



**The City of Cape Coral
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2019**

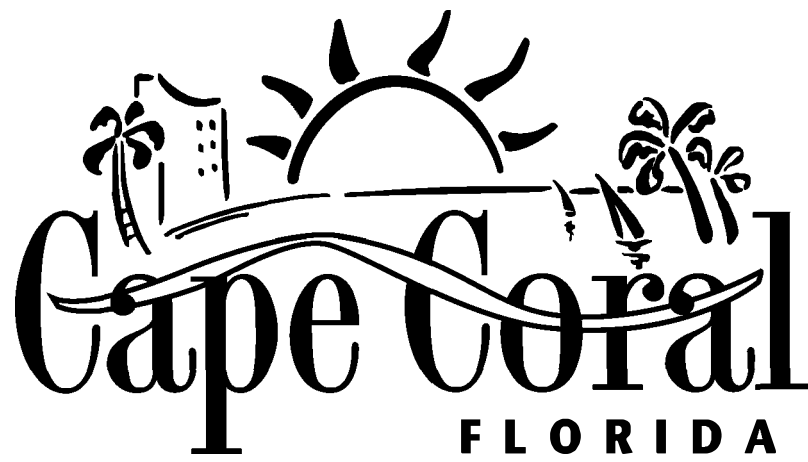
COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Cape Coral, Florida
For the Fiscal Year Ended
September 30, 2019



Prepared by:

Financial Services Department



CITY OF CAPE CORAL, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019
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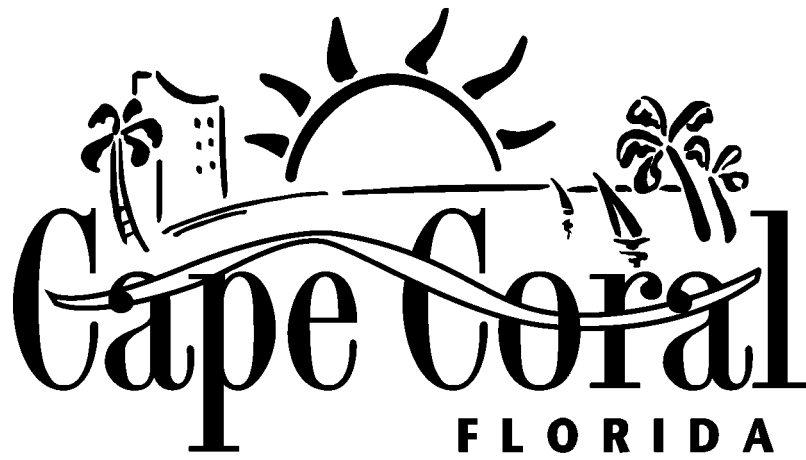
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Introductory Section



March 13, 2020

Honorable Mayor and Members of City Council
City of Cape Coral, Florida

Dear Mayor and Members of City Council:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Cape Coral, Florida (the City) for the fiscal year ended September 30, 2019. Chapter 218.39, Florida Statutes and the City Charter require that a complete set of financial statements be published within nine months of fiscal year end and presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and those standards applicable to audits performed in accordance with *Government Auditing Standards* by licensed independent certified public accountants.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that sufficient, reliable, adequate accounting data is compiled for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions.

In addition, the City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. The City also maintains an encumbrance system that is employed as an extension of formal budgetary integration in all fund types.

In compliance with the laws of the State of Florida, the City's financial statements have been audited by Clifton Larson Allen LLP, a firm of licensed certified public accountants. The independent auditor has issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City of Cape Coral, incorporated in 1970, is located on the southwest coast of Florida in Lee County, approximately 125 miles south of Tampa, at the mouth of the Caloosahatchee River. The City is the third largest city in Florida land-area wise, encompassing 120 square miles and the US Census estimates the population to be 185,837 (University of Florida, Bureau of Economic and Business Research, 2019.) making it the most populated city in Southwest Florida and ninth most populous in the state.



The City is principally a residential, recreational and vacation community, and is one of the nation's first master-planned, pre-platted communities. In addition to broad boulevards and paved streets, the City is interlaced with over 400 miles of waterways. These canals provide home sites with access to the Intra-Coastal Waterway and the Gulf of Mexico. City-owned recreational facilities include numerous parks, a youth center, a municipal golf course, a yacht club, a waterpark, and an ecological preserve. Because the tax burden rests mostly on residential properties, the City is actively seeking more aggressive economic development to encourage new construction and expansions to more equitably balance the tax burden between residential and commercial properties.

The City operates under a Council/City Manager form of government. Legislative authority is vested in an elected City Council consisting of eight members elected at large on a nonpartisan basis from districts. The City Council is responsible for all policy-making functions of the government and retains the services of a City Attorney, City Auditor and City Manager. The City Manager is responsible for the administration of the City.

The City provides a comprehensive range of municipal services including general government, public safety (police and fire), public works, community development, planning, utilities, transportation, economic development, and parks and recreation. In evaluating the City as a reporting entity, we have included all component units for which the City Council is financially responsible. The Community Redevelopment Agency (CRA) is blended with the financial statements presented for the Primary Government because the component unit exclusively serves the City. The Cape Coral Charter School Authority is a discretely presented component unit. The City of Cape Coral Health Facilities Authority does not meet the criteria established by GAAP for inclusion in this report. Additional information on all three of these entities can be found in the notes to the financial statements (see Note I). For additional information concerning the City, please visit our website at www.capecoral.net.

The City Council is required to adopt a final budget no later than the close of the preceding fiscal year to which the budget applies. Amendments to the City's operating budget in which appropriations are increased or decreased, or transfers between funds, must be approved by City Council via ordinance changes and include public input. The City Charter authorizes the City Manager to transfer appropriations within an operating

department of the general fund and within the fund as a whole for all other funds. Transfers are reviewed and processed by the budget staff and approved by the City Manager when required by administrative policy.

LOCAL ECONOMY

New housing and commercial development in Cape Coral have maintained a steady revenue pattern from 2018 to 2019. New single-family residential building permits were slightly behind by 2.3% over last year with a total dollar volume of \$8.4 million. The population continues to rise and has increased by over 20.4% since the 2010 U.S. census.

The number of new commercial building permits increased between 2018 to 2019. The value of these permits increased from \$208,826 to \$302,119 showing the commercial growth of developments taking place in the Cape.

Nor-Tech Hi Performance Boats is building its new 50,000 square foot world headquarters in Cape Coral and plans to add up to 150 new jobs. The Pine Island Road corridor is exploding in growth. 2019 saw the opening of Myriad Luxury Motorcoach Resort, Atrium at Liberty Park, Thrive at Four Mile Cove, and many others. An estimated 400 acres of commercially zoned land worth a combined \$100 million are for sale on both sides of the road.

The 90-unit Midtown Coastal Luxury Living Apartments opened, joining the 180-unit Coralina Apartments off Sandoval Parkway as two new rental options. The 320-unit apartment complex, Uptown at Liberty Park opened its first building in July with a second under construction. There is a lot of growth in senior care and assisted living facilities. The Waters of Cape Coral will open Summer of 2020.

Fairfield Inn by Marriott broke ground on its long-planned destination at 1701 Old Pondella Road as well as the opening of Nor-Tech Hi-Performance Boats production headquarters. The City welcomed hundreds of new businesses during the fiscal year including new restaurants and breweries. Several existing companies are in expansion mode such as Mercola Health Resources, LLC, Insite Managed Solutions, and various businesses within the Community Redevelopment district.

The total taxable assessed property value in Cape Coral was \$13,194,333,653, \$14,300,433,937, and \$15,438,898,927 in fiscal years 2018, 2019 and 2020 (preliminary) respectively. The total taxable assessed property value increased 8.21% from fiscal year 2016 to 2017, 9.56% from fiscal year 2017 to 2018, 8.46% from fiscal year 2018 to 2019, and 8.0% from fiscal year 2019 to 2020. The total includes new construction of \$336,504,739, \$448,797,093, and \$470,385,102 in fiscal years 2018, 2019, and 2020 respectively.

The change in the taxable value of property on an annual basis is always a primary concern for the City as the receipts from the related ad valorem taxes provides the majority of the general fund's operating revenue. Fiscal year 2019 general fund ad valorem receipts of \$93,758,005 represents 49.4% of the total revenue sources for the general fund. Although ad valorem receipts are still the single largest source, the percentage of all sources had previously been approximately 62%. The General Fund's reliance on ad valorem taxes has been reduced through efforts to achieve revenue diversity which has been a primary focus of the City's strategic Plan. The City's revenue diversification initiative included the adoption of the Fire Service Assessment implemented in 2014 and generated \$25.4 million along with the Public Service Tax, which generated \$7.8 million during fiscal year 2019. To help offset the Public Service Tax impact to citizens the City retained the Fire Service Assessment recovery rate at 62% for fiscal year 2019.

Growth in the City of Cape Coral is expected to continue this rising development trend over the next five years primarily due to the following factors:

- ◆ Significant, remaining undeveloped residential and commercial property.

- ◆ Population estimates have Cape Coral at 185,837, which is 13.9% higher than our 2010 population of 163,095 (University of Florida, Bureau of Economic and Business Research, 2019) and growing. During the winter season, it is estimated that our population climbs over 210,000 with our part-time residents and renters joining us. These numbers will continue to drive housing, commercial development, investment and jobs which brings continued stabilization to Cape Coral's economy.
- ◆ The Cape Coral Economic Development Master Plan was adopted in October 2017, establishing a solid blueprint with initiatives, objectives and actions to grow and diversify the economy.
- ◆ Burnt Store Widening: The North Segment (Van Buren Parkway to Diplomat Parkway) was completed in January 2018. Construction on the Middle Segment (Diplomat Parkway to south of Tropicana Parkway) is underway. It will be followed by the South Segment (Tropicana Parkway to Pine Island Road). The expected completion date is Spring 2020. The Florida Department of transportation is overseeing this work as Burnt Store Road is a State road.
- ◆ The Cape Coral City Council approved a formal partnership to find developers for the Seven Islands project in Northwest Cape Coral. The city is working with CBRE, the world's largest commercial real estate services and investment firm, on this long-range project.
- ◆ The Utilities Expansion Program (UEP) is moving forward, as SW 6&7 is completed and North 2 construction is underway with construction slated to be completed in summer 2020. This phase of the project will bring water, sewer, and irrigation to approximately 8,900 parcels. The City has obtained two State Revolving Fund (SRF) loans for North 2 construction totaling about \$250 million.

LONG-TERM FINANCIAL PLANNING

A significant measure of the City's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). The general fund's fund balance increased by \$33,713,057 from prior year primarily due to FEMA reimbursements from Hurricane Irma in fiscal year 2018.

The City Council takes the responsibility of being stewards of the public's funds very seriously and has adopted the following Fund Balance policy. *Reserve funds shall not be routinely used to fund recurring expenditures. Fund balances should be maintained at fiscally sound levels in all funds.*

STRATEGIC PLANNING

Mission Statement

The City of Cape Coral will meet our community's needs through the efficient and professional delivery of quality services, with pride and integrity, in an open, honest spirit of teamwork, respecting the self-worth of the individual and the environment.

The Strategic Plan acts as an overall umbrella within which our other tools, such as the Capital Improvement Plan (CIP), Comprehensive Plan, and many master plans are coordinated.

The City of Cape Coral Asset Improvement Program (AIP) is a comprehensive program that integrates the CIP, capital equipment needs, vehicle needs, major maintenance projects, and the funding required for these capital elements into an overall financial management plan. The AIP budgetary process encompasses the integration of revenues and expenditures, along with program policy issues included in the City's long-range planning process. This structured plan is designed to promote orderly growth patterns and capital improvements in compliance with the capital improvement element of the Comprehensive Plan. The City's ability to finance these programs and remain in compliance with the Comprehensive Plan will be a major directive in future City budgets.

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of financial management policies in the areas of operating management, debt management, accounts management, financial planning, and economic resources. These policies were reviewed and approved by the City Council on September 26, 2011 and were amended on October 26, 2015, December 12, 2016 and November 4, 2019 respectively as Resolution 129-15, Resolution 216-16 and Resolution 332-19.

The City maintains a prudent cash management and investment program in order to meet daily cash requirements, increase the amount available for investment, and earn the maximum rate of return on invested funds commensurate with appropriate security.

The City maintains sufficient reserves in accordance with established policy of no less than two months of regular general fund operating expenditures.

The City complies with its comprehensive debt management policy. The City has not issued any short-term debt to finance current operations.

MAJOR INITIATIVES

The millage rate for General Fund operations for FY 2019 was 6.75; the FY 2020 Adopted rate was set at the rolled back rate of 6.4903.

The current five- year CIP for all funds includes approximately \$93.3 million of capital improvements scheduled in FY2019, of which \$88.0 million is for the UEP, \$1.0 million for transportation, \$4.3 million for stormwater.

The UEP was restarted in FY 2012, the Southwest 6 and 7 areas are substantially completed. This included construction of water, sewer, and irrigation service capacity to nearly 7,000 lots including 3,500 households. The North 2 project is currently in the construction phase with Construction of approximately \$230 million, the majority of which is financed through the State Revolving Fund (SRF) loan program. The North 2 area will provide water, sewer and irrigation service capacity to 8,900 lots including 3,400 improved parcels. A Request for Qualifications (RFQ) for the North 1 design will commence in FY 2019 and the design should be completed. in FY 2020.

The November 2018 election included a \$60 million General Obligation Parks & Recreation bond referendum, which was approved by the voters. Work will be started on small projects in FY 2019 along with designing new parks and facilities which will be constructed over the next 3 to 4 years.

In August 2013, City Council established a supplemental dedicated funding source for the provision of fire protection services and facilities through the imposition of non-ad valorem special assessment (Fire Service Assessment). The assessment was validated by the Circuit Court of the Twentieth Judicial Circuit in December 2013 and upheld on appeal by the Florida Supreme Court in May 2015.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cape Coral for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This is the 32nd consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated service of the Financial Services Department staff. Their continuing effort toward improving the accounting and financial reporting systems improves the quality of information reported to the City Council, State and Federal Agencies, and the citizens of the City of Cape Coral. We sincerely appreciate and commend them for their contributions.

Respectfully submitted,



Christopher K. Phillips, CGFM
Acting Financial Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cape Coral
Florida**

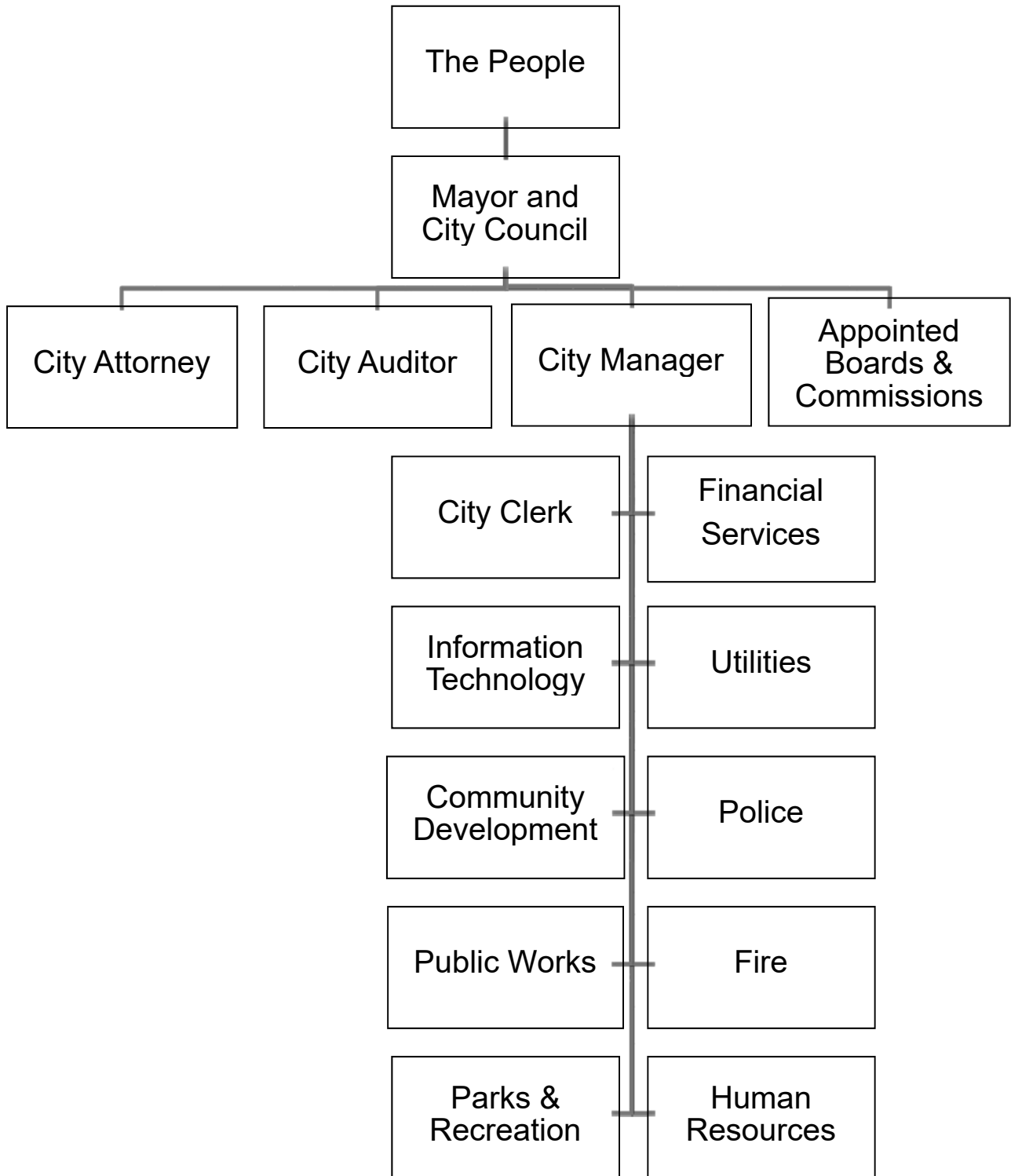
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



CITY OF CAPE CORAL, FLORIDA

List of City Officials**

Mayor

Joe Coviello

City Council

John Gunter, District No. 1	John M. Carioscia Sr., District No. 2
Marilyn Stout, District No. 3	Jennifer Nelson, District No. 4
Lois Welsh, District No. 5	Rick Williams, District No. 6
Jessica Cosden, District No. 7	

City Administration

A. John Szerlag, City Manager
Connie Barron, Assistant City Manager
Christopher K. Phillips, CGFM, Acting Financial Services Director
Vincent Cautero, AICP, Community Development Director
Andrea Russell, CPA, CFE, CIA, CGMA, City Auditor
Michelle Hoffmann, Information Technology Services Director
Dolores Menendez, City Attorney
David Newlan, Chief of Police
Paul Clinghan, Public Works Director
Kerry Runyon, CPRP, Parks & Recreation Director
Jeffrey Pearson, Utilities Director
Ricardo Noguera, Economic Development Manager
Kimberly Bruns, City Clerk
Ryan W. Lamb, Fire Chief/Emergency Management Director
Lisa Sonogo, Human Resources Director

**City officials reflect current members as of date of printing.

Financial Section



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cape Coral, Florida (City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Pension Trust Funds were not audited in accordance with *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 from material misstatement.

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

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

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Reporting

As discussed in Note IV. 18 to the financial statements, the City restated beginning balances resulting from a change in the recording of the Golf Course Fund from an enterprise fund to a governmental fund. Our opinion is not modified with respect to that matter.

Correction of Error

As discussed in Note IV. 18 to the financial statements, the City restated beginning balances resulting from a correction of an accounting error that occurred in the prior period. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A), budgetary comparison schedules for the general fund and community redevelopment agency fund, and pension and other postemployment benefit schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budget and actual schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, is also presented for purposes of additional analysis and is also not a required part of the basic financial statements.


Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

The combining and individual nonmajor fund financial statements and budget and actual schedules (except for the budget comparison schedules on pages 160 to 162) and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, the statistical section, and the budget comparison schedules on pages 160 to 162, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

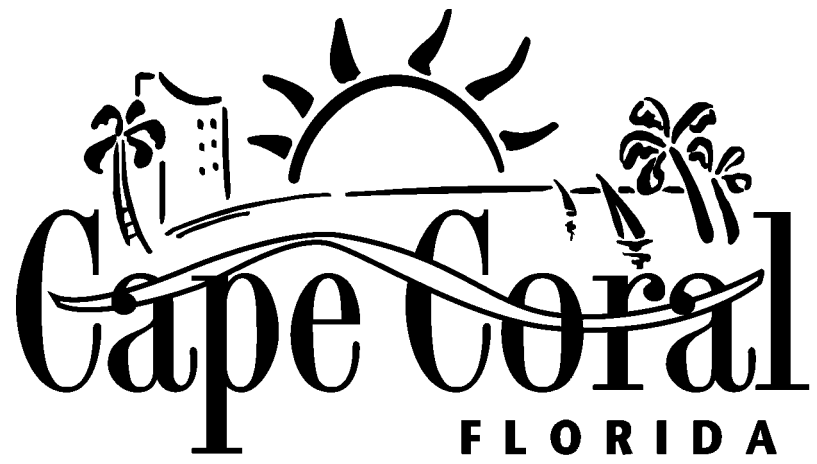
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 27, 2020



Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Cape Coral's (the City) Management's Discussion and Analysis (MDA) is designed to focus on the current year's activities, resulting changes and current known facts. Please read this section in conjunction with the City's financial statements (beginning on page 21) and letter of transmittal.

The MDA provides an overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

HIGHLIGHTS

Financial Highlights

- At the close of fiscal year 2019, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$640.1 million (net position). Governmental and business-type assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$132.9 million and \$507.2 million, respectively.
- The City's total net position increased by \$95.8 million or 17.6%, in comparison to the prior year.
- The City had negative \$225.8 million of unrestricted net position.
- Total revenues increased \$41.6 million or 10.9% in comparison to the prior year.
- Total expenses decreased \$4.8 million or 1.5% in comparison to the prior year.
- The City's governmental activities net position totaled \$132.9 million, which is an increase of \$56.2 million or 71.0% in comparison to the prior year. Unrestricted net position for governmental activities was negative \$209.2 million.
- The City's business-type activities reported total net position of \$507.2 million, which is an increase of \$39.6 million or 8.7% in comparison to the prior year. Unrestricted net position for business-type activities was negative \$16.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MDA is intended to serve as an introduction to the City's basic financial statements. The basic financial statements include the government-wide financial statements, fund financial statements, notes to the financial statements and required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* (statement of net position and statement of activities) are designed to provide a broad overview of the City, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Net position may serve as a useful indicator of whether the financial position of the City is improving.

The *Statement of Activities* reflects the expenses of a given function, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function.

Governmental activities are supported by taxes and intergovernmental revenues whereas the business-type activities are primarily supported by user fees and charges for services. The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City reflect private sector type operations where the fee for service typically covers all or most of the

cost of operation, including depreciation. The business type activities include water and sewer operations, stormwater utility, and the yacht basin.

The government-wide financial statements include not only the City of Cape Coral itself (known as the primary government), but also a legally separate Charter School Authority, reported as a component unit. Separate financial statements are issued for the Cape Coral Charter School Authority which can be obtained through the Financial Services Department of the City of Cape Coral, 1015 Cultural Park Blvd., Cape Coral, FL 33990.

The government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements

Government resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The accounts of the City are organized based on funds, each of which is considered a separate accounting entity. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds - *Governmental Fund* Financial Statements (see pages 23-26) are prepared on a modified accrual basis using a current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

The total columns on the Governmental Funds and Proprietary Funds Financial Statements are not the same as the Governmental Activities column and the Business-type column on the Government-wide Financial Statement. The Governmental Funds total column requires reconciliation because of the different measurement focus (current financing resources versus total economic resources) which is reflected on the page following each statement (see pages 24 and 26). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column in the Government-wide Statements. The Proprietary Funds total column requires reconciliation because the internal service fund is consolidated as part of the governmental activities, but a portion of the internal service funds is for business-type activities. This reconciliation is a result of the surplus elimination (see pages 28-29).

Four of the City's Governmental Funds, the General Fund, the Transportation Capital Improvements Fund, the Community Redevelopment Agency Fund, and the Debt Service Fund are considered major funds and are shown separately on the financial statements. All other governmental funds are combined into a single column on the governmental fund's financial statements. Individual fund data for the nonmajor funds is found in the combining statements as supplemental financial data (see pages 130-137).

The City adopts an annual appropriated budget for the General Fund and Special Revenue Funds. Budgetary comparison statements for the general fund and community redevelopment agency fund are presented on pages 113-115 of the required supplementary information and other governmental funds are presented on pages 138-163 of the combining statements.

Proprietary Funds - The City maintains two different types of *proprietary funds* known as enterprise and internal service. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service Funds are used to accumulate and allocate costs internally among the City's various functions. Because the Internal Service Funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary Fund financial statements (see pages 27-31), like government-wide financial statements, are prepared on the full accrual basis. Proprietary Funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the Proprietary Fund.

The Proprietary Fund financial statements provide separate information for the Water and Sewer Fund and for the Stormwater Fund, which are considered major funds. All Other Non-Major Enterprise Funds are combined into a single column on the Proprietary Fund financial statements, as well as the Internal Service Funds reported in a single column. Individual fund data for the Non-Major Enterprise Funds and for the Internal Service Funds is found in the combining statements as supplemental financial data (see pages 165-167).

Fiduciary Funds - The *Fiduciary Fund* financial statements (see page 32) are not presented as part of the Government-wide Financial Statements because the resources of these funds are not available to support the City's programs. Fiduciary (Pension Trust, Private-Purpose Trust and Agency) Funds represent trust responsibilities of the government; however, these assets are restricted as to purpose and do not represent discretionary assets of the government.

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 to the financial statements can be found on pages 33-112 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information including budgetary comparison information and the funding progress for pension and schedule of changes in total OPEB liability. Required supplementary information can be found on pages 113-125 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Government-wide Financial Statements are designed so that the user can determine if the City is in a better or worse financial condition from the prior year. The City's overall financial condition has remained stable.

City of Cape Coral, Florida
Summary of Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 215.8	\$ 165.4	\$ 146.4	\$ 146.4	\$ 362.2	\$ 311.8
Capital assets	450.2	443.4	1,120.1	1,034.5	1,570.3	1,477.9
Total assets	<u>666.0</u>	<u>608.8</u>	<u>1,266.5</u>	<u>1,180.9</u>	<u>1,932.5</u>	<u>1,789.7</u>
Deferred outflows of resources	64.5	40.7	34.7	33.4	99.2	74.1
Current and other liabilities	16.9	18.4	38.7	40.5	55.6	58.9
Noncurrent liabilities	558.1	535.0	750.1	702.4	1,308.2	1,237.4
Total liabilities	<u>575.0</u>	<u>553.4</u>	<u>788.8</u>	<u>742.9</u>	<u>1,363.8</u>	<u>1,296.3</u>
Deferred inflows of resources	22.6	19.4	5.2	3.8	27.8	23.2
Net position:						
Net investment in capital assets	259.4	247.6	459.0	417.7	718.4	665.3
Restricted	82.7	71.2	64.8	77.2	147.5	148.4
Unrestricted	(209.2)	(242.1)	(16.6)	(27.3)	(225.8)	(269.4)
Total net position	<u>\$ 132.9</u>	<u>\$ 76.7</u>	<u>\$ 507.2</u>	<u>\$ 467.6</u>	<u>\$ 640.1</u>	<u>\$ 544.3</u>

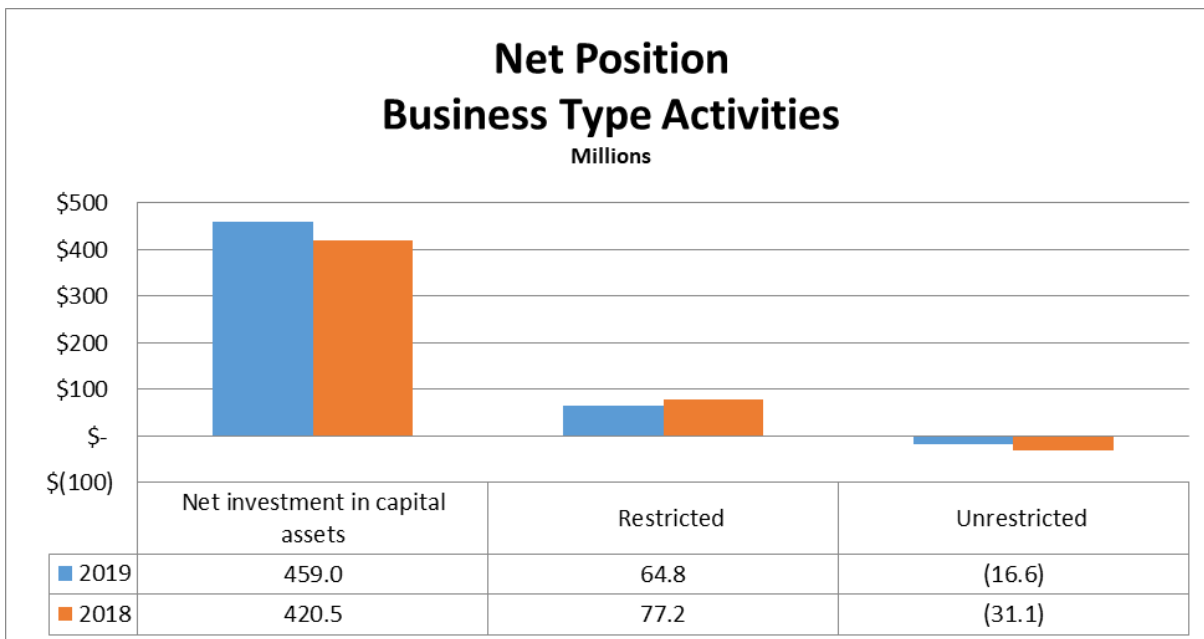
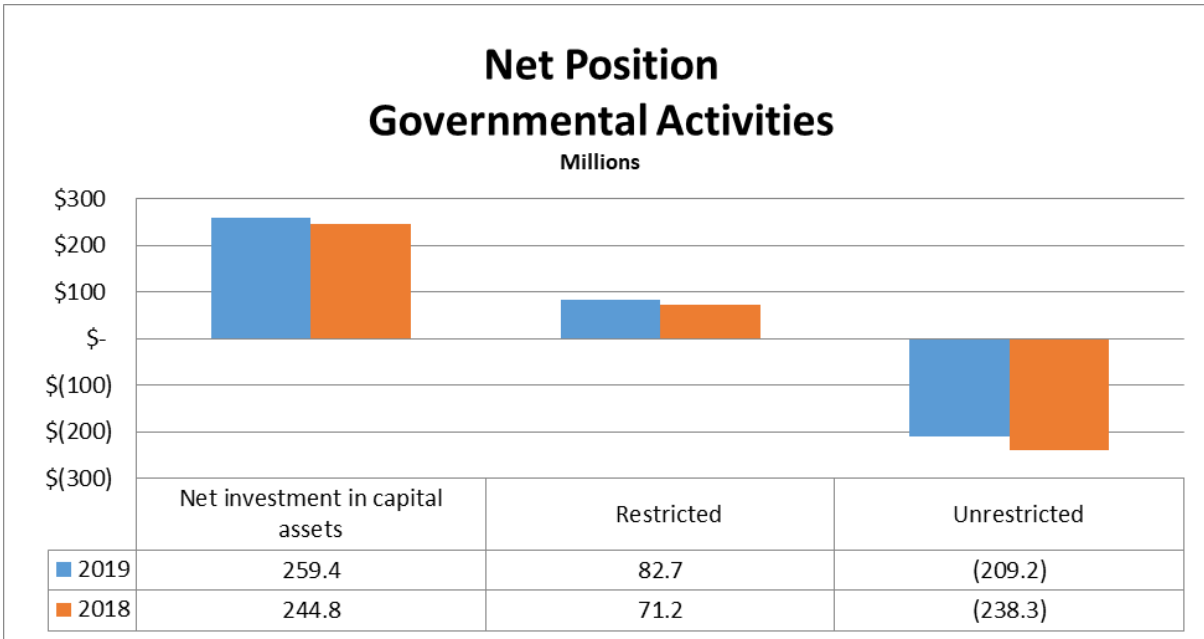
Net investment in capital assets is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure, and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. Unamortized bond insurance costs "follow the debt" in calculating net asset components for the statement of net position. That is, if debt is capital-related, the unamortized amounts are included in the calculation of net investment in capital assets. If the debt is restricted for a specific purpose and the proceeds are unspent, the net proceeds impacts restricted net position. If the debt proceeds are not restricted for capital or other purposes, the unamortized costs are included in the calculation of unrestricted net position.

The net investment in capital assets balance of \$718.4 million increased \$53.1 million or 8.0% in comparison to the prior year. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position balance of \$147.5 million (23.0% of total net position) decreased \$0.9 million or 0.6% in comparison to the prior year. This balance represents resources subject to external restrictions on their use. The governmental activities restricted net position increased \$11.5 million due primarily to increases in the gas tax funds,

road impact fee fund, and the building fund. The business-type restricted activities restricted net position decreased \$12.4 million primarily due to the refunding of Water & Sewer debt as well as an increase in capital related accounts payable.

The unrestricted net position balance decreased from a negative \$269.4 million to a negative \$225.8 million which is a change of \$43.6 million from the prior year primarily due to the implementation of GASB 75.

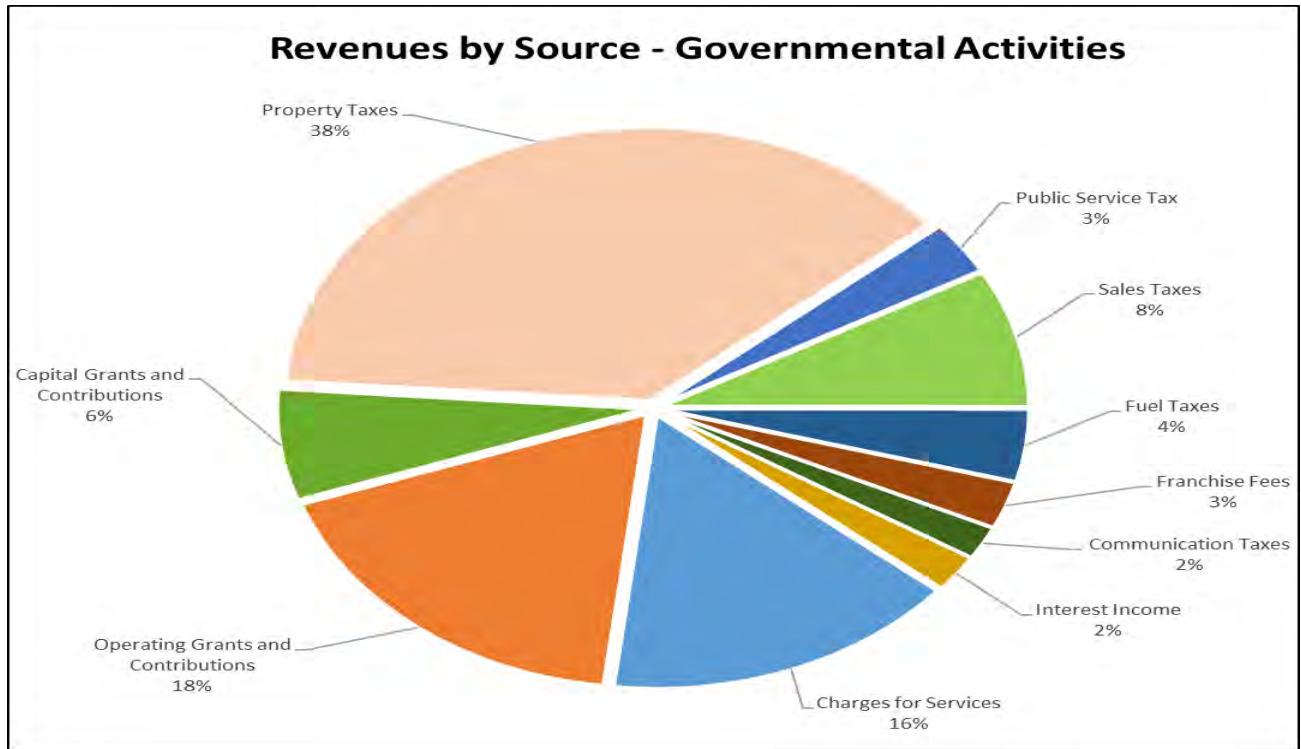


City of Cape Coral, Florida
Summary of Changes in Net Position
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
REVENUES:						
Program Revenues:						
Charges for Services	\$ 39.9	\$ 38.4	\$ 107.9	\$ 104.5	\$ 147.8	\$ 142.9
Operating Grants and Contributions	45.1	30.8	0.8	0.5	45.9	31.3
Capital Grants and Contributions	16.6	14.4	40.6	47.1	57.2	61.5
Property Taxes	95.6	88.6	-	-	95.6	88.6
Public Service Tax	7.9	7.1	-	-	7.9	7.1
Sales Taxes	20.7	20.1	-	-	20.7	20.1
Fuel Taxes	10.8	10.7	-	-	10.8	10.7
Franchise Fees	7.0	6.5	-	-	7.0	6.5
Communication Taxes	4.9	4.6	-	-	4.9	4.6
Interest Income	5.5	1.5	18.5	5.4	24.0	6.9
Total Revenues	254.0	222.7	167.8	157.5	421.8	380.2
EXPENSES:						
Program Activities						
Governmental Activities:						
General Government	56.1	71.4	-	-	56.1	71.4
Public Safety						
Police	42.3	37.2	-	-	42.3	37.2
Fire	33.9	29.3	-	-	33.9	29.3
Building	7.3	5.7	-	-	7.3	5.7
Public Works	19.1	21.5	-	-	19.1	21.5
Parks and Recreation	24.2	23.5	-	-	24.2	23.5
Community Development	9.0	7.3	-	-	9.0	7.3
Interest and fiscal charges	8.5	8.6	-	-	8.5	8.6
Business-type Activities:						
Water and Sewer	-	-	110.9	111.5	110.9	111.5
Stormwater	-	-	14.1	14.3	14.1	14.3
Yacht Basin	-	-	0.6	0.5	0.6	0.5
Golf Course	-	-	-	-	-	-
Total Expenses	200.4	204.5	125.6	126.3	326.0	330.8
Increase (Decrease) in Net Position before transfers	53.6	18.2	42.2	31.2	95.8	49.4
Transfers, net	2.6	(0.6)	(2.6)	0.6	-	-
Change in Net Position	56.2	17.6	39.6	31.8	95.8	49.4
Net Position - beginning	77.7	151.3	466.6	465.3	544.3	616.6
Restatement of net position	(1.0)	(92.2)	1.0	(29.5)	-	(121.7)
Net Position - ending	\$ 132.9	\$ 76.7	\$ 507.2	\$ 467.6	\$ 640.1	\$ 544.3

Governmental Activities

The net position of the City's governmental activities increased by \$56.2 million; the net investment in capital assets for governmental activities increased by \$14.6 million.



Total revenues for governmental activities increased \$33.4 million or 15.1%, in comparison to prior year. Outlined below are the explanations for the significant revenue changes within governmental activities.

Charges for services increased \$3.9 million or 10.8%. Police revenues increased \$1.2 million or 100% due to school resource officer service charges which were a result from a cost-sharing agreement with Lee County to provide state-mandated resource officers in every school. Also contributing to the increase were charges for police off duty services due to enhanced community policing efforts during extended bar hours and increasing the security detail hours at the City's RO plants to 24 hours a day 7 days a week from previous part times shifts. Fire revenues increased \$0.1 million or 26.2% due to increased fees for fire inspections and permits and Parks and Recreation revenues increased \$2.9 million or 51.1% as a result of reclassifying the golf course to a governmental fund from an enterprise fund. Building permit revenue decreased \$.2 million or 1.6% due to a decrease in single family home permits issued from 2,187 in FY18 to 1,874 in FY19 and Community Development revenues decreased \$.1 million or 3.7% due to a decrease in commercial site plan fees.

Operating grants and contributions increased by \$14.3 million or 46.4%. Reimbursements of \$13.2 million to the City from the federal government for Hurricane Irma cleanup represented the majority of the increase. Fire Service Assessment revenue contributed \$1.6 million of the overall increase as the recovery rate on assessed property values increased from 59% to 62% as part of a scheduled return to the FY17 rate of 64%. Also, police grants increased \$4 million or 24.0% primarily due to an increase in the amount of the justice assistance grants and the grant to retrofit the mobile command center. Parks grants increased \$.2 million or 17.7% primarily due to an increase in grant funding received from the Tourist Development Council. Community development grants decreased by \$.6 million or 38.0% primarily due to a decrease in the grant from the State Housing Initiative Partnership. Sidewalk grants reported in operating grants decreased \$.5 million or 44.0% as they are now reported in capital grants.

Capital grants and contributions increased \$2.2 million or 15.3%. Impact fees increased by \$.7 million or 4.6% due to an increase of 36 commercial permits net of the decrease of 313 residential permits. Also, sidewalk grants from the Florida Department of Transportation were included in capital grants this year instead of operating grants as in prior years which resulted in an increase of \$1.5 million.

Property taxes account for the majority of revenue in the Governmental Funds. Property tax revenue increased \$6.9 million or 7.8%, to \$95.6 million for fiscal year 2019. Taxable assessed property value increased 8.5% from the previous fiscal year to \$14.3 billion. The millage rate remained unchanged at 6.75.

The Public Service Tax on electricity increased to \$7.9 million or 11.3%. The tax remains unchanged at a rate of 7.0%, and is charged to residents and business owners who purchase electricity.

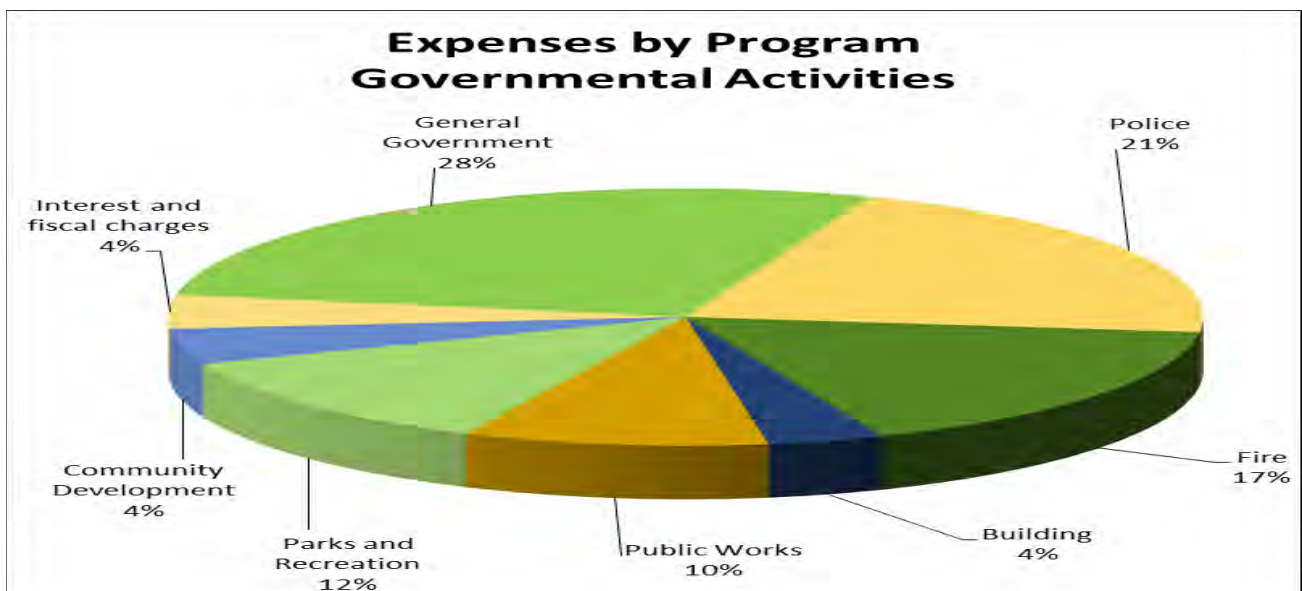
Revenues from the Local Government Half-cent Sales Tax and State Sales tax revenue sharing programs increased by \$.4 million or 2.0%. The modest increase can be explained by a slight increase in consumer spending.

Fuel taxes increased to \$10.8 million or by less than 1.0%. Fuel taxes are based on the number of gallons sold irrespective of the cost per gallon. These tax revenues are allocated according to interlocal agreement with the county and the distribution formula is based primarily on population.

Franchise fees increased \$.5 million or 7.7%. Franchise fees are levied on a corporation or individual by the City in return for granting a privilege or permitting the use of public property subject to regulations. The City receives franchise fees for electricity, solid waste, and natural gas.

Communications Services Tax increased \$.3 million or 6.5%. The Communications Services Tax replaced all local taxes on telephone and cable services in fiscal year 2001. An increased tax rate of 5.52% was adopted January 1, 2019 and now includes a county surtax of 0.3%. The higher tax rate likely accounts for the increased revenue from this tax.

Interest income increased by \$4.0 million or 266.7% primarily due to increased cash balances.



Total expenses for governmental activities decreased \$4.1 million or .5% in comparison to the prior year after considering the restatement which is not reflected in the table on page 9. Outlined below are the explanations for the most significant expense changes within governmental activities.

General Government expenses decreased \$15.3 million or 21.4%. The primary decrease of \$12.1 million or 99.0% is a result of Hurricane Irma expenses that occurred in the previous fiscal year and were not applicable to 2019. Additionally, expenses related to the Health Self-Insurance Plan were reduced by \$2.1 million or 32.3%. Also contributing was a \$.2 million decrease in City Council election expenses. Furthermore, expenses related to the purchase of small equipment were \$.2 million or 84.6% less than FY18 with a budgeted reduction in spending. Expenses related to Other Post Employment Benefits decreased by \$.5 million, and expenses related to leave payout decreased by \$.1 million. Pension related expenses decreased by less than \$.1 million.

Public Safety – Police expenses increased \$5.1 million or 13.7%. The primary reason is due to pension related expenses that increased by \$3.8 million or 254.0%. Personnel costs increased \$.5 million or 1.7% due to budgeted increases in compensation as well as an increase in equipment related expenses of \$.8 million or 238.8% with budgeted expenditures to support operations.

Public Safety – Fire expenses increased by \$4.6 million or 15.7%. Personnel expenses increased by \$1.3 million or 5.2% with budgeted increases in compensation as well as the addition of new positions when Fire Station #11 opened and six firefighter positions were added to alleviate overtime costs and provide better staffing coverage. Fire operation expenses decreased due to a reduction of small equipment purchases of \$1.1 million or 81.5%. Pension related expenses increased by \$3.5 million or 97.8% while OPEB expenses increased by \$.6 million. Fixed asset related depreciation expenses increased by \$.3 million or 19.3% as new capital assets were acquired and placed into service for Fire Station 11.

Public Safety – Building expenses increased by \$1.6 million or 28.1%. The primary reason is the result of \$.5 million or 9.2% increase in personnel costs with budgeted increases in compensation for the addition of three new employees. There was also an increase in expenses related to OPEB of \$1.2 million. These were offset by a decrease in expenses related to pensions of \$.1 million or 23.7%.

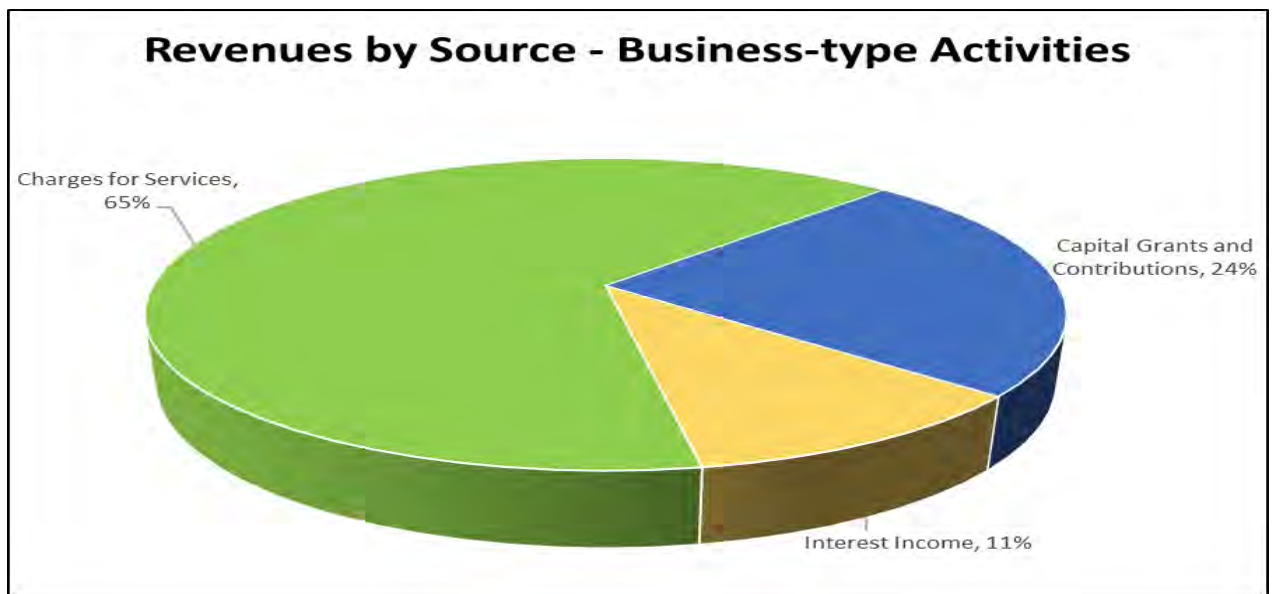
Public Works expenses decreased by \$2.4 million or 11.2%. Expenses related to the removal of pepper trees decreased by \$1.9 million or 93.9% and benefit related expenses decreased by \$.3 million or 13.9% mainly due to a reduction in OPEB related expenses and the health self-insurance expenses. Additionally, expenses related to median maintenance were \$.2 million less than the previous fiscal year.

Parks and Recreation expenses increased \$3.8 million or 18.6%. The primary reason for the increase is attributed to the golf course transitioning from being reported as a business-type activity to being reported as a governmental activity. The golf course had \$2.9 million in expenses and personnel expenses increased by \$.2 million or 2.0% due to budgeted increases in compensation. Aquatics increased \$.4 million or 337.0% due to pool repairs, and the waterpark operating expenses increased \$.1 million or 5.9% due to park improvements. The Art Studio operating expenses increased \$.2 million or 66.9% due to building maintenance, and parks maintenance also increased \$.2 million or 10.2% due to additional lighting installation and increased maintenance. There was also an increase in expenses related to pensions of \$.6 million or 455.4%. These were offset by a decrease in depreciation of \$.4 million or 12.0%, a decrease in OPEB expense of \$.3 million or 700.4%, and a decrease in the health self-insurance of \$.1 million or 632.6%.

Community Development expenses increased \$1.7 million or 23.3%. The primary reason is as a result of an increase in depreciation of \$1.1 million or 363.3% with the new streetscape project. Personnel costs increased by \$.2 million or 3.5% with budgeted increases in compensation. There was also an increase in expenses related to pensions of \$.4 million or 209.5%.

Business-type Activities

The net position of the City's business-type activities increased by \$40.6 million or 8.7%. There was an increase in the business-type activities' net investment in capital assets of \$38.5 million, or 9.2% in comparison to prior year.

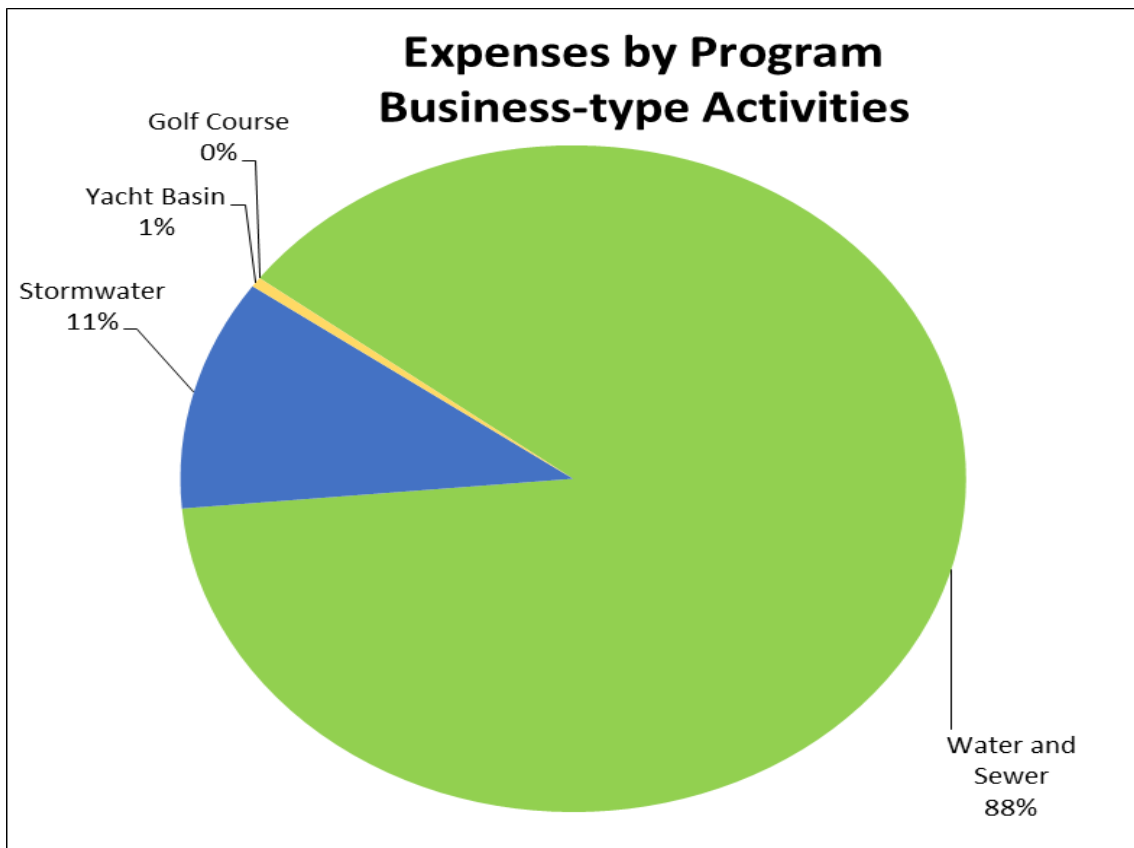


Charges for services reported in business-type activities increased \$1.1 million or 1.0%. A portion of the change is due to a \$2.7 million increase in water and sewer commodity and capacity revenues as overall usage continues to increase. Additionally, a \$1.1 million increase in stormwater revenues is a result of the utility fee increasing from \$111 to \$115. The increases in revenues were offset by a decrease in revenues due to the Golf Course being transitioned from an Enterprise fund to a Governmental fund of \$2.4 million. Additionally, the water and sewer revenue accrual decreased \$.3 million due to changes in billing cycles. These changes also reflect a restatement not included for 2018 in the table on page 9.

Operating grants and contributions reported in business-type activities increased \$.3 million or 60.0%. The primary reason is due to grants received from the Department of Environmental Protection for a Reservoir and Pipeline Project of \$.2 million as well as grants received from the South Florida Water Management District related to the North 2 project in the amount of \$.4 million. These increases in revenues were offset by a decrease in revenues related to capital asset disposals of \$.3 million.

Capital grants and contributions reported in business-type activities decreased by \$6.3 million or 13.4%. The primary reason was due to a decrease in special assessments of \$5.8 million combined with a decrease in Impact and Contribution in aid of construction of \$1.2 million. Last year these revenues were higher due to the receipt of Capital Facilities Expansion Charges for the North 2 assessment areas. These decreases were offset with an increase in developer contributions of \$.7 million.

Interest income reported in business-type activities increased \$13.1 million or 242.6% due primarily to an increase in the assessment tax billed interest as a result of a higher amount billed to the tax collector in the current year. In FY18, the City sent \$4.1 million to the tax collector; whereas in 2019 the city sent \$12.0 million to the tax collector for the assessment areas. \$6.4 million of this \$7.9 million increase is due to new revenues related to the North 2 utility expansion area which appeared on the tax bill for the first time in FY19. Additionally, bank investment income increased by \$.6 million or 46.96%, market values of investments increased by \$3.9 million or 295.5%, Gain on Investment Sales increased by \$.4 million or 73% and Long-Term Investment earnings increased by \$.3 million or 16.0% with improvements in investment strategies and market conditions.



Water and sewer expenses reported in business-type activities decreased \$.6 million or .5% in FY19. Multiple increases and decreases resulted in this net decrease. Operating expenses increased by \$4.1 million or 4.7%, which included \$1.5 million in salaries, wages and employee benefits as a result of the annual raises and OPEB expenses,

\$1.9 million in contractual services, materials and supplies as well as a \$.7 million increase in depreciation. These increases were offset by a \$3.7 million decrease in debt service costs as well as a \$.5 million decrease in interest expenses that were related to the previous year's debt refunding. Additionally, expenses related to City provided internal services decreased by \$.5 million primarily due to an increase in revenues over expenses in the health self-insurance fund.

Stormwater expenses reported in business-type activities decreased \$.2 million or 1.4%. The main reason is due to a \$.2 million decrease in contractual services related to a reduction in costs for city provided services. The services include a reduction to workers compensation costs of \$.1 million and a reduction to the health self-insurance plan costs of \$.1 million.

Other Enterprise funds expenses decreased \$3.0 million or 83.3%. The primary reason for the decrease is due to the Golf Course transitioning from an Enterprise fund to a Governmental Fund resulting in a reduction to expenses of \$3.1 million. This decrease was offset by an increase to Yacht Basin operating expenses of \$.1 million primarily due to an increase in equipment related expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

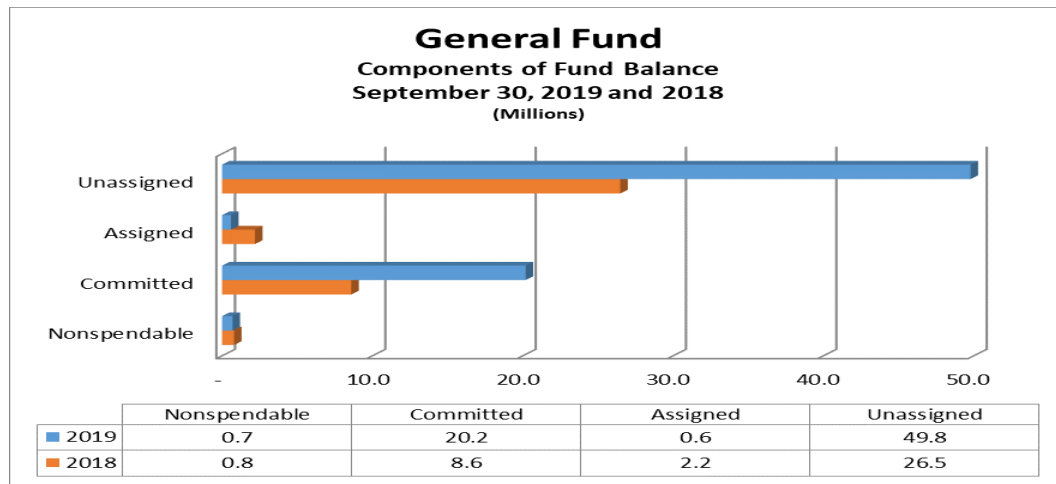
Governmental funds are comprised of the general fund, special revenue funds, debt service fund and the capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on near-term inflows, outflows, and balances of spendable resources. The following funds are the City's major governmental funds.

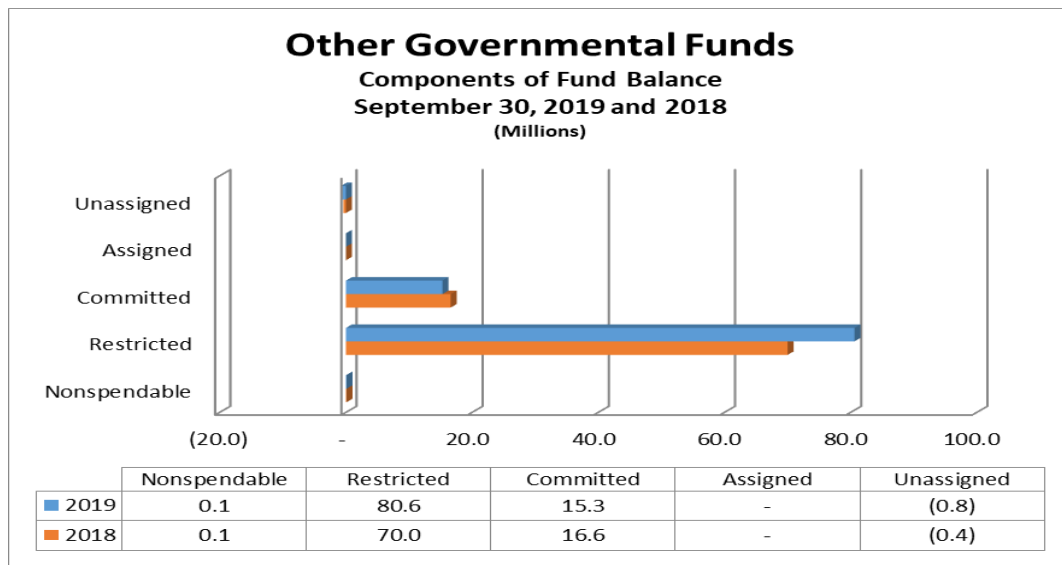
The *General Fund* is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. At the end of the current fiscal year, the City's general fund unassigned fund balance increased by \$23.4 million or 88.1% with a fund balance of \$49.9 million, while total fund balance reached \$71.3 million.

The *Transportation Capital Improvements Fund* is used to account for road improvements and related items including road resurfacing and median landscaping. This fund has a total fund balance of \$10.2 million. The fund balance decreased by \$1.5 million or 12.8% in comparison to prior year. This was primarily due to closing completed projects on the books and transferring any remaining cash back to the funding source.

The *Community Redevelopment Agency Fund* is used to account for monies received from tax incremental revenue by certain taxing authorities in the community redevelopment area. The fund has a fund balance of \$.4 million, an increase of \$.3 million or 300.0% compared to the prior year.

The *Debt Service Fund* is used to account for the accumulation of resources and for the payment of general long-term debt principal and interest. This fund has a total fund balance of \$10.7 million, resulting from an increase in fund balance of \$5.4 million or 101.9% compared to prior year.





Proprietary Funds

The City's proprietary funds are comprised of the enterprise funds and internal service funds. An enterprise fund is used to account for activities for which a fee is charged to external users for goods and services. These funds provide the same type of information found in the business-type activities in the government-wide financial statements, but in more detail. The following are the major enterprise funds:

Water and Sewer Fund - This fund is used to account for the activities of the City's water and sewer utility programs.

Stormwater Fund - This fund is used to account for the activities of the City's stormwater drainage program in compliance with the Environmental Protection Agency, and local and state regulations.

General Fund Budgetary Highlights

Original budget compared to final budget. The budgetary comparison schedule can be found on pages 113-115. Two budget amendments were adopted by City Council for fiscal year 2019. Major changes to the budget as a result of those amendments include:

Revenues

- Balances brought forward of \$8,825,655 were utilized to fulfill capital purchases not completed by the end of FY18.
- Intergovernmental revenue was increased by \$10,237,469 to include various grants.
- Charges for services was increased primarily by \$1,739,478 to include fees related to School Resource Officer payments to the City's Police Department from other Charter Schools.

Expenses

- General government was increased by \$2,285,211 to include additional fleet charges, computer software and outside services.
- Overall reserves were increased by \$11,247,258 as a result of additional revenues over amended expenditures.
- Fire Public Safety was increased by \$1,451,201 due to increased overtime, leave payout and building improvements.
- Capital Outlay was increased by \$1,315,252 as a result of additional rolling stock replacements as well as building improvements.
- Police Public Safety was increased by \$434,285 for salary increases, overtime costs and equipment replacements.

Final budget compared to actual results. Budgetary numbers are based on historical trends as well as decisions of senior management and City Council. A review of actual results compared to the appropriations in the final budget highlights the following:

Revenue

- Sales tax revenue was \$318,682 or 1.5% lower than budgeted. State Shared Sales tax revenue was \$9,207 or 0.2% less than budgeted and Half Cent tax revenue was \$327,889 or 2.1% more than budgeted
- Interest revenue was \$1,053,008 or 78.2% more than budgeted as a result of an increase in cash and investment balances from \$196,174,538 to \$251,925,144.
- Other revenue was \$886,854 or 152.7% higher than the budgeted amount of \$646,394 primarily due to proceeds on sales of capital assets of which were \$435,262 more than budgeted and reimbursable charges which were \$430,095 more than budgeted.
- Special Assessment revenue was \$907,493 or 3.9% higher than budgeted due revenues from the fire service assessment.
- Utility tax was \$561,783 or 7.7% higher than originally budgeted.
- Licenses and permits were \$113,631 or 10.9% lower than budgeted
- Franchise fee revenue was \$239,244 or 3.5% more than budgeted.
- Communications service tax revenue was \$415,259 or 7.8% lower than had been forecasted and is primarily attributed to fewer home telephone systems as consumers increase reliance on their cellular devices.
- Fuel tax revenue is a component part of the state's municipal revenue sharing program and resulted in revenues that were \$120,046 or 6.8% lower than budgeted. Estimated revenue is conservatively budgeted at 95.0% of the state distribution.
- Fines and forfeitures revenue were more than budgeted by \$238,059 or 50.0%. This revenue line item includes several different fines and fees including ordinance violation fines, filing fees, tax billed penalties, etc.

Expenditures

- General Government expenditures were \$9,683,914 or 15.3% less than budgeted. Fleet charges were \$1,021,948 less than budgeted, facilities charges were \$1,686,041 less than budgeted and personnel expenses were \$3,676,805 less than budgeted. Additionally, other operating expenses were \$3,299,120 less than budgeted.
- Public Safety Police expenditures were \$1,965,279 or 4.9% less than budgeted. Salary expenditures were \$943,466 less than budgeted, fuel expenditures were \$437,072 less than budgeted and computer related expenditures were \$220,362 less than budgeted.
- Public Works expenditures were \$1,933,769 or 15.1% less than budgeted.
- Capital Outlay expenditures were \$1,858,225 or 35.9% less than budgeted.
- Public Safety Fire expenditures were \$953,739 or 3.0% less than budgeted.
- Parks and Recreation expenditures were \$675,436 or 9.2% less than budgeted.
- Community Development expenditures were \$489,089 or 9.4% less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following schedule reflects the City's net capital assets as of September 30, 2019 and 2018:

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	\$ 154.1	\$ 153.1	\$ 32.0	\$ 31.9	\$ 186.1	\$ 185.0
Buildings	83.9	82.8	286.3	295.9	370.2	378.7
Building Improvements	2.3	2.4	1.2	1.4	3.5	3.8
Improvements other than buildings	38.2	27.0	128.1	129.3	166.3	156.3
Equipment	18.0	16.5	11.0	11.6	29.0	28.1
Intangible computer software	0.1	0.2	-	-	0.1	0.2
Infrastructure	139.0	143.2	424.2	438.7	563.2	581.9
Construction in progress	14.6	18.2	237.3	125.7	251.9	143.9
Total capital assets	<u>\$ 450.2</u>	<u>\$ 443.4</u>	<u>\$1,120.1</u>	<u>\$1,034.5</u>	<u>\$1,570.3</u>	<u>\$1,477.9</u>

During fiscal year 2019, the City's total capital assets increased by \$92.4 million or by 6.3%. The overall increase is primarily due to the increase in construction in progress by \$108 million. The majority of this increase was due to the North 2 Utility project that has continued from last year. Additionally, there was equipment and vehicle purchases of \$4.8 million, land purchases of \$1.4 million and building purchases of \$4.5.

Major capital asset purchases and projects during the current fiscal year included the following:

- North 2 Utility Expansion Project
- Police equipment
- Fire equipment
- City-wide software updates
- CRA Streetscape
- Sidewalk improvements
- Begin construction of new Fire Station #2

Additional information on the City's capital assets can be found in Note 5: Capital Assets.

Long Term Debt

Three major rating institutions (Moody's, Fitch and Standard & Poor's) have periodically evaluated the City's financial management, economic conditions and administrative practices. Based on their evaluations, the following ratings were achieved on the last issue of each type. The insured rating is based on the credit worthiness of the company insuring the bonds, whereas an underlying rating is based upon the credit worthiness of the issuer or security which is actually pledged for the repayment of the bonds.

During fiscal year 2019, the major rating institutions reaffirmed or assigns various ratings. Below is a summary of the bonds which were reviewed.

Fitch Ratings: Special Obligation Revenue Bonds, Series 2011 and 2015 affirms "AA-/Outlook Stable"
 Fitch Ratings: Gas Tax Revenue Bonds, Series 2010A and 2010B affirms "A-/Outlook Stable"

At September 30, 2019, the City had \$852.4 million of outstanding debt (excluding compensated absences and other post employment benefits). Revenue bonds, which are secured solely by specified revenue sources, had an outstanding balance of \$606.9 million, or 72%, of the total outstanding debt. Special assessment debt which is collateralized by special assessments levied against the benefited property owners, had an outstanding balance of \$72.9 million, or 9%, of the total outstanding debt. Notes payable, which are collateralized by the net revenues of the water and sewer system, impact fees, and special assessment revenue, had an outstanding balance of \$162.3 million, or 19%, of the total outstanding debt. Capital leases, which are collateralized by the related equipment, had an outstanding balance \$.1 million.

The following is a schedule of outstanding debt as of September 30, 2019 and 2018:

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 10.2	-	-	-	\$ 10.20	-
Revenue Bonds	170.5	180.9	436.4	448.6	606.9	629.5
Special Assessment Debt with						
Governmental Commitment	0.6	0.9	72.3	85.2	72.9	86.1
Notes Payable	14.1	16.4	148.2	77.8	162.3	94.2
Capital Leases	0.1	0.3	-	-	0.1	0.3
Total	\$ 195.5	\$ 198.5	\$ 656.9	\$ 611.6	\$ 852.4	\$ 810.1

The City's total debt increased by \$42.3 million, or 5.2%, during the current fiscal year. The Governmental activities decrease of \$3 million or 1.5% is due to scheduled debt payments. The Business-type activities overall increase of \$45.3 million or 7.4% is due to new issuance of debt.

The City's governmental activities issued \$10,200,000 of General Obligation debt to finance the acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. In addition, business-type activities issued \$73,651,426 of state revolving loans (SRF) for the Utility Expansion Project (UEP).

The ratio of net bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. This data for the City at September 30, 2019 was as follows:

Debt Ratios	General Obligation Bonded Debt Only
Debt Ratios	
Debt Per Capita (estimated population 189,343 as of September 30, 2019)	\$54
Debt to Assess Taxable Value of Property as of September 30, 2019 (\$14,300,937)	0.07%
Debt Per Capita as a Percentage of Per Capita Income (estimated per capita income of \$540,343 as of September 30, 2019)	0.01%

Pursuant to the Balanced Budget and Emergency Deficit Control Act, as amended, the President of the United States ordered that certain automatic spending cuts be implemented pursuant to calculations provided by the United States Office of Management and Budget (OMB) in its Report to the Congress on sequestration dated March 1, 2013. These included automatic across-the-board cuts in certain categories of federal spending from March 1, 2013 and will be applied until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change. The cuts include mandatory reductions in the amounts scheduled to be paid by the federal government to issuers of Build America Bonds. The Internal Revenue Service announced on October 1, 2013, that payments to issuers of Direct-Pay bonds from the budget accounts associated with these bonds are subject to reduction. In May 2010, the City issued \$33,815,000 of Federally Taxable Build America Bonds. As a result of this act, the City's reimbursement was reduced by \$50,478 in FY19. The reduction in FY20 is expected to be \$48,036 or 5.9%.

Additional information on the City's long-term debt and debt coverage can be found in Note 7: Long-term Liabilities and Note 13: Future Revenues that are Pledged.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The State of Florida operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties, and school boards) rely primarily on property and a limited array of permitted other taxes (sales, gasoline, communication services, business licensing, etc.) and fees (franchise, impact, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and non-recurring (one-time) grants from both the state and federal governments. Other sources of revenue for both the business-type and governmental activities are charges for service whereby the user pays a related fee or charge associated with the service. As the annual budget is developed, the resources available to support the City's operations are closely examined. A primary goal of the City is the continuation of current service levels.

The following factors were considered in preparing the City's budget for the 2020 fiscal year:

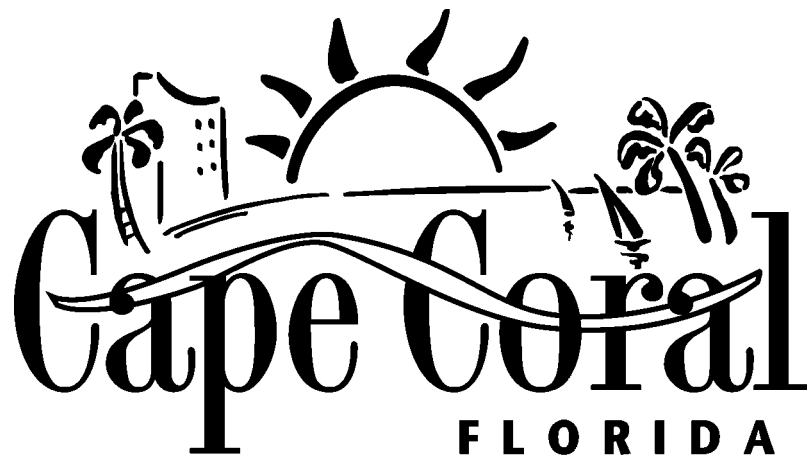
- The FY20 budget was again developed as part of a three-year rolling budget and included FY21 and FY22 with only FY20 being formally approved by the City Council. Approval of the public service tax and imposition of the special assessment for fire services beginning in FY14 laid the foundation for addressing Economic and Financial Stability which is the primary goal of the City's strategic plan. The other goals of the City include Economic Development, Redevelopment, Infrastructure Improvements, Public Safety, and Improved City Image which all have a level of dependency upon the City's ability to achieve Economic and Financial Stability.
- The FY20 budget provides continued funding of the capital and infrastructure needs of governmental activities which was reestablished in FY14. Not unlike the neglect of capital improvement needs, the organizational

infrastructure had also been ignored. After seven years of pay freezes and pay reductions, the FY15 budget provided funding to start addressing employee pay issues. Provisions for salary increases were included in the budget as efforts continue to restore the organization infrastructure through salary range adjustments as well as addressing pay parity issues.

- As a result of property tax and state-shared revenue increases beyond the amounts forecasted, the FY20 budget provided for a number of initiatives that support the strategic plan and the community as a whole. These initiatives include the continuation of streetlight funding for installing new streetlights primarily focusing on school bus stops; the design of a new Fire Station in Central Cape Coral to replace an existing station, implementation of the General Obligation funded Parks Improvement, street paving and sidewalk improvements to name a few. These initiatives have been carried forward into the FY20 budget as the projects progress through their various stages of completion.
- The FY20 - FY22 rolling budget was adopted with the roll-back operating millage rate of 6.4903. This was a reduction from FY 2019 of .2597 mills. The FY20 budget was formulated to continue meeting the City's reserve requirements after. The focus of the FY21 and FY22 budgets and beyond will be to continue revenue diversification and reducing the reliance upon ad valorem tax revenues. Although the millage rate remained constant, ad valorem taxes remain less than 50.0% of the current revenue as opposed to 60-62% in previous years.
- The Water and Sewer budget was prepared to support the continuing operations of the existing utility facilities to include the water reclamation plants, reverse osmosis plants, and the existing collection, distribution, and transmission lines. The preparation of the annual budget is made in conjunction with the annual update of the rate sufficiency model which indicates no rate changes are required for the system.
- The stormwater utility fee is charged per equivalent residential unit (ERU). Based on the results of the Stormwater Cost Recovery study performed by an outside consultant, the rolling budget was adopted with an increase in the rate structure to \$119 per ERU and will be re-examined annually per resolution 269-19. The prior year rate was \$115.
- Non-enterprise recreational programs are budgeted in a Special Revenue Fund. Each program is supported by a certain level of user fees. Program costs and projected revenues are evaluated annually to ensure the program costs are being recovered while maintaining a constant level of general fund support. Program fees will cover approximately 47.02% of the program expenditures.
- Impact Fee Funds: Impact Fees are planned to be used for a Fire Training Facility (Fire Impact Fee reserves) and a Police Training Facility (Police Impact Fee reserves). All other Impact Fee revenues will be used to satisfy annual debt requirements.
- Gas tax funds have been budgeted in accordance with revenue estimates provided by the State of Florida and will support local road resurfacing, signalization, and small-scale intersection improvements.
- Water, sewer, and irrigation utility capital expansion fees are used to pay for the expansion of the City's utility system including the cost of transmission lines. These fees are also used to pay applicable debt service and/or will be used to offset the borrowing requirements associated with the expansion of the utility plants and related facilities.
- The Building Fund provides for 57.88 full-time equivalent positions. As a result of an increase in permitting activity no subsidy has been required by the General Fund since FY10.

REQUEST FOR INFORMATION

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the City of Cape Coral, Office of the City Clerk, 1015 Cultural Park Blvd., Cape Coral, FL 33990.



Basic Financial Statements

City of Cape Coral, Florida

STATEMENT OF NET POSITION

September 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Cape Coral Charter School Authority
ASSETS				
Cash and investments	\$ 201,096,005	\$ 50,829,139	\$ 251,925,144	\$ 9,985,750
Interest receivable	457,380	123,821	581,201	-
Accounts receivable, net	1,700,972	9,602,440	11,303,412	47,858
Assessments receivable, net	3,984	62,373	66,357	-
Intergovernmental receivable	13,559,395	85,303	13,644,698	149,260
Note receivable	34,306	-	34,306	-
Due from component unit	45,461	-	45,461	-
Internal balances	(2,698,784)	2,698,784	-	-
Inventories	163,482	1,553,945	1,717,427	-
Prepaid items	1,397,432	22,000	1,419,432	65,039
Unamortized bond insurance	3,234	476,163	479,397	-
Restricted:				
Cash and investments	-	78,912,622	78,912,622	-
Interest receivable	-	429,437	429,437	-
Accounts receivable, net	-	117,133	117,133	-
Intergovernmental receivable	-	86,930	86,930	-
Assessments receivable, net	-	1,436,754	1,436,754	-
Capital assets (net of accumulated depreciation):				
Land and construction in progress	168,707,164	269,300,045	438,007,209	-
Other capital assets, net of depreciation	281,490,728	850,828,960	1,132,319,688	2,335,105
Total assets	<u>665,960,759</u>	<u>1,266,565,849</u>	<u>1,932,526,608</u>	<u>12,583,012</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	7,042,137	23,683,397	30,725,534	-
Pension related	49,525,790	8,767,504	58,293,294	4,208,510
OPEB related	7,957,376	2,288,801	10,246,177	-
Total deferred outflows of resources	<u>64,525,303</u>	<u>34,739,702</u>	<u>99,265,005</u>	<u>4,208,510</u>
LIABILITIES				
Accounts payable and other accrued liabilities	8,080,917	21,805,817	29,886,734	162,571
Retainage payable	1,006,319	8,451,513	9,457,832	-
Accrued payroll	3,550,798	561,512	4,112,310	326,414
Accrued interest payable	11,568	586,279	597,847	-
Deposits	797,405	2,784,730	3,582,135	-
Intergovernmental payable	366,742	-	366,742	5,423
Unearned revenue	3,091,990	4,590,283	7,682,273	-
Noncurrent liabilities:				
Due within one year	24,911,050	27,474,263	52,385,313	272,230
Due in more than one year	533,193,204	722,703,104	1,255,896,308	10,964,696
Total liabilities	<u>575,009,993</u>	<u>788,957,501</u>	<u>1,363,967,494</u>	<u>11,731,334</u>
DEFERRED INFLOWS OF RESOURCES				
Gain on refunding	6,487	-	6,487	-
Pension related	4,644,319	-	4,644,319	1,392,254
OPEB related	17,964,253	5,167,104	23,131,357	-
Total deferred inflows of resources	<u>22,615,059</u>	<u>5,167,104</u>	<u>27,782,163</u>	<u>1,392,254</u>
NET POSITION				
Net investment in capital assets	259,385,054	458,982,283	718,367,337	2,000,030
Restricted for:				
Community redevelopment agency	383,798	-	383,798	-
Public safety	12,618,812	-	12,618,812	-
Parks and recreation	6,948,939	-	6,948,939	-
Public works	32,833,354	-	32,833,354	-
Debt service	10,913,557	(2,087,704)	8,825,853	-
Community development	12,035,907	-	12,035,907	-
Capital improvements	6,940,679	60,668,658	67,609,337	1,697,980
Renewal and replacement	-	6,225,451	6,225,451	-
Unrestricted	(209,199,090)	(16,607,742)	(225,806,832)	(30,076)
Total net position	<u>\$ 132,861,010</u>	<u>\$ 507,180,946</u>	<u>\$ 640,041,956</u>	<u>\$ 3,667,934</u>

The accompanying notes to the financial statements are an integral part of this statement.

City of Cape Coral, Florida
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Cape Coral Charter School Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 56,136,504	\$ 12,091,075	\$ 13,318,636	\$ -	\$ (30,726,793)	\$ -	\$ (30,726,793)	\$ -
Public safety:								
Police	42,334,344	2,410,679	2,238,085	1,465,584	(36,219,996)	-	(36,219,996)	-
Fire	33,884,575	514,556	27,111,514	531,626	(5,726,879)	-	(5,726,879)	-
Building	7,281,966	8,954,673	-	-	1,672,707	-	1,672,707	-
Public works	19,131,947	4,592,729	585,825	11,868,489	(2,084,904)	-	(2,084,904)	-
Parks and recreation	24,242,652	8,643,667	818,493	2,740,320	(12,040,172)	-	(12,040,172)	-
Community development	8,976,196	2,716,929	1,002,494	-	(5,256,773)	-	(5,256,773)	-
Interest on long-term debt	8,453,675	-	-	-	(8,453,675)	-	(8,453,675)	-
Total governmental activities	<u>200,441,859</u>	<u>39,924,308</u>	<u>45,075,047</u>	<u>16,606,019</u>	<u>(98,836,485)</u>	<u>-</u>	<u>(98,836,485)</u>	<u>-</u>
Business-type activities:								
Water and sewer	110,944,079	87,484,498	732,611	40,118,190	-	17,391,220	17,391,220	-
Stormwater	14,097,707	19,579,122	65,288	568,226	-	6,114,929	6,114,929	-
Yacht basin	560,728	731,151	5,592	500	-	176,515	176,515	-
Total business-type activities	<u>125,602,514</u>	<u>107,794,771</u>	<u>803,491</u>	<u>40,686,916</u>	<u>-</u>	<u>23,682,664</u>	<u>23,682,664</u>	<u>-</u>
Total primary government	<u>\$ 326,044,373</u>	<u>\$ 147,719,079</u>	<u>\$ 45,878,538</u>	<u>\$ 57,292,935</u>	<u>(98,836,485)</u>	<u>23,682,664</u>	<u>(75,153,821)</u>	<u>-</u>
Component unit:								
Cape Coral Charter School Authority	\$ 25,756,280	\$ 966,362	\$ 2,422,923	\$ 1,527,869				\$ (20,839,126)
General revenues:								
Taxes:								
Florida education finance program					-	-	-	21,502,564
Property taxes, levied for general purpose					93,758,005	-	93,758,005	-
Property taxes, other (CRA and All Hazards)					1,823,177	-	1,823,177	-
Public service tax					7,874,558	-	7,874,558	-
Sales					20,678,121	-	20,678,121	-
Fuel					10,786,583	-	10,786,583	-
Alcohol and beverage					74,391	-	74,391	-
Franchise					7,018,299	-	7,018,299	-
Communication					4,884,741	-	4,884,741	-
Interest income					5,505,156	18,476,627	23,981,783	202,028
Transfers, net					2,602,824	(2,602,824)	-	-
Total general revenues and transfers					<u>155,005,855</u>	<u>15,873,803</u>	<u>170,879,658</u>	<u>21,704,592</u>
Change in net position					56,169,370	39,556,467	95,725,837	865,466
Net position - beginning as restated					76,691,640	467,624,479	544,316,119	2,802,468
Net position - ending					<u>\$ 132,861,010</u>	<u>\$ 507,180,946</u>	<u>\$ 640,041,956</u>	<u>\$ 3,667,934</u>

The accompanying notes to the financial statements are an integral part of this statement.

City of Cape Coral, Florida

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2019

	<u>General</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 69,945,054	\$ 11,070,031	\$ 385,164	\$ 10,744,192	\$ 78,647,905	\$ 170,792,346
Interest receivable	202,737	-	1,179	-	177,123	381,039
Accounts receivable, net	1,694,670	-	90	-	31,577	1,726,337
Assessments receivable, net	3,984	-	-	-	-	3,984
Intergovernmental receivable	8,867,414	2,478,564	-	180,933	2,032,484	13,559,395
Notes receivable	34,306	-	-	-	-	34,306
Due from other funds	644,246	-	-	-	-	644,246
Inventories	35,639	-	-	-	127,843	163,482
Prepaid items	642,758	-	3,436	-	4,660	650,854
Total assets	<u>\$ 82,070,808</u>	<u>\$ 13,548,595</u>	<u>\$ 389,869</u>	<u>\$ 10,925,125</u>	<u>\$ 81,021,592</u>	<u>\$ 187,955,989</u>
LIABILITIES						
Accounts payable and other accrued liabilities	3,752,103	1,083,970	856	-	1,769,987	6,606,916
Accrued retainage	2,125	715,960	-	-	288,234	1,006,319
Accrued payroll	2,943,868	18,846	1,779	-	467,091	3,431,584
Due to other funds	-	-	-	-	644,246	644,246
Deposits	130,646	-	-	-	666,759	797,405
Intergovernmental payables	229,909	9,402	-	-	127,431	366,742
Unearned revenue	390,117	-	-	-	2,701,873	3,091,990
Total liabilities	<u>7,448,768</u>	<u>1,828,178</u>	<u>2,635</u>	<u>-</u>	<u>6,665,621</u>	<u>15,945,202</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grant reimbursement	3,294,095	1,503,441	-	-	433,527	5,231,063
Unavailable revenue - other	24,724	-	-	-	-	24,724
Unavailable revenue - lease	-	-	-	180,933	-	180,933
Total deferred inflows of resources	<u>3,318,819</u>	<u>1,503,441</u>	<u>-</u>	<u>180,933</u>	<u>433,527</u>	<u>5,436,720</u>
FUND BALANCES						
Nonspendable	678,397	-	3,436	-	132,503	814,336
Restricted	-	5,437,238	383,798	10,744,192	64,003,485	80,568,713
Committed	20,153,572	4,779,738	-	-	10,549,983	35,483,293
Assigned	602,548	-	-	-	-	602,548
Unassigned	49,868,704	-	-	-	(763,527)	49,105,177
Total fund balances	<u>71,303,221</u>	<u>10,216,976</u>	<u>387,234</u>	<u>10,744,192</u>	<u>73,922,444</u>	<u>166,574,067</u>
Total liabilities, deferred inflows of	<u>\$ 82,070,808</u>	<u>\$ 13,548,595</u>	<u>\$ 389,869</u>	<u>\$ 10,925,125</u>	<u>\$ 81,021,592</u>	<u>\$ 187,955,989</u>

The accompanying notes to the financial statements are an integral part of this statement.

City of Cape Coral, Florida

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

September 30, 2019

Fund balances - total governmental funds \$ 166,574,067

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets	\$ 658,867,686	
Accumulated depreciation	<u>(209,628,428)</u>	449,239,258

Internal service funds are used by management to charge the cost of certain activities to the individual funds.

Net position of internal service funds	\$ 5,859,872	
Cross-over to enterprise funds	<u>(2,698,784)</u>	3,161,088

Unamortized bond insurance is not current financial resources and therefore is not reported in the funds.

3,234

Debt interest payable that will not be liquidated with current financial resources is not reported in the funds.

(11,568)

Deferred outflows of resources on the loss on refunding of debt are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

7,042,137

Deferred outflows of resources related to pension experience and assumptions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

48,166,792

Deferred outflows of resources related to OPEB are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

7,562,133

Deferred inflows of resources related to pension earnings, experience, and assumptions are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

(4,644,319)

Deferred inflows of resources on the gain on refunding of debt are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.

(6,487)

Deferred inflows related to OPEB.

(17,071,966)

Other assets are not available to pay for current period expenditures and are reported as deferred inflows in the funds.

5,436,720

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities.

Bonds, notes, and capital leases payable	\$ (195,447,016)	
Total OPEB liability	(205,044,375)	
Net pension liability	(122,841,300)	
Compensated absences	<u>(9,257,388)</u>	(532,590,079)
Total net position of governmental activities		<u>\$ 132,861,010</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	<u>General</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 93,758,005	\$ -	\$ 999,177	\$ -	\$ 824,000	\$ 95,581,182
Public service	7,874,558	-	-	-	-	7,874,558
Sales	20,678,121	-	-	-	-	20,678,121
Fuel	1,646,263	-	-	-	9,140,320	10,786,583
Alcohol and beverage	74,391	-	-	-	-	74,391
Franchise	7,018,299	-	-	-	-	7,018,299
Communication	4,884,741	-	-	-	-	4,884,741
Special assessments	24,383,516	-	-	-	38,367	24,421,883
Licenses and permits	931,827	-	-	-	8,902,302	9,834,129
Intergovernmental	14,261,017	1,343,403	-	-	2,106,884	17,711,304
Charges for services	9,202,155	-	-	-	12,038,709	21,240,864
Fines and forfeitures	714,526	-	-	-	139,325	853,851
Impact fees	-	-	-	-	15,231,581	15,231,581
Rent and royalties	572,866	-	-	3,431,928	3,531	4,008,325
Interest income	2,399,350	61,322	28,268	12,150	2,173,149	4,674,239
Contributions and donations	48,723	383,048	-	-	98,627	530,398
Other revenue	1,158,768	30,451	5,885	-	1,379,876	2,574,980
Total revenues	<u>189,607,126</u>	<u>1,818,224</u>	<u>1,033,330</u>	<u>3,444,078</u>	<u>52,076,671</u>	<u>247,979,429</u>
EXPENDITURES						
Current:						
General government	53,731,927	-	-	3,286	100,341	53,835,554
Public safety:						
Police	37,738,129	-	-	-	437,794	38,175,923
Fire	30,860,707	-	-	-	663,029	31,523,736
Building	-	-	-	-	5,524,032	5,524,032
Public works	10,871,955	443,504	-	-	2,573,434	13,888,893
Parks and recreation	6,666,972	-	-	-	15,075,423	21,742,395
Community development	4,694,601	-	350,117	-	2,498,183	7,542,901
Capital outlay	3,311,867	9,749,684	-	-	11,798,706	24,860,257
Debt service:						
Principal	-	-	-	12,761,711	-	12,761,711
Interest and fiscal charges	-	-	-	8,469,641	-	8,469,641
Bond issuance costs	-	-	-	38,423	-	38,423
Total expenditures	<u>147,876,158</u>	<u>10,193,188</u>	<u>350,117</u>	<u>21,273,061</u>	<u>38,670,942</u>	<u>218,363,466</u>
Excess revenues over (under) expenditures	<u>41,730,968</u>	<u>(8,374,964)</u>	<u>683,213</u>	<u>(17,828,983)</u>	<u>13,405,729</u>	<u>29,615,963</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	8,227,959	9,769,360	1,665,050	19,275,762	21,131,013	60,069,144
Transfers out	(17,286,389)	(2,894,881)	(1,989,836)	(6,208,314)	(29,086,900)	(57,466,320)
Issuance of debt	-	-	-	10,200,000	-	10,200,000
Proceeds on sale of capital assets	374,480	-	-	-	19,841	394,321
Total other financing sources (uses)	<u>(8,683,950)</u>	<u>6,874,479</u>	<u>(324,786)</u>	<u>23,267,448</u>	<u>(7,936,046)</u>	<u>13,197,145</u>
Net change in fund balances	33,047,018	(1,500,485)	358,427	5,438,465	5,469,683	42,813,108
Fund balances - beginning as restated	38,256,203	11,717,461	28,807	5,305,727	68,452,761	123,760,959
Fund balances - ending	<u>\$ 71,303,221</u>	<u>\$ 10,216,976</u>	<u>\$ 387,234</u>	<u>\$ 10,744,192</u>	<u>\$ 73,922,444</u>	<u>\$ 166,574,067</u>

The accompanying notes to the financial statements are an integral part of this statement.

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended September 30, 2019

Net change in fund balances - total governmental funds:		\$ 42,813,108
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay	\$ 24,860,257	
Depreciation	<u>(17,935,057)</u>	6,925,200
The net effect on net position for various miscellaneous transactions involving capital assets (disposals, transfers, donations).		
		10,619
Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities.		
		4,316,298
The issuance of 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 the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal debt payments - governmental funds	\$ 12,761,711	
Issuance of debt	(10,200,000)	
Unamortized bond insurance	<u>(190)</u>	2,561,521
Vehicle lease payments received from Charter School.		
		(252,155)
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.		
Change in long-term compensated absences	\$ (1,031,206)	
OPEB related	(2,571,284)	
Pension related	<u>(2,633,155)</u>	(6,235,645)
Internal service funds are used by management to charge the cost of certain activities to the individual funds.		
		6,014,458
Interest on long-term debt in the statement of activities is recognized as the interest accrues, regardless of when it is due. In the governmental funds, interest is recognized as an expenditure when it is due. Premiums, discounts, and other similar items are deferred and amortized in the statement of activities.		
Accrued interest	\$ 5,672	
Amortization of bond premiums, discounts, refunding gains and losses	<u>10,294</u>	15,966
Change in net position - governmental activities		<u><u>\$ 56,169,370</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 34,319,279	\$ 15,373,370	\$ 1,136,490	\$ 50,829,139	\$ 30,303,659
Interest receivable	79,910	40,716	3,195	123,821	76,341
Accounts receivable, net	9,596,047	6,269	124	9,602,440	20,096
Intergovernmental receivable	-	85,303	-	85,303	-
Inventories	1,553,945	-	-	1,553,945	-
Prepaid items	22,000	-	-	22,000	746,578
Restricted:					
Cash and investments	78,912,622	-	-	78,912,622	-
Interest receivable	429,437	-	-	429,437	-
Intergovernmental receivable	86,930	-	-	86,930	-
Assessments receivable, net	62,373	-	-	62,373	-
Total restricted assets	<u>79,491,362</u>	<u>-</u>	<u>-</u>	<u>79,491,362</u>	<u>-</u>
Total current assets	<u>125,062,543</u>	<u>15,505,658</u>	<u>1,139,809</u>	<u>141,708,010</u>	<u>31,146,674</u>
Noncurrent assets:					
Unamortized bond insurance	476,163	-	-	476,163	-
Restricted:					
Accounts receivable, net	117,133	-	-	117,133	-
Assessments receivable	<u>1,436,754</u>	<u>-</u>	<u>-</u>	<u>1,436,754</u>	<u>-</u>
Total restricted assets	<u>1,553,887</u>	<u>-</u>	<u>-</u>	<u>1,553,887</u>	<u>-</u>
Capital assets:					
Land	25,662,844	6,362,023	20,555	32,045,422	-
Buildings	384,975,487	83,408	77,988	385,136,883	790,147
Building improvements	2,522,935	1,833,038	-	4,355,973	117,477
Improvements other than buildings	309,011,126	24,423,336	864,337	334,298,799	63,796
Equipment	34,727,299	9,127,725	51,296	43,906,320	2,064,472
Infrastructure	671,427,775	15,211,719	286,049	686,925,543	-
Intangible computer software	-	-	-	-	705,245
Construction in progress	226,324,000	10,930,623	-	237,254,623	-
Less accumulated depreciation	<u>(575,640,320)</u>	<u>(27,283,435)</u>	<u>(870,803)</u>	<u>(603,794,558)</u>	<u>(2,782,503)</u>
Total capital assets, net	<u>1,079,011,146</u>	<u>40,688,437</u>	<u>429,422</u>	<u>1,120,129,005</u>	<u>958,634</u>
Total noncurrent assets	<u>1,081,041,196</u>	<u>40,688,437</u>	<u>429,422</u>	<u>1,122,159,055</u>	<u>958,634</u>
Total assets	<u>1,206,103,739</u>	<u>56,194,095</u>	<u>1,569,231</u>	<u>1,263,867,065</u>	<u>32,105,308</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	23,683,397	-	-	23,683,397	-
Pension related	6,632,927	2,104,479	30,098	8,767,504	1,358,998
OPEB related	<u>1,719,610</u>	<u>561,695</u>	<u>7,496</u>	<u>2,288,801</u>	<u>395,243</u>
Total deferred outflows of resources	<u>32,035,934</u>	<u>2,666,174</u>	<u>37,594</u>	<u>34,739,702</u>	<u>1,754,241</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 20,691,709	\$ 1,097,132	\$ 16,976	\$ 21,805,817	\$ 1,474,001
Accrued retainage	8,158,214	293,299	-	8,451,513	-
Accrued payroll	430,090	128,429	2,993	561,512	119,214
Accrued interest payable	586,279	-	-	586,279	-
Deposits	2,764,730	-	20,000	2,784,730	-
Unearned revenue	4,590,283	-	-	4,590,283	-
Compensated absences	332,897	103,486	-	436,383	72,082
Total OPEB liability	1,719,610	561,695	7,496	2,288,801	395,243
Claims liability	-	-	-	-	3,300,174
Debt:					
Revenue bonds	11,045,000	-	-	11,045,000	-
Special assessment debt	10,380,000	-	-	10,380,000	-
Notes	3,324,079	-	-	3,324,079	-
Total debt	24,749,079	-	-	24,749,079	-
Total current liabilities	64,022,891	2,184,041	47,465	66,254,397	5,360,714
Noncurrent liabilities:					
Compensated absences	1,864,936	528,611	6,532	2,400,079	457,182
Total OPEB liability	44,906,951	14,668,460	195,751	59,771,162	10,321,646
Claims liability	-	-	-	-	6,570,762
Net pension liability	21,461,077	6,809,116	97,380	28,367,573	4,397,086
Debt:					
Revenue bonds	425,319,140	-	-	425,319,140	-
Special assessment debt	61,934,773	-	-	61,934,773	-
Notes	144,910,377	-	-	144,910,377	-
Total debt	632,164,290	-	-	632,164,290	-
Total noncurrent liabilities	700,397,254	22,006,187	299,663	722,703,104	21,746,676
Total liabilities	764,420,145	24,190,228	347,128	788,957,501	27,107,390
DEFERRED INFLOWS OF RESOURCES					
Pension related	-	-	-	-	-
OPEB related	3,882,121	1,268,061	16,922	5,167,104	892,287
Total deferred inflows of resources	3,882,121	1,268,061	16,922	5,167,104	892,287
NET POSITION					
Net investment in capital assets	418,874,089	39,678,772	429,422	458,982,283	958,634
Restricted for:					
Debt service	(2,087,704)	-	-	(2,087,704)	-
Capital improvements	60,668,658	-	-	60,668,658	-
Renewal and replacement	6,225,451	-	-	6,225,451	-
Unrestricted	(13,843,087)	(6,276,792)	813,353	(19,306,526)	4,901,238
Total net position	\$ 469,837,407	\$ 33,401,980	\$ 1,242,775	\$ 504,482,162	\$ 5,859,872
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				2,698,784	
Net position of business-type activities				\$ 507,180,946	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Other Non-Major Yacht Basin</u>	<u>Total</u>	
OPERATING REVENUES					
Charges for services	\$ 86,116,699	\$ 19,368,575	\$ 732,798	\$ 106,218,072	\$ 37,186,994
Other revenue	1,367,799	210,547	(1,647)	1,576,699	1,033,916
Total operating revenues	<u>87,484,498</u>	<u>19,579,122</u>	<u>731,151</u>	<u>107,794,771</u>	<u>38,220,910</u>
OPERATING EXPENSES					
Salaries, wages and employee benefits	27,684,088	8,464,212	165,945	36,314,245	5,076,200
Contractual services, materials and supplies	25,995,350	4,056,427	376,881	30,428,658	8,131,456
Claims and claims adjustments	-	-	-	-	18,516,496
Depreciation	37,173,564	1,920,478	44,471	39,138,513	223,886
Total operating expenses	<u>90,853,002</u>	<u>14,441,117</u>	<u>587,297</u>	<u>105,881,416</u>	<u>31,948,038</u>
Operating income (loss)	<u>(3,368,504)</u>	<u>5,138,005</u>	<u>143,854</u>	<u>1,913,355</u>	<u>6,272,872</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	615,277	-	5,250	620,527	-
Interest income	17,925,806	513,858	36,963	18,476,627	830,917
Interest expense	(20,728,411)	-	-	(20,728,411)	-
Debt service costs	(79,664)	-	-	(79,664)	-
Gain on sale of capital assets	117,334	65,288	342	182,964	(2,354)
Total nonoperating revenues (expenses)	<u>(2,149,658)</u>	<u>579,146</u>	<u>42,555</u>	<u>(1,527,957)</u>	<u>828,563</u>
Income (loss) before contributions and transfers	<u>(5,518,162)</u>	<u>5,717,151</u>	<u>186,409</u>	<u>385,398</u>	<u>7,101,435</u>
Capital contributions					
Special assessments	32,745,622	-	-	32,745,622	-
Developer contributions	500,877	568,226	500	1,069,603	-
Impact fees and contribution in aid of construction	6,871,691	-	-	6,871,691	-
Total capital contributions	<u>40,118,190</u>	<u>568,226</u>	<u>500</u>	<u>40,686,916</u>	<u>-</u>
Transfers					
Transfers in	228,340	-	-	228,340	-
Transfers out	(2,319,754)	(396,410)	(115,000)	(2,831,164)	-
Total transfers	<u>(2,091,414)</u>	<u>(396,410)</u>	<u>(115,000)</u>	<u>(2,602,824)</u>	<u>-</u>
Change in net position	32,508,614	5,888,967	71,909	38,469,490	7,101,435
Total net position - beginning as restated	437,328,793	27,513,013	1,170,866	466,012,672	(1,241,563)
Total net position - ending	<u>\$ 469,837,407</u>	<u>\$ 33,401,980</u>	<u>\$ 1,242,775</u>	<u>\$ 504,482,162</u>	<u>\$ 5,859,872</u>
Change in net position of business-type activities				\$ 38,469,490	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				1,086,977	
Change in net position of business-type activities				<u>\$ 39,556,467</u>	

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin		Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 87,128,544	\$ 19,597,882	\$ 731,214	\$ 107,457,640	\$ 38,424,689
Cash payments for claims	-	-	-	-	(18,198,827)
Cash payments to suppliers	(20,348,145)	(2,150,788)	(302,601)	(22,801,534)	(9,146,102)
Cash payments to employees	(26,746,744)	(10,149,304)	(160,177)	(37,056,225)	(5,977,526)
Cash payments for interfund services	(5,772,965)	-	(83,511)	(5,856,476)	-
Net cash provided by operating activities	<u>34,260,690</u>	<u>7,297,790</u>	<u>184,925</u>	<u>41,743,405</u>	<u>5,102,234</u>
CASH FLOWS FROM NONCAPITAL FINANCING					
Transfers in	228,340	-	-	228,340	-
Transfers out	(2,319,754)	(396,410)	(115,000)	(2,831,164)	-
Net cash used by noncapital financing activities	<u>(2,091,414)</u>	<u>(396,410)</u>	<u>(115,000)</u>	<u>(2,602,824)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED					
Acquisition and construction of capital assets	(112,983,998)	(6,408,549)	-	(119,392,547)	(91,479)
Proceeds from sale of capital assets	229,265	124,692	342	354,299	(2,049)
Capital contributions	-	-	500	500	-
Intergovernmental revenue	615,277	-	5,250	620,527	-
Issuance of long-term debt	70,726,277	-	-	70,726,277	-
Principal payments on long-term debt	(26,989,449)	-	-	(26,989,449)	-
Collection of special assessments	45,595,739	-	-	45,595,739	-
Impact fees and contribution in aid of construction	6,903,531	-	-	6,903,531	-
Interest paid	(20,481,193)	-	-	(20,481,193)	-
Net cash provided (used) by capital and related financing activities	<u>(36,384,551)</u>	<u>(6,283,857)</u>	<u>6,092</u>	<u>(42,662,316)</u>	<u>(93,528)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment Earnings	1,631,571	513,631	36,999	2,182,201	818,223
Net cash provided by investing activities	<u>1,631,571</u>	<u>513,631</u>	<u>36,999</u>	<u>2,182,201</u>	<u>818,223</u>
Net increase (decrease) in cash and investments	(2,583,704)	1,131,154	113,016	(1,339,534)	5,826,929
Cash and investments - beginning	115,815,605	14,242,216	1,023,474	131,081,295	24,476,730
Cash and investments - ending	<u>\$ 113,231,901</u>	<u>\$ 15,373,370</u>	<u>\$ 1,136,490</u>	<u>\$ 129,741,761</u>	<u>\$ 30,303,659</u>
CLASSIFIED AS:					
Cash and investments	\$ 34,319,279	\$ 15,373,370	\$ 1,136,490	\$ 50,829,139	\$ 30,303,659
Restricted cash and investments	78,912,622	-	-	78,912,622	-
Total cash and investments	<u>\$ 113,231,901</u>	<u>\$ 15,373,370</u>	<u>\$ 1,136,490</u>	<u>\$ 129,741,761</u>	<u>\$ 30,303,659</u>

The accompanying notes to the financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET					
Operating income (loss)	\$ (3,368,504)	\$ 5,138,005	\$ 143,854	\$ 1,913,355	\$ 6,272,872
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	37,173,564	1,920,478	44,471	39,138,513	223,886
(Increase) decrease in assets:					
Accounts receivable, net	(457,924)	21,550	63	(436,311)	203,780
Intergovernmental receivable	-	(2,790)	-	(2,790)	-
Inventories	(277,814)	-	-	(277,814)	-
Prepaid items	9,335	-	-	9,335	(583,128)
(Increase) decrease in deferred outflows:					
Pension related	(1,724,559)	(590,810)	(7,988)	(2,323,357)	(270,517)
OPEB related	(137,255)	-	5,084	(132,171)	335,368
Increase (decrease) in liabilities:					
Accounts payable and other accrued liabilities	142,719	304,659	(9,231)	438,147	(431,518)
Accrued payroll	80,835	6,895	445	88,175	18,679
Compensated absences	135,590	(14,424)	188	121,354	72,658
Total OPEB liability	(530,284)	(638,355)	(6,572)	(1,175,211)	(1,349,275)
Net pension liability	2,060,631	826,304	9,991	2,896,926	94,840
Claims liability	-	-	-	-	317,668
Deposits	102,330	-	-	102,330	-
Unearned revenue	(360)	-	-	(360)	-
Increase (decrease) in deferred inflows:					
Pension related	(313,755)	(96,757)	(1,413)	(411,925)	(69,578)
OPEB related	1,366,141	423,035	6,033	1,795,209	266,499
Total adjustments	37,629,194	2,159,785	41,071	39,830,050	(1,170,638)
Net cash provided by operating activities	\$ 34,260,690	\$ 7,297,790	\$ 184,925	\$ 41,743,405	\$ 5,102,234

Supplemental disclosure of noncash investing, capital and financing activities:

Water and Sewer increase in fair value of investments of \$2,378,392.
Water and Sewer recognized \$500,877 in developer contributions.
Water and Sewer had \$19,225,032 of capital related accounts payable.
Stormwater had a increase in fair value of investments of \$188,453.
Stormwater had \$716,366 of capital related accounts payable.
Stormwater recognized \$568,226 in developer contributions.
Yacht Basin had an increase in fair value of investments of \$14,967.
Yacht Basin recognized \$500 in developer contributions.
Internal Service Funds increase in fair value of investments of \$312,900.
Internal Service Funds had \$0 of capital related accounts payable.

The accompanying notes to the financial statements are an integral part of this statement.

City of Cape Coral, Florida

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2019

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 13,498,778	4,665,145
Cash and investments		
Receivables		
Member contributions	13,809	-
Employer contributions	792,666	-
Due from brokers	1,514,813	-
State contributions	1,594,562	-
Interest receivable	595,891	12,887
Total receivables	<u>4,511,741</u>	<u>12,887</u>
Intergovernmental receivable	-	48,889
Investments, at fair value:		
US Government Obligations and		
Federal Agency Guaranteed Securities	22,071,262	-
Mortgage Backed Securities	9,057,789	-
Collateralized Mortgage Obligations	5,236,678	-
Corporate Bonds	40,203,798	-
Stocks	143,850,251	-
Unit Investment Trusts	1,423,171	-
Mutual and ETF funds		
Equity	57,540,019	-
Balanced	49,249,695	-
Pooled/common/commingled funds		
Fixed income	63,789,231	-
Equity	121,095,014	-
Private Equity	10,445,803	-
Real Estate	68,448,511	-
Infrastructure	9,757,653	-
Partnerships	69,201,925	-
Total investments	<u>671,370,800</u>	<u>-</u>
Prepaid expenses	12,228	-
Total assets	<u>689,393,547</u>	<u>\$ 4,726,921</u>
LIABILITIES		
Accounts payable	669,447	
Due to broker for securities purchased	1,205,991	
Prepaid contributions	8,071	
Due to others	-	4,726,921
Total liabilities	<u>1,883,509</u>	<u>\$ 4,726,921</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 687,510,038</u>	

City of Cape Coral, Florida

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2019

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 39,120,230
Plan members	8,422,473
Member buybacks	835,805
State of Florida	3,172,888
Total contributions	<u>51,551,396</u>
Investment income (expenses)	
Investment income	14,491,871
Net appreciation (depreciation) in fair value of investments	10,023,403
Less: investment expenses	<u>(2,072,699)</u>
Net Investment Income (Loss)	<u>22,442,575</u>
Total additions	<u>73,993,971</u>
DEDUCTIONS	
Benefits and refunds	35,580,378
Administrative expenses	<u>527,736</u>
Total deductions	<u>36,108,114</u>
Net increase in net position	<u>37,885,857</u>
Net position - beginning	649,624,181
Net position - ending	<u>\$ 687,510,038</u>

The accompanying notes to the financial statements are an integral part of this statement.

Notes to Financial Statements

City of Cape Coral

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2019

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City of Cape Coral
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2019

NOTE I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

The City of Cape Coral, Florida (the City) was incorporated in 1970 pursuant to the laws of Florida, Chapter 70-623. The City operates under the Council-Manager form of government, which is comprised of an elected City Council (eight members) including an elected mayor, and a City Manager appointed by the City Council. The City provides the following services: public safety (police and fire), recreation, cultural, community development, transportation, planning and zoning, water, wastewater, reclaimed water services, stormwater utility services, and general administrative services.

For financial reporting purposes, the accompanying financial statements include all the operations of the City for which the City is financially accountable. The City is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. The criteria for inclusion in the reporting entity entails those cases where the City or its officials appoint a voting majority of an organization's governing body and is able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits or burdens to the City.

The blended component unit, although a legally separate entity, in substance, is part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended component unit. The Cape Coral Community Redevelopment Agency (CRA) was created in 1986 by Ordinance 51-87 of the City of Cape Coral, Florida, pursuant to Section 163.356 of the Florida Statutes. The City Council appoints the CRA's Board of Directors. The CRA provides services for the benefit of the City. The CRA's projects result in capital assets (mainly infrastructure) being owned by the City. The CRA's transactions are recorded and reported by the City. The CRA does not publish individual component unit financial statements.

Discretely presented component unit. The Cape Coral Charter School Authority (Authority) was created for the purpose operating and managing, on behalf of the City, all charter schools for which a charter is held by the City. The powers of the Authority are exercised through a governing board, which is known as the Cape Coral Charter School Authority Board which provides governance of the charter schools. There are ten (10) members of the governing board. The members of the Board are as follows: A City Councilmember, a member from the business community, a member from the education community, and three (3) members from the community at large that shall be appointed by the City Council. Parent members from each school shall be chosen by and from parent organizations. The positions on the board for parents from each charter school are considered to be "ex officio" positions as non-voting members. According to Governmental Accounting Standards Board (GASB) Statement No. 61: *The Financial Reporting Entity: Omnibus*, the Authority is reported as a discretely presented component units because it is legally separate, the City Council appoints a majority of the Authority's board members, and the City can modify and approve the Authority's budget. In addition, all debt issuances must be approved by City Council.

The Cape Coral Charter School Authority was audited by independent auditors for the fiscal year ended June 30, 2019, and their report dated September 28, 2019, was previously issued under separate cover. The financial statements for the Authority may be obtained through the Financial Services Department of the City of Cape Coral, 1015 Cultural Park Blvd., Cape Coral, FL 33990.

2. Related Organization

The City's officials are responsible for appointing the members of the Board of the City of Cape Coral Health Facilities Authority. The City's accountability for this organization does not extend beyond making these appointments; therefore, there is no blended or discrete financial presentation for this entity.

3. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements along with the notes to the financial statements. The focus of the financial statements is on either the City as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the Statement of Net Position, both the governmental and business-type activities columns are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Government-wide financial statements report information on all of the non-fiduciary activities of the City.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function (Public Safety, Parks and Recreation, etc.). Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The Statement of Activities reflects both the gross and net costs per function (Public Safety, Parks and Recreation, etc.) which are otherwise being supported by general government revenues (property taxes, franchise fees, gas taxes, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function.

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 government's water and sewer, stormwater and various other functions of the government.

This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of the fund financial statements is on the major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns and the nonmajor funds are summarized into a single column.

Measurement Focus and Basis of Accounting

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. Since, by definition the fiduciary funds' assets are being held for the benefit of a third-party (other local governments and other entities) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Since agency funds report only assets and liabilities, they do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities of the government-wide presentation.

The focus of the GASB No. 34 model is on the City as a whole and the fund financial statements. The focus of the Fund Financial Statements is on the major funds of the governmental and business-type activities. Each presentation provides valuable information that can be analyzed to enhance the usefulness of the information.

Basis of accounting refers to when revenue and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide Financial Statements and the Proprietary and Fiduciary Fund Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis of accounting.

1. Accrual:

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Proprietary funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the proprietary fund that include charges for services and user fees. Operating expenses represent the cost of operations, which includes depreciation. Non-operating revenues and expenses are not related to the operations of the proprietary fund and include interest earnings and gain and loss on sale of capital assets.

2. Modified Accrual:

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year-end. Primary revenue sources that have been treated as susceptible to accrual include intergovernmental revenue, franchise fees, communication taxes and charges for services, when material. Property taxes are accounted for when measurable and available as described in Note II. Grant revenue is considered earned and is accrued when all eligibility requirements are met.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables

and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and unearned revenue by recipient.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on general obligation long-term debt, as well as expenditures related to compensated absences and claims and judgments which are recognized when due.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity/net position, revenues, and expenditures/expenses. Resources are allocated to and accounted for in individual funds, based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City's major funds are presented in separate columns on the governmental fund financial statement and the proprietary fund financial statement. The funds that do not meet the criteria of a major fund are considered nonmajor funds and are combined into a single column in the fund financial statements and detailed in the combining section.

The following major funds are used by the City:

1. Governmental Funds:

The focus of Governmental Fund measurement (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the City:

- a. General Fund** is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
- b. Transportation Capital Improvements Fund** is used to account for the following projects:
 - Road Resurfacing – paving residential streets.
 - Sidewalks – construction of sidewalks on Chiquita Boulevard South, Tropicana Parkway, Chiquita Boulevard North, and Andalusia Boulevard. Engineering and design has begun on the shared use trail (Sun Trail).
 - Other Transportation Capital Improvements – improvements to various roadways including miscellaneous road resurfacing, median landscaping, alley resurfacing, traffic control devices, turn lanes, and sidewalk/bike path resurfacing.
- c. Community Redevelopment Agency Fund** is used to account for monies received from tax incremental revenue by certain taxing authorities in the community redevelopment area.
- d. Debt Service Fund** is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

2. Proprietary Funds:

The City of Cape Coral maintains two different types of Proprietary Funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to account for activity for which a fee is charged to external users for goods or services. In the government-wide financial statements the Enterprise Funds are presented as business-type activities. Internal Service Funds are used to

account for activity that provide goods or services to other funds, departments or agencies of the primary government and its component units on a cost-reimbursement basis. Five Internal Service Funds are utilized: 1) The Workers Compensation Insurance Fund is used to account for the self-insurance of workers compensation. 2) The Property and Casualty Insurance Fund is used to account for the City's risk management activity for auto liability, property and contents loss, and general liability. 3) The Facilities Management Fund is used to account for the costs of operation for the repair and maintenance of city owned/leased buildings. 4) The Fleet Management Fund is used to account for the costs of operation for the repair and maintenance of city owned/leased vehicles and equipment 5) The Self-Funded Health Insurance Fund is used to account for the self-funded medical insurance plan. The Internal Service Funds have been included within governmental-type activities in the government-wide financial statements because they primarily benefit governmental funds.

The focus of Proprietary Fund measurement is based upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Proprietary Funds of the City:

- a. **Water and Sewer Fund** is used to account for the activities of the City's water and sewer utility programs. This includes special assessments, impact fees, contribution in aid of construction (CIAC), capital facility expansion charge (CFEC), etc. Activity for only water and sewer operations can be found in Note 12: Segment Information.
- b. **Stormwater Fund** is used to account for the activities of the City's Stormwater drainage program in compliance with the Environmental Protection Agency, and local and state regulations.

3. Other Funds:

Additionally, the City reports the following Funds:

- a. **Pension Trust Funds** are used to account for three defined benefit plans which accumulate resources for pension benefit payments to its employees/retirees.
- b. **Agency Funds** are used to account for the City's collection of school impact fees at the time of building permit issuance for the Lee County School Board and the collection of solid waste fees.

Assets, Liabilities and Net Position or Equity, Revenues, and Expenditures/Expenses

1. Cash and Investments

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City adopted Ordinance 63-13 on December 9, 2013 which amended the City's comprehensive investment policy. The investment policy applies to all cash and investments held or controlled by the City except for Pension Funds and funds related to the issuance of debt. The investment policy allows the City to invest surplus funds. For accounting and investment purposes, the City maintains a pooled cash and investments account (the "Pool"). This gives the City the ability to invest large amounts of cash to maximize earning potential. Interest income is allocated based upon each fund proportionate balance in the pooled cash fund. All funds participate in the Pool. Each fund's individual equity in the Pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. This methodology is also used in the statement of cash flows for the Proprietary Funds.

The City participates in three local government investment pools (LGIP), FL Prime administered by the Florida State Board of Administration (SBA), FL Class administered by Public Trust Advisors, and FL Asset Fund Trust (FLSAFE) administered by a five-member board of trustees. The SBA was created by Section 218.405, Florida Statutes and FL Safe was created pursuant to Florida Statutes

163.01 and 218.415. The investment pools (Securities and Exchange Commission Rule 2a7-like external investment pools) operate under investment guidelines established by Section 215.47, Florida Statutes and are reported at amortized cost.

The City's investments are reported at fair value and are generally based on quoted market prices. The City measures and records its investment using fair value measurement guidelines established by the generally accepted accounting principles. The guidelines recognize a three-tier fair value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets
- Level 2: Significant other observable inputs
- Level 3: Significant unobservable inputs

FL Prime is considered a qualifying external investment pool that meets all the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the City's position in the pool is the same as the value of the pool shares. The FL Prime investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year, and as of September 30, 2019, FL Prime contained certain floating and adjustable rate securities. These investments represented 36.7% percent of FL Prime's portfolio at September 30, 2019.

In accordance with Governmental Accounting Standards Board Statement No. 79, Certain External Investment Pools and Pool Participants, as a participant in a qualifying external investment pool, the City should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council."

The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Detailed information on allowable investments and actual holdings can be found in Note IV Detailed Note 1: Cash and Investments.

2. Receivables and 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”. Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Accounts Receivable - The General Fund accounts receivable includes gas, electric and solid waste franchise fees, public service tax, a deferred impact fee, and other miscellaneous receivables.

The Other Governmental Funds accounts receivable are for false alarm, lot mowing, auction proceeds, and purchasing card rebate.

Assessments Receivable - the City levies a special assessment against benefited property owners for construction of water, wastewater and irrigation utility extension, in certain areas of the City. In addition, the City levies a fire services assessment to fund fire-rescue services. The City utilizes the uniform collection method for collecting the assessments. The receivable reported is the assessment amount that has a lien and is unpaid. There are no unbilled receivables for governmental activities and \$310,310,724 for business-type activities.

Intergovernmental Receivable - The General Fund intergovernmental receivable includes communication service tax, half cent revenue, police task force reimbursements, occupational tax, firefighter’s supplemental education, police officers’ premium tax distribution, alcoholic beverage license, fuel tax rebate, Lee County Tax Collector, Florida Department of Transportation, Florida Department of Emergency Management, grant reimbursements and a receivable due from component unit - Cape Coral Charter School Authority, at September 30, 2019 of \$45,461. The Cape Coral Charter School reports at its fiscal year end, June 30, 2019, a receivable from the primary government of \$17,620. There is also a payable due to component unit – Cape Coral Charter School Authority at September 30, 2019 of \$1,219. The Cape Coral Charter School Authority also reports a payable to the primary government at June 30, 2019 of \$5,423.

The Transportation Capital Improvements Fund intergovernmental receivable is for pending reimbursements due from the State of Florida related to the local agency program agreement for sidewalk construction.

The Other Governmental Funds intergovernmental receivables are for pending receipt of the August and September 2019 fuel tax collections, Florida Medicaid reimbursement for special populations, and collections due from the Lee County Tax Collector and the Lee County Clerk of Courts. In addition, grant reimbursements are receivable for the Community Development Block Grant (CDBG) and HUD Neighborhood Stabilization, and Florida Division of Cultural Affairs.

Other Governmental Funds have a payable, due to component unit - Cape Coral Charter School Authority, at September 30, 2019 of \$41,447. This is for a share of the profit from Parks and Recreation programs from after school programs.

All trade receivables are reported net of an allowance for uncollectible. Uncollectible is defined as any account that is greater than or equal to 120 days delinquent from the general ledger date. Additionally, 1% of receivables less than 120 days are considered uncollectible.

Noncurrent portions of interfund receivables classified as advances between funds, as reported in the fund financial statements, are classified as non-spendable fund balance amount in applicable governmental funds which indicates that they do not constitute expendable available financial resources, and therefore, are not available for appropriation.

3. Inventories and Prepaid Items

Inventories, consisting primarily of expendable supplies held for consumption, are stated at either weighted average or cost (first-in, first-out method). The City utilizes the consumption method of accounting, which provides that expenditures are recognized when inventory is used. The General Fund maintains inventories for fuel; Water and Sewer maintains inventories of materials and parts; Parks and Recreation programs maintain inventories consisting of concession and vending items, restaurant and food supplies, and items for resale. Both the Waterpark and Golf Course maintain a restaurant inventory and an inventory of items available for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets include property, buildings, improvement other than buildings, equipment, infrastructure and certain intangible assets. Infrastructure assets are defined as public domain capital assets such as roads, bridges, sidewalks, traffic signals, and similar items that are immovable and of value only to the governmental unit. Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities columns, as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and a useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition 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 but are expensed as incurred.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

<u>Asset</u>	<u>Years</u>
Buildings	20-40
Building improvements	10
Improvements other than buildings	10-20
Equipment	3-10
Intangibles	3
Infrastructure	
Traffic signals	15
Parking Lots	20
Roads	30
Sidewalks	30
Bridges	40
Utility extension lines	40

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has the following deferred outflows/inflows:

1. Deferred charge (gain/loss) on refunding - reported in the government-wide statements of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price and amortized over the shorter of the life of the refunded or refunding debt.
2. Unavailable revenue - The sources of unavailable revenue are school resource officer revenue, grant reimbursements, and charter school bus leases. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available.
3. Investment earnings - Difference between projected and actual earnings on investments. These amounts will be recognized as reductions in pension expense in future years.
4. Experience - Differences between expected and actual experience with regard to economic or demographic factors. These amounts are amortized to pension expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions.
5. Assumptions - Changes in actuarial assumptions about future economic or demographic factors.
6. Benefit payments subsequent to measurement date.

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from City service if they meet certain criteria. Compensated absences are accrued and reported in the proprietary funds and governmental-wide financial statements; and is a reconciling item between the governmental funds and the government-wide presentation.

7. Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

8. Bond Discounts, Bond Premiums, Bond Issuance Costs, and Bond Insurance Costs

In governmental funds the face amount of debt issued is reported as other financing sources. Issuance costs, bond premiums and discounts, whether or not withheld from the actual debt proceeds received, are reported as other financing sources (uses).

In the government-wide financial statements and proprietary funds, bond premiums and discounts, and bond insurance costs, are 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. The deferred gain and loss is amortized over the shorter of the original life or the life of the new debt. The face amount of the debt issued is reported net of bond premiums and discounts whereas insurance costs are recorded as other assets.

9. Utility Capital Expansion Fee (Impact Fee)

The City utilizes utility capital expansion fees as a means for funding capital expansion required to meet system demands resulting from growth. These fees are recorded as capital contributions revenue in the proprietary funds when charged.

10. Special Assessments

The City levies the following special assessments against benefited property owners: Governmental Activities – fire rescue services; and Business-type Activities - construction of water, wastewater and irrigation utility extension.

11. Unearned Revenue

Unearned revenue recorded in the General Fund relates to planned development project fees and planning and zoning fees collected at time of application that are not earned until next fiscal year, school resource officers, business taxes, and tower lease payments.

Unearned revenue recorded in the Special Revenue Funds relates to fees collected at permit issue date for residential and commercial construction that are not earned until next fiscal year, lot mowing fees, golf memberships and prepaid fees, and prepayment of parks and recreation class registration fees.

Water & Sewer has unearned revenue from water, sewer, and irrigation impact fees that have been collected from property owners in advance of the city installing services.

12. Intergovernmental Allocation of Administrative Expenses

The General Fund incurs certain administrative expenses for other funds, including accounting, legal, data processing, personnel administration, and other services. The governmental funds that received these services were charged \$1,912,263 for fiscal year 2019. These amounts are eliminated in the Statement of Activities. The Enterprise Funds that received these services were charged \$4,992,776 for fiscal year 2019. These amounts are recorded as revenue in the General Fund and operating expenses in the Enterprise Funds.

13. State Pension Contributions

The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Municipal Police Officers' Plan for the year ended September 30, 2019 was \$1,594,562. The State of Florida's contribution to the Municipal Firefighters' Plan for the year ended September 30, 2019 was \$1,573,173. The City recognized these on-behalf payments from the state as revenues and expenditures in the governmental fund financial statements.

14. Fund Balance

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54; Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

Non-Spendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of loans, notes receivable and advances, as well as property acquired for resale.

Restricted Fund Balance - Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action of the City Council, the City's highest level of decision-making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally, which is by resolution.

Assigned Fund Balance - Portion that reflects a government's intended use of resources. Such intent must be established by the Finance Director pursuant to the Financial Management Policies (Resolution 332-19) approved by City Council. Includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents a 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. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Unrestricted Fund Balance - The total of committed fund balance, assigned fund balance, and unassigned fund balance.

The City spends restricted amounts first when both restricted and unrestricted fund balance are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

In the General Fund, the City strives to maintain an unassigned balance of two months operating expenditures of the general fund. This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan. Detailed information on fund balances can be found in Note 11: Fund Balances.

15. Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to capital assets. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. The unrestricted net position category represents all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

16. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

17. Restatement of Prior Year's Net Position and Fund Balance

Effective October 1, 2018 the City reclassified the Golf Course Fund from an Enterprise Fund to a Special Revenue Fund. The fund no longer meets the criteria established in GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Governmental Accounting, Auditing and Financial Reporting (GAAFR) that required a fund to be recorded as an enterprise fund. The City's policy does establish activity fees or charges

that are designed to recover costs of providing services; however, these fees and charges are not designed to fully recover all direct costs which include depreciation, debt service, OPEB, and pension. This presentation requires a restatement of the fiscal year 2018 ending fund balance for Other Governmental Funds but does not affect the fiscal year 2018 ending total net position on the Statement of Net Position. This change was recorded as a direct adjustment to beginning net position and fund balance.

In addition, during the preparation of the fiscal year 2019 Community Redevelopment Agency Funds financial reports, an error was discovered between the revenue for the CRA and General Fund that had not been reported in the proper fiscal year. This change was recorded as an adjustment to beginning net position and fund balance.

Changes to net position as of September 30, 2018 are as follows:

	Statement of Net Position	
	Governmental	Business-type
	Activities	Activities
Net position	\$ 77,675,805	\$ 466,640,314
Restatement:		
Golf Course	(984,165)	984,165
Restated net position	<u>\$ 76,691,640</u>	<u>\$ 467,624,479</u>

	Fund Statements			
	General	Community	Other	Total
	Fund	Redevelopment	Governmental	Governmental
		Agency Fund	Funds	Funds
Fund balance	\$ 38,156,203	\$ 128,807	\$ 69,122,796	\$ 124,430,994
Restatement:				
Golf Course	-	-	(670,035)	(670,035)
Community Redevelopment Agency	100,000	(100,000)	-	-
Restated fund balance	<u>\$ 38,256,203</u>	<u>\$ 28,807</u>	<u>\$ 68,452,761</u>	<u>\$ 123,760,959</u>

	Golf Course
Net position	\$ (984,165)
Restatement:	
Total capital assets, net	(2,789,748)
Deferred Outflows:	
Pension related	(202,389)
OPEB related	(79,017)
Liabilities:	
Compensated absences	91,909
OPEB liability	2,354,849
Net pension liability	799,949
Deferred Inflows:	
Pension related	12,938
OPEB related	125,639
Restated net position	<u>\$ (670,035)</u>

	Other	Total
	Enterprise	Enterprise
	Funds	Funds
Net position	\$ 186,701	\$ 465,028,507
Restatement:		
Golf Course	984,165	984,165
Restated net position	<u>\$ 1,170,866</u>	<u>\$ 466,012,672</u>

NOTE II. PROPERTY TAXES

Property taxes are levied on November 1st of each year and are due and payable upon receipt of the notice of levy. The Lee County, Florida Tax Collector's office bills and collects property taxes on behalf of the City. The total tax rate of 6.750 mills per \$1,000 of assessed taxable property value consists of 6.750 mills to finance general governmental services for the fiscal year ended September 30, 2019. Property tax revenue is recognized 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 collected are remitted to the City.

No accruals for the property tax levy becoming due in November 2019 are included in the accompanying financial statements since such taxes are levied for the subsequent fiscal year and are not considered earned or available at September 30, 2019.

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1) Compliance with Finance-Related Legal and Contractual Provisions

The City is not aware of any violations of finance-related legal and contractual provisions.

2) Deficit Fund Balance/Net Position

The following individual funds had deficit fund balances as of September 30, 2019:

<u>Fund</u>	<u>Type</u>	<u>Amount</u>
Golf Course ¹	Governmental	\$ 522,235
Community Development Block Grant ²	Governmental	196,870
Residential Construction Mitigation Program ³	Governmental	570
Facilities Management ⁴	Internal Service	7,504,718
Fleet Management ⁴	Internal Service	2,491,243

¹ The deficit is due to membership and service revenues not exceeding operating expenses after the renovation was completed.

² The deficit is a result of year end draws not received within the period of availability and recorded as deferred inflows of resources.

³ The deficit is a result of additional expenses since last draw.

⁴ The deficit is a result of unfunded Pension and OPEB expenses.

3) Expenditures in Excess of Appropriations

The following individual funds had excess expenditures over appropriations as of September 30, 2019.

Governmental activities:

HUD Neighborhood Stabilization ¹	\$ 169,509
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¹ Expenditures were budgeted in the year the funding is allocated and are not re-budgeted in subsequent years.

NOTE IV. DETAILED NOTES

1. Cash and Investments

As of September 30, 2019 the City had the following cash and investment amounts:

Category	Fair Value
Checking and savings accounts	\$ 27,888,122
Cash on hand	19,365
Cash with fiscal agent	4,085,569
LGIP- FL Prime (SBA)	33,851,380
Intergovernmental Investment Pools	67,215,979
Money Market Funds	637,556
Investments	201,804,940
Total	\$ 335,502,911

Reconciliation of cash and investments to the basic financial statements:

	Cash and Investments		
	Unrestricted	Restricted	Total
Governmental Funds	\$ 170,792,346	\$ -	\$ 170,792,346
Business-Type Activities -			
Enterprise Funds	50,829,139	78,912,622	129,741,761
Governmental Activities -			
Internal Service Funds	30,303,659	-	30,303,659
Agency Funds	4,665,145	-	4,665,145
Total	\$ 256,590,289	\$ 78,912,622	\$ 335,502,911

Governmental and Business-type Activities:

A. Cash and Cash Equivalents

The City maintains a cash and investment pool that is available for use by all funds except for monies legally restricted. Investment earnings are allocated to the individual funds based on the fund's percentage to the entire portfolio. The City's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

B. Investment Portfolio

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City adopts a comprehensive investment policy by ordinance that establishes permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City's cash and investment assets. The investment policy applies to all cash and investments held or controlled by the City with the exception of Pension Funds and funds related to the issuance of debt. Ordinance 13-19 amending the City's investment policy was adopted on April 1, 2019.

The City's investment policy allows for the following investments:

- FL Prime
- United States Government Securities unconditionally guaranteed by the United States Government
- United States Government Agencies issued or guaranteed by the United States Government agencies
- Federal Instrumentalities issued or guaranteed by United States Government sponsored agencies

- Non-Negotiable Interest-Bearing Time Certificates of Deposit or Saving Accounts, in banks organized under the laws of the state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida
- Repurchase Agreements
- Commercial Paper of any United States company that is rated at the time of purchase
- Bankers' Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank
- State and/or Local Government Taxable and/or Tax-Exempt Debt
- Registered Investment Companies (Mutual Funds) that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R § 270.2a-7
- Intergovernmental Investment Pools that are authorized pursuant to the Florida Inter-Local Cooperation Act, as provided in Section 163.01, Florida Statutes Intergovernmental Investment Pools
- Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States
- Corporate Obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and guaranteed by the United States Government
- Mortgage-Backed Securities (MBS) that are based on mortgages that are guaranteed by a government agency or GSE for payment
- Asset-Backed Securities (ABS) that are backed by financial assets
- Bond Funds

As of September 30, 2019, interest receivable on the City's investment portfolio amounted to \$1,023,525.

As of September 30, 2019, the City had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Weighted Average Duration (Years)
Corporate Notes	\$ 32,102,252	0.69
Federal Agencies - Bond/Note	35,006,976	8.44
US Treasury - Bond/Note	134,695,712	1.42
LGIP - Florida PRIME (SBA)	33,851,380	0.10
Intergovernmental Investment Pool - FL Class	31,331,093	0.15
Intergovernmental Investment Pool - FL Safe	35,884,886	0.10
Money Market Funds	637,556	0.07
Total Fair Value	\$ 303,509,855	
Portfolio Weighted Average Duration		1.75

C. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available: Market approach — This uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE. Cost approach — This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures. Income approach — This approach converts future amounts (such as cash flows) into a current discounted amount. Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs should be maximized in fair value measures, and unobservable inputs should be minimized.

GASB 72 *Fair Value Measurement and Application* establishes a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

Level 1 — Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 — These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.

Level 3 — These are unobservable inputs, such as a property valuation or an appraisal.

As of September 30, 2019, the City had the following investment measurements by security type:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment By Fair Value Level				
Corporate Notes	\$ 32,102,252	\$ -	\$ 32,102,252	\$ -
Federal Agencies - Bond/Note	35,006,976	-	35,006,976	-
US Treasuries - Bond/Note	134,695,712	-	134,695,712	-
Total Investment By Fair Value Level	<u>\$201,804,940</u>	<u>\$ -</u>	<u>\$ 201,804,940</u>	<u>\$ -</u>
Cash Equivalents Measured at Amortized Cost				
LGIP - FL Prime	33,851,380			
Intergovernmental Investment Pool - FL Safe	35,884,886			
Money Market Funds	637,556			
Total Cash Equivalents Measured at Amortized Cost	<u>\$ 70,373,822</u>			
Cash Equivalents Measured at Net Asset Value (NAV)				
Intergovernmental Investment Pool - FL Class	31,331,093			
Total Cash Equivalents and Investments	<u>\$303,509,855</u>			
Other information for investments measured at the NAV or its equivalent is as follows:				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled/Common/Comingled Funds:				
FL Class	\$ 31,331,093	\$ -	Daily	1-Day
Total Investment Measured at NAV	<u>\$ 31,331,093</u>			

The FL Class investment pool seeks to generate competitive market returns in a manner that will provide safety of principal while meeting the liquidity needs of Participant. FL Prime (SBA) and FL Safe manage billions of dollars for Florida local governments and purchase investments consistent with Chapter 215.47, Florida Statutes. FL Prime and FL Safe currently meet all the necessary criteria to elect to measure all the investments at amortized cost. Thus, the pool operates essentially as a money market fund, but is classified as an external investment pool.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the FL Prime (SBA) or FL Safe.

At September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within FL Prime and FL Safe.

D. Interest Rate Risk

The City's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement.

The City utilizes "effective duration" as a measurement of interest rate risk and as of September 30, 2019 the investment portfolio had an effective duration of 1.75 years.

Included in the investment portfolio, the City has \$2,158,302 of Corporate Notes that have embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. These securities have call dates of April 16th, 2021 and mature on May 16th, 2021.

The dollar weighted average days to maturity (WAM) of FL Prime at September 30, 2019, is 37 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FL Prime at September 30, 2019, is 85 days.

E. Credit Risk

The City's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

FL Prime

- Shall be rated AAAM by Standard & Poor's or the equivalent by another rating agency.

Commercial Paper

- Shall be rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).
- If the commercial paper is backed by a letter of credit ("LOC"), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies.

Bankers' Acceptances

- At the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's.
- Issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System.

State and/or Local Government Taxable and/or Tax-Exempt Debt

- Rated at least a minimum "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt or rated at least "VMIG2" by Moody's or "A-2" by Standard & Poor's for short-term debt.

Registered Investment companies (Mutual Funds)

- Rated AAAM by Standard & Poor's or the equivalent by another rating agency.
- Are in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7.

- In addition, the Financial Services Director may invest in other types of mutual funds provided such funds are registered under the Federal Investment Company Act of 1940, invest exclusively in the securities specifically permitted under this investment policy, and are similarly diversified.

Intergovernmental Investment Pools

- Rated AAAM by Standard & Poor’s or the equivalent by another rating agency.
- Are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

Corporate Notes

- Shall have a minimum long-term debt rating of “A” by Moody’s and “A” by Standard & Poor’s.

Asset-backed securities (ABS)

- Shall be Double-A rated or better by Standard & Poor’s, or the equivalent by another rating agency.

Bond funds

- Shall be Double-A rated or better by Standard & Poor’s, or the equivalent by another rating agency.

As of September 30, 2019, the City had the following credit exposure as a percentage of total investments:

<u>Security Type</u>	<u>S&P Credit Rating</u>	<u>% of Portfolio</u>
Corporate Notes	AAA	0.67%
Corporate Notes	AA+	2.19%
Corporate Notes	AA-	1.50%
Corporate Notes	AA	3.37%
Corporate Notes	A+	0.84%
Corporate Notes	A	2.01%
Federal Agencies - Bond/Note	AA+	11.53%
US Treasuries - Bond/Note	AA+	44.38%
LGIP	AAAM	33.30%
Money Market Funds	AAAM	0.21%
Total		100.00%

As of September 30, 2019, the City’s investment deposit in FL Prime, FL Class, and FL Asset Fund Trust (FL Safe) investment pool was \$33,851,380, \$31,331,093, and \$35,884,886 respectively. These qualify as 2a7-like external investment pools. As of September 30, 2019, all pools were rated AAAM by Standard & Poor’s.

F. Custodial Credit Risk

The City’s investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, except for certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider’s safekeeping department for the term of the deposit.

As of September 30, 2019, the City’s investment portfolio was held with a third-party custodian as required by the City’s investment policy.

G. Concentration of Credit Risk

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio.

FL Prime

- A maximum of 40% of available funds may be invested in FL Prime.

United States Government Securities

- A maximum of 100% of available funds may be invested in United States Government Securities.

United States Government Agencies

- A maximum of 50% of available funds may be invested in United State Government Agencies.
- No more than 25% of available funds may be invested in an individual United States Government agency.

Federal Instrumentalities

- A maximum of 80% of available funds may be invested in Federal Instrumentalities.
- No more than 25% of available funds may be invested in any one issuer.

Interest Bearing Time Deposit or Saving Accounts

- A maximum of 25% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit.
- No more than 15% of available funds may be deposited with any one issuer.

Repurchase Agreements

- A maximum of 25% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements.
- No more than 10% of available funds may be invested with any one institution.

Commercial Paper

- A maximum of 35% of available funds may be invested in prime commercial paper.
- No more than 10% of available funds may be invested with any one issuer.

Bankers' Acceptances

- A maximum of 30% of available funds may be directly invested in Bankers' acceptances.
- No more than 10% of available funds may be invested with any one issuer.

State and/or Local Government Taxable and/or Tax-Exempt Debt

- A maximum of 20% of available funds may be invested in taxable and tax-exempt debts.
- No more than 5% of available funds may be invested with any one issuer.

Registered Investment Companies (Mutual Funds)

- A maximum of 25% of available funds may be invested in mutual funds.
- No more than 10% of available funds may be invested with any one non-SEC Rule 2a-7 investment mutual fund.

Intergovernmental Investment Pools

- A maximum of 40% of available funds may be invested in intergovernmental investment pools.

Corporate Notes

- A maximum 35% of available funds may be directly invested in corporate notes.
- No more than 5% of available funds may be invested with any one issuer

Corporate Obligations

- A maximum of 50% of available funds may be directly invested in corporate obligations.
- No more than 25% of available funds may be invested with any one issuer.

Mortgage-Backed Securities (MBS)

- A maximum of 20% of available funds may be invested in mortgage-backed securities.
- No more than 5% of available funds may be invested with any one MBS.

Asset-Backed Securities (ABS)

- A maximum of 20% of available funds may be invested in asset-backed securities.
- No more than 5% of available funds may be invested with any one ABS.

Bond Funds

- A maximum of 25% of available funds may be invested in bond funds.
- No more than 10% of available funds may be invested with any one bond fund.

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As of September 30, 2019, the City had the following issuer concentration based on fair value:

<u>Issuer</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
American Honda Finance Corp	\$ 4,216,755	1.39%
Apple Inc	5,437,914	1.79%
Chevron Corp	2,158,301	0.71%
Exxon Mobil Corp	1,205,224	0.40%
Federal Farm Credit Banks Funding Corp	1,967,072	0.65%
Federal Home Loan Banks	4,416,293	1.46%
Federal Home Loan Mortgage Corp	8,724,497	2.87%
Federal National Mortgage Association Fhms K013 A1	9,358,897	3.08%
Fhms K026 A2	765,188	0.25%
Fhms K030 A1	1,776,408	0.59%
Fhms K030 A1	327,214	0.11%
First Amer:Trs Obg Y	637,556	0.21%
Fn Ab5396	327,252	0.11%
Fn Ma1084	627,205	0.21%
Fna 10M3 A3	35,052	0.01%
Freddie Mac	6,231,748	2.05%
G2 005301	331,178	0.11%
G2 794283	118,971	0.04%
Intel Corp	2,548,166	0.84%
International Business Machines Corp	1,868,702	0.62%
Johnson & Johnson	540,244	0.18%
Microsoft Corp	1,499,284	0.49%
Procter & Gamble Co	299,922	0.10%
Toyota Motor Credit Corp	4,255,385	1.40%
United States Treasury	134,695,713	44.38%
Walmart Inc	7,297,432	2.40%
Wal-Mart Stores Inc	774,923	0.26%
FL Class	31,331,093	10.32%
FL Safe	35,884,886	11.82%
FL Prime	33,851,380	11.15%
Total	<u>\$ 303,509,855</u>	<u>100.00%</u>

Pension Trust Funds:

The City has three defined benefit single-employer pension plans: General Employees', Police Officers', and Firefighters' (Pension Funds).

A. Cash and Cash Equivalents

At September 30, 2019, the carrying amount of the Pension Funds' cash and cash equivalents was \$13,498,778.

B. Investment Portfolio

Each Board of Trustees of the City's Pension Funds adopted a revised comprehensive investment policy, pursuant to Florida Statutes Section 112.661, that established permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the Pension Funds' cash and investment assets.

The revised investment policies were adopted as follows: General Pension – May 1, 2019; Police Pension – February 23, 2016; and Fire Pension – February 26, 2020.

As of September 30, 2019, interest and dividend receivable on the Pension Funds' investment portfolio amounted to \$595,891.

As of September 30, 2019, the City's Pension Funds had the following investment types and effective duration presented in terms of years:

General Employees' Pension Investments

<u>Security Type</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	<u>Weighted Average Maturity (years)</u>
Cash and Cash Equivalents	\$ 7,733,477	2.48%	N/A
Investments:			
Stock	57,935,543	18.57%	N/A
Unit investment trusts	1,423,171	0.46%	N/A
Mutual Funds:			
Equity	135,743	0.04%	N/A
Pooled/Common/Commingled Funds	175,490,050	56.26%	N/A
Partnerships	69,201,925	22.19%	N/A
Total	<u>\$ 311,919,909</u>	<u>100.00%</u>	

Police Officers' Pension Investments

<u>Security Type</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	<u>Weighted Average Maturity (years)</u>
Cash and Cash Equivalents	\$ 2,257,074	1.25%	N/A
Investments:			
Federal agency securities	10,451,727	5.77%	11.71
Mortgage Backed Securities	3,684,644	2.03%	
Collateralized Mortgage Obligations	2,455,166	1.36%	
Corporate Bonds	18,160,294	10.03%	
Subtotal MBS, CMO, and Corporate Bonds	<u>24,300,104</u>		9.26
Stocks	48,938,523	27.02%	N/A
Mutual Funds:			
Balanced	9,752,241	5.38%	N/A
Equity	47,754,396	26.35%	N/A
Pooled/Common/Commingled Funds:			
Equity	18,438,397	10.18%	N/A
Real Estate	19,252,872	10.63%	N/A
Total	<u>\$ 181,145,334</u>	<u>100.00%</u>	

Firefighters' Pension Investments

<u>Security Type</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	<u>Weighted Average Maturity (years)</u>
Cash and Cash Equivalents	\$ 3,508,227	1.83%	N/A
Investments:			
U.S Government Obligations and Federal Agency Securities	11,619,535	6.06%	12.32
Mortgage Backed Securities	5,373,145	2.80%	
Collateralized Mortgage Obligations	2,781,512	1.45%	
Corporate Bonds	22,043,504	11.49%	
Subtotal MBS, CMO, and Corporate Bonds	<u>30,198,161</u>		9.32
Stock	36,976,185	19.28%	N/A
Municipal obligations	-	0.00%	21.68
Mutual Funds:			
Balanced	39,497,454	20.59%	N/A
Equity	9,649,880	5.03%	N/A
Pooled/Common/Commingled Funds:			
Equity	31,344,368	16.34%	N/A
Infrastructure	9,757,653	5.09%	
Real Estate	19,252,872	10.04%	N/A
Total	<u>\$ 191,804,335</u>	<u>100.00%</u>	

C. Interest Rate Risk

The investment policies for the pension funds do not address interest rate risk. The Pension Funds utilize "effective duration" as a measurement of interest rate risk and as of September 30, 2019.

D. Credit Risk

The Pension Funds' investment policy permits the following investments, which are limited as described as follows:

Equity Securities

General Pension Funds:

- Investments in equity securities shall be limited to no more than 70% (at market) of the Fund's total asset value.
- All equity investments shall be limited to fully and easily negotiable equity securities.
- No more than 5% at cost value of an investment manager's equity portfolio may be invested in the shares of a single corporate issuer.
- No more than 15% at cost value of the plan's total assets may be invested in foreign equity securities. Investment in foreign companies is limited to those traded on a national exchange and /or American Depository Receipts (ADRs).
- Investment in equity securities whose market capitalization is less than \$3 billion dollars shall be limited to 25% of the total equity portfolio.
- Investment in those corporations whose stock has been publicly traded for less than one year are limited to 15% of the equity portfolio.
- Equities may be managed through the purchase of open-end, no-load mutual funds or commingled funds as long as these funds in aggregate adhere to the equity guidelines herein.

Police and Fire Pension Funds:

- Investments in equity securities shall be limited to no more than 70% at market value of the Fund's total asset value.
- All equity investments shall be limited to fully and easily negotiable equity securities.
- No more than 5% at cost value of an investment manager's equity portfolio may be invested in the shares of a single corporate issuer.
- Investments in stocks of foreign companies shall be limited to 25% (at market) of the total investment portfolio.
- No more than 25% of the equity securities (at market valuation) are to be invested in small or mid-cap stocks. The Board defines small and mid-cap stocks the stocks whose market capitalization is less than \$5 billion dollars.

Fixed Income Securities

General Pension Fund:

The fixed income portfolio shall comply with the following guidelines:

- The average credit quality of the bond portfolio shall be "BBB" or higher.
- Must be issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.

Investments in all corporate fixed income securities shall be limited to:

- The portfolio must have at least 70% of securities purchased at cost be those securities rated "BAA" or higher by Moody's or "BBB" or higher by Standard & Poor's rating services.
- No more than 30% at cost can be invested in non-investment grade/non-US fixed income commingled vehicles.
- Securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia. no more than 10% at cost of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.

Investments in Collateralized Mortgage Obligations (CMO's) shall be limited to 20% of the market value of the investment managers' total portfolio and shall be restricted to issues which meet all of the following criteria:

- The portfolio must have at least 90% at cost of all issues backed by mortgage securities issued, guaranteed, or fully insured by the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA) or that are rated "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
- No more than 10% at cost of issues can be rated below "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
- There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.
- Fixed income securities maybe managed through the purchase of open-end, no-load mutual funds or commingled funds as long as these funds in aggregate adhere to the fixed income guidelines herein.
- All approved institutions and dealers transacting in repurchase agreements are required to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement. The Board shall determine the approximate maturity date based on cash flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

Police and Fire Pension Funds:

The fixed income portfolio shall comply with the following guidelines:

- The average credit quality of the bond portfolio shall be "A" or higher.
- The duration of the fixed income portfolio shall not exceed 135% of the duration of the market index. The market index is defined as the Barclays Aggregate Bond index.

Investments in all corporate fixed income securities shall be limited to:

- Those securities rated below "BBB" shall not exceed 15% of the entire fixed income portfolio.
- Securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.

- No more than 5% at cost of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.

Cash Equivalent Securities

The fund may invest only in the following short-term investment vehicles:

General Pension Fund:

- The money market of Short-Term Investment Fund (STIF) provided by the Plan's custodian.
- Direct obligations of the United States Government with a maturity of one year or less.
- Commercial paper with a maturity of 270 days or less that is rated A-1 by Standard & Poor's or P-1 by Moody's.
- Bankers Acceptances by the largest 50 banks in the United States (in terms of total assets).

Police and Fire Pension Funds:

- The money market of Short-Term Investment Fund (STIF) provided by the Plan's custodian.
- Direct obligations of the United States Government with a maturity of one year or less.
- Commercial paper with a maturity of 270 days or less that is rated A-1 by Standard & Poor's or P-1 by Moody's.
- Bankers Acceptances by the largest 50 banks in the United States (in terms of total assets).

Real Estate

General Pension Fund:

- The Real Estate portion of the Fund's assets may be invested in pooled Real Estate vehicles, limited partnerships, or other types of Real Estate investments as determined by the Board in consultation with Investment Consultant.
- Investment in real estate shall be limited to no more than 15% (at market) of the Fund's total asset value.

Police and Fire Pension Funds:

- All real estate investments shall be made through participation in diversified commingled funds of real properties.
- Investments in real estate shall not exceed 20% (at market valuation) of the value of the total fund assets for Firefighters and 15% for Police Officers.
- Experienced and professional real property investment managers shall manage all real estate investments.

As of September 30, 2019, the Pension Funds had the following credit exposure as a percentage of total fixed income investments:

<u>Standard & Poor's Credit Rating</u>	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
AAA	N/A	5.80%	4.04%
AA+	N/A	12.92%	8.15%
AA	N/A	3.27%	1.28%
AA-	N/A	2.72%	2.89%
A+	N/A	2.53%	3.05%
A	N/A	8.91%	5.14%
A-	N/A	21.24%	10.54%
BBB+	N/A	9.52%	8.39%
BBB	N/A	7.54%	6.56%
BBB-	N/A	8.83%	5.44%
BB+	N/A	0.92%	0.82%
BB-	N/A	0.91%	0.87%
not rated	100.00%	14.89%	42.83%
Total	100.00%	100.00%	100.00%

The following lists investments that represent 5% or more of the Plan's fiduciary net position as of September 30, 2019:

General Employees' Pension Investments

<u>Investment</u>	<u>Amount</u>
Wells Fargo Emerging Markets Equity Fund	\$ 23,757,595
Fidelity Core Plus Commingled Pool	46,672,104
Wilmington Trust for ClearBridge Large Cap	47,554,654
Arrowstreet international Equity	26,817,342
Total	<u>\$ 144,801,695</u>

Police Officers' Pension Investments

<u>Investment</u>	<u>Amount</u>
American Core Reality Fund	\$ 19,252,872
Rhumblin Russell 1000 Pooled Index Fund	18,438,397
Total	<u>\$ 37,691,269</u>

Firefighters' Pension Investments

<u>Investment</u>	<u>Amount</u>
American Core Reality Fund	\$ 19,252,872
Cohen & Steer Global Listed Infrastructure Fund	9,757,653
Rhumblin Russell 1000 Growth Pooled Index Fund	12,905,971
Rhumblin Russell 1000 Pooled Index Fund	18,438,397
Total	<u>\$ 60,354,893</u>

E. Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following recurring fair value measurements comprised of investments as of September 30, 2019:

General Employees' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Investments:				
Stocks	\$ 57,935,543	\$ 57,935,543	\$ -	\$ -
Unit Investment Trust	1,423,171	1,423,171	-	-
Mutual Funds:				
Equity	135,743	135,743	-	-
	<u>\$ 59,494,457</u>	<u>\$ 59,494,457</u>	<u>\$ -</u>	<u>\$ -</u>
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds	\$ 175,490,050			
Partnerships	69,201,925			
Total Investments Measured at the NAV	<u>244,691,975</u>			
Total Investments Measured at Fair Value	<u>\$ 304,186,432</u>			
Investments Measured at Amortized Cost				
Money Market Funds	7,733,477			
Total cash, cash equivalents, and investments	<u>\$ 311,919,909</u>			

Police Officers' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Obligations and				
Federal Agency Securities	\$ 10,451,727	\$ -	\$ 10,451,727	\$ -
Mortgage Backed Securities	3,684,644	-	3,684,644	-
Collateralized Mortgage Obligations	2,455,166	-	2,455,166	-
Corporate Bonds	18,160,294	-	18,160,294	-
Stocks	48,938,523	48,938,523	-	-
Mutual Funds:				
Balanced	9,752,241	9,752,241	-	-
Equity	47,754,396	47,754,396	-	-
	<u>\$ 141,196,991</u>	<u>\$ 106,445,160</u>	<u>\$ 34,751,831</u>	<u>\$ -</u>
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds				
Equity Index Funds	\$ 18,438,397			
Real Estate Commingled Funds	19,252,872			
Total Investments Measured at the NAV	<u>37,691,269</u>			
Total Investments Measured at Fair Value	<u>178,888,260</u>			
Investments Measured at Amortized Cost				
Money Market Funds and Other				
Short-Term Cash	2,257,074			
Total cash, cash equivalents, and investments	<u>\$ 181,145,334</u>			

Firefighters' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Obligations and Federal Agency Securities	\$ 11,619,535	\$ -	\$ 11,619,535	\$ -
Mortgage Backed Securities	5,373,145	-	5,373,145	-
Collateralized Mortgage Obligations	2,781,512	-	2,781,512	-
Corporate Bonds	22,043,504	-	22,043,504	-
Stocks	36,976,185	36,976,185	-	-
Municipal Obligations	-	-	-	-
Mutual Funds:				
Balanced	39,497,454	39,497,454	-	-
Equity	9,649,880	9,649,880	-	-
	<u>\$ 127,941,215</u>	<u>\$ 86,123,519</u>	<u>\$ 41,817,696</u>	<u>\$ -</u>
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds				
Equity Index Funds	\$ 31,344,368			
Infrastructure	9,757,653			
Real Estate Commingled Funds	19,252,872			
Total Investments Measured at the NAV	<u>60,354,893</u>			
Total Investments Measured at Fair Value	<u>188,296,108</u>			
Investments Measured at Amortized Cost				
Money Market Funds and Other Short-Term Cash	3,508,227			
Total cash, cash equivalents, and investments	<u>\$ 191,804,335</u>			

Debt and equity securities classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt Securities classified as Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities relationship to benchmark quoted prices.

Other information for investment measured at the NAV or its equivalent follows:

General Employees' Pension Investments

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Pooled/Common/Commingled Funds				
Equity	\$ 71,312,249	-	Daily	Daily
Fixed Income	63,789,231	-	Daily	Daily
Private Equity	10,445,803	1,627,590	Daily	Daily
Real Estate	29,942,767	169,800	Quarterly	30 days/45 days/Quarterly
Partnerships				
Alternative (Hedge Fund/GTAA)	21,126,823	-	Quarterly	Quarterly
Real Estate	5,328,758	-	Daily	Daily
Farmland	7,834,056	2,824,800	Annually	5 Months
Equity	26,817,342	-	Quarterly	Quarterly
Private Equity	8,094,946	9,928,320	Daily	Daily
Total Investments Measured at the NAV	<u>\$ 244,691,975</u>			

Police Officers' Pension Investments

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Pooled/Common/Commingled Funds				
Equity Index Funds	\$ 18,438,397	\$ -	Daily	Daily
Real Estate Commingled Funds	19,252,872	40,554	Quarterly	Daily
Total Investments Measured at the NAV	<u>\$ 37,691,269</u>			

Firefighters' Pension Investments

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Pooled/Common/Commingled Funds				
Equity Index Funds	\$ 31,344,368	\$ -	Daily	Daily
Infrastructure Funds	9,757,653		Daily	Daily
Real Estate Commingled Funds	19,252,872	40,554	Quarterly	Daily
Total Investments Measured at the NAV	<u>\$ 60,354,893</u>			

For additional information relating to these investments, see the respective Plan's separately issued financial statements

F. Custodial Credit Risk

The Pension Funds' investment policy, pursuant to Section 112.661(10), Florida Statutes, states that securities, should be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the Pension Funds should be properly designated as an asset of the Pension Fund.

As of September 30, 2019, the Pension Funds' investment portfolio was held with a third-party custodian as required by Florida Statute.

G. Concentration of Credit Risk

The Pension Funds' investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the Pension Funds' investment portfolio.

Equity Securities

General Pension Fund:

- A maximum of 70% at market value of the Funds' total asset value may be invested in equity securities.
- All equity investments shall be limited to fully and easily negotiable equity securities.
- No more than 5% at cost value of an investment manager's equity portfolio may be invested in a single corporate issuer.
- No more than 15% at cost value of the plan's total assets may be invested in foreign equity securities.
- 25% of the total equity portfolio may be invested in equity securities whose market capitalization is less than \$3 billion.
- No more than 15% of the equity portfolio may be invested in those corporations whose stock has been publicly traded for less than one year.
- Equities may be managed through the purchase of open-end, no-load mutual funds or commingled funds as long as these funds in aggregate adhere to the equity guidelines herein.

Police and Fire Pension Funds:

- Investments in equity securities shall be limited to no more than 70% at market value of the Fund's total asset value.

- All equity investments shall be limited to fully and easily negotiable equity securities.
- No more than 5% at cost value of an investment manager's equity portfolio may be invested in a single corporate issuer.
- Investments in stocks of foreign companies shall be limited to 25% (at market) of the total investment portfolio.
- No more than 25% of the equity securities (at market) are to be invested in small or mid-cap stocks. The Board defines small and mid-cap stocks whose market capitalization is less than \$5 billion.

Fixed Income Securities

General Pension Fund:

- The average credit quality of the bond portfolio shall be "BBB" or higher.
- The duration of the fixed income portfolio shall not exceed 150% of the duration of the market index. The market Index is defined as the Barclays Aggregate Bond Index.
- At Least 70% of securities purchased at cost must be rated "BAA" or higher by Moody's or "BBB" or higher by Standard & Poor's rating services.
- No more than 30% at cost can be invested in non-investment grade/non-US fixed income commingled vehicles.
- No more than 10% at cost of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.
- No more than 20% of the market value of the investment manager's portfolio shall be invested in collateralized mortgage obligations (CMO's) with the following restrictions:
 - At least 90% at cost of all issues backed by mortgage securities issued, guaranteed, or fully insured by the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA) or that are rated "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
 - No more than 10% at cost of issues can be rated below "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
 - No limit on fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.
 - Fixed income securities may be managed through the purchase of open-end, no-load mutual funds as long as these funds in aggregate adhere to the fixed income guidelines herein.
 - All approved institutions and dealers transacting in repurchase agreements are required to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement. The Board shall determine the approximate maturity date based on cash flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

Police and Fire Pension Funds:

- The fixed income portfolio shall comply with the following guidelines:
 - The average credit quality of the bond portfolio shall be "A" or higher.
 - The duration of the fixed income portfolio shall not exceed 135% of the duration of the market index. The market index is defined as the Barclays Aggregate Bond Index.
- Investment in all corporate fixed income securities shall be limited to:
 - Those securities rate below "BBB" shall not exceed 15% of the entire fixed income portfolio.
 - Securities issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia.
 - No more than 5% at cost of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.
- Private security Collateralized Mortgage Obligations (CMOs) shall be limited to 15% of the market value of the investment managers' total fixed income portfolio. Agency CMOs may be purchased without restriction.

- Futures contracts may be used on a non-leveraged basis for duration adjustment and yield curve - positioning purposes.
- There is no limit imposed on investments in fixed income securities issued directly by the United Stated Government or any agency or instrumentality thereof.

Real Estate Funds

General Pension:

- The Real Estate portion of the Fund’s assets may be invested in pooled Real Estate vehicles, limited partnerships, or other types of Real Estate Investments as determined by the Board in consultation with the Investment Consultant.
- Limited to no more than 15% (at market) of the Funds’ total asset value.

Police and Fire Pension Funds:

- Investments in real estate shall not exceed 15% (at market valuation) of the total Fund assets.
- All real estate investments shall be made through participation in diversified commingled fund of real properties. These funds shall be broadly diversified as to property type and location.
- Experienced and professional real property investment managers shall manage all real estate investments.

Hedge Fund of Funds

General Pension:

- For purposes of this policy the term “hedge fund investments” means and includes investments in both U.S. and non-U.S. private investment companies and funds (including fund of funds) which invest directly and indirectly primarily in the liquid global securities and derivatives markets using various investment strategies including, but not limited to, such strategies and styles as “market *neutral”, “arbitrage”, “long bias equity”, “distressed securities”, “event driven”, “opportunistic” and “absolute return” strategies, both on a leveraged and unleveraged basis. These investment strategies and styles share in common the characteristic of low correlation to traditional investments and are used to diversify overall portfolio risk.
- The Manager will invest the assets with multiple investment managers through fund of fund private investment companies, each of which in turn will invest in and allocate to a portfolio of hedge fund vehicles with various investment strategies and objectives. These fund of funds may be broadly diversified or occupy a specific niche.
- Limited to no more than 10% (at market) of the Funds’ total asset value.

Cash Equivalent Securities

General Pension:

- Limited to no more than 10% (at market) of the Funds’ total asset value.

2. Restricted Cash and Investments

Restricted cash and investments of the proprietary funds represent resources to be restricted for capital improvements, debt service, renewal and replacement, and deposits.

	Water and Sewer
Debt service	\$ 55,480,779
Capital improvements	14,582,358
Renewal and replacement	6,225,451
Deposits	2,624,034
Total restricted cash and investments	<u>\$ 78,912,622</u>

3. Accounts and Assessments Receivable

Governmental activities:

	General Fund	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Total
Unrestricted:						
Interest	\$ 202,737	\$ -	\$ 1,179	\$ -	\$ 177,123	\$ 381,039
Gross assessments receivable ¹	237,745	-	-	-	104,491	342,236
Less: allowance for uncollectibles	(233,761)	-	-	-	(104,491)	(338,252)
Intergovernmental	8,867,414	2,478,564	-	180,933	2,032,484	13,559,395
Gross accounts receivable	1,770,760	-	90	-	396,867	2,167,717
Less: allowance for uncollectibles	(76,090)	-	-	-	(365,290)	(441,380)
Notes Receivable	34,306	-	-	-	-	34,306
Total net unrestricted	<u>10,803,111</u>	<u>2,478,564</u>	<u>1,269</u>	<u>180,933</u>	<u>2,241,184</u>	<u>15,705,061</u>

¹ During FY2001, the City changed the method of collecting for new special assessments. The amortized assessment is collected pursuant to the Uniform Assessment Collection Act under Florida Statutes 197.3632 and 197.3635. The Uniform Assessment Collection Act authorizes the collection of non-ad valorem assessments on the same bill as ad valorem taxes. The uniform collection method offers the City the greatest assurance of collecting all of its billed special assessment revenue. For financial statement reporting, the receivable is recorded at the time of the levy which is each year when the assessment is billed on the tax roll and the enforceable legal claim arises. The total original tax billed assessment for all projects is \$1,217,856. As of September 30, 2019, there are no unbilled amounts.

Business-type activities:

	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	Governmental Activities - Internal Service Funds
Unrestricted:					
Interest	\$ 79,910	\$ 40,716	\$ 3,195	\$ 123,821	\$ 76,341
Intergovernmental	-	85,303	-	85,303	-
Gross accounts receivable	10,209,790 ¹	213,488	124	10,423,402	20,114
Less: allowance for uncollectibles	(613,743) ²	(207,219)	-	(820,962)	(18)
Total net unrestricted	<u>9,675,957</u>	<u>132,288</u>	<u>3,319</u>	<u>9,811,564</u>	<u>96,437</u>
Restricted:					
Interest	429,437	-	-	429,437	-
Intergovernmental	86,930	-	-	86,930	-
Gross accounts receivable	167,193 ⁴	-	-	167,193	-
Less: allowance for uncollectibles	(50,060) ²	-	-	(50,060)	-
Gross assessments receivable ^{3,4}	4,332,316 ⁴	-	-	4,332,316	-
Less: allowance for uncollectibles	(2,833,189) ²	-	-	(2,833,189)	-
Total net restricted	<u>2,132,627</u>	<u>-</u>	<u>-</u>	<u>2,132,627</u>	<u>-</u>
Total net receivables	<u>\$ 11,808,584</u>	<u>\$ 132,288</u>	<u>\$ 3,319</u>	<u>\$ 11,944,191</u>	<u>\$ 96,437</u>

¹ Includes unbilled receivables of \$4,766,236.

² The City bills users for water and sewer services monthly; before the end of each fiscal year the allowance for uncollectibles is adjusted to include all unpaid balances over 120 days past due. City policy states all finaled accounts 60 days past due are sent to a collection agency.

³ During FY2001, the City changed the method of collecting for new special assessments. The amortized assessment is collected pursuant to the Uniform Assessment Collection Act under Florida Statutes 197.3632 and 197.3635. The Uniform Assessment Collection Act authorizes the collection of non-ad valorem assessments on the same bill as ad valorem taxes. The uniform collection method offers the City the greatest assurance of collecting all of its billed special assessment revenue. For financial statement reporting, the receivable is recorded at the time of the levy which is each year when the assessment is billed on the tax roll and the enforceable legal claim arises. The total assessment for all projects is \$597,745,914. As of September 30, 2019, the unbilled amount is \$310,310,724.

⁴ The City has a law firm under contract to assist in collection of delinquent utility assessment, impact fee loans, CIAC fee loans, and stormwater utility accounts. The firm specializes in such services and is working on foreclosing on delinquent utility assessment and stormwater accounts. The City monitors the accounts on a monthly basis. As of September 30, 2019, the delinquent amounts were \$9,575 for assessments, \$1,702 for impact loans, and \$48,358 for CIAC loans.

4. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose for Balance</u>	<u>Amount</u>
General	Other governmental funds (CDBG)	Awaiting grant reimbursement	\$ 78,767
	Other governmental funds (RCMP)	Awaiting grant reimbursement	570
	Other governmental funds (Golf Course)	Operations	564,909
			<u>\$ 644,246</u>

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Interfund Transfers:

Transfers Out	Transfers In						Total
	General Fund	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Water and Sewer	
General Fund	\$ -	\$ 142,940 ³	\$ 1,665,050 ⁵	\$ 6,612,448 ⁶	\$ 8,865,951 ¹¹	\$ -	\$ 17,286,389
Transportation Capital Improvements	-	-	-	2,894,881 ⁷	-	-	2,894,881
CRA	-	-	-	887,760 ⁸	1,102,076 ¹²	-	1,989,836
Debt Service Fund	-	-	-	-	6,208,314 ¹³	-	6,208,314
Other Governmental	8,005,000 ¹	9,626,420 ⁴	-	8,783,878 ⁹	2,671,602 ¹⁴	-	29,086,900
Water & Sewer	222,959 ²	-	-	96,795 ¹⁰	2,000,000 ¹⁵	-	2,319,754
Stormwater	-	-	-	-	168,070 ¹⁶	228,340 ¹⁸	396,410
Yacht Basin	-	-	-	-	115,000 ¹⁷	-	115,000
Total	\$ 8,227,959	\$ 9,769,360	\$ 1,665,050	\$ 19,275,762	\$ 21,131,013	\$ 228,340	\$ 60,297,484

- ¹ Other governmental fund (Gas Tax) transferred \$5,855,287 to the general fund for budgetary established levels to support public works services division's operations.
Other governmental fund (Building) transferred \$1,049,198 to the general fund for budgetary established levels for the cost of general administrative services.
Other governmental fund (Waterpark) transferred \$419,061 to the general fund for budgetary established levels for the cost of general administrative services.
Other governmental fund (Road Impact) transferred \$286,890 to the general fund for budgetary established levels for the cost of general administrative services.
Other governmental fund (Parks Capital Projects) transferred \$200,000 to the general fund of budgetary established levels from Festival Park.
Other governmental fund (All Hazards) transferred \$93,600 to the general fund for reimbursement of incentive pays for hazmat response.
Other governmental fund (Police Confiscation State) transferred \$38,683 to the general fund for reimbursement of equipment purchased for drug abuse prevention and
Other governmental funds (HUD NSP, CDBG, SHIP and Alarm Fee) totaling \$62,281 were transferred to the general fund for budgetary established levels for the cost of general administrative services.
- ² Enterprise fund (Water & Sewer) transferred \$222,659 to the general fund for the reimbursement of utilities, collection and distribution sidewalk and driveway repairs performed by public works.
- ³ General fund transferred \$142,940 to the transportation capital projects fund for median maintenance.
- ⁴ Other governmental fund (Gas Tax) transferred \$7,625,444 to the transportation capital projects fund for local road resurfacing.
Other governmental fund (Gas Tax) transferred \$756,433 to the transportation capital projects fund for the North 2 Utilities Expansion project.
Other governmental fund (Gas Tax) transferred \$555,012 to the transportation capital projects fund for traffic control devices.
Other governmental fund (Gas Tax) transferred \$539,531 to the transportation capital projects fund for access management/row acquisition.
Other governmental fund (Five Cent Gas Tax) transferred \$150,000 to the transportation capital improvements fund to support the cost of sidewalk installation.
- ⁵ General fund transferred \$1,665,050 to the community redevelopment agency for established Tax Increment Financing (TIF) funding.
- ⁶ General fund transferred \$6,612,448 to the debt service fund for annual debt service payments.
- ⁷ Transportation capital improvements transferred \$2,894,881 to the debt service fund for annual debt service payments.
- ⁸ Community redevelopment agency transferred \$887,760 to the debt service fund for annual debt service payments.
- ⁹ Other governmental fund (Road Impact) transferred \$5,521,592 to the debt service fund for annual debt service payments.
Other governmental fund (Fire Impact) transferred \$339,863 to the debt service fund for annual debt service payments.
Other governmental fund (Building) transferred \$22,167 to the debt service fund for annual debt service payments.
Other governmental fund (Waterpark) transferred \$174,096 to the debt service fund for annual debt service payments.
Other governmental fund (Park Impact) transferred \$2,726,160 to the debt service fund for annual debt service payments.
- ¹⁰ Enterprise fund (Water & Sewer) transferred \$96,795 to the debt service fund for annual debt service payments.
- ¹¹ General fund transferred \$5,326,566 to other governmental fund (Parks & Recreation Programs) for budgetary established support of annual operations.
General fund transferred \$902,211 to other governmental fund (Computer Capital Projects) for a new integrative computer software system.
General fund transferred \$867,494 to other governmental fund (Waterpark) for budgetary established support of annual operations.
General fund transferred \$793,040 to other governmental fund (Other Capital Projects) for the Academic Village project.
General fund transferred \$600,614 to other governmental fund (Golf Course) for budgetary established support of annual operations.
General fund transferred \$77,096 to other governmental fund (City Centrum) for budgetary established support of annual operations.
General fund transferred \$101,445 to other governmental fund (Public Works) for community redevelopment agency capital projects.
General fund transferred \$143,000 to other governmental fund (P&R Capital Projects) for saratoga lake.
General fund transferred \$50,000 to other governmental fund (Fire Capital Projects) for Fire Station #2.
General fund transferred \$4,485 to other governmental fund (Alarm Fees) for budgetary established support of annual operations.
- ¹² Community redevelopment agency fund transferred \$1,102,076 to other governmental fund (CRA Streetscape) for the CRA streetscape project.
- ¹³ Debt service fund transferred \$5,363,759 to other governmental fund (Parks Capital Improvement Projects) to fund general obligation bond park improvements.
Debt service fund transferred \$844,555 to other governmental fund (Fire Capital Projects Fund) for Fire Station #11 construction.
- ¹⁴ Other governmental fund (Building) transferred \$2,314,549 to other governmental fund (Computer Capital Projects) for a new integrative computer software system.
Other governmental fund (Gas Tax) transferred \$357,053 to other governmental fund (Public Works Capital Projects) for signs and striping.
- ¹⁵ Enterprise fund (Water & Sewer) transferred \$2,000,000 to other governmental fund (Computer Capital Projects) for the purchase of a new integrative computer software system.
- ¹⁶ Enterprise fund (Stormwater) transferred \$168,070 to other governmental fund (Public Works Capital Projects) for the new sign shop building.
- ¹⁷ Other enterprise fund (Yacht Basin) transferred \$115,000 to other governmental funds (Parks & Recreation Programs) for budgetary established support of annual operations.
- ¹⁸ Enterprise fund (Stormwater) transferred \$228,340 to enterprise fund (Water & Sewer) for SRF Clean Water SW 6/7.

5. Capital Assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance As Restated	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land				
Governmental	\$ 152,999,185	\$ 1,217,535	\$ (101,548)	\$ 154,115,172
Construction in progress				
Governmental	18,154,397	19,013,457	(22,575,862)	14,591,992
Internal Service	19,664	-	(19,664)	-
Total construction in progress	18,174,061	19,013,457	(22,595,526)	14,591,992
Total capital assets, not being depreciated	171,173,246	20,230,992	(22,697,074)	168,707,164
Capital assets, being depreciated:				
Buildings				
Governmental	130,676,326	4,198,200	-	134,874,526
Internal Service	794,507	-	(4,360)	790,147
Total buildings	131,470,833	4,198,200	(4,360)	135,664,673
Building improvements				
Governmental	5,064,796	302,510	-	5,367,306
Internal Service	117,477	-	-	117,477
Total building improvements	5,182,273	302,510	-	5,484,783
Improvements other than buildings				
Governmental	65,248,764	13,987,897	-	79,236,661
Internal Service	63,796	-	-	63,796
Total improvements other than buildings	65,312,560	13,987,897	-	79,300,457
Equipment				
Governmental	46,729,585	6,192,183	(2,504,024)	50,417,744
Internal Service	1,973,322	159,202	(68,052)	2,064,472
Total equipment	48,702,907	6,351,385	(2,572,076)	52,482,216
Intangible computer software				
Governmental	3,212,121	-	(17,627)	3,194,494
Internal Service	705,245	-	-	705,245
Total intangible computer software	3,917,366	-	(17,627)	3,899,739
Infrastructure				
Governmental	214,377,157	2,692,633	-	217,069,790
Total capital assets, being depreciated	468,963,096	27,532,625	(2,594,063)	493,901,658
Less accumulated depreciation for:				
Buildings				
Governmental	(48,147,087)	(3,108,135)	-	(51,255,222)
Internal Service	(498,963)	(25,706)	4,056	(520,613)
Total buildings	(48,646,050)	(3,133,841)	4,056	(51,775,835)
Building improvements				
Governmental	(2,705,423)	(320,426)	-	(3,025,849)
Internal Service	(106,502)	(2,822)	-	(109,324)
Total building improvements	(2,811,925)	(323,248)	-	(3,135,173)
Improvements other than buildings				
Governmental	(38,253,491)	(2,760,151)	(15,947)	(41,029,589)
Internal Service	(60,866)	(1,710)	-	(62,576)
Total improvements other than buildings	(38,314,357)	(2,761,861)	(15,947)	(41,092,165)
Equipment				
Governmental	(30,943,234)	(4,633,569)	2,481,470	(33,095,333)
Internal Service	(1,211,092)	(193,648)	19,996	(1,384,744)
Total equipment	(32,154,326)	(4,827,217)	2,501,466	(34,480,077)
Intangible computer software				
Governmental	(2,964,152)	(147,367)	-	(3,111,519)
Internal Service	(705,245)	-	-	(705,245)
Total intangible computer software	(3,669,397)	(147,367)	-	(3,816,764)
Infrastructure				
Governmental	(71,145,507)	(6,965,409)	-	(78,110,916)
Total accumulated depreciation	(196,741,562)	(18,158,943)	2,489,575	(212,410,930)
Total capital assets, being depreciated, net	272,221,534	9,373,682	(104,488)	281,490,728
Governmental activities capital assets, net	\$ 443,394,780	\$ 29,604,674	\$ (22,801,562)	\$ 450,197,892

(continued on next page)

	Beginning Balance As Restated	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land				
Water and Sewer	\$ 25,417,150	\$ 324,829	\$ (79,135)	\$ 25,662,844
Stormwater	6,369,976	9,766	(17,719)	6,362,023
Yacht Basin	20,555	-	-	20,555
Total land	<u>31,807,681</u>	<u>334,595</u>	<u>(96,854)</u>	<u>32,045,422</u>
Construction in progress				
Water and Sewer	120,592,844	105,731,156	-	226,324,000
Stormwater	5,083,307	5,847,316	-	10,930,623
Total construction in progress	<u>125,676,151</u>	<u>111,578,472</u>	<u>-</u>	<u>237,254,623</u>
Total capital assets, not being depreciated	<u>157,483,832</u>	<u>111,913,067</u>	<u>(96,854)</u>	<u>269,300,045</u>
Capital assets, being depreciated:				
Buildings				
Water and Sewer	384,971,127	4,360	-	384,975,487
Stormwater	83,408	-	-	83,408
Yacht Basin	77,988	-	-	77,988
Total buildings	<u>385,132,523</u>	<u>4,360</u>	<u>-</u>	<u>385,136,883</u>
Building improvements				
Water and Sewer	2,522,935	-	-	2,522,935
Stormwater	1,833,038	-	-	1,833,038
Yacht Basin	-	-	-	-
Total building improvements	<u>4,355,973</u>	<u>-</u>	<u>-</u>	<u>4,355,973</u>
Improvements other than buildings				
Water and Sewer	299,903,441	9,107,685	-	309,011,126
Stormwater	24,487,337	-	(64,001)	24,423,336
Yacht Basin	864,337	-	-	864,337
Total improvements other than buildings	<u>325,255,115</u>	<u>9,107,685</u>	<u>(64,001)</u>	<u>334,298,799</u>
Equipment				
Water and Sewer	34,168,611	1,951,133	(1,392,445)	34,727,299
Stormwater	8,665,595	640,987	(178,857)	9,127,725
Yacht Basin	51,296	-	-	51,296
Total equipment	<u>42,885,502</u>	<u>2,592,120</u>	<u>(1,571,302)</u>	<u>43,906,320</u>
Infrastructure				
Water and Sewer	670,716,040	711,735	-	671,427,775
Stormwater	14,643,493	568,226	-	15,211,719
Yacht Basin	286,049	-	-	286,049
Total Infrastructure	<u>685,645,582</u>	<u>1,279,961</u>	<u>-</u>	<u>686,925,543</u>
Total capital assets, being depreciated	<u>1,443,274,695</u>	<u>12,984,126</u>	<u>(1,635,303)</u>	<u>1,454,623,518</u>
Less accumulated depreciation for:				
Buildings				
Water and Sewer	(89,121,700)	(9,655,932)	(4,057)	(98,781,689)
Stormwater	(61,779)	(3,343)	-	(65,122)
Yacht Basin	(8,399)	(3,909)	-	(12,308)
Total buildings	<u>(89,191,878)</u>	<u>(9,663,184)</u>	<u>(4,057)</u>	<u>(98,859,119)</u>
Building improvements				
Water and Sewer	(1,889,605)	(107,430)	-	(1,997,035)
Stormwater	(1,017,333)	(177,488)	-	(1,194,821)
Yacht Basin	-	-	-	-
Total building improvements	<u>(2,906,938)</u>	<u>(284,918)</u>	<u>-</u>	<u>(3,191,856)</u>
Improvements other than buildings				
Water and Sewer	(185,550,036)	(9,348,287)	-	(194,898,323)
Stormwater	(9,646,526)	(861,133)	-	(10,507,659)
Yacht Basin	(768,223)	(15,193)	-	(783,416)
Total improvements other than buildings	<u>(195,964,785)</u>	<u>(10,224,613)</u>	<u>-</u>	<u>(206,189,398)</u>
Equipment				
Water and Sewer	(25,779,790)	(2,614,458)	1,472,992	(26,921,256)
Stormwater	(5,442,338)	(601,076)	126,785	(5,916,629)
Yacht Basin	(21,006)	(11,017)	-	(32,023)
Total equipment	<u>(31,243,134)</u>	<u>(3,226,551)</u>	<u>1,599,777</u>	<u>(32,869,908)</u>
Infrastructure				
Water and Sewer	(237,594,560)	(15,447,457)	-	(253,042,017)
Stormwater	(9,321,766)	(277,438)	-	(9,599,204)
Yacht Basin	(28,704)	(14,352)	-	(43,056)
Total Infrastructure	<u>(246,945,030)</u>	<u>(15,739,247)</u>	<u>-</u>	<u>(262,684,277)</u>
Total accumulated depreciation	<u>(566,251,765)</u>	<u>(39,138,513)</u>	<u>1,595,720</u>	<u>(603,794,558)</u>
Total capital assets, being depreciated, net	<u>877,022,930</u>	<u>(26,154,387)</u>	<u>(39,583)</u>	<u>850,828,960</u>
Business-type activities capital assets, net	<u>\$ 1,034,506,762</u>	<u>\$ 85,758,680</u>	<u>\$ (136,437)</u>	<u>\$ 1,120,129,005</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General Government	\$ 5,036,266
Public Safety:	
Police	1,779,691
Fire	1,784,848
Building	130,707
Public Works	5,200,045
Community Development	1,256,314
Parks and Recreation	2,747,186
Internal Service	223,886
Total depreciation expense - governmental activities	<u>\$ 18,158,943</u>

Business-type activities:

Water and Sewer	\$ 37,173,564
Stormwater	1,920,478
Yacht Basin	44,471
Total depreciation expense - business-type activities	<u>\$ 39,138,513</u>

6. Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities at September 30, 2019 are as follows:

Governmental activities:

	<u>General Fund</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts payable and other accrued liabilities	\$ 3,752,103	\$ 1,083,970	\$ 856	\$ 1,769,987	\$ 6,606,916
Retainage payable	2,125	715,960	-	288,234	1,006,319
Intergovernmental payable	229,909	9,402	-	127,431	366,742
Total	<u>\$ 3,984,137</u>	<u>\$ 1,809,332</u>	<u>\$ 856</u>	<u>\$ 2,185,652</u>	<u>\$ 7,979,977</u>

Business-type activities:

	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Other Non-Major Yacht Basin</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
Accounts payable and other accrued liabilities	\$ 20,691,709	\$ 1,097,132	\$ 16,975	\$ 21,805,816	\$ 1,474,001
Retainage payable	8,158,214	293,299	-	8,451,513	-
Total	<u>\$ 28,849,923</u>	<u>\$ 1,390,431</u>	<u>\$ 16,975</u>	<u>\$ 30,257,329</u>	<u>\$ 1,474,001</u>

7. Long-term Liabilities

The following is a summary of changes in the City's Bonded and other indebtedness for the year ended September 30, 2019:

	Long-term Debt					Total
	General Obligation Bonds	Revenue Bonds¹	Notes Payable²	Special Assessments	Capital Leases	
Governmental Activities:						
Original amounts	\$ 10,200,000	\$ 244,677,950	\$ 21,587,705	\$ 1,500,000	\$ 1,342,755	\$ 279,308,410
Debt payable - beginning	-	180,949,932	16,466,205	855,000	273,460	198,544,597
Debt issued	10,200,000	-	-	-	-	10,200,000
Debt payments made	-	(9,906,410)	(2,393,753)	(280,000)	(181,548)	(12,761,711)
Amortization of discount (premium)	-	(535,870)	-	-	-	(535,870)
Debt payable - ending	10,200,000	170,507,652	14,072,452	575,000	91,912	195,447,016
Less amounts recorded as current liabilities	(530,000)	(10,222,010)	(2,452,496)	(285,000)	(91,912)	(13,581,418)
Long-term debt - ending	<u>\$ 9,670,000</u>	<u>\$ 160,285,642</u>	<u>\$ 11,619,956</u>	<u>\$ 290,000</u>	<u>\$ -</u>	<u>\$ 181,865,598</u>

¹ The Community Redevelopment Agency's portion of the Special Obligation Revenue Bond, Series 2012 is \$2,301,460

² The Community Redevelopment Agency's portion of the Special Obligation Revenue Note, Series 2018 is \$4,092,048

	Long-term Debt			Total
	Revenue Bonds	Notes Payable	Special Assessment Debt	
Business-type Activities:				
Original amounts	\$ 697,070,000	\$ 337,447,718	\$ 101,155,000	\$ 1,135,672,718
Debt payable - beginning	448,546,694	77,847,479	85,227,598	611,621,771
Debt issued	-	73,651,426	-	73,651,426
Debt issued - premium	-	-	-	-
Debt payments made	(10,760,000)	(3,264,449)	(12,965,000)	(26,989,449)
Debt refunding	-	-	-	-
Amortization of discount (premium)	(1,422,554)	-	52,175	(1,370,379)
Debt payable - ending	436,364,140	148,234,456	72,314,773	656,913,369
Less amounts recorded as current liabilities	(11,045,000)	(3,324,079)	(10,380,000)	(24,749,079)
Long-term debt - ending	<u>\$ 425,319,140</u>	<u>\$ 144,910,377</u>	<u>\$ 61,934,773</u>	<u>\$ 632,164,290</u>

Long-term Debt at September 30, 2019 is comprised of the following:

General Long-term Debt

General Obligation Bonds

\$60,000,000 General Obligation Bonds, Series 2019 issued to finance and refinance the cost of acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. Principal is paid annually from March 2020 to March 2034 with interest paid semiannually at 2.74%. As of September 30, 2019, the City has only issued \$10,200,000.

\$ 10,200,000

Revenue Bonds

\$33,815,000 Gas Tax Revenue Bonds, (Federally Taxable Build America Bonds - Direct Payment), Series 2010B issued to finance and refinance the cost of acquisition, construction, and reconstruction of transportation improvements. Principal and interest on the obligations is secured by gas tax revenues and non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually from October 2020 to October 2030 with interest paid semiannually at rates ranging from 5.849% to 7.147%.

\$ 33,815,000

\$17,690,000 Special Obligation Revenue Bonds, Series 2011 issued to finance and refinance the cost of acquisition, construction, and equipping of various capital improvements to the City's Charter Schools. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2021 with interest paid semiannually at rates ranging from 4.00% to 4.75%.

830,000

\$17,669,950 Special Obligation Revenue Bonds, Series 2012 issued to refund \$12,928,555 of outstanding Series 2009 Special Obligation Revenue Notes plus accrued interest due on 4/01/2012 and \$4,500,000 of commercial paper obligations issued to finance and refinance the acquisition, construction and equipping of various capital improvements with the City. The City refunded the 2009 Series to reduce its debt service payment over 13 years by \$1,978,440 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,696,880. Principal and interest on the new obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.43%. The Community Redevelopment Agency's portion is \$1,940,530.

7,432,560

\$5,300,000 Capital Improvement Refunding Revenue Bonds, Series 2014, issued to refund a portion of the City's outstanding Capital Improvement Revenue Bonds, Series 2005. The City refunded the 2005 Series to reduce its debt service payment over 11 years by \$355,537 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$316,378. Principal and interest on the obligations is secured by gas tax revenues and non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.31%.

3,035,000

\$21,433,000 Gas Tax Refunding Revenue Bonds, Series 2014, issued to refund all of the City's outstanding Gas Tax Revenue Bonds, Series 2009. The City refunded the 2009 Series to reduce its debt service payment over 10 years by \$1,921,763 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,724,892. Principal and interest on the obligations is secured by gas tax revenues and non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2023 with interest paid semiannually at 2.20%.

9,884,000

\$51,790,000 Special Obligation Revenue Bonds, Series 2015 was issued to refund a portion of the City's Special Obligation Revenue, Series 2006 and finance the cost of acquisition and equipping various vehicles for Police, Fire, Code Compliance, Public Works, Parks and Recreation, and the acquisition and installation of certain equipment. The City refunded the 2006 Series to reduce its debt service payment over 22 years by \$6,919,935 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,976,052. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2036 with interest paid semiannually at rates ranging from 3.625% to 5.0%.

44,205,000

\$62,595,000 Special Obligation Revenue Bonds, Series 2017 was issued to refund \$26,360,000 of the outstanding Special Obligation Revenue Bonds, Series 2007; \$20,400,000 of the outstanding Special Obligation Revenue Bonds, Series 2008; and \$15,835,000 of the outstanding Special Obligation Revenue Bonds, Series 2011. The City refunded these Bond Series to reduce its debt service payment over 23 years by \$8,389,554 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$6,745,135. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2040 with interest paid semiannually at rates ranging from 3.00% to 5.00%.

Less unamortized discount
Plus unamortized premium

60,770,000
<u>159,971,560</u>
(11,138)
<u>10,547,230</u>
<u>\$ 170,507,652</u>

Notes Payable

\$13,675,000 Special Obligation Revenue Note, Series 2015 was issued to refund the City's outstanding Capital Improvement Revenue Bonds, Series 2005 and to finance the acquisition of various equipment and vehicles. The City refunded the 2005 Series to reduce its debt service payment over 10 years by \$878,414 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$803,758. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.1%.

\$ 7,133,000

\$7,912,705 Special Obligation Revenue Note, Series 2018 was issued to finance the acquisition and construction of fire station #11 and various streetscape improvements within the City's community redevelopment area. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2027 with interest paid quarterly at 3.05%.

6,939,452
<u>\$ 14,072,452</u>

Special Assessment

\$1,500,000 Fire Protection Assessment Revenue Note, Series 2015 issued for the purpose of financing the acquisition of certain facilities, vehicles and other equipment of the City relating to fire protection and suppression services. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through February 2021 with interest paid semiannually at a rate of 1.65%.

\$ 575,000

Capital Leases

\$1,342,755 capital lease with U.S. Bancorp Government Leasing and Finance was issued to finance the acquisition of school buses for the City's Charter Schools. The lease is collateralized by the related equipment which has been subleased to the Cape Coral Charter School Authority. The lease requires semiannual debt service payments including principal and interest accruing at 1.670% through January 2020.

\$ 91,912

Proprietary Funds - Long-term Debt

Revenue Bonds

\$175,000,000 Water and Sewer Refunding Revenue Bonds, Series 2011, issued to refund on a current basis all of the City's outstanding Water and Sewer Revenue Bonds, Series 2009 and to refinance certain commercial paper obligations which were issued to finance, on an interim basis, a portion of the acquisition, construction and equipping of certain capital improvements to the City's water, wastewater, and irrigation water system. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution, and expansion fees. Principal is paid annually through 2041 with interest paid semiannually at rates ranging from 3.0% to 5.0%. The Series 2011 Bonds are issued in parity with the City's Water and Sewer Refunding Revenue Bonds, Series 2011A, Water and Sewer Refunding Revenue Bonds, Series 2015, and Water and Sewer Refunding Revenue Bonds, Series 2015A and Water and Sewer Refunding Revenue Bonds, Series 2017.

\$ 4,700,000

\$106,560,000 Water and Sewer Refunding Revenue Bonds, Series 2011A, issued to refinance \$107,438,000 of commercial paper obligations issued to finance on an interim basis, a portion of the cost of the acquisition, construction, and equipping of certain capital improvements to the City's water, wastewater, and irrigation water system. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution, and expansion fees. Principal is paid annually through 2042 with interest paid semiannually at rates ranging from 4.0% to 5.0%. The Series 2011A Bonds are issued in parity with the City's Water and Sewer Revenue Bonds, Series 2006, Water and Sewer Refunding Revenue Bonds, Series 2011, Water and Sewer Refunding Revenue Bonds, Series 2015, and Water and Sewer Refunding Revenue Bonds, Series 2015A.

3,640,000

\$72,415,000 Water and Sewer Refunding Revenue Bond, Series 2015, issued to refund a portion of the Series 2006 Water and Sewer Refunding Revenue Bonds. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution. The City refunded the 2006 Series to reduce its debt service payment over 21 years by \$5,429,134 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,716,201. Principal is paid annually from 2030 to 2036 with interest paid semiannually rates ranging from 4.0% to 5.0%. The Series 2015 Bonds are issued in parity with the City's Water and Sewer Refunding Revenue Bonds, Series 2011, and Water and Sewer Refunding Revenue Bonds, Series 2011A, Water and Sewer Refunding Revenue Bonds, Series 2015, and Water and Sewer Refunding Revenue Bonds, Series 2015A, and Water and Sewer Refunding Revenue Bonds, Series 2017.

72,415,000

\$94,740,000 Water and Sewer Refunding Revenue Bond, Series 2015A, issued to refund a portion of the Series 2006 Water and Sewer Refunding Revenue Bonds. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution. The City refunded the 2003 Series to reduce its debt service payment over 21 years by \$15,191,723 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$10,103,869. Principal and interest is paid quarterly through 2029. Interest rates range from 2.21% to 3.0%. The Series 2015A Bonds are issued in parity with the City's Water and Sewer Refunding Revenue Bonds, Series 2011, and Water and Sewer Refunding Revenue Bonds, Series 2011A, and Water and Sewer Refunding Revenue Bonds, Series 2015, and Water and Sewer Refunding Revenue Bonds, Series 2017.

77,960,000

\$248,355,000 Water and Sewer Refunding Revenue Bond, Series 2017, issued to refund a portion of the Series 2011 and Series 2011A Water and Sewer Refunding Revenue Bonds. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution. The City refunded the 2011 Series to reduce its debt service payment over 24 years by \$16,014,455 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$11,220,371. Principal and interest is paid semiannually through 2041. Interest rates range from 4.00% to 5.00%. The City refunded the 2011A Series to reduce its debt service payment over 25 years by \$10,842,239 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,519,161. Principal and interest is paid semiannually through 2042. Interest rates range from 4.00% to 5.00%. The Series 2017 Bonds are issued in parity with the City's Water and Sewer Refunding Revenue Bonds, Series 2011, and Water and Sewer Refunding Revenue Bonds, Series 2011A, and Water and Sewer Refunding Revenue Bonds, Series 2015 and Water and Sewer Refunding Revenue Bonds, Series 2015A.

248,355,000

407,070,000

29,294,140

\$ 436,364,140

Plus unamortized premium

Notes Payable

\$13,856,923 State Revolving Fund Loan Agreement #7516P payable to the State with principal and interest payable semiannually at 3.16% through 2024. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.

\$ 782,457

\$7,224,652 State Revolving Fund Loan Agreement #7516L 01 (Pine Island Water) payable to the State with principal and interest payable semiannually at 2.93% through December 2023. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.

183,912

\$35,848,122 State Revolving Fund Loan Agreement #7516L 02 (Southwest 1 Water) payable to the State with principal and interest payable semiannually at 2.93% through June 2024. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds. 990,018

\$12,401,582 State Revolving Fund Loan Agreement DW#360103 (Southwest 6 & 7 Drinking Water) payable to the State with principal and interest payable semiannually at 2.12% through 2036. The current principal amount includes actual draws and a 2% loan service fee. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds. 11,124,673

\$54,662,273 State Revolving Fund Loan Agreement WW#360100 (Southwest 6 & 7 Clean Water) payable to the State with principal and interest payable semiannually at rates ranging from 1.93% to 2.42% through 2036. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds. 48,183,444

\$85,000,000 State Revolving Fund Loan Agreement WW#360120 (North 2 Clean Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.04% to 0.72% through 2042. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds. As of September 30, 2019 the City has drawn \$52,727,058. 52,727,058

\$106,500,000 State Revolving Fund Loan Agreement DW#360130 (North 2 Drinking Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 1.11% to 1.48% through 2042. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds. As of September 30, 2019 the City has drawn \$34,242,894. 34,242,894
\$ 148,234,456

Special Assessment Debt with Government Commitment

In order to fund construction of the City's water and wastewater utility expansion in certain areas of the City, the City has issued Special Assessment Improvement Debt. The City is acting as agent in the collection of the special assessments levied and in the payment of the Special Assessment Bonds outstanding. Such bonds are collateralized by special assessments levied against the benefited property owners. The City will assume responsibility in the event of default on the outstanding Special Assessment Bonds. Current year special assessment collections were sufficient to meet fiscal year 2017 debt service requirements.

\$101,155,000 Utility Improvement Refunding Assessment Bonds (Various Areas), Series 2017 was issued to refund all of the City's outstanding utility improvement special assessment debt. The City refunded the bonds to reduce its debt service payment over 20 years by \$10,850,993 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9,939,840. Principal and interest on these bonds are secured by special assessment proceeds and to pay any deficiencies from the net revenue of its water and sewer system. Principal is paid annually through September 2028 with interest paid semiannually at rates ranging from 1.40% to 3.00%. \$ 72,780,000
Less unamortized discount (465,227)
Total Special Assessment Debt \$ 72,314,773

Summary of Debt Service Requirements by Maturity

Governmental Activities

Year ending September 30,	General Obligation Bonds		Revenue Bonds		Notes Payable		Special Assessment Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2020	530,000	272,219	10,222,010	7,514,032	2,452,496	353,190	285,000
2021	575,000	257,081	10,599,420	7,116,849	2,508,907	294,531	290,000	2,393
2022	590,000	241,120	10,177,650	6,700,501	2,571,011	234,467	-	-
2023	610,000	224,680	10,563,750	6,305,705	1,708,830	172,870	-	-
2024	625,000	207,761	11,153,730	5,893,279	1,755,380	129,146	-	-
2025 - 2029	3,390,000	768,845	57,215,000	20,090,849	3,075,828	178,792	-	-
2030 - 2034	3,880,000	271,535	31,610,000	7,201,873	-	-	-	-
2035 - 2039	-	-	17,285,000	1,705,851	-	-	-	-
2040 - 2045	-	-	1,145,000	45,800	-	-	-	-
	<u>10,200,000</u>	<u>2,243,241</u>	<u>159,971,560</u>	<u>62,574,739</u>	<u>14,072,452</u>	<u>1,362,996</u>	<u>575,000</u>	<u>9,529</u>
Unamortized discount	-	-	(11,138)	-	-	-	-	-
Unamortized premium	-	-	10,547,230	-	-	-	-	-
Total	<u>\$ 10,200,000</u>	<u>\$ 2,243,241</u>	<u>\$ 170,507,652</u>	<u>\$ 62,574,739</u>	<u>\$ 14,072,452</u>	<u>\$ 1,362,996</u>	<u>\$ 575,000</u>	<u>\$ 9,529</u>

Business-type Activities

Year Ending September 30,	Revenue Bonds		Notes Payable		Special Assessment Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 11,045,000	\$ 16,875,611	\$ 3,324,079	\$ 1,294,838	\$ 10,380,000	\$ 1,734,082
2021	11,405,000	16,516,638	7,413,450	1,894,840	10,130,000	1,536,862
2022	11,825,000	16,144,120	7,518,502	1,788,356	9,510,000	1,334,263
2023	12,210,000	15,755,026	7,625,499	1,679,895	8,780,000	1,132,175
2024	12,615,000	15,350,889	7,685,061	1,569,779	8,690,000	934,625
2025 - 2029	70,470,000	69,341,403	38,258,115	6,257,550	25,290,000	1,527,288
2030 - 2034	86,275,000	53,303,940	40,850,291	3,524,849	-	-
2035 - 2039	110,390,000	32,171,950	30,887,498	885,614	-	-
2040 - 2045	80,835,000	6,577,600	4,671,961	27,081	-	-
	<u>407,070,000</u>	<u>242,037,177</u>	<u>148,234,456</u>	<u>18,922,802</u>	<u>72,780,000</u>	<u>8,199,295</u>
Unamortized discount	-	-	-	-	(465,227)	-
Unamortized premium	29,294,140	-	-	-	-	-
Total	<u>\$ 436,364,140</u>	<u>\$ 242,037,177</u>	<u>\$ 148,234,456</u>	<u>\$ 18,922,802</u>	<u>\$ 72,314,773</u>	<u>\$ 8,199,295</u>

Capital Leases - The capital leases are recorded at the present value of future minimum lease payments. The following schedule shows the present value of these payments at September 30, 2019.

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2020	<u>92,679</u>
Total Payments	92,679
Less interest	<u>(767)</u>
	<u>\$ 91,912</u>

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Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Governmental Funds					
Long-term debt	\$ 187,472,635	\$ 10,200,000	\$ (12,761,711)	\$ 184,910,924	\$ 13,581,418
Bond discount and premium	11,071,962	-	(535,870)	10,536,092	-
Total bonds and notes payable	198,544,597	10,200,000	(13,297,581)	195,447,016	13,581,418
Compensated absences ¹	8,134,272	1,123,116	-	9,257,388	-
Net Pension Liability ²	93,751,348	44,727,714	(15,637,762)	122,841,300	-
Total OPEB Liability ³	205,512,650	2,354,848	(2,823,123)	205,044,375	7,562,133
Total Governmental Funds	<u>\$ 505,942,867</u>	<u>\$ 58,405,678</u>	<u>\$ (31,758,466)</u>	<u>\$ 532,590,079</u>	<u>\$ 21,143,551</u>
Internal Service Funds					
Claims Liability	\$ 9,553,268	\$ 4,753,931	\$ (4,436,263)	\$ 9,870,936	\$ 3,300,174
Compensated absences	456,606	131,703	(59,045)	529,264	72,082
Net Pension Liability	4,302,246	316,811	(221,971)	4,397,086	-
Total OPEB Liability ³	11,729,126	-	(1,012,237)	10,716,889	395,243
Total Internal Service Funds	<u>\$ 26,041,246</u>	<u>\$ 5,202,445</u>	<u>\$ (5,729,516)</u>	<u>\$ 25,514,175</u>	<u>\$ 3,767,499</u>
Total Governmental					
Long-term debt	\$ 187,472,635	\$ 10,200,000	\$ (12,761,711)	\$ 184,910,924	\$ 13,581,418
Less bond discount, premium	11,071,962	-	(535,870)	10,536,092	-
Total bonds payable	198,544,597	10,200,000	(13,297,581)	195,447,016	13,581,418
Claims Liability	9,553,268	4,753,931	(4,436,263)	9,870,936	3,300,174
Compensated absences	8,590,878	1,254,819	(59,045)	9,786,652	72,082
Net Pension Liability	98,053,594	45,044,525	(15,859,733)	127,238,386	-
Total OPEB Liability ³	217,241,776	2,354,848	(3,835,360)	215,761,264	7,957,376
Total Governmental	<u>\$ 531,984,113</u>	<u>\$ 63,608,123</u>	<u>\$ (37,487,982)</u>	<u>\$ 558,104,254</u>	<u>\$ 24,911,050</u>
Business-type activities:					
Water and Sewer					
Long-term debt	\$ 581,422,479	\$ 73,651,426	\$ (26,989,449)	\$ 628,084,456	\$ 24,749,079
Bond discount and premium	30,199,292	-	(1,370,379)	28,828,913	-
Total bonds and notes payable	611,621,771	73,651,426	(28,359,828)	656,913,369	24,749,079
Compensated absences	2,062,243	449,692	(314,102)	2,197,833	332,897
Net Pension Liability	19,400,446	6,883,474	(4,822,843)	21,461,077	-
Total OPEB Liability ³	47,156,845	-	(530,284)	46,626,561	1,719,610
Total Water and Sewer	<u>680,241,305</u>	<u>80,984,592</u>	<u>(34,027,057)</u>	<u>727,198,840</u>	<u>26,801,586</u>
Stormwater					
Compensated absences	646,521	82,793	(97,217)	632,097	103,486
Net Pension Liability	5,982,812	2,760,243	(1,933,939)	6,809,116	-
Total OPEB Liability ³	15,838,270	87,914	(696,029)	15,230,155	561,695
Total Stormwater	<u>22,467,603</u>	<u>2,930,950</u>	<u>(2,727,185)</u>	<u>22,671,368</u>	<u>665,181</u>
Yacht Basin					
Compensated absences	114,528	188	(108,184)	6,532	-
Net Pension Liability	87,389	33,375	(23,384)	97,380	-
Total OPEB Liability ³	204,087	-	(840)	203,247	7,496
Total Yacht Basin	<u>406,004</u>	<u>33,563</u>	<u>(132,408)</u>	<u>307,159</u>	<u>7,496</u>
Total Business-type					
Long-term debt	581,422,479	73,651,426	(26,989,449)	628,084,456	24,749,079
Bond discount, premium and deferred amount on refunds	30,199,292	-	(1,370,379)	28,828,913	-
Total bonds and notes payable	611,621,771	73,651,426	(28,359,828)	656,913,369	24,749,079
Compensated absences	2,823,292	532,673	(519,503)	2,836,462	436,383
Net Pension Liability	25,470,647	9,677,092	(6,780,166)	28,367,573	-
Total OPEB Liability ³	63,199,202	87,914	(1,227,153)	62,059,963	2,288,801
Total Business-type	<u>\$ 703,114,912</u>	<u>\$ 83,949,105</u>	<u>\$ (36,886,650)</u>	<u>\$ 750,177,367</u>	<u>\$ 27,474,263</u>

¹ Compensated absences were liquidated as follows: General Fund 87%, Special Revenue Funds 9%, and Internal Service Funds 4%.

² Net pension liability is typically liquidated as follows: General Fund 82%, Special Revenue Funds 11%, Capital Projects Funds 1%, and Internal Service Funds 6%.

³ OPEB obligation is typically liquidated as follows: General Fund 95%, Special Revenue Funds 4%, and Internal Service Funds 1%

Bond Resolution – Resolutions for various debt obligations established certain funds and accounts and determined the order in which certain revenue is to be deposited into the funds and accounts. The City has also covenanted to budget and appropriate sufficient special revenue sources to pay the various debt obligations when due. All required balances at year end were maintained.

Any holder of bonds has the right to compel the performance of all duties required by the bond resolution, including the appointment of a receiver.

Conduit Debt Obligation – To provide financing of the construction of a new building that will house 80 residential-style assisted living suites and 48 memory support assisted living suites, as well as converting existing space to provide an additional skilled nursing dining space, 24 rental independent living units and 20 skilled nursing beds within the City, the City of Cape Coral Health Facilities Authority has issued a series of Senior Housing Revenue Bonds, Series 2015. These bonds do not constitute a debt or pledge of the full faith and credit of the City, and accordingly, they have not been reported in the accompanying financial statements. At September 30, 2019, Health Facility Revenue Bonds outstanding aggregated \$78,385,000.

8. Defeased Debt Issues

Governmental Accounting Standard Board Statement No. 7, Advance Refundings Resulting in Defeasance of Debt, as amended, states when debt is defeased, it is no longer reported as a liability on the face of the balance sheet; only the new debt, if any, is reported as a liability.

Governmental Fund Debt:

Capital Improvement Revenue Bonds, Series 2008	\$21,615,000
Special Obligation Revenue Bonds, Series 2011	\$14,395,000

Water & Sewer Fund Debt:

Water & Sewer Refunding Revenue Bonds, Series 2011	\$155,085,000
Water & Sewer Refunding Revenue Bonds, Series 2011A	\$92,285,000

9. Operating Leases

The City currently has various lease agreements for copiers, fax machines, golf carts, police vehicles and storage units. These leases are accounted for as operating leases. The leases are generally for a 2, 3 or 5-year term and include renewal options. The following schedule reflects the operating lease obligations for governmental activities and business-type activities for the next three years. As of September 30, 2019, there are no operating lease commitments that extend beyond 2022. Lease expense for fiscal year 2019 reported in the Governmental Activities and the Business-type Activities were \$168,869 and \$18,322 respectively.

Years Ending September 30,	Governmental Activities	Business-Type Activites	Total
2020	\$ 172,646	\$ 10,682	\$ 183,328
2021	134,628	6,724	141,352
2022	1,781	774	2,555
Total	<u>\$ 309,055</u>	<u>\$ 18,180</u>	<u>\$ 327,235</u>

10. Construction and Other Significant Commitments

Construction Commitments. As of September 30, 2019 major outstanding construction commitments (in excess of \$1 million) were as follows:

	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
General Fund:		
Lot Mowing Services ¹	\$ 1,240,454	\$ 395,358
Traffic Operations ²	45,440	19,506
Transportation Fund:		
Road Improvements ³	14,100,755	9,406,001
Community Redevelopment Agency Fund:		
CRA Streetscape Project ⁴	12,038,965	554,887
Debt Service Fund		
Park Improvements ⁵	341,595	6,102,069
Total governmental activities	<u>27,767,209</u>	<u>16,477,821</u>
Business-type activities:		
Water & Sewer Fund:		
Galvanized Pipe Replacement ⁶	1,136,443	362,092
Road Resurfacing ⁶	1,328,588	743,090
Deep Injection Well ⁶	5,696,524	1,493,894
Utility Extension Program: Area - Southwest 6 & 7 ⁷	7,968,122	95,176
US 41 Conveyance ⁵	742,499	436,464
Reuse Main Ext (FGUA) ⁶	9,491,563	1,472,139
Forcemain Intercon ⁶	2,530,212	647,808
Fiber Optics (Forcemain Intercon) ⁶	141,116	1,353,880
SWRO WTP Odor Control ⁶	1,049,000	-
SW WRF Operations Building ⁸	-	1,323,195
SW WRF Tank Coating ⁶	18,571	86,329
Infiltration and Inflow Pipe Lining ⁶	956,861	71,034
EWRF Equipment Replacement ⁶	-	1,461,405
Utility Extension Program: Area - North 2 ⁷	139,435,041	46,465,914
SW UEP 6/7 Tank & Pump ⁸	286,494	906,532
Wastewater Communications Upgrades ⁸	-	411,513
Stormwater Utility Fund:		
Drainage Improvements North 2 Utility Area ⁹	4,829,065	664,781
Total business-type activities	<u>175,610,099</u>	<u>57,995,246</u>
Total	<u>\$ 203,377,308</u>	<u>\$ 74,473,067</u>

¹ Projects are being funded by lot mowing fees.

² Projects are being funded by General Fund.

³ Projects are being funded by the appropriation of General Fund reserves and gas taxes.

⁴ Projects are being funded by the appropriation of General Fund, community redevelopment agency, water and sewer, and stormwater utility reserves, and debt service proceeds.

⁵ Projects are being funded by General Obligation debt proceeds.

⁶ Projects are being funded by water and sewer user fees.

⁷ Projects are being funded by State Revolving Fund loans with debt service being paid by special assessments and stormwater user fees.

⁸ Projects are being funded by CFEC and or CIAC fees.

⁹ Projects are being funded by stormwater user fees, FDEP grant funds and State Revolving Fund loans with debt service being paid by special assessments and stormwater user fees.

Encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 3,008,150
Transportation Capital Improvements	904,296
Community Redevelopment Agency	10,710
Nonmajor governmental funds	3,161,382
Total encumbrances	<u>\$ 7,084,538</u>

11. Fund Balances

Fund balances for governmental funds at September 30, 2019 are as follows:

	<u>General</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable						
Inventory	\$ 35,639	\$ -	\$ -	\$ -	\$ 127,843	\$ 163,482
Prepaid items	642,758	-	3,436	-	4,660	650,854
Total Nonspendable	<u>678,397</u>	<u>-</u>	<u>3,436</u>	<u>-</u>	<u>132,503</u>	<u>814,336</u>
Restricted						
Housing and community development	-	-	-	-	1,666,829	1,666,829
Building code enforcement	-	-	-	-	9,935,551	9,935,551
Law enforcement - forfeiture funds	-	-	-	-	585,361	585,361
Law enforcement - Do the Right Thing	-	-	-	-	18,078	18,078
Law enforcement training	-	-	-	-	34,475	34,475
Police projects	-	-	-	-	6,322,857	6,322,857
Fire projects	-	-	-	-	5,658,041	5,658,041
Seawalls	-	-	-	-	254,081	254,081
Parks GO bond projects	-	-	-	-	5,032,054	5,032,054
Parks other projects	-	-	-	-	1,916,885	1,916,885
Community redevelopment	-	-	383,798	-	-	383,798
Del Prado Boulevard project	-	2,241,912	-	-	-	2,241,912
Road resurfacing	-	2,452,236	-	-	-	2,452,236
Sidewalk / bikepath UEP	-	200,000	-	-	-	200,000
Other transportation projects	-	543,090	-	-	32,579,273	33,122,363
Debt service	-	-	-	10,744,192	-	10,744,192
Total Restricted	<u>-</u>	<u>5,437,238</u>	<u>383,798</u>	<u>10,744,192</u>	<u>64,003,485</u>	<u>80,568,713</u>

	<u>General</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Committed						
Charter school reimbursable charges - security	\$ 3,776	\$ -	\$ -	\$ -	\$ -	\$ 3,776
City attorney - operating supplies	160	-	-	-	-	160
City auditor - operating supplies	533	-	-	-	-	533
City clerk - operating supplies	1,287	-	-	-	-	1,287
City manager - operating supplies	1,489	-	-	-	-	1,489
Code - operating supplies	1,903	-	-	-	-	1,903
Community development - operating supplies	68	-	-	-	-	68
Community development - professional services	21,639	-	-	-	-	21,639
Computer equipment	56,820	-	-	-	-	56,820
Computer software	66,099	-	-	-	-	66,099
Computer warranty	32,765	-	-	-	-	32,765
Finance - operating supplies	6,522	-	-	-	-	6,522
Finance - professional services	2,800	-	-	-	-	2,800
Fire - building maintenance	6,153	-	-	-	-	6,153
Fire - equipment	8,145	-	-	-	-	8,145
Fire - maintenance	2,752	-	-	-	-	2,752
Fire - uniforms	18,753	-	-	-	-	18,753
Government services - maintenance	16,500	-	-	-	-	16,500
Government services - professional services	57,005	-	-	-	-	57,005
Human resources - operating supplies	52	-	-	-	-	52
Information technology - professional services	16,227	-	-	-	-	16,227
Information technology - Vehicle	24,370	-	-	-	-	24,370
Parks - equipment	317,408	-	-	-	-	317,408
Parks - professional services	6,657	-	-	-	-	6,657
Parks - public relations	2,200	-	-	-	-	2,200
Parks maintenance - equipment	645	-	-	-	-	645
Police - equipment	49,439	-	-	-	-	49,439
Police - uniforms	5,596	-	-	-	-	5,596
Police - vehicles	172,911	-	-	-	-	172,911
Public works - bridge maintenance	3,687	-	-	-	-	3,687
Public works - median maintenance	107,749	-	-	-	-	107,749
Public works - operating supplies	78	-	-	-	-	78
Public works - outside services	12,740	-	-	-	-	12,740
Public works - parking lot maintenance	18,750	-	-	-	-	18,750
Public works - professional services	58,521	-	-	-	-	58,521
Public works - roads curbs maintenance	1,406	-	-	-	-	1,406
Public works - sidewalk maintenance	56	-	-	-	-	56
Public works - traffic operations	36,819	-	-	-	-	36,819
Public works - vehicles	264,359	-	-	-	-	264,359

	General	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Law enforcement - alarm fees	\$ -	\$ -	\$ -	\$ -	\$ 16,116	\$ 16,116
Lot mowing program	-	-	-	-	1,440,428	1,440,428
Del Prado mall parking lot	-	-	-	-	140,682	140,682
Parks and recreation - parks programs	-	-	-	-	131,958	131,958
Del Prado Boulevard project	-	397,489	-	-	-	397,489
Road resurfacing project	-	4,064,268	-	-	-	4,064,268
Median landscaping	-	317,981	-	-	-	317,981
Parks projects	-	-	-	-	349,580	349,580
Fire projects	-	-	-	-	235,449	235,449
CRA projects	-	-	-	-	3,360,391	3,360,391
Capital projects	-	-	-	-	115,094	115,094
Chiquita boat lock	-	-	-	-	769,879	769,879
Ceitus boat lift	-	-	-	-	16,803	16,803
Public works projects	-	-	-	-	354,656	354,656
Academic village	-	-	-	-	437,726	437,726
Computer system	-	-	-	-	3,181,221	3,181,221
Sale proceeds of surplus property	179,436	-	-	-	-	179,436
FEMA reimbursements - Hurricane Irma	10,025,297	-	-	-	-	10,025,297
Economic incentives	544,000	-	-	-	-	544,000
Capital equipment	1,500,000	-	-	-	-	1,500,000
Facilities maintenance	500,000	-	-	-	-	500,000
Disaster reserve	6,000,000	-	-	-	-	6,000,000
Total Committed	<u>20,153,572</u>	<u>4,779,738</u>	<u>-</u>	<u>-</u>	<u>10,549,983</u>	<u>35,483,293</u>
Assigned						
Charter school reimbursable - security	10,800	-	-	-	-	10,800
Charter school reimbursable charges - security	21,936	-	-	-	-	21,936
City clerk - advertising	557	-	-	-	-	557
City clerk - operating supplies	36	-	-	-	-	36
City manager - professional services	14,966	-	-	-	-	14,966
City manager - public relations	22,692	-	-	-	-	22,692
Code - uniforms	30	-	-	-	-	30
Community development - operating supplies	46	-	-	-	-	46
Community development - professional services	8,800	-	-	-	-	8,800
Computer equipment	4,037	-	-	-	-	4,037
Computer software	4,047	-	-	-	-	4,047

	<u>General</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fire - equipment	\$ 66,097	\$ -	\$ -	\$ -	\$ -	\$ 66,097
Fire - equipment repair	4,757	-	-	-	-	4,757
Fire - grant expense	5,800	-	-	-	-	5,800
Fire - improvements	5,812	-	-	-	-	5,812
Fire - safety equipment	1,872	-	-	-	-	1,872
Fire - small equipment	141,559	-	-	-	-	141,559
Fire - uniforms	83	-	-	-	-	83
Government services - operating supplies	5,288	-	-	-	-	5,288
Government services - professional services	85,582	-	-	-	-	85,582
Information technology - equipment repair	1,325	-	-	-	-	1,325
Information technology - operating supplies	79	-	-	-	-	79
Information technology - professional services	28,551	-	-	-	-	28,551
Information technology - training	80	-	-	-	-	80
Information technology - utilities	2,485	-	-	-	-	2,485
Parks maintenance - building maintenance	23,302	-	-	-	-	23,302
Parks maintenance - outside services	1,789	-	-	-	-	1,789
Police - equipment	970	-	-	-	-	970
Police - equipment repair	1,115	-	-	-	-	1,115
Police - public relations	7,000	-	-	-	-	7,000
Police - small equipment	850	-	-	-	-	850
Police - uniforms	4,301	-	-	-	-	4,301
Police - vehicles	1,536	-	-	-	-	1,536
Public works - bridge maintenance	30,704	-	-	-	-	30,704
Public works - equipment	49,393	-	-	-	-	49,393
Public works - median maintenance	20,354	-	-	-	-	20,354
Public works - outside services	19,730	-	-	-	-	19,730
Public works - small equipment	4,092	-	-	-	-	4,092
Public works - uniforms	95	-	-	-	-	95
Total Assigned	<u>602,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,548</u>
Unassigned	49,868,704	-	-	-	(763,527)	49,105,177
Total fund balances	<u>\$ 71,303,221</u>	<u>\$ 10,216,976</u>	<u>\$ 387,234</u>	<u>\$ 10,744,192</u>	<u>\$ 73,922,444</u>	<u>\$ 166,574,067</u>

12. Segment Information

The City issued revenue bonds to finance its water and sewer division. The water and sewer division and the special assessment funds are accounted for in a single fund in the financial statements. However, investors in the revenue bonds rely solely on the revenue generated by the water and sewer activity for repayment. Financial information for the water and sewer division is presented below:

STATEMENT OF NET POSITION

ASSETS

Current assets:	
Cash and investments	\$ 34,309,472
Interest receivable	79,910
Accounts receivable, net	9,596,047
Inventories	1,553,944
Prepaid items	22,000
Restricted:	
Cash and investments	26,336,870
Interest receivable	17,192
Total restricted assets	<u>26,354,062</u>
Total current assets	71,915,435
Noncurrent assets:	
Unamortized bond insurance costs	142,509
Advances to other funds	2,616,658
Total restricted assets	<u>2,759,167</u>
Capital assets:	
Land and construction in progress	65,395,874
Other capital assets, net of depreciation	443,210,939
Capital assets, net	<u>508,606,813</u>
Total noncurrent assets	<u>511,365,980</u>
Total assets	<u>583,281,415</u>

Deferred Outflows of Resources

Loss on refunding	23,023,424
Pension related	6,632,927
OPEB related	1,719,610
Total deferred outflows of resources	<u>\$ 31,375,961</u>

LIABILITIES

Current liabilities:	
Accounts payable and other accrued liabilities	\$ 4,819,012
Accrued retainage	1,627,426
Accrued payroll	430,090
Accrued interest payable	12,363
Deposits	2,726,230
Unearned revenue	80
Compensated absences	332,897
Total OPEB Liability	1,719,610
Debt:	
Revenue bonds	11,045,000
Notes	146,835
Total debt	<u>11,191,835</u>
Total current liabilities	22,859,543
Noncurrent liabilities:	
Compensated absences	1,864,936
Total OPEB Liability	44,906,951
Net pension liability	21,461,077
Debt:	
Revenue bonds	425,319,140
Notes	635,621
Total debt	<u>425,954,761</u>
Total noncurrent liabilities	<u>494,187,725</u>
Total liabilities	<u>517,047,268</u>

Deferred Inflows of Resources	
OPEB related	3,882,121
Total deferred inflows of resources	<u>3,882,121</u>
NET POSITION	
Net investment in capital assets	89,563,022
Restricted for:	
Debt service	1,273,261
Capital improvement	17,631,736
Renewal and replacement	6,225,451
Unrestricted	<u>(20,965,483)</u>
Total net position	<u>\$ 93,727,987</u>

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION

OPERATING REVENUES	
Charges for services	\$ 86,116,699
Other revenue	1,043,884
Total operating revenues	<u>87,160,583</u>
OPERATING EXPENSES	
Salaries, wages and employee benefits	27,684,088
Contractual services, materials and supplies	25,866,855
Depreciation	23,017,014
Total operating expenses	<u>76,567,957</u>
Operating income	<u>10,592,626</u>
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental Revenue	215,277
Interest income	1,367,908
Interest expense	(16,892,647)
Debt service costs	(42,245)
Gain on sale of capital assets	145,136
(Loss) on sale of capital assets - 693103	<u>(27,802)</u>
Total nonoperating revenues (expenses)	<u>(15,234,373)</u>
Income (loss) before contributions and transfers	<u>(4,641,747)</u>
Capital Contributions	
Developer contributions	500,877
Total capital contributions	<u>500,877</u>
Transfers	
Transfers in	27,961,264
Transfers out	<u>(2,319,778)</u>
Total transfers	25,641,486
Change in net assets	21,500,616
Total net position - beginning as restated	<u>72,227,371</u>
Total net position - ending	<u>\$ 93,727,987</u>
Condensed Statement of Cash Flows	
New cash provided (used) by:	
Operating activities	\$ 34,115,089
Nonoperating financing activities	25,641,486
Capital and related financing activities	(51,251,682)
Investing activities	<u>371,058</u>
Net increase (decrease)	8,875,951
Beginning cash and investments	51,770,391
Ending cash and investments	<u>\$ 60,646,342</u>

12. Future Revenues that are Pledged

The City has pledged various future revenue sources for various debt issues. For the water and sewer system, the City has pledged future water and sewer customer revenues, net of certain operating expenses. The following table provides a summary of the pledged revenues for the City's outstanding debt issues.

<u>Pledged Revenue</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Revenue</u>	<u>Coverage</u>
Special Assessment ¹	\$ 247,284,502	\$ 17,027,480	\$ 19,461,717	114.30%
Half-cent Sales Tax	10,780,044	3,770,442	15,550,111	412.42%
Gas Tax	62,219,078	5,784,592	9,140,321	158.01%

¹ Includes \$981,669 collected for the (4) SRF loans that are funded by special assessment proceeds but have a pledge of water and sewer net revenues and impact fees.

Covenant to Budget and Appropriate Debt (000)	\$ 165,660			
Historical Non Ad-Valorem Revenue Debt (000)	\$ 251,102			
Legally Available Non-Ad Valorem Revenues (000)		\$ 117,779		
Average of current and prior year		\$ 96,897 (A)		
Maximum Annual Debt Service (MADS)		\$ 20,183 (B)		
MADS coverage (A ÷ B)		4.80		
MADS required coverage		1.50		
Governmental Revenues		\$ 247,979 (C)		
Governmental Revenues percentage (B ÷ C)		8.14%		
Required Coverage		not to exceed 20%		
Water & Sewer Debt (000)	\$ 649,959			
Operating Revenue (000)		\$ 87,161		
Operating Expenses (net of depreciation) (000)		(53,551)		
Net Operating Revenues (000)		\$ 33,610		
Interest Income (000)		1,368		
Net Revenues Available for Debt Service (000)		\$ 34,978		
Capital Expansion Fees (000)		18,971		
Net Revenues and Expansion Fees Available for Debt Service (000)		\$ 53,949		
<u>Test 1</u>				
Net Revenues Available for Debt Service (000)		\$ 34,978		
Annual Debt Service (Senior Lien) (000)		\$ 27,666		
Calculated Coverage Factor		1.26		
Required Coverage		1.00		
<u>Test 2</u>				
Net Revenues & Expansion Fees (000)		\$ 53,949		
Annual Debt Service (Senior Lien) (000)		\$ 27,666		
Calculated Coverage Factor		1.95		
Required Coverage		1.00		
<u>Test 3</u>				
Net Revenues after Senior Lien Debt Service (000)		\$ 26,283		
Annual Debt Service (Subordinate) (000)		\$ 1,148		
Calculated Coverage Factor		22.89		

14. Intergovernmental Revenue

Intergovernmental revenue as of September 30, 2019 is as follows:

Governmental activities:

	<u>General Fund</u>	<u>Transportation Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Operating Grants and State Shared Revenues				
Parks and Recreation	\$ 105,902	\$ -	\$ 609,218	\$ 715,120
Public Safety: Police	400,881	-	-	400,881
Public Safety: Fire	141,294	-	-	141,294
Public Works	-	-	763,698	763,698
Local shared revenue	110,325	-	-	110,325
State shared revenue	3,167,735	-	-	3,167,735
Federal disaster relief - Irma	8,882,244	-	-	8,882,244
State disaster relief - Irma	1,143,053	-	-	1,143,053
Capital Grants				
Parks and Recreation	42,306	-	65,000	107,306
Community Development	-	-	668,968	668,968
Public Safety: Police	267,277	-	-	267,277
Public Works	-	1,343,403	-	1,343,403
Total	<u>\$ 14,261,017</u>	<u>\$ 1,343,403</u>	<u>\$ 2,106,884</u>	<u>\$ 17,711,304</u>

15. Interest Income

Interest income as of September 30, 2019 is as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Investment income	\$ 4,578,456	\$ 6,380,574	\$ 830,917	\$ 11,789,947
Interest on advances	-	104,604	-	104,604
Interest billed on assessment, contribution in aid of construction, impact fee, CFEC and UCEF loans	-	11,946,696	-	11,946,696
Interest received from tax collector	95,783	44,753	-	140,536
Total	<u>\$ 4,674,239</u>	<u>\$ 18,476,627</u>	<u>\$ 830,917</u>	<u>\$ 23,981,783</u>

16. Other Revenue

	<u>General Fund</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total</u>
NSP Program Income	\$ -	\$ -	\$ -	\$ 274,191	\$ 274,191
State Housing Program Income (SHIP)	-	-	-	249,782	249,782
CDBG Program Income	-	-	-	518,489	518,489
RCMP Program Income	-	-	-	6,676	6,676
Blue Cross Blue Shield Wellness Payment	150,000	-	-	-	150,000
School impact administrative fee	125,059	-	-	-	125,059
Lee County Electric Coop equity refund	35,436	-	-	3,496	38,932
Lee County Tax Collector Refund of Estimated Fee	80,310	-	-	25,779	106,089
CRA City Staffing reimbursement	100,000	-	-	-	100,000
Sales of surplus material	14,989	-	-	-	14,989
Purchase card rebate	96,433	-	90	8,951	105,474
Legal settlements	-	-	-	18,474	18,474
Intergovernmental contribution for Water quality issues	140,000	-	-	-	140,000
Water refund	-	-	-	236,735	236,735
Police confiscation	-	-	-	4,171	4,171
Insurance recovery	90,711	4,523	5,495	29,204	129,933
Reimbursable charges	257,450	25,928	-	-	283,378
Lamar annual and licensing fees	54,200	-	-	-	54,200
Other	14,180	-	300	3,928	18,408
Total	<u>\$ 1,158,768</u>	<u>\$ 30,451</u>	<u>\$ 5,885</u>	<u>\$ 1,379,876</u>	<u>\$2,574,980</u>

17. Building and Vehicle Leases

Building Leases

The City of Cape Coral has entered into a master lease agreement with the Cape Coral Charter School Authority for the operation of two elementary, one middle school, and one high school. The current lease expiration is June 30, 2021. The lease may continue to renew for additional five-year terms unless terminated by the parties not less than 180 days prior to the expiration of the then current term. The lease amount of all four leases shall be equal to the debt service and the cost of commercial general liability insurance on the building. For fiscal year 2019, the lease payments totaled \$3,301,806 which included \$3,190,613 for debt service and \$111,193 for insurance. The insurance cost for fiscal year 2020 is estimated to be \$108,003. The insurance cost for subsequent years is not available.

The Charter School Authority accounts for this lease as an operating lease. The following schedule shows the debt portion of the lease payments that will be received from the Charter School Authority.

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	3,192,288
2021	3,194,813
	<u>\$ 6,387,101</u>

The construction cost of the charter school buildings was \$50,463,997. The accumulated depreciation as of September 30, 2019 was \$16,219,166 for a net carrying amount of \$34,244,831.

The City had in place an Interlocal Agreement with Lee County Emergency Medical Services for portions of various City owned fire stations. The rate for stations constructed prior to 2004 was \$2 per square foot per year. Lee County leased space in two fire stations under this arrangement from October 1, 2018 to January 31, 2019. The rate for stations constructed after 2004 was based on the cost to construct the fire station divided by 25 years multiplied by the percentage of space occupied. The cost of these buildings was \$15,716,786, accumulated depreciation as of September 30, 2019 was \$4,669,586 for a net carrying amount of \$11,047,200. Lee County leased space in three fire stations under this arrangement from October 1, 2018 to January 31, 2019. Total revenue under these agreements was \$31,863.

On February 1, 2019, the City amended the Interlocal Agreement with Lee County Emergency Medical Services. The amended lease states a base rent of \$12.97 per square foot of space occupied by Lee County. The base rent shall increase by 2% per year. The agreement has an initial term of five years and shall automatically renew on a yearly basis. Though either party may terminate this agreement, written notice must be given no less than one year prior to the expiration of the initial term or any renewal term then in effect. Annual revenue under the amended agreement from February 1, 2019 to September 30, 2019 was \$72,000. The following schedule shows the annual income that will be received from Lee County.

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	110,160
2021	112,363
2022	114,610
2023	116,903
	<u>\$ 454,036</u>

Vehicle Leases

The amount of the lease is the sum of the debt service for the buses, including all debt service related costs. For fiscal year 2019, the lease payments totaled \$252,415. The current lease expiration is September 30, 2021.

The following schedule shows the debt portion of the lease payments that will be received from the Charter School Authority.

<u>Year Ending September 30,</u>	<u>Amount</u>
2020	159,694
2021	66,830
	<u>\$ 226,524</u>

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NOTE V. OTHER INFORMATION

1. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has two internal service funds (Risk Management Funds): the workers compensation insurance fund and the property and casualty insurance fund to account for and finance its uninsured risks of loss. Under this program, the funds provide coverage for up to a maximum of \$350,000 for each worker's compensation claim, \$100,000 for each general liability claim, and \$25,000 for each property damage claim. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in this fiscal year, nor has it had any settlements in excess of insurance coverage in the past three years.

The workers compensation internal service fund allocates the cost of providing claims servicing and claims payment by charging a premium to each applicable fund based on the State of Florida mandated per \$100 rate of salary by employee classification. The property and casualty insurance fund charges a premium to the applicable funds based on the value of capital assets in each fund.

The self-funded health insurance plan was implemented on January 1, 2016. Coverage under the Plan is a benefit available to employees and retirees of the City of Cape Coral. The coverage provides comprehensive medical benefits to the employees and their dependents. It is funded through contributions from the City, employees, and retirees. The coverage has specific and aggregate reinsurance coverages underwritten by Blue Cross and Blue Shield. Administration under the plan is handled by Blue Cross and Blue Shield of Florida.

The claims liabilities reported in the worker's compensation fund, property and casualty insurance fund, and self-funded health insurance fund at September 30, 2019 are based on requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be estimated. This includes claims that have been incurred but not reported (IBNR) and allocated loss adjustment expenses.

Changes in the funds' claims liability amount in fiscal years 2017, 2018 and 2019 were:

	Beginning-of- Fiscal-Year Claims Liability	Current-Year Claims and Changes in Estimates	Claims Payments	End-of-Fiscal Year Claims Liability
Workers Compensation				
2018 - 2019	\$ 6,311,510	\$ 1,612,061	\$ (2,192,915)	\$ 5,730,656
2017 - 2018	6,226,000	1,879,577	(1,794,067)	6,311,510
2016 - 2017	5,438,000	2,803,332	(2,015,332)	6,226,000
Property and Casualty				
2018 - 2019	\$ 1,538,618	\$ 1,662,494	\$ (465,389)	\$ 2,735,723
2017 - 2018	1,457,000	751,145	(669,527)	1,538,618
2016 - 2017	1,133,000	1,080,442	(756,442)	1,457,000
Self-funded Health Insurance				
2018 - 2019	\$ 1,703,140	\$ 15,241,941	\$ (15,540,524)	\$ 1,404,557
2017 - 2018	1,078,196	18,028,857	(17,403,913)	1,703,140
2016 - 2017	497,694	17,399,728	(16,819,226)	1,078,196

2. Chiquita Boat Lock-South Spreader Waterway

During fiscal year 2013 the City was authorized for up to \$187,302 from the Gulf American Corporation (GAC) restricted account to fund repairs and upgrades to the City's Chiquita Boat Lock for the improvement in navigation safety and reliability needed due to the increase in boat traffic through the lock. The City has requested the funds on a reimbursement basis.

The City has received \$87,907 to date as of September 30, 2019. The monies in the account are held by the state on a first come, first served basis. In the future, the City may define a project that would be eligible for reimbursement from these funds. However, the funds held by the state may be depleted at that time.

The City operates and maintains the Chiquita Boat Lock on the South Spreader Waterway. The Chiquita Boat Lock separates the southern half of the City's canal system from the open waters of the State at the Caloosahatchee River. The Chiquita Lock provides navigational access to canal front residents. The lock and canal system were constructed as part of a 1977 DEP Consent Order with GAC Properties, the developers of Cape Coral.

The same Consent Order required the sum of \$1,000,000 to be placed into a restricted, interest bearing account for future environmental needs and projects for developmental concerns for Cape Coral in Lee County and Golden Gates Estates in Collier County. This GAC restricted account is within the Ecosystem Management and Restoration Trust Fund. In the past, approved funded projects have been infrastructure based and include park construction, storm water projects and previous repairs and upgrades on the Chiquita Lock.

3. Pension Plans

The City has three defined benefit single-employer pension plans:

- Municipal General Employees' Pension Plan
- Municipal Police Officers' Pension Plan
- Municipal Firefighters' Pension Plan

Assets are held separately and may be used only for the payment of benefits to the members of the respective plans. Each plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee contributions are due and a formal commitment has been made by the employer. Benefits and refunds are recognized when due and payable in accordance to the terms of each plan. The plans issue financial reports that include financial statements and required supplementary information. The reports may be obtained from the City of Cape Coral.

The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources and pension expense for the City's defined benefit pension plans are summarized below:

	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	Total
Net pension liability	\$ 74,907,772	\$ 32,543,023	\$ 48,155,164	\$ 155,605,959
Deferred outflows of resources related to pensions	23,151,579	15,522,001	19,619,714	58,293,294
Deferred inflows of resources related to pensions	-	2,555,675	2,088,644	4,644,319
Pension expense	22,931,174	10,234,368	11,667,065	44,832,607

City of Cape Coral, Florida

**COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS**
September 30, 2019

	Pension Trust Funds			Total Pension Trust Funds
	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	
ASSETS				
Cash and cash equivalents	\$ 7,733,477	\$ 2,257,074	\$ 3,508,227	\$ 13,498,778
Receivables:				
Member contributions	9,907	-	3,902	13,809
Employer contributions	-	-	792,666	792,666
Due from brokers	154,388	506,876	853,549	1,514,813
State contributions	-	1,594,562	-	1,594,562
Investment receivable	66,442	248,234	281,215	595,891
Total receivables	230,737	2,349,672	1,931,332	4,511,741
Investments, at fair value:				
US Government Obligations and Federal Agency Guaranteed Securities	-	10,451,727	11,619,535	22,071,262
Mortgage Backed Securities	-	3,684,644	5,373,145	9,057,789
Collateralized Mortgage Obligations	-	2,455,166	2,781,512	5,236,678
Corporate Bonds	-	18,160,294	22,043,504	40,203,798
Stocks	57,935,543	48,938,523	36,976,185	143,850,251
Unit Investment Trusts	1,423,171	-	-	1,423,171
Mutual and ETF funds				
Equity	135,743	47,754,396	9,649,880	57,540,019
Balanced	-	9,752,241	39,497,454	49,249,695
Pooled/common/commingled funds				
Fixed income	63,789,231	-	-	63,789,231
Equity	71,312,249	18,438,397	31,344,368	121,095,014
Private Equity	10,445,803	-	-	10,445,803
Real Estate	29,942,767	19,252,872	19,252,872	68,448,511
Infrastructure	-	-	9,757,653	9,757,653
Partnerships	69,201,925	-	-	69,201,925
Total investments	304,186,432	178,888,260	188,296,108	671,370,800
Prepaid expenses	-	6,187	6,041	12,228
Total assets	312,150,646	183,501,193	193,741,708	689,393,547
LIABILITIES				
Accounts payable	394,337	113,824	161,286	669,447
Due to broker for securities purchased	18,838	504,627	682,526	1,205,991
Prepaid contributions	-	8,071	-	8,071
Total liabilities	413,175	626,522	843,812	1,883,509
NET POSITION RESTRICTED FOR PENSIONS	\$ 311,737,471	\$ 182,874,671	\$ 192,897,896	\$ 687,510,038

City of Cape Coral, Florida

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS**
For the Year Ended September 30, 2019

	Pension Trust Funds			Total Pension Trust Funds
	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	
ADDITIONS				
Contributions:				
Employer	\$ 22,477,239	\$ 6,393,072	\$ 10,249,919	\$ 39,120,230
Plan members	5,049,654	1,717,169	1,655,650	8,422,473
Member buybacks	672,804	-	163,001	835,805
State of Florida	-	1,594,562	1,578,326	3,172,888
Total contributions	28,199,697	9,704,803	13,646,896	51,551,396
Investment income (expense):				
Investment income	4,661,977	5,046,845	4,783,049	14,491,871
Net appreciation (depreciation) in fair value of investments	7,982,376	374,871	1,666,156	10,023,403
Less: investment expenses	(935,058)	(651,662)	(485,979)	(2,072,699)
Net Investment Income (Loss)	11,709,295	4,770,054	5,963,226	22,442,575
Total additions	39,908,992	14,474,857	19,610,122	73,993,971
DEDUCTIONS				
Benefits and refunds	17,200,561	7,651,072	10,728,745	35,580,378
Administrative expenses	276,581	120,735	130,420	527,736
Total deductions	17,477,142	7,771,807	10,859,165	36,108,114
Net increase in net position	22,431,850	6,703,050	8,750,957	37,885,857
Net position - beginning	289,305,621	176,171,621	184,146,939	649,624,181
Net position - ending	\$ 311,737,471	\$ 182,874,671	\$ 192,897,896	\$ 687,510,038

(A) Defined Benefit Plans

(1) Municipal General Employees' Pension Plan

At October 1, 2018, the Plan's membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	727
Inactive plan members entitled to but not yet receiving benefits	163
Active plan members	830
Total	<u>1720</u>

Plan Description – General Employees' Pension Plan

The City's Municipal General Employees' Pension Plan (Plan) is a single-employer defined benefit pension plan covering all full-time general employees of the City. Participation in the Plan is required as a condition of employment. The Plan provides for pension and death benefits and is subject to the provisions of the Florida Statutes and ordinance of the City of Cape Coral. Certain employees may opt-out and participate in the City's defined contribution plan instead.

The Plan, in accordance with the above statute, is governed by a five-member pension board. The board is comprised as follows: two members must be legal residents of the City and are appointed by City Council; two members must be participants in the Plan and are elected by a majority of Plan participants; the final is elected by a majority of the other four board members. Each board member services a four-year period. The board has engaged the services of a third-party administrator, Pension Resource Center, to administer the Plan.

Benefits Provided - General Employees' Pension Plan

Monthly accrued benefit – The monthly accrued benefit is calculated as follows:

- a. For members with less than 20 years credited service – 2.50% of average final compensation, times two years of credited services.
- b. For members with 20 or more years of credited service – 2.60% of average final compensation on the first 20 years of credited service, and 2.75% of average final compensation on each year of credited over beyond 20 years.

Credited service is defined as the period of service, as measured in years and partial years.

Average final compensation is defined as one-twelfth of the average salary (as defined by the Plan) of the best 5 years out of the prior 10 years of credited service prior to termination, retirement, or death.

The Plan allows for a cost of living increase (COLA) of 3.00% per year. The increase is effective on the first October 1 after having received one full year of benefits. For members who did not elect the buy-up (an additional 1.60% contribution) and those hired after September 30, 2013, the increase is 2.50% and is effective on the October 1 after having received three full years of benefits. A COLA does not apply to a deferred vested retirement.

Payment options - the Plan offers a variety of payment options, including normal form, life annuities, 10-year certain and life annuities, joint and survivor annuities, and social security options. The initial maximum benefit per year is the lesser of 80% of average compensation, or \$95,000 (or the accrued benefit as of October 1, 2013). For members who have reached the normal retirement date as of October 1, 2013 or are

October 1, 2013). For members who have reached the normal retirement date as of October 1, 2013 or are within five years of the normal retirement date and have at least 15 years of credited service as of October 1, 2013, the maximum benefit is exclusive of the COLA increase.

Normal retirement age – normal retirement age is defined as:

- a. If hired prior to October 1, 2013 – The earlier of attaining age 60, regardless of the number of years of credited service, of the completion of 25 years of credited service, regardless of age.
- b. If hired on or after October 1, 2013 – The earlier of attaining age 62 and the completion of years of 10 credited service, or the completion of 27 years of credited service, regardless of age.

Early retirement age - Members become eligible for early retirement upon reaching age 50 and having 10 years of credited service. With early retirement, the beneficiary can elect to receive a lump-sum payment of the actuarially determined benefit or receive the member's monthly accrued benefit for 10 years certain and life, thereafter, beginning at the members normal retirement date. Upon the death of a non-vested member prior to retirement, the beneficiary will receive the member's accumulated contributions (including interest at 3.50%, compounded annually) in lieu of any other benefits payable under the Plan.

Forfeiture of benefits - If convicted of certain crimes, as identified in the Plan document, members forfeit all of their vested benefits, and their personal contributions are refunded to them.

Vesting – General Employees’ Pension Plan

Members are fully vested in their contributions.

Members hired prior to October 1, 2013 become vested in all other contributions on a graduated scale as follows:

<u>Years of Service</u>	<u>Vested %</u>
Less than 5	0
5	50
6	60
7	70
8	80
9	90
10 or more	100

Members hired prior to October 1, 2013, there is no vesting until the member has accrued 10 years of credited service. Additionally, for members who have more than 5 years of credited service, but less than 10 as of October 1, 2013, those members' vesting is frozen at the percentage above, until such time the member has 10 years of credited service.

Deferred Retirement Option Plan (Drop)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employee's for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment or the end of the DROP period, the member will begin receiving the monthly retirement benefit, and within 120 months of termination of employment the member will receive the account balance in a lump sum or in another optional form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2019, the Plan had 105 active members enrolled in DROP, and the total amount of accrued benefits was \$19,081,007.

Contributions and Funding

Covered general employees are required to contribute 9.90% of their salary to the Plan. The City makes contributions based on actuarially determined minimum funding requirements.

Additionally, members hired prior to October 1, 2013 may make an irrevocable election to contribute an additional 1.60% in exchange for keeping the cost of living increase at 3.00%, and reversion of the monthly benefit to the normal form of benefit in the event the retiree is predeceased by the joint pensioner. The election must have been made by September 30, 2013.

Net Pension Liability of the City - General Employees' Pension Plan

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2019</u>
Total pension liability	\$ 386,645,243
Plan fiduciary net position	<u>(311,737,471)</u>
City's net pension liability	<u>\$ 74,907,772</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>80.63%</u>

Actuarial Assumptions - General Employees' Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.00%
Salary Increases	Service based
Discount Rate	7.40%
Investment Rate of Return	7.40%

Mortality rates were based on the following:

Mortality Rate Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Combined Healthy Blue Collar, Scale BB.

Mortality Rate Disabled Lives:

Female: 100% RP2000 Disable Female set forward two years.

Male: 100% RP2000 Disabled Male set back four years.

The actuarial assumptions used in the October 1, 2018 valuation were based on the results of an actuarial experience study dated September 27, 2017.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2019 the inflation rate assumption of the investment advisor was 2.00%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equities	6.16%
Developed Non US Equities	6.69%
Emerging Market Equities	9.47%
US Core Fixed Income	1.89%
Hedge Fund of Funds	3.68%
Multi Asset Class Solutions (MACS)	4.96%
Real Estate	4.58%
Private Equity	10.00%
Infrastructure	6.02%

Discount Rate - General Employees' Pension Plan

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - General Employees' Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.40%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.40%	7.40%	8.40%
Net pension liability	<u>\$ 122,312,945</u>	<u>\$ 74,907,772</u>	<u>\$ 35,813,600</u>

Changes in the Net Pension Liability - General Employees' Pension Plan

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2018	\$ 356,540,023	\$ 289,317,412	\$ 67,222,611
Changes for the year:			
Service cost	8,754,130	-	8,754,130
Interest	27,287,081	-	27,287,081
Differences between expected and actual experience	95,516	-	95,516
Changes of Assumptions	10,496,250	-	10,496,250
Contributions - Employer	-	22,477,239	(22,477,239)
Contributions - Employee	-	5,049,654	(5,049,654)
Contributions - Buy Back	672,804	672,804	-
Net Investment Income	-	11,709,295	(11,709,295)
Benefit payments, including refunds of employee contributions	(17,200,561)	(17,200,561)	-
Administrative Expenses	-	(288,372)	288,372
Net changes	<u>30,105,220</u>	<u>22,420,059</u>	<u>7,685,161</u>
Balances at September 30, 2019	<u>\$ 386,645,243</u>	<u>\$ 311,737,471</u>	<u>\$ 74,907,772</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - General Employees' Pension Plan

For the year ended September 30, 2019, the City recognized pension expense of \$22,931,174. On September 30, 2019, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,998,144	\$ -
Changes in Assumptions	12,210,263	-
Difference between projected and actual earnings on investments	5,943,172	-
Total	<u>\$ 23,151,579</u>	<u>\$ -</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30,	
2020	10,766,874
2021	4,884,251
2022	5,333,818
2023	2,166,636
thereafter	-

(2) Municipal Police Officers' Pension Plan

At September 30, 2019 the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	139
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	33
Active Plan Members	<u>208</u>
Total	<u>380</u>

Plan Description – Police Officers' Pension Plan

The Plan is a defined benefit pension plan covering all full-time police officers of the City. Participation in the Plan is required as a condition of employment. The Plan provides for pension and death benefits and is subject to the provisions of the Florida Statutes and ordinances of the City of Cape Coral.

The Plan, in accordance with the above statute, is governed by a five-member pension board (the Board). The Board is comprised as follows: two members must be legal residents of the City, and are appointed by City Council; two members must be members in the Plan, and are elected by a majority of Plan members; the final is elected by a majority of the other four board members. Each board member serves a four-year period. The Board has engaged the services of a third-party administrator to administer the Plan.

Benefits Provided - Police Officers' Pension Plan

Monthly Accrued Benefit - The monthly accrued benefit equals 3.25% of average final compensation, times the years of credited service.

Credited service is defined as the period of service, as measured in years and partial years.

Average final compensation is defined as one-sixtieth of the average salary (as defined by the Plan) for the five 12-month periods that produce the greatest average.

The Plan allows for a cost of living increase of 3.00% per year. The increase is effective on the first October 1 after having received one full year of benefits. For police officers hired after June 16, 2014, the increase is effective on the October 1 after having received three full years of benefits.

Payment Options - the Plan offers a variety of payment options including, partial lump-sum payouts, 10-year certain and life annuity, joint and survivor annuities, and social security options. For members who have not reached normal retirement age by October 1, 2013, the maximum benefit per year shall not exceed \$95,000, exclusive of any cost of living increases.

Normal Retirement Age - normal retirement age is defined as:

- a. If hired prior to October 1, 2013 – The earlier of attaining age 50, regardless of the number of years of credited service, or the completion of 25 years of credited service, regardless of age.
- b. If hired on or after October 1, 2013 – The earlier of attaining age 52 and the completion of years of 10 credited service, or the completion of 27 years of credited service, regardless of age.

Early Retirement Age – members become eligible for early retirement upon reaching age 40 and having 10 years of credited service. The early retirement benefit is calculated and reduced actuarially, based upon the normal retirement benefit.

Death and Disability - Upon the death of a vested member prior to normal retirement, the beneficiary will receive the member's monthly accrued benefit for 10 years certain and life, thereafter, beginning at the member's normal retirement date. Upon the death of a non-vested member prior to retirement, the beneficiary will receive the member's accumulated contributions in lieu of any other benefits payable under the Plan.

Active members who become totally and permanently disabled in the line of duty shall receive a normal retirement benefit with the maximum benefit equal to 66.67% of average final compensation. Any member who becomes totally and permanently disabled while not in the line of duty shall receive a normal retirement benefit, based upon years of credited service as follows:

- c. Greater than 10 years – 66.67% of average final compensation.
- d. Between 5 and 10 years – 50% of average final compensation.
- e. Less than 5 years – 25% of average final compensation.

Forfeiture of Benefits - if convicted of certain crimes, as identified in the Plan Document, members forfeit all of their vested benefits, and their personal contributions are refunded to them. Additionally, the Plan identifies certain instances in which members would not qualify for disability benefits, due to the nature of the disability (for example, illegal drug use).

Vesting

Members hired prior to October 1, 2013 become vested in all other contributions on a graduated scale as follows:

<u>Years of Service</u>	<u>Vested %</u>
Less than 5	0
5	50
6	60
7	70
8	80
9	90
10 or more	100

Members hired on or after October 1, 2013, become vested in all other contributions after 10 years of credited service. Additionally, for members who have 5 or more years of credited service, but less than 10 as of October 1, 2013, those members' vesting is frozen at the percentage above until such time the member has 10 years of credited service.

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment at the end of the DROP period, the member will be receiving the monthly benefit, and within 120 months of termination, will receive the account balance in a lump sum or in another option form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2019, the Plan had 26 active members enrolled in DROP, and the total amount of accrued benefits was \$13,853,674.

Investments – Police Officers’ Pension Plan

Rate of Return: For the year ended September 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.69%.

Investment Policy and Concentrations: Detailed information can be found in Note IV Detailed Notes 1. Cash and Investments.

Contributions - Police Officers’ Pension Plan

Covered employees are required to contribute 10% of their salary to the Plan. The City makes contributions based on actuarially determined minimum funding requirements. Additionally, the state of Florida contributes insurance premium taxes, which are used to help reduce the City's portion of its minimum funding requirement.

Net Pension Liability of the City - Police Officers’ Pension Plan

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2019</u>
Total pension liability	\$ 215,417,694
Plan fiduciary net position	(182,874,671)
City's net pension liability	<u>\$ 32,543,023</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.89%</u>

Actuarial Assumptions – Police Officers’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2018 using the following actuarial assumptions applied to all measurement periods.

- Inflation 2.25%
- Salary Increases 6.00% - 10.00%
- Investment Rate of Return 7.50%

- Mortality rates were based on the RP-2000 fully Generational Mortality Table with a Blue-Collar adjustment for males. Disabled lives are set forward two years for females and set back four years for males.
- The actuarial assumptions used in the October 1, 2018 valuation were based on the results of an actuarial experience study dated November 25, 2019.
- The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap Stocks	8.57%
US Small / Mid Cap Stocks	8.91%
International Equity	5.33%
U.S. Direct Real Estate	6.17%
Absolute Return	2.50%
US Aggregate Bond	4.42%

- The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - Police Officers' Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net pension liability	<u>\$ 60,617,717</u>	<u>\$ 32,543,023</u>	<u>\$ 9,723,071</u>

Changes in the Net Pension Liability - Police Officers' Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2018	\$ 199,653,112	\$ 176,178,285	\$ 23,474,827
Changes for the year:			
Service cost	4,746,107	-	4,746,107
Interest	15,544,850	-	15,544,850
Share Plan Allocation	351,146	-	351,146
Differences between expected and actual experience	(2,672,118)	-	(2,672,118)
Changes of Assumptions	5,410,152	-	5,410,152
Contributions - Employer	-	6,393,072	(6,393,072)
Contributions - State	-	1,594,562	(1,594,562)
Contributions - Employee	-	1,691,707	(1,691,707)
Contributions - Buy Back	25,462	25,462	-
Net Investment Income	-	4,770,054	(4,770,054)
Benefit payments, including refunds of employee contributions	(7,641,017)	(7,651,072)	10,055
Administrative Expenses	-	(127,399)	127,399
Net changes	<u>15,764,582</u>	<u>6,696,386</u>	<u>9,068,196</u>
Balances at September 30, 2019	<u>\$ 215,417,694</u>	<u>\$ 182,874,671</u>	<u>\$ 32,543,023</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Police Officers' Pension Plan

For the year ended September 30, 2019, the City recognized pension expense of \$10,234,368. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,994,950	\$ 2,555,675
Changes in Assumptions	6,564,516	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	4,962,535	-
Total	<u>\$ 15,522,001</u>	<u>\$ 2,555,675</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2020	2,991,179
2021	3,578,119
2022	3,475,757
2023	2,921,271
thereafter	-

(3) Municipal Firefighters' Pension Plan

At October 1, 2018 the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	144
Inactive Plan Memebers Entitled to but Not Yet Receiving Benefits	10
Active Plan Memebers	<u>182</u>
Total	<u><u>336</u></u>

Plan Description – Firefighters' Pension Plan

The Plan is a defined benefit pension plan covering all sworn firefighters of the City. Participation in the Plan is required as a condition of employment. The Plan provides for Pension, death and disability benefits, and is subject to the provisions of Chapter 175, Florida Statutes, and ordinances of the City of Cape Coral.

The Plan, in accordance with the above statue, is governed by a five-member pension board (the Board). The Board is comprised as follows: two members must be legal residents of the City, and are appointed by City Council; two members must be members in the Plan, and are elected by a majority of Plan members; the final is elected by a majority of the other four board members. Each board member serves a four-year period. The Board has engaged the services of a third-party administrator to administer the Plan.

Benefits Provided - Firefighters' Pension Plan

Monthly accrued benefit - The monthly accrued benefit equals 3.25% of average final compensation, times the years of credited service.

Credited service is defined as the period of service, as measured in years and partial years.

Average final compensation is defined as one-sixtieth of the average (as defined by the Plan) for the five twelve-month periods which produce the greatest average.

The Plan allows for a cost of living increase of 3.00% per year. The increase is effective on the first October 1 after having received one full year of benefits. For firefighters hired after June 16, 2014, the increase is effective on the October 1 after having received three full years of benefits.

Payment options – the Plan offers a variety of payment options including the following: partial lump sum payouts, 10 certain and year life annuities, joint and survivor annuities, and social security options. For members who have not reached normal retire age as of June 16, 2014, the maximum benefit is capped at \$95,000 per year, exclusive of any cost of living increases.

Normal retirement age – normal retirement ages is defined as:

- a. Age 50, regardless of the number of years of credited service (age 52 and 10 years of credited service for firefighters hired after June 15, 2014), or
- b. Completion of 25 years of credited service, regardless of age.

Early retirement age – members become eligible for early retirement upon reaching age forty and having ten years of credited service. The early retirement benefit is calculated and reduced actuarially, based upon the normal retirement benefit.

Death and disability - Upon the death of a vested member prior to retirement, the beneficiary will receive the member's monthly accrued benefit for life with 10 years certain beginning on the member's early or normal retirement date. Upon the death of a non-vested member prior to retirement, the beneficiary will receive the member's accumulated contributions in lieu of any other benefits payable under the Plan.

Active members who become totally and permanently disabled in the line of duty shall receive a normal retirement benefit with the minimum benefit equal to 66.67% of average final compensation. Any member who becomes totally and permanently disabled while not in the line of duty, shall receive a normal retirement benefit, based upon years of credited service as follows:

- a. Greater than 10 years – 66.67% of average final compensation.
- b. Between 5 and 10 years – 50% of average final compensation.
- c. Less than 5 years – 25% of average final compensation.

Forfeiture of benefits - if convicted of certain crimes, as identified in the Plan Document, members forfeit all of their vested benefits, and their personal contributions are refunded to them. Additionally, the Plan identifies certain instances in which members would not qualify for disability benefits due to the nature of the disability (for example, illegal drug use).

Vesting

Members are fully vested in their contributions, and become vested in all other contributions on a graduated scale as follows:

<u>Years of Service</u>	<u>Vested %</u>
Less than 5	0
5	50
6	60
7	70
8	80
9	90
10 or more	100

For members hired after June 15, 2014, there is no vesting until members have accrued 10 years of credited service. Additionally, for members who have more than 5 years of credited service, but less than 10 years as of June 15, 2014, those members' vesting is frozen at the percentage above until such time that the member has 10 years of credited service.

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. Payment shall be made from the DROP account within 120 months after termination of employment. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2019, the Plan had 17 active members enrolled in DROP, and the total amount of accrued benefits was \$19,128,763.

Contributions – Firefighters' Pension Plan

Employees contribute 10% of salary. The effective Member Contribution rate will vary each year as new members enter and members electing the buy up leave the plan. The City contributes the remaining amounts at actuarially determined rates that are designated to accumulate sufficient assets to pay benefits when due.

Net Pension Liability of the City - Firefighters' Pension Plan

The City's net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2019</u>
Total pension liability	\$ 241,053,060
Plan fiduciary net position	<u>(192,897,896)</u>
City's net pension liability	<u>\$ 48,155,164</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>80.02%</u>

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions applied to all measurement periods.

- Inflation 2.25%
- Salary Increases 7.50%
- Investment Rate of Return 7.25%
- Mortality rates were based on the RP-2000 Fully Generational Mortality Table with a Blue-Collar adjustment for males. Disables lives are set forward two years for females and setback four years for males.
- The actuarial assumptions used in the October 1, 2018 valuation were based on the results of an actuarial experience study used to review the other significant assumptions; the experience study was dated November 30, 2017.
- The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap Stocks	8.57%
US Small / Mid Cap Stocks	8.91%
International Equity	5.33%
U.S. Direct Real Estate	6.17%
Absolute Return	2.50%
US Aggregate Bond	4.42%

- The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – Firefighters' Pension Plan

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
	6.25%	Discount Rate	8.25%
		7.25%	
Net pension liability	<u>\$ 80,146,210</u>	<u>\$ 48,155,164</u>	<u>\$ 22,309,123</u>

Changes in the Net Pension Liability – Firefighters’ Pension Plan

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
Balances at September 30, 2018	\$ 216,973,741	\$ 184,146,938	\$ 32,826,803
Changes for the year:			
Service cost	4,820,664	-	4,820,664
Interest	16,655,584	-	16,655,584
Change in Excess State Money	131,691	-	131,691
Changes of Benefit Terms	(52,873)		(52,873)
Differences between expected and actual experience	734,135	-	734,135
Changes of Assumptions	12,355,862	-	12,355,862
Contributions - Employer	-	10,249,919	(10,249,919)
Contributions - State	-	1,578,326	(1,578,326)
Contributions - Employee	-	1,655,650	(1,655,650)
Contributions - Buy Back	163,001	163,001	-
Net Investment Income	-	5,963,226	(5,963,226)
Benefit payments, including refunds of employees contributions	(10,728,745)	(10,728,745)	-
Administrative Expenses	-	(130,419)	130,419
Net changes	<u>24,079,319</u>	<u>8,750,958</u>	<u>15,328,361</u>
Balances at September 30, 2019	<u>\$ 241,053,060</u>	<u>\$ 192,897,896</u>	<u>\$ 48,155,164</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Firefighters’ Pension Plan

For the year ended September 30, 2019, the City recognized pension expense of \$11,667,065. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Differences between expected and actual experience	\$ 1,903,056	\$ 87,000
Changes in Assumptions	13,470,076	2,001,644
Net difference between projected and actual earnings on investments	4,246,582	-
Total	<u>\$ 19,619,714</u>	<u>\$ 2,088,644</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2020	3,352,911
2021	3,680,428
2022	3,443,381
2023	3,285,581
2024	1,898,770
Thereafter	1,869,999

(B) Defined Contribution Plan

(1) General Employees Defined Contribution Pension Plan

The City established a single-employer defined contribution pension plan for department heads and administrative management general employees on April 23, 1997. Eligible members who were current members of the Municipal General Employees' Pension Plan were given the irrevocable election to opt out of the old plan, and their accumulated contributions or future benefits, if vested, were rolled over into the new defined contribution pension plan. The employee chooses to directly manage his/her funds or to delegate the management via a preferred fund selection.

The City contracted with ICMA-RC to provide a 401(a) plan to all positions Grade 22 or higher as an alternative "opt-out" to the defined benefit retirement plan per City Code of Ordinances 2-123.2(a)(2). Terms of the plan are identified in the ICMA Retirement Corporation Governmental Money Purchase Plan & Trust Adoption Agreement approved by council and requires council approval for all changes.

Normal retirement is age 55 (not to exceed age 65). The adoption agreement has the following provisions: immediate 100% vesting, requires contributions equal to 8% of earnings from the employee and contributions of 12% of earnings from the employer. During FY2019, the City contributed \$220,596 and the employees contributed \$146,579.

4. Other Postemployment Benefits (OPEB)

Plan Description – City of Cape Coral OPEB Plan

Certain OPEB benefits are available to all employees eligible for disability, early or normal retirement after terminating employment with the City. The OPEB benefits include lifetime coverage for the retiree and dependents (for the life of the retiree) in the medical and prescription plans as well as participation in the dental and vision group plans sponsored by the City for employees. Retiring employees are eligible to continue the City-paid life insurance plan.

The City does not issue a separate financial report for the single-employer OPEB plan. The City's OPEB plan is currently being funded on a pay as you go basis, therefore, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan is administered by the City of Cape Coral benefits department. None of the benefits, rates of pay, or compensation provided to employees or retirees herein may be changed except by ordinance of the City Council.

Health-Related Benefits

All retiring employees of the City may continue their participation in the group health insurance plan sponsored by the City and may choose among the same medical plan options available for active employees of the City, as required by State law, but may be subject to a premium payment depending on their date of employment with the City. Dependents of retirees may be covered at the retirees' option the same as dependents of active employees, subject to premium payment. Prescription Drug coverage is automatically included in all the medical plan options. Covered retirees and their dependents are subject

to all the same medical and prescription benefits and rules for coverage as are active employees. Retirees who are Medicare eligible must enroll for Parts A and B under Medicare to remain covered under the program. All medical coverage is secondary to Medicare for retirees and dependents who are Medicare eligible and enrolled. In addition, all current and future retirees hired before the applicable "Break Date" who are or become eligible for Medicare benefits and who remain on the City's medical and prescription program will receive a cash stipend equal to the Medicare Part B premium. The City does not pay a Medicare Part B subsidy for any employees hired after September 30, 2003.

Survivorship Benefits

Eligibility for coverage for the designated dependent(s) ceases upon the death of the retiree. No benefit (other than COBRA coverage) is offered to the surviving beneficiary(s) of the active employee or retiree.

Life Insurance Benefits

Retirees hired before October 1, 2003 may continue their participation in the group term life insurance policy into retirement with the face value equal to twice the amount of the annual base salary at retirement. There is no cost to the employee. Retiring employees hired on or after October 1, 2003 have an option of converting their coverage to individual policies. A converted policy is not considered as other post-employment benefits for the purposes of GASB Statement No. 75.

Retiree Contributions for Medical and Prescription Benefits

Retired employees of the City are required to pay the health insurance premiums to maintain their coverage. An exception is made for employees hired before their respective "Break Date" and who have accrued at least 5 years of service with the City. These retirees are eligible upon retirement to continue coverage in the City's medical and prescription program at no cost to the retiree. Employees hired after their respective "Break Date", who retire having accrued at least 10 years of continuous service with the City at retirement, are entitled to a service-based subsidy toward the total premium contribution required for continued coverage in the City's program. Amount of this subsidy may change from time to time as the costs of insurance change.

Participant Data

At October 1, 2018 the following employees were covered by the benefit terms:

Retirees (Medical and/or Life Insurance)	708
Inactive employees entitled to, but not yet receiving benefits	-
Active plan members	1,338
Total	<u>2,046</u>

Total OPEB Liability

	Total OPEB Liability
Balance as of September 30, 2017 for FYE 2018	\$ 282,795,827
Changes:	
Service cost	8,055,888
Interest	9,731,792
Changes in assumptions	(13,273,023)
Benefit payments	(9,489,255)
Net Changes	<u>(4,974,598)</u>
Balance as of September 30, 2018 for FYE 2019	<u>\$ 277,821,229</u>

Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following table presents the City’s total OPEB liability, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate.

	1% Decrease 2.83%	Current Discount Rate 3.83%	1% Increase 4.83%
Total OPEB Liability	<u>\$ 321,228,785</u>	<u>\$ 277,821,229</u>	<u>\$ 242,881,381</u>

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table presents the City’s total OPEB liability, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease 2.90%	Healthcare Cost Trend Rate 3.90%	1% Increase 4.90%
Total OPEB Liability	<u>\$ 244,677,179</u>	<u>\$ 277,821,229</u>	<u>\$ 319,312,928</u>

Deferred Inflows/Outflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$12,557,883. In addition, the City has deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	\$ -	\$ 23,131,357
Benefit payments subsequent to measurement date	10,246,177	-
Total	<u>\$ 10,246,177</u>	<u>\$ 23,131,357</u>

As of September 30, 2019, \$10,246,178 included in the current portion of the OPEB payable will be amortized to expense in FY20. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2020	\$ (5,229,797)
2021	(5,229,797)
2022	(5,229,797)
2023	(5,229,798)
2024	(2,212,168)
Total	<u>\$ (23,131,357)</u>

Actuarial Methods and Assumptions

Cost Method	Entry Age Normal
Salary Increases	2.40%
Discount Rate*	3.83% (20-year municipal GO AA index)
Healthcare Cost Trend Rate	3.90%

*Prior year discount rate was 3.50%

The total OPEB liability at September 30, 2019 was based on October 1, 2018 valuation data using the following actuarial assumptions:

Medical Trend Assumptions

Rate of inflation	2.4%
Rate of growth in real income/GDP per capita	1.5%
Extra Trend due to Technology and other factors	1.2%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	207

Trends used in projecting Part B premiums through year 2025 are based on current law forecasts represented in the 2016 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds dated June 22, 2016. After 2025 the assumed Part B premium trend rates are the same as rates used for medical costs and contributions inflation.

Mortality Rate Healthy Active Lives:

Regular, male: RP2000 Generational, 50% White Collar / 50%, Blue Collar, Scale BB; fully generational with Scale BB

Regular, female: RP2000 Generational, 100% White Collar; fully generational with Scale BB

Special Risk, male: RP2000 10% White Collar, 90% Blue Collar; fully generational with Scale BB

Special Risk, female: RP2000 Generational, 100% White Collar; fully generational with Scale BB

Mortality Rate Healthy Inactive Lives:

Regular, male: RP2000 Generational, 50% White Collar / 50%, Blue Collar, Scale BB; fully generational with Scale BB

Regular, female: RP2000 Generational, 100% White Collar; fully generational with Scale BB

Special Risk, male: RP2000 10% White Collar, 90% Blue Collar; fully generational with Scale BB

Special Risk, female: RP2000 Generational, 100% White Collar; fully generational with Scale BB

Mortality Rate Disabled Lives:

Regular male: RP2000 100% disabled male rates setback 4 years, no projection scale

Regular female: RP2000 100% disabled female rates setback 2 years, no projection scale

Special Risk male: 60% RP2000 100% disabled male rates setback 4 years/ 40% Annuitant White Collar with no setback, no projection scale

Special Risk female: 60% RP2000 100% disabled female rates set forward 2 years/ 40% Annuitant White Collar with no setback, no projection scale

5. Contingencies

The City is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which may result in disallowed expense amounts. These amounts, if any, constitute a contingent liability of the City. The City does not believe any contingent liabilities are material. Accordingly, such liabilities are not reflected within the financial statements.

The City currently prepares rebate calculations on all debt subject to arbitrage per the United States Department of the Treasury Regulations, Section 1.148, and the Internal Revenue Service Code of 1986. Rebates, if any, are paid to the Internal Revenue Service every fifth year after the year of issuance. Within the five-year period, any positive arbitrage (liability) can be offset by any negative arbitrage (non-liability). The City does not believe there are any arbitrage contingent liabilities that are material.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material effect on the financial condition of the City.

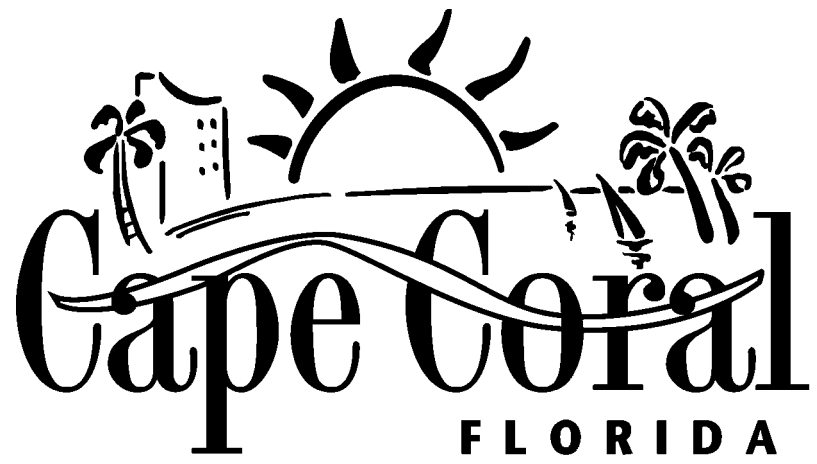
6. Subsequent Event

State Revolving Fund Loan Agreement #DW103130 (North 2 Drinking Water) was awarded and received approximately \$7.7 million on October 3rd, 2019 from requested Draw #4. Principal and interest is payable semiannually at rates ranging from 1.11% to 1.48% through 2042.

In addition, the City of Cape Coral is seeking proposals from qualified financial institutions for a non-bank qualified, tax-exempt fixed rate bank loan in the amount of approximately \$34,190,000 to refund the City's Series 2010B Gas Tax Revenue Build America Bonds. The refunding loan will be secured by a covenant to budget and appropriate from legally available non-ad valorem revenues (the "Special Obligation Note" or the "Note"). The City's Bond Counsel, Nabors, Giblin & Nickerson, P.A., will provide the tax-exempt opinions, authorizing Ordinance, Resolution, Loan Agreement, Division of Bond Finance Form, Tax Certificate, IRS Form 8038 and all other financing documents.

As a reference, the City's publicly offered Special Obligation Bonds are rated Aa3 by Moody's, AA- (Stable outlook) by S&P and AA- (Stable outlook) by Fitch.

Also, subsequent to year end, the Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, businesses, and our communities. Specific to the City, COVID-19 may impact various parts of its 2020 operations and financial results. This potential impact is not reflected in the financial statements as of and for the year ended September 30, 2019. The full impact of COVID-19 is unknown and cannot be reasonably estimated.



Required Supplementary Info

City of Cape Coral, Florida

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 93,468,184	\$ 93,468,184	\$ 93,758,005	\$ 289,821
Utility	7,312,775	7,312,775	7,874,558	561,783
Sales	20,996,803	20,996,803	20,678,121	(318,682)
Fuel	1,766,309	1,766,309	1,646,263	(120,046)
Alcohol and beverage	26,089	26,089	74,391	48,302
Franchise	6,779,055	6,779,055	7,018,299	239,244
Communication	5,300,000	5,300,000	4,884,741	(415,259)
Special assessments	23,476,023	23,476,023	24,383,516	907,493
Licenses and permits	1,045,458	1,045,458	931,827	(113,631)
Intergovernmental	3,495,848	13,733,317	14,261,017	527,700
Charges for services	7,200,840	8,940,318	9,202,155	261,837
Fines and forfeitures	476,467	476,467	714,526	238,059
Rent and royalties	429,073	429,073	572,866	143,793
Interest income	1,346,342	1,346,342	2,399,350	1,053,008
Contributions and donations	-	43,950	48,723	4,773
Other revenue	1,543,545	646,394	1,533,248	886,854
Cash balances brought forward	29,330,548	38,156,203	-	(38,156,203)
Total revenues	<u>203,993,359</u>	<u>223,942,760</u>	<u>189,981,606</u>	<u>(33,961,154)</u>
EXPENDITURES				
Current:				
General government	61,130,630	63,415,841	53,731,927	9,683,914
Public Safety:				
Police	39,269,123	39,703,408	37,738,129	1,965,279
Fire	30,363,245	31,814,446	30,860,707	953,739
Public works	12,714,211	12,805,724	10,871,955	1,933,769
Parks and recreation	7,268,290	7,342,408	6,666,972	675,436
Community development	5,198,690	5,183,690	4,694,601	489,089
Capital outlay	3,854,840	5,170,092	3,311,867	1,858,225
Total expenditures	<u>159,799,029</u>	<u>165,435,609</u>	<u>147,876,158</u>	<u>17,559,451</u>
Excess (deficiency) of revenues over (under) expenditures	<u>44,194,330</u>	<u>58,507,151</u>	<u>42,105,448</u>	<u>(16,401,703)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,649,133	8,199,824	8,227,959	28,135
Transfers out	(14,884,898)	(18,501,152)	(17,286,389)	1,214,763
Reserves	(36,958,565)	(48,205,823)	-	48,205,823
Total other financing sources (uses)	<u>(44,194,330)</u>	<u>(58,507,151)</u>	<u>(9,058,430)</u>	<u>49,448,721</u>
Net change in fund balance	-	-	33,047,018	33,047,018
Budgetary fund balance - beginning	<u>38,256,203</u>	<u>38,256,203</u>	<u>38,256,203</u>	<u>-</u>
Budgetary fund balance - ending	<u>\$ 38,256,203</u>	<u>\$ 38,256,203</u>	<u>\$ 71,303,221</u>	<u>\$ 33,047,018</u>

City of Cape Coral, Florida

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2019

Explanation of differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

Actual revenue amounts (budgetary basis)	\$ 189,981,606
The net proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(374,480)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 189,607,126</u>
Actual other financing sources (uses) (budgetary basis)	\$ (9,058,430)
The net proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>374,480</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ (8,683,950)</u>

The accompanying notes to the required supplementary information - budget comparison are an integral part of this schedule.

City of Cape Coral, Florida

BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
 For the Year Ended September 30, 2019

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 830,075	\$ 999,177	\$ 999,177	\$ -
Interest income	5,700	5,700	28,268	22,568
Other revenue	-	-	5,885	5,885
Prior year cash balance	-	128,807	-	(128,807)
Total revenues	<u>835,775</u>	<u>1,133,684</u>	<u>1,033,330</u>	<u>(100,354)</u>
EXPENDITURES				
Community development	<u>362,236</u>	<u>511,230</u>	<u>350,117</u>	<u>161,113</u>
Excess (deficiency) of revenues over (under) expenditures	<u>473,539</u>	<u>622,454</u>	<u>683,213</u>	<u>60,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,383,254	1,665,050	1,665,050	-
Transfers out	(1,856,793)	(2,005,708)	(1,989,836)	15,872
Reserves	-	(281,796)	-	281,796
Total other financing sources (uses)	<u>(473,539)</u>	<u>(622,454)</u>	<u>(324,786)</u>	<u>297,668</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	358,427	<u>\$ 358,427</u>
Fund balances - beginning			<u>28,807</u>	
Fund balances - ending			<u>\$ 387,234</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

The accompanying notes to the required supplementary information - budget comparisons are an integral part of this schedule.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISONS
September 30, 2019

Budgetary Basis

The City adopts an annual appropriated budget for the General Fund, the following Special Revenue Funds: gas tax, road impact fee, public safety impact fee, do the right thing, police confiscation-federal, police confiscation-state, criminal justice education, seawalls, park recreational facilities impact fee, community redevelopment agency (CRA), City Centrum business park, all hazards, alarm fee, Del Prado Mall parking lot, lot mowing, parks and recreation programs, waterpark, golf course, building, Community Development Block Grant, HUD Neighborhood Stabilization, local housing assistance, Residential Construction Mitigation Program, and debt service. Capital projects are budgeted over the length of the project except for the Hurricane Charley Disaster Improvement Fund. The budget to actual comparison for the general fund is presented on pages 113-114 of the required supplementary information. The budget to actual comparison for the community redevelopment agency (CRA) is presented on page 115 of the required supplementary information and other governmental funds are presented on pages 138-163 of the combining statements.

Budgetary Information

The following procedures are used in establishing the legally adopted budgetary data reflected in the financial statements.

1. During July, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October. 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 30 the budget is legally enacted by City Council through passage of an ordinance as required by City Charter, and an ordinance for setting the millage is passed as required by the State of Florida.
4. The City Manager can authorize changes within a fund. However, any other revisions require approval of the City Council. Various supplemental appropriations were approved by the Council during the fiscal year ended September 30, 2019.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except for the reporting of encumbrances, capital leases, insurance damage claims, and the sale of capital assets. Estimated cash balances from previous fiscal years that are available to support the annual operating budget are included in the adopted budget reflected as Balances Forward. Consistent with guidance by the State of Florida, the use of reserves is reported as expenditures in the budget. Annual appropriated budgets are adopted for the general, certain special revenue, and the debt service fund. Project-length financial plans and budgets are adopted for the capital projects funds except for the Hurricane Charley Disaster Improvement Fund.
6. Expenditures may not legally exceed appropriations at the fund level.
7. Beginning with the first amendment for the 2008 fiscal year, all available cash (not including capital projects) is now included within the budget. This has the affect of causing the budget to be greater than would have been the case in prior years even though expenditures may be less.

City of Cape Coral, Florida

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL GENERAL EMPLOYEES
 Last 7 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability							
Service Cost	\$ 8,754,130	\$ 8,645,641	\$ 7,581,291	\$ 6,787,332	\$ 6,345,174	\$ 6,326,371	\$ 5,871,342
Interest	27,287,081	25,456,382	23,613,678	21,003,661	19,926,291	18,821,859	17,724,278
Differences Between Expected and Actual Experience	95,516	6,086,590	4,417,837	3,893,760	(867,289)	-	-
Changes of Assumptions ²	10,496,250	-	5,853,087	14,374,009	-	-	-
Contributions - Buy Back	672,804	52,107	116,662	73,024	248,187	-	-
Benefit Payments, Including Refunds of Employee Contributions	(17,200,561)	(15,636,445)	(13,516,268)	(12,979,936)	(11,406,026)	(10,426,554)	(9,350,092)
Net Change in Total Pension Liability	30,105,220	24,604,275	28,066,287	33,151,850	14,246,337	14,721,676	14,245,528
Total Pension Liability - Beginning	356,540,023	331,935,748	303,869,461	270,717,611	256,471,274	241,749,598	227,504,070
Total Pension Liability - Ending (a)	<u>\$ 386,645,243</u>	<u>\$ 356,540,023</u>	<u>\$ 331,935,748</u>	<u>\$ 303,869,461</u>	<u>\$ 270,717,611</u>	<u>\$ 256,471,274</u>	<u>\$ 241,749,598</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 22,477,239	\$ 20,688,397	\$ 18,745,018	\$ 16,703,284	\$ 15,896,933	\$ 14,847,599	\$ 11,946,344
Contributions - Employee	5,049,654	4,819,442	4,575,819	4,110,347	3,900,545	3,740,529	3,377,905
Contributions - Buy Back	672,804	52,107	116,662	73,024	248,187	-	-
Net Investment Income	11,709,295	17,805,569	27,633,022	17,442,740	(2,670,840)	17,248,123	18,720,913
Benefit Payments, Including Refunds of Employee Contributions	(17,200,561)	(15,636,445)	(13,516,268)	(12,979,936)	(11,406,026)	(10,426,554)	(9,350,092)
Administrative Expenses	(288,372)	(279,364)	(211,781)	(178,584)	(219,890)	(209,604)	(145,987)
Net Change in Plan Fiduciary Net Position	22,420,059	27,449,706	37,342,472	25,170,875	5,748,909	25,200,093	24,549,083
Plan Fiduciary Net Position - Beginning	289,317,412	261,867,706	224,525,234	199,354,359	193,605,450	168,405,357	143,856,274
Plan Fiduciary Net Position - Ending (b)	311,737,471	289,317,412	261,867,706	224,525,234	199,354,359	193,605,450	168,405,357
Net Pension Liability - Ending (a) - (b)	<u>\$ 74,907,772</u>	<u>\$ 67,222,611</u>	<u>\$ 70,068,042</u>	<u>\$ 79,344,227</u>	<u>\$ 71,363,252</u>	<u>\$ 62,865,824</u>	<u>\$ 73,344,241</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.63%	0.811458443	78.89%	73.89%	73.64%	75.49%	69.66%
Covered Payroll ¹	\$ 48,175,089	\$ 45,670,445	\$ 43,023,377	\$ 38,839,907	\$ 43,059,029	\$ 36,210,403	\$ 33,074,042
Net Pension Liability as a Percentage of Covered Payroll	155.49%	147.19%	162.86%	204.29%	165.73%	173.61%	221.76%

Notes to Schedule:

¹ The covered payroll numbers shown are in compliance with GASB 82.

² *Changes of Assumptions:*

For measurement date 9/30/2019:

- The investment rate of return was lowered from 7.65% to 7.40% per year compounded annually, net of investment related expenses.

For measurement date 9/30/2017:

- As the result of an Experience Study dated September 27, 2017, the Board made changes to the following assumptions with this valuation of the Plan:
 - Salary Increases
 - Mortality Rates
 - Disability Rates
 - Normal and Early Retirement Rates
 - Withdrawal Rates
 - Investment Return

Details of the above assumptions can be found in the Actuarial Assumptions and Methods section of the 10/01/2017 Valuation report.

Other items:

This information is required for 10 years. However, only 7 years of information is available.

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL GENERAL EMPLOYEES
Last 7 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2019	\$ 22,477,239	\$ 22,465,625	\$ 11,614	\$ 48,175,089	46.63%
2018	20,676,783	20,688,397	(11,614)	45,670,445	45.30%
2017	18,745,018	18,745,018	-	43,023,377	43.57%
2016	16,709,229	16,703,284	5,945	38,839,907	43.01%
2015	15,890,988	15,896,933	(5,945)	43,059,029	36.92%
2014	14,847,599	14,847,599	-	36,210,403	41.00%
2013	11,946,344	11,946,344	-	33,074,042	36.12%

¹ The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/17

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

The following loads are applied for determination of the Sponsor funding requirement:

Interest - half a year based on the current 7.65% assumption.

Salary - a full year based on the current average assumption of 6.20%.

Mortality Rates:

The following assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The following rates are those outlined in Milliman's July 1, 2016 FRS valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Combined Healthy, Blue Collar, Scale BB.

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 100% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

Disability Rates:

None. Since this Plan has no explicit disability benefit, the incidence of disability is included in the withdrawal rates disclosed on the following page. This changes was adopted by the Board as a result of the September 27, 2017 experience study.

Payroll Increase:

1.14% per year for amortization of the UAAL.

Withdrawal:

Less than five years of Credited Service	
Age	Probability of Retirement
Less than 25	15.00%
25-34	12.00%
35-44	10.00%
45+	8.00%
Five or more years of Credited Service	
Age	Probability of Retirement
Less than 25	12.00%
25-34	9.00%
35-44	7.00%
45+	3.50%

Retirement:

Less than five years of Credited Service	
Age	Probability of Retirement
50-59	3.00%
60	50.00%
61-64	33.00%
65-66	50.00%
67+	100.00%
Twenty-five or more years of Credited Service	
Age	Probability of Retirement
Less than 60	75.00%
60+	100.00%

The above rates were adopted as the result of the September 27, 2017 experience study.

Salary Increases:

<u>Credit Service</u>	<u>Assumption</u>
less than 5	7.00%
5-14	6.00%
15 or more	5.00%

This assumption was adopted based on the September 27, 2017 experience study.

Asset Valuation Method:

Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average Market Value return. It is possible that over time this technique will produce an insignificant bias above or below Market Value.

SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL GENERAL EMPLOYEES
Last 7 Fiscal Years

<u>Fiscal Year</u> <u>Ended</u>	<u>Actuarially</u> <u>Determined</u> <u>Contribution</u>
9/30/2019	4.43%
9/30/2018	6.72%
9/30/2017	12.13%
9/30/2016	8.66%
9/30/2015	-1.36%
9/30/2014	10.04%
9/30/2013	12.71%

Other items:

This information is required for 10 years. However, only 7 years of information is available.

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City of Cape Coral, Florida

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS'
 Last 7 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability							
Service Cost	\$ 4,746,107	\$ 4,936,597	\$ 4,788,378	\$ 4,597,357	\$ 4,181,795	\$ 4,249,385	\$ 3,943,745
Interest	15,544,850	14,366,974	13,168,259	11,714,484	11,186,338	10,547,735	9,908,025
Change in Excess State Money	-	-	(1,653,314)	379,832	256,415	209,437	-
Share Plan Allocation	351,146	187,505	1,735,860	-	-	-	-
Changes of Benefit Terms	-	680,569	-	-	-	-	-
Differences Between Expected and Actual Experience	(2,672,118)	3,478,195	2,007,169	2,017,708	(2,507,874)	-	-
Contributions - Buy Back	25,462	99,776	190,028	105,656	-	-	-
Changes of Assumptions ²	5,410,152	-	-	6,709,188	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(7,641,017)	(7,719,306)	(6,783,071)	(6,370,968)	(6,551,123)	(6,427,849)	(5,378,316)
Net Change in Total Pension Liability	15,764,582	16,030,310	13,453,309	19,153,257	6,565,551	8,578,708	8,473,454
Total Pension Liability - Beginning	199,653,112	183,622,802	170,169,493	151,016,236	144,450,685	135,871,977	127,398,523
Total Pension Liability - Ending (a)	<u>\$215,417,694</u>	<u>\$ 199,653,112</u>	<u>\$ 183,622,802</u>	<u>\$ 170,169,493</u>	<u>\$ 151,016,236</u>	<u>\$ 144,450,685</u>	<u>\$ 135,871,977</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 6,393,072	\$ 7,917,299	\$ 7,111,509	\$ 6,875,656	\$ 6,995,863	\$ 6,660,536	\$ 6,260,750
Contributions - State	1,594,562	1,429,657	1,323,470	1,256,354	1,132,937	1,085,959	1,002,434
Contributions - Employee	1,691,707	1,622,967	1,701,463	1,553,768	1,454,685	1,326,883	1,414,151
Contributions - Buy Back	25,462	99,776	190,028	105,656	-	-	-
Net Investment Income	4,770,054	11,534,774	17,760,238	10,749,925	128,262	10,828,135	13,788,213
Benefit Payments, Including Refunds of Employee Contributions	(7,651,072)	(7,719,306)	(6,783,071)	(6,370,968)	(6,551,123)	(6,427,849)	(5,378,316)
Administrative Expenses	(127,399)	(116,691)	(105,797)	(112,350)	(132,861)	(112,882)	(92,544)
Net Change in Plan Fiduciary Net Position	6,696,386	14,768,476	21,197,840	14,058,041	3,027,763	13,360,782	16,994,688
Plan Fiduciary Net Position - Beginning	176,178,285	161,409,809	140,211,969	126,153,928	123,126,165	109,765,383	92,770,695
Plan Fiduciary Net Position - Ending (b)	<u>\$182,874,671</u>	<u>\$ 176,178,285</u>	<u>\$ 161,409,809</u>	<u>\$ 140,211,969</u>	<u>\$ 126,153,928</u>	<u>\$ 123,126,165</u>	<u>\$ 109,765,383</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 32,543,023</u>	<u>\$ 23,474,827</u>	<u>\$ 22,212,993</u>	<u>\$ 29,957,524</u>	<u>\$ 24,862,308</u>	<u>\$ 21,324,520</u>	<u>\$ 26,106,594</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.89%	88.24%	87.90%	82.40%	83.54%	85.24%	80.79%
Covered Payroll ¹	\$ 16,920,926	\$ 16,230,230	\$ 17,014,603	\$ 15,813,229	\$ 18,006,886	\$ 12,835,801	\$ 13,471,634
Net Pension Liability as a Percentage of Covered Payroll	192.32%	144.64%	130.55%	189.45%	138.07%	166.13%	193.79%

Notes to Schedule:

¹ The covered payroll numbers shown are in compliance with GASB 82.

² *Changes of benefit terms:*
 For measurement date 09/30/2018, amounts reported as changes of benefit terms resulted from Ordinance 15-18.

³ *Changes of assumptions:*
 For measurement date 09/30/2019, as a result of an actuarial experience study dated November 25, 2019 the following changes were approved:

- The assumed rate of investment return has been lowered from 7.75% per year to 7.50% per year, net of investment related expenses.
- The assumed service-based termination rates have been amended.
- The assumed rates of Disabled lives have been doubled at each age.
- The assumed rates of retirement have been amended for normal and early retirement.

Other items:

This information is required for 10 years. However, only 7 years of information is available.

City of Cape Coral, Florida

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE EMPLOYEES**
Last 7 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2019	\$ 9,307,391	\$ 7,636,488	\$ 1,670,903	\$ 16,920,926	45.13%
2018	8,656,859	9,159,451	(502,592)	16,230,230	56.43%
2017	7,582,575	8,352,433	(769,858)	17,014,603	49.09%
2016	7,433,901	7,752,178	(318,277)	15,813,229	49.02%
2015	7,613,340	7,872,385	(259,045)	18,006,896	43.72%
2014	7,537,058	1,537,058	6,000,000	12,835,801	11.97%
2013	7,137,272	7,137,272	-	13,471,634	52.98%

¹ The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

Notes to Schedule

Valuation Date: 10/01/17

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

The following loads are applied for determination of the Sponsor funding requirement:

Interest - A half a year, based on the current 7.75% assumption.

Salary - A full year, based on the current average assumption of 7.59%.

Mortality Rate:

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BE

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality were mandated by Chapter 2015 -157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in July 1, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Normal Retirement:

Hired before October 1, 2013.

Number of Years after First Eligible	Retirement Probability
0-4	50%
5 or more	100%

The above rates are supported by an Experience Study performed for the period October 1, 1988 through October 1, 2011.

Hired after September 30, 2013.

Number of Years after First Eligible	Retirement Probability
0-2	50%
3 or more	100%

The above rates are reasonable for the associated Plan provisions.

Early Retirement:

Commencing at eligibility for Early Retirement (Age 40 with 10 years of Credited Service), Members are assumed to retire with an immediate benefit at the rate of 2.00% per year. This assumption is supported by an Experience Study performed for the period October 1, 1988 through October 1, 2011.

Disability Rates:	<u>Age</u>	<u>Rates</u>
	20	0.153%
	30	0.174%
	40	0.363%
	50	1.287%

It is assumed that 75% of Disability Retirements are service-related.
The above rates are consistent with average Florida municipal special risk retirement programs.

Interest Rate: 7.75% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.

Termination Rates:	<u>Credited Service</u>	<u>Termination Probability</u>
	0-1	7.50%
	2-5	4.00%
	More than 5 years	3.50%

The above rates are supported by an Experience Study performed for the period October 1, 1988 through October 1, 2011.

Salary Increases:	<u>Credited Service</u>	<u>Assumption</u>
	less than 5 years	10.00%
	5-15 years	7.00%
	more than 15 years	6.00%

The above rates are supported by an Experience Study performed for the period October 1, 1988 through October 1, 2011.

Final Year Salary Load:	Years of Credited Service as of <u>February 7, 2012</u>	<u>Assumption</u>
	0	No load
	Less than 10 years	5.00%
	10 or more years	10.00%

The above rates are supported by data provided by the City.

Payroll Growth Assumption: 3.03% per year for amortization of the Unfunded Actuarial Accrued Liability. This assumption is limited by statute to the actual ten-year payroll growth average as of the valuation date.

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL POLICE EMPLOYEES
Last 10 Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>
9/30/2019	2.69%
9/30/2018	7.10%
9/30/2017	12.59%
9/30/2016	8.47%
9/30/2015	10.00%
9/30/2014	9.77%
9/30/2013	14.48%

Other items:
This information is required for 10 years. However, only 7 years of information is available.

City of Cape Coral, Florida

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL FIREFIGHTERS'
Last 7 Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability							
Service Cost	\$ 4,820,664	\$ 4,578,362	\$ 4,266,311	\$ 4,009,132	\$ 4,102,490	\$ 3,832,937	\$ 3,552,305
Interest	16,655,584	15,851,720	15,178,381	13,798,633	12,898,695	12,184,828	11,567,933
Change in Excess State Money ²	131,691	70,874	-	-	-	(1,825,958)	-
Changes of Benefit Terms	(52,873)	-	-	-	-	-	-
Differences Between Expected and Actual Experience	734,135	201,394	1,557,771	(260,997)	1,438,736	-	-
Changes of Assumptions ³	12,355,862	-	(3,502,874)	8,638,016	-	2,832,093	-
Contributions - Buy Back	163,001	83,609	-	179,583	33,685	-	-
Benefit Payments, Including Refunds of Employee Contributions	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)	(6,376,309)	(7,469,627)	(7,714,523)
Net Change in Total Pension Liability	24,079,319	10,585,252	9,566,359	19,204,400	12,097,297	9,554,273	7,405,715
Total Pension Liability - Beginning	216,973,741	206,388,489	196,822,130	177,617,730	165,520,433	155,966,160	148,560,445
Total Pension Liability - Ending (a)	241,053,060	216,973,741	206,388,489	196,822,130	177,617,730	165,520,433	155,966,160
Plan Fiduciary Net Position							
Contributions - Employer	\$ 10,249,919	\$ 10,095,728	\$ 8,759,719	\$ 8,424,472	\$ 7,706,894	\$ 6,047,404	\$ 7,365,990
Contributions - State	1,578,326	1,456,689	1,445,431	1,449,699	1,306,968	1,521,432	1,529,756
Contributions - Employee	1,655,650	1,523,514	1,450,606	1,292,651	1,338,752	1,315,620	1,241,892
Contributions - Buy Back	163,001	83,609	-	179,583	33,685	-	-
Net Investment Income	5,963,226	12,332,387	17,336,661	13,139,913	(460,924)	10,951,006	14,442,471
Benefit Payments, Including Refunds of Employee Contributions	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)	(6,376,309)	(7,469,627)	(7,714,523)
Administrative Expenses	(130,419)	(145,017)	(161,973)	(152,949)	(164,111)	(103,859)	(84,490)
Net Change in Plan Fiduciary Net Position	8,750,958	15,146,203	20,897,214	17,173,402	3,384,955	12,261,976	16,781,096
Plan Fiduciary Net Position - Beginning	184,146,938	169,000,735	148,103,521	130,930,119	127,545,164	115,283,188	98,502,092
Plan Fiduciary Net Position - Ending (b)	\$ 192,897,896	\$ 184,146,938	\$ 169,000,735	\$ 148,103,521	\$ 130,930,119	\$ 127,545,164	\$ 115,283,188
Net Pension Liability - Ending (a) - (b)	\$ 48,155,164	\$ 32,826,803	\$ 37,387,754	\$ 48,718,609	\$ 46,687,611	\$ 37,975,269	\$ 40,682,972
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.02%	84.87%	81.88%	75.25%	73.71%	77.06%	73.92%
Covered Payroll ¹	\$ 16,556,504	\$ 15,235,145	\$ 14,509,395	\$ 13,056,409	\$ 14,588,691	\$ 12,722,509	\$ 12,097,174
Net Pension Liability as a Percentage of Covered Payroll	290.85%	215.47%	257.68%	373.14%	320.03%	298.49%	336.30%

Notes to Schedule:

¹ The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

² **Changes in Excess State Money:**

The Excess State Monies Reserve as of September 30, 2013 will be available to the City to offset the Fiscal 2014 contributions.

- For valuation dates on and after October 1, 2013 and until such time that the Retirement Plan reaches 80% funded (based on the ratio of the Actuarial Value of Assets to Actuarial Accrued Liability) all future State Monies in excess of the current \$1,314,942 frozen amount will be split as follows:
 - 50% will be available to defray the City's contribution requirement
 - 50% will go towards accelerating the pay down of the Unfunded Actuarial Accrued Liability (UAAL)

³ **Changes in benefit terms:**

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statues state that, effective July 1, 2019 a death or disability (under the Plan's definition of total and permanant disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

⁴ **Changes of Assumptions:**

For measurement date 09/30/2019, the investment return was lowered from 7.70% to 7.25% per year compounded annually, net of investment expenses.

For measurement date 9/30/2017, amounts reported as changes of assumptions resulted from:

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation to the rates used in the July 2, 2016 actuarial valuation for special risk lives.
- The assumptions for termination, normal retirement, disability were updated in accordance with the experience study dated November 30, 2017.
- Termination rates were changed from an age-based table to a service-based table.
- Normal retirement rates were reduced for members with less than 25 years of credited service. Additionally, the assumption that members currently eligible for normal retirement would retire with 100% probability was removed.
- Disability rates were doubled at each age.

For measurement date 09/30/2014 amounts reported as changes of assumptions were resulted from the following changes:

- To comply with Chapter 112 Florida Statutes the payroll growth was limited to the ten year average rate of 4.41% (prior valuation used a 5.00% rate).
- As decided by the Board at the August 2, 2012 meeting the interest rate would be decreased from 8.00% down to 7.75% over a three year period. As such, the interest rate was decreased from 7.90% to 7.75% for the 2014 valuation.

Other items:

This information is required for 10 years. However, only 7 years of information is available.

City of Cape Coral, Florida

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL FIRE EMPLOYEES
Last 7 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions ²	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2019	\$ 11,697,566	\$ 11,564,864	\$ 1,011	\$ 16,556,504	69.85%
2018	11,496,375	11,481,544	14,831	15,235,145	75.36%
2017	10,015,294	10,139,905	(124,611)	14,509,395	69.89%
2016	9,655,384	9,806,793	(151,409)	13,056,409	75.11%
2015	9,013,862	9,013,862	-	14,588,691	61.79%
2014	9,104,319	9,188,304	(83,985)	12,722,509	72.22%
2013	8,680,932	8,680,932	-	12,097,174	71.76%

¹ The covered payroll numbers shown are in compliance with GASB 82, except for the 9/30/2015 measurement period which includes DROP payroll.

² Including amounts from Excess State Money Reserve.

Notes to Schedule

Valuation Date: 10/01/17

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:
Interest - half a year based on the 7.70% assumption.
Salary - a full year, based on the current 7.50% assumption.

Mortality: *Healthy Active Lives:*
Female: RP2000 Generational, 100% Combined Healthy White Color, Scale BB.
Male: RP2000. Generational, 10% Combined Healthy White Colors / 90% Combined Healthy Blue Collar, Scale BB.
Healthy Inactive Lives:
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
Disabled Lives:
Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption use in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate: 7.70% per year, compounded annually, net of investment related expenses. We will continue to monitor this assumption against the expected asset allocation and future returns by asset class.

Normal Retirement: For Members with less than 25 years of Credited Service: 40% for ages 50-51, 15% for ages 52-55, 25% for ages 56-59, and 100% for ages 60 and above. For Members with at least 25 years of Credited Service: 100%. The assumption is based on the experience study dated November 30, 2017.

Early Retirement: Commencing at eligibility for Early Retirement (age 40 with 10 years of service), Members are assumed to retire with an immediate benefit at the rate of 2.00% per year. This assumption is based on the experience study dated November 30, 2017.

Disability: See table below. It is assumed that 75% of Disability Retirements are service-related. This assumption is based on the experience study dated November 30, 2017.

Termination : 4.00% for Members with less than 5 years of Credited Service; 1.00% for Members with at least 5 years of Credited Service. The assumption is based on the experience study dated November 30, 2017.

Benefit Cap Index: 1.00% assumption each year beginning in 2018.

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.

Salary Increases: 7.50% per year. We will continue to monitor this assumption to ensure it is in line with actual plan experience.

Final Year Salary Load:

<u>Years of Credited Service as of February 7, 2012</u>	<u>Assumption</u>
0	No load
Less than 10 years	5.00%
10 or more years	10.00%

Payroll Growth:

1.41% per year.

Disability Rate Table:

<u>Age</u>	<u>% Becoming Disabled During the Year</u>
20	0.102%
30	0.116%
40	0.242%
50	0.858%

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL FIRE EMPLOYEES
Last 10 Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>
9/30/2019	3.23%
9/30/2018	7.28%
9/30/2017	11.64%
9/30/2016	9.99%
9/30/2015	-0.36%
9/30/2014	9.48%
9/30/2013	14.44%

Other items:

This information is required for 10 years. However, only 7 years of information is available.

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City of Cape Coral, Florida

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
Fiscal Year 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 8,055,888	\$ 8,600,831
Interest	9,731,792	8,916,244
Changes in assumptions	(13,273,023)	(18,105,757)
Benefit payments	(9,489,255)	(8,472,549)
Net Changes	<u>(4,974,598)</u>	<u>(9,061,231)</u>
Total OPEB Liability, beginning	282,795,827	291,857,058
Total OPEB Liability, ending	<u>\$ 277,821,229</u>	<u>\$ 282,795,827</u>

Covered employee payroll	\$ 94,597,857	\$ 89,470,659
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Total OPEB liability as a percentage of covered employee payroll	293.69%	316.08%
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Other items:

This information is required for 10 years, however, only 2 years of information is available as this policy was implemented beginning in Fiscal Year 2018.

Notes to Schedule:

Benefit changes: None

Changes of assumptions: The discount rate was changed as follows:

Discount Rate:
9/30/2018 3.50%
9/30/2019 3.83%

Combining Statements & Schedules

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

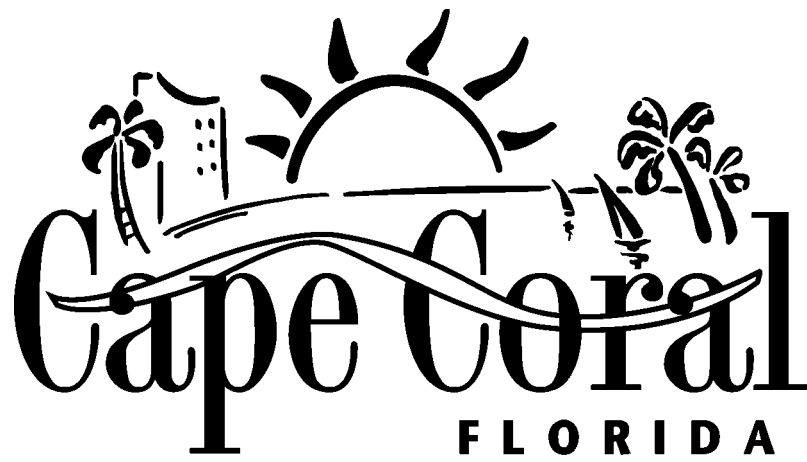
- Gas Tax Fund – used to account for the Local Option (6¢) and New Local Option (5¢) Taxes which are used for construction of new roads, reconstruction or resurfacing of existing paved roads, and related items.
- Road Impact Fee Fund – used to account for the impact fees that are used to provide new roads.
- Public Safety Impact Fee Fund – used to account for Police Protection, Advanced Life Support, and Fire & Rescue impact fees which are used for the purchase of capital improvements consisting of land, buildings, vehicles, and equipment for police protection services, advanced life support program and fire public safety facilities.
- Do The Right Thing Fund – this program is sponsored by the Police Department and rewards the youth population in the community for “doing the right thing”. This fund was established to account for the program donations that are used to offset the operating expenses of the program to include prizes and rewards for the program recipients.
- Police Confiscation-Federal Fund – used to account for monies received from federal confiscation cases and used to purchase equipment for the Police Department.
- Police Confiscation-State Fund – used to account for monies received from the sale of confiscated items in nonfederal cases and used to purchase equipment for the Police Department. This also includes the Police Evidence Fund.
- Criminal Justice Education Fund – used to account for monies received from the assessment of mandatory court costs and used for criminal justice education and training.
- Seawalls Fund – used to account for the collection of special assessments after the construction of seawalls.
- Park Recreational Facilities Impact Fee Fund – used to account for impact fees which are used to provide recreational park facilities.
- City Centrum Business Park Fund – is used to account for monies collected from agencies that occupy the facilities.
- All Hazards Fund – used to account for monies collected by Lee County in the All Hazards Protection District for the funding of shelters, emergency preparedness, and hazardous material response programs.
- Alarm Fee Fund – is used to account for fees and fines collected by the City in connection with initial installation and false alarms thereafter.
- Del Prado Mall Parking Lot Fund – is used to account for collection of special assessments for the Del Prado Mall parking lot.
- Lot Mowing Fund – is used to account for the mowing of vacant unimproved property.
- Parks and Recreation Fund – is used to account for the recreational programs for individuals of various ages, skill levels, interests, social needs, and economic capabilities, that collectively enhance the overall quality of life within the City.
- Waterpark Fund – used to account for the operations of the City's Sun Splash Family Water Park and Aquatic Facility.
- Golf Course Fund – used to account for the operations of the year-round municipal golf facility which includes the clubhouse, greens, and restaurant operations.

- Building Fund – used to account for the activities of the building and permitting services of the Department of Community Development as related to the construction of buildings and related structures within the City of Cape Coral.
- Community Development Block Grant (CDBG) Fund – used to account for monies received from the U.S. Department of Housing and Urban Development for community development.
- HUD Neighborhood Stabilization Fund – used to account for monies received from the U.S. Department of Housing and Urban Development to provide targeted emergency assistance to the City to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within the community.
- State Housing Initiative Partnership (S.H.I.P.) Fund – used to account for monies received from the State Housing Initiatives Partnership Program to provide assistance to low and moderate income families for the purpose of obtaining affordable housing in the City.
- Residential Construction Mitigation Program Fund – used to account for monies received from the Florida Division of Emergency Management Residential Construction Mitigation Program (RCMP) to improve the wind resistance of residences.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- Hurricane Charley Disaster Improvement Fund – used to account for the clean-up from Hurricane Charley.
- Parks Capital Improvements Fund - used to account for the improvements at various parks.
- Other Capital Improvements Fund - used to account for the following projects:
 - Fire Station Construction – used to account for the design and construction of fire stations.
 - CRA Streetscape – used to account for an improved streetscape on S.E. 47th Terrace.
 - Public Works Capital Improvements Fund – used to account for the various capital improvements including the sign/stripping building replacement, project planning, and enhancements to the Chiquita boat lock and Ceitus boat lift.
 - Academic Village – used to account for the improvement of the academic village.
 - Computer System – used to account for enhancements and upgrades to various computer systems.



**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2019**

	Special Revenue					
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Police Confiscation Federal	
ASSETS						
Cash and investments	\$ 20,392,718	\$ 10,673,816	\$ 10,558,006	\$ 17,920	\$ 174,378	\$ 533,272
Interest receivable	56,317	28,906	29,157	48	482	1,473
Accounts receivable, net	-	-	-	157	15	-
Intergovernmental receivable	1,427,516	-	-	-	-	10,500
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>21,876,551</u>	<u>10,702,722</u>	<u>10,587,163</u>	<u>18,125</u>	<u>174,875</u>	<u>545,245</u>
LIABILITIES						
Accounts payable and other accrued liabilities	-	-	-	47	-	103,145
Accrued retainage	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Intergovernmental payables	-	-	-	-	-	31,614
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>-</u>	<u>134,759</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - grant reimbursements	-	-	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	21,876,551	10,702,722	10,587,163	18,078	174,875	410,486
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>21,876,551</u>	<u>10,702,722</u>	<u>10,587,163</u>	<u>18,078</u>	<u>174,875</u>	<u>410,486</u>
Total liabilities and fund balances	<u>\$ 21,876,551</u>	<u>\$ 10,702,722</u>	<u>\$ 10,587,163</u>	<u>\$ 18,125</u>	<u>\$ 174,875</u>	<u>\$ 545,245</u>

Special Revenue

Criminal Justice Education	Seawalls	Park Recreational Facilities Impact Fee	City Centrum Business Park	All Hazards	Alarm Fee	Del Prado Mall Parking Lot	Lot Mowing
\$ 32,545	\$ 253,381	\$ 1,558,910	\$ 1,364	\$ 1,404,543	\$ 4,772	\$ 140,837	\$ 2,794,309
90	700	4,305	-	3,880	1	389	18,234
28	-	-	-	-	16,115	-	93
1,812	-	-	-	674	-	43	28,635
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>34,475</u>	<u>254,081</u>	<u>1,563,215</u>	<u>1,364</u>	<u>1,409,097</u>	<u>20,888</u>	<u>141,269</u>	<u>2,841,271</u>
-	-	-	1,364	2,813	5	587	105,673
-	-	-	-	-	-	-	-
-	-	-	-	12,549	4,767	-	15,079
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	1,280,091
-	-	-	<u>1,364</u>	<u>15,362</u>	<u>4,772</u>	<u>587</u>	<u>1,400,843</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
34,475	254,081	1,563,215	-	1,393,735	-	-	-
-	-	-	-	-	16,116	140,682	1,440,428
-	-	-	-	-	-	-	-
<u>34,475</u>	<u>254,081</u>	<u>1,563,215</u>	<u>-</u>	<u>1,393,735</u>	<u>16,116</u>	<u>140,682</u>	<u>1,440,428</u>
<u>\$ 34,475</u>	<u>\$ 254,081</u>	<u>\$ 1,563,215</u>	<u>\$ 1,364</u>	<u>\$ 1,409,097</u>	<u>\$ 20,888</u>	<u>\$ 141,269</u>	<u>\$ 2,841,271</u>

City of Cape Coral, Florida

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)**
September 30, 2019

	Special Revenue					HUD Neighborhood Stabilization
	Parks and Recreation	Waterpark	Golf Course	Building	Community Development Block Grant	
ASSETS						
Cash and investments	\$ 590,479	\$ 115,653	\$ 179,990	\$ 12,002,899	\$ -	\$ 181,690
Interest receivable	-	-	-	33,141	-	-
Accounts receivable, net	11,881	2,352	326	610	-	-
Intergovernmental receivable	123,959	-	-	-	333,527	5,818
Inventories	65,372	31,465	31,006	-	-	-
Prepaid items	1,535	234	1,024	1,390	477	-
Total assets	<u>793,226</u>	<u>149,704</u>	<u>212,346</u>	<u>12,038,040</u>	<u>334,004</u>	<u>187,508</u>
LIABILITIES						
Accounts payable and other accrued liabilities	230,594	69,769	63,708	22,985	106,952	6
Accrued retainage	-	-	-	-	-	-
Accrued payroll	183,427	52,492	41,430	145,719	11,628	-
Due to other funds	-	-	564,909	-	78,767	-
Deposits	83,663	7,090	200	575,806	-	-
Intergovernmental payables	41,447	-	-	54,370	-	-
Unearned revenue	55,229	-	64,334	1,302,219	-	-
Total liabilities	<u>594,360</u>	<u>129,351</u>	<u>734,581</u>	<u>2,101,099</u>	<u>197,347</u>	<u>6</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - grant reimbursements	-	-	-	-	333,527	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,527</u>	<u>-</u>
FUND BALANCES						
Nonspendable	66,908	31,698	32,030	1,390	477	-
Restricted	-	-	-	9,935,551	-	187,502
Committed	131,958	-	-	-	-	-
Unassigned	-	(11,345)	(554,265)	-	(197,347)	-
Total fund balances (deficit)	<u>198,866</u>	<u>20,353</u>	<u>(522,235)</u>	<u>9,936,941</u>	<u>(196,870)</u>	<u>187,502</u>
Total liabilities and fund balances	<u>\$ 793,226</u>	<u>\$ 149,704</u>	<u>\$ 212,346</u>	<u>\$ 12,038,040</u>	<u>\$ 334,004</u>	<u>\$ 187,508</u>

State Housing Initiative Partnership	Residential Construction Mitigation Program	Hurricane Charley Disaster Improvement	Capital Projects		Total Nonmajor Governmental Funds
			Parks Capital Improvements	Other Capital Improvements	
\$ 1,691,869	\$ -	\$ 115,094	\$ 5,904,301	\$ 9,325,159	\$ 78,647,905
-	-	-	-	-	177,123
-	-	-	-	-	31,577
-	-	-	100,000	-	2,032,484
-	-	-	-	-	127,843
-	-	-	-	-	4,660
<u>1,691,869</u>	<u>-</u>	<u>115,094</u>	<u>6,004,301</u>	<u>9,325,159</u>	<u>81,021,592</u>
212,542	-	-	168,997	680,800	1,769,987
-	-	-	-	288,234	288,234
-	-	-	-	-	467,091
-	570	-	-	-	644,246
-	-	-	-	-	666,759
-	-	-	-	-	127,431
-	-	-	-	-	2,701,873
<u>212,542</u>	<u>570</u>	<u>-</u>	<u>168,997</u>	<u>969,034</u>	<u>6,665,621</u>
-	-	-	100,000	-	433,527
-	-	-	100,000	-	433,527
-	-	-	-	-	132,503
1,479,327	-	-	5,385,724	-	64,003,485
-	-	115,094	349,580	8,356,125	10,549,983
-	(570)	-	-	-	(763,527)
<u>1,479,327</u>	<u>(570)</u>	<u>115,094</u>	<u>5,735,304</u>	<u>8,356,125</u>	<u>73,922,444</u>
<u>\$ 1,691,869</u>	<u>\$ -</u>	<u>\$ 115,094</u>	<u>\$ 6,004,301</u>	<u>\$ 9,325,159</u>	<u>\$ 81,021,592</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2019

	Special Revenue					
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Police Confiscation Federal	
REVENUES						
Taxes						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel	9,140,320	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	763,698	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	36,483
Impact fees	-	9,562,986	3,028,275	-	-	-
Rent and royalties	-	3,531	-	-	-	-
Interest income	754,397	241,799	299,165	694	10,006	17,039
Contributions and donations	-	-	-	17,877	-	-
Other revenue	-	11	-	157	4,185	-
Total revenues	<u>9,894,717</u>	<u>10,572,025</u>	<u>3,327,440</u>	<u>18,728</u>	<u>14,191</u>	<u>53,522</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety:						
Police	-	-	10,322	18,010	266,568	25,762
Fire	-	-	13,921	-	-	-
Building	-	-	-	-	-	-
Public works	-	54,026	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	103,634	-	-	-
Total expenditures	<u>-</u>	<u>54,026</u>	<u>127,877</u>	<u>18,010</u>	<u>266,568</u>	<u>25,762</u>
Excess revenues over (under) expenditures	<u>9,894,717</u>	<u>10,517,999</u>	<u>3,199,563</u>	<u>718</u>	<u>(252,377)</u>	<u>27,760</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(15,838,759)	(5,808,482)	(339,863)	-	-	(38,683)
Proceeds on sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(15,838,759)</u>	<u>(5,808,482)</u>	<u>(339,863)</u>	<u>-</u>	<u>-</u>	<u>(38,683)</u>
SPECIAL ITEMS						
Net change in fund balances	(5,944,042)	4,709,517	2,859,700	718	(252,377)	(10,923)
Fund balances (deficit) - beginning restated	27,820,593	5,993,205	7,727,463	17,360	427,252	421,409
Fund balances (deficit) - ending	<u>\$ 21,876,551</u>	<u>\$ 10,702,722</u>	<u>\$ 10,587,163</u>	<u>\$ 18,078</u>	<u>\$ 174,875</u>	<u>\$ 410,486</u>

Special Revenue

Criminal Justice Education	Seawalls	Park Recreational Facilities Impact Fee	City Centrum Business Park	All Hazards	Alarm Fee	Del Prado Mall Parking Lot	Lot Mowing
\$ -	\$ -	\$ -	\$ -	\$ 824,000	\$ -	\$ -	\$ -
-	-	-	-	-	-	38,367	-
-	-	-	-	-	-	-	-
-	-	-	-	-	107,185	-	3,770,563
21,327	-	-	-	-	-	22	18,059
-	-	2,640,320	-	-	-	-	-
-	-	-	-	-	-	-	-
922	8,181	58,275	6	46,336	3	4,521	204,716
-	-	-	-	-	-	-	-
28	-	-	164	-	82	103	25,768
<u>22,277</u>	<u>8,181</u>	<u>2,698,595</u>	<u>170</u>	<u>870,336</u>	<u>107,270</u>	<u>43,013</u>	<u>4,019,106</u>
-	20	-	77,316	-	-	-	-
21,589	-	-	-	-	95,543	-	-
-	-	-	-	649,108	-	-	-
-	-	-	-	-	-	19,651	2,499,757
-	-	18,712	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	48,715	-	-	-
<u>21,589</u>	<u>20</u>	<u>18,712</u>	<u>77,316</u>	<u>697,823</u>	<u>95,543</u>	<u>19,651</u>	<u>2,499,757</u>
<u>688</u>	<u>8,161</u>	<u>2,679,883</u>	<u>(77,146)</u>	<u>172,513</u>	<u>11,727</u>	<u>23,362</u>	<u>1,519,349</u>
-	-	-	77,096	-	4,485	-	-
-	-	(2,726,160)	-	(93,600)	(7,500)	-	-
-	-	-	-	(4,052)	-	-	-
-	-	<u>(2,726,160)</u>	<u>77,096</u>	<u>(97,652)</u>	<u>(3,015)</u>	-	-
688	8,161	(46,277)	(50)	74,861	8,712	23,362	1,519,349
33,787	245,920	1,609,492	50	1,318,874	7,404	117,320	(78,921)
<u>\$ 34,475</u>	<u>\$ 254,081</u>	<u>\$ 1,563,215</u>	<u>\$ -</u>	<u>\$ 1,393,735</u>	<u>\$ 16,116</u>	<u>\$ 140,682</u>	<u>\$ 1,440,428</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2019

	Special Revenue					
	Parks and Recreation	Waterpark	Golf Course	Building	Community Development Block Grant	
REVENUES						
Taxes						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	8,902,302	-	-
Intergovernmental	609,218	-	-	-	357,040	61,423
Charges for services	3,398,766	2,213,365	2,548,830	-	-	-
Fines and forfeitures	11,775	-	50	51,609	-	-
Impact fees	-	-	-	-	-	-
Rent and royalties	-	-	-	-	-	-
Interest income	3,085	507	1,781	397,616	295	1,622
Contributions and donations	65,713	-	-	-	-	-
Other revenue	21,624	266,914	3,013	762	518,489	274,191
Total revenues	<u>4,110,181</u>	<u>2,480,786</u>	<u>2,553,674</u>	<u>9,352,289</u>	<u>875,824</u>	<u>337,236</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Building	-	-	-	5,524,032	-	-
Public works	-	-	-	-	-	-
Parks and recreation	9,595,278	2,465,689	2,866,935	-	-	-
Community development	-	-	-	-	960,828	443,700
Capital outlay	65,956	49,545	137,682	98,428	103,443	-
Total expenditures	<u>9,661,234</u>	<u>2,515,234</u>	<u>3,004,617</u>	<u>5,622,460</u>	<u>1,064,271</u>	<u>443,700</u>
Excess revenues over (under) expenditures	<u>(5,551,053)</u>	<u>(34,448)</u>	<u>(450,943)</u>	<u>3,729,829</u>	<u>(188,447)</u>	<u>(106,464)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,441,566	867,494	600,614	-	-	-
Transfers out	-	(593,157)	-	(3,385,913)	(13,696)	(27,391)
Proceeds on sale of capital assets	40,154	-	(1,871)	(14,390)	-	-
Total other financing sources (uses)	<u>5,481,720</u>	<u>274,337</u>	<u>598,743</u>	<u>(3,400,303)</u>	<u>(13,696)</u>	<u>(27,391)</u>
SPECIAL ITEMS						
Net change in fund balances	(69,333)	239,889	147,800	329,526	(202,143)	(133,855)
Fund balances (deficit) - beginning	268,199	(219,536)	(670,035)	9,607,415	5,273	321,357
Fund balances (deficit) - ending	<u>\$ 198,866</u>	<u>\$ 20,353</u>	<u>\$ (522,235)</u>	<u>\$ 9,936,941</u>	<u>\$ (196,870)</u>	<u>\$ 187,502</u>

State Housing Initiative Partnership	Residential Construction Mitigation Program	Capital Projects			Total Nonmajor Governmental Funds
		Hurricane Charley Disaster Improvement	Parks Capital Improvements	Other Capital Improvements	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 824,000
-	-	-	-	-	9,140,320
-	-	-	-	-	38,367
-	-	-	-	-	8,902,302
250,505	-	-	65,000	-	2,106,884
-	-	-	-	-	12,038,709
-	-	-	-	-	139,325
-	-	-	-	-	15,231,581
-	-	-	-	-	3,531
19,147	6	743	14,601	87,686	2,173,149
-	-	-	15,037	-	98,627
249,782	6,676	-	-	7,927	1,379,876
<u>519,434</u>	<u>6,682</u>	<u>743</u>	<u>94,638</u>	<u>95,613</u>	<u>52,076,671</u>
-	-	-	-	23,005	100,341
-	-	-	-	-	437,794
-	-	-	-	-	663,029
-	-	-	-	-	5,524,032
-	-	-	-	-	2,573,434
-	-	-	128,809	-	15,075,423
1,039,661	6,676	-	-	47,318	2,498,183
-	-	-	1,708,536	9,482,767	11,798,706
<u>1,039,661</u>	<u>6,676</u>	<u>-</u>	<u>1,837,345</u>	<u>9,553,090</u>	<u>38,670,942</u>
<u>(520,227)</u>	<u>6</u>	<u>743</u>	<u>(1,742,707)</u>	<u>(9,457,477)</u>	<u>13,405,729</u>
-	-	-	5,506,759	8,632,999	21,131,013
(13,696)	-	-	(200,000)	-	(29,086,900)
-	-	-	-	-	19,841
<u>(13,696)</u>	<u>-</u>	<u>-</u>	<u>5,306,759</u>	<u>8,632,999</u>	<u>(7,936,046)</u>
(533,923)	6	743	3,564,052	(824,478)	5,469,683
2,013,250	(576)	114,351	2,171,252	9,180,603	68,452,761
<u>\$ 1,479,327</u>	<u>\$ (570)</u>	<u>\$ 115,094</u>	<u>\$ 5,735,304</u>	<u>\$ 8,356,125</u>	<u>\$ 73,922,444</u>

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fuel taxes	\$ 9,299,458	\$ 9,299,458	\$ 9,140,320	\$ (159,138)
Interest income	-	-	754,397	754,397
Prior year cash balance	20,391,627	26,302,681	-	(26,302,681)
Total revenues	<u>29,691,085</u>	<u>35,602,139</u>	<u>9,894,717</u>	<u>(25,707,422)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,005,287)	(15,838,760)	(15,838,759)	1
Reserves	(23,685,798)	(19,763,379)	-	19,763,379
Total other financing sources (uses)	<u>(29,691,085)</u>	<u>(35,602,139)</u>	<u>(15,838,759)</u>	<u>19,763,380</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(5,944,042)	<u>\$ (5,944,042)</u>
Fund balances - beginning			<u>27,820,593</u>	
Fund balances - ending			<u>\$ 21,876,551</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 743,343	\$ 743,343	\$ 763,698	\$ 20,355
Impact fees	5,656,815	5,656,815	9,562,986	3,906,171
Rent and royalties	-	-	3,531	3,531
Interest income	-	-	241,799	241,799
Other revenue	7,062	7,062	-	(7,062)
Prior year cash balance	1,922,004	5,983,377	11	(5,983,366)
Total revenues	<u>8,329,224</u>	<u>12,390,597</u>	<u>10,572,025</u>	<u>(1,818,572)</u>
EXPENDITURES				
Public works	-	69,000	54,026	14,974
Excess deficiency) of revenues over (under) expenditures	<u>8,329,224</u>	<u>12,321,597</u>	<u>10,517,999</u>	<u>(1,803,598)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,927,829)	(6,959,829)	(5,808,482)	1,151,347
Reserves	(1,401,395)	(5,361,768)	-	5,361,768
Total other financing sources (uses)	<u>(8,329,224)</u>	<u>(12,321,597)</u>	<u>(5,808,482)</u>	<u>6,513,115</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	4,709,517	<u>\$ 4,709,517</u>
Fund balances - beginning			<u>5,993,205</u>	
Fund balances - ending			<u>\$ 10,702,722</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Impact fees	\$ 2,208,055	\$ 2,508,055	\$ 3,028,275	\$ 520,220
Interest income	20,243	20,243	299,165	278,922
Prior year cash balance	6,747,518	7,727,461	-	(7,727,461)
Total revenues	<u>8,975,816</u>	<u>10,255,759</u>	<u>3,327,440</u>	<u>(6,928,319)</u>
EXPENDITURES				
Public safety:				
Police	55,871	67,295	10,322	56,973
Fire	-	-	13,921	(13,921)
Capital outlay	88,150	765,150	103,634	661,516
Total expenditures	<u>144,021</u>	<u>832,445</u>	<u>127,877</u>	<u>704,568</u>
Excess deficiency) of revenues over (under) expenditures	<u>8,831,795</u>	<u>9,423,314</u>	<u>3,199,563</u>	<u>(6,223,751)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(339,863)	(339,863)	(339,863)	-
Reserves	(8,491,932)	(9,083,451)	-	9,083,451
Total other financing sources	<u>(8,831,795)</u>	<u>(9,423,314)</u>	<u>(339,863)</u>	<u>9,083,451</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	2,859,700	<u>\$ 2,859,700</u>
Fund balances - beginning			<u>7,727,463</u>	
Fund balances - ending			<u>\$ 10,587,163</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DO THE RIGHT THING SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest income	\$ -	\$ -	\$ 694	\$ 694
Contributions and donations	8,000	17,800	17,877	77
Other revenue	-	-	157	157
Prior year cash balance	-	17,359	-	(17,359)
Total revenues	<u>8,000</u>	<u>35,159</u>	<u>18,728</u>	<u>(16,431)</u>
EXPENDITURES				
Public safety: police	<u>8,000</u>	<u>18,500</u>	<u>18,010</u>	<u>490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>16,659</u>	<u>718</u>	<u>(15,941)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>-</u>	<u>(16,659)</u>	<u>-</u>	<u>16,659</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>718</u>	<u>\$ 718</u>
Fund balances - beginning			<u>17,360</u>	
Fund balances - ending			<u>\$ 18,078</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - FEDERAL SPECIAL REVENUE FUND**
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest income	\$ 300	\$ 300	\$ 10,006	\$ 9,706
Other revenue	-	-	4,185	4,185
Prior year cash balance	459,287	524,853	-	(524,853)
Total revenues	<u>459,587</u>	<u>525,153</u>	<u>14,191</u>	<u>(510,962)</u>
EXPENDITURES				
Public safety: police	<u>97,902</u>	<u>313,631</u>	<u>266,568</u>	<u>47,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>361,685</u>	<u>211,522</u>	<u>(252,377)</u>	<u>(463,899)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(361,685)</u>	<u>(211,522)</u>	<u>-</u>	<u>211,522</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(252,377)</u>	<u>\$ (252,377)</u>
Fund balances - beginning			<u>427,252</u>	
Fund balances - ending			<u>\$ 174,875</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - STATE SPECIAL REVENUE FUND**
For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ -	\$ 7,500	\$ 36,483	\$ 28,983
Interest income	100	100	17,039	16,939
Prior year cash balance	308,253	453,890	-	(453,890)
Total revenues	<u>308,353</u>	<u>461,490</u>	<u>53,522</u>	<u>(407,968)</u>
EXPENDITURES				
Public safety: police	<u>19,575</u>	<u>27,075</u>	<u>25,762</u>	<u>1,313</u>
Excess (deficiency) of revenues over (under) expenditures	<u>288,778</u>	<u>434,415</u>	<u>27,760</u>	<u>(406,655)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(38,683)	(38,683)	-
Reserves	<u>(288,778)</u>	<u>(395,732)</u>	<u>-</u>	<u>395,732</u>
Total other financing sources (uses)	<u>(288,778)</u>	<u>(434,415)</u>	<u>(38,683)</u>	<u>395,732</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(10,923)</u>	<u>\$ (10,923)</u>
Fund balances - beginning			<u>421,409</u>	
Fund balances - ending			<u>\$ 410,486</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CRIMINAL JUSTICE EDUCATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines and forfeitures	\$ 19,000	\$ 19,000	\$ 21,327	\$ 2,327
Interest income	-	-	922	922
Other revenue	-	-	28	28
Prior year cash balance	5,000	38,787	-	(38,787)
Total revenues	<u>24,000</u>	<u>57,787</u>	<u>22,277</u>	<u>(35,510)</u>
EXPENDITURES				
Public safety: police	<u>24,000</u>	<u>57,787</u>	<u>21,589</u>	<u>36,198</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	688	<u>\$ 688</u>
Fund balances - beginning			<u>33,787</u>	
Fund balances - ending			<u>\$ 34,475</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SEAWALLS SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest income	\$ -	\$ 100	\$ 8,181	\$ 8,081
EXPENDITURES				
General government	-	100	20	80
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	8,161	<u>\$ 8,161</u>
Fund balances - beginning			<u>245,920</u>	
Fund balances - ending			<u>\$ 254,081</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARK RECREATIONAL FACILITIES IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Impact fees	\$ 2,011,460	\$ 2,011,460	\$ 2,640,320	\$ 628,860
Interest income	-	-	58,275	58,275
Prior year cash balance	1,598,706	1,592,475	-	(1,592,475)
Total revenues	<u>3,610,166</u>	<u>3,603,935</u>	<u>2,698,595</u>	<u>(905,340)</u>
EXPENDITURES				
Parks and recreation	30,172	30,172	18,712	11,460
Excess (deficiency) of revenues over (under) expenditures	<u>3,579,994</u>	<u>3,573,763</u>	<u>2,679,883</u>	<u>(893,880)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,725,805)	(2,725,805)	(2,726,160)	(355)
Reserves	(854,189)	(847,958)	-	847,958
Total other financing sources (uses)	<u>(3,579,994)</u>	<u>(3,573,763)</u>	<u>(2,726,160)</u>	<u>847,603</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(46,277)	<u>\$ (46,277)</u>
Fund balances - beginning			<u>1,609,492</u>	
Fund balances - ending			<u>\$ 1,563,215</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CITY CENTRUM BUSINESS PARK SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest income	\$ -	\$ -	\$ 6	\$ 6
Other revenue	-	-	164	164
Total revenues	<u>-</u>	<u>-</u>	<u>170</u>	<u>170</u>
EXPENDITURES				
General government	<u>90,559</u>	<u>110,559</u>	<u>77,316</u>	<u>33,243</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(90,559)</u>	<u>(110,559)</u>	<u>(77,146)</u>	<u>33,413</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>90,559</u>	<u>110,559</u>	<u>77,096</u>	<u>(33,463)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(50)</u>	<u>\$ (50)</u>
Fund balances - beginning			<u>50</u>	
Fund balances - ending			<u>\$ -</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL HAZARDS SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 920,137	\$ 850,137	\$ 824,000	\$ (26,137)
Interest income	-	-	46,336	46,336
Other revenue	-	29,000	(4,052)	(33,052)
Prior year cash balance	1,280,218	1,318,873	-	(1,318,873)
Total revenues	<u>2,200,355</u>	<u>2,198,010</u>	<u>866,284</u>	<u>(1,331,726)</u>
EXPENDITURES				
Public safety: fire	726,789	738,338	649,108	89,230
Capital outlay	322,386	191,907	48,715	143,192
Total expenditures	<u>1,049,175</u>	<u>930,245</u>	<u>697,823</u>	<u>232,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,151,180</u>	<u>1,267,765</u>	<u>168,461</u>	<u>(1,099,304)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(93,600)	(93,600)	(93,600)	-
Reserves	(1,057,580)	(1,174,165)	-	1,174,165
Total other financing sources (uses)	<u>(1,151,180)</u>	<u>(1,267,765)</u>	<u>(93,600)</u>	<u>1,174,165</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	74,861	<u>\$ 74,861</u>
Fund balances - beginning			<u>1,318,874</u>	
Fund balances - ending			<u>\$ 1,393,735</u>	

Explanation of differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

Actual revenue amounts (budgetary basis)	\$ 866,284
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>4,052</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 870,336</u>
Actual other financing sources (uses) (budgetary basis)	\$ (93,600)
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(4,052)</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ (97,652)</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALARM FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 119,000	\$ 49,000	\$ 107,185	\$ 58,185
Interest income	-	-	3	3
Other revenue	-	-	82	82
Prior year cash balance	37,862	-	-	-
Total revenues	<u>156,862</u>	<u>49,000</u>	<u>107,270</u>	<u>58,270</u>
EXPENDITURES				
Public safety: police	<u>99,336</u>	<u>98,536</u>	<u>95,543</u>	<u>2,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57,526</u>	<u>(49,536)</u>	<u>11,727</u>	<u>61,263</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	57,036	4,485	(52,551)
Transfers out	(7,500)	(7,500)	(7,500)	-
Reserves	(50,026)	-	-	-
Total other financing sources (uses)	<u>(57,526)</u>	<u>49,536</u>	<u>(3,015)</u>	<u>(52,551)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	8,712	<u>\$ 8,712</u>
Fund balances - beginning			<u>7,404</u>	
Fund balances - ending			<u>\$ 16,116</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEL PRADO MALL PARKING LOT SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ 36,388	\$ 36,388	\$ 38,367	\$ 1,979
Fines and forfeitures	-	-	22	22
Interest income	-	-	4,521	4,521
Other revenue	-	-	103	103
Prior year cash balance	-	127,136	-	(127,136)
Total revenues	<u>36,388</u>	<u>163,524</u>	<u>43,013</u>	<u>(120,511)</u>
EXPENDITURES				
Public works	<u>36,388</u>	<u>36,388</u>	<u>19,651</u>	<u>16,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>127,136</u>	<u>23,362</u>	<u>(103,774)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>-</u>	<u>(127,136)</u>	<u>-</u>	<u>127,136</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>23,362</u>	<u>\$ 23,362</u>
Fund balances - beginning			<u>117,320</u>	
Fund balances - ending			<u>\$ 140,682</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LOT MOWING SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 3,401,135	\$ 3,401,135	\$ 3,770,563	\$ 369,428
Fines and forfeitures	51,000	51,000	18,059	(32,941)
Interest income	-	-	204,716	204,716
Other revenue	-	-	25,768	25,768
Prior year cash balance	1,868,394	944,433	-	(944,433)
Total revenues	<u>5,320,529</u>	<u>4,396,568</u>	<u>4,019,106</u>	<u>(377,462)</u>
EXPENDITURES				
Public works	<u>3,869,904</u>	<u>3,869,904</u>	<u>2,499,757</u>	<u>1,370,147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,450,625</u>	<u>526,664</u>	<u>1,519,349</u>	<u>992,685</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(1,450,625)</u>	<u>(526,664)</u>	<u>-</u>	<u>526,664</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,519,349</u>	<u>\$ 1,519,349</u>
Fund balances - beginning			<u>(78,921)</u>	
Fund balances - ending			<u>\$ 1,440,428</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 625,703	\$ 625,703	\$ 609,218	\$ (16,485)
Charges for services	3,794,988	3,674,488	3,398,766	(275,722)
Fines and forfeitures	11,800	11,800	11,775	(25)
Interest income	1,500	1,500	3,085	1,585
Contributions and donations	228,605	78,605	65,713	(12,892)
Other revenue	18,883	37,158	61,778	24,620
Total revenues	<u>4,681,479</u>	<u>4,429,254</u>	<u>4,150,335</u>	<u>(278,919)</u>
EXPENDITURES				
Parks and recreation	10,242,117	10,125,788	9,595,278	530,510
Capital outlay	94,500	263,238	65,956	197,282
Total expenditures	<u>10,336,617</u>	<u>10,389,026</u>	<u>9,661,234</u>	<u>727,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,655,138)</u>	<u>(5,959,772)</u>	<u>(5,510,899)</u>	<u>448,873</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>5,655,138</u>	<u>5,959,772</u>	<u>5,441,566</u>	<u>(518,206)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(69,333)</u>	<u>\$ (69,333)</u>
Fund balances - beginning			<u>268,199</u>	
Fund balances - ending			<u>\$ 198,866</u>	

Explanation of differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

Actual revenue amounts (budgetary basis)	\$ 4,150,335
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(40,154)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 4,110,181</u>
Actual other financing sources (uses) (budgetary basis)	\$ 5,441,566
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>40,154</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 5,481,720</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
WATERPARK SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,627,997	\$ 2,234,997	\$ 2,213,365	\$ (21,632)
Interest income	-	-	507	507
Other revenue	10,026	28,500	266,914	238,414
Total revenues	<u>2,638,023</u>	<u>2,263,497</u>	<u>2,480,786</u>	<u>217,289</u>
EXPENDITURES				
Parks and recreation	2,415,032	2,625,428	2,465,689	159,739
Capital outlay	-	77,591	49,545	28,046
Total expenditures	<u>2,415,032</u>	<u>2,703,019</u>	<u>2,515,234</u>	<u>187,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>222,991</u>	<u>(439,522)</u>	<u>(34,448)</u>	<u>405,074</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	370,166	1,032,679	867,494	(165,185)
Transfers out	(593,157)	(593,157)	(593,157)	-
Total other financing sources (uses)	<u>(222,991)</u>	<u>439,522</u>	<u>274,337</u>	<u>(165,185)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	239,889	<u>\$ 239,889</u>
Fund balances - beginning			(219,536)	
Fund balances - ending			<u>\$ 20,353</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GOLF COURSE SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 2,696,181	\$ 2,486,981	\$ 2,548,830	\$ 61,849
Fines and forfeitures	-	-	50	50
Interest income	-	-	1,781	1,781
Contributions and donations	20,000	-	-	-
Other revenue	-	10,379	1,142	(9,237)
Total revenues	<u>2,716,181</u>	<u>2,497,360</u>	<u>2,551,803</u>	<u>54,443</u>
EXPENDITURES				
Parks and recreation	2,920,656	2,948,042	2,866,935	81,107
Capital outlay	148,500	149,932	137,682	12,250
Total expenditures	<u>3,069,156</u>	<u>3,097,974</u>	<u>3,004,617</u>	<u>93,357</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(352,975)</u>	<u>(600,614)</u>	<u>(452,814)</u>	<u>147,800</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>352,975</u>	<u>600,614</u>	<u>600,614</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>147,800</u>	<u>\$ 147,800</u>
Fund balances - beginning			<u>(670,035)</u>	
Fund balances - ending			<u>\$ (522,235)</u>	

**Explanation of differences between Budgetary Revenues, Expenditures
and Other Financing Sources (Uses) and GAAP Revenues, Expenditures
and Other Financing Sources (Uses)**

Actual revenue amounts (budgetary basis)	\$ 2,551,803
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>1,871</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 2,553,674</u>
Actual other financing sources (uses) (budgetary basis)	\$ 600,614
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(1,871)</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 598,743</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BUILDING SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Licenses and permits	\$ 6,395,181	\$ 7,498,181	\$ 8,902,302	\$ 1,404,121
Fines and forfeitures	43,731	43,731	51,609	7,878
Interest income	2,630	2,630	397,616	394,986
Other revenue	100	100	(13,628)	(13,728)
Prior year cash balance	10,955,004	9,607,414	-	(9,607,414)
Total revenues	<u>17,396,646</u>	<u>17,152,056</u>	<u>9,337,899</u>	<u>(7,814,157)</u>
EXPENDITURES				
Public safety: building	5,561,211	5,853,221	5,524,032	329,189
Capital outlay	2,424,549	130,000	98,428	31,572
Total expenditures	<u>7,985,760</u>	<u>5,983,221</u>	<u>5,622,460</u>	<u>360,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,410,886</u>	<u>11,168,835</u>	<u>3,715,439</u>	<u>(7,453,396)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,071,277)	(3,385,826)	(3,385,913)	(87)
Reserves	(8,339,609)	(7,783,009)	-	7,783,009
Total other financing sources (uses)	<u>(9,410,886)</u>	<u>(11,168,835)</u>	<u>(3,385,913)</u>	<u>7,782,922</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>329,526</u>	<u>\$ 329,526</u>
Fund balances - beginning			<u>9,607,415</u>	
Fund balances - ending			<u>\$ 9,936,941</u>	

Explanation of differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

Actual revenue amounts (budgetary basis)	\$ 9,337,899
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>14,390</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 9,352,289</u>
Actual other financing sources (uses) (budgetary basis)	\$ (3,385,913)
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(14,390)</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ (3,400,303)</u>

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 940,159	\$ 1,278,955	\$ 357,040	\$ (921,915)
Interest income	-	-	295	295
Other revenue	-	518,490	518,489	(1)
Total revenue	<u>940,159</u>	<u>1,797,445</u>	<u>875,824</u>	<u>(921,621)</u>
EXPENDITURES				
Community development	885,377	1,742,663	960,828	781,835
Capital outlay	-	-	103,443	(103,443)
Total expenditures	<u>885,377</u>	<u>1,742,663</u>	<u>1,064,271</u>	<u>678,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,782</u>	<u>54,782</u>	<u>(188,447)</u>	<u>(243,229)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(54,782)</u>	<u>(54,782)</u>	<u>(13,696)</u>	<u>41,086</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(202,143)</u>	<u>\$ (202,143)</u>
Fund balances - beginning			<u>5,273</u>	
Fund balances - ending			<u>\$ (196,870)</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
HUD NEIGHBORHOOD STABILIZATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 61,423	\$ 61,423
Interest income	-	-	1,622	1,622
Other revenue	-	274,191	274,191	-
Total revenue	-	274,191	337,236	63,045
EXPENDITURES				
Community development	-	274,191	443,700	(169,509)
Excess (deficiency) of revenues over (under) expenditures	-	-	(106,464)	(106,464)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(27,391)	(27,391)
Net change in fund balances	\$ -	\$ -	(133,855)	\$ (133,855)
Fund balances - beginning			321,357	
Fund balances - ending			\$ 187,502	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
STATE HOUSING INITIATIVE PARTNERSHIP SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 1,260,586	\$ 250,505	\$ (1,010,081)
Interest income	-	-	19,147	19,147
Other revenue	-	242,037	249,782	7,745
Total revenues	-	1,502,623	519,434	(983,189)
EXPENDITURES				
Community development	-	1,502,623	1,039,661	462,962
Excess (deficiency) of revenues over (under) expenditures	-	-	(520,227)	(520,227)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(13,696)	(13,696)
Net change in fund balances	\$ -	\$ -	(533,923)	\$ (533,923)
Fund balances - beginning			2,013,250	
Fund balances - ending			\$ 1,479,327	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RESIDENTIAL CONSTRUCTION MITIGATION PROGRAM SPECIAL REVENUE FUND
For the Year Ended September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest income	\$ -	\$ -	\$ 6	\$ 6
Other revenue	-	6,676	6,676	-
Total revenues	-	6,676	6,682	6
EXPENDITURES				
Community development	-	6,676	6,676	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	6	<u>\$ 6</u>
Fund balances - beginning			(576)	
Fund balances (deficit) - ending			<u>\$ (570)</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKS CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2019

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ 1,569,669	\$ 65,000	\$ 1,634,669	\$ 2,711,998
Interest income	2,214,354	14,601	2,228,955	90,500
Contributions and donations	30,000	15,037	45,037	62,949
Other revenue	128,172	-	128,172	-
Unassigned balance	-	-	-	3,253,613
Total revenues	<u>3,942,195</u>	<u>94,638</u>	<u>4,036,833</u>	<u>6,119,060</u>
EXPENDITURES				
Parks and recreation	237,220	128,809	366,029	1,123,368
Capital outlay	48,825,430	1,708,536	50,533,966	65,644,305
Total expenditures	<u>49,062,650</u>	<u>1,837,345</u>	<u>50,899,995</u>	<u>66,767,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,120,455)</u>	<u>(1,742,707)</u>	<u>(46,863,162)</u>	<u>(60,648,613)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,280,552	5,506,759	27,787,311	27,793,351
Transfer out	(11,796,193)	(200,000)	(11,996,193)	(6,711,150)
Issuance of debt	36,735,161	-	36,735,161	39,566,412
Proceeds on sale of capital assets	72,187	-	72,187	-
Total other financing sources (uses)	<u>47,291,707</u>	<u>5,306,759</u>	<u>52,598,466</u>	<u>60,648,613</u>
Net change in fund balances	<u>\$ 2,171,252</u>	3,564,052	<u>\$ 5,735,304</u>	<u>\$ -</u>
Fund balances - beginning		<u>2,171,252</u>		
Fund balances - ending		<u>\$ 5,735,304</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2019

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ 8,159,828	\$ -	\$ 8,159,828	\$ 8,351,490
Interest income	1,424,574	87,686	1,512,260	42,680
Other revenue	1,695,936	7,927	1,703,863	1,190,697
Unassigned balance	-	-	-	798,565
Total revenues	<u>11,280,338</u>	<u>95,613</u>	<u>11,375,951</u>	<u>10,383,432</u>
EXPENDITURES				
General government	1,077,212	23,005	1,100,217	2,554,806
Public safety: police	8,021,478	-	8,021,478	5,605,574
Public safety: fire	-	-	-	1,123,800
Public works	630	-	630	310,454
Parks and recreation	557,541	-	557,541	19,375
Community development	-	47,318	47,318	-
Transportation	1,826,826	-	1,826,826	5,052,693
Capital outlay	124,108,476	9,482,767	133,591,243	165,348,522
Debt service: interest and fiscal charges	1,585,471	-	1,585,471	628,994
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>137,177,634</u>	<u>9,553,090</u>	<u>146,730,724</u>	<u>180,644,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,897,296)</u>	<u>(9,457,477)</u>	<u>(135,354,773)</u>	<u>(170,260,786)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	46,794,616	8,632,999	55,427,615	88,773,344
Transfer out	(4,400,989)	-	(4,400,989)	(3,429,289)
Issuance of debt	92,684,272	-	92,684,272	84,916,731
Total other financing sources (uses)	<u>135,077,899</u>	<u>8,632,999</u>	<u>143,710,898</u>	<u>170,260,786</u>
Net change in fund balances	<u>\$ 9,180,603</u>	<u>(824,478)</u>	<u>\$ 8,356,125</u>	<u>\$ -</u>
Fund balances - beginning		<u>9,180,603</u>		
Fund balances - ending		<u>\$ 8,356,125</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION CAPITAL IMPROVEMENTS FUND**
From Inception and For the Year Ended September 30, 2019

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ 14,431,508	\$ 1,343,403	\$ 15,774,911	\$ 22,634,958
Rent and royalties	4,367	-	4,367	-
Interest income	8,444,435	61,322	8,505,757	116,231
Contributions and donations	683,590	383,048	1,066,638	900,000
Other revenue	4,768,401	30,451	4,798,852	4,082,889
Unassigned balance	-	-	-	1,562,535
Total revenues	<u>28,332,301</u>	<u>1,818,224</u>	<u>30,150,525</u>	<u>29,296,613</u>
EXPENDITURES				
General government	583	-	583	-
Public works	3,339,582	443,504	3,783,086	2,637,375
Capital outlay	217,691,733	9,749,684	227,441,417	347,829,962
Debt Service: interest and fiscal charges	805,049	-	805,049	-
Total expenditures	<u>221,836,947</u>	<u>10,193,188</u>	<u>232,030,135</u>	<u>350,467,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(193,504,646)</u>	<u>(8,374,964)</u>	<u>(201,879,610)</u>	<u>(321,170,724)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	139,947,284	9,769,360	149,716,644	155,176,361
Transfers out	(19,970,590)	(2,894,881)	(22,865,471)	(10,034,140)
Issuance of debt	84,987,594	-	84,987,594	175,946,419
Proceeds on sale of capital assets	257,819	-	257,819	82,084
Total other financing sources (uses)	<u>205,222,107</u>	<u>6,874,479</u>	<u>212,096,586</u>	<u>321,170,724</u>
Net change in fund balances	<u>\$ 11,717,461</u>	<u>(1,500,485)</u>	<u>\$ 10,216,976</u>	<u>\$ -</u>
Fund balances - beginning		<u>11,717,461</u>		
Fund balances - ending		<u>\$ 10,216,976</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rent and royalties	\$ 3,443,028	\$ 3,443,028	\$ 3,431,928	\$ (11,100)
Interest income	1,000	1,000	12,150	11,150
Prior year cash balance	345,966	4,424,232	-	(4,424,232)
Total revenues	<u>3,789,994</u>	<u>7,868,260</u>	<u>3,444,078</u>	<u>(4,424,182)</u>
EXPENDITURES				
General government	1,000	1,000	3,286	(2,286)
Debt service:				
Principal	13,182,784	13,182,784	12,761,711	421,073
Interest and fiscal charges	8,338,061	8,461,498	8,469,641	(8,143)
Bond issuance costs	-	38,423	38,423	-
Total expenditures	<u>21,521,845</u>	<u>21,683,705</u>	<u>21,273,061</u>	<u>410,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,731,851)</u>	<u>(13,815,445)</u>	<u>(17,828,983)</u>	<u>(4,013,538)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	18,077,817	22,872,152	19,275,762	(3,596,390)
Transfers out	-	(7,263,212)	(6,208,314)	1,054,898
Issuance of debt	-	10,200,000	10,200,000	-
Reserves	(345,966)	(11,993,495)	-	11,993,495
Total other financing sources (uses)	<u>17,731,851</u>	<u>13,815,445</u>	<u>23,267,448</u>	<u>9,452,003</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>5,438,465</u>	<u>\$ 5,438,465</u>
Fund balances - beginning			<u>5,305,727</u>	
Fund balances - ending			<u>\$ 10,744,192</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for activity that provides goods or services to other funds, departments or agencies of the primary government and its component units on a cost-reimbursement basis.

- Workers Compensation Insurance Fund – used to account for self-insurance of workers compensation.
- Property and Casualty Insurance Fund – used to account for the City’s risk management activity for auto liability, property and contents loss, and general liability.
- Facilities Management – used to account for the costs of operation for the repair and maintenance of city owned/leased buildings and equipment. Such costs are billed to other departments.
- Fleet Management – used to account for the costs of operation for the repair and maintenance of city owned/leased vehicles and equipment. Such costs are billed to other departments.
- Self-funded Health Insurance – used to account for the self-funded medical health insurance plan.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2019

	Workers Compensation Insurance	Property and Casualty Insurance	Facilities Management	Fleet Management	Self-funded Health Insurance	Total
ASSETS						
Current assets:						
Cash and investments	\$ 11,578,655	\$ 5,915,307	\$ 961,004	\$ 1,700,450	\$ 10,148,243	\$ 30,303,659
Interest receivable	31,978	16,337	-	-	28,026	76,341
Accounts receivable, net	106	58	8,181	7,611	4,140	20,096
Prepaid items	121,478	588,057	15,610	21,433	-	746,578
Total current assets	<u>11,732,217</u>	<u>6,519,759</u>	<u>984,795</u>	<u>1,729,494</u>	<u>10,180,409</u>	<u>31,146,674</u>
Noncurrent assets:						
Capital assets (net of accumulated depreciation)						
Buildings	-	-	159,420	630,727	-	790,147
Building improvements	2,057	2,057	101,968	11,395	-	117,477
Improvements other than buildings	-	-	-	63,796	-	63,796
Equipment	66,727	11,103	977,941	1,008,701	-	2,064,472
Intangible computer software	-	-	-	705,245	-	705,245
Less accumulated depreciation	(53,609)	(12,646)	(788,778)	(1,927,470)	-	(2,782,503)
Total capital assets, net	<u>15,175</u>	<u>514</u>	<u>450,551</u>	<u>492,394</u>	<u>-</u>	<u>958,634</u>
Total assets	<u>11,747,392</u>	<u>6,520,273</u>	<u>1,435,346</u>	<u>2,221,888</u>	<u>10,180,409</u>	<u>32,105,308</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	81,031	60,194	782,523	432,935	2,315	1,358,998
OPEB related	19,231	12,898	236,083	117,241	9,790	395,243
Total deferred outflows of resources	<u>100,262</u>	<u>73,092</u>	<u>1,018,606</u>	<u>550,176</u>	<u>12,105</u>	<u>1,754,241</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other accrued liabilities	9,005	852	69,540	278,113	1,116,491	1,474,001
Accrued payroll	4,438	3,257	56,628	28,062	26,829	119,214
Compensated absences	-	3,986	53,424	11,726	2,946	72,082
Total OPEB liability	19,231	12,898	236,083	117,241	9,790	395,243
Claims liability	1,216,557	679,060	-	-	1,404,557	3,300,174
Total current liabilities	<u>1,249,231</u>	<u>700,053</u>	<u>415,675</u>	<u>435,142</u>	<u>2,560,613</u>	<u>5,360,714</u>
Noncurrent liabilities:						
Compensated absences	13,209	15,329	312,912	101,001	14,731	457,182
Total OPEB liability	502,217	336,823	6,165,228	3,061,710	255,668	10,321,646
Claims liability	4,514,099	2,056,663	-	-	-	6,570,762
Net pension liability	262,177	194,760	2,531,883	1,400,775	7,491	4,397,086
Total noncurrent liabilities	<u>5,291,702</u>	<u>2,603,575</u>	<u>9,010,023</u>	<u>4,563,486</u>	<u>277,890</u>	<u>21,746,676</u>
Total liabilities	<u>6,540,933</u>	<u>3,303,628</u>	<u>9,425,698</u>	<u>4,998,628</u>	<u>2,838,503</u>	<u>27,107,390</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related	-	-	-	-	-	-
OPEB related	43,416	29,118	532,972	264,679	22,102	892,287
Total deferred inflows of resources	<u>43,416</u>	<u>29,118</u>	<u>532,972</u>	<u>264,679</u>	<u>22,102</u>	<u>892,287</u>
NET POSITION						
Net investment in capital assets	15,175	514	450,551	492,394	-	958,634
Unrestricted	5,248,130	3,260,105	(7,955,269)	(2,983,637)	7,331,909	4,901,238
Total net position	<u>\$ 5,263,305</u>	<u>\$ 3,260,619</u>	<u>\$ (7,504,718)</u>	<u>\$ (2,491,243)</u>	<u>\$ 7,331,909</u>	<u>\$ 5,859,872</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2019

	<u>Workers Compensation Insurance</u>	<u>Property and Casualty Insurance</u>	<u>Facilities Management</u>	<u>Fleet Management</u>	<u>Self-funded Health Insurance</u>	<u>Total</u>
OPERATING REVENUES						
Charges for services	\$ 3,842,078	\$ 3,563,952	\$ 5,190,008	\$ 4,383,081	\$ 20,207,875	\$ 37,186,994
Other revenue	82,120	218,114	8,775	804	724,103	1,033,916
Total operating revenues	<u>3,924,198</u>	<u>3,782,066</u>	<u>5,198,783</u>	<u>4,383,885</u>	<u>20,931,978</u>	<u>38,220,910</u>
OPERATING EXPENSES						
Salaries, wages and employee benefits	268,371	213,127	2,827,509	1,599,299	167,894	5,076,200
Contractual services, materials and supplies	483,503	1,704,004	1,367,942	2,103,959	2,472,048	8,131,456
Claims and claims adjustments	1,612,061	1,662,494	-	-	15,241,941	18,516,496
Depreciation	10,301	206	131,005	82,374	-	223,886
Total operating expenses	<u>2,374,236</u>	<u>3,579,831</u>	<u>4,326,456</u>	<u>3,785,632</u>	<u>17,881,883</u>	<u>31,948,038</u>
Operating income (loss)	<u>1,549,962</u>	<u>202,235</u>	<u>872,327</u>	<u>598,253</u>	<u>3,050,095</u>	<u>6,272,872</u>
NONOPERATING REVENUES (EXPENSES)						
Interest income	362,411	180,298	-	-	288,208	830,917
Gain (loss) on disposal of capital assets	-	-	(11,000)	8,646	-	(2,354)
Total nonoperating revenues (expenses)	<u>362,411</u>	<u>180,298</u>	<u>(11,000)</u>	<u>8,646</u>	<u>288,208</u>	<u>828,563</u>
Income (loss) before transfers	<u>1,912,373</u>	<u>382,533</u>	<u>861,327</u>	<u>606,899</u>	<u>3,338,303</u>	<u>7,101,435</u>
Change in net position	1,912,373	382,533	861,327	606,899	3,338,303	7,101,435
Total net position - beginning	3,350,932	2,878,086	(8,366,045)	(3,098,142)	3,993,606	(1,241,563)
Total net position - ending	<u>\$ 5,263,305</u>	<u>\$ 3,260,619</u>	<u>\$ (7,504,718)</u>	<u>\$ (2,491,243)</u>	<u>\$ 7,331,909</u>	<u>\$ 5,859,872</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2019

	Workers Compensation Insurance	Property and Casualty Insurance	Facility Management	Fleet Management	Self-funded Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 3,924,162	\$ 3,782,047	\$ 5,202,100	\$ 4,380,015	\$ 21,136,365	\$ 38,424,689
Cash payments for claims	(2,192,914)	(465,389)	-	-	(15,540,524)	(18,198,827)
Cash payments to suppliers	(602,803)	(2,144,370)	(1,352,337)	(2,163,381)	(2,883,211)	(9,146,102)
Cash payments to employees	(268,931)	(208,854)	(3,586,913)	(1,779,240)	(133,588)	(5,977,526)
Net cash provided (used) by operating activities	<u>859,514</u>	<u>963,434</u>	<u>262,850</u>	<u>437,394</u>	<u>2,579,042</u>	<u>5,102,234</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING						
Acquisition and construction of capital assets	-	-	(61,746)	(29,733)	-	(91,479)
Proceeds from sale of capital asset	-	-	(11,000)	8,951	-	(2,049)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(72,746)</u>	<u>(20,782)</u>	<u>-</u>	<u>(93,528)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment Earnings	359,831	177,240	-	-	281,152	818,223
Net cash provided by investing activities	<u>359,831</u>	<u>177,240</u>	<u>-</u>	<u>-</u>	<u>281,152</u>	<u>818,223</u>
Net increase in cash	1,219,345	1,140,674	190,104	416,612	2,860,194	5,826,929
Cash and investments - beginning	10,359,310	4,774,633	770,900	1,283,838	7,288,049	24,476,730
Cash and investments - ending	<u>\$ 11,578,655</u>	<u>\$ 5,915,307</u>	<u>\$ 961,004</u>	<u>\$ 1,700,450</u>	<u>\$ 10,148,243</u>	<u>\$ 30,303,659</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET						
Operating income (loss)	\$ 1,549,962	\$ 202,235	\$ 872,327	\$ 598,253	\$ 3,050,095	\$ 6,272,872
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	10,301	206	131,006	82,373	-	223,886
(Increase) decrease in assets:						
Accounts receivable, net	(35)	(19)	3,316	(3,869)	204,387	203,780
Prepaid items	(121,193)	(440,652)	-	(21,283)	-	(583,128)
(Increase) decrease in deferred outflows:						
Pension related	(19,804)	(15,974)	(134,537)	(97,887)	(2,315)	(270,517)
OPEB related	13,831	10,700	213,235	90,201	7,401	335,368
Increase (decrease) in liabilities:						
Accounts payable and other accrued liabilities	1,893	286	15,605	(38,139)	(411,163)	(431,518)
Accrued payroll	900	590	(13,203)	5,137	25,255	18,679
Compensated absences	335	997	61,398	13,715	(3,787)	72,658
Total OPEB liability	(27,046)	(19,246)	(966,603)	(328,670)	(7,710)	(1,349,275)
Net pension liability	20,176	19,981	(29,298)	76,490	7,491	94,840
Claims liability	(580,854)	1,197,105	-	-	(298,583)	317,668
Increase (decrease) in deferred inflows:						
Pension related	(3,913)	(2,827)	(41,421)	(21,417)	-	(69,578)
OPEB related	14,961	10,052	151,025	82,490	7,971	266,499
Total adjustments	<u>(690,448)</u>	<u>761,199</u>	<u>(609,477)</u>	<u>(160,859)</u>	<u>(471,053)</u>	<u>(1,170,638)</u>
Net cash provided by operating activities	<u>\$ 859,514</u>	<u>\$ 963,434</u>	<u>\$ 262,850</u>	<u>\$ 437,394</u>	<u>\$ 2,579,042</u>	<u>\$ 5,102,234</u>

Supplemental disclosure of noncash investing, capital and financing activities:
Worker's Compensation Insurance increase in fair value of investments of \$140,091
Property and Casualty Insurance increase in fair value of investments of \$65,835
Self Insurance Fund increase in fair value of investments \$106,974

FIDUCIARY FUNDS

AGENCY FUNDS

Agency Funds are used to account for assets held in an agency capacity for others and therefore cannot be used to support the City's own programs.

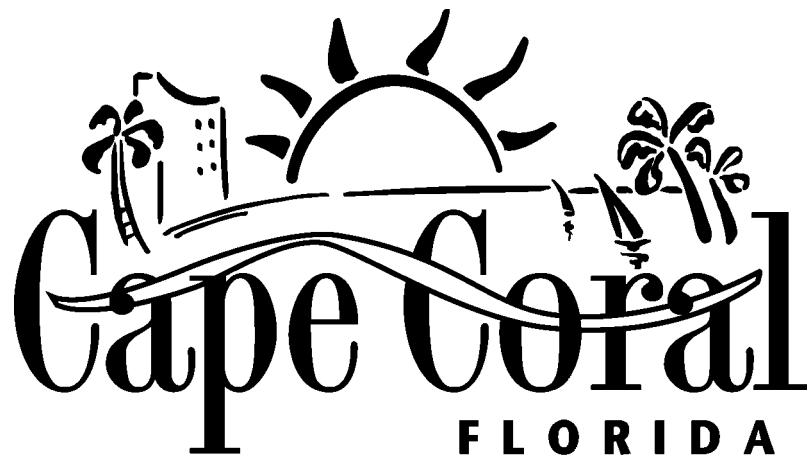
- School Impact Fee Fund – used to account for the City's collection of school impact fees for the Lee County School Board at the time of building permit issuance.
- Solid Waste Fund – used to account for the City's collection of solid waste fees.

City of Cape Coral, Florida

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended September 30, 2019

	<u>Balance September 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2019</u>
School Impact Fee Fund				
Assets				
Cash and investments	\$ 345,075	\$ 5,441,706	\$ 5,149,318	\$ 637,463
Interest receivable	979	1,760	979	1,760
Total assets	<u>\$ 346,054</u>	<u>\$ 5,443,466</u>	<u>\$ 5,150,297</u>	<u>\$ 639,223</u>
Liabilities				
Due to others	\$ 346,053	\$ 5,417,396	\$ 5,124,226	\$ 639,223
Total liabilities	<u>\$ 346,053</u>	<u>\$ 5,417,396</u>	<u>\$ 5,124,226</u>	<u>\$ 639,223</u>
Solid Waste Fund				
Assets				
Cash and investments	\$ 3,421,584	\$ 14,768,761	\$ 14,162,663	\$ 4,027,682
Interest receivable	9,715	11,127	9,715	11,127
Intergovernmental receivable	44,981	14,635,295	14,631,387	48,889
Total assets	<u>\$ 3,476,280</u>	<u>\$ 29,415,183</u>	<u>\$ 28,803,765</u>	<u>\$ 4,087,698</u>
Liabilities				
Due to others	\$ 3,476,281	\$ 15,306,351	\$ 14,694,934	\$ 4,087,698
Total liabilities	<u>\$ 3,476,281</u>	<u>\$ 15,306,351</u>	<u>\$ 14,694,934</u>	<u>\$ 4,087,698</u>
Total All Agency Funds				
Assets				
Cash and investments	\$ 3,766,659	\$ 20,210,467	\$ 19,311,981	\$ 4,665,145
Interest receivable	10,694	12,887	10,694	12,887
Intergovernmental receivable	44,981	14,635,295	14,631,387	48,889
Total assets	<u>\$ 3,822,334</u>	<u>\$ 34,858,649</u>	<u>\$ 33,954,062</u>	<u>\$ 4,726,921</u>
Liabilities				
Due to others	\$ 3,822,334	\$ 20,723,747	\$ 19,819,160	\$ 4,726,921
Total liabilities	<u>\$ 3,822,334</u>	<u>\$ 20,723,747</u>	<u>\$ 19,819,160</u>	<u>\$ 4,726,921</u>



Statistical Section

STATISTICAL SECTION (Unaudited)

This part of the City of Cape Coral, Florida's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	172
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	177
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, the property tax.	
Debt Capacity	182
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. The City has no legal debt margin and therefore it is not reported in these schedules.	
Demographic and Economic Information	186
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	189
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Source: Unless otherwise noted, the information in these schedules was obtained from the Comprehensive Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Cape Coral, Florida
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (accrual basis of accounting)

Schedule 1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 203,524,150	\$ 210,969,144	\$ 211,308,256	\$ 211,168,912	\$ 211,573,951	\$ 206,045,063	\$ 215,610,383	\$ 226,821,441	\$ 244,770,705	\$ 259,385,054
Restricted	63,970,296	37,703,162	38,954,956	33,449,825	33,522,887	39,172,890	49,389,716	53,759,601	71,209,165	82,675,046
Unrestricted	(9,570,983)	(9,190,305)	(31,602,890)	(45,992,918)	(41,654,894)	(129,177,798)	(133,595,277)	(129,318,499)	(238,304,065)	(209,199,090)
Total governmental activities net position	<u>257,923,463</u>	<u>239,482,001</u>	<u>218,660,322</u>	<u>198,625,819</u>	<u>203,441,944</u>	<u>116,040,155</u>	<u>131,404,822</u>	<u>151,262,543</u>	<u>77,675,805</u>	<u>132,861,010</u>
Business-type activities										
Net investment in capital assets	378,762,735	371,543,292	373,653,297	370,704,547	362,080,880	361,707,442	374,994,099	371,601,686	420,502,966	458,982,283
Restricted	54,357,805	56,239,059	62,417,416	47,174,719	66,696,901	92,631,969	89,937,196	101,978,014	77,224,216	64,806,405
Unrestricted	35,473,769	42,002,781	24,960,060	23,014,260	16,979,433	(26,625,585)	(17,705,952)	(8,257,372)	(31,086,868)	(16,607,742)
Total business-type activities net position	<u>468,594,309</u>	<u>469,785,132</u>	<u>461,030,773</u>	<u>440,893,526</u>	<u>445,757,214</u>	<u>427,713,826</u>	<u>447,225,343</u>	<u>465,322,328</u>	<u>466,640,314</u>	<u>507,180,946</u>
Primary government										
Net investment in capital assets	582,286,885	582,512,436	584,961,553	581,873,459	573,654,831	567,752,505	590,604,482	598,423,127	665,273,671	718,367,337
Restricted	118,328,101	93,942,221	101,372,372	80,624,544	100,219,788	131,804,859	139,326,912	155,737,615	148,433,381	147,481,451
Unrestricted	25,902,786	32,812,476	(6,642,830)	(22,978,658)	(24,675,461)	(155,803,383)	(151,301,229)	(137,575,871)	(269,390,933)	(225,806,832)
Total primary government net position	<u>\$ 726,517,772</u>	<u>\$ 709,267,133</u>	<u>\$ 679,691,095</u>	<u>\$ 639,519,345</u>	<u>\$ 649,199,158</u>	<u>\$ 543,753,981</u>	<u>\$ 578,630,165</u>	<u>\$ 616,584,871</u>	<u>\$ 544,316,119</u>	<u>\$ 640,041,956</u>

City of Cape Coral, Florida

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 29,986,307	\$ 32,639,906	\$ 31,642,181	\$ 35,750,067	\$ 43,386,715	\$ 52,344,411	\$ 51,588,399	\$ 71,064,097	\$ 71,403,749	\$ 56,136,504
Public safety:										
Police	42,473,233	43,046,173	38,563,123	40,883,574	34,265,016	37,755,665	37,862,679	35,940,818	37,171,888	42,334,344
Fire	29,047,066	31,336,823	32,509,360	33,280,113	29,089,119	34,071,631	29,941,799	27,531,173	29,341,496	33,884,575
Building	2,057,602	2,284,267	2,382,927	2,557,567	2,995,300	3,134,523	3,804,593	5,315,723	5,729,880	7,281,966
Public works	22,375,570	19,250,191	16,844,612	14,216,303	16,905,388	18,101,671	18,268,298	18,415,038	21,523,769	19,131,947
Parks and recreation	17,212,764	16,556,468	18,101,675	17,457,679	17,069,459	17,024,031	17,997,257	15,928,133	20,381,690	24,242,652
Community development	11,348,878	9,141,207	10,294,730	7,978,824	6,640,062	5,559,972	6,979,622	8,362,954	7,342,215	8,976,196
Interest on long-term debt	9,643,322	11,431,053	11,532,722	11,169,234	10,953,024	10,223,210	9,641,749	8,628,106	8,578,175	8,453,675
Total governmental activities expenses	164,144,742	165,686,088	161,871,330	163,293,361	161,304,083	178,215,114	176,084,396	191,186,042	201,472,862	200,441,859
Business-type activities:										
Water and sewer	80,300,601	89,819,589	98,718,563	117,610,480	98,202,689	101,071,789	99,123,629	113,611,296	111,524,023	110,944,079
Stormwater	10,659,980	10,488,428	13,694,526	13,744,777	13,572,941	13,270,032	13,029,277	13,912,403	14,312,734	14,097,707
Yacht basin	295,691	312,368	340,445	372,930	992,058	345,457	372,349	323,196	471,313	560,728
Golf course ¹	2,505,114	2,533,787	2,631,840	2,599,938	2,710,132	2,450,043	2,790,829	2,457,563	3,086,272	-
Total business-type activities expenses	93,761,386	103,154,172	115,385,374	134,328,125	115,477,820	117,137,321	115,316,084	130,304,458	129,394,342	125,602,514
Total primary government expenses	\$ 257,906,128	\$ 268,840,260	\$ 277,256,704	\$ 297,621,486	\$ 276,781,903	\$ 295,352,435	\$ 291,400,480	\$ 321,490,500	\$ 330,867,204	\$ 326,044,373
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 13,286,099	\$ 11,243,424	\$ 12,700,342	\$ 14,451,088	\$ 9,820,161	\$ 11,911,283	\$ 11,008,789	\$ 10,814,798	\$ 12,887,037	\$ 12,091,075
Public safety:										
Police	974,279	726,795	857,660	683,428	831,945	938,606	1,244,054	1,107,582	1,203,878	2,410,679
Fire	155,235	182,658	178,483	181,491	231,567	312,388	288,432	489,918	407,676	514,556
Building	36,006	140,044	36,891	29,218	4,022,162	4,875,890	6,411,115	7,625,904	9,104,243	8,954,673
Public works	127,755	7,023	1,063,713	2,948,171	4,036,205	6,130,223	3,151,358	3,725,324	3,828,797	4,592,729
Parks and recreation	5,441,211	5,379,904	5,391,333	5,397,502	5,740,866	5,873,336	5,397,864	5,553,828	5,718,774	8,643,667
Community development	663,254	1,110,747	1,955,527	2,113,420	1,515,921	1,679,724	1,408,377	2,653,407	2,822,241	2,716,929
Operating grants and contributions	4,839,251	5,408,078	5,311,553	4,126,255	16,150,059	16,222,090	29,559,152	30,599,539	30,797,279	45,075,047
Capital grants and contributions	12,591,891	13,778,035	9,750,662	7,108,832	7,306,283	9,505,165	8,416,807	12,353,016	14,398,409	16,606,019
Total governmental activities program revenues	38,114,981	37,976,708	37,246,164	37,039,405	49,655,169	57,448,705	66,885,948	74,923,316	81,168,334	101,605,374
Business-type activities:										
Charges for services:										
Water and sewer	63,953,774	65,052,190	71,111,199	76,690,422	73,603,154	76,614,078	80,067,263	82,880,688	85,104,961	87,484,498
Stormwater	12,602,744	12,435,730	11,356,728	12,352,001	12,329,090	12,317,747	13,123,358	14,589,855	18,558,103	19,579,122
Yacht basin	271,315	345,013	338,006	394,553	992,314	562,119	588,539	669,484	687,066	731,151
Golf course ¹	2,093,960	2,111,811	2,205,965	2,192,097	2,308,820	2,218,021	2,126,888	1,952,198	2,440,346	-
Operating grants and contributions	10,474,743	7,961,102	7,517,135	6,904,337	6,571,091	9,989,134	1,122,668	278,376	497,240	803,491
Capital grants and contributions	19,224,350	15,062,288	12,624,199	15,329,046	29,123,990	22,957,693	27,669,127	45,983,423	46,952,564	40,686,916
Total business-type activities program revenues	108,620,886	102,968,134	105,153,232	113,862,456	124,928,459	124,658,792	124,697,843	146,354,024	154,240,280	149,285,178
Total primary government program revenues	\$ 146,735,867	\$ 140,944,842	\$ 142,399,396	\$ 150,901,861	\$ 174,583,628	\$ 182,107,497	\$ 191,583,791	\$ 221,277,340	\$ 235,408,614	\$ 250,890,552
Net (Expense)/Revenue										
Governmental activities	\$ (126,029,761)	\$ (127,709,380)	\$ (124,625,166)	\$ (126,253,956)	\$ (111,648,914)	\$ (120,766,409)	\$ (109,198,448)	\$ (116,262,726)	\$ (120,304,528)	\$ (98,836,485)
Business-type activities	14,859,500	(186,038)	(10,232,142)	(20,465,669)	9,450,639	7,521,471	9,381,759	16,049,566	24,845,938	23,682,664
Total primary government net expense	\$ (111,170,261)	\$ (127,895,418)	\$ (134,857,308)	\$ (146,719,625)	\$ (102,198,275)	\$ (113,244,938)	\$ (99,816,689)	\$ (100,213,160)	\$ (95,458,590)	\$ (75,153,821)

Source: City of Cape Coral, Financial Services Department
See accompanying independent auditors' report.

City of Cape Coral, Florida

CHANGES IN NET POSITION (continued)

Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 81,258,406	\$ 68,455,753	\$ 66,300,746	\$ 68,969,220	\$ 71,451,329	\$ 77,445,321	\$ 75,239,444	\$ 79,463,250	\$ 87,094,669	\$ 93,758,005
Property taxes, other (CRA and All Hazards)	911,537	815,195	685,754	690,036	755,178	900,184	1,094,755	1,344,219	1,632,023	1,823,177
Public service tax	-	-	-	-	7,229,414	7,168,083	7,250,872	7,103,228	7,135,139	7,874,558
Sales	13,399,724	14,000,513	14,210,873	15,345,034	16,792,598	18,336,760	18,136,627	18,646,222	20,194,344	20,678,121
Fuel	8,438,785	8,322,095	8,090,870	8,630,419	9,092,366	9,716,679	10,222,671	10,496,714	10,738,730	10,786,583
Alcohol and beverage	57,086	59,456	72,585	59,659	72,845	69,298	67,005	78,660	71,954	74,391
Franchise	6,683,814	6,527,368	6,333,907	6,096,685	6,520,354	6,549,306	6,622,099	6,433,799	6,534,366	7,018,299
Communication	5,426,528	5,927,483	6,017,787	6,280,373	5,773,054	5,489,539	5,168,297	5,319,563	4,626,232	4,884,741
Interest income	2,312,707	2,053,012	2,055,480	142,344	246,807	494,208	1,044,202	1,057,749	1,506,682	5,505,156
Transfers	2,852,573	103,677	35,485	5,683	(4,180)	163,837	(282,857)	6,177,043	(639,421)	2,602,824
Total governmental activities	121,341,160	106,264,552	103,803,487	106,219,453	117,929,765	126,333,215	124,563,115	136,120,447	138,894,718	155,005,855
Business-type activities:										
Interest income	-	1,056,065	1,513,268	334,105	-	-	9,846,901	8,224,462	5,370,071	18,476,627
Transfers	(2,852,573)	(103,677)	(35,485)	(5,683)	4,180	(163,837)	282,857	(6,177,043)	639,421	(2,602,824)
Total business-type activities	(2,852,573)	952,388	1,477,783	328,422	4,180	(163,837)	10,129,758	2,047,419	6,009,492	15,873,803
Total primary government	\$ 118,488,587	\$ 107,216,940	\$ 105,281,270	\$ 106,547,875	\$ 117,933,945	\$ 126,169,378	\$ 134,692,873	\$ 138,167,866	\$ 144,904,210	\$ 170,879,658
Change in Net Position										
Governmental activities	\$ (4,688,601)	\$ (21,444,828)	\$ (20,821,679)	\$ (20,034,503)	\$ 6,280,851	\$ 5,566,806	\$ 15,364,667	\$ 19,857,721	\$ 18,590,190	\$ 56,169,370
Business-type activities	12,006,927	766,348	(8,754,359)	(20,137,247)	9,454,819	7,357,634	19,511,517	18,096,985	30,855,430	39,556,467
Total primary government	\$ 7,318,326	\$ (20,678,480)	\$ (29,576,038)	\$ (40,171,750)	\$ 15,735,670	\$ 12,924,440	\$ 34,876,184	\$ 37,954,706	\$ 49,445,620	\$ 95,725,837

¹ Beginning in FY2019 the Golf Course was reclassified from a business-type activity to a governmental activity.

City of Cape Coral, Florida

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 3

	2010	2011	2012 ¹	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ 2,058,949	\$ 120,906	\$ 1,463,946	\$ 1,234,458	\$ 1,165,609	\$ 879,483	\$ 842,608	\$ 1,361,649	\$ 797,831	\$ 678,397
Restricted	5,155,447	-	-	-	-	-	-	-	-	-
Committed	4,400,000	5,400,000	5,644,358	5,504,998	4,502,186	6,169,213	7,946,254	11,446,344	8,615,344	20,153,572
Assigned	-	-	1,531,752	712,650	199,927	1,281,341	469,442	1,134,329	2,237,766	602,548
Unassigned	23,471,473	29,053,164	21,156,596	18,315,850	30,501,100	46,494,247	41,286,873	36,568,335	26,505,262	49,868,704
Total General Fund	\$ 35,085,869	\$ 34,574,070	\$ 29,796,652	\$ 25,767,956	\$ 36,368,822	\$ 54,824,284	\$ 50,545,177	\$ 50,510,657	\$ 38,156,203	\$ 71,303,221
All Other Governmental Funds										
Nonspendable	\$ -	\$ 81,190	\$ 87,732	\$ 92,302	\$ 110,351	\$ 93,869	\$ 88,095	\$ 98,890	\$ 103,595	\$ 135,939
Reserved	23,962,368	-	-	-	-	-	-	-	-	-
Restricted	-	31,357,530	38,799,815	33,624,557	34,216,824	37,988,089	46,671,710	53,051,681	69,986,603	80,568,713
Committed	-	11,188,786	11,278,188	12,190,444	13,312,428	22,320,327	19,074,472	29,299,004	16,625,680	15,329,721
Unreserved, designated										
Special Revenue Funds	29,816,396	-	-	-	-	-	-	-	-	-
Debt Service Funds	583,854	-	-	-	-	-	-	-	-	-
Capital Projects Funds	8,530,201	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	(1,764,088)	-	-	-	-	-	-	-	-	-
Unassigned	-	(912,669)	(483,219)	(307,694)	(369,155)	(108,446)	(157,390)	(202,173)	(441,087)	(763,527)
Total All Other Governmental Funds	\$ 61,128,731	\$ 41,714,837	\$ 49,682,516	\$ 45,599,609	\$ 47,270,448	\$ 60,293,839	\$ 65,676,887	\$ 82,247,402	\$ 86,274,791	\$ 95,270,846

¹ Fund balance classifications have been revised due to the implementation of GASB 54 in fiscal year 2011.

City of Cape Coral, Florida

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 116,175,880	\$ 104,107,863	\$ 101,712,522	\$ 106,071,431	\$ 117,687,138	\$ 125,657,523	\$ 123,818,579	\$ 128,885,655	\$ 138,027,457	\$ 146,897,875
Special assessments	201,509	118,546	138,165	147,915	10,080,686	13,449,945	20,930,885	22,641,361	22,857,608	24,421,883
Licenses and permits	2,787,048	2,625,516	2,992,430	3,396,297	4,015,563	4,876,346	7,251,734	8,452,874	9,890,576	9,834,129
Intergovernmental	16,037,270	16,052,198	9,429,635	7,559,867	6,452,157	8,455,219	6,967,431	10,083,547	7,124,612	17,711,304
Charges for services	13,135,033	12,256,283	13,423,461	13,310,111	13,988,879	14,773,565	14,020,091	15,173,625	17,660,274	21,240,864
Fines and forfeitures	1,757,962	1,259,226	1,041,971	811,365	746,712	819,205	841,830	1,067,476	968,608	853,851
Impact fees	1,202,553	1,616,405	1,664,828	2,668,632	3,981,431	5,553,426	8,510,926	12,403,864	14,555,217	15,231,581
Rent and royalties	363,438	318,964	276,311	3,287,898	3,763,481	4,079,452	4,110,301	3,512,705	3,875,352	4,008,325
Interest income	1,378,130	888,074	1,042,212	267,079	469,754	1,013,354	960,991	962,872	1,398,445	4,674,239
Contributions and donations	109,846	270,191	288,975	253,646	264,250	277,742	242,727	338,145	280,020	530,398
Other revenue	1,053,240	1,392,160	3,740,640	3,954,928	2,343,858	5,621,385	1,926,213	1,599,434	2,074,324	2,574,980
Total revenues	<u>154,201,909</u>	<u>140,905,426</u>	<u>135,751,150</u>	<u>141,729,169</u>	<u>163,793,909</u>	<u>184,577,162</u>	<u>189,581,708</u>	<u>205,121,558</u>	<u>218,712,493</u>	<u>247,979,429</u>
Expenditures										
General government	21,232,646	25,984,632	22,925,185	28,029,485	36,664,982	40,382,204	45,579,202	53,777,415	66,604,588	53,835,554
Public safety:										
Police	36,639,732	35,940,838	33,576,378	35,511,381	29,742,744	31,974,963	34,745,411	34,921,546	36,893,957	38,175,923
Fire	24,531,497	26,542,275	27,711,702	28,462,946	24,848,816	26,028,314	26,574,399	27,520,189	31,188,734	31,523,736
Building	2,057,602	2,284,267	2,382,927	2,557,567	2,689,712	2,929,952	3,405,018	4,238,583	5,108,187	5,524,032
Public works	17,378,616	15,365,368	11,599,377	8,932,540	11,788,826	12,540,223	12,322,752	13,879,757	16,164,425	13,888,893
Parks and recreation	13,608,142	13,642,352	13,753,583	13,560,974	13,756,920	14,603,776	15,281,586	16,587,509	17,589,379	21,742,395
Community development	10,499,730	8,765,773	9,475,576	7,101,799	5,691,090	5,979,224	6,709,083	6,893,028	7,340,488	7,542,901
Capital outlay	29,296,160	27,951,051	11,394,393	6,029,345	6,921,521	10,676,484	19,389,174	16,267,397	32,333,090	24,860,257
Debt service:										
Principal	5,483,753	6,409,810	6,894,790	8,530,114	8,844,063	9,497,601	11,292,837	11,806,372	11,942,674	12,761,711
Interest and fiscal charges	9,861,791	9,930,304	8,880,760	11,178,064	10,813,779	10,342,261	9,722,762	9,311,497	8,593,724	8,469,641
Bond issuance cost	-	-	-	-	101,611	483,913	-	440,620	39,873	38,423
Total expenditures	<u>170,589,669</u>	<u>172,816,670</u>	<u>148,594,671</u>	<u>149,894,215</u>	<u>151,864,064</u>	<u>165,438,915</u>	<u>185,022,224</u>	<u>195,643,913</u>	<u>233,799,119</u>	<u>218,363,466</u>
Excess of revenues under expenditures	<u>(16,387,760)</u>	<u>(31,911,244)</u>	<u>(12,843,521)</u>	<u>(8,165,046)</u>	<u>11,929,845</u>	<u>19,138,247</u>	<u>4,559,484</u>	<u>9,477,645</u>	<u>(15,086,626)</u>	<u>29,615,963</u>
Other Financing Sources (Uses)										
Transfers in	24,621,888	14,451,468	22,957,260	23,960,633	27,265,208	31,887,089	31,052,126	48,438,259	69,718,917	60,069,144
Transfers out	(23,770,218)	(14,347,791)	(10,813,421)	(23,954,950)	(27,259,388)	(31,723,252)	(34,657,646)	(43,261,216)	(71,447,191)	(57,466,320)
Refunding bonds issued	-	-	-	-	(21,371,001)	-	-	-	-	-
Issuance of debt	38,208,714	11,725,289	3,696,691	-	26,733,000	66,965,000	-	62,595,000	7,912,705	10,200,000
Premium on debt	-	-	-	-	-	4,260,306	-	8,041,561	-	-
Payment to escrow agent to refund bonds	-	-	-	-	(5,252,769)	(59,492,199)	-	(70,193,955)	-	-
Insurance damage claims	-	-	8,602	21,064	-	-	-	-	-	-
Proceeds on sale of capital assets	23,495	156,585	184,650	26,696	226,810	443,662	149,977	1,438,701	575,130	394,321
Total other financing sources	<u>39,083,879</u>	<u>11,985,551</u>	<u>16,033,782</u>	<u>53,443</u>	<u>341,860</u>	<u>12,340,606</u>	<u>(3,455,543)</u>	<u>7,058,350</u>	<u>6,759,561</u>	<u>13,197,145</u>
Net change in fund balances	<u>\$ 22,696,119</u>	<u>\$ (19,925,693)</u>	<u>\$ 3,190,261</u>	<u>\$ (8,111,603)</u>	<u>\$ 12,271,705</u>	<u>\$ 31,478,853</u>	<u>\$ 1,103,941</u>	<u>\$ 16,535,995</u>	<u>\$ (8,327,065)</u>	<u>\$ 42,813,108</u>
Debt service as a percentage of noncapital expenditures	10.86%	11.28%	11.50%	13.70%	13.56%	12.82%	12.69%	11.77%	10.19%	10.97%

City of Cape Coral, Florida

IMPACT FEE REVENUE
Last Ten Fiscal Years

Schedule 5

Fiscal Year	Governmental Activities					Business-type activities		
	Fire ¹	Police ¹	Advanced Life Support ¹	Park Recreational Facilities	Road	Water	Wastewater	Irrigation
2010	\$ 111,908	\$ 116,706	\$ 6,841	\$ 217,425	\$ 749,673	\$ 1,526,547	\$ 2,359,061	\$ 296,107
2011	130,077	134,811	7,979	231,920	1,111,618	2,984,685	860,269	245,332
2012	183,159	190,337	11,215	344,535	935,581	531,665	720,771	246,754
2013	268,273	278,123	16,388	489,485	1,616,363	637,875	1,471,406	351,599
2014	366,857	378,990	22,333	642,240	2,571,011	1,859,278	5,736,228	891,280
2015	584,514	601,536	35,446	1,041,410	3,290,520	2,177,497	6,111,600	1,046,984
2016	838,224	868,136	51,154	1,559,473	5,193,939	2,584,665	7,097,253	1,234,697
2017	1,214,515	1,257,401	74,096	2,751,820	7,106,032	4,437,182	8,048,763	2,895,091
2018	1,488,434	1,538,112	90,670	2,737,325	8,700,676	3,667,760	9,301,674	4,846,618
2019	1,476,290	1,465,584	86,402	2,640,320	9,562,986	3,986,461	9,825,174	5,159,005

¹ Fire, Police and Advanced Life Support are component business units of Public Safety.

City of Cape Coral, Florida

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Schedule 6

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2010	13,340,141,030	523,329,090	3,368,593,750	10,494,876,370	7.97	13,863,470,120	75.70
2011	11,309,920,029	548,894,939	2,970,431,592	8,888,383,376	7.97	11,858,814,968	74.95
2012	11,207,273,819	487,302,713	3,127,986,516	8,566,590,016	7.96	11,694,576,532	73.25
2013	11,961,674,078	489,976,001	3,548,255,036	8,903,395,043	7.96	12,451,650,079	71.50
2014	13,290,907,759	475,478,158	4,246,067,858	9,520,318,059	7.71	13,766,385,917	69.16
2015	14,859,472,913	473,544,133	5,002,060,301	10,330,956,745	7.71	15,333,017,046	67.38
2016	16,141,195,874	460,315,173	5,481,003,861	11,120,507,186	6.96	16,601,511,047	66.98
2017	18,033,222,081	458,569,377	6,446,420,411	12,045,371,047	6.75	18,491,791,458	65.14
2018	19,881,805,283	476,068,474	7,163,540,104	13,194,333,653	6.75	20,357,873,757	64.81
2019	20,913,001,536	490,938,025	7,103,505,624	14,300,433,937	6.75	21,403,939,561	66.81

Source: Lee County Property Appraiser

City of Cape Coral, Florida

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS**
Last Ten Fiscal Years

Schedule 7

Fiscal Year	City of Cape Coral			Overlapping Rates			Total Direct and Overlapping Rates
	General Government Services	General Obligation Debt Service	Total	General County	School Board	Other ¹	
2010	7.9702	0.0000	7.9702	3.6506	7.508	1.6935	20.8223
2011	7.9702	0.0000	7.9702	3.6506	8.015	1.7474	21.3832
2012	7.9570	0.0000	7.9570	3.6506	7.854	1.7980	21.2597
2013	7.9570	0.0000	7.9570	3.6506	7.584	1.7161	20.9078
2014	7.7070	0.0000	7.7070	4.1506	7.598	1.4580	20.9136
2015	7.7070	0.0000	7.7070	4.1506	7.416	1.4144	20.6880
2016	6.9570	0.0000	6.9570	4.1506	7.285	1.4424	19.8350
2017	6.7500	0.0000	6.7500	4.0506	6.989	1.4612	19.2508
2018	6.7500	0.0000	6.7500	4.0506	6.679	1.4872	18.9668
2019	6.7500	0.0000	6.7500	4.0506	6.401	1.3377	18.5393

¹ Other consists of Lee County Capital Improvement, Lee County All Hazards, Lee County Library, and Lee County Unincorporated MSTU.

City of Cape Coral, Florida

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Schedule 8

Taxpayer	2019			2010		
	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable City Assessed Value
Corona Property Holdings LLC	\$ 30,698,865	1	0.23 %	-		- %
GRE Coralwood LP	26,498,094	2	0.20	-		-
International Capital	20,720,392	2	0.16	-		-
Freeman + Hasselwander Resort	30,080,381	4	0.23	-		-
Coral Walk FL LLC	18,579,450	5	0.14	-		-
Progress Residential Borrower	16,606,372	6	0.13	-		-
Cryptical Cove LLC	15,626,806	7	0.12	-		-
Publix Super Markets Inc	16,425,898	8	0.12	-		-
Coral Pointe Investment LLC	14,561,461	9	0.11	-		-
Agybe LLC	14,392,258	10	0.11	-		-
GRE Coralwood LP	-		-	\$ 19,277,960	1	0.18
Lowes Home Centers Inc.	-		-	18,768,010	2	0.18
Target Corporation	-		-	13,540,830	3	0.13
Coral Pointe Investment LLC	-		-	12,451,170	4	0.12
BJ Cape Coral Portfolio LP	-		-	10,702,890	5	0.10
Wal-Mart Stores East	-		-	9,976,540	6	0.10
Home Depot USA Inc.	-		-	8,779,590	7	0.08
SB LLC	-		-	8,423,580	8	0.08
Dodge Cape Coral LLC	-		-	7,895,350	9	0.08
SES Group-El Camino Real LTD	-		-	7,648,480	10	0.07
Total	\$ 204,189,977		1.55 %	\$ 117,464,400		1.12 %

¹ Source: Lee County Property Appraiser

Total taxable assessed value of Cape Coral for 2019 \$ 13,194,333,653
 Total taxable assessed value of Cape Coral for 2010 \$ 10,494,876,370

City of Cape Coral, Florida

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year of the Levy ¹		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 83,646,270	\$ 80,145,761	95.82 %	\$ 495,434	\$ 80,641,195	96.41 %
2011	71,017,898	67,864,550	95.56	259,349	68,123,899	95.92
2012	68,164,357	65,633,185	96.29	327,091	65,960,276	96.77
2013	70,844,314	68,242,587	96.33	131,264 ³	68,373,851	96.51
2014	73,373,091	70,741,212	96.41	3,098	70,744,310	96.42
2015	79,620,684	76,697,068	96.33	43,693 ³	76,740,761	96.38
2016	77,436,922	74,492,236	96.20	(7,061)	74,485,175	96.19
2017	81,306,255	78,383,386	96.41	43,194	78,426,580	96.46
2018	89,061,752	85,842,852	96.39	67,674	85,910,526	96.46
2019	96,527,929	93,018,718	96.36		93,018,718	96.36

¹ Source: City of Cape Coral, Financial Services Department

² Source: Lee County Property Appraiser

Property taxes are levied on November 1st of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of tax levy. Taxes become delinquent on April 1st of each year, and tax certificates for the full amount of any unpaid taxes and assessments are sold at public auction prior to June 1st of each year, and the proceeds collected are remitted to the City.

³ Includes refunds and corrections from tax collector.

City of Cape Coral, Florida

RATIOS OF OUTSTANDING DEBT BY TYPE¹
Last Ten Fiscal Years

Schedule 10

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income ⁵	Per Capita ⁶
	General Obligation Bonds	Revenue Bonds	Notes Payable	Commercial Paper Obligation	Special Assessment	Capital Lease	Revenue Bonds ²	Notes Payable ³	Special Assessment ⁴	Commercial Paper Obligation			
2010	-	221,223,990	475,505	8,452,000	-	-	283,180,780	14,925,275	170,721,588	203,608,000	902,587,138	21.26	1,411
2011	-	232,050,024	-	4,200,000	-	-	374,472,392	11,982,083	160,510,947	107,438,000	890,653,446	23.14	1,531
2012	-	229,435,647	3,414,530	-	-	3,414,530	477,416,707	8,935,129	150,750,308	-	873,366,851	24.70	1,523
2013	-	221,515,976	2,840,017	-	-	2,840,017	469,565,055	5,780,734	140,579,667	-	843,121,466	21.99	1,452
2014	-	213,730,572	2,256,647	-	-	2,256,647	461,361,073	35,859,855	130,219,029	-	845,683,823	21.03	1,357
2015	-	203,703,427	13,675,000	-	1,500,000	1,664,283	457,847,790	68,925,322	118,933,390	-	866,249,212	20.68	1,348
2016	-	194,470,804	12,092,000	-	1,405,000	1,062,786	447,666,810	69,578,289	107,587,751	-	833,863,440	18.87	1,241
2017	-	191,054,422	10,474,000	-	1,130,000	452,014	437,229,120	67,859,047	98,580,423	-	806,779,026	16.45	1,130
2018	-	180,949,932	16,466,205	-	855,000	273,460	449,733,033	77,847,479	85,175,423	-	811,300,532	15.70	1,083
2019	10,200,000	170,507,652	14,072,452	-	575,000	91,912	436,364,140	148,234,456	72,314,773	-	852,360,385	15.61	1,032

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² Includes debt paid only from water and sewer net revenues.

³ Includes debt paid only from water and sewer net revenues and impact fees.

⁴ Utility special assessments are paid only by the benefited property owners.

⁵ See Schedule 14 for personal income and population data.

⁶ Includes all governmental activities debt and only the business-type activities general obligation bonds and debt paid from stormwater net revenues.

City of Cape Coral

RATIOS OF GENERAL BONDED DEBT OUTSTANDING¹

Last Ten Fiscal Years

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Property ²	Per Capita ³
2009 ⁴	\$ -	\$ -	\$ -	0.00%	\$ -
2010 ⁴	-	-	-	0.00%	-
2011 ⁴	-	-	-	0.00%	-
2012 ⁴	-	-	-	0.00%	-
2013 ⁴	-	-	-	0.00%	-
2014 ⁴	-	-	-	0.00%	-
2015 ⁴	-	-	-	0.00%	-
2016 ⁴	-	-	-	0.00%	-
2017 ⁴	-	-	-	0.00%	-
2018 ⁴	-	-	-	0.00%	-
2019	10,200,000	9,659,677	540,323	0.00%	2.85

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² See Schedule 6 for property value data.

³ See Schedule 14 for population data.

⁴ No General Obligation Debt between FY 2009 and FY 2018.

City of Cape Coral, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2019

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lee County	\$ 214,088,000 ¹	24.974% ²	\$ 53,466,337
City direct debt			<u>195,447,016</u> ³
Total direct and overlapping debt			<u>\$ 248,913,353</u>

¹ Source: Lee County Clerk of Court, Finance Division.

² Determined by dividing:

Taxable assessed valuation of the City of Cape Coral (see Schedule 6)	\$ 14,300,433,937
by the total taxable valuation of Lee County.	\$ 48,231,091,000

³ Source: City of Cape Coral, Financial Services Department
(see Schedule 10 governmental activities).

City of Cape Coral, Florida
PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Schedule 13

Fiscal Year	Water and Sewer Revenue Debt								Stormwater Revenue Debt					
	Operating Revenues ¹	Operating Expenses ²	Revenue for Debt Services	Debt Service Requirements ³		Total	Coverage ⁴	Operating Revenues ⁵	Less: Operating Expenses ²	Net Available Revenue for Debt Service	Debt Service Requirements ⁶		Total	Coverage
				Principal	Interest						Principal	Interest		
2010	63,886,074	34,499,895	29,386,179	3,915,000	15,247,558	19,162,558	1.53	12,927,544	9,358,232	3,569,312	505,000	69,106	574,106	6.22
2011	67,236,758	32,982,527	34,254,231	4,035,000	14,211,052	18,246,052	1.88	12,625,482	9,393,954	3,231,528	525,000	48,906	573,906	5.63
2012	71,703,204	34,483,112	37,220,092	5,640,000	22,290,563	27,930,563	1.33	11,544,704	12,243,641	(698,937) ⁷	545,000 ⁸	27,250	572,250	(1.22)
2013	75,862,707	36,213,510	39,649,197	6,755,000	22,379,635	29,134,635	1.36	12,379,372	12,221,417	157,955	-	-	-	-
2014	73,678,329	38,138,225	35,540,104	7,825,000	21,964,200	29,789,200	1.19	12,393,540	12,071,965	321,575	-	-	-	-
2015	77,043,774	40,442,926	36,600,848	8,395,000	21,018,222	29,413,222	1.24	12,404,199	11,744,731	659,468	-	-	-	-
2016	80,312,234	41,931,221	38,381,013	9,580,000	19,264,647	28,844,647	1.33	13,213,160	11,304,048	1,909,112	-	-	-	-
2017	83,094,497	45,152,483	37,942,014	9,960,000	18,888,604	28,848,604	1.32	14,688,168	12,006,814	2,681,354	-	-	-	-
2018	84,148,677	50,029,458	34,119,219	10,215,000	10,308,822	20,523,822	1.66	18,689,276	12,403,435	6,285,841	-	-	-	-
2019	88,528,491	53,550,943	34,977,548	10,760,000	17,162,753	27,922,753	1.25	20,092,980	12,520,639	7,572,341	-	-	-	-

¹ Includes interest income; excludes ad valorem taxes, and proceeds from sale of capital assets.
² Excludes depreciation expense, interest expense, and bond discount amortization.
³ Includes senior debt with a pledge of net revenues and expansion fees of the utility system.
⁴ Bond covenant requires net revenues adequate to pay at least 100% of the annual debt service on all outstanding bonds becoming due in such fiscal year.
⁵ Includes interest income.
⁶ Includes only debt being funded by the net revenues of the system.
⁷ Includes a \$978,611 one-time adjustment to reconcile the receivable to the Lee County Tax Collector outstanding amount.
⁸ 2012 is the final year of debt service payment.

City of Cape Coral, Florida

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Schedule 14

Fiscal Year	Population ¹	Personal Income ²	Per Personal Income ¹	Median Age ¹	School Enrollment ³	Unemployment Rate ⁴
2010	163,095	4,245,525,945	26,031	43	15,658	13.5
2011	154,305	3,848,366,700	24,940	43	15,305	11.3
2012	155,158	3,536,205,978	22,791	43	15,246	10.5
2013	156,486	3,833,281,056	24,496	44	15,399	6.5
2014	160,831	4,020,935,831	25,001	43	15,583	6.0
2015	163,602	4,187,883,996	25,598	44	19,839	5.2
2016	168,425	4,418,461,450	26,234	45	19,414	4.8
2017	179,804	4,904,513,708	27,277	45	19,598	3.6
2018	183,365	5,167,409,065	28,181	45	92,941	3.0
2019	189,343	5,460,273,434	28,838	46	95,589	2.9

¹ Source: City of Cape Coral Economic Development Office

² Determined by multiplying population by per capita personal income.

³ Source: School District of Lee County

⁴ Source: Florida Department of Economic Opportunity

City of Cape Coral, Florida

PRINCIPAL EMPLOYERS¹
Current Year and Nine Years Ago

Schedule 15

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment ²	Employees	Rank	Percentage of Total City Employment ³
Lee County School District	2,485	1	2.90 %	2,318	1	3.07 %
Lee Memorial Health System	2,562	2	2.99	900	4	1.19
City of Cape Coral	1,362	3	1.59	1,786	2	2.37
Publix Super Market	1,258	4	1.47	1,665	3	2.21
Sam's/Wal-Mart	887	5	1.03	600	5	0.80
Home Depot	570	6	0.67	420	6	0.56
Regional VA Clinic	554	7	0.65	-	-	-
Gulf Coast Village	430	8	0.50	250	-	0.33
Target	368	9	0.43	-	-	-
Cape Coral Charter School	344	10	0.40	-	-	-
Lowes Home Improvement Center	-	-	-	250	9	0.33
The Breeze Corporation	-	-	-	260	8	0.34
Gulf Coast Village	-	-	-	250	10	0.33
A Direct Dish Satellite TV	-	-	-	300	7	0.40

Source: City of Cape Coral, Economic Development Office

¹ The data shows only employees working in the City of Cape Coral and does not include other jobs with the same employer located throughout Lee County.

² The total city employment for 2017 was 82,605.
Source: U.S. Department of Labor - Bureau of Labor Statistics

³ The total city employment for 2008 was 75,442.
Source: U.S. Department of Labor - Bureau of Labor Statistics

City of Cape Coral, Florida

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 16

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	125	119	185	128	128	138	144	145	142	156
Public Safety:										
Police	359	344	336	336	334	334	339	342	334	357
Fire	216	206	206	205	206	210	212	222	217	227
Building	26	27	28	29	29	36	48	48	51	54
Public Works ¹	154	150	78	132	137	140	145	150	152	159
Community Development	58	59	57	53	54	57	56	57	54	58
Parks and Recreation	187	190	180	193	197	209	209	210	146	211
Water and Sewer	266	260	218	236	266	279	289	300	298	302
Stormwater	114	113	104	96	96	96	96	96	96	97
Yacht Basin	2	2	2	3	3	3	3	3	3	2
Golf Course	35	36	32	32	32	32	32	32	32	32
Waterpark	67	64	60	62	62	62	62	62	62	61
Total	1,609	1,570	1,486	1,505	1,544	1,596	1,635	1,667	1,587	1,716

¹ Beginning in FY2013 Transportation was reported in Public Works.

City of Cape Coral, Florida

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 17

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Number of sworn officers	239	216	219	212	226	226	231	234	260	260
Total calls received ¹	194,688	192,289	239,686	269,161	261,436	275,478	275,688	285,479	277,286	276,069
Number of crime scenes processed by evidence technician	648	704	635	814	827	950	784	1,356	1,524	1,610
Traffic citations issued (all units)	23,480	18,256	9,797	10,277	10,277	8,806	8,845	11,913	11,752	11,445
Vice, intelligence and narcotics arrests	1,055	893	719	820	906	835	678	755	956	739
Fire										
Number of firefighters and officers	192	192	192	191	191	198	196	205	206	213
Calls for service	18,127	18,718	19,372	19,652	19,672	20,321	18,643	20,471	20,401	21,500
Inspections	6,747	5,274	7,978	6,757	5,599	8,092	9,342	8,138	7,261	6,882
Public Works										
Tons of debris collected and disposed of	13,486	614	112	154	74	160	214	417	850	451
Lane miles of road surface restored	6	42	34	15	59	21	399	134	130	101
Community Development										
Contacts (counter and telephone)	24,388	52,715	58,292	48,520	49,758	51,023	53,045	47,882	62,120	61,961
Certificates of use	661	643	602	610	596	585	590	592	574	614
Sign permits issued	423	260	251	250	259	645	296	272	197	332
Parks and Recreation										
Programs held at art studio	184	366	486	413	390	435	438	250	270	370
Sessions held for aquatics	64	89	114	133	128	127	126	103	98	101
Senior centers memberships	941	917	751	758	707	751	804	787	643	752
Transportation program-total miles driven	73,418	76,730	94,533	87,197	115,000	85,173	94,519	105,103	107,832	95,254
Transportation										
Catch basins	4,706	3,133	3,745	4,620	4,178	5,695	4,527	4,527	4,527	4,527
Centerline miles of roadway striped annually	453	705	555	389	493	767	355	355	-	423
Water and Sewer										
Finished water pumped to system (millions of gallons)	3,488	3,519	3,542	3,435	3,516	3,644	3,679	4,694	4,505	4,238
Dry tons of bio-solids generated	1,914	6,889	1,906	1,772	1,789	1,763	1,970	1,970	1,970	2,416
Stormwater Utility										
Cubic yards dredged from canals	120,732	90,073	38,325	41,073	28,945	45,605	54,635	16,361	17,726	26,512
Swale requests received	706	652	711	409	247	346	356	521	514	720
Swale regraded (Square Feet)	2,360,047	2,060,663	1,311,430	1,516,353	1,541,520	1,326,156	1,121,325	900,370	748,099	835,267
Building Division										
Total inspections	43,750	46,573	33,779	35,877	64,686	83,536	63,071	72,307	85,122	86,156
Permits issued	12,574	12,237	13,603	19,983	19,300	22,019	26,973	27,984	38,937	31,111
Yacht Basin										
Average annual slip rentals	63	69	69	90	76	69	85	92	84	87
Golf Course										
Rounds played	59,888	60,751	62,550	61,974	58,735	57,390	55,808	46,678	55,688	53,728
Waterpark										
Admissions	151,562	131,364	113,267	107,699	113,358	116,293	86,174	87,969	96,220	91,371

¹ FY2010 and FY2011 actual counts can not be determined due to system software error.

City of Cape Coral, Florida

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 18

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	11	10	10	10	10	11	11	11	11	11
Public Works										
Paved alleys (miles)	12	12	12	12	12	12	12	11	11	11
Sidewalks (miles)	184	190	194	194	202	209	215	220	226	236
Parks and Recreation										
City owned developed parks	30	30	34	34	34	34	34	34	34	34
Number of developed acres	401	401	405	409	409	409	409	409	409	409
City owned undeveloped parks	20	20	24	24	24	24	24	24	24	24
Number of undeveloped acres	1,072	1,086	1,094	1,095	1,095	1,098	1,100	1,101	1,101	1,131
City owned senior centers	2	2	2	2	2	2	2	2	2	2
City owned boat launches, locks, and lifts ²	12	10	11	22	22	22	22	22	22	22
Transportation										
Paved streets (lane miles) ¹	3,115	3,123	3,157	3,047	3,047	3,047	3,047	3,047	3,047	3,042
Water and Sewer										
Number of water connections	55,468	55,343	55,591	55,790	56,522	58,899	61,522	62,692	64,225	67,071
Number of sewer connections	53,533	54,069	54,193	54,222	54,678	56,215	59,904	61,208	62,842	65,272
Miles of water distribution	848	849	849	853	856	907	907	907	908	906
Stormwater										
Stormwater drainage pipes (miles)	528	519	510	514	517	519	516	540	540	543
Swales (miles)	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363
Catch basins	22,961	22,994	22,725	22,767	22,894	22,940	22,931	23,733	23,733	24,072
Yacht Basin										
Boat slips ³	112	108	93	112	112	112	107	107	107	107
Golf Course										
City owned golf courses	1	1	1	1	1	1	1	1	1	1
Waterpark										
City owned waterpark facilities	1	1	1	1	1	1	1	1	1	1

¹ Year 2013 Cartegraph report excluded bike paths and vacations of roads and included road widening and new roads.

² Year 2013 included both improved and unimproved boat launches.

³ Year 2016 includes only boat slips that are available for rent. It does not include slips used by law enforcement.

Single Audit



**INDEPENDENT AUDITORS' 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
Members of the City Council
City of Cape Coral, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cape Coral, Florida (City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 27, 2020. The financial statements of the discretely presented component unit as of and for the year ended June 30, 2019 were audited by us. We issued a separate report dated January 7, 2020. Therefore, this report does not include reporting on the internal control over financial reporting or compliance and other matters included in that separately issued report. The financial statements of the Municipal General Employees' Pension Plan, the Municipal Police Officers' Pension Plan, and the Municipal Firefighters' Pension Plan were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a material weakness.

Compliance and Other Matters

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

The City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
April 27, 2020



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Cape Coral, Florida's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2019. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Cape Coral Charter School Authority (Authority) which expended \$545,528 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2019. Our audit, described below, did not include the operations of the Authority because the Authority's financial statements were audited separately.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General Local Governmental Entity Audits. Those standards, the Uniform Guidance and Chapter 10.550, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2019.

Report on Internal Control Over Compliance

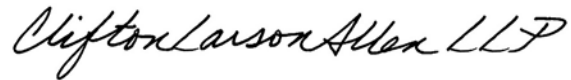
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs and state projects and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Fort Myers, Florida
April 27, 2020

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the Year Ended September 30, 2019

Federal Agency/Program Title	Federal CFDA Number	Federal or Pass Through Grant Number	Expenditures	Passed through to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Community Planning and Development:				
CDBG Entitlement Grant Cluster				
Community Development Block Grants/Entitlements (CDBG)	14.218	B18MC120027	\$ 828,639	\$ 750,354
Community Development Block Grants/Entitlements (CDBG)	14.218	B17MC120027	249,327	248,583
Neighborhood Stabilization Program (NSP-1)	14.218	B08MN120003	441,312	409,960
Neighborhood Stabilization Program (NSP-3)	14.218	B11MN120003	29,778	-
			<u>1,549,056</u>	<u>1,408,897</u>
U.S. DEPARTMENT OF JUSTICE:				
Office of Justice Programs (OJP):				
Edward Byrne Justice Assistance Grant (JAG) FY18	16.738	2018-DJ-BX-0539	16,350	
Justice Assistance Grant-Countywide (JAGC) FY19	16.738	2019-JAGC-LEE-1-N2-121	32,390	
Bulletproof Vest Partnership	16.607	2018 BVP #18091373	3,764	
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2018-CD-BX-0054	91,028	
			<u>143,532</u>	
Joint Law Enforcement Operations Equitable Sharing	16.922	FL0360200	4,171	
<i>Passed-Through State of Florida, Office of the Attorney General</i>				
Victims of Crime Act (VOCA) 2018-19	16.575	VOCA-2018-CCPD-00084	107,957	
			<u>255,660</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Administration for Children and Families:				
<i>Passed-Through State of Florida, Agency for Persons with Disabilities:</i>				
Social Services Block Grant: Special Populations	93.667	1035	241,703	
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Federal Emergency Management Agency				
<i>Fire Prevention and Safety Assistance to Firefighters</i>				
	97.044	EMW-2016-FP-00299	29,580	
<i>Passed-Through State of Florida, Division of Emergency Management</i>				
Homeland Security Grant Program			5,000	
Community Emergency Response Team (CERT)	97.042	2017-2018	34,580	
			<u>39,580</u>	
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Highway Administration:				
<i>Passed-Through State of Florida, Department of Transportation:</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction				
Chiquita Blvd N Sidewalks	20.205	430892-1-58-01	39,228	
Tropicana Blvd Sidewalks	20.205	434993-1-58-01	459,806	
Chiquita Blvd S Sidewalks	20.205	434995-1-58-01	877,464	
Andalusia Blvd Sidewalks	20.205	438102-1-38-01	63,565	
Suntrail Non-Motorized Bike Path	20.205	440236-1-34-01	602,330	
			<u>2,042,393</u>	
National Highway Traffic Safety Administration:				
<i>Passed-Through State of Florida, Department of Transportation:</i>				
FDOT DRE Call Out 2019	20.616	M5X 19-06-02	1,006	
FDOT Impaired DE 2018-19	20.616	M5HVE-19-06-05	38,000	
			<u>39,006</u>	
			<u>2,081,399</u>	
U.S. DEPARTMENT OF INTERIOR				
U.S. Fish and Wildlife Service				
<i>Passed-Through State of Florida, Department of Environmental Protection:</i>				
Clean Vessel Act	15.616	MV277	5,250	
U.S. DEPARTMENT OF HOMELAND SECURITY				
Federal Emergency Management Agency:				
<i>Passed-Through State of Florida, Department of Emergency Management</i>				
Disaster Grant - Hurricane Irma	97.036	4337 Hurricane Irma	12,535,776	
			<u>12,535,776</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,703,424</u>	<u>\$ 1,408,897</u>

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (continued)**
For the Year Ended September 30, 2019

<u>State Agency/Program Title</u>	<u>CSFA Number</u>	<u>State Contract/ Grant Number</u>	<u>State Expenditures</u>	<u>Passed through to Subrecipients</u>
STATE OF FLORIDA, FLORIDA HOUSING FINANCE CORPORATION: State Housing Initiatives Partnership Program (S.H.I.P.)	40.901	N/A	\$ 1,053,357	\$ 1,034,976
STATE OF FLORIDA, DIVISION OF EMERGENCY MANAGEMENT: Florida Department of Emergency Management Hurricane Loss Mitigation Program Residential Construction Mitigation Program (RCMP)	31.066	RCMP2015-16	<u>6,676</u>	
STATE OF FLORIDA, AGENCY FOR PERSONS WITH DISABILITIES: Association for the Development of the Exceptional: Transportation Services	67.006	N/A	<u>118,247</u>	
STATE OF FLORIDA, DEPARTMENT OF STATE Division of Cultural Affairs Art Studio Renovation	45.014	18.c.cf.200.288	<u>100,000</u>	
STATE OF FLORIDA, FLORIDA DEPARTMENT OF LAW ENFORCEMENT Public Safety Mobile Command Center Vehicle Project	71.033	2019-SFA-GAA-36-5P-001	<u>176,250</u>	
STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION State Revolving Fund Program Clean Water State Revolving Fund Drinking Water State Revolving Fund	37.077 37.076	WW360120 DW360130	27,408,978 <u>17,085,694</u> 44,494,672	
Water Restoration Assistance Cape Coral Reservoir and Pipeline Project	37.039	LP36014	<u>215,277</u> 44,709,949	
 TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>46,164,479</u>	<u>1,034,976</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 62,867,903</u>	<u>\$ 2,443,873</u>

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
September 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) is a supplementary schedule to the City's basic financial statements and is presented for purposes of additional analysis. The Schedule is required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes.

The Schedule includes all federal financial assistance programs and state projects administered by the City of Cape Coral and included in the City's Comprehensive Annual Financial Report. It specifically excludes federal financial assistance programs and state projects received by the discretely presented component unit, the Cape Coral Charter School Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City of Cape Coral provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant - Entitlement Grants	14.218	\$ 998,937
Neighborhood Stabilization Program	14.218	409,960
Total		<u>\$ 1,408,897</u>

Of the state expenditures presented in the Schedule, the City of Cape Coral provided state financial assistance to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
State Housing Initiatives Partnership Program (S.H.I.P.)	40.901	\$ 1,034,976
Total		<u>\$ 1,034,976</u>

City of Cape Coral

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
September 30, 2019

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance expenditures are included in the City's basic financial statements as follows:

Federal financial assistance expenditures are included in the City's basic financial statements as follows:

	<u>Expenditures</u>
General Fund	\$ 12,860,851
Special Revenue Funds:	
Community Development Block Grant (CDBG)	1,077,966
HUD Neighborhood Stabilization	471,090
Parks and Recreation - Special Populations	241,703
Department of Justice Joint Law Enforcement Operations	4,171
Enterprise Funds:	
Yacht Basin	5,250
Capital Improvement Funds:	
Transportation - Sidewalk Construction	2,042,393
	<u>\$ 16,703,424</u>

State financial assistance expenditures are included in the City's basic financial statements as follows:

	<u>Expenditures</u>
General Fund	\$ 176,250
Special Revenue Funds:	
Parks and Recreation - Special Populations & Transportation	218,247
Local Housing Assistance Fund - State Housing Initiatives Partnership Program (S.H.I.P.)	1,053,357
Residential Construction Mitigation Program	6,676
Capital Improvement Funds:	
Water and Sewer - Utility Extension Project	44,709,949
	<u>\$ 46,164,479</u>

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported
3. Noncompliance material to financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of Major Federal Programs

CFDA Number

97.036

Name of Federal Program or Cluster

Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance Section

1. Internal control over major state projects:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? _____ yes x no

Identification of Major State Projects

CSFA Number(s)

37.077

Name of State Project

Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 1,384,937

Section II – Financial Statement Findings

2019-001 Audit Adjustments

Material Weakness in Internal Control over Financial Reporting

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City’s ability to ensure financial transactions are authorized and accurate. City management is responsible for establishing and maintaining internal controls for the proper recording of all the City’s transactions, including year-end accruals.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2019**

Section II – Financial Statement Findings (Continued)

Condition: As part of the audit, we proposed audit adjustments to correct an error related to accounts payable in the Community Redevelopment Agency Fund in an amount of \$100,000 and an error in the General Fund related to grant revenue and amounts report on the schedule expenditures of federal awards and state financial assistance in the amount of approximately \$2.6 million. The error in the Community Redevelopment Agency Fund required a restatement of beginning balances.

Cause: The City’s internal controls did not detect or prevent the errors.

Effect: The proposed audit adjustments were recorded by management to correct the financial statements.

Recommendation: We recommend that the City’s management strengthen policies and procedures over year end accruals to ensure that transactions are being accrued in accordance with Generally Accepted Accounting Principles.

Views of Responsible Officials: There is no disagreement with the audit finding and corrective action has been taken to include a more thorough review for the Community Redevelopment Agency Fund as well as effectively implementing a new reconciliation to track the information for the scheduled expenditures of federal awards and state financial assistance.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(l)4, Rules of the Florida Auditor General.

Management Letter



MANAGEMENT LETTER

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Cape Coral, Florida (City) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated April 27, 2020.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 27, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City discloses this information in the notes to the financial statements.

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The City does not have any special district component units.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



CliftonLarsonAllen LLP

Fort Myers, Florida
April 27, 2020

Independent Accountants Report



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida

We have examined the City of Cape Coral, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2019.

This report is intended solely for the information and use of the City and the Auditor General of the State of Florida, and is not intended to be, and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
April 27, 2020

