

Comprehensive Annual Financial Report

Bonita Springs, Florida



Fiscal Year Ended September 30, 2020

City of Bonita Springs, Florida
Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2020



Prepared by the Finance Department

Anne K. Wright, CPA, CGFO
Finance Director

Clara Fette
Brenda Reetz
Melissa Stout

Front Cover: Roundabout located at Old 41 and Terry Street completed the Fall of 2017

Back Cover: Signaled intersection at Old 41 and Terry Street prior to the roundabout construction

**City of Bonita Springs, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020**

Table of Contents

Introductory Section

Letter of Transmittal.....	iii
Government Financial Officers Association Certificate of Achievement.....	vi
Organizational Chart	viii
Principal Officials.....	xi

Financial Section

Independent Auditor’s Report	2
Management’s Discussion and Analysis	5

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Position.....	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet - Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Notes to the Financial Statements.....	25

Required Supplementary Information

General Fund and Major Special Revenue Governmental Funds

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund.....	50
Road Impact Fee Fund.....	51
Park Impact Fee Fund.....	52
Building Fee Fund	53
Notes to the Required Supplemental Information Relating to Budgets	54

Florida Retirement System Pension Plan:

Schedule of the City’s Proportionate Share of the Net Pension Liability.....	55
Schedule of City Contributions.....	55

Florida Retiree Health Insurance Subsidy Program:

Schedule of the City’s Proportionate Share of the Net Pension Liability.....	56
Schedule of City Contributions.....	56

Table of Contents (Continued)

Combining and Individual Fund Financial Statements and Schedules

Non-major Governmental Funds

Combining Balance Sheet – Non-major Governmental Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	59
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Grant Fund	60
Gas Tax Fund	61
Stormwater Fund	62
Downtown Area Revenue Sharing Fund	63
Road Debt Service Fund.....	64
Downtown Redevelopment Debt Service Fund	65
Capital Projects Fund	66

Statistical Section

Schedule 1 - Net Position by Component.....	69
Schedule 2 - Changes in Net Position	70
Schedule 3 - Fund Balances of Governmental Funds.....	71
Schedule 4 - Changes in Fund Balances of Governmental Funds.....	72
Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property	73
Schedule 6 - Property Tax Rates - Direct and Overlapping Governments.....	74
Schedule 7 - Principal Property Taxpayers	75
Schedule 8 - Property Tax Levies and Collections.....	76
Schedule 9 - Ratios of Outstanding Debt by Type	77
Schedule 10 - Ratios of General Bonded Debt Outstanding	78
Schedule 11 - Direct and Overlapping Governmental Activities Debt	79
Schedule 12 - Legal Debt Margin Information	80
Schedule 13 - Demographic and Economic Statistics	81
Schedule 14 - Principal Employers	82
Schedule 15 - Full-Time Equivalent City Government Employees by Function.....	83
Schedule 16 - Operating Indicators by Function.....	84
Schedule 17 - Capital Asset Statistics by Function	85

Other Supplementary Information

Single Audit Report

Independent Auditor’s Report on Compliance for Each Major Federal Awards Program and on Internal Control over Compliance Required by Uniform Guidance.....	88
Schedule of Findings & Questioned Costs – Federal Award Programs.....	90
Summary Schedule of Prior Audit Findings and Corrective Action Plan – Federal Award Programs.....	92
Schedule of Expenditures of Federal Awards	93
Notes to Schedule of Expenditures of Federal Awards.....	94

Other Reports

Management Letter	96
Response to Management Letter	99
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	100
Report of Independent Accountant on Compliance with Local Government Investment Policies.....	102





Bonita Beach
27954 Hickory Blvd

This beautiful beach front park is on the southern tip of Bonita Beach. It offers a variety of amenities. You will find restrooms, shelters with tables and grills, a playground and a sand volleyball court. Parking is available for \$2 per hour. The City of Bonita Springs also offers free parking at Bay Park North and Beach Park North on Little Hickory Island.

Introductory Section



April 26, 2021

Honorable Mayor, Members of City Council
And Citizens of the City of Bonita Springs
Bonita Springs, Florida

We are pleased to submit to you the Comprehensive Annual Financial Report of the City of Bonita Springs, Florida (City) for the fiscal year ending on September 30, 2020. Florida Statute §218.39 requires that a complete set of financial statements be published within nine months of the fiscal year end, and this report fulfills that requirement.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement.

In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by City Council.

In compliance with the laws of the State of Florida, the City’s financial statements have been audited by Ashley, Brown & Company, Certified Public Accountants, a firm of licensed certified public accountants. The independent auditor has issued an unmodified (“clean”) opinion on the City’s financial statements for the fiscal year ended September 30, 2020. The independent auditor’s 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 auditor’s 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 reviewed in conjunction with it.

This report also includes the City’s Single Audit of Federal Award Programs, which begins on page 87. We are pleased to report there are no findings or questioned costs reported by the auditor.

Profile of the Government

The City, incorporated on December 31, 1999, is located in the southwest part of the state and located in Lee County. The City currently occupies a land area of 46 square miles and serves an estimated population of 55,645. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six council members, all elected on a non-partisan basis. Council members serve four-year staggered terms, with three or four council members elected every two years. The mayor is elected to serve a four-year term and is elected-at-large. The six council members are elected by district. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides the following services: public roads, storm water management, development services, parks and recreation, natural resources, code enforcement, and general and administrative services. The City of Bonita Springs uses the “government lite” concept of outsourcing City services to minimize expenditures while providing quality services to the community.

Economic condition and outlook

During the fall of 2019, the City Council approved a settlement in litigation which has been on-going since 2017. This settlement required the payment of economic damages of \$6.3 million and Plaintiff legal fees in the amount of \$955,361, which were initially estimated as \$802,051. Both of these expenses were accrued as expenses in the FY 2019 Statement of Activities, with the difference in the legal fees actually paid being reported in FY 2020.

Also during FY 2019, the City Council approved a city-wide Stormwater assessment fee dedicated to addressing the storm water management challenges. FY 2020 is the first year the Stormwater assessment fee appeared on the property tax bills and is the first year of reporting the Stormwater Special Revenue Fund.

Residential and commercial permit activity experienced a slowdown during the COVID-19 pandemic, resulting in lower permit fee revenue as compared to the past two years when activity was consistent. Growth in the City of Bonita Springs was slower during FY 2020. Staff anticipates that future growth will be gradual and focused on the build out of existing approved developments in eastern Bonita Springs (residential development in Sections 1 and 2), urban redevelopment, and infill development (with a varying degree of uses such as multi-family residential, industrial flex space, and hotel uses).

As unemployment rose throughout the nation, Florida and Southwest Florida experienced a similar impact. The January 2021 unemployment rates for the Cape Coral – Fort Myers Metropolitan Statistical Area, which includes Bonita Springs, had a 4.6% unemployment rate as of January 2021, compared to 4.8% for Florida and the National rate of 6.3%.

The national and state economics are key factors in assessing the City’s future picture. Changes in the national, state, and local economies can affect both revenues and expenditures due to the impact of tax receipts and the costs of providing City services. While economic changes at the state and national level can often translate into comparable changes locally, it is important to note that the City of Bonita Springs and the Southwest Florida region often behave differently, showing economic trends and reflecting experience that may lag or precede noticed changes elsewhere.

The total taxable property value in the City increased 4.3% during fiscal year 2020. As a result of COVID-19, it is uncertain as to how the City’s taxable property values will be impacted for the next fiscal year, although currently residential real estate is performing reasonably well.

Strategic Planning

A strategic plan is meant to be a reflection of City Council's decision to provide a foundation to guide policy decisions over the next several years as well as their commitment to devote City resources to accomplish the strategic priorities.

With a vision of "Bonita Springs shall reach its full potential as one of the great small cities in the United States", City Council adopted the 2018 Strategic Priorities in May 2018. The priorities are listed below and on the following page.

1. **Improve Storm Water Management:** Develop strategy; Schedule for implementation; Financing; Storm Water Utility; Review/inspection of neighborhood management systems and maintenance
2. **Transportation:** Multimodal; Complete Streets; Bonita Beach Road Vision; US 41/Bonita Beach Road Quadrant Plan; Sun Trail (Railroad and Hickory Blvd); Logan Boulevard; South Forest Mere right of way; Traffic light traffic delays; Organize participation from other entities; Funding strategy
3. **Strengthen/Enhance City Finances:** Long term strategic financial evaluation and cash flow constraints effect on objectives; Improve grant strategy and process; Review franchise rates (Communications Services Fee and Electric Franchise Fee); Establish Storm Water Utility Fee
4. **Environmental Protection:** DRGR (Density Reduction Groundwater Resource) Protection - preserve large northern DRGR tracts; Storm water management and conservation; Florida Forever and 20/20 Programs; Beach and river water access preservation
5. **Community Aesthetics: Develop and implement Urban Design:** Improve look of the City; Parks: Develop and implement urban design standards in light of available funds; Review of city physical assets, identify responsible parties, program to improve; Establish city icon; Inventory areas to see what can be done
6. **Strengthen/Enhance Council Relations:** Message coordination; Activism strategy; Improve and strengthen relationships with other government jurisdictions (State of Florida, Lee County, South Florida Water Management District, Recognize process imposed by others, Quadrant Plan, Landscaping on Bonita Beach Road, Lee County bridge proposal, Lee Tran, Beach parking, FEMA grant (Local Mitigation Strategy), Federal Delegation, FEMA & transportation opportunities, State of Florida funding)
7. **Government Transparency: Increase Outreach/Accessibility to Citizens:** Put on action list completion of neighborhood/HOA contact list used for emergency response and activate it; Establish quarterly contact with contact list; Outreach committee mission; Improve communication, website, social media, etc.; Increase outreach accessibility to citizens; Community contacts to incorporate into Emergency Operations Plan.
8. **Economic Development: Attract highest quality economic development through City's vision of high urban design standards, multimodal and downtown revitalization and vision:** High urban standard; Multimodal; Downtown Revitalization: Consider next steps to development projects for downtown, Stabilize Wonder Gardens, Completion of library, Dixie Moon, Unified signage plan; Implement visions

Relevant Financial Policies

Budgetary control is established by Section 45 of the City Charter, which requires the adoption of an annual budget and Section 46 which provides for amendments to the budget after adoption. Budgetary control throughout the fiscal year is maintained through monthly monitoring of actual activity compared to the budget. Section 47 of the City Charter addresses the lapse of annual appropriations at the close of the fiscal year, except an appropriation for a capital expenditures. The Council is required to adopt a final budget by no later than the close of the fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, function (e.g., public safety) and department (e.g., law enforcement). Department heads may transfer resources within a department as they see fit, however, transfers between departments require the approval of the City Council. Budget-to-actual comparisons are provided in this report for the general fund and for the special revenue funds that are considered major funds. These comparisons are presented on pages 50-53 respectively as part of the required supplementary information. Budget-to-actual comparisons for special revenue funds that are considered non-major funds, the debt service funds, and the capital projects fund are presented beginning on page 60.

The City Council has approved Financial Policies which address audit policies, financial reporting and accounting, cash management, revenues, budget, debt management, expenditures, and asset capitalization.

Long-term financial planning

The City completes a five-year financial forecast. For capital projects, the City uses a ten-year capital plan. This helps recognize when major cash infusions will be necessary. These infusions may come from the issuance of debt, grants, new revenue sources, impact fees and/or a build-up of fund balance. Any or all of these methods may be utilized. Not as obvious, but just as important, is the increase in services, with the costs associated with these services, requested by citizens or mandated by external forces.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bonita Springs for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the eleventh consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement 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 requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report would not have been possible without the skill, effort, and dedicated service of the entire staff of the Finance Department, as well as the support of the Assistant City Manager and the Department Directors. 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 Bonita Springs.

Appreciation is also extended to our external auditors, Ashley, Brown & Company, for their assistance and to the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bonita Springs' finances.

Respectfully submitted,



Arleen M. Hunter, AICP
City Manager



Anne K. Wright, CPA, CGFC
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bonita Springs
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

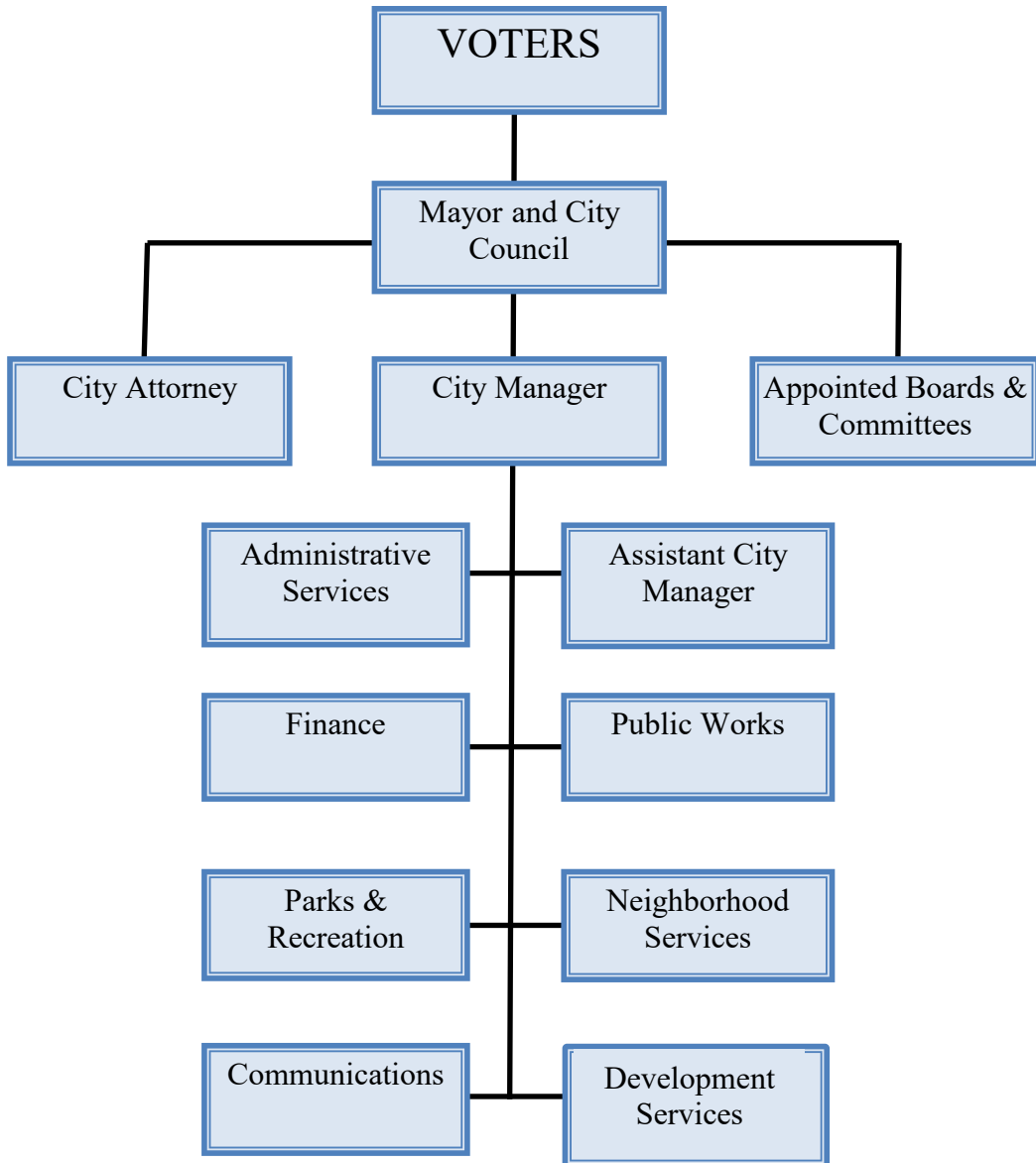
September 30, 2019

Christopher P. Morill

Executive Director/CEO

City of Bonita Springs, Florida

Organizational Chart



City of Bonita Springs, Florida

PRINCIPAL OFFICIALS

As of September 30, 2020



Front Row:

Amy Quaremba
District One

Peter Simmons
Mayor

Laura Carr
District Three

Back Row:

Jesse Purdon
District Two

Michael Gibson
District Five

Chris Corrie
District Four

Fred Forbes
District Six

Arleen Hunter, City Manager
Derek Rooney, City Attorney



Liles Hotel Plaza
27142 S Riverside Dr

The Imperial River flows through the downtown corridor. New floating docks have been installed near the Liles Hotel Plaza Area. We encourage you to enjoy the river!

Financial Section



PHONE: 941.639.6600 | FAX: 941.639.6115
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950
AshleyBrownCPAS.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Bonita Springs, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bonita Springs, Florida (the "City"), as of and for the year ended September 30, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020 and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules, as indicated in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 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 is presented for purposes of additional analysis 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 is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2021, 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 results 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.

Ashley, Brown & Smith

Punta Gorda, Florida
April 24, 2021



Small Town Charm.
Big Bright Future.

Management's Discussion and Analysis

Management's Discussion and Analysis provides a narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information that we have furnished in our Letter of Transmittal, which can be found on the pages prior to this report.

FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2020 the City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources, resulting in a net position of \$161,673,139 all of which are related to governmental activities.
- Total assets increased \$6,149,437 from the prior fiscal year. This increase is primarily due to an increase in Non-depreciable capital assets, which resulted from a land acquisition
- Total liabilities decreased \$3,903,942 from the prior fiscal year. This decrease is primarily due to a special item reflected in the Accounts and contracts payable line item of \$7,102,051 as of September 30, 2019, which was for economic damages and opposing counsel's legal fees owed in a lawsuit settlement. Non-current liabilities increased \$2,195,835 in FY 2020. Although the City did obtain a loan during FY 2020 in the amount of \$5,060,000, this was offset by a principal reduction in other outstanding debt of \$3,233,000.
- The City's total debt (consisting of Loans Payable, Compensated Absences, and Net Pension Liability) increased by \$2,268,834.
- Total net position of the City's governmental activities increased \$9,950,303, or 6.6%, in comparison to fiscal year 2019. This increase reflects an improvement in the City's overall financial position.
- The City ended the fiscal year with \$19,721,223 of unrestricted net position available for use at the City's discretion.
- Total revenues decreased \$7,739,940, or 18.2%, in comparison to fiscal year 2019. This is primarily due to operating and capital grants decreasing by \$5,220,970. In FY 2019, operating and capital grants totaled \$8,686,004, which included \$7,502,167 in reimbursements received from FEMA and the State of Florida for Hurricane Irma costs. Additionally, FY 2020 impact fee revenue was \$2,983,306 less than the fiscal year 2019 impact fee revenue.
- Total expenses, excluding a Special Item, decreased \$4,448,166 or 15.3%, in comparison to fiscal year 2019. This large decrease was due to a \$3,827,212 reduction in Transportation depreciation expense. Fiscal year 2019 was the final year of depreciating all of the roads that were accepted when the City was first incorporated.
- Governmental funds, accounted for on the budget basis, or the modified accrual basis of accounting, reported total ending fund balance of \$61,692,180 for fiscal year 2020. This compares to fiscal year 2019 ending fund balance of \$56,107,605 reflecting an increase of \$5,584,575 during fiscal year 2020. This increase is primarily due to Other Financing Sources from Loan Proceeds of \$5,060,000, used to acquire land.
- At the end of fiscal year 2020, unassigned fund balance for the General Fund was \$6,277,427 compared to \$4,520,794, at the end of fiscal year 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here serves as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. These statements are designed to be corporate-like in that all activities of the City are consolidated into columns, which present a total for the primary government.

The *Statement of Net Position* presents information that includes all of the City's assets and liabilities, deferred inflows/outflows of resources, with the difference reported as net position. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets

and long term obligations.

All of the current year's revenues and expenses are accounted for in the *Statement of Activities*, regardless of when cash is received or paid. Therefore, this statement includes some items that will impact cash flows in future fiscal years, such as the use of earned leave time. This statement shows how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

These two government-wide financial statements report the City's net position and how it has changed. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the City's infrastructure in addition to the financial information provided in this report.

Both government-wide financial statements distinguish functions of a government that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental and business-type activities comprise the primary government and are reported separate from any component unit for which a government may be accountable. Fiduciary funds are not included in the government-wide financial statements. Governmental activities include general government, public safety, transportation and culture and recreation. The City does not currently have any business-type activities, nor does it have any component units or fiduciary funds.

The government-wide financial statements can be found on pages 18-19 of this report.

Fund Financial Statements. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a group of related accounts which is used to maintain control over resources segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. All of the funds of a government can be divided into three categories: governmental funds, proprietary funds and fiduciary funds. The City's fund financial statements have only one category, which is the governmental funds. We are not required to establish a proprietary or fiduciary fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

Five of the City's governmental funds, the General Fund, the Road Impact Fee Fund, the Park Impact Fee Fund, the Building Fee Fund, and the Capital Projects Fund are classified as major funds. All other governmental funds are combined into a single column on the governmental fund financial statements. Individual fund data for the non-major funds are found in combining statements as supplemental financial data on pages 58-59.

The City adopts an annual budget for each of its funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with the adopted and final revised budget. The budgetary comparison statement for the General Fund is presented on page 50. The budgetary statements for the other funds are presented on pages 51-53 and on pages 60-66.

The basic governmental fund financial statements can be found on pages 20-22 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Budgetary comparison schedules are included for all governmental funds for which a budget was legally adopted. These schedules demonstrate compliance with the City's adopted and revised budget.

Government-wide Overall Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$161,673,139 at the close of the most recent fiscal year.

City of Bonita Springs, Florida

Summary of Net Position

September 30, 2020 and 2019

	Governmental Activities	
	2020	2019
<i>Assets:</i>		
Current and other assets	\$ 64,432,047	\$ 64,201,303
Capital assets	122,445,271	116,526,578
Total assets	<u>186,877,318</u>	<u>180,727,881</u>
<i>Deferred outflows of resources:</i>		
Deferred amount on refunding	51,316	102,637
Unamortized pension costs and subsequent contributions	1,099,610	1,103,262
Total deferred outflows of resources	<u>1,150,926</u>	<u>1,205,899</u>
<i>Liabilities:</i>		
Other liabilities	6,084,394	12,184,171
Non-current liabilities	19,410,763	17,214,928
Total liabilities	<u>25,495,157</u>	<u>29,399,099</u>
<i>Deferred inflows of resources</i>		
Deferred Revenue	284,956	174,893
Unamortized pension costs	574,992	636,952
Total deferred inflows of resources	<u>859,948</u>	<u>811,845</u>
<i>Net position:</i>		
Net investment in capital assets	106,197,063	102,958,248
Restricted	35,754,853	34,487,912
Unrestricted	19,721,223	14,276,676
Total net position	<u>\$161,673,139</u>	<u>\$151,722,836</u>

By far the largest portion of net position (65.7%) reflects investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, furniture, and infrastructure), less any related debt to acquire those assets which is still outstanding. As of September 30, 2020, the net investment in capital assets line item increased by \$3,238,815 from the prior year. This increase is primarily due to an increase of \$5,601,128 in the amount of construction in progress and the reduction in outstanding debt on assets acquired prior to FY 2020, offset by the current year depreciation. The City uses these capital assets to provide services to citizens; consequently, these

assets are not available for future spending. Capital assets increased \$5,918,696 or 5.1%, in comparison to the prior year. The restricted net position balance of \$35,754,853 (22.1% of total net position) increased \$1,266,941, or 3.7%, when compared to the prior year, as a result of collection increases of restricted revenues exceeding expenses. This represents assets that are subject to external restrictions on how they are used. The remaining balance of unrestricted net position of \$19,721,223 (12.2% of total net position), reflects an increase of \$5,444,547 or 38.1%, in comparison to the prior year. The unrestricted net position balance represents assets that are available for spending at the City's discretion. The reasons for these overall changes are discussed in the following sections for governmental activities.

Governmental Activities. The governmental activities increased the City's total assets by \$6,149,437, decreased the deferred outflows of resources by \$54,973, decreased the City's total liabilities by \$3,903,942, increased the deferred inflows of resources by \$48,103, and increased the total net position by \$9,950,303. The increase in net position resulting from governmental activities is 6.6%. The increase in the governmental activities' net investment in capital assets is \$3,238,815, or 3.1%, in comparison to the prior year.

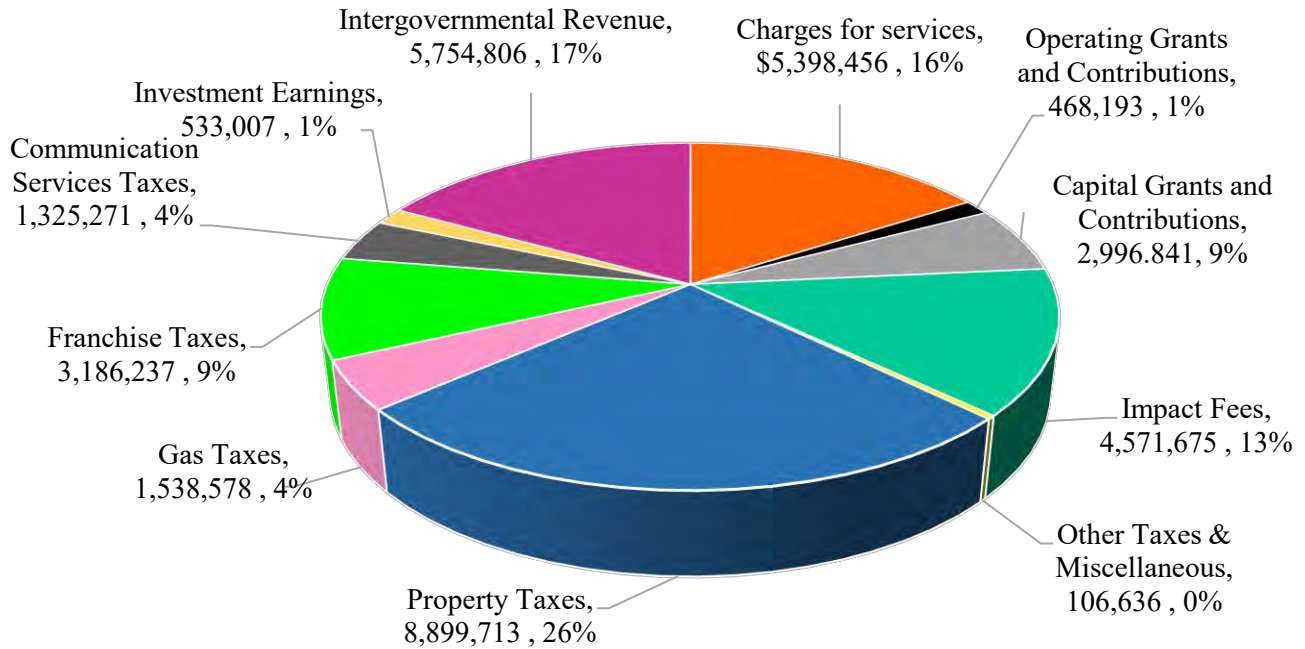
The following schedule compares the key elements of the changes in net position for the primary government for the current and previous fiscal years. The net position increased during fiscal year 2020 by \$9,950,303.

City of Bonita Springs, Florida
Changes in Net Position
September 30, 2020 and 2019

	Governmental Activities	
	2020	2019
<i>Revenues:</i>		
<i>Program Revenues:</i>		
Charges for services	\$ 5,398,456	\$ 4,710,034
Operating grants and contributions	468,193	7,550,401
Capital grants and contributions	2,996,841	1,135,603
Impact Fees	4,571,675	7,554,981
<i>General Revenues:</i>		
Property taxes, levied for general purposes	8,899,713	8,288,958
Gas taxes	1,538,578	1,672,387
Franchise taxes	3,186,237	3,251,564
Communications services taxes	1,325,271	1,303,192
Other taxes	41,439	42,815
Intergovernmental revenue	5,754,806	5,864,985
Investment earnings	533,007	887,141
Miscellaneous	65,197	257,292
Total revenues	34,779,413	42,519,353
<i>Expenses:</i>		
General government	5,422,730	6,356,710
Public safety	5,347,529	5,066,285
Physical environment	1,057,743	386,425
Transportation	8,195,361	12,459,782
Economic environment	804,216	805,678
Human services	143,449	150,626
Culture and recreation	3,267,769	3,395,641
Interest on long-term debt	437,003	502,819
Total expenses	24,675,800	29,123,966
Increase (decrease) in net position before Special Item	10,103,613	13,395,387
<i>Special Item:</i> Litigation expense for economic damages and opposing counsel's legal fees	(153,310)	(7,102,051)
Net position - beginning	151,722,836	145,429,500
Net position - ending	\$161,673,139	\$ 151,722,836

The following is a chart of fiscal year 2020 revenues by source for governmental activities, showing the percent of total revenues from each source.

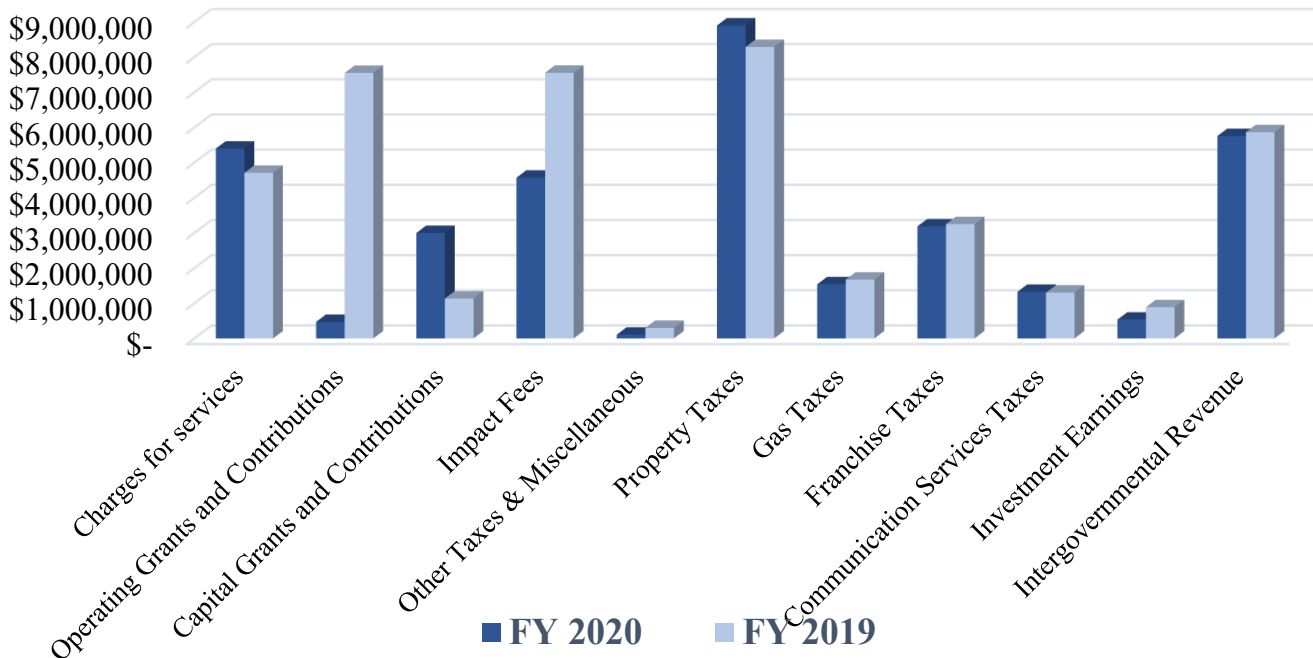
FY 2020 Revenues by Source



Program Revenues:	FY 2020	FY 2019
Charges for services	\$ 5,398,456	\$ 4,710,034
Operating Grants and Contributions	468,193	7,550,401
Capital Grants and Contributions	2,996,841	1,135,603
Impact Fees	4,571,675	7,554,981
Other Taxes & Miscellaneous	106,636	300,107
Property Taxes	8,899,713	8,288,958
Gas Taxes	1,538,578	1,672,387
Franchise Taxes	3,186,237	3,251,564
Communication Services Taxes	1,325,271	1,303,192
Investment Earnings	533,007	887,141
Intergovernmental Revenue	<u>5,754,806</u>	<u>5,864,985</u>
Total revenues	<u>\$ 34,779,413</u>	<u>\$ 42,519,353</u>

The following chart shows revenues by source for governmental activities for fiscal years 2020 and 2019.

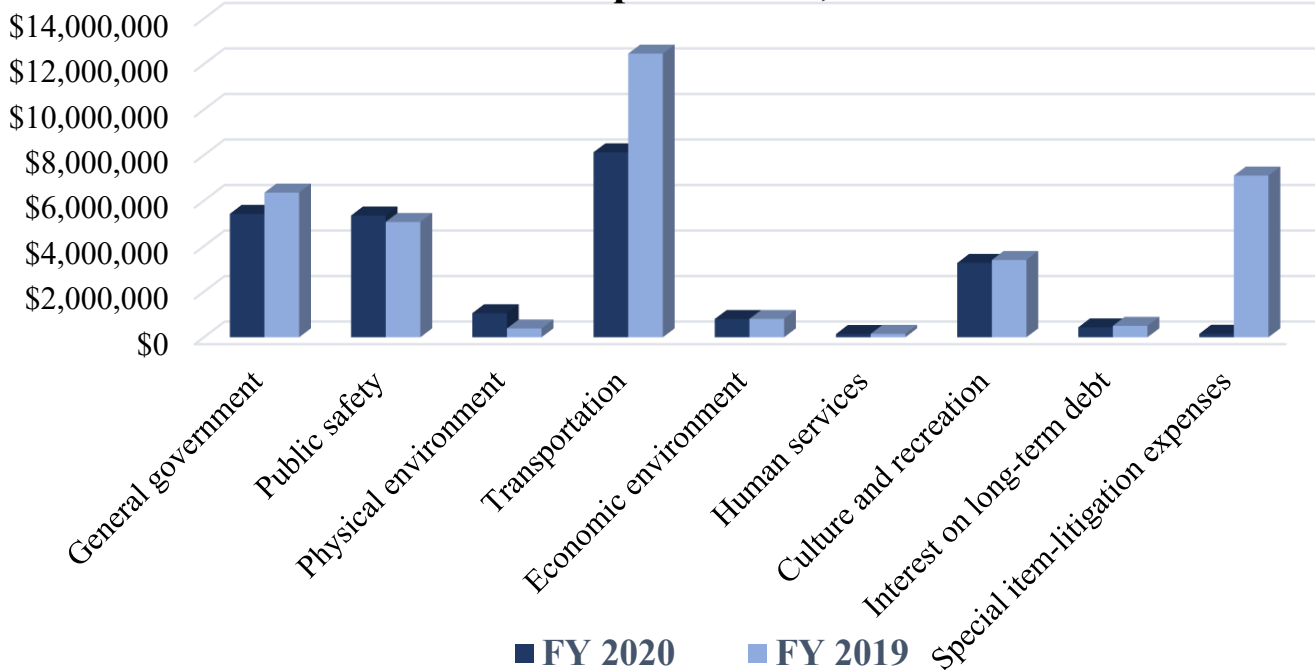
Revenues by Source - Governmental Activities For the Years Ended September 30, 2020 and 2019



- Charges for Services increased \$688,422, or 14.6% compared to FY 2019 mainly due to the implementation of a stormwater assessment fee which generated revenue of \$1,620,548, offset by a decrease of \$638,722 in building permit fees. Building permit fees were \$2,824,074 in FY 2020, compared to \$3,462,796 in FY 2019.
- Operating Grants and Contributions decreased \$7,082,208, or 93.8% compared to FY 2019. This is due to the FY 2019 reimbursements of Hurricane Irma costs received through grants from FEMA and the State of Florida.
- Capital Grants and Contributions increased \$1,861,238, or 163.9% compared to FY 2019 due to the increased spending of the Community Development Block Grant funding for infrastructure improvements and increased revenues through the Lee County Revenue Participation Agreement for funding of the Downtown Improvement Project.
- Impact Fees decreased \$2,983,306, or 39.5% from the prior year, consistent with the decrease in building permit fees.
- Other Taxes decreased \$1,376, or 3.2% compared to FY 2019.
- Property Taxes increased \$610,755, or 7.4% in comparison to FY 2019. The increase is due to an increase in property taxable values and growth.
- Gas Taxes decreased \$133,809, or .8.0% compared to FY 2019.
- Franchise Taxes decreased by \$65,327, or 2.0% compared to FY 2019.
- Communication Services Taxes increased by \$22,079, or 1.7% compared to FY 2019.
- Investment Earnings decreased \$354,134, or 39.9% compared to FY 2019 due to a decrease in the interest rate.

➤ Intergovernmental Revenue decreased \$110,179, or 1.9% compared to FY 2019. The following is a chart of expenses by program for governmental activities for fiscal years 2020 and 2019, followed by explanations for all variances that are greater than \$100,000.

Expenses by Program - Governmental Activities For the Years Ended September 30, 2020 and 2019



- General Government decreased \$933,980, or 14.7% compared to FY 2019. In FY 2019, the City incurred \$274,552 in Hurricane Irma repairs, but no such costs in FY 2020. Also, professional services expense decreased \$375,410, primarily due to lower legal costs in FY 2020.
- Public Safety increased \$281,244, or 5.6% compared to FY 2019. This was primarily due to a \$120,706 increase in contractual services cost for law enforcement and a \$67,958 increase in outsourced permits and inspection services within the Community Development Department.
- Physical Environment increased \$671,318, or 173.7% compared to FY 2019 due to a reclassification of certain drainage management and other costs that previously were classified under Transportation.
- Transportation decreased \$4,264,421, or 34.2% compared to FY 2019 primarily as a result of a \$3,827,212 reduction in Transportation depreciation expense. Fiscal year 2019 year was the final year of depreciating all of the roads that were acquired when the City was first incorporated, which resulted in this reduction.
- Economic Environment decreased \$1,462, or .2% compared to FY 2019.
- Human Services decreased \$7,177, or 4.8% compared to FY 2019.
- Culture and Recreation decreased \$127,889 or 3.8% compared to FY 2019.
- Interest on Long-term Debt decreased \$65,816, or 13.1%.
- A Special Item decreased \$6,948,741, or 97.8% in FY 2020 from FY2019 when expenses of \$7,102,051 were incurred, associated with a litigation settlement in which the City was required to pay \$6,300,000 in economic damages and the opposing counsel’s legal expenses.

Financial Analysis of the City’s Governmental Funds

Governmental Funds. The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for a particular purpose by the City.

Governmental funds reported an ending fund balance of \$61,692,180. The unassigned fund balance of \$6,277,427 is available for spending at the City’s discretion. The remainder of the fund balance is either non-spendable, restricted, committed or assigned, indicating that 1) \$432,186 is not in a spendable form, 2) \$37,217,364 is legally restricted as to use, 3) \$11,893,608 is committed by previous City Council action and 4) \$5,871,595 is assigned for particular purposes. The total ending fund balance of governmental funds reflects an increase of \$5,584,575 from the prior year. This increase is primarily due to the fund balance increase of \$7,980,367 in the General Fund offset by a decreases of \$837,759 in the Park Impact Fee Fund, and \$574,674 in the Gas Tax Fund.

Major Governmental Funds

General Fund-The fund balance of the General Fund had a net increase of \$7,980,367. This indicates that the City collected revenue greater than what was paid out for operating, debt service and capital expenditures.

Below is a comparison of fiscal year 2020 General Fund activity impacting fund balance, as compared to fiscal year 2019.

- Fiscal year 2020 revenues were \$1,233,938 higher than the prior year.
- Fiscal year 2020 expenditures, prior to the Special Item, were \$1,334,935 lower than the prior year, primarily due to reduced expenditures in Public Works.
- Fiscal year 2020 includes an expenditure of \$955,361, classified as a Special Item for payment of plaintiff legal fees in litigation, compared to fiscal year 2019 economic damages in a legal settlement of \$6,300,000, classified as a Special Item.
- Fiscal year 2020 transfers in from other funds were \$5,036,409 lower than the prior year due to FY 2019 including transfers in from the Grants Fund for Hurricane Irma grant reimbursements.
- Fiscal year 2020 transfers out to other funds were \$133,073 lower than the prior year.

Road Impact Fee- The fund balance of the Road Impact Fee fund had a net increase of \$396,389 compared to a net increase of \$4,472,860 in the prior year. In FY 2020, impact fee revenue was \$2,649,874 lower than FY 2019, and transfers out were \$1,260,905 higher than FY 2019.

Park Impact Fee- The fund balance of the Park Impact Fee fund had a net decrease of \$837,759 compared to a net increase of \$545,038 in the prior year. In FY 2020, impact fee revenue was \$333,432 lower than FY 2019, and transfers out were \$1,032,220 higher than FY 2019.

Building Fee- The fund balance of the Building Fee fund had a net increase of \$171,399 compared to a net increase of \$864,113 in the prior year.

Capital Projects- The Capital Projects Fund is mostly funded by transfers in from other funds to cover the expenditures. In FY 2020, funding also included bank loan proceeds of \$5,060,000 to fund a land acquisition. The capital project expenditures increased by \$8,699,957 over the previous year’s total expenditures of \$3,870,247.

General Fund Budgetary Highlights

Final Budget Compared to Actual Results. There were significant differences between the final budget and actual General Fund revenue. The total final General Fund Revenue budget was \$19,903,352 compared to actual revenue of \$19,914,824, which is \$11,472 higher than the final budget.

The most significant differences between the final budget and actual expenditures are shown below.

<u>Expenditures</u>	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Over (Under) Budget</u>
Appropriated Reserves	\$14,221,262	\$ -	\$ (14,221,262)
COVID-19	\$ 901,896	\$ 57,850	\$ (844,046)
Public Works	\$2,213,062	\$1,795,364	\$ (417,698)

- COVID-19 expenditures were less than the budgeted amount as the budget was based on a grant received

that extends beyond the fiscal year.

- Public Works expenditures were less than budget due to certain costs now being charged to the Stormwater Fund.

Original Budget Compared to Final Budget. As allowed under the City Charter and Florida Statutes, the General Fund budget was amended to provide for the carry-over of capital budget amounts as follows:

Capital Carry-over budget amendments funded by the General Fund for the following:	<u>Budget</u>
Capital Outlay in the General Fund	\$ 33,383
Transfer to the Capital Projects Fund	\$ 5,248,069

Other transfers among departments within the General Fund also were approved during fiscal year 2020.

Capital Assets and Debt Administration

Capital Assets. Non-depreciable capital assets include land, artwork, and construction in progress. Depreciable assets include buildings, improvements other than buildings, machinery and equipment, and infrastructure. The following is a schedule of the City’s capital assets as of September 30, 2020 and 2019:

Capital Asset
September 30, 2020 and 2019

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Land	\$ 51,728,154	\$ 46,669,900
Artwork	383,653	383,653
Buildings	7,822,825	7,822,825
Improvements other than buildings	19,089,669	19,078,822
Machinery and equipment	2,493,166	2,316,212
Infrastructure	206,342,235	204,335,630
Construction in progress	9,138,647	3,537,519
Intangible-software	<u>531,646</u>	<u>531,646</u>
Total capital assets	297,529,995	284,676,207
Accumulated depreciation	<u>(175,084,724)</u>	<u>(168,149,629)</u>
Total capital assets, net	<u>\$ 122,445,271</u>	<u>\$ 116,526,578</u>

Noteworthy changes in capital assets in fiscal year 2020 were as follows:

- Land increased by \$5,058,254 as a result of the acquisition of 278 acres of land which occurred as a result of a settlement agreement which resolved litigation on six different lawsuits relating to land use.
- Construction in progress increased a net of \$5,601,128 as a result of projects related to storm water management, roads, and pathways.

Additional information on the City’s capital assets can be found in Note 6 on page 33.

Debt Administration. At September 30, 2020, the City had \$22,816,763 of outstanding debt, reflecting an increase of \$2,268,834, or 11.0%, in comparison to the prior year. The following is a schedule of the outstanding debt as of September 30, 2020 and 2019.

Outstanding Debt
September 30, 2020 and 2019

	Governmental Activities	
	2020	2019
Loan payable, net	\$ 18,540,000	\$ 16,713,000
Net pension liability	4,086,881	3,670,674
Compensated absences	189,882	164,254
	<u>\$ 22,816,763</u>	<u>\$ 20,547,928</u>

The recognition of the Net pension liability of \$4,086,881 as shown above was a requirement with the implementation of GASB Statement No. 68 and Statement No.71, which were effective for fiscal year 2015. Additional information on the City’s long-term debt can be found in Note 7 on page 34 -35.

Economic Factors and Next Year’s Budget

The following economic indicators were factors considered when the FY 2021 budget was prepared:

- The unemployment rates for the Cape Coral – Fort Myers Metropolitan Statistical Area, which includes Bonita Springs, reported an unemployment rate of 6.0% for September 2020. This is more favorable than the National and the Florida rates as of September 30, 2020 rates which were 7.8% and 7.2%, respectively. These statistics have since improved and as of January 2021, the Cape Coral – Fort Myers Metropolitan Statistical Area is reported as having a 4.6% unemployment rate, compared to the national and Florida rates of 6.3% and 4.8%.
- Population growth has historically been Florida’s primary engine of economic growth, fueling both employment and income growth. With a population of 21,477,737 Florida, as of July 1, 2019 per the U.S. Census Bureau, Florida, remains the third most populous state. The population estimate of the City of Bonita Springs as of April 1, 2020 is 55,645.
- Total taxable property value for the City of Bonita Springs increased by 4.3% in Tax Year 2020, down from a 7.3% increase in Tax Year 2019, bringing the total taxable value above \$11.8 billion dollars and the highest value since the City’s incorporation.

The following plans adopted by the City guided the development of the multi-year capital improvement plan:

- Bike Pedestrian Master Plan
- City of Bonita Springs Comprehensive Plan
- Strategic Plan
- Parks & Recreation Facilities Master Plan
- Bonita Beach Road Visioning Plan

Request for information

This financial report is designed to provide the reader an overview of the City. Questions regarding any information provided in this report should be directed to: City of Bonita Springs, Finance Department, 9101 Bonita Beach Road, Bonita Springs, Florida, 34135, phone (239) 949-6262.







Bonita Springs Recreation Center
26740 Pine Ave

The City of Bonita Springs Recreation Center sits on 41.9 acres of land which is located at 26740 Pine Avenue off of West Terry Street. The facility includes a full-sized gymnasium, a cardiovascular/fitness room, skate park, community pool, softball fields, 2 public tennis courts, 9 hole disc golf course, picnic areas and a playground. It also offers daily activities and registered classes to teach and enlighten everyone of all ages.

Basic Financial Statements

City of Bonita Springs, Florida

Statement of Net Position

September 30, 2020

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 62,466,314
Due from other governments	1,344,936
Receivables (net)	28,974
Prepays	191,823
Loans receivable	400,000
Capital assets:	
Non-depreciable	61,250,454
Depreciable (net)	61,194,817
Total assets	<u>186,877,318</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	51,316
Unamortized pension costs and subsequent contributions	1,099,610
Total deferred outflows of resources	<u>1,150,926</u>
LIABILITIES	
Accounts and contracts payable	2,102,136
Accrued liabilities	105,690
Accrued interest payable	98,164
Deposits	189,650
Due to other governments	182,754
Non-current liabilities:	
Due within one year	3,406,000
Due in more than one year (net)	19,410,763
Total liabilities	<u>25,495,157</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	284,956
Unamortized pension costs	574,992
Total deferred inflows of resources	<u>859,948</u>
NET POSITION	
Net Investment in capital assets	106,197,063
Restricted for:	
Highways and streets	23,511,416
Culture and recreation	2,647,738
Building code compliance	8,701,219
Stormwater	894,480
Unrestricted	19,721,223
Total net position	<u>\$ 161,673,139</u>

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

City of Bonita Springs, Florida

Statement of Activities

For the Fiscal Year Ended September 30, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Total</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net</u> <u>Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>		
Primary government:					
Governmental activities:					
General government	\$ 5,422,730	\$ 376,286	\$ 346,430	\$ -	\$ (4,700,014)
Public safety	5,347,529	4,924,549	-	-	\$ (422,980)
Physical environment	1,057,743	-	-	-	(1,057,743)
Transportation	8,195,361	-	-	7,144,328	(1,051,033)
Economic environment	804,216	-	-	-	(804,216)
Human services	143,449	-	-	-	(143,449)
Culture and recreation	3,267,769	97,621	121,763	424,188	(2,624,197)
Interest on long-term debt	437,003	-	-	-	(437,003)
Total governmental activities	<u>\$ 24,675,800</u>	<u>\$ 5,398,456</u>	<u>\$ 468,193</u>	<u>\$ 7,568,516</u>	<u>\$ (11,240,635)</u>
General revenues:					
Taxes:					
Property, levied for general purposes				\$ 8,899,713	
Gas				1,538,578	
Franchise				3,186,237	
Communications services				1,325,271	
Other taxes				41,439	
Intergovernmental revenues, not restricted to specific program				5,754,806	
Investment earnings				533,007	
Miscellaneous				65,197	
Total general revenues				<u>21,344,248</u>	
Change in net position before special item					10,103,613
Special Item:					
Litigation expense for payment of opposing counsel's legal fees under legal settlement					(153,310)
Net position - beginning					<u>151,722,836</u>
Net position - ending					<u>\$ 161,673,139</u>

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

Balance Sheet
Governmental Funds
September 30, 2020

	General	Special Revenue			Capital Projects	Total	Total
		Road Impact Fee	Park Impact Fee	Building Fee		Non-major Funds	Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 24,202,912	\$ 21,127,982	\$ 3,124,879	\$ 8,705,281	\$ 27,678	\$ 5,277,582	\$ 62,466,314
Receivables (net)	402,288	-	26,686	-	-	-	428,974
Due from other funds	65,106	-	-	-	-	-	65,106
Due from other governments	873,548	-	-	-	-	471,388	1,344,936
Prepays	32,186	-	-	-	-	-	32,186
Total assets	\$ 25,576,040	\$ 21,127,982	\$ 3,151,565	\$ 8,705,281	\$ 27,678	\$ 5,748,970	\$ 64,337,516
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and contracts payable	\$ 1,212,213	\$ -	\$ 503,827	\$ 4,062	\$ 21,000	\$ 361,034	\$ 2,102,136
Accrued liabilities	105,690	-	-	-	-	-	105,690
Deposits	189,650	-	-	-	-	-	189,650
Due to other governments	44,405	138,349	-	-	-	-	182,754
Due to other funds	-	-	-	-	-	65,106	65,106
Total liabilities	1,551,958	138,349	503,827	4,062	21,000	426,140	2,645,336
Fund balances:							
Nonspendable:							
Long term loans receivable	400,000	-	-	-	-	-	400,000
Prepaid cost	32,186	-	-	-	-	-	32,186
Restricted for:							
Parks	-	-	2,647,738	-	-	-	2,647,738
Roads	-	20,989,633	-	-	-	3,809,256	24,798,889
Building code compliance	-	-	-	8,701,219	-	-	8,701,219
Downtown redevelopment	-	-	-	-	-	175,038	175,038
Land acquisition	-	-	-	-	6,678	-	6,678
Stormwater	-	-	-	-	-	887,802	887,802
Committed to:							
Capital outlay and projects	11,893,608	-	-	-	-	-	11,893,608
Assigned to:							
Disaster & operating reserves	5,300,000	-	-	-	-	-	5,300,000
Debt Service	-	-	-	-	-	450,734	450,734
Other purposes	120,861	-	-	-	-	-	120,861
Unassigned	6,277,427	-	-	-	-	-	6,277,427
Total fund balances	24,024,082	20,989,633	2,647,738	8,701,219	6,678	5,322,830	61,692,180
Total liabilities and fund balances	\$ 25,576,040	\$ 21,127,982	\$ 3,151,565	\$ 8,705,281	\$ 27,678	\$ 5,748,970	\$ 64,337,516

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

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position**

September 30, 2020

Fund balances - total governmental funds		\$ 61,692,180
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 governmental funds		
Non-depreciable capital assets	\$ 61,250,454	
Depreciable capital assets	236,279,541	
Less accumulated depreciation	<u>(175,084,724)</u>	122,445,271
Deferred outflows of resources on the debt refunding are not recognized in the governmental funds; however they are recorded in the statement of net position under full accrual accounting		
		51,316
Net deferred outflows (inflows) of resources related to pensions and deferred revenues are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting		
		239,662
Accrued interest payable that will not be liquidated with current financial resources and, therefore, is not reported in the governmental funds		
		(98,164)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Loan payable	(18,540,000)	
Net pension liability	(4,086,881)	
Compensated absences	<u>(189,882)</u>	(22,816,763)
Expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods, but are accounted for as expenditures of the period of acquisition in the governmental funds		
		<u>159,637</u>
Net position of governmental activities		<u>\$ 161,673,139</u>

The 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 Fiscal Year Ended September 30, 2020

	General	Special Revenue			Capital Projects Fund	Total Non-major Funds	Total Governmental Funds
		Road Impact Fee	Park Impact Fee	Building Fee			
REVENUES							
Taxes							
Property	\$ 8,672,925	\$ -	\$ -	\$ -	\$ -	\$ 226,788	\$ 8,899,713
Gas	-	-	-	-	-	1,538,578	1,538,578
Franchise	3,186,237	-	-	-	-	-	3,186,237
Communications services	1,325,271	-	-	-	-	-	1,325,271
Other taxes	41,439	-	-	-	-	-	41,439
Licenses and permits	60,376	-	-	2,824,074	-	1,620,548	4,504,998
Intergovernmental revenues	5,473,867	-	-	-	-	2,843,884	8,317,751
Charges for services	740,665	-	-	-	-	-	740,665
Fines and forfeitures	152,792	-	-	-	-	-	152,792
Miscellaneous							
Impact fees	-	4,147,487	424,188	-	-	-	4,571,675
Investment earnings	196,055	171,185	33,540	83,537	-	48,690	533,007
Other	65,197	-	-	-	-	-	65,197
Total revenues	<u>19,914,824</u>	<u>4,318,672</u>	<u>457,728</u>	<u>2,907,611</u>	<u>-</u>	<u>6,278,488</u>	<u>33,877,323</u>
EXPENDITURES							
Current							
General government	4,928,267	-	-	-	132,358	-	5,060,625
Public safety	2,483,809	-	-	2,736,212	-	65,216	5,285,237
Physical environment	69,281	-	-	-	130,881	738,412	938,574
Transportation	1,734,333	-	-	-	457,945	965,492	3,157,770
Economic environment	27,500	-	-	-	-	-	27,500
Human services	143,449	-	-	-	-	-	143,449
Culture and recreation	2,081,563	-	-	-	127,058	-	2,208,621
Capital outlay	220,561	-	-	-	11,721,962	-	11,942,523
Debt service							
Principal retirement	-	-	-	-	-	3,233,000	3,233,000
Interest and fiscal charges	-	-	-	-	-	400,088	400,088
Total expenditures	<u>11,688,763</u>	<u>-</u>	<u>-</u>	<u>2,736,212</u>	<u>12,570,204</u>	<u>5,402,208</u>	<u>32,397,387</u>
Excess (deficiency) of revenues over (under) expenditures before special item	<u>8,226,061</u>	<u>4,318,672</u>	<u>457,728</u>	<u>171,399</u>	<u>(12,570,204)</u>	<u>876,280</u>	<u>1,479,936</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	2,485,758	-	-	-	7,516,882	3,211,674	13,214,314
Transfers out	(1,776,091)	(3,922,283)	(1,295,487)	-	-	(6,220,453)	(13,214,314)
Debt proceeds	-	-	-	-	5,060,000	-	5,060,000
Total other financing sources (uses)	<u>709,667</u>	<u>(3,922,283)</u>	<u>(1,295,487)</u>	<u>-</u>	<u>12,576,882</u>	<u>(3,008,779)</u>	<u>5,060,000</u>
SPECIAL ITEM							
Special Item: Payment of Economic Damages in a Legal Settlement	(955,361)	-	-	-	-	-	(955,361)
Net change in fund balance	7,980,367	396,389	(837,759)	171,399	6,678	(2,132,499)	5,584,575
Fund balances - beginning of the year	<u>16,043,715</u>	<u>20,593,244</u>	<u>3,485,497</u>	<u>8,529,820</u>	<u>-</u>	<u>7,455,329</u>	<u>56,107,605</u>
Fund balances - ending	<u>\$24,024,082</u>	<u>\$20,989,633</u>	<u>\$ 2,647,738</u>	<u>\$ 8,701,219</u>	<u>\$ 6,678</u>	<u>\$ 5,322,830</u>	<u>\$ 61,692,180</u>

The 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 Fiscal Year Ended September 30, 2020

Net change in fund balances - total governmental funds		\$ 5,584,575
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report expenditures for capital assets 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 expenditures for capital assets exceeded depreciation in the current period.		
Expenditures for capital assets	\$ 11,942,522	
Disposals	(1,744)	
Depreciation	<u>(7,034,237)</u>	4,906,541
In the Statement of Activities, certain non-cash revenues are recognized when they increase net assets.		
		902,089
The repayment of the principal of long-term debt consumes the current financial resources of the governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments on debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal retirement	3,233,000	
Issuance of new debt	(5,060,000)	
Deferred charge on refunding	<u>(51,321)</u>	(1,878,321)
Pension costs:		
Some payments for pension are reported in the subsequent year in the statement of activities, which are reported as expenditures in governmental funds.		
	88,363	
In the statement of activities, certain operating expenses-pension costs are measured by the liability existing at the end of the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		
	<u>(446,261)</u>	(357,898)
In the statement of activities, expense related to compensated absences (sick and vacation) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount represents the increase in the accrual of compensated absences at 9/30/20 from 9/30/19.		
		(25,627)
In the statement of activities, an expenditure was accrued as a liability in the prior year, but recognized as an expenditure under the modified accrual basis of accounting in the current year.		
		802,051
Expenditures for insurance and similar services extending over more than one accounting period are not allocated between or among accounting periods in the governmental funds, but are accounted for as expenditures of the period of acquisition, with the exception of the prepaid Health Savings Account amount, which is reported as a prepaid in the governmental funds. This amount represents the increase in prepaids at 9/30/20 from 9/30/19.		
		2,486
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The reduction in interest reported in the statement of activities is the result of accruing less interest at 9/30/20 than at 9/30/19.		
		<u>14,407</u>
Change in net position of governmental activities		<u>\$ 9,950,303</u>

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



Small Town Charm.
Big Bright Future.

Notes to the Financial Statements

September 30, 2020

Note 1	Summary of Significant Accounting Policies	26
Note 2	Cash and Investments	31
Note 3	Receivables, Prepaids, and Accrued Liabilities	32
Note 4	Interfund Receivable and Payable Balance	32
Note 5	Interfund Transfers	32
Note 6	Capital Assets	33
Note 7	Long-Term Debt	33
Note 8	Risk Management	35
Note 9	Retirement Plan	35
Note 10	Other Postemployment Benefits	43
Note 11	Stewardship, Compliance and Accountability	43
Note 12	Special Item	45
Note 13	Commitments and Contingencies.....	46
Note 14	New Accounting Pronouncements	47

Notes to the Financial Statements

September 30, 2020

Note 1 - Summary of Significant Accounting Policies

Introduction

The accounting and reporting framework and the more significant accounting principles and practices of the City of Bonita Springs, Florida (“City”) are discussed in subsequent sections of this note. The remainder of the notes are organized to provide explanations, including required disclosures, of the City’s financial activities for the fiscal year ended September 30, 2020.

Reporting Entity

The City was incorporated on December 31, 1999, pursuant to Senate Bill 2626. The City operates under a City Council-Manager form of government and consists of six districts, each represented by an elected council member and a seventh voting seat that is the Mayor elected-at-large. The City Manager is appointed by a majority vote of the Council. The City provides the following services: parks and recreation, public works, streets and roads, planning and zoning, code enforcement, community policing, and general and administrative services. The City of Bonita Springs uses the “government lite” concept of outsourcing City services to minimize expenditures and provide exemplary services to the community.

Governmental Accounting Standards Board (GASB) Statement No. 14, *Financial Reporting Entity* requires the financial statements of the City (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Blended component units, although legally separate entities are, in substance, part of the government’s operations and so the data from these units are combined with data of the primary government. Based on the criteria established in GASB Statement No. 14, there are no component units required to be included in the City’s financial statements.

(a) Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and component units are presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and city general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The City does not currently have any business type activities or component units.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures and other charges to users of the City’s services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported under general revenue.

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The City does not currently have any proprietary or fiduciary funds.

Notes to the Financial Statements

September 30, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S.GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. This generally includes the reclassification or elimination of internal activity (between or within funds). Reimbursements are reported as reductions to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied, while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales and franchise taxes, intergovernmental revenues, charges for services, rents, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Restricted assets and liabilities related to restricted assets which are current in nature are reported with current assets and current liabilities in the financial statements.

The City reports the following major funds in the governmental fund financial statements:

The *General Fund* is the operating fund of the City. It accounts for all financial resources, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes and other governmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Road Impact Fee* fund accounts for the resources collected for road impact fees levied within the City's limits. This revenue is restricted for use on road projects.

The *Park Impact Fee Fund* accounts for the resources collected for park impact fees levied within the City's limits. This revenue is restricted for use on park related projects.

The *Building Fee Fund* accounts for the resources collected for building permit fees levied within the City's limits. This revenue is restricted for use enforcing the Florida Building Code.

The *Capital Projects* fund accounts for resources accumulated to fund capital projects, including transportation, landscaping, economic environment, parks, recreation, and community facilities.

Notes to the Financial Statements

September 30, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The City reports the following non-major funds in the governmental fund financial statements:

The *Grant* fund accounts for resources received through grant awards. This revenue is restricted for use based on the restricted purposes for which the grant funds can be used.

The *Gas Tax* fund accounts for the 6 cents fuel tax, the additional 5 cents fuel tax, as well as the State fuel tax revenue. These revenues are restricted for use to various transportation related costs.

The *Stormwater Fund* accounts for the resources collected for a stormwater assessment fee within the City's limits. This revenue is restricted for use on stormwater related costs.

The *Downtown Area Revenue Sharing Fund* accounts for the revenues under a revenue sharing agreement with Lee County for which these revenues are restricted to fund certain road related improvements in the City's downtown area.

The *Road Debt Service* fund accounts for payment of annual principal and interest on outstanding debt of the City obtained in 2011.

The *Downtown Redevelopment Debt* fund accounts for payment of annual principal and interest on outstanding debt of the City obtained in 2014.

(c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance

Cash and Investments

Cash and cash equivalents consist of amounts in cash on hand and cash on deposit with financial institutions including public money market funds. The City's investment policy allows management to invest any surplus funds in its control in the following as outlined in Florida Statute, Chapter 218.415 (17):

1. The Local Government Surplus Trust Fund (LGSTF), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in Florida Statute, Chapter 163.01,
2. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency,
3. Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Florida Statutes, Chapter 280.02, and
4. Direct obligations of the United States Treasury.

Investments for the City are reported at fair value.

Receivables

Receivables as of year-end for the government's general fund are reported net of allowance for uncollectibles. All receivables are reviewed periodically and, when determined to be uncollectible, the direct write off method is used. As of September 30, 2020, the allowance for uncollectible loan receivable was \$200,000.

Inventories and Prepaid Expenses

Inventories consist of expendable supplies held for consumption stated on a first-in, first-out basis and are recorded as an expenditure when payment is made (purchases method). Items are tracked at their cost; however, the level of inventory held at the City is minimal. As of September 30, 2020, the value of inventory reflected in the financial statements was \$0.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses in the government-wide financial statements. In the fund financial statements, the purchases method is used. Under this method, expenditures are reported when payments are completed.

Notes to the Financial Statements

September 30, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

- (c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Capital Assets

Capital assets include property, buildings, furniture, equipment, vehicles, software, and infrastructure assets. Capital assets used in governmental fund types of the City are recorded at cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service arrangement are recorded at acquisition value at the date of donation. Capital assets are reported in the government-wide financial statements in the applicable governmental column. Interest incurred during construction is not capitalized on general capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The threshold for capitalizing property and equipment is \$5,000 or more and useful lives in excess of one year. The threshold for capitalizing infrastructure is \$50,000 or more and useful lives in excess of one year.

Infrastructure assets are defined as public domain capital assets such as roads, bridges, sidewalks, traffic signals, easements and similar items that are immovable and of value only to the governmental unit.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* encourages but does not require retroactive reporting for a phase 3 government. The City has chosen not to retroactively implement GASB Statement No. 51. For fiscal year ended September 30, 2020, no easement held by the City met or exceeded the capitalization threshold for infrastructure.

Depreciation and amortization is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Buildings	30-50
Improvements other than buildings	7-50
Machinery and equipment	3-10
Infrastructure	10-100
Leasehold Improvements	10
Intangible software	3-5

Deferred outflows/inflows of resources

GASB Statement No. 63 requires that in addition to Assets, Liabilities, and Net Position, the Statement of Net Position provides separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until the future period. The City has two categories of items classified as deferred outflows of resources in the government-wide statement of net position. The first is a deferred charge on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second are deferred outflows now being reported in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68.

Notes to the Financial Statements

September 30, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

- (c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance
(continued)

Deferred outflows/inflows of resources (continued)

These items present related balances for changes in actuarial assumptions, the net difference between projected and actual earnings on the Health Insurance Subsidy investments, changes in the proportion and differences between the City's contributions and proportionate share of contributions, and the City's contributions subsequent to the measurement date, relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as changes in pension expense in future years.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until the future period. Deferred inflows are being reported in accordance with GASB Statement No. 68. These pension related balances are for the differences between expected and actual economic experience, the net difference between projected and actual earnings of the Florida Retirement System Pension investments, and changes in the proportion and differences between the City's contributions and proportionate share of contributions relating to the Retiree Health Insurance Subsidy Program. These amounts will be recognized as changes in pension expense in future years.

Compensated Absences

Full-time and part-time employees may accumulate paid time off (PTO) which combines vacation, medical and personal leave. The City's policy allows employees to accumulate PTO based on the number of years of service with the City, up to a maximum of six hundred hours. Upon separation from employment, an employee will be paid out at 50% of the balance of the unused PTO up to two hundred forty hours at the current base rate for the employee.

Compensated absences are accrued when incurred in the government-wide financial statements. The amounts normally liquidated with expendable available financial resources are accrued and the remaining portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund and government-wide presentations. Typically the general fund has been used to liquidate compensated absences. For the governmental funds, compensated absences are reported only at time of maturity which is at resignation or retirement.

Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Notes to the Financial Statements

September 30, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

- (c) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance (continued)

Net Position/Fund Balances

Net position in government-wide fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net positions represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or b) imposed by law through state statute.

The governmental fund financial statements fund balance is reported in five classifications.

Nonspendable: Advances for long term loans and prepaid expenses represent fund balance amounts that are not in spendable form.

Restricted: Restricted fund balances have constraints placed on the uses of resources by state statute, City land development code, debt covenants and contributors.

Committed: Committed fund balances are classified as such as a result of City Council taking formal action and adopting an ordinance which can only be modified or rescinded by subsequent formal action. An ordinance is the City's highest level of decision-making authority.

Assigned: Assigned fund balances are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council approves the disaster and operating reserves during the adoption of the City's budget.

Unassigned: Fund balance that has not been reported in any other classification within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the City to make estimates and assumptions related to the reporting of assets and liabilities and the 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.

Note 2 - Cash and Cash Equivalents

Cash and Cash Equivalents

As of September 30, 2020, the carrying amount of the City's deposits was \$62,466,314 and the bank balance was \$62,452,477. The City's deposits consist of demand deposit accounts and public money market accounts. These deposits are held by banks that qualify as a public depository under the Public Depository Security Act of the State of Florida as required by Chapter 280. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City should not recover the value of its investment or collateral securities that are in the possession of an outside party. The City minimizes this risk by establishing minimum standards for institutions used by the City. The City maintains \$750 of cash on hand.

Notes to the Financial Statements

September 30, 2020

Note 3 - Receivables, Prepaids, and Accrued Liabilities

(a) Receivables

Receivables as of September 30, 2020 including the applicable allowances for uncollectible accounts are as follows:

Accounts receivable (gross)	\$ 28,974
Loans receivable	<u>600,000</u>
Total receivables	628,974
Allowance for uncollectible loan	<u>(200,000)</u>
Net receivables	<u>\$ 428,974</u>

All of the accounts receivables are expected to be collected within one year. Loans receivable include loans made in prior fiscal years for affordable housing totaling \$600,000. The loans receivable in the amount of \$600,000 consist of loans made to two entities providing affordable housing within the City and are non-interest bearing. The net loan amount of those two loans is \$400,000 and matures on June 26, 2022. As a result of the significant reduction in residential property value within Bonita Springs, the affordable housing non-profit entity to which the City loaned \$200,000 ceased to operate in July 2010. The real property relating to the City’s loan was taken over by the Florida Community Loan Fund whose loan had higher priority, therefore an allowance has been established for this loan receivable.

(b) Prepaids

Prepaid assets for the City total \$191,823 as of September 30, 2020.

(c) Accrued Liabilities and Deposits

Accrued liabilities reported in the General Fund as of September 30, 2020 are the accrued amounts payable for Employee wages and benefits. The General Fund Deposits as of September 30, 2020 are as follows:

Construction bond deposit	\$ 64,390
Other deposits	<u>125,260</u>
Total deposits	<u>\$ 189,650</u>

Note 4 - Interfund Receivable and Payable Balances

Interfund receivable and payable balances as of September 30, 2020 consisted of a \$65,106 Interfund Receivable in the General Fund payable from the Grants Fund. The primary purpose of this interfund receivable and payable is to provide cash flow needs associated with a reimbursable grant.

Note 5 - Interfund Transfers

Interfund transfers for the year ended September 30, 2020, consisted of the following:

	General Fund	Grants Fund	Road Debt Service	Downtown Debt Service	Capital Projects	Governmental Funds	TOTAL
Transfer out Funds:							
General	\$ -	\$ 32,608	\$ -	\$ -	\$1,743,483	\$ 1,776,091	
Gas Tax	-	-	-	-	1,466,430	1,466,430	
Grants	313,822	-	-	-	1,261,135	1,574,957	
Road Impact Fees	-	-	2,171,936	-	1,750,347	3,922,283	
Park Impact Fees	-	-	-	-	1,295,487	1,295,487	
Road Debt Service	2,171,936	-	-	-	-	2,171,936	
Downtown Area Rev.	-	-	-	1,007,130	-	1,007,130	
Total	<u>\$ 2,485,758</u>	<u>\$ 32,608</u>	<u>\$ 2,171,936</u>	<u>\$ 1,007,130</u>	<u>\$ 7,516,882</u>	<u>\$ 13,214,314</u>	

Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, and to move unrestricted general fund and special revenue fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorization.

Notes to the Financial Statements

September 30, 2020

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2020 is as follows:

<i>Governmental Activities:</i>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 46,669,900	\$ 5,059,998	\$ (1,744)	\$ -	\$ 51,728,154
Artwork	383,653	-	-	-	383,653
Construction in progress	3,537,519	5,601,128	-	-	9,138,647
Total capital assets not being depreciated	50,591,072	10,661,126	(1,744)	-	61,250,454
Capital assets being depreciated:					
Buildings	7,822,825	-	-	-	7,822,825
Improvements other than buildings	19,078,822	10,847	-	-	19,089,669
Machinery and equipment	2,316,212	276,096	(99,142)	-	2,493,166
Infrastructure	204,335,630	2,006,605	-	-	206,342,235
Intangibles-software	531,646	-	-	-	531,646
Total capital assets being depreciated	234,085,135	2,293,548	(99,142)	-	236,279,541
Less accumulated depreciation for:					
Buildings	4,014,111	279,465	-	-	4,293,576
Improvements other than buildings	9,613,291	1,216,305	-	-	10,829,596
Machinery and equipment	1,591,992	138,906	(99,142)	-	1,631,756
Infrastructure	152,443,414	5,389,781	-	-	157,833,195
Intangibles-software	486,821	9,780	-	-	496,601
Total accumulated depreciation	168,149,629	7,034,237	(99,142)	-	175,084,724
Total capital assets being depreciated, net	65,935,506	(4,740,689)	-	-	61,194,817
Total governmental activities capital assets, net	\$ 116,526,578	\$ 5,920,437	\$ (1,744)	\$ -	\$ 122,445,271

Pursuant to GASB Statement No. 34, the City, as a Phase 3 government, had elected to report infrastructure retroactively. Retroactive infrastructure is reported at the estimated historical cost.

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

General government	\$ 132,890
Public safety	28,235
Physical environment	117,425
Economic environment	776,716
Transportation	4,983,063
Culture and recreation	995,908
Total depreciation expense-governmental activities	<u>\$ 7,034,237</u>

Note 7 - Long-Term Debt

On August 27, 2020, the City obtained a taxable loan from Truist Bank in the amount of \$5,060,000 for the purpose of financing the acquisition of approximately 248 acres of land and to pay the loan issuance costs. The loan is collateralized by any legally available non-ad valorem or other revenue. Upon the occurrence of a default, and the continuance of such default for five days, the Noteholder may adjust the interest rate to the default rate which shall be effective until such event of default has been cured. The default rate is the lesser

Notes to the Financial Statements

September 30, 2020

Note 7 - Long-Term Debt (Continued)

of the then applicable interest rate plus 200 basis points, or the maximum rate allowable under applicable law. Interest payments are due on February 1 and August 1. Principal payments are due annually starting on August 1, 2023. Interest rate is 2.96%. The final payment is due August 1, 2035. The principal may be prepaid by the City in whole but not in part on any business day at a price of 100% of the principal amount plus accrued interest and is subject to a 1.00% prepayment premium of the principal amount to be prepaid. At September 30, 2020 the City owed \$5,060,000 to Truist Bank.

On February 14, 2014, the City obtained a Banc of America Public Preferred Funding Corporation tax-exempt loan of \$13,000,000 for the purpose of certain capital improvements to the Bonita Springs downtown area. The City improved the sidewalks, roads and created a centralized drainage system. Land acquisition was also required. The loan is collateralized by the Half Cent Sales Tax Revenues. Debt service is funded from the Downtown Area Revenue Sharing Fund. The City has entered into a Revenue Sharing Agreement with Lee County who has agreed to contribute Ad Valorem taxes totaling 85% of the growth amount from the 2012 base year of a designated area within the Downtown, for 25 years or until 50% of the Downtown Redevelopment project construction and financing costs are paid. Lee County's participation in the Downtown Redevelopment constructions costs are not to exceed 50% of \$16,000,000 (\$8,000,000) plus 50% of the financing costs associated with the County's portion of the construction costs.

Upon the occurrence of a default, immediately and without notice the lender may declare all obligations of the City under this loan agreement to be immediately due and payable without further action of any kind, and upon such declaration, this note and the accrued interest thereon shall become immediately due and payable.

Interest payments are due on February 1 and August 1. Principal payments are due annually on February 1. Interest rate is 2.96%. The final payment is due February 1, 2029. The principal may be prepaid by the City, but is subject to a breakage fee and accrued interest. At September 30, 2020 the City owed \$8,480,000 to Banc of America Public Preferred Funding Corporation.

On October 21, 2011, the City advance refunded a loan agreement for the Florida Municipal Loan Council Revenue Bonds, Series 2001A. The City obtained a Banc of America Public Capital Corporation tax-exempt loan in the amount of \$24,625,000 for the purpose of generating resources for the repayment of the remaining debt service payments on the refunded debt. At September 30, 2019 the City owed \$5,000,000 to Banc of America Public Capital Corporation. The loan is collateralized by any legally available non-ad valorem or other revenue, and debt service has typically been funded from the General and Road Impact Fee Funds. Interest payments are due on November 1 and May 1. Principal payments are due annually on November 1. Interest rate is 2.21%. The final payment is due November 1, 2021. The principal may be prepaid by the City without a prepayment penalty.

Upon the occurrence of a default, immediately and without notice the lender may declare all obligations of the City under this loan agreement to be immediately due and payable without further action of any kind, and upon such declaration, this note and the accrued interest thereon shall become immediately due and payable.

The City's debt proceeds were used to finance the acquisition, construction and installation of various capital projects completed by the City.

The City's loan agreements establish certain covenants and representations including the security for the loan repayment, financial recordkeeping, payment of taxes and assessments, compliance with laws, tax exempt status of the debt, and financial reporting. Management believes the City is in compliance with all significant covenants at September 30, 2020.

Notes to the Financial Statements

September 30, 2020

Note 7 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the loans payable as of September 30, 2020 are as follows:

Year Ending September 30,	Principal	Interest	Total
2021	\$ 3,306,000	\$ 438,740	\$ 3,744,740
2022	3,389,000	367,503	3,756,503
2023	1,220,000	313,732	1,533,732
2024	1,260,000	278,751	1,538,751
2025	1,290,000	242,706	1,532,706
2026-2030	5,940,000	653,287	6,593,287
2031-2035	2,135,000	162,348	2,297,348
	<u>\$ 18,540,000</u>	<u>\$ 2,457,067</u>	<u>\$ 20,997,067</u>

As of September 30, 2020, the City has not been authorized to issue debt that has not yet been issued. The City implemented GASB Statement No. 88 during the fiscal year ended September 30, 2019. This Statement required additional essential information related to debt, which has been incorporated in Note 7.

The changes in long-term debt during fiscal year ended September 30, 2020 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Loan payable	\$ 16,713,000	\$ 5,060,000	\$ (3,233,000)	\$ 18,540,000	\$ 3,306,000
Compensated absences	164,254	290,901	(265,273)	189,882	100,000
Net pension liability	3,670,674	1,991,414	(1,575,207)	4,086,881	-
	<u>20,547,928</u>	<u>7,342,315</u>	<u>(5,073,480)</u>	<u>22,816,763</u>	<u>3,406,000</u>

Compensated absences and the pension liability are liquidated through the General Fund.

Note 8 - 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 participates in the public entity risk pool administered by the Florida League of Cities, Inc. for general/professional liability, property, and workers compensation. The City pays an annual premium for these insurance programs. Participation in this risk pool is non-assessable. There were no significant reductions in insurance coverage in the past three fiscal years.

The Florida League of Cities, Inc. published financial report for the year ended September 30, 2019 can be obtained from the Florida League of Cities, Inc., Public Risk Service, 135 East Colonial Drive, Orlando, Florida 32801. The City retains the risk of loss up to a deductible amount (ranging from \$0 to \$2,000) with the risk of loss in excess of this amount transferred to the pool, which has limits of liability of up to \$5,000,000 per occurrence for general liability and auto, and \$20,071,946 for real and personal property.

Note 9 - Retirement Plans

Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State administered retirement plan in paying the costs of health insurance.

Notes to the Financial Statements

September 30, 2020

Note 9 - Retirement Plans (continued)

Defined Benefit Pension Plans

Background (continued)

All regular City employees are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services website (www.dms.myflorida.com). The City's aggregate total for pension expenses for the FRS Pension Plan, the FRS Investment Plan and the HIS Plan for the year ended September 30, 2020 totaled \$703,098. The General Fund has been used in prior years to liquidate pension liabilities.

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class – Members in senior management level positions.

Special Risk Class – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

City of Bonita Springs, Florida
Notes to the Financial Statements
September 30, 2020

Note 9 - Retirement Plan (continued)

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and retirement Age/Years of Service:	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement up to age 63 or up to 31 years of service	1.63%
Retirement up to age 64 or up to 32 years of service	1.65%
Retirement up to age 65 or up to 33 years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement up to age 66 or up to 34 years of service	1.63%
Retirement up to age 67 or up to 35 years of service	1.65%
Retirement up to age 68 or up to 36 years of service	1.68%
Elected Official	3.00%
Senior Management Service Class	2.00%
Special Risk Regular	
Service from December 1970, through September 30, 1974	2.00%
Service on and after October 1, 1974	3.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

City of Bonita Springs, Florida
Notes to the Financial Statements
September 30, 2020

Note 9 - Retirement Plan (continued)

Contributions

The Florida legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: regular employees 8.47% and 10.00%, senior management service 25.41% and 27.29%; elected officials 48.82% and 49.18%; and DROP participants 14.60% and 16.98%. These employer contribution rates include the 1.66% HIS Plan subsidy for the period October 1, 2019 through September 30, 2020. Other than DROP participants, these employer contribution rates include .06% administrative fee for the period October 1, 2019 through September 30, 2020. The City's contributions to the FRS Plan were \$161,406 for the year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Related to Pensions – At September 30, 2020, the City reported a liability of \$3,009,761 for its proportionate share of the FRS Plan's Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net pension liability was based on the City's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2020, the City's proportion was .006944%, which was a decrease of .000730% from its proportion measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$336,331 for its proportionate share of FRS's pension expense. In addition, the City reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 115,190	\$ -
Changes in actuarial assumptions	544,863	-
Net difference between projected and actual earnings on Pension Plan investments	179,204	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,358	386,636
City contributions subsequent to the measurement date	<u>74,889</u>	-
Total	<u>\$ 919,504</u>	<u>\$ 386,636</u>

Notes to the Financial Statements

September 30, 2020

Note 9 - Retirement Plan (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$74,889 resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
September 30:	
2021	\$ 86,430
2022	182,354
2023	147,255
2024	57,840
2025	(15,902)
Thereafter	-

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average
Investment rate of return	6.80%

In 2019, the Mortality assumption was changed from the Generational RP-2000 with Projection Scale BB, to the PUB-2010 base table, projected generationally with Scale MP-2018. The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards. The table below contains a summary of assumptions for each of the asset classes in which the plan was invested at the time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.2%	2.2%	1.2%
Fixed Income	19.00%	3.0%	2.9%	3.5%
Global Equity	54.20%	8.0%	6.7%	17.1%
Real Estate (Property)	10.30%	6.4%	5.8%	11.7%
Private Equity	11.10%	10.8%	8.1%	25.7%
Strategic Investments	4.40%	5.5%	5.3%	6.9%
Total	100.00%			
Assumed Inflation - Mean			2.4%	1.7%

Note 9 - Retirement Plan (continued)

Discount Rate - The plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution (ADC) is contributed each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The 6.80 percent rate of return assumption used in the June 30, 2020 calculations was determined by the consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice Number 27 (ASOP 27).

Pension Liability Sensitivity - The following represents the City’s proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.80%	6.80%	7.80%
City's proportionate share of the net pension liability	\$ 4,805,876	\$ 3,009,632	\$ 1,509,401

Pension Plan Fiduciary Net Position - Detailed information regarding the FRS Plan’s fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report. The report may be obtained through the Florida Department of Management Services website: www.dms.myflorida.com.

Retiree Health Insurance Subsidy Program (HIS Plan)

Plan Description - The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided - For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event that the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The City’s contributions to the HIS Plan were \$50,540 for the year ended September 30, 2020.

Notes to the Financial Statements

September 30, 2020

Note 9 - Retirement Plan (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the City reported a liability of \$1,077,985 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City’s proportionate share of the net pension liability was based on the City’s contributions received during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020, relative to the total employer contributions received from all participating employers. At June 30, 2020, the City’s proportion was .008829%, which was a decrease of .000366% from its proportion measured as of June 30, 2019. For the fiscal year ended September 30, 2020, the City recognized pension expense of \$21,567 for its proportionate share of HIS’s pension expense. In addition, the City reported its proportionate share of HIS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 44,096	\$ 832
Changes in actuarial assumptions	115,914	62,681
Net difference between projected and actual earnings on Pension Plan investments	861	-
Changes in proportion and differences between City contributions and proportionate share of contributions	5,762	124,843
City contributions subsequent to the measurement date	<u>13,474</u>	<u>-</u>
Total	<u>\$ 180,107</u>	<u>\$ 188,356</u>

The deferred outflows of resources related to the pensions included \$13,474 resulting from City contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pensions will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
September 30:	
2021	\$ 4,940
2022	(2,415)
2023	(18,308)
2024	(9,880)
2025	(1,955)
Thereafter	(5,895)

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40 % per year
Salary increases	3.25%, average with inflation
Municipal Bond Rate	2.21%

Mortality rates were based on the Generational RP-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Notes to the Financial Statements

September 30, 2020

Note 9 - Retirement Plan (continued)

Discount Rate - The discount rate used to measure the total pension liability was 2.21% for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the FRS Actuarial Assumption Conference. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable bond index.

Pension Liability Sensitivity - The following presents the City’s proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
City's proportionate share of the net pension liability	\$ 1,246,127	\$ 1,078,007	\$ 940,400

Pension Plan Fiduciary Net Position - Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report. The report may be obtained through the Florida Department of Management Services website: www.dms.myflorida.com.

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class, as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate balances among various approved investment choices. Costs of administering the plan are funded through an employer contribution of .06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings of these funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee

Notes to the Financial Statements

September 30, 2020

Note 9 - Retirement Plan (continued)

does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the City.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income. The City's Investment Plan pension expense totaled \$133,254 for the year ended September 30, 2020.

Note 10 - Other Postemployment Benefits (OPEB)

Plan Description. The City operates a single-employer retiree benefit plan ("the Plan") that offers health insurance to eligible employees and their spouses through the City's health insurance plan. Pursuant to the provisions of section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue to participate in the City's fully insured health and hospitalization plan for medical and prescription drug coverage. These retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. As required by 112.0801, Florida Statutes, the City offers the insurance coverage to the retirees at a premium cost of no more than the premium cost applicable to active employees. If a retiree chooses to participate, this would result in a City subsidy of the premium rates paid by retirees as it allows them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. The Plan does not issue a publicly available financial report. The City has fewer than 100 members and had elected to use the alternative measurement method.

The City engaged an actuary to determine the City's liability in accordance with GASB75, using the alternative measurement method for postemployment healthcare benefits other than pensions as of September 30, 2020 and for the fiscal year ended September 30, 2020.

Funding Policy. As required by 112.0801, Florida Statutes, the plan provides health insurance to eligible former employees and their spouses through the City's health insurance plan. Under the plan, participating retirees are completely responsible for payment of their insurance premiums and the City does not contribute toward this payment. As of September 30, 2020, the actuary report calculated a liability of \$146,250. This amount is deemed immaterial to the statements taken as a whole, and therefore no liability is reported on the financial statements.

Note 11 - Stewardship, Compliance and Accountability

(a) Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are legally enacted through passage of a resolution required by City Charter and as required by the State of Florida.

Annual budgets are adopted for the General, Gas Tax, Road Impact Fee, Park Impact Fee, Building Fee, Grant, Stormwater, Downtown Revenue Sharing, Road Debt Service, Downtown Redevelopment Debt Service, and Capital Projects funds.

Note 11 - Stewardship, Compliance and Accountability (Continued)

(a) Budgets (Continued)

The level of control whereby expenditures cannot legally exceed the total amount budgeted is at the department level and the annual budgets serve as the legal authorization for expenditures.

Budget amounts, as shown in the fund financial statements, are as originally adopted and as finally amended by the City Council. The Council must approve all budget amendments that change the legally adopted total appropriation for a department. Authority to transfer budgets within a department is delegated to the City's Finance Director, as the designated budget officer, provided that the total appropriations of the department are not changed.

If, during the fiscal year, additional revenues become available for appropriation in excess of those estimated in the budget, the City Council may make supplemental appropriations by resolution for the year up to the amount of such excess.

Every appropriation, except an appropriation for a capital project, shall lapse at the close of the fiscal year to the extent that it has not been expended. An appropriation for a capital project shall continue in force until expended, revised, or repealed. The purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

Capital projects costs are budgeted in the year they are anticipated to be obligated. In subsequent years, the unused budget is re-appropriated until the project is completed. Estimated beginning fund balances are considered in the budgetary process. Differences between estimated beginning fund balances and actual fund balances, if material, are submitted to the City Council as budget amendments.

(b) Property Taxes

The billing and collection of all property taxes are performed for the City by the Lee County Tax Collector. Property taxes are levied after formal adoption of the City's budget and become due and payable on November 1 of each year. Discounts are allowed for payment of property taxes before March 1 of the following year. Taxes are recognized as revenue when levied to the extent that they result in current receivables. On April 1, any unpaid taxes become delinquent. If the taxes are still unpaid in May, tax certificates are then offered for sale to the general public. The proceeds collected are remitted to the City. There were no delinquent taxes or uncollected taxes at year end.

Key dates in the property tax cycle (latest date, where appropriate) are as follows:

- | | |
|--------------|--|
| July 1 | ◆ Assessment roll validated |
| September 30 | ◆ Millage resolution approved and taxes levied following certificate of assessment roll |
| October 1 | ◆ Beginning of fiscal year for which tax is to be levied |
| November 1 | ◆ Property taxes due and payable (levy date) with various discount provisions through March 31 |
| April 1 | ◆ Taxes become delinquent |
| June 1 | ◆ Tax certificates sold by Lee County, Florida Tax Collector |

Notes to the Financial Statements

September 30, 2020

Note 11 - Stewardship, Compliance and Accountability (continued)

(b) Property Taxes (continued)

For tax year 2019, the total tax rate was .8173 mils per \$1,000 of assessed taxable property value. For the fiscal year ended September 30, 2020, the levy is based on taxable assessed property values totaling \$11,292,473,193. Property tax revenue is recognized in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes may become a lien on the property. The past due tax certificates are sold at public auction on June 1, and the proceeds collected are remitted to the City.

No accruals for the property tax levy becoming due in November 2020 are included in the accompanying financial statements since taxes are levied for the subsequent fiscal year and are not considered available at September 30, 2020. At September 30, 2020, delinquent property taxes are not material to the basic financial statements of the City and, therefore, have not been accrued as taxes receivable.

Note 12 - Special Item

Pursuant to the Case Management Order in the WCI Communities, et al. v. City of Bonita Springs case no. 17-CA-003966, the City participated in mandatory non-binding arbitration on September 19, 2019 with regards to outstanding issues resulting from the City's 2014 annexation agreement with WCI Communities and subsequent denial of WCI's comprehensive plan amendment.

During the arbitration, WCI requested approval of its proposed development for the property known as Raptor Bay which included four 20 story towers over parking and up to 480 units as well as damages of approximately 73 million dollars. On October 14, 2019 the arbitrator rendered his decision awarding WCI Communities the four towers and \$6,300,000 in economic damages as well as yet to be determined attorneys' fees and costs.

Either party had 10 days to challenge the arbitration award, however neither party chose to upset the arbitration decision. On November 20, 2019, City Council voted to make payment of \$6,300,000 for economic damages. This amount was also paid on November 20, 2019 and reported as a Special Item in the Statement of Revenues, Expenditures and Changes in Fund Balances for the year ended September 30, 2019. The Special Item in the amount of \$7,102,051 reported in the Statement of Activities for the year ended September 30, 2019 included an estimate of the opposing counsel's legal fees which were due under the arbitration award, but which had not been determined or paid as of the FY 2019 Auditor's Report date.

A liability of \$802,050 had been estimated and reported as an accrued liability in the Statement of Net Position as of September 30, 2019 for both cases. During the year ended September 30, 2020, the City made a payment of \$955,361 for the plaintiff legal fee settlement. This amount is reported as a Special Item in the Statement of Revenues and Expenditures and Changes in Fund Balances for the year ended September 30, 2020. The amount reported as a Special Item in the Statement of Activities for the year ended September 30, 2020 is \$153,310 since an estimate of \$802,050 was accrued in that Statement for the year ended September 30, 2019.

Notes to the Financial Statements

September 30, 2020

Note 13 - Commitments and Contingencies

Litigation

WCI Communities, et al vs. City of Bonita Springs

As described in Note 12, during FY 2020, the City made payment of \$955,361 for economic damages relating to WCI Communities, et al. v. City of Bonita Springs case no. 17-CA-003966. The Final Arbitration Order granted the Plaintiff's entitlement to attorney fees but did not award an amount. That amount had not yet been determined, as of the FY 2019 Auditor's Report date, but was estimated at \$630,709 and included as the Special Item on the Statement of Activities for the year ended September 30, 2019.

The City also was a party to a related lawsuit, case no. 16-CA-004027, stemming from the City's prior annexation agreement with WCI and its predecessor in interest. The City was unsuccessful in the suit and was ordered to pay attorneys' fees in the amount of \$171,341.

A liability of \$802,050 had been estimated and reported as an accrued liability in the Statement of Net Position as of September 30, 2019 for both cases. During the year ended September 30, 2020, the City made a payment of \$955,361 for the plaintiff legal fee settlement. This amount is reported as a Special Item in the Statement of Revenues and Expenditures and Changes in Fund Balances for the year ended September 30, 2020. The amount reported as a Special Item in the Statement of Activities for the year ended September 30, 2020 is \$153,310 since an estimate of \$802,050 was accrued in that Statement for the year ended September 30, 2019.

BG Mine, LLC vs. City of Bonita Springs

On November 20, 2019, City Council approved a settlement agreement with BG Mine, LLC which resolves litigation on six different lawsuits relating to land use. The primary settlement terms are as follows:

1. City will approve a 700 unit Residential Planned Development on property owned by BG Mine.
2. City will not impose any impact fees upon BG Mine but BG Mine will be responsible for making its proportionate share improvements to certain affected intersections.
3. City will pay \$4,989,000 upon approval of Residential Planned Development at which time the City shall also receive approximately 30 acres of future park property from BG Mine along with associated access, a blanket easement across the northern lake and conservation area at the mine site for future public access, a separate 248 acre parcel previously identified for stormwater and water quality improvements, and an additional 30 acre parcel which will allow the City access to certain waterways which will provide the City additional water quality opportunities.
4. At the 248 acre parcel, BG Mine will remove topsoil pursuant to a mutually agreed upon development plan resulting in a water quality and stormwater facility for the City.

On August 28, 2020, the City acquired both of the above referenced parcels of land, satisfying that term of this litigation. The removal of the topsoil will occur at a future date.

Other Litigation

The City is party to various legal proceedings that normally occur in governmental operations. City officials believe it is too speculative to determine whether some of the legal proceedings will have a material adverse effect in the City's financial position and others will not likely have a material adverse effect in the City's financial position.

Notes to the Financial Statements

September 30, 2020

Note 13- Commitments and Contingencies (continued)

Grants

The City is currently receiving and has received in the past, grants which are subject to special compliance requirements by the Grantor agency, which could result in disallowed expense amounts. These amounts constitute a contingent liability of the City. The City does not believe that any potential contingent liabilities are material.

Contracts and Commitments

As of September 30, 2020, the City had outstanding commitments under uncompleted capital project contracts totaling \$4,539,317 and for professional services contracts totaling \$119,061. The capital projects are primarily for projects relating to a City building renovation, multi-use path projects, and the baseball complex .

On October 5, 2016, City Council approved acceptance of the portions of Walden Center Drive and Burnt Pine Drive which are within the City boundaries. In consideration for the transfer of this land and improvements to the City, the City issued road impact fee credits in the amount of approximately \$1.4 million. These credits were applied to offset the City's collection of road impact fees from the developer as permits were requested by the developer. As of September 30, 2020, the remaining unused credits to be applied to future road impact fee payments was \$174,893 for which a deferred revenue is recognized from this transaction during the year ended September 30, 2020.

On July 17, 2019, City Council approved a road impact fee credit agreement to reimburse a developer for the construction costs for extending Logan Boulevard. The impact fee credits to be issued for this project will not exceed \$2,450,000. The agreement allows the developer to receive up to 75% of credits equivalent to progress payments upon partial completion of the road improvements provided such portion of the road improvements are inspected by the City and meet all other requirements of the road impact fee credit agreement. On January 31, 2020, \$1,012,152 in impact fee credits were issued to the developer under this agreement. As of September 30, 2020, the remaining unused credits to be applied to future road impact fee payments was \$110,063 for which a deferred revenue is recognized from this transaction during the year ended September 30, 2020.

Note 14 - New Accounting Pronouncements

During May 2020, the GASB issued GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first become effective for periods beginning after June 15, 2018, and later. Effective dates were postponed by one year for most pronouncements, including Statement No. 83 and No. 84, and Statement No. 89 through No. 93. Effective dates were postponed by 18 months for Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.



Small Town Charm.
Big Bright Future.



Riverside Park
10451 Old 41 Rd.

The Bonita Springs Riverside Park is located on old US 41 Road in downtown Bonita Springs. The park is used for holiday celebrations, art shows, and festivals.

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances**Budget and Actual****General Fund**

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property	\$ 8,642,600	\$ 8,672,924	\$ 8,672,925	\$ 1
Franchise	3,115,583	3,180,314	3,186,236	5,922
Communication services	1,231,504	1,325,270	1,325,271	1
Other taxes	40,700	39,840	41,439	1,599
Licenses and permits	79,125	60,376	60,376	-
Intergovernmental revenues	5,564,040	5,473,865	5,473,867	2
Charges for services	829,480	739,693	740,666	973
Fines and forfeitures	92,500	152,791	152,792	1
Miscellaneous				
Investment earnings	205,000	196,054	196,055	1
Other	52,805	62,225	65,197	2,972
Total revenues	<u>19,853,337</u>	<u>19,903,352</u>	<u>19,914,824</u>	<u>11,472</u>
EXPENDITURES				
Current:				
General government				
City Council	390,524	390,524	355,657	34,867
City Manager	451,941	452,692	417,730	34,962
Planning & Zoning	1,881,691	1,910,358	1,763,581	146,777
City Attorney	770,305	722,547	546,230	176,317
Administrative Services/City Clerk	461,808	470,608	383,432	87,176
City Hall	162,855	173,432	170,889	2,543
Human Resources	86,147	82,170	59,606	22,564
Information Technologies	187,576	188,142	148,055	40,087
Communications	468,973	503,596	440,525	63,071
Finance	591,986	594,138	514,421	79,717
Non-departmental	1,234,615	180,280	118,246	62,034
Public safety				
Law Enforcement	1,815,729	1,827,476	1,824,641	2,835
Neighborhood Services	677,262	737,035	680,318	56,717
Emergency Preparedness	24,430	33,284	33,282	2
Physical environment				
City Council / Boards and Committees	58,000	8,000	-	8,000
Public Works	215,532	215,532	65,828	149,704
Non-departmental	3,490	3,490	3,453	37
Transportation				
Public Works	2,348,113	2,213,062	1,795,364	417,698
Non-departmental- Boards and Committees	4,000	13,182	-	13,182
Economic environment				
City Council - Economic Development	27,550	27,550	27,500	50
Human services				
Animal Services	173,491	173,491	143,449	30,042
Culture and recreation				
Special Events	178,300	178,300	136,670	41,630
Parks and Recreation	2,287,815	2,159,294	1,964,847	194,447
Boards & Committees	138,000	43,595	33,113	10,482
Non-departmental	6,356	6,356	4,076	2,280
COVID - 19	-	901,896	57,850	844,046
Appropriated Reserves	14,221,262	14,221,262	-	14,221,262
Total expenditures	<u>28,867,751</u>	<u>28,431,292</u>	<u>11,688,763</u>	<u>16,742,529</u>
Excess of revenues over (under) expenditures	<u>(9,014,414)</u>	<u>(8,527,940)</u>	<u>8,226,061</u>	<u>16,754,001</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,186,936	3,327,656	2,485,758	(841,898)
Transfers out	(7,997,436)	(13,591,942)	(1,776,091)	11,815,851
Total other financing sources (uses)	<u>(5,810,500)</u>	<u>(10,264,286)</u>	<u>709,667</u>	<u>10,973,953</u>
SPECIAL ITEM				
Payment of plaintiff legal fees in a litigation settlement	-	(1,000,316)	(955,361)	44,955
Net change in fund balances	<u>\$ (14,824,914)</u>	<u>\$ (19,792,542)</u>	<u>7,980,367</u>	<u>\$ 27,772,909</u>
Fund balance - beginning of the year			<u>16,043,715</u>	
Fund balance - ending			<u>\$ 24,024,082</u>	

The notes to the required supplementary information are an integral part of this schedule.

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Road Impact Fee Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous				
Impact fees	\$ 2,557,595	\$ 2,557,595	\$ 4,147,487	\$ 1,589,892
Investment earnings	<u>130,000</u>	<u>130,000</u>	<u>171,185</u>	<u>41,185</u>
Total revenues	<u>2,687,595</u>	<u>2,687,595</u>	<u>4,318,672</u>	<u>1,631,077</u>
EXPENDITURES				
Current:				
Transportation	-	-	-	-
Appropriated Reserves	<u>3,385,765</u>	<u>3,385,765</u>	<u>-</u>	<u>3,385,765</u>
Total expenditures	<u>3,385,765</u>	<u>3,385,765</u>	<u>-</u>	<u>3,385,765</u>
Excess of revenues over expenditures	<u>(698,170)</u>	<u>(698,170)</u>	<u>4,318,672</u>	<u>5,016,842</u>
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	<u>(12,281,477)</u>	<u>(19,450,057)</u>	<u>(3,922,283)</u>	<u>15,527,774</u>
Total other financing uses	<u>(12,281,477)</u>	<u>(19,450,057)</u>	<u>(3,922,283)</u>	<u>15,527,774</u>
Net change in fund balances	<u>\$ (12,979,647)</u>	<u>\$ (20,148,227)</u>	396,389	<u>\$ 20,544,616</u>
Fund balances - beginning			<u>20,593,244</u>	
Fund balances - ending			<u>\$ 20,989,633</u>	

The notes to the required supplementary information are an integral part of this schedule.

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Park Impact Fee Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
REVENUES				
Miscellaneous				
Impact fees	\$ 298,410	\$ 298,410	\$ 424,188	\$ 125,778
Investment earnings	28,000	28,000	33,540	5,540
Total revenues	<u>326,410</u>	<u>326,410</u>	<u>457,728</u>	<u>131,318</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	-	-
Appropriated Reserves	742,067	742,067	-	742,067
Total expenditures	<u>742,067</u>	<u>742,067</u>	<u>-</u>	<u>742,067</u>
Excess of revenues over expenditures	<u>(415,657)</u>	<u>(415,657)</u>	<u>457,728</u>	<u>873,385</u>
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	(438,000)	(3,082,980)	(1,295,487)	1,787,493
Total other financing uses	<u>(438,000)</u>	<u>(3,082,980)</u>	<u>(1,295,487)</u>	<u>1,787,493</u>
Net change in fund balances	<u>\$ (853,657)</u>	<u>\$ (3,498,637)</u>	(837,759)	<u>\$ 2,660,878</u>
Fund balances - beginning			3,485,497	
Fund balances - ending			<u>\$ 2,647,738</u>	

The notes to the required supplementary information are an integral part of this schedule.

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Building Fee Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous				
Licenses & permits	\$ 2,400,000	\$ 2,403,268	\$ 2,824,074	\$ 420,806
Investment earnings	110,000	110,000	83,537	(26,463)
Other	-	-	-	-
Total revenues	<u>2,510,000</u>	<u>2,513,268</u>	<u>2,907,611</u>	<u>394,343</u>
EXPENDITURES				
Current:				
Public safety				
Non-departmental	2,733,911	2,737,179	2,736,212	967
Non-departmental	-	9,383	-	9,383
Total expenditures	<u>2,733,911</u>	<u>2,746,562</u>	<u>2,736,212</u>	<u>10,350</u>
Excess of revenues over expenditures	<u>(223,911)</u>	<u>(233,294)</u>	<u>171,399</u>	<u>404,693</u>
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	<u>(1,127,000)</u>	<u>(1,184,700)</u>	<u>-</u>	<u>1,184,700</u>
Total other financing uses	<u>(1,127,000)</u>	<u>(1,184,700)</u>	<u>-</u>	<u>1,184,700</u>
Net change in fund balances	<u>\$ (1,350,911)</u>	<u>\$ (1,417,994)</u>	171,399	<u>\$ 1,589,393</u>
Fund balances - beginning of the year			<u>8,529,820</u>	
Fund balances - ending			<u>\$ 8,701,219</u>	

The notes to the required supplementary information are an integral part of this schedule.

Notes to Required Supplemental Information Relating to Budgets

For the Year Ended September 30, 2020

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are legally enacted through passage of a resolution required by City Charter and as required by the State of Florida.

The level of control whereby expenditures cannot legally exceed the total amount budgeted is at the department level and the annual budgets serve as the legal authorization for expenditures.

Budget amounts, as shown in the fund financial statements, are as originally adopted and as finally amended by the City Council. The Council must approve all budget amendments that change the legally adopted total appropriation for a department. Authority to transfer budgets within a department is delegated to the City's Finance Director, as the designated budget officer, provided that the total appropriations of the department are not changed.

Schedule of the City's Proportionate Share of the Net Pension Liability
Last 7 Fiscal Years with the amounts presented being as of June 30

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.006944%	0.007674%	0.009234%	0.009156%	0.009375%	0.009744%	0.009023%
City's Proportionate Share of the Net Pension Liability	\$ 3,009,761	\$ 2,642,851	\$ 2,757,861	\$ 2,731,261	\$ 2,367,294	\$ 1,258,612	\$ 550,545
City's Covered Payroll	\$ 1,745,107	\$ 1,881,105	\$ 2,216,467	\$ 2,318,615	\$ 2,282,292	\$ 2,189,197	\$ 2,032,892
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	172.47%	140.49%	124.43%	117.80%	103.72%	57.49%	27.08%
Plan Fiduciary Net position as a Percentage of the Total Pension Liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

Schedule of City Contributions
Last 7 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 161,406	\$ 158,388	\$ 196,704	\$ 194,730	\$ 194,742	\$ 182,086	\$ 169,604
Contribution in Relation to the Contractually Required Contribution	(161,406)	(158,388)	(196,704)	(194,730)	(194,742)	(182,086)	(169,604)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	<u>\$ 1,715,781</u>	<u>\$ 1,804,081</u>	<u>\$ 2,162,874</u>	<u>\$ 2,307,003</u>	<u>\$ 2,381,944</u>	<u>\$ 2,234,566</u>	<u>\$ 2,054,257</u>
Contributions as a Percentage of Covered Employee Payroll	<u>9.41%</u>	<u>8.78%</u>	<u>9.09%</u>	<u>8.44%</u>	<u>8.18%</u>	<u>8.15%</u>	<u>8.26%</u>

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.

City of Bonita Springs, Florida
Required Supplementary Information
Florida Retiree Health Insurance Subsidy Program
September 30, 2020

Schedule of the City's Proportionate Share of the Net Pension Liability
Last 7 Fiscal Years with the amounts presented being as of June 30

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.008829%	0.009194%	0.010101%	0.010362%	0.010509%	0.010355%	0.010450%
City's Proportionate Share of the Net Pension Liability	\$ 1,077,985	\$ 1,028,760	\$ 1,069,128	\$ 1,107,961	\$ 1,224,784	\$ 1,056,069	\$ 550,545
City's Covered Payroll	\$ 3,064,251	\$ 3,075,007	\$ 3,299,243	\$ 3,328,596	\$ 3,244,225	\$ 3,141,562	\$ 2,991,774
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	35.18%	33.46%	32.41%	33.29%	37.75%	33.62%	18.40%
Plan Fiduciary Net position as a Percentage of the Total Pension Liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Schedule of City Contributions
Last 7 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 50,540	\$ 50,682	\$ 53,799	\$ 55,324	\$ 56,180	\$ 42,605	\$ 36,623
Contribution in Relation to the Contractually Required Contribution	<u>(50,540)</u>	<u>(50,682)</u>	<u>(53,799)</u>	<u>(55,324)</u>	<u>(56,180)</u>	<u>(42,605)</u>	<u>(36,623)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	<u>\$ 3,044,006</u>	<u>\$ 3,052,496</u>	<u>\$ 3,240,881</u>	<u>\$ 3,332,768</u>	<u>\$ 3,384,333</u>	<u>\$ 3,145,615</u>	<u>\$ 3,014,958</u>
Contributions as a Percentage of Covered Payroll	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.66%</u>	<u>1.35%</u>	<u>1.21%</u>

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available.



Bark-N-Play Park
11071 E Terry St

The Bonita Springs Bark-N-Play Park is a wooded, spacious park that covers approximately six acres. There are three fenced areas for small, medium, and large dog breeds. It also features a covered pavillion, dog washing station, picnic tables, benches, and an asphalt multi-use path. Leitner Creek runs through it with a bridge going over it, adding to the park's serenity and beauty.

Combining and Individual Fund Financial Statements and Schedules

City of Bonita Springs, Florida
Combining Balance Sheet
Non-major Governmental Funds
September 30, 2020

	Special Revenue				Debt Service		Total Non-major Governmental Funds
	Grant	Gas	Stormwater	Downtown Area Revenue Sharing	Road	Downtown Redevelopment	
ASSETS							
Cash and cash equivalents	\$ -	\$ 3,776,432	\$ 875,378	\$ 175,038	\$ 450,734	\$ -	\$ 5,277,582
Due from other governments	<u>313,246</u>	<u>145,718</u>	<u>12,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,388</u>
Total assets	<u>\$ 313,246</u>	<u>\$ 3,922,150</u>	<u>\$ 887,802</u>	<u>\$ 175,038</u>	<u>\$ 450,734</u>	<u>\$ -</u>	<u>\$ 5,748,970</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and contracts payable	\$ 248,140	\$ 112,894	\$ -	\$ -	\$ -	\$ -	\$ 361,034
Due to Other Funds	<u>65,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,106</u>
Total liabilities	<u>313,246</u>	<u>112,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>426,140</u>
Fund balances:							
Restricted for:							
Parks	-	-	-	-	-	-	-
Downtown redevelopment	-	-	-	175,038	-	-	175,038
Capital Projects	-	-	-	-	-	-	-
Stormwater	-	-	887,802	-	-	-	887,802
Roads	-	3,809,256	-	-	-	-	3,809,256
Assigned to:							
Debt Service	-	-	-	-	450,734	-	450,734
Subsequent year's budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>3,809,256</u>	<u>887,802</u>	<u>175,038</u>	<u>450,734</u>	<u>-</u>	<u>5,322,830</u>
Total liabilities and fund balances	<u>\$ 313,246</u>	<u>\$ 3,922,150</u>	<u>\$ 887,802</u>	<u>\$ 175,038</u>	<u>\$ 450,734</u>	<u>\$ -</u>	<u>\$ 5,748,970</u>

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended September 30, 2020

	Special Revenue				Debt Service		Total Non-major Governmental Funds
	Grant	Gas Tax	Stormwater	Downtown Area Revenue Sharing	Road	Downtown Redevelopment	
REVENUES							
Taxes							
Property	\$ -	\$ -	\$ -	\$ 226,788	\$ -	\$ -	\$ 226,788
Gas	-	1,538,578	-	-	-	-	1,538,578
Licenses and Permits	-	-	1,620,548	-	-	-	1,620,548
Intergovernmental revenues	1,607,565	280,939	-	955,380	-	-	2,843,884
Miscellaneous							
Impact fees	-	-	-	-	-	-	-
Investment earnings	-	37,731	5,666	-	5,293	-	48,690
Total revenues	<u>1,607,565</u>	<u>1,857,248</u>	<u>1,626,214</u>	<u>1,182,168</u>	<u>5,293</u>	<u>-</u>	<u>6,278,488</u>
EXPENDITURES							
Current							
Physical Environment	-	-	738,412	-	-	-	738,412
Public Safety	65,216	-	-	-	-	-	65,216
Transportation	-	965,492	-	-	-	-	965,492
Debt service							
Principal retirement	-	-	-	-	2,418,000	815,000	3,233,000
Interest and fiscal charges	-	-	-	-	137,219	262,869	400,088
Total expenditures	<u>65,216</u>	<u>965,492</u>	<u>738,412</u>	<u>-</u>	<u>2,555,219</u>	<u>1,077,869</u>	<u>5,402,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,542,349</u>	<u>891,756</u>	<u>887,802</u>	<u>1,182,168</u>	<u>(2,549,926)</u>	<u>(1,077,869)</u>	<u>876,280</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	32,608	-	-	-	2,171,936	1,007,130	3,211,674
Transfers out	(1,574,957)	(1,466,430)	-	(1,007,130)	(2,171,936)	-	(6,220,453)
Total other financing sources (uses)	<u>(1,542,349)</u>	<u>(1,466,430)</u>	<u>-</u>	<u>(1,007,130)</u>	<u>-</u>	<u>1,007,130</u>	<u>(3,008,779)</u>
Net change in fund balances	-	(574,674)	887,802	175,038	(2,549,926)	(70,739)	(2,132,499)
Fund balance - beginning	-	4,383,930	-	-	3,000,660	70,739	7,455,329
Fund balance - ending	<u>\$ -</u>	<u>\$ 3,809,256</u>	<u>\$ 887,802</u>	<u>\$ 175,038</u>	<u>\$ 450,734</u>	<u>\$ -</u>	<u>\$ 5,322,830</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Grant Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 7,765,000	\$ 28,956,304	\$ 1,607,565	\$ (27,348,739)
Miscellaneous	-	-	-	-
Total revenues	<u>7,765,000</u>	<u>28,956,304</u>	<u>1,607,565</u>	<u>(27,348,739)</u>
EXPENDITURES				
Current:				
Public safety	<u>80,000</u>	<u>80,000</u>	65,216	14,784
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>65,216</u>	<u>14,784</u>
Excess of revenues over expenditures	<u>7,685,000</u>	<u>28,876,304</u>	<u>1,542,349</u>	<u>(27,333,955)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	32,608	(7,392)
Transfers out	<u>(7,725,000)</u>	<u>(28,916,304)</u>	<u>(1,574,957)</u>	<u>27,341,347</u>
Total other financing sources (uses)	<u>(7,685,000)</u>	<u>(28,876,304)</u>	<u>(1,542,349)</u>	<u>27,333,955</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Gas Tax Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Gas taxes	\$ 1,657,560	\$ 1,657,560	\$ 1,538,578	\$ (118,982)
Intergovernmental revenues	290,546	290,546	280,939	(9,607)
Miscellaneous				
Investment earnings	<u>40,000</u>	<u>40,000</u>	<u>37,731</u>	<u>(2,269)</u>
Total revenues	<u>1,988,106</u>	<u>1,988,106</u>	<u>1,857,248</u>	<u>(130,858)</u>
EXPENDITURES				
Current:				
Transportation				
Non-departmental	1,090,495	1,090,495	965,492	125,003
Appropriated Reserves	<u>1,522,904</u>	<u>1,522,904</u>	-	<u>1,522,904</u>
Total expenditures	<u>2,613,399</u>	<u>2,613,399</u>	<u>965,492</u>	<u>1,647,907</u>
Excess of revenues over expenditures	<u>(625,293)</u>	<u>(625,293)</u>	<u>891,756</u>	<u>1,517,049</u>
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	<u>(1,350,000)</u>	<u>(3,645,109)</u>	<u>(1,466,430)</u>	<u>2,178,679</u>
Total other financing uses	<u>(1,350,000)</u>	<u>(3,645,109)</u>	<u>(1,466,430)</u>	<u>2,178,679</u>
Net change in fund balances	<u>\$ (1,975,293)</u>	<u>\$ (4,270,402)</u>	(574,674)	<u>\$ 3,695,728</u>
Fund balances - beginning			<u>4,383,930</u>	
Fund balances - ending			<u>\$ 3,809,256</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Stormwater Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous				
Licenses and Permits	\$ 1,716,555	\$ 1,716,555	\$ 1,620,548	\$ (96,007)
Investment earnings	-	-	5,666	5,666
Total revenues	<u>1,716,555</u>	<u>1,716,555</u>	<u>1,626,214</u>	<u>(90,341)</u>
EXPENDITURES				
Current:				
Physical Environment	<u>1,716,555</u>	<u>1,716,555</u>	<u>738,412</u>	<u>978,143</u>
Total expenditures	<u>1,716,555</u>	<u>1,716,555</u>	<u>738,412</u>	<u>978,143</u>
Excess of revenues over expenditures	-	-	887,802	887,802
OTHER FINANCING USES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	887,802	<u>\$ 887,802</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ 887,802</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Downtown Area Revenue Sharing Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 218,300	\$ 218,300	\$ 226,788	\$ 8,488
Intergovernmental revenues	<u>919,600</u>	<u>919,600</u>	<u>955,380</u>	<u>35,780</u>
Total revenues	<u>1,137,900</u>	<u>1,137,900</u>	<u>1,182,168</u>	<u>44,268</u>
EXPENDITURES				
Current:				
Appropriated Reserves	<u>130,539</u>	<u>130,539</u>	<u>-</u>	<u>130,539</u>
Total expenditures	<u>130,539</u>	<u>130,539</u>	<u>-</u>	<u>130,539</u>
Deficiency of revenues under expenditures	<u>1,007,361</u>	<u>1,007,361</u>	<u>1,182,168</u>	<u>174,807</u>
OTHER FINANCING USES				
Transfers out	<u>1,007,361</u>	<u>1,007,361</u>	<u>1,007,130</u>	<u>(231)</u>
Total other financing sources	<u>1,007,361</u>	<u>1,007,361</u>	<u>1,007,130</u>	<u>(231)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>175,038</u>	<u>\$ 175,038</u>
Fund balances - beginning			<u>-</u>	
Fund balances - ending			<u>\$ 175,038</u>	

City of Bonita Springs, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Road Debt Service Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous				
Investment earnings	\$ 5,000	\$ 5,000	\$ 5,293	\$ 293
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,293</u>	<u>293</u>
EXPENDITURES				
Debt service				
Principal retirement	2,418,000	2,418,000	2,418,000	-
Interest and fiscal charges	<u>137,225</u>	<u>137,225</u>	<u>137,219</u>	<u>6</u>
Total expenditures	<u>2,555,225</u>	<u>2,555,225</u>	<u>2,555,219</u>	<u>6</u>
Deficiency of revenues under expenditures	<u>(2,550,225)</u>	<u>(2,550,225)</u>	<u>(2,549,926)</u>	<u>299</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,171,936	2,171,936	2,171,936	-
Transfers out	<u>(2,171,936)</u>	<u>(2,171,936)</u>	<u>(2,171,936)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (2,550,225)</u>	<u>\$ (2,550,225)</u>	<u>(2,549,926)</u>	<u>\$ 299</u>
Fund balances - beginning			<u>3,000,660</u>	
Fund balances - ending			<u>\$ 450,734</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Downtown Redevelopment Debt Service Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Debt service				
Principal retirement	815,000	815,000	815,000	-
Interest and fiscal charges	263,100	263,100	262,869	231
Total expenditures	1,078,100	1,078,100	1,077,869	231
Excess of revenues over expenditures	(1,078,100)	(1,078,100)	(1,077,869)	231
OTHER FINANCING USES				
Transfers in	1,007,361	1,007,361	1,007,130	(231)
Transfers out	-	-	-	-
Total other financing uses	1,007,361	1,007,361	1,007,130	(231)
Net change in fund balances	<u>\$ (70,739)</u>	<u>\$ (70,739)</u>	(70,739)	<u>\$ -</u>
Fund balances - beginning			70,739	
Fund balances - ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual

Capital Projects Fund

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Other	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Physical environment				
Stormwater	12,626,936	37,746,350	5,215,772	32,530,578
Water quality	200,000	262,760	-	262,760
Parks and recreation	110,000	528,588	-	528,588
Transportation				
Public works	12,734,541	26,868,872	5,967,173	20,901,699
Economic environment				
Public works	150,000	312,869	24,575	288,294
Culture and recreation				
Parks and recreation	888,000	1,689,185	661,659	1,027,526
General government				
City facilities building repairs	500,000	2,115,871	483,012	1,632,859
Building relocation and restoration	100,000	200,148	-	200,148
Urban design	50,000	141,746	118,821	22,925
Highway monument	-	300,000	-	300,000
Flagpole	-	40,000	-	40,000
Vehicle Major Repairs & Replacement	200,000	69,532	-	69,532
Dean Street Kayak Launch Facility	-	101,594	89,372	12,222
Technology Equipment Replacement	10,000	10,000	9,820	180
Building Permits Technology Enhancement	1,112,000	1,112,000	-	1,112,000
Exotic Plant Removal	10,500	10,500	-	10,500
Contingency	-	38,421	-	38,421
Total expenditures	28,691,977	71,548,436	12,570,204	58,978,232
Deficiency of revenues under expenditures	(28,691,977)	(71,548,436)	(12,570,204)	58,978,232
OTHER FINANCING SOURCES				
Transfers in	28,691,977	66,488,436	7,516,882	(58,971,554)
Loan Proceeds	-	5,060,000	5,060,000	-
Transfers out	-	-	-	-
Total other financing sources	28,691,977	71,548,436	12,576,882	(58,971,554)
Net change in fund balances	\$ -	\$ -	6,678	\$ 6,678
Fund balances - beginning			-	
Fund balances - ending			\$ 6,678	



Carpenter Lane Park
12001 Carpenter Lane

Carpenter Lane Park was developed with financial assistance provided by the Florida Department of Environmental Protection through the Florida Recreation Development Assistance Program. This is a beautiful area for passive recreation. The dock area provides a nice observation area along the beautiful Imperial River.

Statistical Section

Statistical Section

(unaudited)

This part of the City of Bonita Springs' 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.

Contents	Page
<i>Financial Trends</i>	69
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	72
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	77
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.	
<i>Demographic and Economic Information</i>	81
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<i>Operating Information</i>	83
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.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

Schedule 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental/ Primary Government Activities										
Net investment in capital assets	\$ 140,348,547	\$ 132,941,034	\$ 126,596,053	\$ 121,564,147	\$ 116,323,362	\$ 110,053,588	\$ 112,137,889	\$ 105,588,038	\$ 102,958,248	\$ 106,197,063
Restricted	665,456	749,748	984,649	6,305,713	11,863,868	17,821,962	19,239,132	29,628,702	34,487,912	35,754,853
Unrestricted	6,509,213	9,875,287	16,398,730	15,824,668	14,071,697	14,541,641	12,155,286	10,212,760	14,276,676	19,721,223
Total governmental activities/ primary government net position	<u>\$ 147,523,216</u>	<u>\$ 143,566,069</u>	<u>\$ 143,979,432</u>	<u>\$ 143,694,528</u>	<u>\$ 142,258,927</u>	<u>\$ 142,417,191</u>	<u>\$ 143,532,307</u>	<u>\$ 145,429,500</u>	<u>\$ 151,722,836</u>	<u>\$ 161,673,139</u>

Note: The City of Bonita Springs does not have business-type activities; therefore, net positions of governmental activities equal total primary government net positions.

City of Bonita Springs, Florida
Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 5,550,400	\$ 4,104,247	\$ 4,449,728	4,562,608	4,531,894	\$ 5,225,632	\$ 6,652,458	\$ 12,612,512	\$ 6,356,710	\$ 5,422,730.00
Public safety	3,417,298	4,246,149	3,513,130	3,735,199	4,264,462	4,377,830	4,563,703	4,569,886	5,066,285	5,347,529
Physical environment	319,744	494,159	185,461	255,185	242,756	246,824	299,097	418,462	386,425	1,057,743
Transportation	12,974,914	10,369,710	11,159,331	11,837,445	13,306,266	12,069,647	11,579,685	12,011,416	12,459,782	8,195,361
Economic environment	275,269	16,017	44,841	197,111	210,973	1,294,051	550,289	966,938	805,678	804,216
Human services	183,136	189,210	179,609	101,929	126,632	112,439	174,068	118,250	150,626	143,449
Culture and recreation	2,583,170	3,438,012	3,032,027	3,204,990	3,294,726	3,617,122	4,401,269	3,273,199	3,395,641	3,267,769
Interest on long-term debt	1,250,930	769,510	516,715	789,425	762,872	721,528	651,721	578,168	502,819	437,003
Total governmental activities/primary government expenses	\$ 26,554,861	\$ 23,627,014	\$ 23,080,842	\$ 24,683,892	\$ 26,740,581	\$ 27,665,073	\$ 28,872,290	\$ 34,548,831	\$ 29,123,966	\$ 24,675,800
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 250,506	\$ 338,902	\$ 437,232	\$ 606,314	\$ 670,070	\$ 331,386	\$ 376,024	\$ 434,210	\$ 418,097	376,286
Public safety	1,705,438	2,125,933	2,765,635	3,287,945	4,000,137	3,739,531	3,171,290	4,595,811	4,136,655	4,924,549
Culture and recreation	144,516	143,900	139,552	143,366	153,067	180,372	157,442	147,140	155,282	97,621
Operating grants and contributions	285,143	327,749	95,194	38,940	45,657	46,353	41,440	102,884	7,550,401	468,193
Capital grants and contributions	2,202,222	2,585,732	6,057,383	5,503,075	6,133,361	6,491,510	6,983,050	10,584,751	8,690,584	7,568,516
Total governmental activities/primary government program revenues	\$ 4,587,825	\$ 5,522,216	\$ 9,494,996	\$ 9,579,640	\$ 11,002,292	\$ 10,789,152	\$ 10,729,246	\$ 15,864,796	\$ 20,951,019	\$ 13,435,165
General Revenues										
Governmental activities:										
Taxes										
Property, levied for general purposes	\$ 5,783,762	\$ 5,594,055	\$ 5,378,299	5,526,723	6,015,711	\$ 6,567,818	\$ 7,232,706	\$ 7,864,379	\$ 8,288,958	8,899,713
Gas	1,347,418	1,284,636	1,342,719	1,393,241	1,507,760	1,592,922	1,628,495	1,657,364	1,672,387	1,538,578
Franchise	2,042,563	1,967,312	1,950,904	2,085,101	2,296,553	2,272,235	2,879,046	3,101,871	3,251,564	3,186,237
Communication services	729,487	784,281	737,545	748,902	741,089	710,767	1,245,338	1,301,544	1,303,192	1,325,271
Other taxes	46,771	39,174	45,086	42,725	44,949	43,039	43,579	43,790	42,815	41,439
Intergovernmental revenues	4,045,296	4,173,250	4,390,469	4,768,062	5,293,523	5,542,286	5,900,966	5,687,867	5,864,985	5,754,806
Gain on capital assets	-	-	-	-	-	-	-	-	-	-
Investment earnings	75,729	61,573	51,642	187,522	191,694	257,672	250,828	485,464	887,141	533,007
Miscellaneous	72,572	243,370	102,545	67,072	98,137	47,446	77,202	438,949	257,292	65,197
Total governmental activities/primary government	14,143,598	14,147,651	13,999,209	14,819,348	16,189,416	17,034,185	19,258,160	20,581,228	21,568,334	21,344,248
Special Item: Litigation expense for economic damages and opposing counsel's legal fees	-	-	-	-	-	-	-	-	7,102,051	153,310
Change in Net Position										
Total governmental activities/primary government	\$ (7,823,438)	\$ (3,957,147)	\$ 413,363	\$ (284,904)	\$ 451,127	\$ 158,264	\$ 1,115,116	\$ 1,897,193	\$ 6,293,336	\$ 9,950,303

City of Bonita Springs, Florida

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 3

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non-spendable	\$ 2,649,500	\$ 2,649,500	\$ 2,736,991	\$ 487,822	\$ 3,494,550	\$ 3,400,000	\$ 400,000	\$ 400,000	\$ 425,117	\$ 432,186
Restricted	100,623	24,299	934,189	51,501	26,746	-	-	-	-	-
Committed	5,000,000	-	-	-	3,660,041	4,215,672	3,907,082	4,897,484	5,281,452	11,893,608
Assigned	-	5,000,000	5,000,000	5,000,000	5,876,799	5,142,291	9,989,407	5,204,470	5,816,352	5,420,861
Unassigned	5,638,174	6,627,759	8,217,161	10,081,587	2,846,348	4,673,072	135,349	571,570	4,520,794	6,277,427
Total General Fund	<u>\$ 13,388,297</u>	<u>\$ 14,301,558</u>	<u>\$ 16,888,341</u>	<u>\$ 15,620,910</u>	<u>\$ 15,904,484</u>	<u>\$ 17,431,035</u>	<u>\$ 14,431,838</u>	<u>\$ 11,073,524</u>	<u>\$ 16,043,715</u>	<u>\$ 24,024,082</u>
All Other Governmental Funds										
Restricted, reported in:										
Special revenue funds	\$ 1,957,883	\$ 2,725,603	\$ 5,655,117	\$ 12,477,232	\$ 17,254,365	\$ 22,275,407	\$ 22,397,772	\$ 31,150,620	\$ 29,123,064	\$ 37,210,686
Debt service funds	2,686	1,000,000	1,550,000	12,960,795	10,853,487	1,387,362	50,812	-	7,940,166	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	6,678
Assigned, reported in:										
Debt service funds	-	-	-	-	-	-	1,049,430	2,005,600	3,000,660	450,734
Unassigned	(159,650)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,800,919</u>	<u>\$ 3,725,603</u>	<u>\$ 7,205,117</u>	<u>\$ 25,438,027</u>	<u>\$ 28,107,852</u>	<u>\$ 23,662,769</u>	<u>\$ 23,498,014</u>	<u>\$ 33,156,220</u>	<u>\$ 40,063,890</u>	<u>\$ 37,668,098</u>

Changes In Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Schedule 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 9,950,001	\$ 9,669,458	\$ 9,454,553	\$ 9,803,687	\$ 10,606,062	\$ 11,186,781	\$ 13,029,164	\$ 13,968,948	\$ 14,558,914	\$ 14,991,238
Licenses and permits	1,232,928	1,713,175	2,360,336	2,930,046	3,703,481	3,269,665	2,752,384	3,958,600	3,529,141	4,504,998
Intergovernmental	4,870,502	4,518,658	4,736,274	4,969,079	5,792,748	5,977,518	6,869,168	6,702,779	14,535,988	8,317,751
Charges for services	395,022	482,802	576,784	749,680	823,136	876,627	869,492	1,126,447	1,101,985	740,665
Fines and forfeitures	472,510	412,758	405,299	357,899	296,657	104,997	82,880	92,114	78,907	152,792
Miscellaneous										
Impact fees	1,662,159	2,568,073	4,256,772	5,353,442	5,679,795	6,102,631	5,567,624	8,906,066	7,554,981	4,571,675
Investment earnings	75,729	61,573	51,642	175,078	158,899	270,469	270,826	485,463	887,141	533,007
Other	72,572	243,370	102,545	60,075	98,137	47,446	77,202	438,951	272,292	65,197
Total revenues	18,731,423	19,669,867	21,944,205	24,398,986	27,158,915	27,836,134	29,518,740	35,679,368	42,519,349	33,877,323
Expenditures										
General government	3,983,624	3,986,301	4,367,106	4,476,343	4,461,297	5,007,602	6,312,561	12,372,535	5,948,787	5,060,625
Public safety	3,444,443	4,110,039	3,501,410	3,692,770	4,216,741	4,325,583	4,482,752	4,530,938	5,015,994	5,285,237
Physical environment	308,479	226,475	235,655	239,586	227,156	202,951	206,986	320,470	218,902	938,574
Transportation	4,198,794	2,552,437	2,209,800	3,020,106	2,579,201	2,936,331	2,768,316	3,199,905	3,570,092	3,157,770
Economic environment	275,269	16,017	46,741	197,658	210,730	1,294,050	79,912	163,010	27,550	27,500
Human services	183,136	189,210	179,609	101,929	126,632	112,439	174,068	118,250	150,626	143,449
Culture/recreation	1,716,043	1,729,782	1,973,975	2,129,926	2,289,607	2,630,603	2,257,510	2,195,750	2,286,158	2,208,621
Capital outlay ¹	2,371,140	1,467,813	2,353,268	3,790,108	6,475,838	10,610,171	12,764,907	2,844,929	3,489,462	11,942,523
Debt service										
Principal	1,615,000	1,671,000	2,076,000	2,123,000	2,851,000	2,941,000	3,011,000	3,082,000	3,157,000	3,233,000
Interest	1,284,441	953,785	484,344	662,081	767,314	693,936	624,680	551,689	476,917	400,088
Total expenditures	19,380,369	16,902,859	17,427,908	20,433,507	24,205,516	30,754,666	32,682,692	29,379,476	24,341,488	32,397,387
Excess of revenues over (under) expenditures	(648,946)	2,767,008	4,516,297	3,965,479	2,953,399	(2,918,532)	(3,163,952)	6,299,892	18,177,861	1,479,936
Other Financing Sources (Uses)										
Transfers in	6,094,365	4,902,226	3,906,530	9,187,402	10,141,079	15,562,130	12,812,496	5,335,344	13,668,605	13,214,314
Transfers out	(6,094,365)	(4,902,226)	(3,906,530)	(9,187,402)	(10,141,079)	(15,562,130)	(12,812,496)	(5,335,344)	(13,668,605)	(13,214,314)
Refunding debt issued	-	24,625,000	-	-	-	-	-	-	-	-
Payment to refund debt	-	(24,554,063)	-	-	-	-	-	-	-	-
Debt Proceeds	-	-	-	13,000,000	-	-	-	-	-	5,060,000
Refund for capital project	-	-	1,550,000	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	70,937	1,550,000	13,000,000	-	-	-	-	-	5,060,000
Extraordinary Item										
Acquisition of Everglades Wonder Garden Property through a deed in lieu of foreclosure	-	-	-	-	-	-	(3,000,000)	-	-	-
Special Item										
Payment of Economic Damages in Legal Settlement	-	-	-	-	-	-	-	-	(6,300,000)	(955,361)
Net change in fund balances	\$ (648,946)	\$ 2,837,945	\$ 6,066,297	16,965,479	2,953,399	\$ (2,918,532)	\$ (6,163,952)	\$ 6,299,892	\$ 11,877,861	\$ 5,584,575
Debt service as a percentage of noncapital expenditures	17.0%	17.0%	17.0%	16.7%	20.4%	18.0%	18.3%	13.7%	17.4%	17.8%

¹ Capital outlay data was obtained from the Finance department and presented above.

City of Bonita Springs, Florida

Assessed Value And Estimated Actual Value Of Taxable Property

Last Ten Fiscal Years

Schedule 5

Fiscal Year Ended September 30	Real Property			Personal Property	Less:	Total Taxable Assessed Value	Total	Estimated Actual Taxable Value ²	Assessed Value as a Percentage of Actual Value ¹
	Residential Property	Commercial Property	Other Property		Tax-Exempt Real Property		Direct Tax Rate		
2011	6,962,561,194	738,239,696	334,867,509	309,867,067	1,055,482,524	7,290,052,942	0.8273	8,345,535,466	87.35%
2012	6,986,025,170	633,418,959	304,172,138	288,979,071	1,197,427,159	7,015,168,179	0.8273	8,212,595,338	85.42%
2013	6,809,733,441	563,195,599	286,143,559	264,234,104	1,107,714,416	6,815,592,287	0.8173	7,923,306,703	86.02%
2014	7,154,757,802	553,746,915	287,143,695	247,792,286	1,225,865,189	7,017,575,509	0.8173	8,243,440,698	85.13%
2015	8,145,048,157	586,249,264	373,501,021	248,036,369	1,725,194,023	7,627,640,788	0.8173	9,352,834,811	81.55%
2016	9,174,960,694	657,752,456	415,728,010	259,175,917	2,173,784,843	8,333,832,234	0.8173	10,507,617,077	79.32%
2017	10,175,618,306	762,800,548	487,427,096	273,005,908	2,520,251,862	9,178,599,996	0.8173	11,698,851,858	78.46%
2018	11,011,133,268	741,441,552	527,784,332	294,144,734	2,589,534,123	9,984,969,763	0.8173	12,574,503,886	79.41%
2019	11,246,498,396	808,741,170	505,631,785	311,198,316	2,352,270,914	10,519,798,753	0.8173	12,872,069,667	81.73%
2020	11,900,377,393	848,361,891	622,576,869	349,972,937	2,428,815,897	11,292,473,193	0.8173	13,721,289,090	82.30%

Source: Lee County Property Appraiser.

Note: Real property is reassessed every year.

¹ Includes tax-exempt property.

² This is "Just Value" which is synonymous to "full cash value" and "fair market value".

City of Bonita Springs, Florida

Property Tax Rates - Direct And Overlapping Governments

(Per \$1,000 of Assessed Value)

Last Ten Fiscal Years

Schedule 6

Fiscal Year	City of Bonita Springs, Florida			Overlapping Rates ²										Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Lee County					School					
				General Revenue	Capital Improv	Preserve MSTU	Library Fund	Total Lee Cty	Local Board	State Law	Total School	Fire District	Other ¹	
2011	0.8273	-	0.8273	3.6506	0.5000	-	0.3383	4.4889	2.2480	5.7670	8.0150	1.9999	0.9332	16.2643
2012	0.8273	-	0.8273	3.6506	-	0.5000	0.3541	4.5047	2.2480	5.6060	7.8540	2.2353	0.7455	16.1668
2013	0.8173	-	0.8173	3.6506	-	0.5000	0.3541	4.5047	2.2480	5.3360	7.5840	2.2353	0.7281	15.8694
2014	0.8173	-	0.8173	4.1506	-	-	0.5956	4.7462	2.2480	5.3500	7.5980	2.3805	0.7315	16.2735
2015	0.8173	-	0.8173	4.1506	-	-	0.5956	4.7462	2.2480	5.1680	7.4160	2.3800	0.6910	16.0505
2016	0.8173	-	0.8173	4.1506	-	-	0.5956	4.7462	2.2480	5.0370	7.2850	2.3500	0.6605	15.8590
2017	0.8173	-	0.8173	4.0506	-	-	0.5956	4.6462	2.2480	4.7410	6.9890	2.3500	0.6361	15.4386
2018	0.8173	-	0.8173	4.0506	-	-	0.5956	4.6462	2.2480	4.4310	6.6790	2.3300	0.6542	15.1267
2019	0.8173	-	0.8173	4.0506	-	-	0.4956	4.5462	2.2480	4.1530	6.4010	2.3100	0.6205	14.6950
2020	0.8173	-	0.8173	4.0506	-	-	0.4956	4.5462	2.2480	3.8990	6.1470	2.2600	0.5958	14.3663

Source: Lee County Property Appraiser.

Note: The City's operating millage tax rate may be increased only by a majority vote of the City Council.

¹ Other consists of South Florida Water Management District, West Coast Inland Navigation District, Lee County Hyacinth Control and Lee County Mosquito Control.

² Overlapping rates are those of the local and county governments that apply to property owners within the City of Bonita Springs. Not all overlapping rates apply to all City of Bonita Springs property owners.

Principal Property Taxpayers

Current Fiscal Year and Nine Fiscal Years Ago

Schedule 7

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Florida Power & Light Company	\$ 63,440,614	1	0.56%	\$ 58,839,027	2	0.81%
Bonita Springs Retirement Village	\$ 44,584,020	2	0.39%	\$ -		-
Bonita Springs Associates I LLC	\$ 32,375,526	3	0.29%	\$ -		-
WSR Bonita Bay LLc	\$ 29,387,357	4	0.26%	\$ -		-
CPT Citrus Park Owner LLC	\$ 25,938,772	5	0.23%	\$ -		-
AMCAP Bonita LLC	\$ 23,506,473	6	0.21%	\$ -		-
Comcast of CO FL MI NM PA WA L	\$ 22,292,166	7	0.20%	\$ -		-
Wynn Properties Inc	\$ 20,801,488	8	0.18%	\$ -		-
Real Sub LLC	\$ 20,774,794	9	0.18%	\$ -		-
CRP/DOV LLC	\$ 20,645,393	10	0.18%	\$ -		-
Tavira at Bonita Bay Inc.				\$ 64,055,700	1	0.88%
Embarq Florida				\$ 38,865,939	3	0.53%
Comcast				\$ 31,206,421	4	0.43%
Riverview Properties				\$ 25,115,803	5	0.34%
Wynn Properties Inc.				\$ 20,455,975	6	0.28%
Citrus Park Trost Intl. Inc				\$ 19,022,198	7	0.26%
Quail West Development				\$ 15,300,500	8	0.21%
Esperia at Bonita Bay Inc.				\$ 14,917,500	9	0.20%
AAG Bonita Springs LLC				\$ 14,181,680	10	0.19%
Total	<u>\$ 303,746,603</u>		<u>2.68%</u>	<u>\$ 301,960,743</u>		<u>4.13%</u>

Source: Lee County Property Appraiser.

Property Tax Levies And Collections

Last Ten Fiscal Years

Schedule 8

Fiscal Year Ended Sep 30	Total Tax Levy For Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount ¹	Percentage of Levy		Amount	Percentage of Levy
2011	6,008,171	5,758,662	95.85%	10,774	5,769,436	96.03%
2012	5,801,531	5,571,139	96.03%	6,745	5,577,885	96.15%
2013	5,570,384	5,360,946	96.24%	1,878	5,362,824	96.27%
2014	5,735,464	5,524,063	96.31%	3,012	5,527,075	96.37%
2015	6,233,893	6,003,359	96.30%	(2,489)	6,000,871	96.26%
2016	6,811,241	6,557,177	96.27%	(4,241)	6,552,936	96.21%
2017	7,501,670	7,232,706	96.41%	(4,800)	7,227,906	96.35%
2018	8,160,716	7,861,127	96.33%	(531)	7,860,596	96.32%
2019	8,597,832	8,276,881	96.27%	413	8,277,294	96.27%
2020	9,229,338	8,887,626	96.30%	-	8,887,626	96.30%

Source: Lee County Tax Collector.

¹ Property taxes are levied on November 1 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 1 of each year, and tax certificates for the full amount of any unpaid taxes and assessments are sold at public auction prior to June 1 of each year. The proceeds collected are remitted to the City.

City of Bonita Springs, Florida
Ratios Of Outstanding Debt By Type
 Last Ten Fiscal Years

Schedule 9

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Revenue Bonds	Notes, Loans and Agreements Payable			
2011	-	-	24,265,000	24,265,000	0.12%	553
2012	-	-	22,492,116	22,492,116	0.12%	508
2013	-	-	20,878,000	20,878,000	0.08%	463
2014	-	-	31,755,000	31,755,000	0.11%	702
2015	-	-	28,904,000	28,904,000	0.10%	631
2016	-	-	25,963,000	25,963,000	0.09%	558
2017	-	-	22,952,000	22,952,000	0.08%	474
2018	-	-	19,870,000	19,870,000	0.06%	396
2019	-	-	16,713,000	16,713,000	0.05%	327
2020	-	-	18,540,000	18,540,000	0.05%	341

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

¹ See schedule 13 for personal income and population data. These ratios are calculated using personal income and population for prior calendar year.

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Schedule 10

Fiscal Year	General Bonded Debt Outstanding			Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total		
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-

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

City of Bonita Springs, Florida
Direct And Overlapping Governmental Activities Debt
 As of September 30, 2020

Schedule 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lee County	\$ 196,163,000 ¹	12.6% ²	\$ 24,801,822
City direct debt			<u>18,540,000</u> ³
Total direct and overlapping debt			<u><u>\$ 43,341,822</u></u>

¹ Lee County Clerk of Court, Finance Division

² Determined by dividing:

"Total Taxable Assessed Valuation" from Schedule 5	\$ 11,292,473,193
by the "Total Taxable Assessed Value" of Lee County	\$ 89,314,624,576 ⁴

³ See Schedule 9 herein.

⁴ State of Florida Department of Revenue

City of Bonita Springs, Florida
Legal Debt Margin Information
 Last Ten Fiscal Years

Schedule 12

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Legal debt limit	\$ 729,005,294	\$ 701,516,818	\$ 681,559,229	\$ 701,757,551	\$ 762,764,079	\$ 833,383,223	\$ 917,860,000	\$ 998,496,976	\$ 1,051,979,875	\$ 1,129,247,319
Total net debt applicable to limit	24,265,000	22,492,116	20,878,000	31,755,000	28,904,000	25,963,000	22,952,000	19,870,000	16,713,000	18,540,000
Legal debt margin	\$ 704,740,294	\$ 679,024,702	\$ 660,681,229	\$ 670,002,551	\$ 733,860,079	\$ 807,420,223	\$ 894,908,000	\$ 978,626,976	\$ 1,035,266,875	\$ 1,110,707,319
Total net debt applicable to the limit as a percentage of debt limit	3.33%	3.21%	3.06%	4.53%	3.79%	3.12%	2.50%	1.99%	1.59%	1.64%

Note: As outlined in the City Charter, Section 46 (f), a legal debt limit exists that caps the amount of outstanding long-term liabilities to 10% of the assessed property value within the City.

City of Bonita Springs, Florida
Demographic And Economic Statistics
 Last Ten Fiscal Years

Schedule 13

Fiscal Year	Population		Lee County ¹			
	City of Bonita Springs ²	Lee County ²	Total Personal Income (in thousands) ³	Per Capita Personal Income ⁴	Median Age ⁴	Unemployment Rate ⁵
2011	44,307	625,310	18,652,997	29,830	45.6	11.2%
2012	45,129	638,029	26,219,164	41,094	45.6	9.1%
2013	45,229	643,367	27,678,935	43,022	45.6	7.0%
2014	45,819	653,485	27,965,891	42,795	46.0	5.5%
2015	46,568	665,845	28,127,290	42,243	46.2	4.8%
2016	48,388	680,539	30,340,470	44,583	46.3	4.7%
2017	50,137	698,468	31,967,483	45,768	46.3	3.6%
2018	51,181	713,903	35,526,669	49,764	46.4	2.9%
2019	54,437	735,148	37,688,097	51,266	47.8	2.8%
2020	55,645	750,493	39,073,668	52,064	46.5	3.4%

Data Sources:

¹ *City of Bonita Springs statistics unattainable.*

² *The Florida Legislature Office of Economic and Demographic Research for 2010 and subsequent years.*

³ *Determined by multiplying population by per capita income.*

⁴ *The Florida Legislature Office of Economic and Demographic Research.*

⁵ *Data for all years is for Lee County as City of Bonita Springs statistics were unobtainable. Lee County, Florida Legislature, Office of Economics and Demographic Research),, Lee County Economic Development Office for 2011, Florida Department of Economic Opportunity for 2012 - 2020.*

Principal Employers ¹

Current Fiscal Year and Nine Fiscal Years Ago

Schedule 14

Employer	2020			2011		
	Employees	Rank*	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lee Health	13,595	1	4.14%	9,500	1	3.46%
Lee County School District	12,936	2	3.94%	9,270	2	3.37%
Lee County Local Government	9,038	3	2.75%	2,364	4	0.86%
Publix Super Markets	4,624	4	1.41%	3,071	3	1.12%
Florida Gulf Coast University	3,430	5	1.04%	993	10	0.36%
Wal-Mart Corporation	3,067	6	0.93%	1,967	5	0.72%
City of Cape Coral	2,253	7	0.69%	1,409	7	0.51%
Hope Hospice	1,630	8	0.50%	-	-	-
McDonald's	1,482	9	0.45%	-	-	-
Florida Southwestern State College	1,441	10	0.44%	-	-	-
Lee County Sheriff's Office	-	-	-	1,585	6	0.58%
Chicos Fas Inc.	-	-	-	1,388	8	0.51%
Target	-	-	-	1,100	9	0.40%
Total	53,496		16.29%	32,647		11.89%

Source: Lee County Clerk of Court & Lee County Economic Development Office.

*The employer ranking and employee totals remain the same as for FY 2019 due to the FY 2020 information not being available until a later date. Information listed is for Lee County as principal employer statistics for City of Bonita Springs are unobtainable.

Full-Time Equivalent City Government Employees By Function

Last Ten Fiscal Years

Schedule 15

Function	Full-time Equivalent Employees as of September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	19.0	21.0	22.5	24.0	24.0	25.5	25.5	25.5	24.5	22.25
Public Safety:										
Police ¹	-	-	-	-	-	-	-	-	-	-
Code Enforcement	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	8.0	8.0
Building Inspection ¹	-	-	-	-	-	-	-	-	-	-
Physical Environment ¹	-	-	-	-	-	-	-	-	-	-
Transportation	15.0	8.0	7.5	7.5	7.5	8.0	8.0	9.0	9.0	8.75
Economic Environment ¹	-	-	-	-	-	-	-	-	-	-
Human Services ¹	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	12.5	19.0	18.5	19.5	19.5	20.0	20.0	19.0	19.0	18.5
Total	55.5	57.0	57.5	60.0	60.0	62.5	62.5	62.5	60.5	57.5

Source: City of Bonita Springs Annual Budget as amended.

¹ The City outsources Police, Building Inspection, Physical Environment, Economic Environment and Human Services; therefore, no Full-time Equivalents exist in these City functions.

Operating Indicators By Function¹

Last Ten Fiscal Years

Schedule 16

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	-	-	-	-	-	-	-	-	-	-
Public Safety:										
Police ²	-	-	-	-	-	-	-	-	-	-
Code Enforcement	-	-	-	-	-	-	-	-	-	-
Building Inspection ²	-	-	-	-	-	-	-	-	-	-
Physical Environment ²	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Economic Environment ²	-	-	-	-	-	-	-	-	-	-
Human Services ²	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

¹ The City does not maintain Operating Indicators by Function; therefore, data is not available.

² The City outsources Police, Building Inspection, Physical Environment, Economic Environment and Human Services; therefore, no operating indicators exist in these City functions.

City of Bonita Springs, Florida

Capital Asset Statistics By Function ¹

Last Ten Fiscal Years

Schedule 17

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety:										
Police ²	-	-	-	-	-	-	-	-	-	-
Code Enforcement	-	-	-	-	-	-	-	-	-	-
Building Inspection ²	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

¹ The City does not maintain Capital Asset Statistics by Function; therefore, data is not available.

² The City outsources Police, Building Inspection, Physical Environment, Economic Environment and Human Services; therefore, no operating indicators exist in these City functions.



Depot Park
10375 Pennsylvania Ave.

This park is located across the railroad tracks on the West side of Riverside Park. It offers the shade of giant oak trees and is a beautiful spot to walk or have a picnic. Depot Park is a dog friendly park. It also has a natural playground for children.

Other Supplementary Information

CITY OF BONITA SPRINGS, FLORIDA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2020

Independent Auditor's Report on Compliance for Each Major Federal Awards Program and on Internal Control over Compliance Required by the *Uniform Guidance*

Honorable Mayor and City Council
City of Bonita Springs, Florida:

Report on Compliance for Each Major Federal Awards Program

We have audited the City of Bonita Springs, Florida's (the "City") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of City's major federal awards program for the year ended September 30, 2020. The City's major federal award program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal awards program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). The *Uniform Guidance* standards 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 award program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Awards Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

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 awards program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal awards program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, 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 awards program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal awards program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal awards program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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*. Accordingly, this report is not suitable for any other purpose.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
April 24, 2021

CITY OF BONITA SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS

YEAR ENDED SEPTEMBER 30, 2020

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies)? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Award Programs

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of each major federal award program:

<u>Major Federal Programs:</u>	<u>CFDA No.</u>
U.S. Department of Housing & Urban Development – Community Development Block Grant (CDBG) Multi-use Pathways	14.218
U.S. Department of the Treasury – Coronavirus Relief Fund	21.019

Dollar threshold used to determine Type A programs:

Federal programs \$ 750,000

Auditee qualified as low-risk auditee for federal purposes? X Yes No

CITY OF BONITA SPRINGS, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2020

Part II – Financial Statement Findings

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

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

Part III –Federal Award Programs - Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs, as required to be reported by 2 CFR 200.516(a).

There were no findings required to be reported by 2 CFR 200.516(a).

CITY OF BONITA SPRINGS, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN – FEDERAL AWARD PRGRAMS

YEAR ENDED SEPTEMBER 30, 2020

Prior Year Audit Findings:

There were no prior year audit findings.

Corrective Action Plan:

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

CITY OF BONITA SPRINGS, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2020

FEDERAL AGENCY <i>Pass-through entity</i> Federal Program - Project Name	Federal CFDA Number	Contract Number / Grant Number	Federal Expenditures
<u>DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
<i>Passed through Lee County, Florida</i>			
Community Development Block Grant (CDBG)			
Multi-use Pathways	14.218	7762 / B-17-UC-12-0013	1,139,372
Total Department of Housing & Urban Development			<u>1,139,372</u>
 <u>DEPARTMENT OF THE TREASURY</u>			
<i>Passed through Lee County, Florida</i>			
Coronavirus Aid, Relief and Economic Security (CARES) Act	21.019	Not Available Yet	\$ 1,083,163
Total Department of the Treasury			<u>\$ 1,083,163</u>
 TOTAL FEDERAL AWARDS			 <u>\$ 2,222,535</u>

CITY OF BONITA SPRINGS, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal awards of the City of Bonita Springs, Florida (the “City”) for the year ended September 30, 2020. The information in the Schedule is presented in accordance with the 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*”). Because the Schedule presents only a selected portion of the operations of the City, the schedule is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City’s reporting entity is defined in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2020. All federal award programs received directly from federal agencies, as well as federal award programs passed through other government agencies, are included in the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2020. 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 did not utilize the 10-percent de minimis indirect cost rate for reimbursement of grant expenditures as covered in 2 CFR 200.414 (f) Indirect Costs.

NOTE 3 – CONTINGENCIES

Grant monies received by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2020, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

NOTE 4 – SUBRECIPIENTS

Of the federal awards presented in the Schedule, the City provided no funding to subrecipients.

NOTE 5 – MAJOR FEDERAL PROGRAM DETERMINATION

Major federal program determination has been completed in accordance with the *Uniform Guidance*.



Bonita Springs Community Pool
26890 Pine Ave.

The twenty-five yard Community Outdoor Pool is located at 26890 Pine Avenue, just off West Terry Street. The facility offers a number of classes year round. The pool has eight lap lanes and ranges from three feet nine inches to six feet deep, and is kept at a nice temperature controlled eighty-four to eighty-six degrees farenheit.

Management Letter and Response



PHONE: 941.639.6600 | FAX: 941.639.6115
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950
AshleyBrownCPAS.com

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Bonita Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Bonita Springs, Florida (the “City”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 24, 2021.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s 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 24, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City discloses this information in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us 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 identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.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 recommendation 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. In connection with our audit, we determined that there are no special district component units required to report to the City.

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.

Ashley, Brown & Smith

Punta Gorda, Florida

April 24, 2021



March 26, 2021

Mr. Jeff Brown, CPA
Ashley, Brown & Smith
Certified Public Accountants
366 E. Olympia Ave.
Punta Gorda, FL 33950

Re: Management Letter for Fiscal Year Ended September 30, 2020

Dear Mr. Brown,

This letter will confirm receipt of your management letter reviewed by us. In accordance with the Management Letter, the City of Bonita Springs did not note any current year comments for which a response was required.

A handwritten signature in blue ink, appearing to be 'Arleen M. Hunter', written over a horizontal line.

Arleen M. Hunter, AICP
City Manager

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

To the Honorable Mayor and City Council
City of Bonita Springs, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Bonita Springs, Florida (the "City"), as of and for the year ended September 30, 2020, 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 24, 2021.

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) as a basis for designing 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.

Internal Control over Financial Reporting , continued

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ashley, Brown & Smith

Punta Gorda, Florida
April 24, 2021



PHONE: 941.639.6600 | FAX: 941.639.6115
366 E OLYMPIA AVE, PUNTA GORDA, FL 33950
AshleyBrownCPAS.com

REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE WITH LOCAL GOVERNMENT INVESTMENT POLICIES

Honorable Mayor and City Council
City of Bonita Springs, Florida

We have examined the City of Bonita Springs, Florida's (the "City's") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2020. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence 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 the specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

The purpose of this report is to comply with the audit requirements of Sections 218.415, Florida Statutes and Rules of the Auditor General.

Ashley, Brown & Smith

Punta Gorda, Florida
April 24, 2021



AFFIDAVIT

I, Anne K. Wright, having been first duly sworn, provide this Affidavit in compliance with Section 10.557(3), Rules of the Auditor General, and state the following:

To my knowledge, the City of Bonita Springs, Florida is in compliance, as of the date of this Affidavit, with Section 163.31801, Florida Statutes.

Anne K. Wright

Anne K. Wright
Finance Director

State of Florida
County of Lee

The foregoing instrument was acknowledged before me this 15 day of MAY, 2020 by Anne K. Wright Personally Known OR who produced Identification. The type of identification produced was _____.

Debra Filipek

(Signature of Notary Public)

Debra Filipek

(Print Name of Notary Public)





City of Bonita Springs
9101 Bonita Beach Road
Bonita Springs, Florida 34135
239-949-6262

This document can be viewed in its entirety on our website at
www.cityofbonitasprings.org