



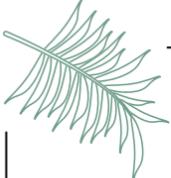
**CITY OF FORT MYERS, FLORIDA**

# **Comprehensive Annual Financial Report**

**Fiscal Year Ended September 30, 2020**



**PHOTOS INCLUDED ON THE COVER AND IN THIS REPORT ARE  
CREDITED TO RICHARD MOULTON, PUBLIC WORKS DIRECTOR.**



**CITY OF FORT MYERS, FLORIDA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2020**



*City of Palms*

**PREPARED BY THE FINANCIAL SERVICES DEPARTMENT  
ACCOUNTING DIVISION**





# **CITY OF FORT MYERS, FLORIDA**

## **ELECTED OFFICIALS AS OF MARCH 25, 2021**



**Mayor Kevin Anderson**



**Ward 1**  
**Teresa Watkins - Brown**



**Ward 2**  
**Johnny Streets**



**Ward 3**  
**Terolyn Watson**



**Ward 4**  
**Linston Bochette**



**Ward 5**  
**Fred Burson**



**Ward 6**  
**Darla Beltzer - Bonk**

**CITY OF FORT MYERS**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2020**

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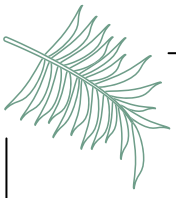
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# INTRODUCTORY SECTION







# *City of Fort Myers, Florida*

FINANCIAL SERVICES ADMINISTRATION

PO Box 2217

Fort Myers, Florida 33902-2217

239.321.7147

March 25, 2021

To the Honorable Mayor, Members of City Council, and Citizens of Fort Myers, Florida:

We are pleased to present to you the Comprehensive Annual Financial Report of the City of Fort Myers (City) for the fiscal year ended September 30, 2020. State law requires that a complete set of financial statements, presented in conformance with accounting principles generally accepted in the United States (GAAP), be audited by licensed, independent certified public accountants in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* within nine months after the end of the fiscal year. This report is published to fulfill those statutory requirements.

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

The City's Finance Department, as well as management of the City, is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements and maintain accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

In compliance with the laws of the State of Florida, the City's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed, independent certified public accountants. The independent auditor issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented in the front 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. MD&A complements this letter of transmittal and should be read in conjunction with it.

## ***Profile of the City***

Fort Myers, incorporated in 1886, is the oldest city in Lee County and serves as the county seat. Fort Myers is located on the lower west coast of Florida, midway between Tampa and Miami, and has a current population of approximately 92,599 residents. The City encompasses 48.82 total square miles, including waterways, and is bordered to the north and west by the Caloosahatchee River, which is part of the intercoastal waterway connecting the Atlantic Ocean and the Gulf of Mexico.

The City is a home rule city operating under the Council-Manager form of government. Policy-making and legislative authority are vested in the governing council consisting of the mayor and six other members. The Mayor is elected at large, with one vote and no veto authority, and the six council members are elected by their respective wards. Council members serve four-year terms, with three members elected every two years. The Mayor is elected for a four-year term. The City Council is responsible for all policy-making functions of the government. The City Manager is responsible for the administration of the City.

Municipal services provided to the citizens of Fort Myers include police and fire protection, water and sewer services, solid waste services, park and recreational facilities, street improvements, building permits and

inspections, stormwater management, a yacht basin, a cemetery, parking garages, and a skatium. Additionally, the City offers two professionally designed 18-hole golf courses. The City is also financially accountable for the Community Redevelopment Agency of Fort Myers, which is included in the City's reporting entity and financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note 1, 2.)

The City Council is required to adopt a final budget no later than the close of the preceding fiscal year to which the budget applies. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, department (e.g. Public Works), and division (e.g. Recreation). In accordance with the City's Budget Policy, the City Manager, Director of Finance and the Budget Manager have the authority to approve the transfer of funds within a department, within a fund. In most cases, divisions are required to transfer funds only to meet unanticipated needs or to reflect organizational changes.

### ***Local Economy***

The City of Fort Myers is part of the Cape Coral-Fort Myers Metropolitan Statistical Area (MSA). The general concept of a metropolitan statistical area is one of a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that nucleus. Fort Myers is the cultural and trade center for Lee County and the surrounding area. Commercial fishing in Lee County is a year-round operation with shrimp fleets making their homeports in Fort Myers Beach. For recreation, the Thomas Edison and Henry Ford Winter Estates offer tours of their exhibits including a museum, botanical gardens and research laboratory. The Barbara B. Mann Performing Arts Hall, located on the campus of Florida SouthWestern State College, operates year-round and provides opportunities to see traveling artist and Broadway productions. JetBlue Park, a state-of-the-art training ballpark and player development complex, provides the facilities for spring training for the Boston Red Sox. The City also showcases a variety of annual special events in the downtown river district, such as ArtFest, the Fort Myers Boat Show, Celtic Festival, and monthly Art and Music Walks.

The pertinent economic indicators show mixed results for the local economy as some indicators improved while others declined. During the past ten years, the City's unemployment rate declined from a decade high of 10.2 percent in September 2011 to 3.4 percent in September 2019, with an increase to 8.3 percent for the current year ending September 30, 2020. Whereas unemployment rates rose nationwide due to the Coronavirus Disease 2019 (COVID-19), the City continues to experience unemployment rates slightly higher than the national averages. The City's unemployment rate as of September 2020 was 8.3 percent compared to 7.8 percent nationally and 7.2 percent at the state level. The City's unemployment rate reflects the survey conducted by the Manpower Group in June 2020, as Cape Coral-Fort Myers MSA employers planned to hire at a slower pace in the next quarter with an Employment Outlook of -4 percent. The hiring intentions of local employers were consistent with survey responses by employers nationally though U.S. employers anticipated that hiring levels would strengthen within the next nine months. Despite positive news with the production of a COVID-19 vaccine, uncertainty continues to persist as the number of COVID-19 cases fluctuates.

Median household incomes within the City of Fort Myers were significantly lower than for the county and the state. According to the United States Census Bureau, for the period 2015-2019, the City's median household income in 2019 dollars was \$46,409 while the county's was \$57,832 and the state's was \$55,660. In comparison, the national median household income in 2019 dollars was \$62,843. In contrast, median value of owner-occupied housing units for the same time period in the City was \$238,700, the county's median value was \$224,800, the state's was \$215,300, and the national was \$217,500. The housing values in the City in combination with the 5.4 percent increase in population reflects the resiliency in the community during COVID-19 but the disparity in median household income signals the ongoing challenges of establishing affordable housing.

Property values play a leading role in determining the strength of the City's tax base. Certified taxable values increased 9.7 percent in 2020, improving the City's tax base from \$7,104,946,482 to \$7,792,082,870. New construction contributed \$346.6 million to the increase along with existing property values increasing an average of 4.8 percent. The increase represents the eighth consecutive year of increases and is the highest valuation in the City's history.

Continued growth in strong residential appreciation and construction are mainly due to the City's desirable location overlooking the Caloosahatchee River and the proximity to the Gulf of Mexico. Over the past ten plus years, the City concentrated its efforts with transforming the downtown and waterfront areas to assist with retaining existing businesses, recruiting new entrepreneurs and creating an urban lifestyle to attract more full-time residents. In response, the City partnered with a developer to bring the visionary project of a downtown riverfront hotel and convention center to life. The total cost of the project was an estimated \$91 million, comprised of the developer's portion of \$63 million and the City, along with the City's Community Redevelopment Agency, portion of \$28 million through various forms of incentives and the renovation of the existing event center. As the area's first member in the prestigious Autograph Collection of Marriott International, the twelve story riverfront hotel provides accommodations and amenities that include 243 guest rooms and suites; a signature restaurant and rooftop bar, in addition to a casual streetside diner and lobby lounge; 8,000 square feet of adaptable indoor and outdoor function space; convenient access to the riverfront Oxbow Bar & Grill restaurant, scheduled to open in March 2021, and Oxbow Retail & Rentals; a riverfront amphitheater, and; 4,000 square feet of street level retail space. The Luminary Hotel officially opened its doors on September 23, 2020 and it will bring approximately 250 post-construction jobs and a forecasted \$500 million in economic activity to the downtown area.

In the past decade of consistent expansion, the City invested in its mission to be a leader in municipal services and its pursuit of public safety excellence. Overall expenditures reflect a 38.1 percent increase over the ten years, as the City provided substantial resources to support services in public safety with additional personnel and new technology and to fund essential utility capital improvement projects at the water and sewer treatment facilities as well as utility infrastructure and the expansion of reclaimed water. In governmental funds, public safety expenditures were 46.6 percent of total governmental expenditures, equivalent to the percentage ten years ago, supporting the City's efforts with public safety excellence by focusing on salaries and benefits for police and firefighters due to the demand for services. The response to requests for services was also evident in the Water-Wastewater enterprise fund, with expenses of 62.1 percent of total business-type activities and a ten-year increase of 36.4 percent. Significant spending in the Water-Wastewater Fund relates to fulfilling capital improvement and rehabilitation needs, such as the power distribution systems and trunk sanitary sewer replacement. The increases support the City's commitment to invest in its employees, residents, infrastructure and the future.

During the same ten-year period, revenues from taxes related to governmental funds increased in amount by 65.6 percent, with a slight increase of 0.5 percent in percentage of total revenues in the governmental funds. The City, as all southwest Florida, experienced a downturn in the real estate sector due to the recession and the City's taxable assessed value did not start to recover until fiscal year 2014. The City's tax year is on a calendar year basis and the taxable assessable values used for ad valorem valuations lag approximately one year behind. The consistency in percentage of tax revenues to total revenues in the ten-year period reflects prudent and conservative planning and budgeting. As a measure of the rising economy within the past ten years, permits and fees increased 158.6 percent, reflecting a ten-year increase in revenues of 4.6 percent of total governmental revenues, supporting the expansion of new construction and increased population.

### ***Long-Term Financial Planning and Major Initiatives***

In accordance with the City's fund balance policy, the City strives to maintain a minimum unassigned fund balance of 10% with an ultimate goal of 10% - 17% of the total General Fund budget. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund at year end was 32.5 percent of total General Fund revenues while unassigned fund balance was 22.2 percent of revenues. The unassigned fund balance exceeds the minimum requirement of the goal set by the City Council for budgetary and planning purposes. Since fiscal year 2015, General Fund revenues exceeded expenditures, contributing to the growth of reserve funds. The effects of the COVID-19 pandemic greatly impacted Florida beginning in March 2020 yet for the City, many major revenue streams still surpassed the respective budget projections. Combined with spending less than the fiscal year 2020 budget, the City's overall financial position was positive as of September 30, 2020. While it is anticipated that the City will continue to maintain flexibility to manage unforeseen events, the extent of the impact of the Coronavirus Disease 2019 shall depend on future developments, which are still highly uncertain and cannot be predicted. With a public-led investment strategy and data-driven capital improvements plan, the City continues to move forward on all fronts to foster long-term growth and economic stability.

The development of the fiscal year 2021 budget was partly influenced by the effects of the COVID-19 pandemic and the resulting fiscal pressures, which comprise strains on revenues and additional expenses while striving to maintain services at current levels. Highlights of the 2021 budget include the addition of ten Police Officer positions partially funded through a 2020 COPS Grant for a community policing initiative and a new Diversity and Inclusion Analyst position. The additional police officers and a one-time contribution of \$1.5 million towards a trust fund for affordable workforce housing fosters safe and livable neighborhoods. Investment in the City's youth includes \$434,000 allocated for the City's STARS and PAL programs, summer youth program scholarships and a Step Up to Work summer program. To attract and retain employees, the 2021 budget also incorporates a 4 percent market adjustment to the General union/non-union salary structures, a 5 percent market adjustment mid-year for Police union officers and a 4.5% market adjustment to the Fire union salary structure. In recognition of the financial burdens placed on citizens due to the pandemic, there is no rate increase for water and sewer services for fiscal year 2021. The Water-Wastewater operating budget will support \$16.8 million towards utility capital improvement projects and the Solid Waste operating budget includes \$2.1 million towards purchasing garbage and roll-off trucks plus a maintenance bay to shelter an outdoor work area. Stormwater fees remain at the prior fiscal year rates and in addition to funding debt service payments for a specialized street sweeper, the Stormwater budget provides \$3.0 million toward stormwater capital projects.

## **Strategic Plan**

The purpose of every government is to provide public safety, public services and an enhanced community environment for its citizens. The City continuously strives to provide the services that citizens, business owners and visitors demand. Therefore, City Council and staff meet periodically to review and improve its Strategic Plan, which ensures the organization's sustainability for the future and places emphasis on fiscal management. The Mission of the City of Fort Myers is to be financially responsible, and to be a leader in municipal services, with a dedicated City workforce, and an involved community.

To support the Strategic Plan, goals comprise a financially sound city that provides exceptional municipal services; safe and livable neighborhoods; economic prosperity and a growing economy, and a vibrant downtown on the river. The Strategic Plan complements the City's 2010 Downtown Development Plan, which integrates the existing historic downtown area with a strategy to develop the neighboring riverfront and create a cultural destination.

Consistent with the City's goals for safe and livable neighborhoods, the City's Department of Public Works will oversee the construction of an active neighborhood park in the Forum on land donated by a private developer. The park will provide equipment such as a pavilion, junior activities center, multi-sports field with appropriate lighting, parking and amenities. The original proposal covered four acres and construction has expanded to a total of nine acres, for a total estimated cost of \$4.3 million. In combination with public safety efforts, Fire Station 17, a new station that will serve Ward 6, is close to completing design and development. The next step is to obtain the land development order and interior design.

Using federal Neighborhood Stabilization Program (NSP) funds, the City is successfully revitalizing neighborhoods by purchasing abandoned/foreclosed homes in target areas, rehabilitating and reselling them, and by building homes on city-acquired vacant lots that meet Florida Green and Energy STAR certification standards. This Program is part of the national effort to restore homes and renew neighborhoods affected the hardest by the housing crisis. In addition, funds for the repairs and rehabilitation of housing are available from both Community Development Block Grant and State Housing Initiative Partnership (SHIP) programs.

In response to the recent economic prosperity, the City crafted a conceptual strategy, the Midtown Vision Plan (Plan), to transform the midtown part of the City into a vibrant, new, diverse, mixed-use destination. It is a conceptual urban design plan that defines a strategic development framework for private and public investment, policy decisions and as a basis for regulatory revisions. The Plan is comprehensive in scope and seeks to clarify the feasible redevelopment potential for part of the Downtown Community Redevelopment Area. The Plan proposes a long-term redevelopment strategy that reflects the ideas and aspirations of the community and the types of physical, functional and visual conditions that will lead to lasting economic value. Redevelopment of the Midtown area will start with several small projects that are already in the planning, development or entitlement stages. As the redevelopment momentum increases in the area, the Plan envisions a multi-phase, long-term redevelopment timeframe that could span up to twenty years to realize substantial buildout.

## Comprehensive Plan

The City's annual budget process includes the preparation of the five year Capital Improvement Program (CIP), which typically includes the construction of infrastructure and municipal facilities as well as the acquisition of large or specialized equipment. The capital planning process is critical to the City's well-being because it provides the opportunity to take a planned and programmed approach to allocating financial resources in the most responsive and efficient manner necessary to meet Comprehensive Plan Level of Service requirements and general needs of the citizens. Furthermore, the City is required by Chapter 163.3177, Florida Statutes, to annually update the Capital Improvement Element (CIE) of the City's Comprehensive Plan.

The City's CIP incorporates needs identified in the CIE as required under the Growth Management legislation. The largest category of capital spending is Utilities, which includes improvement and replacement of water/sewer infrastructure and necessary regulatory equipment replacement and maintenance. For fiscal years 2021 through 2025, the City adopted the following five-year program:

Utilities	\$ 364,139,300
Buildings	123,309,700
Transportation	81,705,400
Equipment	32,890,400
Parks and Beautification	21,447,000
Stormwater	16,027,200
Development	7,458,200
Total	<u>\$ 646,977,200</u>

The Capital Budget is the first year of the Capital Improvement Program and includes a list of projects to implement in that fiscal year. The fiscal year 2021 Capital Budget anticipates \$89.0 million in capital projects, which comprises \$61.1 million in Utilities improvements and replacements, \$8.6 million for Transportation projects, \$5.9 million for Equipment purchases, \$3.0 million for Stormwater improvements and maintenance, \$6.2 million to Buildings purchases and improvements, \$2.7 million in Parks and Beautification landscape improvements and enhancements to City recreation facilities, and \$1.5 million to Development for the improvements to neighborhoods and commercial business areas.

Significant and non-routine capital projects in the Capital Budget for fiscal year 2021 comprise \$4.5 million for the design and start of the new Fire Station 17 due to growth and better services to Ward 6; \$13.5 million for a Reuse Facility at the South Wastewater Plant and a pipeline to Cape Coral to comply with an agreement to provide residents of the City of Cape Coral with reclaimed water; \$8.0 million for a new pump station that includes a five million gallon tank to serve the southeast area of the water distribution system; \$4.8 million for the permit, design and construction of a back up injection well for concentrate disposal required by Florida Department of Environmental Protection; and; \$1.0 million for the construction of the Forum Neighborhood Park. Funding these projects reflects the City's commitment to meeting the standards set forth in its Comprehensive Plan and positively impacting the quality of life for its residents, businesses and visitors.

### ***Relevant Financial Policies***

The City established guidelines that set forth the basic framework for the overall fiscal management of the City. With the development and implementation of the Strategic Plan, City management follows policies and procedures that further the growth and financial security of the City. Operating independently of changing circumstances and conditions, the financial policies guide the decision-making process of the City Manager, Mayor, City Council and Administration. These policies provide guidelines for evaluating both current activities and future programs.

Any downward trends in the State and/or local economy will adversely impact the City's ability to realize its budgeted revenues in the categories of franchise fees, utility taxes and state-shared revenues. Therefore, with quarterly monitoring and conservatism, the City mitigates any unforeseen circumstances. Complementing this practice is one in which a certain amount of expenses/expenditures are frozen and are not released for use until it is clear that revenues will be at projected levels.

The City's Debt Management Policy sets forth the responsibilities and authorities of the City in managing the City's debt program. There are no legal debt limits placed on the City through state law (no such limit exists in Florida), local ordinances or local resolutions. The City continually pursues ways to limit debt and improve its overall financial position by limiting future capital spending projects and minimizing the issuance of additional debt; taking advantage of refunding opportunities, if any arise, to decrease future annual debt service requirements, and restructuring existing debt, where legally possible, to remove the City's backup pledge on debt that benefits specific districts where sufficient revenues are available from those districts to repay the debt. The City does not issue debt, long or short term, to finance operational costs.

While the City does not have any general obligation debt, certain underlying and implied ratings have been given to the City by the rating companies. On May 19, 2020, Moody's Investors Service (Moody's) assigned a Aa3 rating to the Utility System Refunding Revenue Bonds, Series 2020A and an A1 rating to the Subordinate Utility System Refunding Revenue Bonds, Series 2020B with no outlook. On August 3, 2020, Fitch Ratings affirmed its A1 rating on the Utility System's outstanding bonds and the rating outlook was stable.

### **Awards**

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 Fort Myers for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the thirty-first consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable program 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's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City of Fort Myers also received the GFOA's Distinguished Budget Presentation Award for the last twenty-nine consecutive years. The Distinguished Budget Presentation Award is the highest form of recognition in governmental budgeting, and its attainment represents a significant accomplishment by a government and its management. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communication device.

### **Acknowledgements**

The preparation of this report represents a significant effort by the entire Accounting Division of the Finance Department. 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 and investors in the City of Fort Myers. We sincerely appreciate and commend them for their contributions.

Appreciation is also extended to our external auditors, CliftonLarsonAllen LLP, for their assistance and to the Mayor and City Council Members for the vital role they have played in enabling the City to remain fiscally responsible to the citizens of Fort Myers.

Sincerely,



Saeed Kazemi  
City Manager



Holly Simone  
Deputy Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Fort Myers  
Florida**

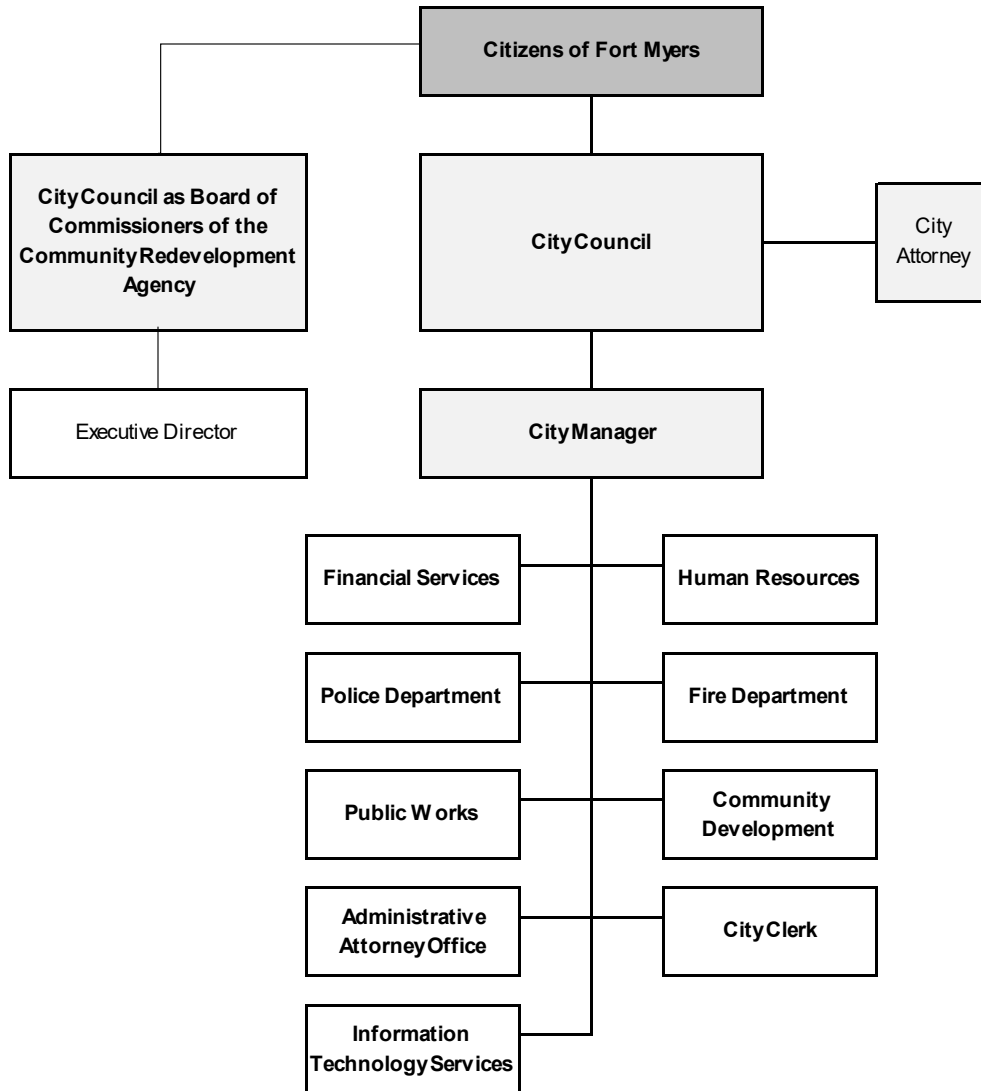
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

**CITY OF FORT MYERS, FLORIDA**  
**Organizational Chart**  
**As of September 30, 2020**





# **FINANCIAL SECTION**







CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
City of Fort Myers, Florida  
Fort Myers, Florida

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 on pages 4 through 16, budgetary comparison information for the general fund on page 102, and the employees' pension and other postemployment benefits schedules on pages 104 through 117 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, the combining and individual fund statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the State of Florida, is also presented for purposes of additional analysis and is also not a required part of the basic financial statements.

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

Honorable Mayor and City Council  
City of Fort Myers, Florida

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 it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
March 25, 2021

## **CITY OF FORT MYERS, FLORIDA**

### **Management's Discussion and Analysis**

As management of the City of Fort Myers (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report, and the City's financial statements beginning on page 17.

#### **Financial Highlights:**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$317,151,964 (net position). Of this amount, \$(17,997,526) represents unrestricted net position, which usually may be used to meet the government's ongoing obligations to citizens and creditors. Due to the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, in fiscal year 2015, unrestricted net position at the end of the current fiscal year continues to reflect a negative amount as a result of the measurement and recognition of the City's net pension liabilities for the City's three defined benefit plans.
- The government's total net position increased by \$42,855,097, which comprises an increase in governmental activities of \$14,976,064 and an increase in business-type activities of \$27,879,033. The net position in governmental activities improved in response to the increase in ad valorem taxes of \$2.9 million, which includes a growth in the City's taxable value driven by new construction and an average increase of 4.0% in existing properties. Capital grants and contributions increased \$5.0 million (58.7%) mainly due to the \$4.0 million contribution from Lee County for the renovation of the downtown event center. Business-type activities experienced an increase in net position, similar to the increase in the prior fiscal year, mainly due to growth in customers since there was no water or sewer rate increase in the current fiscal year. Miscellaneous revenue in the Water-Wastewater Fund increased \$6.5 million (89.1%), mostly due to the rise in impact fee collections.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$100,107,709, a decrease of \$(10,720,860) or (-9.7%) in comparison with the prior year. Approximately 23.0% of this amount (\$23,016,743) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$36,092,203, or 33.2% of total General Fund expenditures.
- The City's total outstanding long-term debt decreased by \$15,923,444 (3.8%) during the current fiscal year as a result of restructuring long term loans and one note in business-type activities.

#### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support 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.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government'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. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental activities (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 activities reflect the City's basic services, including general government, community and economic development, planning and zoning, police, fire, public works, parks and recreation, and the Community Redevelopment Agency.

## **CITY OF FORT MYERS, FLORIDA**

### **Management's Discussion and Analysis**

The business-type activities of the City include a water and wastewater utility, solid waste collection, building permits and inspections, stormwater management, golf courses, a yacht basin, downtown parking garages, and a skatium.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Community Redevelopment Agency, a legally separate entity for which the City is financially responsible. Financial information for this component unit is included in the governmental-type funds as a non-major special revenue fund.

The government-wide financial statements can be found on pages 17 – 19 of this report.

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

**Governmental funds.** 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 evaluating 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 Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to the government-wide statements in order to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-five individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Revenue Bonds and Notes Fund, the Transportation Capital Projects Fund and the General Capital Projects Fund, which are considered to be major funds. Data from the other twenty-one governmental funds are combined into a single, aggregated presentation titled Other Governmental Funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Combining Statements and Schedules section of this report.

The City adopts an annual appropriated budget for the governmental funds with the exception of the two capital projects funds, which are budgeted on a project length basis. A budgetary comparison schedule has been provided for the General Fund and the Revenue Bonds and Notes Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 – 23 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Wastewater Operations, Solid Waste Operations, Building Permits and Inspections, Stormwater Management, Fort Myers Country Club, Eastwood Golf Course, the Yacht Basin, Downtown Parking Garages, and the Skatium.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses separate internal service funds to account for its Fleet Maintenance, Information Technology Services, Public Works Warehouse, and Risk Management Program. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water-Wastewater Fund and the Solid Waste Fund, both of which are considered to be major funds of the City. The remaining enterprise funds are combined into a single, aggregated presentation titled "Other Enterprise Funds". The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and the internal service funds are provided in the form of combining statements in the Combining Statements and Schedules section of this report.

## **CITY OF FORT MYERS, FLORIDA**

### **Management's Discussion and Analysis**

The basic proprietary fund financial statements can be found on pages 24 – 26 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds: pension trust funds and agency funds. Pension trust funds are used to report resources held in trust for retirees and beneficiaries covered by each plan. The three pension trust funds are: 1) the General Employees' Pension Plan, 2) the Police Officers' Retirement System, and 3) the Firefighters' Retirement System. Agency funds report resources held by the City in a custodial capacity for individuals, private organizations, and other governments. The five agency funds are: 1) the Regional Park Impact Fee Fund, which accounts for regional park impact fees collected and then sent to Lee County; 2) the Emergency Medical Services (EMS) Impact Fee Fund, which accounts for the EMS impact fees collected and then sent to Lee County; 3) the School Board Impact Fee Fund, which accounts for school impact fees collected and then sent to Lee County; 4) Unclaimed Funds, which accounts for monies that have not been claimed and then sent to the State of Florida according to State Statutes; and 5) the Employee Special Events Fund, which is accounted for and held by the City for a committee that provides special events for employees.

The fiduciary fund financial statements can be found on pages 27 and 28 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 can be found on pages 30 – 99 of this report.

***Other information.*** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the budget to actual data for the General Fund and certain information for the City's pension plans and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages 102 – 117 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on the budgetary comparison schedule, pensions and OPEB. The combining and individual fund statements and schedules can be found on pages 123 – 150 of this report.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position over time 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 \$317,151,964 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$211,919,925) reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

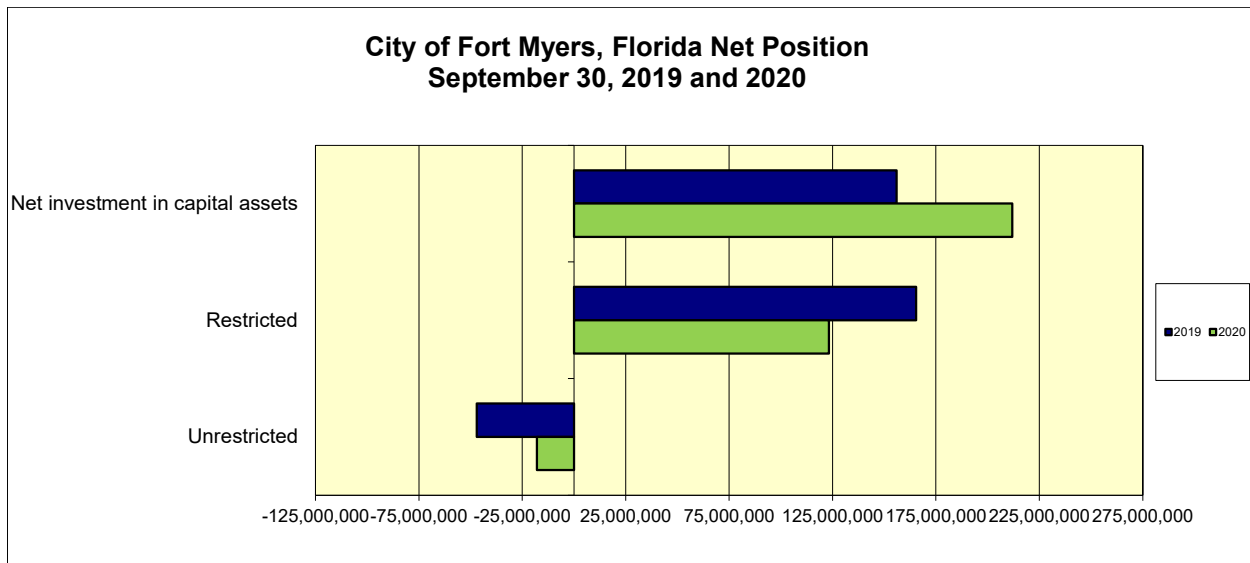
An additional portion of the City's net position (38.9%) represents resources that are subject to external restrictions on how they may be used. Restrictions related to capital projects represent 24.6% of the total restricted net position (\$123,229,565) and reflects the City's commitment to providing services and resources to its citizens. The remaining balance of \$(17,997,526) is unrestricted and usually may be used to meet the City's ongoing obligations to its citizens and creditors. As noted in the Financial Highlights, the balance of the unrestricted net position remains negative for the current fiscal year due to the City's adoption of GASB Statement No. 68 in fiscal year 2015.

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

City of Fort Myers, Florida  
Net Position as of September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$159,696,745	\$157,679,309	\$213,182,748	\$212,427,824	\$372,879,493	\$370,107,133
Capital assets	197,946,314	172,687,263	407,700,465	399,276,840	605,646,779	571,964,103
Total assets	357,643,059	330,366,572	620,883,213	611,704,664	978,526,272	942,071,236
Deferred outflows of resources	19,060,332	12,990,350	9,869,888	1,329,485	28,930,220	14,319,835
Long-term liabilities outstanding	292,546,485	287,636,772	321,366,834	335,797,502	613,913,319	623,434,274
Other liabilities	39,824,971	32,879,100	23,731,566	21,662,457	63,556,537	54,541,557
Total liabilities	332,371,456	320,515,872	345,098,400	357,459,959	677,469,856	677,975,831
Deferred inflows of resources	9,121,971	2,607,150	3,712,701	1,511,223	12,834,672	4,118,373
Net position:						
Net investment in capital assets	67,028,162	73,505,922	144,891,763	82,473,812	211,919,925	155,979,734
Restricted	58,966,849	50,000,605	64,262,716	115,406,968	123,229,565	165,407,573
Unrestricted	(90,785,047)	(103,272,627)	72,787,521	56,182,187	(17,997,526)	(47,090,440)
Total net position	\$ 35,209,964	\$ 20,233,900	\$281,942,000	\$254,062,967	\$317,151,964	\$274,296,867

At the end of the current fiscal year, the City reported negative balances in the unrestricted category of net position, both for the government as a whole, as well as for its separate governmental activities. The adoption of the GASB Statement No. 68 depleted unrestricted funds in governmental activities. In the governmental funds, negative unassigned fund balance comprises \$(91,394) in the Revenue Bonds and Notes Fund due to fiscal charges from the fees related to the Capital Improvement Revenue Note, Series 2019A, and \$(1,475,510) in the Grants Fund related to the timing of grant reimbursements. For business-type activities, enterprise funds with negative unrestricted net position comprise the Eastwood Golf Course, \$(316,810) and Skatium, \$(231,210). The negative unrestricted net position for each enterprise fund was the result of the adoption of GASB Statement No. 68 in fiscal year 2015.



The City's overall net position increased \$42,855,097 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

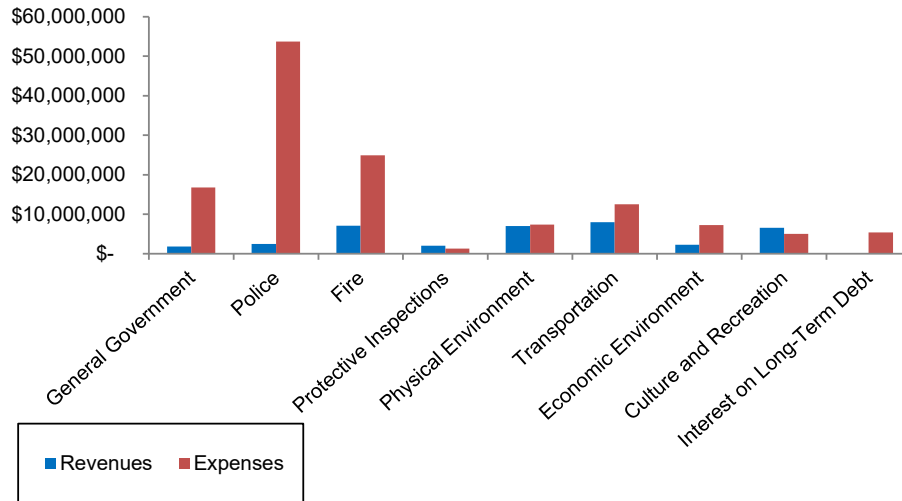
City of Fort Myers, Florida  
Changes in Net Position  
For the Year Ended September 30, 2020 and 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for services	\$18,553,962	\$ 18,032,567	\$127,386,973	\$125,478,419	\$145,940,935	\$143,510,986
Operating grants and contributions	6,167,523	13,897,119	-	-	6,167,523	13,897,119
Capital grants and contributions	13,608,006	8,575,992	2,758,466	2,962,907	16,366,472	11,538,899
General Revenues						
Property taxes	58,361,391	55,451,904	-	-	58,361,391	55,451,904
Other taxes	26,194,782	27,162,941	-	-	26,194,782	27,162,941
Other	15,467,177	16,350,582	3,427,781	2,656,146	18,894,958	19,006,728
Total revenues	<u>138,352,841</u>	<u>139,471,105</u>	<u>133,573,220</u>	<u>131,097,472</u>	<u>271,926,061</u>	<u>270,568,577</u>
Expenses:						
General government	16,796,501	18,935,366	-	-	16,796,501	18,935,366
Police	53,692,418	50,094,186	-	-	53,692,418	50,094,186
Fire	24,908,318	24,012,018	-	-	24,908,318	24,012,018
Protective inspections	1,269,101	1,206,667	-	-	1,269,101	1,206,667
Physical environment	7,415,015	8,300,274	-	-	7,415,015	8,300,274
Transportation	12,515,560	12,834,980	-	-	12,515,560	12,834,980
Economic environment	7,226,197	7,227,557	-	-	7,226,197	7,227,557
Culture and recreation	5,012,211	5,112,618	-	-	5,012,211	5,112,618
Interest	5,429,286	4,373,083	-	-	5,429,286	4,373,083
Water-Wastewater	-	-	64,156,608	54,033,880	64,156,608	54,033,880
Solid Waste	-	-	13,599,332	13,207,099	13,599,332	13,207,099
Permits and Inspections	-	-	3,572,440	3,824,020	3,572,440	3,824,020
Stormwater	-	-	4,082,427	6,397,793	4,082,427	6,397,793
Golf Courses	-	-	4,127,465	4,555,423	4,127,465	4,555,423
Yacht Basin	-	-	2,714,546	2,496,668	2,714,546	2,496,668
Downtown Parking Garages	-	-	1,276,021	1,171,565	1,276,021	1,171,565
Skatium	-	-	1,277,518	1,272,062	1,277,518	1,272,062
Total expenses	<u>134,264,607</u>	<u>132,096,749</u>	<u>94,806,357</u>	<u>86,958,510</u>	<u>229,070,964</u>	<u>219,055,259</u>
Increase (decrease) in net position before transfers	4,088,234	7,374,356	38,766,863	44,138,962	42,855,097	51,513,318
Transfers	<u>10,887,830</u>	<u>10,788,936</u>	<u>(10,887,830)</u>	<u>(10,788,936)</u>	<u>-</u>	<u>-</u>
Increase in net position	14,976,064	18,163,292	27,879,033	33,350,026	42,855,097	51,513,318
Net position - beginning of year	20,233,900	2,070,608	254,062,967	220,712,941	274,296,867	222,783,549
Net position - ending	<u>\$35,209,964</u>	<u>\$ 20,233,900</u>	<u>\$281,942,000</u>	<u>\$254,062,967</u>	<u>\$317,151,964</u>	<u>\$274,296,867</u>

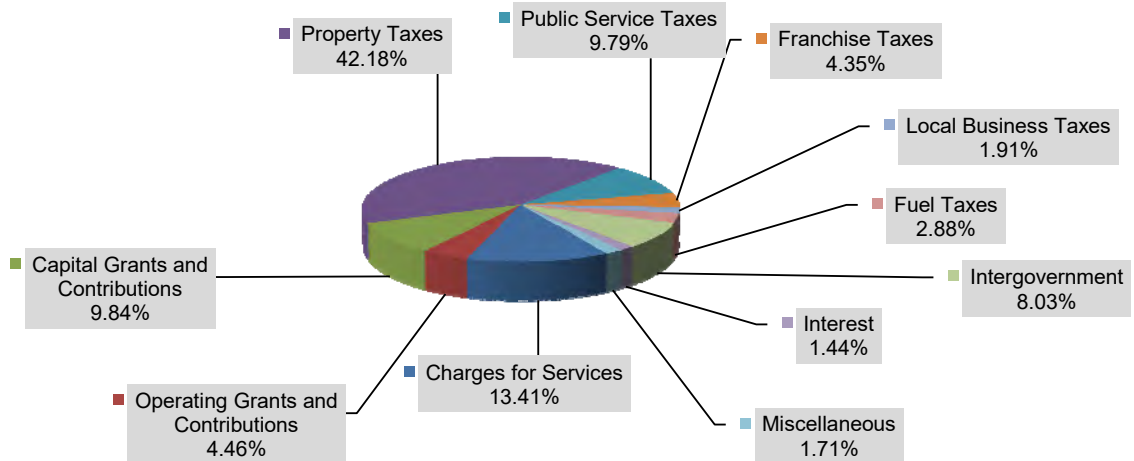
**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$14,976,064 from the prior fiscal year for an ending balance of \$35,209,964. An increase of 5.3% in ad valorem taxes revenue attributed to the overall growth, due to the upsurge in the City's taxable value driven by new construction and an average increase of 4.0% in existing properties. Operating grants and contributions decreased by 55.6% as FEMA processed significant reimbursements in the prior fiscal year for expenses incurred by Hurricane Irma. The increase in capital grants and contributions was due to the \$4.0 million contribution from Lee County to support the renovation of the downtown event center.

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

**Expenses and Program Revenues - Governmental Activities**



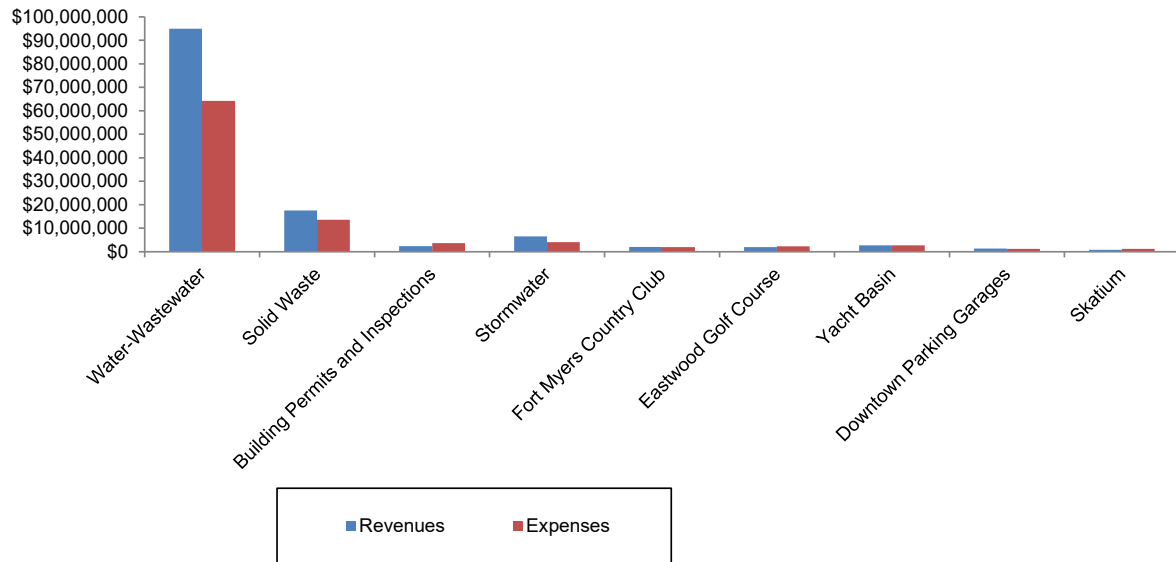
**Revenues by Source - Governmental Activities**



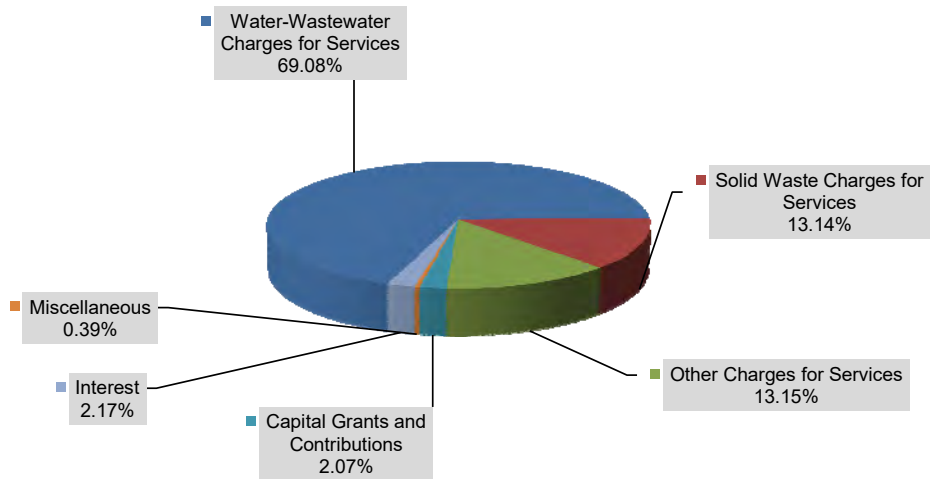
**Business-type Activities.** For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to an ending balance of \$281,942,000. The total increase in net position for business-type activities was \$27,879,033 or 11.0% from the prior fiscal year. Revenue collections were greater, in comparison to prior years, mainly due to growth in customers since there was no water or sewer rate increase in the current fiscal year. Miscellaneous revenue in the Water-Wastewater Fund increased \$6.5 million (89.1%) mostly due to the rise in impact fee collections.

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

**Expenses and Program Revenues - Business-Type Activities**



**Revenues by Source - Business-Type Activities**



**Financial Analysis of the City's Funds**

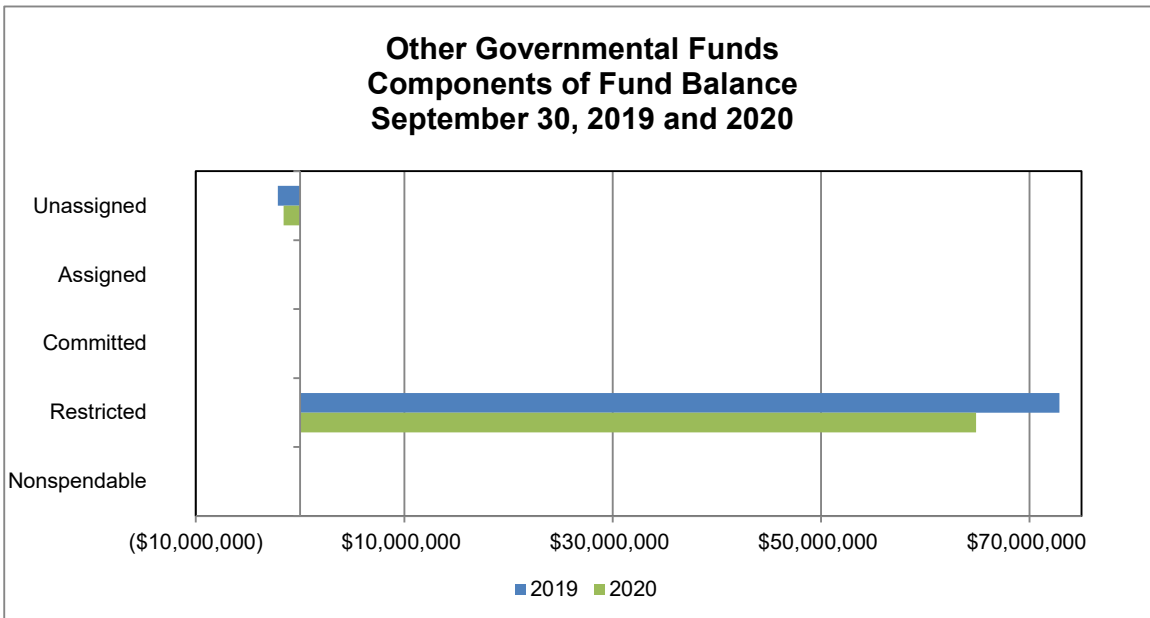
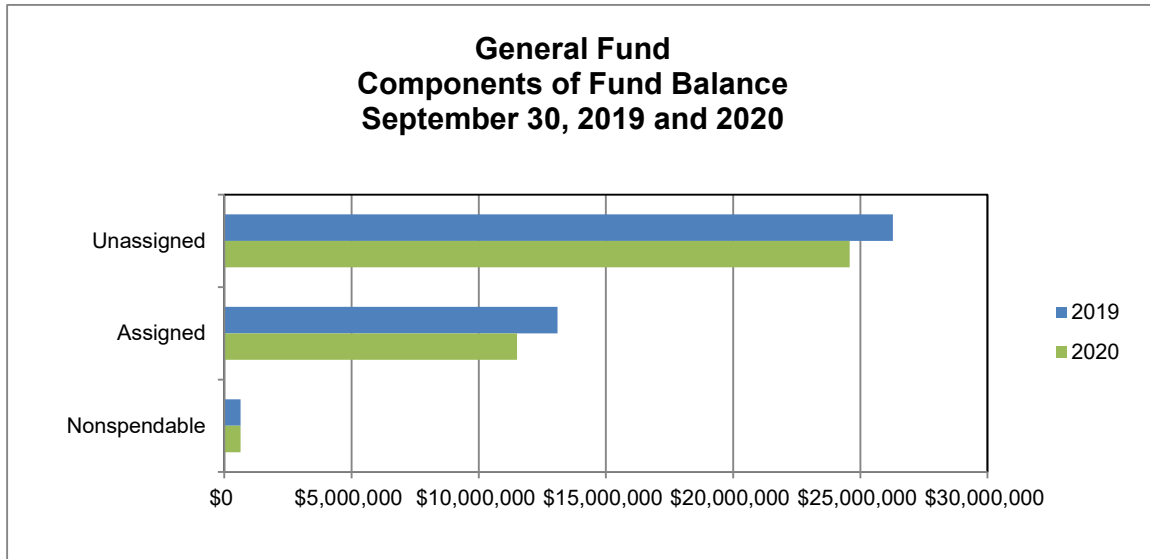
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** 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 financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

resources available for discretionary use as they represent the portion of fund balance that 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 particular purposes by City Council.

At September 30, 2020, the City's governmental funds reported combined fund balances of \$100,107,709, an decrease of \$(10,720,860) in comparison with the prior year. Approximately 23% of this amount, \$23,016,743, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form, (\$648,546), 2) legally required to maintain intact, (\$2,000), 3) restricted for particular purposes, (\$64,878,071), 4) committed for particular purposes, (\$51,307), or 5) assigned for particular purposes, (\$11,511,042).



The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,583,647 while total fund balance decreased to \$36,736,196. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.6% of total General Fund expenditures, while total fund balance represents 33.7% of that same amount. It should be noted that the budget for fiscal year 2020-2021 provides for using \$10,374,176 of the assigned fund balance to support General Fund expenditures in that fiscal year.

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

**Financial Analysis of the City's Funds (continued)**

The fund balance of the City's General Fund decreased \$3,277,287 during the current fiscal year. Increases in revenues mainly comprise an upsurge in ad valorem taxes, \$3,133,490, driven by new construction and an increase in taxable values of existing properties, along with an increase in administrative charges for services, \$540,051, due to higher demand on internal resources. Offsetting the increases was an escalation of \$6,231,465 in public safety expenditures, mainly due to personnel costs for the police and fire departments.

The Revenue Bonds and Notes Fund, a major fund, had a decrease in fund balance during the current year of \$82,940 to bring the year end fund balance to \$(91,394). Transfers from other funds supported the debt service obligations for the current fiscal year while fiscal charges from the fees related to the Capital Improvement Revenue Note, Series 2019A and the Taxable Capital Improvement Revenue Note, Series 2019B attributed to the slight fund deficit.

The Transportation Capital Projects Fund, a major fund, had a \$1,717,018 increase in fund balance during the current year, as transfers in from other funds contributed to the current year capital projects.

The General Capital Projects Fund, the remaining major governmental fund, had a \$12,905,356 decrease in fund balance during the current fiscal year. Transfers in from the Revenue Bonds and Notes Fund supported current year capital projects with the Capital Improvement Revenue Note, Series 2019A and the Taxable Capital Improvement Revenue Note, Series 2019B draws. Capital outlay for Police and Culture and Recreation mainly caused the deficiency of revenues over expenditures due to the purchase of land for the future Police Headquarters facility and the completion of the event center renovation, respectively.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water-Wastewater Fund at the end of the year amounted to \$51,024,858, and total growth in net position for the year was \$26,132,244. As discussed earlier in connection with business-type activities, the growth primarily results from revenue generated by charges for services along with a rise in collections in impact fees, supporting an increase of \$6,469,740 in miscellaneous revenues. Increases in expenses for materials and supplies, \$5,459,583, and repairs and maintenance, \$3,253,115, were due mainly to the traveling screen rehabilitation. A Florida Department of Environmental Protection grant supported improvements at the Reuse Facility, providing \$1,096,823 in grant revenue.

Unrestricted net position of the Solid Waste Fund at the end of the year amounted to \$5,549,544, and total change in net position for the year was \$1,498,485. The change includes slight growth in charges for services for residential pickups and commercial collections plus support from the sale of various capital equipment, such as a trash compactor, horticultural truck and side loader, for a total of \$468,350. Offsetting the growth in revenues was a 39.7% increase in general and administrative costs, a total change of \$216,556 from the prior fiscal year.

Unrestricted net position of the Other Enterprise Funds at the end of the year amounted to \$16,213,119 and total growth in net position for the year was \$248,304. Total operating revenues decreased 6.6% from the prior year by \$1,249,813, mainly due to a 50% reduction in building permit fees effective October 1, 2018. Total reduction of charges for services in the Building Permits and Inspection Fund was \$1,076,746 (31.1%) and the overall change in net position was a decrease of \$1,021,464. Total operating expenses for the Other Enterprise Funds decreased by 13.6% from the prior year, mostly in repairs and maintenance in the Stormwater Fund, \$1,672,573, due to the completion of the restoration of the seawalls and canal banks in the prior fiscal year. Funding from federal and state grants declined in the Stormwater Fund as the U.S. Department of Agriculture grant, \$1,234,316, supported the canal banks restoration in the prior fiscal year. The decrease in the Parking Fund transfers related to the one-time transfer of \$348,222 in the prior fiscal year to capital projects for the new revenue control equipment. Results for the other funds were in line with expectations for the current fiscal year.

**General Fund Budgetary Highlights**

**Original budget compared to final budget.** During the year, circumstances required some significant amendments to increase either the original estimated revenues or original budgeted appropriations, as follows:

- A net increase of \$1,758,090 in General Fund appropriations with funding coming from fund balance or reserves – Of this amount, \$493,720 was re-appropriated to complete capital improvement projects that were approved in prior fiscal years, as the fiscal year 2020 original budget included only new funding for projects. Other re-appropriated funds include \$1,326,926 for purchase order encumbrances and \$72,844 for

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

**General Fund Budgetary Highlights (continued)**

facilities special projects not completed in fiscal year 2019. Adjustments to final taxable values in the Tax Increment Fund areas reduced appropriations by \$93,650 and a change in funding source on a sidewalk capital project reduced appropriations by another \$41,750.

In accordance with Florida Statute 166.241(4), the City makes any necessary amendments to the current fiscal year budget up to sixty days after the completion of the fiscal year. Year end results generally indicate that some budget adjustments are necessary to be in compliance with the City's legal level of control, which is the department level within a fund for budget purposes. These adjustments may be administrative, where both revenues received and the related expenditures are recognized, or where some funds/departments experienced unexpected expenditures and/or revenue shortfalls that require either the appropriation of reserves or the transfer of funds within the fund.

The most significant budget adjustment in the fiscal year 2019-2020 after the completion of the fiscal year was an increase of \$1,729,356 in General Fund Revenues and Expenditures for the collection of insurance premium taxes. The City receives state contributions for the City's portion of the Fire and Police Insurance Premium Taxes, in the amounts of \$719,537 and \$1,009,819, respectively. The taxes are not budgeted because the amounts cannot be reasonably estimated.

**Final budget compared to actual results.** The following revenues and expenditures caused variances as a percentage of estimated amounts and actual results:

	<b>Budgeted Amounts</b>		<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Fines and forfeitures	439,900	439,900	630,755	190,855
<b>EXPENDITURES</b>				
Current:				
General Government:				
Council - Mayor Pro Tem	7,200	7,200	2,726	4,474
Council - Ward 2	90,900	90,900	82,439	8,461
Council - Ward 5	68,600	68,600	61,541	7,059
Council - Ward 6	75,600	75,600	67,250	8,350
Council - Mayor	131,400	131,400	104,077	27,323
City Manager	2,021,000	2,109,610	1,406,677	702,933
Legal	1,099,000	1,327,978	1,164,138	163,840
Administrative Attorney's Office	1,315,400	1,262,044	715,818	546,226
City Clerk	1,191,500	1,193,500	1,013,986	179,514
Facilities Management	2,778,200	2,854,706	2,464,725	389,981
Financial Services	4,143,200	3,673,594	3,381,616	291,978
Human Resources	1,341,800	1,334,650	1,190,196	144,454
Real Estate	437,900	437,300	407,913	29,387
Community Development	1,905,900	2,048,721	1,790,415	258,306
Contributions	942,500	1,018,765	870,417	148,348
General Contingencies	153,500	445,059	81,985	363,074
Public Safety:				
Fire	24,962,500	25,679,752	24,102,701	1,577,051
Protective Inspections	1,851,800	1,980,781	1,450,624	530,157
Transportation: Public Works Admin	542,600	546,802	504,164	42,638
Culture and Recreation	4,212,100	4,283,238	3,819,538	463,700

Revenue from Fines and forfeitures came in higher than the budget by \$190,855 due to higher collections from code enforcement liens.

Expenditure savings in General Government were derived mainly from vacant positions in the divisions of the City Manager, Administrative Attorney's Office, City Clerk, Facilities Management, Financial Services, Real Estate and Community Development, which totals \$1,285,469. There were also savings from spending less than the budget in Professional Services, total of \$1,011,085, in the divisions of the City Manager, Legal, Administrative Attorney's Office, Human Resources and Community Development, in which some of such services are included in General Contingencies for corridor studies. The remaining savings were experienced in Travel and Public Relations in the Council and Mayor's Office; contributions due to commitments for future housing projects not spent, election

# CITY OF FORT MYERS, FLORIDA

## Management's Discussion and Analysis

### General Fund Budgetary Highlights (continued)

expenditures and advertising in City Clerk's Office, Facilities Management Special Projects and training in the Human Resources division.

Savings in Public Safety – Fire was a result of lower retirement expenditures. In the area of Protective Inspections, savings were experienced from the Code Enforcement division where newly added positions were not filled right away, though budgeted for the full year, and contract Code Officer services were not spent.

Savings in Transportation – Public Works Admin were a result from unspent budgeted Professional Services.

Savings in Culture and Recreation were due to recreation facility closures, limited recreation programming and fewer special events because of the COVID-19 pandemic.

A review of actual expenditures compared to the appropriations in the final budget yields no significant variances. As discussed earlier, City divisions spent according to or less than their budgets.

### Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$605,646,779 (net of accumulated depreciation). This investment in capital assets includes land, antiques and exhibits, historical buildings, construction in progress, building improvements (including utility systems), intangible assets and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 5.9%, or \$33,682,676.

#### City of Fort Myers, Florida Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 27,073,506	\$ 27,183,399	\$ 2,712,736	\$ 2,712,736	\$ 29,786,242	\$ 29,896,135
Antiques and exhibits	251,871	251,871	-	-	251,871	251,871
Intangibles-easements	4,484,236	4,474,111	-	-	4,484,236	4,474,111
Buildings	48,689,809	19,008,821	57,596,442	21,348,616	106,286,251	40,357,437
Improvements and Infrastructure	91,208,880	74,851,752	21,953,271	23,481,253	113,162,151	98,333,005
Utility Systems	-	-	291,815,015	286,327,600	291,815,015	286,327,600
Equipment	11,141,146	11,122,565	9,341,266	9,198,519	20,482,412	20,321,084
Intangibles-software	-	-	310,496	302,045	310,496	302,045
Construction in progress	15,096,866	35,794,744	23,971,239	55,906,071	39,068,105	91,700,815
Total capital assets	<u>\$197,946,314</u>	<u>\$172,687,263</u>	<u>\$407,700,465</u>	<u>\$399,276,840</u>	<u>\$605,646,779</u>	<u>\$571,964,103</u>

Major capital asset activity during the current fiscal year included the following:

- Reductions to construction in progress in governmental activities comprise the completion of the renovation to the downtown event center, \$15,907,528, and the construction of the new downtown hotel parking garage, \$14,907,886. In business-type activities, significant reductions comprise completed projects, including current year costs, for the rehabilitation of the Power Distribution Systems at the Central and South Wastewater Treatment Plants for a combined total of \$38,492,605; \$6,035,568 for the Hanson Street Extension utilities project, and; \$7,260,244 for the Lift Station 10 and Force Main Replacement.
- Buildings in governmental activities increased in relation to the event center renovation and construction of the parking garage.
- Infrastructure in governmental activities increased due to the completion of the Hanson Street Extension for Cocos to Ortiz Avenue, \$24,697,748.
- Buildings in business-type activities increased in relation to the rehabilitation of the Power Distribution Systems for the two wastewater treatment plants.

Additional information on the City's capital assets can be found in Note 8 on pages 63 and 64 of this report.

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

**Capital Assets and Debt Administration (continued)**

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$333,770,000, of which \$216,310,000 relates to the Water-Wastewater System. The remaining bonded debt is backed by specified revenue sources. In addition, the City had \$55,697,527 of notes and loans outstanding. Of this amount, \$38,682,867 relates to the City's Water-Wastewater System. The remainder of the City's long-term obligations consists of capital leases.

City of Fort Myers, Florida  
Bonded Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$117,297,460	\$123,431,995	\$ 162,540	\$ 238,005	\$117,460,000	\$123,670,000
Utility Revenue Bond:	-	-	216,310,000	145,220,000	216,310,000	145,220,000
Capital Lease						
Obligations	4,839,158	5,300,821	13,677,301	14,226,307	18,516,459	19,527,128
Notes and Loans	17,014,660	1,488,462	38,682,867	134,001,840	55,697,527	135,490,302
Total long-term debt	<u>\$139,151,278</u>	<u>\$130,221,278</u>	<u>\$268,832,708</u>	<u>\$293,686,152</u>	<u>\$407,983,986</u>	<u>\$423,907,430</u>

The City's total debt decreased \$15,923,444 or 3.8%. The key factors in this decrease were:

- The governmental activities revenue bonds decreased \$6,134,535 (5.0%) due to the normal amortization of debt service.
- Notes and loans in governmental activities increased due to the closing on a revolving credit agreement for the Capital Improvement Revenue Note, Series 2019A, and the Taxable Capital Improvement Revenue Note, Series 2019B, for a total of \$50,000,000. Draws from the credit agreement totaled \$16,022,352.
- Business-type revenue bonds increased \$71,090,000 (49.0%) due to the issuance of the Utility System Refunding Revenue Bonds, Series 2020A, which refunded the outstanding Utility System Revenue Note, Series 2008A, and to the issuance of the Subordinate Utility System Refunding Revenue Bonds, Series 2020B, which refunded the eight outstanding State Revolving Loans.
- Notes and Loans for business-type activities decreased \$95,318,973, mainly due to the current refunding of \$44,895,372 of the Utility System Revenue Note, Series 2008A and the current refunding of the eight outstanding State Revolving Fund loans for a combined total of \$44,783,033.

Additional information on the City's long-term debt can be found in Note 15 on pages 87 – 93 of this report and in the City's Continuing Disclosure Report, published separately.

**Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the City and were considered in developing the 2020-2021 fiscal year budget.

- The City's unemployment rate for September 30, 2020 is 8.3%, which is a significant increase from a rate of 3.4% a year ago and an indicator of the volatility of the economy due to the Coronavirus disease.
- The increase of \$687.1million, or 9.67% in the City's certified taxable property values, with \$346.6 million in new construction and average increases of 4.79% in existing properties, will provide \$3.6 million in additional Ad Valorem revenue.
- A reduction in the millage rate from 8.2500 to 7.9643, which is also the rolled-back rate, supports an Ad Valorem revenue budget of \$59.6 million.
- Water and sewer rates remain unchanged from prior fiscal year, with revenues planned to fund \$16.8 million in utility capital improvements. The trend of growth in customers supports the lack of rate increase.
- Stormwater assessment fees remain unchanged from the prior fiscal year and generates revenue that supports \$3.0 million in stormwater capital improvement projects.
- The residential annual assessment remains unchanged from prior fiscal year in the Solid Waste Fund, with revenues planned to fund \$1.5 million in capital projects.
- The reduction of 75% in building, permitting and plan review fees for the period of one year to promote economic development and job creation.

**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

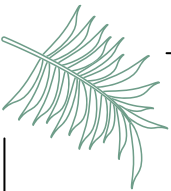
**Economic Factors and Next Year's Budgets and Rates (continued)**

- On the expenditure side, the budget includes employee salary adjustments in accordance with union contracts, which include market adjustments to strengthen the City's ability to attract and retain resources.
- Pension costs for all three pension plans are reduced for a total savings to the General Fund of \$1.7 million.
- Despite the volatile health environment, health insurance costs and benefits remain the same as the prior fiscal year.
- Adds ten Police Officers funded partially through a 2020 COPS grant for a Community Policing Initiative. The City will fund 60% of salaries and operating supplies.
- Includes a one-time \$1.5 million contribution towards a trust fund to address the community need for workforce housing in the City. The City will partner with the Southwest Florida Community Foundation to administer a program that will encourage private investment towards this fund.
- The City continues to purchase property and casualty insurance to ensure adequate coverage in the event of a natural peril or unforeseen accident claim.
- An increase of 5.4% in the City's population from 87,871 in fiscal year 2019 to 92,599 in the current fiscal year requires the maintenance of service delivery to the citizens of Fort Myers, but also drives increases in several revenue streams including sales tax, fuel taxes etc.

During the current fiscal year, the unassigned fund balance in the General Fund is \$24,583,647. The City appropriated \$10,374,176 of this amount for spending in the 2020-2021 fiscal year budget. This action is necessary to complete certain capital projects and provide services that were unable to be completed by the end of fiscal year 2020 as well as to fulfill City Council's commitment to maintain services and to make public safety a high priority through the addition of resources. Despite the amount of appropriation, the City's reserve levels are slightly above the target range of 10%-17% per fund balance policy, achieved by revenues exceeding budget projections and spending coming in less than the budget, demonstrating adherence with City Council's goals and policies and meets the expectations of municipal credit rating agencies.

**Requests for information**

The financial report is designed to provide users with a general overview of the City of Fort Myers' finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Deputy Director of Finance, PO Box 2217, Fort Myers, Florida 33902-2217 or telephone 239.321.7147. You can also access our website at [www.cityftmyers.com](http://www.cityftmyers.com).



# **BASIC FINANCIAL STATEMENTS**





**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**September 30, 2020**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 56,891,584	\$ 64,723,262	\$ 121,614,846
Investments	15,500,808	16,091,808	31,592,616
Accounts receivable, net	3,525,207	7,579,870	11,105,077
Special assessments receivable	43,322	-	43,322
Interest receivable	235,955	71,518	307,473
Due from other governments	11,975,722	11,010,530	22,986,252
Inventories	664,945	648,427	1,313,372
Prepaid items	1,076,618	15,550,696	16,627,314
Notes receivable	7,101,446	-	7,101,446
Allowance for notes receivable	(7,101,446)	-	(7,101,446)
Assets held for resale	388,518	-	388,518
Restricted assets:			
Cash and cash equivalents	41,934,093	45,396,656	87,330,749
Investments	27,313,966	50,930,007	78,243,973
Interest receivable	3,625	1,014,049	1,017,674
Unamortized bond insurance costs	142,382	165,925	308,307
Capital assets:			
Land and non-depreciable capital assets	46,906,479	26,994,471	73,900,950
Depreciable capital assets, net	151,039,835	380,705,994	531,745,829
Total Assets	<u>357,643,059</u>	<u>620,883,213</u>	<u>978,526,272</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,996,157	8,762,435	10,758,592
Deferred outflows related to other postemployment benefits	441,483	137,881	579,364
Deferred outflows related to pensions	16,622,692	969,572	17,592,264
Total Deferred Outflows of Resources	<u>19,060,332</u>	<u>9,869,888</u>	<u>28,930,220</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	11,457,505	8,977,003	20,434,508
Accrued and other liabilities	6,383,848	133,495	6,517,343
Accrued interest payable	1,090,326	4,873,821	5,964,147
Accrued retirement payable	15,799,858	-	15,799,858
Due to other governments	7,641	242,584	250,225
Unearned revenues	3,128,237	-	3,128,237
Customer deposits	1,957,556	9,504,663	11,462,219
Noncurrent liabilities:			
Due within one year	14,380,233	9,902,673	24,282,906
Due in more than one year	148,383,473	290,690,137	439,073,610
Total other postemployment benefits liability	11,483,624	3,586,459	15,070,083
Net pension liability	118,299,155	17,187,565	135,486,720
Total Liabilities	<u>332,371,456</u>	<u>345,098,400</u>	<u>677,469,856</u>

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position (continued)**  
**September 30, 2020**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	13,613	789,135	802,748
Deferred inflows related to other postemployment benefits	2,606,804	814,132	3,420,936
Deferred inflows related to pensions	6,501,554	2,109,434	8,610,988
Total Deferred Inflows of Resources	9,121,971	3,712,701	12,834,672
<b>NET POSITION</b>			
Net investment in capital assets	67,028,162	144,891,763	211,919,925
Restricted for:			
Capital projects	12,862,490	17,502,622	30,365,112
Culture and recreation	132,876	-	132,876
Debt service	-	10,599,080	10,599,080
Economic environment	8,013,015	-	8,013,015
Impact fee projects	30,230,013	27,965,958	58,195,971
Public safety:			
Nonexpendable	2,000	-	2,000
Expendable	5,924,719	-	5,924,719
Renewal and replacement	-	8,195,056	8,195,056
Transportation	1,801,736	-	1,801,736
Unrestricted	(90,785,047)	72,787,521	(17,997,526)
Total Net Position	<u>\$ 35,209,964</u>	<u>\$ 281,942,000</u>	<u>\$ 317,151,964</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Activities**  
For the Year Ended September 30, 2020

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 16,796,501	\$ 1,793,015	\$ 1,239,747	\$ -	\$ (13,763,739)	\$ -	\$ (13,763,739)
Police	53,692,418	726,004	1,716,140	-	(51,250,274)	-	(51,250,274)
Fire	24,908,318	6,092,860	137,598	824,614	(17,853,246)	-	(17,853,246)
Protective inspections	1,269,101	2,023,347	-	-	754,246	-	754,246
Physical environment	7,415,015	6,301,979	699,708	-	(413,328)	-	(413,328)
Transportation	12,515,560	97,500	718,462	7,118,452	(4,581,146)	-	(4,581,146)
Economic environment	7,226,197	678,043	1,554,839	-	(4,993,315)	-	(4,993,315)
Culture and recreation	5,012,211	841,214	101,029	5,664,940	1,594,972	-	1,594,972
Interest on long-term debt	5,429,286	-	-	-	(5,429,286)	-	(5,429,286)
Total governmental activities	134,264,607	18,553,962	6,167,523	13,608,006	(95,935,116)	-	(95,935,116)
Business-type Activities:							
Water-Wastewater	64,156,608	92,276,156	-	2,645,020	-	30,764,568	30,764,568
Solid Waste	13,599,332	17,546,378	-	-	-	3,947,046	3,947,046
Building Permits and Inspections	3,572,440	2,385,000	-	-	-	(1,187,440)	(1,187,440)
Stormwater	4,082,427	6,324,708	-	113,446	-	2,355,727	2,355,727
Fort Myers Country Club	1,903,303	2,080,728	-	-	-	177,425	177,425
Eastwood Golf Course	2,224,162	1,949,070	-	-	-	(275,092)	(275,092)
Yacht Basin	2,714,546	2,703,654	-	-	-	(10,892)	(10,892)
Downtown Parking Garages	1,276,021	1,390,000	-	-	-	113,979	113,979
Skatium	1,277,518	731,279	-	-	-	(546,239)	(546,239)
Total business-type activities	94,806,357	127,386,973	-	2,758,466	-	35,339,082	35,339,082
Total primary government	\$ 229,070,964	\$ 145,940,935	\$ 6,167,523	\$ 16,366,472	(95,935,116)	35,339,082	(60,596,034)
General revenues:							
Taxes:							
Property taxes					58,361,391	-	58,361,391
Public service taxes					13,549,249	-	13,549,249
Fuel taxes					3,989,619	-	3,989,619
Local business tax					2,643,692	-	2,643,692
Franchise taxes					6,012,222	-	6,012,222
Intergovernmental, unrestricted					11,111,912	-	11,111,912
Interest and investment income					1,992,436	2,897,664	4,890,100
Miscellaneous					2,362,829	530,117	2,892,946
Net transfers					10,887,830	(10,887,830)	-
Total general revenues, special items and transfers					110,911,180	(7,460,049)	103,451,131
Change in net position					14,976,064	27,879,033	42,855,097
Net position - beginning					20,233,900	254,062,967	274,296,867
Net position - ending					\$ 35,209,964	\$ 281,942,000	\$ 317,151,964

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

**CITY OF FORT MYERS, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2020**

	General Fund	Revenue Bonds and Notes	Transportation Capital Projects	General Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 33,981,617	\$ -	\$ 28,977,762	\$ 3,380,114	\$ 10,065,975	\$ 76,405,468
Investments	8,850,077	-	7,235,205	19,532,366	2,298,774	37,916,422
Accounts receivable, net	3,369,806	-	-	153,225	-	3,523,031
Special assessments receivable	43,322	-	-	-	-	43,322
Interest receivable	19,613	2,755	136,827	34,360	18,654	212,209
Due from other funds	1,177,745	-	-	-	-	1,177,745
Due from other governmental agencies	2,022,879	-	1,172,763	4,031,809	4,748,089	11,975,540
Prepaid items	26,993	-	-	-	4,553	31,546
Notes receivable	-	-	-	-	7,101,446	7,101,446
Allowance for notes receivable	-	-	-	-	(7,101,446)	(7,101,446)
Advances to other funds	617,000	-	-	-	-	617,000
Assets held for resale	-	-	-	-	388,518	388,518
Total assets	<u>\$ 50,109,052</u>	<u>\$ 2,755</u>	<u>\$ 37,522,557</u>	<u>\$ 27,131,874</u>	<u>\$ 17,524,563</u>	<u>\$ 132,290,801</u>
<b>LIABILITIES</b>						
Accounts and contracts payable	\$ 2,854,694	\$ 9,217	\$ 2,490,974	\$ 3,994,650	\$ 838,734	\$ 10,188,269
Accrued and other liabilities	5,372,390	11,500	100	946	25,402	5,410,338
Due to other funds	-	73,432	-	-	1,104,313	1,177,745
Due to other governmental agencies	7,641	-	-	-	-	7,641
Funds held in escrow	836,723	-	-	-	520	837,243
Customer deposits	1,957,556	-	-	-	-	1,957,556
Unearned revenue - other	1,469,066	-	1,400,360	-	258,811	3,128,237
Advances from other funds	-	-	-	-	617,000	617,000
Total liabilities	<u>12,498,070</u>	<u>94,149</u>	<u>3,891,434</u>	<u>3,995,596</u>	<u>2,844,780</u>	<u>23,324,029</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - code enforcement fees	787,511	-	-	-	-	787,511
Unavailable revenue - rental income	87,275	-	-	-	-	87,275
Unavailable revenue - grants, contributions	-	-	668,350	4,185,034	3,130,893	7,984,277
Total deferred inflows of resources	<u>874,786</u>	<u>-</u>	<u>668,350</u>	<u>4,185,034</u>	<u>3,130,893</u>	<u>8,859,063</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Advances to other funds	617,000	-	-	-	-	617,000
Prepaid items	26,993	-	-	-	4,553	31,546
Public safety principal, nonexpendable	-	-	-	-	2,000	2,000
Restricted for:						
Donations received	-	-	-	-	2,576,856	2,576,856
Community redevelopment agency	-	-	-	-	5,681,247	5,681,247
Capital projects	-	-	-	18,948,758	-	18,948,758
Economic environment	-	-	-	-	655,926	655,926
Law enforcement programs	-	-	-	-	1,308,196	1,308,196
Physical environment	-	-	-	-	1,542,943	1,542,943
Transportation	-	-	32,962,773	-	1,201,372	34,164,145
Committed to:						
Law enforcement programs	-	-	-	-	51,307	51,307
Assigned to:						
Subsequent year's expenditures	10,374,176	-	-	-	-	10,374,176
Capital projects	493,525	-	-	2,486	-	496,011
Cemetery maintenance	158,082	-	-	-	-	158,082
Culture and recreation	84,948	-	-	-	-	84,948
Economic environment	37,169	-	-	-	-	37,169
Land acquisition	153,403	-	-	-	-	153,403
Law enforcement programs	100,554	-	-	-	-	100,554
Submerged land lease	106,699	-	-	-	-	106,699
Unassigned	24,583,647	(91,394)	-	-	(1,475,510)	23,016,743
Total fund balances (deficits)	<u>36,736,196</u>	<u>(91,394)</u>	<u>32,962,773</u>	<u>18,951,244</u>	<u>11,548,890</u>	<u>100,107,709</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 50,109,052</u>	<u>\$ 2,755</u>	<u>\$ 37,522,557</u>	<u>\$ 27,131,874</u>	<u>\$ 17,524,563</u>	<u>\$ 132,290,801</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2020**

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

Total fund balances - governmental funds	\$ 100,107,709
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	192,958,044
Some revenues have been unearned on the balance sheet because they were not measurable and available at year end.	8,859,063
Long-term liabilities, including revenue bonds payable, are not due and payable in the current period, and, therefore, are not reported in the funds.	(291,549,403)
Deferred outflows related to deferred charge on refunding	1,996,157
Deferred inflows related to deferred charge on refunding	(13,613)
Deferred outflows related to other postemployment benefits	412,686
Deferred outflows related to pensions	16,400,473
Deferred inflows related to other postemployment benefits	(2,436,771)
Deferred inflows related to pensions	(6,018,087)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	14,493,706
Net position of governmental activities	<u><u>\$ 35,209,964</u></u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2020**

	General Fund	Revenue Bonds and Notes	Transportation Capital Projects	General Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 80,470,563	\$ -	\$ 1,659,784	\$ -	\$ 4,085,318	\$ 86,215,665
Permits and fees	8,400,007	-	6,656,910	2,309,107	-	17,366,024
Intergovernmental revenue	9,535,497	-	858,048	-	6,857,013	17,250,558
Charges for services	8,904,705	-	-	-	-	8,904,705
Fines and forfeitures	630,755	-	-	-	41,716	672,471
Miscellaneous	2,933,310	2,411	455,961	625,257	1,859,479	5,876,418
Contributions - private source	108,909	-	43,001	-	65,994	217,904
Total revenues	<u>110,983,746</u>	<u>2,411</u>	<u>9,673,704</u>	<u>2,934,364</u>	<u>12,909,520</u>	<u>136,503,745</u>
<b>EXPENDITURES</b>						
Current:						
General government	15,912,973	-	809	40	479,593	16,393,415
Police	55,092,657	-	-	-	1,725,152	56,817,809
Fire	24,102,701	-	-	999	421,139	24,524,839
Protective inspections	1,450,624	-	-	-	28,662	1,479,286
Physical environment	7,498,649	-	-	-	173,276	7,671,925
Transportation	504,164	-	25,057	-	4,121,156	4,650,377
Economic environment	430,091	-	-	223	5,265,547	5,695,861
Culture and recreation	3,819,538	-	-	2,563	97,235	3,919,336
Debt service:						
Principal	60,314	6,134,535	-	397,484	496,154	7,088,487
Interest	2,265	5,083,242	-	36,814	60,516	5,182,837
Fiscal charges	-	88,922	-	-	-	88,922
Capital outlay:						
General government	-	-	-	818,849	-	818,849
Police	-	-	-	10,102,447	-	10,102,447
Fire	-	-	-	700,939	-	700,939
Physical environment	-	-	-	557,508	-	557,508
Transportation	-	-	9,356,895	4,013,976	-	13,370,871
Economic environment	-	-	-	1,634,299	-	1,634,299
Culture and recreation	-	-	-	13,827,368	-	13,827,368
Total expenditures	<u>108,873,976</u>	<u>11,306,699</u>	<u>9,382,761</u>	<u>32,093,509</u>	<u>12,868,430</u>	<u>174,525,375</u>
Excess (deficiency) of revenues over expenditures	<u>2,109,770</u>	<u>(11,304,288)</u>	<u>290,943</u>	<u>(29,159,145)</u>	<u>41,090</u>	<u>(38,021,630)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	12,048,500	11,221,348	1,426,075	17,562,857	4,737,699	46,996,479
Transfers out	(17,435,557)	(16,022,352)	-	(1,309,068)	(951,084)	(35,718,061)
Issuance of Revenue Note	-	16,022,352	-	-	-	16,022,352
Total other financing source (uses)	<u>(5,387,057)</u>	<u>11,221,348</u>	<u>1,426,075</u>	<u>16,253,789</u>	<u>3,786,615</u>	<u>27,300,770</u>
Net change in fund balances	(3,277,287)	(82,940)	1,717,018	(12,905,356)	3,827,705	(10,720,860)
Fund balances - beginning	40,013,483	(8,454)	31,245,755	31,856,600	7,721,185	110,828,569
Fund balances - ending	<u>\$ 36,736,196</u>	<u>\$ (91,394)</u>	<u>\$ 32,962,773</u>	<u>\$ 18,951,244</u>	<u>\$ 11,548,890</u>	<u>\$ 100,107,709</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2020**

Net change in fund balances - total governmental funds \$ (10,720,860)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. 24,631,798

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 10,120

Certain revenues collected after year end, but not available for the current period's expenditures, are reported as deferred inflows in the funds. 1,631,041

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (8,721,300)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 4,324,270

Internal service funds are used by management to charge the costs of information technology, fleet management, risk management, and warehousing to individual funds and customers. Losses arising from the internal customers are added as expenses on the statement of activities as chargebacks. Revenues and expenses with outside customers are included also, as are nonoperating revenues and expenses. This amount is the effect of reporting internal service funds with governmental activities. 3,820,995

Change in net position of governmental activities \$ 14,976,064

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2020**

	<b>Business-type Activities</b>				<b>Governmental Activities</b>
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Total Nonmajor Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 38,596,650	\$ 7,857,748	\$ 18,268,864	\$ 64,723,262	\$ 18,413,795
Investments	9,637,643	1,958,240	4,495,925	16,091,808	4,898,352
Restricted cash and cash equivalents	-	-	324,116	324,116	4,006,414
Restricted investments	-	-	81,455	81,455	-
Accounts receivable, net	6,316,784	1,240,221	22,865	7,579,870	2,176
Interest receivable	40,797	12,960	17,761	71,518	27,371
Restricted interest receivable	-	-	1,103	1,103	-
Due from other governmental agencies	10,888,407	13,858	108,265	11,010,530	182
Inventories	556,486	-	91,941	648,427	664,945
Prepaid items	15,454,542	-	96,154	15,550,696	1,045,072
Total current assets	81,491,309	11,083,027	23,508,449	116,082,785	29,058,307
Noncurrent assets:					
Restricted cash and cash equivalents	43,849,760	1,222,780	-	45,072,540	-
Restricted investments	50,545,125	303,427	-	50,848,552	-
Restricted interest receivable	1,012,249	697	-	1,012,946	-
Unamortized bond insurance costs	165,925	-	-	165,925	-
Intangible assets, net	231,945	-	78,551	310,496	-
Land and improvements	963,763	-	1,748,973	2,712,736	-
Construction in progress	23,893,669	6,975	70,595	23,971,239	-
Buildings, net	53,330,818	1,605,553	2,660,071	57,596,442	2,021
Improvements other than buildings, net	-	-	21,953,271	21,953,271	-
Equipment, net	2,873,890	3,811,463	2,655,913	9,341,266	4,986,249
Utility Systems	291,815,015	-	-	291,815,015	-
Total noncurrent assets	468,682,159	6,950,895	29,167,374	504,800,428	4,988,270
Total assets	550,173,468	18,033,922	52,675,823	620,883,213	34,046,577
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	8,762,435	-	-	8,762,435	-
Deferred outflows related to postemployment benefits	67,692	30,762	39,427	137,881	28,797
Deferred outflows related to pensions	514,778	192,438	262,356	969,572	222,219
Total deferred outflows of resources	9,344,905	223,200	301,783	9,869,888	251,016
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	7,819,329	718,357	439,317	8,977,003	1,269,236
Accrued and other liabilities	85,861	6,792	40,842	133,495	136,267
Due to other governmental agencies	207,221	-	35,363	242,584	-
Customer deposits	9,381,741	-	122,922	9,504,663	-
Compensated absences	190,585	129,167	120,863	440,615	66,316
Claims and judgments	-	-	-	-	4,515,000
Accrued interest payable	4,858,283	1,766	13,772	4,873,821	74,810
Capital lease payable	887,237	-	114,486	1,001,723	1,378,207
Loans and notes payable	660,000	-	271,090	931,090	-
Revenue bonds payable	7,450,000	40,503	38,742	7,529,245	-
Total current liabilities	31,540,257	896,585	1,197,397	33,634,239	7,439,836
Noncurrent liabilities:					
Net pension liability	9,125,447	3,411,337	4,650,781	17,187,565	3,939,261
Compensated absences	379,270	98,962	170,504	648,736	180,764
Total other postemployment benefits liability	1,760,767	800,156	1,025,536	3,586,459	749,037
Claims and judgments	-	-	-	-	5,217,248
Capital lease payable	12,433,148	-	242,430	12,675,578	1,624,241
Loans and notes payable	35,378,713	-	2,296,777	37,675,490	-
Revenue bonds payable	239,545,077	74,242	71,014	239,690,333	-
Total noncurrent liabilities	298,622,422	4,384,697	8,457,042	311,464,161	11,710,551
Total liabilities	330,162,679	5,281,282	9,654,439	345,098,400	19,150,387
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred charge on refunding	787,219	1,043	873	789,135	-
Deferred inflows related to postemployment benefits	399,697	181,637	232,798	814,132	170,033
Deferred inflows related to pensions	1,119,968	418,674	570,792	2,109,434	483,467
Total deferred inflows of resources	2,306,884	601,354	804,463	3,712,701	653,500
<b>NET POSITION</b>					
Net investment in capital assets	113,531,097	5,298,038	26,062,628	144,891,763	1,985,822
Restricted for:					
Capital projects	17,367,956	19,605	115,061	17,502,622	-
Debt service	10,599,080	-	-	10,599,080	-
Impact fee projects	27,965,958	-	-	27,965,958	-
Renewal and replacement	6,559,861	1,507,299	127,896	8,195,056	-
Unrestricted	51,024,858	5,549,544	16,213,119	72,787,521	12,507,884
Total net position	\$ 227,048,810	\$ 12,374,486	\$ 42,518,704	\$ 281,942,000	\$ 14,493,706

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2020**

	<b>Business-type Activities</b>				<b>Governmental Activities</b>
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Total Nonmajor Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 78,544,953	\$ 17,452,686	\$ 17,230,369	\$ 113,228,008	\$ 23,595,725
Rent	-	-	124,067	124,067	-
Miscellaneous	13,731,203	93,692	210,702	14,035,597	688,326
Total operating revenues	<u>92,276,156</u>	<u>17,546,378</u>	<u>17,565,138</u>	<u>127,387,672</u>	<u>24,284,051</u>
<b>OPERATING EXPENSES</b>					
Personnel services	8,655,909	4,001,421	4,415,715	17,073,045	4,042,233
Materials and supplies	10,534,365	695,648	1,943,387	13,173,400	3,492,688
Contractual services	3,798,519	4,131,040	3,497,681	11,427,240	836,677
General and administrative	3,970,773	761,902	1,541,547	6,274,222	1,109,815
Utilities	2,642,705	35,477	676,808	3,354,990	806,482
Repairs and maintenance	5,553,974	142,374	598,575	6,294,923	3,274,588
Rentals	1,700,746	1,873,575	1,394,776	4,969,097	413,756
Travel	7,859	1,513	2,278	11,650	5,905
Insurance	843,200	537,900	443,100	1,824,200	1,637,906
Self insurance claims	-	-	-	-	2,721,954
Depreciation	16,098,770	1,415,108	2,389,603	19,903,481	1,886,221
Total operating expenses	<u>53,806,820</u>	<u>13,595,958</u>	<u>16,903,470</u>	<u>84,306,248</u>	<u>20,228,225</u>
Operating income	<u>38,469,336</u>	<u>3,950,420</u>	<u>661,668</u>	<u>43,081,424</u>	<u>4,055,826</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	2,464,689	137,564	295,411	2,897,664	231,710
Gain on disposal of capital assets	47,600	468,350	13,460	529,410	93,859
Interest expense and bond insurance costs	(10,349,786)	(3,371)	(146,944)	(10,500,101)	(169,812)
Total nonoperating revenues (expenses)	<u>(7,837,497)</u>	<u>602,543</u>	<u>161,927</u>	<u>(7,073,027)</u>	<u>155,757</u>
Income before contributions and transfers	30,631,839	4,552,963	823,595	36,008,397	4,211,583
Capital grants and contributions	2,645,020	-	113,446	2,758,466	-
Transfers in	-	-	1,277,747	1,277,747	1,000,000
Transfers out	<u>(7,144,615)</u>	<u>(3,054,478)</u>	<u>(1,966,484)</u>	<u>(12,165,577)</u>	<u>(1,390,588)</u>
Change in net position	26,132,244	1,498,485	248,304	27,879,033	3,820,995
Net position - beginning	200,916,566	10,876,001	42,270,400	254,062,967	10,672,711
Net position - ending	<u>\$ 227,048,810</u>	<u>\$ 12,374,486</u>	<u>\$ 42,518,704</u>	<u>\$ 281,942,000</u>	<u>\$ 14,493,706</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2020**

	<b>Business-type Activities</b>				<b>Governmental Activities</b>
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Total Nonmajor Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 82,357,665	\$ 17,496,186	\$ 17,545,600	\$ 117,399,451	\$ 23,603,493
Other operating receipts	13,731,203	93,692	210,702	14,035,597	688,326
Payments to suppliers and service providers	(32,235,702)	(7,846,065)	(9,853,813)	(49,935,580)	(12,235,368)
Payments to employees for services	(9,963,148)	(4,207,269)	(5,384,809)	(19,555,226)	(5,575,485)
Other operating payments	(130,587)	(43,221)	(323,628)	(497,436)	-
Net cash provided by operating activities	53,759,431	5,493,323	2,194,052	61,446,806	6,480,966
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	1,277,747	1,277,747	1,000,000
Transfers out	(7,144,615)	(3,054,478)	(1,966,484)	(12,165,577)	(1,390,588)
Net cash used for noncapital financing activities	(7,144,615)	(3,054,478)	(688,737)	(10,887,830)	(390,588)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital grants and contributions	1,096,823	-	113,446	1,210,269	-
Proceeds from bond issuance	91,771,761	-	-	91,771,761	-
Proceeds from capital lease	-	-	-	-	1,541,237
Acquisition and construction of capital assets	(25,551,420)	(541,722)	(724,356)	(26,817,498)	(2,503,352)
Principal paid on notes and bonds	(100,675,591)	(40,238)	(296,870)	(101,012,699)	-
Interest paid on notes and bonds	(17,120,518)	(3,895)	(132,220)	(17,256,633)	-
Principal paid on capital lease	(403,667)	-	(145,339)	(549,006)	(1,547,633)
Interest paid on capital lease	-	-	(16,912)	(16,912)	(174,145)
Proceeds from sale of capital assets	47,600	506,939	13,460	567,999	93,859
Net cash used for capital and related financing activities	(50,835,012)	(78,916)	(1,188,791)	(52,102,719)	(2,590,034)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	-	-	(9,332)	(9,332)	-
Proceeds from sale of investments	56,971,660	847,620	3,492,704	61,311,984	2,362,101
Interest on investments	1,797,543	118,076	261,686	2,177,305	191,168
Net cash provided by investing activities	58,769,203	965,696	3,745,058	63,479,957	2,553,269
Net increase in cash and cash equivalents	54,549,007	3,325,625	4,061,582	61,936,214	6,053,613
Balances - beginning of year	27,897,403	5,754,903	14,531,398	48,183,704	16,366,596
Balances - end of year	<u>\$ 82,446,410</u>	<u>\$ 9,080,528</u>	<u>\$ 18,592,980</u>	<u>\$ 110,119,918</u>	<u>\$ 22,420,209</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income	\$ 38,469,336	\$ 3,950,420	\$ 661,668	\$ 43,081,424	\$ 4,055,826
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	16,098,770	1,415,108	2,389,603	19,903,481	1,886,221
Changes in assets and liabilities:					
Decrease in accounts receivable	3,429,171	10,430	180,545	3,620,146	7,768
(Increase) decrease in bad debt	419,296	33,070	(10,704)	441,662	-
(Increase) decrease in inventories	(125,875)	-	77,186	(48,689)	(132,736)
(Increase) decrease in prepaid items	(3,268,640)	710	356	(3,267,574)	185,117
Increase in customer deposits payable	415,627	-	8,964	424,591	-
(Decrease) increase in accounts payable - supplier	(393,689)	289,435	(147,923)	(252,177)	642,181
Increase in accounts payable - other	22,674	-	3,450	26,124	-
(Decrease) increase in compensated absences	44,542	64,667	(10,939)	98,270	66,914
(Decrease) in total other postemployment benefits liability	(316,102)	(118,357)	(203,413)	(637,872)	(44,191)
(Increase) decrease in other postemployment benefits deferred outflows of resources	5,786	1,734	4,052	11,572	(733)
Increase in other postemployment benefits deferred inflows of resources	285,163	130,983	156,452	572,598	126,288
(Decrease) in net pension liability	(1,851,136)	(482,492)	(1,189,328)	(3,522,956)	(540,011)
(Increase) in net pension liability deferred outflows of resources	(374,825)	(142,791)	(187,893)	(705,509)	(165,108)
Increase in net pension liability deferred inflows of resources	899,333	340,406	461,976	1,701,715	393,430
Net cash provided by operating activities	<u>\$ 53,759,431</u>	<u>\$ 5,493,323</u>	<u>\$ 2,194,052</u>	<u>\$ 61,446,806</u>	<u>\$ 6,480,966</u>
<b>Schedule of non-cash investing, capital, and financing activities:</b>					
Interest receivable / unrealized gain	\$ 667,146	\$ 19,488	\$ 33,725	\$ 720,359	\$ 40,542
Capital related accounts payable	(340,855)	-	-	(340,855)	-
Donation of utility improvements	1,548,197	-	-	1,548,197	-

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**Fiduciary Funds**  
**September 30, 2020**

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 9,481,133	\$ 410,382
Investments, at fair value		
U.S. government and agency securities	25,579,175	-
Municipal bonds	3,324,718	-
Corporate stock	125,594,787	-
Corporate bonds	31,441,767	-
Convertible bonds	13,640,883	-
Convertible preferred	3,729,955	-
Mortgage backed securities	14,026,779	-
Mutual funds:		
Fixed income	11,640,739	-
Equity	67,105,824	-
International equity	21,277,485	-
Commingled funds - Real estate	16,680,259	-
Limited partnerships:		
Real estate	8,451,768	-
International equity	13,256,375	-
Real estate investment trusts	14,371,059	-
International securities:		
Bonds and notes	1,867,726	-
Stocks	16,956,575	-
Total investments	388,945,874	-
Receivables		
Employer contributions	18,391,760	-
Interest and dividends	380,274	72
Total receivables	18,772,034	72
Prepaid items - benefits	1,417,991	-
Total assets	418,617,032	\$ 410,454
<b>LIABILITIES</b>		
Payables		
Accounts and contracts payable	-	\$ 400,209
Accrued and other liabilities	-	10,245
Benefit payments	88,225	-
Investment expenses	537,941	-
Administrative expenses	32,633	-
Total liabilities	658,799	\$ 410,454
<b>NET POSITION</b>		
Net position restricted for pensions	\$ 417,958,233	

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2020**

	<b>Pension Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 25,759,367
State of Florida	1,729,356
Plan members	3,971,195
Total contributions	<u>31,459,918</u>
Investment earnings:	
Interest and dividends	7,562,333
Net increase in the fair value of investments	31,467,267
Total investment earnings	<u>39,029,600</u>
Less: investment expenses	<u>1,847,644</u>
Net investment earnings	<u>37,181,956</u>
Total additions	<u>68,641,874</u>
<b>DEDUCTIONS</b>	
Benefits paid	29,073,923
Administrative expenses	471,762
Total deductions	<u>29,545,685</u>
Change in net position	39,096,189
<b>NET POSITION</b>	
Net position - beginning	<u>378,862,044</u>
Net position - ending	<u><u>\$ 417,958,233</u></u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2020**

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**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**1. Description of government-wide financial statements**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and component units. The City's fiduciary funds are presented in the fund financial statements by type (pension and agency). Since, by definition, these assets are being held for the benefit of a third party (i.e. pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**2. Reporting Entity**

The City of Fort Myers, (City) was incorporated in 1886 pursuant to the laws of Florida 3959, and Chapter 165, Florida Statutes. The City operates under a City Council-Manager form of government and consists of six wards, each represented by a council member, and a seventh voting seat, the Mayor elected-at-large.

The accompanying financial statements present the City and its component units. Component units are legally separate organizations for which the City, as the primary government, is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the potential that the component unit will provide specific financial benefits to, or impose specific financial burdens on, the primary government. As a result, the primary government and its component units combine to form a single financial reporting entity for financial statement purposes.

In evaluating the City as a reporting entity, management considered all potential component units in accordance with applicable Governmental Accounting Standards Board (GASB) Statements. Management reviewed all of the financial accountability concepts and determined the existing blended component units met the criterion for blending. They are included in the City's reporting entity and are reported as part of the primary government.

**Blended Component Units:** The Community Redevelopment Agency of Fort Myers (CRA) was established November 5, 1984 by the City of Fort Myers under Ordinance 2259 pursuant to Chapter 163, Part III of the Florida Statutes. The mission of the CRA is to redevelop and revitalize the historic downtown as well as the older commercial corridors and residential neighborhoods of the City. The six City Council Members and the Mayor are the governing board of the CRA, sitting as the Board of Governors, which elects a chairperson and vice-chairperson. The CRA is fiscally dependent on the City because it is unable to issue bonded debt without approval by the primary government. The majority of the revenue sources result from tax increment financing, which is a commitment of the City's taxing power.

The CRA includes the Downtown Redevelopment Area, the Central Fort Myers Redevelopment Area, the East Fort Myers Redevelopment Area, the Cleveland Avenue Redevelopment Areas and the Dr. Martin Luther King Redevelopment Areas. The CRA is presented as a non-major special revenue fund and its financial statements are included in the City's Comprehensive Annual Financial Report for the year ended September 30, 2020 in the Combining Statements and Schedules section. Standalone financial statements for the CRA are available by contacting the Executive Director of the CRA.

**Other Related Organizations:** The City of Fort Myers Housing Authority is a separate legal entity. Authority commissioners are appointed by the Mayor and approved by the City Council and may be removed for cause. There is no financial benefit or burden to the City and the City has no authority over day-to-day operations. As such, this organization is not included in the accompanying financial statements.

**3. Basis of presentation – government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds and component units that are fiduciary in nature (i.e. Pension Trust Funds) are excluded from the government-wide financial statements.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**3. Basis of presentation – government-wide financial statements (continued)**

Generally, interfund activity has been eliminated from the government-wide financial statements. Notable exceptions are other charges of the City's water and wastewater function. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**4. Basis of presentation – fund financial statements**

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund. Revenue is derived primarily from property taxes, state and federal distributions, grants and other intergovernmental 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 Revenue Bonds and Notes Fund accounts for the accumulation of resources to pay outstanding long term debt. It is made up of several sub-funds, one for each bond or other borrowing that is outstanding and for which resources are accumulated to pay the debt service.

The Transportation Capital Projects Fund accounts for resources accumulated to provide transportation related capital projects. It includes road impact fees, cash from debt borrowing, the accounting for capital projects and the 5<sup>th</sup> cent local option gas tax money.

The General Capital Projects Fund is used to account for the financial resources to be used for the acquisition and construction of the City's general capital facilities, improvements and equipment.

The City reports the following major enterprise funds:

The Water-Wastewater Utility Fund accounts for the activities related to providing water, wastewater and reclaimed water services to the public.

The Solid Waste Fund accounts for the revenues and costs associated with providing solid waste services to the residents of the City.

In addition, the City reports the following other fund types:

Internal Service Funds account for services provided to other departments of the City on a cost reimbursement basis. These services include: Information Technology Services, Risk Management Services (workers' compensation, general liability insurance and property insurance), Fleet Maintenance and a Public Works Warehouse that acts as a central repository for items needed for all phases of Public Works.

The Pension Trust Funds account for activities of the City's General Employee's Pension Plan, Police Officers' Retirement System and the Firefighters' Retirement System (collectively, the Pension Trust Funds). The Pension Trust Funds are separate legal entities, which accumulate resources for the pension benefit payments to virtually all full-time, regular employees, all non-civilian police department employees, and all firefighters and fire department officers, respectively.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**4. Basis of presentation – fund financial statements (continued)**

The Agency Funds are used to account for resources collected by the City for third parties. These agency funds include the Regional Park Impact Fee Fund, the Emergency Medical Services (EMS) Impact Fee Fund, School Board Impact Fee Fund, Unclaimed Funds and the Employees' Special Events Fund. The Regional Park, EMS and School Impact Fee Funds are impact fees levied by the County. The City collects these impact fees at the time permits are issued and then turns the fees over to the County. The Unclaimed Funds fund accounts for funds that the City has been holding, and if not claimed, will eventually go to the State of Florida. The Employee Special Events Fund is money being held for the group that does special events for the City's employees. This group raises their own funds and the City provides the tracking and accounting of these funds for the Committee.

During the course of its operations, the City has numerous transactions between funds to provide services, construct assets and service debt. To the extent that certain transactions between funds were not paid or received as of September 30, 2020, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**5. Measurement focus, basis of accounting and financial statement presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**Government-wide financial statements.** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**Governmental fund financial statements.** The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Property taxes, public service taxes, franchise taxes, fuel taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual. These have been recognized as revenues of the current fiscal period

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

**5. Measurement focus, basis of accounting and financial statement presentation (continued)**

when they also meet the availability criteria (within 60 days of year end). Revenues from Federal and State reimbursement type grants are recognized when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). For special assessments, only the portion of the receivable due within the current period is considered to be susceptible to accruals as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives the cash.

**Proprietary, fiduciary and agency funds.** The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds are balance sheet funds only, and therefore have no measurement focus but use the accrual basis of accounting for reporting the assets and liabilities of the agency funds.

**6. Budgetary information**

***Budgetary basis of accounting***

Annual budgets are legally adopted for the General Fund, Debt Service Funds, Enterprise Funds, Internal Service Funds, Trust and Agency Funds and the following Special Revenue Funds: the Law Enforcement Trust Fund, Federal Forfeiture Fund, Grants Fund, Police Training Fund, Street Light Maintenance Fund, Street Maintenance Fund, Public Art Fund, Attainable Workforce Housing Fund, Para-Transit Fund, State Housing Initiative Partnership Program Fund, Community Redevelopment Agency Fund, Community Development Block Grant Program and the Crime Prevention Fund. In addition, project budgets are adopted for the Capital Project Funds for the respective year along with approval of the five-year Capital Improvement Program. The City prepares its budget on a basis consistent with generally accepted accounting principles, with a few exceptions. For budget purposes, depreciation is not shown in the annual budgets and debt service is reported as current year expenditures.

The appropriated budget is prepared by fund, department, and division. Requests for changes to the adopted budget that include transfer of appropriations between expenditure accounts within the same division greater than \$50,001 and that do not change the total of the approved budget for that division are processed internally and only require the approval of the department director, Director of Finance and City Manager or authorized designees. The Budget Manager is responsible for maintaining records of these transfers and presenting them for review by City Council on a quarterly basis following their implementation. Budget transfers less than \$50,000 are processed internally and only require the approval of the department director, Director of Finance and City Manager or their authorized designees. The Budget Manager is responsible for maintaining records of the budget transfers and presenting them for review by City Council on an as requested basis following their implementation or when the cumulative total reaches \$50,000 in any department. In most cases, divisions are required to transfer funds only to meet unanticipated needs or to reflect organizational changes. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level within a fund, except for the Community Redevelopment Agency, which uses the fund level as their budgetary control.

Whereas the adopted budget is meant to control and provide for the efficient and economical running of the City, amendments (increases or decreases in appropriations and/or revenue estimates) to a budget may be required during the year to properly account for unanticipated needs or opportunities. Requests for changes to the adopted budget that include transfer of appropriations across departments, divisions or funds greater than \$50,001, use of reserves, changes in the number of full-time staff, an increase or decrease in the service levels or programs provided, or future recurring fiscal impacts must be presented to City Council at a regularly scheduled public meeting for approval prior to implementation. For budget amendments less than \$50,000 that do not result in use of reserves, changes in the number of full-time staff, an increase or decrease in the service levels or programs provided, and do not have future recurring fiscal impacts, City Council delegates authority to department heads to implement without Council's prior approval. Approval by the City Manager and the Director of Finance, or their designees, is required prior to implementing these amendments. The Budget Manager is responsible for maintaining records of the amendments and presenting them for review by City Council on a quarterly basis following their implementation.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

**6. Budgetary information (continued)**

***Budgetary basis of accounting (continued)***

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services, such as purchase orders, contracts, and commitments. Encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. All encumbrances lapse at fiscal year end and valid encumbrances are re-appropriated and become part of the subsequent year's budget.

***Excess of expenditures over appropriations***

For the year ended September 30, 2020, expenditures did not exceed appropriations as City divisions spent according to or less than the budget.

**7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

**a. Cash and cash equivalents**

The City considers all highly liquid investments with original maturities of three months or less when purchased, as well as investments in the City's cash and investment pool, to be cash equivalents.

**b. Investments**

Investments for the City are reported at fair value and include obligations of the U.S. Treasury, Government Sponsored Enterprise Securities, and corporate bonds. Money market investments with a remaining maturity at the time of purchase of one year or less are reported at amortized cost. The difference between cost and fair value of investments held is recorded as net unrealized gains or losses and is included in net investment earnings. Purchases and sales of investments are recorded on the trade dates. Net realized gains and losses on sale of investments are reflected in current operating results as investment earnings along with interest and dividends.

The City invests surplus funds in an external investment pool, a Local Government Surplus Funds Trust Fund known as Florida PRIME. The Local Government Surplus Funds Trust Fund was created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, of the Florida Statutes). The State Board of Administration ("SBA") is charged with the powers and duties to administer and invest Florida PRIME, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(9), Florida Statutes. The SBA contracted with Federated Investment Counseling (the "Investment Manager") to provide investment advisory services for Florida PRIME.

As a Florida PRIME participant, the City invests in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the City's position in the pool is the same as the value of the pool shares.

**c. Receivables**

All trade, property tax and other receivables on the Statement of Net Position are shown net of allowance for uncollectible amounts. All receivables are reviewed periodically and, when determined to be uncollectible, are turned over to a collection agency. Once turned over to the collection agency, the amount is included in the uncollectible balance.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

**7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

**d. Inventories**

Inventories for all funds, except for the enterprise funds, consist primarily of expendable supplies held for consumption and are stated at cost (first-in, first-out method). For the enterprise funds, the City uses the consumption method of accounting, which provides that expenditures are recognized when inventory is used. Inventory in the Yacht Basin Enterprise Fund and Skatium Enterprise Fund is held primarily for resale and stated at cost. The Skatium inventory is valued at replacement cost. The Yacht Basin values oil and gift shop inventory by the retail method and fuel inventory by the cost inventory method. Both the retail and cost inventory methods use the last-in, first-out method. All inventories, regardless of fund, are counted on a periodic basis.

**e. Prepaid items**

Prepaid items are items that have been paid in the current accounting period but are proper expenses/expenditures extending over more than one accounting period and are allocated between those accounting periods that receive the benefit of the expense/expenditure.

**f. Restricted assets**

Proceeds of the City's enterprise fund revenue bonds, as well as other resources set aside in accordance with bond covenants and local ordinance, are classified as restricted on the fund level Statement of Net Position of the enterprise funds. These include the following: operating accounts for the Water-Wastewater enterprise fund that are used for the accumulation of resources equal to operating costs for specified periods; renewal and replacement accounts used for the accumulation of resources to provide for replacement of existing system assets; debt service accounts used for the accumulation of resources needed to meet debt service requirements as they become due; capital project accounts used for acquisition and construction of assets funded by revenue bond proceeds; the impact fee construction account used for the accumulation and expenditure of amounts restricted by local ordinance for future plant expansion; and customers' deposits account restricted from use by local ordinance.

In addition, certain assets are restricted in the other enterprise funds due to the proper use of the assets. The most notable of these are customer deposit accounts and resources accumulated to repay outstanding debt. Restricted assets are not presented on the balance sheets of the governmental funds under the modified accrual basis of accounting; however, certain assets of these funds are restricted as to use. Such assets, consisting primarily of cash and receivables, include debt proceeds, permit fees, state and federal forfeiture awards, state and federal grants and amounts held for debt service. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

**g. Capital assets**

The City's capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar assets), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets, including infrastructure, as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

For the initial capitalization of major general fund infrastructure assets, which are reported by governmental activities, the City included all long-lived assets such as roads, sidewalks, storm drainage systems, bridges, tunnels, traffic lights, etc. The City used actual costs, where available, in assigning historical costs to the infrastructure assets. Otherwise, historical costs were assigned based on a trending analysis using current replacement costs. As the City constructs or acquires additional capital assets, they are capitalized and reported at historical cost.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

**7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

***g. Capital assets (continued)***

Normal maintenance and repairs, which do not increase the capacity or efficiency of the asset or increase its estimated useful life, are expensed. Donated capital assets are recorded at their acquisition value at the date of donation.

The City does not depreciate land, antiques and exhibits, historical buildings, intangible assets with indefinite lives, and construction in progress. Other City property, plant, equipment and infrastructure are depreciated using the straight line method over the following estimated useful lives:

Buildings	20-40 years
Other improvements	15-50 years
Equipment	3-15 years
Infrastructure of enterprise funds	15-50 years
Other infrastructure	20-40 years

***h. Deferred outflows/inflows of resources***

In addition to assets, the City's statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three types of items that qualify for reporting in this section: deferred charge on refunding, deferred outflows related to postemployment benefits and deferred outflows related to pensions. On the government-wide statement of net position, the proprietary funds' statement of net position in the City's basic financial statements and the nonmajor enterprise funds' combining statement of net position, the City reports a deferred charge on refunding, which results 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. Deferred outflows related to postemployment benefits and to pensions, and the respective changes in assumptions and experience, are reported on the government-wide financial statements, the proprietary funds' statement of net position in the City's basic financial statements, the nonmajor enterprise funds' combining statement of net position and the internal service funds' combining statement of net position. Notes 10 and 12 provide more information on these items.

In addition to liabilities, the City's statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this section: deferred charge on refunding, deferred inflows related to other postemployment benefits, deferred inflows related to pensions and unavailable revenue. On the government-wide statement of net position, the proprietary funds' statement of net position in the City's basic financial statements and the nonmajor enterprise funds' combining statement of net position, the City reports a deferred inflow of resources for deferred charges on debt refunding. Deferred inflows related to other postemployment benefits and to pensions are reported on the government-wide statement of net position, the proprietary funds' statement of net position in the City's basic financial statements, the nonmajor enterprise funds' combining statement of net position and the internal service funds' combining statement of net position. Notes 10 and 12 provide more information on these items. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported in the City's governmental funds balance sheet. The governmental funds report unavailable revenues from code enforcement fees and rental income that are revenues of the subsequent year, grant receipts and contributions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

***i. Long-term obligations***

Long-term obligations, such as bonds and notes, are recorded at the fund level in the proprietary funds and at the government-wide level for the governmental and business-type activities. Amounts payable within one year are classified as current liabilities on the proprietary funds statement of net position and as noncurrent liabilities due within one year on the government-wide statement of net position.

***j. Net position***

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to property, plant, equipment and infrastructure. The restricted category represents the balance of net position restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets.

***k. Net position flow assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted resources, such as bond or grant proceeds, and unrestricted resources. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

***l. Fund balance flow assumption***

In determining the classification of total spendable fund balance remaining at the end of the fiscal year, when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it is the City's policy that expenditures will be applied first to restricted fund balance and then to unrestricted fund balance (committed, assigned, and unassigned). When unrestricted fund balance (committed, assigned, and unassigned) is available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as needed.

***m. Fund balance policy***

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – Nonspendable, restricted, committed, assigned and unassigned.

**Nonspendable** – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of advances to other funds as well as property acquired for resale.

**Restricted** – This component consists of amounts that are subject to externally enforceable legal restrictions, which are imposed either (a) by third parties, such as creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

**Committed Fund Balance** – This component consists of amounts that can only be used for specific purposes imposed by formal action (resolution) of the City Council, the City's highest level of decision

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**7. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)**

***m. Fund balance policy (continued)***

making authority. The committed amounts are not subject to legal enforceability by external parties, as in restricted fund balance; however, these amounts cannot be used for any other purpose unless the City Council removes or changes the limitation by taking the same form of action (resolution) it employed to previously commit those amounts.

Assigned Fund Balance – This component consists of amounts that are constrained by the City's intent to be used for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the following management officials to express intentions for assigned fund balance: (a) City Council, or (b) the City Manager, Director of Finance, or other subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes. Included in this category is any fund balance carry-forward used to balance the subsequent year's budget.

Unassigned Fund Balance – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

**8. Revenues and expenditures/expenses**

***a. Program Revenues***

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

***b. Property Taxes***

The City levies property taxes each November 1, which become a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Lee County Property Appraiser as of the prior January 1. The current year's levy is based on taxable assessed property values totaling \$7,104,946,482.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2019-2020 fiscal year, the City levied taxes of 8.2500 mills for the General Fund.

All taxes are due from property owners on March 31. However, property owners may pay a discounted tax of 1% beginning November of the taxable year for each month prior to the March 31 due date. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1. 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.

***c. Compensated Absences***

Employees earn vacation and sick leave in varying amounts based on length of service. Employees may also earn up to 120 hours of compensatory time. Upon termination, employees are paid 100% of the accumulated vacation and compensatory time at current base hourly rates. Vacation accumulation is capped at a maximum number of hours depending on employee category and bargaining unit. Upon termination of employment, if the employee is eligible to receive retirement benefits, either regular or early benefits, whether or not the benefits begin at termination or are deferred, the employee receives 33% of accumulated sick leave paid at the employee's current base hourly rate. The current portion of compensated absences payable is the amount estimated to be used or paid in the following fiscal year.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**8. Revenues and expenditures/expenses (continued)**

***c. Compensated Absences (continued)***

Liability for accrued compensated absences of the governmental activities is not reported in the balance sheet of the governmental funds and, accordingly, represents a reconciling item between the fund and government-wide presentations. All compensated absences are accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. All compensated absences are liquidated as part of salary expense in the division and fund that pays the salaries of the employees.

These funds include the General Fund, Street Maintenance Special Revenue Fund, State Housing Partnership Special Revenue Fund, Fort Myers Redevelopment Agency Special Revenue Fund, Water–Wastewater Utility Enterprise Fund, Solid Waste Enterprise Fund, the Building Permits and Inspection Enterprise Fund, Stormwater Enterprise Fund, Fort Myers Country Club Enterprise Fund, Eastwood Golf Course Enterprise Fund, Yacht Basin Enterprise Fund, Skatium Enterprise Fund, Fleet Maintenance Internal Service Fund, Information Technology Services Internal Service Fund and the Risk Management Internal Service Fund.

***d. Proprietary funds operating and non-operating revenues and expenses***

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds and the internal service funds are charges to customers for sales and services. The Water-Wastewater Utility Enterprise Fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**9. Other Policies**

***a. Use of Estimates***

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

***b. Encumbrances***

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as a reservation of budget, is employed as an extension of the statutorily required budgetary process. All encumbrances lapse at year end. Contracts that require completion after the fiscal year end must be re-appropriated in the subsequent year. Note 13 provides disclosure on the City's outstanding encumbrances as of September 30, 2020.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

***Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position***

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$192,958,044 are as follows:

Land	\$ 27,073,506
Antiques and Exhibits	251,871
Construction in progress	15,096,866
Intangibles - easements	4,484,236
Buildings	66,067,262
Less: Accumulated depreciation for buildings	(17,379,474)
Improvements	51,903,377
Less: Accumulated depreciation for improvements	(38,266,281)
Equipment	22,679,221
Less: Accumulated depreciation for equipment	(16,524,324)
Infrastructure	302,340,998
Less: Accumulated depreciation for infrastructure	(224,769,214)

Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 192,958,044
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Another element of that reconciliation explains that “long-term liabilities, including revenue bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$291,549,403 are as follows:

Revenue bonds payable	\$ 117,297,460
Less: Bond insurance costs (to be amortized over the life of the debt)	(142,382)
Add: Issuance premium (to be amortized over life of debt)	7,564,213
Capital leases payable	1,836,710
Loans and notes payable	17,014,660
Accrued interest payable	1,015,516
Accrued retirement payable	15,799,858
Compensated absences	5,637,231
Total other postemployment benefits liability	10,734,587
Net pension liability	114,359,894
Claims and judgments	431,656

Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ 291,549,403
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***Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities***

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

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

outlay exceeded depreciation expense in the current period.” The details of this \$24,631,798 difference are as follows:

Capital outlay	\$ 41,012,281
Non-capitalizable expenditures in capital outlay	(4,593,411)
Current year depreciation	(11,787,072)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 24,631,798

Another element of that reconciliation states that “the issuance of long-term debt, such as bonds and leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar terms when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$8,721,300 difference are as follows:

Debt issued or incurred:	
General revenue bonds	\$ 16,022,352
Principal repayments:	
General revenue bonds	(6,134,535)
Loans and notes	(496,154)
Capital leases	(457,798)
Installment agreement	(212,565)
Net adjustment to decrease changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 8,721,300

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.” The details of this \$4,324,270 difference are as follows:

Amortization of bond premiums	\$ 445,587
Amortization of lease premiums	(2,531)
Amortization of bond insurance costs	(8,939)
Amortization of deferred charge on refunding	(130,844)
Change in accrued interest expense	15,129
Change in retirement payable	726,825
Change in compensated absences	(887,575)
Change in total other postemployment benefits liability	(383,647)
Change in net pension liability	4,550,265
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 4,324,270

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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**Deficit fund balance**

The Revenue Bonds and Notes major governmental fund had a deficit fund balance of \$(91,394) at September 30, 2020 due to fiscal charges from the fees related to the Capital Improvement Revenue Note, Series 2019A and the Taxable Capital Improvement Revenue Note, Series 2019B. Transfers from other funds support debt service obligations and the deficit will be eliminated in the following fiscal year.

The Grants nonmajor governmental fund had a deficit fund balance of \$(406,315) at September 30, 2020. The deficit fund balance results from expenditures incurred from the Coronavirus Disease 2019 for which related revenue was not recognized in the fund as reimbursement was not received within 60 days after fiscal year end. The deficit will be eliminated upon reimbursement from Lee County for CARES Act assistance.

**Deficit net position**

The Skatium nonmajor enterprise fund had a deficit net position of \$(219,588) at September 30, 2020. The deficit net position results from operating expenses exceeding charges for services revenue. The City continues to support the sports facility with a subsidy from the General Fund.

The Information Technology Services internal services fund had a deficit net position of \$(677,420) due to transfers out, mostly to support General Fund operations and fund capital project needs for equipment.

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS**

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**Cash Deposits with Financial Institutions**

At September 30, 2020, the carrying amount of the City's deposits was \$96,937,837 and the banks' balances were \$97,881,239. The difference was due to checks that had been written but not yet paid by the banks and deposits in transit.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. These deposits include demand deposits and nonnegotiable certificates of deposit, and are insured by the Federal Deposit Insurance Corporation or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Under this Act, financial institutions that qualify as public depositories pledge securities that have a market value equal to 50% - 125% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**Investments**

Florida Statutes, the City's Investment Policy and various bond covenants authorize investments that include money market accounts, savings accounts, interest bearing time deposits, repurchase agreements, the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration (SBA) or other local government investment pool authorized by F.S. §163.01, obligations of the U.S. Government, government agencies guaranteed by the U.S. Government and certain bond mutual funds. Derivative products are prohibited unless specifically approved by City Council in advance.

**1. City's Investments**

The City's investment policy applies to the investment of short-term operating funds of the City of Fort Myers and all of its dependent special districts. Longer-term funds, including its employee retirement system funds, funds related to the issuance of debt, and other funds held pursuant to trust agreements administered, are covered by separate policies, contracts or agreements in effect for such funds.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

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**1. City's Investments (continued)**

Except for longer-term and restricted funds, all cash balances of all funds, including the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Water-Wastewater Fund and other proprietary funds that exist or may be created from time to time, shall be consolidated and administered in accordance with the provisions of this policy.

The basic goals of Fort Myers' investment program are, in order of priority:

- *Safety* of investments;
- Maintenance of sufficient *liquidity* to meet cash flow needs, and;
- Attainment of a market average rate of return (*yield*), taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.

The City's cash and investment pool consists of the Local Government Surplus Funds Trust Fund investment account administered by the Florida State Board of Administration (the "Florida PRIME" Pool) and cash. Cash balances and requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is allocated monthly to funds based on their monthly ending cash balance.

Florida PRIME is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, "Applicable Florida Law"). The Board of Trustees of the SBA ("Trustees") consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees will annually certify that Florida PRIME is in compliance with the requirements of Chapter 218, Florida Statutes, and that the management of Florida PRIME is in accord with best investment practices.

The Trustees delegate the administrative and investment authority to manage Florida PRIME to the Executive Director of the SBA, subject to Applicable Florida Law. The Trustees appoint an Investment Advisory Council and a Participant Local Government Advisory Council. Both Councils will, at least annually, review this Policy and any proposed changes prior to its presentation to the Trustees and will undertake other duties set forth in Applicable Florida Law. Pursuant to Florida law, the Auditor General will conduct an annual financial audit of Florida PRIME, which will include testing for compliance with this Policy.

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poor's U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in its investment policy.

In accordance with Government Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*, Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the City's participant account balance should also be considered the fair value of its investment and exempt from the Government Accounting Standards Board Statement (GASB) No. 72, *Fair Value Measurement and Application*.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operation of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**1. City's Investments (continued)**

are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional fifteen days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed fifteen days."

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

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The following disclosures pertain to Florida PRIME as of September 30, 2020:

- Credit Quality Disclosure: Florida PRIME is rated by Standard and Poor's, and the current rating is "AAAm".
- Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.
- Foreign Currency Risk Disclosure: Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2019 through September 30, 2020.

At September 30, 2020, the City had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
Cash equivalents	\$ 44,003	NA	NA
Florida PRIME Investment Pool	152,369,924	NA	NA
Money market	21,081,183	NA	NA
U.S. Treasury securities	13,760,083	4,418,431	9,341,652
Agency securities	28,935,345	15,017,774	13,917,571
Corporate bonds	5,996,497	-	5,996,497
Corporate stocks	78,727	NA	NA
Total investments	<u>\$ 222,265,762</u>	<u>\$ 19,436,205</u>	<u>\$ 29,255,720</u>

The City uses the market approach to measure the fair value of investments as of September 30, 2020, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of September 30, 2020, using quoted market prices (Level 1 inputs): U.S. Treasury securities, \$13,760,083; corporate stocks, \$78,727.

The City has the following recurring fair value measurements as of September 30, 2020, using quoted market prices and other observable inputs (Level 2 inputs): agency securities, \$28,935,345; corporate bonds, \$5,996,497.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

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**1. City's Investments (continued)**

***Concentration of Credit Risk***

Investments in U.S. Treasury securities comprised 6.2% of total investments. The City's investment policy provides for diversification of investments by limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities).

***Interest Rate Risk***

In accordance with its investment policy, the City mitigates its interest rate risk by structuring the City's portfolio so that the securities mature to meet the City's cash requirements, thereby avoiding the need to sell securities on the open market prior to their maturation; and investing primarily in shorter-term securities, unless it can be anticipated that long-term securities can be held to maturity without jeopardizing liquidity requirements.

***Credit Risk***

Safety of principal is the foremost objective of the City's investment policy. The City's policy limits the credit risk by limiting investments to the safest types of securities; pre-qualifying the financial institutions with which it will conduct business; diversifying the investment portfolio so that the failure of any one issuer or backer will not place an undue financial burden upon the City; and monitoring all the City's investments on a daily basis to anticipate and respond appropriately to a significant reduction of credit worthiness of any of the depositories.

As of September 30, 2020, the City's investments in money market funds were rated AAAm by Standard & Poor (S&P) and Aaa-mf by Moody's Investors Service (Moody's). Treasury and agency securities were rated Aaa by Moody's and AA+ by S&P. The City's investments in corporate bonds were rated Aaa by Moody's and not rated by S&P.

**2. City's Pension Plan Investments**

The City reports three pension funds in the accompanying financial statements. Each of the plans has a separate governing board of trustees, a separate investment policy, and differing investment restrictions. Consequently, each plan is disclosed separately below. All investments at the fiscal year end were in compliance with the respective plan investment policies.

At September 30, 2020, the City's three pension plans had the following cash and investments, represented in the table on the following page.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
<b>General Employees' Pension Plan:</b>			
Cash	\$ 1,199,249		
Money market	4,377,102	AAAm <sup>1</sup>	Aaa <sup>2</sup>
U.S. government and agency securities	7,848,580	AA+	Aaa
Municipal bonds	1,978,592	A to AAA	A2 to Aaa
Corporate stock	64,683,458	Not rated	Not rated
Corporate bonds	8,341,809	BBB- to AAA	Ba2 to Aaa
Mortgage backed securities	10,766,804	AA+ to AAA	Aaa
Mutual funds:			
Fixed income	6,747,751	Not rated	Not rated
Equity	6,928,953	Not rated	Not rated
Limited partnership - International equity	13,256,375	Not rated	Not rated
Real estate investment trusts	14,371,059	Not rated	Not rated
International securities:			
Bonds and notes	759,618	BB- to AA+	Ba2 to Aaa
Stocks	3,985,893	Not rated	Not rated
Total Cash and Investments	<u>145,245,243</u>		
<b>Police Officers' Retirement System:</b>			
Cash	915,340		
Money market	803,713	AAAm	Aaa-mf
U.S. government and agency securities	15,546,568	AA+	Aaa
Corporate stock	9,387,759	Not rated	Not rated
Corporate bonds	13,223,666	BBB+ to A-	A3 to A1
Convertible bonds	13,640,883	CCC+ to A-	B1
Convertible preferred	3,729,955	Not rated	Not rated
Mutual funds:			
Equity	60,176,871	Not rated	Not rated
International equity	21,277,485	Not rated	Not rated
Commingled funds - Real estate	11,483,925	Not rated	Not rated
Total Cash and Investments	<u>150,186,165</u>		
<b>Firefighters' Retirement System:</b>			
Cash	372,083		
Money market	1,813,646	AAAm	Aaa-mf
U.S. government and agency securities	2,184,027	AA+	Aaa
Municipal bonds	1,346,126	BBB+ to AAA	Baa1 to Aaa
Corporate stock	51,523,570	Not rated	Not rated
Corporate bonds	9,876,292	BBB- to AAA	Baa3 to Aaa
Mortgage backed securities	3,259,975	AA+	Aaa
Mutual funds:			
Fixed income	4,892,988	Not rated	Not rated
Commingled funds - Real estate	5,196,334	Not rated	Not rated
Limited partnerships - Real estate	8,451,768	Not rated	Not rated
International securities:			
Bonds and notes	1,108,108	BB+ to AA-	Baa3 to Aa2
Stocks	12,970,682	Not rated	Not rated
Total Cash and Investments	<u>102,995,599</u>		
Total Pension Plans' Cash and Investments	<u>\$ 398,427,007</u>		

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**Fair Value Measurements**

Each of the City's Pension Plans categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Each Plan has the following recurring fair value measurements as of September 30, 2020:

**General Employees' Pension Plan**

**Investments Measured at Fair Value**

Investments	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by fair value level:</b>			
U.S. government and agency securities	\$ 7,848,580	\$ -	\$ 7,848,580
Municipal bonds	1,978,592	-	1,978,592
Corporate stock	64,683,458	64,683,458	-
Corporate bonds	8,341,809	-	8,341,809
Mortgage backed securities	10,766,804	-	10,766,804
Mutual funds: Fixed income	6,747,751	6,747,751	-
Mutual funds: Equity	6,928,953	6,928,953	-
International securities: Bonds and notes	759,618	-	759,618
International securities: Stocks	3,985,893	3,985,893	-
Total investments by fair value level	112,041,458	\$ 82,346,055	\$ 29,695,403
<b>Investments measured at the net asset value (NAV):</b>			
Real estate investment trust	14,371,059		
Limited partnership - International equity	13,256,375		
Total investments measured at the NAV	27,627,434		
Total investments measured at fair value	\$139,668,892		

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The fair value for the debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

**General Employees' Pension Plan**

**Investments Measured at the NAV**

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
<b>Investments measured at the net asset value (NAV):</b>				
Real estate investment trust <sup>(1)</sup>	\$ 14,371,059	\$ -	Quarterly	90 days
Limited partnership - International equity <sup>(2)</sup>	13,256,375	-	Monthly	30 days
Total investments measured at the NAV	\$ 27,627,434			

1. *Real estate investment trust.* This type includes a core, discretionary and diversified real estate fund that invests in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels located in major real estate markets throughout the United States. Investment in this Fund is generally not redeemable due to the closed-ended nature of the Fund. Instead,

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**General Employees' Pension Plan – Fair Value Measurements (continued)**

distributions from the Fund will be received as the underlying investments of the Fund are disposed and monetized. The fair values of the investment in this type has been determined by using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund.

*2. Limited partnership – International equity.* This type consists of a limited partnership with a capital account for each Partner. Each Partner's capital account shall be credited with the cash contributions made by the Partner to the Partnership pursuant to the agreement and each Partner's allocable share of Partnership income or gains and decreased by (i) each Partner's allowable share of Partnership deductions or losses and (ii) the amount of all distributions made with respect to such Partner's Partnership interest pursuant to the agreement. The investment objective focuses on achievement of an annualized total return that exceeds the respective benchmarks at lower than market risk over a market cycle of three to five years. Diversification is generally broad within the global portfolios, comprised of various industry groups and countries. The fair value of the investments in this type have been determined by using the NAV per share (or its equivalent) of the portfolio value. A Limited Partner may withdraw all or any part of his Capital Account as of the last business day of any month, provided that if the requested withdrawal would reduce his Capital Account below the amount of the initial contribution, he may, at the option of the General Partner, be deemed to be retiring from the Partnership and any distribution required shall be made within sixty days after the effective date of the withdrawal to which that distribution relates. A Limited Partner desiring to make a withdrawal from his Capital Account shall, not less than thirty days before the date on which such withdrawal is to be made, give written notice to the Partnership (which notice may be waived by the General Partner) of (i) such Limited Partners' intention to make a withdrawal and (ii) the amount of the withdrawal or the manner in which the amount of the withdrawal is to be determined. Payments for withdrawals will be made no later than fifteen business days after the effective date of the withdrawal, provided that payments for withdrawals deemed to be retirements will be made as provided in Section 11.5 per the subscription agreement. All withdrawals from a Limited Partner's Capital Account may be subject to a redemption fee of up to ½ to 1% of the amount withdrawn, such amount to be paid to the Partnership. The redemption fee may be waived by the General Partner, in its sole discretion.

**Police Officers' Retirement System**  
**Investments Measured at Fair Value**

<b>Investments</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>Investments by fair value level:</b>			
U.S. government and agency securities	\$ 15,546,568	\$ -	\$ 15,546,568
Corporate stock	9,387,759	9,387,759	-
Corporate bonds	13,223,666	-	13,223,666
Convertible bonds	13,640,883	-	13,640,883
Convertible preferred	3,729,955	3,729,955	-
Mutual funds:			
Equity	60,176,871	60,176,871	-
International equity	21,277,485	21,277,485	-
Total investments	<u>136,983,187</u>	<u>\$ 94,572,070</u>	<u>\$ 42,411,117</u>
<b>Investments measured at the net asset value (NAV):</b>			
Commingled funds - Real estate	11,483,925		
Total investments measured at the NAV	<u>11,483,925</u>		
Total investments measured at fair value	<u>\$148,467,112</u>		

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**Police Officers' Retirement System – Fair Value Measurements (continued)**

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those equities. The fair value for the debt securities classified in Level 2 of the fair value hierarchy is obtained by an outside, independent pricing service. The high quality debt securities held in client portfolios have quoted prices that are readily available for identical investments in active markets for those securities. However, because the third party pricing service may use models or matrices to price some securities, the Level 2 category is assigned to the securities in the portfolio.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

**Police Officers' Retirement System**  
**Investments Measured at the NAV**

<b>Investments</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
<b>Investments measured at the net asset value (NAV):</b>				
Commingled funds - Real estate	\$ 11,483,925	\$ -	Quarterly	45 - 60 days
Total investments measured at the NAV	<u>\$ 11,483,925</u>			

*Commingled funds – Real estate.* This type includes an actively managed, pure core, open-end commingled pension trust fund. It owns and seeks attractive office, retail, residential and industrial investments in major markets throughout the U.S. with high quality physical improvements, stabilized occupancies, excellent locations and competitive positions within their markets. Ownership in the Fund is represented by member units and net asset value is supported by the ability to redeem and purchase at the NAV level. The fair value of the investment in this Fund has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund. As part of the valuation process of the Investment Adviser and Trustee, properties are externally appraised on an annual basis, conducted by reputable, independent appraisal firms, and signed by appraisers that are members of the Appraisal Institute, with the professional designation MAI. In addition, the Investment Adviser and Trustee may cause additional appraisals to be performed as warranted by specific asset or market conditions. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. Property valuations and the salient valuation-sensitive assumptions of each direct investment property are reviewed by the Investment Adviser and Trustee quarterly and values are adjusted if there has been a significant change in circumstances related to the investment property since the last valuation. Fund investors may withdraw from the Fund once per quarter subject to available cash, as determined by the Investment Adviser. A written withdrawal request is required 45 days prior to quarter end. To the extent that withdrawal/repurchase requests exceed available cash, distributions are made on a pro rata basis. Available cash is defined as excess cash after provision for outstanding future capital commitments and other operating reserves.

The other fund included in this type consists of an actively managed, open-end, commingled private real estate portfolio that is structured as a limited partnership. The purpose of the Fund is to actively manage a core portfolio of primarily equity real estate investments located in the U.S. The fair values of the investments in this Fund have been determined using the NAV per unit (or its equivalent) of the Plan's ownership in the Fund. A third-party firm is engaged by the Fund to administer the Fund's valuation policies and procedures, including managing the Fund's independent appraisal process and reviewing the Fund's independent appraisals. The Fund's real estate investments are generally appraised every quarter starting with the first full quarter after an investment is made. An independent appraisal of the underlying real estate for each investment is performed annually. This annual inspection includes a property inspection and market analysis. In the interim quarters, the valuation is updated by the independent appraiser through a

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**Police Officers' Retirement System – Fair Value Measurements (continued)**

restricted appraisal report. In these appraisals, the prior cash flow assumptions for the real estate investments are updated for factual changes and changes in market conditions are evaluated. All appraisals are certified by members of the Appraisal Institute who hold the MAI designation. Appraisals and appraisal reports are required to comply with the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Foundation. The Fund intends to make quarterly distributions, generally within 45 days of quarter end, in such amounts as the Advisor determines in its discretion. New investors automatically participate in the Fund's distribution reinvestment plan whereby an investor's distributions from the Fund are automatically reinvested in additional units on the same basis as additional contributions are invested in the Fund. Investors may request redemption of all or a portion of their units as of the end of a calendar quarter by delivering written notice to the Fund at least 60 days prior to the end of the quarter. Redemption requests are subject to certain restrictions and the availability of cash. Should redemption requests exceed 50% of available cash, the Fund will apply such 50% of available cash to redeem each requesting investor on a pro rata basis according to the ratio of the requesting investor's units to the total units of all investors then requesting redemptions. Any redemption request that is not fully honored in any given quarter will be deemed effective in following quarters until completed. Redemptions of units are made based on the Fund's NAV as of the redemption date.

**Firefighters' Retirement System**

**Investments Measured at Fair Value**

<b>Investments</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>Investments by fair value level:</b>			
U.S. government and agency securities	\$ 2,184,027	\$ -	\$ 2,184,027
Municipal bonds	1,346,126	-	1,346,126
Corporate stock	51,523,570	51,523,570	-
Corporate bonds	9,876,292	-	9,876,292
Mortgages	3,259,975	-	3,259,975
Mutual funds: Fixed income	4,892,988	4,892,988	-
International securities: Bonds and notes	1,108,108	-	1,108,108
Total investments by fair value level	<u>74,191,086</u>	<u>\$ 56,416,558</u>	<u>\$ 17,774,528</u>
<b>Investments measured at the net asset value (NAV):</b>			
Commingled funds - Real estate	5,196,334		
International equity	12,970,682		
Limited partnership - Real estate	8,451,768		
Total investments measured at the NAV	<u>26,618,784</u>		
Total investments measured at fair value	<u>\$100,809,870</u>		

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fixed income securities in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**Firefighters' Retirement System – Fair Value Measurements (continued)**

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
<b>Investments measured at the net asset value (NAV):</b>				
Commingled funds - Real estate <sup>(1)</sup>	\$ 5,196,334	\$ -	Quarterly	45 days
International equity <sup>(2)</sup>	12,970,682	-	Monthly	5 days
Limited partnerships - Real estate <sup>(3)</sup>	8,451,768	-	Quarterly	90 days
Total investments measured at the NAV	<u>\$ 26,618,784</u>			

1. *Commingled funds – Real estate.* This type includes an actively managed, pure core, open-end commingled pension trust fund. It owns and seeks attractive office, retail, residential and industrial investments in major markets throughout the U.S. with high quality physical improvements, stabilized occupancies, excellent locations and competitive positions within their markets. Ownership in the Fund is represented by member units and net asset value is supported by the ability to redeem and purchase at the NAV level. The fair value of the investment in this Fund has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund. As part of the valuation process of the Investment Adviser and Trustee, properties are externally appraised on an annual basis, conducted by reputable, independent appraisal firms, and signed by appraisers that are members of the Appraisal Institute, with the professional designation MAI. In addition, the Investment Adviser and Trustee may cause additional appraisals to be performed as warranted by specific asset or market conditions. All external appraisals are performed in accordance with the Uniform Standards of Professional Appraisal Practices. Property valuations and the salient valuation-sensitive assumptions of each direct investment property are reviewed by the Investment Adviser and Trustee quarterly and values are adjusted if there has been a significant change in circumstances related to the investment property since the last valuation. Fund investors may withdraw from the Fund once per quarter subject to available cash, as determined by the Investment Adviser. A written withdrawal request is required 45 days prior to quarter end. To the extent that withdrawal/repurchase requests exceed available cash, distributions are made on a pro rata basis. Available cash is defined as excess cash after provision for outstanding future capital commitments and other operating reserves.

2. *International equity.* This type consists of an open-ended mutual fund that invests in stocks of companies that are primarily in Europe, Australasia and the Far East, providing exposure to economies that may be at different stages of the business cycle or offer growth opportunities unavailable in United States and Canadian markets. The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the NAV per unit. A different net asset value is calculated for each series of units of a Fund. The net asset value of a particular series of units is computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. A Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund.

3. *Limited partnerships – Real Estate.* This type consists of a private perpetual life, open-end, commingled investment fund that offers limited partnership interests in the fund. The Fund's investment strategy is designed to take advantage of changing conditions within the United States property and capital markets while remaining focused on the management of a core equity real estate investment portfolio. The Fund generally seeks one hundred percent ownership interests in real estate assets but the Fund also may invest in a controlling or non-controlling joint venture interest where the manager believes such an investment is consistent with the fund's investment strategy and performance objectives. The Fund's

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

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**2. City's Pension Plan Investments (continued)**

**Firefighters' Retirement System – Fair Value Measurements (continued)**

*Limited partnerships – Real Estate (continued)*

portfolio is actively managed and its properties are purchased and sold as deemed appropriate by the manager in accordance with the strategic objectives of the Fund in the context of changing economic and real estate market conditions. The General Partner will generally determine the net asset value of the Fund on at least a quarterly basis. Net asset value per share on any given date is equal to (a) the net asset value on such date divided by (b) the total number of outstanding Interests on such date. The Fund is intended to have a perpetual life but it may be terminated at any time upon the vote of 75% in interest of the Limited Partners. A Limited Partner's distributions will be reinvested in Interests (in which case such Limited Partner's interest in the Fund will be adjusted to reflect the contribution of additional capital) unless such Limited Partner elects not to participate, in whole or in part, in the distribution reinvestment plan. Under no circumstances will the General Partner be required to cause the Fund to sell investments to satisfy redemption requests. Additionally, redemptions may be suspended at any time by the General Partner. Accordingly, Limited Partners have no assurance of liquidity with respect to their interest.

For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments for each Plan was as follows:

General Employees' Pension Plan	13.27%
Police Officers' Retirement System	9.56%
Firefighters' Retirement System	6.70%

The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. A schedule of each Plan's investment returns is presented on page 116.

**a. General Employees' Pension Plan**

***Investment Policy***

In fulfilling their fiduciary responsibility, the Pension Board of Trustees (the Board) for the General Employees' Pension Plan (GEPP) established an Investment Policy Statement and directed that it applies to all assets under their control. The general investment objective is to obtain a reasonable total rate of return – defined as interest and dividend income plus realized and unrealized capital gains or losses – commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes. The Board employs investment professionals to oversee and invest the assets of the Plan. The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C).

It is the Board's intention to review the Investment Policy Statement at least annually subsequent to the actuarial report and to amend the statement to reflect any changes in philosophy, objectives or guidelines. If, at any time, the investment manager feels that the specific objectives defined in the Investment Policy Statement cannot be met, or the guidelines constrict performance, the Board shall be notified in writing.

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. Upon adoption by the Board, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services, the City, and the Plan's actuary. The effective date of the Investment Policy Statement shall be thirty days following the filing date with the City. As of September 30, 2020, the effective Investment Policy Statement was adopted on March 20, 2019.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**a. General Employees' Pension Plan (continued)**

**Target Allocations**

In order to provide for a diversified portfolio, the Board engaged investment professional(s) to manage and administer the fund. The investment managers are responsible for the assets and allocation of their mandate only. They will monitor the aggregate asset allocation of the portfolio and rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances, the asset allocation will be rebalanced into the allowable range. The Board does not intend to exercise short-term changes to the target allocation.

The following was the Board's adopted asset allocation policy as of September 30, 2020:

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>	<u>Benchmark Index</u>
Domestic Equity	45%	40% - 60%	Russell 3000
Broad Market Fixed Income	20%	20% - 30%	Bloomberg Barclays Capital Intermediate Aggregate Bond Index
Global Fixed Income *	5%	0% - 10%	Citigroup World Government Bond Index
Real Return Assets *	5%	0% - 10%	Barclays Capital TIPS 1 - 10 Year
International Equity	15%	5% - 20%	MSCI-ACW ex. US
Real Estate *	10%	0% - 15%	NCREIF NFI-ODCE

\* Benchmark will default to "broad market fixed income" if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.

Authorized investments comprise domestic securities, domestic fixed income investment grade bonds, treasury inflation protected securities, pooled funds, real estate, and foreign securities. The board may make investments in the money market fund or short-term investment fund options provided by the Plan's custodian with the provision that those investments have a minimum rating of A1/P1, or its equivalent, by a major credit rating service. Eighty-five (85%) of the fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit rating service.

No investments shall be permitted in any investment not specifically allowed as part of the policy or illiquid investments, as described in Chapter 215.47, Florida Statutes.

**Concentration of Credit Risk**

Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. For fixed income, the value of bonds issued by any single corporation shall not exceed 3% of the total fund. Investments in corporate common stock and convertible bonds shall not exceed 70% of the market value of the Plan's assets. Foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets.

The following investments represent 5% or more of the Plan's investments and 5% or more of the Plan's fiduciary net position:

<u>Investment</u>	<u>Amount of Investment</u>	<u>% of Net Position</u>
Limited partnership - International equity	\$ 13,256,375	9.0%
Real estate investment trusts	14,371,059	9.7%
Total Plan investments 5% or more of the fiduciary net position	<u>\$ 27,627,434</u>	<u>18.7%</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**a. General Employees' Pension Plan (continued)**

***Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the General Employees' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2020, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's actual investment in foreign securities at September 30, 2020 was \$4,745,511 or 3.2% of the Plan's total assets at market value. The Plan also held foreign investments that comprised a limited partnership in international equity, which amounted to \$13,256,375 or 9.0% of the Plan's total assets at fair market value as of September 30, 2020.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. At least annually, the Board shall provide the Plan's investment managers with projected disbursement needs of the Plan so that the investment portfolio can be structured to provide sufficient liquidity to pay obligations as they come due. The investment managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash flow requirements.

At September 30, 2020, the General Employees' Pension Plan investments, other than money market, stocks, stock related funds, mutual funds, limited partnership and real estate investment trusts, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		1-5	6-10	More than 10
U.S. government and agency securities	\$ 7,848,580	\$ 6,972,717	\$ 875,863	\$ -
Municipal bonds	1,978,592	249,522	1,393,853	335,217
Corporate bonds	8,341,809	3,661,517	4,147,564	532,728
Mortgage backed securities	10,766,804	826,787	675,589	9,264,428
Mutual funds - fixed income	6,747,751	6,747,751	-	-
International securities - bonds and notes	759,618	715,616	44,002	-
Total Investments	<u>\$ 36,443,154</u>	<u>\$ 19,173,910</u>	<u>\$ 7,136,871</u>	<u>\$ 10,132,373</u>

**b. Police Officers' Retirement System**

***Investment Policy***

The Board of Trustees (the Board) for the Police Officers' Retirement System (PORS) established a Statement of Investment Policy that applies to those funds under control of the Board. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn an above average real rate of return (after inflation) over the long term while minimizing, to a reasonable extent, the short term volatility of results. The Board determined that one or more outside investment managers shall be retained to assure that all investments are managed in both a prudent and professional manner and in compliance with the stated investment guidelines. In performing its investment duties, the Board and its investment managers shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C).

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

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**2. City's Pension Plan Investments (continued)**

***b. Police Officers' Retirement System (continued)***

***Investment Policy (continued)***

It is the intention of the Board to review the Investment Policy Statement and its addenda periodically and to amend it to reflect any changes in philosophy or objectives. However, if at any time the investment managers believe that the specific objectives defined herein cannot be met or that the guidelines unnecessarily constrict performance, the Board shall be so notified in writing.

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. The investment policy shall be filed promptly with the Department of Management Services, plan sponsor and consulting actuary. The effective date of the investment policy and any amendment thereto shall be the 31<sup>st</sup> calendar day following the filing date with the plan sponsor. As of September 30, 2020, the effective Investment Policy Statement was adopted on June 6, 2019.

***Target Allocations***

To achieve the investment objectives, the Board, as the named fiduciary of the PORS Pension Fund, seeks to create a well-diversified and balanced portfolio of equity, fixed income, real estate, convertibles and money market securities. The Board determines that one or more outside investment managers shall be retained to assure that all investments are managed in both a prudent and professional manner and in compliance with the stated investment guidelines. Each investment manager is responsible only for those assets under their management. It may be necessary to rebalance the portfolio periodically in order to maintain policy targets and diversification. The Board monitors each component of the Plan periodically and makes adjustments as necessary.

The following was the Board's adopted asset allocation policy as of September 30, 2020:

<u><b>Asset Class</b></u>	<u><b>Target</b></u>	<u><b>Range</b></u>
Domestic Large Cap Equities	32.5%	30% - 65%
Domestic Small/Mid Cap Equities	7.5%	5% - 20%
Convertible Securities	10%	0% - 25%
Fixed Income Securities	25%	25% - 60%
International Equity	15%	5% - 25%
Real Estate	7%	0% - 10%
Master Limited Partnerships / Infrastructure	3%	0% - 15%
Cash	0%	0% - 10%

Authorized investments comprise equities, convertibles, publicly traded master limited partnerships, real estate, fixed income and cash equivalent securities. Investments in equity securities and convertibles shall be limited to easily and readily negotiable securities. All real estate investments shall be made through participation in diversified commingled funds of real properties or real estate securities. Such funds shall be broadly diversified as to property type and location.

The fixed income portfolio shall comply with the following guidelines:

- Investments in all corporation fixed income securities shall be limited to those securities rated BBB or higher by Standard & Poor's or Baa by Moody's rating services. Investments in securities rated below A will be limited to 20% of the total fixed income portfolio. Fixed income securities that are downgraded below the minimum rating by both entities shall be sold at the earliest beneficial opportunity.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

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**2. City's Pension Plan Investments (continued)**

***b. Police Officers' Retirement System (continued)***

***Target Allocations (continued)***

- Investments in collateralized mortgage obligations (CMOs) shall be backed by the full faith of the U.S. government, an agency thereof, or that are rated AAA by a major rating service. The CMOs shall be restricted to planned amortization class, non-accelerated securities or very accurately defined maturity securities.

Investment managers may invest only in the following short-term investment vehicles:

- The money market fund or short-term investment fund options provided by the Fund's custodian.
- Direct obligations of the U.S. government, its agencies or instruments with a maturity of one year or less.
- Commercial paper issued by U.S. corporations that has a maturity of 270 days or less and that is rated A-1 by Standard & Poor's or P-1 by Moody's.

Prohibited investments include direct investments in interest only or principal only CMOs, precious metals, real estate, direct investment in repurchase agreements, venture capital, futures contracts, options contracts, trading on margin and short sales. If an investment becomes illiquid or in the event that the Fund acquires an illiquid investment, the Board shall develop the methodology for valuation as set forth in the criteria in Section 215.47(6), Florida Statutes.

***Concentration of Credit Risk***

The Board developed a diversified investment program to control the risk of loss resulting from over concentration in a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold. Measures to control the risk include the following:

- Equity securities: Investments in equity securities, including convertibles, shall not exceed 70% (at cost value) or 75% (at market value) of the Fund's total portfolio; no more than 25% of the Fund's total market value may be invested in foreign equity securities; no more than 5% at market value of the total equity portfolio may be invested in the shares of a single corporate issuer; investments in those corporations whose stock has been publicly traded for less than one year is limited to 15% of the equity portfolio; investments issued by corporations with total market capitalization of \$3 billion or less shall not exceed 20% of total equity portfolio value (at market).
- Convertible securities: All such securities shall be classified as equities and shall be limited to 25% of the Fund's total portfolio value; no more than 10% at market value of an investment manager's convertible portfolio may be invested in the shares of a single corporate issuer; investments in foreign convertibles are limited to 25% (at market) of the investment manager's portfolio.
- Corporate fixed income securities: No more than 25% of the Fund's total market value may be invested in foreign equity securities; no more than 10% at market of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.
- Investments in CMOs shall be limited to 15% of the market value of the investment managers' total portfolio.
- Master limited partnerships (MLP): No more than 10% at market value of an investment manager's MLP may be invested in a single issuer unless the issuer makes up more than 10% of the Alerian MLP Index; no more than 15% of the total fund assets (at market value) may be invested in MLPs.
- Investments in real estate shall not exceed 15% at market valuation of the value of total Fund assets.

At September 30, 2020, PORS did not hold any investments that represent 5% or more of the Plan's investments and 5% or more of the Plan's fiduciary net position.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**b. Police Officers' Retirement System (continued)**

***Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Officers' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2020, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that no more than 25% of the Fund's total market value may be invested in foreign equity securities and investments in foreign convertibles are limited to 25% (at market) of the investment manager's portfolio. The Plan's foreign investment as of September 30, 2020 comprised mutual funds in international equity, which amounted to \$21,277,485 or 13.2% of the Plan's total assets at fair market value.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. One of the provisions of the Plan's investment policy is to structure the investment portfolio in such a manner to provide sufficient liquidity to pay obligations as they come due. To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

At September 30, 2020, the Police Officers' Retirement System pension plan investments, other than money market, stocks, mutual funds, commingled funds and master limited partnership, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. government and agency securities	\$ 15,546,568	\$ -	\$ 13,691,463	\$ 1,699,031	\$ 156,074
Corporate bonds	13,223,666	-	3,337,001	7,090,881	2,795,784
Convertible bonds	13,640,883	-	9,983,769	3,457,338	199,776
Convertible preferred	3,729,955	3,729,955	-	-	-
Total investments	\$ 46,141,072	\$ 3,729,955	\$ 27,012,233	\$ 12,247,250	\$ 3,151,634

***Firefighters' Retirement System***

***Investment Policy***

In fulfilling their fiduciary responsibility, the Pension Board of Trustees (the Board) for the Firefighters' Retirement System (FRS) established an Investment Policy Statement and directed that it apply to all assets under their control. The general investment objective is to obtain a reasonable total rate of return – defined as interest and dividend income plus realized and unrealized capital gains or losses – commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes. The Board employs investment professionals to oversee and invest the assets of the Plan. The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C).

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**c. Firefighters' Retirement System**

***Investment Policy (continued)***

It is the Board's intention to review the Investment Policy Statement at least annually subsequent to the actuarial report and to amend the statement to reflect any changes in philosophy, objectives or guideline. If, at any time, the investment manager feels that the specific objectives defined in the Investment Policy Statement cannot be met, or the guidelines constrict performance, the Board shall be notified in writing.

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. Upon adoption by the Board, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services, the City, and the Plan's actuary. The effective date of the Investment Policy Statement shall be thirty days following the filing date with the City. As of September 30, 2020, the effective Investment Policy Statement was adopted on January 13, 2020.

***Target Allocations***

In order to provide for a diversified portfolio, the Board engaged investment professional(s) to manage and administer the fund. The investment managers are responsible for the assets and allocation of their mandate only. They will monitor the aggregate asset allocation of the portfolio and rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances, the asset allocation will be rebalanced into the allowable range. The Board does not intend to exercise short-term changes to the target allocation.

The following was the Board's adopted asset allocation policy as of September 30, 2020:

<u>Asset Class</u>	<u>Target</u>	<u>Range</u>	<u>Benchmark Index</u>
Domestic Equity	50%	40% - 65%	Russell 3000
Broad Market Fixed Income	15%	20% - 30%	Barclays Aggregate
Global Fixed Income *	5%	0% - 10%	Citigroup World Government Bond Index
International Equity	15%	5% - 20%	MSCI-ACW ex. US
Real Estate *	15%	0% - 20%	NCREIF NFI-ODCE

\* Benchmark will default to "broad market fixed income" if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.

Authorized investments comprise domestic securities, domestic fixed income investment grade bonds, treasury inflation protected securities, pooled funds, real estate, and foreign securities. The board may make investments in the money market fund or short-term investment fund options provided by the Plan's custodian with the provision that those investments have a minimum rating of A1/P1, or its equivalent, by a major credit rating service. Eighty-five (85%) of the fixed income investments shall have a minimum rating of investment grade or higher as reported by a major credit rating service. All real estate investments shall be managed by experienced and qualified professional real property investment managers. The Board shall seek to diversify real estate investments by property type, geographic region, property size and number of properties.

No investments shall be permitted in any investment not specifically allowed as part of the policy or illiquid investments, as described in Chapter 215.47, Florida Statutes. Direct investment in 'Scrutinized Companies' identified in the periodic publication by the State Board of Administration is prohibited.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**2. City's Pension Plan Investments (continued)**

**c. Firefighters' Retirement System (continued)**

***Concentration of Credit Risk***

Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. For fixed income, the value of bonds issued by any single corporation shall not exceed 3% of the total fund. Investments in corporate common stock and convertible bonds shall not exceed 75% of the fund assets at market value. Investments in real estate shall not exceed 15% of the market value of the total Plan at the time of purchase. Foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets.

The following investments represent 5% or more of the Plan's investments and 5% or more of the Plan's fiduciary net position:

<b>Investment</b>	<b>Amount of Investment</b>	<b>% of Net Position</b>
Limited partnerships - Real estate	\$ 8,344,342	7.6%
Total Plan investments 5% or more of the fiduciary net position	<u>\$ 8,344,342</u>	<u>7.6%</u>

***Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Retirement System pension plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2020, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates that will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's foreign investment as of September 30, 2020, comprised international equity, which amounted to \$12,970,682 or 11.8% of the Plan's total assets at fair market value, and international bonds and notes, which amounted to \$1,108,108 or 1.0% of the Plan's total assets at fair market value.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. At least annually, the Board shall provide the Plan's investment managers with projected disbursement needs of the Plan so that the investment portfolio can be structured to provide sufficient liquidity to pay obligations as they come due. The investment managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash flow requirements.

At September 30, 2020, the Firefighters' Retirement System plan investments, other than money market, stocks, mutual funds and limited partnership, were as follows:

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS (continued)**

**3. City's Pension Plan Investments (continued)**

**c. Firefighters' Retirement System (continued)**

Investment Type	Fair Value	Investment Maturities (in Years)		
		1-5	6-10	More than 10
U.S. government and agency securities	\$ 2,184,027	\$ 2,024,371	\$ 37,783	\$ 121,873
Municipal bonds	1,346,126	177,557	420,396	748,173
Corporate bonds	9,876,292	2,618,999	5,100,172	2,157,121
Mortgage backed securities	3,259,975	-	-	3,259,975
Mutual funds - fixed income	4,892,988	4,892,988	-	-
International securities - bonds and notes	1,108,108	265,529	645,591	196,988
Total Investments	<u>\$ 22,667,516</u>	<u>\$ 9,979,444</u>	<u>\$ 6,203,942</u>	<u>\$ 6,484,130</u>

**NOTE 5 – RESTRICTED ASSETS**

Certain assets of the proprietary funds at September 30, 2020 are restricted for certain purposes. These assets comprise cash and cash equivalents, investments and interest receivable.

Proprietary Funds			
Description and Purpose	Water -	Solid Waste	Nonmajor
	Wastewater Fund		Business-type Funds
Customer deposits for services	\$ 9,217,283	\$ -	\$ 143,998
Sinking fund accounts, for debt service obligations	15,457,362	-	-
Pledged impact fees, for debt service obligations	11,912,046	-	-
Unpledged impact fees, for capital project needs	16,053,912	-	-
Renewal and replacement, funding capital project needs	6,559,861	1,507,299	127,896
Proceeds from debt issuance, for the acquisition, construction and equipping of various capital projects	35,213,243	-	15,167
Capital project accounts	993,427	19,605	109,471
Other purposes	-	-	10,142
Total restricted assets	<u>\$ 95,407,134</u>	<u>\$ 1,526,904</u>	<u>\$ 406,674</u>

Restricted cash and cash equivalents of \$4,006,414 in the Risk Management Internal Service Fund relates to the City's self-insurance activities. Note 14 provides more information about the City's Risk Management.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 6 – RECEIVABLES**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Receivables as of September 30, 2020 for the City's governmental activities, individual major governmental funds, nonmajor governmental funds in the aggregate, internal service funds and applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>General Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
<b>Receivables:</b>					
Accounts	\$ 311,724	\$ 153,225	\$ -	\$ 2,176	\$ 467,125
Utility Service Taxes and Franchise Fees	2,308,093	-	-	-	2,308,093
Code Enforcement	1,584,049	-	-	-	1,584,049
Accounts, gross	<u>4,203,866</u>	<u>153,225</u>	<u>-</u>	<u>2,176</u>	<u>4,359,267</u>
Less: Allowance for Uncollectibles	<u>(834,060)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(834,060)</u>
Accounts, net	<u>3,369,806</u>	<u>153,225</u>	<u>-</u>	<u>2,176</u>	<u>3,525,207</u>
Notes	-	-	7,101,446	-	7,101,446
Less: Allowance for Uncollectibles	-	-	(7,101,446)	-	(7,101,446)
Notes, net	-	-	-	-	-
Total net receivables	<u>\$ 3,369,806</u>	<u>\$ 153,225</u>	<u>\$ -</u>	<u>\$ 2,176</u>	<u>\$ 3,525,207</u>

**Significant Uncollectible**

The allowance for uncollectible accounts receivable in the General Fund consists primarily of \$770,211 for code enforcement fees. The amount of \$7,101,446 for the allowance for uncollectible notes receivable in the Nonmajor Governmental Funds relates to mortgage assistance provided by the Attainable Workforce Housing Fund, State Housing Initiative Partnership (SHIP) Fund and Community Development Block Grant Fund. The Attainable Workforce Housing Fund provides loans to eligible residents with income of 150% of the Area Median Income (AMI) for Lee County and the Fort Myers-Cape Coral Metropolitan Statistical Area (MSA). The SHIP program provides a deferred payment loan with no interest to eligible recipients with incomes up to 120 percent AMI to fund the gap between what the financial institution will lend and what the homebuyer can afford to pay for an existing or newly constructed single-family home within the City. The SHIP and CDBG programs also provide ten year deferred payment/no interest loans to homeowners with household incomes of up to 80 percent AMI for major rehabilitation.

Receivables for the City's business-type activities, including individual major funds and allowances for uncollectible accounts, are as follows:

	<u>Water Wastewater Fund</u>	<u>Solid Waste Fund</u>	<u>Other Business-Type Funds</u>	<u>Total</u>
<b>Receivables:</b>				
Accounts, gross	\$ 7,848,072	\$ 1,337,478	\$ 46,160	\$ 9,231,710
Less: Allowance for Uncollectibles	<u>(1,531,288)</u>	<u>(97,257)</u>	<u>(23,295)</u>	<u>(1,651,840)</u>
Accounts, net	<u>\$ 6,316,784</u>	<u>\$ 1,240,221</u>	<u>\$ 22,865</u>	<u>\$ 7,579,870</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 7 – ASSETS HELD FOR RESALE**

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**Community Development Block Grant**

The U.S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP) is part of the national effort to restore homes and renew neighborhoods affected the hardest by the recent housing crisis. The NSP signals opportunity for homebuyers and stronger neighborhoods with reinvestments that go straight to the heart of the communities.

In fiscal year 2009, the City received \$2,297,318 of Neighborhood Stabilization Program 1 (NSP1) funding, which was allocated through HUD's Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008. In fiscal year 2011, the City received \$1,537,642 from an NSP3 funding allocation, which was released by HUD as authorized in the Dodd Frank Wall Street Reform and Consumer Protection Act to continue to assist state and local governments in the redevelopment of abandoned and foreclosed residential properties. The City completed over forty-five units under the NSP program thus far. The City will use program income to develop additional housing.

The City utilizes NSP funds in the following ways:

- Purchase foreclosed and vacant single or multi-family residential properties in target areas,
- Improve property condition via rehabilitation,
- Incorporate energy saving features,
- Redevelop city owned foreclosed vacant lots,
- Resell to households with income less than 120% AMI (Area Median Income),
- Offer financial aid in the form of a silent second mortgage and help with reasonable closing costs.

As of September 30, 2020, the City held three single-family homes, which comprise new construction on foreclosed, city-owned property, as assets held for resale for a total of \$388,518. The City used NSP1 funds to build two of the existing single-family homes, and one home is under contract with a potential buyer while the other home is available for sale to a qualified buyer.

The NSP3 grant application contained more defined target areas than was required by the NSP1 grant notice. Since the allocation of the NSP3 funding, the City acquired, rehabilitated and sold at least thirteen housing units. In fiscal year 2020, the City completed construction of one new single-family home and a HUD certified Housing Counseling agency is currently working with the buyers to secure a first mortgage. The City plans to construct a new house in the next fiscal year with funding from program income.

The City also earmarked \$574,329 for the acquisition, rehabilitation, financing, and resale of multi-family rental properties. The rehabilitation of the units was completed in fiscal year 2014 and transferred to a local non-profit agency to provide rental assistance to households with incomes less than 50% AMI.

During fiscal year 2009, the City met the 50 percent AMI set-aside requirement for NSP1 by purchasing a seven-unit rental complex for \$217,872 with NSP1 funds. The City rehabilitated the complex with the intent to transfer to a non-profit agency to manage during the 20-year affordability period. On September 17, 2012, City Council approved a Community Development Block Grant Neighborhood Stabilization Program Subrecipient Agreement with Goodwill Industries of Southwest Florida, Inc. for the property management of this unit. The agreement provides for Goodwill to receive clear title in 2027 if all obligations are fulfilled. In addition to other requirements, Goodwill must provide yearly reporting for the remaining years of the Subrecipient Agreement. If Goodwill fails to meet the agreement guidelines, the property will revert to the City. Based on agreement by both parties, a Quit Claim Deed was issued by the City on November 8, 2012 and filed with the Lee County Clerk of Circuit Court.

In order to meet the 50 percent AMI set-aside requirement for NSP3, the City entered into a Developer Agreement with Lee County Housing Development Corporation (LCHDC), effective December 10, 2013, for scattered site rental strategy projects. In fiscal year 2014, the City acquired and redeveloped one single-family home for rental purposes and transferred the property to LCHDC for management. NSP3 funds were also used for multi-family purposes, with a total of four units (two duplexes) rehabilitated and transferred to LCHDC by Quit Claim Deed in 2014. The property is subject to a Subrecipient Agreement dated March 3, 2014 with the LCHDC for property management and ownership activities. The terms of the Agreement shall remain in effect during the affordability period, which began

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 7 – ASSETS HELD FOR RESALE (continued)**

**Community Development Block Grant (continued)**

upon execution of the Agreement and ends fifteen years thereafter on March 2, 2029. There is a restrictive covenant until March 2, 2034 that the property shall be used to meet one of the CDBG-NSP National Objectives. If the Grantee fails to comply with the restrictive covenant, the Grantee shall remit the current fair market value of the property less any expenditures of non-NSP funds for acquisition of, or improvement to the property. Such payment shall constitute program income to the City.

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2020, was as follows:

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 27,183,399	\$ 7,747	\$ (117,640)	\$ 27,073,506
Antiques and Exhibits <sup>(1)</sup>	251,871	-	-	251,871
Construction in progress	35,794,744	13,134,808	(33,832,686)	15,096,866
Intangibles-easements	4,474,111	10,125	-	4,484,236
Total capital assets, not being depreciated	<u>67,704,125</u>	<u>13,152,680</u>	<u>(33,950,326)</u>	<u>46,906,479</u>
<b>Capital assets, being depreciated:</b>				
Buildings	35,078,621	31,050,086	-	66,128,707
Improvements	51,862,451	40,926	-	51,903,377
Equipment	37,157,256	3,941,230	(1,841,856)	39,256,630
Intangibles-software	145,587	-	-	145,587
Infrastructure	277,643,250	24,697,748	-	302,340,998
Total capital assets, being depreciated	<u>401,887,165</u>	<u>59,729,990</u>	<u>(1,841,856)</u>	<u>459,775,299</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(16,069,800)	(1,369,098)	-	(17,438,898)
Improvements	(35,584,230)	(2,682,051)	-	(38,266,281)
Equipment	(26,034,691)	(3,922,649)	1,841,856	(28,115,484)
Intangibles-software	(145,587)	-	-	(145,587)
Infrastructure	(219,069,719)	(5,699,495)	-	(224,769,214)
Total accumulated depreciation	<u>(296,904,027)</u>	<u>(13,673,293)</u>	<u>1,841,856</u>	<u>(308,735,464)</u>
Total capital assets being depreciated, net	<u>104,983,138</u>	<u>46,056,697</u>	<u>-</u>	<u>151,039,835</u>
Total governmental activities capital assets, net	<u>\$ 172,687,263</u>	<u>\$ 59,209,377</u>	<u>\$ (33,950,326)</u>	<u>\$ 197,946,314</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 8 – CAPITAL ASSETS (continued)**

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

**Governmental Activities:**

General government	\$ 3,802,997
Public Safety:	
Police	537,510
Fire	1,110,902
Protective inspections	17,079
Physical environment	722,633
Transportation	5,931,635
Economic environment	185,755
Culture and recreation	1,364,782
Total depreciation expense - governmental activities	<u>\$ 13,673,293</u>

	<u>Balance</u> <u>October 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>September 30, 2020</u>
<b>Business-Type Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 2,712,736	\$ -	\$ -	\$ 2,712,736
Intangibles	302,045	8,451	-	310,496
Construction in progress	55,906,071	9,334,015	(41,268,847)	23,971,239
Total capital assets, not being depreciated	<u>58,920,852</u>	<u>9,342,466</u>	<u>(41,268,847)</u>	<u>26,994,471</u>
<b>Capital assets, being depreciated:</b>				
Buildings	84,861,320	38,492,605	-	123,353,925
Improvements other than buildings	40,179,229	144,988	(128,398)	40,195,819
Equipment	31,389,216	2,934,626	(1,502,439)	32,821,403
Utility Systems	476,421,245	18,848,255	-	495,269,500
Total capital assets, being depreciated	<u>632,851,010</u>	<u>60,420,474</u>	<u>(1,630,837)</u>	<u>691,640,647</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(63,512,704)	(2,244,779)	-	(65,757,483)
Improvements other than buildings	(16,697,976)	(1,544,572)	-	(18,242,548)
Equipment	(22,190,697)	(2,753,290)	1,463,850	(23,480,137)
Utility Systems	(190,093,645)	(13,360,840)	-	(203,454,485)
Total accumulated depreciation	<u>(292,495,022)</u>	<u>(19,903,481)</u>	<u>1,463,850</u>	<u>(310,934,653)</u>
Total capital assets being depreciated, net	<u>340,355,988</u>	<u>40,516,993</u>	<u>(166,987)</u>	<u>380,705,994</u>
Total business-type activities capital assets, net	<u>\$ 399,276,840</u>	<u>\$ 49,859,459</u>	<u>\$ (41,435,834)</u>	<u>\$ 407,700,465</u>

(1) The City owns various collections of works of art, historical treasures, educational exhibits and similar assets. In compliance with the City's Capital Asset Capitalization Policy, the City capitalizes the collections.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 9 – ACCRUED AND OTHER LIABILITIES, UNEARNED REVENUE**

**1. Accrued and Other Liabilities**

Accrued and other liabilities at September 30, 2020 were as follows:

	<b>Salaries and Benefits</b>	<b>Due to Fiduciary Funds</b>	<b>Other Liabilities</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General Fund	\$ 4,841,631	\$ 364,420	\$ 1,003,062	\$ 6,209,113
Revenue Bonds and Notes Fund	-	-	11,500	11,500
Transportation Capital Projects	-	-	100	100
General Capital Projects	-	-	946	946
Nonmajor Governmental Funds	-	-	25,922	25,922
Internal Service Fund	-	-	136,267	136,267
Total Governmental Activities	<u>\$ 4,841,631</u>	<u>\$ 364,420</u>	<u>\$ 1,177,797</u>	<u>\$ 6,383,848</u>
<b>Business-type Activities:</b>				
Water-Wastewater Fund	\$ -	\$ -	\$ 85,861	\$ 85,861
Solid Waste Fund	-	-	6,792	6,792
Nonmajor Business-type Funds	-	-	40,842	40,842
Total Business-type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,495</u>	<u>\$ 133,495</u>

Other liabilities in the General Fund include funds held in escrow.

**2. Unearned Revenue**

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered. The components of unearned revenue as of September 30, 2020 are as follows:

	<b>Cemetery lots</b>	<b>Code Enforcement billings</b>	<b>Rental income</b>	<b>Grant receipts</b>	<b>Contributions from other sources</b>	<b>Total</b>
<b>Governmental Activities:</b>						
General Fund	\$ 32,174	\$ 1,432,882	\$ 4,010	\$ -	\$ -	\$ 1,469,066
Transportation Capital Projects	-	-	-	-	1,400,360	1,400,360
Nonmajor Governmental Funds	-	-	-	258,811	-	258,811
Total Governmental Activities	<u>\$ 32,174</u>	<u>\$ 1,432,882</u>	<u>\$ 4,010</u>	<u>\$ 258,811</u>	<u>\$ 1,400,360</u>	<u>\$ 3,128,237</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS**

The City oversees three separate single-employer defined benefit plans: the General Employees' Pension Plan that covers full-time City employees and civilian Police Department employees; the Police Officers' Retirement System for non-civilian Police Department employees, and; the Firefighters' Retirement System for City firefighters and Fire Department officers. Although an outside firm administers each plan, the plans are sponsored by and fiscally dependent on the City.

A board of trustees governs each plan, with each board consisting of seven trustees. These plans are maintained as pension trust funds and included as part of the City's reporting entity. City ordinance and state law require contributions be determined by actuarial studies at least every three years. Stand-alone financial reports are not issued.

	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Total</b>
Net pension liability	\$ 45,344,792	\$ 50,566,091	\$ 39,575,837	\$ 135,486,720
Deferred outflows of resources related to pensions	2,557,956	5,487,815	9,546,493	17,592,264
Deferred inflows of resources related to pensions	5,565,177	3,045,811	-	8,610,988
Pension expense	5,689,065	8,271,198	6,226,559	20,186,822

**1. General Employees' Pension Plan**

**Plan Description**

**Plan administration.** The General Employees' Pension Plan (GEPP) provides retirement, termination, disability and death benefits to Plan members and their beneficiaries. Regular full-time employees enter on the first of the month coincident with or next following the date of employment. Certain positions are allowed to opt out of the Plan.

The City Council has the authority to establish and amend the benefit provisions of the Plan. The GEPP Board of Trustees comprises the president of the employees' association; a trustee appointed by the employees' association; a non-union City employee that is a member of the retirement system, elected by the members of the retirement system that are non-union City employees; a trustee appointed by the City Council; the City Manager or his designee, and; a sixth and seventh trustee appointed by the other trustees.

**Plan membership.** As of October 1, 2019, the GEPP Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	595
Inactive plan members entitled to but not yet receiving benefits	366
Active plan members	491
Total plan membership	<u>1,452</u>

**Benefits provided.** The GEPP provides retirement, termination, disability and death benefits to Plan members and their beneficiaries, as follows:

- Normal retirement: Date of retirement is the first of month coincident with or next following the earlier of (1) the attainment of age 62 and the completion of five years of credited service, (2) the age when credited service plus age equals 80, or (3) 30 years of credited service, regardless of age. The benefit amount is 2.1% of the average final compensation multiplied by credited service prior to April 2, 1998 plus 3.0% of the average final compensation multiplied by credited service after April 2, 1998 through September 17, 2012, plus Rate A or B for service after September 17, 2012. Rate A is 1.8% and Rate B is 3.0%.
- Early retirement: Date of retirement is the earlier of the attainment of age 55 and the completion of seven years of credited service, or age 60 and five years of credited service. The benefit amount is determined using the same calculations as for normal retirement and reduced by 4.0% for each year prior to normal retirement.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

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**1. General Employees' Pension Plan (continued)**

***Benefits provided (continued)***

- Termination of employment: Vested members (members with seven or more years of credited service) receive their accrued benefit payable at retirement age. Non-vested members (members with less than seven years of credit service) receive a return of their accumulated contributions.
- Disability benefits: Total and permanent benefits, as determined by the Board, for eligible members that have at least five years of credited service. The benefit amount is determined using the same calculations as for normal retirement, based on total service and the average final compensation as of the date of disability.
- Pre-retirement death benefits: Vested benefits are paid for ten years at the member's normal (unreduced) or early (reduced) retirement date. Beneficiaries of non-vested members receive a return of their accumulated contributions.

Benefit terms provide for an annual 2.5% cost of living increase (COLA) for Tier 3 and Tier 4 members with at least three years of increased member contributions. The COLA is payable to normal and early retirees, in addition to disability retirees, vested terminated members, and joint pensioners and beneficiaries.

Tier 2 and Tier 4 members receive a supplemental benefit of \$200 per month, payable for the retiree's lifetime only (not subject to the cost of living adjustments). Members must make additional contributions for a minimum of three years for this benefit.

***Contributions.*** Member contribution requirements are established by City Code Section 62-185, which may be amended by the City Council. Member contributions vary based on the rate and tier selected by the employee. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortize unfunded past service costs, if any, as provided in Chapter 112, Florida Statutes. Administrative costs of the GEPP are financed through Plan contributions and investment earnings.

***Investments.*** In fulfilling their fiduciary responsibility, the Pension Board of Trustees (the Board) for the GEPP established an Investment Policy Statement and directed that it applies to all assets under their control. Note 4, section 2, provides disclosure about the GEPP's investment policy and related investments.

***Deferred Retirement Option Program (DROP).*** City employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2020, the balance of the DROP amounts maintained by the GEPP was \$2,315,974.

***Net Pension Liability***

The GEPP's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the GEPP at September 30, 2020 were as follows:

Total pension liability	\$ 193,071,840
Plan fiduciary net position	(147,727,048)
GEPP net pension liability	<u>\$ 45,344,792</u>
Plan fiduciary net position as a percentage of the total pension liability	76.51%

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**1. General Employees' Pension Plan (continued)**

***Net Pension Liability (continued)***

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2020, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Service based
Discount rate	7.25%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Mortality rates for healthy active lives were based on the PubG.H-2010 for Employees for females and on the PubG.H-2010 for Employees, set back one year, for males. Mortality rates for healthy retiree lives were based on the PubG.H-2010 for Healthy Retirees for females and on the PubG.H-2010 (Below Median) for Healthy Retirees, set back one year, for males. Mortality rates for beneficiary lives were based on the PubG.H-2010 for Healthy Retirees for females and on the PubG.H-2010 for Healthy Retirees, set back one year, for males. The mortality rates for disabled lives were based on the PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018. The above referenced mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The law mandates the use of the assumptions used in either of the two most recent actuarial valuations of the Florida Retirement System.

The most recent actuarial experience study used to review the other significant assumptions was dated August 20, 2019.

The long-term expected rate of return on the GEPP investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEPP's target asset allocation as of September 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	45.0%	7.50%
Broad Market Fixed Income	20.0%	2.50%
Global Fixed Income	5.0%	3.50%
Real Return Assets	5.0%	2.50%
International Equity	15.0%	8.50%
Real Estate	10.0%	4.50%
Total	100.0%	

Note 4, section 2, provides further discussion of the GEPP's asset allocation policy.

**Discount rate.** The discount rate used to measure the total pension liability was 7.25 percent, a slight reduction from the prior discount rate of 7.5 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the GEPP's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the GEPP investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**1. General Employees' Pension Plan (continued)**

***Net Pension Liability (continued)***

<b>Changes in Net Pension Liability</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances at September 30, 2019	\$ 182,322,946	\$ 130,130,879	\$ 52,192,067
Changes for the year:			
Service cost	2,937,411	-	2,937,411
Interest	13,473,986	-	13,473,986
Differences between expected and actual experience	3,003,873	-	3,003,873
Changes of assumptions	2,112,038	-	2,112,038
Contributions - employer	-	9,959,509	(9,959,509)
Contributions - members	31,606	1,612,869	(1,581,263)
Net investment income	-	17,010,206	(17,010,206)
Benefit payments, including refunds of employee contributions	(10,810,020)	(10,808,293)	(1,727)
Administrative expense	-	(178,122)	178,122
Net changes	10,748,894	17,596,169	(6,847,275)
Balances at September 30, 2020	\$ 193,071,840	\$ 147,727,048	\$ 45,344,792

***Sensitivity of the net pension liability to changes in the discount rate.*** The following presents the net pension liability of the GEPP, calculated using the discount rate of 7.25 percent, as well as what the GEPP's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
GEPP net pension liability	\$ 66,340,970	\$ 45,344,792	\$ 27,725,366

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended September 30, 2020, the GEPP recognized pension expense of \$5,689,065. At September 30, 2020, GEPP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,501,937	\$ -
Changes of assumptions	1,056,019	-
Net difference between projected and actual earnings on pension plan investments	-	5,565,177
Total	\$ 2,557,956	\$ 5,565,177

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**1. General Employees' Pension Plan (continued)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

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

**Year ended September 30:**

2021	\$ (156,771)
2022	(1,356,035)
2023	(42,789)
2024	(1,451,626)

**2. Police Officers' Retirement System**

***Plan Description***

***Plan administration.*** The Police Officers' Retirement System (PORS) provides retirement, disability, death benefits and cost of living adjustments to Plan members and their beneficiaries. Each person employed by the City of Fort Myers Police Department becomes a member of the Plan as a condition of employment. Therefore, all police officers are eligible for all Plan benefits as provided for in the Plan document and by applicable law, except the Chief of Police. The Chief of Police may, upon employment as Police Chief, notify the Board and the City, in writing, of his election to not be a member of the PORS.

The City Council has the authority to establish and amend the benefit provisions of the Plan. The PORS Board of Trustees comprises the City Manager or his designee; the Chief of Police of the City; three members of the retirement system that are elected by a majority of police officers that are members of the retirement system, and; two trustees that are legal residents of the City, appointed by the City Council upon nomination by the other five trustees.

On May 4, 2020, City Council adopted Ordinance No. 3900, which provided minor changes in the sections for the disability payments and share plan benefits.

***Plan membership.*** As of October 1, 2019, the PORS Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	171
Inactive plan members entitled to but not yet receiving benefits	24
Active plan members	219
Total plan membership	<u>414</u>

***Benefits provided.*** The PORS provides retirement, termination, disability, and death benefits to Plan members and their beneficiaries, as follows:

- Normal retirement: Date of retirement is the earlier of age 55 or the completion of twenty-five years of credited service, regardless of age. The benefit amount is 3.24% of the average final compensation multiplied by credited service for each year of credited service prior to March 17, 2014, plus 3.0% for each year of credited service for years after March 17, 2014. Supplemental benefits provide \$150 per month that is payable for the lifetime of the retiree. Any member that has accrued at least fifteen years of credited service as of March 17, 2014 shall continue to be eligible for the \$290 additional monthly benefit.
- Early retirement: Date of retirement is the earlier of the attainment of age 45 and the completion of ten years of credited service, or the completion of fifteen years of credited service. The benefit amount is the accrued benefit, reduced 3.0% per year, plus the supplemental benefit.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

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**2. Police Officers' Retirement System (continued)**

***Benefits provided (continued)***

- Termination of employment: Vested members (members with five or more years of credited service) receive their accrued benefit payable at the member's election, on the otherwise early or normal retirement date or refund of member contributions, with 3.75% interest. Non-vested members (members with less than five years of credited service) receive a refund of their member contributions, with 3.75% interest.
- Disability benefits: Total and permanent benefits, as determined by the Board. Members are covered from the date of employment for service incurred disabilities and after five years of employment for non-service incurred disabilities. The benefit amount is 3.24% of the average final compensation multiplied by credited service for service earned prior to March 17, 2014, and 3% of the average final compensation multiplied by credited service for service earned on and after March 17, 2014 (but not less than 42% of average monthly earnings), plus the supplemental benefit, offset with workers' compensation. Benefits commence upon Board approval and are payable until the earlier of recovery or death (120 monthly payments of the accrued benefit, less the supplemental benefit, are guaranteed).
- Pre-retirement death benefits: For members with credited service, death benefits for spouse and/or dependent child are paid to the spouse as 1.62% of the average final compensation multiplied by credited service and to each child as 0.324% of the average final compensation multiplied by credited service. The overall maximum benefit to the spouse and children is 70% of the average final compensation. Pre-retirement death benefits for a member with no spouse and no children are paid by a refund of the member contributions, with 3.75% interest. There is an alternative benefit to the beneficiaries of members that deceased after completing at least ten years of service. Those beneficiaries may elect to receive the member's accrued benefit for ten years at the member's normal (unreduced) or early (reduced) retirement date.

Benefit terms provide for a cost of living increase, as follows:

- Members that retired after November 5, 1990 and prior to December 1, 2002 receive 3.0% at age 60 and each October 1 thereafter.
- Members that retired after November 30, 2002 receive a 3.0% per year increase on the monthly benefit, beginning at the earlier of 24 months following normal retirement eligibility or age 60.
- Members that retired after March 17, 2014 receive a blended rate: 3.0% for benefits accrued before March 17, 2014, and 1.5% per year for benefits accrued beginning March 17, 2014 and after.

***Contributions.*** Member contribution requirements are established by City Code Section 62-75, which may be amended by the City Council. Members of the Plan are required to contribute 10% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortized unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The State's contribution to the PORS for fiscal year 2020 was \$1,009,819. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

***Investments.*** In fulfilling their fiduciary responsibility, the Pension Board of Trustees (the Board) for the PORS established an Investment Policy Statement and directed that it applies to those funds under their control. Note 4, section 2, provides disclosure about the PORS' investment policy and related investments.

***Deferred Retirement Option Program (DROP).*** PORS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2020, the balance of the DROP amounts maintained by the PORS was \$827,024.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**2. Police Officers' Retirement System (continued)**

***Net Pension Liability***

The PORS' net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the PORS at September 30, 2020 were as follows:

Total pension liability	\$ 211,590,407
Plan fiduciary net position	(161,024,316)
PORS net pension liability	<u>\$ 50,566,091</u>

Plan fiduciary net position as a percentage of the total pension liability	76.10%
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***Actuarial assumptions.*** The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2020, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.7%
Salary increases	6.0%
Discount rate	7.75%
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates for healthy active lives were based on the PubS.H-2010 for Employees, set forward one year, for females and males. Mortality rates for healthy retiree lives were based on the PubS.H-2010 for Healthy Retirees, set forward one year, for females and males. Mortality rates for beneficiary lives were based on the PubG.H-2010 for Healthy Retirees for females and on the PubG.H-2010 for Healthy Retirees, set back one year, for males. The mortality rates for disabled lives were based on the 80% PubG.H-2010 for Disabled Retirees/20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. The above referenced mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The law mandates the use of the assumptions used in either of the two most recent actuarial valuations of the Florida Retirement System.

For active deaths, 75% of those deaths are assumed to be service incurred. The other significant assumptions are based upon the most recent actuarial experience study dated August 30, 2016, for the period 1987 – 2015.

The long-term expected rate of return on the PORS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the PORS' target asset allocation as of September 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Large Cap Equities	32.5%	8.50%
Domestic Small / Mid Cap Equities	7.5%	8.50%
Convertible Securities	10.0%	7.90%
Fixed Income Securities	25.0%	3.70%
International Equity	15.0%	4.10%
Real Estate	7.0%	5.00%
Infrastructure	3.0%	5.30%
Total	<u>100.0%</u>	

Note 4, section 2, provides further discussion of the PORS' asset allocation policy.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**2. Police Officers' Retirement System (continued)**

***Net Pension Liability (continued)***

***Actuarial assumptions (continued)***

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

<b>Changes in Net Pension Liability</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances at September 30, 2019	\$ 200,238,430	\$ 145,370,119	\$ 54,868,311
Changes for the year:			
Service cost	4,036,915	-	4,036,915
Interest	15,400,575	-	15,400,575
Share plan allocation	140,675	-	140,675
Differences between expected and actual experience	4,702,185	-	4,702,185
Changes of assumptions	(2,495,828)	-	(2,495,828)
Contributions - employer	-	9,958,884	(9,958,884)
Contributions - state	-	1,009,819	(1,009,819)
Contributions - members	21,320	1,707,415	(1,686,095)
Net investment income	-	13,574,836	(13,574,836)
Benefit payments, including refunds of employee contributions	(10,453,865)	(10,453,865)	-
Administrative expense	-	(142,892)	142,892
Net changes	11,351,977	15,654,197	(4,302,220)
Balances at September 30, 2020	<u>\$ 211,590,407</u>	<u>\$ 161,024,316</u>	<u>\$ 50,566,091</u>

**Sensitivity of the net pension liability to changes in the discount rate.** The following presents the net pension liability of the PORS, calculated using the discount rate of 7.75 percent, as well as what the PORS' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
PORS net pension liability	\$ 78,201,864	\$ 50,566,091	\$ 27,918,995

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended September 30, 2020, PORS recognized pension expense of \$8,271,198. At September 30, 2020, PORS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**2. Police Officers' Retirement System (continued)**

***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 5,487,815	\$ 313,338
Changes of assumptions	-	1,996,664
Net difference between projected and actual earnings on pension plan investments	-	735,809
Total	<u>\$ 5,487,815</u>	<u>\$ 3,045,811</u>

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

**Year ended September 30:**

2021	\$ 294,436
2022	1,162,282
2023	910,132
2024	75,154

**3. Firefighters' Retirement System**

***Plan Description***

***Plan Administration.*** The Firefighters' Retirement System (FRS) provides retirement, termination, disability and death benefits to Plan members and their beneficiaries. Each person employed by the City of Fort Myers Fire Department becomes a member of the Plan as a condition of employment. Therefore, all firefighters are eligible for all Plan benefits as provided for in the Plan document and by applicable law, except the Fire Chief. The Fire Chief may exercise an irrevocable election not to participate in the FRS within sixty days of the date of appointment as Fire Chief.

The City Council has the authority to establish and amend the benefit provisions of the Plan. The FRS Board of Trustees comprises the City Manager; the Fire Chief of the City; three members of the retirement system that are elected by a majority of firefighters that are members of the retirement system, and; two trustees that are legal residents of the City, appointed by the City Council upon nomination by the other five trustees.

***Plan membership.*** As of October 1, 2019, the FRS Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	121
Inactive plan members entitled to but not yet receiving benefits	23
Active plan members	103
Total plan membership	<u><u>247</u></u>

***Benefits provided.*** The Firefighters' Retirement System (FRS) provides retirement, termination, disability and death benefits to Plan members and their beneficiaries, as follows:

- Normal retirement: For members hired before April 20, 2015, date of retirement is the earlier of (1) age 52, or (2) twenty-five years of credited service, regardless of age. For members hired on or after April 20, 2015, date of retirement is the earlier of (1) age 55 with ten years of credited service, or (2) twenty-five years of credited service, regardless of age. The benefit amount is 3.11% of the average monthly earnings multiplied by credited service prior to April 20, 2015, plus 3% of average monthly earnings multiplied by credited service on or after April 20, 2015. Benefits from the FRS are reduced by amounts paid under the terminated Travelers contracts.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

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**3. Firefighters' Retirement System (continued)**

***Benefits provided (continued)***

- Early retirement: Date of retirement is attainable at age 45 and ten years of credited service. The benefit amount is the member's accrued benefit, reduced 2% for each year prior to the normal retirement date. Benefits from the FRS are reduced by amounts paid under the terminated Travelers contracts.
- Termination of employment: Vested members (members with ten years or more of credited service) receive their accrued benefit payable at the member's election, at age 52 (unreduced) or as early as age 45 (reduced) or refund of their member contributions, with 3.75% interest. Non-vested members (members with less than ten years of credited service) receive a refund of their member contributions, with 3.75% interest.
- Disability benefits: Total and permanent benefits, as determined by the Board, for eligible members that have ten years of credited service if the disability is not service-incurred. There is no service requirement for service-incurred disability benefits. The benefit amount for In-Line-of-Duty is the greater of the accrued benefit or 60% of the average monthly earnings. Line-of-duty retirees also receive the supplemental benefit discussed below as well as the 3.0% cost of living increase beginning at age 60. The benefit amount for Not-In-Line-Of-Duty is the member's accrued benefits. Benefits commence upon the Board's approval and are payable on a ten year certain and life thereafter basis, or until recovery, if such recovery occurs prior to the normal retirement date.
- Pre-retirement death benefits: The surviving spouse receives benefits that are the greater of the member's early retirement benefit or 50% of the projected normal retirement benefit based on the average monthly earnings at the time of death. Each dependent child under the age of 21 receives 5% of the projected normal retirement benefit that was determined for the spouse. The minimum benefit is the member's accrued benefit payable to the beneficiary for ten years. The spouse's benefit ceases upon death; children's benefit ceases on the earlier of death, attainment of age 21 or when no longer a dependent of the spouse. Death benefits are offset by amounts payable under terminated Travelers Contracts.

Benefit terms provide a cost of living increase, as follows:

- Members who retire after June 1, 1986 and prior to January 1, 2005 (exclusive of any supplemental benefit) receive an increase of 3.0% in benefits beginning on the October 1 following age 60.
- Members who retire on or after January 1, 2005 (exclusive of any supplemental benefit) receive an increase of 3.0% per year beginning on the October 1 that is at least twenty-four months following the retiree's normal retirement date.
- The adjustment for monthly benefits accrued on and after April 20, 2015 is 1.5%.

Service retirees (normal or early) receive a supplemental benefit of an additional \$150 per month for life. Members with at least ten years of credited service as of April 20, 2015 shall receive \$200 per month for life.

Individual participant share accounts were established as of October 1, 2010 for all participants that are actively employed by the City on or after October 1, 2010. The accounts shall be credited with one half of the monies received pursuant to Chapter 175, Florida Statutes in excess of the 2012 base amount of \$701,835, beginning with the Plan year ending September 30, 2018. A different method was used for monies received between October 1, 2010 and September 30, 2017. On each valuation date, each account shall be adjusted to reflect the net earnings or losses during the year at the net of fees rate of return for the year unless the Board dedicates a separate investment portfolio for the Share Plan monies. Participating members receive their distribution as a cash lump sum at the termination of employment.

**Contributions.** Member contribution requirements are established by City Code Section 62-135, which may be amended by the City Council. Members of the Plan are required to contribute 8% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortize the unfunded accrued liability, if any, as provided in Part VII of Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. In no event will the City's contributions be less than 10% of the payroll of the City of Fort Myers Fire Department for the fiscal year. The State's contribution to the FRS for fiscal year 2020 was \$719,537. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**3. Firefighters' Retirement System (continued)**

**Investments.** In fulfilling their fiduciary responsibility, the Pension Board of Trustees (the Board) for the FRS established an Investment Policy Statement and directed that it applies to all assets under their control. Note 4, section 2, provides disclosure about the FRS' investment policy and related investments.

**Deferred Retirement Option Program (DROP).** FRS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. The maximum period of participation in the DROP is sixty months but no later than eighty-four months after first eligibility for normal retirement. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2020, the balance of the DROP amounts maintained by the FRS was \$2,306,150.

**Net Pension Liability**

The FRS' net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the FRS at September 30, 2020 were as follows:

Total pension liability	\$ 148,782,706
Plan fiduciary net position	(109,206,869)
FRS net pension liability	<u>\$ 39,575,837</u>

Plan fiduciary net position as a percentage of the total pension liability	73.40%
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**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation as of October 1, 2019, updated to September 30, 2020, using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Service based
Discount rate	7.8%
Investment rate of return	7.8%, net of pension plan investment expense, including inflation

Mortality rates for healthy active lives were based on the PubS.H-2010 for Employees, set forward one year, for females and males. Mortality rates for healthy retiree lives were based on the PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year, for females and males. Mortality rates for beneficiary lives were based on the PubG.H-2010 (Above Median) for Healthy Retirees for females and on the PubG.H-2010 (Above Median) for Healthy Retirees, set back one year, for males. The mortality rates for disabled lives were based on the 80% PubG.H-2010 for Disabled Retirees/20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. The above referenced mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The law mandates the use of the assumptions used in either of the two most recent actuarial valuations of the Florida Retirement System.

For active deaths, 90% of those deaths are assumed to be service incurred. The other significant assumptions are based upon the most recent actuarial experience study dated October 13, 2016, for the period 1987 – 2015.

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**3. Firefighters' Retirement System (continued)**

***Net Pension Liability (continued)***

***Actuarial assumptions (continued)***

term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the FRS' target asset allocation as of September 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	50.0%	7.50%
Broad Market Fixed Income	15.0%	2.50%
Global Fixed Income	5.0%	3.50%
International Equity	15.0%	8.50%
Real Estate	15.0%	4.50%
Total	100.0%	

Note 4, section 2, provides for further discussion of the FRS' asset allocation.

***Discount rate.*** The discount rate used to measure the total pension liability was 7.8 percent, a reduction from the prior discount rate of 7.9 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the FRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances at September 30, 2019	\$ 138,576,544	\$ 103,361,046	\$ 35,215,498
Changes for the year:			
Service cost	1,966,124	-	1,966,124
Interest	10,795,028	-	10,795,028
Share plan allocation	8,851	-	8,851
Differences between expected and actual experience	767,949	-	767,949
Changes of assumptions	4,440,025	-	4,440,025
Contributions - employer	-	5,840,974	(5,840,974)
Contributions - state	-	719,537	(719,537)
Contributions - members	42,520	650,911	(608,391)
Net investment income	-	6,596,914	(6,596,914)
Benefit payments, including refunds of employee contributions	(7,814,335)	(7,811,765)	(2,570)
Administrative expense	-	(150,748)	150,748
Net changes	10,206,162	5,845,823	4,360,339
Balances at September 30, 2020	\$ 148,782,706	\$ 109,206,869	\$ 39,575,837

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**3. Firefighters' Retirement System (continued)**

***Net Pension Liability (continued)***

***Sensitivity of the net pension liability to changes in the discount rate.*** The following presents the net pension liability of the FRS, calculated using the discount rate of 7.80 percent, as well as what the FRS' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.80%) or 1 percentage point higher (8.80%) than the current rate:

	<b>1% Decrease (6.80%)</b>	<b>Current Discount Rate (7.80%)</b>	<b>1% Increase (8.80%)</b>
FRS net pension liability	\$ 58,273,322	\$ 39,575,837	\$ 24,237,545

***Pension Expense and Deferred Outflows of Resources Related to Pensions***

For the year ended September 30, 2020, FRS recognized pension expense of \$6,226,559. At September 30, 2020, FRS reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 2,271,633
Changes of assumptions	4,468,616
Net difference between projected and actual earnings on pension plan investments	2,806,244
Total	<u>\$ 9,546,493</u>

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

**Year ended September 30:**

2021	\$ 2,379,609
2022	2,975,304
2023	2,837,915
2024	1,353,665

**Retirement Plan for City Officials Electing Not to Participate in the Current Defined Benefit Plan**

***Plan Description.*** On May 7, 2007, City Council passed Resolution No. 2007-26, which authorized the establishment of a governmental money purchase plan and trust for City officials, who comprise elected officials, the City Manager, Police Chief, Fire Chief, and City directors. On June 5, 2007, the City adopted the City of Fort Myers 401(a) Plan for City officials that elect not to participate in the City's defined benefit plans.

The deferred compensation amounts are not available for withdrawal by the participants until termination, retirement, death or unforeseeable emergency. The Plan is administered by an unrelated financial institution on behalf of the City.

***Contributions.*** For City officials that elect not to participate in the City's defined benefit plans, the City shall contribute 12% of earnings for the Plan year and the participants are required to contribute 3% of their earnings. Contribution requirements for the City Manager, City Attorney, Chief of Police and two Deputy Chiefs of Police are determined by their employment agreements. Currently, the City provides a retirement benefit equal to 15.3% of salary. No employee contribution or vesting period is required.

As of September 30, 2020, the City Manager, Fire Chief and three City Council member were the only participants in the 401(a) Plan and the total fiscal year 2020 contributions were \$29,271.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

**Statement of Net Position - Pension Trust Funds**

	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,576,351	\$ 1,719,053	\$ 2,185,729	\$ 9,481,133
Investments, at fair value:				
U.S. government and agency securities	7,848,580	15,546,568	2,184,027	25,579,175
Municipal bonds	1,978,592	-	1,346,126	3,324,718
Corporate stock	64,683,458	9,387,759	51,523,570	125,594,787
Corporate bonds	8,341,809	13,223,666	9,876,292	31,441,767
Convertible bonds	-	13,640,883	-	13,640,883
Convertible preferred	-	3,729,955	-	3,729,955
Mortgage backed securities	10,766,804	-	3,259,975	14,026,779
Mutual funds:				
Fixed income	6,747,751	-	4,892,988	11,640,739
Equity	6,928,953	60,176,871	-	67,105,824
International equity	-	21,277,485	-	21,277,485
Commingled funds - Real estate	-	11,483,925	5,196,334	16,680,259
Limited partnerships:				
Real estate	-	-	8,451,768	8,451,768
International equity	13,256,375	-	-	13,256,375
Real estate investment trusts	14,371,059	-	-	14,371,059
International securities:				
Bonds and notes	759,618	-	1,108,108	1,867,726
Stocks	3,985,893	-	12,970,682	16,956,575
Total investments	139,668,892	148,467,112	100,809,870	388,945,874
Receivables:				
Employer contributions	2,591,902	9,958,884	5,840,974	18,391,760
Interest and dividends	107,996	157,894	114,384	380,274
Total receivables	2,699,898	10,116,778	5,955,358	18,772,034
Prepaid items - benefits	-	845,817	572,174	1,417,991
Total assets	147,945,141	161,148,760	109,523,131	418,617,032
<b>LIABILITIES</b>				
Payables:				
Benefit payments	-	-	88,225	88,225
Investment expenses	216,943	106,385	214,613	537,941
Administrative expenses	1,150	18,059	13,424	32,633
Total liabilities	218,093	124,444	316,262	658,799
<b>NET POSITION</b>				
Net position restricted for pensions	\$ 147,727,048	\$ 161,024,316	\$ 109,206,869	\$ 417,958,233

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 10 – PENSION OBLIGATIONS (continued)**

<b>Statement of Changes in Net Position - Pension Trust Funds</b>				
	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 9,959,509	\$ 9,958,884	\$ 5,840,974	\$ 25,759,367
State of Florida	-	1,009,819	719,537	1,729,356
Plan members	1,612,869	1,707,415	650,911	3,971,195
Total contributions	11,572,378	12,676,118	7,211,422	31,459,918
Investment earnings:				
Interest and dividends	2,191,640	3,366,568	2,004,125	7,562,333
Net increase in the fair value of investments	15,454,436	10,802,962	5,209,869	31,467,267
Total investment earnings	17,646,076	14,169,530	7,213,994	39,029,600
Less: investment expenses	635,870	594,694	617,080	1,847,644
Net investment earnings	17,010,206	13,574,836	6,596,914	37,181,956
Total additions	28,582,584	26,250,954	13,808,336	68,641,874
<b>DEDUCTIONS</b>				
Benefits paid	10,808,293	10,453,865	7,811,765	29,073,923
Administrative expenses	178,122	142,892	150,748	471,762
Total deductions	10,986,415	10,596,757	7,962,513	29,545,685
Change in net position	17,596,169	15,654,197	5,845,823	39,096,189
<b>NET POSITION</b>				
Net position held in trust for pension benefits				
Net position - beginning	130,130,879	145,370,119	103,361,046	378,862,044
Net position - ending	\$ 147,727,048	\$ 161,024,316	\$ 109,206,869	\$ 417,958,233

**NOTE 11 – DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Service (IRS) Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or the hardship distribution criteria as defined in IRS Code Section 457. Because the assets of the plan are held in trust and are the sole property of the participants, no balances or financial information relative to the plan is reported in the basic financial statements.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS**

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All full-time employees of the City who satisfy the Disability, Early or Normal Retirement provisions of the applicable Retirement Plan may be eligible for certain other postemployment benefits (OPEB) through the City's single employer defined benefit plan. The preceding Note 10, Pension Obligations, provides the eligibility requirements for retirement under the City's General Employees' Pension Plan, Police Officers' Retirement System and the Firefighters' Retirement System. Employees covered through the Defined Contribution plan in lieu of coverage under the Defined Benefit plan are subject to eligibility requirements applicable to similarly situated employees under the respective pension plans.

**Benefits provided.** OPEB benefits include access to coverage for the retiree and dependents under the Medical and Prescription Plans as well as participation in the Dental, Vision and Life Insurance group plans sponsored by the City for employees. Eligible retirees may choose among the same Medical Plan options available for similarly situated active employees of the City. Dependents of retirees may be covered, at the retirees' option, the same as dependents of similarly situated active employees. The total premium amount charged for covering employees and retirees and their dependents is the same without regard to the age or gender of the member.

The City extends postemployment benefits to retirees and the benefits are continued at the discretion of the City, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change contributions required from retirees in the future as circumstances change.

The City's OPEB plan is currently funded on a pay-as-you-go basis. There is no separate trust through which benefits for retirees are funded. No assets are accumulated or earmarked for this purpose. All approved benefits are paid by the City when due. The plan does not issue a separate financial report.

**Employees covered by benefit terms.** As of the valuation date of September 30, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	68
Active employees	829
Total members	<u>897</u>

**Total OPEB Liability**

The City's total OPEB liability of \$15,070,083 was measured as of September 30, 2019 and was determined by an actuarial valuation as of September 30, 2019.

**Actuarial assumptions and other inputs.** The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	For General employees, 5.00% - 10.00% depending on service, including inflation. For Police Officers, 6.0%, including inflation. For Firefighters, 4.50% - 8.00% depending on service, including inflation.
Discount rate	2.75%
Healthcare cost trend rates	Based on the Getzen model, with trend starting at 0.00% for 2020 (to reflect actual premiums), then 6.25% for 2021 and gradually decreasing to an ultimate trend rate of 3.99% plus 0.41% increase to reflect excise tax on high-cost employer health plans.

The discount rate was based on the municipal bond rate of 2.75% (based on the daily rate of Fidelity Investments' "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 3.83% as of the beginning of the measurement year.

Mortality rates were based on the mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System. The rates were derived from adjusted Pub-2010 mortality tables published by the Society of

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (continued)**

**Actuarial assumptions and other inputs (continued)**

Actuaries with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

**Changes in the Total OPEB Liability**

The following table presents the changes in the City's total OPEB liability for the year ended September 30, 2020.

Balance, as of October 1, 2019	\$ 17,152,692
Changes:	
Service cost	988,179
Interest on the total OPEB liability	683,174
Changes of benefit terms	1,681
Difference between expected and actual experience of the total OPEB liability	(1,546,913)
Changes in assumptions and other inputs	(1,601,885)
Benefit payments	(606,845)
Net change in the total OPEB liability	(2,082,609)
Balance, as of September 30, 2020	<u>\$ 15,070,083</u>

Changes in assumption and other inputs include the change in the discount rate from 3.83% as of the beginning of the measurement period to 2.75% as of September 30, 2019 (based on the Long-Term Municipal Bond rate). Medical claims costs and premiums were updated based on actual premium information provided for the actuarial valuation. The long-term healthcare cost trend assumption was revised to reflect a lower long-term inflation assumption of 2.25% (previously 2.50%). The assumed load to model the expected cost of the excise tax was changed from 0.62% beginning in 2022 to 0.41 beginning in 2022. Mortality rates were changed to the rates used in the July 1, 2019 actuarial valuation of the Florida Retirement System (FRS). Mortality assumptions were developed in a statewide experience study conducted by the FRS covering the period 2013 through 2018 and adopted for the July 1, 2019 valuation. The demographic assumptions for General Employees were updated based on an experience study conducted by the City's General Employees' Pension Plan and adopted for its October 1, 2019 valuation. Revisions include rates of salary increases, rates of retirement, rates of withdrawal and rates of disability.

Change in benefits relate to the passing of Florida Senate Bill 426, which provides benefits for eligible firefighters diagnosed with specified cancers.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the City's total OPEB liability, calculated using the discount rate of 2.75%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate:

	<u>1% Decrease (1.75%)</u>	<u>Current Discount Rate (2.75%)</u>	<u>1% Increase (3.75%)</u>
Total OPEB Liability	\$ 17,119,682	\$ 15,070,083	\$ 13,357,969

**Sensitivity of the total OPEB liability to changes in the healthcare trend rate.** The following presents the City's total OPEB liability, calculated using the assumed healthcare trend rate as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
Total OPEB Liability	\$ 13,047,155	\$ 15,070,083	\$ 17,600,477

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS (continued)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2020, the City recognized OPEB expense of \$999,245. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefits paid after the measurement date	\$ 579,364	\$ -
Differences between expected and actual experience	-	1,312,532
Changes of assumptions and other inputs	-	2,108,404
Total	<u>\$ 579,364</u>	<u>\$ 3,420,936</u>

Deferred outflows of resources include \$579,364 resulting from benefits paid after the measurement date. This amount will be recognized as a reduction of the OPEB liability in the year ended September 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended September 30:**

2021	\$ (673,789)
2022	(673,789)
2023	(673,789)
2024	(605,835)
2025	(507,482)
Thereafter	(286,252)

**NOTE 13 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

**Construction commitments**

The City has active construction projects as of September 30, 2020. The projects include the new Police Department headquarters facility, finalizing the renovation of the downtown convention center and completing the nearby parking garage, revitalizing the Forum Neighborhood Park, and comprehensive road extensions and realignments, such as the Hanson Street Extension related to U.S. Route 41 and Ortiz Avenue. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Buildings	\$ 28,061,776	\$ 15,327,028
Development	1,692,968	3,431,802
Equipment	2,680,731	2,099,012
Parks and Beautification	405,995	4,887,945
Transportation	9,356,774	16,643,505

As discussed earlier in Note 1, 6., Budgetary information, Budgetary basis of accounting, the encumbrances and related appropriation lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

**Encumbrances**

As discussed in Note 1, 6., Budgetary information, Budgetary basis of accounting, encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 13 – CONSTRUCTION AND OTHER COMMITMENTS (continued)**

**Encumbrances (continued)**

At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	Governmental Activities				Total
	General Fund	Transportation Capital Projects Fund	General Capital Projects Fund	Other Governmental Funds	
Encumbrances Outstanding	\$ 1,326,047	\$ 5,779,664	\$ 3,210,778	\$ 1,371,609	\$ 11,688,098

Transportation Capital Projects Fund – of this amount, \$2,656,092 is restricted for the Hanson Street Extension and \$1,449,754 for the State Road 739 resurfacing project.

General Capital Projects Fund – of this amount, \$670,720 is restricted for the completion of the downtown parking garage, and \$521,303 is restricted for the City Pier improvements.

**Road, Water, Wastewater and Fire Impact Fees Credits**

The City offers road, water and wastewater, and fire impact fee credits to developers who construct or provide certain infrastructure improvements. Credits may be earned in special assessment districts, which are financed by the City, and residential and commercial projects. The credits may be used to offset future impact fees and have a standard life of twenty years for road and fire credits and ten years for water and wastewater from date of issuance, unless a longer period is specifically authorized by City Council. The developer who earned them may use the credits or the credits may be transferred to another party under certain circumstances. If the credits are not used within the authorized timeframe, they will expire.

Chapter 122, Land Development Code allows the City to create water and sewer impact fee credits for capital improvements of utility mains. The credits are created when the construction is completed and accepted by the City for maintenance. The road impact fee credits include credits for land dedicated to the City. The City also participates with the Lee County Road Impact Fee Ordinance through an interlocal agreement. The Lee County Road Impact Fee Ordinance allows for the issuance of impact fee credits for land dedication for approved roads shown on the City's transportation element of the Capital Improvement Program.

As of September 30, 2020, there was approximately \$3.3 million of total potential impact fee credits earned and outstanding.

	Available	Earned
Water	\$ 5,583	\$ 5,583
Road	2,479,151	2,479,151
Fire	863,548	863,548
Total	<u>\$ 3,348,282</u>	<u>\$ 3,348,282</u>

**Operating Agreements**

In the prior fiscal years, the City entered into operating lease and development agreements to empower the lessees to direct their efforts and resources to the management and operations of certain City venues.

The City entered into an operating/lease agreement with a local not-for-profit corporation to privately manage and operate the Imaginarium Science Center. The Imaginarium Science Center will be used by the Lessee for conducting educational, cultural, and historical programs for the benefit of the general public. The Lessee will be responsible for all utilities, fees, assessments and taxes, maintenance and major repairs up to \$2,500. The City and Lessee have the option to terminate the agreement with 180-day written notice.

The lease payment of \$1.00 per year is effective for a term of ten years, commencing January 1, 2017 and expiring December 31, 2026. The operating/lease agreement contains a provision for subsidy payments from the City, in

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 13 – CONSTRUCTION AND OTHER COMMITMENTS (continued)**

**Operating Agreements (continued)**

quarterly installments, and an annual waiver of the nonprofit requirement to pay ten to fifteen percent of market rate rent. The City's obligation to provide funding under this agreement is contingent upon the annual appropriation of funds.

The remaining subsidy amounts, by fiscal year, are as follows:

<b>Fiscal year</b>	<b>Total amount</b>
2021	\$ 612,500
2022	587,500
Total	\$ 1,200,000

In addition, the City entered into a lease and development agreement with a local foundation with the intent of creating a technology hub to unite the nonprofits in the region. The agreement includes substantial rehabilitation of the Southwest Florida Museum of History to its original design and character as a train station, plus the construction of a second stand-alone building connected to the train station that will be architecturally distinctive while providing an energy-efficient environment with state-of-the-art technology serving as a technology hub. To fund the rehabilitation and new construction, the foundation secured a \$10,000,000 allocation of New Market Tax Credits via an A Note and a B Note.

During the New Market Tax Credit seven-year compliance period, the foundation shall pay all interest only payments due on the A Note and the B Note associated with the transaction. Upon the maturity of the A Note, the City shall pay to the foundation the amounts necessary to satisfy the principal balance due not to exceed \$7,300,000. The foundation and its support organization shall utilize the funds to satisfy the principal balance due on the A Note.

The City agrees to budget and appropriate funds in its annual budget process to pay off the loan after the seven-year period with the issuance of long-term debt in order to ensure funding of the A Note. The funds pledged to cover the debt are to be secured by non-ad valorem revenues of the City.

In conjunction with this agreement, the City and the City's Community Redevelopment Agency (CRA) entered into a subsidy and funding agreement with the foundation to provide financial assistance for the renovation, development and operation of the property. The remaining subsidy amounts from the City and CRA are as follows:

<b>Fiscal Year</b>	<b>FY 2021</b>	<b>FY 2022</b>
City	\$100,000	\$100,000
CRA	100,000	100,000

The subsidy payment will be made by October 30 each year. The foundation will match the \$200,000 provided by the City and the CRA. The City will provide an annual waiver of the non-profit requirement to pay 10 to 15 percent of market rate rent.

The lease term is forty years, commencing December 12, 2016, and expiring December 11, 2056, with annual payments of \$1.00. There is a right to renew for five additional ten-year terms. The lease and development agreement contain criteria in the event of termination, to include ninety days written notice.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 14 – RISK MANAGEMENT**

The City, including its component units, uses the Risk Management Internal Service Fund to account for and finance risks for workers' compensation, general liability and property damage. The City self-insures its workers' compensation exposure and purchases commercial excess coverage for workers' compensation, which covers claims greater than \$500,000. The City is self-insured for general liability risk in the amount of \$200,000 per claim, which is in accordance with Florida Statute 768.28. The City purchased commercial excess coverage for general liability up to \$2,000,000 per occurrence for claims that may exceed statutory limits. Commercial insurance is purchased to cover property damage and the coverage provides a loss limit of \$150,000,000 all risk property coverage including Named Windstorm perils. Flood insurance through National Flood Insurance Program provides \$9,541,100 in building coverage with \$3,143,600 in coverage for personal property on scheduled structures. Settlements have not exceeded insurance coverage for the past twenty-one years. Settled claims have not exceeded the insurance provided by third-party carriers in any of the past three years.

Additional coverage includes EMT Liability, Law Enforcement Liability, Public Officials' Liability, Excess Automobile Liability, Crime and Employee Dishonesty, Statutory Death, a Cyber Liability policy, Special Event Liability and, effective as of fiscal year 2018-2019, the City obtained coverage for Tenant User Liability.

The City of Fort Myers provides all eligible employees a group medical plan and group term life coverage equal to one times the annual salary rounded to the next higher thousand. In addition, the City makes a defined contribution of \$200 per month per employee or pays 70% of the dependent medical coverage. The defined contribution may be applied to the cost of dependent medical, or; applied to the cost of any optional employee benefit, or; taken as taxable income.

Premiums are charged by the City's Risk Management Internal Service Fund to City departments and are available to pay claims, claim reserves and administrative costs of the program. Liabilities of the Risk Management fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are actuarially calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors, utilizing a 2% discount.

The unpaid claim estimates and funding recommendations were developed by the actuary using the following methodology:

1. Estimate ultimate losses for all past fiscal accident periods and prospective fiscal accident periods by coverage, net of specific excess reinsurance, based on various actuarial projection methods.
2. Subtract cumulative paid losses from the ultimate loss estimates by accident period to determine the estimated reserves, net of specific excess coverage, as of September 30, 2020.
3. Determine funding indications by discounting both the estimated reserve by accident period and the prospective year estimated ultimate loss estimates to reflect investment income, and then adding a margin for adverse deviation.

The liability for the claims is reported in the Risk Management Internal Service Fund. Activity in the balances of claims liabilities for the years ending September 30, 2020 and 2019 is as follows:

	<b>2020</b>	<b>2019</b>
Workers Compensation and General Liability:		
Unpaid claims, beginning of the fiscal year	\$ 9,337,934	\$ 10,154,440
Claims incurred, including IBNRs	2,850,292	2,329,204
Claim payments	(2,455,978)	(3,145,710)
Unpaid claims, end of the fiscal year	<u>\$ 9,732,248</u>	<u>\$ 9,337,934</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 15 – LONG-TERM LIABILITIES**

Bonds and notes outstanding at September 30, 2020 consist of the following for governmental activities:

<i>Governmental Activities</i>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding September 30, 2020</u>	<u>Maximum Annual Debt Service</u>
<b>Revenue Bonds</b>						
Capital Improvement and Refunding Revenue Bonds	6/19/2014	\$ 37,120,000	2.00% - 5.00%	12/1/2034	\$ 27,215,000	\$ 3,771,138
Capital Improvement and Refunding Revenue Bonds	9/22/2016	52,130,000	2.00% - 5.00%	12/1/2036	48,130,000	5,648,450
Capital Improvement and Refunding Revenue Bonds	10/25/2018	32,436,995	4.00% - 5.00%	12/1/2038	28,957,460	4,970,521
Taxable Capital Improvement Revenue Bonds	10/25/2018	13,220,000	2.97% - 4.13%	12/1/2028	12,995,000	824,863
Total Revenue Bonds					<u>117,297,460</u>	<u>15,214,972</u>
<b>Notes from Direct Borrowing</b>						
Community Redevelopment Revenue Note	1/6/2005	7,450,000	4.01%	1/1/2022	992,308	536,609
Capital Improvement Revenue Note	10/9/2019	45,000,000	2.09%	10/9/2022	12,867,548	12,867,548
Taxable Capital Improvement Revenue Note	10/9/2019	5,000,000	2.61%	10/9/2022	3,154,804	3,154,804
Total Notes from Direct Borrowing					<u>17,014,660</u>	<u>16,558,961</u>
<b>Total for Governmental Activities</b>					<u>\$134,312,120</u>	<u>\$ 31,773,933</u>

Bonds and notes outstanding at September 30, 2020 consist of the following for business-type activities:

<i>Business-type Activities</i>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding September 30, 2020</u>	<u>Maximum Annual Debt Service</u>
<b>Water-Wastewater:</b>						
<b>Revenue Bonds</b>						
Utility System Refunding and Revenue Bonds	12/29/2011	\$ 68,605,000	2.00% - 5.00%	10/1/2041	\$ 21,340,000	\$ 5,639,244
Utility System Refunding Revenue Bonds	9/12/2012	17,025,000	2.00% - 4.00%	10/1/2033	4,525,000	408,661
Utility System Refunding and Revenue Bonds	9/19/2019	113,740,000	2.00% - 4.00%	10/1/2049	113,740,000	8,190,700
Utility System Refunding Revenue Bonds	6/3/2020	40,270,000	5.00%	10/1/2028	40,270,000	9,003,750
Subordinate Utility System Refunding Revenue Bonds	6/3/2020	36,435,000	5.00%	10/1/2029	36,435,000	5,911,875
Total Revenue Bonds					<u>216,310,000</u>	<u>29,154,230</u>
<b>Note from Direct Placement</b>						
Utility System Refunding Revenue Note	4/6/2017	37,190,000	3.36%	10/1/2036	36,115,000	4,860,768
Total Note from Direct Placement					<u>36,115,000</u>	<u>4,860,768</u>
Total for Water-Wastewater					<u>252,425,000</u>	<u>34,014,998</u>
<b>Solid Waste:</b>						
<b>Revenue Bonds</b>						
Improvement Refunding Revenue Bonds	10/25/2018	121,647	4.00% - 5.00%	12/1/2038	83,076	45,452
Total for Solid Waste					<u>83,076</u>	<u>45,452</u>
<b>Fort Myers Country Club:</b>						
<b>Revenue Bonds</b>						
Improvement Refunding Revenue Bonds	10/25/2018	116,358	4.00% - 5.00%	12/1/2038	79,464	43,476
Total for Fort Myers Country Club					<u>79,464</u>	<u>43,476</u>
<b>Yacht Basin:</b>						
<b>Note from Direct Borrowing</b>						
Capital Improvement Revenue Note	10/4/2005	5,000,000	4.63%	9/1/2028	2,567,867	386,877
Total for Yacht Basin					<u>2,567,867</u>	<u>386,877</u>
<b>Total for Business-type Activities</b>					<u>\$255,155,407</u>	<u>\$ 34,490,803</u>

The business-type outstanding debt consists of Revenue Bonds and Notes for the Water-Wastewater Fund, Solid Waste Fund and the for non-major funds Fort Myers Country Club and Yacht Basin. The Revenue Bonds and Note in the Water-Wastewater Fund are obligations of the City and are payable solely from the operations of the Utility System, net of specified operating expenses. The Capital Improvement Revenue Note for the Yacht Basin is payable solely from the Yacht Basin's net revenues.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

Changes in governmental long term debt for the year ended September 30, 2020 are summarized as follows:

	Balance at October 1, 2019	Increases	Decreases	Balance at September 30, 2020	Due Within One Year
Revenue bonds payable	\$ 123,431,995	\$ -	\$ 6,134,535	\$ 117,297,460	\$ 5,825,755
Unamortized premium	8,009,800	-	445,587	7,564,213	-
Net revenue bonds payable	131,441,795	-	6,580,122	124,861,673	5,825,755
Notes from direct borrowings	1,488,462	16,022,352	496,154	17,014,660	496,154
Capital leases	5,300,821	1,541,237	2,002,900	4,839,158	355,001
Compensated absences	4,929,823	1,939,367	984,879	5,884,311	2,973,590
Claims and judgments	9,982,155	394,314	212,565	10,163,904	4,729,733
<b>Governmental-type Totals</b>	<b>\$ 153,143,056</b>	<b>\$ 19,897,270</b>	<b>\$ 10,276,620</b>	<b>\$ 162,763,706</b>	<b>\$ 14,380,233</b>

The City's outstanding Community Redevelopment Revenue Note from a direct borrowing related to governmental activities of \$992,308 contains a provision that in an event of default, outstanding principal and interest becomes due and payable. In addition, the lender may charge a default interest rate equal to the maximum permitted by law and may impose a late fee of 4% of any amount not paid within fifteen days of the due date.

The City's Capital Improvement Revenue Note, Series 2019A and the Taxable Capital Improvement Revenue Note, Series 2019B from a direct borrowing related to governmental activities represent a revolving credit agreement that is available in the amount of \$45,000,000 and \$5,000,000, respectively. As of September 30, 2020, the City utilized the amount of \$12,867,548 and \$3,154,804, respectively, to fund capital expenditures. Each Revenue Note contains a provision that upon the occurrence of an event of default, the outstanding debt becomes immediately due and payable. In such default and acceleration, the City is obligated to pay all costs of collection and enforcement but only from non ad-valorem revenues. Following an event of default, the Notes shall bear interest at the rate borne absent the event of default plus 6%. If any payment is not made within fifteen days after it is due, a late fee of 4% becomes due and payable immediately.

Changes in business-type long term debt for the year ended September 30, 2020 are summarized as follows:

	Balance at October 1, 2019	Increases	Decreases	Balance at September 30, 2020	Due Within One Year
<b>Water-Wastewater Fund</b>					
Revenue bonds payable	\$ 145,220,000	\$ 76,705,000	\$ 5,615,000	\$ 216,310,000	\$ 7,450,000
Unamortized premium	16,201,250	15,663,407	1,179,580	30,685,077	-
Net revenue bonds payable	161,421,250	92,368,407	6,794,580	246,995,077	7,450,000
State Revolving Loans-direct borrowing	49,024,593	-	49,024,593	-	-
Notes from direct borrowing and direct placement	82,150,998	-	46,035,998	36,115,000	660,000
Unamortized discount, Series 2017A	(81,055)	-	(4,768)	(76,287)	-
Net notes payable	82,069,943	-	46,031,230	36,038,713	660,000
Capital lease	13,724,052	-	403,667	13,320,385	887,237
Compensated absences	525,313	135,846	91,304	569,855	190,585
Fund totals	306,765,151	92,504,253	102,345,374	296,924,030	9,187,822
<b>Solid Waste Fund</b>					
Revenue bonds payable	121,647	-	38,571	83,076	40,503
Unamortized premium	33,336	-	1,667	31,669	-
Net revenue bonds payable	154,983	-	40,238	114,745	40,503
Compensated absences	163,461	77,163	12,495	228,129	129,167
Fund totals	318,444	77,163	52,733	342,874	169,670

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

Changes in business-type long term debt for the year ended September 30, 2020 (continued)

	Balance at October 1, 2019	Increases	Decreases	Balance at September 30, 2020	Due Within One Year
<b>Other Enterprise Funds</b>					
Revenue bonds payable	116,358	-	36,894	79,464	38,742
Unamortized premium	31,887	-	1,595	30,292	-
Net revenue bonds payable	148,245	-	38,489	109,756	38,742
Note from direct borrowing	2,826,249	-	258,382	2,567,867	271,090
Capital leases	502,255	-	145,339	356,916	114,486
Compensated absences	302,306	53,373	64,312	291,367	120,863
Fund totals	3,779,055	53,373	506,522	3,325,906	545,181
<b>Business-type totals</b>	<b>\$ 310,862,650</b>	<b>\$ 92,634,789</b>	<b>\$102,904,629</b>	<b>\$ 300,592,810</b>	<b>\$ 9,902,673</b>

In the Water-Wastewater fund, the Utility System Refunding Revenue Note, Series 2017A from direct placement, contains provisions that upon occurrence of an event of default, the interest rate on the note shall accrue at the default rate, which shall be calculated at the greater of (a) the published Federal Reserve Bank's Prime Rate +3%, (b) the Federal Funds Rate +5%, or (c) 7%, per annum. In addition to the forgoing rate adjustment, the registered holder shall have all rights and remedies available to bondholders pursuant to the resolution. The Yacht Basin's Capital Improvement Revenue Note, Series 2005 from direct borrowing contains a provision that the lender may terminate the commitment if the lender determines that a material adverse change occurred in the financial condition of the City.

**Pledged Revenues**

The City pledged revenues, which comprise the Utilities Tax, Franchise Taxes, Communications Services Tax, Guaranteed Entitlement Funds, Occupational License Tax, Sales Tax, Five Cents Local Gas Tax, Six Cents Local Gas Tax and tax increment financing revenues, as the sources of repayment for the following debt issue. Pledged revenues received in 2020 totaled \$38,085,513.

The Community Redevelopment Revenue Note, Series 2005, was issued to finance the cost of community redevelopment projects and to refund certain outstanding obligations of the City. The note is payable through January 1, 2022, with total principal and interest remaining to be paid of \$1,052,934. Principal and interest paid for the current fiscal year totaled \$556,670, which is 1.46% of total fiscal year 2020 pledged revenues.

The debt service requirements to maturity for the City's bonds and notes in governmental activities are as follows:

Governmental Activities						
Fiscal Year	Revenue Bonds		Notes from Direct Borrowing		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 5,825,755	\$ 4,689,319	\$ 496,154	\$ 40,455	\$ 6,321,909	\$ 4,729,774
2022	6,081,705	4,418,059	496,154	20,172	6,577,859	4,438,231
2023	5,360,000	4,195,429	16,022,352	-	21,382,352	4,195,429
2024	4,865,000	4,015,900	-	-	4,865,000	4,015,900
2025	5,050,000	3,816,719	-	-	5,050,000	3,816,719
2026-2030	28,885,000	15,443,433	-	-	28,885,000	15,443,433
2031-2035	35,545,000	8,921,238	-	-	35,545,000	8,921,238
2036-2040	19,685,000	2,632,923	-	-	19,685,000	2,632,923
2041 and thereafter	6,000,000	1,404,075	-	-	6,000,000	1,404,075
Total	117,297,460	\$ 49,537,095	17,014,660	\$ 60,627	134,312,120	\$ 49,597,722
Current portion	(5,825,755)		(496,154)		(6,321,909)	
Unamortized premium	7,564,213		-		7,564,213	
Long term portion	\$ 119,035,918		\$ 16,518,506		\$ 135,554,424	

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

The debt service requirements to maturity for the City's bonds and notes in business-type activities are as follows:

<b>Business-Type Activities</b>						
<b>Fiscal Year</b>	<b>Water-Wastewater Revenue Bonds</b>		<b>Water-Wastewater Note from Direct Placement</b>		<b>Solid Waste Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 7,450,000	\$ 8,504,540	\$ 660,000	\$ 1,202,376	\$ 40,503	\$ 4,949
2022	11,790,000	8,699,643	690,000	1,179,696	42,573	2,301
2023	12,380,000	8,123,978	705,000	1,156,260	-	-
2024	12,945,000	7,536,975	735,000	1,132,068	-	-
2025	13,550,000	6,963,703	755,000	1,107,036	-	-
2026-2030	57,730,000	25,386,022	4,190,000	5,129,040	-	-
2031-2035	10,120,000	18,602,794	18,985,000	3,249,708	-	-
2036-2040	22,250,000	16,093,963	9,395,000	318,276	-	-
2041 and thereafter	68,095,000	14,104,338	-	-	-	-
Total	216,310,000	\$ 114,015,956	36,115,000	\$ 14,474,460	83,076	\$ 7,250
Current portion	(7,450,000)		(660,000)		(40,503)	
Unamortized premium / (discount)	30,685,077		(76,287)		31,669	
Long-term portion	\$ 239,545,077		\$ 35,378,713		\$ 74,242	

<b>Fiscal Year</b>	<b>Nonmajor Enterprise Fund Revenue Bonds</b>		<b>Nonmajor Enterprise Fund Note from Direct Borrowing</b>		<b>Total Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 38,742	\$ 4,734	\$ 271,090	\$ 115,787	\$ 8,460,335	\$ 9,832,386
2022	40,722	2,201	284,041	102,835	12,847,336	9,986,676
2023	-	-	297,612	89,265	13,382,612	9,369,503
2024	-	-	311,615	75,262	13,991,615	8,744,305
2025	-	-	326,718	60,159	14,631,718	8,130,898
2026-2030	-	-	1,076,791	83,839	62,996,791	30,598,901
2031-2035	-	-	-	-	29,105,000	21,852,502
2036-2040	-	-	-	-	31,645,000	16,412,239
2041 and thereafter	-	-	-	-	68,095,000	14,104,338
Total	79,464	\$ 6,935	2,567,867	\$ 527,147	255,155,407	\$ 129,031,748
Current portion	(38,742)		(271,090)		(8,460,335)	
Unamortized premium / (discount)	30,292		-		30,670,751	
Long-term portion	\$ 71,014		\$ 2,296,777		\$ 277,365,823	

**Arbitrage**

The bonds and notes in Governmental and Business-type Activities are subject to arbitrage. The arbitrage rebate requirement requires issuers of tax-exempt debt to rebate to the U.S. Treasury investment income arising from proceeds of tax exempt debt to the extent that such income results from an investment yield in excess of the bond yield. There is no arbitrage liability as of September 30, 2020.

**Capital Lease Obligations**

In prior fiscal years, the City entered into certain lease agreements as a lessee for financing the acquisition of the following equipment for City departments: certain fire trucks and defibrillator equipment for the City's Fire Department; mowing equipment for the City's Parks Division; mowing equipment that was essential to maintain the City's two golf

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

**Capital Lease Obligations (continued)**

courses, a street sweeper for the Stormwater department and; vehicles for various City departments under a Master Lease Agreement. Many of the City-owned vehicles are in need of replacement due to high mileage, age of vehicles and difficulty with repairs. The Master Lease Agreement provides leasing services for open-end options to purchase the vehicles with financing for four years.

The City's Fleet Maintenance Department in the Internal Services Fund provides the funding for the vehicles while the departments in the City's General Fund receive the benefit of the assets. Therefore, the assets acquired through the Master Lease Agreement lease are reported in governmental-wide activities and the capital lease liability is reported in the Internal Services Funds' activities. The Master Lease Agreement qualifies as a capital lease for accounting purposes and, therefore, the leases have been recorded at the present value of the future minimum lease payments as of the inception date.

This fiscal year, the City continued with its prioritization of renewal and replacement of police vehicles with the opportunities provided with lease financing. The Fleet Maintenance Department continued to fund the replacement vehicles for the City's police officers. The lease agreements qualify as capital leases for accounting purposes, and therefore, were recorded at the present value of the future minimum lease payments as of the inception date.

Capitalized equipment subject to lease financing agreements for governmental activities as of September 30, 2020:

	<b>Governmental Activities</b>			
	<b>Fire Equipment</b>	<b>Mowers - Parks</b>	<b>Vehicles</b>	<b>Total</b>
Acquisition cost	\$ 2,982,338	\$ 106,710	\$ 7,531,636	\$ 10,620,684
Less: accumulated depreciation	(881,572)	(60,615)	(3,699,646)	(4,641,833)
Total	<u>\$ 2,100,766</u>	<u>\$ 46,095</u>	<u>\$ 3,831,990</u>	<u>\$ 5,978,851</u>

Capitalized equipment subject to lease financing agreements for business-type activities as of September 30, 2020:

	<b>Business-Type Activities</b>			
	<b>Stormwater</b>	<b>Fort Myers Country Club</b>	<b>Eastwood Golf Course</b>	
	<b>Sweeper</b>	<b>Sprayers, mowers</b>	<b>Sprayer, mowers</b>	<b>Total</b>
Acquisition cost	\$ 165,775	\$ 427,407	\$ 569,126	\$ 1,162,308
Less: accumulated depreciation	(66,310)	(427,407)	(343,067)	(836,784)
Total	<u>\$ 99,465</u>	<u>\$ -</u>	<u>\$ 226,059</u>	<u>\$ 325,524</u>

The future minimum lease obligation and the net present value of these minimum lease payments, as reported in the respective activities, are as follows:

	<b>Governmental Activities</b>		<b>Internal Service Fund</b>	
	<b>Fire Department Equipment</b>	<b>Parks/Recreation Mowers</b>	<b>Vehicles</b>	<b>Total Required</b>
Year ending September 30				
2021	\$ 387,077	\$ 23,383	\$ 1,533,465	\$ 1,943,925
2022	347,881	18,441	1,219,637	1,585,959
2023	347,881	11,522	420,185	779,588
2024	347,881	-	120,574	468,455
2025	347,881	-	-	347,881
2026-2030	172,676	-	-	172,676
Total minimum lease payments	1,951,277	53,346	3,293,861	5,298,484
Less: amount representing interest	(165,519)	(2,394)	(291,413)	(459,326)
Present value of minimum lease payments	<u>\$ 1,785,758</u>	<u>\$ 50,952</u>	<u>\$ 3,002,448</u>	<u>\$ 4,839,158</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

**Capital Lease Obligations (continued)**

The future minimum lease obligation and the net present value of these minimum lease payments, as reported in the business-type activities, are as follows:

Year ending September 30	Business-Type Activities		
	Eastwood Golf		Total Required
	Stormwater Sweeper	Course Sprayer, mowers	
2021	\$ 37,012	\$ 89,813	\$ 126,825
2022	37,012	89,813	126,825
2023	37,012	89,774	126,786
Total minimum lease payments	111,036	269,400	380,436
Less: amount representing interest	(9,391)	(14,129)	(23,520)
Present value of minimum lease payments	<u>\$ 101,645</u>	<u>\$ 255,271</u>	<u>\$ 356,916</u>

**Master Lease Purchase Agreement**

On August 7, 2017, the City executed a Guaranteed Energy, Water, and Wastewater Performance Savings Contract with Siemens Industry, Inc., for the purpose of installing certain equipment and providing other services designed to reduce energy or water consumption, wastewater production, or energy related operating costs for the City. For one year from the commencement date, Siemens Industry, Inc. shall install an advanced meter reading infrastructure for the water system at the City's two Advanced Wastewater Treatment Facilities. The contract provides a written guarantee that the cost savings will meet or exceed the costs of the Energy Conservation Measures and the estimated cost savings set forth in the Investment Grade Energy Audit, originally dated April 20, 2017, pursuant to Florida Statutes 489.145(4)(c), and that the amount of any actual annual savings meet or exceed total annual contract payments made by the City for the contract pursuant to Florida Statutes 489.145 (3)(d)(2).

The Performance Savings Contract was accounted for as a long-term capital lease for a term of sixteen years with a capital lease asset and liability recorded in the Water-Wastewater Enterprise Fund at September 30, 2017. The capital lease asset will be amortized over the life of the Performance Savings Contract.

The following schedule lists the minimum payments due under the Performance Savings Contract as of September 30, 2020:

Year ending September 30	Payments
2021	\$ 1,470,380
2022	1,019,559
2023	1,050,146
2024	1,081,650
2025	1,114,100
2026-2030	6,092,358
2031-2035	4,757,327
Total minimum lease payments	16,585,520
Less: amount representing interest	(3,265,135)
Present value of minimum lease payments	<u>\$ 13,320,385</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 15 – LONG-TERM LIABILITIES (continued)**

**Operating Lease Obligations**

The City currently has various lease agreements for a postage machine, copiers, golf carts and Police Department vehicles. These leases are accounted for as operating leases. The leases are generally for a three to five-year term and include renewal options. The following schedule reflects the operating lease obligations for governmental and business-type activities for the next five years. As of September 30, 2020, there are no operating lease commitments that extend beyond fiscal year 2025. Lease expense for fiscal year 2020 reported in the governmental and business-type activities were \$96,590 and \$98,146 respectively.

<b>Year Ending September 30,</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
2021	\$ 96,162	\$ 164,888	\$ 261,050
2022	84,402	170,353	254,755
2023	69,286	164,919	234,205
2024	38,649	11,558	50,207
2025	2,489	1,577	4,066
Total	<u>\$ 290,988</u>	<u>\$ 513,295</u>	<u>\$ 804,283</u>

**NOTE 16 – PRIOR YEAR DEFEASED DEBT AND ADVANCE / CURRENT REFUNDING**

**Prior year defeasance of debt**

In prior years, the City defeased certain general obligation revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2020, the amount of defeased bonds consisted of the following:

**Governmental Activities**

Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2014 Bonds)	\$ 18,320,000
Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2016 Bonds)	34,150,000
Improvement Refunding Revenue Bonds, Series 2007	7,496,965
Total for Governmental Activities	<u>\$ 59,966,965</u>

**Business-type Activities**

Utility System Revenue Bonds, Series 2006	\$ 36,025,000
Improvement Refunding Revenue Bonds, Series 2007	208,035
Utility System Refunding and Revenue Bonds, Series 2011	28,945,000
Utility System Refunding Revenue Note, Series 2017B	31,350,000
Total for Business-type Activities	<u>\$ 96,528,035</u>

**Current Refunding**

*Utility System Refunding Revenue Bonds, Series 2020A*

On June 3, 2020, the City issued the Utility System Refunding Revenue Bonds, Series 2020A, in the amount of \$40,270,000. The proceeds of the Series 2020A Bonds were used to currently refund \$44,895,372 of the City's outstanding Utility System Revenue Note, Series 2008A; to finance the cost of a prepayment fee, and; to pay the costs associated with the issuance of the Series 2020A Bonds. The Series 2008A Note included a "make-whole" redemption provision that allowed the City to refund the Series 2008A Note at any time with the payment of a lump sum prepayment fee.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 16 – PRIOR YEAR DEFEASED DEBT AND ADVANCE / CURRENT REFUNDING (continued)**

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**Current Refunding (continued)**

*Utility System Refunding Revenue Bonds, Series 2020A (continued)*

The net proceeds of \$53,538,319 included an \$8,688,975 premium, prior debt service reserve funds of \$4,579,344 and \$410,957 in underwriting fees and other issuance costs. Upon the issuance of the Series 2020A Bonds, the City submitted payment to the lender for the outstanding balance of the Series 2008A Note and the lender formally terminated the loan.

The reacquisition price exceeded the net carrying amount of the old debt by \$8,231,990. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the refunding debt. The City current refunded the Utility System Revenue Note, Series 2008A, to restructure the outstanding principal payments over five years and to release approximately \$4.6 million from the aggregate debt service reserve fund. While the City was able to take advantage of the low interest rates by achieving a true interest cost of 0.936%, the transaction resulted in an economic loss (the difference between the present values of the debt service payments on the old and new debt) of \$320,650.

*Subordinate Utility System Refunding Revenue Bonds, Series 2020B*

On June 3, 2020, the City issued the Subordinate Utility System Refunding Revenue Bonds, Series 2020B, in the amount of \$36,435,000. The proceeds of the Series 2020B Bonds were used to currently refund \$44,783,033 of the City's eight outstanding State Revolving Fund (SRF) Loans and to pay the costs associated with the issuance of the Series 2020B Bonds.

The net proceeds of \$45,413,657 included a \$6,974,432 premium and \$377,055 in underwriting fees and other issuance costs. Upon the issuance of the Series 2020B Bonds, the City submitted payment to the lender for the outstanding balances of the eight outstanding SRF Loans and the lender formally terminated each loan.

The net carrying amount equaled the reacquisition price of the old debt. The City current refunded the eight outstanding SRF Loans to achieve level annual debt service savings of \$440,000 per year, resulting in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$2,311,235.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 17 – FUND BALANCE**

**Minimum Fund Balance/Net Position Policy**

The City adopted a fund balance policy on September 26, 2011 to ensure the maintenance of adequate fund balance / net position and reserves in the City's various operating funds to provide the capacity to: 1) provide sufficient cash flow for daily financial needs, 2) secure and maintain investment grade bond ratings, 3) offset significant economic downturns and revenue shortfalls, and 4) provide funds for unforeseen expenditures related to emergencies.

**General Fund** – The City will strive to maintain a minimum unassigned fund balance of 10% with a target of 10% - 17% of the total general fund budget. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the subsequent fiscal year. The drawdown of unassigned fund balance may be utilized to respond and provide relief and recovery to emergencies which include but are not limited to hurricanes or tropical storms, flooding, wildfires and terrorist activity.

**Replenishment of Deficiencies** – In the event that unassigned fund balance in the General Fund is used for unanticipated expenditures or emergencies, and subsequently causes the balance to fall below the minimum of 10%, the fund balance should be replenished in order to prepare for future events. The City will strive to replenish the fund balance within a one-year period from the time the event occurs, or as quickly as economic conditions allow.

**Other Governmental Funds** – The various other governmental funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for them all. Therefore, the appropriate level of fund balance in the other governmental funds will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Director of Finance, or other designee shall determine this level.

**Enterprise Funds** – The City will strive to maintain unrestricted net position equal to 20% of the budgeted annual operating expenses for the current year in the Water-Wastewater Operating Fund and Solid Waste Fund to provide approximately a two-month cushion for operating expenses. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the subsequent fiscal year. The reserve is needed to cover short-term cash flow variations, economic downturns and emergencies. Unrestricted net position under the 20% goal should be used only for unanticipated expenditures. The various other enterprise and internal service funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for them all. Therefore, the appropriate level of net position in all enterprise and internal service funds, other than the Water-Wastewater Operating Fund and the Solid Waste Fund, will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Director of Finance, or other designee shall determine this level.

**NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of September 30, 2020 is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,104,313
	Revenue Bonds and Notes	73,432
	Total due to General Fund	<u>\$ 1,177,745</u>

The receivable amount in the General Fund from nonmajor governmental funds and the Revenue Bonds and Notes relates to interim end of year funding. The General Fund expects to collect the balances in the subsequent year.

**Advances to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 617,000

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES (continued)**

**Advances to/from other funds (continued)**

The amount payable to the General Fund by the Nonmajor Governmental Funds comprises advances to the Dr. Martin Luther King, Jr. Boulevard Redevelopment and Cleveland Avenue Redevelopment Tax Increment Financing Districts. None of the balance is scheduled to be collected in the subsequent year.

**NOTE 19 – INTERFUND TRANSFERS**

	Transfers In:							Total Transfers
	General Fund	Revenue Bonds and Notes Fund	Transportation Capital Projects Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Fund	Nonmajor Business-type Funds	
<b>Transfers Out:</b>								
General Fund <sup>(1)</sup>	\$ -	\$10,055,602	\$ 103,698	\$ 613,158	\$ 4,537,099	\$ 1,000,000	\$ 1,126,000	\$17,435,557
Revenue Bonds and Notes <sup>(2)</sup>	-	-	-	16,022,352	-	-	-	16,022,352
General Capital Projects Funds <sup>(3)</sup>	-	-	1,297,292	-	-	-	11,776	1,309,068
Nonmajor Governmental Funds <sup>(4)</sup>	500,000	-	-	213,384	200,600	-	37,100	951,084
Water-Wastewater Fund <sup>(5)</sup>	7,084,800	-	-	13,269	-	-	46,546	7,144,615
Solid Waste Fund <sup>(6)</sup>	3,041,600	-	-	12,878	-	-	-	3,054,478
Internal Service Fund <sup>(7)</sup>	616,600	78,700	-	638,963	-	-	56,325	1,390,588
Nonmajor Business-type Funds <sup>(8)</sup>	805,500	1,087,046	25,085	48,853	-	-	-	1,966,484
Total Transfers	<u>\$12,048,500</u>	<u>\$11,221,348</u>	<u>\$1,426,075</u>	<u>\$17,562,857</u>	<u>\$ 4,737,699</u>	<u>\$ 1,000,000</u>	<u>\$ 1,277,747</u>	<u>\$49,274,226</u>

<sup>(1)</sup> Transfers from the General Fund were used to fund debt service needs, capital improvements and capital equipment with grant matching. Capital equipment purchases comprised \$276,314 for fire engines and police department needs. The transfers to the Nonmajor Governmental Funds include \$3,683,799 for tax increment funding to the Community Redevelopment Agency (CRA). Transfers to the Nonmajor Business-type Funds relate to subsidies for the Fort Myers Country Club, Eastwood Golf Course and Skatium enterprise funds. The transfer to the Risk Management Internal Service Fund supports potential claims related to the Fire Cancer Presumption Law.

<sup>(2)</sup> The transfers from the Revenue Bonds and Notes Fund to the General Capital Projects Funds relates to the project funding from the Capital Improvement Revenue Note, Series 2020A, and the Taxable Capital Improvement Revenue Note, Series 2020B.

<sup>(3)</sup> Transfers from the General Capital Projects Fund were used for funding roadway improvements and bridge repairs in the Transportation Capital Projects Fund. Transfers to the Nonmajor Business-type Funds relate to Stormwater neighborhood drainage capital projects.

<sup>(4)</sup> Transfers from Nonmajor Governmental Funds comprised support from the CRA for General Fund operations, a subsidy for downtown para-transit needs, and a contribution to the downtown street sweeper lease in the Stormwater Fund. Transfers to General Capital Projects included \$69,671 from the CRA for landscaping improvements and \$143,565 from the Street Maintenance Fund for underground utilities.

<sup>(5)</sup> Transfers from the Water-Wastewater Fund were used to contribute to General Fund operations, provide funding for Public Works Center fencing in the General Capital Projects Fund and for South Street Drainage Improvements in the Stormwater Nonmajor Business-type Fund.

<sup>(6)</sup> Transfers from the Solid Waste Fund were used to contribute to General Fund operations and provide funding for Public Works Center fencing in the General Capital Projects Fund.

<sup>(7)</sup> Transfers from the Information Technology Services (ITS) Internal Service Funds supported operations in the General Fund and funded debt service needs. Transfers to the General Capital Projects Fund comprised funding for city-wide phone system replacement, new broadcasting equipment, fiber project and the new time and attendance system. In addition, the ITS Internal Service Fund transferred \$56,325 for the new Building Permits and Inspections software.

<sup>(8)</sup> Transfers from the Nonmajor Business-type funds were used to support General Fund operations, fund debt service needs and contribute to the Public Works Center fencing and unsafe structure project in the General Capital Projects Fund and to the sea wall renovations in the Transportation Capital Projects Fund.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 20 – RELATED ORGANIZATION TRANSACTIONS**

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The Housing Authority of the City of Fort Myers provides attainable housing for families and seniors in the City of Fort Myers. The Mayor of the City of Fort Myers appoints a voting majority of the board but the City does not exercise financial control. During the fiscal year that ended September 30, 2020, the City received \$159,381 from the Housing Authority for providing additional police protection.

**NOTE 21 – CONTINGENCIES**

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**Grants**

The City participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time. City management anticipates such amounts, if any, will be immaterial.

**Litigation, Claims and Assessments**

There are several pending claims and lawsuits arising from the normal course of business in which the City is involved. Estimated liabilities related to most unsettled claims have been accrued under the City's self-insurance program, and management believes the self-insurance reserves recorded in the Risk Management Fund are adequate to cover losses for which the City may be liable. Although the outcome of these lawsuits and pending claims are not presently determinable, the City's attorneys are not aware of any such claims against the City that would have a material effect on the basic financial statements or the adequacy of the appropriate reserves on deposit in the Risk Management Fund.

The City is currently involved in an environmental assessment by the State of Florida Department of Environmental Protection (FDEP) for regulatory exceedances related to wastewater, stormwater and monitoring. The City shall comply with the corrective actions mandated by the FDEP and City Council elected to implement an in-kind penalty project on February 16, 2021. The value of the in-kind penalty project is estimated at \$768,675 and in compliance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*, the City accrued the total estimated cost in the Water-Wastewater Enterprise Fund.

**NOTE 22 – TAX ABATEMENTS**

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The City's Community Redevelopment Agency (CRA) determined the use of tax increment rebates and other incentives are necessary to encourage development within the CRA's redevelopment areas. The terms and conditions of the tax increment rebate are provided for in a Development Agreement that is approved by the CRA Board of Commissioners during a public meeting. In such an agreement, the CRA agrees to provide financial support for a project by providing to the developer the increment revenue payment attributable to said project. The increment revenue payment attributable to a project is based on the increase in property taxes above the base year value of the project site. The amount of increment revenue that the agency receives for the project site each year from the "taxing authorities", as that term is defined in Section 163.340(2), Florida Statutes, will be 95% of the difference between the final assessment roll of taxable real property prepared by the Lee County Property Appraiser of Lee County, Florida, for the project site in a given year minus the base year defined above multiplied by the applicable millage rate for each taxing authority. The project payment to the developer will then be calculated by multiplying the approved rebate percentage for a specific year of the project by the amount of tax increment the CRA receives for the project site in a particular fiscal year as described above. The agreed upon rebate percentage of the tax increment received will be rebated if the total real estate taxes are paid prior to delinquency. If the taxes are not paid timely, there is no rebate of the property tax increment. This rebate program has no effect on the revenues of the primary government, the City of Fort Myers.

For the fiscal year ended September 30, 2020, the City of Fort Myers abated property taxes totaling \$498,957. The City entered into the following tax abatement agreements:

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 22 – TAX ABATEMENTS (continued)**

**Table 1: Summary of Rebates for Completed Projects**

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Rebate Payments as of 9/30/2020	Purpose
GRW, LLC.; Orthopedic Specialists of SW Florida; The MacSydney Company, LLC.	11/13/2010; amended 11/8/2013	Amendment reduced the rebate percentages by 10% for each year beginning in calendar year 2014.	21 years	95% from 2003-2014; payment decreases by 10% each year through calendar year 2023, for which the final rebate will be 5%.	\$111,054	Construction, operation and maintenance of a medical office facility.
Homes for America Holdings, Inc.: Beau Rivage	12/31/2001	95%	15 years	\$3,000,000 plus interest (\$4,520,440)	4,261,051	Financial assistance to pay the cost of utility extensions and other project costs related to the construction of a 110-136 unit high-rise multi-family residential condominium development, related parking structure and other amenities.
Homes for America Holdings, Inc.: St. Tropez and Riviera	12/31/2002; amended by settlement agreement 8/27/2014	50%	12 years	\$6,000,000 plus interest; settlement agreement for annual project payments of \$220,000 commencing FY 2015 with final payment due by 1/30/2022.	2,839,661	Financial assistance to pay the cost of utility extensions and other project costs related to the two-phased project consisting of a high rise multi-family residential condominium tower, a parking structure and amenities (Phase I), and a second high rise multi-family residential condominium tower for a combined total of between 225 and 300 residential units and up to 50 carriage homes and amenities (Phase II).
Hotel Indigo	12/11/2006	Years 1-2: 95% Years 3-20: 75%	20 years	\$2,500,000	319,802	Project represents the renovation of the historic Post Office Arcade for a hotel lobby and retail, restaurant and commercial uses, and to construct a new 7 story hotel containing between 60 and 70 hotel rooms.
David Plummer, McGregor-Clifford, LLC.: 2149 McGregor	12/8/2011	75%	15 years	\$106,442	2,881	Construction of a 5,100 square foot professional office development, related parking and other amenities.
Grand Central Fort Myers, LLC.	6/30/2016	Years 1-2: 95% Years 3-12: 77%	12 years	\$4,450,000	-	Construction of approximately 15,000 square feet of retail space and approximately 280 rental apartment units with amenities.
MainSail, Fort Myers LLLP.: Luminary Hotel	12/13/2017	95%	7 Years	\$2,600,000	-	Project represents a structured parking garage containing at least 210 parking spaces and a full-service hotel consisting of full amenities, meeting rooms and at least 225 hotel rooms.

**Table 2: Summary of Approved Rebates Where Construction Has Not Yet Been Completed**

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Purpose
The Macfarlane Group, LLC.: Campo Felice Riverfront Senior Housing	9/3/2013	95%	19 years	\$9,726,407	Project represents the renovation and adaptive reuse of an existing hotel into an independent living facility consisting of approximately 323 independent senior housing units and 14 lodging units, to provide affordable housing and attract significant new hotel and other development.
Cedar River at Fort Myers II LLC.: Tower 1 and Tower 2	9/1/2015	Tower 1: 85%; Tower 2: 65%	10 years per tower	Tower 1: \$8,500,000 Tower 2: \$6,500,000	Project consists of two 32-story high rise residential towers, commercial square footage, docks, construction of a public riverwalk and other improvements to provide additional multi-family housing and attract additional development.
Prima Luce, LLC	10/2/2015; amended as of 11/30/2016	95%	14 years	1) \$14,993,120, if 176 units built or 2) \$18,469,561, if 220 units built	Project represents a single phase project consisting of two 22-story residential towers to provide additional multi-family housing and attract additional development.
The Macfarlane Group II, LLC.: Campo Felice Riverfront Senior Housing	4/27/2016	Years 1-5: 70% Years 6-10: 30%	10 years per tower	3,500,000	Project represents the construction of an assisted living and memory care facility and medical office building, as a complementary second phase to the Campo Felice Riverfront Senior Housing Project on the adjoining parcel.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2020**

**NOTE 22 – TAX ABATEMENTS (continued)**

**Table 2: Summary of Approved Rebates Where Construction Has Not Yet Been Completed**

<b>Project Name (Developer)</b>	<b>Effective Date of Agreement</b>	<b>Rebate Amount (%)</b>	<b>Number of Years</b>	<b>Maximum Amount of Rebate Payment</b>	<b>Purpose</b>
Cedar River at Fort Myers II LLC.: Allure One	11/29/2016; amended as of 3/28/2018	95%	13 years	Amended to \$4,250,000, provided the project contains a maximum of 34 units or the project, after completion, has a taxable value equal to or greater than \$28,753,789, whichever comes first.	Project consists of a 15-story high rise residential tower with 34 residential units (amended from 24 units) and other improvements to provide additional multi-family housing and attract additional development.
CityWalk Fort Myers, LLC.: West End of City Walk	7/25/2018; amended as of 12/11/2019	95%	10 years	\$5,500,000, with an annual maximum payment of \$550,000	Amended to increase the residential phase from 302 to 318 units; add 77 spaces to the parking garage; add a 12,000 square foot amenity center and approximately 14,000 square feet of Class A office space, and; remove the development of the hotel on the project site. The project develops property vacant since the recession, provides additional residential housing and retail, and attract additional development.
McCollum Redevelopment Associates, LLC.: McCollum Hall	12/11/2018	95%	9 years	\$450,000, with annual payments capped at an annual maximum of \$50,000	Project represents the restoration and management of McCollum Hall for a neighborhood commercial center with entertainment, retail and dining establishments.
ESH Fort Myers, LLC: Silver Hills at Fort Myers	8/28/2019	95%	Until rebate is satisfied and/or community redevelopment areas sunset in 2044	12,960,000	Project represents two buildings containing a total of 327 apartments, which will be a mix of studio, one bedroom/one bath, two bedroom/two bath and three bedroom/two bath units. A 580-space parking garage will be located mid-block between the two residential buildings. The project provides additional residential housing and associated amenities, and attract additional development.
Vantage Ft. Myers, LLC.: Vantage Lofts	8/28/2019	95%	Until rebate is satisfied and/or community redevelopment areas sunset in 2044	11,400,000	Construction of a mixed-use 16-story building with upscale modern, contemporary design; approximately 4,014 square feet of retail space and amenities, and; approximately 217 condo-quality apartment units. Project will provide additional residential housing and amenities, and attract additional development.
HBH FTM Hotel, LLC.: Hampton Inn by Hilton	9/25/2019	Years 1-5: 95% Years 6 and beyond: 75%	Until rebate is satisfied and/or community redevelopment areas sunset in 2044	1,900,000	Project represents a 4-story, 117-room Hampton Inn by Hilton and associated amenities to provide hotel services and attract additional development.
Royal Palm Gardens Apartments, LLLP.: Jones Walker Palm Gardens Apartments	1/6/2020	95%	15 years	800,000	Project represents the purchase and rehabilitation of the 80-unit affordable residential housing development to provide improved living conditions for the tenants, extend the economic life and attract additional development.
Billy's Creek Preserve LLC.: Seaboard Waterside Apartments	1/22/2020	85%	Until rebate is satisfied or redevelopment Area sunset in 2044	Phase 1-\$7,145,000 Phase 2-\$4,335,000	Project consists of two phases to provide attainable residential housing and associated amenities and to attract additional development. Phase 1 represents the first residential building with 204 units and amenities including a clubhouse. Phase 2 represents the second residential building with 216 units, associated amenities and a future commercial retail building of approximately 2,000 square feet.
St. Peter Claver Place, LTD.: St. Peter Claver Place Apartments	1/22/2020; amended as of 8/26/2020	95%	Until rebate is satisfied and/or community redevelopment areas sunset in 2044	4,500,000	Project consists of two phases to provide affordable residential housing and associated amenities to tenant families and individuals. Phase 1 represents 136 two-, three- and four- bedroom apartments in two- and three-story buildings, along with a community building. Phase 2 consists of 78 two- and three-bedroom apartments and associated amenities.



**Required Supplementary Information  
Other than Management's Discussion & Analysis**

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)**  
**General Fund**  
**For the Year Ended September 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 77,669,700	# \$ 79,399,058	\$ 80,470,563	\$ 1,071,505
Permits and fees	8,256,600	8,256,600	8,400,007	143,407
Intergovernmental revenue	10,068,500	10,078,500	9,535,497	(543,003)
Charges for services	8,345,200	8,367,950	8,404,978	37,028
Fines and forfeitures	439,900	439,900	630,755	190,855
Miscellaneous	12,843,100	14,647,231	2,631,708	(12,015,523)
Contributions - private source	91,900	110,096	108,909	(1,187)
<b>Total revenues</b>	<b>117,714,900</b>	<b>121,299,335</b>	<b>110,182,417</b>	<b>(11,116,918)</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Council - Mayor Pro Tem	7,200	7,200	2,726	4,474
Council - Ward 1	86,500	86,500	85,570	930
Council - Ward 2	90,900	90,900	82,439	8,461
Council - Ward 3	83,000	85,880	84,484	1,396
Council - Ward 4	69,700	73,600	73,535	65
Council - Ward 5	68,600	68,600	61,541	7,059
Council - Ward 6	75,600	75,600	67,250	8,350
Council - Mayor	131,400	131,400	104,077	27,323
City Manager	2,021,000	2,109,610	1,406,677	702,933
Legal	1,099,000	1,327,978	1,164,138	163,840
Administrative Attorney's Office	1,315,400	1,262,044	715,818	546,226
City Clerk	1,191,500	1,193,500	1,013,986	179,514
Facilities Management	2,778,200	2,854,706	2,464,725	389,981
Financial Services	4,143,200	3,673,594	3,381,616	291,978
Human Resources	1,341,800	1,334,650	1,190,196	144,454
Real Estate	437,900	437,300	407,913	29,387
Community Development	1,905,900	2,048,721	1,790,415	258,306
Contributions	942,500	1,018,765	870,417	148,348
General Contingencies	153,500	445,059	81,985	363,074
Insurance	769,000	769,000	769,000	-
Total General Government	<b>18,711,800</b>	<b>19,094,607</b>	<b>15,818,508</b>	<b>3,276,099</b>
Public Safety:				
Police	55,217,300	56,355,620	54,616,058	1,739,562
Fire	24,962,500	25,679,752	24,102,701	1,577,051
Protective Inspections	1,851,800	1,980,781	1,450,624	530,157
Total Public Safety	<b>82,031,600</b>	<b>84,016,153</b>	<b>80,169,383</b>	<b>3,846,770</b>
Transportation: Public Works Admin	542,600	546,802	504,164	42,638
Physical Environment:				
Engineering	2,554,500	2,784,017	2,537,931	246,086
Parks	4,929,200	4,934,700	4,557,634	377,066
Cemetery	533,100	541,950	402,822	139,128
Total Physical Environment	<b>8,016,800</b>	<b>8,260,667</b>	<b>7,498,387</b>	<b>762,280</b>
Culture and Recreation:	4,212,100	4,283,238	3,819,538	463,700
Total Current	<b>113,514,900</b>	<b>116,201,467</b>	<b>107,809,980</b>	<b>8,391,487</b>
Debt Service:				
General Government:				
Principal	-	-	60,314	(60,314)
Interest	-	-	2,265	(2,265)
Total Debt Service	<b>-</b>	<b>-</b>	<b>62,579</b>	<b>(62,579)</b>
<b>Total expenditures</b>	<b>113,514,900</b>	<b>116,201,467</b>	<b>107,872,559</b>	<b>8,328,908</b>
Excess of revenues over expenditures	4,200,000	5,097,868	2,309,858	(2,788,010)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,048,500	12,048,500	12,048,500	-
Transfers out:				
Debt service transfers out	(10,136,400)	(10,136,400)	(10,055,602)	80,798
Capital funding transfers out	(479,800)	(1,048,454)	(658,044)	390,410
General transfers out	(5,632,300)	(5,961,514)	(6,913,599)	(952,085)
Total transfers out	<b>(16,248,500)</b>	<b>(17,146,368)</b>	<b>(17,627,245)</b>	<b>(480,877)</b>
Total other financing sources (uses)	<b>(4,200,000)</b>	<b>(5,097,868)</b>	<b>(5,578,745)</b>	<b>(480,877)</b>
Net change in fund balances	-	-	(3,268,887)	(3,268,887)
<b>Fund balance - beginning</b>	<b>39,221,628</b>	<b>39,221,628</b>	<b>39,221,628</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 39,221,628</b>	<b>\$ 39,221,628</b>	<b>\$ 35,952,741</b>	<b>\$ (3,268,887)</b>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to Required Supplementary Information**  
**For the Year Ended September 30, 2020**

**Note 1 - BUDGETARY REPORTING**

**A. Reconciliation of Budgetary Basis Reporting Differences**

The *Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General Fund* presents comparisons of the legally adopted budget with actual data on a budgetary basis. Governmental funds applied to develop data on a budgetary basis differ from those presented in the governmental fund financial statement due to the implementation of GASB 54. The following describes the major differences between budgetary financial data and the governmental fund financials.

**Perspective differences** - Certain funds not included in the General Fund's annual budget but which are presented in the General Fund for purposes of the governmental financial statements.

The following table presents a reconciliation of General Fund fund balance perspective differences on a budgetary basis to the fund balances shown on a GAAP basis on the governmental fund financial statements at September 30, 2020.

	General Fund
	<hr/>
Fund Balance - actual on a budgetary basis	\$ 35,952,741
Perspective Differences:	
Beautification	84,948
Business Development Center	76,669
Cemetery Maintenance	233,082
Land Acquisition	153,403
Off Duty Pay	128,654
Submerged Land Lease	106,699
	<hr/>
Fund balance - actual on a GAAP basis on governmental fund financial statements	<u><u>\$ 36,736,196</u></u>

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**General Employees' Pension Plan**  
**Last Seven Fiscal Years**

	9/30/2020	9/30/2019	9/30/2018	9/30/2017
<b>Total pension liability</b>				
Service cost	\$ 2,937,411	\$ 2,796,627	\$ 2,428,377	\$ 2,802,062
Interest	13,473,986	12,972,343	12,475,849	12,214,755
Changes of benefit terms	-	-	9,191	382
Differences between expected and actual experience	3,003,873	634,616	1,813,109	(1,853,950)
Changes of assumptions	2,112,038	696,296	2,208,471	-
Contributions - members	31,606	32,648	114,065	28,076
Benefit payments, including refunds of member contributions	(10,810,020)	(10,497,887)	(9,541,469)	(9,272,156)
<b>Net change in total pension liability</b>	<b>10,748,894</b>	<b>6,634,643</b>	<b>9,507,593</b>	<b>3,919,169</b>
<b>Total pension liability - beginning</b>	<b>182,322,946</b>	<b>175,688,303</b>	<b>166,180,710</b>	<b>162,261,541</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 193,071,840</b>	<b>\$ 182,322,946</b>	<b>\$ 175,688,303</b>	<b>\$ 166,180,710</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 9,959,509	\$ 9,534,821	\$ 8,517,979	\$ 7,760,600
Contributions - members	1,612,869	1,269,187	1,070,880	908,353
Net investment income	17,010,206	2,516,024	14,890,636	14,529,743
Benefit payments, including refunds of member contributions	(10,808,293)	(10,497,887)	(9,541,469)	(9,272,156)
Administrative expense	(178,122)	(212,307)	(192,732)	(167,963)
<b>Net change in plan fiduciary net position</b>	<b>17,596,169</b>	<b>2,609,838</b>	<b>14,745,294</b>	<b>13,758,577</b>
<b>Plan fiduciary net position - beginning</b>	<b>130,130,879</b>	<b>127,521,041</b>	<b>112,775,747</b>	<b>99,017,170</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 147,727,048</b>	<b>\$ 130,130,879</b>	<b>\$ 127,521,041</b>	<b>\$ 112,775,747</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 45,344,792</b>	<b>\$ 52,192,067</b>	<b>\$ 48,167,262</b>	<b>\$ 53,404,963</b>
Plan fiduciary net position as a percentage of the total pension liability	76.51%	71.37%	72.58%	67.86%
Covered payroll <sup>(1)</sup>	\$ 26,507,116	\$ 22,951,785	\$ 21,710,056	\$ 20,918,917
Net pension liability as a percentage of covered payroll	171.07%	227.40%	221.87%	255.30%

**Notes to schedule**

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

*Changes in assumptions.*

For the measurement date September 30, 2020:

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics.

The investment return was lowered from 7.50% to 7.25% per year, net of investment related expenses.

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios (continued)**  
**General Employees' Pension Plan**  
**Last Seven Fiscal Years**

9/30/2016	9/30/2015	9/30/2014
\$ 2,603,341	\$ 2,461,949	\$ 2,711,680
11,396,703	11,016,448	10,590,158
-	-	-
383,871	(675,391)	-
7,542,789	-	-
39,831	104,188	-
(8,556,536)	(7,731,928)	(7,122,160)
13,409,999	5,175,266	6,179,678
148,851,542	143,676,276	137,496,598
<u>\$ 162,261,541</u>	<u>\$ 148,851,542</u>	<u>\$ 143,676,276</u>
\$ 8,149,579	\$ 7,248,247	\$ 6,801,604
1,003,269	1,056,162	966,498
7,220,356	311,772	6,801,741
(8,556,536)	(7,731,928)	(7,122,160)
(161,736)	(144,689)	(147,068)
7,654,932	739,564	7,300,615
91,362,238	90,622,674	83,322,059
<u>\$ 99,017,170</u>	<u>\$ 91,362,238</u>	<u>\$ 90,622,674</u>
<u>\$ 63,244,371</u>	<u>\$ 57,489,304</u>	<u>\$ 53,053,602</u>
61.02%	61.38%	63.07%
\$ 22,012,119	\$ 22,278,817	\$ 20,480,978
287.32%	258.04%	259.04%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions**  
**General Employees' Pension Plan**  
**Last Seven Fiscal Years**

	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Actuarially determined contribution	\$ 9,912,752	\$ 8,992,347	\$ 8,400,220	\$ 7,760,600
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	9,959,509	9,534,821	8,517,979	7,760,600
Contribution deficiency (excess)	<u>\$ (46,757)</u>	<u>\$ (542,474)</u>	<u>\$ (117,759)</u>	<u>\$ -</u>
Covered payroll <sup>(1)</sup>	\$ 26,507,116	\$ 22,951,785	\$ 21,710,056	\$ 20,918,917
Contributions as a percentage of covered payroll	37.57%	41.54%	39.24%	37.10%

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

**Notes to Required Supplementary Information for the Year Ended September 30, 2020**

**Methods and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal										
Amortization method	Level percentage of payroll, closed										
Asset valuation method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average market value return. It is possible that, over time, this technique will produce an insignificant bias above or below market value.										
Inflation	2.5% per year										
Salary increases	<table> <tr> <td><u>Credited Service:</u></td><td><u>Increase:</u></td></tr> <tr> <td>0 - 2 Years</td><td>10.0%</td></tr> <tr> <td>3 - 5 Years</td><td>5.0%</td></tr> <tr> <td>6 - 15 Years</td><td>4.5%</td></tr> <tr> <td>More than 15 Years</td><td>5.0%</td></tr> </table> <p>Projected salary at retirement is increased by expected lump sum sick and vacation payouts for each member to account for non-regular compensation.</p>	<u>Credited Service:</u>	<u>Increase:</u>	0 - 2 Years	10.0%	3 - 5 Years	5.0%	6 - 15 Years	4.5%	More than 15 Years	5.0%
<u>Credited Service:</u>	<u>Increase:</u>										
0 - 2 Years	10.0%										
3 - 5 Years	5.0%										
6 - 15 Years	4.5%										
More than 15 Years	5.0%										
Investment rate of return	7.5% per year, compounded annually, net of investment related expenses.										
Payroll growth	0.0% per year										
Cost of living adjustment (COLA)	2.5% per year for normal and early retirees, beginning one year after retirement. COLA is for Tier 3 and Tier 4 members only.										
Retirement age	Earlier of age 63 with six years of service, or thirty years of service, regardless of age, or the age when service plus age equals 82, but no earlier than one year after the valuation date.										
Early retirement	Commencing with the earliest early retirement age (age 55 with seven years of service, or age 60 with five years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.										
Mortality	<p><b>Healthy lives:</b> Female - RP2000 Generational, 100% White Collar, Scale BB; Male - RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.</p> <p><b>Healthy inactive lives:</b> Female - RP2000 Generational, 100% Annuitant White Collar, Scale BB; Male - RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.</p> <p><b>Disabled lives:</b> Female - 100% RP2000 Disabled Female set forward two years; Male - 100% RP2000 Disabled Male setback four years.</p>										

Termination and Disability Rate Tables

Age	% Terminating during the year	% Becoming disabled during the year
20	27.8%	0.07%
30	24.2%	0.11%
40	13.2%	0.19%
50	6.0%	0.51%
60	6.0%	1.66%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions (continued)**  
**General Employees' Pension Plan**  
**Last Seven Fiscal Years**

	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 8,149,579	\$ 7,248,247	\$ 6,801,604
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	<u>8,149,579</u>	<u>7,248,247</u>	<u>6,801,604</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll <sup>(1)</sup>	 \$ 22,012,119	 \$ 22,278,817	 \$ 20,480,978
Contributions as a percentage of covered payroll	37.02%	32.53%	33.21%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Police Officers' Retirement System**  
**Last Seven Fiscal Years**

	9/30/2020	9/30/2019	9/30/2018
<b>Total pension liability</b>			
Service cost	\$ 4,036,915	\$ 3,580,281	\$ 3,119,115
Interest	15,400,575	14,706,081	13,793,082
Change in excess state money	-	-	-
Share plan allocation	140,675	81,362	75,899
Differences between expected and actual experience	4,702,185	322,404	3,831,561
Changes of assumptions	(2,495,828)	-	-
Contributions - members	21,320	-	-
Benefit payments, including refunds of member contributions	(10,453,865)	(9,610,033)	(9,220,487)
<b>Net change in total pension liability</b>	<b>11,351,977</b>	<b>9,080,095</b>	<b>11,599,170</b>
<b>Total pension liability - beginning</b>	<b>200,238,430</b>	<b>191,158,335</b>	<b>179,559,165</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 211,590,407</b>	<b>\$ 200,238,430</b>	<b>\$ 191,158,335</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 9,958,884	\$ 10,571,813	\$ 9,167,168
Contributions - state	1,009,819	891,194	880,267
Contributions - members	1,707,415	1,807,864	1,352,250
Net investment income (loss)	13,574,836	6,755,606	11,992,630
Benefit payments, including refunds of member contributions	(10,453,865)	(9,610,033)	(9,220,487)
Administrative expense	(142,892)	(103,472)	(95,338)
<b>Net change in plan fiduciary net position</b>	<b>15,654,197</b>	<b>10,312,972</b>	<b>14,076,490</b>
<b>Plan fiduciary net position - beginning</b>	<b>145,370,119</b>	<b>135,057,147</b>	<b>120,980,657</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 161,024,316</b>	<b>\$ 145,370,119</b>	<b>\$ 135,057,147</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 50,566,091</b>	<b>\$ 54,868,311</b>	<b>\$ 56,101,188</b>
 Plan fiduciary net position as a percentage of the total pension liability	 76.10%	 72.60%	 70.65%
Covered payroll <sup>(1)</sup>	\$ 17,927,199	\$ 16,376,467	\$ 13,207,334
Net pension liability as a percentage of covered payroll	282.06%	335.04%	424.77%

**Notes to schedule**

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

*Changes in assumptions.*

For the measurement date September 30, 2020:

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics.

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios (continued)**  
**Police Officers' Retirement System**  
**Last Seven Fiscal Years**

9/30/2017	9/30/2016	9/30/2015	9/30/2014
\$ 2,908,481	\$ 2,610,793	\$ 2,714,290	\$ 2,525,438
13,366,553	12,654,765	12,007,018	11,505,764
-	(58,951)	(58,952)	-
35,452	58,951	-	-
(1,566,690)	(3,082,812)	2,118,502	-
-	11,281,277	-	-
-	-	17,987	-
<u>(9,671,429)</u>	<u>(9,295,255)</u>	<u>(8,015,172)</u>	<u>(7,822,710)</u>
5,072,367	14,168,768	8,783,673	6,208,492
<u>174,486,798</u>	<u>160,318,030</u>	<u>151,534,357</u>	<u>145,325,865</u>
<u>\$ 179,559,165</u>	<u>\$ 174,486,798</u>	<u>\$ 160,318,030</u>	<u>\$ 151,534,357</u>
\$ 9,355,736	\$ 10,205,591	\$ 9,188,996	\$ 10,010,777
799,375	726,481	642,339	595,183
1,294,074	1,159,287	1,119,965	1,135,542
11,205,220	8,341,332	(861,763)	7,615,309
(9,671,429)	(9,295,255)	(8,015,172)	(7,822,710)
<u>(97,446)</u>	<u>(106,868)</u>	<u>(70,101)</u>	<u>(97,735)</u>
12,885,530	11,030,568	2,004,264	11,436,366
<u>108,095,127</u>	<u>97,064,559</u>	<u>95,060,295</u>	<u>83,623,929</u>
<u>\$ 120,980,657</u>	<u>\$ 108,095,127</u>	<u>\$ 97,064,559</u>	<u>\$ 95,060,295</u>
<u>\$ 58,578,508</u>	<u>\$ 66,391,671</u>	<u>\$ 63,253,471</u>	<u>\$ 56,474,062</u>
67.38%	61.95%	60.55%	62.73%
\$ 12,940,739	\$ 11,592,866	\$ 11,277,732	\$ 11,355,417
452.67%	572.69%	560.87%	497.33%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions**  
**Police Officers' Retirement System**  
**Last Seven Fiscal Years**

	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Actuarially determined contribution	\$ 10,828,029	\$ 11,381,645	\$ 9,971,538	\$ 10,119,658
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	10,968,703	11,463,007	10,047,435	10,155,111
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ (140,674)</u>	<u>\$ (81,362)</u>	<u>\$ (75,897)</u>	<u>\$ (35,453)</u>
Covered payroll <sup>(3)</sup>	\$ 17,927,199	\$ 16,376,467	\$ 13,207,334	\$ 12,940,739
Contributions as a percentage of covered payroll	61.18%	70.00%	76.07%	78.47%

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

<sup>(1)</sup> Contributions consist of amounts from the City and the State, a non-employer contributing entity.

<sup>(2)</sup> The excess contributions result from the fiscal year Share Plan allocation.

<sup>(3)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

**Notes to Required Supplementary Information for the Year Ended September 30, 2020**

**Methods and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal
Amortization method	New UAAL amortization bases amortized over 15 years
Asset valuation method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average market value return. It is possible that, over time, this technique will produce an insignificant bias above or below market value.
Inflation	2.7% per year
Salary increases	6.0% per year until the assumed retirement age. This assumption was reviewed as reasonable in the August 30, 2016 actuarial experience study. Projected salary at retirement is increased to account for non-regular compensation. This increase is based on each individual's hours accrued to date, as provided by the City.
Investment rate of return	7.75% per year, compounded annually, net of investment-related expenses.
Payroll growth	0.0% per year
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.
Retirement age	Earlier of age 55 or the completion of twenty-five years of credited service, regardless of age. This assumption was adopted based on the results of the August 30, 2016 actuarial experience study.
Early retirement	Commencing with attainment of early retirement status, members are assumed to retire at a rate of 2% per year until they reach fifteen years of service, at which point rates of 9% per year are assumed. This assumption was adopted based on the results of the August 30, 2016 actuarial experience study.
Mortality	<b>Healthy active lives:</b> Female - RP2000 Generational, 100% Combined Healthy White Collar, Scale BB; Male - RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB. <b>Healthy inactive lives:</b> Female - RP2000 Generational, 100% Annuitant White Collar, Scale BB; Male - RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, <b>Disabled lives:</b> Female - 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale; Male - 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

Termination and Disability Rate Tables

Age	% Terminating during the year	% Becoming disabled during the year
20	11.3%	0.05%
30	8.7%	0.06%
40	5.6%	0.12%
50	1.3%	0.43%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions (continued)**  
**Police Officers' Retirement System**  
**Last Seven Fiscal Years**

	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 10,932,072	\$ 9,831,335	\$ 10,605,960
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	<u>10,932,072</u>	<u>9,831,335</u>	<u>10,605,960</u>
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>(3)</sup>	\$ 11,592,866	\$ 11,277,732	\$ 11,355,417
Contributions as a percentage of covered payroll	94.30%	87.17%	93.40%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Firefighters' Retirement System**  
**Last Seven Fiscal Years**

	9/30/2020	9/30/2019	9/30/2018
<b>Total pension liability</b>			
Service cost	\$ 1,966,124	\$ 1,749,412	\$ 1,969,349
Interest	10,795,028	10,387,041	9,828,439
Share plan allocation	8,851	(233,883)	233,883
Changes of benefit terms	-	5,192	-
Differences between expected and actual experience	767,949	766,453	2,544,751
Changes of assumptions	4,440,025	1,527,660	-
Contributions - members	42,520	12,479	13,639
Benefit payments, including refunds of members contributions	(7,814,335)	(7,465,942)	(7,389,968)
<b>Net change in total pension liability</b>	<u>10,206,162</u>	<u>6,748,412</u>	<u>7,200,093</u>
<b>Total pension liability - beginning</b>	<u>138,576,544</u>	<u>131,828,132</u>	<u>124,628,039</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 148,782,706</u></u>	<u><u>\$ 138,576,544</u></u>	<u><u>\$ 131,828,132</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 5,840,974	\$ 5,954,869	\$ 5,656,025
Contributions - state	719,537	645,434	639,810
Contributions - members	650,911	634,475	599,335
Net investment income (loss)	6,596,914	2,890,300	9,248,134
Benefit payments, including refunds of members contributions	(7,811,765)	(7,465,942)	(7,389,968)
Administrative expense	(150,748)	(147,583)	(120,964)
<b>Net change in plan fiduciary net position</b>	<u>5,845,823</u>	<u>2,511,553</u>	<u>8,632,372</u>
<b>Plan fiduciary net position - beginning</b>	<u>103,361,046</u>	<u>100,849,493</u>	<u>92,217,121</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 109,206,869</u></u>	<u><u>\$ 103,361,046</u></u>	<u><u>\$ 100,849,493</u></u>
<b>Net pension liability - ending (a) - (b)</b>	<u><u>\$ 39,575,837</u></u>	<u><u>\$ 35,215,498</u></u>	<u><u>\$ 30,978,639</u></u>
Plan fiduciary net position as a percentage of the total pension liability	73.40%	74.59%	76.50%
Covered payroll <sup>(1)</sup>	\$ 8,098,467	\$ 7,774,957	\$ 7,321,199
Net pension liability as a percentage of covered payroll	488.68%	452.93%	423.14%

**Notes to schedule**

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

*Changes in assumptions.*

For the measurement date September 30, 2020:

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in the July 1, 2019 actuarial valuation for special risk lives, with appropriate risk and collar adjustments made based on plan demographics.

The investment return was lowered from 7.90% to 7.80% per year, net of investment related expenses.

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios (continued)**  
**Firefighters' Retirement System**  
**Last Seven Fiscal Years**

9/30/2017	9/30/2016	9/30/2015	9/30/2014
\$ 1,930,988	\$ 1,505,575	\$ 1,986,264	\$ 2,070,654
9,417,309	8,758,455	8,383,338	8,024,792
302,760	362,631	435,503	417,144
-	-	(1,250,890)	-
897,499	179,085	(52,669)	-
-	4,134,132	-	-
47,664	9,569	7,737	-
<u>(7,526,478)</u>	<u>(6,549,368)</u>	<u>(4,948,778)</u>	<u>(4,331,258)</u>
5,069,742	8,400,079	4,560,505	6,181,332
119,558,297	111,158,218	106,597,713	100,416,381
<u>\$ 124,628,039</u>	<u>\$ 119,558,297</u>	<u>\$ 111,158,218</u>	<u>\$ 106,597,713</u>
\$ 6,685,155	\$ 6,534,956	\$ 4,907,703	\$ 5,171,336
708,686	768,557	841,430	823,071
711,392	615,760	591,653	624,354
10,499,660	7,231,319	(485,367)	6,281,680
(7,526,478)	(6,549,368)	(4,948,778)	(4,331,258)
<u>(102,156)</u>	<u>(99,640)</u>	<u>(77,815)</u>	<u>(88,769)</u>
10,976,259	8,501,584	828,826	8,480,414
81,240,862	72,739,278	71,910,452	63,430,038
<u>\$ 92,217,121</u>	<u>\$ 81,240,862</u>	<u>\$ 72,739,278</u>	<u>\$ 71,910,452</u>
<u>\$ 32,410,918</u>	<u>\$ 38,317,435</u>	<u>\$ 38,418,940</u>	<u>\$ 34,687,261</u>
73.99%	67.95%	65.44%	67.46%
\$ 8,293,662	\$ 7,577,381	\$ 7,788,322	\$ 7,629,634
390.79%	505.68%	493.29%	454.64%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions**  
**Firefighter' Retirement System**  
**Last Seven Fiscal Years**

	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Actuarially determined contribution	\$ 6,551,660	\$ 6,834,185	\$ 6,061,953	\$ 7,091,082
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	6,560,511	6,600,303	6,295,835	7,393,841
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ (8,851)</u>	<u>\$ 233,882</u>	<u>\$ (233,882)</u>	<u>\$ (302,759)</u>
Covered payroll <sup>(3)</sup>	\$ 8,098,467	\$ 7,774,957	\$ 7,321,199	\$ 8,293,662
Contributions as a percentage of covered payroll	81.01%	84.89%	85.99%	89.15%

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

<sup>(1)</sup> Contributions consist of amounts from the City and the State, a non-employer contributing entity.

<sup>(2)</sup> The excess contributions result from the fiscal year Share Plan allocation.

<sup>(3)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

**Notes to Required Supplementary Information for the Year Ended September 30, 2020**

**Methods and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal	
Amortization method	New UAAL amortization bases amortized over 15 years	
Asset valuation method	Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4-year average market value return. It is possible that, over time, this technique will produce an insignificant bias above or below market value.	
Inflation	2.5% per year	
Salary increases	Service	Expected Increase
	< 2 years	8.0%
	2-4 years	6.0%
	5-9 years	5.5%
	10-14 years	5.0%
	15+ years	4.5%
Investment rate of return	7.9% per year, compounded annually, net of investment-related expenses.	
Payroll growth	0.0% per year	
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.	
Retirement age	Service	Projected
	25 years	75%
	26+ years	100%
	This assumption for retirement age was adopted as a result of the October 13, 2016 actuarial experience study.	
With less than 25 years of service	Age	Projected
	52 years	50%
	53 years	50%
	54 years	50%
	55+ years	100%
Early retirement	Commencing with attainment of early retirement status (age 45 with ten years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is supported by the results of the October 13, 2016 actuarial experience study.	
Mortality	<b>Healthy active lives:</b> Female - RP2000 Generational, 100% Combined Healthy White Collar, Scale BB; Male - RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB. <b>Healthy inactive lives:</b> Female - RP2000 Generational, 100% Annuitant White Collar, Scale BB; Male - RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, <b>Disabled lives:</b> Female - 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale; Male - 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.	
Termination and Disability Rate Tables	Age	% Terminating during the year
	20	9.3%
	30	7.9%
	40	4.3%
	50	1.1%
		% Becoming disabled during the year
		0.14%
		0.18%
		0.30%
		1.00%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions (continued)**  
**Firefighter' Retirement System**  
**Last Seven Fiscal Years**

	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 6,940,882	\$ 5,313,630	\$ 5,577,263
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	<u>7,303,513</u>	<u>5,749,133</u>	<u>5,994,407</u>
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ (362,631)</u>	<u>\$ (435,503)</u>	<u>\$ (417,144)</u>
Covered payroll <sup>(3)</sup>	\$ 7,577,381	\$ 7,788,322	\$ 7,629,634
Contributions as a percentage of covered payroll	96.39%	73.82%	78.57%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Investment Returns**  
**Last 10 Fiscal Years**

Annual money-weighted rate of return, net of investment expense for the pension plans:

<u>For the year ended September 30,</u>	<u>General Employees'</u> <u>Pension Plan</u>	<u>Police Officers'</u> <u>Retirement System</u>	<u>Firefighters'</u> <u>Retirement System</u>
2020	13.27%	9.56%	6.70%
2019	1.99%	5.25%	3.05%
2018	13.63%	10.52%	10.60%
2017	14.75%	11.13%	13.69%
2016	7.98%	9.32%	10.89%
2015	0.36%	-0.98%	-0.78%
2014	8.22%	9.75%	10.36%
2013	13.09%	11.52%	13.70%
2012	16.23%	16.70%	17.70%
2011	-1.23%	-2.26%	1.17%

**CITY OF FORT MYERS, FLORIDA**  
**Other Postemployment Benefits Plan**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Last Three Fiscal Years**

	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>Total OPEB liability</b>			
Service cost	\$ 988,179	\$ 930,628	\$ 964,834
Interest on the total OPEB liability	683,174	602,916	533,288
Changes of benefits terms	1,681	-	-
Difference between expected and actual experience of the total OPEB liability	(1,546,913)	-	-
Changes in assumptions and inputs	(1,601,885)	(395,101)	(883,439)
Benefit payments	(606,845)	(562,564)	(551,756)
<b>Net change in total OPEB liability</b>	(2,082,609)	575,879	62,927
<b>Total OPEB liability - beginning <sup>(1)</sup></b>	17,152,692	16,576,813	16,513,886
<b>Total OPEB liability - ending</b>	<u>\$ 15,070,083</u>	<u>\$ 17,152,692</u>	<u>\$ 16,576,813</u>
 Covered-employee payroll	 \$ 49,038,381	 \$ 49,763,357	 \$ 49,498,287
Total OPEB liability as a percentage of covered-employee payroll	30.73%	34.47%	33.49%

**Notes to schedule**

<sup>(1)</sup> The Total OPEB liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

*Changes in assumptions.*

For the measurement date September 30, 2019:

The discount rate changed from 3.83% as of the previous measurement date to 2.75% as of September 30, 2019 (based on the Long-Term Municipal Bond rate).

The medical claims costs and premiums were updated based on actual premium information for the actuarial valuation.

The long-term healthcare cost trend assumption was revised to reflect a lower long-term inflation assumption of 2.25% from 2.50%.

The assumed load to model the expected cost of the excise tax was changed from '0.62% beginning in 2022' to '0.41% beginning in 2022'.

The mortality rates were changed to the rates used in the July 1, 2019 actuarial valuation of the Florida Retirement System (FRS). Mortality assumptions were developed in a statewide experience study conducted by the FRS covering the period 2013 through 2018 and adopted for the July 1, 2019 valuation.

Changes in demographic assumptions for General Employees developed in an experience study conducted by the City's General Employees' Pension Plan and adopted for the October 1, 2019 valuation. Revisions include:

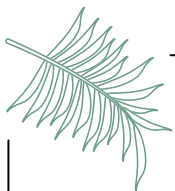
- Rates of salary increases
- Rates of retirement
- Rates of withdrawal
- Rates of disability

*Changes in benefit terms.*

Benefit changes relate to the passing of Florida Senate Bill 426, which provides benefits for eligible firefighters diagnosed with specified cancers.

Note: The City of Fort Myers implemented GASB Statement 75 in fiscal year 2018. Therefore, information is presented for the years for which information is available.





# **COMBINING STATEMENTS AND SCHEDULES**





**CITY OF FORT MYERS**  
**Major Governmental Funds**

**Debt Service Fund**

**Revenue Bonds and Notes** – To account for the accumulation of resources and the payment of principal and interest related to the City's Capital Improvement and Refunding Revenue Bonds, Series 2014A; Taxable Capital Improvement Refunding Revenue Bonds, Series 2014B; Capital Improvement and Refunding Revenue Bonds, Series 2016; Capital Improvement and Refunding Revenue Bonds, Series 2018A; Taxable Capital Improvement Revenue Bonds, Series 2018B; Capital Improvement Revenue Note, Series 2019A, and; Taxable Capital Improvement Revenue Note, Series 2019B.



**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Revenue Bonds and Notes**  
**For the Year Ended September 30, 2020**

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 2,411	\$ 2,411
Total revenues	-	-	2,411	2,411
EXPENDITURES				
Debt service:				
Principal retirement	9,600,700	6,210,000	6,134,535	75,465
Interest	7,146,700	5,375,924	5,083,242	292,682
Fiscal charges	7,900	92,964	88,922	4,042
Total expenditures	16,755,300	11,678,888	11,306,699	372,189
Excess (deficiency) of revenues over (under) expenditures	(16,755,300)	(11,678,888)	(11,304,288)	374,600
OTHER FINANCING SOURCES (USES)				
Transfers in	16,755,300	14,476,000	11,221,348	(3,254,652)
Transfers out	(33,475,800)	(33,974,581)	(16,022,352)	17,952,229
Issuance of Revenue Note	33,475,800	34,060,845	16,022,352	(18,038,493)
Total other financing sources and uses	16,755,300	14,562,264	11,221,348	(3,340,916)
Net change in fund balances	-	2,883,376	(82,940)	(2,966,316)
Fund balances - beginning	(8,454)	(8,454)	(8,454)	-
Fund balances - ending	\$ (8,454)	\$ 2,874,922	\$ (91,394)	\$ (2,966,316)

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

# **CITY OF FORT MYERS**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

**Law Enforcement Trust** – To account for the proceeds collected under the Florida Contraband Forfeiture Act to be used for school resource officers, crime prevention, safe neighborhoods, drug abuse education and prevention programs, and for other law enforcement purposes and providing matching funds to obtain federal grants.

**Federal Forfeiture** – To account for federal forfeiture proceeds, which can be expended for any activity calculated to enhance future investigations, support investigations and operations that may result in further seizures and forfeitures.

**FEMA Disaster Grant** – To account for the expenditures related to the damage caused by Hurricane Irma and the associated cleanup cost to be reimbursed by the Federal government.

**Grants** – To account for monies, received from various Federal, State and local agencies or private foundations, which must be expended according to the terms of grant requirements.

**Special Assessment Geographical Area Administration (SAGA)** – To account for Special Assessment District administration fees.

**Police Training** – To account for the \$2 assessment paid by persons convicted for violation of city ordinances. This assessment may be used for criminal justice education and training for the local government unit's officers and support personnel.

**Street Light Maintenance** – To account for the accumulation of funds to provide repairs and maintenance for certain street light poles and ballasts.

**Street Maintenance** – To account for funds received from the State for traffic light and street maintenance.

**Public Art Fund** – To account for proceeds from in-lieu contributions and all other revenue to support Public Art.

**Law Enforcement Equipment Fund** – To account for donations required of developers for law enforcement equipment purchases necessitated by commercial and residential development.

**Attainable Workforce Housing Fund** – To account for resources from developer contributions to provide loans to eligible residents with income of 150% of the median income for Lee County.

**Hurricane Shelter** – To account for developer contributions made to rehabilitate downtown buildings for use as hurricane shelters.

**Public-Private Parking** – To account for developer fees paid in lieu of the provision for parking.

**East Riverside Community Center** – To account for operations and maintenance of the community center, built for the citizens and visitors of Fort Myers and Lee County.

**Para-Transit Fund** – To account for developer contributions made annually for a downtown trolley system.

## **CITY OF FORT MYERS**

### **Nonmajor Governmental Funds (continued)**

#### **Special Revenue Funds (continued)**

**Patrons of the Palms** – To account for operations and resources related to maintaining palm trees, to enhance the City's identity as the "City of Palms".

**State Housing Initiative Partnership Program** – To account for funds received from the State of Florida to assist very low, low, and moderate income persons or families in becoming single-family homeowners.

**Community Redevelopment Agency:**

**Downtown Redevelopment Area** – To account for the operations and resources related to the Downtown Redevelopment Area.

**Other Redevelopment Areas** – To account for the administration and resources related to implementing the Cleveland Avenue Redevelopment Areas, the Central Fort Myers Redevelopment Area, the Martin Luther King Redevelopment Areas, and the East Fort Myers Redevelopment Area.

**Community Development Block Grant Program** – To account for monies received from the U.S. Department of Housing and Urban Development for community redevelopment.

**Crime Prevention Fund** – To account for monies received from fines, which are used to advance the crime prevention program.

#### **Permanent Fund**

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

**Ned Fould's Police Award Fund** – To account for a donation to the City to provide an award to the City's Police Officer of the Year. The interest is awarded to the Officer of the Year with the principal being retained in the fund.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

	<b>Special Revenue Funds</b>				
	<b>Law Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>FEMA Disaster Grant</b>	<b>Grants</b>	<b>SAGA Administration</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 89,369	\$ 43,465	\$ 807,535	\$ 99,826	\$ 153,312
Investments	22,341	10,866	-	-	38,326
Accounts receivable, net	-	-	-	-	-
Interest receivable	251	240	47	-	394
Due from other governmental agencies	-	-	2,051,334	1,666,209	-
Prepaid items	4,553	-	-	-	-
Notes receivable	-	-	-	-	-
Allowance for notes receivable	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Total assets	<u>\$ 116,514</u>	<u>\$ 54,571</u>	<u>\$ 2,858,916</u>	<u>\$ 1,766,035</u>	<u>\$ 192,032</u>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ 104,736	\$ -
Accrued and other liabilities	-	1,957	-	12,949	-
Due to other funds	-	-	-	493,759	-
Funds held in escrow	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,957</u>	<u>-</u>	<u>611,444</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - grants, contribution	-	-	1,508,005	1,560,906	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,508,005</u>	<u>1,560,906</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Prepaid items	4,553	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-	-
Restricted for:					
Donations received	-	-	-	-	-
Community redevelopment agency	-	-	-	-	-
Economic environment	-	-	-	-	-
Law enforcement programs	111,961	52,614	-	1,069,195	-
Physical environment	-	-	1,350,911	-	192,032
Transportation	-	-	-	-	-
Committed to:					
Law enforcement programs	-	-	-	-	-
Unassigned	-	-	-	(1,475,510)	-
Total fund balances (deficits)	<u>116,514</u>	<u>52,614</u>	<u>1,350,911</u>	<u>(406,315)</u>	<u>192,032</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 116,514</u>	<u>\$ 54,571</u>	<u>\$ 2,858,916</u>	<u>\$ 1,766,035</u>	<u>\$ 192,032</u>

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

**Special Revenue Funds**

<b>Police Training</b>	<b>Street Light Maintenance</b>	<b>Street Maintenance</b>	<b>Public Art</b>	<b>Law Enforcement Equipment</b>	<b>Attainable Workforce Housing</b>	<b>Hurricane Shelter</b>
\$ 57,254	\$ 24,286	\$ 849,207	\$ 71,121	\$ 1,869	\$ 1,338,911	\$ 287,258
14,313	6,026	221,535	17,779	467	334,710	71,811
-	-	-	-	-	-	-
232	293	1,547	319	5	2,221	737
965	-	337,654	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	136,556	-
-	-	-	-	-	(136,556)	-
-	-	-	-	-	-	-
<u>\$ 72,764</u>	<u>\$ 30,605</u>	<u>\$ 1,409,943</u>	<u>\$ 89,219</u>	<u>\$ 2,341</u>	<u>\$ 1,675,842</u>	<u>\$ 359,806</u>
\$ -	\$ -	\$ 235,156	\$ -	\$ -	\$ -	\$ -
679	-	4,020	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>679</u>	<u>-</u>	<u>239,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	89,219	-	1,675,842	359,806
-	-	-	-	-	-	-
-	-	-	-	-	-	-
72,085	-	-	-	2,341	-	-
-	-	-	-	-	-	-
-	30,605	1,170,767	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>72,085</u>	<u>30,605</u>	<u>1,170,767</u>	<u>89,219</u>	<u>2,341</u>	<u>1,675,842</u>	<u>359,806</u>
<u>\$ 72,764</u>	<u>\$ 30,605</u>	<u>\$ 1,409,943</u>	<u>\$ 89,219</u>	<u>\$ 2,341</u>	<u>\$ 1,675,842</u>	<u>\$ 359,806</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2020**

	Special Revenue Funds				
	Public-Private Parking	East Riverside Community Center	Para-Transit	Patrons of the Palms	State Housing Initiative Partnership
<b>ASSETS</b>					
Cash and cash equivalents	\$ 310,432	\$ 19,333	\$ 161,143	\$ 15,521	\$ 564,418
Investments	77,604	4,833	40,284	3,880	141,097
Accounts receivable, net	-	-	-	-	-
Interest receivable	797	50	479	40	828
Due from other governmental agencies	-	-	18,393	-	-
Prepaid items	-	-	-	-	-
Notes receivable	-	-	-	-	2,109,510
Allowance for notes receivable	-	-	-	-	(2,109,510)
Assets held for resale	-	-	-	-	-
Total assets	<u>\$ 388,833</u>	<u>\$ 24,216</u>	<u>\$ 220,299</u>	<u>\$ 19,441</u>	<u>\$ 706,343</u>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ -	\$ -	\$ 200,800	\$ -	\$ 160,536
Accrued and other liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Funds held in escrow	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>200,800</u>	<u>-</u>	<u>160,536</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - grants, contribution	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Prepaid items	-	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-	-
Restricted for:					
Donations received	388,833	24,216	19,499	19,441	-
Community redevelopment agency	-	-	-	-	-
Economic environment	-	-	-	-	545,807
Law enforcement programs	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Committed to:					
Law enforcement programs	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>388,833</u>	<u>24,216</u>	<u>19,499</u>	<u>19,441</u>	<u>545,807</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 388,833</u>	<u>\$ 24,216</u>	<u>\$ 220,299</u>	<u>\$ 19,441</u>	<u>\$ 706,343</u>

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

Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
Community Redevelopment Agency	Community Development Block Grant	Crime Prevention	Ned Fould's Police Award Fund	
\$ 5,128,627	\$ -	\$ 41,073	\$ 2,015	\$ 10,065,975
1,282,134	-	10,268	500	2,298,774
-	-	-	-	-
10,055	-	114	5	18,654
-	673,259	275	-	4,748,089
-	-	-	-	4,553
-	4,855,380	-	-	7,101,446
-	(4,855,380)	-	-	(7,101,446)
-	388,518	-	-	388,518
<u>\$ 6,420,816</u>	<u>\$ 1,061,777</u>	<u>\$ 51,730</u>	<u>\$ 2,520</u>	<u>\$ 17,524,563</u>
\$ 117,315	\$ 20,191	\$ -	\$ -	838,734
5,254	120	423	-	25,402
-	610,554	-	-	1,104,313
-	-	-	520	520
-	258,811	-	-	258,811
617,000	-	-	-	617,000
<u>739,569</u>	<u>889,676</u>	<u>423</u>	<u>520</u>	<u>2,844,780</u>
-	61,982	-	-	3,130,893
-	61,982	-	-	3,130,893
-	-	-	-	4,553
-	-	-	2,000	2,000
-	-	-	-	2,576,856
5,681,247	-	-	-	5,681,247
-	110,119	-	-	655,926
-	-	-	-	1,308,196
-	-	-	-	1,542,943
-	-	-	-	1,201,372
-	-	51,307	-	51,307
-	-	-	-	(1,475,510)
<u>5,681,247</u>	<u>110,119</u>	<u>51,307</u>	<u>2,000</u>	<u>11,548,890</u>
<u>\$ 6,420,816</u>	<u>\$ 1,061,777</u>	<u>\$ 51,730</u>	<u>\$ 2,520</u>	<u>\$ 17,524,563</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

	<b>Special Revenue Funds</b>				
	<b>Law Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>FEMA Disaster Grant</b>	<b>Grants</b>	<b>SAGA Administration</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	3,135,563	1,568,080	-
Fines and forfeitures	27,784	11,700	-	-	-
Miscellaneous	8,342	729	66,449	22,000	2,387
Contributions - private source	-	-	-	-	-
Total revenues	<u>36,126</u>	<u>12,429</u>	<u>3,202,012</u>	<u>1,590,080</u>	<u>2,387</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	5,153	474,296	144
Public Safety:					
Police	39,763	28,595	-	1,649,258	-
Fire	-	-	-	421,139	-
Protective inspections	-	-	-	28,662	-
Physical environment	-	-	-	172,991	-
Transportation	-	-	-	4,525	-
Economic environment	-	-	-	1,865	-
Culture and recreation	-	-	-	97,150	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>39,763</u>	<u>28,595</u>	<u>5,153</u>	<u>2,849,886</u>	<u>144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,637)</u>	<u>(16,166)</u>	<u>3,196,859</u>	<u>(1,259,806)</u>	<u>2,243</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	511,400	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,400</u>	<u>-</u>
Net change in fund balances	(3,637)	(16,166)	3,196,859	(748,406)	2,243
Fund balances - beginning	120,151	68,780	(1,845,948)	342,091	189,789
Fund balances - ending	<u>\$ 116,514</u>	<u>\$ 52,614</u>	<u>\$ 1,350,911</u>	<u>\$ (406,315)</u>	<u>\$ 192,032</u>

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

Special Revenue Funds					
Police Training	Street Light Maintenance	Street Maintenance	Public Art	Law Enforcement Equipment	Attainable Workforce Housing
\$ -	\$ -	\$ 2,276,637	\$ -	\$ -	\$ -
-	-	652,073	-	-	-
-	-	-	-	-	-
13,943	452	358,172	1,172	30	1,011,566
-	-	-	57	-	-
<u>13,943</u>	<u>452</u>	<u>3,286,882</u>	<u>1,229</u>	<u>30</u>	<u>1,011,566</u>
-	-	-	-	-	-
1,824	-	-	-	2	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,277	3,712,591	-	-	-
-	-	-	-	-	125,324
-	-	-	67	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,824</u>	<u>2,277</u>	<u>3,712,591</u>	<u>67</u>	<u>2</u>	<u>125,324</u>
<u>12,119</u>	<u>(1,825)</u>	<u>(425,709)</u>	<u>1,162</u>	<u>28</u>	<u>886,242</u>
-	-	278,300	-	-	-
-	-	(143,565)	(148)	-	-
-	-	134,735	(148)	-	-
12,119	(1,825)	(290,974)	1,014	28	886,242
59,966	32,430	1,461,741	88,205	2,313	789,600
<u>\$ 72,085</u>	<u>\$ 30,605</u>	<u>\$ 1,170,767</u>	<u>\$ 89,219</u>	<u>\$ 2,341</u>	<u>\$ 1,675,842</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

	<b>Special Revenue Funds</b>				
			<b>East Riverside</b>		
	<b>Hurricane Shelter</b>	<b>Public-Private Parking</b>	<b>Community Center</b>	<b>Para-Transit</b>	<b>Patrons of the Palms</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	4,472	4,834	301	4,376	242
Contributions - private source	-	-	-	65,937	-
Total revenues	<u>4,472</u>	<u>4,834</u>	<u>301</u>	<u>70,313</u>	<u>242</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public Safety:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Protective inspections	-	-	-	-	-
Physical environment	270	-	-	-	15
Transportation	-	292	-	401,471	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	18	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>270</u>	<u>292</u>	<u>18</u>	<u>401,471</u>	<u>15</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,202</u>	<u>4,542</u>	<u>283</u>	<u>(331,158)</u>	<u>227</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	264,200	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,200</u>	<u>-</u>
Net change in fund balances	4,202	4,542	283	(66,958)	227
Fund balances - beginning	355,604	384,291	23,933	86,457	19,214
Fund balances - ending	<u>\$ 359,806</u>	<u>\$ 388,833</u>	<u>\$ 24,216</u>	<u>\$ 19,499</u>	<u>\$ 19,441</u>

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

Special Revenue Funds				Permanent Fund	Total Nonmajor Governmental Funds
State Housing Initiative Partnership	Community Redevelopment Agency	Community Development Block Grant	Crime Prevention	Ned Fould's Police Award Fund	
\$ -	\$ 1,808,681	\$ -	\$ -	\$ -	\$ 4,085,318
429,812	-	1,071,485	-	-	6,857,013
-	-	-	2,232	-	41,716
17,914	124,853	216,578	667	-	1,859,479
-	-	-	-	-	65,994
447,726	1,933,534	1,288,063	2,899	-	12,909,520
-	-	-	-	-	479,593
-	-	-	5,710	-	1,725,152
-	-	-	-	-	421,139
-	-	-	-	-	28,662
-	-	-	-	-	173,276
-	-	-	-	-	4,121,156
649,392	3,190,037	1,298,929	-	-	5,265,547
-	-	-	-	-	97,235
-	496,154	-	-	-	496,154
-	60,516	-	-	-	60,516
649,392	3,746,707	1,298,929	5,710	-	12,868,430
(201,666)	(1,813,173)	(10,866)	(2,811)	-	41,090
-	3,683,799	-	-	-	4,737,699
-	(807,371)	-	-	-	(951,084)
-	2,876,428	-	-	-	3,786,615
(201,666)	1,063,255	(10,866)	(2,811)	-	3,827,705
747,473	4,617,992	120,985	54,118	2,000	7,721,185
\$ 545,807	\$ 5,681,247	\$ 110,119	\$ 51,307	\$ 2,000	\$ 11,548,890

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

Law Enforcement Trust Fund				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 27,784	\$ 27,784
Miscellaneous	75,000	75,000	8,342	(66,658)
Total revenues	75,000	75,000	36,126	(38,874)
EXPENDITURES				
Current:				
Police	75,000	75,000	39,763	35,237
Total expenditures	75,000	75,000	39,763	35,237
Excess (deficiency) of revenues over expenditures	-	-	(3,637)	(3,637)
Net change in fund balances	-	-	(3,637)	(3,637)
Fund balances - beginning	120,151	120,151	120,151	-
Fund balances - ending	\$ 120,151	\$ 120,151	\$ 116,514	\$ (3,637)

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

Federal Forfeiture Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 11,700	\$ 11,700
Miscellaneous	65,000	65,000	729	(64,271)
Total revenues	65,000	65,000	12,429	(52,571)
EXPENDITURES				
Current:				
Police	65,000	65,000	28,595	36,405
Total expenditures	65,000	65,000	28,595	36,405
Excess (deficiency) of revenues over expenditures	-	-	(16,166)	(16,166)
Net change in fund balances	-	-	(16,166)	(16,166)
Fund balances - beginning	68,780	68,780	68,780	-
Fund balances - ending	\$ 68,780	\$ 68,780	\$ 52,614	\$ (16,166)

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

	<b>Grants</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenue	\$ 93,034	\$ 2,647,342	\$ 1,568,080	\$ (1,079,262)
Miscellaneous	-	1,181,100	22,000	(1,159,100)
Total revenues	93,034	3,828,442	1,590,080	(2,238,362)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	474,296	(474,296)
Police	604,434	4,092,400	1,649,258	2,443,142
Fire	-	247,442	421,139	(173,697)
Protective inspections	-	-	28,662	(28,662)
Physical environment	-	-	172,991	(172,991)
Transportation	-	-	4,525	(4,525)
Economic environment	-	-	1,865	(1,865)
Culture and recreation	-	-	97,150	(97,150)
Total expenditures	604,434	4,339,842	2,849,886	1,489,956
Excess (deficiency) of revenues over expenditures	(511,400)	(511,400)	(1,259,806)	(748,406)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	511,400	511,400	511,400	-
Total other financing source (uses)	511,400	511,400	511,400	-
Net change in fund balances	-	-	(748,406)	(748,406)
Fund balances - beginning	342,091	342,091	342,091	-
Fund balances - ending	<u>\$ 342,091</u>	<u>\$ 342,091</u>	<u>\$ (406,315)</u>	<u>\$ (748,406)</u>

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

	<b>Police Training Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 13,943	\$ (1,057)
Total revenues	15,000	15,000	13,943	(1,057)
<b>EXPENDITURES</b>				
Current:				
Police	15,000	15,000	1,824	13,176
Total expenditures	15,000	15,000	1,824	13,176
Excess (deficiency) of revenues over expenditures	-	-	12,119	12,119
Net change in fund balances	-	-	12,119	12,119
Fund balances - beginning	59,966	59,966	59,966	-
Fund balances - ending	<u>\$ 59,966</u>	<u>\$ 59,966</u>	<u>\$ 72,085</u>	<u>\$ 12,119</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

	<b>Street Light Maintenance Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Miscellaneous	\$ 2,300	\$ 2,300	\$ 452	\$ (1,848)
Total revenues	2,300	2,300	452	(1,848)
<b>EXPENDITURES</b>				
Current:				
Transportation	2,300	2,300	2,277	23
Total expenditures	2,300	2,300	2,277	23
Excess (deficiency) of revenues over expenditures	-	-	(1,825)	(1,825)
Net change in fund balances	-	-	(1,825)	(1,825)
Fund balances - beginning	32,430	32,430	32,430	-
Fund balances - ending	\$ 32,430	\$ 32,430	\$ 30,605	\$ (1,825)

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

	<b>Street Maintenance Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,276,637	\$ (123,363)
Intergovernmental revenue	700,000	700,000	652,073	(47,927)
Miscellaneous	1,461,000	1,865,675	358,172	(1,507,503)
Total revenues	4,561,000	4,965,675	3,286,882	(1,678,793)
<b>EXPENDITURES</b>				
Current:				
Transportation	4,614,300	4,632,932	3,712,591	920,341
Total expenditures	4,614,300	4,632,932	3,712,591	920,341
Excess (deficiency) of revenues over expenditures	(53,300)	332,743	(425,709)	(758,452)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	278,300	278,300	278,300	-
Transfers out	(225,000)	(611,043)	(143,565)	467,478
Total other financing source (uses)	53,300	(332,743)	134,735	467,478
Net change in fund balances	-	-	(290,974)	(290,974)
Fund balances - beginning	1,461,741	1,461,741	1,461,741	-
Fund balances - ending	\$ 1,461,741	\$ 1,461,741	\$ 1,170,767	\$ (290,974)

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

<b>Public Art Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 21,856	\$ 1,172	\$ (20,684)
Contributions - private source	-	-	57	57
Total revenues	-	21,856	1,229	(20,627)
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	7,268	67	7,201
Total expenditures	-	7,268	67	7,201
Excess (deficiency) of revenues over expenditures	-	14,588	1,162	(13,426)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(14,588)	(148)	14,440
Total other financing source (uses)	-	(14,588)	(148)	14,440
Net change in fund balances	-	-	1,014	1,014
Fund balances - beginning	88,205	88,205	88,205	-
Fund balances - ending	<u>\$ 88,205</u>	<u>\$ 88,205</u>	<u>\$ 89,219</u>	<u>\$ 1,014</u>

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

<b>Attainable Workforce Housing Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 147,524	\$ 1,011,566	\$ 864,042
Total revenues	-	147,524	1,011,566	864,042
<b>EXPENDITURES</b>				
Current:				
Economic environment	-	147,524	125,324	22,200
Total expenditures	-	147,524	125,324	22,200
Excess (deficiency) of revenues over expenditures	-	-	886,242	886,242
Net change in fund balances	-	-	886,242	886,242
Fund balances - beginning	789,600	789,600	789,600	-
Fund balances - ending	<u>\$ 789,600</u>	<u>\$ 789,600</u>	<u>\$ 1,675,842</u>	<u>\$ 886,242</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

	<b>Para-Transit Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Miscellaneous	\$ 77,600	\$ 77,600	\$ 4,376	\$ (73,224)
Contributions - private source	62,500	62,500	65,937	3,437
Total revenues	<u>140,100</u>	<u>140,100</u>	<u>70,313</u>	<u>(69,787)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	454,300	454,300	401,471	52,829
Total expenditures	<u>454,300</u>	<u>454,300</u>	<u>401,471</u>	<u>52,829</u>
Excess (deficiency) of revenues over expenditures	<u>(314,200)</u>	<u>(314,200)</u>	<u>(331,158)</u>	<u>(16,958)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	314,200	314,200	264,200	(50,000)
Total other financing source (uses)	<u>314,200</u>	<u>314,200</u>	<u>264,200</u>	<u>(50,000)</u>
Net change in fund balances	-	-	(66,958)	(66,958)
Fund balances - beginning	86,457	86,457	86,457	-
Fund balances - ending	<u>\$ 86,457</u>	<u>\$ 86,457</u>	<u>\$ 19,499</u>	<u>\$ (66,958)</u>

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

	<b>State Housing Initiative Partnership Program</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenue	\$ 90,160	\$ 915,841	\$ 429,812	\$ (486,029)
Miscellaneous	-	16,912	17,914	1,002
Total revenues	<u>90,160</u>	<u>932,753</u>	<u>447,726</u>	<u>(485,027)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	90,160	932,753	649,392	283,361
Total expenditures	<u>90,160</u>	<u>932,753</u>	<u>649,392</u>	<u>283,361</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(201,666)</u>	<u>(201,666)</u>
Net change in fund balances	-	-	(201,666)	(201,666)
Fund balances - beginning	747,473	747,473	747,473	-
Fund balances - ending	<u>\$ 747,473</u>	<u>\$ 747,473</u>	<u>\$ 545,807</u>	<u>\$ (201,666)</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

Community Redevelopment Agency				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,739,900	\$ 1,808,681	\$ 1,808,681	\$ -
Miscellaneous	1,354,500	4,871,145	124,853	(4,746,292)
Total revenues	3,094,400	6,679,826	1,933,534	(4,746,292)
EXPENDITURES				
Current:				
Economic environment	5,552,500	8,902,466	3,190,037	5,712,429
Total current	5,552,500	8,902,466	3,190,037	5,712,429
Debt service:				
Principal retirement	496,100	496,100	496,154	(54)
Interest	60,600	60,600	60,516	84
Total debt service	556,700	556,700	556,670	30
Total expenditures	6,109,200	9,459,166	3,746,707	5,712,459
Excess (deficiency) of revenues over expenditures	(3,014,800)	(2,779,340)	(1,813,173)	966,167
OTHER FINANCING SOURCES (USES)				
Transfers in	3,777,500	3,683,850	3,683,799	(51)
Transfers out	(762,700)	(904,510)	(807,371)	97,139
Total other financing source (uses)	3,014,800	2,779,340	2,876,428	97,088
Net change in fund balances	-	-	1,063,255	1,063,255
Fund balances - beginning	4,617,992	4,617,992	4,617,992	-
Fund balances - ending	\$ 4,617,992	\$ 4,617,992	\$ 5,681,247	\$ 1,063,255

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2020**

Community Development Block Grant Program				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 625,804	\$ 2,266,244	\$ 1,071,485	\$ (1,194,759)
Miscellaneous	-	94,405	216,578	122,173
Total revenues	625,804	2,360,649	1,288,063	(1,072,586)
EXPENDITURES				
Current:				
Economic environment	625,804	2,360,649	1,298,929	1,061,720
Total expenditures	625,804	2,360,649	1,298,929	1,061,720
Excess (deficiency) of revenues over expenditures	-	-	(10,866)	(10,866)
Net change in fund balances	-	-	(10,866)	(10,866)
Fund balances - beginning	120,985	120,985	120,985	-
Fund balances - ending	\$ 120,985	\$ 120,985	\$ 110,119	\$ (10,866)

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

Crime Prevention Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 2,500	\$ 2,500	\$ 2,232	\$ (268)
Miscellaneous	20,000	20,000	667	(19,333)
Total revenues	22,500	22,500	2,899	(19,601)
EXPENDITURES				
Current:				
Police	22,500	22,500	5,710	16,790
Total expenditures	22,500	22,500	5,710	16,790
Excess (deficiency) of revenues over expenditures	-	-	(2,811)	(2,811)
Net change in fund balances	-	-	(2,811)	(2,811)
Fund balances - beginning	54,118	54,118	54,118	-
Fund balances - ending	\$ 54,118	\$ 54,118	\$ 51,307	\$ (2,811)

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

## **CITY OF FORT MYERS**

### **Nonmajor Enterprise Funds**

The City's nonmajor enterprise funds report activities for which fees are charged to external users for goods or services.

**Building Permits and Inspections** – To account for operations and maintenance related to the City's issuance of building permits and the subsequent inspections.

**Stormwater** – To account for the operations and maintenance of stormwater run-off mechanisms throughout the City.

**Fort Myers Country Club** – To account for the operations and maintenance related to the City-owned Fort Myers Country Club.

**Eastwood Golf Course** – To account for the operations and maintenance related to the City-owned Eastwood Golf Course.

**Yacht Basin** – To account for the operations and maintenance of the City-owned yacht basin and dock facilities.

**Downtown Parking Garages** – To account for the operations and maintenance related to the City-owned Main Street Parking Garage and City of Palms Parking Garage.

**Skatium** – To account for the operations and maintenance related to the City-owned skating and recreation center.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2020**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 8,688,157	\$ 6,600,978	\$ 405,516
Investments	2,167,538	1,686,736	600
Restricted cash and cash equivalents	145,618	-	-
Restricted investments	36,134	-	1,028
Accounts receivable, net	-	-	-
Interest receivable	10,684	5,721	171
Restricted interest receivable	-	-	-
Due from other governmental agencies	-	108,265	-
Inventories	-	-	-
Prepaid items	28,154	-	34,000
Total current assets	<u>11,076,285</u>	<u>8,401,700</u>	<u>441,315</u>
Noncurrent assets:			
Intangible assets, net	-	78,551	-
Land and improvements	-	103,718	168,966
Construction in progress	-	70,595	-
Buildings, net	-	-	89,504
Improvements other than buildings, net	-	12,228,078	3,903,634
Equipment, net	1,264,187	1,152,310	-
Total noncurrent assets	<u>1,264,187</u>	<u>13,633,252</u>	<u>4,162,104</u>
Total assets	<u>12,340,472</u>	<u>22,034,952</u>	<u>4,603,419</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to postemployment benefits	16,507	12,771	615
Deferred outflows related to pensions	124,485	76,254	25,212
Total deferred outflows of resources	<u>140,992</u>	<u>89,025</u>	<u>25,827</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	131,914	126,379	66,904
Accrued and other liabilities	4,778	1,060	6,019
Due to other governmental agencies	8,372	-	5,171
Customer deposits	67,321	-	-
Compensated absences	25,563	50,184	-
Accrued interest payable	-	2,506	1,689
Capital lease payable	-	32,385	-
Notes payable	-	-	-
Revenue bonds payable	-	-	38,742
Total current liabilities	<u>237,948</u>	<u>212,514</u>	<u>118,525</u>
Noncurrent liabilities:			
Net pension liability	2,206,748	1,351,746	116,607
Compensated absences	48,063	55,630	24,032
Total other postemployment benefits liability	429,364	332,205	15,987
Capital lease payable	-	69,260	-
Notes payable	-	-	-
Revenue bonds payable	-	-	71,014
Total noncurrent liabilities	<u>2,684,175</u>	<u>1,808,841</u>	<u>227,640</u>
Total liabilities	<u>2,922,123</u>	<u>2,021,355</u>	<u>346,165</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	-	873
Deferred inflows related to postemployment benefits	97,466	75,411	3,629
Deferred inflows related to pensions	270,835	165,900	54,853
Total deferred inflows of resources	<u>368,301</u>	<u>241,311</u>	<u>59,355</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,199,028	13,527,432	4,051,475
Restricted for:			
Capital projects	106,059	-	-
Renewal and replacement	-	-	-
Unrestricted	7,885,953	6,333,879	172,251
Total net position	<u>\$ 9,191,040</u>	<u>\$ 19,861,311</u>	<u>\$ 4,223,726</u>

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

Eastwood Golf Course	Yacht Basin	Downtown Parking Garages	Skatium	Total Nonmajor Enterprise Funds
\$ 78,440	\$ 749,037	\$ 1,647,109	\$ 99,627	\$ 18,268,864
18,378	186,667	411,764	24,242	4,495,925
4,828	167,178	4,649	1,843	324,116
1,198	41,484	1,154	457	81,455
-	22,865	-	-	22,865
469	322	394	-	17,761
-	1,103	-	-	1,103
-	-	-	-	108,265
-	69,247	-	22,694	91,941
34,000	-	-	-	96,154
<u>137,313</u>	<u>1,237,903</u>	<u>2,065,070</u>	<u>148,863</u>	<u>23,508,449</u>
-	-	-	-	78,551
729,261	195,315	551,713	-	1,748,973
-	-	-	-	70,595
1,348,568	1,039	1,209,338	11,622	2,660,071
2,547,157	3,274,402	-	-	21,953,271
226,060	13,356	-	-	2,655,913
<u>4,851,046</u>	<u>3,484,112</u>	<u>1,761,051</u>	<u>11,622</u>	<u>29,167,374</u>
<u>4,988,359</u>	<u>4,722,015</u>	<u>3,826,121</u>	<u>160,485</u>	<u>52,675,823</u>
3,016	4,336	-	2,182	39,427
6,578	17,126	-	12,701	262,356
<u>9,594</u>	<u>21,462</u>	<u>-</u>	<u>14,883</u>	<u>301,783</u>
22,864	61,508	1,098	28,650	439,317
11,540	3,945	-	13,500	40,842
5,662	9,702	4,156	2,300	35,363
-	53,954	1,647	-	122,922
-	45,116	-	-	120,863
-	9,577	-	-	13,772
82,101	-	-	-	114,486
-	271,090	-	-	271,090
-	-	-	-	38,742
<u>122,167</u>	<u>454,892</u>	<u>6,901</u>	<u>44,450</u>	<u>1,197,397</u>
303,599	446,940	-	225,141	4,650,781
9,132	5,541	-	28,106	170,504
78,438	112,796	-	56,746	1,025,536
173,170	-	-	-	242,430
-	2,296,777	-	-	2,296,777
-	-	-	-	71,014
<u>564,339</u>	<u>2,862,054</u>	<u>-</u>	<u>309,993</u>	<u>8,457,042</u>
<u>686,506</u>	<u>3,316,946</u>	<u>6,901</u>	<u>354,443</u>	<u>9,654,439</u>
-	-	-	-	873
17,806	25,605	-	12,881	232,798
14,311	37,261	-	27,632	570,792
<u>32,117</u>	<u>62,866</u>	<u>-</u>	<u>40,513</u>	<u>804,463</u>
4,595,775	916,245	1,761,051	11,622	26,062,628
365	8,637	-	-	115,061
-	127,896	-	-	127,896
(316,810)	310,887	2,058,169	(231,210)	16,213,119
<u>\$ 4,279,330</u>	<u>\$ 1,363,665</u>	<u>\$ 3,819,220</u>	<u>\$ (219,588)</u>	<u>\$ 42,518,704</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2020**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>	<b>Eastwood Golf Course</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,385,001	\$ 6,260,499	\$ 2,065,253	\$ 1,920,889
Rent	-	-	14,875	27,581
Miscellaneous	-	64,209	960	938
Total operating revenues	<u>2,385,001</u>	<u>6,324,708</u>	<u>2,081,088</u>	<u>1,949,408</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,870,650	1,243,134	85,653	289,132
Materials and supplies	106,900	263,205	238,789	243,344
Contractual services	312,046	632,139	793,545	728,173
General and administrative	545,649	255,921	145,215	163,693
Utilities	14,763	-	56,675	143,915
Repairs and maintenance	4,487	212,542	24,132	26,130
Rentals	650,842	295,900	143,334	136,909
Travel	1,641	637	-	-
Insurance	42,200	63,300	84,400	84,400
Depreciation	23,262	1,110,376	328,083	397,803
Total operating expenses	<u>3,572,440</u>	<u>4,077,154</u>	<u>1,899,826</u>	<u>2,213,499</u>
Operating income (loss)	<u>(1,187,439)</u>	<u>2,247,554</u>	<u>181,262</u>	<u>(264,091)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	139,625	110,264	3,398	2,478
Gain on disposal of capital assets	6,000	1,800	500	1,160
Interest expense and bond insurance costs	-	(5,273)	(3,477)	(10,663)
Total nonoperating revenues (expenses)	<u>145,625</u>	<u>106,791</u>	<u>421</u>	<u>(7,025)</u>
Income (loss) before contributions and transfers	(1,041,814)	2,354,345	181,683	(271,116)
Capital grants and contributions	-	113,446	-	-
Transfers in	56,325	95,422	210,300	242,900
Transfers out	<u>(35,975)</u>	<u>(1,004,363)</u>	<u>(285,446)</u>	<u>(140,100)</u>
Change in net position	(1,021,464)	1,558,850	106,537	(168,316)
Net position - beginning	<u>10,212,504</u>	<u>18,302,461</u>	<u>4,117,189</u>	<u>4,447,646</u>
Net position - ending	<u>\$ 9,191,040</u>	<u>\$ 19,861,311</u>	<u>\$ 4,223,726</u>	<u>\$ 4,279,330</u>

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

<u>Yacht Basin</u>	<u>Downtown Parking Garages</u>	<u>Skatium</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 2,616,724	\$ 1,251,034	\$ 730,969	\$ 17,230,369
32,468	49,143	-	124,067
54,461	89,824	310	210,702
<u>2,703,653</u>	<u>1,390,001</u>	<u>731,279</u>	<u>17,565,138</u>
454,594	-	472,552	4,415,715
929,778	773	160,598	1,943,387
136,528	808,829	86,421	3,497,681
199,586	131,854	99,629	1,541,547
238,007	1,269	222,179	676,808
225,274	26,060	79,950	598,575
97,684	-	70,107	1,394,776
-	-	-	2,278
84,400	-	84,400	443,100
221,163	307,236	1,680	2,389,603
<u>2,587,014</u>	<u>1,276,021</u>	<u>1,277,516</u>	<u>16,903,470</u>
<u>116,639</u>	<u>113,980</u>	<u>(546,237)</u>	<u>661,668</u>
14,957	24,454	235	295,411
-	-	4,000	13,460
(127,531)	-	-	(146,944)
<u>(112,574)</u>	<u>24,454</u>	<u>4,235</u>	<u>161,927</u>
4,065	138,434	(542,002)	823,595
-	-	-	113,446
-	-	672,800	1,277,747
<u>(32,000)</u>	<u>(442,600)</u>	<u>(26,000)</u>	<u>(1,966,484)</u>
(27,935)	(304,166)	104,798	248,304
1,391,600	4,123,386	(324,386)	42,270,400
<u>\$ 1,363,665</u>	<u>\$ 3,819,220</u>	<u>\$ (219,588)</u>	<u>\$ 42,518,704</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2020**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 2,400,355	\$ 6,371,958	\$ 2,080,128
Other operating receipts	-	64,209	960
Payments to suppliers and service providers	(1,528,674)	(1,630,522)	(1,476,093)
Payments to employees for services	(2,447,145)	(1,457,005)	(134,084)
Other operating payments	-	(255,921)	(15,490)
Net cash provided by (used for) operating activities	<u>(1,575,464)</u>	<u>3,092,719</u>	<u>455,421</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	56,325	95,422	210,300
Transfers out	(35,975)	(1,004,363)	(285,446)
Net cash provided by (used for) noncapital financing activities	<u>20,350</u>	<u>(908,941)</u>	<u>(75,146)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital grants and contributions	-	113,446	-
Acquisition and construction of capital assets	(56,325)	(651,442)	-
Principal paid on notes and bonds	-	-	(38,488)
Interest paid on notes and bonds	-	-	(3,725)
Principal paid on capital lease	-	(30,975)	(23,572)
Interest paid on capital lease	-	(6,037)	(212)
Proceeds from sale of capital assets	6,000	1,800	500
Net cash provided by (used for) capital and related financing activities	<u>(50,325)</u>	<u>(573,208)</u>	<u>(65,497)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	-	-	-
Proceeds from sale of investments	2,182,868	797,539	525
Interest on investments	123,479	98,068	2,754
Net cash provided by (used for) investing activities	<u>2,306,347</u>	<u>895,607</u>	<u>3,279</u>
Net increase in cash and cash equivalents	700,908	2,506,177	318,057
Balances - beginning of year	8,132,867	4,094,801	87,459
Balances - end of the year	<u>\$ 8,833,775</u>	<u>\$ 6,600,978</u>	<u>\$ 405,516</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (1,187,439)	\$ 2,247,554	\$ 181,262
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	23,262	1,110,376	328,083
Changes in assets and liabilities:			
Decrease in accounts receivable	-	111,459	-
(Increase) in bad debt	-	-	-
(Increase) decrease in inventories	84,572	464	-
Decrease in prepaid items	-	-	82
(Decrease) Increase in customer deposits payable	15,000	-	-
(Decrease) increase in accounts payable - supplier	65,343	(163,264)	(6,299)
(Decrease) increase in accounts payable - other	292	-	725
(Decrease) increase in compensated absences	(14,414)	(1,688)	(12,002)
(Decrease) increase in total other postemployment benefits liability	(105,445)	(55,358)	(3,040)
(Increase) decrease in other postemployment benefits deferred outflows of resources	2,414	940	59
Increase in other postemployment benefits deferred inflows of resources	67,973	54,038	2,580
(Decrease) in net pension liability	(652,356)	(289,386)	(61,868)
(Increase) in net pension liability deferred outflows of resources	(88,031)	(55,329)	(18,619)
Increase in net pension liability deferred inflows of resources	213,365	132,913	44,458
Net cash provided (used) by operating activities	<u>\$ (1,575,464)</u>	<u>\$ 3,092,719</u>	<u>\$ 455,421</u>
<b>Schedule of non-cash investing, capital, and financing activities:</b>			
Interest receivable / unrealized gain (loss)	\$ 16,146	\$ 12,196	\$ 644

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

<b>Eastwood Golf Course</b>	<b>Yacht Basin</b>	<b>Downtown Parking Garages</b>	<b>Skatium</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 1,949,153	\$ 2,676,752	\$ 1,300,959	\$ 766,295	\$ 17,545,600
938	54,461	89,824	310	210,702
(1,555,095)	(1,883,298)	(962,632)	(817,499)	(9,853,813)
(355,558)	(477,041)	-	(513,976)	(5,384,809)
(21,758)	(1,890)	(23,910)	(4,659)	(323,628)
17,680	368,984	404,241	(569,529)	2,194,052
242,900	-	-	672,800	1,277,747
(140,100)	(32,000)	(442,600)	(26,000)	(1,966,484)
102,800	(32,000)	(442,600)	646,800	(688,737)
-	-	-	-	113,446
(16,589)	-	-	-	(724,356)
-	(258,382)	-	-	(296,870)
-	(128,495)	-	-	(132,220)
(90,792)	-	-	-	(145,339)
(10,663)	-	-	-	(16,912)
1,160	-	-	4,000	13,460
(116,884)	(386,877)	-	4,000	(1,188,791)
-	-	-	(9,332)	(9,332)
14,353	185,572	311,847	-	3,492,704
2,151	13,086	22,077	71	261,686
16,504	198,658	333,924	(9,261)	3,745,058
20,100	148,765	295,565	72,010	4,061,582
63,168	767,450	1,356,193	29,460	14,531,398
<u>\$ 83,268</u>	<u>\$ 916,215</u>	<u>\$ 1,651,758</u>	<u>\$ 101,470</u>	<u>\$ 18,592,980</u>
\$ (264,091)	\$ 116,639	\$ 113,980	\$ (546,237)	\$ 661,668
397,803	221,163	307,236	1,680	2,389,603
683	32,296	782	35,325	180,545
-	(10,704)	-	-	(10,704)
-	9,960	-	(17,810)	77,186
96	123	55	-	356
-	2,471	(8,507)	-	8,964
(51,978)	17,559	(7,427)	(1,857)	(147,923)
1,592	1,925	(1,878)	794	3,450
4,102	11,246	-	1,817	(10,939)
(18,280)	83	-	(21,373)	(203,413)
406	(349)	-	582	4,052
12,472	19,389	-	-	156,452
(71,547)	(70,194)	-	(43,977)	(1,189,328)
(4,302)	(12,343)	-	(9,269)	(187,893)
10,724	29,720	-	30,796	461,976
<u>\$ 17,680</u>	<u>\$ 368,984</u>	<u>\$ 404,241</u>	<u>\$ (569,529)</u>	<u>\$ 2,194,052</u>
\$ 327	\$ 1,871	\$ 2,377	\$ 164	\$ 33,725



## **CITY OF FORT MYERS**

### **Internal Service Funds**

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

**Fleet Maintenance** – To account for repair operations and maintenance related to City-owned vehicles.

**Information Technology Services** – To account for the City's information systems, hardware, software and maintenance.

**Public Works Warehouse Operations** – To account for all inventory received into the warehouse along with the issues out to user departments.

**Risk Management** – To account for the activities related to general liability, auto liability and physical damage, police and firefighters' professional liability and workers' compensation provided to other departments of the City.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2020**

	<b>Fleet Maintenance</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 2,073,433	\$ 1,678,676	\$ 122,147	\$ 14,539,539	\$ 18,413,795
Investments	517,554	419,647	30,535	3,930,616	4,898,352
Restricted cash and cash equivalents	-	-	-	4,006,414	4,006,414
Accounts receivable, net	-	-	-	2,176	2,176
Interest receivable	1,571	2,358	-	23,442	27,371
Due from other governmental agencies	-	-	-	182	182
Inventories	307,815	-	357,130	-	664,945
Prepaid items	120,557	661,417	-	263,098	1,045,072
Total current assets	<u>3,020,930</u>	<u>2,762,098</u>	<u>509,812</u>	<u>22,765,467</u>	<u>29,058,307</u>
Noncurrent assets:					
Buildings, net	2,021	-	-	-	2,021
Equipment, net	4,767,447	218,802	-	-	4,986,249
Total noncurrent assets	<u>4,769,468</u>	<u>218,802</u>	<u>-</u>	<u>-</u>	<u>4,988,270</u>
Total assets	<u>7,790,398</u>	<u>2,980,900</u>	<u>509,812</u>	<u>22,765,467</u>	<u>34,046,577</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to other postemployment benefits	10,560	14,740	-	3,497	28,797
Deferred outflows on pensions	62,484	132,271	-	27,464	222,219
Total deferred outflows of resources	<u>73,044</u>	<u>147,011</u>	<u>-</u>	<u>30,961</u>	<u>251,016</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	520,598	463,086	58,435	227,117	1,269,236
Accrued and other liabilities	21,174	110,641	1,517	2,935	136,267
Compensated absences	49,983	3,304	-	13,029	66,316
Claims and judgments	-	-	-	4,515,000	4,515,000
Accrued interest payable	74,810	-	-	-	74,810
Capital lease payable	1,378,207	-	-	-	1,378,207
Total current liabilities	<u>2,044,772</u>	<u>577,031</u>	<u>59,952</u>	<u>4,758,081</u>	<u>7,439,836</u>
Noncurrent liabilities:					
Net pension liability	1,107,654	2,344,757	-	486,850	3,939,261
Compensated absences	50,140	125,333	-	5,291	180,764
Total other postemployment benefits liability	274,674	383,404	-	90,959	749,037
Claims and judgments	-	-	-	5,217,248	5,217,248
Capital lease payable	1,624,241	-	-	-	1,624,241
Total noncurrent liabilities	<u>3,056,709</u>	<u>2,853,494</u>	<u>-</u>	<u>5,800,348</u>	<u>11,710,551</u>
Total liabilities	<u>5,101,481</u>	<u>3,430,525</u>	<u>59,952</u>	<u>10,558,429</u>	<u>19,150,387</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to other postemployment benefits	62,352	87,033	-	20,648	170,033
Deferred inflows related to pensions	135,943	287,773	-	59,751	483,467
Total deferred inflows of resources	<u>198,295</u>	<u>374,806</u>	<u>-</u>	<u>80,399</u>	<u>653,500</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,767,020	218,802	-	-	1,985,822
Unrestricted	796,646	(896,222)	449,860	12,157,600	12,507,884
Total net position	<u>\$ 2,563,666</u>	<u>\$ (677,420)</u>	<u>\$ 449,860</u>	<u>\$ 12,157,600</u>	<u>\$ 14,493,706</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2020**

	<b>Fleet Maintenance</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 7,872,800	\$ 8,123,300	\$ 393,186	\$ 7,206,439	\$ 23,595,725
Miscellaneous	37,406	-	-	650,920	688,326
Total operating revenues	<u>7,910,206</u>	<u>8,123,300</u>	<u>393,186</u>	<u>7,857,359</u>	<u>24,284,051</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,014,525	2,413,666	-	614,042	4,042,233
Materials and supplies	2,757,846	399,163	333,002	2,677	3,492,688
Contractual services	404,948	98,423	200	333,106	836,677
General and administrative	365,264	386,741	-	357,810	1,109,815
Utilities	39,047	767,435	-	-	806,482
Repairs and maintenance	1,763	3,272,655	-	170	3,274,588
Rentals	128,000	259,658	-	26,098	413,756
Travel	-	4,711	-	1,194	5,905
Insurance	42,200	6,300	-	1,589,406	1,637,906
Self insurance claims	-	-	-	2,721,954	2,721,954
Depreciation	1,786,975	99,246	-	-	1,886,221
Total operating expenses	<u>6,540,568</u>	<u>7,707,998</u>	<u>333,202</u>	<u>5,646,457</u>	<u>20,228,225</u>
Operating income	<u>1,369,638</u>	<u>415,302</u>	<u>59,984</u>	<u>2,210,902</u>	<u>4,055,826</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	26,118	26,224	1,395	177,973	231,710
Gain on disposal of capital assets	93,859	-	-	-	93,859
Interest expense	(169,812)	-	-	-	(169,812)
Total nonoperating revenues (expenses)	<u>(49,835)</u>	<u>26,224</u>	<u>1,395</u>	<u>177,973</u>	<u>155,757</u>
Income before contributions and transfers	1,319,803	441,526	61,379	2,388,875	4,211,583
Transfers in	-	-	-	1,000,000	1,000,000
Transfers out	-	(1,390,588)	-	-	(1,390,588)
Change in net position	1,319,803	(949,062)	61,379	3,388,875	3,820,995
Net position - beginning	1,243,863	271,642	388,481	8,768,725	10,672,711
Net position - ending	<u>\$ 2,563,666</u>	<u>\$ (677,420)</u>	<u>\$ 449,860</u>	<u>\$ 12,157,600</u>	<u>\$ 14,493,706</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2020**

	<b>Fleet Maintenance</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 7,882,072	\$ 8,123,300	\$ 393,186	\$ 7,204,935	\$ 23,603,493
Other operating receipts	37,406	-	-	650,920	688,326
Payments to suppliers and service providers	(3,529,400)	(5,063,474)	(343,217)	(3,299,277)	(12,235,368)
Payments to employees for services	(1,346,442)	(2,371,356)	-	(1,857,687)	(5,575,485)
Net cash provided by operating activities	<u>3,043,636</u>	<u>688,470</u>	<u>49,969</u>	<u>2,698,891</u>	<u>6,480,966</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	-	1,000,000	1,000,000
Transfers out	-	(1,390,588)	-	-	(1,390,588)
Net cash used for noncapital financing activities	<u>-</u>	<u>(1,390,588)</u>	<u>-</u>	<u>1,000,000</u>	<u>(390,588)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from capital lease	1,541,237	-	-	-	1,541,237
Acquisition and construction of capital assets	(2,503,352)	-	-	-	(2,503,352)
Principal paid on capital lease	(1,547,633)	-	-	-	(1,547,633)
Interest paid on capital lease	(174,145)	-	-	-	(174,145)
Proceeds from sale of capital assets	93,859	-	-	-	93,859
Net cash used for capital and related financing activities	<u>(2,590,034)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,590,034)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of investments	224,202	553,155	5,091	1,579,653	2,362,101
Interest on investments	22,431	23,158	1,212	144,367	191,168
Net cash provided by investing activities	<u>246,633</u>	<u>576,313</u>	<u>6,303</u>	<u>1,724,020</u>	<u>2,553,269</u>
Net increase in cash and cash equivalents	700,235	(125,805)	56,272	5,422,911	6,053,613
Balances - beginning of year	1,373,198	1,804,481	65,875	13,123,042	16,366,596
Balances - end of the year	<u>\$ 2,073,433</u>	<u>\$ 1,678,676</u>	<u>\$ 122,147</u>	<u>\$ 18,545,953</u>	<u>\$ 22,420,209</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 1,369,638	\$ 415,302	\$ 59,984	\$ 2,210,902	\$ 4,055,826
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,786,975	99,246	-	-	1,886,221
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	9,272	-	-	(1,504)	7,768
(Increase) in inventories	(123,379)	-	(9,357)	-	(132,736)
(Increase) decrease in prepaid items	-	(23,836)	14	208,939	185,117
(Decrease) increase in accounts payable - supplier	333,049	155,447	(672)	154,357	642,181
Increase in compensated absences	17,059	48,238	-	1,617	66,914
(Decrease) increase in total other postemployment benefits liability	(37,094)	(32,642)	-	25,545	(44,191)
(Increase) decrease in other postemployment benefits deferred outflows of resources	470	(20)	-	(1,183)	(733)
Increase in other postemployment benefits deferred inflows of resources	45,158	64,090	-	17,040	126,288
(Decrease) increase in net pension liability	(419,743)	(174,340)	-	54,072	(540,011)
(Increase) in net pension liability deferred outflows of resources	(43,010)	(100,152)	-	(21,946)	(165,108)
Increase in net pension liability deferred inflows of resources	105,241	237,137	-	51,052	393,430
Net cash provided by operating activities	<u>\$ 3,043,636</u>	<u>\$ 688,470</u>	<u>\$ 49,969</u>	<u>\$ 2,698,891</u>	<u>\$ 6,480,966</u>
<b>Noncash investing, capital, and financing activities:</b>					
Interest receivable / unrealized gain (loss)	\$ 3,687	\$ 3,066	\$ 183	\$ 33,606	\$ 40,542

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

# **CITY OF FORT MYERS**

## **Fiduciary Funds**

### **Agency Funds**

Agency funds are used to account for monies that are collected by the City and held in a custodial capacity until remitted to the proper authority.

**Regional Park Impact Fees Fund** – To account for the City's collection of regional park fees. The fees are remitted to the County.

**Emergency Medical Services (EMS) Impact Fees Fund** – To account for the City's collection of impact fees for EMS services. The fees are remitted to the County.

**School Board Impact Fees Fund** – To account for the City's collection of impact fees for the School Board. The fees are remitted to the County.

**Unclaimed Funds Fund** – To account for funds that the City has been holding, and if not claimed, will eventually be remitted to the State of Florida.

**Employees' Special Events Fund** – To account for money held for special events for the City's employees. The Special Events Committee raises its own funds and the City provides the tracking and accounting of those funds.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended September 30, 2020**

	Balance September 30, 2019	Increases	Decreases	Balance September 30, 2020
<b><u>Regional Park Impact Fees</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 28,744	\$ 885,667	\$ (854,189)	\$ 60,222
Total assets	<u>\$ 28,744</u>	<u>\$ 885,667</u>	<u>\$ (854,189)</u>	<u>\$ 60,222</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 28,744	\$ 857,987	\$ (826,509)	\$ 60,222
Due to other governmental agencies	-	863,647	(863,647)	-
Total liabilities	<u>\$ 28,744</u>	<u>\$ 1,721,634</u>	<u>\$ (1,690,156)</u>	<u>\$ 60,222</u>
<b><u>Emergency Medical Services Impact Fees</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 5,651	\$ 158,381	\$ (151,506)	\$ 12,526
Total assets	<u>\$ 5,651</u>	<u>\$ 158,381</u>	<u>\$ (151,506)</u>	<u>\$ 12,526</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 5,651	\$ 152,951	\$ (146,076)	\$ 12,526
Due to other governmental agencies	-	153,915	(153,915)	-
Total liabilities	<u>\$ 5,651</u>	<u>\$ 306,866</u>	<u>\$ (299,991)</u>	<u>\$ 12,526</u>
<b><u>School Board Impact Fees</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 151,677	\$ 4,398,301	\$ (4,222,517)	\$ 327,461
Total assets	<u>\$ 151,677</u>	<u>\$ 4,398,301</u>	<u>\$ (4,222,517)</u>	<u>\$ 327,461</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 151,677	\$ 4,236,444	\$ (4,060,660)	\$ 327,461
Due to other governmental agencies	-	4,280,179	(4,280,179)	-
Total liabilities	<u>\$ 151,677</u>	<u>\$ 8,516,623</u>	<u>\$ (8,340,839)</u>	<u>\$ 327,461</u>
<b><u>Unclaimed Funds</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ -	\$ 57,176	\$ (57,176)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 57,176</u>	<u>\$ (57,176)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ -	\$ 57,176	\$ (57,176)	\$ -
Accrued and other liabilities	-	57,176	(57,176)	-
Total liabilities	<u>\$ -</u>	<u>\$ 114,352</u>	<u>\$ (114,352)</u>	<u>\$ -</u>
<b><u>Employees' Special Events</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 17,522	\$ 21,575	\$ (28,924)	\$ 10,173
Interest receivable	38	34	-	72
Total assets	<u>\$ 17,560</u>	<u>\$ 21,609</u>	<u>\$ (28,924)</u>	<u>\$ 10,245</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 5	\$ 20,939	\$ (20,944)	\$ -
Accrued and other liabilities	17,555	13,154	(20,464)	10,245
Total liabilities	<u>\$ 17,560</u>	<u>\$ 34,093</u>	<u>\$ (41,408)</u>	<u>\$ 10,245</u>
<b><u>Total - All Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 203,594	\$ 5,521,100	\$ (5,314,312)	\$ 410,382
Interest receivable	38	34	-	72
Total assets	<u>\$ 203,632</u>	<u>\$ 5,521,134</u>	<u>\$ (5,314,312)</u>	<u>\$ 410,454</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 186,077	\$ 5,325,497	\$ (5,111,365)	\$ 400,209
Accrued and other liabilities	17,555	70,330	(77,640)	10,245
Due to other governmental agencies	-	5,297,741	(5,297,741)	-
Total liabilities	<u>\$ 203,632</u>	<u>\$ 10,693,568</u>	<u>\$ (10,486,746)</u>	<u>\$ 410,454</u>

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



# **STATISTICAL SECTION**





# CITY OF FORT MYERS

## Statistical Section

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	154
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	162
These schedules contain information to help the reader assess the City's most significant revenue sources, the property tax and water and wastewater sales.	
<b>Debt Capacity</b>	165
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.	
Note: The Constitution of the State of Florida (FS200.181) and the City of Fort Myers set no legal debt limit.	
<b>Demographic and Economic Information</b>	170
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	171
These schedules contain service 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.	

**CITY OF FORT MYERS, FLORIDA**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2011	2012	2013	2014	2015
<b>Governmental activities</b>					
Net investment in capital assets	\$ 51,407,651	\$ 59,741,815 <sup>(1)</sup>	\$ 58,088,422	\$ 49,609,728	\$ 54,323,549
Restricted					
Capital projects	41,275,888	43,801,907	40,910,394	34,732,077	31,831,335
Culture and recreation	63,445	64,156	168,328	163,808	157,454
Debt service	7,289,473	7,262,753	7,265,355	5,620,962	5,241,087
Economic environment	4,047,022	4,185,328	5,292,390	3,517,564	3,384,862
Impact fee projects	2,956,361	2,367,429	14,019,479	15,393,894	14,982,630
Public safety:					
Expendable	1,004,294	838,983	839,717	671,268	646,857
Nonexpendable	2,000	2,000	2,000	2,000	2,000
Renewal and replacement	391,971	2,229	3,661	-	-
Transportation	1,840,923	1,214,186	2,036,261	1,641,906	1,761,702
Unrestricted	43,311,168	31,608,418	3,352,665	(699,855) <sup>(2)</sup>	(126,181,151)
Total governmental activities net position	<u>\$ 153,590,196</u>	<u>\$ 151,089,204 <sup>(1)</sup></u>	<u>\$ 131,978,672</u>	<u>\$ 110,653,352 <sup>(2)</sup></u>	<u>\$ (13,849,675)</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 77,483,278	\$ 46,140,478 <sup>(1)</sup>	\$ 54,346,522	\$ 66,890,713	\$ 81,959,336
Restricted					
Capital projects	2,663,957	13,767,152	12,784,220	12,973,297	13,798,738
Culture and recreation	7,299	-	-	-	2,147
Debt service	10,527,927	7,853,276	7,933,788	9,940,611	10,125,372
Impact fee projects	862,413	797,517	798,720	3,144,674	6,549,995
Physical environment	-	-	-	-	-
Renewal and replacement	6,108,968	6,661,111	7,766,842	9,337,620	10,292,820
Transportation	8,827	5,899	15,305	26,500	19,370
Unrestricted	27,827,659	38,251,249	36,333,372	41,650,115 <sup>(2)</sup>	14,535,250
Total business-type activities net position	<u>\$ 125,490,328</u>	<u>\$ 113,476,682 <sup>(1)</sup></u>	<u>\$ 119,978,769</u>	<u>\$ 143,963,530 <sup>(2)</sup></u>	<u>\$ 137,283,028</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 128,890,929	\$ 105,882,293 <sup>(1)</sup>	\$ 112,434,944	\$ 116,500,441	\$ 136,282,885
Restricted					
Capital projects	43,939,845	57,569,059	53,694,614	47,705,374	45,630,073
Culture and recreation	70,744	64,156	168,328	163,808	159,601
Debt service	17,817,400	15,116,029	15,199,143	15,561,573	15,366,459
Economic environment	4,047,022	4,185,328	5,292,390	3,517,564	3,384,862
Impact fee projects	3,818,774	3,164,946	14,818,199	18,538,568	21,532,625
Physical environment	-	-	-	-	-
Public safety:					
Expendable	1,004,294	838,983	839,717	671,268	646,857
Nonexpendable	2,000	2,000	2,000	2,000	2,000
Renewal and replacement	6,500,939	6,663,340	7,770,503	9,337,620	10,292,820
Transportation	1,849,750	1,220,085	2,051,566	1,668,406	1,781,072
Unrestricted	71,138,827	69,859,667	39,686,037	40,950,260 <sup>(2)</sup>	(111,645,901)
Total primary government net position	<u>\$ 279,080,524</u>	<u>\$ 264,565,886 <sup>(1)</sup></u>	<u>\$ 251,957,441</u>	<u>\$ 254,616,882 <sup>(2)</sup></u>	<u>\$ 123,433,353</u>

<sup>(1)</sup> Restated per Note 25 in fiscal year 2013.

<sup>(2)</sup> Restated per Note 24 in fiscal year 2015.

<sup>(3)</sup> Restated per Note 24 in fiscal year 2018.

**CITY OF FORT MYERS, FLORIDA**  
**Net Position by Component (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 56,482,531	\$ 60,134,131	\$ 65,903,703	\$ 73,505,922	\$ 67,028,162
27,834,549	21,865,715	20,066,414	10,845,911	12,862,490
142,267	289,543	298,533	131,352	132,876
1,924,799	1,579,142	1,719,419	-	-
3,948,768	4,530,612	5,953,304	6,276,048	8,013,015
14,002,426	14,773,232	18,658,766	24,582,311	30,230,013
1,250,752	1,490,567	2,067,261	6,008,275	5,924,719
2,000	2,000	2,000	2,000	2,000
-	-	-	-	-
2,171,175	2,031,314	2,205,166	2,154,708	1,801,736
(119,034,904)	(113,751,995) <sup>(3)</sup>	(114,803,958)	(103,272,627)	(90,785,047)
<u>\$ (11,275,637)</u>	<u>\$ (7,055,739) <sup>(3)</sup></u>	<u>\$ 2,070,608</u>	<u>\$ 20,233,900</u>	<u>\$ 35,209,964</u>
\$ 92,942,225	\$ 102,444,190	\$ 134,274,249	\$ 82,473,812	\$ 144,891,763
11,175,181	23,404,995	20,260,583	80,955,610	17,502,622
936	-	-	-	-
12,633,950	12,146,226	13,247,382	12,484,510	10,599,080
9,246,357	9,358,389	14,847,262	17,141,640	27,965,958
-	-	111,721	-	-
8,617,133	9,654,874	4,468,641	4,812,031	8,195,056
9,367	27,637	38,757	13,177	-
15,100,749	25,126,666 <sup>(3)</sup>	33,464,346	56,182,187	72,787,521
<u>\$ 149,725,898</u>	<u>\$ 182,162,977 <sup>(3)</sup></u>	<u>\$ 220,712,941</u>	<u>\$ 254,062,967</u>	<u>\$ 281,942,000</u>
\$ 149,424,756	\$ 162,578,321	\$ 200,177,952	\$ 155,979,734	\$ 211,919,925
39,009,730	45,270,710	40,326,997	91,801,521	30,365,112
143,203	289,543	298,533	131,352	132,876
14,558,749	13,725,368	14,966,801	12,484,510	10,599,080
3,948,768	4,530,612	5,953,304	6,276,048	8,013,015
23,248,783	24,131,621	33,506,028	41,723,951	58,195,971
-	-	111,721	-	-
1,250,752	1,490,567	2,067,261	6,008,275	5,924,719
2,000	2,000	2,000	2,000	2,000
8,617,133	9,654,874	4,468,641	4,812,031	8,195,056
2,180,542	2,058,951	2,243,923	2,167,885	1,801,736
(103,934,155)	(88,625,329) <sup>(3)</sup>	(81,339,612)	(47,090,440)	(17,997,526)
<u>\$ 138,450,261</u>	<u>\$ 175,107,238 <sup>(3)</sup></u>	<u>\$ 222,783,549</u>	<u>\$ 274,296,867</u>	<u>\$ 317,151,964</u>

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 13,184,596	\$ 14,026,296 <sup>(2)</sup>	\$ 12,167,626	\$ 12,200,476
Police	32,408,078	33,417,494	35,492,533	36,183,148
Fire	18,614,040	20,056,573	21,255,783	20,189,676
Protective inspections	1,470,340	1,627,330	1,428,519	1,448,884
Physical environment	2,260,742	4,879,919	5,094,677	5,754,949
Transportation	14,306,220	10,505,928	19,528,061	19,957,055
Economic environment	5,269,595	4,515,627	4,183,689	6,199,726
Culture and recreation	3,453,021	3,628,966	3,501,196	3,759,704
Interest on long-term debt	4,060,650	5,328,432	4,981,829	5,118,896
Total Governmental Activities	95,027,282	97,986,565 <sup>(2)</sup>	107,633,913	110,812,514
Business-type Activities:				
Water-Wastewater	44,539,869	65,678,945 <sup>(2)</sup>	45,188,740	46,061,313
Solid Waste	9,413,560	8,754,026 <sup>(2)</sup>	8,668,898	8,878,238
Building Permits and Inspections	2,308,477	2,470,171	2,339,039	2,836,337
Stormwater	2,928,303	2,768,189	2,676,947	2,802,742
Golf Courses	3,086,750	3,258,666 <sup>(2)</sup>	3,192,083	3,251,488
Yacht Basin	2,447,680	2,378,769 <sup>(2)</sup>	2,625,787	2,816,344
Harborside Event Center	2,113,002	2,029,197	2,026,123	2,004,116
Downtown Parking Garages	1,003,244	984,598	1,067,213	1,039,313
Skatium	1,185,626	1,219,049	1,218,220	1,223,048
Department of Cultural and Historic Affairs	1,772,490	1,629,333	1,684,157	1,584,912
Total Business-type Activities	70,799,001	91,170,943 <sup>(2)</sup>	70,687,207	72,497,851
Total Expenses	\$ 165,826,283	\$ 189,157,508 <sup>\$(2)</sup>	\$ 178,321,120	\$ 183,310,365
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services				
General government	\$ 559,612	\$ 1,168,929	\$ 1,200,252	\$ 1,216,087
Police	1,392,569	1,212,211	1,201,938	1,050,970
Fire	708,595	698,198	656,235	864,235
Protective inspections <sup>(2)</sup>	942,495	1,163,024	232,286	1,345,184
Physical environment	644,802	3,651,110	3,164,986	3,607,380
Transportation	-	188,600	193,000	173,700
Economic environment	103,525	280,363	501,107	421,141
Culture and recreation	421,326	868,451	877,758	940,122
Operating grants and contributions	5,060,601	5,440,465	5,096,197	4,082,848
Capital grants and contributions	9,183,542	9,290,417	1,279,111	2,767,330
Total Governmental Activities	19,017,067	23,961,768	14,402,870	16,468,997
Business-type Activities:				
Charges for services				
Water-Wastewater	51,136,818	51,977,981	52,961,034	60,923,685
Solid Waste	14,068,617	13,969,091	14,109,921	14,415,660
Building Permits and Inspections	2,087,911	2,542,854	2,824,537	3,527,224
Stormwater	2,894,957	2,899,935	2,894,352	3,453,789
Golf Courses	3,078,401	3,120,235	3,034,718	2,970,250
Yacht Basin	2,032,894	1,986,434	2,243,510	2,368,389
Harborside Event Center	864,245	791,462	875,557	769,038
Downtown Parking Garages	742,936	803,829	865,519	946,170
Skatium	1,023,102	1,031,456	994,840	1,000,120
Department of Cultural and Historic Affairs	562,710	587,833	524,235	578,698
Operating grants and contributions	95,147	884	886	933
Capital grants and contributions	1,227,391	2,363,621	3,383,428	8,647,869
Total Business-type Activities	79,815,129	82,075,615	84,712,537	99,601,825
Total Program Revenues	\$ 98,832,196	\$ 106,037,383	\$ 99,115,407	\$ 116,070,822
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (76,010,215)	\$ (74,024,797) <sup>\$(2)</sup>	\$ (93,231,043)	\$ (94,343,517)
Business-type Activities	9,016,128	(9,095,328) <sup>(2)</sup>	14,025,330	27,103,974
Total Net Expense	\$ (66,994,087)	\$ (83,120,125) <sup>\$(2)</sup>	\$ (79,205,713)	\$ (67,239,543)

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 9,914,148	\$ 16,503,612	\$ 13,464,131	\$ 15,193,193	\$ 18,935,366	\$ 16,796,501
35,863,633	36,761,500	40,999,085	43,282,973	50,094,186	53,692,418
19,496,788	20,645,613	22,986,548	23,354,151	24,012,018	24,908,318
1,546,049	1,582,825	1,551,754	1,477,029	1,206,667	1,269,101
5,882,766	6,419,251	10,149,183	8,101,942	8,300,274	7,415,015
17,111,271	10,872,397	10,644,457	12,868,653	12,834,980	12,515,560
4,184,294	4,458,408	4,341,052	7,761,936	7,227,557	7,226,197
3,635,056	3,764,010	4,831,427	4,900,535	5,112,618	5,012,211
4,481,774	3,850,491	3,734,827	4,177,605	4,373,083	5,429,286
<u>102,115,779</u>	<u>104,858,107</u>	<u>112,702,464</u>	<u>121,118,017</u>	<u>132,096,749</u>	<u>134,264,607</u>
49,841,779	49,059,105	49,158,524	54,494,162	54,033,880	64,156,608
9,642,121	10,816,688	11,466,446	12,665,538	13,207,099	13,599,332
3,129,113	3,887,112	3,417,693	3,260,129	3,824,020	3,572,440
3,134,327	3,169,455	3,417,096	3,791,294	6,397,793	4,082,427
4,425,763	4,172,868	4,006,874	3,990,264	4,555,423	4,127,465
2,587,863	2,379,323	2,559,447	2,713,878	2,496,668	2,714,546
3,280,921	2,839,677	3,345,448	-	-	-
1,049,490	1,094,280	1,141,881	1,393,887	1,171,565	1,276,021
1,250,814	1,012,505	1,272,678	1,363,376	1,272,062	1,277,518
1,628,842	1,464,340	1,478,948	-	-	-
<u>79,971,033</u>	<u>79,895,353</u>	<u>81,265,035</u>	<u>83,672,528</u>	<u>86,958,510</u>	<u>94,806,357</u>
<u>\$ 182,086,812</u>	<u>\$ 184,753,460</u>	<u>\$ 193,967,499</u>	<u>\$ 204,790,545</u>	<u>\$ 219,055,259</u>	<u>\$ 229,070,964</u>
\$ 1,256,131	\$ 1,481,693	\$ 1,434,025	\$ 1,529,444	\$ 1,379,190	\$ 1,793,015
1,063,539	1,190,969	983,345	864,009	791,076	726,004
2,507,883	3,084,528	4,782,484	5,563,525	6,109,752	6,092,860
1,663,511	1,691,810	1,456,954	2,074,683	2,338,705	2,023,347
4,083,754	4,259,586	4,400,720	5,322,251	5,623,902	6,301,979
171,900	177,410	186,100	209,600	226,800	97,500
433,298	411,617	365,161	533,489	491,010	678,043
936,170	971,294	963,748	878,041	1,072,132	841,214
2,908,307	3,590,879	4,695,864	3,194,271	13,897,119	6,167,523
1,217,297	1,526,909	4,812,144	7,598,933	8,575,992	13,608,006
<u>16,241,790</u>	<u>18,386,695</u>	<u>24,080,545</u>	<u>27,768,246</u>	<u>40,505,678</u>	<u>38,329,491</u>
65,993,362	66,530,485	76,114,104	89,489,660	89,303,304	92,276,156
14,739,561	15,408,793	16,176,303	16,719,648	17,360,885	17,546,378
4,462,337	5,194,690	4,718,746	6,554,118	3,461,999	2,385,000
2,798,933	2,982,149	3,790,477	4,845,315	6,154,614	6,324,708
3,606,997	3,342,525	3,312,504	3,704,457	3,779,227	4,029,798
2,389,856	2,292,037	2,604,081	2,844,383	2,662,845	2,703,654
2,026,898	1,654,132	556,051	-	-	-
1,170,576	1,278,093	1,495,879	1,509,086	1,636,132	1,390,000
999,622	1,019,633	884,484	1,131,821	1,119,413	731,279
535,185	436,475	57,065	-	-	-
1,646	1,393	21,788	-	-	-
6,968,886	1,129,854	8,824,934	2,635,178	2,962,907	2,758,466
<u>105,693,859</u>	<u>101,270,259</u>	<u>118,556,416</u>	<u>129,433,666</u>	<u>128,441,326</u>	<u>130,145,439</u>
<u>\$ 121,935,649</u>	<u>\$ 119,656,954</u>	<u>\$ 142,636,961</u>	<u>\$ 157,201,912</u>	<u>\$ 168,947,004</u>	<u>\$ 168,474,930</u>
\$ (85,873,989)	\$ (86,471,412)	\$ (88,621,919)	\$ (93,349,771)	\$ (91,591,071)	\$ (95,935,116)
25,722,826	21,374,906	37,291,381	45,761,138	41,482,816	35,339,082
<u>\$ (60,151,163)</u>	<u>\$ (65,096,506)</u>	<u>\$ (51,330,538)</u>	<u>\$ (47,588,633)</u>	<u>\$ (50,108,255)</u>	<u>\$ (60,596,034)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2011	2012	2013	2014
<b>General Revenues</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 35,438,308	\$ 34,770,474	\$ 34,988,658	\$ 36,692,230
Public service taxes	10,141,215	10,610,314	11,043,981	11,390,495
Fuel taxes	3,985,344	4,173,345	4,141,260	4,372,936
Local business tax <sup>(1)</sup>	1,421,050	1,611,733	2,656,676	1,566,244
Franchise taxes	5,301,624	5,121,334	5,086,525	5,646,716
Intergovernmental, unrestricted	7,079,177	7,040,744	7,483,242	8,358,062
Interest and investment income	556,731	283,168	214,613	227,329
Miscellaneous	1,977,477	1,634,139	859,424	1,547,857
Gain on transfer of assets	-	-	-	-
Transfers	5,706,601	6,278,554	7,646,132	3,216,328
Total general revenues and transfers	<u>71,607,527</u>	<u>71,523,805</u>	<u>74,120,511</u>	<u>73,018,197</u>
Business-type Activities:				
Interest and investment income	479,956	191,203	61,974	66,895
Miscellaneous	505,225	3,169,033	60,915	30,220
Loss on disposal of capital assets	-	-	-	-
Special items	-	-	-	-
Transfers	(5,706,601)	(6,278,554)	(7,646,132)	(3,216,328)
Total Business-type Activities	<u>(4,721,420)</u>	<u>(2,918,318)</u>	<u>(7,523,243)</u>	<u>(3,119,213)</u>
Total primary government	<u>\$ 66,886,107</u>	<u>\$ 68,605,487</u>	<u>\$ 66,597,268</u>	<u>\$ 69,898,984</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (4,402,688)	\$ (2,500,992) <sup>(2)</sup>	\$ (19,110,532)	\$ (21,325,320)
Business-type activities	4,294,708	(12,013,646) <sup>(2)</sup>	6,502,087	23,984,761
Total Change in Net Position	<u>\$ (107,980)</u>	<u>\$ (14,514,638) <sup>(2)</sup></u>	<u>\$ (12,608,445)</u>	<u>\$ 2,659,441</u>

<sup>(1)</sup> In fiscal year 2011, Local Business Tax was moved from Charges for Services-Protective Inspections to conform to the change in the State Uniform Chart of Accounts in fiscal year 2008.

<sup>(2)</sup> Restated per Note 25 in fiscal year 2013.

**CITY OF FORT MYERS, FLORIDA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2011	2012	2013	2014
<b>General Fund</b>				
Nonspendable	\$ 1,245,428	\$ 663,230	\$ 630,175	\$ 634,617
Assigned	11,382,758	10,244,081	10,068,201	2,354,553
Unassigned	11,285,161	11,401,537	8,146,193	12,654,296
Total General Fund	<u>\$ 23,913,347</u>	<u>\$ 22,308,848</u>	<u>\$ 18,844,569</u>	<u>\$ 15,643,466</u>
<b>All other governmental funds</b>				
Nonspendable	\$ 278,955	\$ 421,457	\$ 421,457	\$ 273,004
Restricted	76,378,558	71,797,817	80,733,854	75,719,336
Committed	46,564	52,945	56,991	61,662
Assigned	19,582,124	19,598,082	4,778	2,359
Unassigned	(457,579)	(285,666)	(145,663)	(41,631)
Total all other governmental funds	<u>\$ 95,828,622</u>	<u>\$ 91,584,635</u>	<u>\$ 81,071,417</u>	<u>\$ 76,014,730</u>
Total Fund Balance, All Governmental Funds	<u>\$ 119,741,969</u>	<u>\$ 113,893,483</u>	<u>\$ 99,915,986</u>	<u>\$ 91,658,196</u>

The City of Fort Myers implemented GASB Statement 54 in fiscal year 2011 and applied the statement retroactively to Fund Balances of Governmental Funds.

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 39,540,177	\$ 43,228,377	\$ 47,489,913	\$ 52,492,216	\$ 55,451,904	\$ 58,361,391
11,128,791	11,657,511	12,391,892	12,878,111	13,266,106	13,549,249
4,757,761	4,989,361	5,109,905	5,194,989	5,195,694	3,989,619
1,866,306	2,063,988	2,277,282	2,345,133	2,546,362	2,643,692
5,587,985	5,554,198	5,933,105	5,844,019	6,154,779	6,012,222
8,707,856	9,418,377	9,822,260	10,726,651	11,074,496	11,111,912
231,581	567,493	938,962	1,328,876	3,419,840	1,992,436
1,334,794	2,079,352	1,549,585	3,145,764	1,856,246	2,362,829
-	-	1,188,193	-	-	-
9,048,150	9,486,793	5,945,695	8,520,360	10,788,936	10,887,830
<u>82,203,401</u>	<u>89,045,450</u>	<u>92,646,792</u>	<u>102,476,119</u>	<u>109,754,363</u>	<u>110,911,180</u>
166,314	340,870	565,845	1,274,054	2,437,627	2,897,664
148,851	213,887	349,507	35,133	218,519	530,117
-	-	(1,188,193)	-	-	-
-	-	1,790,819	-	-	-
<u>(9,048,150)</u>	<u>(9,486,793)</u>	<u>(5,945,695)</u>	<u>(8,520,360)</u>	<u>(10,788,936)</u>	<u>(10,887,830)</u>
<u>(8,732,985)</u>	<u>(8,932,036)</u>	<u>(4,427,717)</u>	<u>(7,211,173)</u>	<u>(8,132,790)</u>	<u>(7,460,049)</u>
<u>\$ 73,470,416</u>	<u>\$ 80,113,414</u>	<u>\$ 88,219,075</u>	<u>\$ 95,264,946</u>	<u>\$ 101,621,573</u>	<u>\$ 103,451,131</u>
\$ (3,670,588)	\$ 2,574,038	\$ 4,024,873	\$ 9,126,348	\$ 18,163,292	\$ 14,976,064
16,989,841	12,442,870	32,863,664	38,549,965	33,350,026	27,879,033
<u>\$ 13,319,253</u>	<u>\$ 15,016,908</u>	<u>\$ 36,888,537</u>	<u>\$ 47,676,313</u>	<u>\$ 51,513,318</u>	<u>\$ 42,855,097</u>

**CITY OF FORT MYERS, FLORIDA**  
**Fund Balances of Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 630,305	\$ 657,877	\$ 665,752	\$ 654,971	\$ 645,699	\$ 643,993
3,174,670	4,954,240	5,669,783	8,301,345	13,093,042	11,508,556
11,064,377	16,015,483	20,189,290	24,546,267	26,274,742	24,583,647
<u>\$ 14,869,352</u>	<u>\$ 21,627,600</u>	<u>\$ 26,524,825</u>	<u>\$ 33,502,583</u>	<u>\$ 40,013,483</u>	<u>\$ 36,736,196</u>
\$ 261,135	\$ 2,000	\$ 2,000	\$ 2,092	\$ 13,030	\$ 6,553
66,686,745	73,303,052	59,439,741	49,045,326	72,871,122	64,878,071
66,838	71,497	67,220	70,882	54,118	51,307
2,361	2,382	2,393	2,413	2,445	2,486
(17,646)	(27,689)	(2,591,598)	(7,651,269)	(2,125,629)	(1,566,904)
<u>\$ 66,999,433</u>	<u>\$ 73,351,242</u>	<u>\$ 56,919,756</u>	<u>\$ 41,469,444</u>	<u>\$ 70,815,086</u>	<u>\$ 63,371,513</u>
<u>\$ 81,868,785</u>	<u>\$ 94,978,842</u>	<u>\$ 83,444,581</u>	<u>\$ 74,972,027</u>	<u>\$ 110,828,569</u>	<u>\$ 100,107,709</u>

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2011	2012	2013	2014
<b>Revenues</b>				
Taxes	\$ 52,034,109	\$ 52,478,122	\$ 53,145,080	\$ 61,016,850
Permits and fees	6,715,722	6,755,761	7,313,589	3,149,666
Intergovernmental revenue	12,780,655	24,354,437	14,800,700	12,672,281
Charges for services	1,978,054	6,488,602	6,371,315	6,323,264
Fines and forfeitures	935,618	951,174	883,510	655,683
Miscellaneous	8,539,044	1,751,368	1,935,388	1,961,842
Contributions-private source	77,893	73,892	104,916	60,419
Total Revenues	<u>83,061,095</u>	<u>92,853,356</u>	<u>84,554,498</u>	<u>85,840,005</u>
<b>Expenditures</b>				
Current:				
General government	9,955,159	10,762,378	9,517,063	9,926,424
Police	31,982,530	33,177,103	35,095,897	35,933,246
Fire	18,220,477	19,397,852	20,414,983	20,157,916
Protective inspections	1,609,798	1,614,959	1,473,063	1,455,396
Physical environment	5,107,151	5,381,518	5,157,049	5,530,652
Transportation	3,700,760	3,854,550	12,753,774	12,049,594
Economic environment	5,337,223	4,252,182	3,940,848	4,270,410
Culture and recreation	2,922,878	2,743,359	2,553,649	2,931,606
Debt service:				
Principal retirement	6,762,529	7,077,669	7,473,199	7,783,154
Interest and fiscal charges	5,753,630	5,436,958	5,100,001	5,073,238
Capital outlay	16,031,705	16,558,859	6,180,523	4,361,479
Total Expenditures	<u>107,383,840</u>	<u>110,257,387</u>	<u>109,660,049</u>	<u>109,473,115</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(24,322,745)</u>	<u>(17,404,031)</u>	<u>(25,105,551)</u>	<u>(23,633,110)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	25,864,588	31,451,250	29,111,268	37,207,922
Transfers out	(18,955,051)	(19,895,705)	(18,581,835)	(32,794,548)
Refunding bonds issued	-	-	-	39,910,000
Premiums on bonds issued	-	-	-	1,778,586
Payments to bond escrow agent	-	-	-	(30,726,640)
Capital lease	-	-	598,621	-
Total Other Financing Sources (Uses)	<u>6,909,537</u>	<u>11,555,545</u>	<u>11,128,054</u>	<u>15,375,320</u>
Net change in fund balances	<u>\$ (17,413,208)</u>	<u>\$ (5,848,486)</u>	<u>\$ (13,977,497)</u>	<u>\$ (8,257,790)</u>
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	13.1%	13.2%	12.0%	11.6%

<sup>(1)</sup> Updated in fiscal year 2017 to exclude fiscal charges.

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Fund Balances of Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 64,285,118	\$ 68,936,377	\$ 74,425,669	\$ 80,326,454	\$ 84,101,283	\$ 86,215,665
4,594,785	6,344,149	7,648,622	13,847,782	15,412,607	17,366,024
10,450,816	11,632,039	13,819,824	12,490,090	22,716,477	17,250,558
6,666,238	6,908,940	7,024,815	7,457,400	8,364,654	8,904,705
638,039	610,711	446,734	473,273	590,318	672,471
2,046,053	2,923,160	2,900,130	4,717,054	6,011,447	5,876,418
127,963	334,978	187,822	330,673	139,003	217,904
<u>88,809,012</u>	<u>97,690,354</u>	<u>106,453,616</u>	<u>119,642,726</u>	<u>137,335,789</u>	<u>136,503,745</u>
10,417,815	11,530,400	12,681,709	15,327,081	15,987,348	16,393,415
38,019,221	37,160,135	40,862,828	44,222,198	51,403,159	56,817,809
20,494,102	20,783,032	23,621,467	23,259,848	23,501,577	24,524,839
1,625,700	1,607,047	1,502,826	1,594,763	1,308,200	1,479,286
5,968,175	5,827,071	8,879,263	7,912,701	7,502,621	7,671,925
4,683,326	7,171,333	7,149,986	4,602,034	4,699,201	4,650,377
3,876,766	4,378,959	4,356,079	7,421,064	4,710,403	5,695,861
2,852,402	2,712,057	3,183,413	3,593,302	3,953,859	3,919,336
7,334,189	7,526,084	5,342,979	6,839,334	4,889,417	7,088,487
4,196,644	4,560,435	3,487,356	3,913,087	4,854,899	5,271,759
9,495,953	11,970,997	14,127,394	18,963,590	27,986,698	41,012,281
<u>108,964,293</u>	<u>115,227,550</u>	<u>125,195,300</u>	<u>137,649,002</u>	<u>150,797,382</u>	<u>174,525,375</u>
<u>(20,155,281)</u>	<u>(17,537,196)</u>	<u>(18,741,684)</u>	<u>(18,006,276)</u>	<u>(13,461,593)</u>	<u>(38,021,630)</u>
28,086,124	47,503,053	27,559,883	27,707,436	63,708,431	46,996,479
(17,720,254)	(36,317,735)	(20,406,441)	(18,173,714)	(51,580,991)	(35,718,061)
-	52,130,000	-	-	45,656,995	16,022,352
-	5,067,430	-	-	2,467,946	-
-	(37,735,495)	-	-	(13,366,844)	-
-	-	53,981	-	2,432,598	-
<u>10,365,870</u>	<u>30,647,253</u>	<u>7,207,423</u>	<u>9,533,722</u>	<u>49,318,135</u>	<u>27,300,770</u>
<u>\$ (9,789,411)</u>	<u>\$ 13,110,057</u>	<u>\$ (11,534,261)</u>	<u>\$ (8,472,554)</u>	<u>\$ 35,856,542</u>	<u>\$ (10,720,860)</u>
11.5%	11.0%	7.8%	8.8%	7.2%	8.3%

**CITY OF FORT MYERS, FLORIDA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>Tax Year</b> <sup>(1)</sup>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Assessed Value</b>	<b>Allowable Exemptions</b> <sup>(2)</sup>	<b>Total Taxable Assessed Value</b>	<b>Assessed Value as a Percentage of Actual Value</b> <sup>(3)</sup>	<b>Estimated Actual Assessed Value</b> <sup>(4)</sup>	<b>Total Direct Tax Rate</b>
2010	\$5,052,642	\$765,227	\$5,817,869	\$1,477,179	\$4,340,690	74.61%	\$5,817,839	8.4000
2011	4,808,666	731,437	5,540,103	1,463,061	4,077,042	73.59%	5,540,212	8.4000
2012	5,033,514	653,918	5,687,432	1,621,546	4,065,886	71.49%	5,687,349	8.7760
2013	5,316,312	640,310	5,956,622	1,756,364	4,200,258	70.51%	5,956,968	8.7760
2014	5,978,526	606,789	6,585,315	2,028,995	4,556,320	69.19%	6,585,229	8.7760
2015	6,666,152	612,226	7,278,378	2,301,496	4,976,882	68.38%	7,278,271	8.7760
2016	7,629,258	617,739	8,246,997	2,765,783	5,481,214	66.46%	8,247,388	8.7500
2017	8,382,657	648,185	9,030,842	2,908,701	6,122,141	67.79%	9,031,039	8.6500
2018	8,868,932	731,056	9,599,988	2,962,866	6,637,122	69.14%	9,599,540	8.4500
2019	9,484,898	765,235	10,250,133	3,145,187	7,104,946	69.32%	10,249,489	8.2500

Source: Lee County Property Appraiser

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> Allowable exemptions include the assessment differential value of capped parcels, which is more commonly known as the "Save Our Homes" constitutional amendment.

<sup>(3)</sup> Florida Statutes require assessments at just valuation.

<sup>(4)</sup> Estimated actual value is calculated by dividing total taxable assessed value by assessed value as a percentage of actual value.

**CITY OF FORT MYERS, FLORIDA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(per \$1,000 of assessed value)**

<b>Tax Year</b> <sup>(1)</sup>	<b>Fiscal Year</b>	<b>City of Fort Myers Direct Rates</b>			<b>Overlapping Rates</b>			<b>Total Direct &amp; Overlapping Rates</b> <sup>(4)</sup>
		<b>Operating Millage</b> <sup>(2)</sup>	<b>Service Millage</b>	<b>Total Direct Tax Rate</b>	<b>Lee County General</b>	<b>Other</b> <sup>(3)</sup>	<b>School District Millage</b>	
2010	2010/11	8.4000	0.0000	8.4000	3.6506	1.7715	8.015	21.8371
2011	2011/12	8.4000	0.0000	8.4000	3.6506	1.5996	7.854	21.5042
2012	2012/13	8.7760	0.0000	8.7760	3.6506	1.5822	7.584	21.5928
2013	2013/14	8.7760	0.0000	8.7760	4.1506	1.3271	7.598	21.8517
2014	2014/15	8.7760	0.0000	8.7760	4.1506	1.2866	7.416	21.6292
2015	2015/16	8.7760	0.0000	8.7760	4.1506	1.2561	7.285	21.4677
2016	2016/17	8.7500	0.0000	8.7500	4.0506	1.2317	6.989	21.0213
2017	2017/18	8.6500	0.0000	8.6500	4.0506	1.2498	6.679	20.6294
2018	2018/19	8.4500	0.0000	8.4500	4.0506	1.1161	6.401	20.0177
2019	2019/20	8.2500	0.0000	8.2500	4.0506	1.0914	6.147	19.5390

Source: Lee County Tax Collector

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> The City's operating millage tax rate may be increased only by a majority vote of the City Council.

<sup>(3)</sup> 'Other' consists of Lee County Capital Improvement, Lee County Library District, Lee County All Hazards, and other Independent Special Districts.

<sup>(4)</sup> Total Direct and Overlapping Rates changed in fiscal year 2010 due to the addition of other overlapping rates.

**CITY OF FORT MYERS, FLORIDA**  
**Principal Property Taxpayers**  
**September 30, 2020**  
**Current Year and Nine Years Ago**  
**(\$ in thousands)**

Taxpayer	2020 <sup>(1)</sup>			2011 <sup>(2)</sup>		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Edison Mall, LLC	\$ 91,745	1	1.29%			
Sof-x Gs Owner, L.P.	73,288	2	1.03%			
Northland Cypress Legends	38,254	3	0.54%			
Aspen FM	34,688	4	0.49%			
Colonial Commons	32,953	5	0.46%			
Lofton Island Holdings LLLP	28,019	6	0.39%			
3100 Champion Ring 1 LLC	27,034	7	0.38%			
Sienna Vista Fee Owner LLC	25,185	8	0.35%			
Sienna Vista Fee Owner LLC	24,739	9	0.35%			
HCP DSL Propco Fort Myers	21,515	10	0.30%			
Edison Mall Business Trust				\$ 80,678	1	1.86%
Gulf Stream Isles Apartments				19,081	2	0.44%
Wal-Mart Stores East LP				16,123	3	0.37%
Colonial Metro Properties LLC				12,792	4	0.29%
Cypress Woods Associates LLC				12,486	5	0.29%
Fort Myers Toyota Inc.				12,441	6	0.29%
Sam Galloway Ford, Inc.				10,822	7	0.25%
Cypress Legends LLC				10,620	8	0.24%
Colonial Fort Myers Apartments				10,236	9	0.24%
Target Corp				9,853	10	0.23%
Total	<u>\$ 397,420</u>		<u>5.58%</u>	<u>\$ 195,132</u>		<u>4.50%</u>

Source: <sup>(1)</sup> Lee County Property Appraiser - 2019 Tax Roll  
City of Fort Myers Budget Office - FY 2019-20 Budget Book  
<sup>(2)</sup> Lee County Property Appraiser - 2010 Tax Roll  
City of Fort Myers Comprehensive Annual Financial Report, September 30, 2011

Notes: 2019 Total Taxable Assessed Value for fiscal year 2020 is \$7,104,946 in thousands.  
2010 Total Taxable Assessed Value for fiscal year 2011 is \$4,340,690 in thousands.

**CITY OF FORT MYERS, FLORIDA**  
**Property Tax Levies and Collections**  
**Last Ten Tax Years**  
**(\$ in thousands)**

Tax Year <sup>(1)</sup>	Total Tax Levy	Collected within the Year of the Levy		Prior Years Tax Collections <sup>(2)</sup>	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percent of Levy
2010	\$35,959	\$35,680	99.2%	(\$77)	\$35,603	99.0%
2011	33,676	33,572	99.7%	1,349	34,921	103.7%
2012	35,586	35,454	99.6%	(141)	35,313	99.2%
2013	36,761	36,717	99.9%	233	36,950	100.5%
2014	39,701	39,634	99.8%	158	39,792	100.2%
2015	43,485	43,473	100.0%	44	43,517	100.1%
2016	47,770	47,794	100.1%	44	47,838	100.1%
2017	52,507	52,643	100.3%	90	52,733	100.4%
2018	55,688	55,736	100.1%	(20)	55,716	100.1%
2019	58,301	58,426	100.2%	112	58,538	100.4%

Source: Lee County Tax Collector

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> The Lee County Tax Collector auctions current year delinquent tax certificates in June of each year.  
The County cannot reasonably provide us with delinquent taxes by year.

**CITY OF FORT MYERS, FLORIDA**  
**Water Sold by Type of Customer and Wastewater Billed by Type of Customer**  
**Last Ten Fiscal Years**  
**(in millions of gallons)**

**Water:**

<b>Type of Customer</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	1,186.6	1,198.4	1,188.8	1,308.0	1,303.2	1,461.4	1,439.2	1,478.6	1,586.9	1,606.9
Commercial	2,979.4	3,024.1	2,773.1	2,899.0	2,863.8	3,027.3	2,181.3	1,791.5	1,837.0	1,905.4
Total	<u>4,166.0</u>	<u>4,222.5</u>	<u>3,961.9</u>	<u>4,207.0</u>	<u>4,167.0</u>	<u>4,488.7</u>	<u>3,620.5</u>	<u>3,270.1</u>	<u>3,423.9</u>	<u>3,512.3</u>

Total direct rate per 1,000 gallons	\$ 4.28	\$ 4.28 <sup>(1)</sup>	\$ 4.49	\$ 4.67	\$ 4.65	\$ 4.65	\$ 4.79	\$ 4.79	\$ 4.79	\$ 4.79
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**Wastewater:**

<b>Type of Customer</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	1,139.8	1,156.5	1,146.7	1,266.2	1,261.4	1,304.7	1,366.2	1,403.3	1,410.3	1,513.6
Commercial	668.7	665.7	671.7	677.4	707.0	680.8	697.0	712.6	744.2	652.3
Total	<u>1,808.5</u>	<u>1,822.2</u>	<u>1,818.4</u>	<u>1,943.6</u>	<u>1,968.4</u>	<u>1,985.5</u>	<u>2,063.2</u>	<u>2,115.9</u>	<u>2,154.5</u>	<u>2,165.9</u>

Total direct rate per 1,000 gallons	\$10.44	\$10.44 <sup>(1)</sup>	\$10.96	\$11.40	\$13.25	\$13.25	\$13.65	\$13.65	\$13.65	\$13.65
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Source: City of Fort Myers Utility Billing Department

Note: The City of Fort Myers' rates change incrementally with increases in usage of volume.

<sup>(1)</sup> Fiscal year 2012 direct rates were corrected in fiscal year 2013 to reflect no rate increase from fiscal year 2011 to fiscal year 2012.

**CITY OF FORT MYERS, FLORIDA**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

Fiscal Year	Governmental Activities <sup>(2)</sup>			Business-Type Activities			
	Revenue Bonds	Capital Leases	Notes Payable	Utility Revenue Bonds <sup>(2)</sup>	State Revolving Fund Loans	Other Utility Debt <sup>(2)</sup>	Other Revenue Bonds <sup>(2)</sup>
2011	\$ 116,835	\$ -	\$ 5,558	\$ 114,452	\$ 80,750	\$ 60,823	\$ 882
2012	110,062	-	5,037	136,974	82,018	50,000	853
2013	102,908	589	4,515	139,749	77,626	49,472	777
2014	108,614	702	3,994	136,497	73,162	48,912	665
2015	101,502	504	3,793	131,160	68,581	48,327	599
2016	114,426	1,418	3,275	125,602	63,880	47,705	530
2017	108,193	1,031	2,682	81,279	59,056	84,150	457
2018	101,367	2,607	2,088	42,935	54,105	115,062	381
2019	131,442	5,301	1,488	161,421	49,025	82,070	303
2020	124,862	4,839	17,015	246,995	-	36,039	225

Fiscal Year	Business-Type Activities		Total Primary Government <sup>(1) (2)</sup>	Percentage of Personal Income <sup>(1) (3)</sup>	Debt Per Capita <sup>(3)</sup>
	Capital Leases	Other Proprietary Debt			
2011	\$ -	\$ 4,513	\$ 383,813	19.86%	\$ 6,029
2012	-	4,335	389,279	13.68%	5,824
2013	-	4,149	379,785	14.18%	5,662
2014	-	3,953	376,499	12.76%	5,424
2015	509	3,748	358,723	11.49%	4,955
2016	393	3,534	360,763	10.31%	4,740
2017	14,062	3,309	354,219	9.46%	4,478
2018	14,347	3,073	335,965	7.96%	4,104
2019	14,226	2,826	448,102	9.69%	5,100
2020	13,677	2,568	446,219	9.01%	4,819

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

<sup>(1)</sup> See Schedule 14 for personal income and population data.

<sup>(2)</sup> Corrected fiscal years 2011 to 2012 to report outstanding debt net of related premiums, discounts, and adjustments.

<sup>(3)</sup> Calculation changed for fiscal years 2011 to 2012 due to reporting change in net outstanding debt amounts.

**CITY OF FORT MYERS, FLORIDA**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2020**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Fort Myers <sup>(1)</sup>	Amount Applicable to Fort Myers
City of Fort Myers	\$ 146,715,491	100.00%	\$ 146,715,491
<b>Overlapping Bonded Debt:</b>			
Lee County	196,163,000	6.75%	13,241,410
School Board	527,737,061	6.75%	35,623,349
Total Overlapping Bonded Debt	723,900,061		48,864,759
Total net direct and net overlapping bonded debt	\$ 870,615,552		\$ 195,580,250

Sources: Lee County, Finance Division  
Lee County Clerk of Court  
Lee County School Board, Finance Division  
City of Fort Myers Annual Budget Book

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Fort Myers. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>(1)</sup> Calculated as a ratio of taxable valuation of property in the City of Fort Myers (\$7,120,076,308) to total estimated taxable valuation of property in Lee County,

**CITY OF FORT MYERS, FLORIDA**  
**General Revenue Bonds - Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>General Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Excess Utilities Tax</b>	<b>Communications Tax</b>	<b>Guaranteed Entitlement Funds</b>	<b>Franchise Taxes</b>	<b>Local Business Tax</b>
2011	\$ 6,471	\$ 3,557	\$ 893	\$ 5,248	\$ 1,465
2012	6,694	4,064	893	5,072	1,651
2013	7,261	3,913	893	5,028	1,693
2014	8,048	3,342	893	5,433	1,745
2015	8,285	2,844	893	5,521	1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019	(1) -	-	-	-	-
2020	(1) -	-	-	-	-

Note: Debt service coverage is based on pledged revenues and annual debt service.

(1) There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 and 2020. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

<b>General Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Excess Utilities Tax</b>	<b>Communications Tax</b>	<b>Guaranteed Entitlement Funds</b>	<b>Franchise Taxes</b>	<b>Local Business Tax</b>
2011	\$ 6,471	\$ 3,557	\$ 893	\$ 5,248	\$ 1,465
2012	6,694	4,064	893	5,072	1,651
2013	7,261	3,913	893	5,028	1,693
2014	8,048	3,342	893	5,433	1,745
2015	8,285	2,844	893	5,521	1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019	(2) -	-	-	-	-
2020	(2) -	-	-	-	-

Note: Bond coverage is based on the bond document calculation.

(1) Revised in fiscal year 2017 to calculate maximum amounts on bonds covenanted with pledged revenues only, not total general revenue bonds.

(2) There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 and 2020. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

<b>Community Redevelopment Revenue Note, Series 2005</b>			
<b>Fiscal Year</b>	<b>Tax Increment Financing Revenues</b>	<b>Maximum Principal and Interest</b>	<b>Bond Coverage</b>
2011	\$ 2,899	\$ 718	4.04
2012	2,496	698	3.58
2013	2,780	678	4.10
2014	2,942	658	4.47
2015	3,226	637	5.06
2016	3,538	618	5.72
2017	4,006	597	6.71
2018	4,685	577	8.12
2019	5,047	557	9.06
2020	5,492	537	10.23

**CITY OF FORT MYERS, FLORIDA**  
**General Revenue Bonds - Pledged Revenue Coverage (continued)**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>General Revenue Bonds (continued)</b>					
<b>Half-Cent Sales Tax</b>		<b>Total Pledged Revenues</b>	<b>Debt Service</b>		<b>Bond Coverage</b>
			<b>Principal</b>	<b>Interest</b>	
\$	4,404	\$ 22,038	\$ 4,686	\$ 4,810	2.32
	4,282	22,656	4,965	4,575	2.37
	4,660	23,448	5,370	4,320	2.42
	5,217	24,678	5,630	4,047	2.55
	5,613	25,065	4,520	3,793	3.02
	5,929	26,080	4,745	3,559	3.14
	6,152	27,496	2,525	868	8.10
	6,883	28,905	2,660	738	8.51
	-	-	-	-	-
	-	-	-	-	-

<b>General Revenue Bonds (continued)</b>				
<b>Half-Cent Sales Tax</b>		<b>Total Pledged Revenues</b>	<b>Maximum Principal and Interest</b>	<b>Bond Coverage</b>
\$	4,404	\$ 22,038	\$ 9,690	2.27
	4,282	22,656	9,690	2.34
	4,660	23,448	9,677	2.42
	5,217	24,678	7,425 <sup>(1)</sup>	3.32 <sup>(1)</sup>
	5,613	25,065	7,416 <sup>(1)</sup>	3.38 <sup>(1)</sup>
	5,929	26,080	3,408 <sup>(1)</sup>	7.65 <sup>(1)</sup>
	6,152	27,496	3,408	8.07
	6,883	28,905	3,408	8.48
	-	-	-	-
	-	-	-	-

**CITY OF FORT MYERS, FLORIDA**  
**Water-Wastewater Utility - Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>Fiscal Year</b>	<b>Gross Utility Revenues</b>	<b>Direct Operating Expenses</b>	<b>Net Operating Revenues</b>	<b>Pledged Impact Fees Available</b>	<b>Total Available Revenues</b>
2011	\$ 51,137	\$ 32,594	\$ 18,543	\$ 117	\$ 18,660
2012	51,978	34,034	17,944	2	17,946
2013	52,961	34,941	18,020	1	18,021
2014	60,924	36,010	24,914	2,428	27,342
2015	65,993	40,264	25,729	3,630	29,359
2016	66,530	39,933	26,597	3,958	30,555
2017	76,114	40,947	35,167	5,309	40,476
2018	89,490	46,409	43,081	8,390	51,471
2019	89,303	45,180	44,123	6,314	50,437
2020	92,276	53,807	38,469	11,783	50,252

**Coverage based on current year results and not calculated according to the bond documents.**

Note: Corrected prior years for consistency in interpretation of bond documents.

<sup>(1)</sup> State Revolving Loans refunded by the Subordinate Utility System Refunding Revenue Bonds, Series 2020B.

<b>Fiscal Year</b>	<b>Total Operating Revenues</b>	<b>Total Operating Expenses</b>	<b>Net Operating Revenues</b>	<b>Adjustments Per Bond Documents</b>	<b>Net Operating Revenues Available for Debt Service</b>
2011	\$ 51,433	\$ 25,862	\$ 25,571	\$ 9,380	\$ 34,951
2012	52,008	26,891	25,117	9,410	34,527
2013	53,039	27,320	25,719	9,389	35,108
2014	58,558	28,381	30,177	9,923	40,100
2015	62,388	32,339	30,049	10,643	40,692
2016	62,746	31,563	31,183	11,012	42,195
2017	71,038	31,257	39,781	11,104	50,885
2018	78,722	33,005	45,717	11,287	57,004
2019	83,726	36,834	46,892	12,064	58,956
2020	81,057	45,626	35,431	12,173	47,604

**Coverage calculated according to the bond documents for coverage and additional bonds test.**

Note: Corrected prior years for consistency in interpretation of bond documents.

<sup>(1)</sup> State Revolving Loans refunded by the Subordinate Utility System Refunding Revenue Bonds, Series 2020B.

**CITY OF FORT MYERS, FLORIDA**  
**Water-Wastewater Utility - Pledged Revenue Coverage (continued)**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>Debt Service</b>		<b>Bonded Coverage</b>	<b>State Revolving Loan Debt Service</b>	<b>Utility Bonds and Notes Coverage</b>
<b>Principal</b>	<b>Interest</b>			
\$ 5,600	\$ 8,362	1.34	\$ 6,335	0.92
5,865	7,184	1.38	6,450	0.92
2,738	7,651	1.73	6,451	1.07
4,459	7,822	2.23	6,453	1.46
6,460	7,633	2.08	6,453	1.43
6,602	7,556	2.16	6,453	1.48
8,519	7,752	2.49	6,453	1.78
8,783	6,110	3.46	6,453	2.41
9,297	5,748	3.35	6,543	2.34
6,756	9,258	3.14	- <sup>(1)</sup>	3.14

<b>Impact Fees Available for Debt Service</b>	<b>Total Revenues Available for Debt Service</b>	<b>Maximum Debt Service</b>	<b><u>Coverage</u> NOR Available for Debt Service</b>	<b><u>Coverage</u> Total Revenues Available</b>	<b>State Revolving Loan Maximum Debt Service</b>	<b><u>Coverage</u> Total Revenues Debt Service</b>
\$ 117	\$ 35,068	\$ 16,083	2.17	2.18	\$ 6,815	2.79
2	34,529	16,271	2.12	2.12	6,453	2.83
1	35,109	16,499	2.13	2.13	6,453	2.88
2,428	42,528	16,271	2.46	2.61	6,453	4.07
3,630	44,322	16,271	2.50	2.72	6,453	4.35
3,958	46,153	16,271	2.59	2.84	6,453	4.63
5,309	56,194	15,846	3.21	3.55	6,453	6.25
8,390	65,394	15,556	3.66	4.20	6,453	7.72
6,314	65,270	19,079	3.09	3.42	6,453	7.16
11,783	59,387	22,376	2.13	2.65	- <sup>(1)</sup>	-

**CITY OF FORT MYERS, FLORIDA**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population <sup>(1)</sup>		City of Fort Myers				
	City of Fort Myers	Lee County	Total Personal Income (in thousands) <sup>(2)</sup>	Per Capita Income <sup>(3)</sup>	Labor Force <sup>(4)</sup>	Unemployed <sup>(4)</sup>	Unemployment Rate <sup>(4)</sup>
2011	63,662	625,310	\$ 1,465,062	\$ 23,517	29,786	3,034	10.2%
2012	66,835	638,029	1,570,288	23,495	28,211	2,436	8.6%
2013	67,081	643,367	1,579,154	23,541	28,885	1,928	6.7%
2014	69,413	653,485	1,569,566	22,612	30,728	1,746	5.7%
2015	72,395	665,845	1,645,104	22,724	30,300	1,574	5.2%
2016	76,108	680,539	1,946,158	25,571	31,950	1,493	4.7%
2017	79,106	698,468	2,156,904	27,266	32,654	1,426	4.4%
2018	81,868	713,903	2,324,559	28,394	34,034	1,258	3.7%
2019	87,871	735,148	2,300,067	28,203	35,736	1,214	3.4%
2020	92,599	750,493	2,517,451	29,272	35,142	2,905	8.3%
<b>As Projected <sup>(5)</sup></b>							
<b>2025</b>	97,531						

- Sources: (1) Bureau of Economic and Business Research, University of Florida. Population is projected.  
(2) City of Fort Myers, Geographic Information Systems. Total personal income is estimated.  
(3) City of Fort Myers, Geographic Information Systems. Total per capita income is estimated.  
(4) Florida Department of Economic Opportunity.  
(5) ESRI Projection as of 1/8/2021.

**LEE COUNTY, FLORIDA**  
**Principal Employers <sup>(1)</sup>**  
**September 30, 2020**  
**Current Year and Nine Years Ago**

<b>Employer</b>	<b>2020 <sup>(2)</sup></b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
Lee Health	13,595	1	4.25%	9,500	1	3.46%
Lee County School District	12,936	2	4.04%	9,270	2	3.37%
Lee County Local Government	9,038	3	2.82%	2,364	4	0.86%
Publix Super Markets	4,624	4	1.44%	3,071	3	1.12%
Florida Gulf Coast University	3,430	5	1.07%	993	10	0.36%
Walmart Corporation	3,067	6	0.96%	1,967	5	0.72%
City of Cape Coral	2,253	7	0.70%	1,409	7	0.51%
Hope Hospice	1,630	8	0.51%	-	-	-
McDonald's	1,482	9	0.46%	-	-	-
Florida Southwestern State College	1,441	10	0.45%	-	-	-
Lee County Sheriff's Office	-	-	-	1,585	6	0.58%
Chico's FAS, Inc.	-	-	-	1,388	8	0.51%
Target	-	-	-	1,100	9	0.40%
U.S. Postal Service	-	-	-	749	14	0.27%
WCI Communities	-	-	-	276	41	0.10%
<b>Total</b>	<b>53,496</b>		<b>16.70%</b>	<b>33,672</b>		<b>12.26%</b>

Source: Lee County Office of Economic Development, SW Florida Economic Development Alliance, Florida Research and Economic Database, and U.S. Bureau of Labor Statistics.

<sup>(1)</sup> The information provides Lee County statistics since statistics for the City of Fort Myers are not available.

<sup>(2)</sup> The employer ranking and employee totals remain the same as reported for fiscal year 2019 since fiscal year 2020 information is not available until a later date.

**CITY OF FORT MYERS, FLORIDA**  
**Full-Time Equivalent Government - Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Government	114.0	114.0	114.0	117.0	116.5	118.2	119.2	121.2	128.0	133.0
Public Safety	427.4	427.4	426.9	436.8	436.6	438.6	455.3	488.8	504.0	520.5
Physical Environment	253.8	253.8	253.8	252.5	254.9	256.8	254.9	258.9	257.9	259.5
Transportation	19.0	19.0	19.0	19.0	19.0	18.3	18.3	18.3	19.0	19.0
Culture/Recreation	100.3	103.4	104.9	103.4	103.0	100.3	101.8	66.6	63.6	63.6
Community Development	13.4	13.4	13.9	13.9	13.9	13.9	13.9	14.9	18.2	18.4
<b>Total</b>	<b>927.9</b>	<b>931.0</b>	<b>932.5</b>	<b>942.6</b>	<b>943.9</b>	<b>946.1</b>	<b>963.4</b>	<b>968.7</b>	<b>990.7</b>	<b>1,014.0</b>

Source: City of Fort Myers Budget Office

Note: In fiscal year 2011, the data was expanded to reflect the accurate ratio of full-time positions.

**CITY OF FORT MYERS, FLORIDA**  
**Operations Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Number of Police personnel and officers	264	250	250	251	262	262	255	307	312	313
Physical arrests	5,498	5,844	5,829	5,381	3,424 <sup>(7)</sup>	3,060	2,962	2,927	3,165	3,116
Traffic violations	18,463	24,602	20,623	19,253	14,587 <sup>(1)</sup>	7,981 <sup>(1)</sup>	6,782 <sup>(1)</sup>	5,494	3,882	3,852
Parking violations	7,400	8,232	7,373	7,000 <sup>(3)</sup>	15,238 <sup>(8)</sup>	11,886	10,968	12,661	10,294	8,401
<b>Fire</b>										
Number of Fire personnel and officers	149	142	140	140	121	125	125	124	117	124
Number of calls answered	15,793	15,933	15,592	14,250	10,847 <sup>(6)</sup>	15,572	12,584	17,818	17,341	16,562
Number of inspections conducted	3,429	2,943	3,375	3,969	3,366	4,484	4,685	4,917	5,308	5,898
<b>Solid Waste</b>										
Commercial MSW (tonnage)	30,997	31,802	29,742	28,946	32,735	31,533	31,496	33,875	34,006	32,584
Residential MSW (tonnage)	5,588	5,359	8,442	9,916	8,781	12,897	13,327	14,355	14,441	16,183
Roll-Off Debris (tonnage)	15,075	14,945	16,398	16,748	17,639	16,442	15,920	19,146	18,628	18,403
Recycling (tonnage)	-	-	4,014	4,300	4,699	5,079	5,497	4,993	4,396	5,580
<b>Culture and Recreation</b>										
City Recreation Venues <sup>(2)</sup>	1,056,291	1,188,389	1,073,336	900,826	579,642	656,936	815,278	752,242	897,080	470,745
<b>Water system</b>										
Number of service connections	21,365	22,193	22,919	23,132	23,692	25,210	26,069	26,257	27,142	27,939
Daily average finished flow in gallons	6,024,910	6,042,200	6,326,401	6,820,250	6,880,750	6,921,666	7,292,833	7,422,500	7,471,000	7,540,083
Maximum daily capacity of plants, in gallons	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
<b>Wastewater system</b>										
Number of service connections	16,859	17,530	18,680	21,058	21,351	23,051	23,825	24,022	24,878	25,683
Daily average treatment in gallons	13,710,000	14,540,000	14,890,000	11,648,000 <sup>(4)</sup>	14,810,000	14,780,000	15,040,000	14,410,000	14,750,000	14,990,000
Maximum daily capacity of treatment plants, in gallons	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000
<b>Building Permits and Inspection</b>										
Building permits issued	5,323	5,836	6,548	7,465	8,916	9,174	7,982	8,611	8,314	8,673
<b>Golf Courses</b>										
Number of rounds per year, Eastwood	56,117	52,196	54,920	59,741	56,466	52,439	42,815	52,197	54,324	51,938
Number of rounds per year, Fort Myers	55,444	52,335	53,565	38,930 <sup>(5)</sup>	58,756	58,245	63,461	61,687	63,548	65,260

Sources: Various City departments

Note: In fiscal year 2013, the City changed this schedule to enhance the reporting of Operating Indicators. Therefore, the Capital Assets Statistics reported in previous fiscal years' Schedule 17 transferred to Schedule 18.

<sup>(1)</sup> Citations declined due to fewer traffic stops.

<sup>(2)</sup> Comprises attendance at City community centers, athletics and aquatics venues, and special events. Significant decrease compared to FY 2019 due to Coronavirus Disease.

<sup>(3)</sup> Reporting period January 2014 to September 2014.

<sup>(4)</sup> Less influent from Lee County to South Plant and lower rainfall than normal.

<sup>(5)</sup> Fort Myers Country Club closed five months for renovations, which led to a temporary increase at the Eastwood Golf Course.

<sup>(6)</sup> Decrease due to low acuity call types dispatched by 911 as an EMS only response, not requiring the additional response by Firefighters.

<sup>(7)</sup> Decline due to change in reporting software.

<sup>(8)</sup> Increase due to the inclusion of warning citations, FMPD citations issued after hours, and a better enforcement program.

**CITY OF FORT MYERS, FLORIDA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Function/program</b>										
<b>General Government</b>										
Number of Enterprise Center buildings	2	2	2	2	2	2	2	2	2	2
Number of Facility Management vehicles	14	14	13	12	14	14	14	12	12	14
<b>Police</b>										
Number of stations	2	2	2	2	2	2	1	1	1	1
Number of substations	0	0	0	0	0	0	3	3	6	6
Number of patrol vehicles	120	114	111	109	111	136	135	154	143	129
Number of unmarked vehicles	43	43	43	43	43	50	49	60	67	59
Number of pickup trucks	4	4	4	4	4	3	3	3	6	10
Number of vans	6	6	6	6	6	6	8	6	9	7
Number of motorcycles	2	2	2	2	2	2	2	2	2	2
Number of boats	1	1	1	1	1	1	1	1	1	1
Number of boat trailers	1	1	1	1	1	1	1	1	1	1
Number of Volunteers in Policing units	3	3	3	3	3	3	1	1	1	1
Mobile command post	1	1	1	1	1	1	1	1	1	1
ERV (MCOPS vehicle)	1	1	1	1	1	1	1	1	1	1
Hostage negotiator truck	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Number of stations	6	6	6	6	6	6	6	6	6	6
Number of fire fighting units	10	10	10	11	11	10	11	11	13	13
Number of rescue units	2	2	2	2	2	2	2	4	4	4
Number of marine units	2	2	2	2	2	2	1	1	1	1
Number of support/specialty units	5	5	5	5	5	5	5	14	15	16
<b>Culture and Recreation</b>										
Number of community centers	3	3	3	3	3	3	3	1	1	1
Number of parks	35	35	35	35	35	35	35	35	36	36
Park acreage (including golf courses)	537 <sup>(1)</sup>	537 <sup>(1)</sup>	537 <sup>(1)</sup>	537	537	537	497	497	498	498
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of tennis courts	16	16	16	16	16	16	16	17	17	17
Number of skate parks	1	1	1	1	1	0	0	0	0	0
<b>Public Works</b>										
Number of Public Works buildings	n/a	n/a	132	132	132	132	132	155	155	155
Miles of City maintained streets	240	240	240	240	240	226 <sup>(4)</sup>	247	224	224	224
Number of street lights	10,346	10,346	10,346	10,346	10,346	10,425 <sup>(4)</sup>	10,425	10,425	10,425	10,425
Number of bridges	n/a	n/a	16	27 <sup>(4)</sup>	27	27	27	27	27	27
Number of culverts	n/a	n/a	12	12	12	35 <sup>(5)</sup>	35	35	35	35
<b>Sewer system</b>										
Miles of sanitary sewers	406	410	410	422	422	357 <sup>(4)</sup>	368	430	440	451
Number of sewer treatment plants	2	2	2	2	2	2	2	2	2	2
<b>Water system</b>										
Number of water treatment plants	1	1	1	1	1	1	1	1	1	1
Miles of water mains	441	453	458	469	469	434 <sup>(4)</sup>	439	439	514	531
Number of fire hydrants	3,185 <sup>(2)</sup>	3,188 <sup>(2)</sup>	3,188 <sup>(2)</sup>	3,231	3,231	3,189 <sup>(4)</sup>	4,100	4,194	4,200	4,511
<b>Stormwater</b>										
Miles of storm drainage pipes	n/a	n/a	139	139	139	58 <sup>(4)</sup>	59	54	54	54
Number of catch basins <sup>(6)</sup>	n/a	n/a	831	844	844	4,681	4,691	4,691	4,691	4,691
<b>Solid Waste</b>										
Number of refuse collection vehicles	37	38	41	44	46	47	44	45	44	45
<b>Golf Courses</b>										
Number of golf courses	2	2	2	2	2	2	2	2	2	2
Number of holes	36	36	36	36	36	36	36	36	36	36
<b>Yacht Basin/Marina</b>										
Number of slips	295	295	284	284	284	284	284	284	284	284
Number of non-transient boats docked <sup>(3)</sup>	130	130	147	140	145	155	156	177	164	180

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years (continued)**

<b>Function/program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Downtown Parking Garages										
Number of parking garages	2	2	2	2	2	2	2	2	2	2
Harborside Event Center										
Number of event center buildings	1	1	1	1	1	1	1	1	1	1
Cultural and Recreation										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Sources: Various city departments

Note: In fiscal year 2013, the City changed this schedule to provide more details on Capital Assets Statistics. Previous fiscal years' Schedule 18 reported number of assets by function.

<sup>(1)</sup> In fiscal year 2014, acreage corrected for fiscal years 2011 - 2013 to remove the inclusion of wellfield acres for the golf courses.

<sup>(2)</sup> In fiscal year 2014, hydrants corrected for fiscal years 2011 - 2013 to remove the inclusion of hydrants owned and maintained privately or by Lee County.

<sup>(3)</sup> Updated description in fiscal year 2015 to non-transient boats (leases longer than thirty days).

<sup>(4)</sup> Updated, based on GIS data.

<sup>(5)</sup> Verified with Google Earth by City of Fort Myers, Florida Stormwater Resource Manager.

<sup>(6)</sup> Updated, based on GIS data, in fiscal year 2016 to include manholes, curb inlets, headwalls and mitered end sections.



# **SINGLE AUDIT REPORT**







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

Honorable Mayor and City Council  
City of Fort Myers, Florida  
Fort Myers, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Fort Myers, Florida, (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 March 25, 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.

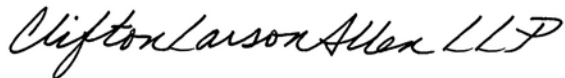
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
March 25, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Honorable Mayor and City Council  
City of Fort Myers, Florida  
Fort Myers, Florida

**Report on Compliance for Each Major Federal Program and State Project**

We have audited City of Fort Myers, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects, for the year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 for Local Governmental Entity Audits. Those standards, the Uniform Guidance, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program and State Project***

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

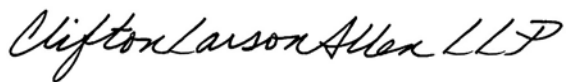
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

Honorable Mayor and City Council  
City of Fort Myers, Florida

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 result of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
March 25, 2021

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2020**

<b>Funding Agency / Grant Name</b>	<b>Federal CFDA Number</b>	<b>Federal or Passed through Grant Number</b>	<b>Total Expenditures</b>	<b>Transfer to Subrecipients</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Community Development Block Grant / Entitlement Grant Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-12-0006	\$ 112,335	\$ -
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-12-0006	38,727	-
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-12-0006	74,780	-
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-12-0006	54,495	-
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-12-0006	136,046	2,650
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-12-0006	401,332	35,883
Community Development Block Grants/Entitlement Grants (CDBG-CV)	14.218	B-20-MW-12-0006	204,079	-
Community Development Block Grants/Entitlement Grants-NSP 1	14.218	B-08-MN-12-0008	43,781	-
Community Development Block Grants/Entitlement Grants-NSP 3	14.218	B-11-MN-12-0008	233,354	-
Total Community Development Block Grant / Entitlement Grant Cluster		14.218 Total	<u>1,298,929</u>	<u>38,533</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>1,298,929</u></b>	<b><u>38,533</u></b>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1010	111,540	
Public Safety Partnership and Community Policing Grants	16.710	2015-UM-WX-0166	173,062	
Public Safety Partnership and Community Policing Grants	16.710	2017-UM-WX-0136	327,700	
		16.710 Total	<u>500,762</u>	
Edward Byrne Memorial Justice Assistance Grant Program				
Edward Byrne Memorial Justice Assistance Grant Program FY 2019-2022	16.738	2019-DJ-BX-0639	28,380	
Second Chance Act Reentry Initiative	16.812	2018-CZ-BX-0022	60,424	
Joint Law Enforcement Operations Equitable Sharing Program	16.922	FL0360100	7,557	
<b>Total U.S. Department of Justice</b>			<b><u>708,663</u></b>	
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Federal Highway Administration				
<i>Passed through State of Florida, Department of Transportation</i>				
Highway Planning and Construction Cluster				
Federal-Aid Highway Program, Federal Lands Highway Program				
Highway Planning and Construction - John Yarbrough Linear Park Phase IV Feasibility Study	20.205	FM #431321-1-18-01, G0I24	155,501	
Highway Planning and Construction - Allen Park Elementary School Sidewalk	20.205	FPN #435007-1-58/68-01, G0V63	229,794	
Highway Planning and Construction - Six Mile Cypress Multi Use Path	20.205	FPN #435022-1-58/68-01, G0V64	139,747	
Highway Planning and Construction - Hanson Street from Vista Court to Montclair Avenue	20.205	FPN #436798-1-58/68-01, G1H68	10,343	
		20.205 Total	<u>535,385</u>	
Highway Safety Cluster				
State and Community Highway Traffic Safety Program				
Aggressive Driving Initiative	20.600	SC-20-13-10, G1D55	18,259	
<b>Total U.S. Department of Transportation</b>			<b><u>553,644</u></b>	
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Department of Treasury				
Equitable Sharing Program	21.016	FL0360100	21,000	
<i>Passed through Lee County, Florida</i>				
COVID-19 Coronavirus Relief Fund	21.019		1,487,433	
<i>Passed through Florida Housing Finance Corporation</i>				
COVID-19 Coronavirus Relief Fund	21.019	Agreement #116-2020	173,867	
		21.019 Total	<u>1,661,300</u>	
<b>Total U.S. Department of the Treasury</b>			<b><u>1,682,300</u></b>	
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Federal Emergency Management Agency				
Emergency Food and Shelter National Board Program	97.024	CARES-165400-035	3,507	
Homeland Security Grant Program FY 2017-2019	97.067	19-DS-01-09-46-01-272 / EMW-2018-SS-00064-S01	91,901	
<b>Total U.S. Department of Homeland Security</b>			<b><u>95,408</u></b>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 4,338,944</u></b>	<b><u>\$ 38,533</u></b>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended September 30, 2020**

<u>Funding Agency / Grant Name</u>	<u>State CSFA Number</u>	<u>State Grant Number</u>	<u>Total Expenditures</u>	<u>Transfer to Subrecipients</u>
<b>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>				
Statewide Surface Water Restoration and Wastewater Projects	37.039			
Billy's Creek Restoration		LP36045	\$ 113,446	
Reclaimed Water Expansion Project		LPA0013	1,096,823	
<b>Total Florida Department of Environmental Protection</b>		37.039 Total	<b>1,210,269</b>	
<b>FLORIDA HOUSING FINANCE CORPORATION</b>				
State Housing Initiatives Partnership Program	40.901	None	475,525	
<b>Total Florida Housing Finance Corporation</b>			<b>475,525</b>	
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<b>\$ 1,685,794</b>	<b>\$ -</b>

See accompanying notes to Schedule of Expenditures of State Financial Assistance.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2020**

**NOTE 1 – BASIS OF PRESENTATION**

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The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Fort Myers, Florida (City) under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR 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, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 – COMMUNITY DEVELOPMENT BLOCK GRANTS / ENTITLEMENT GRANTS**

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In accordance with the terms of the award, program income totaling \$216,579 was used to reduce the amount of federal awards used to complete the project.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to Schedule of Expenditures of State Financial Assistance**  
**Year Ended September 30, 2020**

**NOTE 1 – BASIS OF PRESENTATION**

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The accompanying schedule of expenditures of state financial assistance (State Schedule) includes the state award activity of the City of Fort Myers, Florida (City) under programs of the State of Florida for the year ended September 30, 2020. The information in the State Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes, and *Rules of the Auditor General*, Chapter 10.550. Because the State Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**CITY OF FORT MYERS, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2020**

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***Section I – Summary of Auditors' Results***

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**Financial Statements**

Type of auditors' report issued? Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

Noncompliance material to the financial statements noted? No

**Federal Awards Section**

Internal control over major programs:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? Yes

Type of auditors' report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

***Identification of Major Federal Programs***

**CFDA Number**

**Name of Federal Program or Cluster**

21.019

COVID-19 – Coronavirus Relief Fund

16.710

Public Safety Partnership and Community Policing Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        X   no

**CITY OF FORT MYERS, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2020**

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***Section I – Summary of Auditors’ Results (Continued)***

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***State Financial Assistance Section***

Internal control over major projects:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None noted

Type of auditors’ report issued on compliance for major projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557? No

***Identification of Major State Projects***

**CSFA Number(s)**

37.039

**Name of State Project**

Statewide Surface Water Restoration and Wastewater Projects

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 505,738

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**CITY OF FORT MYERS, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2020-001**

Federal Agency: U.S. Department of Treasury  
Federal Program Title: COVID 19 – Coronavirus Relief Fund  
Pass-Through Entity: Lee County, Florida  
CFDA Number: 21.019  
Award Period: March 1, 2020 through December 31, 2021  
Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or specific requirement:** The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City's ability to ensure financial transactions are authorized and accurate. City management is responsible for establishing and maintaining internal controls for the proper recording of all the City's grant transactions in the proper period.

**Condition:** The City reported program expenditures in 2020 that were eligible grant expenditures incurred subsequent to year-end that should have been reported as program expenditures in 2021.

**Questioned costs:** \$58,887

**Context:** 8 of 60 transactions tested were noted to be related to future year expenditures.

**Cause:** The City's internal controls did not detect or prevent the program expenditures from being recorded in the incorrect fiscal year.

**Effect:** Total program expenditures on the 2020 SEFA were overstated.

**Repeat Finding:** No

**Recommendation:** We recommend that the City strengthen policies, procedures, and communication between the program personnel and finance personnel to ensure that the program is properly recording transactions in the general ledger and that the program follows the accounting policies of the City.

**Views of responsible officials:** There is no disagreement with the audit finding.

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***Section IV – Findings and Questioned Costs – Major State Projects***

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Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(l)4, Rules of the Florida Auditor General.





# **MANAGEMENT LETTER**







## MANAGEMENT LETTER

Honorable Mayor and City Council  
City of Fort Myers, Florida  
Fort Myers, Florida

### Report on the Financial Statements

We have audited the financial statements of City of Fort Myers, Florida (City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated March 25, 2021.

### Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 25, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

### Official Title and Legal Authority

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

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

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



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
March 25, 2021



CliftonLarsonAllen LLP  
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## INDEPENDENT ACCOUNTANTS' REPORT

Honorable Mayor and City Council  
City of Fort Myers, Florida  
Fort Myers, Florida

We have examined City of Fort Myers, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
March 25, 2021



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