

CITY OF FORT MYERS, FLORIDA

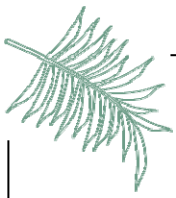
# Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021



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





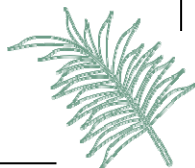
**CITY OF FORT MYERS, FLORIDA**

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



*City of Palms*

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





**CITY OF FORT MYERS, FLORIDA  
ELECTED OFFICIALS AS OF APRIL 19, 2022**



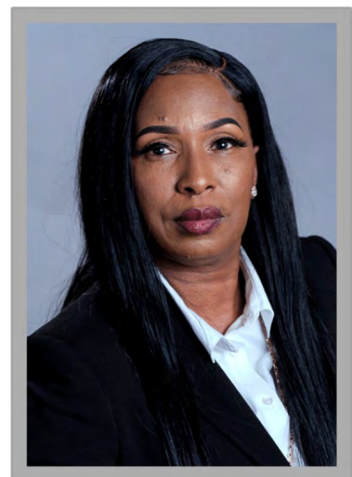
**Mayor Kevin B. Anderson**



**Ward 1  
Teresa Watkins Brown**



**Ward 2  
Johnny W. Streets, Jr.**



**Ward 3  
Terolyn Watson**



**Ward 4  
Liston Bochette, III**



**Ward 5  
Fred Burson**



**Ward 6  
Darla Bonk**

**CITY OF FORT MYERS**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended September 30, 2021**

**TABLE OF CONTENTS**

**I. Introductory Section**

Letter of Transmittal .....	i
Certificate of Achievement for Excellence in Financial Reporting .....	vii
Organizational Chart .....	viii

**II. Financial Section**

Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	4

**III. Basic Financial Statements**

**Government-wide Financial Statements**

Statement of Net Position .....	17
Statement of Activities .....	19

**Fund Financial Statements**

Governmental Fund Financial Statements:

Balance Sheet .....	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	21
Statement of Revenues, Expenditures and Changes in Fund Balances .....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	23

Proprietary Fund Financial Statements:

Statement of Net Position .....	24
Statement of Revenues, Expenses, and Changes in Net Position .....	25
Statement of Cash Flows .....	26

Fiduciary Fund Financial Statements:

Statement of Fiduciary Net Position – Pension Trust Funds and Custodial Funds .....	27
Statement of Changes in Fiduciary Net Position – Pension Trust Funds and Custodial Funds .....	28

<b>Notes to the Financial Statements</b> .....	29
--	----

**Required Supplementary Information**

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General Fund .....	104
Notes to Required Supplementary Information .....	105
Employees' Pension and Other Postemployment Benefits Schedules:	
General Employees' Pension Plan:	
Schedule of Changes in Net Pension Liability and Related Ratios .....	106
Schedule of Contributions .....	107
Police Officers' Retirement System:	
Schedule of Changes in Net Pension Liability and Related Ratios .....	110
Schedule of Contributions .....	112
Firefighters' Retirement System:	
Schedule of Changes in Net Pension Liability and Related Ratios .....	114
Schedule of Contributions .....	116
Schedule of Investment Returns .....	118
Other Postemployment Benefits Plan:	
Schedule of Changes in Total OPEB Liability and Related Ratios .....	119

#### IV. Combining and Individual Fund Statements and Schedules

##### Major Governmental Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Revenue Bonds and Notes .....	122

##### Nonmajor Governmental Funds

Combining Balance Sheet Nonmajor Governmental Funds .....	126
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	130
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Law Enforcement Trust Fund .....	134
Federal Forfeiture Fund .....	134
Grants Fund .....	135
Police Training Fund .....	135
Street Light Maintenance Fund .....	136
Street Maintenance Fund .....	136
Public Art Fund .....	137
Attainable Workforce Housing Fund .....	137
Para-Transit Fund .....	138
State Housing Initiative Partnership Program (SHIP) .....	138
Community Redevelopment Agency .....	139
Community Development Block Grant .....	140
Crime Prevention Fund .....	140

##### Nonmajor Enterprise Funds

Combining Statement of Net Position .....	142
Combining Statement of Revenues, Expenses and Changes in Net Position .....	144
Combining Statement of Cash Flows .....	146

##### Internal Service Funds

Combining Statement of Net Position .....	149
Combining Statement of Revenues, Expenses and Changes in Net Position .....	150
Combining Statement of Cash Flows .....	151

##### Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities – Custodial Funds .....	153
--	-----

#### V. Statistical Section

##### Financial Trends

Net Position by Component .....	156
Changes in Net Position .....	158
Fund Balances of Governmental Funds .....	160
Changes in Fund Balances of Governmental Funds .....	162

##### Revenue Capacity

Assessed Value and Estimated Actual Value of Taxable Property .....	164
Property Tax Rates – Direct and Overlapping Governments .....	164
Principal Property Taxpayers .....	165
Property Tax Levies and Collections .....	165
Water Sold by Type of Customer and Wastewater Billed by Type of Customer .....	166

##### Debt Capacity

Ratio of Outstanding Debt by Type .....	167
Direct and Overlapping Governmental Activities Debt .....	167
General Revenue Bonds – Pledged Revenue Coverage .....	168
Water-Wastewater Utility – Pledged Revenue Coverage .....	170

##### Demographic and Economic Information

Demographic and Economic Statistics .....	172
Principal Employers .....	173

##### Operating Information

Full-Time Equivalent Government – Employees by Function/Program .....	173
Operations Indicators by Function/Program .....	174
Capital Assets Statistics by Function .....	175

**VI. Single Audit Report**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* .....177

Independent Auditors' Report on Compliance for Each Major Federal Program and State Project, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida .....179

Schedule of Expenditures of Federal Awards .....182

Schedule of Expenditures of State Financial Assistance .....184

Notes to Schedule of Expenditures of Federal Awards.....185

Notes to Schedule of Expenditures of State Financial Assistance.....185

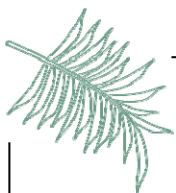
Schedule of Findings and Questioned Costs .....186

**VII. State of Florida Compliance**

Independent Auditors' Management Letter .....191

Independent Accountants' Report.....193





# INTRODUCTORY SECTION







# *City of Fort Myers, Florida*

FINANCIAL SERVICES ADMINISTRATION

PO Box 2217

Fort Myers, Florida 33902-2217

239.321.7147

April 19, 2022

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

We are pleased to present to you the Annual Comprehensive Financial Report of the City of Fort Myers (City) for the fiscal year ended September 30, 2021. State law requires that a complete set of financial statements, presented in conformance with accounting principles generally accepted in the United States (GAAP), be audited by licensed, independent certified public accountants in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* within nine months after the end of the fiscal year. This report is published to fulfill those statutory requirements.

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

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

In compliance with the laws of the State of Florida, the City's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed, independent certified public accountants. The independent auditor issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented in the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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

Fort Myers, incorporated in 1886, is the oldest city in Lee County and serves as the county seat. Fort Myers is located on the lower west coast of Florida, midway between Tampa and Miami, and has a current population of approximately 91,544 residents. The City encompasses 48.82 total square miles, including waterways, and is bordered to the north and west by the Caloosahatchee River, which is part of the intercoastal waterway connecting the Atlantic Ocean and the Gulf of Mexico.

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

Municipal services provided to the citizens of Fort Myers include police and fire protection, water and sewer services, solid waste services, park and recreational facilities, street improvements, building permits and inspections, stormwater management, a yacht basin, a cemetery, parking garages, and a skatium. Additionally, the City offers two professionally designed 18-hole golf courses. The City is also financially accountable for the Community Redevelopment Agency of Fort Myers, which is included in the City's reporting entity and financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note 1, 2.)

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

### ***Local Economy***

The City of Fort Myers is part of the Cape Coral-Fort Myers Metropolitan Statistical Area (MSA). The general concept of a metropolitan statistical area is one of a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that nucleus. Having the largest concentration of historic structures still standing in Southwest Florida, Fort Myers is rich in history and charm. Thomas Edison made Fort Myers his winter residence and he spent more than fifty winters in the area, conducting important botanical research in his laboratory and gardens. The Thomas Edison and Henry Ford Winter Estates offer tours of their exhibits, including a 15,000 square foot museum, twenty acres of historic gardens and a fully restored botanical laboratory where Thomas Edison, Henry Ford and Harvey Firestone worked side by side. The Barbara B. Mann Performing Arts Hall, located on the campus of Florida SouthWestern State College, is an 1,874-seat facility that features the largest proscenium stage in Southwest Florida. The Mann Hall is host to prominent entertainers, dance performances, popular ensembles, and classical music concerts year-round. JetBlue Park, a state-of-the-art training ballpark and player development complex, provides the facilities for spring training for the Boston Red Sox. The City also showcases a variety of annual special events in the downtown river district, such as ArtFest, the Fort Myers Boat Show, Celtic Festival, and monthly Art and Music Walks. For outdoor enthusiasts, the area offers miles of freshwater and saltwater channels for boating and fishing; trails for biking, hiking and paddling, and; golf courses, tennis courts and swimming pools.

Pertinent economic indicators show mixed results for the local economy. During the past ten years, the City's unemployment rate declined from a decade high of 8.6 percent in September 2012 to 3.4 percent in September 2019. An increase in 2020 to 8.3 percent was a result of the Coronavirus Disease 2019 (COVID-19), which has had a significant effect on labor market metrics nationwide. The unemployment rate for most states peaked in April 2020, with the leisure and hospitality sectors losing the largest number of jobs due to the decrease in travel during lockdowns and restrictions from COVID-19. Whereas many aspects of the labor markets have recovered substantially since the onset of the pandemic, the City continues to experience unemployment rates slightly higher than the national averages. The City's unemployment rate as of September 2021 was 4.9 percent compared to 4.7 percent nationally and 3.9 percent at the state level. The City's slightly higher rate corresponds to the higher peak in unemployment for leisure and hospitality.

Long considered a haven for retirees, the City is attracting more families and professionals. Drawn to Fort Myers' year-round heat and the opportunity to live an active lifestyle, residents 65 and older make up slightly more than a quarter of the City's population, at 28 percent, with residents 45–64 years old a close second at almost 26 percent of the total. Supporting the popular retirement location, U.S. News and World Report named the City of Fort Myers the #7 Best Place to Retire in their 2020-2021 rankings.

Driven by rising household incomes, housing prices have steadily increased in Fort Myers over the past few years, yet the local real estate remains less expensive than national prices. In 2020, the national average of housing costs was \$315,743 while the average housing cost in Fort Myers was \$277,900. Despite the lower average cost, affordable housing remains a critical challenge and the City is taking certain measures to support residents facing difficult times. The fiscal year 2021 budget included a one-time \$1.5 million contribution towards a trust fund to address the community need for affordable housing. In December 2021, the City announced the availability of \$4.6 million in funding for emergency rent and utility assistance for residents impacted by COVID-19.

Property values play a leading role in determining the strength of the City's tax base. Certified taxable values increased 11 percent in 2021, improving the City's tax base from \$7,792,082,870 to \$8,648,494,796. New construction contributed \$371 million to the increase along with existing property values increasing an average of 6 percent. Property valuations declined significantly from 2009 through 2012 as a result of the Great Recession but the trend for the City has been increasing since 2013 with nine consecutive years of increases and total taxable values at a record high.

Continued growth in strong residential appreciation and construction are mainly due to the City's desirable location overlooking the Caloosahatchee River and the proximity to the Gulf of Mexico. Over the past ten plus years, the City concentrated its efforts with transforming the downtown and waterfront areas to assist with retaining existing businesses, recruiting new entrepreneurs and creating an urban lifestyle to attract more full-time residents. The completion of the Hanson Street extension from Veronica S. Shoemaker Boulevard to Ortiz Avenue includes two landscaped roundabouts at the intersections of Veronica S. Shoemaker Boulevard and Ortiz Avenue. The extension provides the City with a fourth and more centralized east-west corridor between McGregor Boulevard and Ortiz Avenue. Industrial businesses located on or near Hanson Street are now able to use this extension, keeping industrial traffic off neighborhood roads. Part of the City's "Complete Streets" initiative, the Hanson Street Extension bike lanes and sidewalks provide pedestrians

and bicyclists with safe connections to the Ortiz Avenue and Six Mile Cypress Parkway multi-use paths and multiple parks, trails and wildlife preserves with easy access.

In the past decade of consistent expansion, the City invested in its mission to be a leader in municipal services and its pursuit of public safety excellence. Overall expenditures reflect a 28.8 percent increase over the ten-year period as the City provided substantial resources to support services in public safety with additional personnel and new technology and to fund essential utility capital improvement projects at the water and sewer treatment facilities as well as utility infrastructure and the expansion of reclaimed water. In governmental funds, public safety expenditures were 52.1 percent of total governmental expenditures, an increase of 4.4 percent in comparison to expenditures ten years ago, supporting the City's efforts with public safety excellence by adding ten police officers partially funded through a 2020 COPS Grant for a Community Policing Initiative and starting construction of Fire Station 17. The response to requests for services was also evident in the Water-Wastewater enterprise fund, with expenses of 67.3 percent of total business-type activities and a ten-year increase of 18.4 percent. Significant spending in the Water-Wastewater Fund relates to fulfilling capital improvement and rehabilitation needs, such as the Reuse Facility project at the South Plant and pipeline connection to Cape Coral. The increases support the City's commitment to invest in its employees, residents, infrastructure and the future.

During the same ten-year period, revenues from taxes related to governmental funds increased in amount by 72 percent, with an increase of 6 percent in percentage of total revenues in the governmental funds. The City, as all of Southwest Florida, experienced a downturn in the real estate sector due to the Great Recession and the City's taxable assessed value did not start to recover until fiscal year 2014. The City's tax year is on a calendar year basis and the taxable assessable values used for ad valorem valuations lag approximately one year behind. The consistency in percentage of tax revenues to total revenues in the ten-year period reflects prudent and conservative planning and budgeting. As a measure of the rising economy within the past ten years, permits and fees increased 62.1 percent, while remaining fairly consistent in percentage of total governmental revenues, supporting the expansion of new construction and increased population.

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

In accordance with the City's fund balance policy recently updated on January 31, 2022, the City strives to maintain a minimum unassigned fund balance of 20 percent of the current year budgeted appropriations in that fund. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund at year end was 27.4 percent of total General Fund revenues while unassigned fund balance was 20.7 percent of revenues. The unassigned fund balance exceeds the minimum requirement of the goal set by the City Council for budgetary and planning purposes. Since fiscal year 2015, General Fund revenues exceeded expenditures, contributing to the growth of reserve funds. While the City uses General Fund reserves to fill the gap between expected revenues and planned expenditures, City management continues to strive towards achieving a structurally balanced budget.

Beyond the need for caution during the pandemic, there are challenges of growth management, structural balance in the budget, labor and supply constraints that are driving price escalations and inflation, affordable housing needs and resources for department staffing. Highlights of the 2022 budget include the addition of thirty Firefighters plus their bunker gear and related equipment, funded by the reallocation of the Fire Assessment fee. In combination with financing for a new engine, new mini-pumper and replacement aerial ladder truck, the investment in public safety fosters safe and livable neighborhoods. Efforts on the beautification of the City and programs for the City's youth includes the creation of a separate Parks and Recreation Department to provide additional resources and leadership, funding for the Rising STARS program position and an increase of \$55,000 towards the Police Athletic League Program. In recognition of the financial burdens placed on citizens due to the pandemic, there is no rate increase for water and sewer services for fiscal year 2022. The Water-Wastewater revenues will support the operations of the water and wastewater plants, the distribution systems, administration, debt service and more than \$20.6 million towards utility capital improvement projects. An increase of 3 percent in the residential solid waste assessment and all other solid waste service rates will begin to align with the year over year increases in the cost to provide services. Stormwater fees remain at the prior fiscal year rates and, in addition to funding debt service payments for a specialized street sweeper, the Stormwater revenues will support drainage and administrative operating functions, the Stormwater Master Plan, canal telemetry, bacterial studies, equipment and the Meadow Lark Park Drainage Improvement project.

### **Strategic Plan**

The purpose of every government is to provide public safety, public services and an enhanced community environment for its citizens. The City continuously strives to provide the services that citizens, business owners and visitors demand. With a new Mayor, City Council members and City Manager, it was the aspiration of the City to conduct a strategic planning session with a desired outcome of re-energizing the strategic planning process. At a budget retreat in July 2021 and the months that followed, the elected officials discussed their priorities and developed an updated Strategic Plan. The vision of the City is for the City to be the gateway of Southwest Florida known for its history and arts and culture; to be family friendly and one of the safest cities in Florida; to have a vibrant Downtown/Midtown on the river and livable



neighborhoods, and; for residents to have an abundance of opportunities for economic prosperity and relaxed lifestyle. The mission of the City of Fort Myers is to be financially responsible, a leader in municipal services, with a dedicated City workforce, and an involved community.

Consistent with the goals for a safe, livable and vibrant City, a budget of \$200,000 initiates the design and planning efforts for a multi-cultural facility at Roberto Clemente Park, which will provide a place for the community and visitors to connect and engage with history and culture to expand perspectives, spark creativity and curiosity and increase knowledge. In combination with public safety efforts, capital projects include the summer 2022 completion of Fire Station 17, a new station that will serve Ward 6, and the determination of a new Police Department headquarters due to the age and repair issues of the current facility and the growth in police resources.

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

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

### **Comprehensive Plan**

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

The City's CIP incorporates needs identified in the CIE as required under the Growth Management legislation. The largest category of capital spending is Utility, which includes improvement and replacement of water/sewer infrastructure and necessary regulatory equipment replacement and maintenance. For fiscal years 2022 through 2026, the City adopted the following five-year program:

Utility	\$ 368,383,200
Infrastructure	65,047,500
Parks and Recreation	60,262,000
Public Safety	29,739,900
City Structures	19,015,500
Stormwater	6,400,000
Technology	2,750,000
Total	<u>\$ 551,598,100</u>

The Capital Budget is the first year of the Capital Improvement Program and includes a list of projects to implement in that fiscal year. The fiscal year 2022 Capital Budget anticipates \$129.4 million in capital projects, which comprises \$100.3 million in Utility improvements and replacements, \$16.5 million for Public Safety projects, \$5.0 million in Parks and Recreation landscape improvements and enhancements to City recreation facilities, \$3.7 million for Infrastructure improvements, \$2.8 million for City Structures purchases and improvements, and \$1.1 million for Stormwater improvements.

Significant and non-routine capital projects in the Capital Budget for fiscal year 2022 comprise \$1.5 million for the completion of the new Fire Station 17 due to growth and better services to Ward 6; \$42 million for the Reuse Facility at the South Wastewater Plant and a pipeline to Cape Coral to comply with an agreement to provide residents of the City of Cape Coral with reclaimed water; \$15.0 million for water production well expansion to meet the water demands of the City, involving the development of four wells and the extension of the water transmission main pipeline; \$3.4 million for a new storage tank pump station that includes a five million gallon tank to serve the southeast area of the water distribution system, and; \$11.5 million for the permit, design and construction of a back up injection well for concentrate disposal required by Florida Department of Environmental Protection. Funding these projects reflects the City's commitment to meeting the standards set forth in its Comprehensive Plan and positively impacting the quality of life for its residents, businesses and visitors.

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

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

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

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

Due to a healthy financial position and ample tax base, the City's credit ratings are line with Florida cities, who rely primarily on property tax revenues and sales taxes, and to a lesser extent, on a variety of other user fees. On December 16, 2020, Moody's Investors Service issued their annual issuer comment report, which maintained the City's Aa3 rating on the City's non-ad valorem bonds. On July 21, 2021, Fitch Ratings affirmed the A+ rating on the City's outstanding utility system refunding and revenue bonds, and the rating outlook is stable.

### ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fort Myers for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. This was the thirty-second consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current 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.

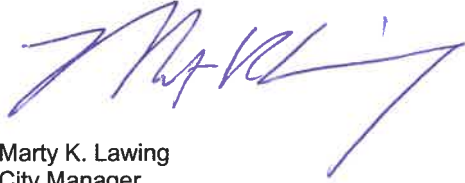
The City of Fort Myers also received the GFOA's Distinguished Budget Presentation Award for the last thirty consecutive years. The Distinguished Budget Presentation Award is the highest form of recognition in governmental budgeting, and its attainment represents a significant accomplishment by a government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

### **Acknowledgements**

The preparation of this report represents a significant effort by the entire Accounting Division of the Finance Department. Their continuing effort toward improving the accounting and financial reporting systems improves the quality of information reported to the City Council, State and Federal Agencies, and the citizens and investors in the City of Fort Myers. We sincerely appreciate and commend them for their contributions.

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

Respectfully,

A handwritten signature in blue ink, appearing to read "Marty K. Lawing".

Marty K. Lawing  
City Manager

A handwritten signature in blue ink, appearing to read "Holly Simone".

Holly Simone  
Deputy Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

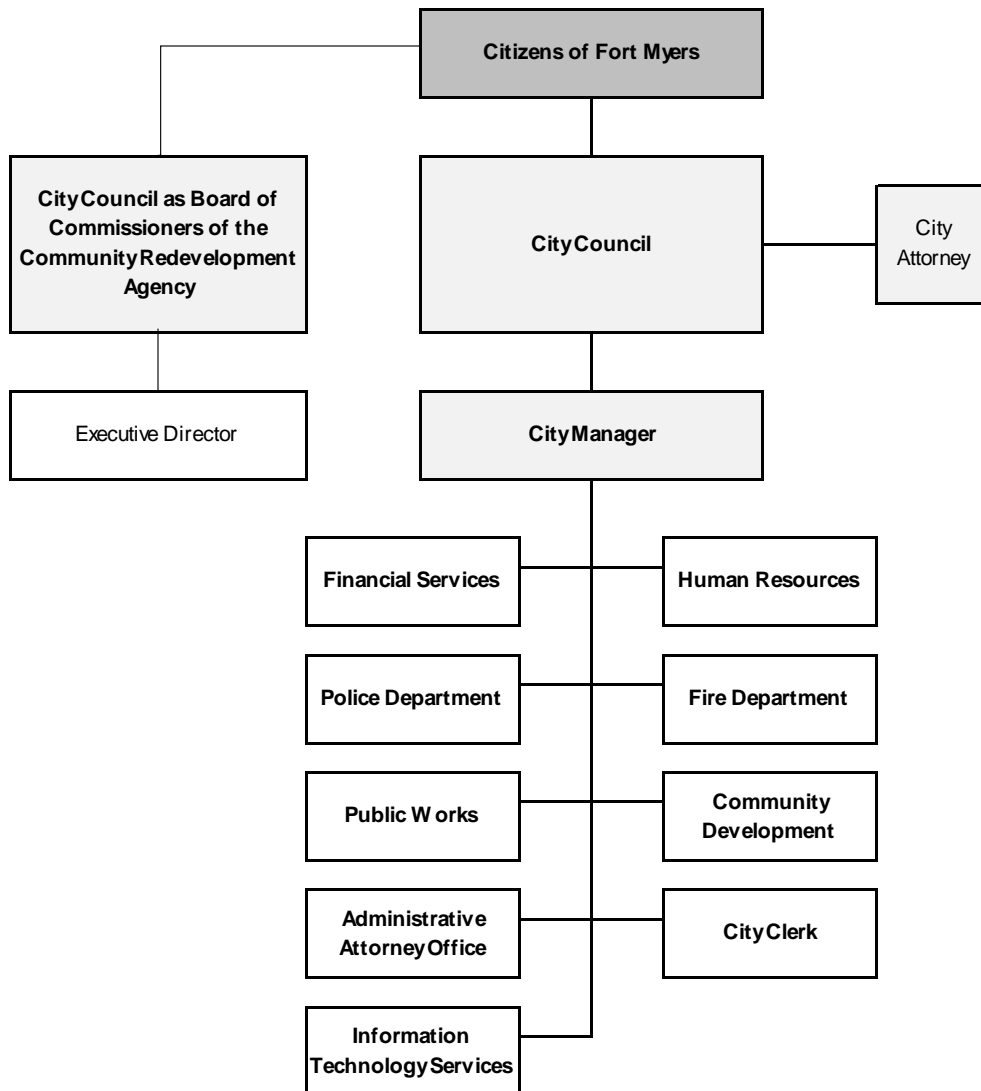
**City of Fort Myers  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

Executive Director/CEO

**CITY OF FORT MYERS, FLORIDA**  
**Organizational Chart**  
**As of September 30, 2021**







# FINANCIAL SECTION







## INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Redevelopment Agency of the City of Fort Myers, which represents 2% of the assets and revenues of the governmental activities and 1% of the assets and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Community Redevelopment Agency of the City of Fort Myers, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, budgetary comparison information for the general fund on page 104, and the employees' pension and other postemployment benefits schedules on pages 106 through 119 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules 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, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and City Council  
City of Fort Myers, Florida

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
April 19, 2022



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

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

As management of the City of Fort Myers (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report, and the City's financial statements beginning on page 17.

#### **Financial Highlights:**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$340,171,794 (net position). Of this amount, \$4,345,372 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Two of the City's three defined benefit plans had favorable overall experiences due to investment returns exceeding the investment rate assumptions and the gains contributed to a significant decrease in the net pension liability.
- The government's total net position increased by \$23,019,830, which comprises an increase in governmental activities of \$11,999,078 and an increase in business-type activities of \$11,020,752. The net position in governmental activities improved in response to the increase in ad valorem taxes of \$3.4 million, which includes a growth in the City's taxable value driven by new construction and an average increase of 4.8% in existing properties. Operating grants and contributions increased \$1.8 million (30%) mainly due to the distribution of Coronavirus Aid Relief and Economic Security Act Funding for Emergency Rental Assistance Program from the county. Business-type activities experienced an increase in net position mainly due to charges for services sufficiently exceeding operating expenses since there was no water or sewer rate increase in the current fiscal year.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$90,963,705, a decrease of \$(9,144,004) or (-9.1%) in comparison with the prior year. Approximately 23.9% of this amount (\$21,720,510) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$31,694,450, or 27.4% of total General Fund expenditures.
- The City's total outstanding long-term debt decreased by \$15,147,861 (3.7%) during the current fiscal year as a result of currently refunding bonds with a direct placement note in business-type activities.

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

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental activities (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the City's basic services, including general government, community and economic development, planning and zoning, police, fire, public works, parks and recreation, and the Community Redevelopment Agency. The business-type activities of the City include a water and wastewater utility, solid waste collection, building permits and inspections, stormwater management, golf courses, a yacht basin, downtown parking garages, and a skatium.

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to the government-wide statements in order to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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

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

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

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

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

The City maintains two different types of fiduciary funds: pension trust funds and custodial funds. Pension trust funds are used to report resources held in trust for retirees and beneficiaries covered by each plan. The three pension trust funds are: 1) the General Employees' Pension Plan, 2) the Police Officers' Retirement System, and 3) the Firefighters' Retirement System. Custodial funds report resources held by the City in a custodial capacity for another local government. The three custodial funds are: 1) the Regional Park Impact Fee Fund, which accounts for regional park impact fees collected and sent to Lee County; 2) the Emergency Medical Services (EMS) Impact Fee Fund, which accounts for the EMS impact fees collected and sent to Lee County, and 3) the School Board Impact Fee Fund, which accounts for school impact fees collected and sent to Lee County.

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

***Notes to the financial statements.*** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 – 102 of this report.

***Other information.*** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the budget to actual data for the General Fund and certain information for the City's pension plans and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages 104 – 119 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on the budgetary comparison schedule, pensions and OPEB. The combining and individual fund statements and schedules can be found on pages 126 – 151 of this report.

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

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$340,171,794 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$216,675,346) reflects its investment in capital assets (e.g., land, buildings, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

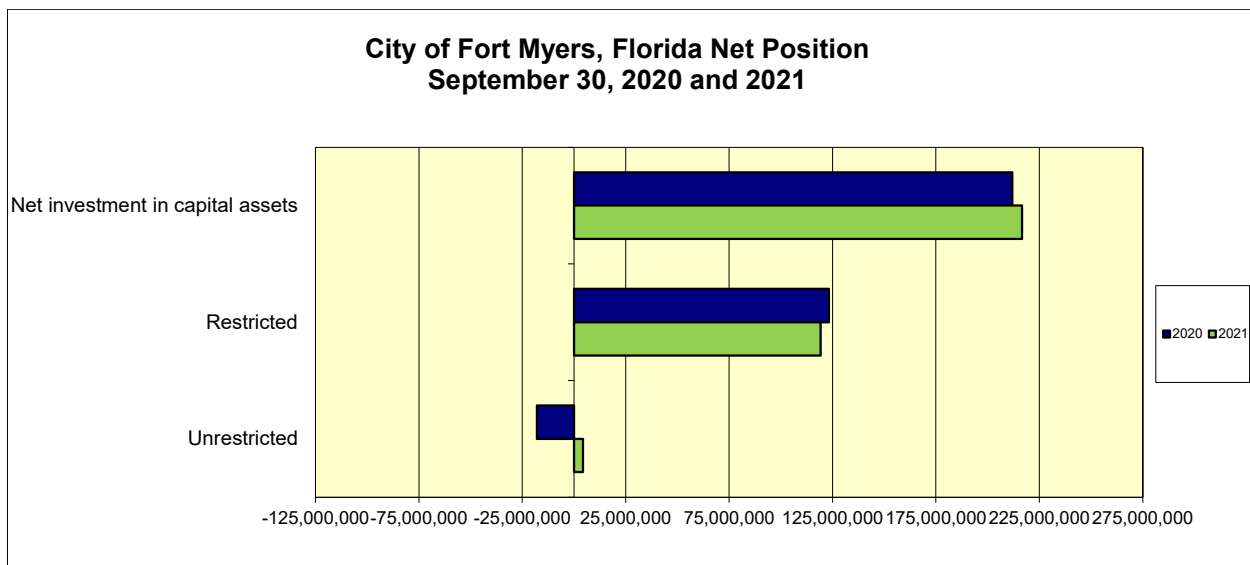
An additional portion of the City's net position (35%) represents resources that are subject to external restrictions on how they may be used. Restrictions related to capital projects represent 21.8% of the total restricted net position (\$119,151,076) and reflects the City's commitment to providing services and resources to its citizens. The remaining balance of \$4,345,372 is unrestricted and usually may be used to meet the City's ongoing obligations to its citizens and creditors. As noted in the Financial Highlights, the balance of the unrestricted net position became positive due to favorable experiences in investments in two of the City's defined benefit plans.

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

City of Fort Myers, Florida  
Net Position as of September 30, 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$155,489,344	\$159,696,745	\$214,318,463	\$213,182,748	\$369,807,807	\$372,879,493
Capital assets	199,879,409	197,946,314	403,181,213	407,700,465	603,060,622	605,646,779
Total assets	355,368,753	357,643,059	617,499,676	620,883,213	972,868,429	978,526,272
Deferred outflows of resources	14,397,248	19,060,332	8,131,874	9,869,888	22,529,122	28,930,220
Long-term liabilities outstanding	238,370,338	292,546,485	293,377,422	321,366,834	531,747,760	613,913,319
Other liabilities	44,723,244	39,824,971	29,170,860	23,731,566	73,894,104	63,556,537
Total liabilities	283,093,582	332,371,456	322,548,282	345,098,400	605,641,864	677,469,856
Deferred inflows of resources	39,463,377	9,121,971	10,120,516	3,712,701	49,583,893	12,834,672
Net position:						
Net investment in capital assets	62,419,767	67,028,162	154,255,579	144,891,763	216,675,346	211,919,925
Restricted	59,177,648	58,966,849	59,973,428	64,262,716	119,151,076	123,229,565
Unrestricted	(74,388,373)	(90,785,047)	78,733,745	72,787,521	4,345,372	(17,997,526)
Total net position	\$ 47,209,042	\$ 35,209,964	\$292,962,752	\$281,942,000	\$340,171,794	\$317,151,964

At the end of the current fiscal year, while the City reported overall positive unrestricted net position, the City reported negative balances in the unrestricted category of net position for governmental activities and for its separate governmental activities. The adoption of the GASB Statement No. 68 depleted unrestricted funds in governmental activities. In the governmental funds, negative unassigned fund balance comprises \$(2,115,490) in the Grants Fund due to reimbursements pending for the Coronavirus pandemic and \$(148,308) in the Community Development Block Grant Fund related to the timing of grant reimbursements. For business-type activities, the Skatium nonmajor enterprise fund had a negative unrestricted net position, \$(346,782), as an ongoing result of the adoption of GASB Statement No. 68 in fiscal year 2015 and expenses continuing to exceed charges for services.



The City's overall net position increased \$23,019,830 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

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

City of Fort Myers, Florida  
Changes in Net Position  
For the Year Ended September 30, 2021 and 2020

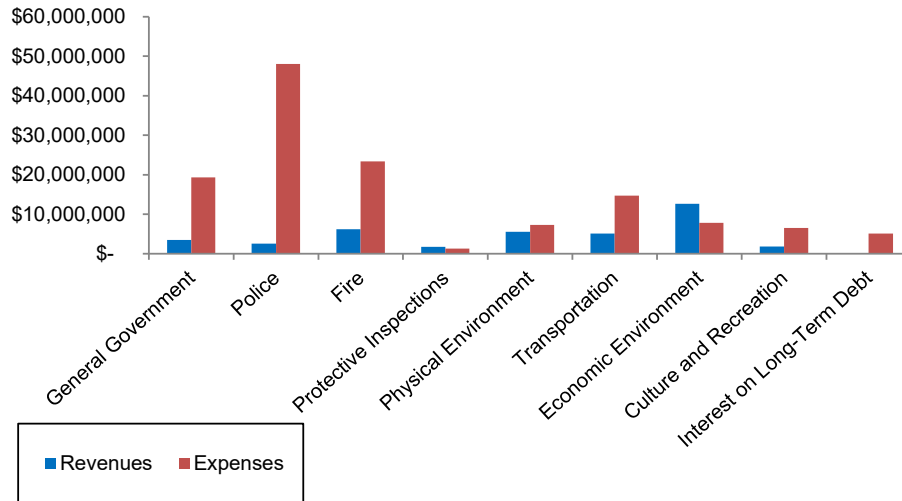
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues						
Charges for services	\$18,006,979	\$ 18,553,962	\$114,822,018	\$127,386,973	\$132,828,997	\$145,940,935
Operating grants and contributions	8,013,123	6,167,523	-	-	8,013,123	6,167,523
Capital grants and contributions	5,266,100	13,608,006	3,453,831	2,758,466	8,719,931	16,366,472
General Revenues						
Property taxes	61,810,638	58,361,391	-	-	61,810,638	58,361,391
Other taxes	26,812,222	26,194,782	-	-	26,812,222	26,194,782
Other	15,681,795	15,467,177	344,391	3,427,781	16,026,186	18,894,958
Total revenues	<u>135,590,857</u>	<u>138,352,841</u>	<u>118,620,240</u>	<u>133,573,220</u>	<u>254,211,097</u>	<u>271,926,061</u>
Expenses:						
General government	19,332,515	16,796,501	-	-	19,332,515	16,796,501
Police	48,055,077	53,692,418	-	-	48,055,077	53,692,418
Fire	23,405,565	24,908,318	-	-	23,405,565	24,908,318
Protective inspections	1,285,922	1,269,101	-	-	1,285,922	1,269,101
Physical environment	7,346,558	7,415,015	-	-	7,346,558	7,415,015
Transportation	14,742,735	12,515,560	-	-	14,742,735	12,515,560
Economic environment	7,856,160	7,226,197	-	-	7,856,160	7,226,197
Culture and recreation	6,504,253	5,012,211	-	-	6,504,253	5,012,211
Interest	5,106,027	5,429,286	-	-	5,106,027	5,429,286
Water-Wastewater	-	-	65,648,967	64,156,608	65,648,967	64,156,608
Solid Waste	-	-	14,328,991	13,599,332	14,328,991	13,599,332
Permits and Inspections	-	-	4,013,838	3,572,440	4,013,838	3,572,440
Stormwater	-	-	4,143,041	4,082,427	4,143,041	4,082,427
Golf Courses	-	-	4,164,101	4,127,465	4,164,101	4,127,465
Yacht Basin	-	-	2,659,658	2,714,546	2,659,658	2,714,546
Downtown Parking Garages	-	-	1,334,231	1,276,021	1,334,231	1,276,021
Skatium	-	-	1,263,628	1,277,518	1,263,628	1,277,518
Total expenses	<u>133,634,812</u>	<u>134,264,607</u>	<u>97,556,455</u>	<u>94,806,357</u>	<u>231,191,267</u>	<u>229,070,964</u>
Increase (decrease) in net position before transfers	1,956,045	4,088,234	21,063,785	38,766,863	23,019,830	42,855,097
Transfers	<u>10,043,033</u>	<u>10,887,830</u>	<u>(10,043,033)</u>	<u>(10,887,830)</u>	<u>-</u>	<u>-</u>
Increase in net position	11,999,078	14,976,064	11,020,752	27,879,033	23,019,830	42,855,097
Net position - beginning of year	35,209,964	20,233,900	281,942,000	254,062,967	317,151,964	274,296,867
Net position - ending	<u>\$47,209,042</u>	<u>\$ 35,209,964</u>	<u>\$292,962,752</u>	<u>\$281,942,000</u>	<u>\$340,171,794</u>	<u>\$317,151,964</u>

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$11,999,078 from the prior fiscal year for an ending balance of \$47,209,042. An increase of 5.9% in ad valorem taxes revenue attributed to the overall growth, due to the upsurge in the City's taxable value driven by new construction and an average increase of 4.8% in existing properties. Operating grants and contributions increased by 30% mainly due to the \$1.7 million distribution of Coronavirus Aid Relief and Economic Security Act Funding for Emergency Rental Assistance Program from the county.

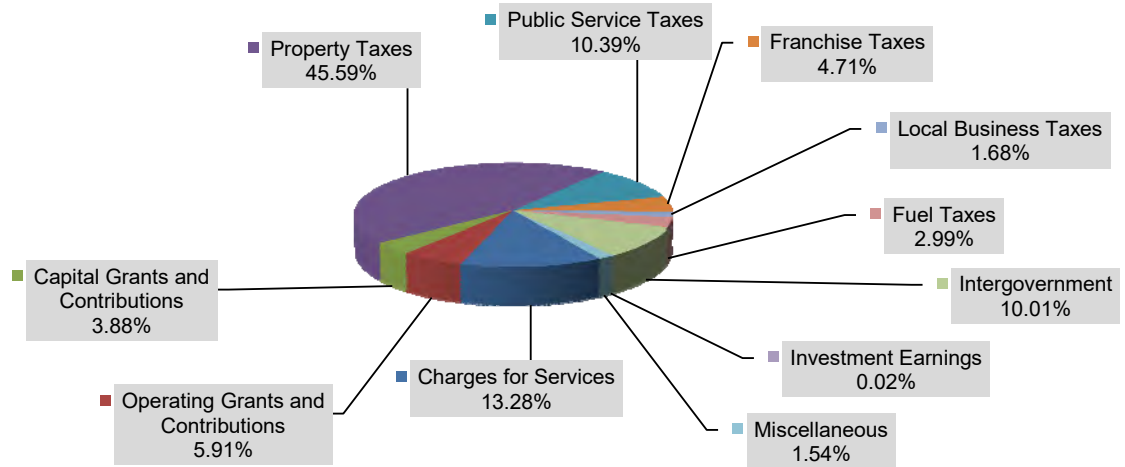


**CITY OF FORT MYERS, FLORIDA**  
**Management's Discussion and Analysis**

**Expenses and Program Revenues - Governmental Activities**



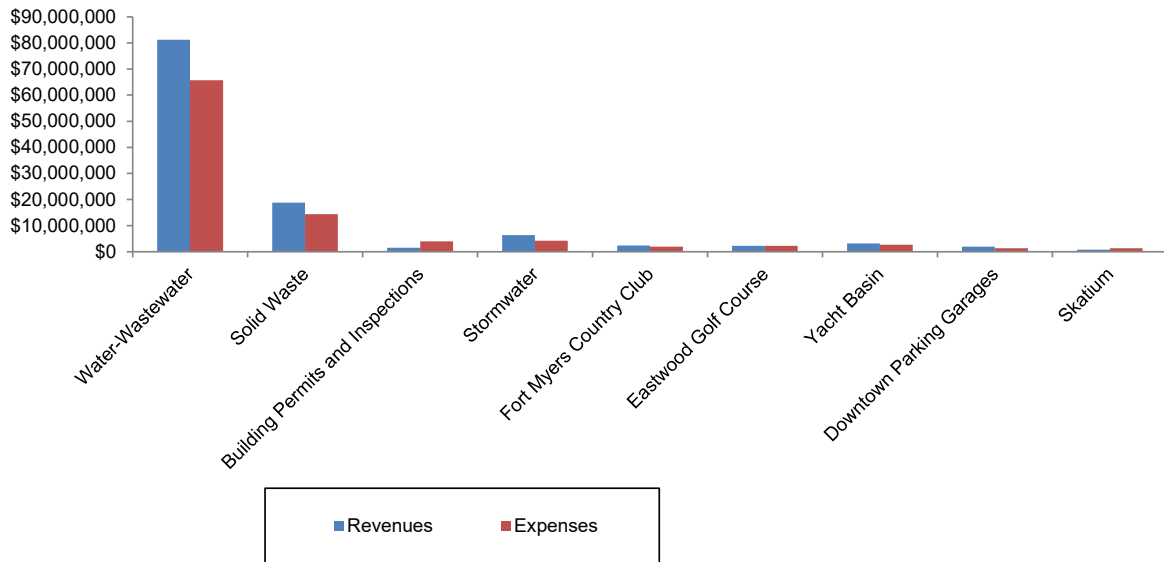
**Revenues by Source - Governmental Activities**



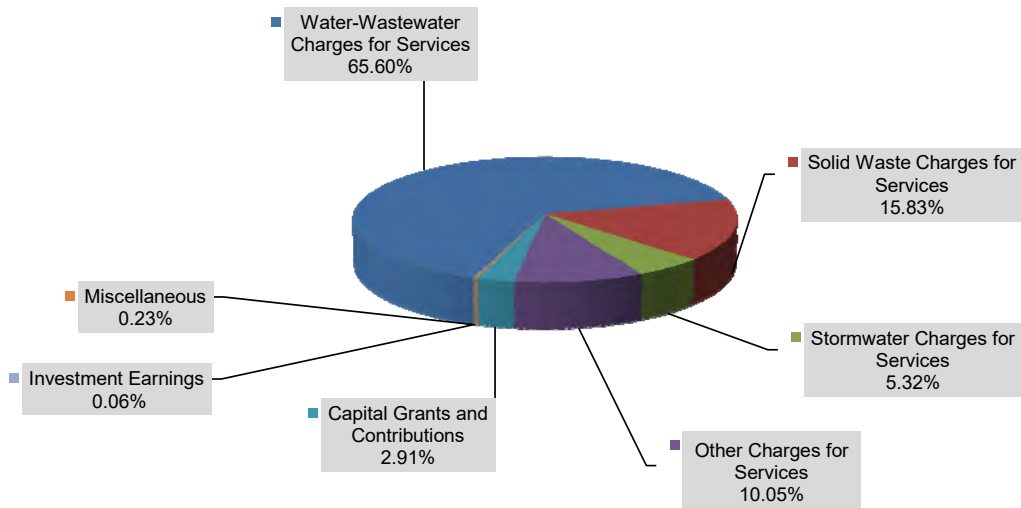
**Business-type Activities.** For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to an ending balance of \$292,962,752. The total increase in net position for business-type activities was \$11,020,752 or 3.9% from the prior fiscal year. There was no water or sewer rate increase in the current fiscal year, and charges for services remained sufficient to exceed operating expenses.

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

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



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



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

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

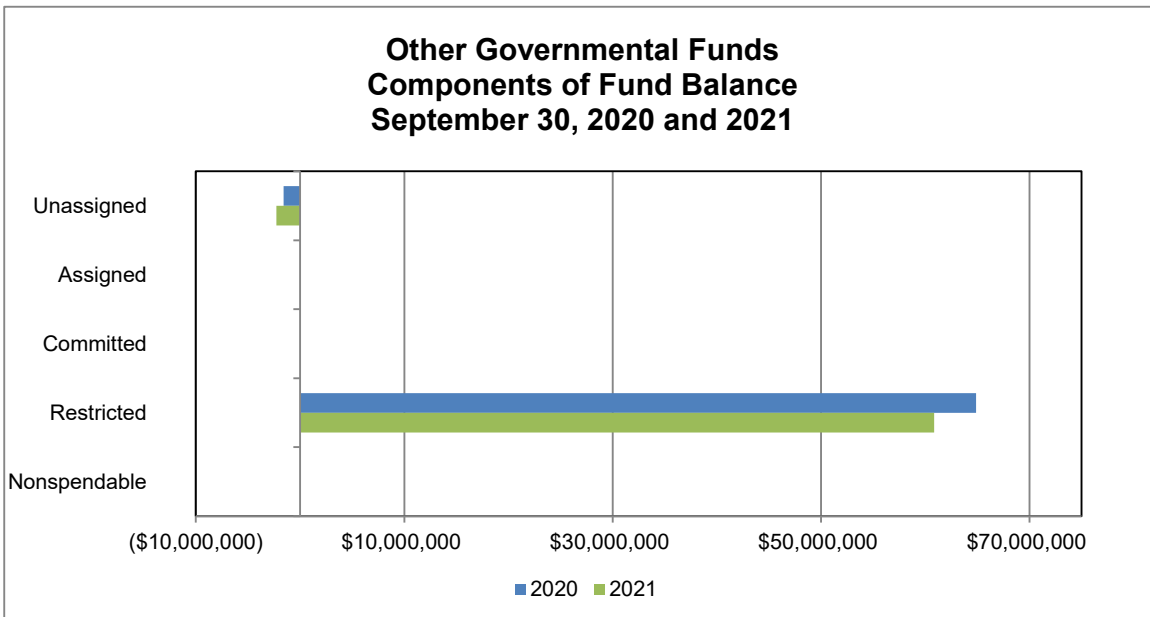
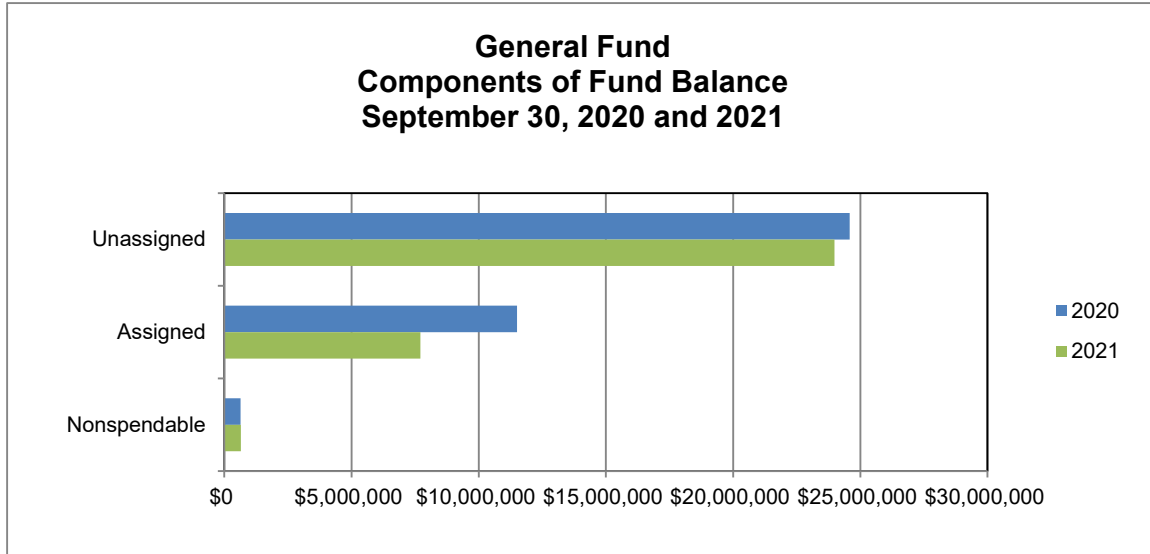
**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net

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

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

resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by City Council.

At September 30, 2021, the City's governmental funds reported combined fund balances of \$90,963,705, a decrease of \$(9,144,004) in comparison with the prior year. Approximately 23.9% of this amount, \$21,720,510, constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, committed or assigned to indicate that it is 1) not in spendable form, (\$653,146), 2) legally required to maintain intact, (\$2,000), 3) restricted for particular purposes, (\$60,828,068), 4) committed for particular purposes, (\$47,347), or 5) assigned for particular purposes, (\$7,712,634).



The General Fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,984,308 while total fund balance decreased to \$32,343,093. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20.7% of total General Fund expenditures, while total fund

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

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

balance represents 27.9% of that same amount. It should be noted that the budget for fiscal year 2021-2022 provides for using \$6,423,333 of the assigned fund balance to support General Fund expenditures in that fiscal year.

The fund balance of the City's General Fund decreased \$4,393,103 during the current fiscal year. Increases in revenues mainly comprise an upsurge in ad valorem taxes, \$3,705,681, driven by new construction and an increase in taxable values of existing properties, along with an increase in intergovernmental revenue, \$2,513,715, due to higher receipts for state shared revenue and the ½ cent sales tax in response to population growth. Offsetting the increases were an escalation of \$2,431,273 in general government due to compensation paid to the retired City Manager and an increase in professional services for special projects; \$3,070,442 in Fire department expenditures as a result of salary adjustments, filling vacant positions and increase in overtime and workers' compensation, and; \$808,439 in physical environment due to the retirement of the Parks Manager, filling vacant positions and increases in workers' compensation, professional services, contract services and utilities. In addition, revenues in permits and fees declined by \$816,992 due to a reduction in the number of permits issued for new construction.

The Revenue Bonds and Notes Fund, a major fund, had an increase in fund balance during the current year of \$497,237 to bring the year end fund balance to \$405,843. Transfers from other funds supported the debt service obligations for the current fiscal year.

The Transportation Capital Projects Fund, a major fund, had a \$1,325,176 increase in fund balance during the current year, as transfers in from other funds contributed to the current year capital projects. Recognition of reimbursements from Florida Department of Transportation for capital projects contributed to the increase in intergovernmental revenue by \$1,402,402.

The General Capital Projects Fund, the remaining major governmental fund, had a \$7,569,258 decrease in fund balance during the current fiscal year. Transfers in from the Revenue Bonds and Notes Fund supported current year capital projects with the Capital Improvement Revenue Note, Series 2019A and the Taxable Capital Improvement Revenue Note, Series 2019B draws. Capital outlay for Fire mainly caused the deficiency of revenues over expenditures due to the construction of Fire Station 7, \$3,543,766. Transfers out increased by \$2,158,790 with funding provided to the Stormwater Phase III, IV and downtown project for the amount of \$1,335,117 and a reimbursement of \$400,000 from Lee County to the Revenue Bonds and Notes Fund for prior years' improvements to the City's event center.

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

Unrestricted net position of the Water-Wastewater Fund at the end of the year amounted to \$54,389,510, and total growth in net position for the year was \$7,962,518. As discussed earlier in connection with business-type activities, charges for services remain sufficient to support operating expenses. An increase in expense for materials and supplies, \$4,285,008, related to the energy efficiency improvements at the City's two wastewater treatment plants. Depreciation increased from the prior year by \$2,000,256 due to the successful completion of significant capital projects. A Florida Department of Environmental Protection grant continues to support improvements at the Reuse Facility, providing \$403,177 in grant revenue.

Unrestricted net position of the Solid Waste Fund at the end of the year amounted to \$7,077,983, and total growth in net position for the year was \$1,986,965. The change includes a sizeable increase of 7.1% in charges for services for residential pickups and commercial collections due to growth. Offsetting the upsurge in revenues was an increase of \$457,650 in contractual services due to tipping fees and an increase of \$354,025 in rentals due to fleet charges. A reduction of \$430,100 in the transfer out to the General Fund in support of operations also contributed to the growth in net position.

Unrestricted net position of the Other Enterprise Funds at the end of the year amounted to \$17,266,252 and total growth in net position for the year was \$1,071,269. Total operating revenues increased 3.8% from the prior year by \$670,654, with golf courses revenue strongly improving from prior year with an overall increase of \$523,003 and offsetting the 75% reduction in building permit fee charges effective October 1, 2019. Total reduction of charges for services in the Building Permits and Inspection Fund was \$855,605 (35.9%) and the overall change in net position was a decrease of \$2,435,360. Total operating expenses for the Other Enterprise Funds increased by 3.2% from the prior year, with an overall increase of \$484,429 in materials and supplies as a result of an added \$199,467 in the Stormwater Fund for citywide and community-related drainage projects and an increase of \$202,359 in the Yacht Basin for fuel resale items. Incoming transfers of \$1,755,177 in the Stormwater Fund mainly comprised support for

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

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

the Phase III, IV and downtown drainage project. Results for the other funds were in line with expectations for the current fiscal year.

**General Fund Budgetary Highlights**

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

- A net increase of \$2,641,973 in General Fund appropriations with funding coming from fund balance or reserves. Of this amount, \$597,223 was re-appropriated to complete capital improvement projects that were approved in prior fiscal years, as the fiscal year 2021 original budget included only new funding for projects. Other re-appropriated funds include \$1,634,681 for purchase order encumbrances and \$82,795 for facilities special projects not completed in fiscal year 2020. City Council also approved the appropriation of reserves for fire station repairs in the amount of \$112,364 as well as a purchase of a Zamboni needed at the Skatium in the amount of \$150,000. In recognition to accumulated past years' collections from the technology fee, City Council also approved \$64,910 for permitting software.

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

The most significant budget adjustment in the fiscal year 2020-2021 after the completion of the fiscal year was an increase of \$1,743,648 in General Fund Revenues and Expenditures for the collection of insurance premium taxes. The City receives state contributions for the City's portion of the Fire and Police Insurance Premium Taxes in the amounts of \$743,080 and \$1,000,567, respectively. The taxes are not budgeted because the amounts cannot be reasonably estimated.

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenue	\$ 9,169,900	\$ 9,169,900	\$ 12,049,212	\$ 2,879,312
Fines and forfeitures	604,600	604,600	654,375	49,775
Contributions - private source	90,300	90,300	103,014	12,714
<b>EXPENDITURES</b>				
Current:				
General Government:				
Council - Mayor Pro Tem	7,200	7,200	5,461	1,739
Council - Ward 2	91,700	91,700	85,814	5,886
Council - Ward 4	82,700	82,700	78,673	4,027
Council - Ward 5	70,600	70,600	63,989	6,611
Council - Mayor	124,700	124,700	105,029	19,671
City Manager	2,306,300	2,695,800	2,545,896	149,904
Legal	2,391,400	2,488,731	2,003,719	485,012
City Clerk	1,172,500	1,183,000	1,083,547	99,453
Financial Services	4,298,800	3,839,556	3,616,286	223,270
Human Resources	1,505,200	1,505,200	1,216,290	288,910
Community Development	1,893,700	2,084,550	1,780,614	303,936
Contributions	855,000	935,000	840,000	95,000
General Contingencies	238,500	476,065	323,987	152,078
Public Safety:				
Protective Inspections	1,788,300	1,927,702	1,524,996	402,706
Culture and Recreation:	4,497,200	4,334,860	4,028,671	306,189

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

**General Fund Budgetary Highlights (continued)**

Intergovernmental revenue collections came in favorable to the budget by \$2,879,312 due to increases in collections from the half-cent sales tax and the municipal shared revenues, both driven by population growth and conservative budgetary estimates due to uncertainty with the pandemic.

Revenue from Fines and forfeitures came in higher than the budget by \$49,775 due to higher collections in Police fines as well as alarm fees. The City received a one-time donation in the amount of \$15,000 from the Schenian Family Foundation in May 2021 that was not budgeted.

For General Government expenditures, budget variances experienced in the City Council Offices, a total of \$37,934, are due to savings in travel, postage and supplies. In the City Manager's Office, the variance of \$149,904 is due to less spending on professional services. The Legal budget is favorable in the amount of \$485,012 as a result of vacant positions and less spending on legal professional services. The City Clerk's Office spent less on election expenses and advertisements, producing a favorable variance in the amount of \$99,453. A Community Career Initiative program, budgeted in the Financial Services Department for the amount of \$140,000, along with less spending on professional services and unfilled positions resulted in a total variance of \$223,270. The Human Resources Department spent less on training and conferences and carried personnel vacancies, resulting in a variance of \$288,910. The Community Development Department's variance of \$303,936 is due to vacant positions and spending less on professional services. Summer camp scholarships that were not awarded as well as the City's commitment towards the Housing Authority SAIL funding of future housing projects resulted in the variance for Contributions in the total amount of \$95,000. The variance under General Contingencies of \$152,078 is due to the timing of corridor and economic visioning studies.

Under Public Safety, the variance for Protective Inspections in the amount of \$402,706 is due to vacancy savings as well as contracted code enforcement services.

Under Culture and Recreation, the variance of \$306,189 is driven mainly by vacant positions.

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

**Capital Assets and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$603,060,622 (net of accumulated depreciation). This investment in capital assets includes land, antiques and exhibits, historical buildings, construction in progress, building improvements (including utility systems), intangible assets and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was -0.4%, or \$2,586,157.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 27,458,836	\$ 27,073,506	\$ 2,712,736	\$ 2,712,736	\$ 30,171,572	\$ 29,786,242
Antiques and exhibits	251,871	251,871	-	-	251,871	251,871
Intangibles-easements	4,488,318	4,484,236	-	-	4,488,318	4,484,236
Buildings	49,311,771	48,689,809	59,825,436	57,596,442	109,137,207	106,286,251
Improvements and Infrastructure	88,309,747	91,208,880	20,406,922	21,953,271	108,716,669	113,162,151
Utility Systems	-	-	283,526,836	291,815,015	283,526,836	291,815,015
Equipment	11,133,357	11,141,146	9,551,380	9,341,266	20,684,737	20,482,412
Intangibles-software	-	-	366,906	310,496	366,906	310,496
Construction in progress	18,925,509	15,096,866	26,790,997	23,971,239	45,716,506	39,068,105
Total capital assets	<u>\$199,879,409</u>	<u>\$197,946,314</u>	<u>\$403,181,213</u>	<u>\$407,700,465</u>	<u>\$603,060,622</u>	<u>\$605,646,779</u>

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

- Additions to construction in progress in governmental activities include the construction of the Fire Station 7 \$3,943,326. In business-type activities, the Reuse Facility project added \$4,915,074, offset by the completion of the wellfield expansion improvements of \$986,980.

# CITY OF FORT MYERS, FLORIDA

## Management's Discussion and Analysis

### Capital Assets and Debt Administration (continued)

- Additions of \$2,228,994 in business-type activities buildings included the energy savings projects related to the City's two Advanced Wastewater Treatment Facilities.
- Valuations in Utility Systems decreased by \$8,288,179 mainly due to the recording of annual depreciation.

Additional information on the City's capital assets can be found in Note 8 on pages 65 and 66 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$303,325,000, of which \$191,770,000 relates to the Water-Wastewater System. The remaining bonded debt is backed by specified revenue sources. In addition, the City had \$72,179,295 of notes and loans outstanding. Of this amount, \$47,109,481 relates to the City's Water-Wastewater System. The remainder of the City's long-term obligations consists of capital leases.

#### City of Fort Myers, Florida Bonded Debt and Loans Payable

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$111,471,705	\$117,297,460	\$ 83,295	\$ 162,540	\$111,555,000	\$117,460,000
Utility Revenue Bond:	-	-	191,770,000	216,310,000	191,770,000	216,310,000
Capital Lease						
Obligations	4,059,048	4,839,158	13,272,782	13,677,301	17,331,830	18,516,459
Notes and Loans	22,773,037	17,014,660	49,406,258	38,682,867	72,179,295	55,697,527
Total long-term debt	<u>\$138,303,790</u>	<u>\$139,151,278</u>	<u>\$254,532,335</u>	<u>\$268,832,708</u>	<u>\$392,836,125</u>	<u>\$407,983,986</u>

The City's total debt decreased \$15,147,861 or 3.7%. The key factors in this decrease were:

- The governmental activities revenue bonds decreased \$5,825,755 (5.0%) due to the normal amortization of debt service.
- Notes and loans in governmental activities increased due to the draws on a revolving credit agreement for the Capital Improvement Revenue Note, Series 2019A, and the Taxable Capital Improvement Revenue Note, Series 2019B, for a total of \$6,254,531.
- Business-type revenue bonds decreased \$24,540,000 (11.3%) mainly due to the issuance of the Utility System Refunding Revenue Note, Series 2021A, which currently refunded the outstanding Utility System Refunding and Revenue Bonds, Series 2011, in the amount of \$17,090,000.
- Notes and Loans for business-type activities increased \$10,723,391, mainly due to the issuance of the Utility System Revenue Note, Series 2021A, in the amount of \$11,726,000.

Additional information on the City's long-term debt can be found in Note 15 on pages 89 – 95 of this report and in the City's Continuing Disclosure Report, published separately.

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

The following economic factors currently affect the City and were considered in developing the 2021-2022 fiscal year budget.

- The City's unemployment rate for September 30, 2021 is 4.9%, which is a significant decrease from a rate of 8.3% a year ago and an indicator of the improving economy from the pandemic.
- The increase of \$841.1 million, or 10.77% in the City's certified taxable property values, with \$371.0 million in new construction and average increases of 6.02% in existing properties.
- The City's budget levied the rolled back millage rate of 7.5875, a reduction from 7.9643, providing an Ad Valorem budget of \$63.0 million, which is an increase in revenue of \$3.4 million.
- Continued growth in population impacts several revenue sources to the City's General Fund, including the half-cent sales tax, municipal shared revenue and public service taxes, providing additional revenue to the budget in the estimated amount of \$2.5 million.
- The fire assessment was reallocated among the property categories, based on results from an updated calls for service study and was further increased to improve fire rescue response, providing for firefighter positions and equipment resources and resulting in additional revenue to the budget of \$7.4 million.

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

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

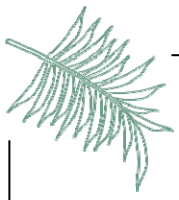
- The fire assessment was reallocated among the property categories, based on results from an updated calls for service study and was further increased to improve fire rescue response, providing for firefighter positions and equipment resources and resulting in additional revenue to the budget of \$7.4 million.
- Water and sewer rates remain unchanged from prior fiscal year, with revenues planned to fund \$20.6 million in utility capital improvements. The trend of growth in customers supports the lack of rate increase.
- Stormwater assessment fees remain unchanged from the prior fiscal year and generates revenue that supports \$1.1 million in stormwater capital improvement projects.
- The residential annual assessment increases by 3% from prior fiscal year in the Solid Waste Fund, the first increase in more than 16 years as disposal costs continue to rise.
- The reduction of 25% in building, permitting and plan review fees for the period of one year to promote economic development and job creation.
- On the expenditure side, the budget adds two new director positions to accommodate a revised City organizational structure, driven by the high growth in population that is placing demands on service delivery.
- Increases in salaries were incorporated into the budget for all employees, however the Fire Union contract is the only contract currently in effect. Negotiations are on-going for the Police and General Employees Unions.
- Pension costs for the General Employees and Police Officers pension plans are reduced, providing a savings to the General Fund of \$424,700. However, the Firefighters pension plan costs increase, partially due to added firefighter positions, costing an additional \$2.2 million to the General Fund.
- Health insurance costs increase by 10%, offset by a rebate received from the insurance provider.
- Includes measures to assist in creation of affordable housing in the City, providing \$2.0 million for land acquisition for the first phase of the Choice Neighborhood Initiative as well as \$1.0 million in site improvements and \$710,000 for down payment assistance at Towles Garden.
- The City continues to purchase property and casualty insurance to ensure adequate coverage in the event of a natural peril or unforeseen accident claim.

During the current fiscal year, the unassigned fund balance in the General Fund is \$23,984,308, or 20.7% of General Fund expenditures. The City appropriated \$6,423,333 of this amount for spending in the 2021-2022 fiscal year budget. This action is necessary to complete certain capital projects and provide services that were unable to be completed by the end of fiscal year 2021 as well as to fulfill City Council's commitment to maintain services and to make public safety a high priority through the addition of resources. Despite the amount of appropriation, the City's reserve levels are above the target range of 10%-17% per fund balance policy, achieved by revenues exceeding budget projections and spending coming in less than the budget, demonstrating adherence with City Council's goals and policies and meets the expectations of municipal credit rating agencies.

**Requests for information**

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





# BASIC FINANCIAL STATEMENTS





**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**September 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,599,091	\$ 33,686,412	\$ 60,285,503
Investments	44,368,764	54,180,521	98,549,285
Accounts receivable, net	3,370,748	9,846,099	13,216,847
Special assessments receivable	35,975	-	35,975
Interest receivable	237,613	71,998	309,611
Due from other governments	9,197,300	2,546,644	11,743,944
Inventories	676,738	371,772	1,048,510
Prepaid items	1,209,810	11,402,948	12,612,758
Notes receivable	8,700,008	-	8,700,008
Allowance for notes receivable	(8,160,268)	-	(8,160,268)
Assets held for resale	399,777	-	399,777
Restricted assets:			
Cash and cash equivalents	23,874,614	40,030,765	63,905,379
Investments	44,842,082	60,837,995	105,680,077
Interest receivable	3,649	1,196,242	1,199,891
Unamortized bond insurance costs	133,443	147,067	280,510
Capital assets:			
Land and non-depreciable capital assets	51,124,534	29,870,639	80,995,173
Depreciable capital assets, net	148,754,875	373,310,574	522,065,449
Total Assets	<u>355,368,753</u>	<u>617,499,676</u>	<u>972,868,429</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,860,775	7,718,352	9,579,127
Deferred outflows related to other postemployment benefits	492,281	152,821	645,102
Deferred outflows related to pensions	12,044,192	260,701	12,304,893
Total Deferred Outflows of Resources	<u>14,397,248</u>	<u>8,131,874</u>	<u>22,529,122</u>
<b>LIABILITIES</b>			
Accounts and contracts payable	7,492,261	9,146,418	16,638,679
Accrued and other liabilities	5,997,087	145,547	6,142,634
Accrued interest payable	1,013,444	5,141,161	6,154,605
Accrued retirement payable	17,641,025	-	17,641,025
Due to other governments	11,361	4,502,469	4,513,830
Unearned revenues	10,651,068	-	10,651,068
Customer deposits	1,916,998	10,235,265	12,152,263
Noncurrent liabilities:			
Due within one year	13,994,731	10,696,797	24,691,528
Due in more than one year	146,789,580	271,901,296	418,690,876
Total other postemployment benefits liability	12,067,112	3,746,076	15,813,188
Net pension liability	65,518,915	7,033,253	72,552,168
Total Liabilities	<u>283,093,582</u>	<u>322,548,282</u>	<u>605,641,864</u>

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position (continued)**  
**September 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	9,074	1,727,232	1,736,306
Deferred inflows related to other postemployment benefits	2,252,371	699,220	2,951,591
Deferred inflows related to pensions	37,201,932	7,694,064	44,895,996
Total Deferred Inflows of Resources	39,463,377	10,120,516	49,583,893
<b>NET POSITION</b>			
Net investment in capital assets	62,419,767	154,255,579	216,675,346
Restricted for:			
Capital projects	12,650,444	13,299,279	25,949,723
Culture and recreation	127,450	-	127,450
Debt service	-	11,080,346	11,080,346
Economic environment	7,037,920	-	7,037,920
Impact fee projects	31,010,446	26,030,402	57,040,848
Public safety:			
Nonexpendable	2,000	-	2,000
Expendable	6,513,211	-	6,513,211
Renewal and replacement	-	9,563,401	9,563,401
Transportation	1,836,177	-	1,836,177
Unrestricted	(74,388,373)	78,733,745	4,345,372
Total Net Position	<u>\$ 47,209,042</u>	<u>\$ 292,962,752</u>	<u>\$ 340,171,794</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Activities**  
**For the Year Ended September 30, 2021**

Functions / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 19,332,515	\$ 2,511,911	\$ 986,695	\$ -	\$ (15,833,909)	\$ -	\$ (15,833,909)
Police	48,055,077	773,588	1,768,008	-	(45,513,481)	-	(45,513,481)
Fire	23,405,565	5,765,095	170,937	287,987	(17,181,546)	-	(17,181,546)
Protective inspections	1,285,922	1,756,791	-	-	470,869	-	470,869
Physical environment	7,346,558	5,515,155	-	-	(1,831,403)	-	(1,831,403)
Transportation	14,742,735	92,900	861,848	4,166,956	(9,621,031)	-	(9,621,031)
Economic environment	7,856,160	642,691	4,140,621	-	(3,072,848)	-	(3,072,848)
Culture and recreation	6,504,253	948,848	85,014	811,157	(4,659,234)	-	(4,659,234)
Interest on long-term debt	5,106,027	-	-	-	(5,106,027)	-	(5,106,027)
Total governmental activities	133,634,812	18,006,979	8,013,123	5,266,100	(102,348,610)	-	(102,348,610)
<b>Business-type Activities:</b>							
Water-Wastewater	65,648,967	77,812,625	-	3,401,502	-	15,565,160	15,565,160
Solid Waste	14,328,991	18,782,745	-	-	-	4,453,754	4,453,754
Building Permits and Inspections	4,013,838	1,529,805	-	-	-	(2,484,033)	(2,484,033)
Stormwater	4,143,041	6,308,216	-	18,161	-	2,183,336	2,183,336
Fort Myers Country Club	1,935,075	2,298,047	-	-	-	362,972	362,972
Eastwood Golf Course	2,229,026	2,257,549	-	-	-	28,523	28,523
Yacht Basin	2,659,658	3,099,340	-	34,168	-	473,850	473,850
Downtown Parking Garages	1,334,231	1,921,000	-	-	-	586,769	586,769
Skatium	1,263,628	812,691	-	-	-	(450,937)	(450,937)
Total business-type activities	97,556,455	114,822,018	-	3,453,831	-	20,719,394	20,719,394
Total primary government	\$ 231,191,267	\$ 132,828,997	\$ 8,013,123	\$ 8,719,931	(102,348,610)	20,719,394	(81,629,216)
General revenues:							
Taxes:							
Property taxes					61,810,638	-	61,810,638
Public service taxes					14,093,869	-	14,093,869
Fuel taxes					4,052,036	-	4,052,036
Local business tax					2,275,024	-	2,275,024
Franchise taxes					6,391,293	-	6,391,293
Intergovernmental, unrestricted					13,573,591	-	13,573,591
Investment earnings					26,540	75,612	102,152
Miscellaneous					2,081,664	268,779	2,350,443
Net transfers					10,043,033	(10,043,033)	-
Total general revenues, special items and transfers					114,347,688	(9,698,642)	104,649,046
Change in net position					11,999,078	11,020,752	23,019,830
Net position - beginning					35,209,964	281,942,000	317,151,964
Net position - ending					\$ 47,209,042	\$ 292,962,752	\$ 340,171,794

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

**CITY OF FORT MYERS, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2021**

	General Fund	Revenue Bonds and Notes	Transportation Capital Projects	General Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 13,956,567	\$ 117,378	\$ 14,955,266	\$ 171,432	\$ 7,242,113	\$ 36,442,756
Investments	23,375,607	297,741	21,287,314	13,658,280	14,662,250	73,281,192
Accounts receivable, net	3,241,204	-	-	128,462	180	3,369,846
Special assessments receivable	35,975	-	-	-	-	35,975
Interest receivable	19,819	2,774	137,749	34,591	18,775	213,708
Due from other funds	1,073,467	-	-	-	-	1,073,467
Due from other governmental agencies	2,077,386	-	492,674	3,744,653	2,882,360	9,197,073
Prepaid items	31,643	-	-	-	4,503	36,146
Notes receivable	539,740	-	-	-	8,160,268	8,700,008
Allowance for notes receivable	-	-	-	-	(8,160,268)	(8,160,268)
Advances to other funds	617,000	-	-	-	-	617,000
Assets held for resale	-	-	-	-	399,777	399,777
Total assets	<u>\$ 44,968,408</u>	<u>\$ 417,893</u>	<u>\$ 36,873,003</u>	<u>\$ 17,737,418</u>	<u>\$ 25,209,958</u>	<u>\$ 125,206,680</u>
<b>LIABILITIES</b>						
Accounts and contracts payable	\$ 2,471,982	\$ 550	\$ 1,086,683	\$ 2,478,468	\$ 447,304	\$ 6,484,987
Accrued and other liabilities	5,233,607	11,500	-	3,898	17,753	5,266,758
Due to other funds	-	-	-	-	1,073,467	1,073,467
Due to other governmental agencies	11,361	-	-	-	-	11,361
Funds held in escrow	602,792	-	-	-	531	603,323
Customer deposits	1,916,998	-	-	-	-	1,916,998
Unearned revenue - other	1,106,855	-	1,400,360	-	8,143,853	10,651,068
Advances from other funds	-	-	-	-	617,000	617,000
Total liabilities	<u>11,343,595</u>	<u>12,050</u>	<u>2,487,043</u>	<u>2,482,366</u>	<u>10,299,908</u>	<u>26,624,962</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - code enforcement fees	627,413	-	-	-	-	627,413
Unavailable revenue - rental income	654,307	-	-	-	-	654,307
Unavailable revenue - grants, contributions	-	-	98,011	3,873,066	2,365,216	6,336,293
Total deferred inflows of resources	<u>1,281,720</u>	<u>-</u>	<u>98,011</u>	<u>3,873,066</u>	<u>2,365,216</u>	<u>7,618,013</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Advances to other funds	617,000	-	-	-	-	617,000
Prepaid items	31,643	-	-	-	4,503	36,146
Public safety principal, nonexpendable	-	-	-	-	2,000	2,000
Restricted for:						
Donations received	-	-	-	-	2,585,112	2,585,112
Community redevelopment agency	-	-	-	-	6,287,883	6,287,883
Capital projects	-	-	-	11,379,494	-	11,379,494
Debt service	-	405,843	-	-	-	405,843
Economic environment	-	-	-	-	673,204	673,204
Law enforcement programs	-	-	-	-	1,315,420	1,315,420
Physical environment	-	-	-	-	2,660,484	2,660,484
Transportation	-	-	34,287,949	-	1,232,679	35,520,628
Committed to:						
Law enforcement programs	-	-	-	-	47,347	47,347
Assigned to:						
Subsequent year's expenditures	5,366,197	-	-	-	-	5,366,197
Capital projects	869,483	-	-	2,492	-	871,975
Cemetery maintenance	243,057	-	-	-	-	243,057
Culture and recreation	98,413	-	-	-	-	98,413
Economic environment	15,409	-	-	-	-	15,409
Land acquisition	271,832	-	-	-	-	271,832
Law enforcement programs	309,702	-	-	-	-	309,702
Professional services	421,398	-	-	-	-	421,398
Submerged land lease	114,651	-	-	-	-	114,651
Unassigned	23,984,308	-	-	-	(2,263,798)	21,720,510
Total fund balances (deficits)	<u>32,343,093</u>	<u>405,843</u>	<u>34,287,949</u>	<u>11,381,986</u>	<u>12,544,834</u>	<u>90,963,705</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 44,968,408</u>	<u>\$ 417,893</u>	<u>\$ 36,873,003</u>	<u>\$ 17,737,418</u>	<u>\$ 25,209,958</u>	<u>\$ 125,206,680</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2021**

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

Total fund balances - governmental funds	\$ 90,963,705
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	195,090,713
Some revenues have been unearned on the balance sheet because they were not measurable and available at year end.	7,618,013
Long-term liabilities, including revenue bonds payable, are not due and payable in the current period, and, therefore, are not reported in the funds.	(242,148,733)
Deferred outflows related to deferred charge on refunding	1,860,775
Deferred inflows related to deferred charge on refunding	(9,074)
Deferred outflows related to other postemployment benefits	459,988
Deferred outflows related to pensions	11,985,931
Deferred inflows related to other postemployment benefits	(2,104,620)
Deferred inflows related to pensions	(35,482,461)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	18,974,805
Net position of governmental activities	<u>\$ 47,209,042</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2021**

	General Fund	Revenue Bonds and Notes	Transportation Capital Projects	General Capital Projects	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 84,176,244	\$ -	\$ 1,671,652	\$ -	\$ 4,427,909	\$ 90,275,805
Permits and fees	7,583,015	-	2,683,537	673,894	-	10,940,446
Intergovernmental revenue	12,049,212	-	2,260,450	492,094	7,386,910	22,188,666
Charges for services	8,411,997	-	-	-	-	8,411,997
Fines and forfeitures	654,375	-	-	-	93,555	747,930
Miscellaneous	2,875,246	-	-	51,041	632,302	3,558,589
Contributions - private source	103,014	-	25,592	-	99,651	228,257
Total revenues	<u>115,853,103</u>	<u>-</u>	<u>6,641,231</u>	<u>1,217,029</u>	<u>12,640,327</u>	<u>136,351,690</u>
<b>EXPENDITURES</b>						
Current:						
General government	18,344,246	-	652	20	897,267	19,242,185
Police	55,250,542	-	-	-	1,772,060	57,022,602
Fire	27,173,143	-	-	815	147,486	27,321,444
Protective inspections	1,524,996	-	-	-	9,188	1,534,184
Physical environment	8,307,088	-	-	-	47,168	8,354,256
Transportation	626,534	-	13,765	-	4,220,101	4,860,400
Economic environment	442,710	-	-	29	7,877,003	8,319,742
Culture and recreation	4,028,671	-	-	1,836	145,173	4,175,680
Debt service:						
Principal	61,099	5,825,755	-	293,902	496,154	6,676,910
Interest	1,480	4,851,909	-	53,978	40,455	4,947,822
Fiscal charges	-	5,359	-	-	-	5,359
Capital outlay:						
General government	-	-	-	873,559	-	873,559
Police	-	-	-	1,228,934	-	1,228,934
Fire	-	-	-	4,633,948	-	4,633,948
Physical environment	-	-	-	903,717	-	903,717
Transportation	-	-	6,913,838	1,251,611	-	8,165,449
Economic environment	-	-	-	339,549	-	339,549
Culture and recreation	-	-	-	3,451,371	-	3,451,371
Total expenditures	<u>115,760,509</u>	<u>10,683,023</u>	<u>6,928,255</u>	<u>13,033,269</u>	<u>15,652,055</u>	<u>162,057,111</u>
Excess (deficiency) of revenues over expenditures	<u>92,594</u>	<u>(10,683,023)</u>	<u>(287,024)</u>	<u>(11,816,240)</u>	<u>(3,011,728)</u>	<u>(25,705,421)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	12,042,900	11,180,260	1,612,200	7,714,840	6,005,302	38,555,502
Transfers out	(16,528,597)	(6,254,531)	-	(3,467,858)	(1,997,630)	(28,248,616)
Issuance of Revenue Note	-	6,254,531	-	-	-	6,254,531
Total other financing source (uses)	<u>(4,485,697)</u>	<u>11,180,260</u>	<u>1,612,200</u>	<u>4,246,982</u>	<u>4,007,672</u>	<u>16,561,417</u>
Net change in fund balances	(4,393,103)	497,237	1,325,176	(7,569,258)	995,944	(9,144,004)
Fund balances - beginning	36,736,196	(91,394)	32,962,773	18,951,244	11,548,890	100,107,709
Fund balances - ending	<u>\$ 32,343,093</u>	<u>\$ 405,843</u>	<u>\$ 34,287,949</u>	<u>\$ 11,381,986</u>	<u>\$ 12,544,834</u>	<u>\$ 90,963,705</u>

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



**CITY OF FORT MYERS, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2021**

Net change in fund balances - total governmental funds	\$ (9,144,004)
--	----------------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	1,539,871
--	-----------

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	592,826
---	---------

Certain revenues collected after year end, but not available for the current period's expenditures, are reported as deferred inflows in the funds.	(1,241,050)
--	-------------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	637,112
---	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	15,133,224
---	------------

Internal service funds are used by management to charge the costs of information technology, fleet management, risk management, and warehousing to individual funds and customers. Losses arising from the internal customers are added as expenses on the statement of activities as chargebacks. Revenues and expenses with outside customers are included also, as are nonoperating revenues and expenses. This amount is the effect of reporting internal service funds with governmental activities.	4,481,099
---	-----------

Change in net position of governmental activities	\$ 11,999,078
---	---------------

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2021**

	<b>Business-type Activities</b>				<b>Governmental Activities</b>
	<b>Water- Wastewater</b>	<b>Solid Waste</b>	<b>Total Nonmajor Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 20,151,257	\$ 4,133,685	\$ 9,401,470	\$ 33,686,412	\$ 11,965,713
Investments	34,943,663	5,874,273	13,362,585	54,180,521	15,929,654
Restricted cash and cash equivalents	-	-	334,553	334,553	2,065,236
Restricted investments	-	-	521,371	521,371	-
Accounts receivable, net	8,147,078	1,658,884	40,137	9,846,099	902
Interest receivable	41,072	13,047	17,879	71,998	27,554
Restricted interest receivable	-	-	1,111	1,111	-
Due from other governmental agencies	2,447,310	51,984	47,350	2,546,644	227
Inventories	276,467	-	95,305	371,772	676,738
Prepaid items	11,395,464	-	7,484	11,402,948	1,173,664
Total current assets	77,402,311	11,731,873	23,829,245	112,963,429	31,839,688
Noncurrent assets:					
Restricted cash and cash equivalents	39,069,234	626,978	-	39,696,212	-
Restricted investments	59,421,803	894,821	-	60,316,624	-
Restricted interest receivable	1,194,430	701	-	1,195,131	-
Unamortized bond insurance costs	147,067	-	-	147,067	-
Intangible assets, net	288,355	-	78,551	366,906	-
Land and improvements	963,763	-	1,748,973	2,712,736	-
Construction in progress	24,674,238	71,494	2,045,265	26,790,997	-
Buildings, net	55,883,220	1,554,773	2,387,443	59,825,436	1,572
Improvements other than buildings, net	-	-	20,406,922	20,406,922	-
Equipment, net	3,052,041	4,260,825	2,238,514	9,551,380	4,787,124
Utility Systems	283,526,836	-	-	283,526,836	-
Total noncurrent assets	468,220,987	7,409,592	28,905,668	504,536,247	4,788,696
Total assets	545,623,298	19,141,465	52,734,913	617,499,676	36,628,384
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	7,718,352	-	-	7,718,352	-
Deferred outflows related to postemployment benefits	76,459	34,430	41,932	152,821	32,293
Deferred outflows related to pensions	137,721	53,768	69,212	260,701	58,261
Total deferred outflows of resources	7,932,532	88,198	111,144	8,131,874	90,554
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	7,700,136	494,852	951,430	9,146,418	1,007,274
Accrued and other liabilities	97,699	9,784	38,064	145,547	127,006
Due to other governmental agencies	4,489,741	-	12,728	4,502,469	-
Customer deposits	10,040,689	-	194,576	10,235,265	-
Compensated absences	171,030	148,199	121,362	440,591	25,636
Claims and judgments	-	-	-	-	5,076,600
Accrued interest payable	5,127,886	1,534	11,741	5,141,161	85,512
Capital lease payable	1,904,956	-	118,914	2,023,870	1,389,679
Loans and notes payable	1,025,000	-	284,041	1,309,041	-
Revenue bonds payable	6,840,000	42,573	40,722	6,923,295	-
Total current liabilities	37,397,137	696,942	1,773,578	39,867,657	7,711,707
Noncurrent liabilities:					
Net pension liability	3,715,470	1,450,575	1,867,208	7,033,253	1,571,793
Compensated absences	381,434	101,624	187,381	670,439	187,432
Total other postemployment benefits liability	1,874,213	843,978	1,027,885	3,746,076	791,578
Claims and judgments	-	-	-	-	4,410,360
Capital lease payable	11,125,397	-	123,515	11,248,912	1,204,041
Loans and notes payable	46,084,481	-	2,012,736	48,097,217	-
Revenue bonds payable	211,826,028	30,002	28,698	211,884,728	-
Total noncurrent liabilities	275,007,023	2,426,179	5,247,423	282,680,625	8,165,204
Total liabilities	312,404,160	3,123,121	7,021,001	322,548,282	15,876,911
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred charge on refunding	1,725,955	695	582	1,727,232	-
Deferred inflows related to postemployment benefits	349,829	157,532	191,859	699,220	147,751
Deferred inflows related to pensions	4,064,558	1,586,864	2,042,642	7,694,064	1,719,471
Total deferred inflows of resources	6,140,342	1,745,091	2,235,083	10,120,516	1,867,222
<b>NET POSITION</b>					
Net investment in capital assets	122,846,223	5,760,967	25,648,389	154,255,579	2,194,976
Restricted for:					
Capital projects	12,750,867	11,314	537,098	13,299,279	-
Debt service	11,080,346	-	-	11,080,346	-
Impact fee projects	26,030,402	-	-	26,030,402	-
Renewal and replacement	7,913,980	1,511,187	138,234	9,563,401	-
Unrestricted	54,389,510	7,077,983	17,266,252	78,733,745	16,779,829
Total net position	\$ 235,011,328	\$ 14,361,451	\$ 43,589,973	\$ 292,962,752	\$ 18,974,805

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2021**

	Business-type Activities				Governmental Activities
	Water-Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 73,383,838	\$ 18,682,498	\$ 17,835,352	\$ 109,901,688	\$ 24,633,070
Rent	-	-	129,144	129,144	-
Miscellaneous	4,428,788	100,246	271,296	4,800,330	407,029
Total operating revenues	<u>77,812,626</u>	<u>18,782,744</u>	<u>18,235,792</u>	<u>114,831,162</u>	<u>25,040,099</u>
<b>OPERATING EXPENSES</b>					
Personnel services	8,656,754	4,016,166	4,458,099	17,131,019	3,623,766
Materials and supplies	14,819,373	576,222	2,427,816	17,823,411	3,518,052
Contractual services	3,979,529	4,588,690	3,452,451	12,020,670	791,460
General and administrative	3,195,213	605,737	1,641,916	5,442,866	1,076,500
Utilities	2,766,989	35,896	709,568	3,512,453	972,987
Repairs and maintenance	2,888,522	154,657	582,011	3,625,190	3,453,992
Rentals	1,537,270	2,227,600	1,272,360	5,037,230	514,195
Travel	2,251	390	2,073	4,714	8,546
Insurance	844,800	538,600	443,500	1,826,900	1,678,760
Self insurance claims	-	-	-	-	2,441,833
Depreciation	18,099,026	1,582,329	2,459,760	22,141,115	2,145,747
Total operating expenses	<u>56,789,727</u>	<u>14,326,287</u>	<u>17,449,554</u>	<u>88,565,568</u>	<u>20,225,838</u>
Operating income	<u>21,022,899</u>	<u>4,456,457</u>	<u>786,238</u>	<u>26,265,594</u>	<u>4,814,261</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	84,458	(1,788)	(7,058)	75,612	(36,211)
Gain on disposal of capital assets	62,533	146,500	50,600	259,633	137,305
Interest expense and bond insurance costs	(8,859,239)	(2,704)	(128,942)	(8,990,885)	(170,403)
Total nonoperating revenues (expenses)	<u>(8,712,248)</u>	<u>142,008</u>	<u>(85,400)</u>	<u>(8,655,640)</u>	<u>(69,309)</u>
Income before contributions and transfers	12,310,651	4,598,465	700,838	17,609,954	4,744,952
Capital grants and contributions	3,401,502	-	52,329	3,453,831	-
Transfers in	-	-	2,698,034	2,698,034	64,910
Transfers out	<u>(7,749,635)</u>	<u>(2,611,500)</u>	<u>(2,379,932)</u>	<u>(12,741,067)</u>	<u>(328,763)</u>
Change in net position	7,962,518	1,986,965	1,071,269	11,020,752	4,481,099
Net position - beginning	227,048,810	12,374,486	42,518,704	281,942,000	14,493,706
Net position - ending	<u>\$ 235,011,328</u>	<u>\$ 14,361,451</u>	<u>\$ 43,589,973</u>	<u>\$ 292,962,752</u>	<u>\$ 18,974,805</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2021**

	Business-type Activities				Governmental Activities
	Water-Wastewater	Solid Waste	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 85,293,852	\$ 18,273,107	\$ 18,076,441	\$ 121,643,400	\$ 24,634,301
Other operating receipts	4,428,788	100,246	271,296	4,800,330	407,029
Payments to suppliers and service providers	(25,943,322)	(8,995,703)	(9,607,736)	(44,546,761)	(13,550,248)
Payments to employees for services	(10,707,664)	(4,632,327)	(5,600,401)	(20,940,392)	(6,171,500)
Other operating payments	(216,621)	-	(348,605)	(565,226)	-
Net cash provided by operating activities	<u>52,855,033</u>	<u>4,745,323</u>	<u>2,790,995</u>	<u>60,391,351</u>	<u>5,319,582</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	2,698,034	2,698,034	64,910
Transfers out	(7,749,635)	(2,611,500)	(2,379,932)	(12,741,067)	(328,763)
Net cash provided by (used for) noncapital financing activities	<u>(7,749,635)</u>	<u>(2,611,500)</u>	<u>318,102</u>	<u>(10,043,033)</u>	<u>(263,853)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital grants and contributions	403,177	-	52,329	455,506	-
Proceeds from bond issuance	11,726,000	-	-	11,726,000	-
Proceeds from capital lease	-	-	-	-	1,281,187
Acquisition and construction of capital assets	(10,380,057)	(2,045,430)	(2,198,054)	(14,623,541)	(1,953,435)
Principal paid on notes and bonds	(25,200,000)	(40,503)	(309,832)	(25,550,335)	-
Interest paid on notes and bonds	(10,174,548)	(4,949)	(120,520)	(10,300,017)	-
Principal paid on capital lease	(290,032)	-	(114,487)	(404,519)	(1,689,914)
Interest paid on capital lease	(197,693)	-	(12,337)	(210,030)	(159,701)
Proceeds from sale of capital assets	62,533	146,500	50,600	259,633	144,567
Net cash (used for) capital and related financing activities	<u>(34,050,620)</u>	<u>(1,944,382)</u>	<u>(2,652,301)</u>	<u>(38,647,303)</u>	<u>(2,377,296)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(38,871,331)	(4,549,392)	(9,399,436)	(52,820,159)	(11,126,932)
Proceeds from sale of investments	4,241,656	-	6,959	4,248,615	-
Interest on investments	348,978	40,086	78,724	467,788	59,239
Net cash (used for) investing activities	<u>(34,280,697)</u>	<u>(4,509,306)</u>	<u>(9,313,753)</u>	<u>(48,103,756)</u>	<u>(11,067,693)</u>
Net (decrease) in cash and cash equivalents	(23,225,919)	(4,319,865)	(8,856,957)	(36,402,741)	(8,389,260)
Balances - beginning of year	82,446,410	9,080,528	18,592,980	110,119,918	22,420,209
Balances - end of year	<u>\$ 59,220,491</u>	<u>\$ 4,760,663</u>	<u>\$ 9,736,023</u>	<u>\$ 73,717,177</u>	<u>\$ 14,030,949</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income	\$ 21,022,899	\$ 4,456,457	\$ 786,238	\$ 26,265,594	\$ 4,814,261
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	18,099,026	1,582,329	2,459,760	22,141,115	2,145,747
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	6,917,189	(392,911)	43,008	6,567,286	1,230
(Increase) decrease in bad debt	(306,386)	(63,877)	634	(369,629)	-
Decrease in inventories	280,020	-	24,791	304,811	108,763
(Increase) decrease in prepaid items	4,059,080	-	60,516	4,119,596	(249,148)
Increase in customer deposits payable	658,949	-	71,654	730,603	-
(Decrease) increase in accounts payable - supplier	(107,355)	(220,514)	509,330	181,461	(516,515)
(Decrease) increase in accounts payable - other	4,282,521	-	(22,636)	4,259,885	-
(Decrease) increase in compensated absences	(17,391)	21,694	17,376	21,679	(34,012)
Increase in total other postemployment benefits liability	113,446	43,822	2,351	159,619	42,540
(Increase) in other postemployment benefits deferred outflows of resources	(8,767)	(3,669)	(2,507)	(14,943)	(3,496)
(Decrease) in other postemployment benefits deferred inflows of resources	(49,868)	(24,105)	(38,410)	(112,383)	(22,281)
(Decrease) in net pension liability	(5,409,977)	(1,960,763)	(2,783,574)	(10,154,314)	(2,367,469)
Decrease in net pension liability deferred outflows of resources	377,057	138,670	193,145	708,872	163,957
Increase in net pension liability deferred inflows of resources	2,944,590	1,168,190	1,469,319	5,582,099	1,236,005
Net cash provided by operating activities	<u>\$ 52,855,033</u>	<u>\$ 4,745,323</u>	<u>\$ 2,790,995</u>	<u>\$ 60,391,351</u>	<u>\$ 5,319,582</u>
<b>Schedule of non-cash investing, capital, and financing activities:</b>					
Interest receivable / unrealized gain	\$ (264,520)	\$ (41,874)	\$ (85,782)	\$ (392,176)	\$ (95,450)
Capital related accounts payable	303,309	(8,311)	570,932	865,930	-
Donation of utility improvements	2,998,325	-	-	2,998,325	-

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2021**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 16,614,794	\$ 557,174
Investments, at fair value		
U.S. government and agency securities	45,707,442	-
Municipal bonds	2,073,139	-
Corporate stock	133,924,697	-
Corporate bonds	23,837,222	-
Convertible bonds	17,769,933	-
Convertible preferred	4,614,575	-
Mortgage backed securities	11,982,466	-
Mutual funds:		
Fixed income	21,774,659	-
Equity	95,540,213	-
International equity	25,656,224	-
Commingled funds - Real estate	18,671,946	-
Limited partnerships:		
Real estate	9,740,800	-
International equity	18,207,671	-
Real estate investment trusts	15,436,928	-
International securities:		
Bonds and notes	2,540,514	-
Stocks	23,353,615	-
Total investments	470,832,044	-
Receivables		
Employer contributions	17,780,643	-
Interest and dividends	368,522	-
Total receivables	18,149,165	-
Prepaid items - benefits	1,497,882	-
Total assets	507,093,885	\$ 557,174
<b>LIABILITIES</b>		
Payables		
Due to other governmental agencies	-	557,174
Investment expenses	626,019	-
Administrative expenses	21,226	-
Total liabilities	647,245	\$ 557,174
<b>FIDUCIARY NET POSITION</b>		
Fiduciary net position restricted for pensions	\$ 506,446,640	

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended September 30, 2021**

	<b>Pension Trust Funds</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 27,720,949	\$ -
State of Florida	1,743,647	-
Plan members	4,549,055	-
Total contributions	<u>34,013,651</u>	<u>-</u>
Investment earnings:		
Interest and dividends	5,364,214	-
Net increase in the fair value of investments	81,826,491	-
Total investment earnings	<u>87,190,705</u>	<u>-</u>
Less: investment expenses	2,067,364	-
Net investment earnings	<u>85,123,341</u>	<u>-</u>
Fees collected for other government	-	1,511,021
Total additions	<u>119,136,992</u>	<u>1,511,021</u>
<b>DEDUCTIONS</b>		
Benefits paid	30,152,868	-
Administrative expenses	495,717	-
Payments of fees to other governments	-	1,511,021
Total deductions	<u>30,648,585</u>	<u>1,511,021</u>
Change in fiduciary net position	88,488,407	-
<b>FIDUCIARY NET POSITION</b>		
Fiduciary net position - beginning	417,958,233	-
Fiduciary net position - ending	<u>\$ 506,446,640</u>	<u>\$ -</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements**  
**September 30, 2021**

Note 1.	Summary of Significant Accounting Policies .....	30
Note 2.	Reconciliation of Government-wide and Fund Financial Statements.....	40
Note 3.	Stewardship, Compliance and Accountability .....	42
Note 4.	Cash Deposits and Investments.....	42
Note 5.	Restricted Assets.....	62
Note 6.	Receivables .....	63
Note 7.	Assets Held for Resale .....	64
Note 8.	Capital Assets.....	65
Note 9.	Accrued and Other Liabilities, Unearned Revenue .....	67
Note 10.	Pension Obligations.....	68
Note 11.	Deferred Compensation Plan .....	82
Note 12.	Other Postemployment Benefit Obligations .....	83
Note 13.	Construction and Other Significant Commitments .....	85
Note 14.	Risk Management.....	88
Note 15.	Long-Term Liabilities .....	89
Note 16.	Prior Year Defeased Debt and Current Refunding.....	95
Note 17.	Fund Balance .....	97
Note 18.	Interfund Receivables and Payables.....	97
Note 19.	Interfund Transfers .....	98
Note 20.	Related Organization Transactions .....	99
Note 21.	Contingencies.....	99
Note 22.	Tax Abatements .....	99
Note 23.	New Accounting Pronouncement.....	102

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

**2. Reporting Entity**

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

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

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

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

The CRA includes the Downtown Redevelopment Area, the Central Fort Myers Redevelopment Area, the East Fort Myers Redevelopment Area, the Cleveland Avenue Redevelopment Areas and the Dr. Martin Luther King Redevelopment Areas. The CRA is presented as a non-major special revenue fund and its financial statements are included in the City's Annual Comprehensive Financial Report for the year ended September 30, 2021 in the Combining Statements and Schedules section. Standalone financial statements for the CRA are available by contacting the Executive Director of the CRA.

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

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

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



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

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

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

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund. Revenue is derived primarily from property taxes, state and federal distributions, grants and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The Revenue Bonds and Notes Fund accounts for the accumulation of resources to pay outstanding long term debt. It is made up of several sub-funds, one for each bond or other borrowing that is outstanding and for which resources are accumulated to pay the debt service.

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

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

The City reports the following major enterprise funds:

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

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

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

The Custodial Funds are used to account for resources collected by the City for third parties. The custodial funds include the Regional Park Impact Fee Fund, the Emergency Medical Services (EMS) Impact Fee Fund and School Board Impact Fee Fund. The Regional Park, EMS and School Impact Fee Funds accumulate impact fees levied by the County. The City collects these impact fees at the time that building permits are issued and then remits the fees to the County.

During the course of its operations, the City has numerous transactions between funds to provide services, construct assets and service debt. To the extent that certain transactions between funds were not paid or received as of September 30, 2021, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

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

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

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

***Proprietary and fiduciary.*** The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**6. Budgetary information**

***Budgetary basis of accounting***

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

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

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

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

***Excess of expenditures over appropriations***

For the year ended September 30, 2021, expenditures did not exceed appropriations as City divisions spent according to or less than the budget with the exception of the Public Art Special Revenue Fund, which incurred \$85 due to investment management fees.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

**a. Cash and cash equivalents**

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

**b. Investments**

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

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

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

FL SAFE is a local government investment pool that serves the cash management needs of governments in Florida. FL SAFE seeks to provide competitive yields consistent with the preservation of capital and daily liquidity. FL SAFE is organized pursuant to Florida Statutes 163.01, is an authorized investment under 218.415, and invests according to the provisions of its Permitted Investments as listed in the Indenture of Trust. Investors in the Trust are entitled to vote on the election of Trustees, certain amendments to the Trust's Indenture of Trust and reorganization of the Trust.

The Board of Trustees oversees the actions of the Investment Advisor, Administrator, Operational Manager and Distributor, Custodian, Legal Counsel, Safekeeping Bank and decides on general policies. The majority of the Board of Trustees will be constituted by finance representatives that also serve as the Investment Officer per Florida Statutes for their respective governments. The Board of Trustees serve with three year overlapping terms and do not receive any monetary compensation for their service. The investment advisor is Prudent Man Advisors, LLC., and the Administrator is Florida Management and Administrative Services, LLC.

FL SAFE is authorized to invest in approved financial institutions and securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, highly rated commercial paper and other approved investment types. FL SAFE meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the participant account balance is considered the fair value of the investment.

**c. Receivables**

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

**d. Inventories**

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

**e. Prepaid items**

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

**f. Restricted assets**

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

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

**g. Capital assets**

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

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

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

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

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

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

***j. Net position***

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

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

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

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

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

***m. Fund balance policy***

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

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

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

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

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

**8. Revenues and expenditures/expenses**

***a. Program Revenues***

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

***b. Property Taxes***

The City levies property taxes each November 1, which become a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Lee County Property Appraiser as of the prior January 1. The current year's levy is based on taxable assessed property values totaling \$7,807,388,308.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuations for the General Fund. For the 2020-2021 fiscal year, the City levied taxes of 7.9643 mills for the General Fund.

All taxes are due from property owners on March 31. However, property owners may pay a discounted tax of 1% beginning November of the taxable year for each month prior to the March 31 due date. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1. At September 30, 2021, delinquent property taxes are not material to the basic financial statements of the City and therefore have not been accrued as taxes receivable.

***c. Compensated Absences***

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



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

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

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

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

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

**9. Other Policies**

***a. Use of Estimates***

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

***b. Encumbrances***

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as a reservation of budget, is employed as an extension of the statutorily required budgetary process. All encumbrances lapse at year end. Contracts that require completion after the fiscal year end must be re-appropriated in the subsequent year. Note 13 provides disclosure on the City's outstanding encumbrances as of September 30, 2021.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this \$195,090,713 are as follows:

Land	\$ 27,458,836
Antiques and Exhibits	251,871
Construction in progress	18,925,509
Intangibles - easements	4,488,318
Buildings	69,142,693
Less: Accumulated depreciation for buildings	(19,832,494)
Improvements	52,070,574
Less: Accumulated depreciation for improvements	(40,185,951)
Equipment	23,755,979
Less: Accumulated depreciation for equipment	(17,409,746)
Infrastructure	307,805,499
Less: Accumulated depreciation for infrastructure	(231,380,375)

Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 195,090,713
--	----------------

Another element of that reconciliation explains that “long-term liabilities, including revenue bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$242,148,733 are as follows:

Revenue bonds payable	\$ 111,471,705
Less: Bond insurance costs (to be amortized over the life of the debt)	(133,443)
Add: Issuance premium (to be amortized over life of debt)	7,118,625
Capital leases payable	1,465,328
Loans and notes payable	22,773,037
Accrued interest payable	927,932
Accrued retirement payable	17,641,025
Compensated absences	5,444,945
Total other postemployment benefits liability	11,275,534
Net pension liability	63,947,122
Claims and judgments	216,923

Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ 242,148,733
--	----------------

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

outlay exceeded depreciation expense in the current period.” The details of this \$1,539,871 difference are as follows:

Capital outlay	\$ 19,596,527
Non-capitalizable expenditures in capital outlay	(4,718,758)
Current year depreciation	(13,337,898)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 1,539,871

Another element of that reconciliation states that “the issuance of long-term debt, such as bonds and leases, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar terms when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$637,112 difference are as follows:

Debt issued or incurred:	
General revenue bonds	\$ 6,254,531
Principal repayments:	
General revenue bonds	(5,825,755)
Loans and notes	(496,154)
Capital leases	(355,001)
Installment agreement	(214,733)
Net adjustment to increase changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ (637,112)

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.” The details of this \$15,133,224 difference are as follows:

Amortization of bond premiums	\$ 445,588
Amortization of lease premiums	16,359
Amortization of bond insurance costs	(8,940)
Amortization of deferred charge on refunding	(130,844)
Change in accrued interest expense	87,584
Change in retirement payable	(1,841,168)
Change in compensated absences	192,286
Change in total other postemployment benefits liability	(161,494)
Change in net pension liability	16,533,853
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 15,133,224

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

**Deficit Fund Balance**

The Community Development Block Grant nonmajor governmental fund had a deficit fund balance of \$(148,308) at September 30, 2021. The deficit fund balance resulted from expenditures for which related revenue was not recognized because reimbursement was not received within 60 days after fiscal year end. The deficit will be eliminated upon reimbursement from the U.S. Department of Housing and Urban Development.

The Grants nonmajor governmental fund had a deficit fund balance of \$(919,328) at September 30, 2021. The deficit fund balance resulted from the recognition of unearned revenue received from the American Rescue Plan Act. The deficit will be eliminated as revenue is recognized to offset applicable program expenditures.

**Deficit Net Position**

The Skatium nonmajor enterprise fund had a deficit net position of \$(336,840) at September 30, 2021. The deficit net position results from operating expenses exceeding charges for services revenue. The City continues to support the sports facility with a subsidy from the General Fund.

**NOTE 4 – CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits with Financial Institutions**

At September 30, 2021, the City had the following deposits, investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	More than 5 years
Cash on hand	\$ 9,650	NA	NA	NA
Demand deposits	21,862,647	NA	NA	NA
Local Government Investment Pool:				
Florida PRIME	97,812,372	NA	NA	NA
FL SAFE	40,002,753	NA	NA	NA
Money market	22,479,115	NA	NA	NA
U.S. Treasury securities	54,374,603	-	54,374,603	-
Agency securities	24,483,525	-	24,483,525	-
Corporate bonds	25,673,038	4,949,071	20,723,967	-
Municipal bonds	6,613,415	-	6,613,415	-
Asset backed securities	20,997,965	-	20,002,069	995,896
Mortgage backed securities	14,589,608	-	10,340,831	4,248,777
Corporate stocks	78,727	NA	NA	NA
Total investments	<u>\$ 328,977,418</u>	<u>\$ 4,949,071</u>	<u>\$ 136,538,410</u>	<u>\$ 5,244,673</u>

Reconciliation of cash, cash equivalents and investments, from the schedule of deposits and investments to the basic financial statements:

*Primary government*

Cash, cash equivalents and investments	\$ 158,834,788
Restricted cash, cash equivalents and investments	169,585,456

*Custodial funds:*

Cash, cash equivalents and investments	557,174
Total	<u>\$ 328,977,418</u>

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. These deposits include demand deposits and nonnegotiable certificates of deposit, and are insured by the Federal Deposit Insurance Corporation or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280). Under this Act, financial institutions that qualify as public depositories pledge

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

**Cash Deposits with Financial Institutions (continued)**

securities that have a market value equal to 50% - 125% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

**Investments**

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

**1. City's Investments**

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

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

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

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

The City's cash and investment pool consists of the Local Government Surplus Funds Trust Fund investment account, the Florida Surplus Asset Fund Trust, and cash. Cash balances and requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is allocated monthly to funds based on their monthly ending cash balance.

The Local Government Surplus Funds Trust Fund ("Florida PRIME") is an open-pool investment fund operated by the Florida State Board of Administration (SBA). The fund operates in the same manner as institutional money-market funds and is available to all Florida government entities.

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

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

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operation of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional fifteen days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed fifteen days."

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

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The following disclosures pertain to Florida PRIME as of September 30, 2021:

- Credit Quality Disclosure: Florida PRIME is rated by Standard and Poor's, and the current rating is "AAAm".
- Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME is 49 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM.
- Foreign Currency Risk Disclosure: Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2020 through September 30, 2021.

Florida Surplus Asset Fund Trust ("FL SAFE") is a local government investment pool that serves the cash management needs of governments in Florida. FL SAFE seeks to provide competitive yields consistent with the preservation of capital and daily liquidity. FL SAFE is organized pursuant to Florida Statutes 163.01, is an authorized investment under 218.415, and invests according to the provisions of its Permitted Investments as listed in the Indenture of Trust. Investors in the Trust are entitled to vote on the election of Trustees, certain amendments to the Trust's Indenture of Trust and reorganization of the Trust. Investors also are entitled to vote on other matters as required by the Trust's Indenture of Trust. Each investor is entitled to one vote, so long as Trust shares are held on the record date.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

The Board of Trustees oversees the actions of the Investment Advisor, Administrator, Operational Manager and Distributor, Custodian, Legal Counsel, Safekeeping Bank and decides on general policies. The majority of the Board of Trustees will be constituted by finance representatives that also serve as the Investment Officer per Florida Statutes for their respective governments. The Board of Trustees serve with three year overlapping terms and do not receive any monetary compensation for their service.

The Advisory Council members are recommended by the FL SAFE Administrator and Investment Advisor, and the Advisory Council is confirmed by the Board. They serve at will, and as a Participant, provide additional insight and advice of FL SAFE Investment programs and services.

The Indenture of Trust provides for the creation of multiple separate specialized investment portfolios called "Series" within the Trust and sets forth the manner in which the Series may be created and managed. Currently the Trust includes a liquid stable net asset value \$1.00 fund called the "FL SAFE Stable NAV Fund" or "Stable NAV Fund" and a variable net asset value fund called the "FL SAFE Variable NAV Fund" or "Variable NAV Fund", with these two funds collectively referred to as the "Funds", and one or more Term Series portfolios, as may be established from time to time, each of which has a fixed duration and may have a different investment policy as set forth herein.

The Board and Participants will receive an audited annual report from the Trust's independent auditor that contains important financial information about the Series of the Trust. Participants will also receive confirmation of purchases and redemption of shares in the Funds, as well as a monthly statement detailing the entire month's activity.

The general investment approach and objectives of the Stable NAV Fund and Variable NAV Fund, collectively the Funds, investment activities shall be: (1) safety of capital; (2) liquidity of funds; (3) transparency; and (4) investment income, in that order. The FL SAFE Stable NAV Fund adheres to an Investment Policy adopted by the Board of Trustees, as amended on January 30, 2020, and follows the investment criteria for an AAAM S&P rated Net Stable Value Fund. The FL SAFE Variable NAV Fund adheres to an Investment Policy adopted by the Board of Trustees on January 30, 2020 and follows the investment criteria for an AAAF and S1 S&P rated Bond Fund.

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

Per the Indenture of Trust, the Trustees may temporarily suspend the right of redemption or postpone the date of payment for redeemed shares during any period (i) when there shall have occurred any state of war, national emergency, act of God, banking moratorium or suspension of payments by banks in the State of Florida or any general suspension of trading or limitation of prices on the New York Stock Exchange ("NYSE") or American Stock Exchange (now known as NYSE AMEX) (other than customary week-end or holiday closings) or (ii) when any emergency exists as a result of which disposal by the Funds of its investments is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the applicable Fund fairly to determine the value of its net assets. Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in subsection (a) or in this subsection (b) shall have expired, as to which the determination of the Trustees shall be conclusive. In the case of a suspension of the right of redemption or a postponement of payment

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

for redeemed Shares, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value existing after the termination of the suspension.

Although investors in certain Term Series may have redemption rights, Term Series are designed to be held for the full term of that Series. Shares in certain Term Series may be redeemed prior to the maturity date of that Series upon a seven days' advance notice of redemption to the Operational Manager and a penalty will likely be assessed. The penalty, which may be substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption.

The following disclosures pertain to FL SAFE as of September 30, 2021:

- Credit Quality Disclosure: FL SAFE is rated by Standard and Poor's, and the current rating is "AAAm" for the FL SAFE Stable NAV Fund and "AAAf / S1" for the FL SAFE Variable NAV Fund.
- Interest Rate Risk Disclosure: The dollar weighted average days to maturity (WAM) of the Florida PRIME is 54 days for the FL SAFE Stable NAV Fund. Rising interest rates could cause the value of the Funds' investments – and therefore its share price as well – to decline. Conversely, any decline in interest rates is likely to cause the Funds' yield to decline, and during periods of low interest rates, the Funds' yield may approach zero.
- Liquidity Risk. A Fund could experience significant net redemptions of its shares at a time when it was unable to find willing buyers for its portfolio securities or could only sell its portfolio securities at a material loss.
- Redemption risk: The Funds may experience periods of heavy redemptions that could cause the applicable fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemptions by a few large Participants may have a significant adverse effect on the ability to maintain a stable \$1.00 share price or the net asset value of the Series, as applicable.

The City uses the market approach to measure the fair value of investments as of September 30, 2021, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets.

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

The City has the following recurring fair value measurements as of September 30, 2021, using quoted market prices (Level 1 inputs): U.S. Treasury securities, \$54,374,603; corporate stocks, \$78,727.

The City has the following recurring fair value measurements as of September 30, 2021, using quoted market prices and other observable inputs (Level 2 inputs): agency securities, \$24,483,525; corporate bonds, \$25,673,038; municipal bonds \$6,613,415; asset backed securities \$20,997,965; mortgage backed securities \$14,589,608.

**Concentration of Credit Risk**

Investments in U.S. Treasury securities comprised 16.53% of total investments. The City's investment policy provides for diversification of investments by limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities).



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

***Interest Rate Risk***

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

***Credit Risk***

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

As of September 30, 2021, the City's investments in money market funds were rated AAAM by Standard & Poor (S&P) and Aaa-mf by Moody's Investors Service (Moody's). Treasury and agency securities were rated Aaa by Moody's and AA+ by S&P. The City's investments in corporate bonds were rated Aaa by Moody's and not rated by S&P.

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

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

At September 30, 2021, the City's three pension plans had the following cash and investments:

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
<b>General Employees' Pension Plan:</b>			
Cash	\$ 420,339		
Money market	10,414,744	AAAM	Aaa-mf
U.S. government and agency securities	14,431,065	AA+	Aaa
Municipal bonds	1,879,789	A to AAA	A2 to Aaa
Corporate stock	62,565,078	Not rated	Not rated
Corporate bonds	9,610,255	BB+ to AAA	Baa3 to Aaa
Mortgage backed securities	9,666,446	AA+ to AAA	Aaa
Mutual funds:			
Fixed income	16,767,960	Not rated	Not rated
Equity	15,195,353	Not rated	Not rated
Limited partnership - International equity	18,207,671	Not rated	Not rated
Real estate investment trusts	15,436,928	Not rated	Not rated
International securities:			
Bonds and notes	904,602	BBB- to AA+	Baa2 to Aaa
Stocks	5,278,750	Not rated	Not rated
Total Cash and Investments	<u>180,778,980</u>		

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

Description	Fair Value	Credit Rating: Standard & Poor's	Credit Rating: Moody's
<b>Police Officers' Retirement System:</b>			
Cash	899,210		
Money market	2,720,177	AAAm	Aaa-mf
U.S. government and agency securities	25,176,651	AA+	Aaa
Corporate stock	5,800,159	Not rated	Not rated
Corporate bonds	5,694,935	BBB+ to A	A3 to A1
Convertible bonds	17,769,933	CCC to A-	B1 to Ba2
Convertible preferred	4,614,575	Not rated	Not rated
Mutual funds:			
Equity	80,344,860	Not rated	Not rated
International equity	25,656,224	Not rated	Not rated
Commingled funds - Real estate	12,627,069	Not rated	Not rated
Total Cash and Investments	<u>181,303,793</u>		
<b>Firefighters' Retirement System:</b>			
Cash	306,829		
Money market	1,853,495	AAAm	Aaa-mf
U.S. government and agency securities	6,099,726	AA+	Aaa
Municipal bonds	193,350	BBB to AA-	Baa1 to Aa2
Corporate stock	65,559,460	Not rated	Not rated
Corporate bonds	8,532,032	BB+ to AA-	Ba1 to Aa3
Mortgage backed securities	2,316,020	AA+	Aaa
Mutual funds:			
Fixed income	5,006,699	Not rated	Not rated
Commingled funds - Real estate	6,044,877	Not rated	Not rated
Limited partnerships - Real estate	9,740,800	Not rated	Not rated
International securities:			
Bonds and notes	1,635,912	BB+ to AA-	Baa3 to Aa2
Stocks	18,074,865	Not rated	Not rated
Total Cash and Investments	<u>125,364,065</u>		
Total Pension Plans' Cash and Investments	<u>\$ 487,446,838</u>		

**Fair Value Measurements**

Each of the City's Pension Plans categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Each Plan has the following recurring fair value measurements as of September 30, 2021:

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

**Fair Value Measurements (continued)**

**General Employees' Pension Plan**

**Investments Measured at Fair Value**

<b>Investments</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>Investments by fair value level:</b>			
U.S. government and agency securities	\$ 14,431,065	\$ -	\$ 14,431,065
Municipal bonds	1,879,789	-	1,879,789
Corporate stock	62,565,078	62,565,078	-
Corporate bonds	9,610,255	-	9,610,255
Mortgage backed securities	9,666,446	-	9,666,446
Mutual funds: Fixed income	16,767,960	16,767,960	-
Mutual funds: Equity	15,195,353	15,195,353	-
International securities: Bonds and notes	904,602	-	904,602
International securities: Stocks	5,278,750	5,278,750	-
Total investments by fair value level	<u>136,299,298</u>	<u>\$ 99,807,141</u>	<u>\$ 36,492,157</u>
<b>Investments measured at the net asset value (NAV):</b>			
Real estate investment trust	15,436,928		
Limited partnership - International equity	18,207,671		
Total investments measured at the NAV	<u>33,644,599</u>		
Total investments measured at fair value	<u>\$169,943,897</u>		

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

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

**General Employees' Pension Plan**

**Investments Measured at the NAV**

<b>Investments</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
<b>Investments measured at the net asset value (NAV):</b>				
Real estate investment trust <sup>(1)</sup>	\$ 15,436,928	\$ -	Quarterly	90 days
Limited partnership - International equity <sup>(2)</sup>	18,207,671	-	Monthly	30 days
Total investments measured at the NAV	<u>\$ 33,644,599</u>			

1. *Real estate investment trust.* This type includes a core, discretionary and diversified real estate fund that invests in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels located in major real estate markets throughout the United States. Investment in this Fund is generally not redeemable due to the closed-ended nature of the Fund. Instead, distributions from the Fund will be received as the underlying investments of the Fund are disposed and monetized. The fair values of the investment in this type has been determined by using the NAV per share (or its equivalent) of the Plan's ownership interest in the Fund.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

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

**Police Officers' Retirement System**

**Investments Measured at Fair Value**

Investments	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Investments by fair value level:</b>			
U.S. government and agency securities	\$ 25,176,651	\$ -	\$ 25,176,651
Corporate stock	5,800,159	5,800,159	-
Corporate bonds	5,694,935	-	5,694,935
Convertible bonds	17,769,933	-	17,769,933
Convertible preferred	4,614,575	4,614,575	-
Mutual funds:			
Equity	80,344,860	80,344,860	-
International equity	25,656,224	25,656,224	-
Total investments	<u>165,057,337</u>	<u>\$ 116,415,818</u>	<u>\$ 48,641,519</u>
<b>Investments measured at the net asset value (NAV):</b>			
Commingled funds - Real estate	12,627,069		
Total investments measured at the NAV	<u>12,627,069</u>		
Total investments measured at fair value	<u>\$177,684,406</u>		

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

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

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

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

<b>Investments</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
<b>Investments measured at the net asset value (NAV):</b>				
Commingled funds - Real estate	\$ 12,627,069	\$ -	Quarterly	45 - 60 days
Total investments measured at the NAV	<u>\$ 12,627,069</u>			

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

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

**Firefighters' Retirement System**

**Investments Measured at Fair Value**

<b>Investments</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>Investments by fair value level:</b>			
U.S. government and agency securities	\$ 6,099,726	\$ -	\$ 6,099,726
Municipal bonds	193,350	-	193,350
Corporate stock	65,559,460	65,559,460	-
Corporate bonds	8,532,032	-	8,532,032
Mortgages	2,316,020	-	2,316,020
Mutual funds: Fixed income	5,006,699	5,006,699	-
International securities: Bonds and notes	1,635,912	-	1,635,912
Total investments by fair value level	<u>89,343,199</u>	<u>\$ 70,566,159</u>	<u>\$ 18,777,040</u>
<b>Investments measured at the net asset value (NAV):</b>			
Commingled funds - Real estate	6,044,877		
International equity	18,074,865		
Limited partnership - Real estate	9,740,800		
Total investments measured at the NAV	<u>33,860,542</u>		
Total investments measured at fair value	<u>\$123,203,741</u>		

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

**Firefighters' Retirement System**  
**Investments Measured at the NAV**

Investments	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
<b>Investments measured at the net asset value (NAV):</b>				
Commingled funds - Real estate <sup>(1)</sup>	\$ 6,044,877	\$ -	Quarterly	45 days
International equity <sup>(2)</sup>	18,074,865	-	Monthly	5 days
Limited partnerships - Real estate <sup>(3)</sup>	9,740,800	-	Quarterly	90 days
Total investments measured at the NAV	<u>\$ 33,860,542</u>			

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

*Limited partnerships – Real Estate (continued)*

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

For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments for each Plan was as follows:

General Employees' Pension Plan	22.52%
Police Officers' Retirement System	19.68%
Firefighters' Retirement System	21.89%

The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. A schedule of each Plan's investment returns is presented on page 118.

**a. General Employees' Pension Plan**

***Investment Policy***

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

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

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. Upon adoption by the Board, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services, the City, and the Plan's actuary. The effective date of the Investment Policy Statement shall be thirty days following the filing date with the City. As of September 30, 2021, the effective Investment Policy Statement was adopted on September 16, 2020.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

**Target Allocations**

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

The following was the Board's adopted asset allocation policy as of September 30, 2021:

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

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

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

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

**Concentration of Credit Risk**

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

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

<u>Investment</u>	<u>Amount of Investment</u>	<u>% of Net Position</u>
Limited partnership - International equity	\$ 18,207,671	10.1%
Real estate investment trusts	15,436,928	8.5%
Total Plan investments 5% or more of the fiduciary net position	<u>\$ 33,644,599</u>	<u>18.6%</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

***Custodial Credit Risk***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the General Employees' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2021, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's actual investment in foreign securities at September 30, 2021 was \$904,602 for bonds and notes and \$5,278,750 for stocks or 3.4% of the Plan's total assets at market value. The Plan also held foreign investments that comprised a limited partnership in international equity, which amounted to \$18,207,671 or 10.1% of the Plan's total assets at fair market value as of September 30, 2021.

***Interest Rate Risk***

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

At September 30, 2021, the General Employees' Pension Plan investments, other than money market, stocks, stock related funds, mutual funds, limited partnership and real estate investment trusts, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		1-5	6-10	More than 10
U.S. government and agency securities	\$ 14,431,065	\$ 11,758,172	\$ 2,672,893	\$ -
Municipal bonds	1,879,789	284,169	1,143,113	452,507
Corporate bonds	9,610,255	4,541,488	4,667,176	401,591
Mortgage backed securities	9,666,446	1,513,800	1,248,500	6,904,146
Mutual funds - fixed income	16,767,960	16,767,960	-	-
International securities - bonds and notes	904,602	651,260	253,342	-
Total Investments	\$ 53,260,117	\$ 35,516,849	\$ 9,985,024	\$ 7,758,244

**b. Police Officers' Retirement System**

***Investment Policy***

The Board of Trustees (the Board) for the Police Officers' Retirement System (PORS) established a Statement of Investment Policy that applies to those funds under control of the Board. The investment objective of the Board is to preserve the purchasing power of the Fund's assets and earn an above average real rate of return (after inflation) over the long term while minimizing, to a reasonable extent, the short term volatility of results. The Board determined that one or more outside investment managers shall be retained to assure that all investments are managed in both a prudent and

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

***Investment Policy (continued)***

professional manner and in compliance with the stated investment guidelines. In performing its investment duties, the Board and its investment managers shall comply with the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C).

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

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. The investment policy shall be filed promptly with the Department of Management Services, plan sponsor and consulting actuary. The effective date of the investment policy and any amendment thereto shall be the 31<sup>st</sup> calendar day following the filing date with the plan sponsor. As of September 30, 2021, the effective Investment Policy Statement was adopted on June 6, 2019.

***Target Allocations***

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

The following was the Board's adopted asset allocation policy as of September 30, 2021:

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

***Target Allocations (continued)***

The fixed income portfolio shall comply with the following guidelines:

- Investments in all corporation fixed income securities shall be limited to those securities rated BBB or higher by Standard & Poor's or Baa by Moody's rating services. Investments in securities rated below A will be limited to 20% of the total fixed income portfolio. Fixed income securities that are downgraded below the minimum rating by both entities shall be sold at the earliest beneficial opportunity.
- Investments in collateralized mortgage obligations (CMOs) shall be backed by the full faith of the U.S. government, an agency thereof, or that are rated AAA by a major rating service. The CMOs shall be restricted to planned amortization class, non-accelerated securities or very accurately defined maturity securities.

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

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

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

***Concentration of Credit Risk***

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

**Concentration of Credit Risk (continued)**

- Master limited partnerships (MLP): No more than 10% at market value of an investment manager's MLP may be invested in a single issuer unless the issuer makes up more than 10% of the Alerian MLP Index; no more than 15% of the total fund assets (at market value) may be invested in MLPs.
- Investments in real estate shall not exceed 15% at market valuation of the value of total Fund assets.

At September 30, 2021, PORS did not hold any investments that represent 5% or more of the Plan's investments and 5% or more of the Plan's fiduciary net position.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Officers' Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2021, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that no more than 25% of the Fund's total market value may be invested in foreign equity securities and investments in foreign convertibles are limited to 25% (at market) of the investment manager's portfolio. The Plan's foreign investment as of September 30, 2021 comprised mutual funds in international equity, which amounted to \$25,656,224 or 13.4% of the Plan's total assets at fair market value.

**Interest Rate Risk**

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

At September 30, 2021, the Police Officers' Retirement System pension plan investments, other than money market, stocks, mutual funds, commingled funds and master limited partnership, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. government and agency securities	\$ 25,176,651	\$ -	\$ 10,292,928	\$ 4,681,733	\$ 10,201,990
Corporate bonds	5,694,935	-	2,613,513	3,081,422	-
Convertible bonds	17,769,933	-	13,758,256	3,678,805	332,872
Convertible preferred	4,614,575	4,614,575	-	-	-
Total investments	<u>\$ 53,256,094</u>	<u>\$ 4,614,575</u>	<u>\$ 26,664,697</u>	<u>\$ 11,441,960</u>	<u>\$ 10,534,862</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

**c. Firefighters' Retirement System**

***Investment Policy***

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

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

Investment policy decisions may be recommended by the investment manager, reviewed by the Plan's legal counsel for compliance with applicable law, and approved by a majority vote of the Board. Upon adoption by the Board, the Investment Policy Statement shall be promptly filed with the Florida Department of Management Services, the City, and the Plan's actuary. The effective date of the Investment Policy Statement shall be thirty days following the filing date with the City. As of September 30, 2021, the effective Investment Policy Statement was adopted on September 3, 2020.

***Target Allocations***

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

The following was the Board's adopted asset allocation policy as of September 30, 2021:

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

**Target Allocations (continued)**

grade or higher as reported by a major credit rating service. All real estate investments shall be managed by experienced and qualified professional real property investment managers. The Board shall seek to diversify real estate investments by property type, geographic region, property size and number of properties.

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

**Concentration of Credit Risk**

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

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

<b>Investment</b>	<b>Amount of Investment</b>	<b>% of Net Position</b>
Limited partnerships - Real estate	\$ 9,645,573	7.2%
Total Plan investments 5% or more of the fiduciary net position	<u>\$ 9,645,573</u>	<u>7.2%</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Firefighters' Retirement System pension plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to Section 112.661 (10), Florida Statutes, the Plan's investment policy states that securities should be held with a third-party custodian, and all securities purchased by, and all collateral obtained by the pension fund should be designated as an asset of the Plan. As of September 30, 2021, the Plan's investment portfolio was held with a third-party custodian as required by the statute.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates that will adversely affect the fair value of an investment or a deposit. As noted above, the Plan's investment policy states that foreign securities, regardless of asset class, shall not exceed 25% of the market value of the Plan's assets. The Plan's foreign investment as of September 30, 2021, comprised international equity, which amounted to \$18,074,865 or 13.5% of the Plan's total assets at fair market value, and international bonds and notes, which amounted to \$1,635,912 or 1.2% of the Plan's total assets at fair market value.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

**Interest Rate Risk**

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

At September 30, 2021, the Firefighters' Retirement System plan investments, other than money market, stocks, mutual funds and limited partnership, were as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		1-5	6-10	More than 10
U.S. government and agency securities	\$ 6,099,726	\$ 3,994,563	\$ 123,571	\$ 1,981,592
Municipal bonds	193,350	-	44,906	148,444
Corporate bonds	8,532,032	3,319,993	3,946,013	1,266,026
Mortgage backed securities	2,316,020	-	-	2,316,020
Mutual funds - fixed income	5,006,699	5,006,699	-	-
International securities - bonds and notes	1,635,912	720,306	480,754	434,852
Total Investments	<u>\$ 23,783,739</u>	<u>\$ 13,041,561</u>	<u>\$ 4,595,244</u>	<u>\$ 6,146,934</u>

**NOTE 5 – RESTRICTED ASSETS**

Certain assets of the proprietary funds at September 30, 2021 are restricted for certain purposes. These assets comprise cash and cash equivalents, investments and interest receivable.

Description and Purpose	Water - Wastewater Fund	Solid Waste Fund	Nonmajor Business-type Funds
Customer deposits for services	\$ 14,113,598	\$ -	\$ 206,334
Sinking fund accounts, for debt service obligations	16,208,232	-	-
Pledged impact fees, for debt service obligations	3,410,372	-	-
Unpledged impact fees, for capital project needs	22,646,820	-	-
Renewal and replacement, funding capital project needs	7,913,980	1,511,187	138,234
Proceeds from debt issuance, for the acquisition, construction and equipping of various capital projects	34,216,984	-	15,210
Capital project accounts	1,175,481	11,313	496,286
Other purposes	-	-	971
Total restricted assets	<u>\$ 99,685,467</u>	<u>\$ 1,522,500</u>	<u>\$ 857,035</u>

Restricted cash and cash equivalents of \$2,065,236 in the Risk Management Internal Service Fund relates to the City's self-insurance activities. Note 14 provides more information about the City's Risk Management.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 6 – RECEIVABLES**

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for certain funds and aggregated columns. Receivables as of September 30, 2021 for the City's governmental activities, individual major governmental funds, nonmajor governmental funds in the aggregate, internal service funds and applicable allowances for uncollectible accounts are as follows:

	General Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Fund	Total
<b>Receivables:</b>					
Accounts	\$ 263,172	\$ 128,462	\$ 180	\$ 902	\$ 392,716
Utility Service Taxes and Franchise Fees	2,394,667	-	-	-	2,394,667
Code Enforcement	1,337,677	-	-	-	1,337,677
Accounts, gross	3,995,516	128,462	180	902	4,125,060
Less: Allowance for Uncollectibles	(754,312)	-	-	-	(754,312)
Accounts, net	3,241,204	128,462	180	902	3,370,748
Notes	-	-	8,160,268	-	8,160,268
Less: Allowance for Uncollectibles	-	-	(8,160,268)	-	(8,160,268)
Notes, net	-	-	-	-	-
Total net receivables	\$ 3,241,204	\$ 128,462	\$ 180	\$ 902	\$ 3,370,748

**Significant Uncollectible**

The allowance for uncollectible accounts receivable in the General Fund consists primarily of \$687,921 for code enforcement fees. The amount of \$8,160,268 for the allowance for uncollectible notes receivable in the Nonmajor Governmental Funds relates to mortgage assistance provided by the Attainable Workforce Housing Fund, State Housing Initiative Partnership (SHIP) Fund and Community Development Block Grant Fund. The Attainable Workforce Housing Fund provides loans to eligible residents with income of 150% of the Area Median Income (AMI) for Lee County and the Fort Myers-Cape Coral Metropolitan Statistical Area (MSA). The SHIP program provides a deferred payment loan with no interest to eligible recipients with incomes up to 120 percent AMI to fund the gap between what the financial institution will lend and what the homebuyer can afford to pay for an existing or newly constructed single-family home within the City. The SHIP and CDBG programs also provide ten year deferred payment/no interest loans to homeowners with household incomes of up to 80 percent AMI for major rehabilitation.

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

	Water Wastewater Fund	Solid Waste Fund	Other Business-Type Funds	Total
<b>Receivables:</b>				
Accounts, gross	\$ 9,371,980	\$ 1,692,264	\$ 64,067	\$ 11,128,311
Less: Allowance for Uncollectibles	(1,224,902)	(33,380)	(23,930)	(1,282,212)
Accounts, net	\$ 8,147,078	\$ 1,658,884	\$ 40,137	\$ 9,846,099

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 7 – ASSETS HELD FOR RESALE**

---

**Community Development Block Grant**

The U.S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP) is part of the national effort to restore homes and renew neighborhoods affected the hardest by the housing crisis from the Great Recession in the late 2000s. The NSP signals opportunity for homebuyers and stronger neighborhoods with reinvestments that go straight to the heart of the communities.

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

The City utilizes NSP funds in the following ways:

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

As of September 30, 2021, the City held three single-family homes, which comprise new construction on foreclosed, city-owned property, as assets held for resale for a total of \$399,777. The City used NSP1 funds to build two of the existing single-family homes, and one home is under contract with a potential buyer while the other home is available for sale to a qualified buyer.

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

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

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

**Community Development Block Grant (continued)**

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

**NOTE 8 – CAPITAL ASSETS**

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 27,073,506	\$ 653,187	\$ (267,857)	\$ 27,458,836
Antiques and Exhibits <sup>(1)</sup>	251,871	-	-	251,871
Construction in progress	15,096,866	7,946,694	(4,118,051)	18,925,509
Intangibles-easements	4,484,236	4,082	-	4,488,318
Total capital assets, not being depreciated	<u>46,906,479</u>	<u>8,603,963</u>	<u>(4,385,908)</u>	<u>51,124,534</u>
<b>Capital assets, being depreciated:</b>				
Buildings	66,128,707	3,075,431	-	69,204,138
Improvements	51,903,377	167,197	-	52,070,574
Equipment	39,256,630	4,514,083	(2,559,562)	41,211,151
Intangibles-software	145,587	-	-	145,587
Infrastructure	302,340,998	5,464,501	-	307,805,499
Total capital assets, being depreciated	<u>459,775,299</u>	<u>13,221,212</u>	<u>(2,559,562)</u>	<u>470,436,949</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(17,438,898)	(2,453,469)	-	(19,892,367)
Improvements	(38,266,281)	(1,919,670)	-	(40,185,951)
Equipment	(28,115,484)	(4,499,345)	2,537,035	(30,077,794)
Intangibles-software	(145,587)	-	-	(145,587)
Infrastructure	(224,769,214)	(6,611,161)	-	(231,380,375)
Total accumulated depreciation	<u>(308,735,464)</u>	<u>(15,483,645)</u>	<u>2,537,035</u>	<u>(321,682,074)</u>
Total capital assets being depreciated, net	<u>151,039,835</u>	<u>(2,262,433)</u>	<u>(22,527)</u>	<u>148,754,875</u>
Total governmental activities capital assets, net	<u>\$ 197,946,314</u>	<u>\$ 6,341,530</u>	<u>\$ (4,408,435)</u>	<u>\$ 199,879,409</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

**Governmental Activities:**

General government	\$ 4,095,408
Public Safety:	
Police	697,056
Fire	1,134,840
Protective inspections	32,340
Physical environment	104,443
Transportation	7,184,045
Economic environment	181,538
Culture and recreation	2,053,975
Total depreciation expense - governmental activities	<u>\$ 15,483,645</u>

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
<b>Business-Type Activities</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 2,712,736	\$ -	\$ -	\$ 2,712,736
Intangibles	310,496	65,505	(9,095)	366,906
Construction in progress	23,971,239	16,513,355	(13,693,597)	26,790,997
Total capital assets, not being depreciated	<u>26,994,471</u>	<u>16,578,860</u>	<u>(13,702,692)</u>	<u>29,870,639</u>
<b>Capital assets, being depreciated:</b>				
Buildings	123,353,925	5,976,366	-	129,330,291
Improvements other than buildings	40,195,819	-	-	40,195,819
Equipment	32,821,403	3,252,094	(1,117,298)	34,956,199
Utility Systems	495,269,500	5,517,236	-	500,786,736
Total capital assets, being depreciated	<u>691,640,647</u>	<u>14,745,696</u>	<u>(1,117,298)</u>	<u>705,269,045</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(65,757,483)	(3,747,372)	-	(69,504,855)
Improvements other than buildings	(18,242,548)	(1,546,349)	-	(19,788,897)
Equipment	(23,480,137)	(3,041,980)	1,117,298	(25,404,819)
Utility Systems	(203,454,485)	(13,805,415)	-	(217,259,900)
Total accumulated depreciation	<u>(310,934,653)</u>	<u>(22,141,116)</u>	<u>1,117,298</u>	<u>(331,958,471)</u>
Total capital assets being depreciated, net	<u>380,705,994</u>	<u>(7,395,420)</u>	<u>-</u>	<u>373,310,574</u>
Total business-type activities capital assets, net	<u>\$ 407,700,465</u>	<u>\$ 9,183,440</u>	<u>\$ (13,702,692)</u>	<u>\$ 403,181,213</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

**1. Accrued and Other Liabilities**

Accrued and other liabilities at September 30, 2021 were as follows:

	<b>Salaries and Benefits</b>	<b>Due to Fiduciary Funds</b>	<b>Other Liabilities</b>	<b>Total</b>
<b>Governmental Activities:</b>				
General Fund	\$ 4,697,892	\$ 336,915	\$ 801,592	\$ 5,836,399
Revenue Bonds and Notes Fund	-	-	11,500	11,500
General Capital Projects	-	-	3,898	3,898
Nonmajor Governmental Funds	-	-	18,284	18,284
Internal Service Fund	-	-	127,006	127,006
Total Governmental Activities	<u>\$ 4,697,892</u>	<u>\$ 336,915</u>	<u>\$ 962,280</u>	<u>\$ 5,997,087</u>
<b>Business-type Activities:</b>				
Water-Wastewater Fund	\$ -	\$ -	\$ 97,699	\$ 97,699
Solid Waste Fund	-	-	9,784	9,784
Nonmajor Business-type Funds	-	-	38,064	38,064
Total Business-type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,547</u>	<u>\$ 145,547</u>

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

**2. Unearned Revenue**

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered. The components of unearned revenue as of September 30, 2021 are as follows:

	<b>Cemetery lots</b>	<b>Code Enforcement billings</b>	<b>Rental income</b>	<b>Grant receipts</b>	<b>Contributions from other sources</b>	<b>Total</b>
<b>Governmental Activities:</b>						
General Fund	\$ 28,265	\$ 1,074,371	\$ 4,219	\$ -	\$ -	\$ 1,106,855
Transportation Capital Projects	-	-	-	-	1,400,360	1,400,360
Nonmajor Governmental Funds	-	-	-	8,143,853	-	8,143,853
Total Governmental Activities	<u>\$ 28,265</u>	<u>\$ 1,074,371</u>	<u>\$ 4,219</u>	<u>\$ 8,143,853</u>	<u>\$ 1,400,360</u>	<u>\$10,651,068</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 10 – PENSION OBLIGATIONS**

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

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

	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Total</b>
Net pension liability	\$ 18,732,074	\$ 29,858,205	\$ 23,961,889	\$ 72,552,168
Deferred outflows of resources related to pensions	694,339	4,876,561	6,733,993	12,304,893
Deferred inflows of resources related to pensions	20,492,054	15,661,005	8,742,937	44,895,996
Pension expense	396,162	3,316,689	4,528,036	8,240,887

**1. General Employees' Pension Plan**

***Plan Description***

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

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

***Plan changes.*** The Plan was recently updated by Resolution No. 2021-01 on May 19, 2021. This resolution amended the member contribution rates.

***Plan membership.*** As of October 1, 2020, the GEPP Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	597
Inactive plan members entitled to but not yet receiving benefits	366
Active plan members	513
Total plan membership	<u>1,476</u>

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

***Benefits provided (continued)***

- Early retirement: Date of retirement is the earlier of the attainment of age 55 and the completion of seven years of credited service, or age 60 and five years of credited service. The benefit amount is determined using the same calculations as for normal retirement and reduced by 4.0% for each year prior to normal retirement.
- Termination of employment: Vested members (members with seven or more years of credited service) receive their accrued benefit payable at retirement age. Non-vested members (members with less than seven years of credited service) receive a return of their accumulated contributions.
- Disability benefits: Total and permanent benefits, as determined by the Board, for eligible members that have at least five years of credited service. The benefit amount is determined using the same calculations as for normal retirement, based on total service and the average final compensation as of the date of disability.
- Pre-retirement death benefits: Vested benefits are paid for ten years at the member's normal (unreduced) or early (reduced) retirement date. Beneficiaries of non-vested members receive a return of their accumulated contributions.

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

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

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

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

***Deferred Retirement Option Program (DROP).*** City employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2021, the balance of the DROP amounts maintained by the GEPP was \$2,295,310.

***Net Pension Liability***

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

Total pension liability	\$ 199,529,645
Plan fiduciary net position	(180,797,571)
GEPP net pension liability	<u>\$ 18,732,074</u>

Plan fiduciary net position as a percentage of the total pension liability	90.61%
--	--------

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

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

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

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

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

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

The long-term expected rate of return on the GEPP investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEPP's target asset allocation as of September 30, 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	45.0%	7.5%
Broad Market Fixed Income	20.0%	2.5%
Global Fixed Income	5.0%	3.5%
Real Return Assets	5.0%	3.5%
International Equity	15.0%	8.5%
Real Estate	10.0%	4.5%
Total	100.0%	

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

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



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

<b>Changes in Net Pension Liability</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances at September 30, 2020	\$ 193,071,840	\$ 147,727,048	\$ 45,344,792
Changes for the year:			
Service cost	2,624,522	-	2,624,522
Interest	13,768,146	-	13,768,146
Changes of benefit terms	(9,390)	-	(9,390)
Differences between expected and actual experience	1,388,678	-	1,388,678
Contributions - employer	-	10,079,924	(10,079,924)
Contributions - members	71,027	1,764,626	(1,693,599)
Net investment income	-	32,724,476	(32,724,476)
Benefit payments, including refunds of employee contributions	(11,385,178)	(11,323,471)	(61,707)
Administrative expense	-	(175,032)	175,032
Net changes	6,457,805	33,070,523	(26,612,718)
Balances at September 30, 2021	\$ 199,529,645	\$ 180,797,571	\$ 18,732,074

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

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
GEPP net pension liability	\$ 40,197,663	\$ 18,732,074	\$ 700,168

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

For the year ended September 30, 2021, the GEPP recognized pension expense of \$396,162. At September 30, 2021, GEPP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 694,339	\$ -
Net difference between projected and actual earnings on pension plan investments	-	20,492,054
Total	\$ 694,339	\$ 20,492,054

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

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

**Year ended September 30:**

2022	\$ (5,072,097)
2023	(4,453,190)
2024	(5,862,027)
2025	(4,410,401)

**2. Police Officers' Retirement System**

***Plan Description***

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

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

***Plan membership.*** As of October 1, 2020, the PORS Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	178
Inactive plan members entitled to but not yet receiving benefits	23
Active plan members	222
Total plan membership	<u>423</u>

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

- Normal retirement: Date of retirement is the earlier of age 55 or the completion of twenty-five years of credited service, regardless of age. The benefit amount is 3.24% of the average final compensation multiplied by credited service for each year of credited service prior to March 17, 2014, plus 3.0% for each year of credited service for years after March 17, 2014. Supplemental benefits provide \$150 per month that is payable for the lifetime of the retiree. Any member that has accrued at least fifteen years of credited service as of March 17, 2014 shall continue to be eligible for the \$290 additional monthly benefit.
- Early retirement: Date of retirement is the earlier of the attainment of age 45 and the completion of ten years of credited service, or the completion of fifteen years of credited service. The benefit amount is the accrued benefit, reduced 3.0% per year, plus the supplemental benefit.
- Termination of employment: Vested members (members with five or more years of credited service) receive their accrued benefit payable at the member's election, on the otherwise early or normal retirement date or refund of member contributions, with 3.75% interest. Non-vested members (members with less than five years of credited service) receive a refund of their member contributions, with 3.75% interest.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

***Benefits provided (continued)***

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

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

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

***Contributions.*** Member contribution requirements are established by City Code Section 62-75, which may be amended by the City Council. Members of the Plan are required to contribute 10% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortized unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. The State's contribution to the PORS for fiscal year 2021 was \$1,000,567. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

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

***Deferred Retirement Option Program (DROP).*** PORS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. Participation in the DROP may not exceed sixty months. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2021, the balance of the DROP amounts maintained by the PORS was \$993,401.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

***Net Pension Liability***

The PORS' net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the PORS at September 30, 2021 were as follows:

Total pension liability	\$ 221,869,699
Plan fiduciary net position	(192,011,494)
PORS net pension liability	<u>\$ 29,858,205</u>

Plan fiduciary net position as a percentage of the total pension liability	86.54%
--	--------

***Actuarial assumptions.*** 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 periods included in the measurement:

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

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

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

For active deaths, 75% of those deaths are assumed to be service incurred. The other significant assumptions are based upon the most recent actuarial experience study dated September 20, 2021, for the period October 1, 2010 through September 30, 2020.

The long-term expected rate of return on the PORS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the PORS' target asset allocation as of September 30, 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Large Cap Equities	32.5%	8.3%
Domestic Small / Mid Cap Equities	7.5%	8.3%
Convertible Securities	10.0%	7.8%
Fixed Income Securities	25.0%	3.1%
International Equity	15.0%	4.1%
Real Estate	7.0%	5.5%
Infrastructure	3.0%	7.5%
Total	<u>100.0%</u>	

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

***Actuarial assumptions (continued)***

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

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

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances at September 30, 2020	\$ 211,590,407	\$ 161,024,316	\$ 50,566,091
Changes for the year:			
Service cost	3,646,411	-	3,646,411
Interest	16,252,921	-	16,252,921
Share plan allocation	136,048	-	136,048
Differences between expected and actual experience	1,449,972	-	1,449,972
Contributions - employer	-	9,797,559	(9,797,559)
Contributions - state	-	1,000,567	(1,000,567)
Contributions - members	-	1,935,401	(1,935,401)
Net investment income	-	29,616,515	(29,616,515)
Benefit payments, including refunds of employee contributions	(11,206,060)	(11,206,060)	-
Administrative expense	-	(156,804)	156,804
Net changes	10,279,292	30,987,178	(20,707,886)
Balances at September 30, 2021	\$ 221,869,699	\$ 192,011,494	\$ 29,858,205

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

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
PORS net pension liability	\$ 58,767,539	\$ 29,858,205	\$ 6,151,649

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

For the year ended September 30, 2021, PORS recognized pension expense of \$3,316,689. At September 30, 2021, PORS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,876,561	\$ -
Changes of assumptions	-	1,497,498
Net difference between projected and actual earnings on pension plan investments	-	14,163,507
Total	<u>\$ 4,876,561</u>	<u>\$ 15,661,005</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	\$ (2,070,721)
2023	(2,322,871)
2024	(3,157,849)
2025	(3,233,003)

**3. Firefighters' Retirement System**

***Plan Description***

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

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

***Plan membership.*** As of October 1, 2020, the FRS Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	125
Inactive plan members entitled to but not yet receiving benefits	25
Active plan members	102
Total plan membership	<u>252</u>

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

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

***Benefits provided (continued)***

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

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

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

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

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

**Contributions.** Member contribution requirements are established by City Code Section 62-135, which may be amended by the City Council. Members of the Plan are required to contribute 8% of their annual covered salary. The City is required to contribute, at an actuarially determined rate, the remaining amount required in order to pay current costs and amortize the unfunded accrued liability, if any, as provided in Part VII of Chapter 112, Florida Statutes, less amounts received from the State of Florida for insurance surcharges on policies sold within the City. In no event will the City's contributions be less than 10% of the payroll of the City of Fort Myers Fire Department for the fiscal year. The State's contribution to the FRS for fiscal year 2021 was \$743,080. The City recognizes these on-behalf payments as revenues and expenditures in the governmental funds financial statements.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

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

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

**Deferred Retirement Option Program (DROP).** FRS employees are eligible for the Deferred Retirement Option Program (DROP) upon the satisfaction of normal retirement requirements. The maximum period of participation in the DROP is sixty months but no later than eighty-four months after first eligibility for normal retirement. At the member's election, the rate of return may be (1) the actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or (2) 3.0% per annum compounded monthly. Members may elect to change the form of return one time. Participating members receive their distribution as a cash lump sum (options available) at the termination of employment. As of September 30, 2021, the balance of the DROP amounts maintained by the FRS was \$2,818,709.

**Net Pension Liability**

The FRS' net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the FRS at September 30, 2021 were as follows:

Total pension liability	\$ 157,599,464
Plan fiduciary net position	(133,637,575)
FRS net pension liability	<u>\$ 23,961,889</u>

Plan fiduciary net position as a percentage of the total pension liability	84.80%
---	--------

**Actuarial assumptions.** 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 periods included in the measurement:

Inflation	2.5%
Salary increases	Service based
Discount rate	7.7%
Investment rate of return	7.7%, net of pension plan investment expense, including inflation

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

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

For active deaths, 90% of those deaths are assumed to be service incurred. The other significant assumptions are based upon the most recent actuarial experience study dated September 20, 2021, for the period October 1, 2010 through September 30, 2020.

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



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

***Actuarial assumptions (continued)***

term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the FRS' target asset allocation as of September 30, 2021, are summarized in the following table:

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

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

***Discount rate.*** The discount rate used to measure the total pension liability was 7.7 percent, a reduction from the prior discount rate of 7.8 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the FRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances at September 30, 2020	\$ 148,782,706	\$ 109,206,869	\$ 39,575,837
Changes for the year:			
Service cost	2,200,778	-	2,200,778
Interest	11,472,327	-	11,472,327
Share plan allocation	41,245	-	41,245
Differences between expected and actual experience	971,803	-	971,803
Changes of assumptions	1,756,459	-	1,756,459
Contributions - employer	-	7,843,466	(7,843,466)
Contributions - state	-	743,080	(743,080)
Contributions - members	48,573	849,028	(800,455)
Net investment income	-	22,782,350	(22,782,350)
Benefit payments, including refunds of employee contributions	(7,674,427)	(7,623,337)	(51,090)
Administrative expense	-	(163,881)	163,881
Net changes	8,816,758	24,430,706	(15,613,948)
Balances at September 30, 2021	\$ 157,599,464	\$ 133,637,575	\$ 23,961,889

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

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

***Sensitivity of the net pension liability to changes in the discount rate.*** The following presents the net pension liability of the FRS, calculated using the discount rate of 7.70 percent, as well as what the FRS' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.70%) or 1 percentage point higher (8.70%) than the current rate:

	<b>1% Decrease (6.70%)</b>	<b>Current Discount Rate (7.70%)</b>	<b>1% Increase (8.70%)</b>
FRS net pension liability	\$ 43,666,469	\$ 23,961,889	\$ 7,792,214

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

For the year ended September 30, 2021, FRS recognized pension expense of \$4,528,036. At September 30, 2021, FRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,053,746	\$ -
Changes of assumptions	4,680,247	-
Net difference between projected and actual earnings on pension plan investments	-	8,742,937
Total	<u>\$ 6,733,993</u>	<u>\$ 8,742,937</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	\$ 681,347
2023	543,958
2024	(940,292)
2025	(2,293,957)

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

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

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

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

As of September 30, 2021, the Mayor, City Manager, Fire Chief and three City Council members were the only participants in the 401(a) Plan and the total fiscal year 2021 contributions were \$31,112.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,835,083	\$ 3,619,387	\$ 2,160,324	\$ 16,614,794
Investments, at fair value:				
U.S. government and agency securities	14,431,065	25,176,651	6,099,726	45,707,442
Municipal bonds	1,879,789	-	193,350	2,073,139
Corporate stock	62,565,078	5,800,159	65,559,460	133,924,697
Corporate bonds	9,610,255	5,694,935	8,532,032	23,837,222
Convertible bonds	-	17,769,933	-	17,769,933
Convertible preferred	-	4,614,575	-	4,614,575
Mortgage backed securities	9,666,446	-	2,316,020	11,982,466
Mutual funds:				
Fixed income	16,767,960	-	5,006,699	21,774,659
Equity	15,195,353	80,344,860	-	95,540,213
International equity	-	25,656,224	-	25,656,224
Commingled funds - Real estate	-	12,627,069	6,044,877	18,671,946
Limited partnerships:				
Real estate	-	-	9,740,800	9,740,800
International equity	18,207,671	-	-	18,207,671
Real estate investment trusts	15,436,928	-	-	15,436,928
International securities:				
Bonds and notes	904,602	-	1,635,912	2,540,514
Stocks	5,278,750	-	18,074,865	23,353,615
Total investments	169,943,897	177,684,406	123,203,741	470,832,044
Receivables:				
Employer contributions	139,618	9,797,559	7,843,466	17,780,643
Interest and dividends	114,326	139,798	114,398	368,522
Total receivables	253,944	9,937,357	7,957,864	18,149,165
Prepaid items - benefits	-	903,855	594,027	1,497,882
Total assets	181,032,924	192,145,005	133,915,956	507,093,885
<b>LIABILITIES</b>				
Payables:				
Investment expenses	229,885	124,656	271,478	626,019
Administrative expenses	5,468	8,855	6,903	21,226
Total liabilities	235,353	133,511	278,381	647,245
<b>FIDUCIARY NET POSITION</b>				
Fiduciary net position restricted for pensions	\$ 180,797,571	\$ 192,011,494	\$ 133,637,575	\$ 506,446,640

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

<b>Statement of Changes in Fiduciary Net Position - Pension Trust Funds</b>				
	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement System</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 10,079,924	\$ 9,797,559	\$ 7,843,466	\$ 27,720,949
State of Florida	-	1,000,567	743,080	1,743,647
Plan members	1,764,626	1,935,401	849,028	4,549,055
Total contributions	11,844,550	12,733,527	9,435,574	34,013,651
Investment earnings:				
Interest and dividends	2,439,313	1,244,046	1,680,855	5,364,214
Net increase in the fair value of investments	31,020,367	28,949,269	21,856,855	81,826,491
Total investment earnings	33,459,680	30,193,315	23,537,710	87,190,705
Less: investment expenses	735,204	576,800	755,360	2,067,364
Net investment earnings	32,724,476	29,616,515	22,782,350	85,123,341
Total additions	44,569,026	42,350,042	32,217,924	119,136,992
<b>DEDUCTIONS</b>				
Benefits paid	11,323,471	11,206,060	7,623,337	30,152,868
Administrative expenses	175,032	156,804	163,881	495,717
Total deductions	11,498,503	11,362,864	7,787,218	30,648,585
Change in fiduciary net position	33,070,523	30,987,178	24,430,706	88,488,407
<b>FIDUCIARY NET POSITION</b>				
Fiduciary net position held in trust for pension benefits				
Fiduciary net position - beginning	147,727,048	161,024,316	109,206,869	417,958,233
Fiduciary net position - ending	\$ 180,797,571	\$ 192,011,494	\$ 133,637,575	\$ 506,446,640

**NOTE 11 – DEFERRED COMPENSATION PLAN**

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS**

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

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

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

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

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

Retirees and beneficiaries currently receiving benefits	68
Active employees	829
Total members	897

**Total OPEB Liability**

The City's total OPEB liability of \$15,813,188 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2019.

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

Inflation	2.25%
Salary increases	For General employees, 5.00% - 10.00% depending on service, including inflation. For Police Officers, 6.0%, including inflation. For Firefighters, 4.50% - 8.00% depending on service, including inflation.
Discount rate	2.41%
Healthcare cost trend rates	Based on the Getzen model, with trend starting at 0.00% for 2020 (to reflect actual premiums), then 6.25% for 2021 and gradually decreasing to an ultimate trend rate of 3.99%.

The discount rate was based on the municipal bond rate of 2.41% (based on the daily rate of Fidelity Investments' "20-Year Municipal GO AA Index" closest to but not later than the measurement date). The discount rate was 2.75% as of the beginning of the measurement year.

Mortality rates were based on the mortality tables used in the July 1, 2019, actuarial valuation of the Florida Retirement System. The rates were derived from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using scale MP-2018. Adjustments to reference tables are based on the results of a statewide experience study covering the period 2013 through 2018.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

***Changes in the Total OPEB Liability***

The following table presents the changes in the City's total OPEB liability for the year ended September 30, 2021.

Balance, as of October 1, 2020	\$ 15,070,083
Changes:	
Service cost	1,123,080
Interest on the total OPEB liability	437,346
Changes in assumptions and other inputs	(237,959)
Benefit payments	(579,362)
Net change in the total OPEB liability	<u>743,105</u>
Balance, as of September 30, 2021	<u>\$ 15,813,188</u>

Changes in assumption and other inputs include the change in the discount rate from 2.75% as of the beginning of the measurement period to 2.41% as of September 30, 2020 (based on the Long-Term Municipal Bond rate). The adjustment reflects changes in the yields on 20-year general obligation municipal bonds between September 30, 2019, and September 30, 2020. In addition, the load for modeling the excise ("Cadillac") tax on health care plans was removed.

***Sensitivity of the total OPEB liability to changes in the discount rate.*** The following presents the City's total OPEB liability, calculated using the discount rate of 2.41%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.41%) or 1 percentage point higher (3.41%) than the current rate:

	<u>1% Decrease (1.41%)</u>	<u>Current Discount Rate (2.41%)</u>	<u>1% Increase (3.41%)</u>
Total OPEB Liability	\$ 17,984,224	\$ 15,813,188	\$ 14,008,043

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

	<u>1% Decrease in Healthcare Cost Trend Rate</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase in Healthcare Cost Trend Rate</u>
Total OPEB Liability	\$ 13,557,891	\$ 15,813,188	\$ 18,652,652

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$853,122. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefits paid after the measurement date	\$ 645,102	\$ -
Differences between expected and actual experience	-	1,078,151
Changes of assumptions and other inputs	-	1,873,440
Total	<u>\$ 645,102</u>	<u>\$ 2,951,591</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

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

Deferred outflows of resources include \$645,102 resulting from benefits paid after the measurement date. This amount will be recognized as a reduction of the OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended September 30:**

2022	\$ (707,304)
2023	(707,304)
2024	(639,350)
2025	(540,997)
2026	(319,767)
Thereafter	(36,869)

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

**Construction commitments**

The City has active construction projects as of September 30, 2021. The projects include the new Police Department headquarters facility, construction of the new Fire Station #17, the Stormwater drainage project for phase III, IV and downtown, and comprehensive road extensions and realignments, such as the Hanson Street Extension related to U.S. Route 41 and Ortiz Avenue and the SR739 resurfacing project. At year end, the City's commitments with contractors are as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Buildings	\$ 7,546,765	\$ 17,014,569
Development	442,742	3,035,408
Equipment	5,597,096	3,826,286
Parks and Beautification	1,102,271	9,099,209
Transportation	7,031,139	17,315,701

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

**Encumbrances**

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

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

Governmental Activities				
	Transportation	General	Other	
General	Capital Projects	Capital Projects	Governmental	
Fund	Fund	Fund	Funds	Total
Encumbrances Outstanding	\$ 669,577	\$ 6,774,191	\$ 12,189,501	\$ 1,339,598
				\$ 20,972,867

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

**Encumbrances (continued)**

Transportation Capital Projects Fund – of this amount, \$2,094,784 is restricted for the First and Second Street conversion from one-way to two-way traffic and \$1,345,909 for the Nuna Avenue sidewalk improvement project.

General Capital Projects Fund – of this amount, \$2,782,884 is restricted for the News Press building renovation to new Police Department headquarters facility, \$2,829,206 for building Fire Station #17, \$1,046,212 for the revitalizing construction of Forum Park, and \$2,480,398 for Centennial Park improvements that include the refurbishment of the pavilion and purchase of playground equipment.

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

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

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

As of September 30, 2021, there was approximately \$2.75 million of total potential impact fee credits earned and outstanding.

	Available	Earned
Road	\$ 1,887,478	\$ 1,887,478
Fire	862,723	862,723
Total	<u>\$ 2,750,201</u>	<u>\$ 2,750,201</u>

**Operating Agreements**

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

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

The lease payment of \$1.00 per year is effective for a term of ten years, commencing January 1, 2017, and expiring December 31, 2026. The operating/lease agreement contains a provision for subsidy payments from the City, in quarterly installments, and an annual waiver of the nonprofit requirement to pay ten to fifteen percent of market rate rent. The City's obligation to provide funding under this agreement is contingent upon the annual appropriation of funds. The final subsidy payment of \$512,500 is due in fiscal year 2022.

In addition, the City entered into a lease and development agreement with a local foundation with the intent of creating a technology hub to unite the nonprofits in the region. The agreement includes substantial rehabilitation of the Southwest Florida Museum of History to its original design and character as a train station, plus the construction of a second stand-alone building connected to the train station that will be architecturally distinctive while providing an



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

---

**Operating Agreements (continued)**

energy-efficient environment with state-of-the-art technology serving as a technology hub. To fund the rehabilitation and new construction, the foundation secured a \$10,000,000 allocation of New Market Tax Credits via an A Note and a B Note.

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

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

In conjunction with this agreement, the City and the City's Community Redevelopment Agency (CRA) entered into a subsidy and funding agreement with the foundation to provide financial assistance for the renovation, development and operation of the property. The final subsidy amounts from the City and CRA are \$100,000 for each entity and the subsidy payments will be made by October 30, 2021. The foundation will match the \$200,000 provided by the City and the CRA. The City will provide an annual waiver of the non-profit requirement to pay 10 to 15 percent of market rate rent.

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 14 – RISK MANAGEMENT**

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

Additional coverage includes EMT Liability, Law Enforcement Liability, Public Officials' Liability, Excess Automobile Liability, Crime and Employee Dishonesty, Statutory Death, a Cyber Liability policy, Special Event Liability as needed, Tenant User Liability and a policy providing coverage for protection, indemnity and hull exposures for watercraft.

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

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

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

1. Estimate ultimate losses for all past fiscal accident periods and prospective fiscal accident periods by coverage, net of specific excess reinsurance, based on various actuarial projection methods.
2. Subtract cumulative paid losses from the ultimate loss estimates by accident period to determine the estimated reserves, net of specific excess coverage, as of September 30, 2021.
3. Determine funding indications by discounting both the estimated reserve by accident period and the prospective year estimated ultimate loss estimates to reflect investment income, and then adding a margin for adverse deviation.

The liability for the claims is reported in the Risk Management Internal Service Fund. Activity in the balances of claims liabilities for the years ending September 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Workers Compensation and General Liability:		
Unpaid claims, beginning of the fiscal year	\$ 9,732,248	\$ 9,337,934
Claims incurred, including IBNRs	1,459,010	2,850,292
Claim payments	(1,704,298)	(2,455,978)
Unpaid claims, end of the fiscal year	<u>\$ 9,486,960</u>	<u>\$ 9,732,248</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 15 – LONG-TERM LIABILITIES**

Bonds and notes outstanding at September 30, 2021 consist of the following for governmental activities:

<i>Governmental Activities</i>	<i>Sale Date</i>	<i>Original Borrowing</i>	<i>Interest Rates to Maturity</i>	<i>Final Maturity</i>	<i>Outstanding September 30, 2021</i>	<i>Maximum Annual Debt Service</i>
<b>Revenue Bonds</b>						
Capital Improvement and Refunding Revenue Bonds	6/19/2014	\$ 37,120,000	2.00% - 5.00%	12/1/2034	\$ 26,705,000	\$ 3,771,138
Capital Improvement and Refunding Revenue Bonds	9/22/2016	52,130,000	2.00% - 5.00%	12/1/2036	46,700,000	5,648,450
Capital Improvement and Refunding Revenue Bonds	10/25/2018	32,436,995	4.00% - 5.00%	12/1/2038	25,306,705	4,955,778
Taxable Capital Improvement Revenue Bonds	10/25/2018	13,220,000	2.97% - 4.13%	12/1/2048	12,760,000	824,863
Total Revenue Bonds					<u>111,471,705</u>	<u>15,200,229</u>
<b>Notes from Direct Borrowings</b>						
Community Redevelopment Revenue Note	1/6/2005	7,450,000	4.01%	1/1/2022	496,154	516,326
Capital Improvement Revenue Note	10/9/2019	45,000,000	2.09%	10/9/2022	18,866,883	18,866,883
Taxable Capital Improvement Revenue Note	10/9/2019	5,000,000	2.61%	10/9/2022	3,410,000	3,410,000
Total Notes from Direct Borrowings					<u>22,773,037</u>	<u>22,793,209</u>
<b>Total for Governmental Activities</b>					<u>\$134,244,742</u>	<u>\$ 37,993,438</u>

Bonds and notes outstanding at September 30, 2021 consist of the following for business-type activities:

<i>Business-type Activities</i>	<i>Sale Date</i>	<i>Original Borrowing</i>	<i>Interest Rates to Maturity</i>	<i>Final Maturity</i>	<i>Outstanding September 30, 2021</i>	<i>Maximum Annual Debt Service</i>
<b>Water-Wastewater:</b>						
<b>Revenue Bonds</b>						
Utility System Refunding Revenue Bonds	9/12/2012	17,025,000	2.00% - 4.00%	10/1/2033	\$ 4,255,000	\$ 407,606
Utility System Refunding and Revenue Bonds	9/19/2019	113,740,000	2.00% - 4.00%	10/1/2049	113,740,000	8,190,700
Utility System Refunding Revenue Bonds	6/3/2020	40,270,000	5.00%	10/1/2028	37,340,000	9,003,750
Subordinate Utility System Refunding Revenue Bonds	6/3/2020	36,435,000	5.00%	10/1/2029	36,435,000	5,911,875
Total Revenue Bonds					<u>191,770,000</u>	<u>23,513,931</u>
<b>Note from Direct Placement</b>						
Utility System Refunding Revenue Note	4/6/2017	37,190,000	3.36%	10/1/2036	35,455,000	4,860,768
Utility System Refunding Revenue Note	8/19/2021	11,726,000	1.26%	10/1/2036	11,726,000	2,003,607
Total Note from Direct Placement					<u>47,181,000</u>	<u>6,864,375</u>
Total for Water-Wastewater					<u>238,951,000</u>	<u>30,378,306</u>
<b>Solid Waste:</b>						
<b>Revenue Bonds</b>						
Improvement Refunding Revenue Bonds	10/25/2018	121,647	4.00% - 5.00%	12/1/2038	42,573	44,874
Total for Solid Waste					<u>42,573</u>	<u>44,874</u>
<b>Fort Myers Country Club:</b>						
<b>Revenue Bonds</b>						
Improvement Refunding Revenue Bonds	10/25/2018	116,358	4.00% - 5.00%	12/1/2038	40,722	42,923
Total for Fort Myers Country Club					<u>40,722</u>	<u>42,923</u>
<b>Yacht Basin:</b>						
<b>Note from Direct Borrowing</b>						
Capital Improvement Revenue Note	10/4/2005	5,000,000	4.63%	9/1/2028	2,296,777	386,877
Total for Yacht Basin					<u>2,296,777</u>	<u>386,877</u>
<b>Total for Business-type Activities</b>					<u>\$241,331,072</u>	<u>\$ 30,852,980</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

Changes in governmental long term debt for the year ended September 30, 2021 are summarized as follows:

	Balance at October 1, 2020	Increases	Decreases	Balance at September 30, 2021	Due Within One Year
Revenue bonds payable	\$ 117,297,460	\$ -	\$ 5,825,755	\$ 111,471,705	\$ 6,081,705
Unamortized premium	7,564,213	-	445,588	7,118,625	-
Net revenue bonds payable	124,861,673	-	6,271,343	118,590,330	6,081,705
Notes from direct borrowings	17,014,660	6,254,531	496,154	22,773,037	496,154
Capital leases	4,839,158	1,281,187	2,061,297	4,059,048	320,726
Compensated absences	5,884,311	1,317,818	1,544,116	5,658,013	2,803,223
Claims and judgments	10,163,904	-	460,021	9,703,883	4,292,923
<b>Governmental-type Totals</b>	<b>\$ 162,763,706</b>	<b>\$ 8,853,536</b>	<b>\$ 10,832,931</b>	<b>\$ 160,784,311</b>	<b>\$ 13,994,731</b>

The City's outstanding Community Redevelopment Revenue Note from a direct borrowing related to governmental activities of \$496,154 contains a provision that in an event of default, outstanding principal and interest becomes due and payable. In addition, the lender may charge a default interest rate equal to the maximum permitted by law and may impose a late fee of 4% of any amount not paid within fifteen days of the due date.

The City's Capital Improvement Revenue Note, Series 2019A and the Taxable Capital Improvement Revenue Note, Series 2019B from a direct borrowing related to governmental activities represent a revolving credit agreement that is available in the amount of \$45,000,000 and \$5,000,000, respectively. As of September 30, 2021, the City utilized the amount of \$18,866,883 and \$3,410,000, respectively, to fund capital expenditures. Each Revenue Note contains a provision that upon the occurrence of an event of default, the outstanding debt becomes immediately due and payable. In such default and acceleration, the City is obligated to pay all costs of collection and enforcement but only from non ad-valorem revenues. Following an event of default, the Notes shall bear interest at the rate borne absent the event of default plus 6%. If any payment is not made within fifteen days after it is due, a late fee of 4% becomes due and payable immediately.

Changes in business-type long term debt for the year ended September 30, 2021 are summarized as follows:

	Balance at October 1, 2020	Increases	Decreases	Balance at September 30, 2021	Due Within One Year
<b>Water-Wastewater Fund</b>					
Revenue bonds payable	\$ 216,310,000	\$ -	\$ 24,540,000	\$ 191,770,000	\$ 6,840,000
Unamortized premium	30,685,077	-	3,789,049	26,896,028	-
Net revenue bonds payable	246,995,077	-	28,329,049	218,666,028	6,840,000
Notes from direct placement	36,115,000	11,726,000	660,000	47,181,000	1,025,000
Unamortized discount, Series 2017A	(76,287)	-	(4,768)	(71,519)	-
Net notes payable	36,038,713	11,726,000	655,232	47,109,481	1,025,000
Capital lease	13,320,385	-	290,032	13,030,353	1,904,956
Compensated absences	569,855	26,804	44,195	552,464	171,030
Fund totals	296,924,030	11,752,804	29,318,508	279,358,326	9,940,986
<b>Solid Waste Fund</b>					
Revenue bonds payable	83,076	-	40,503	42,573	42,573
Unamortized premium	31,669	-	1,667	30,002	-
Net revenue bonds payable	114,745	-	42,170	72,575	42,573
Compensated absences	228,129	26,780	5,086	249,823	148,199
Fund totals	342,874	26,780	47,256	322,398	190,772

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

Changes in business-type long term debt for the year ended September 30, 2021 (continued)

	Balance at October 1, 2020	Increases	Decreases	Balance at September 30, 2021	Due Within One Year
<b>Other Enterprise Funds</b>					
Revenue bonds payable	79,464	-	38,742	40,722	40,722
Unamortized premium	30,292	-	1,594	28,698	-
Net revenue bonds payable	109,756	-	40,336	69,420	40,722
Note from direct borrowing	2,567,867	-	271,090	2,296,777	284,041
Capital leases	356,916	-	114,487	242,429	118,914
Compensated absences	291,367	36,627	19,251	308,743	121,362
Fund totals	3,325,906	36,627	445,164	2,917,369	565,039
<b>Business-type totals</b>	<b>\$ 300,592,810</b>	<b>\$ 11,816,211</b>	<b>\$ 29,810,928</b>	<b>\$ 282,598,093</b>	<b>\$ 10,696,797</b>

In the Water-Wastewater fund, the Utility System Refunding Revenue Note, Series 2017A from direct placement, contains provisions that upon occurrence of an event of default, the interest rate on the note shall accrue at the default rate, which shall be calculated at the greater of (a) the published Federal Reserve Bank's Prime Rate +3%, (b) the Federal Funds Rate +5%, or (c) 7%, per annum. In addition to the forgoing rate adjustment, the registered holder shall have all rights and remedies available to bondholders pursuant to the resolution. The Utility System Refunding Revenue Note, Series 2021A from direct placement, contains provisions that the note shall bear interest at the default rate until such default shall be cured and all payments made on the note during any such period shall be applied first to interest and then to principal. The default rate for the Series 2021A Note is 6% per annum in excess of the Prime Rate, which shall be the greater of (a) the rate published from time to time in The Wall Street Journal as the "U.S. Prime Rate" or, in the event the rate is not available from The Wall Street Journal, the base, reference or other rate then designated by the registered holder, in its reasonable discretion, for general commercial loans, or (b) 3%. Once the event of default is cured, the interest rate will revert back to the rate effective as of the cure date. In addition to the forgoing rate adjustment, the registered holder shall have all rights and remedies available to bondholders pursuant to the resolution.

The Yacht Basin's Capital Improvement Revenue Note, Series 2005 from direct borrowing contains a provision that the lender may terminate the commitment if the lender determines that a material adverse change occurred in the financial condition of the City.

**Pledged Revenues**

The City pledged revenues, which comprise the Utilities Tax, Franchise Taxes, Communications Services Tax, Guaranteed Entitlement Funds, Occupational License Tax, Sales Tax, Five Cents Local Gas Tax, Six Cents Local Gas Tax and tax increment financing revenues, as the sources of repayment for the following debt issue. Pledged revenues received in 2021 totaled \$40,678,791.

The Community Redevelopment Revenue Note, Series 2005, was issued to finance the cost of community redevelopment projects and to refund certain outstanding obligations of the City. The note is payable through January 1, 2022, with total principal and interest remaining to be paid of \$516,326. Principal and interest paid for the current fiscal year totaled \$536,609, which is 1.32% of total fiscal year 2021 pledged revenues.

**Arbitrage**

The bonds and notes in Governmental and Business-type Activities are subject to arbitrage. The arbitrage rebate requirement requires issuers of tax-exempt debt to rebate to the U.S. Treasury investment income arising from proceeds of tax exempt debt to the extent that such income results from an investment yield in excess of the bond yield. There is no arbitrage liability as of September 30, 2021.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

The debt service requirements to maturity for the City's bonds and notes in governmental activities are as follows:

<b>Governmental Activities</b>						
<b>Fiscal Year</b>	<b>Revenue Bonds</b>		<b>Notes from Direct Borrowings</b>		<b>Total Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 6,081,705	\$ 4,418,059	\$ 496,154	\$ 20,172	\$ 6,577,859	\$ 4,438,231
2023	5,360,000	4,195,429	22,276,883	-	27,636,883	4,195,429
2024	4,865,000	4,015,900	-	-	4,865,000	4,015,900
2025	5,050,000	3,816,719	-	-	5,050,000	3,816,719
2026	5,280,000	3,583,069	-	-	5,280,000	3,583,069
2027-2031	30,100,000	14,218,821	-	-	30,100,000	14,218,821
2032-2036	36,355,000	7,451,436	-	-	36,355,000	7,451,436
2037-2041	12,925,000	2,022,051	-	-	12,925,000	2,022,051
2042 and thereafter	5,455,000	1,126,291	-	-	5,455,000	1,126,291
Total	111,471,705	\$ 44,847,775	22,773,037	\$ 20,172	134,244,742	\$ 44,867,947
Current portion	(6,081,705)		(496,154)		(6,577,859)	
Unamortized premium	7,118,625		-		7,118,625	
Long term portion	\$ 112,508,625		\$ 22,276,883		\$ 134,785,508	

The debt service requirements to maturity for the City's bonds and notes in business-type activities are as follows:

<b>Business-Type Activities</b>						
<b>Fiscal Year</b>	<b>Water-Wastewater Revenue Bonds</b>		<b>Water-Wastewater Note from Direct Placement</b>		<b>Solid Waste Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 6,840,000	\$ 8,010,399	\$ 1,025,000	\$ 1,268,571	\$ 42,573	\$ 2,301
2023	10,845,000	7,594,359	2,577,000	1,287,867	-	-
2024	11,330,000	7,086,106	2,614,000	1,240,170	-	-
2025	11,855,000	6,595,584	2,657,000	1,191,317	-	-
2026	13,265,000	6,046,184	1,761,000	1,147,314	-	-
2027-2031	44,035,000	21,652,828	8,939,000	5,178,487	-	-
2032-2036	8,055,000	17,308,350	22,373,000	2,691,658	-	-
2037-2041	24,610,000	14,804,275	5,235,000	83,118	-	-
2042 and thereafter	60,935,000	11,496,300	-	-	-	-
Total	191,770,000	\$ 100,594,385	47,181,000	\$ 14,088,502	42,573	\$ 2,301
Current portion	(6,840,000)		(1,025,000)		(42,573)	
Unamortized premium						
/ (discount)	26,896,028		(71,519)		30,002	
Long-term portion	\$ 211,826,028		\$ 46,084,481		\$ 30,002	

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

Debt service requirements to maturity for the City's bonds and notes in business-type activities (continued)

Fiscal Year	Nonmajor Enterprise Fund Revenue Bonds		Nonmajor Enterprise Fund Note from Direct Borrowing		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 40,722	\$ 2,201	\$ 284,041	\$ 102,835	\$ 8,232,336	\$ 9,386,307
2023	-	-	297,612	89,265	13,719,612	8,971,491
2024	-	-	311,615	75,262	14,255,615	8,401,538
2025	-	-	326,718	60,159	14,838,718	7,847,060
2026	-	-	342,327	44,549	15,368,327	7,238,047
2027-2031	-	-	734,464	39,290	53,708,464	26,870,605
2032-2036	-	-	-	-	30,428,000	20,000,008
2037-2041	-	-	-	-	29,845,000	14,887,393
2042 and thereafter	-	-	-	-	60,935,000	11,496,300
Total	40,722	\$ 2,201	2,296,777	\$ 411,360	241,331,072	\$ 115,098,749
Current portion	(40,722)		(284,041)		(8,232,336)	
Unamortized premium / (discount)	28,698		-		26,883,209	
Long-term portion	\$ 28,698		\$ 2,012,736		\$ 259,981,945	

**Capital Lease Obligations**

In prior fiscal years, the City entered into certain lease agreements as a lessee for financing the acquisition of the following equipment for City departments: certain fire trucks and defibrillator equipment for the City's Fire Department; mowing equipment for the City's Parks Division; mowing equipment that was essential to maintain the City's two golf courses, a street sweeper for the Stormwater department and; vehicles for various City departments under a Master Lease Agreement. Many of the City-owned vehicles are in need of replacement due to high mileage, age of vehicles and difficulty with repairs. The Master Lease Agreement provides leasing services for open-end options to purchase the vehicles with financing for four years.

The City's Fleet Maintenance Department in the Internal Services Fund provides the funding for the vehicles while the departments in the City's General Fund receive the benefit of the assets. Therefore, the assets acquired through the Master Lease Agreement lease are reported in governmental-wide activities and the capital lease liability is reported in the Internal Services Funds' activities. The Master Lease Agreement qualifies as a capital lease for accounting purposes and, therefore, the leases have been recorded at the present value of the future minimum lease payments as of the inception date.

This fiscal year, the City continued with its prioritization of renewal and replacement of police vehicles with the opportunities provided with lease financing. The Fleet Maintenance Department continued to fund the replacement vehicles for the City's police officers. The lease agreements qualify as a capital lease for accounting purposes, and therefore, was recorded at the present value of the future minimum lease payments as of the inception date.

In addition, the Information Technology Department increased storage node functionality through lease-to-purchase arrangements to configure local and offsite backups for faster and secure recovery of essential City data. The lease agreements qualify as capital leases for accounting purposes, and therefore, were recorded at the present value of the future minimum lease payments as of the inception date.

Capitalized equipment subject to lease financing agreements for governmental activities as of September 30, 2021:

	Governmental Activities				
	Fire Equipment	Mowers - Parks	Vehicles	ITS Equipment	Total
Acquisition cost	\$ 2,432,598	\$ 106,710	\$ 7,147,044	\$ 589,226	\$ 10,275,578
Less: accumulated depreciation	(933,856)	(81,957)	(4,200,961)	(56,074)	(5,272,848)
Total	\$ 1,498,742	\$ 24,753	\$ 2,946,083	\$ 533,152	\$ 5,002,730

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

**Capital Lease Obligations (continued)**

Capitalized equipment subject to lease financing agreements for business-type activities as of September 30, 2021:

	<b>Business-Type Activities</b>		
	<b>Eastwood Golf</b>		
	<b>Stormwater</b>	<b>Course</b>	
	<b>Sweeper</b>	<b>Sprayer, mowers</b>	<b>Total</b>
Acquisition cost	\$ 165,775	\$ 569,126	\$ 734,901
Less: accumulated depreciation	(99,465)	(425,270)	(524,735)
Total	\$ 66,310	\$ 143,856	\$ 210,166

The future minimum lease obligation and the net present value of these minimum lease payments, as reported in the respective activities, are as follows:

	<b>Governmental Activities</b>		<b>Internal Service Funds</b>		
	<b>Fire Department</b>	<b>Parks/Recreation</b>		<b>Hyperconverged</b>	
Year ending September 30	<b>Equipment</b>	<b>Mowers</b>	<b>Vehicles</b>	<b>Storage System</b>	<b>Total Required</b>
2022	\$ 347,881	\$ 18,441	\$ 1,408,267	\$ 127,520	\$ 1,902,109
2023	347,881	11,522	608,815	127,520	1,095,738
2024	347,881	-	309,216	127,520	784,617
2025	347,881	-	-	127,520	475,401
2026	172,676	-	-	-	172,676
Total minimum lease payments	1,564,200	29,963	2,326,298	510,080	4,430,541
Less: amount representing interest	(127,899)	(914)	(196,261)	(46,419)	(371,493)
Present value of minimum lease payments	\$ 1,436,301	\$ 29,049	\$ 2,130,037	\$ 463,661	\$ 4,059,048

The future minimum lease obligation and the net present value of these minimum lease payments, as reported in the business-type activities, are as follows:

	<b>Business-Type Activities</b>		
	<b>Eastwood Golf</b>		
	<b>Stormwater</b>	<b>Course</b>	
Year ending September 30	<b>Sweeper</b>	<b>Sprayer, mowers</b>	<b>Total Required</b>
2022	\$ 37,012	\$ 89,813	\$ 126,825
2023	37,012	89,774	126,786
Total minimum lease payments	74,024	179,587	253,611
Less: amount representing interest	(4,765)	(6,417)	(11,182)
Present value of minimum lease payments	\$ 69,259	\$ 173,170	\$ 242,429

**Master Lease Purchase Agreement**

On August 7, 2017, the City executed a Guaranteed Energy, Water, and Wastewater Performance Savings Contract with Siemens Industry, Inc., for the purpose of installing certain equipment and providing other services designed to reduce energy or water consumption, wastewater production, or energy related operating costs for the City. For one year from the commencement date, Siemens Industry, Inc. shall install an advanced meter reading infrastructure for the water system at the City's two Advanced Wastewater Treatment Facilities. The contract provides a written guarantee that the cost savings will meet or exceed the costs of the Energy Conservation Measures and the estimated cost savings set forth in the Investment Grade Energy Audit, originally dated April 20, 2017, pursuant to Florida Statutes 489.145(4)(c), and that the amount of any actual annual savings meet or exceed total annual contract payments made by the City for the contract pursuant to Florida Statutes 489.145 (3)(d)(2).

The Performance Savings Contract was accounted for as a long-term capital lease for a term of sixteen years with a capital lease asset and liability recorded in the Water-Wastewater Enterprise Fund at September 30, 2017. The capital lease asset will be amortized over the life of the Performance Savings Contract.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

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

Master Lease Purchase Agreement (continued)

The following schedule lists the minimum payments due under the Performance Savings Contract as of September 30, 2021:

Year ending September 30	Payments
2022	1,616,765
2023	1,050,146
2024	1,081,650
2025	1,114,100
2026	1,147,523
2027-2031	6,275,129
2032-2035	3,427,033
Total minimum lease payments	15,712,346
Less: amount representing interest	(2,681,993)
Present value of minimum lease payments	<u>\$ 13,030,353</u>

**Operating Lease Obligations**

The City currently has various lease agreements for a postage machine, copiers, golf carts and Police Department vehicles. These leases are accounted for as operating leases. The leases are generally for a three to five-year term and include renewal options. The following schedule reflects the operating lease obligations for governmental and business-type activities for the next five years. As of September 30, 2021, there are no operating lease commitments that extend beyond fiscal year 2026. Lease expense for fiscal year 2021 reported in the governmental and business-type activities were \$104,351 and \$164,888 respectively.

Year Ending September 30,	Governmental Activities	Business-Type Activities	Total
2022	\$ 122,739	\$ 173,658	\$ 296,397
2023	94,003	169,877	263,880
2024	36,233	28,672	64,905
2025	1,765	6,536	8,301
2026	-	2,066	2,066
Total	<u>\$ 254,740</u>	<u>\$ 380,809</u>	<u>\$ 635,549</u>

**NOTE 16 – PRIOR YEAR DEFEASED DEBT AND CURRENT REFUNDING**

**Prior year defeasance of debt**

In prior years, the City defeased certain general obligation revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the City's financial statements. On September 30, 2021, the amount of defeased bonds consisted of the following:

**Governmental Activities**

Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2014 Bonds)	\$ 18,320,000
Improvement and Refunding Revenue Bonds, Series 2006 (refunded by 2016 Bonds)	33,380,000
Improvement Refunding Revenue Bonds, Series 2007	4,480,665
Total for Governmental Activities	<u>\$ 56,180,665</u>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 16 – PRIOR YEAR DEFEASED DEBT AND CURRENT REFUNDING (continued)**

**Prior year defeasance of debt (continued)**

**Business-type Activities**

Utility System Revenue Bonds, Series 2006	\$ 35,475,000
Improvement Refunding Revenue Bonds, Series 2007	124,335
Utility System Refunding and Revenue Bonds, Series 2011 (partial)	28,945,000
Utility System Refunding Revenue Note, Series 2017B	31,030,000
Utility System Refunding and Revenue Bonds, Series 2011 (balance)	17,090,000
Total for Business-type Activities	<u>\$ 112,664,335</u>

**Current Refunding**

*Utility System Refunding Revenue Note, Series 2021A*

On August 19, 2021, the City issued the Utility System Refunding Revenue Note, Series 2021A, in the amount of \$11,726,000. Together with other funds provided by the City, the proceeds of the Series 2021A Note were used to currently refund \$17,090,000 of the City's outstanding Utility System Refunding and Revenue Bonds, Series 2011 and to pay the costs associated with the issuance of the Series 2021A Note.

The net proceeds of \$17,554,082 included prior debt service reserve funds of \$4,875,206, current debt reserve funds of \$952,876 and \$58,835 in underwriting fees and other issuance costs. The amount of \$17,495,247 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Utility System Refunding and Revenue Bonds, Series 2011, are considered defeased and the liability for those bonds has been removed from the statement of net position.

The net carrying amount exceeded the reacquisition price of the old debt by \$1,431,379. This amount is recorded as a deferred inflow of resources and amortized over the remaining life of the refunding debt. The City current refunded the Utility System Refunding and Revenue Bonds, Series 2011, to reduce its total debt service payments over twenty years by \$4,589,405. The City was able to capitalize on the low interest rate environment by achieving an all-inclusive true interest cost of 1.36% and obtaining an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$2,901,957.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 17 – FUND BALANCE**

**Minimum Fund Balance/Net Position Policy**

The City adopted a fund balance policy on September 26, 2011 to ensure the maintenance of adequate fund balance / net position and reserves in the City's various operating funds to provide the capacity to: 1) provide sufficient cash flow for daily financial needs, 2) secure and maintain investment grade bond ratings, 3) offset significant economic downturns and revenue shortfalls, and 4) provide funds for unforeseen expenditures related to emergencies.

**General Fund** – The City will strive to maintain a minimum unassigned fund balance of 10% with a target of 10% - 17% of the total general fund budget. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the subsequent fiscal year. The drawdown of unassigned fund balance may be utilized to respond and provide relief and recovery to emergencies which include but are not limited to hurricanes or tropical storms, flooding, wildfires and terrorist activity.

**Replenishment of Deficiencies** – In the event that unassigned fund balance in the General Fund is used for unanticipated expenditures or emergencies, and subsequently causes the balance to fall below the minimum of 10%, the fund balance should be replenished in order to prepare for future events. The City will strive to replenish the fund balance within a one-year period from the time the event occurs, or as quickly as economic conditions allow.

**Other Governmental Funds** – The various other governmental funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for them all. Therefore, the appropriate level of fund balance in the other governmental funds will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Director of Finance, or other designee shall determine this level.

**Enterprise Funds** – The City will strive to maintain unrestricted net position equal to 20% of the budgeted annual operating expenses for the current year in the Water-Wastewater Operating Fund and Solid Waste Fund to provide approximately a two-month cushion for operating expenses. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30<sup>th</sup> for the subsequent fiscal year. The reserve is needed to cover short-term cash flow variations, economic downturns and emergencies. Unrestricted net position under the 20% goal should be used only for unanticipated expenditures. The various other enterprise and internal service funds of the City have vastly differing objectives, cash flows and revenue patterns. As a result, no one level of reserves is appropriate for them all. Therefore, the appropriate level of net position in all enterprise and internal service funds, other than the Water-Wastewater Operating Fund and the Solid Waste Fund, will be determined on a case-by-case basis due to the specific needs of the fund. The City Manager, Director of Finance, or other designee shall determine this level.

**NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES**

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

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,073,467
	Total due to General Fund	<u>\$ 1,073,467</u>

The receivable amount in the General Fund from nonmajor governmental funds relates to interim end of year funding. The General Fund expects to collect the balances in the subsequent year.

**Advances to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 617,000

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 18 – INTERFUND RECEIVABLES AND PAYABLES (continued)**

**Advances to/from other funds (continued)**

The amount payable to the General Fund by the Nonmajor Governmental Funds comprises advances to the Dr. Martin Luther King, Jr. Boulevard Redevelopment and Cleveland Avenue Redevelopment Tax Increment Financing Districts. None of the balance is scheduled to be collected in the subsequent year.

**NOTE 19 – INTERFUND TRANSFERS**

	Transfers In:						
	General Fund	Revenue Bonds and Notes Fund	Transportation Capital Projects Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Fund	Nonmajor Business-type Funds
<b>Transfers Out:</b>							<b>Total Transfers</b>
General Fund <sup>(1)</sup>	\$ -	\$ 9,542,014	\$ -	\$ 515,585	\$ 5,628,288	\$ 64,910	\$ 777,800
Revenue Bonds and Notes <sup>(2)</sup>	-	-	-	6,254,531	-	-	-
General Capital Projects Funds <sup>(3)</sup>	-	400,000	1,441,786	-	-	-	1,626,072
Nonmajor Governmental Funds <sup>(4)</sup>	1,000,000	-	170,414	361,392	377,014	-	88,810
Water-Wastewater Fund <sup>(5)</sup>	7,542,300	-	-	55,000	-	-	152,335
Solid Waste Fund <sup>(6)</sup>	2,611,500	-	-	-	-	-	-
Internal Service Fund <sup>(7)</sup>	-	78,500	-	197,246	-	-	53,017
Nonmajor Business-type Funds <sup>(8)</sup>	889,100	1,159,746	-	331,086	-	-	-
<b>Total Transfers</b>	<b>\$12,042,900</b>	<b>\$11,180,260</b>	<b>\$1,612,200</b>	<b>\$ 7,714,840</b>	<b>\$ 6,005,302</b>	<b>\$ 64,910</b>	<b>\$ 2,698,034</b>

<sup>(1)</sup> Transfers from the General Fund were used to fund debt service needs, capital improvements and capital equipment requirements. Capital equipment expenditures comprised \$503,499 for Fire Department lease payments and the purchase of a pump out vessel. The transfers to the Nonmajor Governmental Funds include \$4,204,185 for tax increment funding to the Community Redevelopment Agency (CRA). In addition, the General Fund transferred \$625,000 to support the Community Oriented Policing Services hiring program and \$713,300 as a subsidy to the Street Maintenance Fund. The transfer to the Internal Service Fund supported Information Technology Services (ITS) operations. Transfers to the Nonmajor Business-type Funds relate to subsidies for the Fort Myers Country Club, Eastwood Golf Course and Skatium enterprise funds.

<sup>(2)</sup> Transfers from the Revenue Bonds and Notes Fund to the General Capital Projects Fund relate to the project funding from the Capital Improvement Revenue Note, Series 2019A, and the Taxable Capital Improvement Revenue Note, Series 2019B.

<sup>(3)</sup> The transfer from the General Capital Projects Fund into the Revenue Bonds and Notes Fund relates to an annual reimbursement from Lee County in compliance with an interlocal agreement for the City's event center improvements. Transfers into the Transportation Capital Projects Funds were used to fund roadway improvements and bridge repairs. Transfers to the Nonmajor Business-type Funds included \$1,335,117 for the Stormwater Phase III, IV and Downtown project.

<sup>(4)</sup> Transfers from Nonmajor Governmental Funds comprised payment of \$1,000,000 from the CRA for the City's streetscape in compliance with an interlocal agreement; \$170,414 from the Street Maintenance Fund for street sign improvements; \$285,397 to support the City Walk street improvement project and utilities in the General Capital Projects Fund; \$267,800 as a subsidy from the CRA for downtown para-transit needs, and; \$88,810 in support of Stormwater projects.

<sup>(5)</sup> Transfers from the Water-Wastewater Fund were used to contribute to General Fund operations, and to provide \$55,000 for Public Works Center Annex in the General Capital Projects Fund and \$152,335 for South Street drainage improvements in the Stormwater Nonmajor Business-type Fund.

<sup>(6)</sup> Transfers from the Solid Waste Fund were used to contribute to General Fund operations.

<sup>(7)</sup> The transfer from the ITS Internal Service Fund to the Revenue Bonds and Notes Fund supported debt service needs. Transfers to the General Capital Projects Fund comprised funding for city-wide phone system replacement and physical access control system. In addition, the ITS Internal Service Fund transferred \$53,017 for the Building Permits and Inspections software.

<sup>(8)</sup> Transfers from the Nonmajor Business-type funds were used to support General Fund operations, fund debt service needs and provided \$303,632 in funding for parking garage cameras in the General Capital Projects Fund.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 20 – RELATED ORGANIZATION TRANSACTIONS**

---

The Housing Authority of the City of Fort Myers provides attainable housing for families and seniors in the City of Fort Myers. The Mayor of the City of Fort Myers appoints a voting majority of the board but the City does not exercise financial control. During the fiscal year that ended September 30, 2021, the City received \$150,000 from the Housing Authority for providing additional police protection.

**NOTE 21 – CONTINGENCIES**

---

**Grants**

The City participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures that may be disallowed by the granting agencies cannot be determined at this time. City management anticipates such amounts, if any, will be immaterial.

**Litigation, Claims and Assessments**

There are several pending claims and lawsuits arising from the normal course of business in which the City is involved. Estimated liabilities related to most unsettled claims have been accrued under the City's self-insurance program, and management believes the self-insurance reserves recorded in the Risk Management Fund are adequate to cover losses for which the City may be liable. Although the outcome of these lawsuits and pending claims are not presently determinable, the City's attorneys are not aware of any such claims against the City that would have a material effect on the basic financial statements or the adequacy of the appropriate reserves on deposit in the Risk Management Fund.

The City is currently involved in an environmental assessment by the State of Florida Department of Environmental Protection (FDEP) for regulatory exceedances related to wastewater, stormwater and monitoring. The City shall comply with the corrective actions mandated by the FDEP and City Council elected to implement an in-kind penalty project on February 16, 2021. The value of the in-kind penalty project is estimated at \$768,675 and in compliance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*, the City accrued the total estimated cost in the Water-Wastewater Enterprise Fund. As of September 30, 2021, \$577,344 of the in-kind penalty project remains to be completed.

**NOTE 22 – TAX ABATEMENTS**

---

The City's Community Redevelopment Agency (CRA) determined the use of tax increment rebates and other incentives are necessary to encourage development within the CRA's redevelopment areas. The terms and conditions of the tax increment rebate are provided for in a Development Agreement that is approved by the CRA Board of Commissioners during a public meeting. In such an agreement, the CRA agrees to provide financial support for a project by providing to the developer the increment revenue payment attributable to said project. The increment revenue payment attributable to a project is based on the increase in property taxes above the base year value of the project site. The amount of increment revenue that the agency receives for the project site each year from the "taxing authorities", as that term is defined in Section 163.340(2), Florida Statutes, will be 95% of the difference between the final assessment roll of taxable real property prepared by the Lee County Property Appraiser of Lee County, Florida, for the project site in a given year minus the base year defined above multiplied by the applicable millage rate for each taxing authority. The project payment to the developer will then be calculated by multiplying the approved rebate percentage for a specific year of the project by the amount of tax increment the CRA receives for the project site in a particular fiscal year as described above. The agreed upon rebate percentage of the tax increment received will be rebated if the total real estate taxes are paid prior to delinquency. If the taxes are not paid timely, there is no rebate of the property tax increment. This rebate program has no effect on the revenues of the primary government, the City of Fort Myers.

For the fiscal year ended September 30, 2021, the City of Fort Myers abated property taxes totaling \$692,172. The City entered into the following tax abatement agreements:

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 22 – TAX ABATEMENTS (continued)**

**Table 1: Summary of Rebates for Completed Projects**

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Rebate Payments as of 9/30/2021	Purpose
GRW, LLC.; Orthopedic Specialists of SW Florida; The MacSydney Company, LLC.	11/13/2010; amended 11/8/2013	Amendment reduced the rebate percentages by 10% for each year beginning in calendar year 2014.	21 years	95% from 2003-2014; payment decreases by 10% each year through calendar year 2023, for which the final rebate will be 5%.	\$123,286	Construction, operation and maintenance of a medical office facility.
Homes for America Holdings, Inc.: Beau Rivage	12/31/2001	95%	15 years	\$3,000,000 plus interest (\$4,520,440)	4,261,051	Financial assistance to pay the cost of utility extensions and other project costs related to the construction of a 110-136 unit high-rise multi-family residential condominium development, related parking structure and other amenities.
Homes for America Holdings, Inc.: St. Tropez and Riviera	12/31/2002; amended by settlement agreement 8/27/2014	50%	12 years	\$6,000,000 plus interest; settlement agreement for annual project payments of \$220,000 commencing FY 2015 with final payment due by 1/30/2022.	3,059,661	Financial assistance to pay the cost of utility extensions and other project costs related to the two-phased project consisting of a high rise multi-family residential condominium tower, a parking structure and amenities (Phase I), and a second high rise multi-family residential condominium tower for a combined total of between 225 and 300 residential units and up to 50 carriage homes and amenities (Phase II).
Hotel Indigo	12/11/2006	Years 1-2: 95% Years 3-20: 75%	20 years	\$2,500,000	356,232	Project represents the renovation of the historic Post Office Arcade for a hotel lobby and retail, restaurant and commercial uses, and to construct a new 7 story hotel containing between 60 and 70 hotel rooms.
David Plummer, McGregor-Clifford, LLC.: 2149 McGregor	12/8/2011	75%	15 years	\$106,442	3,916	Construction of a 5,100 square foot professional office development, related parking and other amenities.
Grand Central Fort Myers, LLC.	6/30/2016	Years 1-2: 95% Years 3-12: 77%	12 years	\$4,450,000	422,474	Construction of approximately 15,000 square feet of retail space and approximately 280 rental apartment units with amenities.
MainSail, Fort Myers LLLP.: Luminary Hotel	12/13/2017	95%	7 Years	\$2,600,000	-	Project represents a structured parking garage containing at least 210 parking spaces and a full-service hotel consisting of full amenities, meeting rooms and at least 225 hotel rooms.
City Walk Fort Myers, LLC.: West End of City Walk	7/25/2018; amended as of 12/11/2019	95%	10 years	\$5,500,000, with an annual maximum payment of \$550,000	-	Amended to increase the residential phase from 302 to 318 units; add 77 spaces to the parking garage; add a 12,000 square foot amenity center and approximately 14,000 square feet of Class A office space, and; remove the development of the hotel on the project site. The project develops property vacant since the recession, provides additional residential housing and retail, and attract additional development.
Royal Palm Gardens Apartments, LLLP.: Jones Walker Palm Gardens Apartments	1/6/2020	95%	15 years	\$800,000	-	Project represents the purchase and rehabilitation of the 80-unit affordable residential housing development to provide improved living conditions for the tenants, extend the economic life and attract additional development.

**Table 2: Summary of Approved Rebates Where Construction Has Not Yet Been Completed**

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Purpose
The Macfarlane Group, LLC.: Campo Felice Riverfront Senior Housing	9/3/2013	95%	19 years	\$9,726,407	Project represents the renovation and adaptive reuse of an existing hotel into an independent living facility consisting of approximately 323 independent senior housing units and 14 lodging units, to provide affordable housing and attract significant new hotel and other development.
Cedar River at Fort Myers II LLC.: Tower 1 and Tower 2	9/1/2015	Tower 1: 85%; Tower 2: 65%	10 years per tower	Tower 1: \$8,500,000 Tower 2: \$6,500,000	Project consists of two 32-story high rise residential towers, commercial square footage, docks, construction of a public riverwalk and other improvements to provide additional multi-family housing and attract additional development.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 22 – TAX ABATEMENTS (continued)**

**Table 2: Summary of Approved Rebates Where Construction Has Not Yet Been Completed (continued)**

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Purpose
Prima Luce, LLC	10/2/2015; amended as of 11/30/2016	95%	14 years	1) \$14,993,120, if 176 units built or 2) \$18,469,561, if 220 units built	Project represents a single phase project consisting of two 22-story residential towers to provide additional multi-family housing and attract additional development.
The Macfarlane Group II, LLC.: Campo Felice Riverfront Senior Housing	4/27/2016	Years 1-5: 70% Years 6-10: 30%	10 years per tower	\$3,500,000	Project represents the construction of an assisted living and memory care facility and medical office building, as a complementary second phase to the Campo Felice Riverfront Senior Housing Project on the adjoining parcel.
Cedar River at Fort Myers II LLC.: Allure One	11/29/2016; amended as of 3/28/2018	95%	13 years	Amended to \$4,250,000, provided the project contains a maximum of 34 units or the project, after completion, has a taxable value equal to or greater than \$28,753,789, whichever comes first.	Project consists of a 15-story high rise residential tower with 34 residential units (amended from 24 units) and other improvements to provide additional multi-family housing and attract additional development.
McCollum Redevelopment Associates, LLC.: McCollum Hall	12/11/2018	95%	9 years	\$450,000, with annual payments capped at an annual maximum of \$50,000	Project represents the restoration and management of McCollum Hall for a neighborhood commercial center with entertainment, retail and dining establishments.
ESH Fort Myers, LLC: Silver Hills at Fort Myers	8/28/2019	95%	Until rebate is satisfied.	\$12,960,000	Project represents two buildings containing a total of 327 apartments, which will be a mix of studio, one bedroom/one bath, two bedroom/two bath and three bedroom/two bath units. A 580-space parking garage will be located mid-block between the two residential buildings. The project provides additional residential housing and associated amenities, and attract additional development.
Vantage Ft. Myers, LLC.: Vantage Lofts	8/28/2019	95%	Until rebate is satisfied.	\$11,400,000	Construction of a mixed-use 16-story building with upscale modern, contemporary design; approximately 4,014 square feet of retail space and amenities, and; approximately 217 condo-quality apartment units. Project will provide additional residential housing and amenities, and attract additional development.
HBH FTM Hotel, LLC.: Hampton Inn by Hilton	9/25/2019	Years 1-5: 95% Years 6 and beyond: 75%	Until rebate is satisfied and/or the community redevelopment area sunsets in 2044	\$1,900,000	Project represents a 4-story, 117-room Hampton Inn by Hilton and associated amenities to provide hotel services and to attract additional development.
Billy's Creek Preserve LLC.: Seaboard Waterside Apartments	1/22/2020	85%	Until rebate is satisfied.	Phase 1-\$7,145,000 Phase 2-\$4,335,000	Project consists of two phases to provide attainable residential housing and associated amenities and to attract additional development. Phase 1 represents the first residential building with 204 units and amenities including a clubhouse. Phase 2 represents the second residential building with 216 units, associated amenities and a future commercial retail building of approximately 2,000 square feet.
St. Peter Claver Place, LTD.: St. Peter Claver Place Apartments	1/22/2020; amended as of 8/26/2020	95%	Until rebate is satisfied.	\$4,500,000	Project consists of two phases to provide affordable residential housing and associated amenities to tenant families and individuals. Phase 1 represents 136 two-, three- and four- bedroom apartments in two- and three-story buildings, along with a community building. Phase 2 consists of 78 two- and three-bedroom apartments and associated amenities.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to the Financial Statements, continued**  
**September 30, 2021**

**NOTE 22 – TAX ABATEMENTS (continued)**

Table 2: Summary of Approved Rebates Where Construction Has Not Yet Been Completed (continued)

Project Name (Developer)	Effective Date of Agreement	Rebate Amount (%)	Number of Years	Maximum Amount of Rebate Payment	Purpose
ESH Fort Myers, LLC: Silver Hills at Fort Myers	10/14/2020	95%	Until rebate is satisfied.	\$4,965,000	Project represents phase 2 of an urban, walkable apartment community consisting of approximately 125 units in one six-story concrete block residential building on property totaling 1.07 acres, more or less.
First Street Place, LLC	1/7/2021	95%	Until rebate is satisfied.	\$5,570,000	Project represents a select-service Marriott AC hotel consisting of approximately 132 rooms, with associated hospitality amenities.
St. Peter Claver Place II, LTD.: St. Peter Claver Place Apartments	1/19/2021	95%	Until rebate is satisfied.	\$2,600,000	Project represents phase 2, consisting of 78 two- and three-bedroom apartments, as part of an affordable housing apartment community, and associated amenities.
Soho Sight, LLC: Palmera on the River	3/1/2021	95%	Until rebate is satisfied.	\$9,535,000	Project consists of a 221-unit minimum luxury multi-family community with a variety of apartment options and amenities.
Towles Garden LLC: Tow	3/9/2021	95%	Until rebate is satisfied.	\$4,900,000	Project consists of a 140-townhome ownership community with related infrastructure, with 51% of the units dedicated to low-income residents making 80% or less of the area median income on the project site.
Catalyst Midtown Apartments, LLC: Montage at Midtown	9/22/2021	Years 1-5: 95% Years 6-17: 85% Years 18-19: 50%	Until rebate is satisfied and/or the agency sunsets in 2044	\$11,665,217	Project consists of a 321-unit Class A apartment community and amenities.

**NOTE 23 – FIDUCIARY ACTIVITIES**

For fiscal year ended September 30, 2021, the City implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The focus of this Statement generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

In compliance with the Statement, the City's Agency Funds were evaluated and two funds, Unclaimed Funds and Employees' Special Events, were consolidated to the General Fund. The Custodial Funds comprise collection of impact fees that are subsequently remitted to the County. Those custodial funds include the Regional Park Impact Fee Fund, the Emergency Medical Services (EMS) Impact Fee Fund and School Board Impact Fee Fund. Restatement was not necessary as a result of implementing Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*.



**Required Supplementary Information  
Other than Management's Discussion & Analysis**

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)**  
**General Fund**  
**For the Year Ended September 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 81,867,700	\$ 83,611,348	\$ 84,176,244	\$ 564,896
Permits and fees	8,205,300	8,205,300	7,583,015	(622,285)
Intergovernmental revenue	9,169,900	9,169,900	12,049,212	2,879,312
Charges for services	8,397,700	8,400,200	8,016,508	(383,692)
Fines and forfeitures	604,600	604,600	654,375	49,775
Miscellaneous	11,177,800	13,867,372	2,511,472	(11,355,900)
Contributions - private source	90,300	90,300	103,014	12,714
<b>Total revenues</b>	<b>119,513,300</b>	<b>123,949,020</b>	<b>115,093,840</b>	<b>(8,855,180)</b>
<b>EXPENDITURES</b>				
Current:				
General Government:				
Council - Mayor Pro Tem	7,200	7,200	5,461	1,739
Council - Ward 1	83,900	85,000	84,989	11
Council - Ward 2	91,700	91,700	85,814	5,886
Council - Ward 3	83,600	84,250	84,214	36
Council - Ward 4	82,700	82,700	78,673	4,027
Council - Ward 5	70,600	70,600	63,989	6,611
Council - Ward 6	75,500	75,800	75,730	70
Council - Mayor	124,700	124,700	105,029	19,671
City Manager	2,306,300	2,695,800	2,545,896	149,904
Legal	2,391,400	2,488,731	2,003,719	485,012
City Clerk	1,172,500	1,183,000	1,083,547	99,453
Facilities Management	2,943,300	3,140,069	3,102,915	37,154
Financial Services	4,298,800	3,839,555	3,616,286	223,269
Human Resources	1,505,200	1,505,200	1,216,290	288,910
Real Estate	462,300	467,260	447,018	20,242
Community Development	1,893,700	2,084,550	1,780,614	303,936
Contributions	855,000	935,000	840,000	95,000
General Contingencies	238,500	476,065	323,987	152,078
Insurance	800,000	800,000	800,000	-
Total General Government	<u>19,486,900</u>	<u>20,237,180</u>	<u>18,344,171</u>	<u>1,893,009</u>
Public Safety:				
Police	53,771,600	55,026,211	54,876,338	149,873
Fire	25,840,300	27,180,519	27,173,143	7,376
Protective Inspections	1,788,300	1,927,702	1,524,996	402,706
Total Public Safety	<u>81,400,200</u>	<u>84,134,432</u>	<u>83,574,477</u>	<u>559,955</u>
Transportation: Public Works Admin	565,700	626,700	626,534	166
Physical Environment:				
Engineering	2,609,300	2,822,978	2,668,198	154,780
Parks	5,174,800	5,215,808	5,180,314	35,494
Cemetery	520,200	522,701	458,439	64,262
Total Physical Environment	<u>8,304,300</u>	<u>8,561,487</u>	<u>8,306,951</u>	<u>254,536</u>
Culture and Recreation:	4,497,200	4,334,860	4,028,671	306,189
Total Current	<u>114,254,300</u>	<u>117,894,659</u>	<u>114,880,804</u>	<u>3,013,855</u>
Debt Service:				
General Government:				
Principal	-	-	61,099	(61,099)
Interest	-	-	1,480	(1,480)
Total Debt Service	<u>-</u>	<u>-</u>	<u>62,579</u>	<u>(62,579)</u>
<b>Total expenditures</b>	<b>114,254,300</b>	<b>117,894,659</b>	<b>114,943,383</b>	<b>2,951,276</b>
Excess of revenues over expenditures	<u>5,259,000</u>	<u>6,054,361</u>	<u>150,457</u>	<u>(5,903,904)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,042,900	12,042,900	12,042,900	-
Transfers out:				
Debt service transfers out	(10,219,200)	(9,885,300)	(9,542,014)	343,286
Capital funding transfers out	(462,200)	(1,454,300)	(515,585)	938,715
General transfers out	(6,620,500)	(6,757,661)	(6,722,398)	35,263
Total transfers out	<u>(17,301,900)</u>	<u>(18,097,261)</u>	<u>(16,779,997)</u>	<u>1,317,264</u>
Total other financing sources (uses)	<u>(5,259,000)</u>	<u>(6,054,361)</u>	<u>(4,737,097)</u>	<u>1,317,264</u>
Net change in fund balances	-	-	(4,586,640)	(4,586,640)
<b>Fund balance - beginning</b>	<b>35,952,741</b>	<b>35,952,741</b>	<b>35,952,741</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 35,952,741</b>	<b>\$ 35,952,741</b>	<b>\$ 31,366,101</b>	<b>\$ (4,586,640)</b>

**CITY OF FORT MYERS, FLORIDA**  
**Notes to Required Supplementary Information**  
**For the Year Ended September 30, 2021**

**Note 1 - BUDGETARY REPORTING**

**A. Reconciliation of Budgetary Basis Reporting Differences**

The *Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General Fund* presents comparisons of the legally adopted budget with actual data on a budgetary basis. Governmental funds applied to develop data on a budgetary basis differ from those presented in the governmental fund financial statement due to the implementation of GASB 54. The following describes the major differences between budgetary financial data and the governmental fund financials.

**Perspective differences** - Certain funds not included in the General Fund's annual budget but which are presented in the General Fund for purposes of the governmental financial statements.

The following table presents a reconciliation of General Fund fund balance perspective differences on a budgetary basis to the fund balances shown on a GAAP basis on the governmental fund financial statements at September 30, 2021.

	General Fund
	<hr/>
Fund Balance - actual on a budgetary basis	\$ 31,366,101
Perspective Differences:	
Beautification	93,140
Business Development Center	67,109
Cemetery Maintenance	233,074
Land Acquisition	347,232
Off Duty Pay	121,786
Submerged Land Lease	114,651
	<hr/>
Fund balance - actual on a GAAP basis on governmental fund financial statements	<u><u>\$ 32,343,093</u></u>

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**General Employees' Pension Plan**  
**Last Eight Fiscal Years**

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
<b>Total pension liability</b>				
Service cost	\$ 2,624,522	\$ 2,937,411	\$ 2,796,627	\$ 2,428,377
Interest	13,768,146	13,473,986	12,972,343	12,475,849
Changes of benefit terms	(9,390)	-	-	9,191
Differences between expected and actual experience	1,388,678	3,003,873	634,616	1,813,109
Changes of assumptions	-	2,112,038	696,296	2,208,471
Contributions - members	71,027	31,606	32,648	114,065
Benefit payments, including refunds of member contributions	(11,385,178)	(10,810,020)	(10,497,887)	(9,541,469)
<b>Net change in total pension liability</b>	<b>6,457,805</b>	<b>10,748,894</b>	<b>6,634,643</b>	<b>9,507,593</b>
<b>Total pension liability - beginning</b>	<b>193,071,840</b>	<b>182,322,946</b>	<b>175,688,303</b>	<b>166,180,710</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 199,529,645</b>	<b>\$ 193,071,840</b>	<b>\$ 182,322,946</b>	<b>\$ 175,688,303</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 10,079,924	\$ 9,959,509	\$ 9,534,821	\$ 8,517,979
Contributions - members	1,764,626	1,612,869	1,269,187	1,070,880
Net investment income	32,724,476	17,010,206	2,516,024	14,890,636
Benefit payments, including refunds of member contributions	(11,323,471)	(10,808,293)	(10,497,887)	(9,541,469)
Administrative expense	(175,032)	(178,122)	(212,307)	(192,732)
<b>Net change in plan fiduciary net position</b>	<b>33,070,523</b>	<b>17,596,169</b>	<b>2,609,838</b>	<b>14,745,294</b>
<b>Plan fiduciary net position - beginning</b>	<b>147,727,048</b>	<b>130,130,879</b>	<b>127,521,041</b>	<b>112,775,747</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 180,797,571</b>	<b>\$ 147,727,048</b>	<b>\$ 130,130,879</b>	<b>\$ 127,521,041</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 18,732,074</b>	<b>\$ 45,344,792</b>	<b>\$ 52,192,067</b>	<b>\$ 48,167,262</b>
Plan fiduciary net position as a percentage of the total pension liability	90.61%	76.51%	71.37%	72.58%
Covered payroll <sup>(1)</sup>	\$ 29,202,628	\$ 26,507,116	\$ 22,951,785	\$ 21,710,056
Net pension liability as a percentage of covered payroll	64.15%	171.07%	227.40%	221.87%

**Notes to schedule**

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

*Changes in benefit terms.*

For the measurement date September 30, 2021:

Resolution No. 2021-01 amended the member contribution rates. The following rates by group/tier are applied to salary during the given time periods.

<u>Rate A (1.8%)</u>	<u>Prior Rate</u>	<u>Rate through</u> <u>1/9/2019</u>	<u>Rate through</u> <u>10/2/2019</u>	<u>Rate through</u> <u>6/9/2021</u>	<u>Rate starting</u> <u>6/10/2021</u>
Tier 1	.070%	1.45%	2.20%	3.00%	3.00%
Tier 2	2.50%	3.25%	4.00%	4.80%	4.50%
Tier 3	7.00%	7.75%	8.50%	9.30%	6.80%
Tier 4	9.80%	10.55%	11.30%	12.10%	8.30%
<u>Rate B (3.0%)</u>	<u>Prior Rate</u>	<u>Rate through</u> <u>1/9/2019</u>	<u>Rate through</u> <u>10/2/2019</u>	<u>Rate through</u> <u>6/9/2021</u>	<u>Rate starting</u> <u>6/10/2021</u>
Tier 1	4.50%	5.25%	6.00%	6.80%	6.80%
Tier 2	6.30%	7.05%	7.80%	8.60%	8.30%
Tier 3	10.90%	11.65%	12.40%	13.20%	10.70%
Tier 4	13.70%	14.45%	15.20%	16.00%	12.20%

*Changes in assumptions.*

For the measurement date September 30, 2021, there were no changes in assumptions.

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios (continued)**  
**General Employees' Pension Plan**  
**Last Eight Fiscal Years**

<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
\$ 2,802,062	\$ 2,603,341	\$ 2,461,949	\$ 2,711,680
12,214,755	11,396,703	11,016,448	10,590,158
382	-	-	-
(1,853,950)	383,871	(675,391)	-
-	7,542,789	-	-
28,076	39,831	104,188	-
(9,272,156)	(8,556,536)	(7,731,928)	(7,122,160)
3,919,169	13,409,999	5,175,266	6,179,678
162,261,541	148,851,542	143,676,276	137,496,598
<u>\$ 166,180,710</u>	<u>\$ 162,261,541</u>	<u>\$ 148,851,542</u>	<u>\$ 143,676,276</u>
\$ 7,760,600	\$ 8,149,579	\$ 7,248,247	\$ 6,801,604
908,353	1,003,269	1,056,162	966,498
14,529,743	7,220,356	311,772	6,801,741
(9,272,156)	(8,556,536)	(7,731,928)	(7,122,160)
(167,963)	(161,736)	(144,689)	(147,068)
13,758,577	7,654,932	739,564	7,300,615
99,017,170	91,362,238	90,622,674	83,322,059
<u>\$ 112,775,747</u>	<u>\$ 99,017,170</u>	<u>\$ 91,362,238</u>	<u>\$ 90,622,674</u>
<u>\$ 53,404,963</u>	<u>\$ 63,244,371</u>	<u>\$ 57,489,304</u>	<u>\$ 53,053,602</u>
67.86%	61.02%	61.38%	63.07%
\$ 20,918,917	\$ 22,012,119	\$ 22,278,817	\$ 20,480,978
255.30%	287.32%	258.04%	259.04%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions**  
**General Employees' Pension Plan**  
**Last Eight Fiscal Years**

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Actuarially determined contribution	\$ 10,218,387	\$ 9,912,752	\$ 8,992,347	\$ 8,400,220
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	10,079,924	9,959,509	9,534,821	8,517,979
Contribution deficiency (excess)	<u>\$ 138,463</u>	<u>\$ (46,757)</u>	<u>\$ (542,474)</u>	<u>\$ (117,759)</u>
Covered payroll <sup>(1)</sup>	\$ 29,202,628	\$ 26,507,116	\$ 22,951,785	\$ 21,710,056
Contributions as a percentage of covered payroll	34.52%	37.57%	41.54%	39.24%

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

**Notes to Required Supplementary Information for the Year Ended September 30, 2021**

**Methods and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal						
Amortization method	New UAAL amortization bases amortized over 15 years						
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.						
Inflation	2.5% per year						
Salary increases	<table> <tr> <td><u>Credited Service:</u></td><td><u>Increase:</u></td></tr> <tr> <td>0 - 1 Years</td><td>10.0%</td></tr> <tr> <td>More than 1 Year</td><td>5.0%</td></tr> </table> <p>This assumption was adopted based on the results of the August 20, 2019 actuarial experience study.</p>	<u>Credited Service:</u>	<u>Increase:</u>	0 - 1 Years	10.0%	More than 1 Year	5.0%
<u>Credited Service:</u>	<u>Increase:</u>						
0 - 1 Years	10.0%						
More than 1 Year	5.0%						
Investment rate of return	7.25% per year, compounded annually, net of investment related expenses.						
Payroll growth	0.0% per year						
Cost of living adjustment (COLA)	2.5% per year for normal and early retirees, beginning one year after retirement. COLA is for Tier 3 and Tier 4 members only.						
Retirement age	Earlier of age 62 with five years of service, or thirty years of service, regardless of age, or the age when service plus age equals 80, but no earlier than one year after the valuation date.						
Early retirement	Commencing with the earliest early retirement age (age 55 with seven years of service, or age 60 with five years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year.						
Mortality	<p><b>Healthy active lives:</b> Female - PubG.H-2010 for employees; Male - PubG.H-2010 for employees, set back one year.</p> <p><b>Healthy retiree lives:</b> Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 (Below Median) for healthy retirees, set back one year.</p> <p><b>Beneficiary lives:</b> Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 for healthy retirees, set back one year.</p> <p><b>Disabled lives:</b> PubG.H-2010 for disabled retirees, set forward three years.</p>						

Termination and Disability Rate Tables

	% Terminating during the year		% Becoming disabled
Age	Rate (0-5 years)	Rate (5+ years)	during the year
20	28.0%	25.0%	0.03%
25	25.5%	25.0%	0.03%
30	20.0%	15.0%	0.04%
35	16.0%	14.0%	0.05%
40	16.0%	9.0%	0.07%
45	12.0%	6.0%	0.10%
50	10.0%	5.0%	0.18%
55+	8.0%	4.0%	0.36%
60			0.90%
65			2.20%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions (continued)**  
**General Employees' Pension Plan**  
**Last Eight Fiscal Years**

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 7,760,600	\$ 8,149,579	\$ 7,248,247	\$ 6,801,604
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	<u>7,760,600</u>	<u>8,149,579</u>	<u>7,248,247</u>	<u>6,801,604</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>(1)</sup>	\$ 20,918,917	\$ 22,012,119	\$ 22,278,817	\$ 20,480,978
Contributions as a percentage of covered payroll	37.10%	37.02%	32.53%	33.21%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Police Officers' Retirement System**  
**Last Eight Fiscal Years**

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>Total pension liability</b>				
Service cost	\$ 3,646,411	\$ 4,036,915	\$ 3,580,281	\$ 3,119,115
Interest	16,252,921	15,400,575	14,706,081	13,793,082
Change in excess state money	-	-	-	-
Share plan allocation	136,048	140,675	81,362	75,899
Differences between expected and actual experience	1,449,972	4,702,185	322,404	3,831,561
Changes of assumptions	-	(2,495,828)	-	-
Contributions - members	-	21,320	-	-
Benefit payments, including refunds of member contributions	(11,206,060)	(10,453,865)	(9,610,033)	(9,220,487)
<b>Net change in total pension liability</b>	<u>10,279,292</u>	<u>11,351,977</u>	<u>9,080,095</u>	<u>11,599,170</u>
<b>Total pension liability - beginning</b>	<u>211,590,407</u>	<u>200,238,430</u>	<u>191,158,335</u>	<u>179,559,165</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 221,869,699</u></u>	<u><u>\$ 211,590,407</u></u>	<u><u>\$ 200,238,430</u></u>	<u><u>\$ 191,158,335</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 9,797,559	\$ 9,958,884	\$ 10,571,813	\$ 9,167,168
Contributions - state	1,000,567	1,009,819	891,194	880,267
Contributions - members	1,935,401	1,707,415	1,807,864	1,352,250
Net investment income (loss)	29,616,515	13,574,836	6,755,606	11,992,630
Benefit payments, including refunds of member contributions	(11,206,060)	(10,453,865)	(9,610,033)	(9,220,487)
Administrative expense	(156,804)	(142,892)	(103,472)	(95,338)
<b>Net change in plan fiduciary net position</b>	<u>30,987,178</u>	<u>15,654,197</u>	<u>10,312,972</u>	<u>14,076,490</u>
<b>Plan fiduciary net position - beginning</b>	<u>161,024,316</u>	<u>145,370,119</u>	<u>135,057,147</u>	<u>120,980,657</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 192,011,494</u></u>	<u><u>\$ 161,024,316</u></u>	<u><u>\$ 145,370,119</u></u>	<u><u>\$ 135,057,147</u></u>
<b>Net pension liability - ending (a) - (b)</b>	<u><u>\$ 29,858,205</u></u>	<u><u>\$ 50,566,091</u></u>	<u><u>\$ 54,868,311</u></u>	<u><u>\$ 56,101,188</u></u>
Plan fiduciary net position as a percentage of the total pension liability	86.54%	76.10%	72.60%	70.65%
Covered payroll <sup>(1)</sup>	\$ 18,510,551	\$ 17,927,199	\$ 16,376,467	\$ 13,207,334
Net pension liability as a percentage of covered payroll	161.30%	282.06%	335.04%	424.77%

**Notes to schedule**

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

*Changes in assumptions.*

For the measurement date September 30, 2021:

There were no changes in assumptions.

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.



**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios (continued)**  
**Police Officers' Retirement System**  
**Last Eight Fiscal Years**

9/30/2017	9/30/2016	9/30/2015	9/30/2014
\$ 2,908,481	\$ 2,610,793	\$ 2,714,290	\$ 2,525,438
13,366,553	12,654,765	12,007,018	11,505,764
-	(58,951)	(58,952)	-
35,452	58,951	-	-
(1,566,690)	(3,082,812)	2,118,502	-
-	11,281,277	-	-
-	-	17,987	-
(9,671,429)	(9,295,255)	(8,015,172)	(7,822,710)
5,072,367	14,168,768	8,783,673	6,208,492
174,486,798	160,318,030	151,534,357	145,325,865
<u>\$ 179,559,165</u>	<u>\$ 174,486,798</u>	<u>\$ 160,318,030</u>	<u>\$ 151,534,357</u>
\$ 9,355,736	\$ 10,205,591	\$ 9,188,996	\$ 10,010,777
799,375	726,481	642,339	595,183
1,294,074	1,159,287	1,119,965	1,135,542
11,205,220	8,341,332	(861,763)	7,615,309
(9,671,429)	(9,295,255)	(8,015,172)	(7,822,710)
(97,446)	(106,868)	(70,101)	(97,735)
12,885,530	11,030,568	2,004,264	11,436,366
108,095,127	97,064,559	95,060,295	83,623,929
<u>\$ 120,980,657</u>	<u>\$ 108,095,127</u>	<u>\$ 97,064,559</u>	<u>\$ 95,060,295</u>
<u>\$ 58,578,508</u>	<u>\$ 66,391,671</u>	<u>\$ 63,253,471</u>	<u>\$ 56,474,062</u>
67.38%	61.95%	60.55%	62.73%
\$ 12,940,739	\$ 11,592,866	\$ 11,277,732	\$ 11,355,417
452.67%	572.69%	560.87%	497.33%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions**  
**Police Officers' Retirement System**  
**Last Eight Fiscal Years**

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Actuarially determined contribution	\$ 10,662,078	\$ 10,828,029	\$ 11,381,645	\$ 9,971,538
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	10,798,126	10,968,703	11,463,007	10,047,435
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ (136,048)</u>	<u>\$ (140,674)</u>	<u>\$ (81,362)</u>	<u>\$ (75,897)</u>
Covered payroll <sup>(3)</sup>	\$ 18,510,551	\$ 17,927,199	\$ 16,376,467	\$ 13,207,334
Contributions as a percentage of covered payroll	58.33%	61.18%	70.00%	76.07%

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

<sup>(1)</sup> Contributions consist of amounts from the City and the State, a non-employer contributing entity.

<sup>(2)</sup> The excess contributions result from the fiscal year Share Plan allocation.

<sup>(3)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

**Notes to Required Supplementary Information for the Year Ended September 30, 2021**

**Methods and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal
Amortization method	New UAAL amortization bases amortized over 15 years
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.
Inflation	2.7% per year
Salary increases	6.0% per year until the assumed retirement age. This assumption was reviewed as reasonable in the August 30, 2016 actuarial experience study. Projected salary at retirement is increased to account for non-regular compensation. This increase is based on each individual's hours accrued to date, as provided by the City.
Investment rate of return	7.75% per year, compounded annually, net of investment-related expenses.
Payroll growth	0.0% per year
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.
Retirement age	Earlier of age 55 or the completion of twenty-five years of credited service, regardless of age. This assumption was adopted based on the results of the August 30, 2016 actuarial experience study.
Early retirement	Commencing with attainment of early retirement status, members are assumed to retire at a rate of 2% per year until they reach fifteen years of service, at which point rates of 9% per year are assumed. This assumption was adopted based on the results of the August 30, 2016 actuarial experience study.
Mortality	<b>Healthy active lives:</b> Female - PubS.H-2010 for employees, set forward one year; Male - PubS.H-2010 for employees, set forward on year. <b>Healthy retiree lives:</b> Female - PubS.H-2010 for healthy retirees, set forward one year; Male - PubS.H-2010 for healthy retirees, set forward one year. <b>Beneficiary lives:</b> Female - PubG.H-2010 for healthy retirees; Male - PubG.H-2010 for healthy retirees, set back one year. <b>Disabled lives:</b> 80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.

**Termination and Disability Rate Tables**

Age	% Terminating during the year	% Becoming disabled during the year
20	11.3%	0.05%
30	8.7%	0.06%
40	5.6%	0.12%
50	1.3%	0.43%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions (continued)**  
**Police Officers' Retirement System**  
**Last Eight Fiscal Years**

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 10,119,658	\$ 10,932,072	\$ 9,831,335	\$ 10,605,960
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	<u>10,155,111</u>	<u>10,932,072</u>	<u>9,831,335</u>	<u>10,605,960</u>
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ (35,453)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>(3)</sup>	\$ 12,940,739	\$ 11,592,866	\$ 11,277,732	\$ 11,355,417
Contributions as a percentage of covered payroll	78.47%	94.30%	87.17%	93.40%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Firefighters' Retirement System**  
**Last Eight Fiscal Years**

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
<b>Total pension liability</b>				
Service cost	\$ 2,200,778	\$ 1,966,124	\$ 1,749,412	\$ 1,969,349
Interest	11,472,327	10,795,028	10,387,041	9,828,439
Share plan allocation	41,245	8,851	(233,883)	233,883
Changes of benefit terms	-	-	5,192	-
Differences between expected and actual experience	971,803	767,949	766,453	2,544,751
Changes of assumptions	1,756,459	4,440,025	1,527,660	-
Contributions - members	48,573	42,520	12,479	13,639
Benefit payments, including refunds of members contributions	(7,674,427)	(7,814,335)	(7,465,942)	(7,389,968)
<b>Net change in total pension liability</b>	<u>8,816,758</u>	<u>10,206,162</u>	<u>6,748,412</u>	<u>7,200,093</u>
<b>Total pension liability - beginning</b>	<u>148,782,706</u>	<u>138,576,544</u>	<u>131,828,132</u>	<u>124,628,039</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 157,599,464</u>	<u>\$ 148,782,706</u>	<u>\$ 138,576,544</u>	<u>\$ 131,828,132</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 7,843,466	\$ 5,840,974	\$ 5,954,869	\$ 5,656,025
Contributions - state	743,080	719,537	645,434	639,810
Contributions - members	849,028	650,911	634,475	599,335
Net investment income (loss)	22,782,350	6,596,914	2,890,300	9,248,134
Benefit payments, including refunds of members contributions	(7,623,337)	(7,811,765)	(7,465,942)	(7,389,968)
Administrative expense	(163,881)	(150,748)	(147,583)	(120,964)
<b>Net change in plan fiduciary net position</b>	<u>24,430,706</u>	<u>5,845,823</u>	<u>2,511,553</u>	<u>8,632,372</u>
<b>Plan fiduciary net position - beginning</b>	<u>109,206,869</u>	<u>103,361,046</u>	<u>100,849,493</u>	<u>92,217,121</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 133,637,575</u>	<u>\$ 109,206,869</u>	<u>\$ 103,361,046</u>	<u>\$ 100,849,493</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 23,961,889</u>	<u>\$ 39,575,837</u>	<u>\$ 35,215,498</u>	<u>\$ 30,978,639</u>
Plan fiduciary net position as a percentage of the total pension liability	84.80%	73.40%	74.59%	76.50%
Covered payroll <sup>(1)</sup>	\$ 9,699,547	\$ 8,098,467	\$ 7,774,957	\$ 7,321,199
Net pension liability as a percentage of covered payroll	247.04%	488.68%	452.93%	423.14%

**Notes to schedule**

<sup>(1)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

*Changes in assumptions.*

For the measurement date September 30, 2021:

The investment return was lowered from 7.80% to 7.70% per year, net of investment related expenses.

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Changes in Net Pension Liability and Related Ratios (continued)**  
**Firefighters' Retirement System**  
**Last Eight Fiscal Years**

<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
\$ 1,930,988	\$ 1,505,575	\$ 1,986,264	\$ 2,070,654
9,417,309	8,758,455	8,383,338	8,024,792
302,760	362,631	435,503	417,144
-	-	(1,250,890)	-
897,499	179,085	(52,669)	-
-	4,134,132	-	-
47,664	9,569	7,737	-
<u>(7,526,478)</u>	<u>(6,549,368)</u>	<u>(4,948,778)</u>	<u>(4,331,258)</u>
5,069,742	8,400,079	4,560,505	6,181,332
119,558,297	111,158,218	106,597,713	100,416,381
<u>\$ 124,628,039</u>	<u>\$ 119,558,297</u>	<u>\$ 111,158,218</u>	<u>\$ 106,597,713</u>
\$ 6,685,155	\$ 6,534,956	\$ 4,907,703	\$ 5,171,336
708,686	768,557	841,430	823,071
711,392	615,760	591,653	624,354
10,499,660	7,231,319	(485,367)	6,281,680
(7,526,478)	(6,549,368)	(4,948,778)	(4,331,258)
<u>(102,156)</u>	<u>(99,640)</u>	<u>(77,815)</u>	<u>(88,769)</u>
10,976,259	8,501,584	828,826	8,480,414
81,240,862	72,739,278	71,910,452	63,430,038
<u>\$ 92,217,121</u>	<u>\$ 81,240,862</u>	<u>\$ 72,739,278</u>	<u>\$ 71,910,452</u>
<u>\$ 32,410,918</u>	<u>\$ 38,317,435</u>	<u>\$ 38,418,940</u>	<u>\$ 34,687,261</u>
73.99%	67.95%	65.44%	67.46%
\$ 8,293,662	\$ 7,577,381	\$ 7,788,322	\$ 7,629,634
390.79%	505.68%	493.29%	454.64%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions**  
**Firefighter' Retirement System**  
**Last Eight Fiscal Years**

	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Actuarially determined contribution	\$ 8,545,301	\$ 6,551,660	\$ 6,834,185	\$ 6,061,953
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	8,586,546	6,560,511	6,600,303	6,295,835
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ (41,245)</u>	<u>\$ (8,851)</u>	<u>\$ 233,882</u>	<u>\$ (233,882)</u>
Covered payroll <sup>(3)</sup>	\$ 9,699,547	\$ 8,098,467	\$ 7,774,957	\$ 7,321,199
Contributions as a percentage of covered payroll	88.53%	81.01%	84.89%	85.99%

Note: The City of Fort Myers implemented GASB Statement 67 in fiscal year 2014. Therefore, information is presented for the years for which information is available.

<sup>(1)</sup> Contributions consist of amounts from the City and the State, a non-employer contributing entity.

<sup>(2)</sup> The excess contributions result from the fiscal year Share Plan allocation.

<sup>(3)</sup> The Covered Payroll numbers reported are in compliance with GASB Statement 82 except for the 9/30/2015 measurement period, which includes DROP payroll.

**Notes to Required Supplementary Information for the Year Ended September 30, 2021**

**Methods and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of the City's contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule:

Actuarial cost method	Entry age normal																	
Amortization method	New UAAL amortization bases amortized over 15 years																	
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.																	
Inflation	2.5% per year																	
Salary increases	<table><tr><th>Service</th><th>Expected Increase</th></tr><tr><td>&lt; 2 years</td><td>8.0%</td></tr><tr><td>2-4 years</td><td>6.0%</td></tr><tr><td>5-9 years</td><td>5.5%</td></tr><tr><td>10-14 years</td><td>5.0%</td></tr><tr><td>15+ years</td><td>4.5%</td></tr></table>	Service	Expected Increase	< 2 years	8.0%	2-4 years	6.0%	5-9 years	5.5%	10-14 years	5.0%	15+ years	4.5%					
Service	Expected Increase																	
< 2 years	8.0%																	
2-4 years	6.0%																	
5-9 years	5.5%																	
10-14 years	5.0%																	
15+ years	4.5%																	
Investment rate of return	7.8% per year, compounded annually, net of investment-related expenses.																	
Payroll growth	0.0% per year																	
Cost of living adjustment (COLA)	Payments on the cost-of-living increase vary, based on retirement date. See Note 10 for specific disclosure.																	
Retirement age	<table><tr><th>Service</th><th>Projected</th></tr><tr><td>25 years</td><td>75%</td></tr><tr><td>26+ years</td><td>100%</td></tr></table>	Service	Projected	25 years	75%	26+ years	100%	This assumption for retirement age was adopted as a result of the October 13, 2016 actuarial experience study.										
Service	Projected																	
25 years	75%																	
26+ years	100%																	
With less than 25 years of service	<table><tr><th>Age</th><th>Projected</th></tr><tr><td>52 years</td><td>50%</td></tr><tr><td>53 years</td><td>50%</td></tr><tr><td>54 years</td><td>50%</td></tr><tr><td>55+ years</td><td>100%</td></tr></table>	Age	Projected	52 years	50%	53 years	50%			54 years	50%	55+ years	100%					
Age	Projected																	
52 years	50%																	
53 years	50%																	
54 years	50%																	
55+ years	100%																	
Early retirement	Commencing with attainment of early retirement status (age 45 with ten years of service), members are assumed to retire with an immediate subsidized benefit at the rate of 5% per year. This assumption is supported by the results of the October 13, 2016 actuarial experience study.																	
Mortality	<b>Healthy active lives:</b> Female - PubS.H-2010 for employees, set forward one year; Male - PubS.H-2010 for employees, set forward on year. <b>Healthy retiree lives:</b> Female - PubS.H-2010 (Above Median) for healthy retirees, set forward one year; Male - PubS.H-2010 (Above Median) for healthy retirees, set forward one year. <b>Beneficiary lives:</b> Female - PubG.H-2010 (Above Median) for healthy retirees; Male - PubG.H-2010 (Above Median) for healthy retirees, set back one year. <b>Disabled lives:</b> 80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.																	
Termination and Disability Rate Tables	<table><tr><th>Age</th><th>% Terminating during the year</th><th>% Becoming disabled during the year</th></tr><tr><td>20</td><td>9.3%</td><td>0.14%</td></tr><tr><td>30</td><td>7.9%</td><td>0.18%</td></tr><tr><td>40</td><td>4.3%</td><td>0.30%</td></tr><tr><td>50</td><td>1.1%</td><td>1.00%</td></tr></table>	Age	% Terminating during the year	% Becoming disabled during the year	20	9.3%	0.14%	30	7.9%	0.18%	40	4.3%	0.30%	50	1.1%	1.00%		
Age	% Terminating during the year	% Becoming disabled during the year																
20	9.3%	0.14%																
30	7.9%	0.18%																
40	4.3%	0.30%																
50	1.1%	1.00%																

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Contributions (continued)**  
**Firefighter' Retirement System**  
**Last Eight Fiscal Years**

	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
Actuarially determined contribution	\$ 7,091,082	\$ 6,940,882	\$ 5,313,630	\$ 5,577,263
Contributions in relation to the actuarially determined contributions <sup>(1)</sup>	<u>7,393,841</u>	<u>7,303,513</u>	<u>5,749,133</u>	<u>5,994,407</u>
Contribution deficiency (excess) <sup>(2)</sup>	<u>\$ (302,759)</u>	<u>\$ (362,631)</u>	<u>\$ (435,503)</u>	<u>\$ (417,144)</u>
Covered payroll <sup>(3)</sup>	\$ 8,293,662	\$ 7,577,381	\$ 7,788,322	\$ 7,629,634
Contributions as a percentage of covered payroll	89.15%	96.39%	73.82%	78.57%

**CITY OF FORT MYERS, FLORIDA**  
**Employees' Pension Plans**  
**Schedule of Investment Returns**  
**Last Ten Fiscal Years**

Annual money-weighted rate of return, net of investment expense for the pension plans:

<b>For the year ended September 30,</b>	<b>General Employees' Pension Plan</b>	<b>Police Officers' Retirement System</b>	<b>Firefighters' Retirement System</b>
2021	22.52%	19.68%	21.89%
2020	13.27%	9.56%	6.70%
2019	1.99%	5.25%	3.05%
2018	13.63%	10.52%	10.60%
2017	14.75%	11.13%	13.69%
2016	7.98%	9.32%	10.89%
2015	0.36%	-0.98%	-0.78%
2014	8.22%	9.75%	10.36%
2013	13.09%	11.52%	13.70%
2012	16.23%	16.70%	17.70%



**CITY OF FORT MYERS, FLORIDA**  
**Other Postemployment Benefits Plan**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Last Four Fiscal Years**

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
<b>Total OPEB liability</b>				
Service cost	\$ 1,123,080	\$ 988,179	\$ 930,628	\$ 964,834
Interest on the total OPEB liability	437,346	683,174	602,916	533,288
Changes of benefits terms	-	1,681	-	-
Difference between expected and actual experience of the total OPEB liability	-	(1,546,913)	-	-
Changes in assumptions and inputs	(237,959)	(1,601,885)	(395,101)	(883,439)
Benefit payments	(579,362)	(606,845)	(562,564)	(551,756)
<b>Net change in total OPEB liability</b>	<u>743,105</u>	<u>(2,082,609)</u>	<u>575,879</u>	<u>62,927</u>
<b>Total OPEB liability - beginning <sup>(1)</sup></b>	<u>15,070,083</u>	<u>17,152,692</u>	<u>16,576,813</u>	<u>16,513,886</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 15,813,188</u></u>	<u><u>\$ 15,070,083</u></u>	<u><u>\$ 17,152,692</u></u>	<u><u>\$ 16,576,813</u></u>
 Covered-employee payroll	 \$ 60,071,653	 \$ 49,038,381	 \$ 49,763,357	 \$ 49,498,287
Total OPEB liability as a percentage of covered-employee payroll	26.32%	30.73%	34.47%	33.49%

**Notes to schedule**

<sup>(1)</sup> The Total OPEB liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

There are no plan assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

*Changes in assumptions.*

For the measurement date September 30, 2020:

The discount rate changed from 2.75% as of the previous measurement date to 2.41% as of September 30, 2020, and the load for modeling the excise ("Cadillac") tax on health care plans was removed.

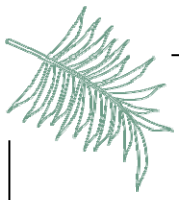
The mortality rates are the same as used in the July 1, 2019 actuarial valuation of the Florida Retirement System. These rates were taken from adjusted Pub-2010 mortality tables published by the Society of Actuaries with generational mortality improvements using scale MP-2018.

*Changes in benefit terms.*

There were no benefit changes during the year.

Note: The City of Fort Myers implemented GASB Statement 75 in fiscal year 2018. Therefore, information is presented for the years for which information is available.





# COMBINING STATEMENTS AND SCHEDULES





# **CITY OF FORT MYERS**

## **Major Governmental Funds**

### **Debt Service Fund**

**Revenue Bonds and Notes** – To account for the accumulation of resources and the payment of principal and interest related to the City's Capital Improvement and Refunding Revenue Bonds, Series 2014A; Taxable Capital Improvement Refunding Revenue Bonds, Series 2014B; Capital Improvement and Refunding Revenue Bonds, Series 2016; Capital Improvement and Refunding Revenue Bonds, Series 2018A; Taxable Capital Improvement Revenue Bonds, Series 2018B; Capital Improvement Revenue Note, Series 2019A, and; Taxable Capital Improvement Revenue Note, Series 2019B.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Revenue Bonds and Notes**  
**For the Year Ended September 30, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	9,795,700	6,405,000	5,825,755	579,245
Interest	7,509,200	5,404,524	4,851,909	552,615
Fiscal charges	5,600	4,400	5,359	(959)
Total expenditures	17,310,500	11,813,924	10,683,023	1,130,901
Excess (deficiency) of revenues over (under) expenditures	(17,310,500)	(11,813,924)	(10,683,023)	1,130,901
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	17,310,500	14,697,300	11,180,260	(3,517,040)
Transfers out	(7,420,000)	(11,932,602)	(6,254,531)	5,678,071
Issuance of Revenue Note	7,420,000	11,932,602	6,254,531	(5,678,071)
Total other financing sources and uses	17,310,500	14,697,300	11,180,260	(3,517,040)
Net change in fund balances	-	2,883,376	497,237	(2,386,139)
Fund balances - beginning	(91,394)	(91,394)	(91,394)	-
Fund balances - ending	<u>\$ (91,394)</u>	<u>\$ 2,791,982</u>	<u>\$ 405,843</u>	<u>\$ (2,386,139)</u>

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





# **CITY OF FORT MYERS**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

**Law Enforcement Trust** – To account for the proceeds collected under the Florida Contraband Forfeiture Act to be used for school resource officers, crime prevention, safe neighborhoods, drug abuse education and prevention programs, and for other law enforcement purposes and providing matching funds to obtain federal grants.

**Federal Forfeiture** – To account for federal forfeiture proceeds, which can be expended for any activity calculated to enhance future investigations, support investigations and operations that may result in further seizures and forfeitures.

**FEMA Disaster Grant** – To account for the expenditures related to the damage caused by Hurricane Irma and the associated cleanup cost to be reimbursed by the Federal government.

**Grants** – To account for monies, received from various Federal, State and local agencies or private foundations, which must be expended according to the terms of grant requirements.

**Special Assessment Geographical Area Administration (SAGA)** – To account for Special Assessment District administration fees.

**Police Training** – To account for the \$2 assessment paid by persons convicted for violation of city ordinances. This assessment may be used for criminal justice education and training for the local government unit's officers and support personnel.

**Street Light Maintenance** – To account for the accumulation of funds to provide repairs and maintenance for certain street light poles and ballasts.

**Street Maintenance** – To account for funds received from the State for traffic light and street maintenance.

**Public Art Fund** – To account for proceeds from in-lieu contributions and all other revenue to support Public Art.

**Law Enforcement Equipment Fund** – To account for donations required of developers for law enforcement equipment purchases necessitated by commercial and residential development.

**Attainable Workforce Housing Fund** – To account for resources from developer contributions to provide loans to eligible residents with income of 150% of the median income for Lee County.

**Hurricane Shelter** – To account for developer contributions made to rehabilitate downtown buildings for use as hurricane shelters.

**Public-Private Parking** – To account for developer fees paid in lieu of the provision for parking.

**East Riverside Community Center** – To account for operations and maintenance of the community center, built for the citizens and visitors of Fort Myers and Lee County.

**Para-Transit Fund** – To account for developer contributions made annually for a downtown trolley system.



## **CITY OF FORT MYERS**

### **Nonmajor Governmental Funds (continued)**

#### **Special Revenue Funds (continued)**

**Patrons of the Palms** – To account for operations and resources related to maintaining palm trees, to enhance the City's identity as the "City of Palms".

**State Housing Initiative Partnership Program** – To account for funds received from the State of Florida to assist very low, low, and moderate income persons or families in becoming single-family homeowners.

**Community Redevelopment Agency:**

**Downtown Redevelopment Area** – To account for the operations and resources related to the Downtown Redevelopment Area.

**Other Redevelopment Areas** – To account for the administration and resources related to implementing the Cleveland Avenue Redevelopment Areas, the Central Fort Myers Redevelopment Area, the Martin Luther King Redevelopment Areas, and the East Fort Myers Redevelopment Area.

**Community Development Block Grant Program** – To account for monies received from the U.S. Department of Housing and Urban Development for community redevelopment.

**Crime Prevention Fund** – To account for monies received from fines, which are used to advance the crime prevention program.

#### **Permanent Fund**

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

**Ned Fould's Police Award Fund** – To account for a donation to the City to provide an award to the City's Police Officer of the Year. The interest is awarded to the Officer of the Year with the principal being retained in the fund.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2021**

	<b>Special Revenue Funds</b>				
	<b>Law Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>FEMA Disaster Grant</b>	<b>Grants</b>	<b>SAGA Administration</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 56,027	\$ 15,558	\$ 2,468,611	\$ 3,903	\$ 79,042
Investments	79,663	22,121	-	7,880,424	112,388
Accounts receivable, net	-	-	-	-	-
Interest receivable	252	241	47	-	396
Due from other governmental agencies	-	-	383,350	1,782,137	-
Prepaid items	4,503	-	-	-	-
Notes receivable	-	-	-	-	-
Allowance for notes receivable	-	-	-	-	-
Assets held for resale	-	-	-	-	-
Total assets	<u>\$ 140,445</u>	<u>\$ 37,920</u>	<u>\$ 2,852,008</u>	<u>\$ 9,666,464</u>	<u>\$ 191,826</u>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ 1,836	\$ -	\$ -	\$ 224,636	\$ -
Accrued and other liabilities	-	-	-	878	-
Due to other funds	-	-	-	808,633	-
Funds held in escrow	-	-	-	-	-
Unearned revenue - other	-	-	-	7,879,743	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>1,836</u>	<u>-</u>	<u>-</u>	<u>8,913,890</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - grants, contribution	-	-	383,350	1,671,902	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>383,350</u>	<u>1,671,902</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Prepaid items	4,503	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-	-
Restricted for:					
Donations received	-	-	-	-	-
Community redevelopment agency	-	-	-	-	-
Economic environment	-	-	-	124,380	-
Law enforcement programs	134,106	37,920	-	1,071,782	-
Physical environment	-	-	2,468,658	-	191,826
Transportation	-	-	-	-	-
Committed to:					
Law enforcement programs	-	-	-	-	-
Unassigned	-	-	-	(2,115,490)	-
Total fund balances (deficits)	<u>138,609</u>	<u>37,920</u>	<u>2,468,658</u>	<u>(919,328)</u>	<u>191,826</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 140,445</u>	<u>\$ 37,920</u>	<u>\$ 2,852,008</u>	<u>\$ 9,666,464</u>	<u>\$ 191,826</u>

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

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2021**

	<b>Special Revenue Funds</b>				
	<b>Public-Private Parking</b>	<b>East Riverside Community Center</b>	<b>Para-Transit</b>	<b>Patrons of the Palms</b>	<b>State Housing Initiative Partnership</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 160,046	\$ 9,968	\$ -	\$ 8,002	\$ 238,927
Investments	227,566	14,173	-	11,378	339,930
Accounts receivable, net	-	-	-	-	-
Interest receivable	802	50	482	40	833
Due from other governmental agencies	-	-	37,551	-	-
Prepaid items	-	-	-	-	-
Notes receivable	-	-	-	-	2,694,682
Allowance for notes receivable	-	-	-	-	(2,694,682)
Assets held for resale	-	-	-	-	-
Total assets	<u>\$ 388,414</u>	<u>\$ 24,191</u>	<u>\$ 38,033</u>	<u>\$ 19,420</u>	<u>\$ 579,690</u>
<b>LIABILITIES</b>					
Accounts and contracts payable	\$ -	\$ -	\$ -	\$ -	\$ 30,866
Accrued and other liabilities	-	-	-	-	-
Due to other funds	-	-	14,774	-	-
Funds held in escrow	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>14,774</u>	<u>-</u>	<u>30,866</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - grants, contribution	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable:					
Prepaid items	-	-	-	-	-
Public safety principal, nonexpendable	-	-	-	-	-
Restricted for:					
Donations received	388,414	24,191	23,259	19,420	-
Community redevelopment agency	-	-	-	-	-
Economic environment	-	-	-	-	548,824
Law enforcement programs	-	-	-	-	-
Physical environment	-	-	-	-	-
Transportation	-	-	-	-	-
Committed to:					
Law enforcement programs	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>388,414</u>	<u>24,191</u>	<u>23,259</u>	<u>19,420</u>	<u>548,824</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 388,414</u>	<u>\$ 24,191</u>	<u>\$ 38,033</u>	<u>\$ 19,420</u>	<u>\$ 579,690</u>

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

Special Revenue Funds			Permanent Fund	Total Nonmajor Governmental Funds
Community Redevelopment Agency	Community Development Block Grant	Crime Prevention	Ned Fould's Police Award Fund	
\$ 2,863,412	\$ -	\$ 19,540	\$ 1,039	\$ 7,242,113
4,071,248	-	27,784	1,487	14,662,250
180	-	-	-	180
10,123	-	114	5	18,775
-	311,391	275	-	2,882,360
-	-	-	-	4,503
-	5,212,420	-	-	8,160,268
-	(5,212,420)	-	-	(8,160,268)
-	399,777	-	-	399,777
<u>\$ 6,944,963</u>	<u>\$ 711,168</u>	<u>\$ 47,713</u>	<u>\$ 2,531</u>	<u>\$ 25,209,958</u>
\$ 35,868	\$ 31,997	\$ -	\$ -	\$ 447,304
4,212	3,345	366	-	17,753
-	250,060	-	-	1,073,467
-	-	-	531	531
-	264,110	-	-	8,143,853
617,000	-	-	-	617,000
<u>657,080</u>	<u>549,512</u>	<u>366</u>	<u>531</u>	<u>10,299,908</u>
-	309,964	-	-	2,365,216
<u>-</u>	<u>309,964</u>	<u>-</u>	<u>-</u>	<u>2,365,216</u>
-	-	-	-	4,503
-	-	-	2,000	2,000
-	-	-	-	2,585,112
6,287,883	-	-	-	6,287,883
-	-	-	-	673,204
-	-	-	-	1,315,420
-	-	-	-	2,660,484
-	-	-	-	1,232,679
-	-	47,347	-	47,347
-	(148,308)	-	-	(2,263,798)
<u>6,287,883</u>	<u>(148,308)</u>	<u>47,347</u>	<u>2,000</u>	<u>12,544,834</u>
<u>\$ 6,944,963</u>	<u>\$ 711,168</u>	<u>\$ 47,713</u>	<u>\$ 2,531</u>	<u>\$ 25,209,958</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<b>Special Revenue Funds</b>				
	<b>Law Enforcement Trust</b>	<b>Federal Forfeiture</b>	<b>FEMA Disaster Grant</b>	<b>Grants</b>	<b>SAGA Administration</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	1,112,250	4,991,588	-
Fines and forfeitures	90,366	-	-	-	-
Miscellaneous	8,610	-	6,503	681	-
Contributions - private source	-	-	-	-	-
Total revenues	<u>98,976</u>	<u>-</u>	<u>1,118,753</u>	<u>4,992,269</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	1,006	896,055	206
Public Safety:					
Police	76,881	14,694	-	1,658,542	-
Fire	-	-	-	147,486	-
Protective inspections	-	-	-	9,188	-
Physical environment	-	-	-	46,760	-
Transportation	-	-	-	7,283	-
Economic environment	-	-	-	3,351,322	-
Culture and recreation	-	-	-	145,063	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>76,881</u>	<u>14,694</u>	<u>1,006</u>	<u>6,261,699</u>	<u>206</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,095</u>	<u>(14,694)</u>	<u>1,117,747</u>	<u>(1,269,430)</u>	<u>(206)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	756,417	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,417</u>	<u>-</u>
Net change in fund balances	22,095	(14,694)	1,117,747	(513,013)	(206)
Fund balances - beginning	116,514	52,614	1,350,911	(406,315)	192,032
Fund balances - ending	<u>\$ 138,609</u>	<u>\$ 37,920</u>	<u>\$ 2,468,658</u>	<u>\$ (919,328)</u>	<u>\$ 191,826</u>

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

Special Revenue Funds					
Police Training	Street Light Maintenance	Street Maintenance	Public Art	Law Enforcement Equipment	Attainable Workforce Housing
\$ -	\$ -	\$ 2,289,682	\$ -	\$ -	\$ -
-	-	793,438	-	-	-
-	-	-	-	-	-
11,980	129	356,145	-	-	33,490
-	-	-	-	-	-
<u>11,980</u>	<u>129</u>	<u>3,439,265</u>	<u>-</u>	<u>-</u>	<u>33,490</u>
-	-	-	-	-	-
14,794	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,865	3,811,711	-	-	-
-	-	-	-	-	22,763
-	-	-	85	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,794</u>	<u>3,865</u>	<u>3,811,711</u>	<u>85</u>	<u>-</u>	<u>22,763</u>
<u>(2,814)</u>	<u>(3,736)</u>	<u>(372,446)</u>	<u>(85)</u>	<u>-</u>	<u>10,727</u>
-	-	713,300	-	-	-
-	-	(305,811)	(5,294)	-	-
-	-	407,489	(5,294)	-	-
(2,814)	(3,736)	35,043	(5,379)	-	10,727
72,085	30,605	1,170,767	89,219	2,341	1,675,842
<u>\$ 69,271</u>	<u>\$ 26,869</u>	<u>\$ 1,205,810</u>	<u>\$ 83,840</u>	<u>\$ 2,341</u>	<u>\$ 1,686,569</u>

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	Special Revenue Funds				
	Hurricane Shelter	Public-Private Parking	East Riverside Community Center	Para-Transit	Patrons of the Palms
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	902	-
Contributions - private source	-	-	-	68,281	-
Total revenues	-	-	-	69,183	-
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public Safety:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Protective inspections	-	-	-	-	-
Physical environment	387	-	-	-	21
Transportation	-	419	-	396,823	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	25	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	387	419	25	396,823	21
Excess (deficiency) of revenues over (under) expenditures	(387)	(419)	(25)	(327,640)	(21)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	331,400	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	331,400	-
Net change in fund balances	(387)	(419)	(25)	3,760	(21)
Fund balances - beginning	359,806	388,833	24,216	19,499	19,441
Fund balances - ending	<u>\$ 359,419</u>	<u>\$ 388,414</u>	<u>\$ 24,191</u>	<u>\$ 23,259</u>	<u>\$ 19,420</u>

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



Special Revenue Funds				Permanent Fund	Total Nonmajor Governmental Funds
State Housing Initiative Partnership	Community Redevelopment Agency	Community Development Block Grant	Crime Prevention	Ned Fould's Police Award Fund	
\$ -	\$ 2,138,227	\$ -	\$ -	\$ -	\$ 4,427,909
168,647	-	320,987	-	-	7,386,910
-	-	-	3,189	-	93,555
151,287	26,960	35,615	-	-	632,302
-	31,370	-	-	-	99,651
319,934	2,196,557	356,602	3,189	-	12,640,327
-	-	-	-	-	897,267
-	-	-	7,149	-	1,772,060
-	-	-	-	-	147,486
-	-	-	-	-	9,188
-	-	-	-	-	47,168
-	-	-	-	-	4,220,101
207,703	3,680,186	615,029	-	-	7,877,003
-	-	-	-	-	145,173
-	496,154	-	-	-	496,154
-	40,455	-	-	-	40,455
207,703	4,216,795	615,029	7,149	-	15,652,055
112,231	(2,020,238)	(258,427)	(3,960)	-	(3,011,728)
-	4,204,185	-	-	-	6,005,302
(109,214)	(1,577,311)	-	-	-	(1,997,630)
(109,214)	2,626,874	-	-	-	4,007,672
3,017	606,636	(258,427)	(3,960)	-	995,944
545,807	5,681,247	110,119	51,307	2,000	11,548,890
\$ 548,824	\$ 6,287,883	\$ (148,308)	\$ 47,347	\$ 2,000	\$ 12,544,834

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

Law Enforcement Trust Fund				
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 90,366	\$ 90,366
Miscellaneous	75,000	77,100	8,610	(68,490)
Total revenues	75,000	77,100	98,976	21,876
EXPENDITURES				
Current:				
Police	75,000	77,100	76,881	219
Total expenditures	75,000	77,100	76,881	219
Excess (deficiency) of revenues over expenditures	-	-	22,095	22,095
Net change in fund balances	-	-	22,095	22,095
Fund balances - beginning	116,514	116,514	116,514	-
Fund balances - ending	\$ 116,514	\$ 116,514	\$ 138,609	\$ 22,095

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

Federal Forfeiture Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 33,000	\$ 33,000	\$ -	\$ (33,000)
Total revenues	33,000	33,000	-	(33,000)
EXPENDITURES				
Current:				
Police	33,000	33,000	14,694	18,306
Total expenditures	33,000	33,000	14,694	18,306
Excess (deficiency) of revenues over expenditures	-	-	(14,694)	(14,694)
Net change in fund balances	-	-	(14,694)	(14,694)
Fund balances - beginning	52,614	52,614	52,614	-
Fund balances - ending	\$ 52,614	\$ 52,614	\$ 37,920	\$ (14,694)

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<b>Grants</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenue	\$ 1,250,000	\$ 8,969,243	\$ 4,991,588	\$ (3,977,655)
Miscellaneous	-	808,133	681	(807,452)
Total revenues	1,250,000	9,777,376	4,992,269	(4,785,107)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	896,055	(896,055)
Police	1,875,000	5,438,323	1,658,542	3,779,781
Fire	-	190,876	147,486	43,390
Protective inspections	-	-	9,188	(9,188)
Physical environment	-	-	46,760	(46,760)
Transportation	-	-	7,283	(7,283)
Economic environment	-	4,800,000	3,351,322	1,448,678
Culture and recreation	-	-	145,063	(145,063)
Total expenditures	1,875,000	10,429,199	6,261,699	4,167,500
Excess (deficiency) of revenues over expenditures	(625,000)	(651,823)	(1,269,430)	(617,607)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	625,000	651,823	756,417	104,594
Total other financing source (uses)	625,000	651,823	756,417	104,594
Net change in fund balances	-	-	(513,013)	(513,013)
Fund balances - beginning	(406,315)	(406,315)	(406,315)	-
Fund balances - ending	<u>\$ (406,315)</u>	<u>\$ (406,315)</u>	<u>\$ (919,328)</u>	<u>\$ (513,013)</u>

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

	<b>Police Training Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Miscellaneous	\$ 15,100	\$ 15,100	\$ 11,980	\$ (3,120)
Total revenues	15,100	15,100	11,980	(3,120)
<b>EXPENDITURES</b>				
Current:				
Police	15,100	15,100	14,794	306
Total expenditures	15,100	15,100	14,794	306
Excess (deficiency) of revenues over expenditures	-	-	(2,814)	(2,814)
Net change in fund balances	-	-	(2,814)	(2,814)
Fund balances - beginning	72,085	72,085	72,085	-
Fund balances - ending	<u>\$ 72,085</u>	<u>\$ 72,085</u>	<u>\$ 69,271</u>	<u>\$ (2,814)</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

<b>Street Light Maintenance Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 3,900	\$ 3,900	\$ 129	\$ (3,771)
Total revenues	3,900	3,900	129	(3,771)
<b>EXPENDITURES</b>				
Current:				
Transportation	3,900	3,900	3,865	35
Total expenditures	3,900	3,900	3,865	35
Excess (deficiency) of revenues over expenditures	-	-	(3,736)	(3,736)
Net change in fund balances	-	-	(3,736)	(3,736)
Fund balances - beginning	30,605	30,605	30,605	-
Fund balances - ending	<u>\$ 30,605</u>	<u>\$ 30,605</u>	<u>\$ 26,869</u>	<u>\$ (3,736)</u>

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

<b>Street Maintenance Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 2,033,800	\$ 2,033,800	\$ 2,289,682	\$ 255,882
Intergovernmental revenue	605,000	605,000	793,438	188,438
Miscellaneous	757,100	1,332,878	356,145	(976,733)
Total revenues	3,395,900	3,971,678	3,439,265	(532,413)
<b>EXPENDITURES</b>				
Current:				
Transportation	4,109,200	4,217,501	3,811,711	405,790
Total expenditures	4,109,200	4,217,501	3,811,711	405,790
Excess (deficiency) of revenues over expenditures	(713,300)	(245,823)	(372,446)	(126,623)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	713,300	713,300	713,300	-
Transfers out	-	(467,477)	(305,811)	161,666
Total other financing source (uses)	713,300	245,823	407,489	161,666
Net change in fund balances	-	-	35,043	35,043
Fund balances - beginning	1,170,767	1,170,767	1,170,767	-
Fund balances - ending	<u>\$ 1,170,767</u>	<u>\$ 1,170,767</u>	<u>\$ 1,205,810</u>	<u>\$ 35,043</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

<b>Public Art Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 89,440	\$ -	\$ (89,440)
Total revenues	-	89,440	-	(89,440)
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	-	85	(85)
Total expenditures	-	-	85	(85)
Excess (deficiency) of revenues over expenditures	-	89,440	(85)	(89,525)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(89,440)	(5,294)	84,146
Total other financing source (uses)	-	(89,440)	(5,294)	84,146
Net change in fund balances	-	-	(5,379)	(5,379)
Fund balances - beginning	89,219	89,219	89,219	-
Fund balances - ending	<u>\$ 89,219</u>	<u>\$ 89,219</u>	<u>\$ 83,840</u>	<u>\$ (5,379)</u>

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

<b>Attainable Workforce Housing Fund</b>				
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ 1,500,000	\$ 1,557,371	\$ 33,490	\$ (1,523,881)
Total revenues	1,500,000	1,557,371	33,490	(1,523,881)
<b>EXPENDITURES</b>				
Current:				
Economic environment	1,500,000	1,557,371	22,763	1,534,608
Total expenditures	1,500,000	1,557,371	22,763	1,534,608
Excess (deficiency) of revenues over expenditures	-	-	10,727	10,727
Net change in fund balances	-	-	10,727	10,727
Fund balances - beginning	1,675,842	1,675,842	1,675,842	-
Fund balances - ending	<u>\$ 1,675,842</u>	<u>\$ 1,675,842</u>	<u>\$ 1,686,569</u>	<u>\$ 10,727</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<b>Para-Transit Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 902	\$ 902
Contributions - private source	65,700	65,700	68,281	2,581
Total revenues	65,700	65,700	69,183	3,483
<b>EXPENDITURES</b>				
Current:				
Transportation	397,100	397,100	396,823	277
Total expenditures	397,100	397,100	396,823	277
Excess (deficiency) of revenues over expenditures	(331,400)	(331,400)	(327,640)	3,760
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	331,400	331,400	331,400	-
Total other financing source (uses)	331,400	331,400	331,400	-
Net change in fund balances	-	-	3,760	3,760
Fund balances - beginning	19,499	19,499	19,499	-
Fund balances - ending	\$ 19,499	\$ 19,499	\$ 23,259	\$ 3,760

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

	<b>State Housing Initiative Partnership Program</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ 740,506	\$ 168,647	\$ (571,859)
Miscellaneous	-	152,004	151,287	(717)
Total revenues	-	892,510	319,934	(572,576)
<b>EXPENDITURES</b>				
Current:				
Economic environment	-	892,510	207,703	684,807
Total expenditures	-	892,510	207,703	684,807
Excess (deficiency) of revenues over expenditures	-	-	112,231	112,231
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(109,214)	(109,214)
Total other financing source (uses)	-	-	(109,214)	(109,214)
Net change in fund balances	-	-	3,017	3,017
Fund balances - beginning	545,807	545,807	545,807	-
Fund balances - ending	\$ 545,807	\$ 545,807	\$ 548,824	\$ 3,017

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<b>Community Redevelopment Agency</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 2,138,200	\$ 2,138,227	\$ 2,138,227	\$ -
Miscellaneous	6,208,400	6,281,007	26,960	(6,254,047)
Contributions - private source	-	-	31,370	31,370
Total revenues	<u>8,346,600</u>	<u>8,419,234</u>	<u>2,196,557</u>	<u>(6,222,677)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	<u>7,902,700</u>	<u>7,902,999</u>	<u>3,680,186</u>	<u>4,222,813</u>
Total current	<u>7,902,700</u>	<u>7,902,999</u>	<u>3,680,186</u>	<u>4,222,813</u>
Debt service:				
Principal retirement	<u>496,200</u>	<u>496,200</u>	<u>496,154</u>	<u>46</u>
Interest	<u>40,500</u>	<u>40,500</u>	<u>40,455</u>	<u>45</u>
Total debt service	<u>536,700</u>	<u>536,700</u>	<u>536,609</u>	<u>91</u>
Total expenditures	<u>8,439,400</u>	<u>8,439,699</u>	<u>4,216,795</u>	<u>4,222,904</u>
Excess (deficiency) of revenues over expenditures	<u>(92,800)</u>	<u>(20,465)</u>	<u>(2,020,238)</u>	<u>(1,999,773)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>4,204,400</u>	<u>4,204,185</u>	<u>4,204,185</u>	<u>-</u>
Transfers out	<u>(4,111,600)</u>	<u>(4,183,720)</u>	<u>(1,577,311)</u>	<u>2,606,409</u>
Total other financing source (uses)	<u>92,800</u>	<u>20,465</u>	<u>2,626,874</u>	<u>2,606,409</u>
Net change in fund balances	-	-	606,636	606,636
Fund balances - beginning	<u>5,681,247</u>	<u>5,681,247</u>	<u>5,681,247</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,681,247</u>	<u>\$ 5,681,247</u>	<u>\$ 6,287,883</u>	<u>\$ 606,636</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	Community Development Block Grant Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ 641,668	\$ 2,334,610	\$ 320,987	\$ (2,013,623)
Miscellaneous	-	20,216	35,615	15,399
Total revenues	641,668	2,354,826	356,602	(1,998,224)
EXPENDITURES				
Current:				
Economic environment	641,668	2,354,826	615,029	1,739,797
Total expenditures	641,668	2,354,826	615,029	1,739,797
Excess (deficiency) of revenues over expenditures	-	-	(258,427)	(258,427)
Net change in fund balances	-	-	(258,427)	(258,427)
Fund balances - beginning	110,119	110,119	110,119	-
Fund balances - ending	\$ 110,119	\$ 110,119	\$ (148,308)	\$ (258,427)

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

Crime Prevention Fund				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 3,000	\$ 3,000	\$ 3,189	\$ 189
Miscellaneous	20,000	20,000	-	(20,000)
Total revenues	23,000	23,000	3,189	(19,811)
EXPENDITURES				
Current:				
Police	23,000	23,000	7,149	15,851
Total expenditures	23,000	23,000	7,149	15,851
Excess (deficiency) of revenues over expenditures	-	-	(3,960)	(3,960)
Net change in fund balances	-	-	(3,960)	(3,960)
Fund balances - beginning	51,307	51,307	51,307	-
Fund balances - ending	\$ 51,307	\$ 51,307	\$ 47,347	\$ (3,960)

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



## **CITY OF FORT MYERS**

### **Nonmajor Enterprise Funds**

The City's nonmajor enterprise funds report activities for which fees are charged to external users for goods or services.

**Building Permits and Inspections** – To account for operations and maintenance related to the City's issuance of building permits and the subsequent inspections.

**Stormwater** – To account for the operations and maintenance of stormwater run-off mechanisms throughout the City.

**Fort Myers Country Club** – To account for the operations and maintenance related to the City-owned Fort Myers Country Club.

**Eastwood Golf Course** – To account for the operations and maintenance related to the City-owned Eastwood Golf Course.

**Yacht Basin** – To account for the operations and maintenance of the City-owned yacht basin and dock facilities.

**Downtown Parking Garages** – To account for the operations and maintenance related to the City-owned Main Street Parking Garage, City of Palms Parking Garage, and Hotel Parking Garage.

**Skatium** – To account for the operations and maintenance related to the City-owned skating and recreation center.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2021**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,390,148	\$ 4,096,496	\$ 394,157
Investments	4,819,751	5,823,613	560,387
Restricted cash and cash equivalents	58,426	200,998	10,880
Restricted investments	83,141	286,862	15,464
Accounts receivable, net	-	-	-
Interest receivable	10,756	5,759	172
Restricted interest receivable	-	-	-
Due from other governmental agencies	-	13,182	-
Inventories	-	-	-
Prepaid items	-	-	-
Total current assets	<u>8,362,222</u>	<u>10,426,910</u>	<u>981,060</u>
Noncurrent assets:			
Intangible assets, net	-	78,551	-
Land and improvements	-	103,718	168,966
Construction in progress	-	1,976,680	-
Buildings, net	-	-	70,415
Improvements other than buildings, net	-	11,432,184	3,623,133
Equipment, net	1,007,064	1,081,979	-
Total noncurrent assets	<u>1,007,064</u>	<u>14,673,112</u>	<u>3,862,514</u>
Total assets	<u>9,369,286</u>	<u>25,100,022</u>	<u>4,843,574</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to postemployment benefits	18,588	13,143	667
Deferred outflows related to pensions	33,653	19,158	1,080
Total deferred outflows of resources	<u>52,241</u>	<u>32,301</u>	<u>1,747</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and contracts payable	20,107	678,715	98,306
Accrued and other liabilities	4,130	5,179	7,132
Due to other governmental agencies	12,721	-	-
Customer deposits	116,019	-	-
Compensated absences	13,066	47,508	-
Accrued interest payable	-	1,708	1,467
Capital lease payable	-	33,859	-
Notes payable	-	-	-
Revenue bonds payable	-	-	40,722
Total current liabilities	<u>166,043</u>	<u>766,969</u>	<u>147,627</u>
Noncurrent liabilities:			
Net pension liability	907,890	516,861	29,128
Compensated absences	58,041	65,307	25,443
Total other postemployment benefits liability	455,636	322,168	16,353
Capital lease payable	-	35,400	-
Notes payable	-	-	-
Revenue bonds payable	-	-	28,698
Total noncurrent liabilities	<u>1,421,567</u>	<u>939,736</u>	<u>99,622</u>
Total liabilities	<u>1,587,610</u>	<u>1,706,705</u>	<u>247,249</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	-	582
Deferred inflows related to postemployment benefits	85,046	60,134	3,052
Deferred inflows related to pensions	993,191	565,423	31,864
Total deferred inflows of resources	<u>1,078,237</u>	<u>625,557</u>	<u>35,498</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,007,064	13,982,126	3,766,168
Restricted for:			
Capital projects	12,827	487,859	26,344
Renewal and replacement	-	-	-
Unrestricted	5,735,789	8,330,076	770,062
Total net position	<u>\$ 6,755,680</u>	<u>\$ 22,800,061</u>	<u>\$ 4,562,574</u>

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

Eastwood Golf Course	Yacht Basin	Downtown Parking Garages	Skatium	Total Nonmajor Enterprise Funds
\$ 185,734	\$ 461,008	\$ 860,422	\$ 13,505	\$ 9,401,470
263,664	654,256	1,223,418	17,496	13,362,585
151	63,415	683	-	334,553
215	134,718	971	-	521,371
-	27,056	13,081	-	40,137
472	324	396	-	17,879
-	1,111	-	-	1,111
-	34,168	-	-	47,350
-	78,537	-	16,768	95,305
7,484	-	-	-	7,484
<u>457,720</u>	<u>1,454,593</u>	<u>2,098,971</u>	<u>47,769</u>	<u>23,829,245</u>
-	-	-	-	78,551
729,261	195,315	551,713	-	1,748,973
-	68,585	-	-	2,045,265
1,298,621	683	1,007,782	9,942	2,387,443
2,290,268	3,061,337	-	-	20,406,922
143,856	5,615	-	-	2,238,514
<u>4,462,006</u>	<u>3,331,535</u>	<u>1,559,495</u>	<u>9,942</u>	<u>28,905,668</u>
<u>4,919,726</u>	<u>4,786,128</u>	<u>3,658,466</u>	<u>57,711</u>	<u>52,734,913</u>
3,557	3,715	-	2,262	41,932
4,454	6,424	-	4,443	69,212
<u>8,011</u>	<u>10,139</u>	<u>-</u>	<u>6,705</u>	<u>111,144</u>
21,229	57,596	26,681	48,796	951,430
9,788	5,514	265	6,056	38,064
-	-	7	-	12,728
-	76,910	1,647	-	194,576
7,906	52,882	-	-	121,362
-	8,566	-	-	11,741
85,055	-	-	-	118,914
-	284,041	-	-	284,041
-	-	-	-	40,722
<u>123,978</u>	<u>485,509</u>	<u>28,600</u>	<u>54,852</u>	<u>1,773,578</u>
120,164	173,299	-	119,866	1,867,208
4,156	4,835	-	29,599	187,381
87,203	91,066	-	55,459	1,027,885
88,115	-	-	-	123,515
-	2,012,736	-	-	2,012,736
-	-	-	-	28,698
<u>299,638</u>	<u>2,281,936</u>	<u>-</u>	<u>204,924</u>	<u>5,247,423</u>
<u>423,616</u>	<u>2,767,445</u>	<u>28,600</u>	<u>259,776</u>	<u>7,021,001</u>
-	-	-	-	582
16,277	16,998	-	10,352	191,859
131,455	189,581	-	131,128	2,042,642
<u>147,732</u>	<u>206,579</u>	<u>-</u>	<u>141,480</u>	<u>2,235,083</u>
4,288,836	1,034,758	1,559,495	9,942	25,648,389
366	9,702	-	-	537,098
-	138,234	-	-	138,234
67,187	639,549	2,070,371	(346,782)	17,266,252
<u>\$ 4,356,389</u>	<u>\$ 1,822,243</u>	<u>\$ 3,629,866</u>	<u>\$ (336,840)</u>	<u>\$ 43,589,973</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2021**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>	<b>Eastwood Golf Course</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,529,396	\$ 6,251,959	\$ 2,282,572	\$ 2,226,573
Rent	-	-	14,875	30,242
Miscellaneous	409	56,258	990	9,487
Total operating revenues	<u>1,529,805</u>	<u>6,308,217</u>	<u>2,298,437</u>	<u>2,266,302</u>
<b>OPERATING EXPENSES</b>				
Personnel services	2,212,088	1,182,746	(4,662)	284,789
Materials and supplies	155,724	462,672	243,522	203,266
Contractual services	200,294	468,367	826,538	762,626
General and administrative	626,984	252,857	142,890	155,624
Utilities	15,161	-	72,061	185,664
Repairs and maintenance	1,730	260,999	145,018	25,802
Rentals	500,522	358,600	122,992	130,006
Travel	2,010	63	-	-
Insurance	42,200	63,300	84,500	84,500
Depreciation	257,123	1,089,609	299,589	389,040
Total operating expenses	<u>4,013,836</u>	<u>4,139,213</u>	<u>1,932,448</u>	<u>2,221,317</u>
Operating income (loss)	<u>(2,484,031)</u>	<u>2,169,004</u>	<u>365,989</u>	<u>44,985</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	(4,207)	(764)	(500)	285
Gain on disposal of capital assets	-	50,600	-	-
Interest expense and bond insurance costs	-	(3,828)	(2,627)	(7,711)
Total nonoperating revenues (expenses)	<u>(4,207)</u>	<u>46,008</u>	<u>(3,127)</u>	<u>(7,426)</u>
Income (loss) before contributions and transfers	(2,488,238)	2,215,012	362,862	37,559
Capital grants and contributions	-	18,161	-	-
Transfers in	53,017	1,755,177	261,432	251,600
Transfers out	<u>(139)</u>	<u>(1,049,600)</u>	<u>(285,446)</u>	<u>(212,100)</u>
Change in net position	(2,435,360)	2,938,750	338,848	77,059
Net position - beginning	9,191,040	19,861,311	4,223,726	4,279,330
Net position - ending	<u>\$ 6,755,680</u>	<u>\$ 22,800,061</u>	<u>\$ 4,562,574</u>	<u>\$ 4,356,389</u>

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

<u>Yacht Basin</u>	<u>Downtown Parking Garages</u>	<u>Skatium</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 3,011,034	\$ 1,721,625	\$ 812,193	\$ 17,835,352
31,268	52,759	-	129,144
57,038	146,616	498	271,296
<u>3,099,340</u>	<u>1,921,000</u>	<u>812,691</u>	<u>18,235,792</u>
337,033	-	446,105	4,458,099
1,132,137	33,570	196,925	2,427,816
158,793	942,653	93,180	3,452,451
242,602	125,626	95,333	1,641,916
227,247	1,798	207,637	709,568
62,577	29,027	56,858	582,011
78,829	-	81,411	1,272,360
-	-	-	2,073
84,500	-	84,500	443,500
221,163	201,556	1,680	2,459,760
<u>2,544,881</u>	<u>1,334,230</u>	<u>1,263,629</u>	<u>17,449,554</u>
<u>554,459</u>	<u>586,770</u>	<u>(450,938)</u>	<u>786,238</u>
(581)	(1,277)	(14)	(7,058)
-	-	-	50,600
<u>(114,776)</u>	<u>-</u>	<u>-</u>	<u>(128,942)</u>
<u>(115,357)</u>	<u>(1,277)</u>	<u>(14)</u>	<u>(85,400)</u>
439,102	585,493	(450,952)	700,838
34,168	-	-	52,329
17,208	-	359,600	2,698,034
<u>(31,900)</u>	<u>(774,847)</u>	<u>(25,900)</u>	<u>(2,379,932)</u>
458,578	(189,354)	(117,252)	1,071,269
1,363,665	3,819,220	(219,588)	42,518,704
<u>\$ 1,822,243</u>	<u>\$ 3,629,866</u>	<u>\$ (336,840)</u>	<u>\$ 43,589,973</u>

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2021**

	<b>Building Permits and Inspections</b>	<b>Stormwater</b>	<b>Fort Myers Country Club</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,578,094	\$ 6,347,041	\$ 2,297,447
Other operating receipts	409	56,258	990
Payments to suppliers and service providers	(1,628,929)	(1,057,544)	(1,555,094)
Payments to employees for services	(2,688,505)	(1,579,698)	(80,526)
Other operating payments	4,350	(252,859)	(21,083)
Net cash provided by (used for) operating activities	<u>(2,734,581)</u>	<u>3,513,198</u>	<u>641,734</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	53,017	1,755,177	261,432
Transfers out	(139)	(1,049,600)	(285,446)
Net cash provided by (used for) noncapital financing activities	<u>52,878</u>	<u>705,577</u>	<u>(24,014)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital grants and contributions	-	18,161	-
Acquisition and construction of capital assets	-	(2,129,469)	-
Principal paid on notes and bonds	-	-	(38,742)
Interest paid on notes and bonds	-	-	(4,733)
Principal paid on capital lease	-	(32,385)	-
Interest paid on capital lease	-	(4,626)	-
Proceeds from sale of capital assets	-	50,600	-
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(2,097,719)</u>	<u>(43,475)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(2,733,781)	(4,458,773)	(576,976)
Proceeds from sale of investments	-	-	-
Interest on investments	30,283	34,233	2,252
Net cash provided by (used for) investing activities	<u>(2,703,498)</u>	<u>(4,424,540)</u>	<u>(574,724)</u>
Net increase (decrease) in cash and cash equivalents	<u>(5,385,201)</u>	<u>(2,303,484)</u>	<u>(479)</u>
Balances - beginning of year	8,833,775	6,600,978	405,516
Balances - end of the year	<u>\$ 3,448,574</u>	<u>\$ 4,297,494</u>	<u>\$ 405,037</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ (2,484,031)	\$ 2,169,004	\$ 365,989
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	257,123	1,089,609	299,589
Changes in assets and liabilities:			
Decrease in accounts receivable	-	95,083	-
(Increase) in bad debt	-	-	-
(Increase) decrease in inventories	28,154	-	-
Decrease in prepaid items	-	-	34,000
(Decrease) Increase in customer deposits payable	48,698	-	-
(Decrease) increase in accounts payable - supplier	(112,456)	556,454	32,515
(Decrease) increase in accounts payable - other	4,348	-	(5,171)
(Decrease) increase in compensated absences	(2,519)	7,001	1,411
(Decrease) increase in total other postemployment benefits liability	26,272	(10,036)	366
(Increase) decrease in other postemployment benefits deferred outflows of resources	(2,081)	(371)	(53)
Increase in other postemployment benefits deferred inflows of resources	(12,420)	(15,277)	(577)
(Decrease) in net pension liability	(1,298,858)	(834,886)	(87,479)
(Increase) in net pension liability deferred outflows of resources	90,833	57,095	24,133
Increase in net pension liability deferred inflows of resources	722,356	399,522	(22,989)
Net cash provided by (used for) operating activities	<u>\$ (2,734,581)</u>	<u>\$ 3,513,198</u>	<u>\$ 641,734</u>
<b>Schedule of non-cash investing, capital, and financing activities:</b>			
Interest receivable / unrealized gain (loss)	\$ (34,490)	\$ (34,997)	\$ (2,752)
Capital related accounts payable	-	544,588	26,344

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

<b>Eastwood Golf Course</b>	<b>Yacht Basin</b>	<b>Downtown Parking Garages</b>	<b>Skatium</b>	<b>Total Nonmajor Enterprise Funds</b>
\$ 2,256,815	\$ 3,023,549	\$ 1,761,302	\$ 812,193	\$ 18,076,441
9,487	57,038	146,616	498	271,296
(1,501,801)	(1,994,847)	(1,078,276)	(791,245)	(9,607,736)
(339,334)	(470,305)	-	(442,033)	(5,600,401)
(28,218)	(9,828)	(32,697)	(8,270)	(348,605)
396,949	605,607	796,945	(428,857)	2,790,995
251,600	17,208	-	359,600	2,698,034
(212,100)	(31,900)	(774,847)	(25,900)	(2,379,932)
39,500	(14,692)	(774,847)	333,700	318,102
-	34,168	-	-	52,329
-	(68,585)	-	-	(2,198,054)
-	(271,090)	-	-	(309,832)
-	(115,787)	-	-	(120,520)
(82,102)	-	-	-	(114,487)
(7,711)	-	-	-	(12,337)
-	-	-	-	50,600
(89,813)	(421,294)	-	-	(2,652,301)
(245,432)	(565,384)	(819,090)	-	(9,399,436)
-	-	-	6,959	6,959
1,413	3,971	6,339	233	78,724
(244,019)	(561,413)	(812,751)	7,192	(9,313,753)
102,617	(391,792)	(790,653)	(87,965)	(8,856,957)
83,268	916,215	1,651,758	101,470	18,592,980
<u>\$ 185,885</u>	<u>\$ 524,423</u>	<u>\$ 861,105</u>	<u>\$ 13,505</u>	<u>\$ 9,736,023</u>
\$ 44,985	\$ 554,459	\$ 586,770	\$ (450,938)	\$ 786,238
389,040	221,163	201,556	1,680	2,459,760
-	(38,994)	(13,081)	-	43,008
-	634	-	-	634
-	(9,289)	-	5,926	24,791
26,516	-	-	-	60,516
-	22,956	-	-	71,654
(3,386)	(2,348)	25,849	12,702	509,330
(5,662)	(9,702)	(4,149)	(2,300)	(22,636)
2,929	7,061	-	1,493	17,376
8,765	(21,729)	-	(1,287)	2,351
(542)	621	-	(81)	(2,507)
(1,529)	(8,607)	-	-	(38,410)
(183,434)	(273,641)	-	(105,276)	(2,783,574)
2,124	10,703	-	8,257	193,145
117,143	152,320	-	100,967	1,469,319
<u>\$ 396,949</u>	<u>\$ 605,607</u>	<u>\$ 796,945</u>	<u>\$ (428,857)</u>	<u>\$ 2,790,995</u>
\$ (1,128)	\$ (4,552)	\$ (7,616)	\$ (247)	\$ (85,782)
-	-	-	-	570,932

## **CITY OF FORT MYERS**

### **Internal Service Funds**

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

**Fleet Maintenance** – To account for repair operations and maintenance related to City-owned vehicles.

**Information Technology Services** – To account for the City's information systems, hardware, software and maintenance.

**Public Works Warehouse Operations** – To account for all inventory received into the warehouse along with the issues to user departments.

**Risk Management** – To account for the activities related to general liability, auto liability and physical damage, police and firefighters' professional liability and workers' compensation provided to other departments of the City.



**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2021**

	<b>Fleet Maintenance</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 1,095,954	\$ 829,177	\$ 64,809	\$ 9,975,773	\$ 11,965,713
Investments	1,558,315	1,178,991	92,151	13,100,197	15,929,654
Restricted cash and cash equivalents	-	-	-	2,065,236	2,065,236
Accounts receivable, net	-	-	-	902	902
Interest receivable	1,581	2,373	-	23,600	27,554
Due from other governmental agencies	-	-	-	227	227
Inventories	344,483	-	332,255	-	676,738
Prepaid items	-	659,710	-	513,954	1,173,664
Total current assets	<u>3,000,333</u>	<u>2,670,251</u>	<u>489,215</u>	<u>25,679,889</u>	<u>31,839,688</u>
Noncurrent assets:					
Buildings, net	1,572	-	-	-	1,572
Equipment, net	4,099,361	687,763	-	-	4,787,124
Total noncurrent assets	<u>4,100,933</u>	<u>687,763</u>	<u>-</u>	<u>-</u>	<u>4,788,696</u>
Total assets	<u>7,101,266</u>	<u>3,358,014</u>	<u>489,215</u>	<u>25,679,889</u>	<u>36,628,384</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to other postemployment benefits	12,472	16,215	-	3,606	32,293
Deferred outflows on pensions	17,500	34,053	-	6,708	58,261
Total deferred outflows of resources	<u>29,972</u>	<u>50,268</u>	<u>-</u>	<u>10,314</u>	<u>90,554</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts and contracts payable	447,226	247,334	9,371	303,343	1,007,274
Accrued and other liabilities	8,092	111,893	-	7,021	127,006
Compensated absences	10,494	-	-	15,142	25,636
Claims and judgments	-	-	-	5,076,600	5,076,600
Accrued interest payable	77,088	8,424	-	-	85,512
Capital lease payable	1,279,578	110,101	-	-	1,389,679
Total current liabilities	<u>1,822,478</u>	<u>477,752</u>	<u>9,371</u>	<u>5,402,106</u>	<u>7,711,707</u>
Noncurrent liabilities:					
Net pension liability	472,125	918,686	-	180,982	1,571,793
Compensated absences	52,852	126,464	-	8,116	187,432
Total other postemployment benefits liability	305,722	397,470	-	88,386	791,578
Claims and judgments	-	-	-	4,410,360	4,410,360
Capital lease payable	850,481	353,560	-	-	1,204,041
Total noncurrent liabilities	<u>1,681,180</u>	<u>1,796,180</u>	<u>-</u>	<u>4,687,844</u>	<u>8,165,204</u>
Total liabilities	<u>3,503,658</u>	<u>2,273,932</u>	<u>9,371</u>	<u>10,089,950</u>	<u>15,876,911</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to other postemployment benefits	57,064	74,189	-	16,498	147,751
Deferred inflows related to pensions	516,483	1,005,002	-	197,986	1,719,471
Total deferred inflows of resources	<u>573,547</u>	<u>1,079,191</u>	<u>-</u>	<u>214,484</u>	<u>1,867,222</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,970,874	224,102	-	-	2,194,976
Unrestricted	1,083,159	(168,943)	479,844	15,385,769	16,779,829
Total net position	<u>\$ 3,054,033</u>	<u>\$ 55,159</u>	<u>\$ 479,844</u>	<u>\$ 15,385,769</u>	<u>\$ 18,974,805</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2021**

	<b>Fleet Maintenance</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 7,874,200	\$ 8,543,900	\$ 282,247	\$ 7,932,723	\$ 24,633,070
Miscellaneous	35,974	128	-	370,927	407,029
Total operating revenues	<u>7,910,174</u>	<u>8,544,028</u>	<u>282,247</u>	<u>8,303,650</u>	<u>25,040,099</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,336,993	1,963,549	-	323,224	3,623,766
Materials and supplies	2,893,189	362,707	251,019	11,137	3,518,052
Contractual services	522,752	17,879	261	250,568	791,460
General and administrative	344,298	387,794	-	344,408	1,076,500
Utilities	55,208	917,779	-	-	972,987
Repairs and maintenance	4,658	3,448,481	-	853	3,453,992
Rentals	186,200	284,081	800	43,114	514,195
Travel	3,539	5,007	-	-	8,546
Insurance	42,200	6,300	-	1,630,260	1,678,760
Self insurance claims	-	-	-	2,441,833	2,441,833
Depreciation	2,005,854	139,893	-	-	2,145,747
Total operating expenses	<u>7,394,891</u>	<u>7,533,470</u>	<u>252,080</u>	<u>5,045,397</u>	<u>20,225,838</u>
Operating income	<u>515,283</u>	<u>1,010,558</u>	<u>30,167</u>	<u>3,258,253</u>	<u>4,814,261</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	(2,197)	(3,747)	(183)	(30,084)	(36,211)
Gain on disposal of capital assets	137,305	-	-	-	137,305
Interest expense	(160,024)	(10,379)	-	-	(170,403)
Total nonoperating revenues (expenses)	<u>(24,916)</u>	<u>(14,126)</u>	<u>(183)</u>	<u>(30,084)</u>	<u>(69,309)</u>
Income before contributions and transfers	490,367	996,432	29,984	3,228,169	4,744,952
Transfers in	-	64,910	-	-	64,910
Transfers out	-	(328,763)	-	-	(328,763)
Change in net position	490,367	732,579	29,984	3,228,169	4,481,099
Net position - beginning	2,563,666	(677,420)	449,860	12,157,600	14,493,706
Net position - ending	<u>\$ 3,054,033</u>	<u>\$ 55,159</u>	<u>\$ 479,844</u>	<u>\$ 15,385,769</u>	<u>\$ 18,974,805</u>

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

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2021**

	<b>Fleet Maintenance</b>	<b>Information Technology Services</b>	<b>Public Works Warehouse Operations</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 7,874,200	\$ 8,543,900	\$ 282,247	\$ 7,933,954	\$ 24,634,301
Other operating receipts	35,974	128	-	370,927	407,029
Payments to suppliers and service providers	(4,054,610)	(5,642,818)	(277,787)	(3,575,033)	(13,550,248)
Payments to employees for services	(1,559,926)	(2,576,603)	-	(2,034,971)	(6,171,500)
Net cash provided by operating activities	<u>2,295,638</u>	<u>324,607</u>	<u>4,460</u>	<u>2,694,877</u>	<u>5,319,582</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	64,910	-	-	64,910
Transfers out	-	(328,763)	-	-	(328,763)
Net cash (used for) noncapital financing activities	<u>-</u>	<u>(263,853)</u>	<u>-</u>	<u>-</u>	<u>(263,853)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from capital lease	691,961	589,226	-	-	1,281,187
Acquisition and construction of capital assets	(1,344,580)	(608,855)	-	-	(1,953,435)
Principal paid on capital lease	(1,564,349)	(125,565)	-	-	(1,689,914)
Interest paid on capital lease	(157,746)	(1,955)	-	-	(159,701)
Proceeds from sale of capital assets	144,567	-	-	-	144,567
Net cash (used for) capital and related financing activities	<u>(2,230,147)</u>	<u>(147,149)</u>	<u>-</u>	<u>-</u>	<u>(2,377,296)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(1,050,400)	(766,840)	(62,184)	(9,247,508)	(11,126,932)
Interest on investments	7,430	3,736	386	47,687	59,239
Net cash (used for) investing activities	<u>(1,042,970)</u>	<u>(763,104)</u>	<u>(61,798)</u>	<u>(9,199,821)</u>	<u>(11,067,693)</u>
Net (decrease) in cash and cash equivalents	<u>(977,479)</u>	<u>(849,499)</u>	<u>(57,338)</u>	<u>(6,504,944)</u>	<u>(8,389,260)</u>
Balances - beginning of year	2,073,433	1,678,676	122,147	18,545,953	22,420,209
Balances - end of the year	<u>\$ 1,095,954</u>	<u>\$ 829,177</u>	<u>\$ 64,809</u>	<u>\$ 12,041,009</u>	<u>\$ 14,030,949</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 515,283	\$ 1,010,558	\$ 30,167	\$ 3,258,253	\$ 4,814,261
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,005,854	139,893	-	-	2,145,747
Changes in assets and liabilities:					
Decrease in accounts receivable	-	-	-	1,230	1,230
Decrease in inventories	83,888	-	24,875	-	108,763
(Increase) decrease in prepaid items	-	1,708	-	(250,856)	(249,148)
(Decrease) in accounts payable - supplier	(86,454)	(214,501)	(50,582)	(164,978)	(516,515)
(Decrease) increase in compensated absences	(36,777)	(2,173)	-	4,938	(34,012)
(Decrease) increase in total other postemployment benefits liability	31,048	14,065	-	(2,573)	42,540
(Increase) in other postemployment benefits deferred outflows of resources	(1,912)	(1,475)	-	(109)	(3,496)
(Decrease) in other postemployment benefits deferred inflows of resources	(5,287)	(12,844)	-	(4,150)	(22,281)
(Decrease) in net pension liability	(635,530)	(1,426,071)	-	(305,868)	(2,367,469)
Decrease in net pension liability deferred outflows of resources	44,984	98,218	-	20,755	163,957
Increase in net pension liability deferred inflows of resources	380,541	717,229	-	138,235	1,236,005
Net cash provided by operating activities	<u>\$ 2,295,638</u>	<u>\$ 324,607</u>	<u>\$ 4,460</u>	<u>\$ 2,694,877</u>	<u>\$ 5,319,582</u>
<b>Noncash investing, capital, and financing activities:</b>					
Interest receivable / unrealized gain (loss)	\$ (9,627)	\$ (7,483)	\$ (569)	\$ (77,771)	\$ (95,450)

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

# **CITY OF FORT MYERS**

## **Fiduciary Funds**

### **Custodial Funds**

Custodial funds are used to account for monies that are collected by the City and held in a custodial capacity until remitted to the proper authority.

**Regional Park Impact Fees Fund** – To account for the City's collection of regional park fees. The fees are remitted to the County.

**Emergency Medical Services (EMS) Impact Fees Fund** – To account for the City's collection of impact fees for EMS services. The fees are remitted to the County.

**School Board Impact Fees Fund** – To account for the City's collection of impact fees for the School Board. The fees are remitted to the County.

**CITY OF FORT MYERS, FLORIDA**  
**Combining Statement of Changes in Assets and Liabilities**  
**Custodial Funds**  
**For the Year Ended September 30, 2021**

	Balance September 30, 2020	Increases	Decreases	Balance September 30, 2021
<b><u>Regional Park Impact Fees</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 60,222	\$ 369,142	\$ (344,398)	\$ 84,966
Total assets	<u>\$ 60,222</u>	<u>\$ 369,142</u>	<u>\$ (344,398)</u>	<u>\$ 84,966</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 60,222	\$ -	\$ (60,222)	\$ -
Due to other governmental agencies	-	524,586	(439,620)	84,966
Total liabilities	<u>\$ 60,222</u>	<u>\$ 524,586</u>	<u>\$ (499,842)</u>	<u>\$ 84,966</u>
<b><u>Emergency Medical Services Impact Fees</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 12,526	\$ 73,348	\$ (71,347)	\$ 14,527
Total assets	<u>\$ 12,526</u>	<u>\$ 73,348</u>	<u>\$ (71,347)</u>	<u>\$ 14,527</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 12,526	\$ -	\$ (12,526)	\$ -
Due to other governmental agencies	-	105,772	(91,245)	14,527
Total liabilities	<u>\$ 12,526</u>	<u>\$ 105,772</u>	<u>\$ (103,771)</u>	<u>\$ 14,527</u>
<b><u>School Board Impact Fees</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 327,461	\$ 2,115,487	\$ (1,985,267)	\$ 457,681
Total assets	<u>\$ 327,461</u>	<u>\$ 2,115,487</u>	<u>\$ (1,985,267)</u>	<u>\$ 457,681</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 327,461	\$ -	\$ (327,461)	\$ -
Due to other governmental agencies	-	3,033,240	(2,575,559)	457,681
Total liabilities	<u>\$ 327,461</u>	<u>\$ 3,033,240</u>	<u>\$ (2,903,020)</u>	<u>\$ 457,681</u>
<b><u>Total - All Custodial Funds</u></b>				
<b>ASSETS</b>				
Cash and short-term investments	\$ 400,209	\$ 2,557,977	\$ (2,401,012)	\$ 557,174
Total assets	<u>\$ 400,209</u>	<u>\$ 2,557,977</u>	<u>\$ (2,401,012)</u>	<u>\$ 557,174</u>
<b>LIABILITIES</b>				
Accounts and contracts payable	\$ 400,209	\$ -	\$ (400,209)	\$ -
Due to other governmental agencies	-	3,663,598	(3,106,424)	557,174
Total liabilities	<u>\$ 400,209</u>	<u>\$ 3,663,598</u>	<u>\$ (3,506,633)</u>	<u>\$ 557,174</u>

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





# STATISTICAL SECTION







# CITY OF FORT MYERS

## Statistical Section

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	156
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	164
These schedules contain information to help the reader assess the City's most significant revenue sources, the property tax and water and wastewater sales.	
<b>Debt Capacity</b>	167
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Note: The Constitution of the State of Florida (FS200.181) and the City of Fort Myers set no legal debt limit.	
<b>Demographic and Economic Information</b>	172
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	173
These schedules contain service data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**CITY OF FORT MYERS, FLORIDA**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2012	2013	2014	2015	2016
<b>Governmental activities</b>					
Net investment in capital assets	\$ 59,741,815 <sup>(1)</sup>	\$ 58,088,422	\$ 49,609,728	\$ 54,323,549	\$ 56,482,531
Restricted					
Capital projects	43,801,907	40,910,394	34,732,077	31,831,335	27,834,549
Culture and recreation	64,156	168,328	163,808	157,454	142,267
Debt service	7,262,753	7,265,355	5,620,962	5,241,087	1,924,799
Economic environment	4,185,328	5,292,390	3,517,564	3,384,862	3,948,768
Impact fee projects	2,367,429	14,019,479	15,393,894	14,982,630	14,002,426
Public safety:					
Expendable	838,983	839,717	671,268	646,857	1,250,752
Nonexpendable	2,000	2,000	2,000	2,000	2,000
Renewal and replacement	2,229	3,661	-	-	-
Transportation	1,214,186	2,036,261	1,641,906	1,761,702	2,171,175
Unrestricted	31,608,418	3,352,665	(699,855) <sup>(2)</sup>	(126,181,151)	(119,034,904)
Total governmental activities net position	<u>\$ 151,089,204 <sup>(1)</sup></u>	<u>\$ 131,978,672</u>	<u>\$ 110,653,352 <sup>(2)</sup></u>	<u>\$ (13,849,675)</u>	<u>\$ (11,275,637)</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 46,140,478 <sup>(1)</sup>	\$ 54,346,522	\$ 66,890,713	\$ 81,959,336	\$ 92,942,225
Restricted					
Capital projects	13,767,152	12,784,220	12,973,297	13,798,738	11,175,181
Culture and recreation	-	-	-	2,147	936
Debt service	7,853,276	7,933,788	9,940,611	10,125,372	12,633,950
Impact fee projects	797,517	798,720	3,144,674	6,549,995	9,246,357
Physical environment	-	-	-	-	-
Renewal and replacement	6,661,111	7,766,842	9,337,620	10,292,820	8,617,133
Transportation	5,899	15,305	26,500	19,370	9,367
Unrestricted	38,251,249	36,333,372	41,650,115 <sup>(2)</sup>	14,535,250	15,100,749
Total business-type activities net position	<u>\$ 113,476,682 <sup>(1)</sup></u>	<u>\$ 119,978,769</u>	<u>\$ 143,963,530 <sup>(2)</sup></u>	<u>\$ 137,283,028</u>	<u>\$ 149,725,898</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 105,882,293 <sup>(1)</sup>	\$ 112,434,944	\$ 116,500,441	\$ 136,282,885	\$ 149,424,756
Restricted					
Capital projects	57,569,059	53,694,614	47,705,374	45,630,073	39,009,730
Culture and recreation	64,156	168,328	163,808	159,601	143,203
Debt service	15,116,029	15,199,143	15,561,573	15,366,459	14,558,749
Economic environment	4,185,328	5,292,390	3,517,564	3,384,862	3,948,768
Impact fee projects	3,164,946	14,818,199	18,538,568	21,532,625	23,248,783
Physical environment	-	-	-	-	-
Public safety:					
Expendable	838,983	839,717	671,268	646,857	1,250,752
Nonexpendable	2,000	2,000	2,000	2,000	2,000
Renewal and replacement	6,663,340	7,770,503	9,337,620	10,292,820	8,617,133
Transportation	1,220,085	2,051,566	1,668,406	1,781,072	2,180,542
Unrestricted	69,859,667	39,686,037	40,950,260 <sup>(2)</sup>	(111,645,901)	(103,934,155)
Total primary government net position	<u>\$ 264,565,886 <sup>(1)</sup></u>	<u>\$ 251,957,441</u>	<u>\$ 254,616,882 <sup>(2)</sup></u>	<u>\$ 123,433,353</u>	<u>\$ 138,450,261</u>

<sup>(1)</sup> Restated per Note 25 in fiscal year 2013.

<sup>(2)</sup> Restated per Note 24 in fiscal year 2015.

<sup>(3)</sup> Restated per Note 24 in fiscal year 2018.

**CITY OF FORT MYERS, FLORIDA**  
**Net Position by Component (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 60,134,131	\$ 65,903,703	\$ 73,505,922	\$ 67,028,162	\$ 62,419,767
21,865,715	20,066,414	10,845,911	12,862,490	12,650,444
289,543	298,533	131,352	132,876	127,450
1,579,142	1,719,419	-	-	-
4,530,612	5,953,304	6,276,048	8,013,015	7,037,920
14,773,232	18,658,766	24,582,311	30,230,013	31,010,446
1,490,567	2,067,261	6,008,275	5,924,719	6,513,211
2,000	2,000	2,000	2,000	2,000
-	-	-	-	-
2,031,314	2,205,166	2,154,708	1,801,736	1,836,177
(113,751,995) <sup>(3)</sup>	(114,803,958)	(103,272,627)	(90,785,047)	(74,388,373)
<u>\$ (7,055,739) <sup>(3)</sup></u>	<u>\$ 2,070,608</u>	<u>\$ 20,233,900</u>	<u>\$ 35,209,964</u>	<u>\$ 47,209,042</u>
\$ 102,444,190	\$ 134,274,249	\$ 82,473,812	\$ 144,891,763	\$ 154,255,579
23,404,995	20,260,583	80,955,610	17,502,622	13,299,279
-	-	-	-	-
12,146,226	13,247,382	12,484,510	10,599,080	11,080,346
9,358,389	14,847,262	17,141,640	27,965,958	26,030,402
-	111,721	-	-	-
9,654,874	4,468,641	4,812,031	8,195,056	9,563,401
27,637	38,757	13,177	-	-
25,126,666 <sup>(3)</sup>	33,464,346	56,182,187	72,787,521	78,733,745
<u>\$ 182,162,977 <sup>(3)</sup></u>	<u>\$ 220,712,941</u>	<u>\$ 254,062,967</u>	<u>\$ 281,942,000</u>	<u>\$ 292,962,752</u>
\$ 162,578,321	\$ 200,177,952	\$ 155,979,734	\$ 211,919,925	\$ 216,675,346
45,270,710	40,326,997	91,801,521	30,365,112	25,949,723
289,543	298,533	131,352	132,876	127,450
13,725,368	14,966,801	12,484,510	10,599,080	11,080,346
4,530,612	5,953,304	6,276,048	8,013,015	7,037,920
24,131,621	33,506,028	41,723,951	58,195,971	57,040,848
-	111,721	-	-	-
1,490,567	2,067,261	6,008,275	5,924,719	6,513,211
2,000	2,000	2,000	2,000	2,000
9,654,874	4,468,641	4,812,031	8,195,056	9,563,401
2,058,951	2,243,923	2,167,885	1,801,736	1,836,177
(88,625,329) <sup>(3)</sup>	(81,339,612)	(47,090,440)	(17,997,526)	4,345,372
<u>\$ 175,107,238 <sup>(3)</sup></u>	<u>\$ 222,783,549</u>	<u>\$ 274,296,867</u>	<u>\$ 317,151,964</u>	<u>\$ 340,171,794</u>

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 14,026,296 <sup>(1)</sup>	\$ 12,167,626	\$ 12,200,476	\$ 9,914,148
Police	33,417,494	35,492,533	36,183,148	35,863,633
Fire	20,056,573	21,255,783	20,189,676	19,496,788
Protective inspections	1,627,330	1,428,519	1,448,884	1,546,049
Physical environment	4,879,919	5,094,677	5,754,949	5,882,766
Transportation	10,505,928	19,528,061	19,957,055	17,111,271
Economic environment	4,515,627	4,183,689	6,199,726	4,184,294
Culture and recreation	3,628,966	3,501,196	3,759,704	3,635,056
Interest on long-term debt	5,328,432	4,981,829	5,118,896	4,481,774
Total Governmental Activities	<u>97,986,565 <sup>(1)</sup></u>	<u>107,633,913</u>	<u>110,812,514</u>	<u>102,115,779</u>
Business-type Activities:				
Water-Wastewater	65,678,945 <sup>(1)</sup>	45,188,740	46,061,313	49,841,779
Solid Waste	8,754,026 <sup>(1)</sup>	8,668,898	8,878,238	9,642,121
Building Permits and Inspections	2,470,171	2,339,039	2,836,337	3,129,113
Stormwater	2,768,189	2,676,947	2,802,742	3,134,327
Golf Courses	3,258,666 <sup>(1)</sup>	3,192,083	3,251,488	4,425,763
Yacht Basin	2,378,769 <sup>(1)</sup>	2,625,787	2,816,344	2,587,863
Harborside Event Center	2,029,197	2,026,123	2,004,116	3,280,921
Downtown Parking Garages	984,598	1,067,213	1,039,313	1,049,490
Skatium	1,219,049	1,218,220	1,223,048	1,250,814
Department of Cultural and Historic Affairs	1,629,333	1,684,157	1,584,912	1,628,842
Total Business-type Activities	<u>91,170,943 <sup>(1)</sup></u>	<u>70,687,207</u>	<u>72,497,851</u>	<u>79,971,033</u>
Total Expenses	<u>\$ 189,157,508 <sup>(1)</sup></u>	<u>\$ 178,321,120</u>	<u>\$ 183,310,365</u>	<u>\$ 182,086,812</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for services				
General government	\$ 1,168,929	\$ 1,200,252	\$ 1,216,087	\$ 1,256,131
Police	1,212,211	1,201,938	1,050,970	1,063,539
Fire	698,198	656,235	864,235	2,507,883
Protective inspections <sup>(1)</sup>	1,163,024	232,286	1,345,184	1,663,511
Physical environment	3,651,110	3,164,986	3,607,380	4,083,754
Transportation	188,600	193,000	173,700	171,900
Economic environment	280,363	501,107	421,141	433,298
Culture and recreation	868,451	877,758	940,122	936,170
Operating grants and contributions	5,440,465	5,096,197	4,082,848	2,908,307
Capital grants and contributions	9,290,417	1,279,111	2,767,330	1,217,297
Total Governmental Activities	<u>23,961,768</u>	<u>14,402,870</u>	<u>16,468,997</u>	<u>16,241,790</u>
Business-type Activities:				
Charges for services				
Water-Wastewater	51,977,981	52,961,034	60,923,685	65,993,362
Solid Waste	13,969,091	14,109,921	14,415,660	14,739,561
Building Permits and Inspections	2,542,854	2,824,537	3,527,224	4,462,337
Stormwater	2,899,935	2,894,352	3,453,789	2,798,933
Golf Courses	3,120,235	3,034,718	2,970,250	3,606,997
Yacht Basin	1,986,434	2,243,510	2,368,389	2,389,856
Harborside Event Center	791,462	875,557	769,038	2,026,898
Downtown Parking Garages	803,829	865,519	946,170	1,170,576
Skatium	1,031,456	994,840	1,000,120	999,622
Department of Cultural and Historic Affairs	587,833	524,235	578,698	535,185
Operating grants and contributions	884	886	933	1,646
Capital grants and contributions	2,363,621	3,383,428	8,647,869	6,968,886
Total Business-type Activities	<u>82,075,615</u>	<u>84,712,537</u>	<u>99,601,825</u>	<u>105,693,859</u>
Total Program Revenues	<u>\$ 106,037,383</u>	<u>\$ 99,115,407</u>	<u>\$ 116,070,822</u>	<u>\$ 121,935,649</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (74,024,797) <sup>(1)</sup>	\$ (93,231,043)	\$ (94,343,517)	\$ (85,873,989)
Business-type Activities	(9,095,328) <sup>(1)</sup>	14,025,330	27,103,974	25,722,826
Total Net Expense	<u>\$ (83,120,125) <sup>(1)</sup></u>	<u>\$ (79,205,713)</u>	<u>\$ (67,239,543)</u>	<u>\$ (60,151,163)</u>

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

2016	2017	2018	2019	2020	2021
\$ 16,503,612	\$ 13,464,131	\$ 15,193,193	\$ 18,935,366	\$ 16,796,501	\$ 19,332,515
36,761,500	40,999,085	43,282,973	50,094,186	53,692,418	48,055,077
20,645,613	22,986,548	23,354,151	24,012,018	24,908,318	23,405,565
1,582,825	1,551,754	1,477,029	1,206,667	1,269,101	1,285,922
6,419,251	10,149,183	8,101,942	8,300,274	7,415,015	7,346,558
10,872,397	10,644,457	12,868,653	12,834,980	12,515,560	14,742,735
4,458,408	4,341,052	7,761,936	7,227,557	7,226,197	7,856,160
3,764,010	4,831,427	4,900,535	5,112,618	5,012,211	6,504,253
3,850,491	3,734,827	4,177,605	4,373,083	5,429,286	5,106,027
104,858,107	112,702,464	121,118,017	132,096,749	134,264,607	133,634,812
49,059,105	49,158,524	54,494,162	54,033,880	64,156,608	65,648,967
10,816,688	11,466,446	12,665,538	13,207,099	13,599,332	14,328,991
3,887,112	3,417,693	3,260,129	3,824,020	3,572,440	4,013,838
3,169,455	3,417,096	3,791,294	6,397,793	4,082,427	4,143,041
4,172,868	4,006,874	3,990,264	4,555,423	4,127,465	4,164,101
2,379,323	2,559,447	2,713,878	2,496,668	2,714,546	2,659,658
2,839,677	3,345,448	-	-	-	-
1,094,280	1,141,881	1,393,887	1,171,565	1,276,021	1,334,231
1,012,505	1,272,678	1,363,376	1,272,062	1,277,518	1,263,628
1,464,340	1,478,948	-	-	-	-
79,895,353	81,265,035	83,672,528	86,958,510	94,806,357	97,556,455
\$ 184,753,460	\$ 193,967,499	\$ 204,790,545	\$ 219,055,259	\$ 229,070,964	\$ 231,191,267
\$ 1,481,693	\$ 1,434,025	\$ 1,529,444	\$ 1,379,190	\$ 1,793,015	\$ 2,511,911
1,190,969	983,345	864,009	791,076	726,004	773,588
3,084,528	4,782,484	5,563,525	6,109,752	6,092,860	5,765,095
1,691,810	1,456,954	2,074,683	2,338,705	2,023,347	1,756,791
4,259,586	4,400,720	5,322,251	5,623,902	6,301,979	5,515,155
177,410	186,100	209,600	226,800	97,500	92,900
411,617	365,161	533,489	491,010	678,043	642,691
971,294	963,748	878,041	1,072,132	841,214	948,848
3,590,879	4,695,864	3,194,271	13,897,119	6,167,523	8,013,123
1,526,909	4,812,144	7,598,933	8,575,992	13,608,006	5,266,100
18,386,695	24,080,545	27,768,246	40,505,678	38,329,491	31,286,202
66,530,485	76,114,104	89,489,660	89,303,304	92,276,156	77,812,625
15,408,793	16,176,303	16,719,648	17,360,885	17,546,378	18,782,745
5,194,690	4,718,746	6,554,118	3,461,999	2,385,000	1,529,805
2,982,149	3,790,477	4,845,315	6,154,614	6,324,708	6,308,216
3,342,525	3,312,504	3,704,457	3,779,227	4,029,798	4,555,596
2,292,037	2,604,081	2,844,383	2,662,845	2,703,654	3,099,340
1,654,132	556,051	-	-	-	-
1,278,093	1,495,879	1,509,086	1,636,132	1,390,000	1,921,000
1,019,633	884,484	1,131,821	1,119,413	731,279	812,691
436,475	57,065	-	-	-	-
1,393	21,788	-	-	-	-
1,129,854	8,824,934	2,635,178	2,962,907	2,758,466	3,453,831
101,270,259	118,556,416	129,433,666	128,441,326	130,145,439	118,275,849
\$ 119,656,954	\$ 142,636,961	\$ 157,201,912	\$ 168,947,004	\$ 168,474,930	\$ 149,562,051
\$ (86,471,412)	\$ (88,621,919)	\$ (93,349,771)	\$ (91,591,071)	\$ (95,935,116)	\$ (102,348,610)
21,374,906	37,291,381	45,761,138	41,482,816	35,339,082	20,719,394
\$ (65,096,506)	\$ (51,330,538)	\$ (47,588,633)	\$ (50,108,255)	\$ (60,596,034)	\$ (81,629,216)

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Revenues</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 34,770,474	\$ 34,988,658	\$ 36,692,230	\$ 39,540,177
Public service taxes	10,610,314	11,043,981	11,390,495	11,128,791
Fuel taxes	4,173,345	4,141,260	4,372,936	4,757,761
Local business tax	1,611,733	2,656,676	1,566,244	1,866,306
Franchise taxes	5,121,334	5,086,525	5,646,716	5,587,985
Intergovernmental, unrestricted	7,040,744	7,483,242	8,358,062	8,707,856
Interest and investment income	283,168	214,613	227,329	231,581
Miscellaneous	1,634,139	859,424	1,547,857	1,334,794
Gain on transfer of assets	-	-	-	-
Transfers	6,278,554	7,646,132	3,216,328	9,048,150
Total general revenues and transfers	<u>71,523,805</u>	<u>74,120,511</u>	<u>73,018,197</u>	<u>82,203,401</u>
Business-type Activities:				
Interest and investment income	191,203	61,974	66,895	166,314
Miscellaneous	3,169,033	60,915	30,220	148,851
Loss on disposal of capital assets	-	-	-	-
Special items	-	-	-	-
Transfers	(6,278,554)	(7,646,132)	(3,216,328)	(9,048,150)
Total Business-type Activities	<u>(2,918,318)</u>	<u>(7,523,243)</u>	<u>(3,119,213)</u>	<u>(8,732,985)</u>
Total primary government	<u>\$ 68,605,487</u>	<u>\$ 66,597,268</u>	<u>\$ 69,898,984</u>	<u>\$ 73,470,416</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (2,500,992) <sup>(1)</sup>	\$ (19,110,532)	\$ (21,325,320)	\$ (3,670,588)
Business-type activities	(12,013,646) <sup>(1)</sup>	6,502,087	23,984,761	16,989,841
Total Change in Net Position	<u>\$ (14,514,638) <sup>(1)</sup></u>	<u>\$ (12,608,445)</u>	<u>\$ 2,659,441</u>	<u>\$ 13,319,253</u>

<sup>(1)</sup> Restated per Note 25 in fiscal year 2013.

**CITY OF FORT MYERS, FLORIDA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>General Fund</b>				
Nonspendable	\$ 663,230	\$ 630,175	\$ 634,617	\$ 630,305
Assigned	10,244,081	10,068,201	2,354,553	3,174,670
Unassigned	11,401,537	8,146,193	12,654,296	11,064,377
Total General Fund	<u>\$ 22,308,848</u>	<u>\$ 18,844,569</u>	<u>\$ 15,643,466</u>	<u>\$ 14,869,352</u>
<b>All other governmental funds</b>				
Nonspendable	\$ 421,457	\$ 421,457	\$ 273,004	\$ 261,135
Restricted	71,797,817	80,733,854	75,719,336	66,686,745
Committed	52,945	56,991	61,662	66,838
Assigned	19,598,082	4,778	2,359	2,361
Unassigned	(285,666)	(145,663)	(41,631)	(17,646)
Total all other governmental funds	<u>\$ 91,584,635</u>	<u>\$ 81,071,417</u>	<u>\$ 76,014,730</u>	<u>\$ 66,999,433</u>
Total Fund Balance, All Governmental Funds	<u>\$ 113,893,483</u>	<u>\$ 99,915,986</u>	<u>\$ 91,658,196</u>	<u>\$ 81,868,785</u>

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

2016	2017	2018	2019	2020	2021
\$ 43,228,377	\$ 47,489,913	\$ 52,492,216	\$ 55,451,904	\$ 58,361,391	\$ 61,810,638
11,657,511	12,391,892	12,878,111	13,266,106	13,549,249	14,093,869
4,989,361	5,109,905	5,194,989	5,195,694	3,989,619	4,052,036
2,063,988	2,277,282	2,345,133	2,546,362	2,643,692	2,275,024
5,554,198	5,933,105	5,844,019	6,154,779	6,012,222	6,391,293
9,418,377	9,822,260	10,726,651	11,074,496	11,111,912	13,573,591
567,493	938,962	1,328,876	3,419,840	1,992,436	26,540
2,079,352	1,549,585	3,145,764	1,856,246	2,362,829	2,081,664
-	1,188,193	-	-	-	-
9,486,793	5,945,695	8,520,360	10,788,936	10,887,830	10,043,033
89,045,450	92,646,792	102,476,119	109,754,363	110,911,180	114,347,688
340,870	565,845	1,274,054	2,437,627	2,897,664	75,612
213,887	349,507	35,133	218,519	530,117	268,779
-	(1,188,193)	-	-	-	-
-	1,790,819	-	-	-	-
(9,486,793)	(5,945,695)	(8,520,360)	(10,788,936)	(10,887,830)	(10,043,033)
(8,932,036)	(4,427,717)	(7,211,173)	(8,132,790)	(7,460,049)	(9,698,642)
\$ 80,113,414	\$ 88,219,075	\$ 95,264,946	\$ 101,621,573	\$ 103,451,131	\$ 104,649,046
\$ 2,574,038	\$ 4,024,873	\$ 9,126,348	\$ 18,163,292	\$ 14,976,064	\$ 11,999,078
12,442,870	32,863,664	38,549,965	33,350,026	27,879,033	11,020,752
\$ 15,016,908	\$ 36,888,537	\$ 47,676,313	\$ 51,513,318	\$ 42,855,097	\$ 23,019,830

**CITY OF FORT MYERS, FLORIDA**  
**Fund Balances of Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

2016	2017	2018	2019	2020	2021
\$ 657,877	\$ 665,752	\$ 654,971	\$ 645,699	\$ 643,993	\$ 648,643
4,954,240	5,669,783	8,301,345	13,093,042	11,508,556	7,710,142
16,015,483	20,189,290	24,546,267	26,274,742	24,583,647	23,984,308
\$ 21,627,600	\$ 26,524,825	\$ 33,502,583	\$ 40,013,483	\$ 36,736,196	\$ 32,343,093
\$ 2,000	\$ 2,000	\$ 2,092	\$ 13,030	\$ 6,553	\$ 6,503
73,303,052	59,439,741	49,045,326	72,871,122	64,878,071	60,828,068
71,497	67,220	70,882	54,118	51,307	47,347
2,382	2,393	2,413	2,445	2,486	2,492
(27,689)	(2,591,598)	(7,651,269)	(2,125,629)	(1,566,904)	(2,263,798)
\$ 73,351,242	\$ 56,919,756	\$ 41,469,444	\$ 70,815,086	\$ 63,371,513	\$ 58,620,612
\$ 94,978,842	\$ 83,444,581	\$ 74,972,027	\$ 110,828,569	\$ 100,107,709	\$ 90,963,705

**CITY OF FORT MYERS, FLORIDA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2012	2013	2014	2015
<b>Revenues</b>				
Taxes	\$ 52,478,122	\$ 53,145,080	\$ 61,016,850	\$ 64,285,118
Permits and fees	6,755,761	7,313,589	3,149,666	4,594,785
Intergovernmental revenue	24,354,437	14,800,700	12,672,281	10,450,816
Charges for services	6,488,602	6,371,315	6,323,264	6,666,238
Fines and forfeitures	951,174	883,510	655,683	638,039
Miscellaneous	1,751,368	1,935,388	1,961,842	2,046,053
Contributions-private source	73,892	104,916	60,419	127,963
Total Revenues	<u>92,853,356</u>	<u>84,554,498</u>	<u>85,840,005</u>	<u>88,809,012</u>
<b>Expenditures</b>				
Current:				
General government	10,762,378	9,517,063	9,926,424	10,417,815
Police	33,177,103	35,095,897	35,933,246	38,019,221
Fire	19,397,852	20,414,983	20,157,916	20,494,102
Protective inspections	1,614,959	1,473,063	1,455,396	1,625,700
Physical environment	5,381,518	5,157,049	5,530,652	5,968,175
Transportation	3,854,550	12,753,774	12,049,594	4,683,326
Economic environment	4,252,182	3,940,848	4,270,410	3,876,766
Culture and recreation	2,743,359	2,553,649	2,931,606	2,852,402
Debt service:				
Principal retirement	7,077,669	7,473,199	7,783,154	7,334,189
Interest and fiscal charges	5,436,958	5,100,001	5,073,238	4,196,644
Capital outlay	16,558,859	6,180,523	4,361,479	9,495,953
Total Expenditures	<u>110,257,387</u>	<u>109,660,049</u>	<u>109,473,115</u>	<u>108,964,293</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(17,404,031)</u>	<u>(25,105,551)</u>	<u>(23,633,110)</u>	<u>(20,155,281)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	31,451,250	29,111,268	37,207,922	28,086,124
Transfers out	(19,895,705)	(18,581,835)	(32,794,548)	(17,720,254)
Refunding bonds issued	-	-	39,910,000	-
Premiums on bonds issued	-	-	1,778,586	-
Payments to bond escrow agent	-	-	(30,726,640)	-
Capital lease	-	598,621	-	-
Total Other Financing Sources (Uses)	<u>11,555,545</u>	<u>11,128,054</u>	<u>15,375,320</u>	<u>10,365,870</u>
Net change in fund balances	<u>\$ (5,848,486)</u>	<u>\$ (13,977,497)</u>	<u>\$ (8,257,790)</u>	<u>\$ (9,789,411)</u>
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	13.2%	12.0%	11.6%	11.5%

<sup>(1)</sup> Updated in fiscal year 2017 to exclude fiscal charges.



**CITY OF FORT MYERS, FLORIDA**  
**Changes in Fund Balances of Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
\$ 68,936,377	\$ 74,425,669	\$ 80,326,454	\$ 84,101,283	\$ 86,215,665	\$ 90,275,805
6,344,149	7,648,622	13,847,782	15,412,607	17,366,024	10,940,446
11,632,039	13,819,824	12,490,090	22,716,477	17,250,558	22,188,666
6,908,940	7,024,815	7,457,400	8,364,654	8,904,705	8,411,997
610,711	446,734	473,273	590,318	672,471	747,930
2,923,160	2,900,130	4,717,054	6,011,447	5,876,418	3,558,589
334,978	187,822	330,673	139,003	217,904	228,257
<u>97,690,354</u>	<u>106,453,616</u>	<u>119,642,726</u>	<u>137,335,789</u>	<u>136,503,745</u>	<u>136,351,690</u>
11,530,400	12,681,709	15,327,081	15,987,348	16,393,415	19,242,185
37,160,135	40,862,828	44,222,198	51,403,159	56,817,809	57,022,602
20,783,032	23,621,467	23,259,848	23,501,577	24,524,839	27,321,444
1,607,047	1,502,826	1,594,763	1,308,200	1,479,286	1,534,184
5,827,071	8,879,263	7,912,701	7,502,621	7,671,925	8,354,256
7,171,333	7,149,986	4,602,034	4,699,201	4,650,377	4,860,400
4,378,959	4,356,079	7,421,064	4,710,403	5,695,861	8,319,742
2,712,057	3,183,413	3,593,302	3,953,859	3,919,336	4,175,680
7,526,084	5,342,979	6,839,334	4,889,417	7,088,487	6,676,910
4,560,435	3,487,356	3,913,087	4,854,899	5,271,759	4,953,181
11,970,997	14,127,394	18,963,590	27,986,698	41,012,281	19,596,527
<u>115,227,550</u>	<u>125,195,300</u>	<u>137,649,002</u>	<u>150,797,382</u>	<u>174,525,375</u>	<u>162,057,111</u>
<u>(17,537,196)</u>	<u>(18,741,684)</u>	<u>(18,006,276)</u>	<u>(13,461,593)</u>	<u>(38,021,630)</u>	<u>(25,705,421)</u>
47,503,053	27,559,883	27,707,436	63,708,431	46,996,479	38,555,502
(36,317,735)	(20,406,441)	(18,173,714)	(51,580,991)	(35,718,061)	(28,248,616)
52,130,000	-	-	45,656,995	16,022,352	6,254,531
5,067,430	-	-	2,467,946	-	-
(37,735,495)	-	-	(13,366,844)	-	-
-	53,981	-	2,432,598	-	-
<u>30,647,253</u>	<u>7,207,423</u>	<u>9,533,722</u>	<u>49,318,135</u>	<u>27,300,770</u>	<u>16,561,417</u>
<u>\$ 13,110,057</u>	<u>\$ (11,534,261)</u>	<u>\$ (8,472,554)</u>	<u>\$ 35,856,542</u>	<u>\$ (10,720,860)</u>	<u>\$ (9,144,004)</u>
11.0%	7.8%	8.8%	7.2%	8.9%	7.9%

**CITY OF FORT MYERS, FLORIDA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>Tax Year</b> <sup>(1)</sup>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Assessed Value</b>	<b>Allowable Exemptions</b> <sup>(2)</sup>	<b>Total Taxable Assessed Value</b>	<b>Assessed Value as a Percentage of Actual Value</b> <sup>(3)</sup>	<b>Estimated Actual Assessed Value</b> <sup>(4)</sup>	<b>Total Direct Tax Rate</b>
2011	\$4,808,666	\$731,437	\$5,540,103	\$1,463,061	\$4,077,042	73.59%	\$5,540,212	8.4000
2012	5,033,514	653,918	5,687,432	1,621,546	4,065,886	71.49%	5,687,349	8.7760
2013	5,316,312	640,310	5,956,622	1,756,364	4,200,258	70.51%	5,956,968	8.7760
2014	5,978,526	606,789	6,585,315	2,028,995	4,556,320	69.19%	6,585,229	8.7760
2015	6,666,152	612,226	7,278,378	2,301,496	4,976,882	68.38%	7,278,271	8.7760
2016	7,629,258	617,739	8,246,997	2,765,783	5,481,214	66.46%	8,247,388	8.7500
2017	8,382,657	648,185	9,030,842	2,908,701	6,122,141	67.79%	9,031,039	8.6500
2018	8,868,932	731,056	9,599,988	2,962,866	6,637,122	69.14%	9,599,540	8.4500
2019	9,484,898	765,235	10,250,133	3,145,187	7,104,946	69.32%	10,249,489	8.2500
2020	10,306,595	804,187	11,110,782	3,303,394	7,807,388	70.27%	11,110,556	7.9643

Source: Lee County Property Appraiser

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> Allowable exemptions include the assessment differential value of capped parcels, which is more commonly known as the "Save Our Homes" constitutional amendment.

<sup>(3)</sup> Florida Statutes require assessments at just valuation.

<sup>(4)</sup> Estimated actual value is calculated by dividing total taxable assessed value by assessed value as a percentage of actual value.

**CITY OF FORT MYERS, FLORIDA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(per \$1,000 of assessed value)**

<b>Tax Year</b> <sup>(1)</sup>	<b>Fiscal Year</b>	<b>City of Fort Myers Direct Rates</b>			<b>Overlapping Rates</b>			<b>Total Direct &amp; Overlapping Rates</b>
		<b>Operating Millage</b> <sup>(2)</sup>	<b>GO Debt Service Millage</b>	<b>Total Direct Tax Rate</b>	<b>Lee County General</b>	<b>Other</b> <sup>(3)</sup>	<b>School District Millage</b>	
2011	2011/12	8.4000	0.0000	8.4000	3.6506	1.5996	7.854	21.5042
2012	2012/13	8.7760	0.0000	8.7760	3.6506	1.5822	7.584	21.5928
2013	2013/14	8.7760	0.0000	8.7760	4.1506	1.3271	7.598	21.8517
2014	2014/15	8.7760	0.0000	8.7760	4.1506	1.2866	7.416	21.6292
2015	2015/16	8.7760	0.0000	8.7760	4.1506	1.2561	7.285	21.4677
2016	2016/17	8.7500	0.0000	8.7500	4.0506	1.2317	6.989	21.0213
2017	2017/18	8.6500	0.0000	8.6500	4.0506	1.2498	6.679	20.6294
2018	2018/19	8.4500	0.0000	8.4500	4.0506	1.1161	6.401	20.0177
2019	2019/20	8.2500	0.0000	8.2500	4.0506	1.0914	6.147	19.5390
2020	2020/21	7.9643	0.0000	7.9643	4.0506	1.0685	6.058	19.1414

Source: Lee County Tax Collector

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> The City's operating millage tax rate may be increased only by a majority vote of the City Council.

<sup>(3)</sup> 'Other' consists of Lee County Capital Improvement, Lee County Library District, Lee County All Hazards, and other Independent Special Districts.

**CITY OF FORT MYERS, FLORIDA**  
**Principal Property Taxpayers**  
**September 30, 2021**  
**Current Year and Nine Years Ago**  
**(\$ in thousands)**

Taxpayer	2021 <sup>(1)</sup>			2012 <sup>(2)</sup>		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Edison Mall, LLC	\$ 93,860	1	1.20%			
Lurin Real Estate Holdings XVI	84,433	2	1.08%			
Lee County	75,699	3	0.97%			
Venetian Multi Family LLC	63,695	4	0.82%			
Lee Memorial Health System	57,874	5	0.74%			
City of Fort Myers	44,916	6	0.58%			
Northland Cypress Legends LLC	38,099	7	0.49%			
Colonial Commons LLC	36,249	8	0.46%			
3100 Champion Ring 1 LLC+	35,726	9	0.46%			
LeeSar Inc	33,710	10	0.43%			
Edison Mall Business Trust				\$ 76,818	1	1.88%
Gulf Stream Isles Apartments				15,328	2	0.38%
Inland Diversified				13,208	3	0.32%
Wal-Mart Stores East LP				12,813	4	0.31%
Cypress Woods Associates LLC				9,810	5	0.24%
Colonial Metro Properties LLC				9,668	6	0.24%
The Palms at Fort Myers				9,044	7	0.22%
Cole Mt Fort Myers LLC				8,843	8	0.22%
SPTMRT Properties Trust				8,607	9	0.21%
Sam Galloway Ford Inc				8,247	10	0.20%
Total	<u>\$ 564,261</u>		<u>7.23%</u>	<u>\$ 172,386</u>		<u>4.22%</u>

Source: <sup>(1)</sup> Lee County Property Appraiser - 2020 Tax Roll  
City of Fort Myers Budget Office - FY 2020-21 Budget Book  
<sup>(2)</sup> Lee County Property Appraiser - 2011 Tax Roll  
City of Fort Myers Annual Comprehensive Financial Report, September 30, 2012

Notes: 2020 Total Taxable Assessed Value for fiscal year 2021 is \$7,807,388 in thousands.  
2011 Total Taxable Assessed Value for fiscal year 2012 is \$4,077,042 in thousands.

**CITY OF FORT MYERS, FLORIDA**  
**Property Tax Levies and Collections**  
**Last Ten Tax Years**  
**(\$ in thousands)**

Tax Year <sup>(1)</sup>	Total Tax Levy	Collected within the Year of the Levy		Prior Years Tax Collections <sup>(2)</sup>	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percent of Levy
2011	\$33,676	\$33,572	99.7%	\$1,349	\$34,921	103.7%
2012	35,586	35,454	99.6%	(141)	35,313	99.2%
2013	36,761	36,717	99.9%	233	36,950	100.5%
2014	39,701	39,634	99.8%	158	39,792	100.2%
2015	43,485	43,473	100.0%	44	43,517	100.1%
2016	47,770	47,794	100.1%	44	47,838	100.1%
2017	52,507	52,643	100.3%	90	52,733	100.4%
2018	55,688	55,736	100.1%	(20)	55,716	100.1%
2019	58,301	58,426	100.2%	112	58,538	100.4%
2020	61,762	61,840	100.1%	(58)	61,782	100.0%

Source: Lee County Tax Collector

<sup>(1)</sup> Calendar year basis.

<sup>(2)</sup> The Lee County Tax Collector auctions current year delinquent tax certificates in June of each year.  
The County cannot reasonably provide us with delinquent taxes by year.

**CITY OF FORT MYERS, FLORIDA**  
**Water Sold by Type of Customer and Wastewater Billed by Type of Customer**  
**Last Ten Fiscal Years**  
**(in millions of gallons)**

**Water:**

<b>Type of Customer</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Residential	1,198.4	1,188.8	1,308.0	1,303.2	1,461.4	1,439.2	1,478.6	1,586.9	1,606.9	1,666.1
Commercial	3,024.1	2,773.1	2,899.0	2,863.8	3,027.3	2,181.3	1,791.5	1,837.0	1,905.4	1,702.7
Total	<u>4,222.5</u>	<u>3,961.9</u>	<u>4,207.0</u>	<u>4,167.0</u>	<u>4,488.7</u>	<u>3,620.5</u>	<u>3,270.1</u>	<u>3,423.9</u>	<u>3,512.3</u>	<u>3,368.8</u>

Total direct rate										
per 1,000 gallons	\$ 4.28 <sup>(1)</sup>	\$ 4.49	\$ 4.67	\$ 4.65	\$ 4.65	\$ 4.79	\$ 4.79	\$ 4.79	\$ 4.79	\$ 4.79

**Wastewater:**

<b>Type of Customer</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Residential	1,156.5	1,146.7	1,266.2	1,261.4	1,304.7	1,366.2	1,403.3	1,410.3	1,513.6	1,574.2
Commercial	665.7	671.7	677.4	707.0	680.8	697.0	712.6	744.2	652.3	699.5
Total	<u>1,822.2</u>	<u>1,818.4</u>	<u>1,943.6</u>	<u>1,968.4</u>	<u>1,985.5</u>	<u>2,063.2</u>	<u>2,115.9</u>	<u>2,154.5</u>	<u>2,165.9</u>	<u>2,273.7</u>

Total direct rate										
per 1,000 gallons	\$10.44 <sup>(1)</sup>	\$10.96	\$11.40	\$13.25	\$13.25	\$13.65	\$13.65	\$13.65	\$13.65	\$13.65

Source: City of Fort Myers Utility Billing Department

Note: The City of Fort Myers' rates change incrementally with increases in usage of volume.

<sup>(1)</sup> Fiscal year 2012 direct rates were corrected in fiscal year 2013 to reflect no rate increase from fiscal year 2011 to fiscal year 2012.

**CITY OF FORT MYERS, FLORIDA**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

Fiscal Year	Governmental Activities			Business-Type Activities			
	Revenue Bonds	Capital Leases	Notes Payable	Utility Revenue Bonds	State Revolving Fund Loans	Other Utility Debt	Other Revenue Bonds
2012	\$ 110,062	\$ -	\$ 5,037	\$ 136,974	\$ 82,018	\$ 50,000	\$ 853
2013	102,908	589	4,515	139,749	77,626	49,472	777
2014	108,614	702	3,994	136,497	73,162	48,912	665
2015	101,502	504	3,793	131,160	68,581	48,327	599
2016	114,426	1,418	3,275	125,602	63,880	47,705	530
2017	108,193	1,031	2,682	81,279	59,056	84,150	457
2018	101,367	2,607	2,088	42,935	54,105	115,062	381
2019	131,442	5,301	1,488	161,421	49,025	82,070	303
2020	124,862	4,839	17,015	246,995	-	36,039	225
2021	118,590	4,059	22,773	218,666	-	47,109	142

Fiscal Year	Business-Type Activities		Total Primary Government <sup>(1)</sup>	Percentage of Personal Income <sup>(1)</sup>	Debt Per Capita
	Capital Leases	Other Proprietary Debt			
2012	\$ -	\$ 4,335	\$ 389,279	13.68%	\$ 5,824
2013	-	4,149	379,785	14.18%	5,662
2014	-	3,953	376,499	12.76%	5,424
2015	509	3,748	358,723	11.49%	4,955
2016	393	3,534	360,763	10.31%	4,740
2017	14,062	3,309	354,219	9.46%	4,478
2018	14,347	3,073	335,965	7.96%	4,104
2019	14,226	2,826	448,102	9.69%	5,100
2020	13,677	2,568	446,219	9.01%	4,819
2021	13,273	2,297	426,909	8.44%	4,663

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

<sup>(1)</sup> See Schedule 14 for personal income and population data.

**CITY OF FORT MYERS, FLORIDA**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2021**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Fort Myers <sup>(1)</sup>	Amount Applicable to Fort Myers
City of Fort Myers	\$ 145,422,415	100.00%	\$ 145,422,415
<b>Overlapping Bonded Debt:</b>			
Lee County	189,736	7.43%	14,104
School Board	458,606,833	7.08%	32,463,046
Total Overlapping Bonded Debt	458,796,569		32,477,150
Total net direct and net overlapping bonded debt	\$ 604,218,984		\$ 177,899,565

Sources: Lee County, Finance Division  
Lee County Clerk of Court  
Lee County School Board, Finance Division  
City of Fort Myers Annual Budget Book

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Fort Myers. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>(1)</sup> Calculated as a ratio of taxable valuation of property in the City of Fort Myers (\$8,625,844,148) to total estimated taxable valuation of property in Lee County,

**CITY OF FORT MYERS, FLORIDA**  
**General Revenue Bonds - Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>General Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Excess Utilities Tax</b>	<b>Communications Tax</b>	<b>Guaranteed Entitlement Funds</b>	<b>Franchise Taxes</b>	<b>Local Business Tax</b>
2012	\$ 6,694	\$ 4,064	\$ 893	\$ 5,072	\$ 1,651
2013	7,261	3,913	893	5,028	1,693
2014	8,048	3,342	893	5,433	1,745
2015	8,285	2,844	893	5,521	1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019	(1) -	-	-	-	-
2020	(1) -	-	-	-	-
2021	(1) -	-	-	-	-

Note: Debt service coverage is based on pledged revenues and annual debt service.

(1) There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 through 2021. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

<b>General Revenue Bonds</b>					
<b>Fiscal Year</b>	<b>Excess Utilities Tax</b>	<b>Communications Tax</b>	<b>Guaranteed Entitlement Funds</b>	<b>Franchise Taxes</b>	<b>Local Business Tax</b>
2012	\$ 6,694	\$ 4,064	\$ 893	\$ 5,072	\$ 1,651
2013	7,261	3,913	893	5,028	1,693
2014	8,048	3,342	893	5,433	1,745
2015	8,285	2,844	893	5,521	1,909
2016	8,626	3,032	893	5,488	2,112
2017	9,102	3,290	893	5,733	2,326
2018	9,624	3,254	893	5,844	2,407
2019	(2) -	-	-	-	-
2020	(2) -	-	-	-	-
2021	(2) -	-	-	-	-

Note: Bond coverage is based on the bond document calculation.

(1) Revised in fiscal year 2017 to calculate maximum amounts on bonds covenanted with pledged revenues only, not total general revenue bonds.

(2) There are no pledged revenues related to General Revenue Bonds debt service for fiscal years 2019 through 2021. The City covenanted and agreed to budget and appropriate amounts from Non-Ad Valorem Revenues sufficient to pay principal and interest when due. Such covenant to budget and appropriate does not create any lien or pledge of such Non-Ad Valorem Revenues.

<b>Community Redevelopment Revenue Note, Series 2005</b>			
<b>Fiscal Year</b>	<b>Tax Increment Financing Revenues</b>	<b>Maximum Principal and Interest</b>	<b>Bond Coverage</b>
2012	\$ 2,496	\$ 698	3.58
2013	2,780	678	4.10
2014	2,942	658	4.47
2015	3,226	637	5.06
2016	3,538	618	5.72
2017	4,006	597	6.71
2018	4,685	577	8.12
2019	5,047	557	9.06
2020	5,492	537	10.23
2021	6,342	516	12.29

**CITY OF FORT MYERS, FLORIDA**  
**General Revenue Bonds - Pledged Revenue Coverage (continued)**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>General Revenue Bonds (continued)</b>					
<b>Half-Cent Sales Tax</b>		<b>Total Pledged Revenues</b>	<b>Debt Service</b>		<b>Bond Coverage</b>
			<b>Principal</b>	<b>Interest</b>	
\$	4,282	\$ 22,656	\$ 4,965	\$ 4,575	2.37
	4,660	23,448	5,370	4,320	2.42
	5,217	24,678	5,630	4,047	2.55
	5,613	25,065	4,520	3,793	3.02
	5,929	26,080	4,745	3,559	3.14
	6,152	27,496	2,525	868	8.10
	6,883	28,905	2,660	738	8.51
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-

<b>General Revenue Bonds (continued)</b>				
<b>Half-Cent Sales Tax</b>		<b>Total Pledged Revenues</b>	<b>Maximum Principal and Interest</b>	<b>Bond Coverage</b>
\$	4,282	\$ 22,656	\$ 9,690	2.34
	4,660	23,448	9,677	2.42
	5,217	24,678	7,425 <sup>(1)</sup>	3.32 <sup>(1)</sup>
	5,613	25,065	7,416 <sup>(1)</sup>	3.38 <sup>(1)</sup>
	5,929	26,080	3,408 <sup>(1)</sup>	7.65 <sup>(1)</sup>
	6,152	27,496	3,408	8.07
	6,883	28,905	3,408	8.48
	-	-	-	-
	-	-	-	-
	-	-	-	-

**CITY OF FORT MYERS, FLORIDA**  
**Water-Wastewater Utility - Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>Fiscal Year</b>	<b>Gross Utility Revenues</b>	<b>Direct Operating Expenses</b>	<b>Net Operating Revenues</b>	<b>Pledged Impact Fees Available</b>	<b>Total Available Revenues</b>
2012	\$ 51,978	\$ 34,034	\$ 17,944	\$ 2	\$ 17,946
2013	52,961	34,941	18,020	1	18,021
2014	60,924	36,010	24,914	2,428	27,342
2015	65,993	40,264	25,729	3,630	29,359
2016	66,530	39,933	26,597	3,958	30,555
2017	76,114	40,947	35,167	5,309	40,476
2018	89,490	46,409	43,081	8,390	51,471
2019	89,303	45,180	44,123	6,314	50,437
2020	92,276	53,807	38,469	11,783	50,252
2021	77,813	56,790	21,023	3,187	24,210

**Coverage based on current year results and not calculated according to the bond documents.**

Note: Corrected prior years for consistency in interpretation of bond documents.

<sup>(1)</sup> State Revolving Loans refunded by the Subordinate Utility System Refunding Revenue Bonds, Series 2020B.

<b>Fiscal Year</b>	<b>Total Operating Revenues</b>	<b>Total Operating Expenses</b>	<b>Net Operating Revenues</b>	<b>Adjustments Per Bond Documents</b>	<b>Net Operating Revenues Available for Debt Service</b>
2012	\$ 52,008	\$ 26,891	\$ 25,117	\$ 9,410	\$ 34,527
2013	53,039	27,320	25,719	9,389	35,108
2014	58,558	28,381	30,177	9,923	40,100
2015	62,388	32,339	30,049	10,643	40,692
2016	62,746	31,563	31,183	11,012	42,195
2017	71,038	31,257	39,781	11,104	50,885
2018	78,722	33,005	45,717	11,287	57,004
2019	83,726	36,834	46,892	12,064	58,956
2020	81,057	45,626	35,431	12,173	47,604
2021	74,944	44,729	30,215	12,863	43,078

**Coverage calculated according to the bond documents for coverage and additional bonds test.**

Note: Corrected prior years for consistency in interpretation of bond documents.

<sup>(1)</sup> State Revolving Loans refunded by the Subordinate Utility System Refunding Revenue Bonds, Series 2020B.



**CITY OF FORT MYERS, FLORIDA**  
**Water-Wastewater Utility - Pledged Revenue Coverage (continued)**  
**Last Ten Fiscal Years**  
**(\$ in thousands)**

<b>Debt Service</b>		<b>Bonded Coverage</b>	<b>State Revolving Loan Debt Service</b>	<b>Utility Bonds and Notes Coverage</b>
<b>Principal</b>	<b>Interest</b>			
\$ 5,865	\$ 7,184	1.38	\$ 6,450	0.92
2,738	7,651	1.73	6,451	1.07
4,459	7,822	2.23	6,453	1.46
6,460	7,633	2.08	6,453	1.43
6,602	7,556	2.16	6,453	1.48
8,519	7,752	2.49	6,453	1.78
8,783	6,110	3.46	6,453	2.41
9,297	5,748	3.35	6,543	2.34
6,756	9,258	3.14	- <sup>(1)</sup>	3.14
8,110	9,792	1.35	-	1.35

<b>Impact Fees Available for Debt Service</b>	<b>Total Revenues Available for Debt Service</b>	<b>Maximum Debt Service</b>	<b><u>Coverage</u> NOR Available for Debt Service</b>	<b><u>Coverage</u> Total Revenues Available</b>	<b>State Revolving Loan Maximum Debt Service</b>	<b><u>Coverage</u> Total Revenues Debt Service</b>
\$ 2	\$ 34,529	\$ 16,271	2.12	2.12	\$ 6,453	2.83
1	35,109	16,499	2.13	2.13	6,453	2.88
2,428	42,528	16,271	2.46	2.61	6,453	4.07
3,630	44,322	16,271	2.50	2.72	6,453	4.35
3,958	46,153	16,271	2.59	2.84	6,453	4.63
5,309	56,194	15,846	3.21	3.55	6,453	6.25
8,390	65,394	15,556	3.66	4.20	6,453	7.72
6,314	65,270	19,079	3.09	3.42	6,453	7.16
11,783	59,387	22,376	2.13	2.65	- <sup>(1)</sup>	-
3,187	46,265	22,304	1.93	2.07	-	-

**CITY OF FORT MYERS, FLORIDA**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population <sup>(1)</sup>		City of Fort Myers				
	City of Fort Myers	Lee County	Total Personal Income (in thousands) <sup>(2)</sup>	Per Capita Income <sup>(3)</sup>	Labor Force <sup>(4)</sup>	Unemployed <sup>(4)</sup>	Unemployment Rate <sup>(4)</sup>
2012	66,835	638,029	\$ 1,570,288	\$ 23,495	28,211	2,436	8.6%
2013	67,081	643,367	1,579,154	23,541	28,885	1,928	6.7%
2014	69,413	653,485	1,569,566	22,612	30,728	1,746	5.7%
2015	72,395	665,845	1,645,104	22,724	30,300	1,574	5.2%
2016	76,108	680,539	1,946,158	25,571	31,950	1,493	4.7%
2017	79,106	698,468	2,156,904	27,266	32,654	1,426	4.4%
2018	81,868	713,903	2,324,559	28,394	34,034	1,258	3.7%
2019	87,871	735,148	2,300,067	28,203	35,736	1,214	3.4%
2020	92,599	750,493	2,517,451	29,272	35,142	2,905	8.3%
2021	91,544	782,579	2,896,181	32,407	38,123	1,887	4.9%
<b>As Projected <sup>(5)</sup></b>							
<b>2026</b>	102,039						

- Sources: (1) Bureau of Economic and Business Research, University of Florida. Population is projected.  
(2) City of Fort Myers, Geographic Information Systems. Total personal income is estimated.  
(3) City of Fort Myers, Geographic Information Systems. Total per capita income is estimated.  
(4) Florida Department of Economic Opportunity.  
(5) ESRI Projection as of 1/26/2022.

**LEE COUNTY, FLORIDA**  
**Principal Employers <sup>(1)</sup>**  
**September 30, 2021**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Lee Health	14,028	1	4.05%	10,249	1	3.73%
Lee County School District	11,003	2	3.17%	9,394	2	3.42%
Publix Super Markets	4,624	3	1.33%	4,362	3	1.59%
Walmart Corporation	3,467	4	1.00%	1,967	5	0.72%
Lee County Administration	2,696	5	0.78%	2,538	4	0.92%
City of Cape Coral	1,858	6	0.54%	1,197	9	0.44%
Gartner, Inc.	1,819	7	0.52%	-	-	-
Lee County Sheriff's Office	1,564	8	0.45%	1,585	6	0.58%
Chico's FAS Inc.	1,532	9	0.44%	1,253	8	0.46%
McDonald's	1,522	10	0.44%	-	-	-
U.S. Postal Service	-	-	-	1,291	7	0.47%
Target	-	-	-	1,100	10	0.40%
<b>Total</b>	<b>44,113</b>		<b>12.72%</b>	<b>34,936</b>		<b>12.73%</b>

Source: U.S. Bureau of Labor Statistics.

<sup>(1)</sup> The information provides Lee County statistics since statistics for the City of Fort Myers are not available.

**CITY OF FORT MYERS, FLORIDA**  
**Full-Time Equivalent Government - Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government	114.0	114.0	117.0	116.5	118.2	119.2	121.2	128.0	133.0	132.5
Public Safety	427.4	426.9	436.8	436.6	438.6	455.3	488.8	504.0	520.5	529.2
Physical Environment	253.8	253.8	252.5	254.9	256.8	254.9	258.9	257.9	259.5	259.4
Transportation	19.0	19.0	19.0	19.0	18.3	18.3	18.3	19.0	19.0	18.5
Culture/Recreation	103.4	104.9	103.4	103.0	100.3	101.8	66.6	63.6	63.6	63.4
Community Development	13.4	13.9	13.9	13.9	13.9	13.9	14.9	18.2	18.4	18.4
<b>Total</b>	<b>931.0</b>	<b>932.5</b>	<b>942.6</b>	<b>943.9</b>	<b>946.1</b>	<b>963.4</b>	<b>968.7</b>	<b>990.7</b>	<b>1,014.0</b>	<b>1,021.4</b>

Source: City of Fort Myers Budget Office

**CITY OF FORT MYERS, FLORIDA**  
**Operations Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Police</b>										
Number of Police personnel and officers	250	250	251	262	262	255	307	312	313	319
Physical arrests	5,844	5,829	5,381	3,424 <sup>(7)</sup>	3,060	2,962	2,927	3,165	3,116	2,868
Traffic violations	24,602	20,623	19,253	14,587 <sup>(1)</sup>	7,981 <sup>(1)</sup>	6,782 <sup>(1)</sup>	5,494 <sup>(1)</sup>	3,882 <sup>(1)</sup>	3,852	4,405
Parking violations	8,232	7,373	7,000 <sup>(3)</sup>	15,238 <sup>(8)</sup>	11,886	10,968	12,661	10,294	8,401 <sup>(9)</sup>	12,611
<b>Fire</b>										
Number of Fire personnel and officers	142	140	140	121	125	125	124	117	124	135
Number of calls answered	15,933	15,592	14,250	10,847 <sup>(6)</sup>	15,572	12,584	17,818	17,341	16,562	17,130
Number of inspections conducted	2,943	3,375	3,969	3,366	4,484	4,685	4,917	5,308	5,898	5,511
<b>Solid Waste</b>										
Commercial MSW (tonnage)	31,802	29,742	28,946	32,735	31,533	31,496	33,875	34,006	32,584	35,403
Residential MSW (tonnage)	5,359	8,442	9,916	8,781	12,897	13,327	14,355	14,441	16,183	17,744
Roll-Off Debris (tonnage)	14,945	16,398	16,748	17,639	16,442	15,920	19,146	18,628	18,403	20,293
Recycling (tonnage)	-	4,014	4,300	4,699	5,079	5,497	4,993	4,396	5,580	5,817
<b>Culture and Recreation</b>										
City Recreation Venues <sup>(2)</sup>	1,188,389	1,073,336	900,826	579,642	656,936	815,278	752,242	897,080	470,745	515,675
<b>Water system</b>										
Number of service connections	22,193	22,919	23,132	23,692	25,210	26,069	26,257	27,142	27,939	30,751
Daily average finished flow in gallons	6,042,200	6,326,401	6,820,250	6,880,750	6,921,666	7,292,833	7,422,500	7,471,000	7,540,083	8,006,000
Maximum daily capacity of plants, in gallons	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
<b>Wastewater system</b>										
Number of service connections	17,530	18,680	21,058	21,351	23,051	23,825	24,022	24,878	25,683	28,069
Daily average treatment in gallons	14,540,000	14,890,000	11,648,000 <sup>(4)</sup>	14,810,000	14,780,000	15,040,000	14,410,000	14,750,000	14,990,000	17,745,000
Maximum daily capacity of treatment plants, in gallons	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000
<b>Building Permits and Inspection</b>										
Building permits issued	5,836	6,548	7,465	8,916	9,174	7,982	8,611	8,314	8,673	8,824
<b>Golf Courses</b>										
Number of rounds per year, Eastwood	52,196	54,920	59,741	56,466	52,439	42,815	52,197	54,324	51,938	60,044
Number of rounds per year, Fort Myers	52,335	53,565	38,930 <sup>(5)</sup>	58,756	58,245	63,461	61,687	63,548	65,260	70,502

Sources: Various City departments

Note: In fiscal year 2013, the City changed this schedule to enhance the reporting of Operating Indicators. Therefore, the Capital Assets Statistics reported in previous fiscal years' Schedule 17 transferred to Schedule 18.

<sup>(1)</sup> Citations declined due to fewer traffic stops.

<sup>(2)</sup> Comprises attendance at City community centers, athletics and aquatics venues, and special events. Significant decrease in fiscal years 2020 and 2021 due to the pandemic.

<sup>(3)</sup> Reporting period January 2014 to September 2014.

<sup>(4)</sup> Less influent from Lee County to South Plant and lower rainfall than normal.

<sup>(5)</sup> Fort Myers Country Club closed five months for renovations, which led to a temporary increase at the Eastwood Golf Course.

<sup>(6)</sup> Decrease due to low acuity call types dispatched by 911 as an EMS only response, not requiring the additional response by Firefighters.

<sup>(7)</sup> Decline due to change in reporting software.

<sup>(8)</sup> Increase due to the inclusion of warning citations, FMPD citations issued after hours, and a better enforcement program.

**CITY OF FORT MYERS, FLORIDA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function/program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Number of Enterprise Center buildings	2	2	2	2	2	2	2	2	2	2
Number of Facility Management vehicles	14	13	12	14	14	14	12	12	14	17
<b>Police</b>										
Number of stations	2	2	2	2	2	1	1	1	1	1
Number of substations	0	0	0	0	0	3	3	6	6	6
Number of patrol vehicles	114	111	109	111	136	135	154	143	129	143
Number of unmarked vehicles	43	43	43	43	50	49	60	67	59	88
Number of pickup trucks	4	4	4	4	3	3	3	6	10	16
Number of vans	6	6	6	6	6	8	6	9	7	11
Number of motorcycles	2	2	2	2	2	2	2	2	2	2
Number of boats	1	1	1	1	1	1	1	1	1	1
Number of boat trailers	1	1	1	1	1	1	1	1	1	1
Number of Volunteers in Policing units	3	3	3	3	3	1	1	1	1	1
Mobile command post	1	1	1	1	1	1	1	1	1	1
ERV (MCOPS vehicle)	1	1	1	1	1	1	1	1	1	1
Hostage negotiator truck	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Number of stations	6	6	6	6	6	6	6	6	6	6
Number of fire fighting units	10	10	11	11	10	11	11	13	13	11
Number of rescue units	2	2	2	2	2	2	4	4	4	4
Number of marine units	2	2	2	2	2	1	1	1	1	1
Number of support/specialty units	5	5	5	5	5	5	14	15	16	20
<b>Culture and Recreation</b>										
Number of community centers	3	3	3	3	3	3	1	1	1	1
Number of parks	35	35	35	35	35	35	35	36	36	37
Park acreage (including golf courses)	537 <sup>(1)</sup>	537 <sup>(1)</sup>	537	537	537	497	497	498	498	519
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of tennis courts	16	16	16	16	16	16	17	17	17	17
Number of skate parks	1	1	1	1	0	0	0	0	0	0
<b>Public Works</b>										
Number of Public Works buildings	n/a	132	132	132	132	132	155	155	155	155
Miles of City maintained streets	240	240	240	240	226 <sup>(4)</sup>	247	224	224	224	240
Number of street lights	10,346	10,346	10,346	10,346	10,425 <sup>(4)</sup>	10,425	10,425	10,425	10,425	10,425
Number of bridges	n/a	16	27 <sup>(4)</sup>	27	27	27	27	27	27	27
Number of culverts	n/a	12	12	12	35 <sup>(5)</sup>	35	35	35	35	35
<b>Sewer system</b>										
Miles of sanitary sewers	410	410	422	422	357 <sup>(4)</sup>	368	430	440	451	475
Number of sewer treatment plants	2	2	2	2	2	2	2	2	2	2
<b>Water system</b>										
Number of water treatment plants	1	1	1	1	1	1	1	1	1	1
Miles of water mains	453	458	469	469	434 <sup>(4)</sup>	439	439	514	531	555
Number of fire hydrants	3,188 <sup>(2)</sup>	3,188 <sup>(2)</sup>	3,231	3,231	3,189 <sup>(4)</sup>	4,100	4,194	4,200	4,511	4,639
<b>Stormwater</b>										
Miles of storm drainage pipes	n/a	139	139	139	58 <sup>(4)</sup>	59	54	54	54	54
Number of catch basins <sup>(5)</sup>	n/a	831	844	844	4,681	4,691	4,691	4,691	4,691	4,691
<b>Solid Waste</b>										
Number of refuse collection vehicles	38	41	44	46	47	44	45	44	45	45
<b>Golf Courses</b>										
Number of golf courses	2	2	2	2	2	2	2	2	2	2
Number of holes	36	36	36	36	36	36	36	36	36	36
<b>Yacht Basin/Marina</b>										
Number of slips	295	284	284	284	284	284	284	284	284	284
Number of non-transient boats docked <sup>(3)</sup>	130	147	140	145	155	156	177	164	180	185

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years (continued)**

<b>Function/program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Downtown Parking Garages										
Number of parking garages	2	2	2	2	2	2	2	2	2	3
Harborside Event Center										
Number of event center buildings	1	1	1	1	1	1	1	1	1	1
Cultural and Recreation										
Number of buildings	4	4	4	4	4	4	4	4	4	4

Sources: Various city departments

Note: In fiscal year 2013, the City changed this schedule to provide more details on Capital Assets Statistics. Previous fiscal years' Schedule 18 reported number of assets by function.

- <sup>(1)</sup> In fiscal year 2014, acreage corrected for fiscal years 2012 - 2013 to remove the inclusion of wellfield acres for the golf courses.  
<sup>(2)</sup> In fiscal year 2014, hydrants corrected for fiscal years 2012 - 2013 to remove the inclusion of hydrants owned and maintained privately or by Lee County.  
<sup>(3)</sup> Updated description in fiscal year 2015 to non-transient boats (leases longer than thirty days).  
<sup>(4)</sup> Updated, based on GIS data.  
<sup>(5)</sup> Verified with Google Earth by City of Fort Myers, Florida Stormwater Resource Manager.  
<sup>(6)</sup> Updated, based on GIS data, in fiscal year 2016 to include manholes, curb inlets, headwalls and mitered end sections.



# SINGLE AUDIT REPORT









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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Myers, 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 19, 2022. Our report includes a reference to other auditors who audited the financial statements of the Community Redevelopment Agency of the City of Fort Myers, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 that we consider to be material weaknesses.

### **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*.

### **City of Fort Myers, Florida's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

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

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
April 19, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

**Report on Compliance for Each Major Federal Program and State Project**

We have audited City of Fort Myers, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects, for the year ended September 30, 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.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Those standards, the Uniform Guidance, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program and State Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 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 each major federal program and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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. We issued our report thereon dated April 19, 2022, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Community Redevelopment Agency of the City of Fort Myers. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those components, is based solely on the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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, based on our audit, the procedures described above, and the reports of the other auditors, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



**CliftonLarsonAllen LLP**

Fort Myers, Florida  
June 15, 2022

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2021**

<b>Funding Agency / Grant Name</b>	<b>Federal Assistance Listing Number</b>	<b>Federal or Passed through Grant Number</b>	<b>Total Expenditures</b>	<b>Transfer to Subrecipients</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Community Development Block Grant / Entitlement Grant Cluster				
Community Development Block Grants/Entitlement Grants	14.218	B-14-MC-12-0006	\$ 82,760	\$ -
Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-12-0006	2,500	-
Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-12-0006	8,500	-
Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-12-0006	5,583	-
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-12-0006	53,934	-
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-12-0006	158,672	8,783
Community Development Block Grants/Entitlement Grants (CDBG-CV)	14.218	B-20-MW-12-0006	179,075	21,808
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-12-0006	97,735	-
Community Development Block Grants/Entitlement Grants-NSP 1	14.218	B-08-MN-12-0008	20,850	-
Community Development Block Grants/Entitlement Grants-NSP 3	14.218	B-11-MN-12-0008	5,420	-
Total Community Development Block Grant / Entitlement Grant Cluster		14.218 Total	615,029	30,591
<b>Total U.S. Department of Housing and Urban Development</b>			<b>615,029</b>	<b>30,591</b>
<b>U.S. FISH AND WILDLIFE SERVICE</b>				
<i>Passed through State of Florida, Department of Environmental Protection</i>				
Clean Vessel Act Grant	15.616	CVI18	34,168	
<b>Total U.S. Fish and Wildlife Service</b>			<b>34,168</b>	
<b>U.S. DEPARTMENT OF JUSTICE</b>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1010	9,754	
Bulletproof Vest Partnership Program				
Patrick Leahy Bulletproof Vest Partnership Grant, FY 2019	16.607	Not Available	11,457	
Patrick Leahy Bulletproof Vest Partnership Grant, FY 2020	16.607	Not Available	7,260	
		16.607 Total	18,717	
<i>Passed through Florida Department of Law Enforcement</i>				
Project Safe Neighborhoods Initiative	16.609	2018-GP-BX-0022 / 2020-PSNM-LEE-1-K2-004	24,617	
Public Safety Partnership and Community Policing Grants	16.710	2017-UM-WX-0136	266,451	
Public Safety Partnership and Community Policing Grants	16.710	2020-UM-WX-0106	136,717	
		16.710 Total	403,168	
Edward Byrne Memorial Justice Assistance Grant Program				
<i>Passed through Florida Department of Law Enforcement</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-JAGC-LEE-3-N2-203	14,000	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0639	28,591	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-WY-BX-0005	1,696	
		16.738 Total	44,287	
Second Chance Act Reentry Initiative	16.812	2018-CZ-BX-0022	61,326	
Joint Law Enforcement Operations Equitable Sharing Program	16.922	FL0360100	9,116	
<b>Total U.S. Department of Justice</b>			<b>570,985</b>	
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Federal Highway Administration				
<i>Passed through State of Florida, Department of Transportation</i>				
Highway Planning and Construction Cluster				
Federal-Aid Highway Program, Federal Lands Highway Program				
Highway Planning and Construction - Winkler and Challenger Sidewalk	20.205	FPN #434989-1-58/68-01	35,790	
Highway Planning and Construction - Hanson Street from Vista Court to Montclair Avenue	20.205	FPN #436798-1-58/68-01, G1H68	300,229	
Total Highway Planning and Construction Cluster		20.205 Total	336,019	
<b>Total U.S. Department of Transportation</b>			<b>336,019</b>	
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Department of Treasury				
Equitable Sharing Program	21.016	FL0360100	5,562	
<i>Passed through Lee County, Florida</i>				
COVID-19 Coronavirus Relief Fund	21.019	CARES-SRG4	990,094	
<i>Passed through Florida Housing Finance Corporation</i>				
COVID-19 Coronavirus Relief Fund	21.019	Agreement #116-2020	224,012	
		21.019 Total	1,214,106	
<i>Passed through Lee County, Florida</i>				
Coronavirus Relief Fund and American Rescue Plan				
Emergency Rental Assistance Program	21.023	SLT0050 / ERA-2101060175	3,125,425	
<b>Total U.S. Department of the Treasury</b>			<b>4,345,093</b>	

(continued)

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of Federal Awards (continued)**  
**For the Year Ended September 30, 2021**

<b>Funding Agency / Grant Name</b>	<b>Federal Assistance Listing Number</b>	<b>Federal or Passed through Grant Number</b>	<b>Total Expenditures</b>	<b>Transfer to Subrecipients</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Federal Emergency Management Agency				
<i>Passed through Florida Division of Emergency Management</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z1827	442,341	
Homeland Security Grant Program	97.067	EMW-2019-SS-00049	93,429	
<b>Total U.S. Department of Homeland Security</b>			<b>535,770</b>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 6,437,064</b>	<b>\$ 30,591</b>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**CITY OF FORT MYERS, FLORIDA**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended September 30, 2021**

<u>Funding Agency / Grant Name</u>	<u>State CSFA Number</u>	<u>State Grant Number</u>	<u>Total Expenditures</u>	<u>Transfer to Subrecipients</u>
<b>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>				
Statewide Surface Water Restoration and Wastewater Projects	37.039			
Billy's Creek Restoration		LP36045	\$ 18,161	
Reclaimed Water Expansion Project		LPA0013	403,177	
<b>Total Florida Department of Environmental Protection</b>		37.039 Total	<u>421,338</u>	
<b>FLORIDA HOUSING FINANCE CORPORATION</b>				
State Housing Initiatives Partnership Program	40.901	N/A	206,156	
<b>Total Florida Housing Finance Corporation</b>			<u>206,156</u>	
<b>FLORIDA DEPARTMENT OF TRANSPORTATION</b>				
Florida Shared-Use Nonmotorized (SUN) Trail Program	55.038	440341-1-34-01 G1488	414,147	
<b>Total Florida Department of Transportation</b>			<u>414,147</u>	
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>			<u><b>\$ 1,041,641</b></u>	<u><b>\$ -</b></u>

See accompanying notes to Schedule of Expenditures of State Financial Assistance.



**CITY OF FORT MYERS, FLORIDA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended September 30, 2021**

**NOTE 1 – BASIS OF PRESENTATION**

---

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the City of Fort Myers, Florida (City) under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

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, with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of cost. 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 minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 – COMMUNITY DEVELOPMENT BLOCK GRANTS / ENTITLEMENT GRANTS**

---

In accordance with the terms of the award, program income totaling \$24,356 was used to reduce the amount of federal awards used to complete the project.

**CITY OF FORT MYERS, FLORIDA**  
**Notes to Schedule of Expenditures of State Financial Assistance**  
**Year Ended September 30, 2021**

**NOTE 1 – BASIS OF PRESENTATION**

---

The accompanying schedule of expenditures of state financial assistance (State Schedule) includes the state award activity of the City of Fort Myers, Florida (City) under programs of the State of Florida for the year ended September 30, 2021. The information in the State Schedule is presented in accordance with the requirements of Section 215.97, Florida Statutes, and *Rules of the Auditor General*, Chapter 10.550. Because the State Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**CITY OF FORT MYERS, FLORIDA SINGLE AUDIT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

---

***Section I – Summary of Auditors' Results***

---

**Financial Statements**

Type of auditors' report issued? Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

Noncompliance material to the financial statements noted? No

**Federal Awards Section**

Internal control over major programs:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None reported

Type of auditors' report issued on compliance for major programs? Unmodified

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

***Identification of Major Federal Programs***

**ALN Number**

**Name of Federal Program or Cluster**

21.019

COVID-19 – Coronavirus Relief Fund

21.023

Emergency Rental Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        X   no

**CITY OF FORT MYERS, FLORIDA SINGLE AUDIT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

---

***Section I – Summary of Auditors' Results (Continued)***

---

***State Financial Assistance Section***

Internal control over major projects:

- Material weakness(s) identified? No
- Significant deficiency(s) identified that are not considered to be material weaknesses? None noted

Type of auditors' report issued on compliance for major projects? Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.557? No

***Identification of Major State Projects***

**CSFA Number(s)**

**Name of State Project**

37.039

Statewide Surface Water Restoration and Wastewater Projects

55.038

Florida Shared-Use Nonmotorized Trail Programs

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 311,678

**CITY OF FORT MYERS, FLORIDA SINGLE AUDIT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

---

***Section II – Financial Statement Findings***

---

**2021-001: Audit Adjustments**

**Type of Findings:** Material weakness over financial reporting

**Condition:** As part of the audit, we proposed audit adjustments to correct the City's financial statements at year-end related to accounts payable, investment income, and grant revenue that were not recorded in the financial statements. As such, an audit adjustment was made by the City to correct the financial statements.

**Criteria or specific requirement:** The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City's ability to ensure financial transactions are authorized and accurate. The City's management is responsible for establishing and maintaining internal controls for the proper recording of all the City's transactions in the financial statements.

**Effect:** The City's financial records were misstated and we proposed adjusting entries to management to correct the financial statements. The proposed audit adjustments were recorded by management to correct the financial statements.

**Cause:** The City's internal controls over financial reporting did not detect or prevent the errors.

**Repeat Finding:** No.

**Recommendation:** We recommend that management enhance its review over the financial statements and supporting schedules to ensure the information is accurately presented.

**Views of responsible officials and corrective actions:** Management is in agreement with the audit finding. Management has evaluated the financial statement process review and supporting schedules and has put in place additional controls to ensure accuracy moving forward. The Finance department has a comprehensive closing schedule for fiscal year end tasks. Management shall expect Finance staff and City departments to adhere to the deadlines for fiscal year end to allow for sufficient review and accurate processing.

**CITY OF FORT MYERS, FLORIDA SINGLE AUDIT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

---

***Section III – Findings and Questioned Costs – Major Federal Programs***

---

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

---

***Section IV – Findings and Questioned Costs – Major State Projects***

---

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(l)4, Rules of the Florida Auditor General.



*City of Fort Myers, Florida*

FINANCIAL SERVICES

PO Box 2217

Fort Myers, Florida 33902-2217

**CITY OF FORT MYERS, FLORIDA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2021**

U.S. Department of Treasury

The City of Fort Myers respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2021.

Audit period: 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.

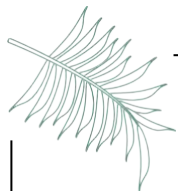
**FINDINGS — FEDERAL AWARD PROGRAMS AUDITS**

**2020 – 001 Significant Deficiency in Internal Control over Compliance, Other Matters**

**Condition:** The City reported program expenditures in 2020 that were eligible grant expenditures incurred subsequent to year-end that should have been reported as program expenditures in 2021.

**Status:** Total program expenditures on the 2020 SEFA were overstated. Corrective action was taken by management.





# STATE OF FLORIDA COMPLIANCE









## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the City of Fort Myers, Florida (City) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 19, 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 15, 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 financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

### Official Title and Legal Authority

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

### **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The City does not have any special district components.

### **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 Community Redevelopment Agency of the City of Fort Myers is included in the Community Redevelopment Agency of the City of Fort Myers 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  
June 15, 2022



## INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Fort Myers, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Fort Myers, Florida  
April 19, 2022



# CONTACT US:

OFFICE OF FINANCIAL SERVICES  
2200 SECOND STREET, FORT MYERS, FLORIDA 33901

239 -321 -7147

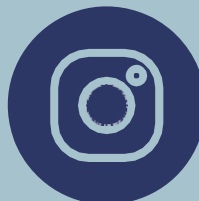
CITYFTMYERS.COM



FTMYERS



CITYFTMYERS



CITYFTMYERS

