,687)	(914,053)	293,555	(7,156,185)
Total accumulated depreciation	<u>(69,628,878)</u>	<u>(3,192,873)</u>	<u>415,340</u>	<u>(72,406,411)</u>
Total capital assets, being depreciated, net	<u>47,278,353</u>	<u>1,400,816</u>	<u>(402,158)</u>	<u>48,277,011</u>
Governmental activities capital assets, net	<u>\$66,221,385</u>	<u>\$ 4,751,442</u>	<u>\$ (4,749,912)</u>	<u>\$66,222,915</u>



CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

D. Capital assets, continued

	Beginning Balance	Reclass/ Increases	Reclass/ Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 5,403,346	\$ -	\$ -	\$ 5,403,346
Construction in progress	7,409,150	5,241,429	(6,335,570)	6,315,009
Total capital assets, not being depreciated	<u>12,812,496</u>	<u>5,241,429</u>	<u>(6,335,570)</u>	<u>11,718,355</u>
Capital assets, being depreciated:				
Buildings	25,556,875	239,733	(96,266)	25,700,342
Improvements other than buildings	18,368,605	-	(4,194)	18,364,411
System Infrastructure	61,160,086	5,283,693	-	66,443,779
Vehicles and equipment	6,819,993	174,241	(506,516)	6,487,718
Total capital assets, being depreciated	<u>111,905,559</u>	<u>5,697,667</u>	<u>(606,976)</u>	<u>116,996,250</u>
Less accumulated depreciation for:				
Buildings	(20,710,962)	(499,227)	86,418	(21,123,771)
Improvements other than buildings	(11,717,494)	(488,142)	4,195	(12,201,441)
System Infrastructure	(34,790,243)	(2,069,579)	-	(36,859,822)
Vehicles and equipment	(5,150,473)	(612,102)	499,818	(5,262,757)
Total accumulated depreciation	<u>(72,369,172)</u>	<u>(3,669,050)</u>	<u>590,431</u>	<u>(75,447,791)</u>
Total capital assets, being depreciated, net	<u>39,536,387</u>	<u>2,028,617</u>	<u>(16,545)</u>	<u>41,548,459</u>
Business-type activities capital assets, net	<u>\$52,348,883</u>	<u>\$ 7,270,046</u>	<u>\$(6,352,115)</u>	<u>\$53,266,814</u>

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

<b>Governmental activities:</b>	
General government	\$ 1,255,530
Public safety	530,330
Transportation	525,305
Recreation	669,705
Internal service funds	212,003
Total depreciation expense -- governmental activities	<u>\$ 3,192,873</u>
<b>Business-type activities:</b>	
Public utilities	\$ 3,444,185
Sanitation/refuse collection	218,106
Building	4,943
Marina	1,816
Total depreciation expense -- business-type activities	<u>\$ 3,669,050</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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, 2011:

	Governmental Activities - Long-Term Debt		
	Capital Improvement Revenue Notes	OPEB and Compensated Absences	Total
Debt payable at October 1, 2010	\$ 26,952,009	\$ 921,441	\$ 27,873,450
Debt retired	(1,641,790)	-	(1,641,790)
Amortization of original issue discount	-	-	-
Amortization of early call premium	-	-	-
Amortization of underwriters premium	-	-	-
Additions in OPEB and compensated absences	-	270,236	270,236
Deductions in OPEB and compensated absences	-	(100,971)	(100,971)
Debt payable at September 30, 2011 (net)	\$ 25,310,219	\$ 1,090,706	\$ 26,400,925

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, \$16,341 of compensated absences and \$6,866 of OPEB balances for internal service funds are included in the above amounts.

Business-type Activities  
Long-Term Debt

Water and Wastewater Utility Revenue Bonds	Water and Wastewater Utility Revenue Notes	Water and Wastewater Utility Notes	Capital Leases	OPEB and Compensated Absences	Total
\$ 5,512,363	\$ 6,479,330	\$ 48,701	\$ 349,990	\$ 437,460	\$ 12,827,844
(1,320,000)	(742,460)	-	(134,119)	-	(2,196,579)
27,459	-	-	-	-	27,459
41,422	-	-	-	-	41,422
(17,300)	-	-	-	-	(17,300)
-	-	-	-	80,630	80,630
-	-	-	-	(565)	(565)
<u>\$ 4,243,944</u>	<u>\$ 5,736,870</u>	<u>\$ 48,701</u>	<u>\$ 215,871</u>	<u>\$ 517,525</u>	<u>\$ 10,762,911</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2011 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.	\$ 4,792,127
\$4,092,000 Revenue Note, this note was issued on December 5, 2002 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 3.76%. Principal is payable semi-annually. Final maturity scheduled for January 1, 2013. The debt proceeds were used for various projects in the CRA district and to pay off existing CRA debt.	2,292,000
\$5,053,000 Revenue Note, this note was issued on November 17, 2005 and is to be repaid by the Community Redevelopment Agency; collateralized by tax increment revenues deposited into the CRA's redevelopment trust fund. Interest is payable semi-annually at 4.09%. Principal is payable semi-annually. Final maturity is scheduled for January 1, 2013. The debt proceeds were used for various construction projects in the CRA district.	3,798,000

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Governmental Activities, continued

Revenue Notes, continued

\$13,997,216 Revenue Note, this note is a tax exempt note issued on June 19, 2008, to be repaid with non-ad valorem revenues through a covenant to budget and appropriate. Interest is payable semi-annually at 4.02%. Principal is payable annually beginning on January 1, 2014 with final maturity on January 1, 2020. The debt proceeds are being used for the construction of a public parking garage in the downtown area. 13,997,216

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

Total revenue notes payable 25,310,219

Less current maturities (1,660,535)

Noncurrent portion, revenue notes payable \$ 23,649,684

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Bonds

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

\$ 4,360,000

Less unamortized discount and call premium

(116,056)

Net

4,243,944

Less current maturities

(1,417,500)

Noncurrent portion, revenue bonds payable

\$ 2,826,444

Revenue Notes

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

\$ 3,040,045

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

Revenue Notes, continued

\$5,000,000 Revenue Note issued on September 22, 2005 to be repaid by the Water and Wastewater Utility Fund, payable to a financial institution, collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Principal is payable annually. Interest is payable semi-annually at 3.17% per annum. Interest payments commenced April 1, 2006, and principal payments commenced October 1, 2006. The debt proceeds were used to buy land next to the Water Treatment Plant to be used to build a reservoir.	<u>\$ 2,696,825</u>
Total revenue notes payable	5,736,870
Less current maturities	<u>(766,561)</u>
Noncurrent portion, revenue notes payable	<u><u>\$ 4,970,309</u></u>
 Water and Wastewater Utility Notes Payable	
Noninterest-bearing advance from a local governmental agency, payable upon collection of specified sewer impact fees anticipated to be collected in the future.	<u><u>\$ 48,701</u></u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities, continued

Sanitation Leases Payable

\$275,712 Capital lease agreement was entered into on January 19, 2005 with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$216,630, minimum lease payments of \$11,126, payable quarterly, including imputed fixed rate interest of 3.45% with final maturity on January 21, 2012. \$ 21,969

\$616,064 Capital lease agreement was entered into on June 7, 2006 with a financial institution, collateralized by solid waste collection equipment with a current carrying value of \$572,456, minimum lease payments of \$50,942, payable semi-annually, including imputed fixed rate interest of 4.03% with final maturity on June 8, 2013. 193,902

Total leases payable 215,871

Less current maturities (116,986)

Noncurrent portion, leases payable \$ 98,885





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CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

The annual requirements to amortize all debts outstanding as of September 30, 2011 are as follows:

Year Ending September 30	Governmental Activities Long-Term Debt	
	Principal	Interest
2012	1,660,535	961,744
2013	6,750,080	798,708
2014	3,038,165	614,047
2015	3,151,528	495,664
2016	1,973,819	397,904
2017-2021	8,736,092	733,436
Total	\$ 25,310,219	\$ 4,001,503

	Portion	Portion	OPEB	Totals
Governmental Activities	\$ 85,850	\$ 772,651	\$ 232,205	\$ 1,090,706
Business-type Activities	39,735	357,623	120,167	517,525
	\$ 125,585	\$ 1,130,274	\$ 352,372	\$ 1,608,231

The amounts included in governmental activities for internal service funds are \$1,634 current portion of compensated absences, \$14,707 noncurrent portion compensated absences and \$6,866 OPEB.

Business-type Activities  
Long-Term Debt

Water and Utility Revenue Bonds		Water and Wastewater Utility Revenue Notes		Water and Wastewater Utility Notes	Capital Leases	
Principal	Interest	Principal	Interest			
1,380,000	190,950	766,561	177,639	48,701	124,137	
1,455,000	118,256	791,446	152,500	-	101,884	
1,525,000	40,031	817,140	126,544	-	-	
-	-	843,669	99,745	-	-	
-	-	871,460	72,068	-	-	
-	-	1,646,594	156,268	-	-	
<u>\$ 4,360,000</u>	<u>\$ 349,237</u>	<u>\$5,736,870</u>	<u>\$784,764</u>	<u>\$ 48,701</u>	226,021	Total minimum lease payments
					(10,150)	Less: Amounts representing interest
					<u>\$215,871</u>	Present value of minimum lease payments

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

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

Water and Wastewater Utility Fund

Utility System Refunding Revenue Bonds, Series 2002.

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

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

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

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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, 2011 was \$2.7251 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 2011 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, 2011

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems

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

Plan Descriptions

(a) General Employees' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	79
Vested terminated employees	10
Beneficiaries	5
DROP	10
Active employees	
Fully-vested	130
Nonvested	43

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

The Plan is administered by a Board of Trustees.

CITY OF PUNTA GORDA, FLORIDA  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2011

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	14
Vested terminated employees	5
Beneficiaries	1
Disability benefits	4
DROP	2
Active employees	
Fully-vested	20
Nonvested	12

Police officers attaining the later of age 45 or the completion of twenty years of service but not later than age 55 are entitled to a benefit of 3.5% of average monthly earnings times the years of credited service. The Plan permits early retirement at age 45 and ten years of service. Active employees who become disabled receive 3.5% average monthly earnings times credited service but not less than 60% of average monthly earnings as defined in the Plan. If an active employee dies, the employee's spouse receives a maximum of 60% of the member's base pay. When a member has a dependent child or children each child receives 15% of the member's base pay with a total maximum of 60% for children and spouse. If a member terminates employment before becoming eligible for any other benefits under the Plan, the member is entitled to the following:

- With less than five years of credited service, a refund of member contributions.
- With five years or more of credited service, accrued benefits payable at age 45 or later, or a refund of member contributions.

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

The Plan is administered by a Board of Trustees.

(c) Municipal Firefighters' Pension Plan

Current membership is comprised of the following:

Retirees receiving benefits	8
Vested terminated employees	3
Beneficiaries	1
Disability benefits	5
Active employees	
Fully-vested	16
Nonvested	10

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Firefighters attaining the earlier of age 55 or the completion of twenty-five years of service are entitled to a benefit of 3.5% of average monthly earnings times the years of credited service. The Plan permits early retirement at age 45 and ten years of service. Active employees who become disabled receive 3.5% of average monthly earnings times credited service but not less than 60% of average monthly earnings as defined in the Plan. If an active employee dies, the employee's spouse receives a maximum of 60% of the member's base pay. When a member has a dependent child or children each child receives 15% of the member's base pay with a total maximum of 60% for children and spouse. If a member terminates employment before becoming eligible for any other benefits under the Plan, the member is entitled to the following:

- With less than five years of credited service, a refund of member contributions.
- With five years or more of credited service, accrued benefits payable at age 45 or later, or a refund of member contributions.

The Plan is administered by a Board of Trustees.

Actuarial assumptions and funding

(a) General Employees' Pension Plan

Significant actuarial assumptions used in determining the annual required contribution include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually; (b) projected salary increases of 5.0% are calculated using 3.0% as a result of inflation and 2.0% as a result of seniority and/or merit adjustments (compounded annually); (c) payroll growth increases of 0.0% annually; and (d) the assumption that benefits will not increase after retirement. Employees contribute 6.1% of their annual covered salary.

(b) Municipal Police Officers' Pension Plan

Significant actuarial assumptions used in determining the annual required contribution include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually; (b) projected salary increases of 7.0% are calculated using 3.0% as a result of inflation and 4.0% as a result of seniority and/or merit adjustments (compounded annually); (c) payroll growth increases of 3.0% annually; and (d) the assumption that benefits will not increase after retirement. Employees contribute 8.0% of their annual covered salary.



CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan

Significant actuarial assumptions used in determining the annual required contribution include (a) a rate of return on the investment of present and future assets of 8.0% per year compounded annually; (b) projected salary increases of 6.0% are calculated using 3.0% as a result of inflation and 3.0% as a result of seniority and/or merit adjustments (compounded annually); (c) payroll growth increases of 5.0% annually; and (d) the assumption that benefits will not increase after retirement. Employees contribute 8.0% of their annual covered salary.

Annual Pension Costs and Net Pension Obligations

The City has no net pension obligations as all actuarially determined amounts are contributed each year. The City's annual pension costs for the General Employees' pension plan was \$1,457,553, Municipal Police Officers' pension plan \$385,494 and Municipal Firefighters' pension plan \$315,091 for fiscal year ended September 30, 2011.

Other Pension Plan Information

The annual required contribution for the current year, for each plan, was determined as part of the October 1, 2009 actuarial valuation using the frozen entry age actuarial cost method.

The actuarial value of assets was determined using market value for all three plans. The excess of actuarial value of assets over the actuarial accrued liabilities is being amortized using the level percentage of pay closed method for each of the three plans. As of the October 1, 2009 actuarial valuation, the amortization periods for the excess of actuarial value of assets over the actuarial accrued liabilities is 29 years (as of 10/01/11) for the General Employees', 25 years for Municipal Police Officers' and 28 years for Municipal Firefighters' plans (as of 10/01/09).

Trend information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. The information is presented on pages 80 through 83 of the City's Comprehensive Annual Financial Report.

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2011 were as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,857,965	\$ 770,716	\$ 712,497	\$ 3,341,178
Interest and payments in transit	87,398	52,938	32,570	172,906
Due from other plan	-	117,600	-	117,600
Investments, at fair value				
U.S. Treasury and Government Agencies	2,045,003	1,106,951	566,125	3,718,079
Municipal and Corporate Obligations	3,860,569	2,795,807	1,303,064	7,959,440
Common Stocks	13,623,094	4,302,344	2,717,902	20,643,340
Other securities	1,201,954	509,734	1,125,153	2,836,841
Total investments at fair value	<u>20,730,620</u>	<u>8,714,836</u>	<u>5,712,244</u>	<u>35,157,700</u>
Total assets	<u>22,675,983</u>	<u>9,656,090</u>	<u>6,457,311</u>	<u>38,789,384</u>
<b>LIABILITIES AND NET ASSETS</b>				
Prepaid contribution	-	7,823	-	7,823
Due to other plan	-	-	117,600	117,600
Total liabilities	<u>-</u>	<u>7,823</u>	<u>117,600</u>	<u>125,423</u>
Net assets				
Active and retired member equity	22,476,313	9,583,838	6,339,711	38,399,862
DROP plan benefits	199,670	64,429	-	264,099
Total Liabilities and Net Assets	<u>\$22,675,983</u>	<u>\$9,656,090</u>	<u>\$6,457,311</u>	<u>\$ 38,789,384</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension activity for the year ended September 30, 2011 was as follows:

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan	Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 1,457,548	\$ 384,322	\$ 314,414	\$ 2,156,284
Insurance premiums		172,401	220,454	392,855
Plan members	526,820	187,225	131,779	845,824
Total contributions	<u>1,984,368</u>	<u>743,948</u>	<u>666,647</u>	<u>3,394,963</u>
Investment earnings				
Net loss in fair value of investments	(677,040)	(468,052)	(202,740)	(1,347,832)
Interest and dividends	562,367	281,597	166,748	1,010,712
Total investment loss	<u>(114,673)</u>	<u>(186,455)</u>	<u>(35,992)</u>	<u>(337,120)</u>
Less investment expense	<u>142,549</u>	<u>65,826</u>	<u>55,544</u>	<u>263,919</u>
Net investment loss	<u>(257,222)</u>	<u>(252,281)</u>	<u>(91,536)</u>	<u>(601,039)</u>
Total additions	<u>1,727,146</u>	<u>491,667</u>	<u>575,111</u>	<u>2,793,924</u>
<b>DEDUCTIONS</b>				
Benefits paid	1,214,756	399,442	354,903	1,969,101
Refunds of contributions	89,831	30,009	43,635	163,475
Administrative expenses	28,141	22,809	19,846	70,796
Total deductions	<u>1,332,728</u>	<u>452,260</u>	<u>418,384</u>	<u>2,203,372</u>
Change in net assets	394,418	39,407	156,727	590,552
Net assets held in trust for pension benefits				
Beginning of year	<u>22,281,565</u>	<u>9,608,860</u>	<u>6,182,984</u>	<u>38,073,409</u>
End of year	<u>\$22,675,983</u>	<u>\$ 9,648,267</u>	<u>\$ 6,339,711</u>	<u>\$ 38,663,961</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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			
9/30/2011	\$ 1,457,553	100%	\$ (125)
9/30/2010	1,366,275	100%	(130)
9/30/2009	1,423,425	100%	(134)
Municipal Police Officers' pension plan			
9/30/2011	\$ 385,494	100%	\$ (21,209)
9/30/2010	404,486	100%	(22,381)
9/30/2009	274,059	100%	(23,617)
Municipal Firefighters' pension plan			
9/30/2011	\$ 315,091	100%	\$ (19,739)
9/30/2010	287,450	100%	(20,416)
9/30/2009	188,621	100%	(21,116)

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

	<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2009</u>
Actuarially Determined			
Contribution (A)	\$ 1,457,548	\$ 1,366,271	\$ 1,423,429
Interest on NPO	(10)	(11)	(10)
Adjustment to (A)	15	15	6
Annual Pension Cost	1,457,553	1,366,275	1,423,425
Contributions Made	1,457,548	1,366,271	1,423,429
Increase (Decrease) in NPO	5	4	(4)
NPO Beginning of Year	(130)	(134)	(130)
NPO End of Year	<u>\$ (125)</u>	<u>\$ (130)</u>	<u>\$ (134)</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2009</u>
Actuarially Determined			
Contribution (A)	\$ 384,322	\$ 403,250	\$ 272,708
Interest on NPO	(1,790)	(1,889)	(1,997)
Adjustment to (A)	<u>2,962</u>	<u>3,125</u>	<u>3,348</u>
Annual Pension Cost	385,494	404,486	274,059
Contributions Made	<u>384,322</u>	<u>403,250</u>	<u>272,708</u>
Increase in NPO	1,172	1,236	1,351
NPO Beginning of Year	<u>(22,381)</u>	<u>(23,617)</u>	<u>(24,968)</u>
NPO End of Year	<u>\$ (21,209)</u>	<u>\$ (22,381)</u>	<u>\$ (23,617)</u>

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

	<u>9/30/2011</u>	<u>9/30/2010</u>	<u>9/30/2009</u>
Actuarially Determined			
Contribution (A)	\$ 314,414	\$ 286,750	\$ 188,059
Interest on NPO	(1,633)	(1,689)	(1,734)
Adjustment to (A)	<u>2,310</u>	<u>2,389</u>	<u>2,296</u>
Annual Pension Cost	315,091	287,450	188,621
Contributions Made	<u>314,414</u>	<u>286,750</u>	<u>188,059</u>
Increase (Decrease) in NPO	677	700	562
NPO Beginning of Year	<u>(20,416)</u>	<u>(21,116)</u>	<u>(21,678)</u>
NPO End of Year	<u>\$ (19,739)</u>	<u>\$ (20,416)</u>	<u>\$ (21,116)</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Funding status and funding progress as of October 1, 2011 for all plans

	General Employees	Police Officers'	Firefighters'
Actuarial accrued liability (AAL)	\$33,781,159	\$11,595,434	\$ 10,670,728
Actuarial value of plan assets	24,244,138	10,484,228	6,848,365
Unfunded actuarial accrued liability (UAAL)	9,537,021	1,111,206	3,822,363
Funded ratio (actuarial value of plan assets/AAL)	71.77%	90.42%	64.18%
Covered payroll (active plan members)	7,761,379	1,935,114	1,636,836
UAAL as a percentage of covered payroll	122.88%	57.42%	233.52%

Concentration of Investments

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

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

Obligation Administration Fund #469 8.2%, 8.2% and 11.1% 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.

H. Other Postemployment Benefits

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

In order to comply with the requirements of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, the City contracted with a certified actuarial firm to provide an actuarial valuation of postemployment benefits. The postemployment health insurance benefits will continue to be offered on a pay-as-you-go basis with no premium subsidy to the retirees. As required by the State of Florida Statute 112.08011, the claims experience of the retirees is co-mingled with that of active employees in determining the health plan cost. In accordance with GASB 45, the co-mingling of claims requirement equates to an implicit subsidy to retirees that creates an OPEB liability on the part of the City. Therefore, the City incurred a liability beginning 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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

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.

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

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
10/1/2010 *	\$ -	\$1,791,363	\$1,791,363	0.00%	\$10,777,524	16.6%

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

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:

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Cost Obligation</u>
09/30/11	\$ 226,558	48.2%	\$ 343,350

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

Valuation Date Applicable for Fiscal Year Ending	<u>10/1/2010 9/30/2011</u>	<u>10/1/2008 9/30/2010</u>
Annual Required Contribution	\$ 224,457	\$ 152,718
Interaset on Net OPEB Obligatoin	10,168	5,083
Adjustment to Annual Required Contribution	<u>(8,067)</u>	<u>(4,033)</u>
Annual OPEB Cost/(Expense)	\$ 226,558	\$ 153,768
Estimated Contributions Made	<u>(109,153)</u>	<u>(40,786)</u>
Anticipated Increase/(Decrease) in Net OPEB Obligation	\$ 117,405	\$ 112,982
Net OPEB Obligation -- Beginning of Year	112,962	112,962
Adjustment to Book Value October 1	<u>112,983</u>	<u>N/A</u>
Estimated Net OPEB Obligation -- End of Year	\$ 343,350	\$ 225,944
<b>Funded Status as of:</b>	<b>10/1/2010</b>	<b>10/1/2009</b>
Actuarial Accrued Liability (AAL)	\$ 1,791,363	\$ 1,312,603
Actuarial Value of Assets (AVA)	<u>0</u>	<u>0</u>
Unfunded Actuarial Accrued Liability *UAAL)	\$ 1,791,363	\$ 1,312,603
Funded Ratio	0.0%	0.0%
Covered Payroll	10,777,524	11,735,058
Ratio of UAAL to Covered Payroll	17.3%	11.2%

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



CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits, continued

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

\* Applies to the Fiscal Year Ended September 30, 2010

I. Contingencies

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

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

J. Risk Management

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

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

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

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

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2011, miscellaneous revenue consisted of the following:

<u>General Fund</u>	
Interest	\$ 10,368
Administrative Charges	2,539,896
Other	296,281
	<u>2,846,545</u>
<u>Community Redevelopment Agency</u>	
Interest	4,937
Other	181,888
	<u>186,825</u>
<u>P G I Canal Maintenance Fund</u>	
Interest	2,897
Service Assessments	2,611,482
Other	13,938
	<u>2,628,317</u>
<u>Capital Project Fund</u>	
Interest	7,162
Other	1,586
	<u>8,748</u>
<u>Impact Fees - Transportation</u>	
Interest	3,239
Impact Fees	83,161
	<u>86,400</u>
<u>Other Governmental Funds</u>	
Interest	1,960
Service Assessments	414,837
Insurance Proceeds	8,433
Impact Fees	22,147
Other	153,477
	<u>600,854</u>
	<u>\$ 6,357,689</u>

CITY OF PUNTA GORDA, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

IV. Detailed notes on all funds, Continued

L. State Board Pool Discussion

As discussed in Note IV A, at September 30, 2011, the City had \$18,657,783 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the pool. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools, Pool A and Pool B.

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

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of September 30, 2011, the City has \$18,278,403 and \$379,380 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

**REQUIRED SUPPLEMENTARY INFORMATION**

Trend Information for Pension Plans

CITY OF PUNTA GORDA  
EMPLOYEES' PENSION PLANS  
SCHEDULE OF FUNDING PROGRESS  
September 30, 2011

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)
<b>General Employees' Pension Plan</b>						
10/01/11	\$ 24,244,138	\$ 33,781,159	\$ 9,537,021	71.77%	\$ 7,761,379	122.88%
10/01/10	24,169,558	32,333,799	8,164,241	74.75%	8,306,718	98.28%
10/01/09	23,165,282	30,920,378	7,755,096	74.92%	8,793,008	88.20%
10/01/08	22,098,799	27,954,446	5,855,647	79.05%	8,851,764	66.15%
10/01/07	19,944,703	24,628,804	4,684,101	80.98%	8,826,863	53.07%
10/01/06	16,736,312	21,594,765	4,858,453	77.50%	8,173,044	59.44%
10/01/05	13,683,632	19,351,415	5,667,783	70.71%	7,849,841	72.20%
10/01/04	11,816,336	17,072,705	5,256,369	69.21%	6,527,743	80.52%
10/01/03	10,776,210	15,253,900	4,477,690	70.65%	6,205,592	72.16%
10/01/02	9,904,366	14,051,610	4,147,244	70.49%	5,787,289	71.66%
<b>Municipal Police Officers' Pension Plan</b>						
10/01/11	\$ 10,484,228	\$ 11,595,434	\$ 1,111,206	90.42%	\$ 1,935,114	57.42%
10/01/10	10,443,953	11,481,860	1,037,907	90.96%	2,087,064	49.73%
10/01/09	9,967,859	10,991,169	1,023,310	90.69%	2,098,774	48.76%
10/01/08	9,618,921	10,055,556	436,635	95.66%	1,972,600	22.13%
10/01/07	8,966,928	9,388,245	421,317	95.51%	1,981,580	21.26%
10/01/06	7,935,761	8,388,802	453,041	94.60%	1,636,344	27.69%
10/01/05	6,991,355	7,434,164	442,809	94.04%	1,518,751	29.16%
10/01/04	6,476,437	6,401,042	(75,395)	101.18%	1,416,311	-5.32%
10/01/03	6,209,824	6,196,921	(12,903)	100.21%	1,250,379	-1.03%
10/01/02	5,996,132	6,065,783	69,651	98.85%	1,262,196	5.52%
<b>Municipal Firefighters' Pension Plan</b>						
10/01/11	\$ 6,848,365	\$ 10,670,728	\$ 3,822,363	64.18%	\$ 1,636,836	233.52%
10/01/10	6,735,469	10,159,456	3,423,987	66.30%	1,595,024	214.67%
10/01/09	6,344,731	9,491,056	3,146,325	66.85%	1,601,481	196.46%
10/01/08	5,964,279	8,902,564	2,938,285	67.00%	1,543,063	190.42%
10/01/07	5,513,761	7,609,551	2,095,790	72.46%	1,470,077	142.56%
10/01/06	4,847,072	6,953,848	2,106,776	69.70%	1,339,582	157.27%
10/01/05	4,391,682	6,326,331	1,934,649	69.42%	1,225,807	157.83%
10/01/04	4,002,153	5,027,934	1,025,781	79.60%	1,017,908	100.77%
10/01/03	3,860,651	4,372,120	511,469	88.30%	966,509	52.92%
10/01/02	3,700,215	4,173,860	473,645	88.65%	857,052	55.26%

CITY OF PUNTA GORDA  
EMPLOYEES' PENSION PLANS  
SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES  
September 30, 2011

<u>Year Ended</u> <u>September 30,</u>	<u>Annual Required</u> <u>Contribution</u>	<u>City</u> <u>Contribution</u>	<u>Insurance</u> <u>Premiums</u> <u>State</u>	<u>Percentage</u> <u>Contributed</u>
General Employees' Pension Plan				
2011	\$ 1,457,548	\$ 1,457,548	\$ -	100.00%
2010	1,366,271	1,366,271	-	100.00%
2009	1,423,429	1,423,429	-	100.00%
2008	1,398,434	1,398,434	-	100.00%
2007	1,364,567	1,364,567	-	100.00%
2006	1,188,881	1,188,881	-	100.00%
2005	1,110,361	1,110,361	-	100.00%
2004	1,032,274	1,032,274	-	100.00%
2003	912,387	912,512	-	100.01%
2002	459,749	459,749	-	100.00%
Municipal Police Officers' Pension Plan				
2011	\$ 556,724	\$ 384,322	\$ 172,401	100.00%
2010	572,593	403,250	169,343	100.00%
2009	460,524	272,708	187,816	100.00%
2008	348,756	152,279	196,477 *	100.00%
2007	382,244	187,950	194,294	100.00%
2006	348,224	152,241	195,983	100.00%
2005	236,534	72,135	193,251	112.20%
2004	192,366	52,010	140,356 *	100.00%
2003	130,380	-	140,356 *	107.70%
2002	113,200	-	140,356 *	124.00%
Municipal Firefighters' Pension Plan				
2011	\$ 523,820	\$ 314,414	\$ 209,406 *	100.00%
2010	496,156	286,750	209,406 *	100.00%
2009	397,465	188,059	209,406 *	100.00%
2008	369,039	159,633	209,406 *	100.00%
2007	348,272	138,866	209,406 *	100.00%
2006	257,335	52,579	204,756	100.00%
2005	219,381	48,463	177,708	103.10%
2004	146,733	-	158,815	108.23%
2003	150,596	17,065	146,663	108.72%
2002	117,142	-	125,656	107.27%

\* "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, 2011

	General Employees' Pension Plan	Municipal Police Officers' Pension Plan	Municipal Firefighters' Pension Plan
* Valuation Date	10/01/09	10/01/09	10/01/09
Actuarial Cost Method	Frozen entry age	Frozen entry age	Frozen entry age
Amortization Method	Level percent of pay, closed	Level percent of pay, closed	Level percent of pay, closed
Remaining amortization period	29 years (at 10/1/11)	25 years (at 10/1/09)	28 years (at 10/1/09)
Asset valuation Method	4 years smooth of market value	4 years smooth of market value	4 years smooth of market value
Actuarial Assumptions:			
Investment rate of return net of invest- ment related expenses	8.0%	8.0%	8.0%
Projected salary increase	5.0%	7.0%	6.0%
Inflation portion	3.0%	3.0%	3.0%

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

CITY OF PUNTA GORDA  
 SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
 September 30, 2011

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>
9/30/2011	\$ 226,558	48.2%	\$ 343,350
9/30/2010	153,769	26.5%	225,945
9/30/2009	150,726	25.1%	112,962

Schedule of Funding Progress

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

\* Applies to the Fiscal Year Ended September 30, 2010



CITY OF PUNTA GORDA

**Nonmajor Governmental Funds**

**Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

CDBG Revitalization Project Fund – This fund is used to account for the community development block grant that is funding the revitalization project for substandard housing within the government as well as other legal uses.

Impact Fees – Used to account for the receipt and disbursement of impact fees for:

- Parks
- Police
- Fire
- Government

Storm Related Fund – This fund is used to track insurance, grants and other revenues received due to Hurricane Charley, with offsetting storm related repairs.

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, 2011

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
<b>ASSETS:</b>					
Cash and cash equivalents	\$ -	\$ 42,465	\$ -	\$ 62,159	\$ 5,410
Due from other governments	27	-	-	-	-
<b>Total Assets</b>	<b>\$ 27</b>	<b>\$ 42,465</b>	<b>\$ -</b>	<b>\$ 62,159</b>	<b>\$ 5,410</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 27	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
<b>Total Liabilities</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Permanent fund principal	-	-	-	-	-
<b>Restricted for:</b>					
Public Safety	-	-	-	62,159	-
General Government	-	-	-	-	5,410
Transportation	-	-	-	-	-
Recreation	-	42,465	-	-	-
<b>Assigned to:</b>					
Subsequent year's budget	-	-	-	-	-
Other purposes	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>42,465</b>	<b>-</b>	<b>62,159</b>	<b>5,410</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 27</b>	<b>\$ 42,465</b>	<b>\$ -</b>	<b>\$ 62,159</b>	<b>\$ 5,410</b>

Storm Related Fund	Special Revenue Funds			Permanent Fund Gilchrist Intention Fund	Total Nonmajor Governmental
	BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax		
\$ 856,475	\$ 209,898	\$ 256,490	\$ 56,842	\$ 5,029	\$ 1,494,768
-	7,228	16,930	141,018	-	165,203
<u>\$ 856,475</u>	<u>\$ 217,126</u>	<u>\$ 273,420</u>	<u>\$ 197,860</u>	<u>\$ 5,029</u>	<u>\$ 1,659,971</u>
\$ 3,312	\$ 2,553	\$ 98,740	\$ 44,831	\$ -	\$ 149,463
-	5,830	23,906	-	-	29,736
<u>3,312</u>	<u>8,383</u>	<u>122,646</u>	<u>44,831</u>	<u>-</u>	<u>179,199</u>
-	-	-	-	5,000	5,000
-	-	-	-	-	62,159
-	-	-	-	-	5,410
-	-	150,774	153,029	29	303,832
-	208,743	-	-	-	251,208
369,623	-	-	-	-	369,623
483,540	-	-	-	-	483,540
<u>853,163</u>	<u>208,743</u>	<u>150,774</u>	<u>153,029</u>	<u>5,029</u>	<u>1,480,772</u>
<u>\$ 856,475</u>	<u>\$ 217,126</u>	<u>\$ 273,420</u>	<u>\$ 197,860</u>	<u>\$ 5,029</u>	<u>\$ 1,659,971</u>

CITY OF PUNTA GORDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2011

	Special Revenue Funds				
	CDBG Fund	Impact Fees Parks	Impact Fees Police	Impact Fees Fire	Impact Fees Government
Revenues:					
Intergovernmental	\$ 180,748	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	7,982	4,007	3,790	6,739
Total revenues	<u>180,748</u>	<u>7,982</u>	<u>4,007</u>	<u>3,790</u>	<u>6,739</u>
Expenditures:					
Current:					
Transportation	-	-	-	-	-
Economic environment	148,120	-	-	-	-
Recreation	-	-	-	-	-
Total expenditures	<u>148,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>32,628</u>	<u>7,982</u>	<u>4,007</u>	<u>3,790</u>	<u>6,739</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(32,912)	(10,664)	(13,630)	(28,195)	(5,848)
Total other financing sources (uses)	<u>(32,912)</u>	<u>(10,664)</u>	<u>(13,630)</u>	<u>(28,195)</u>	<u>(5,848)</u>
Net change in fund balances	(284)	(2,682)	(9,623)	(24,405)	891
Fund Balances, October 1, 2010	<u>284</u>	<u>45,147</u>	<u>9,623</u>	<u>86,564</u>	<u>4,519</u>
Fund Balances, September 30, 2011	<u>\$ -</u>	<u>\$ 42,465</u>	<u>\$ -</u>	<u>\$ 62,159</u>	<u>\$ 5,410</u>

Storm Related Fund	Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental
	BSI Canal Maintenance	Five Cent Gas Tax	Six Cent Gas Tax	Gilchrist Intention Fund	
\$ 485,271	\$ -	\$ 234,770	\$ 507,120	\$ -	\$ 1,407,909
-	415,648	687	161,988	13	600,854
<u>485,271</u>	<u>415,648</u>	<u>235,457</u>	<u>669,108</u>	<u>13</u>	<u>2,008,763</u>
-	-	710,677	637,041	-	1,347,718
134,071	-	-	-	-	282,191
-	543,141	-	-	-	543,141
<u>134,071</u>	<u>543,141</u>	<u>710,677</u>	<u>637,041</u>	<u>-</u>	<u>2,173,050</u>
<u>351,200</u>	<u>(127,493)</u>	<u>(475,220)</u>	<u>32,067</u>	<u>13</u>	<u>(164,287)</u>
-	-	355,000	30,000	-	385,000
-	-	-	(44,594)	-	(135,843)
-	-	355,000	(14,594)	-	249,157
351,200	(127,493)	(120,220)	17,473	13	84,870
501,963	336,236	270,994	135,556	5,016	1,395,902
<u>\$ 853,163</u>	<u>\$ 208,743</u>	<u>\$ 150,774</u>	<u>\$ 153,029</u>	<u>\$ 5,029</u>	<u>\$ 1,480,772</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, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 80,000	\$ 207,079	\$ 180,748	\$ (26,331)
Total revenues	<u>80,000</u>	<u>207,079</u>	<u>180,748</u>	<u>(26,331)</u>
Expenditures				
Current				
Economic environment	80,000	174,451	148,120	26,331
Total expenditures	<u>80,000</u>	<u>174,451</u>	<u>148,120</u>	<u>26,331</u>
Revenues over (under) expenditures	<u>-</u>	<u>32,628</u>	<u>32,628</u>	<u>-</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(32,912)</u>	<u>(32,912)</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>(32,912)</u>	<u>(32,912)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (284)</u>	<u>(284)</u>	<u>\$ -</u>
Fund balances, October 1, 2010			<u>284</u>	
Fund balances, September 30, 2011			<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, 2011

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 6,215</u>	<u>\$ 6,215</u>	<u>\$ 7,982</u>	<u>\$ 1,767</u>
Total revenues	<u>6,215</u>	<u>6,215</u>	<u>7,982</u>	<u>1,767</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>6,215</u>	<u>6,215</u>	<u>7,982</u>	<u>1,767</u>
Other financing uses				
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>(10,664)</u>	<u>1,336</u>
Total other financing uses	<u>(12,000)</u>	<u>(12,000)</u>	<u>(10,664)</u>	<u>1,336</u>
Net change in fund balance	<u><u>\$ (5,785)</u></u>	<u><u>\$ (5,785)</u></u>	<u>(2,682)</u>	<u><u>\$ 3,103</u></u>
Fund balances, October 1, 2010			<u>45,147</u>	
Fund balances, September 30, 2011			<u><u>\$ 42,465</u></u>	

CITY OF PUNTA GORDA, FLORIDA  
POLICE IMPACT FEE SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the Fiscal Year Ended September 30, 2011

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 7,035</u>	<u>\$ 7,035</u>	<u>\$ 4,007</u>	<u>\$ (3,028)</u>
Total revenues	<u>7,035</u>	<u>7,035</u>	<u>4,007</u>	<u>(3,028)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>7,035</u>	<u>7,035</u>	<u>4,007</u>	<u>(3,028)</u>
Other financing uses				
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>(13,630)</u>	<u>(1,630)</u>
Total other financing uses	<u>(12,000)</u>	<u>(12,000)</u>	<u>(13,630)</u>	<u>(1,630)</u>
Net change in fund balance	<u><u>\$ (4,965)</u></u>	<u><u>\$ (4,965)</u></u>	<u>(9,623)</u>	<u><u>\$ (4,658)</u></u>
Fund balances, October 1, 2010			<u>9,623</u>	
Fund balances, September 30, 2011			<u><u>\$ -</u></u>	



CITY OF PUNTA GORDA, FLORIDA  
 FIRE IMPACT FEE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 7,250	\$ 7,250	\$ 3,790	\$ (3,460)
Total revenues	<u>7,250</u>	<u>7,250</u>	<u>3,790</u>	<u>(3,460)</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>7,250</u>	<u>7,250</u>	<u>3,790</u>	<u>(3,460)</u>
Other financing uses				
Transfers out	<u>-</u>	<u>(55,434)</u>	<u>(28,195)</u>	<u>27,239</u>
Total other financing uses	<u>-</u>	<u>(55,434)</u>	<u>(28,195)</u>	<u>27,239</u>
Net change in fund balance	<u>\$ 7,250</u>	<u>\$ (48,184)</u>	<u>(24,405)</u>	<u>\$ 23,779</u>
Fund balances, October 1, 2010			<u>86,564</u>	
Fund balances, September 30, 2011			<u>\$ 62,159</u>	

CITY OF PUNTA GORDA, FLORIDA  
 GOVERNMENT IMPACT FEE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$ 12,500	\$ 6,739	\$ 6,739	\$ -
Total revenues	<u>12,500</u>	<u>6,739</u>	<u>6,739</u>	<u>-</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over expenditures	<u>12,500</u>	<u>6,739</u>	<u>6,739</u>	<u>-</u>
Other financing uses				
Transfers out	<u>(6,369)</u>	<u>(11,258)</u>	<u>(5,848)</u>	<u>5,410</u>
Total other financing uses	<u>(6,369)</u>	<u>(11,258)</u>	<u>(5,848)</u>	<u>5,410</u>
Net change in fund balance	<u>\$ 6,131</u>	<u>\$ (4,519)</u>	891	<u>\$ 5,410</u>
Fund balances, October 1, 2010			<u>4,519</u>	
Fund balances, September 30, 2011			<u>\$ 5,410</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, 2011

	<u>Budgets</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous	<u>\$ 412,530</u>	<u>\$ 412,530</u>	<u>\$ 415,648</u>	<u>\$ 3,118</u>
Total revenues	<u>412,530</u>	<u>412,530</u>	<u>415,648</u>	<u>3,118</u>
Expenditures				
Current				
Recreation	<u>455,355</u>	<u>662,310</u>	<u>543,141</u>	<u>119,169</u>
Total expenditures	<u>455,355</u>	<u>662,310</u>	<u>543,141</u>	<u>119,169</u>
Revenues over (under) expenditures	<u>(42,825)</u>	<u>(249,780)</u>	<u>(127,493)</u>	<u>122,287</u>
Net change in fund balance	<u><u>\$ (42,825)</u></u>	<u><u>\$ (249,780)</u></u>	<u>(127,493)</u>	<u><u>\$ 122,287</u></u>
Fund balances, October 1, 2010			<u>336,236</u>	
Fund balances, September 30, 2011			<u><u>\$ 208,743</u></u>	

CITY OF PUNTA GORDA, FLORIDA  
 FIVE CENT GAS TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 For the Fiscal Year Ended September 30, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 245,000	\$ 245,000	\$ 234,770	\$ (10,230)
Miscellaneous	-		687	687
Total revenues	<u>245,000</u>	<u>245,000</u>	<u>235,457</u>	<u>(9,543)</u>
Expenditures				
Current				
Transportation	<u>600,000</u>	<u>870,993</u>	<u>710,677</u>	<u>160,316</u>
Total expenditures	<u>600,000</u>	<u>870,993</u>	<u>710,677</u>	<u>160,316</u>
Revenues under expenditures	<u>(355,000)</u>	<u>(625,993)</u>	<u>(475,220)</u>	<u>150,773</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>\$ (270,993)</u>	(120,220)	<u>\$ 150,773</u>
Fund balances, October 1, 2010			<u>270,994</u>	
Fund balances, September 30, 2011			<u>\$ 150,774</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, 2011

	Budgets		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 536,500	\$ 536,500	\$ 507,120	\$ (29,380)
Miscellaneous	147,055	147,055	161,988	14,933
Total revenues	<u>683,555</u>	<u>683,555</u>	<u>669,108</u>	<u>(14,447)</u>
Expenditures				
Current				
Transportation	711,591	706,337	637,041	69,296
Total expenditures	<u>711,591</u>	<u>706,337</u>	<u>637,041</u>	<u>69,296</u>
Revenues over (under) expenditures	<u>(28,036)</u>	<u>(22,782)</u>	<u>32,067</u>	<u>54,849</u>
Other financing sources (uses)				
Transfers in	30,000	30,000	30,000	-
Transfers out	<u>-</u>	<u>(58,828)</u>	<u>(44,594)</u>	<u>14,234</u>
Total other financing sources (uses)	<u>30,000</u>	<u>(28,828)</u>	<u>(14,594)</u>	<u>14,234</u>
Net change in fund balance	<u>\$ 1,964</u>	<u>\$ (51,610)</u>	17,473	<u>\$ 69,083</u>
Fund balances, October 1, 2010			<u>135,556</u>	
Fund balances, September 30, 2011			<u>\$ 153,029</u>	

## **INTERNAL SERVICE FUNDS**

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

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

CITY OF PUNTA GORDA, FLORIDA  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 September 30, 2011

	<u>Information Technology</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 448,184
Total current assets	<u>448,184</u>
Noncurrent Assets	
Capital assets, net of accumulated depreciation	473,044
Total noncurrent assets	<u>473,044</u>
Total assets	<u>921,228</u>
<b>LIABILITIES AND FUND EQUITY</b>	
Current Liabilities	
Accounts payable	63,408
Current portion compensated absences	1,634
Accrued liabilities	11,276
Total current liabilities	<u>76,318</u>
Noncurrent Liabilities	
Accrued compensated absences	14,707
Other postemployment benefits payable	6,866
Total noncurrent liabilities	<u>21,573</u>
Total liabilities	<u>97,891</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	473,044
Unrestricted	350,293
Total net assets	<u><u>\$ 823,337</u></u>

CITY OF PUNTA GORDA, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2011

	<u>Information Technology</u>
Operating Revenues	
Charges for services	<u>\$ 865,271</u>
Total operating revenues	<u>865,271</u>
Operating Expenses	
Personal services	386,665
Contractual services	135,775
Materials and supplies	14,487
Utilities	5,330
Depreciation	212,003
Insurance	32,509
Repairs and maintenance	232,258
Travel and training	10,679
Rent	<u>72,262</u>
Total operating expenses	<u>1,101,968</u>
Operating loss	<u>(236,697)</u>
Nonoperating revenues	
Interest income	<u>627</u>
Total nonoperating revenues	<u>627</u>
Income before transfers	<u>(236,070)</u>
Transfers In	86,618
Transfers Out	<u>(11,699)</u>
Change in net assets	(161,151)
Net assets - beginning	<u>984,488</u>
Net assets - ending	<u><u>\$ 823,337</u></u>



CITY OF PUNTA GORDA, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 For the Fiscal Year Ended September 30, 2011

	<u>Information Technology</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from services provided	\$ 865,271
Cash payments to suppliers for goods and services	(429,375)
Cash payments to employees for services	<u>(380,045)</u>
Net cash provided by operating activities	<u>55,851</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Operating Transfers in	86,618
Operating Transfers out	<u>(11,699)</u>
Net cash provided by noncapital financing activities	<u>74,919</u>
<b>CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of property, plant, and equipment	<u>(113,932)</u>
Net cash used in capital and related financing activities	<u>(113,932)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	<u>627</u>
Net cash provided by investing activities	<u>627</u>
Net increase in cash and cash equivalents	17,465
Cash and cash equivalents at beginning of year	<u>430,719</u>
Cash and cash equivalents at end of year	<u><u>\$ 448,184</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating loss	\$ (236,697)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	212,003
Net (increase) decrease in:	
Prepays	17,868
Net increase (decrease) in:	
Accounts payable	56,057
Accrued liabilities	<u>6,620</u>
Net cash provided by operating activities	<u><u>\$ 55,851</u></u>

## **STATISTICAL SECTION**

CITY OF PUNTA GORDA, FLORIDA

STATISTICAL SECTION  
(Unaudited)

This part of the City of Statistical's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	97
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	102
These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.	
<b>Debt Capacity</b>	106
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.	
<b>Demographic and Economic Information</b>	110
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.	
<b>Operating Information</b>	112
These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 40,912,696	\$ 41,789,787	\$ 34,583,793	\$ 22,648,403
Restricted	5,811,609	6,651,036	12,319,882	16,564,079
Unrestricted	4,591,120	3,947,931	1,908,437	5,654,823
Total governmental activities net assets	<u>\$ 51,315,425</u>	<u>\$ 52,388,754</u>	<u>\$ 48,812,112</u>	<u>\$ 44,867,305</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 40,596,997	\$ 40,092,054	\$ 36,108,108	\$ 34,966,838
Restricted	3,326,147	3,906,859	8,085,297	10,545,071
Unrestricted	8,924,351	8,205,482	8,293,575	7,746,315
Total business-type activities net assets	<u>\$ 52,847,495</u>	<u>\$ 52,204,395</u>	<u>\$ 52,486,980</u>	<u>\$ 53,258,224</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 81,509,693	\$ 81,881,841	\$ 70,691,901	\$ 57,615,241
Restricted	9,137,756	10,557,895	20,405,179	27,109,150
Unrestricted	13,515,471	12,153,413	10,202,012	13,401,138
Total primary government net assets	<u>\$104,162,920</u>	<u>\$104,593,149</u>	<u>\$101,299,092</u>	<u>\$ 98,125,529</u>

Per the Statement of Net Assets

<b>Fiscal Year</b>					
<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
\$33,056,270	\$26,355,360	\$28,455,370	\$25,200,694	\$23,892,442	\$26,662,334
4,752,331	5,258,454	3,878,852	3,802,933	2,826,351	1,747,164
7,464,821	7,669,666	3,283,673	2,791,662	5,304,525	4,584,091
<u>\$45,273,422</u>	<u>\$39,283,480</u>	<u>\$35,617,895</u>	<u>\$31,795,289</u>	<u>\$32,023,318</u>	<u>\$32,993,589</u>
\$28,147,738	\$25,671,970	\$25,258,114	\$24,718,468	\$23,500,701	\$22,351,238
10,821,837	7,632,554	8,136,448	7,510,942	9,185,654	8,216,625
11,059,075	15,001,540	10,925,707	10,224,442	8,448,403	9,328,883
<u>\$50,028,650</u>	<u>\$48,306,064</u>	<u>\$44,320,269</u>	<u>\$42,453,852</u>	<u>\$41,134,758</u>	<u>\$39,896,746</u>
\$61,204,008	\$52,027,330	\$53,713,484	\$49,919,162	\$47,393,143	\$49,013,572
15,574,168	12,891,008	12,015,300	11,313,875	12,012,005	9,963,789
18,523,896	22,671,206	14,209,380	13,016,104	13,752,928	13,912,974
<u>\$95,302,072</u>	<u>\$87,589,544</u>	<u>\$79,938,164</u>	<u>\$74,249,141</u>	<u>\$73,158,076</u>	<u>\$72,890,335</u>

**City of Punta Gorda, Florida**

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2011	2010	2009	2008
<b>Expenses</b>				
Governmental activities:				
General government	\$ 3,789,465	\$ 3,932,729	\$ 4,206,952	\$ 5,058,263
Public safety	8,575,957	8,608,147	8,284,731	8,475,071
Transportation	2,928,550	2,671,254	2,489,020	2,501,444
Economic environment	409,960	280,643	105,296	1,549,851
Recreation	5,298,806	4,799,940	4,545,088	4,914,306
Storm related	-	-	-	-
Interest on long-term debt	1,018,596	1,158,268	892,524	349,841
Total governmental activities expenses	<u>22,021,334</u>	<u>21,450,981</u>	<u>20,523,611</u>	<u>22,848,776</u>
Business-type activities:				
Water and wastewater	14,980,052	14,169,605	16,219,660	15,761,078
Sanitation/refuse	2,583,077	2,644,978	2,653,853	2,697,547
Building Fund	524,200	756,813	878,240	900,760
Marina Fund	243,105	226,092	184,295	214,506
Total business-type activities expenses	<u>18,330,434</u>	<u>17,797,488</u>	<u>19,936,048</u>	<u>19,573,891</u>
Total primary government expenses	<u>\$ 40,351,768</u>	<u>\$ 39,248,469</u>	<u>\$ 40,459,659</u>	<u>\$ 42,422,667</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 1,656,887	\$ 1,733,185 <sup>1</sup>	\$ 447,370	\$ 494,777
Public Safety	13,939	11,244	42,485	46,151
Transportation	152,488	133,718	131,063	-
Recreation	3,026,319	3,017,860	2,497,317	2,497,130
Operating grants and contributions	1,023,291	604,884	572,143	546,568
Capital grants and contributions	1,893,746	5,506,701	4,674,346	2,497,389
Intergovernmental revenues	-	-	-	-
Total governmental activities program revenues	<u>7,766,670</u>	<u>11,007,592</u>	<u>8,364,724</u>	<u>6,082,015</u>
Business-type activities:				
Charges for Services:				
Water and Sewer	14,740,246	13,433,435	13,555,767	11,644,843
Sanitation/refuse	2,913,888	2,871,430	2,886,005	2,837,053
Building Fund	476,797	481,971	393,770	778,176
Marina Fund	205,486	235,027	202,033	216,771
Operating grants and contributions	-	-	-	-
Capital grants and contributions	503,116	345,518	1,810,905	6,376,950
Total business-type activities program revenues	<u>18,839,533</u>	<u>17,367,381</u>	<u>18,848,480</u>	<u>21,853,793</u>
Total primary government program revenues	<u>\$ 26,606,203</u>	<u>\$ 28,374,973</u>	<u>\$ 27,213,204</u>	<u>\$ 27,935,808</u>

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 4,171,880	\$ 3,279,077	\$ 3,818,813	\$ 4,196,052	\$ 5,857,625	\$ 3,052,661
8,324,762	7,500,777	7,608,668	6,791,333	5,908,408	5,712,403
3,632,732	2,870,066	2,068,295	2,182,392	1,989,493	2,186,096
521,498	608,842	501,182	254,360	177,115	1,358,570
5,346,971	4,929,326	3,729,535	7,658,375	3,730,291	1,603,157
-	-	2,855,483	4,674,955	-	-
361,620	304,843	203,138	234,058	198,943	151,212
<u>22,359,463</u>	<u>19,492,931</u>	<u>20,785,114</u>	<u>25,991,525</u>	<u>17,861,875</u>	<u>14,064,099</u>
15,848,537	14,171,524	12,546,070	12,701,810	11,902,457	11,107,858
2,696,303	2,722,014	2,463,665	2,520,655	2,420,658	2,282,279
1,071,282	1,219,504	-	-	-	-
114,477	-	-	-	-	-
<u>19,730,599</u>	<u>18,113,042</u>	<u>15,009,735</u>	<u>15,222,465</u>	<u>14,323,115</u>	<u>13,390,137</u>
<u>\$ 42,090,062</u>	<u>\$ 37,605,973</u>	<u>\$ 35,794,849</u>	<u>\$ 41,213,990</u>	<u>\$ 32,184,990</u>	<u>\$ 27,454,236</u>
\$ 521,702	\$ 602,994	\$ 279,712	\$ 165,800	\$ 222,266	\$ 121,257
37,316	72,032	2,604,091	613,741	696,958	658,773
-	-	142,322	118,646	86,486	43,687
2,509,787	2,649,555	2,056,033	2,059,657	1,417,952	1,417,887
586,303	565,166	3,216,534	4,950,127	56,409	210,082
4,312,306	3,312,120	1,223,665	3,430,791	1,163,079	1,736,858
-	-	-	4,511,548	3,927,265	-
<u>7,967,414</u>	<u>7,201,867</u>	<u>9,522,357</u>	<u>15,850,310</u>	<u>7,570,415</u>	<u>4,188,544</u>
12,235,089	11,936,777	11,239,816	11,864,808	11,146,850	10,987,962
2,828,985	2,718,416	2,344,094	2,509,935	2,208,154	2,091,504
1,044,109	1,878,408	-	-	-	-
104,320	-	-	-	-	-
61,480	9,322	16,190	30,639	24,683	30,917
3,380,915	4,148,396	2,730,343	1,630,102	1,556,869	2,600,528
<u>19,654,898</u>	<u>20,691,319</u>	<u>16,330,443</u>	<u>16,035,484</u>	<u>14,936,556</u>	<u>15,710,911</u>
<u>\$ 27,622,312</u>	<u>\$ 27,893,186</u>	<u>\$ 25,852,800</u>	<u>\$ 31,885,794</u>	<u>\$ 22,506,971</u>	<u>\$ 19,899,455</u>

(continued)

**City of Punta Gorda, Florida**

Changes in Net Assets

Last Ten Fiscal Years

(accrual basis of accounting)

(continued)

	Fiscal Year			
	2011	2010	2009	2008
<b>Net (Expense)/Revenue</b>				
Government activities	\$ (14,254,664)	\$ (10,443,389)	\$ (12,158,887)	\$ (16,766,761)
Business type activities	509,099	(430,107)	(1,087,568)	2,279,902
Total primary government net expense	<u>\$ (13,745,565)</u>	<u>\$ (10,873,496)</u>	<u>\$ (13,246,455)</u>	<u>\$ (14,486,859)</u>
<b>General Revenues and Other</b>				
<b>Changes in Net Assets</b>				
Government activities:				
Property taxes	\$ 6,427,277	\$ 6,829,344	\$ 7,508,812	\$ 7,319,612
Franchise fees and other taxes	-	-	1,448,111	1,365,284
Utility taxes and gas taxes	3,631,650	3,669,713	3,540,381	3,348,743
Sales taxes	2,888,533	2,913,132	2,874,856	3,192,142
Occupational licenses	-	-	-	-
Investment earnings	30,563	39,548	177,625	466,383
Miscellaneous	203,312	568,293	553,909	683,480
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	(15,000)
Total governmental activities	<u>13,181,335</u>	<u>14,020,030</u>	<u>16,103,694</u>	<u>16,360,644</u>
Business-type activities:				
Franchise fees and other taxes	-	-	49,850	13,757
Utility taxes and gas taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Investment earnings	26,601	39,390	144,879	546,821
Miscellaneous	107,400	108,132	121,595	374,094
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	15,000
Total business-type activities	<u>134,001</u>	<u>147,522</u>	<u>316,324</u>	<u>949,672</u>
Total primary government	<u>\$ 13,315,336</u>	<u>\$ 14,167,552</u>	<u>\$ 16,420,018</u>	<u>\$ 17,310,316</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (1,073,329)	\$ 3,576,641	\$ 3,944,807	\$ (406,117)
Business-type activities	643,100	(282,585)	(771,244)	3,229,574
Total primary government	<u>\$ (430,229)</u>	<u>\$ 3,294,056</u>	<u>\$ 3,173,563</u>	<u>\$ 2,823,457</u>

<sup>1</sup> 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



Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ (14,392,049)	\$ (12,291,064)	\$ (11,262,757)	\$ (10,141,215)	\$ (10,291,460)	\$ (9,875,555)
(75,701)	2,578,277	1,320,708	813,019	613,441	2,320,774
<u>\$ (14,467,750)</u>	<u>\$ (9,712,787)</u>	<u>\$ (9,942,049)</u>	<u>\$ (9,328,196)</u>	<u>\$ (9,678,019)</u>	<u>\$ (7,554,781)</u>
\$ 7,401,394	\$ 6,134,672	\$ 5,733,290	\$ 4,932,027	\$ 4,373,005	\$ 4,177,120
1,331,145	1,323,607	1,109,411	1,044,505	1,016,275	31,641
3,462,681	3,440,025	3,400,667	3,471,836	3,488,370	1,126,818
3,732,044	4,021,518	3,865,509	-	-	-
-	-	-	-	-	136,420
881,752	794,741	228,952	194,637	206,280	335,301
961,972	742,086	747,534	254,509	287,250	203,750
-	-	-	15,672	31,806	28,994
-	(500,000)	-	-	-	3,196,412
<u>17,770,988</u>	<u>15,956,649</u>	<u>15,085,363</u>	<u>9,913,186</u>	<u>9,402,986</u>	<u>9,236,456</u>
16,060	16,610	13,527	14,815	12,661	903,028
-	-	-	-	-	2,161,270
-	-	-	-	-	146,243
1,035,266	842,404	490,500	267,424	379,771	587,233
746,961	48,504	39,825	223,836	212,774	43,555
-	-	1,857	-	19,365	37,520
-	500,000	-	-	-	(3,196,412)
<u>1,798,287</u>	<u>1,407,518</u>	<u>545,709</u>	<u>506,075</u>	<u>624,571</u>	<u>682,437</u>
<u>\$ 19,569,275</u>	<u>\$ 17,364,167</u>	<u>\$ 15,631,072</u>	<u>\$ 10,419,261</u>	<u>\$ 10,027,557</u>	<u>\$ 9,918,893</u>
\$ 3,378,939	\$ 3,665,585	\$ 3,822,606	\$ (228,029)	\$ (888,474)	\$ (639,099)
1,722,586	3,985,795	1,866,417	1,319,094	1,238,012	3,003,211
<u>\$ 5,101,525</u>	<u>\$ 7,651,380</u>	<u>\$ 5,689,023</u>	<u>\$ 1,091,065</u>	<u>\$ 349,538</u>	<u>\$ 2,364,112</u>

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

	<b>Fiscal Year</b>			
	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
General Fund				
Reserved		\$ 20,258	\$ 23,330	\$ 13,325
Unreserved		2,719,651	2,975,814	2,136,234
Nonspendable	\$ 69,170			
Restricted	31,798			
Assigned	1,323,782			
Unassigned	1,251,292			
Total general fund	<u>\$ 2,676,042</u>	<u>\$ 2,739,909</u>	<u>\$ 2,999,144</u>	<u>\$ 2,149,559</u>
All Other Governmental Funds				
Reserved				
Community Redevelopment Agency fund		\$ -	\$ -	\$ -
Special revenue funds		-	-	-
Capital projects fund		4,735,079	7,182,506	14,748,301
Debt service		1,890,683	2,592,975	1,793,418
Permanent fund		5,016	9,117	9,035
Unreserved, reported in:				
Special revenue funds		4,253,408	4,384,516	4,074,605
Designated for subsequent year's budget		-	-	-
Nonspendable	\$ 5,000			
Restricted	4,468,381			
Committed	2,920,047			
Assigned	1,001,990			
Total all other governmental funds	<u>\$ 8,395,418</u>	<u>\$ 10,884,186</u>	<u>\$ 14,169,114</u>	<u>\$ 20,625,359</u>

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

<b>Fiscal Year</b>					
<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
\$ 12,073	\$ 8,320	\$ 12,873	\$ 20,976	\$ 16,814	\$ 28,966
2,592,762	3,515,022	4,057,485	3,140,042	3,398,600	3,256,143
<u>\$ 2,604,835</u>	<u>\$ 3,523,342</u>	<u>\$ 4,070,358</u>	<u>\$ 3,161,018</u>	<u>\$ 3,415,414</u>	<u>\$ 3,285,109</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,850,128	\$ -
-	-	67,192	91,892	384,961	-
4,731,481	5,241,808	3,790,840	3,682,328	2,416,937	1,710,380
-	-	-	-	-	-
8,777	8,326	7,947	7,737	7,639	7,529
5,493,619	4,693,565	(411,586)	114,743	774,022	798,210
-	-	-	-	-	367,728
<u>\$ 10,233,877</u>	<u>\$ 9,943,699</u>	<u>\$ 3,454,393</u>	<u>\$ 3,896,700</u>	<u>\$ 5,433,687</u>	<u>\$ 2,883,847</u>

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

	Fiscal Year			
	2011	2010	2009	2008
<b>Revenues</b>				
Taxes	\$ 9,317,037	\$ 9,689,705	\$ 10,246,335	\$ 9,928,267
Licenses and permits	1,345,101	1,367,597	1,490,496	1,411,185
Intergovernmental	6,403,858	7,877,020	6,918,794	6,921,575
Charges for services	296,764	276,077	383,255	369,828
Fines and forfeits	78,131	84,706	126,733	167,949
Miscellaneous	6,357,689	6,436,682	7,893,570	6,251,446
Total revenues	<u>23,798,580</u>	<u>25,731,787</u>	<u>27,059,183</u>	<u>25,050,250</u>
<b>Expenditures</b>				
Current:				
General government	4,938,277	5,210,592	5,562,439	6,154,605
Public safety	7,922,801	8,157,088	7,833,093	8,125,330
Transportation	2,386,252	2,295,249	1,894,342	1,907,488
Economic environment	613,939	302,359	121,539	1,661,754
Recreation	4,607,994	4,137,861	3,897,380	4,341,429
Storm Related	-	-	-	-
Debt service:				
Principal	1,641,790	1,641,750	660,250	648,000
Interest and other charges	1,018,596	1,158,268	892,524	349,841
Capital outlay	3,146,647	6,251,510	18,619,817	6,338,689
Total expenditures	<u>26,276,296</u>	<u>29,154,677</u>	<u>39,481,384</u>	<u>29,527,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,477,716)</u>	<u>(3,422,890)</u>	<u>(12,422,201)</u>	<u>(4,476,886)</u>
<b>Other financing sources (uses)</b>				
Transfers in	3,302,433	3,726,512	4,045,215	3,704,250
Transfers out	(3,377,352)	(3,847,785)	(4,229,674)	(3,719,250)
Issuance of debt	-	-	7,000,000	14,428,092
Total other financing sources (uses)	<u>(74,919)</u>	<u>(121,273)</u>	<u>6,815,541</u>	<u>14,413,092</u>
<b>Net change in fund balances</b>	<u>\$ (2,552,635)</u>	<u>\$ (3,544,163)</u>	<u>\$ (5,606,660)</u>	<u>\$ 9,936,206</u>
Debt service as a percentage of noncapital expenditures	<u>13.15%</u>	<u>14.20%</u>	<u>8.10%</u>	<u>4.45%</u>

Fiscal Year					
2007	2006	2005	2004	2003	2002
\$ 11,264,695	\$ 9,922,917	\$ 10,231,641	\$ 9,448,368	\$ 8,877,651	\$ 5,335,578
119,369	156,080	2,736,653	704,155	837,940	782,102
9,099,683	8,709,282	8,211,624	12,750,887	4,855,125	4,475,894
330,834	416,161	254,001	194,033	167,770	112,312
215,000	173,594	103,379	102,698	104,621	101,718
7,245,744	6,670,719	4,762,080	4,344,582	3,881,054	4,556,822
<u>28,275,325</u>	<u>26,048,753</u>	<u>26,299,378</u>	<u>27,544,723</u>	<u>18,724,161</u>	<u>15,364,426</u>
6,377,140	5,436,018	4,907,746	5,129,701	5,422,490	4,713,308
8,096,334	7,208,484	7,518,937	6,805,994	6,025,466	5,879,324
3,230,449	2,355,179	1,897,888	2,019,953	1,900,615	1,975,509
521,498	384,949	342,286	273,110	177,115	1,358,570
4,710,861	4,270,190	3,074,464	6,971,671	2,455,913	909,443
-	-	2,855,483	4,674,955	-	-
620,500	528,996	1,066,130	729,446	2,443,832	381,283
361,620	304,843	203,138	240,530	188,475	134,133
7,596,255	4,170,804	3,958,521	2,490,746	1,522,110	7,176,170
<u>31,514,657</u>	<u>24,659,463</u>	<u>25,824,593</u>	<u>29,336,106</u>	<u>20,136,016</u>	<u>22,527,740</u>
<u>(3,239,332)</u>	<u>1,389,290</u>	<u>474,785</u>	<u>(1,791,383)</u>	<u>(1,411,855)</u>	<u>(7,163,314)</u>
3,987,168	3,542,741	3,092,341	2,514,222	4,071,526	7,683,806
(3,987,168)	(4,042,741)	(3,100,093)	(2,514,222)	(4,071,526)	(4,487,394)
-	5,053,000	-	-	4,092,000	352,000
-	4,553,000	(7,752)	-	4,092,000	3,548,412
<u>\$ (3,239,332)</u>	<u>\$ 5,942,290</u>	<u>\$ 467,033</u>	<u>\$ (1,791,383)</u>	<u>\$ 2,680,145</u>	<u>\$ (3,614,902)</u>
<u>4.40%</u>	<u>4.27%</u>	<u>6.24%</u>	<u>3.82%</u>	<u>16.94%</u>	<u>6.14%</u>

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

<b>Fiscal Year Ended September 30,</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
2011	\$2,820,488,011	\$ 159,561,099	\$ 549,821,787	\$ 2,430,227,323	2.7251
2010	3,224,453,130	172,848,079	751,168,457	2,646,132,752	2.6996
2009	3,773,457,668	174,944,721	886,364,162	2,712,148,785	2.5689
2008	4,489,549,443	181,787,031	1,151,893,564	3,519,442,910	2.1728
2007	4,929,676,708	168,814,978	1,529,441,491	3,568,269,513	2.4772
2006	3,371,934,192	138,710,022	951,760,195	2,558,884,019	2.4772
2005	3,056,785,438	134,623,406	782,926,911	2,408,481,933	2.4772
2004	2,563,413,563	121,670,527	604,538,734	2,080,545,356	2.4772
2003	2,166,148,419	115,779,823	488,566,001	1,793,362,241	2.5446
2002	1,888,629,607	106,539,943	411,270,171	1,583,899,379	2.7419

**Source:** Charlotte County Property Appraiser (DR 403)

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

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

Fiscal Year Ended September 30,	Total Direct Rate		Overlapping Rates <sup>a</sup>					Charlotte County School Board	Total Direct and Overlapping Rates
	Operating Millage	SWFWMD	Peace River Basin	WCIND	Other	Charlotte County			
2011	2.7251	0.3770	0.1827	0.0394	0.2000	6.0892	7.8410	17.4544	
2010	2.6996	0.3866	0.1827	0.0394	0.2000	5.7096	7.3570	16.5749	
2009	2.5689	0.3866	0.1827	0.0394	0.0000	5.9096	6.3600	15.4472	
2008	2.1728	0.3866	0.1827	0.0394	0.2000	4.5426	6.2388	13.7629	
2007	2.1772	0.4220	0.1950	0.0400	0.0000	4.8409	6.1540	13.8291	
2006	2.4772	0.4220	0.1950	0.0400	0.4900	5.3709	7.5090	16.5041	
2005	2.4772	0.4220	0.1950	0.0400	0.4900	4.7709	8.4690	16.8641	
2004	2.4772	0.4220	0.1950	0.0400	0.4900	4.8709	8.4180	16.9131	
2003	2.5446	0.4220	0.1950	0.0400	0.4900	4.8709	8.6280	17.1905	
2002	2.7419	0.4220	0.1950	0.0400	0.4900	4.7141	8.7544	17.3574	

**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.

<sup>a</sup> Overlapping rates are those of county governments that apply to property owners within the City of Punta Gorda.

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

Rank	Taxpayer/Type of Business	2011	2010	2009	2008	2007
		Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value	Taxable Assessed Value
1	Florida Power & Light Co. Electric Utility	\$ 40.2	\$ 39.1	\$ 41.4	\$ 38.4	\$ 37.3
2	Punta Gorda Medical Center, Inc. Hospital	29.0	33.1	47.1	46.5	47.0
3	Nu-West Florida, Inc. Shopping Center Fishermen's Village	14.9	10.8	13.0	13.0	15.5
4	Sprint-United Telephone Company of FL Telephone Utility	11.4	11.9	20.9	21.8	23.7
5	Punta Gorda Hotel, LLC Best Western	10.5	11.2	13.3	15.2	15.5
6	Punta Gorda Assoc., Ltd. Life Care Center	7.8	8.1	-	7.7	-
7	SunLoft LLC	7.6	8.0	13.6	-	-
8	Home Depot USA, Inc	7.4	7.8	9.0	9.6	10.8
9	Colonial Realty, Limited-shopping center Shopping Center Burnt Store	6.2	7.0	-	-	8.5
10	Fund VIII Punta Gorda Crossing	5.6	-	9.0	9.1	-
	Integrated Control Systems, Inc.- Training Center & Impac University		10.2	-	-	12.3
	Palm Isles Condo Dev LLC Condo- Vivante	-	-	9.5	18.5	20.1
	Punta Gorda Partners LLC Condo- Vivante	-	-	9.1	20.3	10.3
	Punta Gorda Pines, Ltd Condo- The Pines	-	-	-	-	-
	Punta Gorda Land Holdings Condo- Vivante	-	-	-	-	-
	Semlak LLC Shopping Center-Seminole Plaza	-	-	-	-	-
	Bayvue, Inc of Florida-Holiday Inn Hotel-HOLIDAY Inn	-	-	-	-	-
	Wal-Mart Stores, Inc. Retail Store	-	-	-	-	-
	Punta Gorda FL Commercial Shopping Center Punta Gorda Mall	-	-	-	-	-
	Royal Palm Harbor PA Land	-	-	-	-	-
	<b>Total</b>	<b>\$ 140.6</b>	<b>\$ 147.2</b>	<b>\$ 185.9</b>	<b>\$ 200.1</b>	<b>\$ 201.0</b>
	<b>City Total Taxable Assessed Value</b>	<b>\$ 2,430.2</b>	<b>\$ 2,646.1</b>	<b>\$ 2,712.1</b>	<b>\$ 3,519.4</b>	<b>\$ 3,568.3</b>
	<b>Principal Taxpayer's Percentage of total</b>	<b>5.79%</b>	<b>5.56%</b>	<b>6.85%</b>	<b>5.69%</b>	<b>5.63%</b>

Source: Charlotte County Property Appraiser



<u>2006</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2005</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2004</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2003</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>	<u>2002</u> <u>Taxable</u> <u>Assessed</u> <u>Value</u>
\$ 28.7	\$ 24.1	\$ 24.1	\$ 22.5	\$ 20.8
37.3	31.7	31.7	32.5	29.0
9.3	15.7	15.7	15.2	7.8
18.1	17.0	17.0	17.0	17.5
-	8.8	8.8	-	-
-	6.5	6.5	-	-
-	-	-	-	-
-	-	-	-	-
9.7	11.6	11.6	13.2	12.8
-	-	-	-	-
-	-	-	12.6	10.4
8.3	-	-	-	-
8.5	-	-	-	-
9.0	10.2	10.2	12.9	13.0
7.1	-	-	-	-
6.6	6.7	6.7	7.1	-
-	-	-	9.3	8.6
-	-	-	-	7.2
-	8.2	8.2	-	-
-	-	-	9.8	9.5
<u>\$ 142.6</u>	<u>\$ 140.5</u>	<u>\$ 140.5</u>	<u>\$ 152.1</u>	<u>\$ 136.6</u>
<u>\$ 2,558.9</u>	<u>\$ 2,408.0</u>	<u>\$ 2,081.0</u>	<u>\$ 1,793.0</u>	<u>\$ 1,584.0</u>
<u>5.57%</u>	<u>5.83%</u>	<u>6.75%</u>	<u>8.48%</u>	<u>8.62%</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>
2011	\$ 6,622,612	\$ 6,424,928	97.02%	\$ 2,349	\$ 6,427,277	97.05%
2010	7,143,500	6,829,121	95.60%	-	6,829,121	95.60%
2009	7,866,623	7,495,907	95.29%	3,196	7,499,103	95.33%
2008	7,646,888	7,319,612	95.72%	-	7,319,612	95.72%
2007	7,654,022	7,371,453	96.31%	29,941	7,401,394	96.70%
2006	6,389,890	6,126,236	95.87%	14,562	6,140,798	96.10%
2005	5,966,228	5,690,417	95.38%	2,957	5,693,374	95.43%
2004	5,153,863	4,931,320	95.68%	31,146	4,962,466	96.29%
2003	4,563,325	4,370,847	95.78%	707	4,371,554	95.80%
2002	4,342,794	4,173,205	96.09%	2,158	4,175,363	96.14%

**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**

<b>Fiscal Year Ended September 30,</b>	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		
	<b>General Obligation Bonds</b>	<b>Capital Revenue Notes</b>	<b>Capital Leases</b>	<b>Water and Wastewater Bonds</b>	<b>Water and Wastewater Notes</b>	<b>Capital Leases</b>
2011	\$ -	\$ 25,310,219	\$ -	\$ 4,360,000	\$ 5,785,571	\$ 215,871
2010	-	26,952,009	-	5,680,000	6,528,031	349,990
2009	-	28,593,759	-	6,940,000	7,247,148	479,092
2008	-	22,254,009	-	8,150,000	7,943,727	603,365
2007	-	8,473,917	-	9,290,000	8,569,640	774,394
2006	-	9,094,417	-	10,021,040	9,219,291	978,355
2005	-	4,538,417	31,996	11,029,460	9,432,429	498,705
2004	-	5,563,417	73,126	12,217,880	5,173,522	370,202
2003	-	5,951,417	188,356	13,821,299	5,872,897	495,816
2002	-	4,215,417	150,404	15,619,718	6,565,827	620,550

\* FY 2010 Population adjusted to 2010 US Census

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

<u>Internal Services</u>		Ratio of Outstanding Debt to	
<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Total Personal Income</u>	<u>Per Capita</u>
\$ -	\$ 35,671,661	6.0%	\$ 2,144
-	39,510,030	6.9%	2,374 *
-	43,259,999	7.3%	2,546
-	38,951,101	6.2%	2,207
-	27,107,951	4.5%	1,567
-	29,313,103	5.8%	1,729
-	25,531,007	5.7%	1,571
-	23,398,147	5.2%	1,363
-	26,329,785	6.0%	1,587
156,243	27,328,159	6.3%	1,695

**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, 2011

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

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

<sup>a</sup> 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**

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Fiscal Year Ended September 30,	Pledged Revenues (a)	Less: Operating Expenses (b)	Net Available Revenue	Debt Service Requirements	Coverage
2011	\$15,326,489	\$ 10,402,002	\$ 4,924,487	\$ 1,573,260	3.1
2010	13,877,616	9,379,526	4,498,090	1,578,540	2.8
2009	15,604,951	10,808,535	4,796,416	1,578,540	3.0
2008	18,884,053	10,363,438	8,520,615	1,581,040	5.4
2007	14,772,138	10,437,434	4,334,704	1,581,040	2.7
2006	16,936,571	8,808,679	8,127,892	2,246,295	3.6
2005	14,503,049	7,377,234	7,125,815	2,246,295	3.2
2004	14,000,595	7,193,330	6,807,265	2,246,295	3.0
2003	13,309,397	6,612,357	6,697,040	2,271,120	2.9
2002	14,254,094	5,795,704	8,458,390	2,346,778	3.6

(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

<b>Fiscal year Ended September 30,</b>	<b>Population City of Punta Gorda (a)</b>	<b>Population Charlotte County (a)</b>	<b>Per Capita Income (b)</b>	<b>Total Personal Income City of Punta Gorda (in thousands)</b>	<b>Unemployment Rate (b)</b>
2011	16,641	159,978	\$ 35,858	\$ 596,713	10.1%
2010	16,641*	159,978*	34,587	575,562 *	12.0%
2009	16,989	159,127	34,978	594,241	13.0%
2008	17,651	159,889	35,837	632,559	9.6%
2007	17,302	164,584	34,978	605,189	6.2%
2006	16,952	162,900	29,890	506,725	2.7%
2005	16,255	154,030	27,618	448,931	3.1%
2004	17,168	156,985	26,003	446,420	5.0%
2003	16,591	151,995	26,479	439,313	4.4%
2002	16,120	148,521	26,932	434,144	4.2%

Note: Information presented is the most current available.

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

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

<sup>b</sup> **Source:** Florida Statistical Abstract or U.S. Department of Labor, Bureau of Labor Statistics

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

**Fiscal Year End 2011**

<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total MSA Employment</b>
Charlotte County School Board	2,245	1	3.67%
Wal - Mart	1,424	2	2.33%
Peace River Regional Medical Center	1,067	3	1.75%
Charlotte County Board of Commisioners	1,002	4	1.64%
Charlotte Regional Medical Center	984	5	1.61%
Publix Supermarkets	977	6	1.60%
Fawcett Memorial Hospital Inc.	716	7	1.17%
Charlotte County Sheriff's Office	617	8	1.01%
Charlotte Correctional Institute	385	9	0.63%
Home Depot	337	10	0.55%

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 Nine Fiscal Years

<b>Function/Program</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>General Government</b>									
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager's Office	1.63	1.50	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources	3.00	3.00	3.00	4.00	4.00	4.00	3.00	3.00	3.00
City Clerk	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Procurement	7.25	7.25	8.00	9.00	9.00	8.50	8.00	8.00	8.00
Finance	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00
Legal	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00
<b>Public Works</b>									
Public Works Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	5.00
Engineering	4.90	5.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00
Right of Way Maintenance	14.00	15.00	16.00	17.00	18.00	18.00	18.00	18.00	18.00
Parks and Grounds	11.50	12.00	14.00	16.00	16.00	16.00	16.00	14.00	13.50
Facilities Maintenance	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.50
<b>Police</b>	49.00	52.00	51.00	52.00	52.00	52.00	51.00	49.50	48.50
<b>Fire</b>	28.00	28.00	29.00	30.00	30.00	30.00	30.00	29.00	26.00
<b>Growth Management</b>									
Growth Management Admin	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.50	1.00
Code Compliance	4.00	4.00	5.00	6.00	7.00	7.00	7.00	-	-
Urban Design	6.80	6.80	7.00	7.00	7.00	7.00	7.00	8.00	8.00
<b>Punta Gorda Isles Canal Maintenance</b>	9.00	9.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
<b>Utilities</b>									
Billing and Collections	5.00	4.60	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Utilities Administration	6.00	6.00	7.00	7.00	7.00	5.00	5.00	5.00	5.00
Water Treatment	14.50	13.50	16.00	18.00	18.00	18.00	18.00	17.00	17.00
Wastewater Collection	14.80	15.00	15.00	15.00	15.00	15.00	14.00	12.00	12.00
Wastewater Treatment	13.50	13.50	13.50	15.00	15.00	15.00	15.00	15.00	15.00
Water Distribution	17.50	20.00	18.00	20.00	20.00	20.00	16.00	16.00	16.00
Fleet Maintenance	2.00	3.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
<b>Sanitation/Refuse</b>	19.00	19.00	19.00	19.00	19.00	19.00	20.00	21.00	21.00
<b>Building</b>	4.00	8.00	8.00	8.00	11.00	14.00	14.00	14.00	14.00
<b>Information Technology</b>									
Information Technology (IT)	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Geographic Information Services(GIS)	-	-	-	1.00	1.00	1.00	1.00	-	-
<b>Total</b>	<b><u>264.88</u></b>	<b><u>276.15</u></b>	<b><u>291.00</u></b>	<b><u>308.50</u></b>	<b><u>313.50</u></b>	<b><u>313.00</u></b>	<b><u>305.50</u></b>	<b><u>290.50</u></b>	<b><u>288.00</u></b>

**Source:** City of Punta Gorda Budgeted Position Summary  
 Information in this format was unavailable prior to 2003.

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

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

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

Information in this format was unavailable prior to 2005.

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

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Police							
Stations	1	1	1	1	1	1	1
Sub-Stations	2	2	2	0	0	0	0
Number of Police Officers Authorized	34	34	35	36	36	32	34
Fire							
Stations	3	3	3	3	3	3	3
Number of Firefighters Authorized	26	26	26	27	27	27	27
Streets and highways							
Streets ( <i>miles</i> )	116	116	110	110	110	110	110
Unpaved streets ( <i>miles</i> )	2	2	2	2	2	2	2
Streetlights	849	590	566	566	566	566	566
Traffic signal intersections	19	18	18	18	18	18	18
Water							
Water mains ( <i>miles</i> )	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
Fire hydrants	1,193	1,177	1,173	979	979	1,000	930
Wastewater							
Sanitary sewers ( <i>miles</i> )	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
Solid waste collection							
Collection trucks	10	10	10	10	10	11	9
Parks and recreation							
Acreage	90.7	90.7	90.7	90.7	90.7	90.7	90.7
Number of Parks	12	12	12	12	12	12	12

**Source:** City of Punta Gorda Finance Department.

**Note:** No capital assets indicators are available for the general government function. Information in this format was unavailable prior to 2005.

### Management Letter

Honorable Mayor and City Council  
City of Punta Gorda, Florida

We have audited the basic financial statements of the City of Punta Gorda, Florida (the "City"), as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated March 23, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated March 23, 2012, should be considered in conjunction with this management letter.

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

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

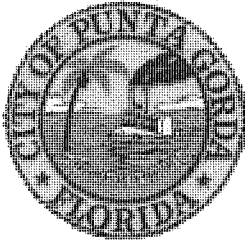
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) Deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City discloses this information in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2011, 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, 2011. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

*Oshley Brewer & Co.*

March 23, 2012





## 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](http://www.punta-gorda.fl.us)

March 26, 2012

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

### AUDITORS' COMMENTS:

I. Prior year comments which continue to apply.

None.

II. Current year comments and recommendations.

None.

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

David W. Drury, CPA  
Director of Finance



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

Honorable Mayor and City Council  
City of Punta Gorda, Florida

We have audited the basic financial statements of the City of Punta Gorda, Florida, (the "City") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated March 23, 2012. 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.

**Internal Control Over Financial Reporting**

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

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

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

material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

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

*Debra Brown, C.A.*

March 23, 2012