

Annual Comprehensive Financial Report

2021



The City of Cape Coral
Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Cape Coral, Florida
For the Fiscal Year Ended
September 30, 2021



Prepared by:

Financial Services Department



CITY OF CAPE CORAL, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
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Introductory Section



City of Cape Coral

March 11th, 2022

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

Dear Mayor and Members of City Council:

We are pleased to present to you the Annual Comprehensive Financial Report of the City of Cape Coral, Florida (the City) for the fiscal year ended September 30, 2021. Chapter 218.39, Florida Statutes and the City Charter require that a complete set of financial statements be published within 270 days (nine months) of fiscal year end and presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and those standards applicable to audits performed in accordance with *Government Auditing Standards* by licensed independent certified public accountants.

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

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

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

In compliance with the laws of the State of Florida, the City's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditor has issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY

The City of Cape Coral, incorporated in 1970, is located on the southwest coast of Florida in Lee County, approximately 125 miles south of Tampa, at the mouth of the Caloosahatchee River. The City is the third largest city in Florida land-area wise, encompassing 120 square miles and the US Census estimates the population to be 201,554 (University of Florida, Bureau of Economic and Business Research, 2021.) making it the most populated city in Southwest Florida and the eighth most populous in the state.



The City is principally a residential, recreational and vacation community, and is one of the nation's first master-planned, pre-platted communities. In addition to broad boulevards and paved streets, the City is interlaced with over 400 miles of waterways. These canals provide home sites with access to the Intra-Coastal Waterway and the Gulf of Mexico. City-owned recreational facilities include numerous parks, a youth center, a municipal golf course, a yacht club, a waterpark, and an ecological preserve.

The City operates under a Council/City Manager form of government. The legislative body of the city is a City Council composed of eight (8) members, seven (7) members are elected at-large on nonpartisan basis by district and the Mayor is elected at-large on a nonpartisan basis and has one (1) vote. All terms run for a four year period with the Mayor and three (3) council members being elected at one election and two years later the remaining four council members are elected. The City Council is responsible for all policy-making functions of the government and retains the services of a City Attorney, City Auditor and City Manager. The City Manager is responsible for the administration of the City.

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

The City Council is required to adopt a final budget no later than September 30th of the preceding fiscal year to which the budget applies. The annual budget serves as the foundation for the City of Cape Coral's financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Amendments to the City's operating budget in which appropriations are increased or decreased, or transfers between funds, must be approved by City Council via ordinance changes and include public input. The City Charter authorizes the City Manager to transfer appropriations within an operating department of the general fund and within the fund as a whole for all other funds. Transfers are reviewed and processed by the budget staff and approved by the City Manager when required by administrative policy.

LOCAL ECONOMY

New housing and commercial development in Cape Coral soared in 2021. New single-family and duplex residential building permits issued increased by 79.28% over last year with a total estimated dollar volume of \$893 million. The population continues to rise and has increased by over 30.6% since the 2010 U.S. census.

New commercial building permits issued increased 3.5% between 2020 to 2021. The value of these permits increased over \$37 million from the prior year from \$108 million to \$145 million.

2021 was one of the most successful years in terms of economic development for the City of Cape Coral. The unemployment rate dropped to 4.0 percent remaining below the national and statewide levels.

Vacancy rates for retail, industrial and office space remained at the low single digit levels, 1.8 percent for retail, 1.6 percent for industrial, and 4.9 percent for office.

the following developments either broke ground or were completed for commercial retail and multi-family:

- ◆ Aspire Apartments broke ground on a 319 multi-family unit apartment valued at more than \$23 million
- ◆ Palms at Cape Coral is a 280 multi-family unit apartment valued at nearly \$20 million is expected to be completed by end of 2022.
- ◆ Cape West 91 Villa apartments started construction in May 2021 and is valued at more than \$7 million.
- ◆ Madison Square will soon open an 82-unit apartment valued at more than \$6 million.
- ◆ Fawcett Memorial Hospital has broken ground on a free-standing emergency room valued at more than \$5 million.
- ◆ Farmer Joe's, a 55,000 square foot grocery store valued at nearly \$3 million is expected to be open in January 2022.
- ◆ Space Box, a climate-controlled storage valued at more than \$2 million was completed in November 2021.
- ◆ Encompass Health Rehabilitation, a 40-bed inpatient hospital valued at nearly \$2 million has no construction timeline yet.

The total taxable assessed property value in Cape Coral was \$15,416,249,910, \$16,578,808,989, and \$18,343,753,318 in calendar years 2019, 2020, and 2021 (preliminary) and for fiscal years 2020, 2021, and 2022, respectively. The total taxable assessed property value increased 18.98% from calendar year 2018 to 2020. The total includes new construction of \$448,797,093, \$565,571,496, and \$994,513,665 in calendar years 2018, 2019, and 2020 for fiscal years 2020, 2021, and 2022, respectively.

The change in the taxable value of property on an annual basis is always a primary concern for the City as the receipts from the related ad valorem taxes provides the majority of the general fund's operating revenue. Fiscal year 2021 general fund ad valorem receipts of \$101,761,080 represents 50.2% of the total revenue sources for the general fund. Although ad valorem receipts are still the single largest source, the percentage of all sources had previously been approximately 62%. The General Fund's reliance on ad valorem taxes has been reduced through efforts to achieve revenue diversity which has been a primary focus of the City's strategic Plan. The City's revenue diversification initiative included the adoption of the Fire Service Assessment implemented in 2014 and generated \$28.2 million along with the Public Service Tax, which generated \$8.7 million during fiscal year 2021. To help offset the Public Service Tax impact to citizens the City retained the Fire Service Assessment recovery rate at 62% for fiscal year 2021.

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

- ◆ Significant, remaining undeveloped residential and commercial property.
- ◆ Population estimates have Cape Coral at 201,554 which is 30.62% higher than our 2011 population of 154,305 (University of Florida, Bureau of Economic and Business Research, 2021) and growing. During the winter

season, it is estimated that our population climbs over 210,000 with our part-time residents and renters joining us. These numbers will continue to drive housing, commercial development, investment, and jobs which brings continued stabilization to Cape Coral's economy.

- ◆ The Cape Coral Economic Development Master Plan was adopted in October 2017, establishing a solid blueprint with initiatives, objectives, and actions to grow and diversify the economy.
- ◆ Burnt Store Widening: The North Segment (Van Buren Parkway to Diplomat Parkway) and the Middle Segment (Diplomat Parkway to south of Tropicana Parkway) were completed in 2018 and 2020 respectively. The South Segment (Tropical Parkway to Pine Island Road) is under construction and is expected to be completed in 2022. Since Burnt Store Road is a road of regional significance and a hurricane evacuation route, the Florida Department of Transportation awarded grant funding to assist with this widening effort. Burnt Store Road is under Lee County maintenance responsibility.
- ◆ The Utilities Expansion Program (UEP) is moving forward as the North 2 project is substantially complete and North 1 West construction is slated to begin in winter 2022 and expected to continue through winter of 2024. North 1 West will bring water, sewer, and irrigation to approximately 5,000 parcels. North 1 East is expected to begin construction in winter 2023 and expected to continue through winter 2025. In addition, the City will begin design on North 3 in the summer of 2022. Additionally, broadband services will be expanded to all north areas of the City to support the increase in people working from home and utility lines will be improved in the CRA district.

LONG-TERM FINANCIAL PLANNING

A significant measure of the City's financial strength is the level of its fund balances (i.e., the accumulation of revenues exceeding expenditures). The general fund's fund balance increased by \$25,667,019 from prior year primarily due to an increase in tax revenues from property tax, sales tax, public service tax and fuel tax. Additionally, funds were received from FEMA for reimbursement of expenses related to hurricane Irma.

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

STRATEGIC PLANNING

Mission Statement

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

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

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

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of financial management policies in the areas of operating management, debt management, accounts management, financial planning, and economic resources. These policies were reviewed and approved by the City Council on September 26, 2011, and were most recently amended on November 4, 2019 via Resolution 332-19.

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

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

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

MAJOR INITIATIVES

The millage rate for General Fund operations for FY 2021 was 6.3750; the FY 2022 Adopted rate was set at 6.250 mills. Additionally, the Parks Go Bond rate was reduced from .3000 mills to 0.0471 for the voter-approved park improvement bond.

The current five-year CIP for all funds includes approximately \$131.0 million in capital expenditures scheduled in FY2022. \$8.6 million is for rolling stock, \$5.5 million is for equipment, and \$91.5 million is for improvements with \$50.0 million of this amount relating to utility improvements. Additionally, \$25.1 million is for maintenance with \$13.6 million relating to utility departments and \$6.0 million relating to transportation amongst other projects totaling \$5.5 million.

The UEP was restarted in FY 2012, the Southwest 6/7 being completed and with the North 2 recently reaching substantial completion during fiscal year 2021. North 2 included construction costs of approximately \$286 million, the majority of which is financed through the State Revolving Fund (SRF) loan program. The North 2 area provides water, sewer, and irrigation service capacity to 8,900 lots including 3,400 improved parcels. Currently, 91% of improved parcels within North 2 have connected to the utilities systems. Tetra Tech was selected as the engineering consultant for the North 1 West and North 1 East design which commenced in September of 2020 with the North 1 West design being completed in FY 2022. North 1 West and North 1 East will include construction of water, sewer, and irrigation service capacity to nearly 8,400 lots including 3,000 improved parcels. North 1 West construction is expected to begin at the end of FY 2022 with North 1 East following approximately one year later and is expected to take approximately 3 years to complete.

The November 2018 election included a \$60 million General Obligation Parks & Recreation bond referendum, which was approved by the voters. Work started on small projects in FY 2019 along with designing new parks and facilities which will be constructed over the next 3 to 4 years. City Council approved a \$10.2 million to begin the first phase of the Parks Improvement Plan, issued \$30 million in FY 2021 for a number of parks under construction with the remaining \$18.8 million to be issued in FY2023 for the remaining projects.

AWARDS

The 2020 ACFR has been submitted to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. The City of Cape Coral has not received notification of the award but anticipates receiving the award which would mark the 35th consecutive year that the City has achieved this prestigious award.

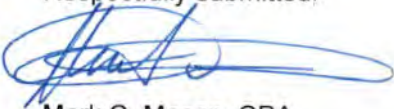
In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

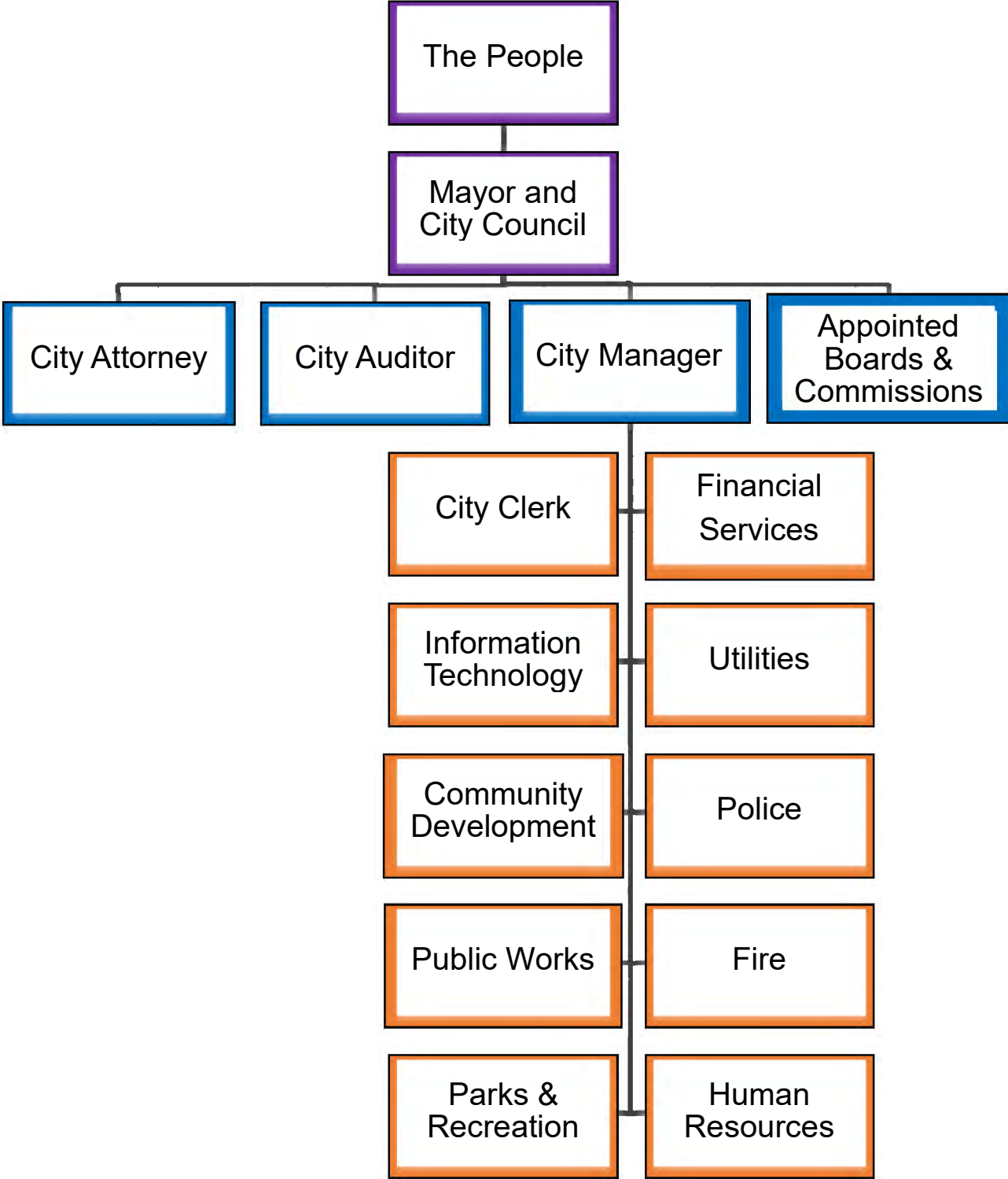
The preparation of this report could not be accomplished without the efficient and dedicated service of the Financial Services Department staff. The significant amount of year-end closing procedures required prior to the audit could not have been accomplished without the personal sacrifices of the Financial Services staff. Other City departments, although not extensively involved in the year-end audit activities, contributed significantly by ensuring the accuracy and integrity of accounting information compiled throughout the year. 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 residents of the City of Cape Coral. We sincerely appreciate and commend them for their contributions.

Respectfully submitted,



Mark C. Mason, CPA
Financial Services Director

ORGANIZATIONAL CHART



CITY OF CAPE CORAL, FLORIDA

City Council

John Gunter
Mayor

Gloria Raso Tate
District I

Dan Sheppard
District II

Tom Hayden
District III

Jennifer Nelson
District IV

Robert Welsh
District V

Keith Long
District VI

Jessica Cosden
District VII

Rob Hernandez
City Manager

Delores Menendez
City Attorney

Andrea Russell, CPA, CFE, CIA, CGMA
City Auditor

Mark C. Mason, CPA
Financial Services Director

Nicole M. Reitler
Management/Budget Administrator

Financial Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cape Coral, Florida (City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Municipal General Employees' Pension Plan, the Municipal Police Officers' Pension Plan, and the Municipal Firefighters' Pension Plan were not audited in accordance with *Government Auditing Standards*, 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.

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

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I to the financial statements, in 2021 the City adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the City reported a restatement of beginning net position and fund balance for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The combining and individual nonmajor fund financial statements and budget and actual schedules (except for the budget comparison schedules on pages 156 to 159) and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, the statistical section, and the budget comparison schedules on pages 156 to 159, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2022, 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2022



MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The MDA provides an overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

HIGHLIGHTS

Financial Highlights

- At the close of fiscal year 2021, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$822.9 million (net position). Governmental and business-type assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$228.1 million and \$594.8 million, respectively.
- The City's total net position increased by \$106.0 million or 14.8%, in comparison to the prior year.
- The City had negative \$152.8 million of unrestricted net position.
- Total revenues increased \$48.3 million or 11.2% in comparison to the prior year.
- Total expenses increased \$15.9 million or 4.5% in comparison to the prior year.
- The City's governmental activities net position totaled \$228.1 million, which is an increase of \$67.8 million or 42.3% in comparison to the prior year. Unrestricted net position for governmental activities was negative \$168.0 million.
- The City's business-type activities reported total net position of \$594.8 million, which is an increase of \$38.2 million or 6.9% in comparison to the prior year. Unrestricted net position for business-type activities was positive \$15.2 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Governmental activities are supported by taxes and intergovernmental revenues whereas the business-type activities are primarily supported by user fees and charges for services. The governmental activities of the City

include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City reflect private sector type operations where the fee for service typically covers all or most of the cost of operation, including depreciation. The business type activities include Water and Sewer operations, Stormwater Utility, and the Yacht Basin.

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

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

Fund Financial Statements

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

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

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

Four of the City's Governmental Funds, the General Fund, the Transportation Capital Improvements Fund, the General Obligation Fund, and the Debt Service Fund are considered major funds and are shown separately on the financial statements. All other governmental funds are combined into a single column on the governmental fund's financial statements. Individual fund data for the nonmajor funds is found in the combining statements as supplemental financial data (see pages 124-131).

The City adopts an annual appropriated budget for the General Fund and Special Revenue Funds. Budgetary comparison statements for the general fund and transportation capital project fund are presented on pages 107-108 of the required supplementary information and other governmental funds are presented on pages 132-155 of the combining statements.

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

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

The Proprietary Fund financial statements provide separate information for the Water and Sewer Fund and for the Stormwater Fund, which are considered major funds. All Other Non-Major Enterprise Funds are combined into a single column on the Proprietary Fund financial statements, as well as the Internal Service Funds reported in a single column. Individual fund data for the Non-Major Enterprise Funds and for the Internal Service Funds is found in the combining statements as supplemental financial data (see pages 162-164).

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

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-106 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information including budgetary comparison information and the funding progress for pension and schedule of changes in total OPEB liability. Required supplementary information can be found on pages 107-122 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020 ¹	2021	2020	2021	2020
Current and other assets	\$ 344.7	\$ 243.1	\$ 268.9	\$ 193.0	\$ 613.6	\$ 436.1
Capital assets	466.0	459.7	1,124.8	1,140.2	1,590.8	1,599.9
Total assets	<u>810.7</u>	<u>702.8</u>	<u>1,393.7</u>	<u>1,333.2</u>	<u>2,204.4</u>	<u>2,036.0</u>
Deferred outflows of resources	105.8	110.4	41.0	45.5	146.8	155.9
Current and other liabilities	44.5	19.1	34.7	27.8	79.2	46.9
Noncurrent liabilities	549.6	589.4	785.1	782.4	1,334.7	1,371.8
Total liabilities	<u>594.1</u>	<u>608.5</u>	<u>819.8</u>	<u>810.2</u>	<u>1,413.9</u>	<u>1,418.7</u>
Deferred inflows of resources	94.3	47.6	20.1	11.9	114.4	59.5
Net position:						
Net investment in capital assets	267.5	276.4	434.6	464.8	702.1	741.2
Restricted	128.6	87.8	145.0	97.7	273.6	185.5
Unrestricted	(168.0)	(207.1)	15.2	(5.9)	(152.8)	(213.0)
Total net position	<u>\$ 228.1</u>	<u>\$ 157.1</u>	<u>\$ 594.8</u>	<u>\$ 556.6</u>	<u>\$ 822.9</u>	<u>\$ 713.7</u>

¹ The City implemented GASB Statement No.84 Fiduciary Activities in fiscal year 2021, effectively restating the Net Position for fiscal year 2020. Please see Note:18 Change in Accounting Principle and Adjustment to Beginning Net Position.

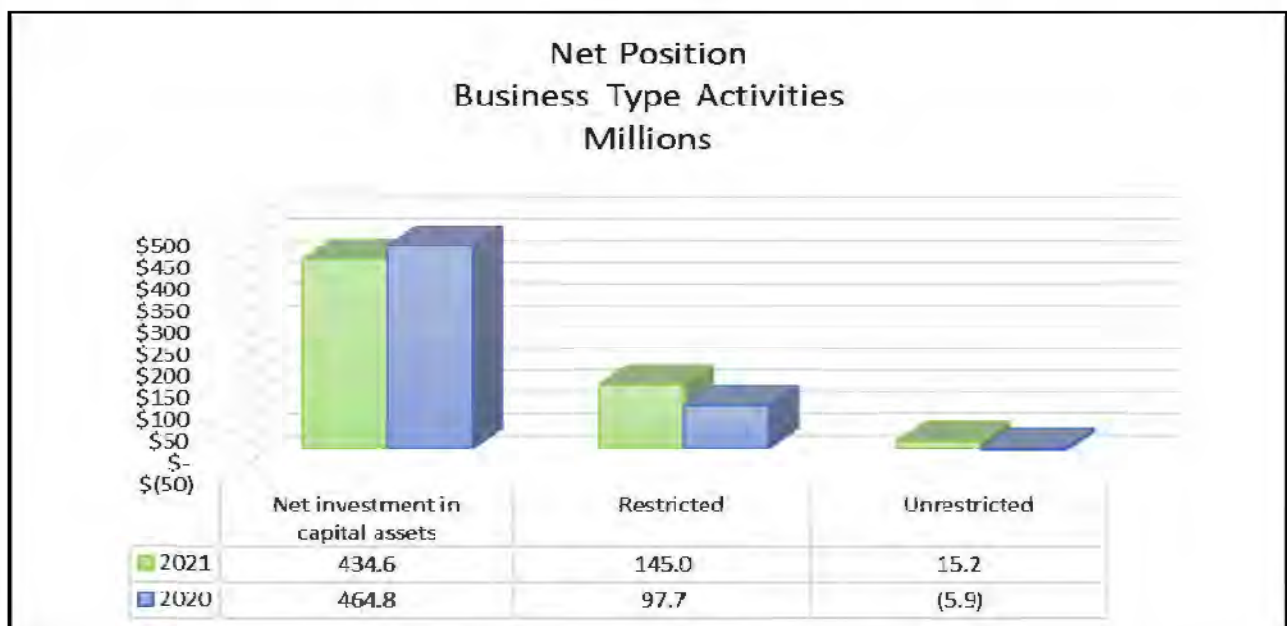
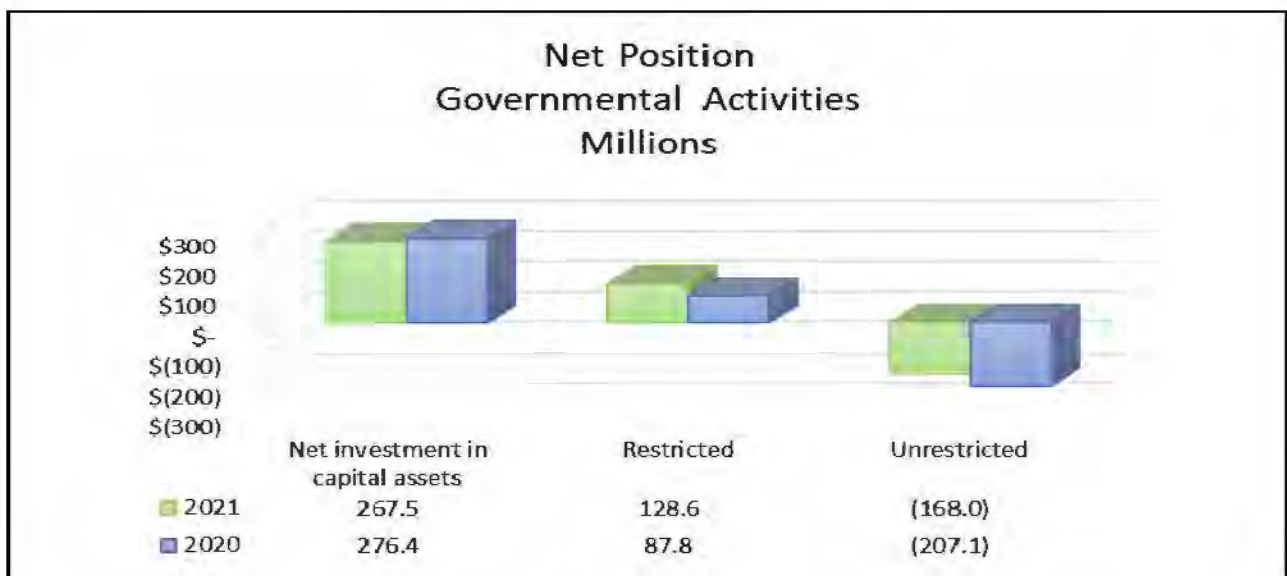
Net investment in capital assets is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure, and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. Unamortized bond insurance costs "follow the debt" in calculating net asset components for the statement of net position. That is, if debt is capital-

related, the unamortized amounts are included in the calculation of net investment in capital assets. If the debt is restricted for a specific purpose and the proceeds are unspent, the net proceeds impact restricted net position. If the debt proceeds are not restricted for capital or other purposes, the unamortized costs are included in the calculation of unrestricted net position.

The net investment in capital assets balance of \$702.1 million decreased \$39.1 million or 5.3% in comparison to the prior year. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position balance of \$273.6 million (33.2% of total net position) increased \$88.1 million or 47.5% in comparison to the prior year. This balance represents resources subject to external restrictions on their use. The governmental activities restricted net position increased \$40.8 or 46.5%. The business-type activities restricted net position increased \$47.3 million or 48.4%.

The unrestricted net position balance decreased from negative \$213.0 million to negative \$152.8 million which is a change of \$60.2 million from the prior year.



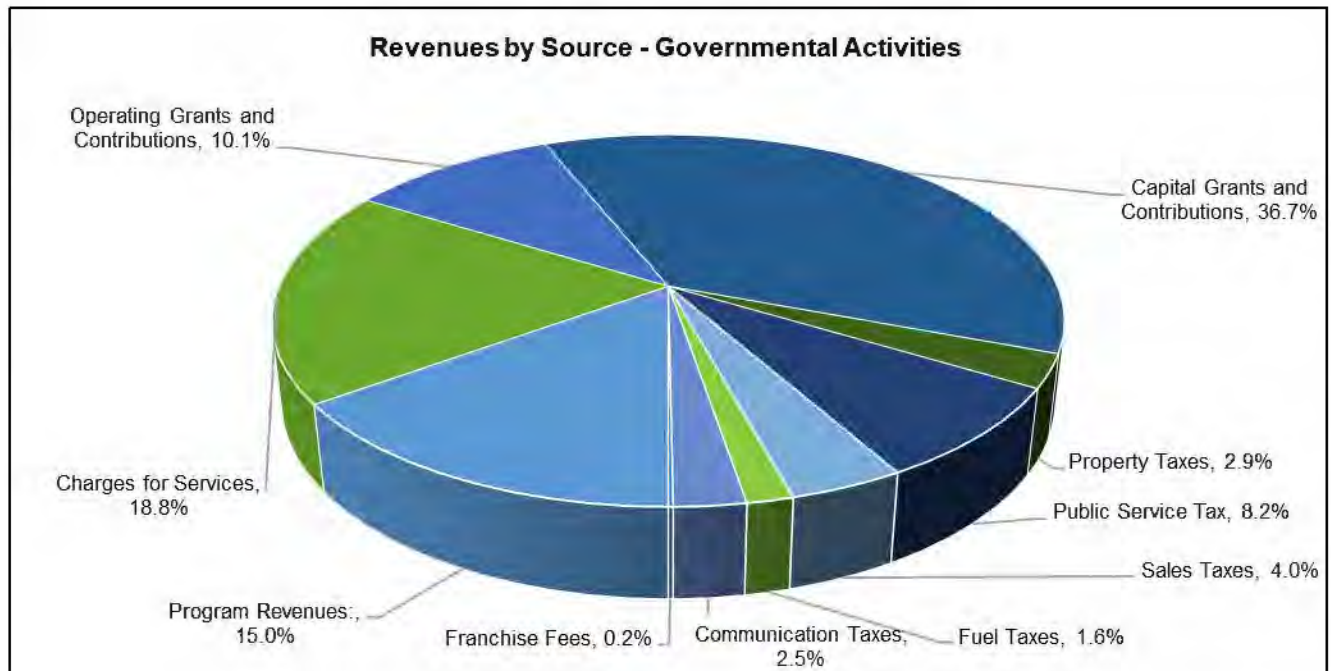
City of Cape Coral, Florida
Summary of Changes in Net Position
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020 ¹	2021	2020	2021	2020
REVENUES:						
Program Revenues:						
Charges for Services	\$ 44.9	\$ 40.9	\$ 119.9	\$ 112.1	\$ 164.8	\$ 153.0
Operating Grants and Contributions	56.3	35.6	0.2	1.2	56.5	36.8
Capital Grants and Contributions	30.4	18.2	48.1	50.2	78.5	68.4
Property Taxes	110.0	100.4	-	-	110.0	100.4
Public Service Tax	8.7	8.3	-	-	8.7	8.3
Sales Taxes	24.4	20.0	-	-	24.4	20.0
Fuel Taxes	11.9	10.6	-	-	11.9	10.6
Communication Taxes	4.8	4.9	-	-	4.8	4.9
Franchise Fees	7.4	7.2	-	-	7.4	7.2
Interest Income	0.5	4.2	10.3	15.5	10.8	19.7
Gain (loss) on sale of capital assets	-	-	-	0.2	-	0.2
Total Revenues	<u>299.3</u>	<u>250.3</u>	<u>178.5</u>	<u>179.2</u>	<u>477.8</u>	<u>429.5</u>
EXPENSES:						
Program Activities						
Governmental Activities:						
General Government	57.7	65.3	-	-	57.7	65.3
Public Safety						
Police	49.3	54.9	-	-	49.3	54.9
Fire	37.0	36.6	-	-	37.0	36.6
Building	8.9	9.2	-	-	8.9	9.2
Public Works	38.4	20.7	-	-	38.4	20.7
Parks and Recreation	23.6	22.7	-	-	23.6	22.7
Community Development	11.1	10.1	-	-	11.1	10.1
Interest and fiscal charges	6.1	7.3	-	-	6.1	7.3
Business-type Activities:						
Water and Sewer	-	-	124.8	116.3	124.8	116.3
Stormwater	-	-	14.4	12.4	14.4	12.4
Yacht Basin	-	-	0.5	0.4	0.5	0.4
Total Expenses	<u>232.1</u>	<u>226.8</u>	<u>139.7</u>	<u>129.1</u>	<u>371.8</u>	<u>355.9</u>
Increase (Decrease) in Net Position before transfers	67.2	23.5	38.8	50.1	106.0	73.6
Transfers, net	0.6	0.7	(0.6)	(0.7)	-	-
Change in Net Position	<u>67.8</u>	<u>24.2</u>	<u>38.2</u>	<u>49.4</u>	<u>106.0</u>	<u>73.6</u>
Net Position - beginning	160.3	132.9	556.6	507.2	716.9	640.1
Net Position - ending	<u>\$ 228.1</u>	<u>\$ 157.1</u>	<u>\$ 594.8</u>	<u>\$ 556.6</u>	<u>\$ 822.9</u>	<u>\$ 713.7</u>

¹ The City implemented GASB Statement No. 84 fiduciary activities in fiscal year 2021, effectively restating the net position for fiscal year 2020. Please see note 18: Change in Accounting Principles.

Governmental Activities

The net position of the City's governmental activities increased by \$67.8 million; the net investment in capital assets for governmental activities decreased by \$8.9 million.



Total revenues for governmental activities increased \$49.0 million or 19.6%, in comparison to prior year. Outlined below are the explanations for the significant revenue changes within governmental activities.

Charges for services increased \$4.0 million or 9.8% due to COVID-19 restrictions being lifted and programs and other outdoor activities re-opening. Parks and Recreation revenues for program services increased \$0.3 million or 13.8%. City-owned waterpark opened at full capacity which increased revenue by \$1.8 million or 182.2%. Coral Oaks golf course increased service revenue to \$0.8 million or 35%. Building permits increased by \$1.6 million or 16.6% with 4,231 single family and commercial permits issued in fiscal year 2021 compared to 2,317 issued in fiscal year 2020. Internal service fee revenue, which is based directly on the budgeted cost of general administrative overhead of the General Fund, decreased \$0.5 million or 7.0%.

Operating grants and contributions increased by \$20.7 million or 58.1%. The majority of the increase is a result of reclassifying the solid waste fund from an agency fund to a governmental fund. This increased public works revenues by \$16.5 million. Reimbursements from the federal government for Hurricane Irma cleanup increased as we recorded \$2.8 million more or 226.4% in current year. The Fire Service Assessment revenue contributed an increase of \$1.0 million or 3.6%. Also contributing to overall increase was \$0.8 million from the Community Development Block Grant related to COVID-19. These were offset by a decrease in the Neighborhood Stabilization Program of \$0.4 million.

Capital grants and contributions increased \$12.2 million or 67.0%. Impact fees increased by a total of \$11.4 million or 67.4% due to an increase of both residential and commercial permits. Road impacts increased \$6.7 million or 59.8%, park impacts increased \$2.3 million or 66.8%, fire impacts increased \$1.2 million or 195.0%, and police impacts increased \$1.2 million or 72.7%. Also, sidewalk grants from the Florida Department of Transportation increased by \$1.1 million or 129.6%. There was also a decrease in Build America Bonds interest of \$0.3 million as the funding ended in the previous year.

The majority of revenue in the City's governmental activities comes from ad valorem property taxes. Property tax revenue for fiscal year 2021 increased \$9.6 million or 9.6% to \$110.0 million, despite a decrease in the millage rate. The drop in the millage rate from 6.49 to 6.375 was offset with a 7.6% increase in the taxable assessed property value bringing the total to \$16.5 billion.

The Public Service Tax on electricity increased \$0.4 million or 4.8%. The tax remains unchanged at a rate of 7.0%, and is charged to residents and business owners who purchase electricity. The increase in revenue is

likely due to increased use of electricity as a result of continued population growth, as the City surpassed 200,000 residents during fiscal year 2021.

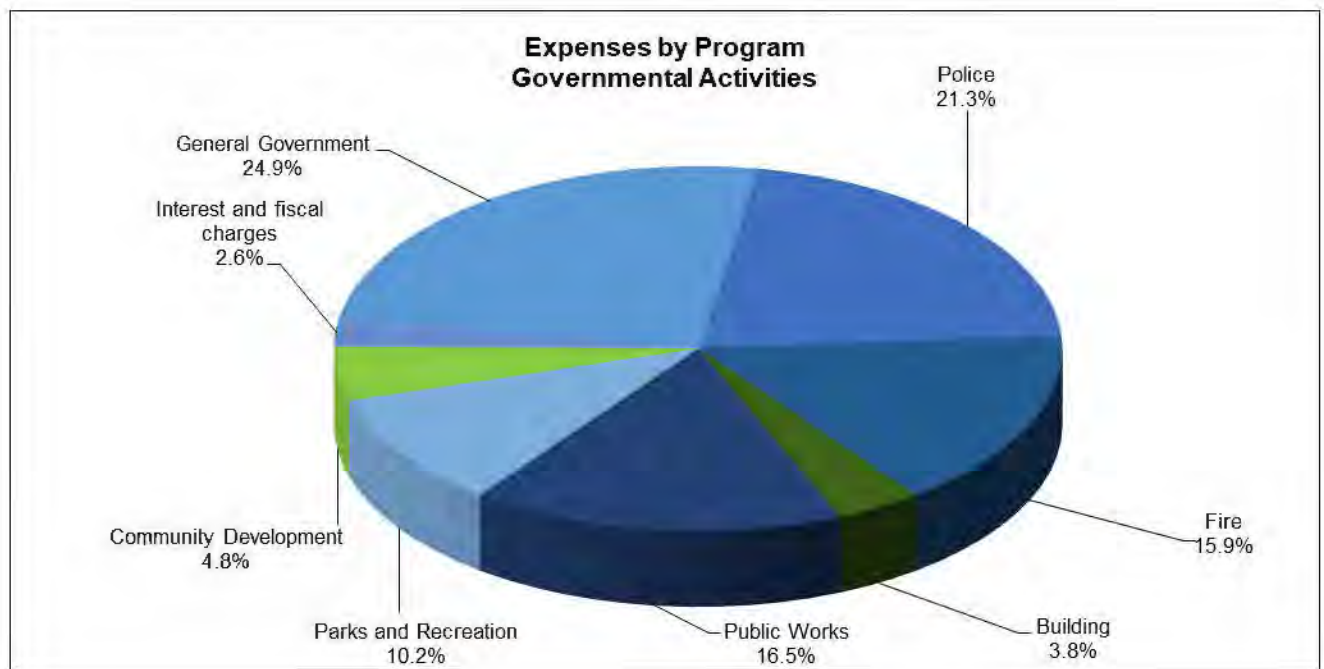
Revenues from the Local Government Half-cent tax and the state sales tax revenue sharing program increased by \$4.4 million or 22.0%. The increase is likely a result of consumer spending spurred by the repeal of COVID-19 restrictions as well as population growth.

Fuel tax revenue increased by \$1.3 million or 12.3%. Fuel taxes are based on the number of gallons sold irrespective of the cost per gallon. These tax revenues are allocated according to interlocal agreement with the county and the distribution formula is based primarily on population. The City's continued population growth, coupled with the repeal of pandemic restrictions resulted in increased travel and more gallons sold.

Communications Services Tax decreased by \$0.1 million or 2.0%, likely since the tax rate of 5.5% remained unchanged. The Communications Services Tax replaced all local taxes on telephone and cable services in fiscal year 2001. The current rate was adopted January 1, 2019.

Franchise fees increased \$0.2 million or 2.8%. Franchise fees are levied on a corporation or individual by the City in return for granting a privilege or permitting the use of public property subject to regulations. The City receives franchise fees for electricity, solid waste, and natural gas.

Interest income decreased by \$3.7 million or 88.1%, a result of the Federal Reserve keeping interest rates low during the COVID-19 pandemic to maintain a stable economy.



Total expenses for governmental activities increased \$5.3 million or 2.3%. Outlined below are the explanations for the most significant expense changes within governmental activities.

General Government expenses decreased \$7.6 million or 11.6%. Expenses related to the General, Fire and Police pensions decreased \$5.9 million or 158.0%. Restoration Pension Plan expenses decreased \$3.5 million or 93.0%, as the initial startup costs were incurred in the prior fiscal year. Computer software license expenses decreased \$1.0 million or 37.2%, primarily the result of the implementation of new software in the prior fiscal year. Health insurance costs increased \$1.5 million or 26.6% and OPEB expenses increased from prior year by \$0.9 million or 280.0%. Debt service costs increased \$0.1 million or 60.7% mainly due to additional General Obligation debt issued during the fiscal year. Outside services increased \$0.1 million or 7.9%, a result of temporary help hired to assist with increased workload as well as consulting services for implementation of GASB 87. Credit card fees increased \$0.2 million over prior year as part of the expenses transferred when the school impact fee agency fund was reclassified to the general fund, per GASB 84 guidelines.

Public Safety – Police expenses decreased \$5.6 million or 10.2%. Small equipment expenditures decreased \$1.0 million or 81.6%, a result of department-wide upgrades completed in the prior fiscal year. Facilities work order charges increased \$0.1 million or 43.6% over prior fiscal year, while Fleet work orders and fuel charges each increased \$0.1 million as well, representing 19.0% and 27.7% increases respectively. Additional patrols were needed with the rapid population growth experienced by the City, resulting in more wear and tear on vehicles and equipment, and more fuel. The additional patrols resulted in a 16.6% increase in overtime of \$0.2 million. The continued phase-in of the City's plan addressing officer pay inequalities resulted in a 4.2% increase of \$1.0 million in salaries and \$0.4 million in health insurance costs. Outside services increased \$0.1 million or 55.5% due to the need for school crossing guards with the reopening of schools after the pandemic lockdown. Depreciation expense increased 14.5% or \$0.2 million. Pension expense decreased \$3.3 million or 212.0% and OPEB related expenses decreased \$3.5 million or 50.0%.

Public Safety – Fire expenses increased slightly by \$0.4 million or 1.1%. Fire department personnel expenses increased by \$2.1 million or 7.2% with budgeted increases in compensation and true-up of retirement contributions. Building and equipment maintenance expenses together increased \$0.2 million or 12.8% due to planned maintenance of the City's 11 fire stations, renovations to Fire Station #5, and repairs to the fire truck fleet. Personal protective equipment expenses decreased \$0.1 million or 50.0% resulting from the receding threat of COVID-19 exposure. Pension expenses decreased \$2.7 million or 1,377.0% while OPEB expenses increased \$0.9 million or 142.0%.

Public Safety – Building expenses decreased by \$0.3 million or 3.3%. Expenses related to salary increased by \$0.2 million or a 7.1% due to budgeted increases in compensation as well as new hires. The interfund payment to the General Fund decreased \$0.5 million or 26.7% for general administrative overhead costs.

Public Works expenses increased by \$17.7 million or 85.5%. The majority of the increase is a result of reclassifying the Solid Waste fund from an agency fund to a governmental fund. This increased public works expenses by \$16.5 million. Outside services to repair the Sonovoid bridge were \$0.8 million of the increase. OPEB related expenses contributed \$0.4 million to the increase.

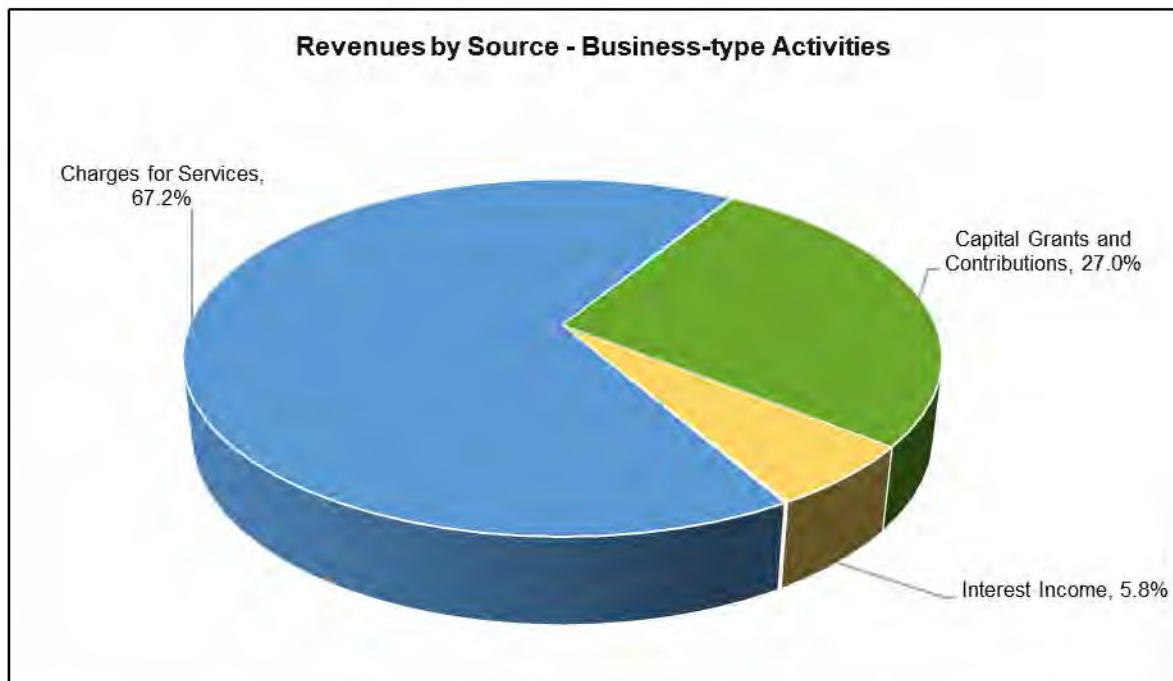
Parks and Recreation expenses increased by \$0.9 million or 4.0%. The primary reason for the increase is attributed to the COVID-19 restrictions being lifted and programs becoming operational. Expenses related to salary increased by \$0.2 million or 2.8% due to budgeted increases in compensation. The interfund payment to the General Fund from the waterpark increased \$0.3 million or 97.3% for general administrative overhead costs. There was an increase of \$0.3 million or 458% from repairs and maintenance, which consisted mostly of scheduled parking lot resurfacing at City owned parks. The remaining \$0.1 million increase is due to golf course operating expenses associated with operations at full capacity, a 17.6% increase.

Community Development expenses increased \$1.0 million or 9.9%. Of that, \$0.8 million or 52.3%, was COVID-19 related expenditures made to the Community Development Block Grant (CDBG). An additional \$0.2 million of the increase was paid to the Community Redevelopment Agency (CRA) for parking lot maintenance and other repairs in the CRA area.

Interest and fiscal charges for governmental activities decreased in fiscal year 2021 by \$1.2 million or 16.4% as a result of debt amortization paydowns.

Business-type Activities

The net position of the City's business-type activities increased by \$38.2 million or 6.9%. There was a decrease in the business-type activities' net investment in capital assets of \$30.2 million, or 6.5% in comparison to prior year.



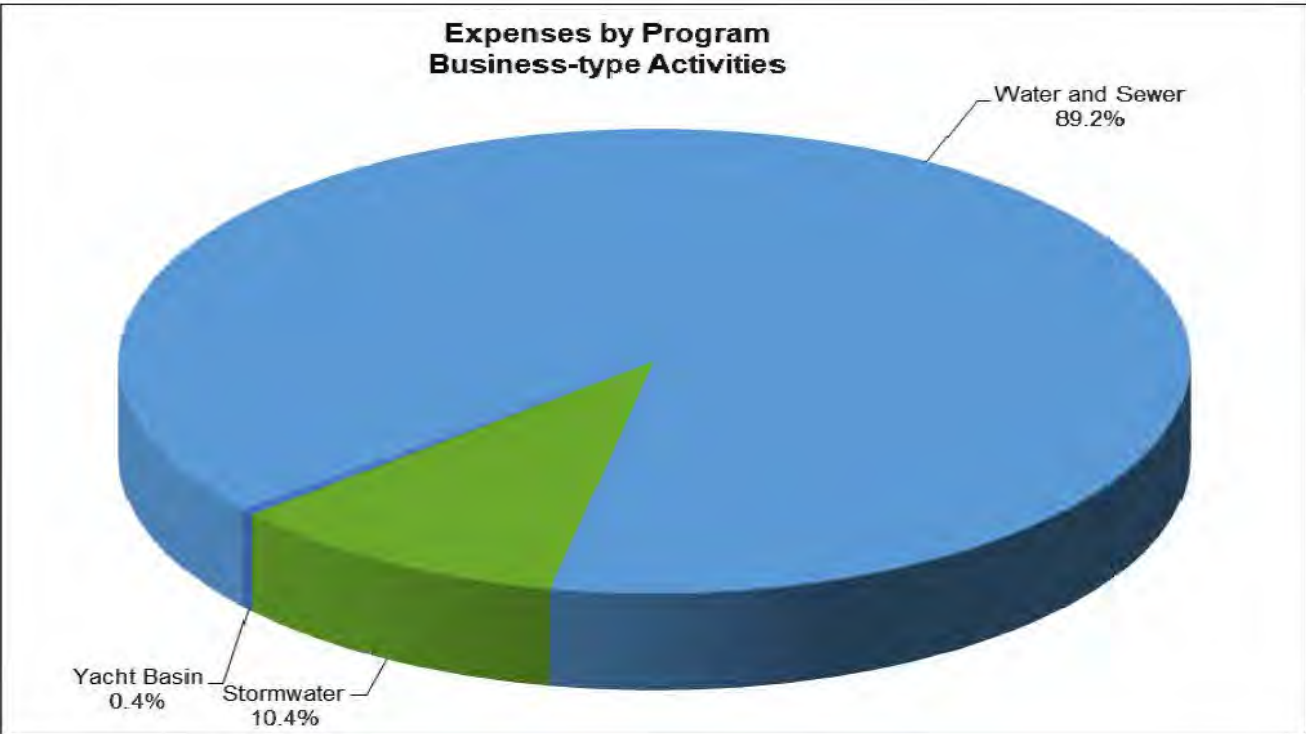
Charges for services reported in business-type activities increased \$7.8 million or 7.0%. A portion of the change is due to a \$6.11 million increase in Water and Sewer revenues, related to increases in commodity and capacity charges including flat rate charges due to an increase in population and housing demand. Stormwater revenues increased by \$1.51 million primarily a result of the increase in population and housing demand. Yacht Basin Revenues increased by \$0.18 million or 25.0% due to COVID-19 restrictions being lifted allowing Citizens to utilize services.

Operating grants and contributions reported in business-type activities decreased \$1.0 million or 83.3%. This is due to grants received from the Department of Environmental Protection (FLDEP). Funding received for the Reclaimed Water Transmission River Crossing Project decreased by \$0.9 million. The amount received for the Cape Coral Reservoir and Pipeline Project decreased by \$0.1 million.

Capital grants and contributions reported in business-type activities decreased by \$2.1 million or 4.2%. The primary reason was due to a decrease in special assessments of \$1.8 million combined with a decrease in developer contributions of \$6.4 million. These decreases were offset by an increase in Impact and Contribution In Aid of Construction fees \$6.1 million due in part to the recognition of deferred revenue of \$4 million received from Entrada for Water and Sewer impact fees.

Interest income reported in business-type activities decreased \$5.2 million or 33.5%, due to a decrease in the fair value of investments of \$2.7 million with fluctuations in the market. Additionally, annual tax billed interest decreased by \$1.0 million due to a reduction in receivables related to assessments as the balances were paid down. Bank investment income also decreased by \$1.0 million due to a reduction in interest rates. Additionally, there was a decrease related to gains on investment sales of \$0.5 million.

Gain (loss) on sale of capital assets decreased by \$0.2 million due to a reduction in the sale of surplus property from the prior fiscal year in conjunction with a change in reporting of net gains or losses from sale of capital assets against expenditures.



Water and Sewer expenses reported in business-type activities increased \$8.5 million or 7.3% mainly due to a loss on projects relating to North 1 and North 2 utility expansion projects that ceased as originally designed due to the economic downturn. Expenses were previously recorded as construction in progress and infrastructure for \$1.3 million and \$7.5 million respectively. Additionally, a loss on the sale capital assets of \$.3 million resulted from selling capital assets that were not fully depreciated.

Stormwater expenses reported in business-type activities increased \$2.0 million or 16.1%. Salary expenses increased by \$1.8 million, with budgeted increase in salaries, wages and employee benefits. Other expense items increased by \$0.2 million over prior year.

Yacht basin expenses increased \$0.1 million or 25.0%. The primary reason is due to increases in contractual services and supplies as well as transfers out to the GO Bond Parks Project.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

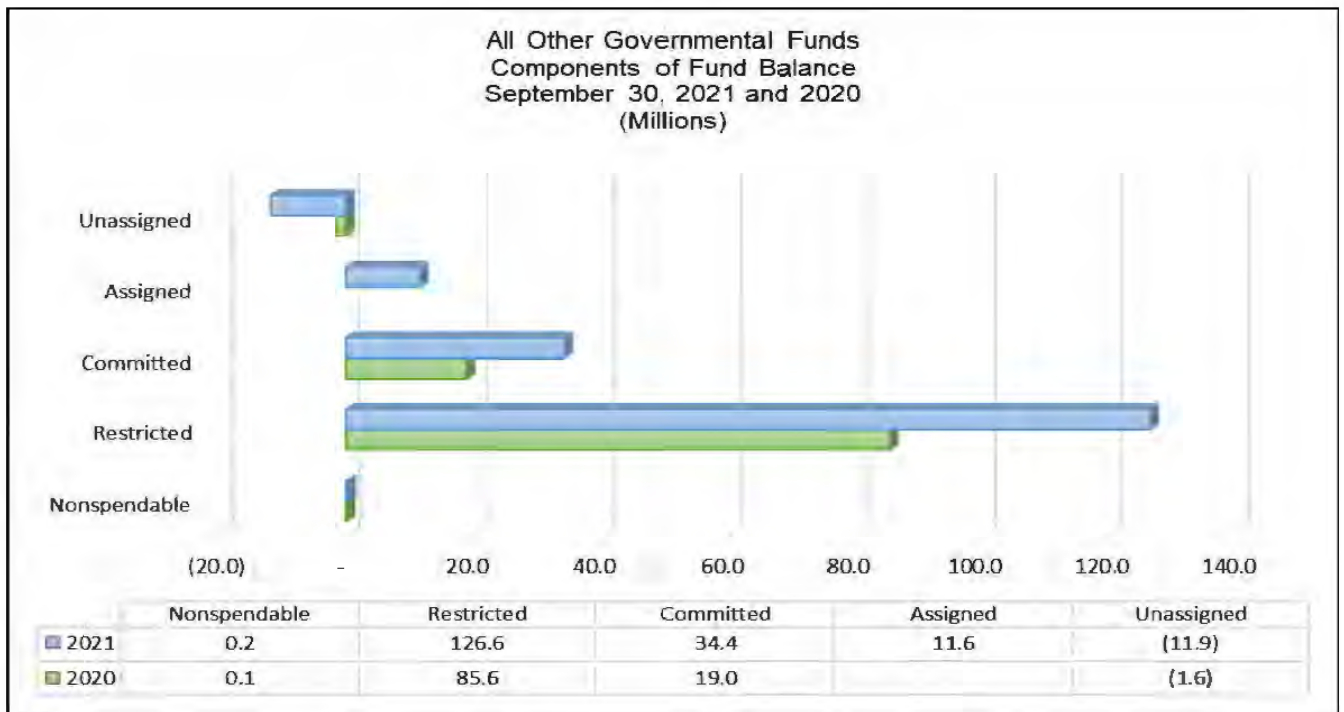
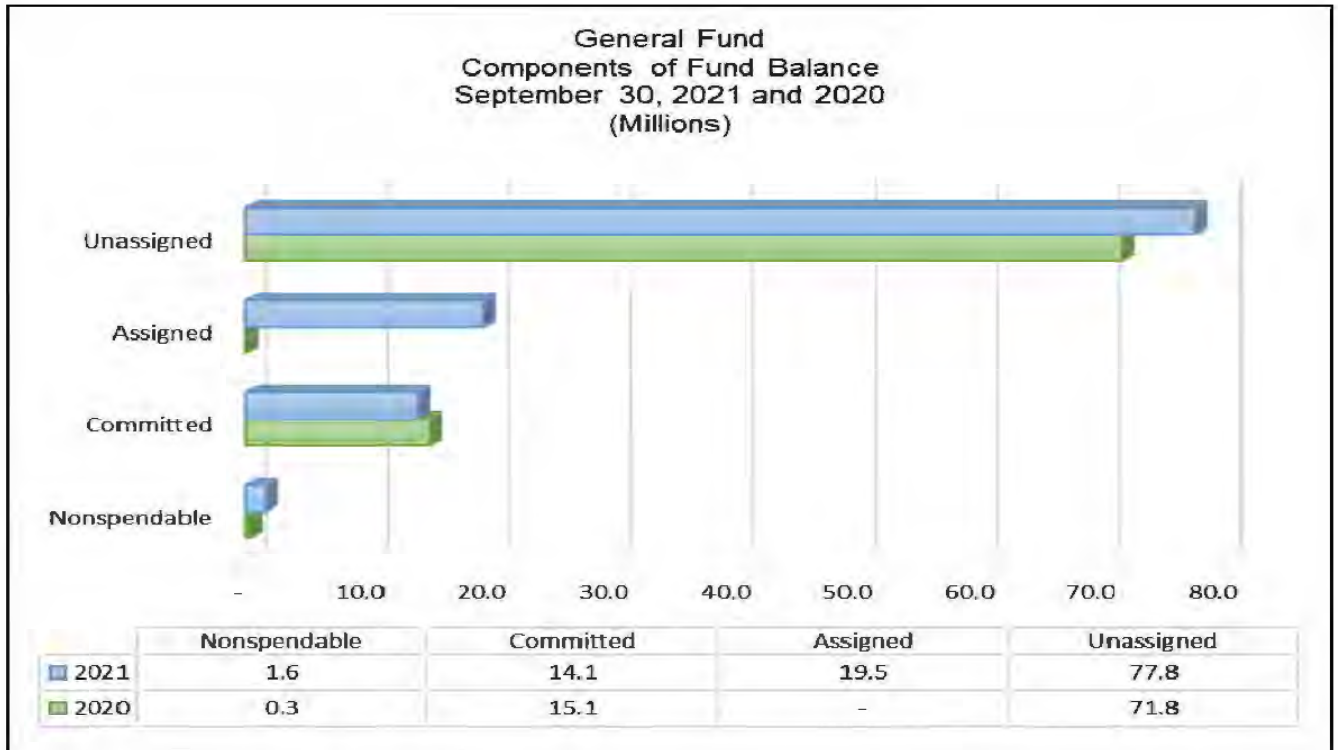
Governmental funds are comprised of the general fund, special revenue funds, debt service fund and the capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on near-term inflows, outflows, and balances of spendable resources. The following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

The *General Fund* is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. At the end of the current fiscal year, the City's general fund unassigned fund balance increased by \$6.0 million or 8.4% with a fund balance of \$77.8 million, while total fund balance reached \$113.0 million.

The *Transportation Capital Improvements Fund* is used to account for road improvements and related items including road resurfacing and median landscaping. This fund has a total fund balance of \$22.0 million. The fund balance increased by \$8.0 million or 57.1% in comparison to prior year. This was primarily due to closing completed projects on the books and transferring any remaining cash back to the funding source.

The *General Obligation Fund* is used to account for the voter approved \$60.0 million expansion of the City's parks and recreation amenities. The fund has a fund balance of \$32.1 million, an increase of \$27.6 million or 597.8% compared to the prior year.

The *Debt Service Fund* is used to account for the accumulation of resources and for the payment of general long-term debt principal and interest. This fund has a total fund balance of \$3.9 million, a decrease in fund balance of \$2.2 million or 36.1% compared to prior year.



Proprietary Funds

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

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

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

General Fund Budgetary Highlights

Original budget compared to final budget. The budgetary comparison schedule can be found on page 107. Four budget amendments were adopted by City Council for fiscal year 2021. Major changes to the budget as a result of those amendments include:

Revenues

- Fund balances brought forward from the end of fiscal year 2020 were \$87.2 million.
- Intergovernmental revenue and other revenue were increased by \$0.9 million and \$5.5 million respectively, to include various grants.
- Special assessments were increased by \$0.7 million or 2.7% from the fire service assessment.
- Charges for services were increased \$0.6 million or 5.9%, with the majority coming from police off-duty service charges.

Expenses

- General government expenditures were increased by \$3.2 million or 5.5% to include additional city clerk operating expenses and Charter School operating expenses.
- Capital Outlay was increased by \$1.5 million or 32.2% mainly for police rolling stock replacement, and land purchases.
- Police Public Safety was increased by \$1.1 million primarily for capital outlay and personnel.
- Fire Public Safety was increased by \$0.8 million mainly for personnel needs.
- Overall reserves were increased by \$26.7 million or 45.3% as a result of additional revenues over amended expenditures.

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

Revenue

- Tax revenue was \$6.9 million or 5.1% higher than budgeted amount. Contributing factors were increases in assessed property values and population, combined with conservative budgeting measures employed in the wake of the unknown effects of the COVID-19 pandemic.
- Intergovernmental revenue exceeded budget by \$4.7 million primarily due to disaster recovery grant funds being budgeted to other revenue, which was under budget by \$4.4 million. The funds were public assistance from the Federal Emergency Management Agency (FEMA) to offset Hurricane Irma costs.
- Interest revenue was \$0.5 million or 55.9% less than budgeted, a result of the Federal Reserve holding interest rates low to help stabilize the economy.
- Special Assessment revenue was \$0.4 million or 1.5% higher than budget and consists of revenues from the fire service assessment, net of discounts and collection costs.
- Licenses and permits were \$0.1 million or 15.2% lower than budgeted due to economic changes.
- Franchise fee revenue was \$0.6 million or 8.3% more than budgeted. The City receives franchise fees for electricity, solid waste, and natural gas. The City began receiving recycling revenues again in late fiscal year 2021 after a lapse beginning in fiscal year 2019.

- Fines and forfeitures revenue exceeded budget by \$0.5 million or 8.3%. This revenue line item includes several different fines and fees such as ordinance violation fines, filing fees, and tax billed penalties and is budgeted conservatively.

Expenditures

- General Government expenditures were \$10.2 million or 16.3% less than budgeted, a result of conservative spending due to the unknown latent effects of the COVID-19 pandemic.
- Public Safety Police expenditures were \$1.8 million or 3.9% under budget primarily due to lower salary and health insurance costs.
- Public Safety Fire expenditures were \$1.8 or 4.8% under budget primarily due to lower health insurance costs, leave payout and salary expenses, and lower protective gear and small equipment purchases.
- Public Works expenditures were under budget by \$2.8 million or 19.1% primarily due to less median and bridge maintenance costs, and less spent on street light power during the fiscal year.
- Parks and Recreation expenditures were \$0.7 million or 8.9% less than budgeted, mainly a result of a slower than anticipated participation at City recreational facilities during the first half of fiscal year 2021 due to the COVID-19 pandemic.
- Community Development expenditures were \$0.5 million or 8.3% under budget, a result of costs associated with the Community Redevelopment Agency (CRA) economic incentive being lower than expected.
- Capital Outlay expenditures were \$0.1 million or 1.2% more than budgeted due to additional capital projects during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following schedule reflects the City's net capital assets as of September 30, 2021 and 2020:

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land	\$ 159.3	\$ 156.4	\$ 31.6	\$ 31.4	\$ 190.9	\$ 187.8
Buildings	84.5	83.7	265.5	275.3	350.0	359.0
Improvements other than buildings	34.8	37.0	147.8	136.5	182.6	173.5
Equipment	18.4	16.7	10.7	11.5	29.1	28.2
Intangible computer software	0.1	-	-	-	0.1	-
Infrastructure	135.3	135.3	617.9	416.3	753.2	551.6
Construction in progress	33.6	30.6	51.3	269.2	84.9	299.8
Total capital assets	<u>\$ 466.0</u>	<u>\$ 459.7</u>	<u>\$1,124.8</u>	<u>\$1,140.2</u>	<u>\$1,590.8</u>	<u>\$1,599.9</u>

During fiscal year 2021, the City's total capital assets decreased by \$9.1 million or by 0.6%. Governmental assets increased 6.3 or 1.4% as a result of land acquisitions totaling \$2.9 million and an increase to work in progress totaling \$3.0 million as well as an increase in intangible computer software of \$0.1 million. Business-type activities assets decreased \$15.4 million or 1.4% primarily due to taking a loss on abandoned projects of \$8.7 million for the North 1 and North 2 utility expansion projects that ceased as originally designed. The remaining decrease resulted from increases in assets of \$37.3 million offset by accumulated depreciation of \$44.0 million resulting in a net decrease of \$6.7 million for the net of acquisitions less accumulated depreciation.

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

- North 1 Utility Expansion Project
- North 2 Utility Expansion Project
- GOBOND Parks: Festival Park, Crystal Lake and Lake Meade
- Irrigation and Pump improvements
- City-wide software updates
- Sidewalk and road improvements
- Fire Station #2
- Fire Station #12
- Water Reclamation Operations Building

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

Long Term Debt

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

During fiscal year 2021, the major rating institutions reaffirmed or assigns various ratings. Below is a summary of the bonds which were reviewed.

Moody's Ratings: General Obligation Revenue Bonds, Series 2021 assigns "AA2/Outlook Stable" on August 19,2021

Fitch Ratings: General Obligation Revenue Bonds, Series 2021 assigns "AA/Outlook Stable" on August 18,2021

At September 30, 2021, the City had \$900.8 million of outstanding debt (excluding compensated absences and other post employment benefits). Revenue bonds, which are secured solely by specified revenue sources, had an outstanding balance of \$452.1 million, or 50.2%, of the total outstanding debt. Special assessment debt which is collateralized by special assessments levied against the benefited property owners, had an outstanding balance of \$48.2 million, or 5.4%, of the total outstanding debt. Notes from Direct Borrowing, which are collateralized by the net revenues of the water and sewer system, impact fees, special assessment revenue, and other specified revenues sources had an outstanding balance of \$361.4 million, or 40.1%, of the total outstanding debt. Capital leases had no outstanding balance.

The following is a schedule of outstanding debt as of September 30, 2021 and 2020:

City of Cape Coral, Florida						
Outstanding Debt						
(in millions)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
General Obligation Debt-						
Note from direct borrowing	\$ 39.1	\$ 9.7	\$ -	\$ -	\$ 39.10	9.7
Revenue Bonds	104.9	110.7	347.2	352.9	452.1	463.6
Special Assessment-						
Note from Direct Borrowing Debt with						
Governmental Commitment	-	0.3	48.2	59.8	48.2	60.1
Notes from direct borrowings	57.9	66.7	303.5	272.2	361.4	338.9
Total	<u>\$ 201.9</u>	<u>\$ 187.4</u>	<u>\$ 698.9</u>	<u>\$ 684.9</u>	<u>\$ 900.8</u>	<u>\$ 872.3</u>

The City's total debt increased by \$28.5 million, or 3.3%, during the current fiscal year. The Governmental activities' increase of \$14.5 million or 7.7% is due to scheduled debt payments and the issuance of the General Obligation Revenue Bonds, Series 2021. The Business-type activities' overall increase of \$14.0 million or 2.0% is due to new issuance of SRF debt related to North 2 Utility Expansion Project (UEP).

The City's governmental activities issued \$24,800,000 in FY2021 of General Obligation debt to finance the acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. In addition, business-type activities issued \$34,523,432 of state revolving loans (SRF) for the Utility Expansion Project (UEP).

The ratio of net bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. This data for the City at September 30, 2021 was as follows:

<u>Debt Ratios</u>	<u>General Obligation Bonded Debt Only</u>
Debt Ratios	
Debt Per Capita (estimated population 201,526 as of September 30, 2021)	\$194
Debt to Assess Taxable Value of Property as of September 30, 2021 (\$16,578,8018,969)	0.25%

Additional information on the City's long-term debt and debt coverage can be found in Note 7: Long-term Liabilities and Note 12: Future Revenues that are Pledged.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The following factors were considered in preparing the City's budget for the 2022 fiscal year:

- A five-year rolling budget plan was again used to develop the fiscal year 2022 budget, presenting fiscal years through 2026. Only fiscal year 2022 was formally approved by the City Council.
- The final budget as adopted expands public safety, improves facilities and amenities, and invests in the City's infrastructure. Also planned are neighborhood beautification, economic incentives to attract businesses and protect the environment. Increased involvement in administration of the City's charter schools is also included in this year's budget to increase efficiency and allow education to be the focus of the schools.
- Economic and financial stability are the primary goals of the City's strategic plan. Other goals include economic development, improvements to infrastructure, and strengthening public safety. Each goal contributes to an improved image of the City which in turn influences its ability to achieve the primary goals.
- Fiscal year 2021 was marked by considerable change for the City, mainly in its leadership. A new city manager, council members, mayor, and financial services director joined the helm, and additional police and fire personnel were brought on board. A new financial management software system was also implemented city-wide last fiscal year.
- The COVID-19 pandemic forced City leadership to redirect funds and manpower toward protecting public and employee health while still operating high standards of service as closely as possible. The City

emerged from the uncertainties of the pandemic in good financial standing, attracting new residents and investment at a pace unseen since prior the Great Recession of 2007-2009. The City of Cape Coral now ranks among the top areas in the nation for growth. While growth brings benefits, it also brings challenges such as keeping pace with the infrastructure and amenities a growing city needs. City leadership has addressed these challenges in part by diversifying revenue streams in the coming fiscal years.

- As a result of property tax and state-shared revenue increases beyond the amounts forecasted, the fiscal year 2022 budget provides for several initiatives that support the strategic plan and the community. Key investments for public safety include construction of Fire Station 13, a fire training facility, and a police training center, as well as additional fire fighters and police officers. Neighborhood beautification includes funding for additional sidewalks, median upgrades, the creation of the Bimini Basin mooring field, the design of Jaycee Park shoreline improvements and improvements to existing parks and recreation facilities.
- The fiscal year 2022-2024 budget was adopted with an operating millage rate of 6.250 and formulated to continue meeting the City's reserve requirements. The focus of the fiscal year 2023 budgets and beyond is to continue revenue diversification, reducing reliance on ad valorem tax revenues. The Water and Sewer budget was prepared to support the continuing operations of the existing utility facilities including the water reclamation plants, reverse osmosis plants, and the existing collection, distribution, and transmission lines. The preparation of the annual budget is made in conjunction with the annual update of the rate sufficiency model which indicates no rate changes are required for the system.
- The stormwater utility fee is charged per equivalent residential unit (ERU). Based on the results of the Stormwater Cost Recovery study performed by an outside consultant, the rolling budget was adopted with an increase in the rate structure to \$130 per ERU and will be re-examined annually. The prior year rate was \$125.
- Non-enterprise recreational programs are budgeted in a special revenue fund. Each program is supported by a certain level of user fees. Program costs and projected revenues are evaluated annually to ensure the program costs are being recovered while maintaining a constant level of general fund support. Program fees will cover approximately 57.9% of the program expenditures.
- Impact fees are planned to be used for a fire training facility (Fire Impact Fee reserves) and a police training facility (Police Impact Fee reserves). All other impact fee revenues will be used to satisfy annual debt requirements.
- Gas tax funds have been budgeted in accordance with revenue estimates provided by the State of Florida and will support local road resurfacing, signalization, and small-scale intersection improvements.
- Water, sewer, and irrigation utility capital expansion fees are used to pay for the expansion of the City's utility system including the cost of transmission lines. These fees are also used to pay applicable debt service and/or will be used to offset the borrowing requirements associated with the expansion of the utility plants and related facilities.
- Funds were awarded under the American Rescue Plan Act (ARPA) which are planned to be spent in fiscal years 2022 and 2023 to fund utility infrastructure improvements in the CRA district totaling \$25 million.

REQUEST FOR INFORMATION

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

Basic Financial Statements

City of Cape Coral, Florida

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Cape Coral Charter School Authority
ASSETS				
Cash and investments	\$ 329,930,160	\$ 92,550,502	\$ 422,480,662	\$ 10,545,257
Interest receivable	205,206	81,161	286,367	-
Accounts receivable, net	2,350,589	10,561,386	12,911,975	-
Intergovernmental receivable	10,947,456	77,893	11,025,349	397,498
Note receivable	30,293	-	30,293	-
Due from component unit	121,692	-	121,692	-
Internal balances	(1,462,139)	1,462,139	-	-
Inventories	158,509	2,168,879	2,327,388	-
Prepaid items	2,407,478	50,000	2,457,478	101,542
Unamortized bond insurance	2,854	316,834	319,688	-
Restricted:				
Cash and investments	-	159,647,681	159,647,681	-
Interest receivable	-	95,243	95,243	-
Accounts receivable, net	-	75,828	75,828	-
Intergovernmental receivable	-	359,482	359,482	-
Assessments receivable, net	-	1,444,607	1,444,607	-
Capital assets (net of accumulated depreciation):				
Land and construction in progress	192,909,681	82,955,255	275,864,936	-
Other capital assets, net of depreciation	273,080,674	1,041,848,741	1,314,929,415	1,824,733
Total assets	<u>810,682,453</u>	<u>1,393,695,631</u>	<u>2,204,378,084</u>	<u>12,869,030</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	6,796,436	21,282,189	28,078,625	-
Pension related	48,815,779	6,052,711	54,868,490	4,587,619
OPEB related	50,188,114	13,660,873	63,848,987	-
Total deferred outflows of resources	<u>105,800,329</u>	<u>40,995,773</u>	<u>146,796,102</u>	<u>4,587,619</u>
LIABILITIES				
Accounts payable and other accrued liabilities	10,976,893	11,377,735	22,354,628	503,179
Retainage payable	389,728	3,365,266	3,754,994	-
Accrued payroll	6,797,616	959,869	7,757,485	219,438
Accrued interest payable	20,767	490,416	511,183	-
Deposits	1,109,770	3,034,158	4,143,928	-
Intergovernmental payable	12,647,241	-	12,647,241	-
Unearned revenue	4,334,505	13,233,206	17,567,711	43,791
Total OPEB liability	8,247,691	2,244,967	10,492,658	-
Noncurrent liabilities:				
Due within one year	21,493,135	24,453,502	45,946,637	201,498
Due in more than one year	205,337,065	677,758,103	883,095,168	952,443
Net pension liability	66,141,863	14,639,068	80,780,931	13,721,740
Total pension liability	5,966,727	-	5,966,727	-
Total OPEB liability	250,633,814	68,220,874	318,854,688	-
Total liabilities	<u>594,096,815</u>	<u>819,777,164</u>	<u>1,413,873,979</u>	<u>15,642,089</u>
DEFERRED INFLOWS OF RESOURCES				
Gain on refunding	3,243	-	3,243	-
Pension related	62,178,344	11,371,653	73,549,997	517,778
OPEB related	32,074,473	8,730,458	40,804,931	-
Total deferred inflows of resources	<u>94,256,060</u>	<u>20,102,111</u>	<u>114,358,171</u>	<u>517,778</u>
NET POSITION				
Net investment in capital assets	267,501,395	434,630,800	702,132,195	1,755,754
Restricted for:				
Public safety	27,901,113	-	27,901,113	-
Parks and recreation	37,145,801	-	37,145,801	-
Public works	38,634,873	-	38,634,873	-
Debt service	3,848,325	92,542,744	96,391,069	-
Community development	2,255,003	-	2,255,003	-
Capital improvements	18,824,421	46,067,581	64,892,002	1,697,980
Renewal and replacement	-	6,351,840	6,351,840	-
Unrestricted	(167,981,024)	15,219,164	(152,761,860)	(2,156,952)
Total net position	<u>\$ 228,129,907</u>	<u>\$ 594,812,129</u>	<u>\$ 822,942,036</u>	<u>\$ 1,296,782</u>

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

City of Cape Coral, Florida
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Cape Coral Charter School Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 57,652,564	\$ 15,451,746	\$ 2,335,755	\$ -	\$ (39,865,063)	\$ -	\$ (39,865,063)	\$ -
Public safety:								
Police	49,308,836	2,571,194	4,368,446	2,871,598	(39,497,598)	-	(39,497,598)	-
Fire	36,956,056	615,516	29,997,009	1,924,425	(4,419,106)	-	(4,419,106)	-
Building	8,891,596	10,638,710	(3,193)	-	1,743,921	-	1,743,921	-
Public works	38,352,779	4,831,903	16,541,626	-	(16,979,250)	-	(16,979,250)	-
Parks and recreation	23,629,879	8,757,042	939,595	19,789,853	5,856,611	-	5,856,611	-
Community development	11,109,315	1,986,452	2,078,248	5,811,687	(1,232,928)	-	(1,232,928)	-
Interest on long-term debt	6,142,575	-	-	-	(6,142,575)	-	(6,142,575)	-
Total governmental activities	<u>232,043,600</u>	<u>44,852,563</u>	<u>56,257,486</u>	<u>30,397,563</u>	<u>(100,535,988)</u>	<u>-</u>	<u>(100,535,988)</u>	<u>-</u>
Business-type activities:								
Water and sewer	124,822,818	97,013,105	166,762	47,777,984	-	20,135,033	20,135,033	-
Stormwater	14,422,990	21,931,905	-	389,668	-	7,898,583	7,898,583	-
Yacht basin	455,013	925,027	-	-	-	470,014	470,014	-
Total business-type activities	<u>139,700,821</u>	<u>119,870,037</u>	<u>166,762</u>	<u>48,167,652</u>	<u>-</u>	<u>28,503,630</u>	<u>28,503,630</u>	<u>-</u>
Total primary government	<u>\$ 371,744,421</u>	<u>\$ 164,722,600</u>	<u>\$ 56,424,248</u>	<u>\$ 78,565,215</u>	<u>(100,535,988)</u>	<u>28,503,630</u>	<u>(72,032,358)</u>	<u>-</u>
Component unit:								
Cape Coral Charter School Authority	<u>\$ 29,422,350</u>	<u>\$ 1,055,607</u>	<u>\$ 2,399,452</u>	<u>\$ 1,721,419</u>				<u>\$ (24,245,872)</u>
General revenues:								
Taxes:								
Florida education finance program					-	-	-	22,323,808
Property taxes, levied for general purpose					102,829,432	-	102,829,432	-
Property taxes, levied for debt service					4,789,152	-	4,789,152	-
Property taxes, other (CRA and All Hazards)					2,352,659	-	2,352,659	-
Public service tax					8,657,041	-	8,657,041	-
Sales					24,359,362	-	24,359,362	-
Fuel					11,914,185	-	11,914,185	-
Alcohol and beverage					89,310	-	89,310	-
Communication					4,808,291	-	4,808,291	-
Franchise					7,425,743	-	7,425,743	-
Investment earnings					514,908	10,268,244	10,783,152	18,009
Transfers, net					595,293	(595,293)	-	-
Total general revenues and transfers					<u>168,335,376</u>	<u>9,672,951</u>	<u>178,008,327</u>	<u>22,341,817</u>
Change in net position					67,799,388	38,176,581	105,975,969	(1,904,055)
Net position - beginning, as restated					160,330,519	556,635,548	716,966,067	3,200,837
Net position - ending					<u>\$ 228,129,907</u>	<u>\$ 594,812,129</u>	<u>\$ 822,942,036</u>	<u>\$ 1,296,782</u>

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

City of Cape Coral, Florida

BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

	General	Transportation Capital Improvements	General Obligation Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 125,003,759	\$ 23,166,855	\$ 32,448,307	\$ 4,181,498	\$ 111,597,134	\$ 296,397,553
Interest receivable	99,750	-	-	-	81,818	181,568
Accounts receivable, net	1,823,721	-	-	-	617,196	2,440,917
Intergovernmental receivable	6,308,982	2,093,304	-	-	2,545,170	10,947,456
Notes receivable	30,293	-	-	-	-	30,293
Due from other funds	1,320,472	-	-	-	-	1,320,472
Inventories	36,398	-	-	-	122,111	158,509
Prepaid items	1,604,137	3,250	-	-	28,705	1,636,092
Total assets	<u>\$ 136,227,512</u>	<u>\$ 25,263,409</u>	<u>\$ 32,448,307</u>	<u>\$ 4,181,498</u>	<u>\$ 114,992,134</u>	<u>\$ 313,112,860</u>
LIABILITIES						
Accounts payable and other accrued liabilities	1,648,680	1,004,440	256,050	-	5,373,353	8,282,523
Accrued retainage	-	324,536	4,243	-	60,949	389,728
Accrued payroll	6,017,068	25,759	-	-	589,690	6,632,517
Due to other funds	-	-	-	-	1,320,472	1,320,472
Deposits	119,581	-	-	-	990,189	1,109,770
Intergovernmental payables	12,455,905	-	-	-	191,336	12,647,241
Unearned revenue	802,386	-	-	312,406	3,219,713	4,334,505
Total liabilities	<u>21,043,620</u>	<u>1,354,735</u>	<u>260,293</u>	<u>312,406</u>	<u>11,745,702</u>	<u>34,716,756</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grant reimbursement	2,107,430	1,967,898	-	-	68,435	4,143,763
Unavailable revenue - other	53,081	-	-	-	316,363	369,444
Total deferred inflows of resources	<u>2,160,511</u>	<u>1,967,898</u>	<u>-</u>	<u>-</u>	<u>384,798</u>	<u>4,513,207</u>
FUND BALANCES						
Nonspendable	1,640,535	3,250	-	-	150,816	1,794,601
Restricted						
Public safety	-	-	-	-	27,901,113	27,901,113
Public works	-	-	-	-	38,634,873	38,634,873
Parks and recreation	-	-	-	-	5,257,787	5,257,787
Community development	-	-	-	-	2,186,568	2,186,568
Capital outlay	-	10,351,947	31,888,014	-	6,504,576	48,744,537
Debt service	-	-	-	3,869,092	-	3,869,092
Committed						
General government	169,582	-	-	-	14,248	183,830
Public safety	223,822	-	-	-	37,581	261,403
Public works	232,740	-	-	-	7,033,413	7,266,153
Parks and recreation	71,321	-	-	-	2,146,165	2,217,486
Capital outlay	830,713	11,585,579	300,000	-	13,272,219	25,988,511
Sale proceeds of surplus property	1,166,894	-	-	-	-	1,166,894
FEMA reimbursements - Hurricane Irma	2,889,447	-	-	-	-	2,889,447
Economic incentives	544,000	-	-	-	-	544,000
Capital equipment	1,500,000	-	-	-	-	1,500,000
Facilities maintenance	500,000	-	-	-	-	500,000
Disaster reserve	6,000,000	-	-	-	-	6,000,000
Assigned						
General government	181,187	-	-	-	-	181,187
Public safety	82,481	-	-	-	-	82,481
Public works	377	-	-	-	-	377
Parks and recreation	56,895	-	-	-	-	56,895
Capital outlay	352,303	-	-	-	-	352,303
Subsequent year's budget: appropriations of fund balance	18,761,159	-	-	-	-	18,761,159
Unassigned	77,819,925	-	-	-	(277,725)	77,542,200
Total fund balances	<u>113,023,381</u>	<u>21,940,776</u>	<u>32,188,014</u>	<u>3,869,092</u>	<u>102,861,634</u>	<u>273,882,897</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 136,227,512</u>	<u>\$ 25,263,409</u>	<u>\$ 32,448,307</u>	<u>\$ 4,181,498</u>	<u>\$ 114,992,134</u>	<u>\$ 313,112,860</u>

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

City of Cape Coral, Florida

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

September 30, 2021

Fund balances - total governmental funds \$ 273,882,897

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

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

Capital assets	\$ 706,798,523	
Accumulated depreciation	<u>(241,558,397)</u>	465,240,126

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

Net position of internal service funds	\$ 3,151,020	
Cross-over to enterprise funds	<u>(1,462,139)</u>	1,688,881

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

2,854

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

(20,767)

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

6,796,436

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

47,882,713

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

(60,425,328)

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

(3,243)

Deferred outflows related to OPEB.

47,702,536

Deferred inflows related to OPEB.

(30,485,981)

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

4,513,207

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

Bonds, notes, and capital leases payable	\$ (202,027,000)	
Total OPEB liability	(246,060,342)	
Net pension liability	(69,851,882)	
Compensated absences	<u>(10,705,200)</u>	(528,644,424)
Total net position of governmental activities		<u>\$ 228,129,907</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 For the Year Ended September 30, 2021

	General	Transportation Capital Improvements	General Obligation Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 142,525,961	\$ -	\$ -	\$ 4,789,152	\$ 12,484,319	\$ 159,799,432
Special assessments	26,964,704	-	-	-	38,366	27,003,070
Licenses and permits	762,539	-	-	-	10,609,547	11,372,086
Franchise fees	7,425,743	-	-	-	-	7,425,743
Intergovernmental	9,201,478	677,915	-	-	20,580,690	30,460,083
Charges for services	12,080,722	-	-	-	12,578,358	24,659,080
Fines and forfeitures	917,000	-	-	6,184	116,149	1,039,333
Impact fees	-	-	-	-	29,387,753	29,387,753
Rent and royalties	510,454	-	-	2,837,491	12,750	3,360,695
Investment earnings	389,732	-	-	368	102,808	492,908
Contributions and donations	8,214	-	-	-	70,696	78,910
Other revenue	1,858,824	9,314	-	11	385,899	2,254,048
Total revenues	<u>202,645,371</u>	<u>687,229</u>	<u>-</u>	<u>7,633,206</u>	<u>86,367,335</u>	<u>297,333,141</u>
EXPENDITURES						
Current:						
General government	52,114,589	-	-	1,450	110,150	52,226,189
Public safety:						
Police	45,285,652	-	-	-	277,103	45,562,755
Fire	34,909,219	-	-	-	675,029	35,584,248
Building	-	-	-	-	8,013,736	8,013,736
Public works	11,732,657	678,868	-	-	20,424,137	32,835,662
Parks and recreation	6,999,813	-	-	-	13,992,618	20,992,431
Community development	5,122,844	-	-	-	3,463,952	8,586,796
Capital outlay	6,302,654	11,439,991	2,968,119	-	4,183,252	24,894,016
Debt service:						
Principal	-	-	-	14,849,339	-	14,849,339
Interest and fiscal charges	-	-	-	6,045,360	-	6,045,360
Bond issuance costs	-	-	-	208,083	-	208,083
Total expenditures	<u>162,467,428</u>	<u>12,118,859</u>	<u>2,968,119</u>	<u>21,104,232</u>	<u>51,139,977</u>	<u>249,798,615</u>
Excess revenues over (under) expenditures	<u>40,177,943</u>	<u>(11,431,630)</u>	<u>(2,968,119)</u>	<u>(13,471,026)</u>	<u>35,227,358</u>	<u>47,534,526</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	7,001,924	19,332,796	800,000	16,407,791	24,434,567	67,977,078
Transfers out	(23,459,728)	-	-	(5,396,025)	(38,514,032)	(67,369,785)
Issuance of debt	-	-	29,781,291	216,721	-	29,998,012
Proceeds on sale of capital assets	2,110,399	12,000	-	-	2,600	2,124,999
Total other financing sources (uses)	<u>(14,347,405)</u>	<u>19,344,796</u>	<u>30,581,291</u>	<u>11,228,487</u>	<u>(14,076,865)</u>	<u>32,730,304</u>
Net change in fund balances	25,830,538	7,913,166	27,613,172	(2,242,539)	21,150,493	80,264,830
Fund balances - beginning, as restated	87,192,843	14,027,610	4,574,842	6,111,631	81,711,141	193,618,067
Fund balances - ending	<u>\$ 113,023,381</u>	<u>\$ 21,940,776</u>	<u>\$ 32,188,014</u>	<u>\$ 3,869,092</u>	<u>\$ 102,861,634</u>	<u>\$ 273,882,897</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended September 30, 2021

Net change in fund balances - total governmental funds:		\$ 80,264,830
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital exceeded depreciation in the current period.		
Capital outlay	\$ 24,894,016	
Depreciation	<u>(19,160,296)</u>	5,733,720
The net effect on net position for various miscellaneous transactions involving capital assets (disposals, transfers, donations).		745,345
Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities.		(195,857)
The issuance of debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, capital leases and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal debt payments - governmental funds	\$ 14,849,339	
Issuance of debt	(29,998,012)	
Unamortized bond insurance cost	<u>(190)</u>	(15,148,863)
Vehicle lease payments received from Charter School.		(67,579)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	\$ (226,492)	
OPEB related	(7,431,794)	
Pension related	<u>6,110,792</u>	(1,547,494)
Internal service funds are used by management to charge the cost of certain activities to the individual funds.		(1,887,499)
Interest on long-term debt in the statement of activities is recognized as the interest accrues, regardless of when it is due. In the governmental funds, interest is recognized as an expenditure when it is due. Premiums, discounts, and other similar items are deferred and amortized in the statement of activities.		
Amortization of bond premiums, discounts, refunding gains and losses		<u>(97,215)</u>
Change in net position - governmental activities		<u>\$ 67,799,388</u>

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 61,001,683	\$ 30,207,615	\$ 1,341,204	\$ 92,550,502	\$ 33,532,607
Interest receivable	64,692	15,196	1,273	81,161	23,638
Accounts receivable, net	10,542,836	18,299	251	10,561,386	31,364
Intergovernmental receivable	-	77,893	-	77,893	-
Inventories	2,168,879	-	-	2,168,879	-
Prepaid items	48,326	1,674	-	50,000	771,386
Restricted:					
Cash and investments	159,647,681	-	-	159,647,681	-
Interest receivable	95,243	-	-	95,243	-
Intergovernmental receivable	359,482	-	-	359,482	-
Assessments receivable, net	1,259	-	-	1,259	-
Total restricted assets	<u>160,103,665</u>	<u>-</u>	<u>-</u>	<u>160,103,665</u>	<u>-</u>
Total current assets	<u>233,930,081</u>	<u>30,320,677</u>	<u>1,342,728</u>	<u>265,593,486</u>	<u>34,358,995</u>
Noncurrent assets:					
Unamortized bond insurance	316,834	-	-	316,834	-
Restricted:					
Accounts receivable, net	75,828	-	-	75,828	-
Assessments receivable	<u>1,443,348</u>	<u>-</u>	<u>-</u>	<u>1,443,348</u>	<u>-</u>
Total restricted assets	<u>1,519,176</u>	<u>-</u>	<u>-</u>	<u>1,519,176</u>	<u>-</u>
Capital assets:					
Land	25,129,935	6,463,425	20,555	31,613,915	-
Buildings	387,503,791	1,916,446	77,988	389,498,225	907,624
Improvements other than buildings	338,308,257	33,125,147	864,337	372,297,741	63,796
Equipment	37,837,405	9,563,275	41,710	47,442,390	2,287,985
Infrastructure	902,012,967	17,673,564	286,049	919,972,580	-
Intangible computer software	-	-	-	-	705,245
Construction in progress	47,520,970	3,820,370	-	51,341,340	-
Less accumulated depreciation	<u>(655,731,194)</u>	<u>(30,693,044)</u>	<u>(937,957)</u>	<u>(687,362,195)</u>	<u>(3,214,421)</u>
Total capital assets, net	<u>1,082,582,131</u>	<u>41,869,183</u>	<u>352,682</u>	<u>1,124,803,996</u>	<u>750,229</u>
Total noncurrent assets	<u>1,084,418,141</u>	<u>41,869,183</u>	<u>352,682</u>	<u>1,126,640,006</u>	<u>750,229</u>
Total assets	<u>1,318,348,222</u>	<u>72,189,860</u>	<u>1,695,410</u>	<u>1,392,233,492</u>	<u>35,109,224</u>
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	21,282,189	-	-	21,282,189	-
Pension related	4,668,582	1,361,331	22,798	6,052,711	933,066
OPEB related	<u>10,379,929</u>	<u>3,235,100</u>	<u>45,844</u>	<u>13,660,873</u>	<u>2,485,578</u>
Total deferred outflows of resources	<u>36,330,700</u>	<u>4,596,431</u>	<u>68,642</u>	<u>40,995,773</u>	<u>3,418,644</u>

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 11,088,076	\$ 278,110	\$ 11,549	\$ 11,377,735	\$ 2,694,370
Accrued retainage	3,292,225	73,041	-	3,365,266	-
Accrued payroll	749,528	205,465	4,876	959,869	165,099
Due to other funds:					
Accrued interest payable	490,416	-	-	490,416	-
Deposits	3,014,158	-	20,000	3,034,158	-
Unearned revenue	13,233,206	-	-	13,233,206	-
Compensated absences	378,669	117,423	-	496,092	88,657
Total OPEB liability	1,705,791	531,642	7,534	2,244,967	408,469
Claims liability	-	-	-	-	4,618,702
Debt:					
Revenue bonds	4,535,000	-	-	4,535,000	-
Special assessment debt	8,690,000	-	-	8,690,000	-
Notes - direct borrowings	10,732,410	-	-	10,732,410	-
Total debt	23,957,410	-	-	23,957,410	-
Total current liabilities	57,909,479	1,205,681	43,959	59,159,119	7,975,297
Noncurrent liabilities:					
Compensated absences	2,079,950	635,426	3,717	2,719,093	524,265
Total OPEB liability	51,836,207	16,155,729	228,938	68,220,874	12,412,694
Claims liability	-	-	-	-	8,866,376
Net pension liability	11,291,420	3,292,510	55,138	14,639,068	2,256,708
Debt:					
Revenue bonds	342,684,034	-	-	342,684,034	-
Special assessment debt	39,539,123	-	-	39,539,123	-
Notes - direct borrowings	292,815,853	-	-	292,815,853	-
Total debt	675,039,010	-	-	675,039,010	-
Total noncurrent liabilities	740,246,587	20,083,665	287,793	760,618,045	24,060,043
Total liabilities	798,156,066	21,289,346	331,752	819,777,164	32,035,340
DEFERRED INFLOWS OF RESOURCES					
Pension related	8,771,195	2,557,627	42,831	11,371,653	1,753,016
OPEB related	6,633,658	2,067,502	29,298	8,730,458	1,588,492
Total deferred inflows of resources	15,404,853	4,625,129	72,129	20,102,111	3,341,508
NET POSITION					
Net investment in capital assets	392,481,972	41,796,145	352,683	434,630,800	750,229
Restricted for:					
Debt service	92,542,744	-	-	92,542,744	-
Deposits	-	-	-	-	-
Capital improvements	46,067,581	-	-	46,067,581	-
Renewal and replacement	6,351,840	-	-	6,351,840	-
Unrestricted	3,673,866	9,075,671	1,007,488	13,757,025	2,400,791
Total net position	\$ 541,118,003	\$ 50,871,816	\$ 1,360,171	\$ 593,349,990	\$ 3,151,020
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				1,462,139	
Net position of business-type activities				\$ 594,812,129	

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
OPERATING REVENUES					
Charges for services	\$ 95,463,676	\$ 21,757,711	\$ 925,027	\$ 118,146,414	\$ 43,543,326
Other revenue	1,549,429	174,194	-	1,723,623	1,302,307
Total operating revenues	<u>97,013,105</u>	<u>21,931,905</u>	<u>925,027</u>	<u>119,870,037</u>	<u>44,845,633</u>
OPERATING EXPENSES					
Salaries, wages and employee benefits	26,750,726	8,641,868	153,303	35,545,897	6,098,066
Contractual services, materials and supplies	26,752,495	3,271,419	255,550	30,279,464	11,893,437
Claims and claims adjustments	-	-	-	-	29,560,058
Depreciation	41,434,620	2,478,024	39,996	43,952,640	228,697
Total operating expenses	<u>94,937,841</u>	<u>14,391,311</u>	<u>448,849</u>	<u>109,778,001</u>	<u>47,780,258</u>
Operating income (loss)	<u>2,075,264</u>	<u>7,540,594</u>	<u>476,178</u>	<u>10,092,036</u>	<u>(2,934,625)</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	166,762	-	-	166,762	-
Investment earnings	10,181,181	85,949	1,114	10,268,244	22,000
Interest expense	(19,796,028)	-	-	(19,796,028)	-
Debt service costs	(121,865)	-	-	(121,865)	-
Gain (loss) on sale of capital assets	(334,420)	94,900	(1,249)	(240,769)	42,970
Loss on stopped project	(8,770,002)	-	-	(8,770,002)	-
Total nonoperating revenues (expenses)	<u>(18,674,372)</u>	<u>180,849</u>	<u>(135)</u>	<u>(18,493,658)</u>	<u>64,970</u>
Income (loss) before contributions and transfers	<u>(16,599,108)</u>	<u>7,721,443</u>	<u>476,043</u>	<u>(8,401,622)</u>	<u>(2,869,655)</u>
Capital contributions					
Special assessments	34,700,887	-	-	34,700,887	-
Developer contributions	524,519	389,668	-	914,187	-
Impact fees and contribution in aid of construction	12,552,578	-	-	12,552,578	-
Total capital contributions	<u>47,777,984</u>	<u>389,668</u>	<u>-</u>	<u>48,167,652</u>	<u>-</u>
Transfers					
Transfers in	812,341	-	10,000	822,341	11,000
Transfers out	(191,923)	(610,711)	(615,000)	(1,417,634)	(23,000)
Total transfers	<u>620,418</u>	<u>(610,711)</u>	<u>(605,000)</u>	<u>(595,293)</u>	<u>(12,000)</u>
Change in net position	31,799,294	7,500,400	(128,957)	39,170,737	(2,881,655)
Total net position - beginning	509,318,709	43,371,416	1,489,128	554,179,253	6,032,675
Total net position - ending	<u>\$ 541,118,003</u>	<u>\$ 50,871,816</u>	<u>\$ 1,360,171</u>	<u>\$ 593,349,990</u>	<u>\$ 3,151,020</u>
Change in net position of business-type activities				\$ 39,170,737	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				(994,156)	
Change in net position of business-type activities				<u>\$ 38,176,581</u>	

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

City of Cape Coral, Florida

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 105,217,118	\$ 21,955,176	\$ 924,776	\$ 128,097,070	\$ 45,234,027
Cash payments for claims	-	-	-	-	(26,596,410)
Cash payments to suppliers	(19,828,432)	(2,020,973)	(220,894)	(22,070,299)	(11,721,446)
Cash payments to employees	(26,991,093)	(8,215,800)	(156,588)	(35,363,481)	(6,080,127)
Cash payments for interfund services	(6,829,749)	(1,225,185)	(48,815)	(8,103,749)	-
Net cash provided by operating activities	<u>51,567,844</u>	<u>10,493,218</u>	<u>498,479</u>	<u>62,559,541</u>	<u>836,044</u>
CASH FLOWS FROM NONCAPITAL FINANCING					
Intergovernmental revenue	166,762	-	-	166,762	-
Transfers in	812,341	-	-	812,341	-
Transfers out	(191,923)	(610,711)	(615,000)	(1,417,634)	-
Net cash provided by (used by) noncapital financing activities	<u>787,180</u>	<u>(610,711)</u>	<u>(615,000)</u>	<u>(438,531)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED					
Acquisition and construction of capital assets	(38,008,660)	(1,764,898)	-	(39,773,558)	(77,146)
Proceeds on sale of capital assets	191,304	94,900	10,000	296,204	31,624
Issuance of long-term debt	45,123,432	-	-	45,123,432	-
Principal payments on long-term debt	(29,665,854)	-	-	(29,665,854)	-
Collection of special assessments	45,932,255	-	-	45,932,255	-
Transfer out for the acquisition of capital assets	-	-	-	-	(23,000)
Impact fees	11,949,110	-	-	11,949,110	-
Contribution in aid of construction	644,948	-	-	644,948	-
Interest paid	(19,989,436)	-	-	(19,989,436)	-
Transfer in for acquisition of capital assets	-	-	-	-	11,000
Net cash provided (used) by capital and related financing activities	<u>16,177,099</u>	<u>(1,669,998)</u>	<u>10,000</u>	<u>14,517,101</u>	<u>(57,522)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment Earnings	71,976	95,489	2,842	170,307	57,337
Net cash provided by investing activities	<u>71,976</u>	<u>95,489</u>	<u>2,842</u>	<u>170,307</u>	<u>57,337</u>
Net increase (decrease) in cash and investments	68,604,099	8,307,998	(103,679)	76,808,418	835,859
Cash and investments - beginning	152,045,265	21,899,617	1,444,883	175,389,765	32,696,748
Cash and investments - ending	<u>\$ 220,649,364</u>	<u>\$ 30,207,615</u>	<u>\$ 1,341,204</u>	<u>\$ 252,198,183</u>	<u>\$ 33,532,607</u>
CLASSIFIED AS:					
Cash and investments	\$ 61,001,683	\$ 30,207,615	\$ 1,341,204	\$ 92,550,502	\$ 33,532,607
Restricted cash and investments	159,647,681	-	-	159,647,681	-
Total cash and investments	<u>\$ 220,649,364</u>	<u>\$ 30,207,615</u>	<u>\$ 1,341,204</u>	<u>\$ 252,198,183</u>	<u>\$ 33,532,607</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET					
Operating income (loss)	\$ 2,075,264	\$ 7,540,594	\$ 476,178	\$ 10,092,036	\$ (2,934,625)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	41,434,620	2,478,024	39,996	43,952,640	228,697
(Increase) decrease in assets:					
Accounts receivable, net	(667,564)	21,919	(251)	(645,896)	388,393
Intergovernmental receivable	-	1,352	-	1,352	-
Inventories	(642,684)	-	-	(642,684)	-
Prepaid items	(46,925)	(1,674)	-	(48,599)	(13,465)
(Increase) decrease in deferred outflows:					
Pension related	2,413,494	724,113	-	3,137,607	564,684
OPEB related	223,251	(29,964)	-	193,287	17,692
Increase (decrease) in liabilities:					
Accounts payable and other accrued liabilities	783,922	26,935	(14,159)	796,698	185,458
Accrued payroll	118,415	35,795	673	154,883	33,549
Compensated absences	(170,273)	15,434	(5,390)	(160,229)	12,888
Total OPEB liability	3,177,510	1,463,166	17,214	4,657,890	930,779
Net pension liability	(12,281,297)	(3,648,896)	(60,415)	(15,990,608)	(2,728,558)
Claims liability	-	-	-	-	2,963,647
Deposits	173,242	-	-	173,242	-
Unearned revenue	8,698,336	-	-	8,698,336	-
Increase (decrease) in deferred inflows:					
Pension earnings	8,771,195	2,557,627	54,749	11,383,571	-
Pension related	-	-	-	-	1,753,015
OPEB related	(2,492,662)	(691,207)	(10,116)	(3,193,985)	(566,110)
Total adjustments	49,492,580	2,952,624	22,301	52,467,505	3,770,669
Net cash provided by operating activities	<u>\$ 51,567,844</u>	<u>\$ 10,493,218</u>	<u>\$ 498,479</u>	<u>\$ 62,559,541</u>	<u>\$ 836,044</u>

Supplemental disclosure of noncash investing, capital and financing activities:

Water and Sewer decrease in fair value of investments of \$1,631,946.

Water and Sewer recognized \$524,519 in developer contributions.

Water and Sewer had \$2,985,333 of capital related accounts payable.

Stormwater had a decrease in fair value of investments of \$94,340.

Stormwater recognized \$389,668 in developer contributions.

Yacht Basin had an decrease in fair value of investments of \$11,012.

Internal Service Funds decrease in fair value of investments of \$216,607.

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

City of Cape Coral, Florida

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
 September 30, 2021

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 14,395,109
Receivables	
Member contributions	4,758
Employer contributions	1,535,198
Due from brokers	995,056
Additional city contributions	1,226,058
Interest receivable	373,311
Total receivables	<u>4,134,381</u>
Investments, at fair value:	
Certificates of deposit	1,843,960
US Government Obligations and	
Federal Agency Guaranteed Securities	26,458,830
Mortgage Backed Securities	16,312,785
Collateralized Mortgage Obligations	4,151,890
Corporate Bonds	20,199,472
Foreign Bonds	1,174,897
Stocks	126,946,813
Mutual and ETF funds	
Equity	176,584,847
Balanced	37,736,219
Pooled/common/commingled funds	
Fixed income	79,596,690
Equity	226,613,695
Real Estate	180,730,749
Total investments	<u>898,350,847</u>
Total assets	<u>916,880,337</u>
LIABILITIES	
Accounts payable	855,941
Due to broker for securities purchased	2,753,034
Prepaid contributions	8,071
Total liabilities	<u>3,617,046</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 913,263,291</u>

City of Cape Coral, Florida

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
 For the Year Ended September 30, 2021

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 34,207,136
Plan members	9,666,957
Member buybacks	430,026
State of Florida	3,430,079
Total contributions	<u>47,734,198</u>
Investment income (expenses)	
Investment income	14,614,339
Net appreciation (depreciation) in fair	
value of investments	146,441,374
Less: investment expenses	(3,482,695)
Net Investment Income (Loss)	<u>157,573,018</u>
Total additions	<u>205,307,216</u>
DEDUCTIONS	
Benefits and refunds	40,359,821
Administrative expenses	555,170
Total deductions	<u>40,914,991</u>
Net increase in net position	164,392,225
Net position - beginning	748,871,066
Net position - ending	<u>\$ 913,263,291</u>

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

Notes to Financial Statements

City of Cape Coral

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2021

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City of Cape Coral
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

NOTE I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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

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

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

Blended component unit. The Cape Coral Community Redevelopment Agency (CRA) was created in 1986 by Ordinance 51-87 of the City of Cape Coral, Florida, pursuant to Section 163.356 of the Florida Statutes. The City Council appoints the CRA's Board of Directors. The CRA provides services for the benefit of the City. The CRA's projects result in capital assets (mainly infrastructure) being owned by the City. The CRA's transactions are recorded and reported by the City. Also, beginning with fiscal year 2020, the CRA will issue a separate annual financial report for the CRA's operations. The financial statements for the CRA may be obtained through the Financial Services Department of the City of Cape Coral, 1015 Cultural Park Blvd., Cape Coral, FL 33990.

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

The Cape Coral Charter School Authority was audited by independent auditors for the fiscal year ended June 30, 2021, and their report dated January 18, 2022, was previously issued under separate

cover. The financial statements for the Authority may be obtained through the Financial Services Department of the City of Cape Coral, 1015 Cultural Park Blvd., Cape Coral, FL 33990.

2. Related Organization

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

3. Summary of Significant Accounting Policies

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

Basic Financial Statements

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer, stormwater, and various other functions of the government.

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

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Since, the fiduciary funds' assets are being held for the benefit of a third-party (other local governments and other entities) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

The focus of the GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, is on the City as a whole and the fund financial statements. The focus of the fund financial statements is on the major funds of the governmental and business-type activities. Each presentation provides valuable information that can be analyzed to enhance the usefulness of the information.

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

The government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis of accounting.

1. Accrual:

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

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

2. Modified Accrual:

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

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are

met should, under most circumstances, be reported as advances by the provider and unearned revenue by recipient.

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

Basis of Presentation

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

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

The following major funds are used by the City:

1. Governmental Funds:

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

The following is a description of the major Governmental Funds of the City:

- a. General Fund** is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
- b. Transportation Capital Improvements Fund** is used to account for the following projects:
 - Road Resurfacing – paving residential streets.
 - Sidewalks – construction of sidewalks on SunTrail, Tropicana Parkway, Trafalgar Parkway and SW 20th Avenue.
 - Other Transportation Capital Improvements – improvements to various roadways including miscellaneous road resurfacing, repaving Old Burnt Store Road and Nicholas Parkway, median landscaping, alley resurfacing, traffic control devices, turn lane improvements, and sidewalk/bike path resurfacing.
- c. General Obligation Fund** is used to expand the city's parks and recreation amenities. The approved 15-year general obligation bond will fund major parks and recreation improvements throughout the city.
- d. Debt Service Fund** is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

2. Proprietary Funds:

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

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

The focus of proprietary fund measurement is based upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses.

The following is a description of the major proprietary funds of the City:

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

3. Other Funds:

Additionally, the City reports the following funds:

- a. **Pension Trust Funds** are used to account for three defined benefit plans which accumulate resources for pension benefit payments to its employees/retirees.

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

1. Cash and Investments

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds, excluding pension funds. This gives the City the ability to invest idle cash for short periods of time to maximize earning potential. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and equity in pooled cash and investments. Income earned on pooled cash and investments is allocated to the respective funds based on each fund's equity balances. Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City adopted Ordinance 83-20 on January 6, 2021, which amended the City's comprehensive investment policy.

The City participates in three local government investment pools (LGIP), FL Prime administered by the Florida State Board of Administration (SBA), FL Class administered by Public Trust Advisors, and FL Asset Fund Trust (FLSAFE) administered by PMA Financial Network, LLC. The SBA was created by Section 218.405, Florida Statutes and FL Safe and FL Class were created pursuant to Florida Statutes 163.01.

Detailed information on allowable investments and actual holdings can be found in the detailed notes section under cash and investments.

2. Receivables and Payables

During fiscal year 2021, numerous transactions occurred between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or

“due to other funds.” Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Accounts Receivable - The general fund accounts receivable includes gas, electric and solid waste franchise fees, public service tax, a deferred impact fee, a purchasing card rebate, and other miscellaneous receivables.

The other governmental funds accounts receivable includes false alarms, lot mowing assessments, purchasing card rebates, and miscellaneous receivables.

Assessments Receivable - the City levies a special assessment against benefited property owners for construction of water, wastewater, and irrigation utility extension in certain areas of the City. In addition, the City levies a fire services assessment to fund fire-rescue services. The City utilizes the uniform collection method for collecting the assessments. The receivable reported is the assessment amount that has a lien and is unpaid. There are no unbilled receivables for governmental activities and \$237,336,265 for business-type activities.

Intergovernmental Receivable - The general fund intergovernmental receivable includes communication service tax, half cent tax, recycling revenues, police task force reimbursements, occupational tax, firefighter’s supplemental education payments, alcoholic beverage license fees, state fuel tax rebate, and property tax revenues. Intergovernmental receivables also include grant reimbursements from the Florida Department of Transportation and Florida Department of Emergency Management and a receivable due from component unit – Cape Coral Charter School Authority, on September 30, 2021, of \$121,692.

The other governmental funds intergovernmental receivables are for pending receipt of the August and September 2021 fuel tax collections, Florida Medicaid reimbursement for special populations, and collections due from the Lee County Tax Collector and the Lee County Clerk of Courts. In addition, grant reimbursements are receivable for the Community Development Block Grant (CDBG).

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

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

3. Inventories and Prepaid Items

Inventories, consisting primarily of expendable supplies held for consumption, are stated at either weighted average or cost (first-in, first-out method). The City utilizes the consumption method of accounting, which provides that expenditures are recognized when inventory is used. The general fund maintains inventories for fuel; the water and sewer fund maintain inventories of materials and parts; Parks and Recreation programs maintain inventories consisting of concession and vending items, restaurant and food supplies, and items for resale. Both the waterpark and golf course maintain restaurant inventories and inventories of items available for resale.

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

4. Capital Assets

Capital assets include property, buildings, improvements other than buildings, equipment, infrastructure, and certain intangible assets. Infrastructure assets are defined as public domain capital assets such as roads, bridges, sidewalks, traffic signals, and similar items that are immovable and of

value only to the governmental unit. Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities columns, as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and a useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

The City has the following deferred outflows/inflows:

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

6. Compensated Absences

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

7. Long-term Obligations

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

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

In governmental funds the face amount of debt issued is reported as other financing sources. Issuance costs, bond premiums and discounts, whether withheld from the actual debt proceeds received, are reported as other financing sources (uses).

In the government-wide financial statements and proprietary funds, bond premiums and discounts, and bond insurance costs, are amortized over the life of the bonds using the straight-line method, which does not result in a material difference from the effective interest method. The deferred gain and loss are amortized over the shorter of the original life or the life of the new debt. The face amount of the debt issued is reported net of bond premiums and discounts whereas insurance costs are recorded as other assets.

9. Utility Capital Expansion Fee (Impact Fee)

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

10. Special Assessments

The City levies the following special assessments against benefited property owners: governmental activities – fire rescue, lot mowing and solid waste services; and business-type activities - construction of water, wastewater, irrigation utility extension and stormwater fees.

11. Unearned Revenue

Unearned revenue recorded in the general fund relates to planned development project fees and planning and zoning fees collected at time of application that are not earned until next fiscal year, school resource officers, business taxes, Lee County Emergency Medical Systems rent and tower lease payments.

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

Unearned revenue recorded in the water and sewer enterprise fund is related to funds received from the American Rescue Plan Act (ARPA) that will be used in fiscal year 2022 and 2023 to fund utility infrastructure improvements in the CRA district.

12. Intergovernmental Allocation of Administrative Expenses

The general fund incurs certain administrative expenses for other funds, including accounting, legal, data processing, personnel administration, and other services. The governmental funds that received these services were charged \$2,330,369 for fiscal year 2021. These amounts are eliminated in the

Statement of Activities. The enterprise funds that received these services were charged \$5,311,272 for fiscal year 2021. These amounts are recorded as revenue in the general fund and operating expenses in the enterprise funds.

13. State Pension Contributions

The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Municipal Police Officers' Plan for the year ended September 30, 2021, was \$1,687,523. The State of Florida's contribution to the Municipal Firefighters' Plan for the year ended September 30, 2021, was \$1,742,556. The City recognized these on-behalf payments from the state as revenues and expenditures in the governmental fund financial statements.

14. Fund Balance

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

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

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

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

Assigned Fund Balance - Portion that reflects a government's intended use of resources. Such intent must be established by the Finance Director pursuant to the Financial Management Policies (Resolution 332-19) approved by City Council. Assigned fund balance also includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the general fund. This classification represents a fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

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

In the general fund, the City strives to maintain an unassigned balance of two months operating expenditures of the general fund. This is the target that the unassigned fund balance should not fall

below without establishing a replenishment plan. Detailed information on fund balances can be found in Note IV - 11: Fund Balances.

15. Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to capital assets. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. The unrestricted net position category represents all other net position that does not meet the definition of “restricted” or “net investment in capital assets.” When both restricted and unrestricted resources are available for use, it is the City's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

16. Use of Estimates

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

17. Revenue Recognition – Grants

The principal types of grants and financial assistance received by the City are described below, along with the associated revenue recognition criteria.

- Expenditure - Driven Grants (reimbursement grants) – Based on grant availability, revenue should be recorded when qualifying expenditures have been incurred and any additional grant requirements have been met (e.g., matching, maintenance of effort, etc.).
- Entitlement and Shared Revenues (formula grants) – Revenue should be recorded as soon as it is measurable and available, and all eligibility criteria have been met. Revenues should only be recognized for the period they are intended to finance. Entitlements and shared revenues that are collected in a fiscal year before the fiscal year they are intended to finance should not be reported as revenue but should rather be reported as deferred revenue.
- Pass-Through Grants – The City may receive grants or other financial assistance to transfer or spend on behalf of other, secondary recipients. Revenue should be recognized when all eligibility requirements have been met and the resources become available which typically is considered to occur when the resources are, in fact, transmitted to their intended final recipient.

18. Change in Accounting Principles

During the fiscal year ended September 30, 2021, the City implemented GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement resulted in changing the presentation of the financial statements by reclassifying Agency Funds, School Impact and Solid Waste from fiduciary activities to governmental activities. School impact did not result in a restatement of net position. Beginning net position and fund balance has been restated to reflect this change.

	Governmental Activities		Other Governmental Funds
Net Position - Beginning of Year	\$ 157,077,252	Fund Balance - Beginning of Year	\$ 78,457,874
Cumulative effect of GASB 84	3,253,267	Cumulative effect of GASB 84	3,253,267
Net Position as Restated	<u>\$ 160,330,519</u>	Fund Balance as Restated	<u>\$ 81,711,141</u>

NOTE II. PROPERTY TAXES

Property taxes are levied on November 1st of each year and are due and payable upon receipt of the notice of levy. The Lee County, Florida Tax Collector's office bills and collects property taxes on behalf of the City. The total tax rate of 6.6750 mills per \$1,000 of assessed taxable property value consists of 6.375 mills to finance general governmental services and .30 mills to finance the debt service for the General Obligation Bond approved for acquisition, construction and equipping various parks for the fiscal year ended September 30, 2021. Property tax revenue is recognized in the fiscal year for which the taxes are levied. On May 1st of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1st, and the proceeds collected are remitted to the City.

No accruals for the property tax levy becoming due in November 2022 are included in the accompanying financial statements since such taxes are levied for the subsequent fiscal year and are not considered earned or available on September 30, 2021.

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1) Compliance with Finance-Related Legal and Contractual Provisions

City management believes that they are in compliance with finance-related legal and contractual provisions.

2) Deficit Fund Balance/Net Position

The following individual funds had deficit fund balances as of September 30, 2021:

<u>Fund</u>	<u>Type</u>	<u>Amount</u>
Golf Course ¹	Governmental	\$ 47,027
HUD Neighborhood Stabilization ²	Governmental	181,290
Residential Construction Mitigation Program ³	Governmental	568
Parks Capital Improvements ³	Governmental	6,986
Facilities Management ⁴	Internal Service	8,393,018
Fleet Management ⁴	Internal Service	2,709,485

¹ The deficit is due to membership and service revenues not exceeding operating expenditures.

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

³ The deficit is a result of expenditures that are ineligible for reimbursement.

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

3) Expenditures in Excess of Appropriations

The following individual funds had excess expenditures over appropriations as of September 30, 2021:

Governmental funds:

Community Development Block Grant ¹	164,355
HUD Neighborhood Stabilization ¹	96,230
State Housing Initiative Partnership ¹	147,570
Residential Construction Mitigation ¹	3,806

¹ Expenditures were appropriated in the year the funding was allocated and are not re-appropriated in subsequent years.

NOTE IV. DETAILED NOTES

1. Cash and Investments

As of September 30, 2021 the City had the following cash and investment amounts:

<u>Category</u>	<u>Fair Value</u>
Checking and savings accounts	\$ 63,530,940
Cash on hand	28,217
Cash with fiscal agent	5,140
LGIP- FL Prime (SBA)	127,725,868
Intergovernmental Investment Pools	131,414,342
Money Market Funds	50,813,006
Investments	208,610,830
Total	<u>\$ 582,128,343</u>

A. Cash and Cash Equivalents

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

B. Investment Portfolio

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City adopts a comprehensive investment policy by ordinance that establishes permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City's cash and investment assets. The investment policy applies to all cash and investments held or controlled by the City with the exception of pension funds and funds related to the issuance of debt. Ordinance 83-20 amending the City's investment policy was adopted on January 6, 2021.

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

- The Florida State Board of Administration's local government surplus funds trust fund (FL Prime).
- United States Government Securities unconditionally guaranteed by the United States Government.
- United States Government Agencies issued or guaranteed by the United States Government agencies.
- Federal Instrumentalities issued or guaranteed by United States Government sponsored agencies.
- Non-Negotiable Interest-Bearing Time Certificates of Deposit or Saving Accounts, in banks organized under the laws of the state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida.
- Repurchase Agreements.
- Commercial Paper of any United States company that is rated at the time of purchase.
- Bankers' Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank.
- State and/or Local Government Taxable and/or Tax-Exempt Debt.
- Registered Investment Companies (Mutual Funds) that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R § 270.2a-7.

- Intergovernmental Investment Pools that are authorized pursuant to the Florida Inter-Local Cooperation Act, as provided in Section 163.01, Florida Statutes Intergovernmental Investment Pools.
- Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States.
- Corporate Obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and guaranteed by the United States Government.
- Mortgage-Backed Securities (MBS) that are based on mortgages that are guaranteed by a government agency or GSE for payment.
- Asset-Backed Securities (ABS) that are backed by financial assets.
- Bond Funds.

As of September 30, 2021, interest receivable on the City's investment portfolio amounted to \$381,610.

As of September 30, 2021, the City had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Weighted Average Duration (Years)
Corporate Notes	\$ 8,360,521	1.18
Federal Agencies - Bond/Note	75,807,750	1.96
US Treasury - Bond/Note	124,442,559	1.29
LGIP- Florida Prime (SBA)	127,725,868	0.13
Intergovernmental Investment Pool-FL Class	75,115,888	0.13
Intergovernmental Investment Pool-FL Safe	56,298,454	0.10
Money Market Funds	50,813,006	0.07
Total Fair Value	\$ 518,564,046	
Portfolio Weighted Average Duration		0.70

C. Fair Value of Investments

The City categorizes its investments in accordance with the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application by categorizing its investments according to the fair value hierarchy established by this Statement. The hierarchy is based on the valuation input used to measure the fair value of the asset with Level 1 assets being those where quoted prices in an active market for identical assets can be readily obtained, Level 2 assets valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets, and Level 3 assets valued using significant unobservable inputs. Investments with Local Government Investment Pools (LIGP) are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net asset is attributed.

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As of September 30, 2021, the City had the following investment measurements by security type:

<u>Investment Type</u>	<u>Amount</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Corporate Notes	\$ 8,360,521	\$ -	\$ 8,360,521	\$ -
Federal Agencies - Bond/Note	75,807,750	-	75,807,750	-
US Treasuries - Bond/Note	124,442,559	-	124,442,559	-
Total	\$208,610,830	\$ -	\$ 208,610,830	\$ -
Cash Equivalents Measured at Amortized Cost				
Money Market Funds	50,813,006			
Total Cash Equivalents Measured at Amortized Cost	\$ 50,813,006			
Investments Measured at Net Asset Value (NAV)				
Florida Prime	127,725,868			
Florida Safe	56,298,454			
Florida Class	75,115,888			
Total Cash Equivalents and Investments	\$518,564,046			

D. Interest Rate Risk

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities not to exceed five years at time of purchase.

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

E. Credit Risk

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

FL Prime, FL Safe, and FL Class are all rated AAAM.

Florida Prime shall be rated AAAM by Standard & Poor's or the equivalent by another rating agency, commercial paper shall be rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). If the commercial paper is backed by a letter of credit ("LOC"), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies, Bankers' Acceptances at the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's, and issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System.

State and/or Local Government Taxable and/or Tax-Exempt Debt must be rated at least a minimum "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt or rated at least "VMIG2" by Moody's or "A-2" by Standard & Poor's for short-term debt, Registered Investment companies (Mutual Funds) must be

rated AAAM by Standard & Poor's or the equivalent by another rating agency and are in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. In addition, the Financial Services Director may invest in other types of mutual funds provided such funds are registered under the Federal Investment Company Act of 1940, invest exclusively in the securities specifically permitted under this investment policy, and are similarly diversified.

Intergovernmental Investment Pools are rated AAAM by Standard & Poor's or the equivalent by another rating agency and are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives, Corporate Notes shall have a minimum long-term debt rating of "A" by Moody's and "A" by Standard & Poor's, Asset-backed securities (ABS) shall be Double-A rated or better by Standard & Poor's, or the equivalent by another rating agency, and bond funds shall be Double-A rated or better by Standard & Poor's, or the equivalent by another rating agency.

As of September 30, 2021, the City had the following credit exposure as a percentage of total investments:

Security Type	Credit Risk Note	% of Portfolio	Amounts
	S&P Credit Rating		
Corporate Notes	AA+	0.45%	2,329,195
Corporate Notes	AA-	0.23%	1,218,028
Corporate Notes	AA	0.54%	2,813,531
Corporate Notes	A+	0.39%	1,999,767
Federal Agencies - Bond/Note	AA+	14.62%	75,807,750
US Treasuries - Bond/Note	AA+	24.00%	124,442,559
LGIP	AAAM	49.97%	259,140,210
Money Market Funds	AAAM	9.80%	50,813,006
Total		100.00%	\$ 518,564,046

As of September 30, 2021, the City's investment deposit in FL Prime, FL Class, and FL Asset Fund Trust (FL Safe) investment pool was \$127,725,868, \$75,115,888, and \$56,298,454 respectively. These qualify as 2a7-like external investment pools. As of September 30, 2021, all pools were rated AAAM by Standard & Poor's.

F. Custodial Credit Risk

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

As of September 30, 2021, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

G. Concentration of Credit Risk

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio. A maximum of 60% of available funds may be invested in FL Prime, a maximum of 100% of available funds may be invested in United States Government Securities, a maximum of 50% of available funds may be invested in United States Government Agencies with no more than 25% of available funds may be invested in an individual United States Government agency, a maximum of 80% of available funds may be invested in Federal Instrumentalities with no more than 25% of available funds may be invested in any one issuer. A maximum of 25% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit with no more than 15% of available funds may be deposited with any one issuer, a maximum of 25% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with no more than 10% of available funds may be invested with any one institution.

A maximum of 35% of available funds may be invested in prime commercial paper with no more than 10% of available funds may be invested with any one issuer, a maximum of 30% of available funds may be directly invested in Bankers' acceptances with no more than 10% of available funds may be invested with any one issuer. A maximum of 20% of available funds may be invested in taxable and tax-exempt debts with no more than 5% of available funds may be invested with any one issuer, a maximum of 25% of available funds may be invested in mutual funds with no more than 10% of available funds may be invested with any one non-SEC Rule 2a-7 investment mutual fund, a maximum of 60% of available funds may be invested in intergovernmental investment pools.

A maximum 35% of available funds may be directly invested in corporate notes with no more than 5% of available funds may be invested with any one issuer, a maximum of 50% of available funds may be directly invested in corporate obligations with no more than 25% of available funds may be invested with any one issuer, a maximum of 20% of available funds may be invested in mortgage-backed securities with no more than 5% of available funds may be invested with any one MBS, a maximum of 20% of available funds may be invested in asset-backed securities with no more than 5% of available funds may be invested with any one ABS, a maximum of 25% of available funds may be invested in bond funds with no more than 10% of available funds may be invested with any one bond fund.

FI Prime has a maximum allocation limit of 60%, FL Safe and FL Class are intergovernmental investment pools with a maximum allocation limit are 60%.

Pension Trust Funds:

The City has four defined benefit single-employer pension plans: General Employees', Police Officers, Firefighters', and a Restorations' (pension funds).

A. Cash and Cash Equivalents

As of September 30, 2021, the carrying amount of the pension funds' cash and cash equivalents was \$14,395,109.

B. Investment Portfolio

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

The revised investment policies were adopted as follows: General Pension – May 1, 2019; Police Pension – February 23, 2021; and Fire Pension – March 9, 2022.

As of September 30, 2021, interest, and dividend receivable on the pension funds' investment portfolio amounted to \$373,311.

As of September 30, 2021, the City's pension funds had the following investment types and effective duration presented in terms of years:

General Employees' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 5,619,820	1.36%	N/A
Investments:			
Stock	69,670,315	16.89%	N/A
Pooled/Common/Commingled Funds	212,126,673	51.43%	N/A
Partnerships	125,093,031	30.32%	N/A
Total	<u>\$ 412,509,839</u>	<u>100.00%</u>	

Police Officers' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 3,637,895	1.48%	N/A
Investments:			
Federal agency securities	11,847,857	4.81%	5.61
Mortgage Backed Securities	6,948,224	2.82%	
Collateralized Mortgage Obligations	1,846,156	0.75%	
Corporate Bonds	9,075,224	3.68%	
Foreign Bonds	<u>527,491</u>	<u>0.21%</u>	
Subtotal MBS, CMO, and Corporate Bonds and Foreign Bonds	18,397,095		11.32
Certificate of Deposit	753,510	0.31%	
Balanced	23,777,171	9.65%	N/A
Equity	127,007,986	51.51%	N/A
Pooled/Common/Commingled Funds:			
Equity	27,996,976	11.36%	N/A
Real Estate	23,410,547	9.50%	N/A
Private Equity	9,671,957	3.92%	N/A
Total	<u>\$ 246,500,994</u>	<u>100.00%</u>	

Firefighters' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 5,137,394	2.02%	N/A
Investments:			
Federal Agency Securities	14,610,973	5.76%	5.53
Mortgage Backed Securities	9,364,561	3.69%	
Collateralized Mortgage Obligations	2,305,734	0.91%	
Corporate Bonds	11,124,248	4.38%	
Foreign Bonds	<u>647,406</u>	<u>0.26%</u>	
Subtotal MBS, CMO, and Corporate Bonds	23,441,949		13.78
Certificate of Deposit	1,090,450	0.43%	N/A
Stock	57,276,498	22.57%	N/A
Mutual Funds:			
Balanced	13,959,048	5.50%	N/A
Equity	49,576,861	19.54%	N/A
Pooled/Common/Commingled Funds:			
Equity	45,596,131	17.98%	N/A
Infrastructure	10,637,391	4.19%	
Real Estate	27,653,199	10.90%	N/A
Private Equity	4,755,229	1.87%	
Total	<u>\$ 253,735,123</u>	<u>100.00%</u>	

C. Interest Rate Risk

The investment policies for the pension funds do not address interest rate risk. The pension funds utilize "effective duration" as a measurement of interest rate risk and as of September 30, 2021.

D. Credit Risk

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

Equity Securities

General Pension Funds:

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

Police and Fire Pension Funds:

- Investments in equity securities shall be limited to no more than 70% at market value of the fund's total asset value.
- All equity investments shall be limited to fully and easily negotiable equity securities.
- No more than 5% at cost value of an investment manager's equity portfolio may be invested in the shares of a single corporate issuer.
- Investments in stocks of foreign companies shall be limited to 25% (at market) of the total investment portfolio.
- No more than 25% of the equity securities (at market valuation) are to be invested in small or mid-cap stocks. The Board defines small and mid-cap stocks the stocks whose market capitalization is less than \$10 billion dollars.

Fixed Income Securities

General Pension Fund:

The fixed income portfolio shall comply with the following guidelines:

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

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

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

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

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

Police and Fire Pension Funds:

The fixed income portfolio shall comply with the following guidelines:

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

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

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

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

Cash Equivalent Securities

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

General Pension Fund:

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

Police and Fire Pension Funds:

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

Real Estate

General Pension Fund:

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

Police and Fire Pension Funds:

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

As of September 30, 2021, the Pension Funds had the following credit exposure as a percentage of total fixed income investments:

Standard & Poor's Credit Rating	General Employees'	Police Officers'	Firefighters'
AAA	N/A	0.85%	1.55%
AA+	N/A	42.85%	40.90%
AA	N/A	0.39%	0.40%
AA-	N/A	2.03%	1.60%
A+	N/A	2.74%	3.11%
A	N/A	2.18%	1.91%
A-	N/A	8.47%	7.10%
BBB+	N/A	13.39%	13.60%
BBB	N/A	1.13%	1.31%
BBB-	N/A	0.95%	1.03%
not rated	100.00%	25.02%	27.49%
Total	100.00%	100.00%	100.00%

The following lists investments that represent 5% or more of the Plan's fiduciary net position as of September 30, 2021:

General Employees' Pension Investments

Investment	Amount
Wilmington Trust for ClearBridge Large Cap	\$ 64,334,347
Fidelity Core Plus Commingled Pool	50,375,693
Arrowstreet international Equity	37,425,214
Wells Fargo Emerging Markets Equity Fund	31,373,391
Fidelity Tactical Bond Commingled Pool	20,759,237
Total	<u>\$ 204,267,882</u>

Police Officers' Pension Investments

Investment	Amount
American Core Reality Fund	\$ 21,724,655
Rhumblin Russell 1000 Pooled Index Fund	27,996,976
Total	<u>\$ 49,721,631</u>

Firefighters' Pension Investments

Investment	Amount
American Core Reality Fund	\$ 21,724,655
Rhumblin Russell 1000 Growth Pooled Index Fund	17,599,155
Rhumblin Russell 1000 Pooled Index Fund	27,996,976
Total	<u>\$ 67,320,786</u>

E. Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following recurring fair value measurements comprised of investments as of September 30, 2021:

General Employees' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Investments:				
Stocks	\$ 69,670,315	\$ 69,670,315	\$ -	\$ -
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds	\$ 212,126,673			
Partnerships	125,093,031			
Total Investments Measured at the NAV	337,219,704			
Total Investments Measured at Fair Value	\$ 406,890,019			
Investments Measured at Amortized Cost				
Money Market Funds and Short-Term Cash	5,619,820			
Total cash, cash equivalents, and investments	\$ 412,509,839			

Police Officers' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Obligations and				
Federal Agency Securities	\$ 11,847,857	\$ -	\$ 11,847,857	\$ -
Mortgage Backed Securities	6,948,224	-	6,948,224	-
Collateralized Mortgage Obligations	1,846,156	-	1,846,156	-
Corporate Bonds	9,075,224	-	9,075,224	-
Foreign Bonds	527,491	-	527,491	-
Mutual Funds:				
Balanced	23,777,171	23,777,171	-	-
Equity	127,007,986	127,007,986	-	-
	\$ 181,030,109	\$ 150,785,157	\$ 30,244,952	\$ -
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds				
Equity Index Funds	\$ 27,996,976			
Real Estate Commingled Funds	23,410,547			
Private Equity	9,671,957			
Total Investments Measured at the NAV	61,079,480			
Total Investments Measured at Fair Value	242,109,589			
Investments Measured at Amortized Cost				
Money Market Funds and Other				
Short-Term Cash	3,637,895			
Certificate of Deposit	753,510			
Total cash, cash equivalents, and investments	\$ 246,500,994			

Firefighters' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Obligations and				
Federal Agency Securities	\$ 14,610,973	\$ -	\$ 14,610,973	\$ -
Mortgage Backed Securities	9,364,561	-	9,364,561	-
Collateralized Mortgage Obligations	2,305,734	-	2,305,734	-
Corporate Bonds	11,124,248	-	11,124,248	-
Foreign Bonds	647,406	-	647,406	-
Stocks	57,276,498	57,276,498	-	-
Mutual Funds:				
Balanced	13,959,048	13,959,048	-	-
Equity	49,576,861	49,576,861	-	-
	<u>\$ 158,865,329</u>	<u>\$ 120,812,407</u>	<u>\$ 38,052,922</u>	<u>\$ -</u>
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds				
Equity Index Funds	\$ 45,596,131			
Infrastructure	10,637,391			
Real Estate Commingled Funds	27,653,199			
Private Equity	4,755,229			
Total Investments Measured at the NAV	<u>88,641,950</u>			
Total Investments Measured at Fair Value	<u>247,507,279</u>			
Investments Measured at Amortized Cost				
Money Market Funds and Other Short-Term Cash	5,137,394			
Certificates of Deposit	1,090,450			
Total cash, cash equivalents, and investments	<u>\$ 253,735,123</u>			

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

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

General Employees' Pension Investments

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Pooled/Common/Commingled Funds				
Equity	\$ 95,707,738	-	Daily	Daily
Fixed Income	71,134,930	-	Daily	Daily
Private Equity	13,175,336	395,956	Daily	Daily
Real Estate	32,108,669	169,800	Quarterly	30 days/45 days/Quarterly
Partnerships				
Alternative (Hedge Fund/GTAA)	16,671,243	-	Monthly/Quarterly	30 Days/Quarterly
Real Estate	22,858,689	7,778,182	Daily	Daily
Farmland	13,864,443	-	Annually	5 Months
Equity	37,425,214	-	Daily	Daily
Private Equity	34,273,442	20,550,667	Daily	Daily
Total Investments Measured at the NAV	<u>\$ 337,219,704</u>			

Police Officers' Pension Investments

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Pooled/Common/Commingled Funds				
Equity Index Funds	\$ 27,996,976	\$ -	Daily	Daily
Real Estate Commingled Funds	23,410,547	28,388	Quarterly	Daily
Private Equity	9,671,957	13,000,000	None	Daily
Total Investments Measured at the NAV	<u>\$ 61,079,480</u>			

Firefighters' Pension Investments

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Pooled/Common/Commingled Funds				
Equity Index Funds	\$ 45,596,131	\$ -	Daily	Daily
Infrastructure Funds	10,637,391	-	Daily	Daily
Real Estate Commingled Funds	27,653,199	28,349	Quarterly	30 Days/Daily
Private Equity	4,755,229	15,705,576	None	None
Total Investments Measured at the NAV	<u>\$ 88,641,950</u>			

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

F. Custodial Credit Risk

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

As of September 30, 2021, the pension funds' investment portfolio was held with a third-party custodian as required by Florida Statute.

G. Concentration of Credit Risk

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

Equity Securities

General Pension Fund:

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

Police and Fire Pension Funds:

- Investments in equity securities shall be limited to no more than 70% at market value of the fund's total asset value.
- All equity investments shall be limited to fully and easily negotiable equity securities.
- No more than 5% at cost value of an investment manager's equity portfolio may be invested in a single corporate issuer.
- Investments in stocks of foreign companies shall be limited to 25% (at market) of the total investment portfolio.
- No more than 25% of the equity securities (at market) are to be invested in small or mid-cap stocks. The Board defines small and mid-cap stocks whose market capitalization is less than \$10 billion.

Fixed Income Securities

General Pension Fund:

- The average credit quality of the bond portfolio shall be "BBB" or higher.
- The duration of the fixed income portfolio shall not exceed 150% of the duration of the market index. The market Index is defined as the Barclays Aggregate Bond Index.
- At Least 70% of securities purchased at cost must be rated "BAA" or higher by Moody's or "BBB" or higher by Standard & Poor's rating services.
- No more than 30% at cost can be invested in non-investment grade/non-US fixed income commingled vehicles.
- No more than 10% at cost of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.

- No more than 20% of the market value of the investment manager's portfolio shall be invested in collateralized mortgage obligations (CMO's) with the following restrictions:
 - At least 90% at cost of all issues backed by mortgage securities issued, guaranteed, or fully insured by the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA) or that are rated "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
 - No more than 10% at cost of issues can be rated below "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
 - No limit on fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.
 - Fixed income securities may be managed through the purchase of open-end, no-load mutual funds as long as these funds in aggregate adhere to the fixed income guidelines herein.
 - All approved institutions and dealers transacting in repurchase agreements are required to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement. The Board shall determine the approximate maturity date based on cash flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

Police and Fire Pension Funds:

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

Real Estate Funds

General Pension:

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

Police and Fire Pension Funds:

- Investments in real estate shall not exceed 20% (at market valuation) of the total Fund assets.
- All real estate investments shall be made through participation in diversified commingled fund of real properties. These funds shall be broadly diversified as to property type and location.
- Experienced and professional real property investment managers shall manage all real estate investments.

Hedge Fund of Funds

General Pension:

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

Cash Equivalent Securities

General Pension:

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

2. Restricted Cash and Investments

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

	Water and Sewer
Debt service	\$ 91,984,772
Capital improvements	58,501,220
Renewal and replacement	6,351,840
Deposits	2,809,849
Total restricted cash and investments	<u>\$ 159,647,681</u>

3. Accounts and Assessments Receivable

The composition of accounts and assessments receivable as of September 30, 2021 is as follows:

Governmental activities:

	General Fund	Transportation Capital Improvements	General Obligation Fund	Other Governmental Funds	Total
Unrestricted:					
Interest	\$ 99,750	\$ -	\$ -	\$ 81,818	\$ 181,568
Gross assessments receivable ¹	167,904	-	-	52,683	220,587
Less: allowance for uncollectibles	(167,904)	-	-	(52,683)	(220,587)
Intergovernmental	6,308,982	2,093,304	-	2,545,170	10,947,456
Gross accounts receivable	1,823,721	-	-	870,994	2,694,715
Less: allowance for uncollectibles	-	-	-	(253,798)	(253,798)
Notes Receivable	30,293	-	-	-	30,293
Total net unrestricted	<u>\$ 8,262,746</u>	<u>\$ 2,093,304</u>	<u>\$ -</u>	<u>\$ 3,244,184</u>	<u>\$ 13,600,234</u>

¹ The amortized assessment is collected pursuant to the Uniform Assessment Collection Act under Florida Statutes 197.3632 and 197.3635. The Uniform Assessment Collection Act authorizes the collection of non-ad valorem assessments on the same bill as ad valorem taxes. The uniform collection method offers the City the greatest assurance of collecting all of its billed special assessment revenue. For financial statement reporting, the receivable is recorded at the time of the levy which is each year when the assessment is billed on the tax roll and the enforceable legal claim arises. The total original tax billed assessment for all projects is \$1,217,856. As of September 30, 2021, there are no unbilled amounts.

Business-type activities:

	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	Governmental Activities - Internal Service Funds
Unrestricted:					
Interest	\$ 64,692	\$ 15,196	\$ 1,273	\$ 81,161	\$ 23,641
Intergovernmental	-	77,893	-	77,893	-
Gross accounts receivable	11,387,029 ¹	144,427	251	11,531,707	31,382
Less: allowance for uncollectibles	(844,193) ²	(126,128)	-	(970,321)	(18)
Total net unrestricted	<u>10,607,528</u>	<u>111,388</u>	<u>1,524</u>	<u>10,720,440</u>	<u>55,005</u>
Restricted:					
Interest	95,243	-	-	95,243	-
Intergovernmental	359,482	-	-	359,482	-
Gross accounts receivable	140,260 ³	-	-	140,260	-
Less: allowance for uncollectibles	(64,432) ²	-	-	(64,432)	-
Gross assessments receivable	2,435,279 ³	-	-	2,435,279	-
Less: allowance for uncollectibles	(990,672) ²	-	-	(990,672)	-
Total net restricted	<u>1,975,160</u>	<u>-</u>	<u>-</u>	<u>1,975,160</u>	<u>-</u>
Total net receivables	<u>\$ 12,582,688</u>	<u>\$ 111,388</u>	<u>\$ 1,524</u>	<u>\$ 12,695,600</u>	<u>\$ 55,005</u>

¹ Includes unbilled receivables of \$4,722,752.

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

³ The City monitors the accounts on a monthly basis. As of September 30, 2021, the delinquent amounts were \$9,575 for assessments, \$1,296 for impact loans, and \$56,304 for CIAC loans.

4. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2021 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose for Balance</u>	<u>Amount</u>
General	Other governmental funds (CDBG)	Awaiting grant reimbursement	\$ 573,716
	Other governmental funds (RCMP)	Awaiting grant reimbursement	568
	Other governmental funds (HUD NSP)	Awaiting grant reimbursement	181,279
	Other governmental funds (Golf Course)	Operations	564,909
			<u>\$ 1,320,472</u>

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Interfund Transfers:

Transfers Out	Transfers In								Total
	General Fund	Transportation Capital Improvements	General Obligation Fund	Debt Service Fund	Other Governmental Funds	Water and Sewer	Other Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ 5,672,000 ⁵	\$ 300,000 ⁸	\$ 7,250,789 ⁹	\$ 9,643,068 ¹³	\$ 583,871 ¹⁸	\$ 10,000 ²⁰	\$ -	\$ 23,459,728
Debt Service Fund	-	-	-	-	5,396,025 ¹⁴	-	-	-	5,396,025
Other Governmental	6,857,296 ¹	13,565,796 ⁶	-	9,060,466 ¹¹	9,030,474 ¹⁵	-	-	-	38,514,032
Water & Sewer	95,387 ²	-	-	96,536 ¹²	-	-	-	-	191,923
Stormwater	37,241 ³	95,000 ⁷	-	-	250,000 ¹⁶	228,470 ¹⁹	-	-	610,711
Yacht Basin	-	-	500,000 ⁹	-	115,000 ¹⁷	-	-	-	615,000
Internal Service Fund	12,000 ⁴	-	-	-	-	-	-	11,000 ²¹	23,000
Total	\$ 7,001,924	\$ 19,332,796	\$ 800,000	\$ 16,407,791	\$ 24,434,567	\$ 812,341	\$ 10,000	\$ 11,000	\$ 68,810,419

- ¹ Other governmental fund (Gas Tax) transferred \$6,177,227 to the general fund for budgetary established levels to support public works services division's operations.
- Other governmental fund (Road Impact) transferred \$530,478 to the general fund for budgetary established levels for the cost of general administrative services.
- Other governmental fund (All Hazards) transferred \$104,554 to the general fund for reimbursement of incentive pays for hazmat response.
- Other governmental fund (Parks & Recreation) transferred \$24,408 to the general fund for the fair market value of capital assets transferred between funds.
- Other governmental fund (Police Confiscation State) transferred \$13,129 to the general fund for reimbursement of equipment purchased for drug abuse prevention and education.
- Other governmental fund (Alarm Fee) transferred \$7,500 to the general fund for budgetary established levels for the costs of general administrative services.
- ² Enterprise fund (Water & Sewer) transferred \$37,240 to the general fund for the reimbursement of expenses related to a rescue task force team.
- Enterprise fund (Water & Sewer) transferred \$58,147 to general fund for the fair market value of capital assets transferred between funds.
- ³ Enterprise fund (Stormwater) transferred \$37,241 to the general fund for the reimbursement of expenses related to a rescue task force team.
- ⁴ Internal service fund (Fleet Maintenance) transferred \$12,000 to the general fund for the fair market value of capital assets transferred between funds.
- ⁵ General fund transferred \$5,672,000 to the transportation capital projects fund for road resurfacing, median landscaping and ally resurfacing.
- ⁶ Other governmental fund (Five Cent Gas Tax) transferred \$4,918,324 to the transportation capital improvements fund for road resurfacing.
- Other governmental fund (Road Impact) transferred \$4,278,472 to the transportation capital improvements fund for roadway improvements, sidewalks and resurfacing projects.
- Other governmental fund (Five Cent Gas Tax) transferred \$1,650,000 to the transportation capital improvements fund sidewalks, bike paths and median curbing.
- Other governmental fund (Six Cent Gas Tax) transferred \$1,469,000 to the transportation capital improvements fund for sidewalks.
- Other governmental fund (Six Cent Gas Tax) transferred \$1,000,000 to the transportation capital improvements fund for road resurfacing capital projects.
- Other governmental fund (Six Cent Gas Tax) transferred \$250,000 to the transportation capital improvements fund for the N2 UEP lift paving program.
- ⁷ Enterprise fund (Stormwater) transferred \$95,000 to the transportation capital improvements fund for transportation capital projects.
- ⁸ General fund transferred \$300,000 to other governmental fund (P&R Capital Projects) for administrative costs related to the GO Bond parks projects.
- ⁹ Other enterprise fund (Yacht Basin) transferred \$500,000 to other governmental funds (Parks & Recreation GO Bond) for capital projects related to the Yacht Basin.
- ¹⁰ General fund transferred \$7,250,789 to the debt service fund for annual debt service payments.
- ¹¹ Other governmental fund (Road Impact) transferred \$4,917,508 to the debt service fund for annual debt service payments.
- Other governmental fund (Park Impact) transferred \$2,729,286 to the debt service fund for annual debt service payments.
- Other governmental fund (CRA) transferred \$877,600 to the debt service fund for annual debt service payments.
- Other governmental fund (Fire Impact) transferred \$339,867 to the debt service fund for annual debt service payments.
- Other governmental fund (Waterpark) transferred \$174,098 to the debt service fund for annual debt service payments.
- Other governmental fund (Building) transferred \$22,107 to the debt service fund for annual debt service payments.
- ¹² Enterprise fund (Water & Sewer) transferred \$96,536 to the debt service fund for annual debt service payments.
- ¹³ General fund transferred \$6,068,004 to other governmental fund (Parks & Recreation Programs) for budgetary established support of annual operations.
- General fund transferred \$2,050,737 to the community redevelopment agency for established Tax Increment Financing (TIF) funding.
- General fund transferred \$827,378 to other governmental fund (Waterpark) for budgetary established support of annual operations.
- General fund transferred \$557,563 to other governmental fund (Golf Course) for budgetary established support of annual operations.
- General fund transferred \$92,461 to other governmental fund (City Centrum) for budgetary established support of annual operations.
- General fund transferred \$24,575 to other governmental fund (Parks & Recreation Programs) for the fair market value of capital assets transferred between funds.
- General fund transferred \$22,350 to other governmental fund (Alarm Fees) for budgetary established support of annual operations.
- ¹⁴ Debt service fund transferred \$5,396,025 to other governmental fund (Fire Capital Projects) for the construction of Fire Station #2 and Fire Station #12.
- ¹⁵ Other governmental fund (Police Protection Imp Fee Fund) transferred \$6,097,910 to other governmental fund (Police Capital Projects) for the police training facility.
- Other governmental fund (CRA) transferred \$2,415,564 to other governmental fund (CRA Capital Projects) for capital projects ongoing in the CRA district.
- Other governmental fund (Fire Imp Fee Fund) transferred \$517,000 to other governmental fund (Fire Capital Projects) for the fire training facility.
- ¹⁶ Enterprise fund (Stormwater) transferred \$250,000 to other governmental fund (Public Works Capital Projects) for the Chiquita boat lock.
- ¹⁷ Other enterprise fund (Yacht Basin) transferred \$115,000 to other governmental funds (Parks & Recreation Programs) for budgetary established support of annual operations.
- ¹⁸ General fund transferred \$583,871 to enterprise fund (Water and Sewer) for the fair market value of capital assets transferred between funds. \$523,870 is related to surplus land sales.
- ¹⁹ Enterprise fund (Stormwater) transferred \$228,470 to enterprise fund (Water & Sewer) for SRF Clean Water SW 6/7.
- ²⁰ General fund transferred \$10,000 to Enterprise fund (Other) for the fair market value of capital assets transferred between funds.
- ²¹ Internal service fund (Fleet Maintenance) transferred \$11,000 to Internal service fund (Facilities Management) for the fair market value of capital assets transferred between funds.

5. Capital Assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land				
Governmental	\$ 156,407,441	\$ 3,373,961	\$ (468,385)	\$ 159,313,017
Construction in progress				
Governmental	30,643,500	15,655,428	(12,702,264)	33,596,664
Total construction in progress	30,643,500	15,655,428	(12,702,264)	33,596,664
Total capital assets, not being depreciated	187,050,941	19,029,389	(13,170,649)	192,909,681
Capital assets, being depreciated:				
Buildings				
Governmental	141,282,953	4,455,333	(4,100)	145,734,186
Internal Service	907,624	-	-	907,624
Total buildings	142,190,577	4,455,333	(4,100)	146,641,810
Improvements other than buildings				
Governmental	81,115,781	962,746	(4,200)	82,074,327
Internal Service	63,796	-	-	63,796
Total improvements other than buildings	81,179,577	962,746	(4,200)	82,138,123
Equipment				
Governmental	51,832,716	6,986,012	(3,712,992)	55,105,736
Internal Service	2,265,905	98,424	(76,344)	2,287,985
Total equipment	54,098,621	7,084,436	(3,789,336)	57,393,721
Intangible computer software				
Governmental	3,194,494	96,813	-	3,291,307
Internal Service	705,245	-	-	705,245
Total intangible computer software	3,899,739	96,813	-	3,996,552
Infrastructure				
Governmental	220,341,834	7,341,452	-	227,683,286
Total capital assets, being depreciated	501,710,348	19,940,780	(3,797,636)	517,853,492
Less accumulated depreciation for:				
Buildings				
Governmental	(57,857,940)	(3,569,274)	4,100	(61,423,114)
Internal Service	(657,694)	(22,015)	-	(679,709)
Total buildings	(58,515,634)	(3,591,289)	4,100	(62,102,823)
Improvements other than buildings				
Governmental	(44,140,217)	(3,127,636)	4,200	(47,263,653)
Internal Service	(63,795)	-	-	(63,795)
Total improvements other than buildings	(44,204,012)	(3,127,636)	4,200	(47,327,448)
Equipment				
Governmental	(35,785,711)	(5,072,669)	3,641,325	(37,217,055)
Internal Service	(1,625,403)	(216,613)	76,344	(1,765,672)
Total equipment	(37,411,114)	(5,289,282)	3,717,669	(38,982,727)
Intangible computer software				
Governmental	(3,212,121)	(24,069)	-	(3,236,190)
Internal Service	(705,245)	-	-	(705,245)
Total intangible computer software	(3,917,366)	(24,069)	-	(3,941,435)
Infrastructure				
Governmental	(85,061,668)	(7,356,717)	-	(92,418,385)
Total accumulated depreciation	(229,109,794)	(19,388,993)	3,725,969	(244,772,818)
Total capital assets, being depreciated, net	272,600,554	551,787	(71,667)	273,080,674
Governmental activities capital assets, net	\$ 459,651,495	\$ 19,581,176	\$ (13,242,316)	\$ 465,990,355

(continued on next page)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land				
Water and Sewer	\$ 25,064,420	\$ 493,433	\$ (427,918)	\$ 25,129,935
Stormwater	6,311,098	152,327	-	6,463,425
Yacht Basin	20,555	-	-	20,555
Total land	<u>31,396,073</u>	<u>645,760</u>	<u>(427,918)</u>	<u>31,613,915</u>
Construction in progress				
Water and Sewer	257,252,412	27,034,040	(236,765,482) ¹	47,520,970
Stormwater	11,927,600	536,761	(8,643,991)	3,820,370
Total construction in progress	<u>269,180,012</u>	<u>27,570,801</u>	<u>(245,409,473)</u>	<u>51,341,340</u>
Total capital assets, not being depreciated	<u>300,576,085</u>	<u>28,216,561</u>	<u>(245,837,391)</u>	<u>82,955,255</u>
Capital assets, being depreciated:				
Buildings				
Water and Sewer	387,503,791	-	-	387,503,791
Stormwater	1,916,446	-	-	1,916,446
Yacht Basin	77,988	-	-	77,988
Total buildings	<u>389,498,225</u>	<u>-</u>	<u>-</u>	<u>389,498,225</u>
Improvements other than buildings				
Water and Sewer	325,263,133	13,047,349	(2,225)	338,308,257
Stormwater	24,423,336	8,701,811	-	33,125,147
Yacht Basin	864,337	-	-	864,337
Total improvements other than buildings	<u>350,550,806</u>	<u>21,749,160</u>	<u>(2,225)</u>	<u>372,297,741</u>
Equipment				
Water and Sewer	37,027,033	1,479,385	(669,013)	37,837,405
Stormwater	9,263,168	763,031	(462,924)	9,563,275
Yacht Basin	60,448	-	(18,738)	41,710
Total equipment	<u>46,350,649</u>	<u>2,242,416</u>	<u>(1,150,675)</u>	<u>47,442,390</u>
Infrastructure				
Water and Sewer	680,194,595	229,294,707	(7,476,335) ¹	902,012,967
Stormwater	17,283,895	389,669	-	17,673,564
Yacht Basin	286,049	-	-	286,049
Total Infrastructure	<u>697,764,539</u>	<u>229,684,376</u>	<u>(7,476,335)</u>	<u>919,972,580</u>
Total capital assets, being depreciated	<u>1,484,164,219</u>	<u>253,675,952</u>	<u>(8,629,235)</u>	<u>1,729,210,936</u>
Less accumulated depreciation for:				
Buildings				
Water and Sewer	(112,707,387)	(9,642,217)	-	(122,349,604)
Stormwater	(1,439,524)	(179,580)	-	(1,619,104)
Yacht Basin	(16,221)	(3,913)	-	(20,134)
Total buildings	<u>(114,163,132)</u>	<u>(9,825,710)</u>	<u>-</u>	<u>(123,988,842)</u>
Improvements other than buildings				
Water and Sewer	(201,853,943)	(9,320,394)	2,225	(211,172,112)
Stormwater	(11,368,275)	(1,250,368)	-	(12,618,643)
Yacht Basin	(798,604)	(15,190)	-	(813,794)
Total improvements other than buildings	<u>(214,020,822)</u>	<u>(10,585,952)</u>	<u>2,225</u>	<u>(224,604,549)</u>
Equipment				
Water and Sewer	(28,875,419)	(2,292,888)	620,305	(30,548,002)
Stormwater	(5,946,727)	(676,509)	462,920	(6,160,316)
Yacht Basin	(43,205)	(6,530)	17,489	(32,246)
Total equipment	<u>(34,865,351)</u>	<u>(2,975,927)</u>	<u>1,100,714</u>	<u>(36,740,564)</u>
Infrastructure				
Water and Sewer	(271,482,355)	(20,179,121)	-	(291,661,476)
Stormwater	(9,923,414)	(371,567)	-	(10,294,981)
Yacht Basin	(57,420)	(14,363)	-	(71,783)
Total Infrastructure	<u>(281,463,189)</u>	<u>(20,565,051)</u>	<u>-</u>	<u>(302,028,240)</u>
Total accumulated depreciation	<u>(644,512,494)</u>	<u>(43,952,640)</u>	<u>1,102,939</u>	<u>(687,362,195)</u>
Total capital assets, being depreciated, net	<u>839,651,725</u>	<u>209,723,312</u>	<u>(7,526,296)</u>	<u>1,041,848,741</u>
Business-type activities capital assets, net	<u>\$ 1,140,227,810</u>	<u>\$ 237,939,873</u>	<u>\$ (253,363,687)</u>	<u>\$ 1,124,803,996</u>

¹ During FY2021, Water and Sewer recorded a loss on abandoned projects for North 1 and North 2 that ceased as originally designed. At the time the loss was recorded, \$1,293,667 was decreased from work in progress and \$7,476,335 was decreased from infrastructure.

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

Governmental activities:

General Government	\$ 4,886,991
Public Safety:	
Police	1,939,001
Fire	2,200,905
Building	144,549
Public Works	5,758,968
Community Development	1,685,828
Parks and Recreation	2,544,054
Internal Service	228,697
Total depreciation expense - governmental activities	<u>\$ 19,388,993</u>

Business-type activities:

Water and Sewer	\$ 41,434,620
Stormwater	2,478,024
Yacht Basin	39,996
Total depreciation expense - business-type activities	<u>\$ 43,952,640</u>

6. Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities on September 30, 2021 are as follows:

Governmental activities:

	<u>General Fund</u>	<u>Transportation Capital Improvements</u>	<u>General Obligation Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts payable and other accrued liabilities	\$ 1,648,680	\$ 1,004,440	\$ 256,050	\$ 5,373,353	\$ 8,282,523
Retainage payable	-	324,536	4,243	60,949	389,728
Intergovernmental payable	12,455,905	-	-	191,336	12,647,241
Total	<u>\$ 14,104,585</u>	<u>\$ 1,328,976</u>	<u>\$ 260,293</u>	<u>\$ 5,625,638</u>	<u>\$ 21,319,492</u>

Business-type activities:

	<u>Water and Sewer</u>	<u>Stormwater</u>	<u>Other Non-Major Yacht Basin</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
Accounts payable and other accrued liabilities	\$ 11,088,076	\$ 278,110	\$ 11,549	\$ 11,377,735	\$ 2,694,367
Retainage payable	3,292,225	73,041	-	3,365,266	-
Total	<u>\$ 14,380,301</u>	<u>\$ 351,151</u>	<u>\$ 11,549</u>	<u>\$ 14,743,001</u>	<u>\$ 2,694,367</u>

7. Long-term Debt at September 30, 2021 is comprised of the following:

General Obligation Debt

General Obligation Note-Direct Borrowings

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

\$ 9,095,000

General Obligation Revenue Bonds

\$24,800,000 General Obligation Bonds, Series 2021 was approved to finance and refinance the cost of acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. Principal is paid annually from March 2022 to March 2035 with interest paid semiannually at 1.46%.

24,800,000

33,895,000

5,198,012

Plus unamortized premium

\$ 39,093,012

General Long-term Debt

Revenue Bonds

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

\$ 39,200,000

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

56,345,000

95,545,000

9,439,773

Plus unamortized premium

\$ 104,984,773

Notes from Direct Borrowings

<p>\$17,669,950 Special Obligation Revenue Bonds (Notes-Direct Borrowing), Series 2012 issued to refund \$12,928,555 of outstanding Series 2009 Special Obligation Revenue Notes plus accrued interest due on 4/01/2012 and \$4,500,000 of commercial paper obligations issued to finance and refinance the acquisition, construction and equipping of various capital improvements with the City. The City refunded the 2009 Series to reduce its debt service payment over 13 years by \$1,978,440 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,696,880. Principal and interest on the new obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.43%.</p>	<p>\$ 4,566,130</p>
<p>\$5,300,000 Capital Improvement Refunding Revenue Bonds (Notes-Direct Borrowing), Series 2014, issued to refund a portion of the City's outstanding Capital Improvement Revenue Bonds, Series 2005. The City refunded the 2005 Series to reduce its debt service payment over 11 years by \$355,537 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$316,378. Principal and interest on the obligations is secured by gas tax revenues and non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.31%.</p>	<p>1,865,000</p>
<p>\$21,433,000 Gas Tax Refunding Revenue Bonds (Notes-Direct Borrowing), Series 2014, issued to refund all of the City's outstanding Gas Tax Revenue Bonds, Series 2009. The City refunded the 2009 Series to reduce its debt service payment over 10 years by \$1,921,763 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,724,892. Principal and interest on the obligations is secured by gas tax revenues and non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2023 with interest paid semiannually at 2.20%.</p>	<p>5,049,000</p>
<p>\$13,675,000 Special Obligation Revenue Note, Series 2015 was issued to refund the City's outstanding Capital Improvement Revenue Bonds, Series 2005 and to finance the acquisition of various equipment and vehicles. The City refunded the 2005 Series to reduce its debt service payment over 10 years by \$878,414 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$803,758. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.1%.</p>	<p>3,647,000</p>
<p>\$30,760,000 Special Obligation Refunding Revenue Note, Series 2020 was issued to refund the City's outstanding Gas Tax Revenue Bonds, Series 2010B. The City refunded these Bond Series to reduce its debt service payment over 11 years by \$9,189,373 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,990,874. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2030 with interest paid quarterly at 1.99%.</p>	<p>29,865,000</p>
<p>\$15,128,990 Special Obligation Refunding Revenue Note, Series 2020A was issued to finance the acquisition and construction of fire station #2 & #12 and to refinance the Special Obligation Revenue Note, Series 2018. The City refunded the note to reduce its debt service payment over 8 years by \$401,475 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$377,248. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2028 with interest paid quarterly at 1.51%.</p>	<p>12,957,085 <u>\$ 57,949,215</u></p>

Enterprise Long-term Debt

Revenue Bonds

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

\$ 72,415,000

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

Plus unamortized premium

	248,355,000
	<u>320,770,000</u>
	26,449,034
	<u><u>\$ 347,219,034</u></u>

Notes from Direct Borrowings

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

\$ 63,850,000

\$10,600,000 Water and Sewer Refunding Revenue Bonds (Notes-Direct Borrowing), Series 2020, to finance, on an interim basis, various costs and expenses relating to the design and planning for the water, wastewater, and irrigation water utility capital improvements to be acquired, constructed and equipped within the North 1 assessment area. Principal and interest on the obligation is secured by water and sewer funds. Principal is paid in 2023 and interest paid semiannually at 0.764%.

10,600,000

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

484,110

<p>\$7,224,652 State Revolving Fund Loan Agreement #7516L 01 (Pine Island Water) payable to the State with principal and interest payable semiannually at 2.93% through December 2023. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.</p>	94,630
<p>\$35,848,122 State Revolving Fund Loan Agreement #7516L 02 (Southwest 1 Water) payable to the State with principal and interest payable semiannually at 2.93% through June 2024. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.</p>	648,195
<p>\$12,401,582 State Revolving Fund Loan Agreement DW#360103 (Southwest 6 & 7 Drinking Water) payable to the State with principal and interest payable semiannually at 2.12% through 2036. The current principal amount includes actual draws and a 2% loan service fee. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p>	9,976,390
<p>\$54,662,273 State Revolving Fund Loan Agreement WW#360100 (Southwest 6 & 7 Clean Water) payable to the State with principal and interest payable semiannually at rates ranging from 1.93% to 2.42% through 2036. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p>	43,356,710
<p>\$97,000,000 State Revolving Fund Loan Agreement WW#360120 (North 2 Clean Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.00% to 0.72% through 2041. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p>	97,720,275
<p>\$124,436,105 State Revolving Fund Loan Agreement DW#360130 (North 2 Drinking Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.30% to 1.48% through 2041. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p>	<p style="text-align: right;">76,817,953</p> <hr style="width: 100%; border: 0.5px solid black;"/> <p style="text-align: right;">\$ 303,548,263</p> <hr style="width: 100%; border: 0.5px solid black;"/>

Special Assessment Debt with Government Commitment

In order to fund construction of the City's water and wastewater utility expansion in certain areas of the City, the City has issued Special Assessment Improvement Debt. The City is acting as agent in the collection of the special assessments levied and in the payment of the Special Assessment Bonds outstanding. Such bonds are collateralized by special assessments levied against the benefited property owners. The City will assume responsibility in the event of default on the outstanding Special Assessment Bonds. Current year special assessment collections were sufficient to meet fiscal year 2020 debt service requirements.

<p>\$101,155,000 Utility Improvement Refunding Assessment Bonds (Various Areas), Series 2017 was issued to refund all of the City's outstanding utility improvement special assessment debt. The City refunded the bonds to reduce its debt service payment over 20 years by \$10,850,993 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9,939,840. Principal and interest on these bonds are secured by special assessment proceeds and to pay any deficiencies from the net revenue of its water and sewer system. Principal is paid annually through September 2028 with interest paid semiannually at rates ranging from 1.40% to 3.00%.</p>	\$ 48,590,000
<p>Less unamortized discount</p>	(360,877)
<p>Total Special Assessment Debt</p>	<hr style="width: 100%; border: 0.5px solid black;"/> <p style="text-align: right;">\$ 48,229,123</p> <hr style="width: 100%; border: 0.5px solid black;"/>

Summary of Debt Service Requirements by Maturity

Governmental Activities

Year Ending September 30,	General Obligation Debt		Revenue Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,240,000	\$ 716,068	\$ 4,695,000	\$ 4,209,731	\$ 8,910,711	\$ 1,115,849
2023	2,045,000	1,241,430	4,935,000	3,974,981	8,180,322	930,214
2024	2,120,000	1,167,111	5,175,000	3,728,231	8,577,187	738,750
2025	2,190,000	1,089,980	7,155,000	3,469,481	5,543,717	565,613
2026	2,275,000	1,010,170	7,515,000	3,111,731	5,639,363	462,658
2027-2031	9,985,000	3,149,988	31,065,000	10,309,205	21,097,915	822,663
2032-2036	14,040,000	1,538,643	28,775,000	4,759,958	-	-
2037-2041	-	-	6,230,000	536,100	-	-
Unamortized premium	33,895,000	9,913,390	95,545,000	34,099,418	57,949,215	4,635,747
Total	\$ 5,198,012	\$ -	\$ 9,439,773	\$ -	\$ 57,949,215	\$ 4,635,747
	\$ 39,093,012	\$ 9,913,390	\$ 104,984,773	\$ 34,099,418	\$ 57,949,215	\$ 4,635,747

Business-type Activities

Year Ending September 30,	Revenue Bonds		Notes from Direct Borrowings		Special Assessment Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,535,000	\$ 14,465,680	\$ 10,732,410	\$ 2,877,480	\$ 8,690,000	\$ 1,237,175
2023	4,760,000	14,238,938	26,905,547	6,031,069	8,435,000	1,052,513
2024	4,995,000	14,000,938	29,853,325	3,954,996	8,450,000	862,725
2025	5,240,000	13,751,188	19,331,416	3,551,399	8,410,000	651,475
2026	5,510,000	13,489,188	19,619,157	3,163,555	7,180,000	420,200
2027-2031	50,240,000	62,582,690	85,832,970	10,155,904	7,425,000	283,800
2032-2036	94,515,000	45,059,014	64,313,769	4,775,044	-	-
2037-2041	122,525,000	22,032,850	46,959,669	1,320,853	-	-
2042-2046	28,450,000	1,138,000	-	-	-	-
Unamortized discount	320,770,000	200,758,486	303,548,263	35,830,300	48,590,000	4,507,888
Unamortized premium	-	-	-	-	(360,877)	-
Total	\$ 26,449,034	\$ -	\$ 303,548,263	\$ 35,830,300	\$ 48,229,123	\$ 4,507,888
	\$ 347,219,034	\$ 200,758,486	\$ 303,548,263	\$ 35,830,300	\$ 48,229,123	\$ 4,507,888

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	\$ 100,800,000	\$ -	\$ (5,255,000)	\$ 95,545,000	\$ 4,695,000
Bond discount and premium	9,972,914	-	(533,141)	9,439,773	-
Total revenue bonds payable	110,772,914	-	(5,788,141)	104,984,773	4,695,000
Notes from direct borrowings	66,678,554	-	(8,729,339)	57,949,215	8,910,711
Special Assessment-note from direct borrowing	290,000	-	(290,000)	-	-
General Obligation-note from direct borrowing	9,670,000	29,998,012	(575,000)	39,093,012	1,240,000
Claims liability	10,521,431	8,604,271	(5,640,624)	13,485,078	4,618,702
Compensated absences	11,078,739	2,396,415	(2,157,032)	11,318,122	2,028,722
Total Governmental Activities	\$ 209,011,638	\$ 40,998,698	\$ (23,180,136)	\$ 226,830,200	\$ 21,493,135
Business-type activities:					
Water and Sewer					
Revenue bonds payable	\$ 325,040,000	\$ -	\$ (4,270,000)	\$ 320,770,000	\$ 4,535,000
Bond discount and premium	27,871,586	-	(1,422,552)	26,449,034	-
Total revenue bonds payable	352,911,586	-	(5,692,552)	347,219,034	4,535,000
Notes from Direct Borrowings	272,155,685	45,123,432	(13,730,854)	303,548,263	10,732,410
Special Assessment Bonds	59,841,948	-	(11,612,825)	48,229,123	8,690,000
Compensated absences	2,628,892	244,765	(415,038)	2,458,619	378,669
Total Water and Sewer	687,538,111	45,368,197	(31,451,269)	701,455,039	24,336,079
Stormwater					
Compensated absences	737,416	144,658	(129,225)	752,849	117,423
Total Stormwater	737,416	144,658	(129,225)	752,849	117,423
Yacht Basin					
Compensated absences	9,107	(5,390)	-	3,717	-
Total Yacht Basin	9,107	(5,390)	-	3,717	-
Total Business-type					
Long-term debt	657,037,633	45,123,432	(29,613,679)	672,547,386	23,957,410
Bond discount, premium and deferred amount on refunds	27,871,586	-	(1,422,552)	26,449,034	-
Total bonds and notes payable	684,909,219	45,123,432	(31,036,231)	698,996,420	23,957,410
Compensated absences	3,375,415	384,033	(544,263)	3,215,185	496,092
Total Business-type	\$ 688,284,634	\$ 45,507,465	\$ (31,580,494)	\$ 702,211,605	\$ 24,453,502

¹ Compensated absences were liquidated as follows: General Fund 88%, Special Revenue Funds 8%, and Internal Service Funds 4%.

Governmental Notes-Direct Borrowings:

The City's total outstanding notes from direct borrowings related to governmental activities of \$67,044,215 contain a provision that in an event of default.

\$17,669,950 Special Obligation Revenue Bonds (Note), Series 2012

If an event of default shall have occurred and be continuing, the Noteholder or any trustee or receiver acting for the Noteholder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof, including, but not limited to, specific performance. No remedy herein conferred upon or reserved to the Noteholder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. If the Noteholder has not received payment of principal and interest within twenty (20) days after it becomes due the Noteholder shall have the right to declare the entire outstanding principal amount of the Series 2012 Note and all interest accrued thereon to be immediately due and payable, which shall thereupon become due and payable.

\$5,300,000 Capital Improvement Refunding Revenue Bonds (Note), Series 2014

The provision for an event of default shall bear interest at a rate in excess of the maximum rate allowable by law. The default rate shall mean the sum of (4%) plus the higher prime rate and the sum of adjusted one-month LIBOR plus 2.50%.

\$21,433,000 Gas Tax Refunding Revenue Bonds (Note), Series 2014

The holders of the Obligations, except to the extent the rights herein given may be restricted by the Resolution, may, whether at law or in equity, by suit, action, mandamus, or other proceeding, protect and enforce and compel the performance of all duties required hereby, or by such Resolution, to be performed by the City.

\$13,675,000 Special Obligation Revenue (Note), Series 2015

If any event of default shall have occurred and be continuing, the Noteholder or any trustee or receiver acting for the Noteholder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof, including, but not limited to, specific performance. No remedy herein conferred upon or reserved to the Noteholder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

\$10,200,000 General Obligation Revenue Bond (Note), Series 2019

If any Event of Default shall have occurred and be continuing, the Bondholder or any trustee or receiver acting for the Bondholder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under the Laws of the State of Florida, or granted and contained in this Agreement, and may enforce and compel the performance of all duties required by this Agreement or by any applicable statutes to be performed by the City or by any officer thereof, including, but not limited to, specific performance. No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

After the occurrence of an Event of Default, notwithstanding any other terms hereof, the Series 2019 Bond shall bear interest at the Default Rate until such Event of Default is cured. The City shall promptly notify the Bondholder of the occurrence of any Event of Default. In addition, in the event any payment due hereunder is not paid within 15 days of the applicable scheduled payment date, a late payment fee equal to 4% of the amount that is overdue shall be immediately due and payable.

\$30,760,000 Special Obligation Refunding Revenue (Note), Series 2020

The holder of the Note, except to the extent the rights herein given may be restricted by the Resolution, may, whether at law or in equity, by suit, action, mandamus, or other proceeding, protect and enforce and compel the performance of all duties required hereby, or by such Resolution, to be performed by the City.

\$15,128,990 Special Obligation Refunding Revenue (Note), Series 2020A

The holder of the Note, except to the extent the rights herein given may be restricted by the Resolution, may, whether at law or in equity, by suit, action, mandamus, or other proceeding, protect and enforce and compel the performance of all duties required hereby, or by such Resolution, to be performed by the City.

Business-Type Notes-Direct Borrowings:

The City's total outstanding notes from direct borrowings related to business-type activities of \$303,548,263 contain a provision of an event of default.

\$94,740,000 Water & Sewer Refunding Revenue Bonds (Note), Series 2015A

The provision for an event of default shall bear interest at a rate equal to the sum of the then applicable interest rate plus six percent (6%). If any payment of principal or interest with respect to the Water & Sewer Refunding Revenue Bonds (Notes), Series 2015A Notes-Direct Borrowing is not paid with 15 days of the respective due date, the purchaser may impose a late fee equal to four percent (4%) of the delinquent amount.

\$10,600,000 Water & Sewer Revenue Note, Series 2020

Upon the occurrence and continuance of an Event of Default pursuant to Section 7.01 of the Resolution and notwithstanding anything herein to the contrary, the Purchaser may adjust the Interest Rate to the Default Rate (as defined below) which shall be effective until such Event of Default has been cured. For purposes of this Section 8(B), the following terms shall have the meanings ascribed thereto:

"Default Rate" shall mean the lesser of (i) the Prime Rate plus three percent (3%) per annum or (ii) the maximum rate permitted by law.

The following State Revolving Funds (SRF) contain provisions for events for Default:

\$13,856,923 State Revolving Fund Loan Agreement #67516P

\$7,224,652 State Revolving Fund Loan Agreement #7516L 01

\$35,848,122 State Revolving Fund Loan Agreement #7516L 02

\$12,401,582 State Revolving Fund Loan Agreement DW#360103

\$54,662,273 State Revolving Fund Loan Agreement WW#360100

\$97,000,000 State Revolving Fund Loan Agreement WW#360120

\$124,436,105 State Revolving Fund Loan Agreement DW#360130

The provisions that the SRF has at its disposal in the event of default: (1) By mandamus or other proceeding at law or in equity, cause to establish rates and collect fees and charges for use of the Water and Sewer Systems, and to require the Local Government to fulfill this Agreement. (2) By action or suit in equity, require the Local Government to account for all moneys received from the Department or from the ownership of the Water and Sewer Systems and to account for the receipt, use, application, or disposition of the Pledged Revenues. (3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department. (4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Water and Sewer Systems, establish and collect fees and charges, and apply the revenues to the reduction of the obligations under this Agreement. (5) By certifying to the Auditor General and the Chief Financial Officer delinquency on loan repayments, the Department may intercept the delinquent amount plus a penalty from any unobligated funds due to the Local Government under any revenue or tax sharing fund established by the State, except as otherwise provided by the State Constitution. The Department may impose a penalty in an amount not to exceed an interest rate of 18 percent per annum on the amount due in addition to charging the cost to handle and process the debt. Penalty interest shall accrue on any amount due and payable beginning on the 30th day following the date upon which payment is due. (6) By notifying financial market credit rating agencies and potential creditors. (7) By suing for payment of amounts due, or becoming due, with interest on overdue payments together with all costs of collection, including attorneys' fees. (8) By accelerating the repayment schedule or increasing the Financing Rate on the unpaid principal of the Loan to as much as 1.667 times the Financing Rate.

8. Conduit Debt Obligation

To provide financing of the construction of a new building that will house 80 residential-style assisted living suites and 48 memory support assisted living suites, as well as converting existing space to provide an additional skilled nursing dining space, 24 rental independent living units and 20 skilled nursing beds within the City, the City of Cape Coral Health Facilities Authority has issued a series of Senior Housing Revenue Bonds, Series 2015. These bonds do not constitute a debt or pledge of the full faith and credit of the City, and accordingly, they have not been reported in the accompanying financial statements. On September 30, 2021, Health Facility Revenue Bonds outstanding aggregated \$76,270,000.

9. Defeased Debt Issues

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

On September 30, 2021 , the amount of defeased bonds consisted of the following:

Water & Sewer Fund Debt:

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

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10. Construction and Other Significant Commitments

Construction Commitments. As of September 30, 2021 major outstanding construction commitments (in excess of \$1 million) were as follows:

	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Other Governmental Funds:		
Fire Station #12 ¹	\$ 782,541	\$ 3,248,818
Transportation Fund:		
Road Improvements ²	5,246,299	13,757,655
Debt Service Fund		
Park Improvements ³	1,510,740	15,143,353
Total governmental activities	<u>7,539,580</u>	<u>32,149,826</u>
Business-type activities:		
Water & Sewer Fund:		
Utility Extension Program - North 2 ⁴	5,962,098	5,524,970
Utility Extension Program - North 1 ⁴	4,355,321	5,520,900
Nicholas/Country Club Repipe ⁴	695,766	4,419,110
Reuse River Crossing ⁶	428,418	1,425,555
CRA Utility ⁷	302,034	1,447,926
Southwest 5MG Storage Tank & Pump ⁶	6,913,625	5,656,075
Raw Water Well ⁵	187,014	2,111,983
Duplex Lift Station ⁴	130,091	1,297,484
SRO Facilities Building ⁵	-	1,300,300
Operations Building ⁶	2,167,336	13,428,536
Total business-type activities	<u>21,141,703</u>	<u>42,132,839</u>
Total	<u>\$ 28,681,283</u>	<u>\$ 74,282,665</u>

¹ Projects are being funded by General Fund.

² Projects are being funded by the appropriation of General Fund reserves and gas taxes.

³ Projects are being funded by General Obligation debt proceeds.

⁴ Projects are being funded by water and sewer user and impact fees.

⁵ Projects are being funded by water and sewer user fees.

⁶ Projects are being funded by State Revolving Fund loans with debt service being paid by special assessments and stormwater user fees.

⁷ Projects are being funded by water and sewer user fees and federal grants.

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

General Fund	\$ 999,973
Transportation Capital Improvement Fund	1,038,882
Non-Major Governmental Funds	3,355,764
Total encumbrances	<u>\$ 5,394,619</u>

11. Fund Balances

Fund balances for governmental funds at September 30, 2021 are as follows:

	General	Transportation Capital Improvements	General Obligation Bond	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Inventory	\$ 36,398	\$ -	\$ -	\$ -	122,111	\$ 158,509
Prepaid items	1,604,137	3,250	-	-	28,705	1,636,092
Restricted:						
Public safety	-	-	-	-	27,901,113	27,901,113
Public works	-	-	-	-	38,634,873	38,634,873
Parks and recreation	-	-	-	-	5,257,787	5,257,787
Community development	-	-	-	-	2,186,568	2,186,568
Capital outlay	-	10,351,947	31,888,014	-	6,504,576	48,744,537
Debt service	-	-	-	3,869,092	-	3,869,092
Committed:						
General government	169,582	-	-	-	14,248	183,830
Public safety	223,822	-	-	-	37,581	261,403
Public works	232,740	-	-	-	7,033,413	7,266,153
Parks and recreation	71,321	-	-	-	2,146,165	2,217,486
Capital outlay	830,713	11,585,579	300,000	-	13,272,219	25,988,511
Sale proceeds of surplus property	1,166,894	-	-	-	1,166,894	1,166,894
FEMA reimbursements - Hurricane Irma	2,889,447	-	-	-	-	2,889,447
Economic incentives	544,000	-	-	-	-	544,000
Capital equipment	1,500,000	-	-	-	-	1,500,000
Facilities maintenance	500,000	-	-	-	-	500,000
Disaster reserve	6,000,000	-	-	-	-	6,000,000
Assigned:						
General government	181,187	-	-	-	-	181,187
Public safety	82,481	-	-	-	-	82,481
Public works	377	-	-	-	-	377
Parks and recreation	56,895	-	-	-	-	56,895
Capital outlay	352,303	-	-	-	-	352,303
Subsequent year's budget: appropriations of fund balance	18,761,159	-	-	-	-	18,761,159
Unassigned	77,819,925	-	-	-	(277,725)	77,542,200
Total fund balances	\$ 113,023,381	\$ 21,940,776	\$ 32,188,014	\$ 3,869,092	\$ 102,861,634	\$ 273,882,897

12. Segment Information

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

STATEMENT OF NET POSITION

ASSETS

Current assets:	
Cash and investments	\$ 59,708,448
Interest receivable	64,693
Accounts receivable, net	10,542,836
Inventories	2,168,879
Prepaid items	48,326
Restricted:	
Cash and investments	88,621,474
Interest receivable	8,137
Intergovernmental receivable	239,022
Total restricted assets	<u>88,868,633</u>
Total current assets	161,401,815
Noncurrent assets:	
Unamortized bond insurance costs	58,019
Advances to other funds	2,459,209
Total restricted assets	<u>2,517,228</u>
Capital assets:	
Land and construction in progress	66,501,188
Other capital assets, net of depreciation	441,814,212
Capital assets, net	<u>508,315,400</u>
Total noncurrent assets	<u>510,832,628</u>
Total assets	<u>672,234,443</u>

Deferred Outflows of Resources

Loss on refunding	20,770,247
Pension related	4,668,582
OPEB related	10,379,929
Total deferred outflows of resources	<u>\$ 35,818,758</u>

LIABILITIES

Current liabilities:	
Accounts payable and other accrued liabilities	\$ 6,193,233
Accrued retainage	615,701
Accrued payroll	749,528
Accrued interest payable	7,847
Deposits	2,967,588
Unearned revenue	12,720,053
Compensated absences	378,668
Total OPEB Liability	1,705,791
Debt:	
Revenue bonds	4,535,000
Notes	7,446,338
Total debt	<u>11,981,338</u>
Total current liabilities	37,319,747
Noncurrent liabilities:	
Compensated absences	2,079,950
Total OPEB Liability	51,836,207
Net pension liability	11,291,420
Debt:	
Revenue bonds	353,611,806
Notes	56,560,000
Total debt	<u>410,171,806</u>
Total noncurrent liabilities	<u>475,379,383</u>
Total liabilities	<u>512,699,130</u>

Deferred Inflows of Resources	
OPEB related	6,633,658
Pension earnings	8,764,496
Deferred inflows of pension assumptions	6,699
Total deferred inflows of resources	<u>15,404,853</u>
NET POSITION	
Net investment in capital assets	100,144,904
Restricted for:	
Debt service	3,775,301
Capital improvement	68,527,515
Renewal and replacement	6,351,840
Unrestricted	1,149,658
Total net position	<u>\$ 179,949,218</u>

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

OPERATING REVENUES	
Charges for services	\$ 95,463,676
Other revenue	1,070,658
Total operating revenues	<u>96,534,334</u>
OPERATING EXPENSES	
Salaries, wages and employee benefits	26,750,726
Contractual services, materials and supplies	26,588,005
Depreciation	22,786,986
Total operating expenses	<u>76,125,717</u>
Operating income	<u>20,408,617</u>
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental Revenue	166,762
Investment earnings	64,760
Interest expense	(16,301,488)
Debt service costs	(84,446)
Gain on sale of capital assets	249,450
Total nonoperating revenues (expenses)	<u>(15,904,962)</u>
Income (loss) before contributions and transfers	<u>4,503,655</u>
Capital Contributions	
Developer contributions	524,519
Total capital contributions	<u>524,519</u>
Transfers	
Transfers in	99,555,301
Transfers out	<u>(62,617,455)</u>
Total transfers	36,937,846
Change in net assets	41,966,020
Total net position - beginning	137,983,198
Total net position - ending	<u>\$ 179,949,218</u>

Condensed Statement of Cash Flows

New cash provided (used) by:	
Operating activities	\$ 43,278,338
Nonoperating financing activities	36,937,846
Capital and related financing activities	(25,174,916)
Investing activities	31,143
Net increase (decrease)	<u>55,072,411</u>
Beginning cash and investments	93,257,511
Ending cash and investments	<u>\$ 148,329,922</u>
Classified As:	
Cash and investments	\$ 59,708,448
Restricted cash and investments	88,621,474
	<u>\$ 148,329,922</u>

13. Future Revenues that are Pledged

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

<u>Pledged Revenue</u>	<u>Total Principal and Interest Outstanding</u>	<u>Current Year Principal and Interest Paid</u>	<u>Current Year Revenue</u>	<u>Coverage</u>
Special Assessment ¹	\$ 309,429,693	\$ 19,067,745	\$ 24,304,133	127%
Half-cent Sales Tax	5,733,886	2,524,620	18,529,047	734%
Gas Tax	5,216,222	2,621,526	10,131,660	386%

¹ Includes \$981,667 collected for the (4) SRF loans that are funded by special assessment proceeds but have a pledge of water and sewer net revenues and impact fees.

Covenant to Budget and Appropriate Debt (000)	\$ 181,279	
Historical Non Ad-Valorem Revenue Debt (000)	\$ 236,038	
Legally Available Non-Ad Valorem Revenues (000)		\$ 136,328
Average of current and prior year		\$ 121,520 (A)
Maximum Annual Debt Service (MADS)		\$ 19,762 (B)
MADS coverage (A ÷ B)		6.15
MADS required coverage		1.50
Governmental Revenues		\$ 292,555 (C)
Governmental Revenues percentage (B ÷ C)		6.75%
Required Coverage		not to exceed 20%

Water & Sewer Debt (000)	\$ 604,575	
Operating Revenue (000)		\$ 96,534
Operating Expenses (net of depreciation) (000)		(32,757)
Net Operating Revenues (000)		\$ 63,777
Interest Income (000) ¹		686
Net Revenues Available for Debt Service (000)		\$ 64,463
Capital Expansion Fees (000)		20,760
Net Revenues and Expansion Fees Available for Debt Service (000)		\$ 85,223

Test 1

Net Revenues Available for Debt Service (000)	\$ 64,463
Annual Debt Service (Senior Lien) (000)	\$ 27,922
Calculated Coverage Factor	2.31
Required Coverage	1.00

Test 2

Net Revenues & Expansion Fees (000)	\$ 85,223
Annual Debt Service (Senior Lien) (000)	\$ 27,922
Calculated Coverage Factor	3.05
Required Coverage	1.00

Test 3

Net Revenues after Senior Lien Debt Service (000)	\$ 57,301
Annual Debt Service (Subordinate) (000)	\$ 1,146
Calculated Coverage Factor	50.00

¹ Due to the Refunding of the Water & Sewer Bonds, Series 2006 in FY2015 there are adjustments to the operating revenues and operating expenses allowable to pledge. In the amendment, the definitions of gross revenues and operating expenses are modified to not include transactions that don't result in a receipt or usage of cash. The adjustment for changes in fair value of investments are not included in revenues. The operating expenses have adjustments for changes in OPEB liability, net pension liability changes, and changes to deferred inflows and outflows.

14. Tax Revenue - as of September 30, 2021 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes:				
Property	\$ 102,829,432	\$ 4,789,152	\$ 2,352,659	\$ 109,971,243
Public service	8,657,041	-	-	8,657,041
Sales	24,359,362	-	-	24,359,362
Fuel	1,782,525	-	10,131,660	11,914,185
Alcohol and beverage	89,310	-	-	89,310
Communication	4,808,291	-	-	4,808,291
Total	<u>\$ 142,525,961</u>	<u>\$ 4,789,152</u>	<u>\$ 12,484,319</u>	<u>\$ 159,799,432</u>

15. Intergovernmental Revenue - as of September 30, 2021 is as follows:

	<u>General Fund</u>	<u>Transportation Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Governmental activities:				
Operating Grants and State Shared Revenues				
Parks and Recreation	\$ 178,257	\$ -	\$ 444,939	\$ 623,196
Public Safety: Police	1,014,134	-	-	1,014,134
Public Safety: Fire	103,461	-	-	103,461
Local shared revenue	108,079	-	-	108,079
Solid Waste	-	-	16,279,636	16,279,636
Federal disaster relief - Irma	4,345,945	-	-	4,345,945
State disaster relief - Irma	21,523	-	-	21,523
On-Behalf Police Pension	1,687,523	-	-	1,687,523
On-Behalf Fire Pension	1,742,556	-	-	1,742,556
Capital Grants				
Community Development	-	-	3,856,115	3,856,115
Public Works	-	677,915	-	677,915
Total	<u>\$ 9,201,478</u>	<u>\$ 677,915</u>	<u>\$ 20,580,690</u>	<u>\$ 30,460,083</u>

16. Investment earnings - as of September 30, 2021 is as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Investment income	\$ 477,838	\$ -	\$ 22,000	\$ 499,838
Interest on advances	-	130,154	-	130,154
Interest billed on assessment, contribution in aid of construction, impact fee, CFEC and UCEF loans	3,332	10,262,971	-	10,266,303
Interest received from tax collector	11,738	4,134	-	15,872
Other	-	(129,015)	-	(129,015)
Total	<u>\$ 492,908</u>	<u>\$ 10,268,244</u>	<u>\$ 22,000</u>	<u>\$ 10,783,152</u>

17. Other Revenue – as of September 30, 2021 is as follows:

	General Fund	Transportation Capital Improvements	Debt Service Fund	Other Governmental Funds	Total
NSP Program Income	\$ -	\$ -	\$ -	\$ 122,521	\$ 122,521
State Housing Program Income (SHIP)	-	-	-	83,008	83,008
CDBG Program Income	-	-	-	17,082	17,082
RCMP Program Income	-	-	-	3,806	3,806
Blue Cross Blue Shield Wellness Payment	158,191	-	-	-	158,191
School impact administrative fee	376,339	-	-	-	376,339
CRA Tree Fund	-	-	-	8,000	8,000
Lee County Tax Collector Refund of Estimated Fee	71,304	-	11	21,116	92,431
Sales of surplus material	12,549	-	-	-	12,549
Purchase card rebate	100,100	-	-	13,954	114,054
Insurance recovery	74,060	9,314	-	817	84,191
Reimbursements - Public Works	435,415	-	-	-	435,415
Reimbursements - Planning	30,062	-	-	-	30,062
Reimbursements - Public Safety	149,223	-	-	3,992	153,215
Reimbursements - IRS	174,050	-	-	-	174,050
Reimbursements - Charter School	84,754	-	-	-	84,754
Other	192,777	-	-	111,603	304,380
	<u>\$ 1,858,824</u>	<u>\$ 9,314</u>	<u>\$ 11</u>	<u>\$ 385,899</u>	<u>\$2,254,048</u>

18. Operating, Building and Vehicle Leases

Operating Leases

The City currently has various lease agreements for copiers, fax machines, golf carts, and police vehicles. These leases are accounted for as operating leases. The leases are generally for a 2, 3 or 5-year term and include month to month renewal options after the initial lease term. The following schedule reflects the operating lease obligations for governmental activities and business-type activities for the next three years. Lease expense for fiscal year 2021 reported in the Governmental Activities and the Business-type Activities was \$234,986 and \$27,268 respectively.

Years Ending September 30,	Governmental Activities	Business-Type Activites	Total
2022	\$ 183,677	\$ 5,298	\$ 188,975
2023	168,229	2,034	170,263
2024	610	384	994
Total	<u>\$ 352,516</u>	<u>\$ 7,716</u>	<u>\$ 360,232</u>

Building Leases

The City of Cape Coral entered into a master lease agreement with the Cape Coral Charter School Authority for the operation of two elementary, one middle school, and one high school. The lease term began July 1, 2011 and has renewed in five-year increments.

At the end of fiscal year 2021, the City and Charter School were in the process of amending the lease agreement for the period July 1, 2021 through June 30, 2026. Once fully executed, the new rent amount

will be \$1,500,000 per year, payable in advance to the City in twelve equal installments of \$125,000, on or before the tenth day of each month. The lease will automatically renew for five-year terms unless terminated by the parties not less than 180 days prior to the expiration of the then current term. Prior to the currently proposed amendment, the lease amount was equal to the debt service and the cost of commercial general liability insurance on the building. For fiscal year 2021, the lease payments totaled \$3,199,360 which included \$3,083,067 for debt service and \$116,293 for insurance.

The Charter School Authority accounts for this lease as an operating lease. The following schedule shows the lease payments that will be received from the Charter School Authority over the next five years under the new lease agreement.

Year Ending September 30,	Amount
2022	1,500,000.00
2023	1,500,000.00
2024	1,500,000.00
2025	1,500,000.00
2026	1,500,000.00
	<u>\$ 7,500,000.00</u>

The City has in place an Interlocal Agreement with Lee County Emergency Medical Services for portions of various City owned fire stations. The lease, as amended in fiscal year 2019, states a base rent of \$12.97 per square foot of space occupied by Lee County. The base rent shall increase by 2% per calendar year. The agreement also states an initial term of five years that shall automatically renew on an annual basis. Though either party may terminate this agreement, written notice must be given no less than one year prior to the expiration of the initial term or any renewal term then in effect. The lease was amended in June 2021 to add Stations Two and Four under the same terms. Annual revenue under the amended agreement for fiscal year 2021 was \$ 140,761. The following schedule shows the annual income that will be received from Lee County through fiscal year 2024, at which time the agreement will be eligible for renewal.

Year Ending September 30,	Amount
2022	\$ 169,284
2023	172,669
2024	176,123
	<u>\$ 518,076</u>

Vehicle Leases

The amount of the lease is the sum of the debt service for the buses, including all debt service-related costs. For fiscal year 2021, the lease payments totaled \$66,830. This lease expired September 30, 2021.

NOTE V. OTHER INFORMATION

1. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has two internal service funds (Risk Management Funds): the workers compensation insurance fund and the property and casualty insurance fund to account for and finance its uninsured risks of loss. Under this program, the funds provide coverage for up to a maximum of \$350,000 for each worker’s compensation claim, \$100,000 for each general liability claim, and \$25,000 for each property damage claim. The City purchases commercial

insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in this fiscal year, nor has it had any settlements in excess of insurance coverage in the past three years.

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

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

The claims liabilities reported in the worker's compensation fund, property and casualty insurance fund, and self-funded health insurance fund on September 30, 2021, are based on requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be estimated. This includes claims that have been incurred but not reported (IBNR) and allocated loss adjustment expenses.

Changes in the funds' claims liability amount in fiscal years 2019, 2020 and 2021 were:

	Beginning-of-Fiscal-Year Claims Liability	Current-Year Claims and Changes in Estimates	Claims Payments	End-of-Fiscal Year Claims Liability
Workers Compensation				
2020 - 2021	\$ 5,303,079	\$ 2,868,665	\$ (1,582,080)	\$ 6,589,664
2019 - 2020	5,730,656	830,934	(1,258,511)	5,303,079
2018 - 2019	6,311,510	1,612,061	(2,192,915)	5,730,656
Property and Casualty				
2020 - 2021	\$ 4,023,359	\$ 2,178,952	\$ (1,094,897)	\$ 5,107,414
2019 - 2020	2,735,723	1,810,881	(523,245)	4,023,359
2018 - 2019	1,538,618	1,662,494	(465,389)	2,735,723
Self-funded Health Insurance				
2020 - 2021	\$ 1,194,993	\$ 24,512,441	\$ (23,919,434)	\$ 1,788,000
2019 - 2020	1,404,557	19,845,939	(20,055,503)	1,194,993
2018 - 2019	1,703,140	15,241,941	(15,540,524)	1,404,557

2. Chiquita Boat Lock-South Spreader Waterway

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

The City has received \$87,907 to date as of September 30, 2021. The monies in the account are held by the state on a first come, first served basis. In the future, the City may define a project that would be eligible for reimbursement from these funds. However, the funds held by the state may be depleted at that time.

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

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

3. Pension Plans

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

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

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

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

	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	Restoration General Employees'	Total
Net pension liability	\$ 39,384,093	\$ 14,940,915	\$ 26,455,923	\$ -	\$ 80,780,931
Total pension liability	-	-	-	5,966,727	5,966,727
Deferred outflows of resources related to pensions	16,283,864	16,894,197	19,334,093	2,356,336	54,868,490
Deferred inflows of resources related to pensions	30,593,627	21,345,488	21,232,282	378,600	73,549,997
Pension expense	13,311,377	7,944,695	8,130,026	327,180	29,713,278

(A) Defined Benefit Plans

(1) Municipal General Employees' Pension Plan

At October 1, 2020 the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	781
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	177
Active Plan Members	<u>868</u>
Total	<u><u>1,826</u></u>

Plan Description – General Employees' Pension Plan

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

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

The Plan's financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by CliftonLarsonAllen LLP. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2021. As the plan administrator, Ferrell B. Jenne at Foster and Foster can provide a copy of the financial statements are upon request.

Benefits Provided - General Employees' Pension Plan

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

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

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

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

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

effective on the October 1 after having received three full years of benefits. A COLA does not apply to a deferred vested retirement.

Payment options - the Plan offers a variety of payment options, including normal form, life annuities, 10-year certain and life annuities, joint and survivor annuities, and social security options. The initial maximum benefit per year is the lesser of 80% of average compensation, or \$95,000 (or the accrued benefit as of October 1, 2013). For members who have reached the normal retirement date as of October 1, 2013 or are within five years of the normal retirement date and have at least 15 years of credited service as of October 1, 2013, the maximum benefit is 80% of average compensation. In these instances, the maximum benefit is exclusive of the COLA increase.

Normal retirement age – normal retirement age is defined as:

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

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

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

Vesting – General Employees' Pension Plan

Members are fully vested in their contributions.

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

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

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

Deferred Retirement Option Plan (Drop)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employee's for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment of the end of the DROP

period, the member will begin receiving the monthly retirement benefit, and within 120 months of termination of employment the member will receive the account balance in a lump sum or in another optional form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2021, the Plan had 112 active members enrolled in DROP, and the total amount of accrued benefits was \$23,923,228.

Investments – General Employees’ Pension Plan

Rate of Return: For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.23%.

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

Contributions and Funding

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

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

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

The City’s net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2021</u>
Total pension liability	\$ 453,283,410
Plan fiduciary net position	(413,899,317)
Net pension liability	<u>\$ 39,384,093</u>
Net position as a percentage of the total pension liability	<u>91.31%</u>

Actuarial Assumptions - General Employees’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.00%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

- Female: PubG.H-2010 (Above Median) for Employees.
- Male: PubG.H-2010 for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

- Female: PubG.H-2010 for Healthy Retirees.
- Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study dated September 27, 2017.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2021 the inflation rate assumption of the investment advisor was 2.10%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
U.S. Equities	6.28%
Developed Non-US Equities	7.00%
Emerging Market Equities	8.82%
US Core Fixed Income	0.67%
Multi Asset Class Solutions (MACS)	3.40%
Real Estate	3.50%
Private Equity	10.11%
Private Credit	5.56%
Infrastructure	5.51%
Farmland	5.46%

Discount Rate - *General Employees' Pension Plan*

The discount rate used to measure the total pension liability was changed from 7.15% at the beginning of the measurement period to 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	\$ 95,488,199	\$ 39,384,093	\$ (6,771,813)

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

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2020	\$ 423,498,023	\$ 340,960,500	\$ 82,537,523
Changes for the year:			
Service cost	10,641,085	-	10,641,085
Interest	30,358,419	-	30,358,419
Differences between expected and actual experience	(31,155)	-	(31,155)
Changes of Assumptions	7,514,792	-	7,514,792
Contributions - Employer	-	17,357,852	(17,357,852)
Contributions - Employee	-	5,393,563	(5,393,563)
Contributions - Buy Back	393,905	393,905	-
Net Investment Income	-	69,178,549	(69,178,549)
Benefit payments, including refunds of employee contributions	(19,091,659)	(19,091,659)	-
Administrative Expenses	-	(293,393)	293,393
Net changes	<u>29,785,387</u>	<u>72,938,817</u>	<u>(43,153,430)</u>
Balances at September 30, 2021	<u>\$ 453,283,410</u>	<u>\$ 413,899,317</u>	<u>\$ 39,384,093</u>

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

For the year ended September 30, 2021, the City recognized pension expense of \$13,311,377. On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,611,283	\$ 23,365
Changes in assumptions	13,672,581	-
Difference between projected and actual earnings on investments	-	30,570,262
Total	<u>\$ 16,283,864</u>	<u>\$ 30,593,627</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,	
2022	2,374,743
2023	(792,439)
2024	(6,958,989)
2025	(8,933,078)
2026	-
Thereafter	-

(2) Municipal Police Officers’ Pension Plan

At October 1, 2020 the Plan’s membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	153
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	39
Active Plan Members	<u>231</u>
Total	<u><u>423</u></u>

Plan Description – Police Officers’ Pension Plan

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

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

The Plan’s financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by CliftonLarsonAllen LLP. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2021. As the plan administrator, Amber McNeill at Resource Centers can provide a copy of the financial statements are upon request.

Benefits Provided - Police Officers’ Pension Plan

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

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

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

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

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

Normal Retirement Age - normal retirement age is defined as:

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

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

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

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

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

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

Vesting

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

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

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment at the end of the DROP period, the member will be receiving the monthly benefit, and within 120 months of termination, will receive the account balance in a lump sum or in another option form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2021, the Plan had 33 active members enrolled in DROP, and the total amount of accrued benefits was \$20,674,952.

Investments – Police Officers’ Pension Plan

Rate of Return: For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 22.35%.

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

Contributions - Police Officers’ Pension Plan

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

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

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2021</u>
Total pension liability	\$ 261,131,977
Plan fiduciary net position	<u>(246,191,062)</u>
Net pension liability	<u>\$ 14,940,915</u>
Net position as a percentage of the total pension liability	94.28%

Actuarial Assumptions – Police Officers’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions applied to all measurement periods.

- Inflation 2.25%
- Salary Increases 6.00% - 10.00%
- Discount Rate 7.00%
- Investment Rate of Return 7.00%

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 for Employees, set forward one year.
 Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.
 Male: PubS.H-2010 for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

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 actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study dated November 25, 2019.
- The Long-Term Rate of Return on Pension Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class. For 2021 the inflation rate assumption of the investment advisor was 2.23%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap Equity	4.42%
US Small / Mid Cap Equity	4.81%
International Equity	4.91%
U.S. Direct Real Estate	3.98%
Absolute Return	3.10%
Private Equity	7.42%
US Fixed Income	1.00%

- The discount rate used to measure the total pension liability was changed from 7.25% at the beginning of the measurement period to 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	<u>\$ 48,525,347</u>	<u>\$ 14,940,915</u>	<u>\$(12,341,489)</u>

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

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2020	\$ 235,185,694	\$ 199,166,585	\$ 36,019,109
Changes for the year:			
Service cost	6,182,570	-	6,182,570
Interest	17,157,941	-	17,157,941
Share Plan Allocation	441,462	-	441,462
Differences between expected and actual experience	3,985,200	-	3,985,200
Changes of Assumptions	7,384,383	-	7,384,383
Contributions - Employer	-	7,998,998	(7,998,998)
Contributions - State	-	1,687,523	(1,687,523)
Contributions - Employee	-	2,111,724	(2,111,724)
Contributions - Buy Back	208,750	208,751	(1)
Net Investment Income	-	44,544,230	(44,544,230)
Benefit payments, including refunds of employee contributions	(9,414,023)	(9,419,561)	5,538
Administrative Expenses	-	(107,188)	107,188
Net changes	<u>25,946,283</u>	<u>47,024,477</u>	<u>(21,078,194)</u>
Balances at September 30, 2021	<u>\$ 261,131,977</u>	<u>\$ 246,191,062</u>	<u>\$ 14,940,915</u>

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

For the year ended September 30, 2021, the City recognized pension expense of \$7,944,695. On September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,132,763	\$ 1,068,848
Changes in Assumptions	10,761,434	-
Difference between projected and actual earnings on investments	-	20,276,640
Total	<u>\$ 16,894,197</u>	<u>\$ 21,345,488</u>

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

Year ended September 30,	
2022	597,275
2023	42,789
2024	(2,878,482)
2025	(4,107,804)
2026	1,894,931
thereafter	-

(3) Municipal Firefighters’ Pension Plan

At October 1, 2020 the Plan’s membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	147
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	10
Active Plan Members	<u>201</u>
Total	<u><u>358</u></u>

Plan Description – Firefighters’ Pension Plan

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

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

The Plan’s financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by CliftonLarsonAllen LLP. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2021. As the plan administrator, Ferrell B. Jenne at Foster and Foster can provide a copy of the financial statements are upon request.

Benefits Provided - Firefighters’ Pension Plan

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

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

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

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

Payment options – the Plan offers a variety of payment options including the following: partial lump sum payouts, 10 certain and year life annuities, joint and survivor annuities, and social security options. For members who have not reached normal retire age as of June 16, 2014, the maximum benefit is capped at \$96,909 per year, exclusive of any cost-of-living increases.

Normal retirement age – normal retirement ages is defined as:

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

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

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

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

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

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

Vesting

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

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

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. Payment shall be made from the DROP account within 120 months after termination of employment. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2021, the Plan had 10 active members enrolled in DROP, and the total amount of accrued benefits was \$19,472,176.

Investments – Firefighters' Pension Plan

Rate of Return: For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investments expense, was 21.11%.

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

Contributions – Firefighters' Pension Plan

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

Net Pension Liability of the City - Firefighters' Pension Plan

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	<u>9/30/2021</u>
Total pension liability	\$ 279,628,835
Plan fiduciary net position	(253,172,912)
Net pension liability	<u>\$ 26,455,923</u>
liability	<u>90.54%</u>

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions applied to all measurement periods.

- Inflation 2.25%
- Salary Increases 7.50%
- Investment Rate of Return 7.00%
- Mortality rates were based on the use of PubS.H-2010 set forward one year for active and retiree lives, PubG.H-2010 for beneficiary lives except males set back one year. Disabled lives are 80% PubG.H-2010 and 20% PubS.H-2010.
- The actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study used to review the other significant assumptions; the experience study was dated November 30, 2017.
- The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of September 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap Stocks	4.42%
US Small / Mid Cap Stocks	4.81%
International Equity	4.91%
U.S. Direct Real Estate	3.98%
Absolute Return	3.10%
Private Equity	7.42%
US Aggregate Bond	1.00%

- The discount rate used to measure the total pension liability was 7.00% and did not change from the previous period. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net pension liability	<u>\$ 64,596,293</u>	<u>\$ 26,455,923</u>	<u>\$ (4,332,878)</u>

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Changes in the Net Pension Liability – Firefighters’ Pension Plan

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2020	\$ 257,430,564	\$ 208,743,981	\$ 48,686,583
Changes for the year:			
Service cost	6,390,591	-	6,390,591
Interest	18,670,799	-	18,670,799
Change in Excess State Money	213,807	-	213,807
Changes of Benefit Terms	-	-	-
Differences between expected and actual experience	391,112	-	391,112
Changes of Assumptions	8,344,442	-	8,344,442
Contributions - Employer	-	8,850,286	(8,850,286)
Contributions - State	-	1,742,556	(1,742,556)
Contributions - Employee	-	1,952,919	(1,952,919)
Contributions - Buy Back	36,121	36,121	-
Net Investment Income	-	43,850,239	(43,850,239)
Benefit payments, including refunds of employees contributions	(11,848,601)	(11,848,601)	-
Administrative Expenses	-	(154,589)	154,589
Net changes	22,198,271	44,428,931	(22,230,660)
Balances at September 30, 2021	<u>\$ 279,628,835</u>	<u>\$ 253,172,912</u>	<u>\$ 26,455,923</u>

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

For the year ended September 30, 2021, the City recognized pension expense of \$8,130,026. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,286,133	\$ 794,070
Changes in Assumptions	18,047,960	1,000,822
Difference between projected and actual earnings on investments	-	19,437,390
Total	<u>\$ 19,334,093</u>	<u>\$ 21,232,282</u>

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

Year ended September 30,	
2022	(428,976)
2023	(586,776)
2024	(1,973,587)
2025	(2,012,926)
2026	1,856,140
thereafter	1,247,936

(4) Restoration General Employees' Pension Plan

At October 1, 2021, the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	781
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	177
Active Plan Members	<u>868</u>
Total	<u><u>1,826</u></u>

Plan Description – Restoration General Employees' Pension Plan

This plan was recently implemented in fiscal year 2020. It is a single employer defined benefit pension plan administered by the Plan's Board of Trustees. The Board is designated as the plan administrator. The Board shall consist of five Trustees. The trustees of the system shall serve ex officio as the Trustees of the Board. The Board shall meet at least quarterly each year. The Board shall be a legal entity with, in addition to other powers and responsibilities contained herein, the power to bring and defend lawsuits of every kind, nature and description.

Benefits Provided – Restoration General Employees' Pension Plan

Members receiving benefits from the city of Cape Coral Municipal General Employees' Retirement Plan ("Qualified Plan") are entitled to benefits from this plan if their benefits are restricted by Section 415 of the Internal Revenue code. Their benefits under this plan are determined as lesser of the following:

- a. The unrestricted benefit under the Qualified Plan, less the maximum benefit allowed under Section 415 of the Code; or
- b. The amount which the member's monthly benefit from the Qualified Plan has been reduced due to limitations imposed by the Code.

Contributions may not be accumulated under this plan to pay future retirement benefits. The plan is funded by the City on a pay-as-you-go basis.

The plan is not prefunded, so no assets available to offset the Total Pension Liability.

Total Pension Liability of the City – Restoration General Employees' Pension Plan

The City's total pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the total pension was determined by an actuarial valuation as October 1, 2020.

Actuarial Assumptions – Restoration General Employees' Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to October 1, 2021 using the following actuarial assumptions.

- Inflation 2.00%
- Salary Increases Service based
- Discount Rate 2.43%

Administrative Expenses - \$15,000 annually.

Discount Rate – 2.43% per year, determined annually based on the rate published in the S&P Municipal Bond 20 Year High Grade Index based on the weekly rate closest to but no later than the measurement date.

Amortization Method – Fifteen-year open amortization of the UAAL.

Asset Valuation Method – Market Value of Assets. The plan is not prefunded, so no assets are available to offset the Total pension Liability.

Section 415 Limit - \$230,000 per year for someone beginning to receive benefits at age 62, in 2020 as a life annuity. This amount is indexed with assumed inflation at 2.00% per year.

Benefits Valued for Current Inactives' - For anyone in payment status or participating in DROP as of October 1, 2020 whose benefit exceeds the maximum benefit permitted under Section 415 of the Internal Revenue Code and associated regulations, the excess benefit was valued as though the current limit will continue to apply to the participant in perpetuity.

Benefits Valued for Current Actives – The Section 415 Limit is projected to the date a member is assumed to begin receiving benefits. IT is then assumed to remain the same in perpetuity with respect to that person's benefit.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate – Restoration General Employees' Pension Plan

The following presents the total pension liability of the City, calculated using the discount rate of 2.43%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 1.43%	Current Discount Rate 2.43%	1% Increase 3.43%
Total pension liability	\$ 7,611,228	\$ 5,966,727	\$ 4,751,376

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

For the year ended September 30, 2021, the City recognized pension expense of \$327,180. At September 30, 2021, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,356,336	\$ -
Changes in Assumptions	-	378,600
Total	\$ 2,356,336	\$ 378,600

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

2022	247,217
2023	247,217
2024	247,217
2025	247,217
2026	247,217
thereafter	741,651

(B) Defined Contribution Plan

(1) General Employees Defined Contribution Pension Plan

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

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

Normal retirement is age 55 (not to exceed age 65). The adoption agreement has the following provisions: immediate 100% vesting, requires contributions equal to 8% of earnings from the employee and contributions of 12% of earnings from the employer. During FY2021, the City contributed \$177,910 and the employees contributed \$295,329.

4. Other Postemployment Benefits (OPEB)

Plan Description – City of Cape Coral OPEB Plan

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

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

Health-Related Benefits

All retiring employees of the City may continue their participation in the group health insurance plan sponsored by the City and may choose among the same medical plan options available for active employees of the City, as required by State law, but may be subject to a premium payment depending on their date of employment with the City. Dependents of retirees may be covered at the retirees' option at the same rate as dependents of active employees, subject to premium payment. Prescription Drug coverage is automatically included in all the medical plan options. Covered retirees and their dependents are subject to all the same medical and prescription benefits and rules for coverage as are active employees. Retirees who are Medicare eligible must enroll for Parts A and B under Medicare to remain covered under the program. All medical coverage is secondary to Medicare for retirees and dependents who are Medicare eligible and enrolled. In addition, all current and future retirees hired before the applicable "Break Date" who are or become eligible for Medicare benefits and who remain on the City's medical and prescription program will receive a cash stipend equal to the Medicare Part B premium. The City does not pay a Medicare Part B subsidy for any employees hired after September 30, 2003.

Survivorship Benefits

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

Life Insurance Benefits

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

Retiree Contributions for Medical and Prescription Benefits

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

Participant Data

At October 1, 2020 the following employees were covered by the benefit terms:

Retirees (Medical and/or Life Insurance)	759
Active plan members	1,433
Total	<u>2,192</u>

Total OPEB Liability

	Total OPEB Liability
Balance as of September 30, 2019 for FYE 2020	\$ 305,799,028
Changes:	
Service cost	9,623,726
Interest	8,260,798
Changes in assumptions	16,476,563
Benefit payments	<u>(10,812,769)</u>
Net Changes	23,548,318
Balance as of September 30, 2020 for FYE 2021	<u>\$ 329,347,346</u>

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

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

	1% Decrease	Current Discount Rate	1% Increase
	1.41%	2.41%	3.41%
Total OPEB Liability	<u>\$ 386,632,776</u>	<u>\$ 329,347,346</u>	<u>\$ 284,423,892</u>

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

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

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 290,379,545	\$ 329,347,346	\$ 378,333,251

Deferred Inflows/Outflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of \$19,964,010. In addition, the City has deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 28,133,168
Changes of assumptions	53,356,329	12,671,763
Benefit payments subsequent to measurement date	10,492,658	-
Total	\$ 63,848,987	\$ 40,804,931

As of September 30, 2021, \$10,492,658 included in the current portion of the OPEB payable will be amortized to expense in fiscal year 2022. Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2022	2,079,486
2023	2,079,485
2024	5,097,116
2025	3,295,311
Total	\$ 12,551,398

Actuarial Methods and Assumptions

Cost Method	Entry Age Normal
Salary Increases	2.40%
Discount Rate*	2.41% (20-year municipal GO AA index)
Healthcare Cost Trend Rate	4.00%

*Prior year discount rate was 2.75%

The total OPEB liability at September 30, 2021 was based on October 1, 2019 valuation data using the following actuarial assumptions:

Medical Trend Assumptions	
Rate of inflation	2.5%
Rate of growth in real income/GDP per capita	1.5%
Extra Trend due to Technology and other factors	1.1%
Expected Health Share of GDP in 2029	20.0%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

Trends used in projecting Part B premiums through year 2025 are based on current law forecasts represented in the 2016 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and

Federal Supplementary Medical Insurance Trust Funds dated June 22, 2016. After 2025 the assumed Part B premium trend rates are the same as rates used for medical costs and contributions inflation.

- Generally Healthy (Pre-Retirement)
 - Pub-2010 General - Employee Headcount - Weighted Mortality Projected with Fully Generational MP - 2019 Mortality Improvement Scale
- General Healthy (Post-Retirement)
 - Pub-2010 General - Healthy Retiree Headcount - Weighted Mortality Projected with Fully Generational MP - 2019 Mortality Improvement Scale
- Police and Fire Healthy (Pre-Retirement)
 - Pub-2010 Public Safety – Employee – Employee Headcount – Weighted Mortality Projected with Fully Generational MP – 2019 Mortality Improvement Scale Pre- Retirement
- Police and Fire (Pre-Retirement)
 - Pub-2010 Public Safety – Healthy Retiree Headcount – Weighted Mortality Projected with Fully Generational MP – 2019 Mortality Improvement Scale Pre-Retirement
- General Disabled
 - Pub-2010 General Disabled Retirees Headcount – Weighted Mortality Projected with Fully Generational MP – 2019 Mortality Improvement Scale
- Police and Fire Disabled
 - Pub-2010 Public Safety Disabled Retirees Headcount – Weighted Mortality Projected with Fully Generational MP-2019 Mortality Improvement Scale

5. Contingencies

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

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

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

6. Subsequent Events

The City entered into a 30-year lease with ProParks for the operation and maintenance of Sun Splash Family Waterpark. ProParks will lease the park for 30 years in exchange for annual minimum lease payments and a percentage of gross revenues above a threshold amount. The firm will be responsible for all operating, administrative, capital, and maintenance costs of the facility, except for the parking lot. The commencement date of the lease is November 1, 2021.

The City's lease with the Cape Coral Charter School Authority expired June 30, 2021 and was renegotiated. The new lease was approved by Cape Coral City Council at the December 15, 2021 meeting and made effective July 1, 2021. The major change in the lease is a decrease of approximately \$1.7 million in annual payments from the Charter School Authority, and a shift in the responsibility for maintenance of the five buildings to the City. The City will be partnering with the Charter school to take on more administrative responsibilities such as facilities maintenance and information technology management.

Required Supplementary Info

City of Cape Coral, Florida

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 135,665,194	\$ 135,665,194	\$ 142,525,961	\$ 6,860,767
Special assessments	25,871,305	26,571,305	26,964,704	393,399
Licenses and permits	899,699	899,699	762,539	(137,160)
Franchise fees	6,853,846	6,853,846	7,425,743	571,897
Intergovernmental	3,569,576	4,463,946	9,201,478	4,737,532
Charges for services	10,829,303	11,465,971	12,080,722	614,751
Fines and forfeitures	456,913	456,913	917,000	460,087
Rent and royalties	429,073	429,073	510,454	81,381
Investment earnings	883,923	883,923	389,732	(494,191)
Contributions and donations	-	-	8,214	8,214
Other revenue	741,749	6,225,481	1,858,824	(4,366,657)
Total revenues	<u>186,200,581</u>	<u>193,915,351</u>	<u>202,645,371</u>	<u>8,730,020</u>
EXPENDITURES				
Current:				
General government	59,041,785	62,272,129	52,114,589	10,157,540
Public Safety:				
Police	45,986,513	47,123,547	45,285,652	1,837,895
Fire	35,856,259	36,670,514	34,909,219	1,761,295
Public works	14,440,581	14,497,714	11,732,657	2,765,057
Parks and recreation	7,702,553	7,683,956	6,999,813	684,143
Community development	5,587,361	5,587,361	5,122,844	464,517
Capital outlay	4,713,469	6,229,219	6,302,654	(73,435)
Total expenditures	<u>173,328,521</u>	<u>180,064,440</u>	<u>162,467,428</u>	<u>17,597,012</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,872,060</u>	<u>13,850,911</u>	<u>40,177,943</u>	<u>26,327,032</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,679,774	7,001,924	7,001,924	-
Transfers out	(21,444,978)	(23,934,457)	(23,459,728)	474,729
Proceeds on sale of capital assets	-	1,792,094	2,110,399	318,305
Reserves	(58,896,711)	(85,563,830)	-	85,563,830
Total other financing sources (uses)	<u>(73,661,915)</u>	<u>(100,704,269)</u>	<u>(14,347,405)</u>	<u>86,356,864</u>
Net change in fund balance	(60,789,855)	(86,853,358)	25,830,538	112,683,896
Budgetary fund balance - beginning	<u>71,303,221</u>	<u>71,282,221</u>	<u>87,192,843</u>	<u>(15,910,622)</u>
Budgetary fund balance - ending	<u>\$ 10,513,366</u>	<u>\$ (15,571,137)</u>	<u>\$ 113,023,381</u>	<u>\$ 96,773,274</u>

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISONS

September 30, 2021

Budgetary Basis

The City adopts an annual appropriated budget for the General Fund, the following Special Revenue Funds: gas tax, road impact fee, public safety impact fee, do the right thing, police confiscation-federal, police confiscation-state, criminal justice education, seawalls, park recreational facilities impact fee, community redevelopment agency (CRA), City Centrum business park, all hazards, alarm fee, Del Prado Mall parking lot, lot mowing, parks and recreation programs, waterpark, golf course, building, Community Development Block Grant, HUD Neighborhood Stabilization, local housing assistance, Residential Construction Mitigation Program, debt service and solid waste. Capital projects are budgeted over the length of the project except for the Disaster Improvement Fund. The budget to actual comparison for the general fund is presented on page pages 107 of the required supplementary information. The budget to actual comparison for other governmental funds are presented on pages 132-155 of the combining statements.

Budgetary Information

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

1. During July, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. On or before September 30 the budget is legally enacted by City Council through passage of an ordinance as required by City Charter, and an ordinance for setting the millage is passed as required by the State of Florida.
4. The City Manager can authorize changes within a fund. However, any other revisions require approval of the City Council. Various supplemental appropriations were approved by the Council during the fiscal year ended September 30, 2021.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except for the reporting of encumbrances, capital leases, insurance damage claims, and the sale of capital assets. Estimated cash balances from previous fiscal years that are available to support the annual operating budget are included in the adopted budget reflected as Balances Forward. Consistent with guidance by the State of Florida, the use of reserves is reported as expenditures in the budget. Annual appropriated budgets are adopted for the general, certain special revenue, and the debt service fund. Project-length financial plans and budgets are adopted for the capital projects funds except for the Disaster Improvement Fund.
6. Expenditures may not legally exceed appropriations at the fund level.
7. Beginning with the first amendment for the 2008 fiscal year, all available cash (not including capital projects) is now included within the budget. This has the affect of causing the budget to be greater than would have been the case in prior years even though expenditures may be less.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL GENERAL EMPLOYEES
Last 9 Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability									
Service Cost	\$ 10,641,085	\$ 9,702,591	\$ 8,754,130	\$ 8,645,641	\$ 7,581,291	\$ 6,787,332	\$ 6,345,174	\$ 6,326,371	\$ 5,871,342
Interest	30,358,419	28,657,931	27,287,081	25,456,382	23,613,678	21,003,661	19,926,291	18,821,859	17,724,278
Differences Between Expected and Actual Experience	(31,155)	5,174,809	95,516	6,086,590	4,417,837	3,893,760	(867,289)	-	-
Changes of Assumptions ²	7,514,792	10,824,849	10,496,250	-	5,853,087	14,374,009	-	-	-
Contributions - Buy Back	393,905	649,586	672,804	52,107	116,662	73,024	248,187	-	-
Benefit Payments, Including Refunds of Employee Contributions	(19,091,659)	(18,156,986)	(17,200,561)	(15,636,445)	(13,516,268)	(12,979,936)	(11,406,026)	(10,426,554)	(9,350,092)
Net Change in Total Pension Liability	29,785,387	36,852,780	30,105,220	24,604,275	28,066,287	33,151,850	14,246,337	14,721,676	14,245,528
Total Pension Liability - Beginning	423,498,023	386,645,243	356,540,023	331,935,748	303,869,461	270,717,611	256,471,274	241,749,598	227,504,070
Total Pension Liability - Ending (a)	\$ 453,283,410	\$ 423,498,023	\$ 386,645,243	\$ 356,540,023	\$ 331,935,748	\$ 303,869,461	\$ 270,717,611	\$ 256,471,274	\$ 241,749,598
Plan Fiduciary Net Position									
Contributions - Employer	\$ 17,357,852	\$ 18,959,393	\$ 22,477,239	\$ 20,688,397	\$ 18,745,018	\$ 16,703,284	\$ 15,896,933	\$ 14,847,599	\$ 11,946,344
Contributions - Employee	5,393,563	5,288,866	5,049,654	4,819,442	4,575,819	4,110,347	3,900,545	3,740,529	3,377,905
Contributions - Buy Back	393,905	649,586	672,804	52,107	116,662	73,024	248,187	-	-
Net Investment Income	69,178,549	22,790,668	11,709,295	17,805,569	27,633,022	17,442,740	(2,670,840)	17,248,123	18,720,913
Benefit Payments, Including Refunds of Employee Contributions	(19,091,659)	(18,156,986)	(17,200,561)	(15,636,445)	(13,516,268)	(12,979,936)	(11,406,026)	(10,426,554)	(9,350,092)
Administrative Expenses	(293,393)	(308,498)	(288,372)	(279,364)	(211,781)	(178,584)	(219,890)	(209,604)	(145,987)
Net Change in Plan Fiduciary Net Position	72,938,817	29,223,029	22,420,059	27,449,706	37,342,472	25,170,875	5,748,909	25,200,093	24,549,083
Plan Fiduciary Net Position - Beginning	340,960,500	311,737,471	289,317,412	261,867,706	224,525,234	199,354,359	193,605,450	168,405,357	143,856,274
Plan Fiduciary Net Position - Ending (b)	413,899,317	340,960,500	311,737,471	289,317,412	261,867,706	224,525,234	199,354,359	193,605,450	168,405,357
Net Pension Liability - Ending (a) - (b)	\$ 39,384,093	\$ 82,537,523	\$ 74,907,772	\$ 67,222,611	\$ 70,068,042	\$ 79,344,227	\$ 71,363,252	\$ 62,865,824	\$ 73,344,241
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.31%	80.51%	80.63%	81.15%	78.89%	73.89%	73.64%	75.49%	69.66%
Covered Payroll ¹	\$ 52,100,221	\$ 50,759,722	\$ 48,175,089	\$ 45,670,445	\$ 43,023,377	\$ 38,839,907	\$ 43,059,029	\$ 36,210,403	\$ 33,074,042
Net Pension Liability as a Percentage of Covered Payroll	75.59%	162.60%	155.49%	147.19%	162.86%	204.29%	165.73%	173.61%	221.76%

Notes to Schedule:

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

² *Changes of Assumptions:*

For measurement date 9/30/2021:

- The investment rate of return was lowered from 7.15% to 7.00% per year compounded annually, net of investment related expenses.

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

Additionally, the plan's assumed investment rate of return was reduced from 7.40% to 7.15%, net of investment-related expenses

Other Items:

This information is required for 10 years. However, only 9 years of information is available.

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL GENERAL EMPLOYEES
Last 9 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2021	\$ 17,357,852	\$ 17,357,852	\$ -	\$ 52,100,221	33.32%
2020	18,959,393	18,959,393	-	50,759,722	37.35%
2019	22,477,239	22,465,625	11,614	48,175,089	46.63%
2018	20,676,783	20,688,397	(11,614)	45,670,445	45.30%
2017	18,745,018	18,745,018	-	43,023,377	43.57%
2016	16,709,229	16,703,284	5,945	38,839,907	43.01%
2015	15,890,988	15,896,933	(5,945)	43,059,029	36.92%
2014	14,847,599	14,847,599	-	36,210,403	41.00%
2013	11,946,344	11,946,344	-	33,074,042	36.12%

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

Notes to Schedule

Valuation Date: 10/01/19

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

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

Interest - 7.15% per year compounded annually, net of investment expense

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

Mortality Rates:

The following assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The following rates are those outlined in Milliman's July 1, 2020 FRS valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees.

Male: PubG.H-2010 for Employees set back one year.

Healthy Retiree Lives

Female: PubG.H-2010 for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Beneficiary Lives

Female: PubG.H-2010 (Below Median) for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

Disability Rates:

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

Payroll Increase:

1.14% per year for amortization of the UAAL.

Withdrawal:

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

Retirement:

Less than five years of Credited Service	
Age	Probability of Retirement
50-59	3.00%

60	50.00%
61-64	33.00%
65-66	50.00%
67+	100.00%

Twenty-five or more years of Credited Service	
Age	Probability of Retirement
Less than 60	75.00%
60+	100.00%

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

Salary Increases:

Credit Service	Assumption
less than 5	7.00%
5-14	6.00%
15 or more	5.00%

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

Asset Valuation Method:

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

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL GENERAL EMPLOYEES
Last 9 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution
9/30/2021	20.23%
9/30/2020	7.27%
9/30/2019	3.99%
9/30/2018	6.72%
9/30/2017	12.13%
9/30/2016	8.66%
9/30/2015	-1.36%
9/30/2014	10.04%
9/30/2013	12.71%

Other items:

This information is required for 10 years. However, only 9 years of information is available.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS'
 Last 9 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability									
Service Cost	\$ 6,182,570	\$ 5,375,282	\$ 4,746,107	\$ 4,936,597	\$ 4,788,378	\$ 4,597,357	\$ 4,181,795	\$ 4,249,385	\$ 3,943,745
Interest	17,157,941	16,239,285	15,544,850	14,366,974	13,168,259	11,714,484	11,186,338	10,547,735	9,908,025
Change in Excess State Money	-	-	-	-	(1,653,314)	379,832	256,415	209,437	-
Share Plan Allocation	441,462	394,476	351,146	187,505	1,735,860	-	-	-	-
Changes of Benefit Terms	-	-	-	680,569	-	-	-	-	-
Differences Between Expected and Actual									
Experience	3,985,200	2,196,396	(2,672,118)	3,478,195	2,007,169	2,017,708	(2,507,874)	-	-
Contributions - Buy Back	208,750	28,058	25,462	99,776	190,028	105,656	-	-	-
Changes of Assumptions ²	7,384,383	4,072,864	5,410,152	-	-	6,709,188	-	-	-
Benefit Payments, Including Refunds of									
Employee Contributions	(9,414,023)	(8,538,361)	(7,641,017)	(7,719,306)	(6,783,071)	(6,370,968)	(6,551,123)	(6,427,849)	(5,378,316)
Net Change in Total Pension Liability	25,946,283	19,768,000	15,764,582	16,030,310	13,453,309	19,153,257	6,565,551	8,578,708	8,473,454
Total Pension Liability - Beginning	235,185,694	215,417,694	199,653,112	183,622,802	170,169,493	151,016,236	144,450,685	135,871,977	127,398,523
Total Pension Liability - Ending (a)	\$ 261,131,977	\$ 235,185,694	\$ 215,417,694	\$ 199,653,112	\$ 183,622,802	\$ 170,169,493	\$ 151,016,236	\$ 144,450,685	\$ 135,871,977
Plan Fiduciary Net Position									
Contributions - Employer	\$ 7,998,998	\$ 7,349,653	\$ 6,393,072	\$ 7,917,299	\$ 7,111,509	\$ 6,875,656	\$ 6,995,863	\$ 6,660,536	\$ 6,260,750
Contributions - State	1,687,523	1,639,195	1,594,562	1,429,657	1,323,470	1,256,354	1,132,937	1,085,959	1,002,434
Contributions - Employee	2,111,724	1,994,280	1,691,707	1,622,967	1,701,463	1,553,768	1,454,685	1,326,883	1,414,151
Contributions - Buy Back	208,751	28,058	25,462	99,776	190,028	105,656	-	-	-
Net Investment Income	44,544,230	13,927,953	4,770,054	11,534,774	17,760,238	10,749,925	128,262	10,828,135	13,788,213
Benefit Payments, Including Refunds of									
Employee Contributions	(9,419,561)	(8,532,822)	(7,651,072)	(7,719,306)	(6,783,071)	(6,370,968)	(6,551,123)	(6,427,849)	(5,378,316)
Administrative Expenses	(107,188)	(114,403)	(127,399)	(116,691)	(105,797)	(112,350)	(132,861)	(112,882)	(92,544)
Net Change in Plan Fiduciary Net Position	47,024,477	16,291,914	6,696,386	14,768,476	21,197,840	14,058,041	3,027,763	13,360,782	16,994,688
Plan Fiduciary Net Position - Beginning	199,166,585	182,874,671	176,178,285	161,409,809	140,211,969	126,153,928	123,126,165	109,765,383	92,770,695
Plan Fiduciary Net Position - Ending (b)	\$ 246,191,062	\$ 199,166,585	\$ 182,874,671	\$ 176,178,285	\$ 161,409,809	\$ 140,211,969	\$ 126,153,928	\$ 123,126,165	\$ 109,765,383
Net Pension Liability - Ending (a) - (b)	\$ 14,940,915	\$ 36,019,109	\$ 32,543,023	\$ 23,474,827	\$ 22,212,993	\$ 29,957,524	\$ 24,862,308	\$ 21,324,520	\$ 26,106,594
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.28%	84.68%	84.89%	88.24%	87.90%	82.40%	83.54%	85.24%	80.79%
Covered Payroll ¹	\$ 21,135,358	\$ 19,936,330	\$ 16,920,926	\$ 16,230,230	\$ 17,014,603	\$ 15,813,229	\$ 18,006,886	\$ 12,835,801	\$ 13,471,634
Net Pension Liability as a Percentage of Covered Payroll	70.69%	180.67%	192.32%	144.64%	130.55%	189.45%	138.07%	166.13%	193.79%

Notes to Schedule:

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

² *Changes of benefit terms:*

For measurement date 09/30/2020, amounts reported as changes of benefit terms resulted from Ordinance 15-18.

³ *Changes of assumptions:*

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

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

Other items:

This information is required for 10 years. However, only 9 years of information is available.

City of Cape Coral, Florida

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE EMPLOYEES
Last 9 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2021	\$ 9,161,107	\$ 9,245,058	(83,951)	\$ 21,135,358	43.74%
2020	8,773,241	8,594,372	178,869	19,936,330	43.11%
2019	9,307,391	7,636,488	1,670,903	16,920,926	45.13%
2018	8,656,859	9,159,451	(502,592)	16,230,230	56.43%
2017	7,582,575	8,352,433	(769,858)	17,014,603	49.09%
2016	7,433,901	7,752,178	(318,277)	15,813,229	49.02%
2015	7,613,340	7,872,385	(259,045)	18,006,896	43.72%
2014	7,537,058	1,537,058	6,000,000	12,835,801	11.97%
2013	7,137,272	7,137,272	-	13,471,634	52.98%

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

Notes to Schedule

Valuation Date: 10/1/2019

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

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

Interest - 7.25% Per Year, Compounded Annually, Net of Investment Related Expenses.

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

Mortality Rate: Rates for healthy active and retiree lives were based on the PubS.H-210 Public Retirement Plans Mortality Table set forward one year. Beneficiary lives were based on the PubG.H-2010 Public Retirement Public Retirement Plans Mortality Table set back one year for males. Disabled lives are 80% PubG.H-2010 and 20% PubS.H-2010.

Normal Retirement: % Retiring During the Year

>= 25 Years of Service

Age	Rate
25	50.00%
26	100.00%
27+	100.00%

Early Retirement: % Retiring During the Year

10-24 Years of Service

Age	Rate
40-44	2.00%
45-49	5.00%
50	50.00%
51-54	25.00%
55+	100.00%

Disability Rates:

Age	Rates
20	0.31%
25	0.31%
30	0.35%
35	0.39%
40	0.73%
45	1.30%
50	2.57%
55	5.35%
60	9.67%
65	16.79%

It is assumed that 75% of Disability Retirements are service-related.
The above rates are consistent with average Florida municipal special risk retirement programs.

Interest Rate:

7.25% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Asset Smoothing Methodology:

The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.

Termination Rates:

Credited Service	Termination Probability
0	15.00%
1 - 4	5.00%
5 - 14	3.00%
15 or More	0.00%

The above rates are supported by an Experience Study performed for the period October 1, 1988 through October 1, 2011.

Salary Increases:

Credited Service	Assumption
less than 5 years	10.00%
5-15 years	7.00%
more than 15 years	6.00%

The above rates are supported by an Experience Study performed for the period October 1, 1988 through October 1, 2011.

Final Year Salary Load:

Years of Credited Service as of February 7, 2012	Assumption
0	No load
Less than 10 years	5.00%
10 or more years	10.00%

The above rates are supported by data provided by the City.

Payroll Growth Assumption:

0.00% per year for amortization of the Unfunded Actuarial Accrued Liability. This assumption is limited by to the actual ten-year payroll growth average as of the valuation date.

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL POLICE EMPLOYEES
Last 10 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution
9/30/2021	22.35%
9/30/2020	7.62%
9/30/2019	2.69%
9/30/2018	7.10%
9/30/2017	12.59%
9/30/2016	8.47%
9/30/2015	10.00%
9/30/2014	9.77%
9/30/2013	14.48%

Other items:

This information is required for 10 years. However, only 9 years of information is available.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL FIREFIGHTERS'
 Last 9 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability									
Service Cost	\$ 6,390,591	\$ 5,758,437	\$ 4,820,664	\$ 4,578,362	\$ 4,266,311	\$ 4,009,132	\$ 4,102,490	\$ 3,832,937	\$ 3,552,305
Interest	18,670,799	17,469,387	16,655,584	15,851,720	15,178,381	13,798,633	12,898,695	12,184,828	11,567,933
Change in Excess State Money ²	213,807	166,023	131,691	70,874	-	-	-	(1,825,958)	-
Changes of Benefit Terms	-	-	(52,873)	-	-	-	-	-	-
Differences Between Expected and Actual									
Experience	391,112	(1,111,697)	734,135	201,394	1,557,771	(260,997)	1,438,736	-	-
Changes of Assumptions ³	8,344,442	5,369,128	12,355,862	-	(3,502,874)	8,638,016	-	2,832,093	-
Contributions - Buy Back	36,121	29,976	163,001	83,609	-	179,583	33,685	-	-
Benefit Payments, Including Refunds of									
Employee Contributions	(11,848,601)	(11,303,750)	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)	(6,376,309)	(7,469,627)	(7,714,523)
Net Change in Total Pension Liability	22,198,271	16,377,504	24,079,319	10,585,252	9,566,359	19,204,400	12,097,297	9,554,273	7,405,715
Total Pension Liability - Beginning	257,430,564	241,053,060	216,973,741	206,388,489	196,822,130	177,617,730	165,520,433	155,966,160	148,560,445
Total Pension Liability - Ending (a)	279,628,835	257,430,564	241,053,060	216,973,741	206,388,489	196,822,130	177,617,730	165,520,433	155,966,160
Plan Fiduciary Net Position									
Contributions - Employer	\$ 8,850,286	\$ 9,833,400	\$ 10,249,919	\$ 10,095,728	\$ 8,759,719	\$ 8,424,472	\$ 7,706,894	\$ 6,047,404	\$ 7,365,990
Contributions - State	1,742,556	1,646,987	1,578,326	1,456,689	1,445,431	1,449,699	1,306,968	1,521,432	1,529,756
Contributions - Employee	1,952,919	1,781,178	1,655,650	1,523,514	1,450,606	1,292,651	1,336,752	1,315,620	1,241,892
Contributions - Buy Back	36,121	29,976	163,001	83,609	-	179,583	33,685	-	-
Net Investment Income	43,850,239	13,999,209	5,963,226	12,332,387	17,336,661	13,139,913	(460,924)	10,951,006	14,442,471
Benefit Payments, Including Refunds of									
Employee Contributions	(11,848,601)	(11,303,750)	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)	(6,376,309)	(7,469,627)	(7,714,523)
Administrative Expenses	(154,589)	(140,915)	(130,419)	(145,017)	(161,973)	(152,949)	(164,111)	(103,859)	(84,490)
Net Change in Plan Fiduciary Net Position	44,428,931	15,846,085	8,750,958	15,146,203	20,897,214	17,173,402	3,384,955	12,261,976	16,781,096
Plan Fiduciary Net Position - Beginning	208,743,981	192,897,896	184,146,938	169,000,735	148,103,521	130,930,119	127,545,164	115,283,188	98,502,092
Plan Fiduciary Net Position - Ending (b)	\$ 253,172,912	\$ 208,743,981	\$ 192,897,896	\$ 184,146,938	\$ 169,000,735	\$ 148,103,521	\$ 130,930,119	\$ 127,545,164	\$ 115,283,188
Net Pension Liability - Ending (a) - (b)	\$ 26,455,923	\$ 48,686,583	\$ 48,155,164	\$ 32,826,803	\$ 37,387,754	\$ 48,718,609	\$ 46,687,611	\$ 37,975,269	\$ 40,682,972
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.54%	81.09%	80.02%	84.87%	81.88%	75.25%	73.71%	77.06%	73.92%
Covered Payroll ¹	\$ 19,529,190	\$ 17,816,392	\$ 16,556,504	\$ 15,235,145	\$ 14,509,395	\$ 13,056,409	\$ 14,588,691	\$ 12,722,509	\$ 12,097,174
Net Pension Liability as a Percentage of Covered Payroll	135.47%	273.27%	290.85%	215.47%	257.68%	373.14%	320.03%	298.49%	336.30%

Notes to Schedule:

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

² **Changes in Excess State Money:**

The Excess State Monies Reserve as of September 30, 2013 will be available to the City to offset the Fiscal 2014 contributions.

* For valuation dates on and after October 1, 2013 and until such time that the Retirement Plan reaches 80% funded (based on the ratio of the Actuarial Value of Assets to Actuarial Accrued Liability) all future State Monies in excess of the current \$1,314,942 frozen amount will be split as follows:

- 50% will be available to defray the City's contribution requirement
- 50% will go towards accelerating the pay down of the Unfunded Actuarial Accrued Liability (UAAL)

³ **Changes in benefit terms:**

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019 a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

⁴ **Changes of Assumptions:**

For measurement date 09/30/2019, the investment return was lowered from 7.75% to 7.70% per year compounded annually, net of investment expenses.

For measurement date 9/30/2017, amounts reported as changes of assumptions resulted from:

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation to the rates used in the July 2, 2016 actuarial valuation for special risk lives.
- The assumptions for termination, normal retirement, disability were updated in accordance with the experience study dated November 30, 2017.
- Termination rates were changed from an age-based table to a service-based table.
- Normal retirement rates were reduced for members with less than 25 years of credited service. Additionally, the assumption that members currently eligible for normal retirement would retire with 100% probability was removed.
- Disability rates were doubled at each age.

For measurement date 09/30/2014 amounts reported as changes of assumptions were resulted from the following changes:

To comply with Chapter 112 Florida Statutes the payroll growth was limited to the ten year average rate of 4.41% (prior valuation used a 5.00% rate).

- As decided by the Board at the August 2, 2012 meeting the interest rate would be decreased from 8.00% down to 7.75% over a three year period. As such, the interest rate was decreased from 7.90% to 7.75% for the 2014 valuation.

Other Items:

This information is required for 10 years. However, only 9 years of information is available.

City of Cape Coral, Florida

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL FIRE EMPLOYEES
Last 9 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions ²	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2021	\$ 10,310,977	\$ 10,379,035	\$ (68,058)	\$ 19,529,190	53.15%
2020	11,254,948	11,314,365	(59,417)	17,816,392	63.51%
2019	11,697,566	11,564,864	1,011	16,556,504	69.85%
2018	11,496,375	11,481,544	14,831	15,235,145	75.36%
2017	10,015,294	10,139,905	(124,611)	14,509,395	69.89%
2016	9,655,384	9,806,793	(151,409)	13,056,409	75.11%
2015	9,013,862	9,013,862	-	14,588,691	61.79%
2014	9,104,319	9,188,304	(83,985)	12,722,509	72.22%
2013	8,680,932	8,680,932	-	12,097,174	71.76%

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

² Including amounts from Excess State Money Reserve.

Notes to Schedule

Valuation Date: 10/1/2019

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:
Interest - half a year based on the 7.25% assumption.
Salary - a full year, based on the current 7.50% assumption.

Mortality: Active and retiree lives use PubS.H-210 set forward one year, beneficiary lives use PubG.H-2010 except males set back one year. Disabled lives are 80% PubG.H-210/20% PubS.H-210.

Interest Rate: 7.25% per year, compounded annually, net of investment related expenses. We will continue to monitor this assumption against the expected asset allocation and future returns by asset class.

Normal Retirement: For Members with less than 25 years of Credited Service: 2% for ages 40-49, 40% for ages 50-51, 15% for ages 52-55, 25% for ages 56-59 and 100% for ages 60 and above. For Members with at least 25 years of Credited Service: 100%.

Early Retirement: Age 40 and completion of 10 years of credited service.

Disability: See table below. It is assumed that 75% of Disability Retirements are service-related. This assumption is based on the experience study dated November 30, 2017.

Termination : 4.00% for Members with less than 5 years of Credited Service; 1.00% for Members with at least 5 years of Credited Service. The assumption is based on the experience study dated November 30, 2017.

Benefit Cap Index: 1.00% assumption each year beginning in 2018.

Asset Smoothing Methodology: The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets.

Salary Increases: 7.50% per year. We will continue to monitor this assumption to ensure it is in line with actual plan experience.

Final Year Salary Load:	Years of Credited Service as of February 7, 2012	Assumption
	0	No load
	Less than 10 years	5.00%
	10 or more years	10.00%

Payroll Growth: 1.41% per year.

Disability Rate Table:	Age	% Becoming Disabled During the Year
	20	0.10%
	30	0.10%
	35	0.10%
	40	0.20%
	45	0.40%
	50	0.90%
	55	1.80%
	60	3.20%
	65	5.60%

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL FIRE EMPLOYEES
Last 10 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution
9/30/2021	21.11%
9/30/2020	7.26%
9/30/2019	3.23%
9/30/2018	7.28%
9/30/2017	11.64%
9/30/2016	9.99%
9/30/2015	-0.36%
9/30/2014	9.48%
9/30/2013	14.44%

Other items:
This information is required for 10 years. However, only 9 years of information is available.

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City of Cape Coral, Florida

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION RESTORATION
 Last 2 Fiscal Years

	<u>2021</u>	<u>2020</u>
Total Pension Liability		
Interest	\$ 79,957	\$ -
Changes of Benefit Terms	-	3,736,313
Differences Between Expected and Actual Experience	2,650,881	-
Changes of Assumptions	(425,922)	-
Benefits Paid by Employer	<u>(74,502)</u>	<u>-</u>
Net Change in Total Pension Liability	2,230,414	3,736,313
Total Pension Liability - Beginning	<u>3,736,313</u>	<u>-</u>
Total Pension Liability - Ending	<u><u>5,966,727</u></u>	<u><u>3,736,313</u></u>
Covered Payroll	\$ 52,632,964	\$ 50,097,008
Net Pension Liability as a Percentage of Covered Payroll	11.34%	7.46%

Notes to Schedule:

Plan became effective as of April 20, 2020.

Changes of Assumptions:

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from increasing the Discount Rate from 2.14% to 2.43%

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City of Cape Coral, Florida

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
Fiscal Year 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 9,623,726	\$ 7,695,292	\$ 8,055,888	\$ 8,600,831
Interest	8,260,798	10,458,834	9,731,792	8,916,244
Changes in assumptions	16,476,563	66,958,465	(13,273,023)	(18,105,757)
Experience Losses/(Gains)	-	(46,888,614)	-	-
Benefit payments	<u>(10,812,769)</u>	<u>(10,246,178)</u>	<u>(9,489,255)</u>	<u>(8,472,549)</u>
Net Changes	23,548,318	27,977,799	(4,974,598)	(9,061,231)
Total OPEB Liability, beginning	<u>305,799,028</u>	<u>277,821,229</u>	<u>282,795,827</u>	<u>291,857,058</u>
Total OPEB Liability, ending	<u>\$ 329,347,346</u>	<u>\$ 305,799,028</u>	<u>\$ 277,821,229</u>	<u>\$ 282,795,827</u>
Covered employee payroll	\$105,707,947	\$ 101,978,134	\$ 94,597,857	\$ 89,470,659
Total OPEB liability as a percentage of covered employee payroll	311.56%	299.87%	293.69%	316.08%

Other items:

This information is required for 10 years, however, only 4 years of information is available as GASB Statement 75 was implemented beginning in Fiscal Year 2018, limiting the data available.

Notes to Schedule:

Benefit changes: None

Changes of assumptions: The discount rate was changed as follows:

Discount Rate:	
9/30/2018	3.50%
9/30/2019	3.83%
9/30/2020	2.75%
9/30/2021	2.41%

There are no assets accumulated or earmarked for a separate trust for retiree benefits.



Combining Statements & Schedules

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

- Gas Tax Fund – used to account for the Local Option (6¢) and New Local Option (5¢) Taxes which are used for construction of new roads, reconstruction or resurfacing of existing paved roads, and related items.
- Road Impact Fee Fund – used to account for the impact fees that are used to provide new roads.
- Public Safety Impact Fee Fund – used to account for Police Protection, Advanced Life Support, and Fire & Rescue impact fees which are used for the purchase of capital improvements consisting of land, buildings, vehicles, and equipment for police protection services, advanced life support program and fire public safety facilities.
- Do The Right Thing Fund – this program is sponsored by the Police Department and rewards the youth population in the community for “doing the right thing”. This fund was established to account for the program donations that are used to offset the operating expenses of the program to include prizes and rewards for the program recipients.
- Police Confiscation-Federal Fund – used to account for monies received from federal confiscation cases and used to purchase equipment for the Police Department.
- Police Confiscation-State Fund – used to account for monies received from the sale of confiscated items in nonfederal cases and used to purchase equipment for the Police Department. This also includes the Police Evidence Fund.
- Criminal Justice Education Fund – used to account for monies received from the assessment of mandatory court costs and used for criminal justice education and training.
- Seawalls Fund – used to account for the collection of special assessments after the construction of seawalls.
- Park Recreational Facilities Impact Fee Fund – used to account for impact fees which are used to provide recreational park facilities.
- City Centrum Business Park Fund – is used to account for monies collected from agencies that occupy the facilities.
- All Hazards Fund – used to account for monies collected by Lee County in the All Hazards Protection District for the funding of shelters, emergency preparedness, and hazardous material response programs.
- Alarm Fee Fund – is used to account for fees and fines collected by the City in connection with initial installation and false alarms thereafter.
- Del Prado Mall Parking Lot Fund – is used to account for collection of special assessments for the Del Prado Mall parking lot.
- Lot Mowing Fund – is used to account for the mowing of vacant unimproved property.
- Parks and Recreation Fund – is used to account for the recreational programs for individuals of various ages, skill levels, interests, social needs, and economic capabilities, that collectively enhance the overall quality of life within the City.
- Waterpark Fund – used to account for the operations of the City’s Sun Splash Family Water Park and Aquatic Facility.
- Golf Course Fund – used to account for the operations of the year-round municipal golf facility which includes the clubhouse, greens, and restaurant operations.

- Building Fund – used to account for the activities of the building and permitting services of the Department of Community Development as related to the construction of buildings and related structures within the City of Cape Coral.
- Community Redevelopment Agency (CRA) Fund – used to account for the activities of the community redevelopment agency.
- Community Development Block Grant (CDBG) Fund – used to account for monies received from the U.S. Department of Housing and Urban Development for community development.
- HUD Neighborhood Stabilization Fund – used to account for monies received from the U.S. Department of Housing and Urban Development to provide targeted emergency assistance to the City to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within the community.
- State Housing Initiative Partnership (S.H.I.P.) Fund – used to account for monies received from the State Housing Initiatives Partnership Program to provide assistance to low and moderate income families for the purpose of obtaining affordable housing in the City.
- Residential Construction Mitigation Program Fund – used to account for monies received from the Florida Division of Emergency Management Residential Construction Mitigation Program (RCMP) to improve the wind resistance of residences.
- Solid Waste Fund – used to account for the City’s collection of solid waste fees.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- Disaster Improvement Fund – used to account for the clean-up from local disasters.
- Parks Capital Improvements Fund - used to account for the improvements at various parks.
- Transportation Capital Improvements Fund – used to account for transportation related capital projects
- General Obligation Fund – used to account for parks capital projects paid for by general obligation debt.
- Other Capital Improvements Fund - used to account for the following projects:
 - Fire Station Construction – used to account for the design and construction of fire stations and training facility.
 - CRA – used to account for capital improvements in the CRA district including replacement of walking paths, landscaping, Lafayette Street lights and Vincennes Boulevard parking lot.
 - Public Works Capital Improvements Fund – used to account for the various capital improvements including sign and building replacement, and project planning.
 - Academic Village – used to account for the improvement of the academic village.
 - Computer System – used to account for enhancements and upgrades to various computer systems.
 - Police Training Facility – used to help train and prepare the police department for real world situations.



**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021**

	Special Revenue					
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Police Confiscation Federal	
ASSETS						
Cash and investments	\$ 10,747,186	\$ 26,381,937	\$ 11,729,382	\$ 27,877	\$ 166,039	\$ 416,828
Interest receivable	13,707	23,963	9,223	20	131	334
Accounts receivable, net	-	-	-	141	-	-
Intergovernmental receivable	1,633,732	-	-	-	-	6,000
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>12,394,625</u>	<u>26,405,900</u>	<u>11,738,605</u>	<u>28,038</u>	<u>166,170</u>	<u>423,162</u>
LIABILITIES						
Accounts payable and other accrued liabilities	420,238	-	-	2,451	-	65,081
Accrued retainage	-	-	-	-	-	-
Accrued payroll	4,143	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Intergovernmental payables	-	-	-	-	-	31,614
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>424,381</u>	<u>-</u>	<u>-</u>	<u>2,451</u>	<u>-</u>	<u>96,695</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - grant reimbursements	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	141	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>141</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted						
Public safety	-	-	11,738,605	25,446	166,170	326,467
Public works	11,970,244	26,405,900	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Committed						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unassigned						
Total fund balances (deficit)	<u>11,970,244</u>	<u>26,405,900</u>	<u>11,738,605</u>	<u>25,446</u>	<u>166,170</u>	<u>326,467</u>
Total liabilities and fund balances	<u>\$ 12,394,625</u>	<u>\$ 26,405,900</u>	<u>\$ 11,738,605</u>	<u>\$ 28,038</u>	<u>\$ 166,170</u>	<u>\$ 423,162</u>

Special Revenue

Criminal Justice Education	Seawalls	Park Recreational Facilities Impact Fee	City Centrum Business Park	All Hazards	Alarm Fee	Del Prado Mall Parking Lot	Lot Mowing
\$ 59,396	\$ 258,526	\$ 5,253,653	\$ 16,082	\$ 2,406,351	\$ 18,049	\$ 173,216	\$ 4,920,993
45	203	4,134	13	1,915	15	136	7,807
-	-	-	-	-	25,517	-	543
-	-	-	-	35,150	-	15	31,657
-	-	-	-	-	-	-	-
-	-	-	-	3,431	558	-	-
<u>59,441</u>	<u>258,729</u>	<u>5,257,787</u>	<u>16,095</u>	<u>2,446,847</u>	<u>44,139</u>	<u>173,367</u>	<u>4,961,000</u>
-	-	-	1,847	882,052	78	2,902	204,494
-	-	-	-	-	-	-	4,013
-	-	-	-	21,409	5,922	-	11,752
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	977,530
-	-	-	<u>1,847</u>	<u>903,461</u>	<u>6,000</u>	<u>2,902</u>	<u>1,197,789</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	3,431	558	-	-
59,441	-	-	-	1,539,955	-	-	-
-	258,729	-	-	-	-	-	-
-	-	5,257,787	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	14,248	-	-	-	-
-	-	-	-	-	37,581	-	-
-	-	-	-	-	-	170,465	3,763,211
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>59,441</u>	<u>258,729</u>	<u>5,257,787</u>	<u>14,248</u>	<u>1,543,386</u>	<u>38,139</u>	<u>170,465</u>	<u>3,763,211</u>
<u>\$ 59,441</u>	<u>\$ 258,729</u>	<u>\$ 5,257,787</u>	<u>\$ 16,095</u>	<u>\$ 2,446,847</u>	<u>\$ 44,139</u>	<u>\$ 173,367</u>	<u>\$ 4,961,000</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2021

	Special Revenue					
	Parks and Recreation	Waterpark	Golf Course	Building	Community Redevelopment Agency	Community Development Block Grant
ASSETS						
Cash and investments	\$ 1,503,266	\$ 1,207,383	\$ 757,783	\$ 17,166,536	\$ 673,194	\$ 99
Interest receivable	-	-	-	13,525	1,913	-
Accounts receivable, net	152,194	2,119	572	1,125	-	-
Intergovernmental receivable	10,419	-	-	-	-	726,961
Inventories	56,970	26,041	39,100	-	-	-
Prepaid items	9,835	1,441	2,754	6,407	2,370	1,159
Total assets	<u>1,732,684</u>	<u>1,236,984</u>	<u>800,209</u>	<u>17,187,593</u>	<u>677,477</u>	<u>728,219</u>
LIABILITIES						
Accounts payable and other accrued liabilities	82,626	41,019	74,890	7,420	80,707	54,577
Accrued retainage	-	-	-	-	-	-
Accrued payroll	190,178	45,052	52,877	253,392	2,831	2,134
Due to other funds	-	-	564,909	-	-	573,716
Deposits	109,430	17,789	200	862,770	-	-
Intergovernmental payables	89,781	-	-	69,941	-	-
Unearned revenue	146,886	-	153,788	1,941,509	-	-
Total liabilities	<u>618,901</u>	<u>103,860</u>	<u>846,664</u>	<u>3,135,032</u>	<u>83,538</u>	<u>630,427</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - grant reimbursements	-	-	-	-	-	3,458
Unavailable revenue - other	5,336	1,119	572	1,125	-	-
Total Deferred Inflow of Resources	<u>5,336</u>	<u>1,119</u>	<u>572</u>	<u>1,125</u>	<u>-</u>	<u>3,458</u>
FUND BALANCES						
Nonspendable	66,805	27,482	41,854	6,407	2,370	1,159
Restricted						
Public safety	-	-	-	14,045,029	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	-	-	-	-	591,569	93,175
Capital outlay	-	-	-	-	-	-
Committed						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Parks and recreation	1,041,642	1,104,523	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unassigned	-	-	(88,881)	-	-	-
Total fund balances (deficit)	<u>1,108,447</u>	<u>1,132,005</u>	<u>(47,027)</u>	<u>14,051,436</u>	<u>593,939</u>	<u>94,334</u>
Total liabilities and fund balances	<u>\$ 1,732,684</u>	<u>\$ 1,236,984</u>	<u>\$ 800,209</u>	<u>\$ 17,187,593</u>	<u>\$ 677,477</u>	<u>\$ 728,219</u>

HUD Neighborhood Stabilization	State Housing Initiative Partnership	Residential Construction Mitigation Program	Solid Waste	Capital Projects			Total Nonmajor Governmental Funds
				Disaster Improvement	Parks Capital Improvements	Other Capital Improvements	
\$ -	\$ 1,501,841	\$ -	\$ 5,946,639	\$ 115,094	\$ 49,756	\$ 20,100,028	\$ 111,597,134
-	-	-	4,650	-	-	84	81,818
-	-	-	434,985	-	-	-	617,196
-	-	-	36,259	-	64,977	-	2,545,170
-	-	-	-	-	-	-	122,111
-	750	-	-	-	-	-	28,705
-	1,502,591	-	6,422,533	115,094	114,733	20,100,112	114,992,134
11	17	-	3,014,726	-	56,742	381,475	5,373,353
-	-	-	-	-	-	56,936	60,949
-	-	-	-	-	-	-	589,690
181,279	-	568	-	-	-	-	1,320,472
-	-	-	-	-	-	-	990,189
-	-	-	-	-	-	-	191,336
-	-	-	-	-	-	-	3,219,713
181,290	17	568	3,014,726	-	56,742	438,411	11,745,702
-	-	-	-	-	64,977	-	68,435
-	-	-	308,070	-	-	-	316,363
-	-	-	308,070	-	64,977	-	384,798
-	750	-	-	-	-	-	150,816
-	-	-	-	-	-	-	27,901,113
-	-	-	-	-	-	-	38,634,873
-	-	-	-	-	-	-	5,257,787
-	1,501,824	-	-	-	-	-	2,186,568
-	-	-	-	-	-	6,504,576	6,504,576
-	-	-	-	-	-	-	14,248
-	-	-	-	-	-	-	37,581
-	-	-	3,099,737	-	-	-	7,033,413
-	-	-	-	-	-	-	2,146,165
-	-	-	-	115,094	-	13,157,125	13,272,219
(181,290)	-	(568)	-	-	(6,986)	-	(277,725)
(181,290)	1,502,574	(568)	3,099,737	115,094	(6,986)	19,661,701	102,861,634
\$ -	\$ 1,502,591	\$ -	\$ 6,422,533	\$ 115,094	\$ 114,733	\$ 20,100,112	\$ 114,992,134

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021**

	Special Revenue					
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Police Confiscation Federal	Police Confiscation State
REVENUES						
Taxes	\$ 10,131,660	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	10,500
Impact fees	-	17,827,347	5,813,696	-	-	-
Rent and royalties	-	-	-	-	-	-
Investment earnings	(9,393)	40,580	(12,455)	149	(101)	(277)
Contributions and donations	-	-	-	17,103	-	-
Other revenue	-	-	-	6,580	3,992	-
Total revenues	<u>10,122,267</u>	<u>17,867,927</u>	<u>5,801,241</u>	<u>23,832</u>	<u>3,891</u>	<u>10,223</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety:						
Police	-	-	32,522	16,909	4,610	107,976
Fire	-	-	34,050	-	-	-
Building	-	-	-	-	-	-
Public works	914,361	185,621	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>914,361</u>	<u>185,621</u>	<u>66,572</u>	<u>16,909</u>	<u>4,610</u>	<u>107,976</u>
Excess revenues over (under) expenditures	<u>9,207,906</u>	<u>17,682,306</u>	<u>5,734,669</u>	<u>6,923</u>	<u>(719)</u>	<u>(97,753)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(15,464,551)	(9,726,458)	(6,954,776)	-	-	(13,129)
Proceeds on sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(15,464,551)</u>	<u>(9,726,458)</u>	<u>(6,954,776)</u>	<u>-</u>	<u>-</u>	<u>(13,129)</u>
SPECIAL ITEMS						
Net change in fund balances	(6,256,645)	7,955,848	(1,220,107)	6,923	(719)	(110,882)
Fund balances (deficit) - beginning as restat	18,226,889	18,450,052	12,958,712	18,523	166,889	437,349
Fund balances (deficit) - ending	<u>\$ 11,970,244</u>	<u>\$ 26,405,900</u>	<u>\$ 11,738,605</u>	<u>\$ 25,446</u>	<u>\$ 166,170</u>	<u>\$ 326,467</u>

Special Revenue

Criminal Justice Education	Seawalls	Park Recreational Facilities Impact Fee	City Centrum Business Park	All Hazards	Alarm Fee	Del Prado Mall Parking Lot	Lot Mowing
\$ -	\$ -	\$ -	\$ -	\$ 1,001,416	\$ -	\$ -	\$ -
-	-	-	-	-	-	38,366	-
-	-	-	-	-	-	-	-
-	-	-	-	-	100,826	-	3,926,426
24,297	-	-	-	-	-	-	35,257
-	-	5,746,710	-	-	-	-	-
-	-	-	-	-	-	-	-
50	(35)	11,323	66	1,940	58	2,357	9,337
-	-	-	-	-	-	-	-
-	-	-	-	323	-	11	21,105
<u>24,347</u>	<u>(35)</u>	<u>5,758,033</u>	<u>66</u>	<u>1,003,679</u>	<u>100,884</u>	<u>40,734</u>	<u>3,992,125</u>
-	-	-	83,012	-	-	-	-
20,142	-	-	-	-	94,944	-	-
-	-	-	-	640,979	-	-	-
-	-	-	-	-	-	16,633	2,777,762
-	-	59,477	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	190,789	-	-	-
<u>20,142</u>	<u>-</u>	<u>59,477</u>	<u>83,012</u>	<u>831,768</u>	<u>94,944</u>	<u>16,633</u>	<u>2,777,762</u>
4,205	(35)	5,698,556	(82,946)	171,911	5,940	24,101	1,214,363
-	-	-	92,461	-	22,350	-	-
-	-	(2,729,286)	-	(104,554)	(7,500)	-	-
-	-	-	-	-	-	-	-
-	-	(2,729,286)	92,461	(104,554)	14,850	-	-
4,205	(35)	2,969,270	9,515	67,357	20,790	24,101	1,214,363
55,236	258,764	2,288,517	4,733	1,476,029	17,349	146,364	2,548,848
<u>\$ 59,441</u>	<u>\$ 258,729</u>	<u>\$ 5,257,787</u>	<u>\$ 14,248</u>	<u>\$ 1,543,386</u>	<u>\$ 38,139</u>	<u>\$ 170,465</u>	<u>\$ 3,763,211</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)**

For the Year Ended September 30, 2021

	Special Revenue					Community Development Block Grant
	Parks and Recreation	Waterpark	Golf Course	Building	Community Redevelopment Agency	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,351,243	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	10,609,547	-	-
Intergovernmental	444,939	-	-	-	-	3,514,994
Charges for services	2,593,208	3,173,504	2,784,394	-	-	-
Fines and forfeitures	19,989	-	-	26,106	-	-
Impact fees	-	-	-	-	-	-
Rent and royalties	-	-	-	-	12,750	-
Investment earnings	4,483	-	-	4,594	14,125	(98)
Contributions and donations	37,568	-	16,025	-	-	-
Other revenue	20,118	14,995	898	3,057	9,257	17,082
Total revenues	<u>3,120,305</u>	<u>3,188,499</u>	<u>2,801,317</u>	<u>10,643,304</u>	<u>1,387,375</u>	<u>3,531,978</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Building	-	-	-	8,013,736	-	-
Public works	-	-	-	-	-	-
Parks and recreation	8,295,212	2,736,608	2,901,321	-	-	-
Community development	-	-	-	-	675,796	2,320,184
Capital outlay	101,622	8,697	-	-	8,310	144,835
Total expenditures	<u>8,396,834</u>	<u>2,745,305</u>	<u>2,901,321</u>	<u>8,013,736</u>	<u>684,106</u>	<u>2,465,019</u>
Excess revenues over (under) expenditures	<u>(5,276,529)</u>	<u>443,194</u>	<u>(100,004)</u>	<u>2,629,568</u>	<u>703,269</u>	<u>1,066,959</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	6,207,579	827,378	557,563	-	2,050,737	-
Transfers out	(24,408)	(174,098)	-	(22,107)	(3,293,165)	-
Proceeds on sale of capital assets	400	2,200	-	-	-	-
Total other financing sources (uses)	<u>6,183,571</u>	<u>655,480</u>	<u>557,563</u>	<u>(22,107)</u>	<u>(1,242,428)</u>	<u>-</u>
SPECIAL ITEMS						
Net change in fund balances	907,042	1,098,674	457,559	2,607,461	(539,159)	1,066,959
Fund balances (deficit) - beginning as restated	201,405	33,331	(504,586)	11,443,975	1,133,098	(972,625)
Fund balances (deficit) - ending	<u>\$ 1,108,447</u>	<u>\$ 1,132,005</u>	<u>\$ (47,027)</u>	<u>\$ 14,051,436</u>	<u>\$ 593,939</u>	<u>\$ 94,334</u>

HUD Neighborhood Stabilization	State Housing Initiative Partnership	Residential Construction Mitigation Program	Solid Waste	Capital Projects			Total Nonmajor Governmental Funds
				Disaster Improvement	Parks Capital Improvements	Other Capital Improvements	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,484,319
-	-	-	-	-	-	-	38,366
-	341,121	-	16,279,636	-	-	-	10,609,547
-	-	-	-	-	-	-	20,580,690
-	-	-	-	-	-	-	12,578,358
-	-	-	-	-	-	-	116,149
-	-	-	-	-	-	-	29,387,753
-	460	-	37,175	-	-	(1,530)	12,750
-	-	-	-	-	-	-	102,808
-	-	-	-	-	-	-	70,696
122,521	82,583	3,806	34,876	-	10	44,685	385,899
122,521	424,164	3,806	16,351,687	-	10	43,155	86,367,335
-	-	-	-	-	-	27,138	110,150
-	-	-	-	-	-	-	277,103
-	-	-	-	-	-	-	675,029
-	-	-	16,505,216	-	-	-	8,013,736
-	-	-	-	-	-	24,544	20,424,137
-	-	-	-	-	-	-	13,992,618
218,751	245,415	3,806	-	-	-	-	3,463,952
-	-	-	-	-	194,861	3,534,138	4,183,252
218,751	245,415	3,806	16,505,216	-	194,861	3,585,820	51,139,977
(96,230)	178,749	-	(153,529)	-	(194,851)	(3,542,665)	35,227,358
-	-	-	-	-	-	14,676,499	24,434,567
-	-	-	-	-	-	-	(38,514,032)
-	-	-	-	-	-	-	2,600
-	-	-	-	-	-	14,676,499	(14,076,865)
(96,230)	178,749	-	(153,529)	-	(194,851)	11,133,834	21,150,493
(85,060)	1,323,825	(568)	3,253,266	115,094	187,865	8,527,867	81,711,141
\$ (181,290)	\$ 1,502,574	\$ (568)	\$ 3,099,737	\$ 115,094	\$ (6,986)	\$ 19,661,701	\$ 102,861,634

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fuel taxes	\$ 9,098,427	\$ 9,098,427	\$ 10,131,660	\$ 1,033,233
Investment earnings	-	-	(9,393)	(9,393)
Prior year cash balance	16,972,882	16,697,313	-	(16,697,313)
Total revenues	<u>26,071,309</u>	<u>25,795,740</u>	<u>10,122,267</u>	<u>(15,673,473)</u>
EXPENDITURES				
Public works	98,715	981,815	914,361	67,454
Excess (deficiency) of revenues over (under) expenditures	<u>25,972,594</u>	<u>24,813,925</u>	<u>9,207,906</u>	<u>(15,606,019)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(8,677,227)	(15,464,551)	(15,464,551)	-
Reserves	<u>(17,295,367)</u>	<u>(9,349,374)</u>	<u>-</u>	<u>9,349,374</u>
Total other financing sources (uses)	<u>(25,972,594)</u>	<u>(24,813,925)</u>	<u>(15,464,551)</u>	<u>9,349,374</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(6,256,645)</u>	<u>\$ (6,256,645)</u>
Fund balances - beginning			<u>18,226,889</u>	
Fund balances - ending			<u>\$ 11,970,244</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$ 5,331,102	\$ 17,682,592	\$ 17,827,347	\$ 144,755
Rent and royalties	7,200	7,200	-	(7,200)
Investment earnings	-	-	40,580	40,580
Prior year cash balance	11,715,881	18,411,484	-	(18,411,484)
Total revenues	<u>17,054,183</u>	<u>36,101,276</u>	<u>17,867,927</u>	<u>(18,233,349)</u>
EXPENDITURES				
Public works	<u>106,622</u>	<u>1,684,531</u>	<u>185,621</u>	<u>1,498,910</u>
Excess deficiency) of revenues over (under) expenditures	<u>16,947,561</u>	<u>34,416,745</u>	<u>17,682,306</u>	<u>(16,734,439)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,468,945)	(9,926,448)	(9,726,458)	199,990
Reserves	<u>(11,478,616)</u>	<u>(24,490,297)</u>	<u>-</u>	<u>24,490,297</u>
Total other financing sources (uses)	<u>(16,947,561)</u>	<u>(34,416,745)</u>	<u>(9,726,458)</u>	<u>24,690,287</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	7,955,848	<u>\$ 7,955,848</u>
Fund balances - beginning			<u>18,450,052</u>	
Fund balances - ending			<u>\$ 26,405,900</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$ 1,778,483	\$ 5,578,483	\$ 5,813,696	\$ 235,213
Investment earnings	32,922	32,922	(12,455)	(45,377)
Prior year cash balance	10,973,988	12,930,034	-	(12,930,034)
Total revenues	<u>12,785,393</u>	<u>18,541,439</u>	<u>5,801,241</u>	<u>(12,740,198)</u>
EXPENDITURES				
Public safety:				
Police	17,585	35,585	32,522	3,063
Fire	30,291	30,291	34,050	(3,759)
Capital outlay	112,946	112,946	-	112,946
Total expenditures	<u>160,822</u>	<u>178,822</u>	<u>66,572</u>	<u>112,250</u>
Excess deficiency) of revenues over (under) expenditures	<u>12,624,571</u>	<u>18,362,617</u>	<u>5,734,669</u>	<u>(12,627,948)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,437,777)	(6,954,777)	(6,954,776)	1
Reserves	<u>(6,186,794)</u>	<u>(11,407,840)</u>	<u>-</u>	<u>11,407,840</u>
Total other financing sources	<u>(12,624,571)</u>	<u>(18,362,617)</u>	<u>(6,954,776)</u>	<u>11,407,841</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,220,107)</u>	<u>\$ (1,220,107)</u>
Fund balances - beginning			<u>12,958,712</u>	
Fund balances - ending			<u>\$ 11,738,605</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DO THE RIGHT THING SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 149	\$ 149
Contributions and donations	8,000	17,080	17,103	23
Other revenue	-	6,500	6,580	80
Prior year cash balance	-	31,640	-	(31,640)
Total revenues	<u>8,000</u>	<u>55,220</u>	<u>23,832</u>	<u>(31,388)</u>
EXPENDITURES				
Public safety: police	<u>8,000</u>	<u>17,500</u>	<u>16,909</u>	<u>591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>37,720</u>	<u>6,923</u>	<u>(30,797)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>-</u>	<u>(37,720)</u>	<u>-</u>	<u>37,720</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>6,923</u>	<u>\$ 6,923</u>
Fund balances - beginning			<u>18,523</u>	
Fund balances - ending			<u>\$ 25,446</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - FEDERAL SPECIAL REVENUE FUND**
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 300	\$ 300	\$ (101)	\$ (401)
Other revenue	-	-	3,992	3,992
Prior year cash balance	136,852	166,541	-	(166,541)
Total revenues	<u>137,152</u>	<u>166,841</u>	<u>3,891</u>	<u>(162,950)</u>
EXPENDITURES				
Public safety: police	40,610	40,610	4,610	36,000
Excess (deficiency) of revenues over (under) expenditures	96,542	126,231	(719)	(126,950)
OTHER FINANCING SOURCES (USES)				
Reserves	(96,542)	(126,231)	-	126,231
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(719)	<u>\$ (719)</u>
Fund balances - beginning			<u>166,889</u>	
Fund balances - ending			<u>\$ 166,170</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - STATE SPECIAL REVENUE FUND**
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ 10,500	\$ 10,500	\$ -
Investment earnings	100	100	(277)	(377)
Prior year cash balance	389,574	448,830	-	(448,830)
Total revenues	<u>389,674</u>	<u>459,430</u>	<u>10,223</u>	<u>(449,207)</u>
EXPENDITURES				
Public safety: police	<u>19,619</u>	<u>130,144</u>	<u>107,976</u>	<u>22,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>370,055</u>	<u>329,286</u>	<u>(97,753)</u>	<u>(427,039)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(13,129)	(13,129)	-
Reserves	<u>(370,055)</u>	<u>(316,157)</u>	<u>-</u>	<u>316,157</u>
Total other financing sources (uses)	<u>(370,055)</u>	<u>(329,286)</u>	<u>(13,129)</u>	<u>316,157</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(110,882)</u>	<u>\$ (110,882)</u>
Fund balances - beginning			<u>437,349</u>	
Fund balances - ending			<u>\$ 326,467</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CRIMINAL JUSTICE EDUCATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 21,000	\$ 21,000	\$ 24,297	\$ 3,297
Investment earnings	-	-	50	50
Prior year cash balance	4,215	57,621	-	(57,621)
Total revenues	<u>25,215</u>	<u>78,621</u>	<u>24,347</u>	<u>(54,274)</u>
EXPENDITURES				
Public safety: police	<u>25,215</u>	<u>25,215</u>	<u>20,142</u>	<u>5,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>53,406</u>	<u>4,205</u>	<u>(49,201)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>-</u>	<u>(53,406)</u>	<u>-</u>	<u>53,406</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>4,205</u>	<u>\$ 4,205</u>
Fund balances - beginning			<u>55,236</u>	
Fund balances - ending			<u>\$ 59,441</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SEAWALLS SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ (35)	\$ (35)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(35)	<u>\$ (35)</u>
Fund balances - beginning			<u>258,764</u>	
Fund balances - ending			<u>\$ 258,729</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARK RECREATIONAL FACILITIES IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$ 1,255,044	\$ 5,505,044	\$ 5,746,710	\$ 241,666
Investment earnings	-	-	11,323	11,323
Prior year cash balance	1,243,935	2,283,751	-	(2,283,751)
Total revenues	<u>2,498,979</u>	<u>7,788,795</u>	<u>5,758,033</u>	<u>(2,030,762)</u>
EXPENDITURES				
Parks and recreation	<u>26,894</u>	<u>268,894</u>	<u>59,477</u>	<u>209,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,472,085</u>	<u>7,519,901</u>	<u>5,698,556</u>	<u>(1,821,345)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,462,085)	(2,525,869)	(2,729,286)	(203,417)
Reserves	<u>(10,000)</u>	<u>(4,994,032)</u>	-	4,994,032
Total other financing sources (uses)	<u>(2,472,085)</u>	<u>(7,519,901)</u>	<u>(2,729,286)</u>	<u>4,790,615</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	2,969,270	<u>\$ 2,969,270</u>
Fund balances - beginning			<u>2,288,517</u>	
Fund balances - ending			<u>\$ 5,257,787</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CITY CENTRUM BUSINESS PARK SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 66	\$ 66
EXPENDITURES				
General government	92,461	92,461	83,012	9,449
Excess (deficiency) of revenues over (under) expenditures	(92,461)	(92,461)	(82,946)	9,515
OTHER FINANCING SOURCES (USES)				
Transfers in	92,461	92,461	92,461	-
Net change in fund balances	\$ -	\$ -	9,515	\$ 9,515
Fund balances - beginning			4,733	
Fund balances - ending			\$ 14,248	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL HAZARDS SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,070,356	\$ 965,356	\$ 1,001,416	\$ 36,060
Investment earnings	-	-	1,940	1,940
Other revenue	-	-	323	323
Prior year cash balance	1,138,891	1,367,794	-	(1,367,794)
Total revenues	<u>2,209,247</u>	<u>2,333,150</u>	<u>1,003,679</u>	<u>(1,329,471)</u>
EXPENDITURES				
Public safety: fire	775,527	824,534	640,979	183,555
Capital outlay	36,810	199,682	190,789	8,893
Total expenditures	<u>812,337</u>	<u>1,024,216</u>	<u>831,768</u>	<u>192,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,396,910</u>	<u>1,308,934</u>	<u>171,911</u>	<u>(1,137,023)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(93,600)	(104,554)	(104,554)	-
Reserves	(1,303,310)	(1,204,380)	-	1,204,380
Total other financing sources (uses)	<u>(1,396,910)</u>	<u>(1,308,934)</u>	<u>(104,554)</u>	<u>1,204,380</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	67,357	<u>\$ 67,357</u>
Fund balances - beginning			<u>1,476,029</u>	
Fund balances - ending			<u>\$ 1,543,386</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALARM FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 90,000	\$ 90,000	\$ 100,826	\$ 10,826
Investment earnings	-	-	58	58
Prior year cash balance	-	5,723	-	(5,723)
Total revenues	<u>90,000</u>	<u>95,723</u>	<u>100,884</u>	<u>5,161</u>
EXPENDITURES				
Public safety: police	<u>104,850</u>	<u>104,850</u>	<u>94,944</u>	<u>9,906</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,850)</u>	<u>(9,127)</u>	<u>5,940</u>	<u>15,067</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,350	22,350	22,350	-
Transfers out	(7,500)	(7,500)	(7,500)	-
Reserves	-	(5,723)	-	5,723
Total other financing sources (uses)	<u>14,850</u>	<u>9,127</u>	<u>14,850</u>	<u>5,723</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>20,790</u>	<u>\$ 20,790</u>
Fund balances - beginning			<u>17,349</u>	
Fund balances - ending			<u>\$ 38,139</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEL PRADO MALL PARKING LOT SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 39,965	\$ 39,965	\$ 38,366	\$ (1,599)
Investment earnings	-	-	2,357	2,357
Other revenue	-	-	11	11
Prior year cash balance	170,700	148,896	-	(148,896)
Total revenues	<u>210,665</u>	<u>188,861</u>	<u>40,734</u>	<u>(148,127)</u>
EXPENDITURES				
Public works	22,544	22,544	16,633	5,911
Excess (deficiency) of revenues over (under) expenditures	188,121	166,317	24,101	(142,216)
OTHER FINANCING SOURCES (USES)				
Reserves	(188,121)	(166,317)	-	166,317
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	24,101	<u>\$ 24,101</u>
Fund balances - beginning			146,364	
Fund balances - ending			<u>\$ 170,465</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LOT MOWING SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 3,546,800	\$ 3,546,800	\$ 3,926,426	\$ 379,626
Fines and forfeitures	(4,936)	(4,936)	35,257	40,193
Investment earnings	-	-	9,337	9,337
Other revenue	-	-	21,105	21,105
Prior year cash balance	2,673,557	3,460,845	-	(3,460,845)
Total revenues	<u>6,215,421</u>	<u>7,002,709</u>	<u>3,992,125</u>	<u>(3,010,584)</u>
EXPENDITURES				
Public works	<u>3,796,059</u>	<u>4,115,765</u>	<u>2,777,762</u>	<u>1,338,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,419,362</u>	<u>2,886,944</u>	<u>1,214,363</u>	<u>(1,672,581)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(2,419,362)</u>	<u>(2,886,944)</u>	<u>-</u>	<u>2,886,944</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,214,363</u>	<u>\$ 1,214,363</u>
Fund balances - beginning			<u>2,548,848</u>	
Fund balances - ending			<u>\$ 3,763,211</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 655,211	\$ 300,211	\$ 444,939	\$ 144,728
Charges for services	3,578,519	2,634,519	2,593,208	(41,311)
Fines and forfeitures	11,220	11,220	19,989	8,769
Investment earnings	-	-	4,483	4,483
Contributions and donations	63,096	48,096	37,568	(10,528)
Other revenue	96,435	96,435	20,118	(76,317)
Total revenues	<u>4,404,481</u>	<u>3,090,481</u>	<u>3,120,305</u>	<u>29,824</u>
EXPENDITURES				
Parks and recreation	9,894,101	8,933,114	8,295,212	637,902
Capital outlay	163,000	340,538	101,622	238,916
Total expenditures	<u>10,057,101</u>	<u>9,273,652</u>	<u>8,396,834</u>	<u>876,818</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,652,620)</u>	<u>(6,183,171)</u>	<u>(5,276,529)</u>	<u>906,642</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,652,620	6,183,004	6,207,579	24,575
Transfers out	-	-	(24,408)	(24,408)
Proceeds of Sale of Capital Assets	-	167	400	233
Total other financing sources (uses)	<u>5,652,620</u>	<u>6,183,171</u>	<u>6,183,571</u>	<u>400</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	907,042	<u>\$ 907,042</u>
Fund balances - beginning			<u>201,405</u>	
Fund balances - ending			<u>\$ 1,108,447</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
WATERPARK SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,457,951	\$ 2,457,951	\$ 3,173,504	\$ 715,553
Other revenue	11,945	11,945	14,995	3,050
Total revenues	<u>2,469,896</u>	<u>2,469,896</u>	<u>3,188,499</u>	<u>718,603</u>
EXPENDITURES				
Parks and recreation	3,034,324	3,084,324	2,736,608	347,716
Capital outlay	-	38,852	8,697	30,155
Total expenditures	<u>3,034,324</u>	<u>3,123,176</u>	<u>2,745,305</u>	<u>377,871</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(564,428)</u>	<u>(653,280)</u>	<u>443,194</u>	<u>1,096,474</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	738,526	827,378	827,378	-
Transfers out	(174,098)	(174,098)	(174,098)	-
Proceeds on sale of capital assets	-	-	2,200	2,200
Total other financing sources (uses)	<u>564,428</u>	<u>653,280</u>	<u>655,480</u>	<u>2,200</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,098,674</u>	<u>\$ 1,098,674</u>
Fund balances - beginning			<u>33,331</u>	
Fund balances - ending			<u>\$ 1,132,005</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GOLF COURSE SPECIAL REVENUE FUND**
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,517,730	\$ 2,517,730	\$ 2,784,394	\$ 266,664
Contributions and donations	22,000	22,000	16,025	(5,975)
Other revenue	-	-	898	898
Total revenues	<u>2,539,730</u>	<u>2,539,730</u>	<u>2,801,317</u>	<u>261,587</u>
EXPENDITURES				
Parks and recreation	<u>2,987,293</u>	<u>3,097,293</u>	<u>2,901,321</u>	<u>195,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(447,563)</u>	<u>(557,563)</u>	<u>(100,004)</u>	<u>457,559</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>447,563</u>	<u>557,563</u>	<u>557,563</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>457,559</u>	<u>\$ 457,559</u>
Fund balances - beginning			<u>(504,586)</u>	
Fund balances - ending			<u>\$ (47,027)</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BUILDING SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental				
Licenses and permits	\$ 6,383,000	\$ 6,383,000	\$ 10,609,547	\$ 4,226,547
Fines and forfeitures	20,000	20,000	26,106	6,106
Investment earnings	2,800	2,800	4,594	1,794
Other revenue	500	500	3,057	2,557
Prior year cash balance	<u>10,673,637</u>	<u>13,648,918</u>	<u>-</u>	<u>(13,648,918)</u>
Total revenues	<u>17,079,937</u>	<u>20,055,218</u>	<u>10,643,304</u>	<u>(9,411,914)</u>
EXPENDITURES				
Public safety: building	8,450,003	8,884,847	8,013,736	871,111
Capital outlay	-	54,000	-	54,000
Total expenditures	<u>8,450,003</u>	<u>8,938,847</u>	<u>8,013,736</u>	<u>925,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,629,934</u>	<u>11,116,371</u>	<u>2,629,568</u>	<u>(8,486,803)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(22,107)	(22,107)	(22,107)	-
Reserves	<u>(8,607,827)</u>	<u>(11,094,264)</u>	<u>-</u>	<u>11,094,264</u>
Total other financing sources (uses)	<u>(8,629,934)</u>	<u>(11,116,371)</u>	<u>(22,107)</u>	<u>11,094,264</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	2,607,461	<u>\$ 2,607,461</u>
Fund balances - beginning			<u>11,443,975</u>	
Fund balances - ending			<u>\$ 14,051,436</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND**
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,137,803	\$ 1,351,243	\$ 1,351,243	\$ -
Rent and royalties	-	-	12,750	12,750
Investment earnings	26,500	39,500	14,125	(25,375)
Other revenue	-	21,557	9,257	(12,300)
Prior year cash balance	-	1,130,677	-	(1,130,677)
Total revenues	<u>1,164,303</u>	<u>2,542,977</u>	<u>1,387,375</u>	<u>(1,155,602)</u>
EXPENDITURES				
Community development	1,299,148	1,330,577	675,796	654,781
Capital outlay	16,500	58,310	8,310	50,000
Total expenditures	<u>1,315,648</u>	<u>1,388,887</u>	<u>684,106</u>	<u>704,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,345)</u>	<u>1,154,090</u>	<u>703,269</u>	<u>(450,821)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,823,109	2,165,103	2,050,737	(114,366)
Transfers out	<u>(1,671,764)</u>	<u>(3,319,193)</u>	<u>(3,293,165)</u>	<u>26,028</u>
Total other financing sources (uses)	<u>151,345</u>	<u>(1,154,090)</u>	<u>(1,242,428)</u>	<u>(88,338)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(539,159)</u>	<u>\$ (539,159)</u>
Fund balances - beginning			<u>1,133,098</u>	
Fund balances - ending			<u>\$ 593,939</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,078,474	\$ 2,283,582	\$ 3,514,994	\$ 1,231,412
Investment earnings	-	-	(98)	(98)
Other revenue	-	17,082	17,082	-
Total revenue	<u>1,078,474</u>	<u>2,300,664</u>	<u>3,531,978</u>	<u>1,231,314</u>
EXPENDITURES				
Community development	1,078,474	2,300,664	2,320,184	(19,520)
Capital outlay	-	-	144,835	(144,835)
Total expenditures	<u>1,078,474</u>	<u>2,300,664</u>	<u>2,465,019</u>	<u>(164,355)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	1,066,959	1,066,959
OTHER FINANCING SOURCES (USES)				
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,066,959	<u>\$ 1,066,959</u>
Fund balances - beginning			<u>(972,625)</u>	
Fund balances - ending			<u>\$ 94,334</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
HUD NEIGHBORHOOD STABILIZATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue	\$ -	\$ 122,521	\$ 122,521	\$ -
EXPENDITURES				
Community development	-	122,521	218,751	(96,230)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(96,230)	<u>\$ (96,230)</u>
Fund balances - beginning			(85,060)	
Fund balances - ending			<u>\$ (181,290)</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
STATE HOUSING INITIATIVE PARTNERSHIP SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 341,121	\$ 341,121
Investment earnings	-	-	460	460
Other revenue	-	97,845	82,583	(15,262)
Total revenues	-	97,845	424,164	326,319
EXPENDITURES				
Community development	-	97,845	245,415	(147,570)
Net change in fund balances	\$ -	\$ -	178,749	\$ 178,749
Fund balances - beginning			1,323,825	
Fund balances - ending			\$ 1,502,574	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RESIDENTIAL CONSTRUCTION MITIGATION PROGRAM SPECIAL REVENUE FUND
For the Year Ended September 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other revenue	\$ -	\$ -	\$ 3,806	\$ 3,806
EXPENDITURES				
Community development	-	-	3,806	(3,806)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances - beginning			(568)	
Fund balances (deficit) - ending			<u>\$ (568)</u>	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SOLID WASTE FUND**

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 16,279,636	\$ 16,279,636
Franchise Fees	-	19,358,502	-	(19,358,502)
Investment earnings	-	28,359	37,175	8,816
Other revenue	-	-	34,876	34,876
Prior year cash balance	-	5,342,887	-	(5,342,887)
Total revenues	-	24,729,748	16,351,687	(8,378,061)
EXPENDITURES				
Public works	-	16,515,847	16,505,216	10,631
Excess (deficiency) of revenues over (under) expenditures	-	8,213,901	(153,529)	(8,367,430)
OTHER FINANCING SOURCES (USES)				
Reserves	-	(8,213,901)	-	8,213,901
Total other financing sources (uses)	-	(8,213,901)	-	8,213,901
Net change in fund balances	\$ -	\$ -	(153,529)	\$ (153,529)
Fund balances - beginning			3,253,266	
Fund balances - ending			\$ 3,099,737	

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKS CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2021

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ 1,865,353	\$ -	\$ 1,865,353	\$ 2,711,998
Investment earnings	2,228,950	-	2,228,950	90,500
Contributions and donations	45,037	-	45,037	62,949
Other revenue	128,172	10	128,182	-
Unassigned balance	-	-	-	3,253,613
Total revenues	<u>4,267,512</u>	<u>10</u>	<u>4,267,522</u>	<u>6,119,060</u>
EXPENDITURES				
Parks and recreation	396,458	-	396,458	909,850
Capital outlay	50,955,599	194,861	51,150,460	55,168,008
Total expenditures	<u>51,352,057</u>	<u>194,861</u>	<u>51,546,918</u>	<u>56,077,858</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,084,545)</u>	<u>(194,851)</u>	<u>(47,279,396)</u>	<u>(49,958,798)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	22,461,255	-	22,461,255	17,103,536
Transfer out	(11,996,193)	-	(11,996,193)	(6,711,150)
Issuance of debt	36,735,161	-	36,735,161	39,566,412
Proceeds on sale of capital assets	72,187	-	72,187	-
Total other financing sources (uses)	<u>47,272,410</u>	<u>-</u>	<u>47,272,410</u>	<u>49,958,798</u>
Net change in fund balances	<u>\$ 187,865</u>	<u>(194,851)</u>	<u>\$ (6,986)</u>	<u>\$ -</u>
Fund balances - beginning		<u>187,865</u>		
Fund balances - ending		<u>\$ (6,986)</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2021

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
REVENUES				
Intergovernmental	\$ 8,159,828	\$ -	\$ 8,159,828	\$ 8,351,490
Investment earnings	1,515,603	(1,530)	1,514,073	42,680
Other revenue	1,703,863	44,685	1,748,548	1,190,697
Unassigned balance	-	-	-	798,565
Total revenues	<u>11,379,294</u>	<u>43,155</u>	<u>11,422,449</u>	<u>10,383,432</u>
EXPENDITURES				
General government	1,120,150	27,138	1,147,288	2,554,806
Public safety: police	8,021,478	-	8,021,478	5,605,574
Public safety: fire	-	-	-	5,926,858
Public safety: building	-	-	-	750,000
Public works	5,096	24,544	29,640	660,454
Parks and recreation	557,541	-	557,541	19,375
Community development	86,487	-	86,487	906,055
Transportation	1,826,826	-	1,826,826	5,052,693
Capital outlay	138,802,223	3,534,138	142,336,361	179,466,870
Debt service: interest and fiscal charges	1,585,471	-	1,585,471	628,994
Total expenditures	<u>152,005,272</u>	<u>3,585,820</u>	<u>155,591,092</u>	<u>201,571,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,625,978)</u>	<u>(3,542,665)</u>	<u>(144,168,643)</u>	<u>(191,188,247)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	60,870,562	14,676,499	75,547,061	100,511,868
Transfer out	(4,400,989)	-	(4,400,989)	(3,429,289)
Issuance of debt	92,684,272	-	92,684,272	94,105,668
Total other financing sources (uses)	<u>149,153,845</u>	<u>14,676,499</u>	<u>163,830,344</u>	<u>191,188,247</u>
Net change in fund balances	<u>\$ 8,527,867</u>	11,133,834	<u>\$ 19,661,701</u>	<u>\$ -</u>
Fund balances - beginning		<u>8,527,867</u>		
Fund balances - ending		<u>\$ 19,661,701</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2021

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
REVENUES				
Intergovernmental	\$ 17,448,409	\$ 677,915	\$ 18,126,324	\$ 24,311,783
Rent and royalties	4,367	-	4,367	-
Investment earnings	8,505,757	-	8,505,757	116,231
Contributions and donations	1,390,168	-	1,390,168	900,000
Other revenue	4,829,712	9,314	4,839,026	4,082,889
Unassigned balance	-	-	-	1,562,535
Total revenues	<u>32,178,413</u>	<u>687,229</u>	<u>32,865,642</u>	<u>30,973,438</u>
EXPENDITURES				
General government	583	-	583	-
Public works	4,121,647	678,868	4,800,515	3,367,271
Capital outlay	236,830,363	11,439,991	248,270,354	379,619,940
Debt Service: interest and fiscal charges	805,049	-	805,049	-
Total expenditures	<u>241,757,642</u>	<u>12,118,859</u>	<u>253,876,501</u>	<u>382,987,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(209,579,229)</u>	<u>(11,431,630)</u>	<u>(221,010,859)</u>	<u>(352,013,773)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	161,226,897	19,332,796	180,559,693	186,019,410
Transfers out	(22,865,471)	-	(22,865,471)	(10,034,140)
Issuance of debt	84,987,594	-	84,987,594	175,946,419
Proceeds on sale of capital assets	257,819	12,000	269,819	82,084
Total other financing sources (uses)	<u>223,606,839</u>	<u>19,344,796</u>	<u>242,951,635</u>	<u>352,013,773</u>
Net change in fund balances	<u>\$ 14,027,610</u>	7,913,166	<u>\$ 21,940,776</u>	<u>\$ -</u>
Fund balances - beginning		<u>14,027,610</u>		
Fund balances - ending		<u>\$ 21,940,776</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL OBLIGATION FUND**

From Inception and For the Year Ended September 30, 2021

	<u>Prior Years Actual</u>	<u>Current Year Actual</u>	<u>Total Actual to Date</u>	<u>Project Authorization</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 881,250
EXPENDITURES				
Parks and recreation	124,217	-	124,217	214,518
Capital outlay	5,339,081	2,968,119	8,307,200	46,649,921
Total expenditures	<u>5,463,298</u>	<u>2,968,119</u>	<u>8,431,417</u>	<u>46,864,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,463,298)</u>	<u>(2,968,119)</u>	<u>(8,431,417)</u>	<u>(45,983,189)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,038,140	800,000	10,838,140	16,201,899
Issuance of debt	-	29,781,291	29,781,291	29,781,290
Total other financing sources (uses)	<u>10,038,140</u>	<u>30,581,291</u>	<u>40,619,431</u>	<u>45,983,189</u>
Net change in fund balances	<u>\$ 4,574,842</u>	27,613,172	<u>\$ 32,188,014</u>	<u>\$ -</u>
Fund balances - beginning		<u>4,574,842</u>		
Fund balances - ending		<u>\$ 32,188,014</u>		

City of Cape Coral, Florida

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND**

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 4,777,908	\$ 4,777,908	\$ 4,789,152	\$ 11,244
Fines and forfeitures	445,188	445,188	6,184	(439,004)
Rent and royalties	2,816,456	2,816,456	2,837,491	21,035
Investment earnings	1,000	1,000	368	(632)
Other revenue	-	-	11	11
Prior year cash balance	112,616	112,616	-	(112,616)
Total revenues	<u>8,153,168</u>	<u>8,153,168</u>	<u>7,633,206</u>	<u>(519,962)</u>
EXPENDITURES				
General government	1,000	1,000	1,450	(450)
Debt service:				
Principal	17,817,767	18,151,355	14,849,339	3,302,016
Interest and fiscal charges	6,738,954	6,738,954	6,045,360	693,594
Bond issuance costs	-	216,722	208,083	8,639
Total expenditures	<u>24,557,721</u>	<u>25,108,031</u>	<u>21,104,232</u>	<u>4,003,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,404,553)</u>	<u>(16,954,863)</u>	<u>(13,471,026)</u>	<u>3,483,837</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,517,169	16,850,757	16,407,791	(442,966)
Transfers out	-	-	(5,396,025)	(5,396,025)
Issuance of debt	-	216,722	216,721	(1)
Reserves	(112,616)	(112,616)	-	112,616
Total other financing sources (uses)	<u>16,404,553</u>	<u>16,954,863</u>	<u>11,228,487</u>	<u>(5,726,376)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(2,242,539)</u>	<u>\$ (2,242,539)</u>
Fund balances - beginning			<u>6,111,631</u>	
Fund balances - ending			<u>\$ 3,869,092</u>	

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for activity that provides goods or services to other funds, departments or agencies of the primary government and its component units on a cost-reimbursement basis.

- Workers Compensation Insurance Fund – used to account for self-insurance of workers compensation.
- Property and Casualty Insurance Fund – used to account for the City’s risk management activity for auto liability, property and contents loss, and general liability.
- Facilities Management – used to account for the costs of operation for the repair and maintenance of city owned/leased buildings and equipment. Such costs are billed to other departments.
- Fleet Management – used to account for the costs of operation for the repair and maintenance of city owned/leased vehicles and equipment. Such costs are billed to other departments.
- Self-funded Health Insurance – used to account for the self-funded medical health insurance plan and the on-site employee health clinic.

City of Cape Coral, Florida

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
 September 30, 2021

	Workers Compensation Insurance	Property and Casualty Insurance	Facilities Management	Fleet Management	Self-funded Health Insurance	Total
ASSETS						
Current assets:						
Cash and investments	\$ 15,482,433	\$ 7,263,611	\$ 1,212,735	\$ 1,551,695	\$ 8,022,133	\$ 33,532,607
Interest receivable	12,067	5,709	-	-	5,862	23,638
Accounts receivable, net	200	-	7,104	441	23,619	31,364
Prepaid items	121,974	613,697	17,837	17,878	-	771,386
Total current assets	<u>15,616,674</u>	<u>7,883,017</u>	<u>1,237,676</u>	<u>1,570,014</u>	<u>8,051,614</u>	<u>34,358,995</u>
Noncurrent assets:						
Capital assets (net of accumulated depreciation)						
Buildings	2,057	2,057	261,388	642,122	-	907,624
Improvements other than buildings	-	-	-	63,796	-	63,796
Equipment	77,964	-	920,370	1,289,651	-	2,287,985
Intangible computer software	-	-	-	705,245	-	705,245
Less accumulated depreciation	(60,121)	(1,954)	(952,215)	(2,200,131)	-	(3,214,421)
Total capital assets, net	<u>19,900</u>	<u>103</u>	<u>229,543</u>	<u>500,683</u>	<u>-</u>	<u>750,229</u>
Total noncurrent assets	<u>19,900</u>	<u>103</u>	<u>229,543</u>	<u>500,683</u>	<u>-</u>	<u>750,229</u>
Total assets	<u>15,636,574</u>	<u>7,883,120</u>	<u>1,467,219</u>	<u>2,070,697</u>	<u>8,051,614</u>	<u>35,109,224</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	22,798	45,595	537,367	302,880	24,426	933,066
OPEB related	72,277	90,027	1,556,128	715,811	51,335	2,485,578
Total deferred outflows of resources	<u>95,075</u>	<u>135,622</u>	<u>2,093,495</u>	<u>1,018,691</u>	<u>75,761</u>	<u>3,418,644</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other accrued liabilities	23,048	626	93,918	154,032	2,422,746	2,694,370
Accrued payroll	6,466	5,963	105,044	44,534	3,092	165,099
Compensated absences	-	4,902	57,765	21,268	4,722	88,657
Total OPEB liability	11,878	14,795	255,727	117,633	8,436	408,469
Claims liability	1,327,986	1,502,716	-	-	1,788,000	4,618,702
Total current liabilities	<u>1,369,378</u>	<u>1,529,002</u>	<u>512,454</u>	<u>337,467</u>	<u>4,226,996</u>	<u>7,975,297</u>
Noncurrent liabilities:						
Compensated absences	12,465	692	366,389	127,676	17,043	524,265
Total OPEB liability	360,944	449,585	7,771,126	3,574,680	256,359	12,412,694
Claims liability	5,261,678	3,604,698	-	-	-	8,866,376
Net pension liability	55,138	110,275	1,299,675	732,544	59,076	2,256,708
Total noncurrent liabilities	<u>5,690,225</u>	<u>4,165,250</u>	<u>9,437,190</u>	<u>4,434,900</u>	<u>332,478</u>	<u>24,060,043</u>
Total liabilities	<u>7,059,603</u>	<u>5,694,252</u>	<u>9,949,644</u>	<u>4,772,367</u>	<u>4,559,474</u>	<u>32,035,340</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related	42,831	85,662	1,009,590	569,042	45,891	1,753,016
OPEB related	46,191	57,535	994,498	457,464	32,804	1,588,492
Total deferred inflows of resources	<u>89,022</u>	<u>143,197</u>	<u>2,004,088</u>	<u>1,026,506</u>	<u>78,695</u>	<u>3,341,508</u>
NET POSITION						
Net investment in capital assets	19,900	103	229,543	500,683	-	750,229
Unrestricted	8,563,124	2,181,190	(8,622,561)	(3,210,168)	3,489,206	2,400,791
Total net position	<u>\$ 8,583,024</u>	<u>\$ 2,181,293</u>	<u>\$ (8,393,018)</u>	<u>\$ (2,709,485)</u>	<u>\$ 3,489,206</u>	<u>\$ 3,151,020</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**

For the Year Ended September 30, 2021

	Workers Compensation Insurance	Property and Casualty Insurance	Facilities Management	Fleet Management	Self-funded Health Insurance	Total
OPERATING REVENUES						
Charges for services	\$ 3,810,833	\$ 3,959,042	\$ 5,332,368	\$ 4,219,736	\$ 26,221,347	\$ 43,543,326
Other revenue	349,564	6,000	15,960	441	930,342	1,302,307
Total operating revenues	<u>4,160,397</u>	<u>3,965,042</u>	<u>5,348,328</u>	<u>4,220,177</u>	<u>27,151,689</u>	<u>44,845,633</u>
OPERATING EXPENSES						
Salaries, wages and employee benefits	40,364	232,674	3,915,828	1,806,234	102,966	6,098,066
Contractual services, materials and supplies	680,440	2,267,590	1,506,284	2,416,339	5,022,784	11,893,437
Claims and claims adjustments	2,868,665	2,178,952	-	-	24,512,441	29,560,058
Depreciation	10,093	206	108,142	110,256	-	228,697
Total operating expenses	<u>3,599,562</u>	<u>4,679,422</u>	<u>5,530,254</u>	<u>4,332,829</u>	<u>29,638,191</u>	<u>47,780,258</u>
Operating income (loss)	<u>560,835</u>	<u>(714,380)</u>	<u>(181,926)</u>	<u>(112,652)</u>	<u>(2,486,502)</u>	<u>(2,934,625)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	7,779	12,365	-	-	1,856	22,000
Gain (loss) on disposal of capital assets	-	-	8,750	34,220	-	42,970
Total nonoperating revenues (expenses)	<u>7,779</u>	<u>12,365</u>	<u>8,750</u>	<u>34,220</u>	<u>1,856</u>	<u>64,970</u>
Income (loss) before transfers	<u>568,614</u>	<u>(702,015)</u>	<u>(173,176)</u>	<u>(78,432)</u>	<u>(2,484,646)</u>	<u>(2,869,655)</u>
Transfers						
Transfers in	-	-	11,000	-	-	11,000
Transfers out	-	-	-	(23,000)	-	(23,000)
Total transfers	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>(23,000)</u>	<u>-</u>	<u>(12,000)</u>
Change in net position	568,614	(702,015)	(162,176)	(101,432)	(2,484,646)	(2,881,655)
Total net position - beginning	8,014,410	2,883,308	(8,230,842)	(2,608,053)	5,973,852	6,032,675
Total net position - ending	<u>\$ 8,583,024</u>	<u>\$ 2,181,293</u>	<u>\$ (8,393,018)</u>	<u>\$ (2,709,485)</u>	<u>\$ 3,489,206</u>	<u>\$ 3,151,020</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2021

	Workers Compensation Insurance	Property and Casualty Insurance	Facility Management	Fleet Management	Self-funded Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 4,160,197	\$ 3,965,042	\$ 5,350,883	\$ 4,219,736	\$ 27,538,169	\$ 45,234,027
Cash payments for claims	(1,582,079)	(1,094,897)	-	-	(23,919,434)	(26,596,410)
Cash payments to suppliers	(687,287)	(2,241,348)	(1,583,488)	(2,595,566)	(4,613,758)	(11,721,447)
Cash payments to employees	(179,804)	(231,122)	(3,812,245)	(1,749,655)	(107,300)	(6,080,126)
Net cash provided (used) by operating activities	<u>1,711,027</u>	<u>397,675</u>	<u>(44,850)</u>	<u>(125,485)</u>	<u>(1,102,323)</u>	<u>836,044</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING						
Acquisition and construction of capital assets	-	-	(26,366)	(50,780)	-	(77,146)
Transfer out for the acquisition of capital assets	-	-	-	(23,000)	-	(23,000)
Transfer in from the sale of capital assets	-	-	11,000	-	-	11,000
Gain (loss) on capital asset disposition	-	-	8,750	22,874	-	31,624
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(6,616)</u>	<u>(50,906)</u>	<u>-</u>	<u>(57,522)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment Earnings	24,244	19,029	-	-	14,064	57,337
Net cash provided by investing activities	<u>24,244</u>	<u>19,029</u>	<u>-</u>	<u>-</u>	<u>14,064</u>	<u>57,337</u>
Net increase in cash	1,735,271	416,704	(51,466)	(176,391)	(1,088,259)	835,859
Cash and investments - beginning	13,747,162	6,846,907	1,264,201	1,728,086	9,110,392	32,696,748
Cash and investments - ending	<u>\$ 15,482,433</u>	<u>\$ 7,263,611</u>	<u>\$ 1,212,735</u>	<u>\$ 1,551,695</u>	<u>\$ 8,022,133</u>	<u>\$ 33,532,607</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET						
Operating income (loss)	\$ 560,835	\$ (714,380)	\$ (181,926)	\$ (112,652)	\$ (2,486,502)	\$ (2,934,625)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
to net cash provided (used) by operating activities:						
Depreciation expense	10,093	206	108,142	110,256	-	228,697
(Increase) decrease in assets:						
Accounts receivable, net	(200)	-	2,555	(441)	386,479	388,393
Prepaid items	(3,995)	26,245	(17,837)	(17,878)	-	(13,465)
(Increase) decrease in deferred outflows:						
Pension related	44,154	23,837	315,657	168,266	12,770	564,684
OPEB related	18,884	(2,406)	(2,585)	1,699	2,100	17,692
Increase (decrease) in liabilities:						
Accounts payable and other accrued liabilities	(2,851)	(3)	(59,367)	(161,349)	409,027	185,457
Accrued payroll	4,163	593	22,507	5,805	481	33,549
Compensated absences	10,704	(15,611)	(6,927)	23,361	1,361	12,888
Total OPEB liability	(60,190)	48,188	647,617	284,183	10,981	930,779
Net pension liability	(167,713)	(120,830)	(1,539,616)	(835,669)	(64,730)	(2,728,558)
Claims liability	1,286,585	1,084,055	-	-	593,007	2,963,647
Increase (decrease) in deferred inflows:						
Pension related	42,831	85,662	1,009,590	569,042	45,891	1,753,016
OPEB related	(32,273)	(17,881)	(342,660)	(160,108)	(13,188)	(566,110)
Total adjustments	<u>1,150,192</u>	<u>1,112,055</u>	<u>137,076</u>	<u>(12,833)</u>	<u>1,384,179</u>	<u>3,770,669</u>
Net cash provided by operating activities	<u>\$ 1,711,027</u>	<u>\$ 397,675</u>	<u>\$ (44,850)</u>	<u>\$ (125,485)</u>	<u>\$ (1,102,323)</u>	<u>\$ 836,044</u>

Supplemental disclosure of noncash investing, capital and financing activities:

Worker's Compensation Insurance decrease in fair value of investments of \$104,734.

Property and Casualty Insurance decrease in fair value of investments of \$45,372.

Self Insurance Fund decrease in fair value of investments \$66,501.

Statistical Section

STATISTICAL SECTION (Unaudited)

This part of the City of Cape Coral, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	166
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	171
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, the property tax.	
Debt Capacity	176
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin and therefore it is not reported in these schedules.	
Demographic and Economic Information	180
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	183
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Source: Unless otherwise noted, the information in these schedules was obtained from the Comprehensive Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Cape Coral, Florida

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 1

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 211,308,256	\$ 211,168,912	\$ 211,573,951	\$ 206,045,063	\$ 215,610,363	\$ 226,821,441	\$ 244,770,705	\$ 259,385,054	\$ 276,393,691	\$ 267,501,395
Restricted	38,954,956	33,449,825	33,522,887	39,172,890	49,389,716	53,759,601	71,209,165	82,675,046	87,759,451	128,609,536
Unrestricted	(31,602,890)	(45,992,918)	(41,654,894)	(129,177,798)	(133,595,277)	(129,318,499)	(238,304,065)	(209,199,090)	(207,075,880)	(167,668,618)
Total governmental activities net position	218,660,322	198,625,819	203,441,944	116,040,155	131,404,822	151,262,543	77,675,805	132,861,010	157,077,252	228,442,313
Business-type activities										
Net investment in capital assets	373,653,297	370,704,547	362,080,880	361,707,442	374,994,099	371,601,686	420,502,966	458,982,283	464,780,619	434,630,800
Restricted	62,417,416	47,174,719	66,696,901	92,631,969	89,937,196	101,978,014	77,224,216	64,806,405	97,781,941	144,962,165
Unrestricted	24,960,060	23,014,260	16,979,433	(26,625,585)	(17,705,952)	(8,257,372)	(31,086,868)	(16,607,742)	(5,927,012)	15,219,164
Total business-type activities net position	461,030,773	440,893,526	445,757,214	427,713,826	447,225,343	465,322,328	466,640,314	507,180,946	556,635,548	594,812,129
Primary government										
Net investment in capital assets	584,961,553	581,873,459	573,654,831	567,752,505	590,604,482	598,423,127	665,273,671	718,367,337	741,174,310	702,132,195
Restricted	101,372,372	80,624,544	100,219,788	131,804,859	139,326,912	155,737,615	148,433,381	147,481,451	185,541,392	273,571,701
Unrestricted	(6,642,830)	(22,978,658)	(24,675,461)	(155,803,383)	(151,301,229)	(137,575,871)	(269,390,933)	(225,806,832)	(213,002,902)	(152,449,454)
Total primary government net position	\$ 679,691,095	\$ 639,519,345	\$ 649,199,158	\$ 543,753,981	\$ 578,630,165	\$ 616,584,871	\$ 544,316,119	\$ 640,041,956	\$ 713,712,800	\$ 823,254,442

City of Cape Coral, Florida
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

Schedule 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 31,642,181	\$ 35,750,067	\$ 43,386,715	\$ 52,344,411	\$ 51,588,399	\$ 71,064,097	\$ 71,403,749	\$ 56,136,504	\$ 65,318,687	\$ 57,652,564
Public safety:										
Police	38,563,123	40,883,574	34,285,016	37,755,665	37,862,679	35,940,818	37,171,888	42,334,344	54,927,640	49,308,836
Fire	32,509,360	33,280,113	29,089,119	34,071,631	29,941,799	27,531,173	29,341,496	33,884,575	36,570,740	36,956,056
Building	2,382,927	2,557,567	2,995,300	3,134,523	3,804,593	5,315,723	5,729,880	7,281,966	9,155,572	8,891,596
Public works	16,844,612	14,216,303	16,905,368	18,101,671	18,266,298	18,415,038	21,523,769	19,131,947	20,707,629	38,352,779
Parks and recreation	18,101,675	17,457,679	17,089,459	17,024,031	17,997,257	15,928,133	20,381,960	24,242,652	22,739,835	23,629,879
Community development	10,294,730	7,978,824	6,640,062	5,559,872	6,979,622	8,362,954	7,342,215	8,976,196	10,083,847	11,109,315
Interest on long-term debt	11,532,722	11,169,234	10,953,024	10,223,210	9,841,749	8,628,106	8,578,175	8,453,675	7,283,468	6,142,575
Total governmental activities expenses	161,871,330	163,283,361	161,304,083	178,215,114	176,084,396	191,186,042	201,472,862	200,441,859	226,797,418	232,043,600
Business-type activities:										
Water and sewer	98,718,563	117,610,480	98,202,689	101,071,789	99,123,629	113,611,286	111,524,023	110,944,079	116,276,689	124,822,818
Stormwater	13,694,526	13,744,773	13,572,941	13,270,032	13,029,277	13,912,403	14,312,734	14,087,707	12,386,918	14,517,890
Yacht basin	340,445	372,930	982,058	345,457	372,349	323,196	471,313	560,728	434,734	455,013
Golf course ¹	2,631,840	2,599,938	2,710,132	2,450,043	2,790,829	2,457,593	3,086,272	-	-	-
Total business-type activities expenses	115,885,374	134,328,125	115,477,820	117,137,321	115,316,084	130,304,458	129,394,542	125,604,514	129,068,341	139,795,521
Total primary government expenses	\$ 277,256,704	\$ 297,621,486	\$ 276,781,903	\$ 295,352,435	\$ 291,400,480	\$ 321,490,506	\$ 330,867,204	\$ 326,044,373	\$ 355,895,759	\$ 371,839,321
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 12,700,342	\$ 14,451,088	\$ 9,820,161	\$ 11,911,283	\$ 11,008,789	\$ 10,814,788	\$ 12,887,037	\$ 12,091,075	\$ 15,963,210	\$ 15,451,746
Public safety:										
Police	857,660	683,428	831,945	938,606	1,244,054	1,107,582	1,203,878	2,410,679	2,597,112	2,571,194
Fire	176,483	181,491	231,567	312,388	288,432	488,918	407,676	514,556	501,004	615,516
Building	36,891	29,218	4,022,162	4,875,890	6,411,115	7,625,904	9,104,243	8,954,673	9,113,305	10,638,710
Public works	1,063,713	2,948,171	4,036,205	6,130,223	3,151,358	3,725,324	3,828,797	4,592,729	4,938,259	4,831,903
Parks and recreation	5,391,333	5,397,502	5,740,866	5,873,336	5,397,864	5,553,828	5,718,774	8,643,667	5,686,306	8,757,042
Community development	1,955,527	2,113,420	1,515,921	1,679,724	1,408,377	2,822,241	2,716,929	2,121,287	1,986,452	1,986,452
Operating grants and contributions	5,311,553	4,126,259	16,150,059	16,222,090	29,559,152	30,797,279	45,075,047	35,558,002	35,558,002	56,569,892
Capital grants and contributions	9,750,662	7,108,832	7,306,283	9,505,165	8,416,807	12,353,016	14,398,409	16,606,019	18,193,878	30,397,563
Total governmental activities program revenues	37,246,184	37,039,405	49,655,169	57,448,705	66,885,948	74,923,316	81,168,334	101,605,374	94,672,363	131,820,018
Business-type activities:										
Charges for services:										
Water and sewer	71,111,199	76,690,422	73,603,154	76,614,078	80,067,263	82,880,688	85,104,361	87,484,498	90,863,045	97,013,105
Stormwater	11,356,728	12,352,001	12,329,090	12,317,747	13,123,358	14,589,855	18,558,103	19,578,122	20,463,395	21,931,905
Yacht basin	338,006	394,553	982,314	562,119	588,539	669,484	687,066	731,151	741,800	925,027
Golf course ¹	2,205,965	2,192,097	2,308,820	2,218,021	2,126,888	1,952,198	2,440,346	-	-	-
Operating grants and contributions	7,517,135	6,904,337	6,571,091	9,989,134	1,122,668	278,376	497,240	803,491	1,217,722	166,762
Capital grants and contributions	12,624,199	15,329,046	29,123,990	22,957,693	27,669,127	45,983,423	46,952,564	40,686,916	50,271,652	48,167,652
Total business-type activities program revenues	105,153,232	113,862,456	124,928,459	124,658,792	124,897,843	146,354,024	154,240,280	149,284,178	163,557,614	168,204,451
Total primary government program revenues	\$ 142,389,396	\$ 150,901,861	\$ 174,583,628	\$ 182,107,497	\$ 191,583,791	\$ 221,277,340	\$ 235,408,614	\$ 250,889,552	\$ 258,229,977	\$ 300,024,469
Net (Expense)/Revenue										
Governmental activities	\$ (124,625,166)	\$ (126,253,956)	\$ (111,648,914)	\$ (120,766,409)	\$ (109,198,448)	\$ (116,262,726)	\$ (120,304,528)	\$ (98,836,485)	\$ (132,125,095)	\$ (100,223,582)
Business-type activities	(10,232,142)	(20,465,669)	9,450,639	7,521,471	9,381,759	16,049,566	24,845,938	40,686,916	50,271,652	48,167,652
Total primary government net expense	\$ (134,857,308)	\$ (146,719,625)	\$ (102,198,275)	\$ (113,244,938)	\$ (99,816,689)	\$ (100,213,160)	\$ (95,458,590)	\$ (75,154,821)	\$ (97,665,762)	\$ (71,814,952)

Source: City of Cape Coral, Financial Services Department

City of Cape Coral, Florida

CHANGES IN NET POSITION (continued)

Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 66,300,746	\$ 68,969,220	\$ 71,451,329	\$ 77,445,321	\$ 75,239,444	\$ 79,463,250	\$ 87,094,669	\$ 93,758,005	\$ 97,354,823	\$ 102,829,432
Property taxes, levied for debt service	685,754	690,036	755,178	900,184	1,094,755	1,344,219	1,632,023	1,823,177	2,116,284	4,789,152
Public service tax	14,210,873	15,345,034	16,792,598	18,336,760	18,136,627	18,646,222	20,194,344	20,678,121	20,940,384	24,359,362
Sales	8,090,870	8,630,419	9,092,366	9,716,679	10,222,671	10,496,714	10,738,730	10,786,583	10,597,558	11,914,185
Fuel	72,585	59,659	72,845	69,298	67,005	78,660	71,954	74,391	82,980	89,310
Alcohol and beverage	6,017,787	6,280,373	5,773,054	5,489,539	5,168,287	5,319,563	4,626,232	4,884,741	4,892,611	4,808,291
Communication	6,333,907	6,096,685	6,520,354	6,549,306	6,622,099	6,433,799	6,594,366	7,018,299	7,199,932	7,425,743
Franchise	2,055,480	142,344	246,807	494,208	1,044,202	1,057,749	1,506,882	5,505,156	4,166,330	514,908
Investment earnings	35,485	5,683	(4,180)	163,837	(282,857)	6,177,043	(639,421)	2,602,824	716,875	595,293
Transfers	103,803,487	106,219,453	117,929,765	126,333,215	124,563,115	136,120,447	138,894,718	155,005,855	156,341,297	168,335,376
Total governmental activities	1,513,268	334,105	4,180	(163,837)	9,846,901	8,224,462	5,370,071	18,476,627	15,514,781	10,288,244
Business-type activities	(35,485)	(5,683)	4,180	(163,837)	282,857	(6,177,043)	639,421	(2,602,824)	(716,875)	94,900
Investment earnings	1,477,783	328,422	4,180	(163,837)	10,128,758	2,047,419	6,009,492	(15,873,803)	14,995,329	9,767,851
Gain on sale of capital assets	105,281,270	106,547,875	117,933,945	126,169,378	134,692,873	138,167,866	144,904,210	170,879,658	171,336,626	178,103,227
Transfers										
Total business-type activities	\$ (20,821,679)	\$ (20,137,247)	\$ 6,280,851	\$ 5,566,806	\$ 15,364,667	\$ 19,857,721	\$ 18,590,190	\$ 56,169,370	\$ 24,216,242	\$ 68,111,794
Change in Net Position	(8,754,389)	(20,137,247)	9,454,819	7,357,634	19,511,517	18,096,985	30,855,430	38,556,467	49,454,602	38,176,581
Governmental activities	(29,576,038)	(40,171,750)	15,735,670	12,924,440	34,876,184	37,954,706	49,445,620	95,725,837	73,670,844	106,288,375
Business-type activities										
Total primary government										

¹ Beginning in FY2019 the Golf Course was reclassified from a business-type activity to a governmental activity.

City of Cape Coral, Florida

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 3

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 1,463,946	\$ 1,234,458	\$ 1,165,609	\$ 879,483	\$ 842,608	\$ 1,361,649	\$ 797,831	\$ 678,397	\$ 339,486	\$ 1,640,535
Committed	5,644,358	5,504,998	4,502,186	6,169,213	7,946,254	11,446,344	8,615,344	20,153,572	15,034,294	14,128,519
Assigned	1,531,752	712,650	199,927	1,281,341	469,442	1,134,329	2,237,766	602,548	-	19,434,402
Unassigned	21,156,596	18,315,850	30,501,100	46,494,247	41,286,873	36,568,335	26,505,262	49,868,704	71,819,063	77,819,925
Total General Fund	\$ 29,796,652	\$ 25,767,956	\$ 36,368,822	\$ 54,824,284	\$ 50,545,177	\$ 50,510,657	\$ 38,156,203	\$ 71,303,221	\$ 87,192,843	\$ 113,023,381
All Other Governmental Funds										
Nonspendable	\$ 87,732	\$ 92,302	\$ 110,351	\$ 93,869	\$ 88,095	\$ 98,890	\$ 103,595	\$ 135,939	\$ 132,856	\$ 154,066
Restricted	38,799,815	33,624,557	34,216,824	37,988,089	46,671,710	53,051,681	69,986,603	80,568,713	85,624,344	126,593,970
Committed	11,278,188	12,190,444	13,312,428	22,320,327	19,074,472	29,299,004	16,625,680	15,329,721	19,027,365	34,389,205
Unassigned	(483,219)	(307,694)	(369,155)	(108,446)	(157,390)	(202,173)	(441,087)	(763,527)	(1,612,608)	(277,725)
Total All Other Governmental Funds	\$ 49,682,516	\$ 45,599,609	\$ 47,270,448	\$ 60,293,839	\$ 65,676,887	\$ 82,247,402	\$ 86,274,791	\$ 95,270,846	\$ 103,171,957	\$ 160,859,516

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 95,378,615	\$ 99,974,746	\$ 111,166,784	\$ 119,108,217	\$ 117,196,480	\$ 122,451,866	\$ 131,493,091	\$ 139,879,576	\$ 144,258,160	\$ 159,799,432
Special assessments	138,165	147,915	10,080,686	13,449,945	20,930,885	22,641,361	22,857,608	24,421,883	26,076,554	27,003,070
Licenses and permits	2,992,430	3,396,297	4,015,563	4,876,346	7,251,734	8,452,874	9,890,576	9,834,129	10,161,251	11,372,086
Franchise fees	6,333,907	6,096,685	6,520,354	6,549,306	6,622,099	6,433,799	6,534,366	7,018,299	7,199,932	7,425,743
Intergovernmental	9,429,635	7,559,867	6,452,157	8,455,219	6,967,431	10,083,547	7,124,612	17,711,304	10,258,795	30,460,083
Charges for services	13,423,461	13,310,111	13,988,879	14,773,565	14,020,091	15,173,625	17,660,274	21,240,864	21,542,012	24,659,080
Fines and forfeitures	1,041,971	811,365	746,712	819,205	841,830	1,067,476	968,608	853,851	823,857	1,039,333
Impact fees	1,664,828	2,668,632	3,981,431	5,553,426	8,510,926	12,403,864	14,555,217	15,231,581	17,963,254	29,387,753
Rent and royalties	276,311	3,287,898	3,763,481	4,079,452	4,110,301	3,512,705	3,875,352	4,008,325	3,859,764	3,360,695
Investment earnings	1,042,212	267,079	469,754	1,013,354	960,991	962,872	1,398,445	4,674,239	3,638,138	492,908
Contributions and donations	288,975	253,646	264,250	277,742	242,727	338,145	280,020	530,398	453,575	78,910
Other revenue	3,740,640	3,954,928	2,343,858	5,621,385	1,926,213	1,599,434	2,074,324	2,574,980	1,887,918	2,254,048
Total revenues	135,751,150	141,729,169	163,793,909	184,577,162	189,581,708	205,121,558	218,712,493	247,979,429	248,123,210	297,333,141
Expenditures										
General government	22,925,185	28,029,485	36,664,982	40,382,204	45,579,202	53,777,415	66,604,588	53,835,554	55,473,008	52,226,189
Public safety:										
Police	33,576,378	35,511,381	29,742,744	31,974,963	34,745,411	34,921,546	36,893,957	38,175,923	43,486,435	45,562,755
Fire	27,711,702	28,462,946	24,848,816	26,028,314	26,574,399	27,520,189	31,188,734	31,523,736	33,606,194	35,584,248
Building	2,382,927	2,557,567	2,689,712	2,929,952	3,405,018	4,238,583	5,108,187	5,524,032	7,767,384	8,013,736
Public works	11,599,377	8,932,540	11,788,826	12,540,223	12,322,752	13,879,757	16,164,425	13,888,893	15,130,991	32,835,662
Parks and recreation	13,753,583	13,560,974	13,756,920	14,603,776	15,281,586	16,587,509	17,589,379	21,742,395	20,009,334	20,992,431
Community development	9,475,576	7,101,799	5,691,090	5,979,224	6,709,083	6,893,028	7,340,488	7,542,901	8,118,342	8,586,796
Capital outlay	11,394,393	6,029,345	6,921,521	10,676,484	19,389,174	16,267,397	32,333,090	24,860,257	27,816,354	24,894,016
Debt service:										
Principal	6,894,790	8,530,114	8,844,063	9,497,601	11,292,837	11,806,372	11,942,674	12,761,711	17,095,898	14,849,339
Interest and fiscal charges	8,680,760	11,178,064	10,813,779	10,342,261	9,722,762	9,311,497	8,593,724	8,469,641	7,248,344	6,045,600
Bond issuance cost	-	-	101,611	483,913	-	440,620	39,873	38,423	129,421	208,083
Total expenditures	148,594,671	149,894,215	151,864,064	165,438,915	185,022,224	195,643,913	233,798,119	218,363,466	235,681,705	249,798,615
Excess of revenues under expenditures	(12,843,521)	(8,165,046)	11,929,845	19,138,247	4,559,484	9,477,645	(15,086,626)	29,615,963	12,241,505	47,534,526
Other Financing Sources (Uses)										
Transfers in	22,957,260	23,960,633	27,265,208	31,887,089	31,052,126	48,438,259	69,718,917	60,069,144	53,364,535	67,977,078
Transfers out	(10,813,421)	(23,954,950)	(27,259,388)	(31,723,252)	(34,657,646)	(43,261,216)	(71,447,191)	(57,486,320)	(52,647,660)	(67,369,785)
Refunding bonds issued	-	-	(21,371,001)	-	-	-	-	-	-	-
Issuance of debt	3,696,691	-	26,733,000	66,965,000	-	62,595,000	7,912,705	10,200,000	45,888,990	29,998,012
Premium on debt	-	-	-	4,260,306	-	8,041,561	-	-	-	-
Payment to escrow agent to refund bonds	-	-	(5,252,769)	(59,492,199)	-	(70,193,955)	-	-	(37,252,464)	-
Insurance damage claims	8,602	21,064	-	-	-	-	-	-	-	-
Proceeds on sale of capital assets	184,650	26,696	226,810	443,662	149,977	1,438,701	575,130	394,321	2,195,827	2,124,999
Total other financing sources	16,033,782	53,443	341,860	12,340,606	(3,455,543)	7,058,350	6,759,561	13,197,145	11,549,228	32,730,304
Net change in fund balances	\$ 3,190,261	\$ (8,111,603)	\$ 12,271,705	\$ 31,478,853	\$ 1,103,941	\$ 16,535,995	\$ (83,270,065)	\$ 79,353,695	\$ 42,813,108	\$ 80,284,830
Debt service as a percentage of noncapital expenditures	11.50%	13.70%	13.56%	12.82%	12.69%	11.77%	10.19%	10.97%	11.70%	9.29%

City of Cape Coral, Florida

IMPACT FEE REVENUE
Last Ten Fiscal Years

Schedule 5

Fiscal Year	Governmental Activities					Business-type activities		
	Fire ¹	Police ¹	Advanced Life Support ¹	Park Recreational Facilities	Road	Water	Wastewater	Irrigation
2012	\$ 183,159	\$ 190,337	\$ 11,215	\$ 344,535	\$ 935,581	\$ 531,665	\$ 720,771	\$ 246,754
2013	268,273	278,123	16,388	489,485	1,616,363	637,875	1,471,406	351,599
2014	366,857	378,990	22,333	642,240	2,571,011	1,859,278	5,736,228	891,280
2015	584,514	601,536	35,446	1,041,410	3,290,520	2,177,497	611,600	1,046,984
2016	838,224	868,136	51,154	1,559,473	5,193,939	2,584,665	7,097,253	1,234,697
2017	1,214,515	1,257,401	74,096	2,751,820	7,106,032	4,437,182	8,048,763	2,895,091
2018	1,488,434	1,538,112	90,670	2,737,325	8,700,676	366,760	9,301,674	4,846,618
2019	1,476,290	1,465,584	86,402	2,640,320	9,562,986	3,986,461	9,825,174	5,159,005
2020	1,604,044	1,662,737	97,981	3,445,350	11,153,142	3,756,081	9,470,446	5,148,820
2021	2,772,201	2,871,598	169,897	5,746,710	17,827,347	3,297,426	10,777,845	6,684,900

¹ Fire, Police and Advanced Life Support are component business units of Public Safety.

City of Cape Coral, Florida

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Schedule 6

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Gross Actual Value	Just Value as a Percentage of Actual Value
2012	\$ 11,207,273,819	\$ 487,302,713	\$ 3,127,986,516	\$ 8,566,590,016	7.96	\$ 11,694,576,532	73.25
2013	11,961,674,078	489,976,001	3,548,255,036	8,903,395,043	7.96	12,451,650,079	71.50
2014	13,290,907,759	475,478,158	4,246,067,858	9,520,318,059	7.71	13,766,385,917	69.16
2015	14,859,472,913	473,544,133	5,002,060,301	10,330,956,745	7.71	15,333,017,046	67.38
2016	16,141,195,874	460,315,173	5,481,003,861	11,120,507,186	6.96	16,601,511,047	66.98
2017	18,033,222,081	458,569,377	6,446,420,411	12,045,371,047	6.75	18,491,791,458	65.14
2018	19,881,805,283	476,068,474	7,163,540,104	13,194,333,653	6.75	20,357,873,757	64.81
2019	20,913,001,536	490,938,025	7,103,505,624	14,300,433,937	6.75	21,403,939,561	66.81
2020	22,133,020,884	520,299,312	7,237,070,286	15,416,249,910	6.55	22,653,320,196	68.05
2021	23,347,653,273	536,453,956	7,305,298,240	16,578,808,989	6.68	23,884,107,229	69.41

Source: Lee County Property Appraiser

City of Cape Coral, Florida

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

Schedule 7

Fiscal Year	City of Cape Coral			Overlapping Rates			Total Direct and Overlapping Rates
	General Government Services	General Obligation Debt Service	Total	General County	School Board	Other ¹	
2012	7.9570	0.0000	7.9570	3.6506	7.854	1.7980	21.2597
2013	7.9570	0.0000	7.9570	3.6506	7.584	1.7161	20.9078
2014	7.7070	0.0000	7.7070	4.1506	7.598	1.4580	20.9136
2015	7.7070	0.0000	7.7070	4.1506	7.416	1.4144	20.6880
2016	6.9570	0.0000	6.9570	4.1506	7.285	1.4424	19.8350
2017	6.7500	0.0000	6.7500	4.0506	6.989	1.4612	19.2508
2018	6.7500	0.0000	6.7500	4.0506	6.679	1.4872	18.9668
2019	6.7500	0.0000	6.7500	4.0506	6.401	1.3377	18.5393
2020	6.4903	0.0600	6.5503	4.0506	6.147	1.3131	18.0610
2021	6.3750	0.3000	6.6750	4.0506	6.058	1.3131	18.0967

¹ Other consists of Lee County Capital Improvement, Lee County All Hazards, Lee County Library, and Lee County Unincorporated MSTU.

City of Cape Coral, Florida

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Schedule 8

Taxpayer	2021			2012		
	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable City Assessed Value
Lee County Electric Co-op	\$ 182,266,327	1	1.10 %	-	-	- %
Uptown at Liberty Park Apartments	45,699,691	2	0.28	-	-	-
Progress Residential Borrower	33,731,880	2	0.20	-	-	-
Corona Property Holdings LLC	29,867,763	4	0.18	-	-	-
Coralina Apartments LLC	26,668,852	5	0.16	-	-	-
GRE Coralwood LP Stiles Corporation	23,938,139	6	0.14	-	-	-
Freeman & Hasselwander Resort	23,111,521	7	0.14	-	-	-
Atrium at Liberty Park LLC	21,696,387	8	0.13	-	-	-
Coral Walk FL LLC	18,848,974	9	0.11	-	-	-
Embarq Florida	18,516,658	10	0.11	-	-	-
Coralwood Partners, LP	-	-	-	\$ 16,442,050	1	0.29 %
Cape Coral Holdings, Inc.	-	-	-	14,704,990	2	0.26
Realmark Cape Harbour, LLC	-	-	-	12,784,200	3	0.23
Eagle, Gregory W. Trust	-	-	-	9,759,360	4	0.17
Coral Cove I LTD	-	-	-	8,964,010	5	0.16
Fullenkamp, Dennis J. Trust	-	-	-	8,848,470	6	0.16
Wal-Mart Stores Incorporated	-	-	-	8,625,340	7	0.15
Tarpon Point Association LLC	-	-	-	7,640,880	8	0.14
Lowe's Home Centers, Inc.	-	-	-	7,425,590	9	0.13
Albertson's, Inc.	-	-	-	6,772,590	10	0.12
Total	\$ 424,346,192		2.55 %	\$ 101,967,480		1.81 %

¹ Source: Lee County Property Appraiser

Total taxable assessed value of Cape Coral for 2021 \$ 16,578,808,989
Total taxable assessed value of Cape Coral for 2012 \$ 8,566,590,016

City of Cape Coral, Florida

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year of the Levy ¹		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 68,164,357	\$ 65,633,185	96.29	\$ 135,641	\$ 65,768,826	96.49 %
2013	70,844,314	68,242,587	96.33	6,399	68,248,986	96.34
2014	73,373,091	70,741,212	96.41	55,171	70,796,383	96.49
2015	79,620,684	76,697,068	96.33	14,738	76,711,806	96.35
2016	77,436,922	74,492,236	96.20	20,927	74,513,163	96.22
2017	81,306,255	78,383,386	96.41	(742) ³	78,382,644	96.40
2018	89,061,752	85,842,852	96.39	9,765	85,852,617	96.40
2019	96,527,929	93,018,718	96.36	46,859	93,065,577	96.41
2020	100,054,568	96,330,843	96.28	23,101	96,353,944	96.30
2021	105,689,907	101,761,080	96.28	-	101,761,080	96.28

¹ Source: City of Cape Coral, Financial Services Department

² Source: Lee County Property Appraiser

Property taxes are levied on November 1st of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of tax levy. Taxes become delinquent on April 1st of each year, and tax certificates for the full amount of any unpaid taxes and assessments are sold at public auction prior to June 1st of each year, and the proceeds collected are remitted to the City.

³ Includes refunds and corrections from tax collector.

RATIOS OF OUTSTANDING DEBT BY TYPE¹
Last Ten Fiscal Years

Schedule 10

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income ⁶	Per Capita ⁶
	General Obligation Bonds	Revenue Bonds	Notes Payable	Special Assessment	Capital Lease	Revenue Bonds ²	Notes Payable ³	Special Assessment ⁴	Total				
2012	-	\$ 229,435,647	\$ 3,414,530	-	\$ 3,414,530	\$ 477,416,707	\$ 8,935,129	\$ 150,750,308	\$ 873,366,851	24.70 %	1,523		
2013	-	221,515,976	2,840,017	-	2,840,017	469,565,055	5,780,734	140,579,667	843,121,466	21.99	1,452		
2014	-	213,730,572	2,256,647	-	2,256,647	461,361,073	35,859,855	130,219,029	845,683,823	21.03	1,357		
2015	-	203,703,427	13,675,000	1,500,000	1,664,283	457,847,790	68,925,322	118,933,390	866,249,212	20.68	1,348		
2016	-	194,470,804	12,092,000	1,405,000	1,062,786	447,666,810	69,578,289	107,587,751	833,863,440	18.87	1,241		
2017	-	191,054,422	10,474,000	1,130,000	452,014	437,229,120	67,859,047	98,580,423	806,779,026	16.45	1,130		
2018	-	180,949,932	16,466,205	855,000	273,460	449,733,033	77,847,479	85,175,423	811,300,532	15.70	1,083		
2019	10,200,000	170,507,652	14,072,452	575,000	91,912	436,364,140	148,234,456	72,314,773	852,360,385	15.61	1,032		
2020	9,625,000	110,522,914	66,678,554	290,000	-	352,911,586	272,155,685	59,841,948	872,025,687	15.40	1,004		
2021	39,093,012	104,984,773	57,949,215	-	-	347,219,034	303,548,263	48,229,123	901,023,420	15.34	1,002		

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² Includes debt paid only from water and sewer net revenues.

³ Includes debt paid only from water and sewer net revenues and impact fees.

⁴ Utility special assessments are paid only by the benefited property owners.

⁵ See Schedule 14 for personal income and population data.

⁶ Includes all governmental activities debt and only the business-type activities general obligation bonds and debt paid from stormwater net revenues.

City of Cape Coral

RATIOS OF GENERAL BONDED DEBT OUTSTANDING¹
Last Ten Fiscal Years

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Property ²	Per Capita ³
2019	10,200,000	9,659,677	540,323	0.00%	2.85
2020	9,625,000	4,574,976	5,050,024	0.03%	27.11
2021	39,093,012	29,374,976	9,718,036	0.06%	48.22

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² See Schedule 6 for property value data.

³ See Schedule 14 for population data.

City of Cape Coral, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2021

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lee County	\$ 175,795,000 ¹	26.954% ²	\$ 47,383,784
City direct debt			<u>202,027,000</u> ³
Total direct and overlapping debt			<u><u>\$ 249,410,784</u></u>

¹ Source: Lee County Clerk of Court, Finance Division.

² Determined by dividing:

Taxable assessed valuation of the City of Cape Coral (see Schedule 6)	\$ 16,578,808,989
by the total taxable valuation of Lee County.	\$ 57,195,288,000

³ Source: City of Cape Coral, Financial Services Department (see Schedule 10 governmental activities).

City of Cape Coral, Florida

PLEGDED-REVENUE COVERAGE

Last Ten Fiscal Years

Schedule 13

Fiscal Year	Water and Sewer Revenue Debt						Stormwater Revenue Debt					
	Operating Revenues ¹	Operating Expenses ²	Revenue for Debt Services	Debt Service Requirements ³	Total	Coverage ⁴	Operating Revenues ⁵	Operating Expenses ²	Net Available Revenue for Debt Service	Debt Service Requirements ⁶	Total	Coverage
2012	\$ 71,703,204	\$ 34,483,112	\$ 37,220,092	\$ 22,290,563	\$ 27,930,563	1.33	\$ 11,544,704	\$ 12,243,641	\$ (698,937)	\$ 545,000	\$ 572,250	(1.22)
2013	75,862,707	36,213,510	39,649,197	22,379,635	29,134,635	1.36	12,379,372	12,221,417	157,955	-	-	-
2014	73,678,329	38,138,225	35,540,104	21,964,200	29,789,200	1.19	12,393,540	12,071,965	321,575	-	-	-
2015	77,043,774	40,442,926	36,600,848	21,018,222	29,413,222	1.24	12,404,199	11,744,731	659,468	-	-	-
2016	80,312,234	41,931,221	38,381,013	19,264,647	28,844,647	1.33	13,213,160	11,304,048	1,909,112	-	-	-
2017	83,094,497	45,152,483	37,942,014	18,888,604	28,848,604	1.32	14,688,168	12,006,814	2,681,354	-	-	-
2018	84,148,677	50,029,458	34,119,219	10,308,822	20,523,822	1.66	18,689,276	12,403,435	6,285,841	-	-	-
2019	88,528,491	53,550,943	34,977,548	17,162,753	27,922,753	1.25	20,092,960	12,520,639	7,572,341	-	-	-
2020	90,340,056	43,976,164	46,363,892	17,162,753	27,922,753	1.66	20,753,651	10,505,048	10,248,603	-	-	-
2021	96,534,335	32,757,215	63,777,120	16,580,750	27,965,750	2.28	22,017,854	11,913,287	10,104,567	-	-	-

1 Includes interest income, excludes ad valorem taxes, and proceeds from sale of capital assets.

2 Excludes depreciation expense, interest expense, bond discount amortization, and takes in account the bond springing resolution adjustments.

3 Includes senior debt with a pledge of net revenues and expansion fees of the utility system.

4 Bond covenant requires net revenues adequate to pay at least 100% of the annual debt service on all

outstanding bonds becoming due in such fiscal year.

5 Includes interest income.

6 Includes only debt being funded by the net revenues of the system.

City of Cape Coral, Florida

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Schedule 14

Fiscal Year	Population ¹	Personal Income ²	Per Personal Income ¹	Median Age ¹	School Enrollment ³	Unemployment Rate ⁴
2012	155,158	\$ 3,536,205,978	\$ 22,791	43	15,246	10.5
2013	156,486	3,833,281,056	24,496	44	15,399	6.5
2014	160,831	4,020,935,831	25,001	43	15,583	6.0
2015	163,602	4,187,883,996	25,598	44	19,839	5.2
2016	168,425	4,418,461,450	26,234	45	19,414	4.8
2017	179,804	4,904,513,708	27,277	45	19,598	3.6
2018	183,365	5,167,409,065	28,181	45	24,337	3.0
2019	189,343	5,460,273,434	28,838	46	23,733	2.9
2020	186,294	5,662,219,836	30,394	46	21,994	11.3
2021	201,526	5,874,684,426	29,151	45	24,575	3.9

¹ Source: City of Cape Coral Economic Development Office.

² Determined by multiplying population by per capita personal income.

³ Source: School District of Lee County.

⁴ Source: Florida Department of Economic Opportunity.

City of Cape Coral, Florida

PRINCIPAL EMPLOYERS¹
Current Year and Nine Years Ago

Schedule 15

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment ²
Lee Memorial Health System	2,419	1	2.82 %	900	4	1.29 %
Lee County School District	2,361	2	2.75	2,473	1	3.54
City of Cape Coral	1,481	3	1.73	1,602	3	2.29
Publix Super Market	1,402	4	1.64	1,720	2	2.46
Sam's/Wal-Mart	962	5	1.12	-	-	-
Regional VA Clinic	613	6	0.72	-	-	-
Home Depot	590	7	0.69	420	6	.60
Gulf Coast Village	433	8	0.51	250	10	.36
Lowe's Home Improvement Center	385	9	0.45	250	9	.36
Cape Coral Charter Schools	365	10	0.43	-	-	-
Wal-Mart	-	-	-	690	5	.99
Chase Paymentech Solutions LLC	-	-	-	375	7	.54
Century 21	-	-	-	300	8	.43

Source: City of Cape Coral, Economic Development Office.

¹ The data shows only employees working in the City of Cape Coral and does not include other jobs with the same employer located throughout Lee County.

City of Cape Coral, Florida

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 16

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	185	128	128	138	144	145	142	156	144	149
Public Safety:										
Police	336	336	334	334	339	342	334	357	368	371
Fire	206	205	206	210	212	222	217	227	228	246
Building	28	29	29	36	48	48	51	54	58	69
Public Works ¹	78	132	137	140	145	150	152	159	73	73
Community Development	57	53	54	57	56	57	54	58	57	61
Parks and Recreation	180	193	197	209	209	210	146	211	145	208
Water and Sewer	218	236	266	279	289	300	298	302	310	311
Stormwater	104	96	96	96	96	96	96	97	99	100
Yacht Basin	2	3	3	3	3	3	3	2	3	3
Golf Course	32	32	32	32	32	32	32	32	32	32
Waterpark	60	62	62	62	62	62	62	61	61	61
Total	1,486	1,505	1,544	1,596	1,635	1,667	1,587	1,716	1,578	1,684

¹ Beginning in FY2013 Transportation was reported in Public Works.

² Source: City of Cape Coral's Budget Department.

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 17

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of sworn officers	219	212	226	226	231	234	260	260	274	274
Total calls received ¹	239,686	269,161	261,436	275,478	275,688	285,479	277,286	276,069	271,221	276,927
Number of crime scenes processed by evidence technician	635	814	827	950	784	1,356	1,524	1,610	1,405	1,179
Traffic citations issued (all units)	9,797	10,277	10,277	8,806	8,845	11,913	11,752	11,445	10,808	10,836
Vice, intelligence and narcotics arrests	719	820	906	835	678	755	956	739	695	263
Fire										
Number of firefighters and officers	192	191	191	198	196	205	206	213	213	231
Calls for service	19,372	19,652	19,672	20,321	18,643	20,471	20,401	21,500	21,942	26,212
Inspections	7,978	6,757	5,599	8,092	9,342	8,138	7,261	6,882	9,814	7,989
Public Works										
Tons of debris collected and disposed of	112	154	74	160	214	417	850	451	375	279
Lane miles of road surface restored	34	15	59	21	399	134	130	101	218	180
Community Development										
Contacts (counter and telephone)	58,292	48,520	49,758	51,023	53,045	47,882	62,120	61,961	58,908	87,668
Certificates of use	602	610	596	585	590	592	574	614	591	693
Sign permits issued	251	250	259	645	296	272	197	332	214	247
Parks and Recreation										
Programs held at art studio	486	413	390	435	438	250	270	370	364	342
Sessions held for aquatics	114	133	128	127	126	103	98	101	88	85
Senior centers memberships	751	758	707	751	804	787	643	752	501	178
Transportation program-total miles driven	94,533	87,197	115,000	85,173	94,519	105,103	107,832	95,254	61,783	81,781
Transportation										
Signs made	3,745	4,620	4,178	5,695	4,527	4,527	4,527	4,527	4,175	5,367
Centerline miles of roadway striped annually	555	389	493	767	355	355	-	423	119	321
Water and Sewer										
Finished water pumped to system (millions of gallons)	3,542	3,435	3,516	3,644	3,679	4,694	4,505	4,238	4,360	4,613
Dry tons of bio-solids generated	1,906	1,772	1,789	1,763	1,970	1,970	1,970	2,416	2,600	2,691
Stormwater Utility										
Cubic yards dredged from canals	38,325	41,073	28,945	45,605	54,635	16,361	17,726	26,512	18,762	8,470
Swale requests received	711	409	247	346	356	521	514	720	801	1,387
Swale regraded (Square Feet)	1,311,430	1,516,353	1,541,520	1,326,156	1,121,325	900,370	748,099	835,267	661,454	443,601
Building Division										
Total inspections	33,779	35,877	64,686	83,536	63,071	72,307	85,122	86,156	84,758	122,712
Permits issued	13,603	19,983	19,300	22,019	26,973	27,984	38,937	31,111	39,506	43,133
Yacht Basin										
Average annual slip rentals	69	90	76	69	85	92	84	87	86	86
Golf Course										
Rounds played	62,550	61,974	58,735	57,390	55,808	46,678	55,688	53,728	44,268	59,051
Waterpark										
Admissions	113,267	107,699	113,358	116,293	86,174	87,969	96,220	91,371	45,564	112,702

¹ Source: City of Cape Coral's Department Directors

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 18

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	10	10	10	11	11	11	11	11	11	11
Public Works										
Paved alleys (miles)	12	12	12	12	12	11	11	11	11	11
Sidewalks (miles)	194	194	202	209	215	220	226	236	266	280
Parks and Recreation										
City owned developed parks	34	34	34	34	34	34	34	34	34	34
Number of developed acres	405	409	409	409	409	409	409	409	409	409
City owned undeveloped parks	24	24	24	24	24	24	24	24	24	24
Number of undeveloped acres	1,094	1,095	1,095	1,098	1,100	1,101	1,101	1,131	1,143	1,150
City owned senior centers	2	2	2	2	2	2	2	2	2	2
City owned boat launches, locks, and lifts ²	11	22	22	22	22	22	22	22	22	22
Transportation										
Paved streets (lane miles) ¹	3,157	3,047	3,047	3,047	3,047	3,047	3,047	3,042	3,042	3,042
Water and Sewer										
Number of water connections	55,591	55,790	56,522	58,899	61,522	62,692	64,225	67,071	69,748	69,748
Number of sewer connections	54,193	54,222	54,678	56,215	59,904	61,208	62,842	65,272	67,418	67,418
Miles of water distribution	849	853	856	907	907	907	908	906	908	908
Stormwater										
Stormwater drainage pipes (miles)	510	514	517	519	516	540	540	543	543	544
Swales (miles)	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363
Catch basins	22,725	22,767	22,894	22,940	22,931	23,733	23,733	24,072	24,095	24,107
Yacht Basin										
Boat slips ³	93	112	112	112	107	107	107	107	107	107
Golf Course										
City owned golf courses	1	1	1	1	1	1	1	1	1	1
Waterpark										
City owned waterpark facilities	1	1	1	1	1	1	1	1	1	1

¹ Year 2013 Cartograph report excluded bike paths and vacations of roads and included road widening and new roads.

² Year 2013 included both improved and unimproved boat launches.

³ Year 2016 includes only boat slips that are available for rent. It does not include slips used by law enforcement.

⁴ Source: City of Cape Coral's Department Directors.

Single Audit



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cape Coral, Florida (City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 20, 2022. The financial statements of the discretely presented component unit as of and for the year ended June 30, 2021 were audited by us. We issued a separate report dated December 28, 2020. Therefore, this report does not include reporting on the internal control over financial reporting or compliance and other matters included in that separately issued report. The financial statements of the Municipal General Employees' Pension Plan, the Municipal Police Officers' Pension Plan, and the Municipal Firefighters' Pension Plan were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Cape Coral, Florida's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2021. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Cape Coral Charter School Authority (Authority) which expended \$639,117 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2021. Our audit, described below, did not include the operations of the Authority because the Authority's financial statements were audited separately.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General 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.

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

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

Report on Internal Control Over Compliance

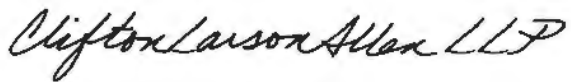
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs and state projects and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2022

City of Cape Coral, Florida
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the Year Ended September 30, 2021

Federal Agency/Program Title	Federal ALN Number	Federal or Pass Through Grant Number	Expenditures	Passed through to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Community Planning and Development:				
CDBG Entitlement Grant Cluster¹				
Community Development Block Grants/Entitlement Grants	14.218	B20MC120027	\$ 540,086	\$ 519,185
Community Development Block Grants/Entitlement Grants	14.218	B19MC120027	450,697	412,305
Community Development Block Grants/Entitlement Grants	14.218	B18MC120027	148,397	126,859
Community Development Block Grants/Entitlement Grants	14.218	B16MC120027	1,913	-
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B20MW120027	866,832	121,963
Neighborhood Stabilization Program (NSP-1)	14.218	B08MN120003	178,366	-
Neighborhood Stabilization Program (NSP-3)	14.218	B11MN120003	40,384	-
Total U.S. Department of Housing and Urban Development			<u>2,226,675</u>	<u>1,180,312</u>
U.S. DEPARTMENT OF JUSTICE:				
Office of Justice Programs (OJP):				
Edward Byrne Memorial Justice Assistance Grant Program - (Local JAG) FY21	16.738	2020-DJ-BX-0402	16,548	
Edward Byrne Memorial Justice Assistance Grant Program - (JAGC) FY21	16.738	2020-JAGC-LEE-7-5R-005	105,000	
			<u>121,548</u>	
STOP School Violence	16.839	2019-YS-BX-0023	64,802	
2020 Patrick Leahy Bulletproof Vest Partnership	16.607	2020 BVP	1,700	
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0495	33,507	
Equitable Sharing Program	16.922	FL0360200	4,609	
National Crime Victims' Rights Week Community Awareness Project	16.582	CAP 21-390	4,680	
<i>Passed-Through State of Florida, Office of the Attorney General:</i>				
Crime Victim Assistance	16.575	VOCA-2020-CCPD-00084	134,754	
Office of Community Oriented Policing Services				
COPS Hiring Program	16.710	2020ULWX0032	208,073	
Total U.S. Department of Justice			<u>573,673</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Administration for Children and Families:				
<i>Passed-Through State of Florida, Agency for Persons with Disabilities:</i>				
Social Services Block Grant	93.667	1035	188,559	
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Federal Emergency Management Agency				
COVID-19 - Assistance to Firefighters Grant	97.044	AFG	22,247	
<i>Passed-Through State of Florida, Division of Emergency Management:</i>				
Emergency Management Performance Grants	97.042	2020-21	7,497	
<i>Passed-Through State of Florida, Division of Emergency Management:</i>				
Hazard Mitigation Grant Program - (Public Works Bldg)	97.039	4337-101-R	91,738	
Hazard Mitigation Grant Program - (Sunsplash)	97.039	4337-193-R	47,200	
			<u>138,938</u>	
Total U.S. Department of Homeland Security			<u>168,682</u>	
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Highway Administration:				
<i>Passed-Through State of Florida, Department of Transportation:</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction - Tropicana Blvd Sidewalks	20.205	435021-1-58-01	3,030	
Highway Planning and Construction - Trafalgar Elementary Sidewalks	20.205	441478-1-58-01	519,371	
Highway Planning and Construction - Trafalgar Elementary Sidewalks	20.205	441478-1-68-01	7,435	
Highway Planning and Construction - SW 29TH Ave Sidewalks	20.205	438156-1-38-01	10,205	
			<u>540,041</u>	
National Highway Traffic Safety Administration:				
<i>Passed-Through State of Florida, Department of Transportation:</i>				
Highway Safety Cluster				
National Priority Safety Programs - FDOT DRE Call Out 2021	20.616	M5X-2021-00104	7,808	
National Priority Safety Programs - FDOT Impaired DE 2020-21	20.616	M5HVE-2021-00092	71,000	
			<u>78,808</u>	
Total U.S. Department of Transportation			<u>618,849</u>	
U.S. DEPARTMENT OF TREASURY				
<i>CARES ACT Passed-Through State of Florida, Florida Housing Finance Corporation:</i>				
COVID-19 Coronavirus Relief Fund	21.019	CARES Act 2020	3,275,551	457,097
			<u>\$ 7,051,989</u>	<u>\$ 1,637,409</u>

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (continued)**
For the Year Ended September 30, 2021

<u>State Agency/Program Title</u>	<u>CSFA Number</u>	<u>State Contract/ Grant Number</u>	<u>State Expenditures</u>	<u>Passed through to Subrecipients</u>
STATE OF FLORIDA, FLORIDA HOUSING FINANCE CORPORATION:				
State Housing Initiatives Partnership Program (S.H.I.P.)	40.901	N/A	\$ 245,415	\$ 229,527
STATE OF FLORIDA, EXECUTIVE OFFICE OF THE GOVERNOR:				
Florida Department of Emergency Management Hurricane Loss Mitigation Program Residential Construction Mitigation Program (RCMP)	31.066	RCMP2015-16	3,806	
STATE OF FLORIDA, AGENCY FOR PERSONS WITH DISABILITIES:				
Association for the Development of the Exceptional: Home and Community Services Transportation Services	67.062	1035	74,637	
STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster Highway Planning and Construction - Suntrail Non-Motorized Bike Path	55.038	440236-1-54-01	1,437,764	
STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION				
State Revolving Fund Program				
Clean Water State Revolving Fund	37.077	WW360120	12,604,173	
Drinking Water State Revolving Fund	37.076	DW360130	21,552,874	
			<u>34,157,047</u>	
<i>Water Restoration Assistance</i>				
Reclaimed Water Transmission River Crossing Project	37.039	LP36011	165,937	
ADM-56 US 41 Conveyance				
Cape Coral Reservoir and Pipeline Project	37.039	LP36014	825	
Total State of Florida, Department of Environmental Protection			<u>34,323,809</u>	
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>36,085,431</u>	<u>229,527</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			<u>\$ 43,137,420</u>	<u>\$ 1,866,936</u>

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

¹ Included in the Passed through to Subrecipients for CDBG are amounts related to HUD approved subrecipients that are departments of the City of Cape Coral.

² American Rescue Plan Act funding has been received, but there have been no expenditures to date.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
September 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) is a supplementary schedule to the City's basic financial statements and is presented for purposes of additional analysis. The Schedule is required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes.

The Schedule includes all federal financial assistance programs and state projects administered by the City of Cape Coral and included in the City's Annual Comprehensive Financial Report. It specifically excludes federal financial assistance programs and state projects received by the discretely presented component unit, the Cape Coral Charter School Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of ALN 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City of Cape Coral provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal ALN Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grants / Entitlement Grants	14.218	\$ 1,180,312
COVID-19 Coronavirus Relief Fund	21.019	457,097
Total		<u>\$ 1,637,409</u>

Of the state expenditures presented in the Schedule, the City of Cape Coral provided state financial assistance to subrecipients as follows:

<u>Program Title</u>	<u>CSFA Number</u>	<u>Amount Provided to Subrecipients</u>
State Housing Initiatives Partnership Program (S.H.I.P.)	40.901	\$ 229,527
Total		<u>\$ 229,527</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

September 30, 2021

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance expenditures are included in the City's basic financial statements as follows:

	<u>Expenditures</u>
General Fund	\$ 3,496,070
Special Revenue Funds:	
Community Development Block Grant (CDBG)	2,465,022
HUD Neighborhood Stabilization	218,750
Parks and Recreation - Special Populations	188,559
Department of Justice Joint Law Enforcement Operations	4,609
Capital Improvement Funds:	
Transportation - Sidewalk Construction	540,041
Fire - Generator Project	138,938
	<u>\$ 7,051,989</u>

State financial assistance expenditures are included in the City's basic financial statements as follows:

	<u>Expenditures</u>
Special Revenue Funds:	
Parks and Recreation - Special Populations & Transportation	\$ 74,637
Local Housing Assistance Fund - State Housing	
Initiatives Partnership Program (S.H.I.P.)	245,415
Residential Construction Mitigation Program	3,806
Capital Improvement Funds:	
Transportation - Sidewalk Construction	1,437,764
Cape Coral Reservoir and Pipeline Project	825
Reclaimed Water Transmission River Crossing Project	165,937
Water and Sewer - Utility Extension Project	34,157,047
	<u>\$ 36,085,431</u>

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of Major Federal Programs

Assistance Listing Number

21.019

Name of Federal Program or Cluster

Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes X no

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance Section

1. Internal control over major state projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? _____ yes X no

Identification of Major State Projects

CSFA Number(s)

37.076
55.038

Name of State Project

Wastewater Treatment Facility Construction
Florida Shared-Use Nonmotorized (SUN) Trail
Network Program

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 1,082,563

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2021**

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(I)4, Rules of the Florida Auditor General.

Management Letter



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Cape Coral, Florida (City) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 20, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 20, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The City does not have any special district component units.

Specific Information

The specific information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General related to the Cape Coral Community Redevelopment Agency is included in the Cape Coral Community Redevelopment Agency's management letter that is issued separately.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Council, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2022

CITY OF CAPE CORAL
SUMMARY SCHEDULE OF
PRIOR AUDIT FINDINGS



THE CITY OF CAPE CORAL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021

The City of Cape Coral respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2021.

Audit period: October 1, 2020, through September 30, 2021

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2020 – 001 ERP Transaction Approval

Condition: During 2020, The City implemented a new ERP system, Munis by Tyler Technologies. We noted during the following audit related to internal controls and processes:

- Instances of disbursements without electronic department approval workflow set up in Munis
- Instances of disbursements that were processed and paid without an approval workflow for the correct department supervisor
- Instances of disbursements where the invoices were not properly approved by the appropriate supervisors and were instead approved by the accounts payable personnel as an override to the workflow internal control process
- An absence of documented policies, procedures, and control structure for processing disbursements, including establishing proper workflow assignments and structure.

Status: Corrected

2020 – 002 Grant Revenue Recognition

Condition: The City reported revenue related to the Coronavirus Relief Fund grant in the 2020 financial statements, but the grant agreement was not executed until 2021, and therefore the revenue was not earned in 2020. As a result, the City recorded an audit adjustment to the financial statements to correct the misstatement

Status: Corrected

2020 – 003 Financial Reporting – Schedule of Expenditures of Federal Awards and State Financial Assistance

Condition: The City's schedule of expenditures of federal awards and state financial assistance (SEFA) contain multiple errors that required management to adjust the SEFA and the financial statements, as follows:

- Federal grant revenues and expenditures related to the Land and Water Conservation Fund State and Local Assistance Program that were incurred during 2020 were recorded incorrectly by the City.

The revenue recorded as state grant revenue and the related expenditures were omitted from the SEFA.

- State grant expenditures related to the Florida Shared-Use Nonmotorized (SUN) Trail Program that were incurred during 2020 were recorded incorrectly by the City on the SEFA under a federal award program.

Status: Corrected

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2021 – 004 Subrecipient Monitoring

Condition: During our testing, we noted that the City did not communicate all required information for CFR §200.331 to a subrecipient entity.

Status: Corrected

2021 – 005 Reporting

Condition: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award requires compliance with the provisions of monitoring and reporting program performance.

Status: Corrected



Independent Accountants' Report



INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Cape Coral, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2021.

This report is intended solely for the information and use of the City and the Auditor General of the State of Florida and is not intended to be, and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
April 20, 2022



AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Mark C. Mason, CPA, who being duly sworn, deposes and says on oath that:

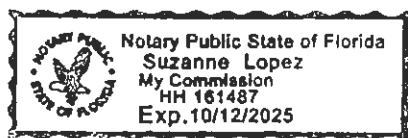
1. I am the Chief Financial Officer of the City of Cape Coral which is a district school board of the State of Florida;
2. The City of Cape Coral adopted:
 - a. Ordinance No. 124-02 implementing the Recreational Impact Fee
 - b. Ordinance No. 77-06 implementing the Road Impact Fee
 - c. Ordinance No. 47-06 implementing the Public Safety Impact Fee
 - d. Ordinance No. 35-16 implementing the Water Impact Fee
 - e. Ordinance No. 20-20 implementing the Sewer and Irrigation Impact Fees.
3. The City of Cape Coral has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Mark C. Mason, CPA, Director of Financial Services

STATE OF FLORIDA
COUNTY OF Lee

SWORN TO AND SUBSCRIBED before me this 12 day of May, 2022.



NOTARY PUBLIC
Print Name Suzanne Lopez

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires: 10/12/2025





Cape Coral
FLORIDA