



**ANNUAL COMPREHENSIVE FINANCIAL
REPORT
of the
CITY OF PUNTA GORDA, FLORIDA**

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

PREPARED BY THE FINANCE DEPARTMENT

Kristin Simeone, CPA
Director of Finance

CITY COUNCIL

As of September 30, 2021

| | |
|---------------|-------------------|
| MAYOR | LYNNE R. MATTHEWS |
| VICE MAYOR | DEBORAH J. CAREY |
| COUNCILMEMBER | NANCY B. PRAFKE |
| COUNCILMEMBER | JAHA F. CUMMINGS |
| COUNCILMEMBER | JOHN MILLER |

CITY MANAGER

GREGORY B. MURRAY

CITY OF PUNTA GORDA, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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INTRODUCTORY SECTION

This section contains
the following subsections:

Letter of Transmittal

List of Elected
and Appointed Officials

City of Punta Gorda Organizational Chart

Certificate of Achievement
for Excellence in Financial Reporting



CITY OF PUNTA GORDA
FINANCE DEPARTMENT
326 WEST MARION AVENUE
PUNTA GORDA, FL 33950
(941) 575-3318
FAX: (941) 575-3386

March 30, 2022

To the Honorable Mayor, Members of the Council and Citizens of the City of Punta Gorda:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Punta Gorda for the fiscal year ended September 30, 2021.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Punta Gorda's financial statements have been audited by Ashley Brown & Smith, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Punta Gorda for the fiscal year ended September 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering 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 as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Punta Gorda is generally part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.



GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Punta Gorda, founded December 7, 1887, is the only incorporated city in Charlotte County and serves as the County Seat. The City currently occupies a land area of approximately 16 square miles and serves a population of approximately 19,637. The City is empowered to levy a property tax on properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the City's Manager, Clerk and Attorney. The City's Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve two-year staggered terms. The mayor is appointed by the Council to serve a one-year term. All of the council members are elected by district.

This report includes all funds of the City. The City provides a full range of services which include police and fire protection; water, wastewater, sanitation and marina services; the maintenance of highways, streets, canals, and infrastructure; recreational activities and cultural events. In addition to general government activities, the City includes certain agencies and boards in the Annual Comprehensive Financial Report.

The annual budget serves as the foundation for the City's financial planning and control. All departments are required to submit requests for appropriation to the manager through March. The manager uses these requests as the starting point for developing a proposed budget. The manager uses budget workshops for the goal of presenting a proposed budget to the council for review in April through August. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. Department heads may make transfers of appropriations within a department. The City Manager may make transfers between departments within a fund. Transfers of appropriations between funds, however, require the special approval of the council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, CRA and PGI Canal Maintenance, this comparison is presented as part of the basic financial statements for the governmental funds. For Governmental Funds, other than the funds listed above, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. This includes the following funds: BSI Canal Maintenance, Impact Fees, Gas Tax Funds, Special Use, Buckley's Pass Dredging Area, CDBG, and CHNEP. Project-length financial plans are adopted for all capital project funds and the 1% Local Option Sales Tax Fund. The Debt Service Fund is used for tracking and payment of all major debt incurred by the General Fund, CRA or PGI Canal Maintenance Fund.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Long-term financial planning

For major projects the City uses a five-year capital budget. This helps recognize when major cash infusions will be necessary. These infusions may come from the issuance of debt, grants, new revenue sources, impact fees and/or a build-up of fund balance. Any or all of these methods may be utilized. Not as obvious, but just as important, is the increase in services with the costs associated with these services requested by the citizens, or mandated by external forces. Economic forecasts are performed during the year to avoid surprises due to service changes. As mentioned elsewhere, the City now utilizes a written Council approved strategic plan as well as a Long Range Financial Plan. These tools not only help guide the City staff in specific directions, but also help in the planning of the financial future of the City.

Major Initiatives

A major initiative with the future in mind is the City's adoption of a set of Goals and Strategic Objectives. These goals will assist the City as a guide toward a more planned future. They give the entire organization a shared vision, improved motivation, and serve as the basis for setting priorities.

Vision: Continue to preserve our small town character while promoting diversity, economic development and sustainability.

Vision Elements:

- Punta Gorda will preserve and enhance its historic small-town, self-sufficient community character.
- Punta Gorda will be an economically sustainable four-season community and cultural hub of Charlotte County.
- Punta Gorda will continue to be a safe and secure community.
- Punta Gorda will be a place where residents and visitors recognize the significance and character of its waterfront amenities, natural resources, and vibrant downtown.
- Strong partnerships and collaboration between the City government and all sectors of the community will embody Punta Gorda's ability to sustain its small-town, self-sufficient character.
- Punta Gorda will have a financially sustainable city government.
- Punta Gorda will position itself as the best small town to live, work and visit.

Mission: *"To preserve and enhance Punta Gorda's identity as a vibrant waterfront community, unique in character and history; and as a desirable place to live, work and visit."*

Mission Elements include:

- Become a desired, waterfront destination
- Be a better place to live, work and play
- Deliver a high level of service
- Enhance quality of life
- Retain our unique character

Values Elements:

- Maintain a culture of community engagement, teamwork, partnerships, transparency, respect, customer service, and stewardship.
- Sustain pride in Punta Gorda's history and well-preserved historical areas and natural resources.
- Support and promote local businesses.
- Value a high level of openness, and the fair and equitable treatment of all residents.
- Ensure an ethical, transparent and accountable city government.

Strategic Plan Priorities:

A strategic plan provides a tool for more effective and economical operations and demonstrates to the public that careful consideration has been given to future development and direction of the organization. The Plan provides a realistic view of the expectations for the organization and community at-large.

City Council approved a strategic plan which set priorities for FY 2022. These priorities are delineated below.

- Financial/Economic Sustainability
- Infrastructure Sustainability
- Partnerships, Communication & Collaboration
- Strategic Communications Positioning
- Quality of Life

The plan helps us stay focused in our near term objectives and tasks, while still keeping our eye on the long range perspective of our actions. Our strategic plan is dynamic and can be adjusted or molded from time to time as needed. It is a working document that evolves as development takes place. In this way, it is a document by which we can measure our success and by which the community can evaluate our performance.

Other Economic Issues Affecting City Finances

It is the City's policy to have a minimum Unassigned General Fund Balance of 10.0% plus \$120 thousand from health insurance savings in the coming fiscal year. Due to the possibility of a future decline in taxable property values, that could occur during an economic downturn, the City should consider setting aside a portion of additional savings achieved through the year for a fiscal stabilization reserve to meet unexpected immediate increase in service delivery costs or to maintain service levels in the event of a major storm or other unforeseen disaster that fundamentally alters the current tax base.

The City policy that affects the City's current and future financial statements is to increase the above mentioned fund balance an additional 0.5% each year until it meets the GFOA recommended practice of two months operating or 16.67%.

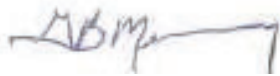
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended September 30, 2020. This was the thirty-sixth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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 preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Punta Gorda's finances.

Respectfully submitted,



GREGORY B. MURRAY
CITY MANAGER

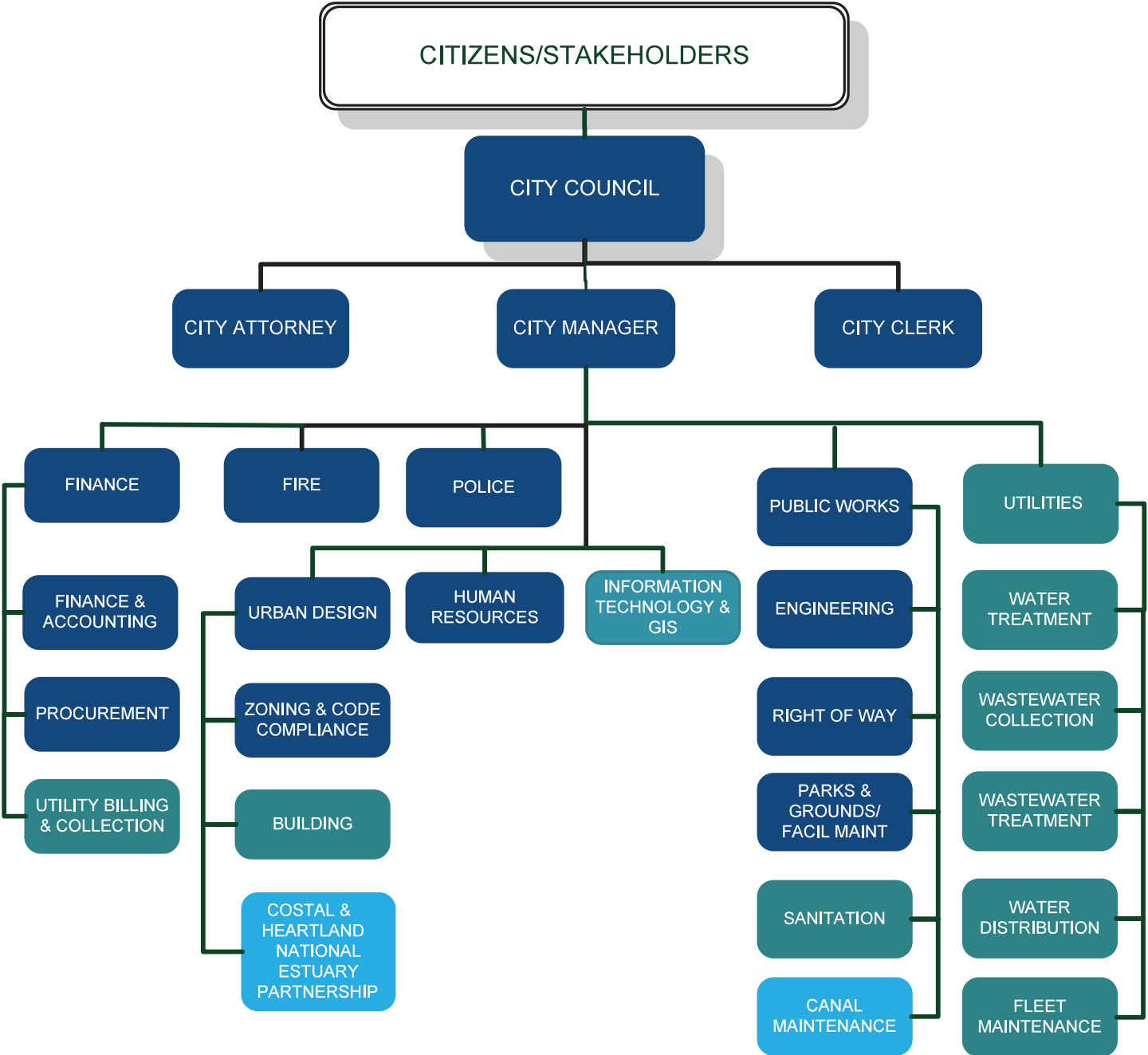


KRISTIN SIMEONE, CPA
DIRECTOR OF FINANCE

City of Punta Gorda, Florida
List of Principal Officials
As of September 30, 2021

| <u>Title</u> | <u>Name</u> |
|--------------------------|-------------------|
| Mayor | Lynne R. Matthews |
| Vice Mayor | Deborah J. Carey |
| Councilmember | Nancy B. Prafke |
| Councilmember | Jaha F. Cummings |
| Councilmember | John Miller |
| City Manager | Gregory B. Murray |
| City Attorney | David M. Levin |
| City Clerk | Karen Smith |
| Chief of Police | Pamela Davis |
| Fire Operations Chief | Raymond A. Briggs |
| Director of Finance | Kristin Simeone |
| Director of Public Works | Richard C. Keeney |
| Director of Utilities | Charles Pavlos |

CITY OF PUNTA GORDA
 ORGANIZATION STRUCTURE
 BUDGET FY 2021



CERTIFICATE OF ACHIEVEMENT
FOR EXCELLENCE IN
FINANCIAL REPORTING

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 Punta Gorda, Florida for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Punta Gorda has received a Certificate of Achievement for the last thirty-six consecutive years (fiscal years ended 1985 through 2020). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Punta Gorda
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section contains
the following subsections:

Report of Independent Accountants

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund
Statements and Schedules



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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
Punta Gorda, 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 Punta Gorda, Florida (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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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 and the respective budgetary comparison for the General Fund, the Community Redevelopment Agency Fund, and the PGI Canal Maintenance Fund 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 and required supplementary information, as indicated in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund and internal service fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 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.

Ashley, Brown & Smith CPA's, P.A.

Punta Gorda, Florida
March 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the City of Punta Gorda's financial statements is intended to provide a narrative introduction to the basic financial statements and an analytical overview of the City's financial activities for the fiscal year ended September 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2021, by \$206.0 million (net position). Of this amount, \$22.5 million unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$9.5 million.
- As of September 30, 2021 the City's governmental funds reported combined ending net position of \$103.2 million. This is an increase of \$6.8 million. The unrestricted net position is a deficit balance of \$128 thousand.
- As of September 30, 2021 the business-type activities reported combined ending net position of \$102.8 million. This is an increase of \$2.7 million. The unrestricted net position is \$22.7 million
- The City's total long-term liabilities decreased by \$1.0 million during the current fiscal year.
- Total revenues decreased \$5.4 million in comparison to prior year.
- Total expenses decreased \$0.7 million in comparison to prior year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements.

The Statement of Net Position (page 22) and **The Statement of Activities** (page 23 and 24) provide information about the activities of the City as a whole and present a longer term view of the City's finances. The statements separate governmental from business-type activities, but both are measured and reported using the economic resource measurement focus and the full accrual basis of accounting.

The **Fund Financial Statements**, which report by individual fund, begin on page 25. The governmental funds measure and report activities using the current financial resources measurement focus and the modified accrual basis of accounting. Therefore you will find the reconciliation on page 29 that converts this data to an economic resources measurement focus and the accrual basis of accounting for use in the Entity-wide Financial Statements. The Fund Financial Statements present information in more detail than in the Entity-wide Financial Statements. Lesser funds, such as Fair Share Impact Fees, Canal Maintenance Districts and Special Use Fund are combined in an "other funds" column. The Governmental Accounting Standards Board (GASB) Statement No. 34 provides the authoritative guidance on the governmental financial reporting model.

THE ENTITY-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities

Government-wide Financial Statements are intended to allow the reader to assess a government's operational accountability. Operational accountability is defined as the extent to which the government has met its operating objectives efficiently and effectively, using all resources available for that purpose, and whether it can continue to meet its objectives for the foreseeable future. The statements separate governmental from business-type activities. For purposes of these statements, both types are measured and reported using the economic resource measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two 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 City's net position changed during fiscal year 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes, earned but unused vacation leave.)

Both of these financial statements distinguish the primary types of functions of the City as defined below:

- Governmental activities – Most of the City's basic services are reported here, including the police, fire, public works, community development, parks, and general administration. Major revenues supporting these activities are ad-valorem taxes, sales and gas taxes, franchise fees, utility and communications service taxes, assessments, intergovernmental revenues, grants, fees and investments.
- Business-type activities – The City's Utilities, Sanitation, Building and Marina services are reported here. These services are supported primarily from user fees. The debt service is supported both by user fees and impact fees.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain financial 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 account for most, if not all, of the City's tax supported activities. These include the General fund, the CRA fund, 1% Sales Tax fund, the Capital Projects fund, the Debt Service fund, the Coastal and Heartland National Estuary Partnership (CHNEP) fund, the Special Use fund, the PGI and BSI Canal Maintenance District funds, the two Gas Tax funds, Buckley's Pass Dredging Fund and the Fair Share Impact Fee funds. These funds focus on how money flows into and out of the funds, and the balances left at year end. The accounting method used is called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash (usually 60 day focus). The two criteria used are that the revenue is measurable and available. Examples of difference from economic focus are that financing and grants are considered

current revenue, and purchases of capital are considered expenditures whereas depreciation is not since there is no outlay of cash. In a highly regulatory environment, fund accounting serves a very important purpose in that funds received for specific purposes are identified as such and can readily be audited.

- Proprietary funds are used to account for the business-type activities of the government. There are two types: enterprise funds and internal service funds. The City's enterprise funds are Utilities, Sanitation, Building and Marina; the internal service fund is Information Technology Services. All proprietary funds use full accrual basis accounting and the economic measurement focus. Fees or charges are the primary revenue source for proprietary funds.
- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected 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 similar to proprietary funds. The City's three pension funds are fiduciary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes can be found beginning on page 52.

Required Supplementary Information

Generally Accepted Accounting Principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called Required Supplementary Information (RSI) and includes this analysis, the MD&A, budgetary comparisons, and trend data on pension funding.

THE CITY AS A WHOLE

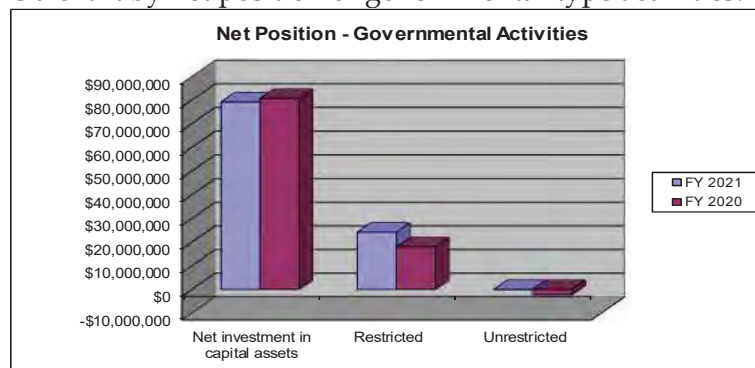
The City's combined net position as of September 30, 2021 was \$206.0 million (Table 1). The City's combined revenues, including contributions, grants, taxes and charges for services were \$60.1 million. Total city-wide expenses were \$50.6 million. The increase to city-wide net position was \$9.5 million (Table 2). Below in Table 1 is a condensed Statement of Net Position, in thousands, for the governmental activities and the business-type activities.

Table 1
Net Position
(in Thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|-----------|--------------------------|------------|--------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current and other assets | \$ 39,248 | \$ 32,317 | \$ 39,100 | \$ 33,442 | \$ 78,348 | \$ 65,759 |
| Capital assets | 90,304 | 92,916 | 91,728 | 93,522 | 182,032 | 186,438 |
| Total assets | 129,552 | 125,233 | 130,828 | 126,964 | 260,380 | 252,197 |
| Deferred Outflow s Pensions/OPEB | 3,325 | 3,538 | 1,145 | 1,563 | 4,470 | 5,101 |
| Long-term liabilities | (18,383) | (27,479) | (22,587) | (24,589) | (40,970) | (52,068) |
| Other liabilities | (2,660) | (2,169) | (3,538) | (3,018) | (6,198) | (5,187) |
| Total liabilities | (21,043) | (29,648) | (26,125) | (27,607) | (47,168) | (57,255) |
| Deferred Inflow s Pensions/OPEB | (8,675) | (2,750) | (3,042) | (815) | (11,717) | (3,565) |
| Net Position: | | | | | | |
| Net investment in capital assets | 79,126 | 80,655 | 74,286 | 81,588 | 153,412 | 162,243 |
| Restricted | 24,161 | 17,959 | 5,867 | 1,613 | 30,028 | 19,572 |
| Unrestricted | (128) | (2,241) | 22,653 | 16,904 | 22,525 | 14,663 |
| Total net position | \$ 103,159 | \$ 96,373 | \$ 102,806 | \$ 100,105 | \$ 205,965 | \$ 196,478 |

The largest portion of the City’s net position (74.5%) reflects its investment in capital assets (land, buildings, infrastructure and equipment) less outstanding debt used to acquire those assets. The City uses these assets to provide services to citizens; consequently these assets are not available for future spending. Restricted assets (representing 14.6% of total net position) are subject to external restrictions on how they may be used. The remaining 10.9% balance of unrestricted net position, \$22.5 million, may be used to meet the city’s ongoing obligations to citizens and creditors. It is important to recognize that this resource may be planned to repay the outstanding debt on capital. The governmental activities net position increased by \$6.8 million or 7.0%. Last fiscal year there was a \$5.6 million increase in net position. The analysis of revenues and expenses for governmental activities can be found in this MD&A on pages 10-12. The business-type activities net position increased \$2.7 million or 2.7%. The last fiscal year increase was \$8.5 million. The analysis of revenues and expenses for business-type activities can be found in this MD&A on pages 12-14. The City’s overall financial position increased by \$9.5 million or 4.8%. The prior year increase was \$14.1 million.

The following is a chart by net position of governmental-type activities.

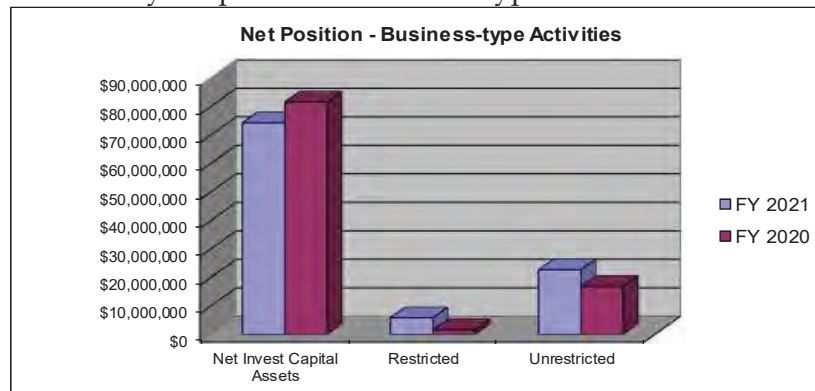


The increase is due mainly to the following significant changes in assets & liabilities:

- Current and other assets increased \$6.9 million - primarily cash & prepaids.
- Drainage projects, \$0.2 million

- Vehicle purchases, \$0.5 million
- City ADA improvement projects, \$0.2 million
- Accumulated depreciation, net of disposals, \$3.5 million
- Net pension/OPEB liabilities decreased \$7.7 million
- Principal decrease on long-term liabilities, \$1.4 million
- Accounts payable and accrued liabilities decreased \$0.5 million
- Unearned revenue increased \$1.0 million
- Deferred Outflows Pension/OPEB activity decreased \$0.2 million while Deferred inflows from Pension/OPEB activity increased \$5.9 million

The following is a chart by net position of business-type activities.



The overall increase in net position is due mainly to the following significant changes in assets & liabilities:

- Current and other assets increased \$5.6 million – cash increased \$6.0 million while due from other governments decreased \$0.3 million (grant reimbursements processed for the RO project) and receivables decreased \$0.1 million
- Sanitation acquired four new refuse trucks, \$1.0 million
- Construction work in progress increased, \$1.5 million, due to Water plant improvements, \$0.5 million, Wastewater plant improvements, \$0.6 million, Sewer expansion projects, \$0.2 million and other projects, \$0.2 million
- Water and wastewater vehicles and plant equipment, \$0.7 million
- Water collection gravity sewer system projects, \$0.2 million
- Water distribution projects, \$0.1 million
- Burnt Store Road tank improvement, \$0.2 million
- Accumulated depreciation, net of disposals, \$5.3 million
- Capital asset disposals, \$0.2 million
- SRF Loan Draws for RO Plant-Issuance of Debt, \$2.0 million
- Net Pension/OPEB liabilities decreased \$2.9 million
- Principal decrease on long-term liabilities, \$1.1 million
- Accounts/retainage payables and accrued liabilities increased \$0.5 million
- Deferred Outflows Pension/OPEB activity decreased \$0.4 million while Deferred Inflows from Pension/OPEB activity increased \$2.2 million.

Table 2
Changes in Net Position
(in Thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-------------------------------------|--------------------------------|-----------------|---------------------------------|------------------|---------------------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 5,997 | \$ 6,494 | \$ 25,501 | \$ 24,252 | \$ 31,498 | \$ 30,746 |
| Operating grants and contributions | 2,106 | 2,311 | 19 | 52 | 2,125 | 2,363 |
| Capital grants and contributions | 2,159 | 2,280 | 1,138 | 7,715 | 3,297 | 9,995 |
| General revenues: | | | | | | |
| Property taxes | 11,538 | 11,032 | | | 11,538 | 11,032 |
| Other taxes | 10,206 | 9,232 | | | 10,206 | 9,232 |
| Other | 1,179 | 1,415 | 225 | 639 | 1,404 | 2,054 |
| Total revenues | <u>33,185</u> | <u>32,764</u> | <u>26,883</u> | <u>32,658</u> | <u>60,068</u> | <u>65,422</u> |
| Expenses: | | | | | | |
| General government | 4,241 | 4,761 | | | 4,241 | 4,761 |
| Public safety | 11,389 | 11,575 | | | 11,389 | 11,575 |
| Transportation | 3,434 | 3,580 | | | 3,434 | 3,580 |
| Economic environment | 463 | 355 | | | 463 | 355 |
| Recreation | 6,665 | 6,513 | | | 6,665 | 6,513 |
| Interest on long-term debt | 207 | 357 | | | 207 | 357 |
| Water and wastewater | | | 18,616 | 18,483 | 18,616 | 18,483 |
| Sanitation/refuse | | | 4,043 | 3,970 | 4,043 | 3,970 |
| Building Fund | | | 1,129 | 1,266 | 1,129 | 1,266 |
| Marina | | | 394 | 403 | 394 | 403 |
| Total expenses | <u>26,399</u> | <u>27,141</u> | <u>24,182</u> | <u>24,122</u> | <u>50,581</u> | <u>51,263</u> |
| Increase (decrease) in net position | 6,786 | 5,623 | 2,701 | 8,536 | 9,487 | 14,159 |
| Net position-beginning | 96,373 | 90,750 | 100,105 | 91,569 | 196,478 | 182,319 |
| Net position-ending | <u>\$103,159</u> | <u>\$96,373</u> | <u>\$102,806</u> | <u>\$100,105</u> | <u>\$205,965</u> | <u>\$196,478</u> |

The analysis of Table 2 states the overall Total Primary Government revenues decreased \$5.4 million or 8.2% from the prior year. The Governmental Activities revenues increased \$0.4 million or 1.3%. The Business-type Activities revenues decreased \$5.8 million or 17.7%.

The Total Primary Government expenses decreased \$0.7 million or 1.3% from the prior year. The Governmental Activities expenses decreased by \$0.7 million or 2.7%. The expenses in Business-type Activities increased \$60 thousand or 0.2%.

The analysis of revenues and expenses can be found in this MD&A: Governmental Activities on pages 10-12 and Business-type Activities on pages 12-14.

Major Fund Changes in Net Position or Fund Balance

The General Fund balance at September 30, 2021 consisted of \$2.9 million for unassigned fund balance; \$5.4 million was assigned for subsequent year's budget, and \$0.2 million was for non-spendable inventories and restricted funds for public safety. This is a \$0.6 million increase in fund balance from September 30, 2020. The City Council's financial policy on fund balance minimum is 9.0% of annual expenditures plus \$120 thousand from health insurance savings. A more detailed analysis of revenues and expenditures can be found on pages 14-16 of the MD&A.

The Community Redevelopment Agency Fund balance increased \$0.9 million. Revenues and transfers increased \$199 thousand over the prior year: tax increment financing (TIF) revenues increased \$251 thousand (due to increase in taxable value) and miscellaneous revenues decreased \$52 thousand. Expenditures and transfers for debt increased \$16 thousand from FY 2020.

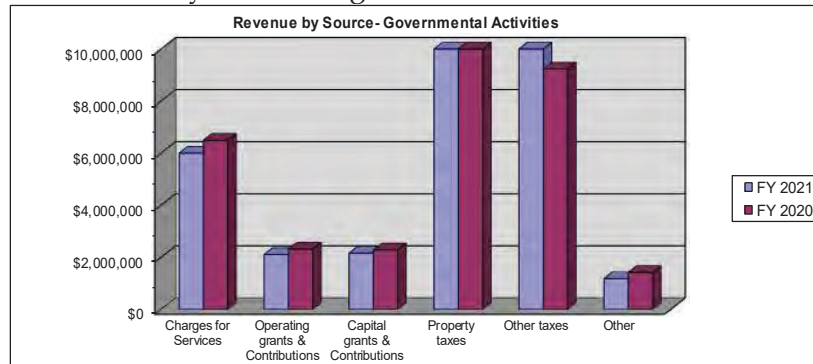
Therefore, the difference of increase in fund balance was \$0.2 million when compared to the prior year increase of \$0.7 million to fund balance.

The PGI Canal Maintenance Fund balance increased \$0.3 million. Expenditures and transfers increased \$186 and \$17 thousand respectively. Additionally, there was a decrease of \$571 thousand in assessments collected due to a decrease in the assessment rate. Therefore, the change in fund balance decreased by \$0.8 million when compared to FY 2020's increase of \$1.1 million.

The Water and Wastewater Utility Fund net position increased \$2.4 million. Capital assets net of accumulated depreciation had a net decrease of \$2.5 million. Current and receivable assets increased \$6.0 million, mainly cash. Loan draws issued in FY 2021 on the RO project also increased long term liabilities \$2.0 million. Current year revenues were used to pay debt reducing liabilities by \$1.1 million. Accounts payable, retainage payable and accrued liabilities increased \$0.3 million. Net pension/OPEB liability decreased \$2.0 million. Deferred outflows decreased \$0.3 million and deferred inflows increased \$1.6 million.

Governmental Activities

Below is a chart of revenues by source for governmental activities.



The following details the revenue variances between fiscal years 2020 and 2021.

Charges for services decreased \$497 thousand, 7.6%, when compared to FY 2020.

- Various charges for services saw slight increases, but the majority of the decrease was related to the PGI & BSI assessment fee dropping from \$650 and \$555 respectively to \$550 & \$460 respectively per lot resulting in a \$620 thousand decrease in charges. Permit and FPL Franchise fees increased \$79 thousand. Buckley's Pass charges increased \$19 thousand and other miscellaneous charges increased \$25 thousand.

Operating grants and contributions decreased by \$205 thousand.

- Increase in CHNEP operating grants and contributions of \$117 thousand.
- Decreases in public safety grants \$90 thousand
- Increase in State Revenue Sharing \$78 thousand
- Decreases in FEMA disaster reimbursements of \$310 thousand.

Capital grants and contributions decreased by \$121 thousand due to the following:

- Decrease in private contributions, \$54 thousand.
- Decreases in FDOT capital grant of \$650 thousand
- Charlotte County Tax Increment increased, \$162 thousand
- Increase in impact fees of \$421 thousand.

Property tax revenues increased by \$506 thousand. Taxes levied increased by \$543 thousand in FY 2021, and the percentage of levy collected decreased by 0.15%.

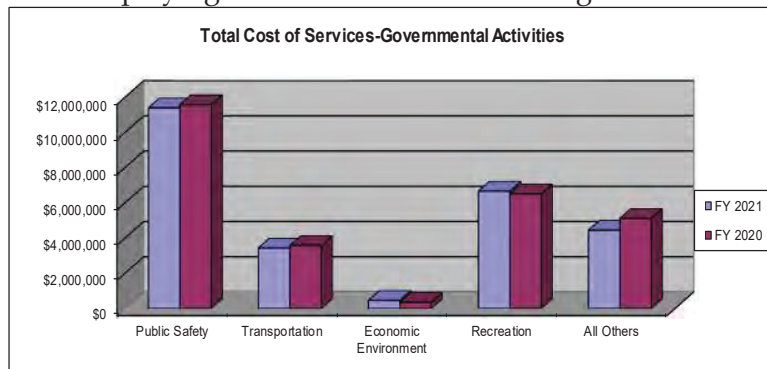
Other taxes increased by \$974 thousand. Utility and gas taxes increased by \$25 thousand, sales taxes increased \$330 thousand, Local Option Sales tax increased by \$614 thousand, Communications Service taxes decreased by \$63 thousand and gas tax revenue increased by \$68 thousand.

Other revenues decreased \$236 thousand as a result of \$283 thousand decrease in investment earnings from interest rates declining, and an increase of \$45 thousand in other miscellaneous revenues.

The cost of all governmental activities this year, including allocations, was \$29.2 million as compared to \$29.9 million in FY 2020. As shown in the Statement of Activities on page 23, the program expenses net of indirect expense allocations (\$2.8 million) were paid through:

- \$6.0 million in charges for services; consisting of \$3.7 million canal maintenance districts and Buckley’s Pass assessments and \$2.3 million fees for general government services
- \$2.1 million in operating grants and contributions
- \$2.2 million in capital grants and contributions
- \$22.9 million in general revenues (primarily taxes)

The following is a chart displaying the total cost of services of governmental activities.



- Public safety costs decreased by \$186 thousand. Net OPEB/Pension related activities in FY 2021 decrease of \$813 thousand. Public Safety Employee wages and benefits increased by \$692 thousand or 7.6% due to merit and union increases, overtime and health insurance increases. Other public safety expenses decreased \$65 mainly from decreased depreciation expense as assets become fully depreciated.
- Transportation costs decreased by \$146 thousand. Payroll and benefits costs decreased \$86 thousand along with a decrease of \$388 thousand in charges related to OPEB/pension activities in FY 2021. Operating costs increased by \$288 from paving and repair costs, and an increase in depreciation expense.
- Economic environment costs increased by \$108 thousand. Disposed asset loss of \$151 thousand was offset by a decrease of operating costs of \$43 thousand.
- Recreation costs increased by \$153 thousand. Increase of \$63 thousand in personnel costs due primarily to an increase in staffing in CHNEP. Net OPEB/pension activities in FY 2021 decreased \$256 thousand. Increase in contractual services in Canal Maintenance districts of \$165 thousand, as normal operations continued to resume after completing seawall replacements from damages that occurred from Hurricane Irma. Increase in CHNEP work plan of \$165 thousand. Parks and Grounds services and operating costs decreased \$40 thousand. Depreciation expense (net of disposals) increased \$77 thousand.

- All others decreased \$671 thousand. Decrease of interest expense of \$151 thousand due to the refinancing of the debt in 2020 resulting in a better interest rate. Other costs decreased overall \$519 thousand and is attributable primarily to a decrease in OPEB/Pension related costs, \$392 thousand, decrease in personnel costs related to turnover, \$61 thousand, decrease in depreciation expense, \$49 thousand and other operating, \$18 thousand.

Table 3 presents the cost of each of the City’s four largest programs as well as each program’s net cost (total cost less revenue, excluding taxes, generated by the activities). The net cost represents the portion of each program that is supported by various taxes.

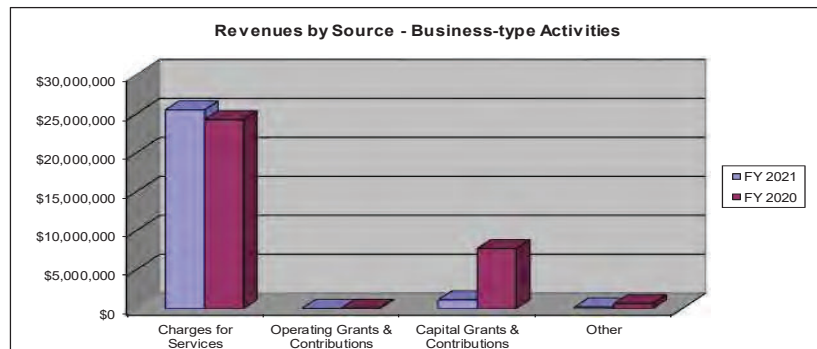
Table 3
Governmental Activities
(in Thousands)

| | Total Cost of Services (less indirect expense allocation) | | Net Cost of Services | |
|----------------------|--|------------------|-----------------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Public Safety | \$ 11,389 | \$ 11,575 | \$ (10,972) | \$ (11,292) |
| Transportation | 3,434 | 3,580 | (2,937) | (2,578) |
| Economic Environment | 463 | 355 | 1,076 | 1,022 |
| Recreation | 6,665 | 6,512 | (1,548) | (931) |
| All Others | 4,448 | 5,119 | (1,756) | (2,277) |
| Totals | \$ 26,399 | \$ 27,141 | \$ (16,137) | \$ (16,056) |

Business-type Activities

Revenues of the City’s Business-type activities (see Table 2) totaled \$26.9 million. Operating expenses were \$24.2 million, showing an increase in net position of \$2.7 million or 2.7%. The analysis of revenues and expenses disclosed that revenues decreased 17.7% and expenses increased 0.3% from the prior fiscal year.

Following is a chart of revenues by source for business-type activities.



Charges for services reported in business-type activities increased \$1.3 million, or 5.1%, in comparison to the prior year. Water & Wastewater Utility experienced an increase in charges for services of \$604 thousand mainly due to increased overall consumption and increased rates. Sanitation’s charges for services increased \$128 thousand in refuse collection due to increased recycling and refuse rates. Building’s charges for services increased \$543 thousand due to building permits more than doubled as projects got back on track after Covid-19 had slowed building and permits rates returning to normal. The Laishley Park Marina charges for services decreased \$25 thousand due to several docks not available awaiting repairs.

The following chart shows the comparison of some specific user fee revenues.

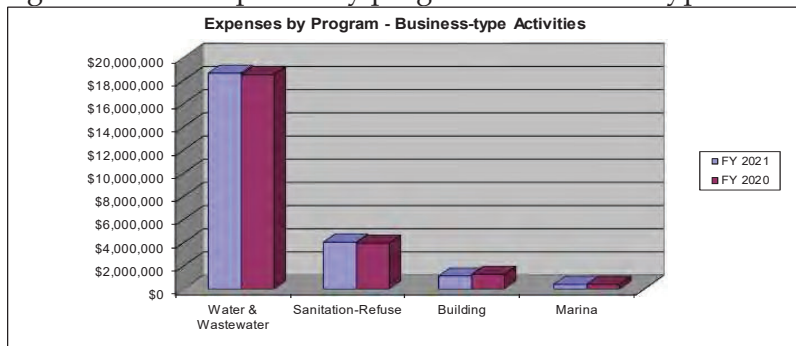
| | Revenues (in thousands) | | From 2020 to 2021 |
|--|-------------------------|----------|-------------------|
| | 2021 | 2020 | % incr (decr) |
| Water Billings | \$11,268 | \$11,122 | 1.3% |
| Wastewater Billings | \$8,080 | \$ 7,769 | 4.0% |
| Refuse Collection | \$3,837 | \$ 3,718 | 3.2% |
| Licenses, Permits, & Special Assessments | \$1,482 | \$ 939 | 57.8% |

Operating grants and contributions decreased by \$33 thousand primarily from the COVID Cares Act grant which was received in 2020.

Capital grants and contributions decreased \$6.6 million. The Reverse Osmosis (RO) plant in Utilities was completed and placed into service in fiscal year 2020. Total grant revenues for this project were \$5.0 million less than FY 2020 due to completion of the project. There was a decrease in developer’s contributed infrastructure of \$0.7 million in FY 2021 from FY 2020. Additionally, there were decreases in water and sewer impact fees of \$0.9 million from the prior year, which included a rate decrease in water impact fees.

The other category decreased \$414 thousand due to decrease of \$143 thousand in interest income caused by dropping interest rates and \$270 thousand decrease in other miscellaneous revenues due primarily to a class action law suit settlement in FY 2020 of \$240 thousand that was not repeated in FY 2021.

Following is a chart of expenses by program for business-type activities.



The Water & Wastewater Utility expenses increased \$133 thousand, or 0.71%, in comparison to the prior year. Personnel expenses decreased \$393 thousand primarily to OPEB/Pension expense reductions. Depreciation expense increased \$810 thousand due to the first full year of depreciation on the Reverse Osmosis Plant completed in FY 2020. Contractual services decreased \$1.3 million mainly due to a one-time expense of \$1.5 million in FY 2020 for the interconnect project with Peace River Manasota Regional Supply Authority. Interest expense increased \$648 thousand due to the completion of draws on the revolving loan for the RO-Plant and payments beginning. Other operating expenses increased \$368 thousand mainly due to increase in insurance, utilities, repair and maintenance as well as increases in administrative charges.

The Sanitation expenses increased by \$73 thousand, or 1.8%. Personnel expenses decreased \$129 thousand due to turnover and the recording of net deferred charges and expenses from pension and OPEB. Contractual services increased \$131 thousand due to recycling charges and landfill

increase per contracts. Depreciation increased \$50 thousand. Material supplies increased by \$26 thousand. Various other expenses increased \$20 thousand.

The Building Fund's expenses decreased by \$137 thousand, or 10.8%. Personnel expenses decreased \$211 thousand, despite the addition of a new authorized position and a decrease in pension and OPEB related expenses. Administrative costs increased by \$61 thousand. Demolition of buildings decreased \$11 thousand, but was offset by contractual services of \$13 thousand for a scanning of commercial plans project. Various other operating expenses increased by \$11 thousand.

The Laishley Park Marina expenses decreased \$9 thousand, or 2.2% primarily from decreases in maintenance and repair costs of the building, docks, and mooring fields as major repairs were made in 2020. Repairs scheduled for FY 2021 have been delayed due to contractor labor and material shortages.

THE CITY'S FUNDS

General Fund Budgetary Highlights

The following is a brief review of the budgeting changes from the original budget to the final budget for the General Fund. The final expenditure budget (excluding transfers) increased \$2.0 million or 9.5% from the original budget, which can be briefly summarized as follows:

- Supplemental appropriations: police grants, \$125 thousand; fire equipment, \$250 thousand; building improvements for temporary space for staff during City Hall rehabilitation, \$230 thousand; miscellaneous personnel costs for staffing changes in City Manager and Urban Design departments, \$77 thousand; and various other operating expenditures, \$48 thousand
- Purchase order rollovers from prior year for vehicle and equipment in public works, police and fire, \$237 thousand; professional services for planning, \$300 thousand; marketing and other services, \$13 thousand; repairs for park equipment, \$5 thousand; police COVID grants, \$17 thousand; and police equipment, \$2 thousand.
- Re-appropriations from prior year for police programs, grants, and vehicle replacements, \$188 thousand; fire programs and equipment, \$119 thousand; lot mowing and distressed property maintenance, \$182 thousand; equipment for right of way, \$65 thousand; professional services, \$72 thousand; and various other operating expenditures, \$89 thousand.

The final revenue budget (excluding transfers) increased by \$0.7 million or 3.3%, from the original budget, which can be briefly summarized as follows:

- Police grant awards and donations, \$237 thousand
- Insurance recoveries, \$24, thousand
- Electric utility taxes and franchise fees, \$128 thousand
- Local government sales tax, \$352 thousand

An increase in transfers to the general fund included \$298 thousand from the special use fund for professional services for comprehensive plan and land development regulations. An increase in transfers out to general construction fund were \$158 thousand for building improvements.

Variances between the General Fund's final amended budget and actual amounts are highlighted as follows:

Revenues:

- Ad Valorem taxes were over budget \$70 thousand due to lower discounts taken.
- Utility and other taxes were over budget \$50 thousand due to increased customer usage.
- Utility and gas franchise fees were over budget by \$34 thousand due to increased customer usage and permitting fees were over budget by \$17 thousand.
- Sales Taxes and State shared revenues were over budget \$330 thousand due to economic conditions rebounding and stimulus funds providing more disposable income to consumers.
- Grant revenues were under budget \$114 thousand. Police department grants were not fully expended, \$146 thousand, and \$102 thousand carried over to FY 2022, while Cares Act grant receipts were \$32 thousand.
- Charges for services were over budget \$26 thousand, mainly in engineering variance, planning and zoning fees, and lien search fees.
- Fines were over budget \$82 thousand, mostly from code enforcement.
- Miscellaneous revenues were over budget \$153 thousand as follows: insurance recoveries from several claims, \$24 thousand; sale of surplus assets, \$24 thousand; donations, \$14 thousand; Law Enforcement Trust proceeds, \$42 thousand; and various other miscellaneous revenues, \$49 thousand.

Expenditures:

- General government expenditures were under budget by \$769 thousand. Personnel expenditures were \$189 thousand under budget due to turnover changes and length of time to fill vacant positions in current job market. Lot Mowing was \$130 thousand under budget primarily due to management of number of mows during slower growth periods. Professional services for comprehensive planning, land development regulations, and marketing were under budget \$226 thousand as they were not completed at fiscal yearend. Training and travel were under budget \$44 thousand due to many conferences still held on-line during FY 2021. Election expenses were under budget \$45 thousand as an election process was not required. All other operating expenditures in all general government department/divisions were under budget \$136 thousand due to continued efforts to contain costs.
- Public Safety police operating expenditures were under budget by \$411 thousand. Personnel expenditures were under budget by \$149 thousand, mainly due to turnover. Law Enforcement Trust Funds were under budget, \$29 thousand. Repair and Maintenance costs were under budget by \$12 thousand. Police department grant expenditures and donation programs were under budget \$135 thousand. Materials, supplies, and clothing & uniforms were under budget \$54 thousand. Other operating accounts were under budget by \$34 thousand. \$174 thousand of the above amounts under budget were re-appropriated to FY 2022.
- Public Safety fire was under budget by \$56 thousand. Repair and Maintenance costs were \$21 thousand under budget. Supplies (mainly emergency management and medical) was under budget \$20 thousand. Other operating expenditures were under budget \$15 thousand. \$23 thousand was re-appropriated to FY 2022.
- Public Safety code operating expenditures were under budget \$75 thousand. Distressed property maintenance budget was \$63 thousand under budget and \$57 thousand of that was re-appropriated to FY 2022. Personnel expenditures were \$7 thousand under budget and other operating expenditures were \$5 thousand under budget.
- Transportation - Right of Way expenditures were \$37 thousand under budget. Personnel expenditures were \$37 thousand under budget due to turnover.
- Recreation - Parks and Grounds expenditures were \$107 thousand under budget. Expenditures under budget are: personnel expenditures, \$10 thousand attributable to

turnover; contractual services, \$58 thousand of which \$45 thousand was re-appropriated to FY 2022; electricity, \$6 thousand; repair and maintenance, \$13 thousand; decorations and supplies, \$17 thousand; and other operating, \$3 thousand.

- Capital Outlay expenditures were \$928 thousand under budget mainly due to supply chain issues and increased pricing of equipment in the market. Police capital expenditures were under budget by \$57 thousand and were re-appropriated to FY 2022. Fire capital expenditures were under budget by \$373 thousand and were re-appropriated in FY 2022. Recreation capital expenditures were \$54 thousand under budget and \$36 thousand was carried over into FY 2022. General Government Capital Outlay was \$379 thousand under budget and were re-appropriated in FY 2022. Transportation Capital Outlay was under budget by \$65 thousand and was carried over to FY 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets as of September 30, 2021 reflect an investment of \$182 million, net of accumulated depreciation.

The following table provides a summary of net capital assets by category for both Governmental and Business-type activities.

Table 4
Capital Assets at Year End
(net of Depreciation, in Thousands)

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-----------------------------------|-------------------------|------------------|--------------------------|------------------|--------------------------|-------------------|
| | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> | <u>2021</u> | <u>2020</u> |
| Land | \$ 16,366 | \$ 16,366 | \$ 5,403 | \$ 5,403 | \$ 21,769 | \$ 21,769 |
| Buildings | 16,076 | 16,817 | 3,295 | 3,659 | 19,371 | 20,476 |
| Improvements other than buildings | 5,683 | 5,709 | 2,528 | 2,879 | 8,211 | 8,588 |
| Vehicles and equipment | 3,345 | 3,440 | 7,024 | 6,621 | 10,369 | 10,061 |
| Infrastructure / System | 46,975 | 47,684 | 70,940 | 73,876 | 117,915 | 121,560 |
| Construction work in progress | 1,859 | 2,901 | 2,538 | 1,083 | 4,397 | 3,984 |
| Total Capital Assets | <u>\$ 90,304</u> | <u>\$ 92,917</u> | <u>\$ 91,728</u> | <u>\$ 93,521</u> | <u>\$ 182,032</u> | <u>\$ 186,438</u> |

Significant changes to assets this year include:

- 2021 Freightliner Dump truck for Public works, \$94 thousand
- (9) Police vehicles fully outfitted, \$371 thousand
- (1) Tiger boom mower for right of Way, \$70 thousand
- Impulse ground penetrating radar & receiver for Utilities Admin., \$22 thousand
- (1) 2021 Ram Promaster Cargo Van for Utilities Water Treatment, \$27 thousand
- (1) Scissor Lift-Genie w/power inverter for Utilities Water Treatment, \$21 thousand
- (2) Pumps, Flygt and Dobbs for Utilities Water Treatment, \$16 thousand
- (3) Pickup Trucks for Wastewater Collection, \$114 thousand
- Trio-Vision Camera and Assembly Crawler for Wastewater Collection, \$39 thousand
- (1) 2021 Caterpillar Backhoe loader for Wastewater Treatment, \$102 thousand
- (1) 2021 Hyundai Wheel Loader Tractor for Wastewater Treatment, \$128 thousand
- (1) 2021 Hustler Zero turn mower for Wastewater Treatment, \$25 thousand
- (4) Pumps for Wastewater Treatment, \$76 thousand
- (1) Boat with motor and trailer, (2) Washer/Dryers, 5 ton A/C unit, \$46 thousand
- (2) Pickup Trucks and (1) maintenance trailer for Water Distribution, \$132 thousand
- (4) 2022 Peterbilt Refuse truck for Sanitation, \$989 thousand
- (1) American Standard Air Conditioner for Laishley Marina, \$7 thousand
- Time keeping, Council Meeting Management and Fire House Software, \$78 thousand

- Various ADA improvements, \$192 thousand
- Veteran’s Park Improvements, \$17 thousand
- Various Harborwalk projects, \$116 thousand
- Street, Sidewalk & Drainage improvements, \$298 thousand
- Ponce De Leon Park improvements project, \$329 thousand
- Water Plant expansion , \$437 thousand
- Water Distribution projects, \$356 thousand
- Water main upgrades, \$310 thousand
- Wastewater gravity sewer, force main, and lift station rehabs, \$189 thousand
- Wastewater plant improvements, \$800 thousand

Debt

As of September 30, 2021, the City had \$11.0 million of revenue note debt in the governmental activities. This is a net decrease of \$1.3 million as compared to the prior year. The City made a principal payment of \$1.3 million in FY 2021. The business-type activities note debt was \$16.8 million. This is an increase of \$0.9 million as compared to the prior year. Principal payments on the SRF loan were \$1.1 million. Additional draws of \$2.0 million were made to finance the RO plant construction. There were no capital leases at year end.

For additional information regarding capital assets and debt refer to footnote IV. D (pages 66-67) and footnote IV. E (68-72).

ECONOMIC OUTLOOK

National and state economies are key factors in assessing the City’s future fiscal picture. Changes in the national, state and local economies can affect both revenues and expenditures, due to the impact on sales tax receipts and the costs and demand of providing city services. While economic changes at the state and national level can often translate into comparable changes locally, it is important to note that Punta Gorda and the Southwest Florida region as a whole often behave differently, displaying economic trends and reflecting experience that may lag or precede observed changes elsewhere.

National Economic Outlook

The July 2021 economic forecast from the Congressional Budget Office (CBO) includes the following key points:

- The forecast incorporates information available as of May 18, 2021 and was published to provide congress with CBO’s current assessment of the economic outlook in a rapidly evolving environment. The 2020 coronavirus pandemic has brought widespread economic disruption in the prior year. However, with additional funding provided to state and local governments, to educational institutions, to individuals as recovery rebates, and extension of expanded unemployment, projections indicate a stronger economy and consequently higher taxable incomes.
- Federal budget deficit of \$3 trillion or 13.4% of gross domestic product (GDP) in 2021 was the second largest since 1945, exceeded only by the prior year of 14.9% caused by the pandemic and legislation enacted in response.
- As the pandemic eases and demand for consumer services surges, real (inflation-adjusted) GDP projections grows by 7.4% this year surpassing a sustainable level. Average annual growth projections are 2.8% 2022-2025, exceeding the 2% growth rate of real potential GDP, and dropping to 1.6% annually for 2026-2031.

- The forecast projects employment growing quickly in the second half of 2021 and surpassing pre-pandemic levels mid 2022-reflecting increased demand for goods and services and the waning factors dampening the supply of labor, including health concerns and enhanced unemployment insurance benefits. The unemployment rate declines from 5.9% in June 2021 to 4.6% in 2022 and then remains near or below 4.0% for several years.
- Inflation rises sharply in 2021 and then moderates. The consumer price index for personal consumption expenditures rises by 2.8% this year, as increases in the supply of goods and services lag behind increases in the demand for them, adding inflationary pressures. By 2022, increases in supply keep up with increases in demand and inflation falls to 2.0% during the year. CBO's projections shows 2.1% through 2025, above its rate before the pandemic.
- Projections for the interest rate of 10-year Treasury notes remains low at 1.6% but rises as the economy continues to expand, reaching 2.7% by the end of 2025.
- Interest rates on federal borrowing throughout the decade remain well below the average rates in recent decades. The federal funds rate is expected to keep its target of 0.1% through the first half of 2023 roughly a year after inflation reaches and exceeds the 2% long-run goal. Then they project gradual increases.
- CBO stresses that these latest economic projections do not include budgetary or economic effects of subsequent legislation, economic developments, administrative actions, or regulatory changes after May 18, 2021. Because of the ongoing coronavirus pandemic, projections are subject to an unusually high degree of uncertainty, stemming from incomplete knowledge of how the pandemic will unfold, the effectiveness of the monetary and fiscal policy, and how global financial markets will respond to the substantial increases in federal deficits and debt.

Florida/Southwest Florida Regional Economic Outlook

The Florida Legislature Office of Economic and Demographic Research issued its economic overview in February 17, 2022 based on information from the early part period of the pandemic. Therefore only a few highlights in the report are presented as it relates to past performance and Florida's economic drivers:

- According to the latest revised data, Florida's GDP movements nearly mirrored the nation as a whole during the early period of the pandemic. While the state's GDP slumped -0.3 percent in Fiscal Year 2019-2020 and grew only 1.8 percent in Fiscal Year 2020-21, the Economic Estimating Conference anticipates that the state will expand at more than double the pre-pandemic rate for this fiscal year, 2021-22, posting 4.8 percent growth before decelerating to 3.1 percent in Fiscal Year 2022-23. Starting with Fiscal Year 2023-24, annual growth will average a more characteristic 2.0 percent.
- The December 2021 unemployment rate was 4.4%, higher than the US rate of 3.9%.
- Population growth is the state's primary engine of economic growth, fueling both employment and income growth. Florida's population grew by 1.64% between April 1, 2019 and April 1, 2020 to 21,538,187 adding 348,338 residents. In the first full year of the pandemic, April 1, 2020 and April 1, 2021, Florida's strong migration trends continued, increasing population by 360,758 residents (1.67%) despite the losses from more deaths than births, the strongest annual increase since 2005-2006, immediately prior to the collapse of the housing boom and the beginning of the Great Recession. Between 2021 and 2025, growth is forecast to average 1.41%. Nationally, average annual growth is expected to be less than half of that level-about 0.65% between 2021 and 2030.
- Florida is currently the third most populous state, behind California and Texas.
- Florida tourism is a major component of the state's economy. The sales tax forecasts rely heavily on strong tourism growth. Currently, tourism-related revenue losses pose the greatest potential risk to the economic outlook. The total number of tourists declined -70.0 percent from the prior year in the second quarter of 2020. After that dramatic drop, tourism managed to recover to 96.0 percent of the last full pre-COVID quarter by the third quarter of 2021

calendar year. The Conference expects robust growth during Fiscal Year 2021-22 with a projected overall increase of 36.3 percent from the extremely suppressed level in Fiscal Year 2020-21.

The Florida Gulf Coast University (FGCU) Regional Economic Research Institute's Southwest Florida Regional Economic Indicators Report published in October 2021 exemplify the effects of the COVID-19 pandemic:

- Southwest Florida's seasonally-adjusted unemployment rate for the region was 4.2 percent in August 2021, down 0.2 percentage points from the prior month and 2.6 percentage points below the COVID-impacted August 2020 figure. A month-to-month increase in total employed, coupled with a decrease in unemployed workers in August 2021 (up 4,177 and down 1,194, respectively) resulted in a decrease in the unemployment rate.
- July 2021 seasonally-adjusted tourist tax revenues were up 95 percent to July 2020, and 81 percent above the same month in 2019.
- Taxable sales showed noticeable effects from the COVID-19 pandemic, with July 2021 compared to July 2020 showing a 33 percent increase, and increased by 1 percent over June 2021.
- Single-family home sales slipped 5 percent in August 2021 over August 2020, but median prices for all three counties rose between 21 to 28 percent during the same period.
- Single-family building permits for the coastal counties improved 64 percent from August 2020 to August 2021.
- Airport passenger activity for August 2021 was 184 percent above the COVID-impacted August 2020, as well as 31 percent above August 2019.
- Florida's Consumer Sentiment Index continued to slip in September 2021, falling 2.4 points to 76.1 from the revised figure of 78.5 in August. These levels of confidence have not been observed since October 2013, when the sentiment index measured at 69.9. "The drop in consumer confidence is consistent with the current economic outlook. The economic recovery slowed as supply-chain bottlenecks continued to hamper economic activity and to drive up prices," Hector H. Sandoval, director of Economic Analysis Program at the University of Florida's Bureau of Economic and Business Research, said in the September 28, 2021 edition of Florida Consumer Sentiment Index. "Moreover, the spread of the Delta variant dented consumer demand for some services and stalled the long-anticipated increase in business travels, which is one of the largest sources of revenue for the hotel industry."
- The FGCU Industry Diversification Index (IDI) measures the degree to which a region's workforce is concentrated in few industries or dispersed into many. Industry diversification is an important factor explaining our state and region's tendency to overheat during expansions in the business cycle and overcorrect during contractions in the business cycle. During the first quarter of 2021, the IDI for Southwest Florida measured at 5.32 ranking it as the 9th most industrially diverse workforce region in the state of Florida (out of 24). Meanwhile, the state of Florida had an IDI of 5.20, ranking Florida as the 19th highest state in the nation in industry diversification, although below the national average of 5.24.

Charlotte County Economic Highlights

Charlotte County has undertaken a number of initiatives to enhance its business opportunity environment. Some of the more pertinent initiatives and statistics are:

- Charlotte County continues to notice solid growth in population. The 2021 population estimates from the University of Florida, Bureau of Economic Research (BEER) projects 2020 population at 187,904 up from their 2019 estimated population of 184,700 representing a 1.7% increase. The County ranks second in the state for its population age 65 and older, according to 2021 population estimates from the University of Florida, Bureau of Economic Business Research. By 2030, it's expected the County's population aged 55 and older will be 57%.

- For the ninth consecutive year, the taxable property value in the County has increased, up 7.2% from the previous year. Of that amount, new construction and other adjustments accounted for 2.9%.
- Unemployment was 4.6% in June 2021, slightly lower than the state’s preliminary rate of 5.0% for the same month. One year ago, the unemployment rate in the County was 9.1%.
- The median sales price of an existing single family home in the County was \$315,000 in June 2021, compared to \$244,800 the previous year.
- The County’s taxable sales increased to \$334.6 million in May 2021, compared to \$247.5 million in May 2020, an increase of 35%. Taxable sales for April 2021 were \$326.1 million.
- Tourist tax revenues in May 2021 were \$767 thousand, up 195% from May 2020 measure.
- The Punta Gorda Airport and Enterprise Charlotte Airport Park (ECAP) continue to represent major economic drivers in the area. Allegiant’s service area from Punta Gorda flies to 50+ nonstop destinations. The airport is home to a fleet of A320 planes, 400 general aviation aircraft and helicopters, 18 non-airline aviation entities and nearly 500 on-airport full-time employees. Although, passenger activity at the airport has risen significantly since calendar year 2010 through calendar year 2019, passenger activity has seen a decrease due to the pandemic. Calendar year 2021 shows a passenger count of 1,569,836 up 32% primarily due to the pandemic but still below the 2019 high of 1,644,916 as shown below:

| Year | Passenger Count | Year | Passenger Count | Year | Passenger Count |
|------|-----------------|------|-----------------|------|-----------------|
| 2010 | 182,423 | 2011 | 291,626 | 2012 | 219,357 |
| 2013 | 333,611 | 2014 | 628,075 | 2015 | 836,472 |
| 2016 | 1,118,303 | 2017 | 1,293,337 | 2018 | 1,577,164 |
| 2019 | 1,644,916 | 2020 | 1,189,681 | 2021 | 1,569,836 |

- Sunseeker Resort in the Charlotte Harbor Community Redevelopment Area bordering the harbor on the north side of the US 41 South Bridge. The development had been placed on hold due to the pandemic early in 2020. Construction has resumed and is anticipated to employ 1,150 people.
- Tuckers Grade – a planned mixed-use development at the I-75 and Tuckers Grade interchange to include 1,689 residential units, 400 hotel rooms, and 480,000 commercial retail space. The proposed project plans to attract nearby residents and the traveling public.
- Babcock Ranch, a planned new town situated on 18,000 acres bordering Charlotte County and Lee County, broke ground in June 2016. When completed the development will house 19,500 residential units with an anticipated 50,000 population; six million square feet of commercial space; 75 mega-watt solar facility; and 50 miles of trails. The development is also planning a partnership with Florida Gulf Coast University to house higher educational programs. To date, 1,400 single-family permits have been submitted since August 2016, and development of town center is well underway with a Publix grocery store nearing completion. Babcock Ranch tops the list of “Best Eco-friendly Communities in ideal LIVING for 2020.
- West Port Development – Rezoning was approved for 400+ acres in the western section of Murdock Village in order to have mixed-use development with a maximum of 2,400 single and multi-family units, commercial uses, and a 150-room hotel. Homes are currently under construction with the first family having moved in. Arredondo Pointe/Lost Lagoon Development will include a mixture of retail, entertainment, Water Park, and hotel uses.

Punta Gorda Economic Highlights

Projections show a FY 2022 population of 20,801 up from the 2010 Census of 16,641.

- Changes in property values continue to contribute major influence on financial planning and budget preparation. Taxable property values (FY 2022) increased Citywide by 5.2% from the final previous fiscal year, including \$53 million of new construction, annexation, and changes

in exemption. This is the ninth straight year experiencing an increase in values after six straight years of declines in taxable value Citywide.

- New single-family housing unit building permit trends since FY 2005 are shown below.

| Year | Units Permitted | Year | Units Permitted | Year | Units Permitted |
|---------|-----------------|---------|-----------------|---------|-----------------|
| FY 2005 | 467 | FY 2006 | 241 | FY 2007 | 190 |
| FY 2008 | 98 | FY 2009 | 12 | FY 2010 | 37 |
| FY 2011 | 30 | FY 2012 | 56 | FY 2013 | 88 |
| FY 2014 | 100 | FY 2015 | 125 | FY 2016 | 113 |
| FY 2017 | 127 | FY 2018 | 115 | FY 2019 | 89 |
| FY 2020 | 102 | FY 2021 | 143 | | |

- New multi-family housing unit residential construction has also demonstrated a positive trend starting in FY 2012.

| Year | Units Permitted | Year | Units Permitted | Year | Units Permitted |
|---------|-----------------|---------|-----------------|---------|-----------------|
| FY 2012 | 4 | FY 2013 | 4 | FY 2014 | 0 |
| FY 2015 | 86 | FY 2016 | 90 | FY 2017 | 4 |
| FY 2018 | 35 | FY 2019 | 39 | FY 2020 | 0 |
| FY 2021 | 236 | | | | |

City of Punta Gorda residential development - Vacant vs Developed as of April 2021.

| Community | Total Parcels | Developed Residential | Vacant Residential | % Residential Developed |
|-----------|---------------|-----------------------|--------------------|-------------------------|
| PGI | 9,190 | 8,578 | 612 | 93.3% |
| BSI | 1,833 | 1,636 | 197 | 89.3% |
| BSM | 935 | 746 | 189 | 79.8% |
| Total | 11,958 | 10,960 | 998 | 91.7% |

- Citywide Master Plan - Dover Kohl & Partners is currently working on revising the Land Development Regulations, Form Based Codes and Comprehensive Plan recommendations based on the PLAN Punta Gorda 2019 Citywide Master Plan and City Council direction.
- Former IMPAC Campus - City Council approved a rezoning of the four plus acres for a mixed-use planned development to include conversion of one building to a 25-room hotel, relocation of the Military Heritage Museum in another building, 3,500 square feet of office space. The museum opened in April 2019. The hotel remains under construction.
- Terracap (former LOOP) development update - Goodkin Consulting (GC) was hired by the property owner to conduct a market analysis concerning development possibilities for Village Center, a proposed 171-acre mixed-use residential and commercial development. The site is at the intersection of Jones Loop Road and I-75 in Punta Gorda. The report's findings, published in August 2015, are highlighted below:
 - ✓ Residential component - 290 residential units of which 128 are single family detached, 90 single family semi attached and 72 townhome attached.
 - ✓ Retail component - 540,000 square feet of which 300,000 is an outlet mall and 240,000 a village center.
 - ✓ Office component - 150,000 square feet consisting of 80,000 in village center with office over retail, and 70,000 of two or three single users.
 - ✓ Hotel component - dual branded with 200 rooms.
- Terracap, the LOOP property owner uses this data in its marketing effort to attract developers to invest in the site. The first such development was an Aldi Market. Completion of the Jones Loop Road forcemain in 2019 is intended to further incentivize development in the area. The multi-family development, Parkside Punta Gorda has received Development Review Committee approval and building construction plans are in review at this time.
- The City's business development strategy to enhance business and economic development was highlighted in the aforementioned Strategic Plan accomplishments and priorities.

BASIC FINANCIAL STATEMENTS



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CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
September 30, 2021

| | Primary Government | | |
|---|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 33,869,156 | \$ 14,542,760 | \$ 48,411,916 |
| Receivables (net of allowance for uncollectibles) | 633,303 | 1,111,533 | 1,744,836 |
| Due from other governments | 1,143,267 | 2,283 | 1,145,550 |
| Internal balances | 55,788 | (55,788) | 0 |
| Inventories | 82,754 | 117,651 | 200,405 |
| Prepays | 812,853 | 105,487 | 918,340 |
| Restricted assets: | | | |
| Cash and cash equivalents | 2,651,386 | 23,276,084 | 25,927,470 |
| Capital assets (net of accumulated depreciation): | | | |
| Land | 16,365,573 | 5,403,346 | 21,768,919 |
| Buildings | 16,075,597 | 3,295,152 | 19,370,749 |
| Improvements other than buildings | 5,683,257 | 2,528,451 | 8,211,708 |
| Vehicles and equipment | 3,345,077 | 7,023,752 | 10,368,829 |
| Infrastructure/System | 46,975,418 | 70,939,497 | 117,914,915 |
| Construction in progress | 1,859,321 | 2,538,080 | 4,397,401 |
| Total assets | <u>129,552,750</u> | <u>130,828,288</u> | <u>260,381,038</u> |
| DEFERRED OUTFLOWS | | | |
| Deferred outflows related to pensions/OPEB | <u>3,324,741</u> | <u>1,144,619</u> | <u>4,469,360</u> |
| LIABILITIES | | | |
| Accounts payable and other current liabilities | 1,276,163 | 3,452,696 | 4,728,859 |
| Unearned revenue | 1,383,835 | 0 | 1,383,835 |
| Liabilities payable from restricted assets | 0 | 85,905 | 85,905 |
| Long-term liabilities: | | | |
| Due within one year | 1,434,020 | 856,378 | 2,290,398 |
| Due in more than one year | 10,262,178 | 16,374,247 | 26,636,425 |
| Pensions/OPEB payable | <u>6,687,029</u> | <u>5,356,082</u> | <u>12,043,111</u> |
| Total liabilities | <u>21,043,225</u> | <u>26,125,308</u> | <u>47,168,533</u> |
| DEFERRED INFLOWS | | | |
| Deferred inflows related to pensions/OPEB | <u>8,675,163</u> | <u>3,041,754</u> | <u>11,716,917</u> |
| NET POSITION | | | |
| Net investment in capital assets | 79,126,131 | 74,286,254 | 153,412,385 |
| Restricted for: | | | |
| Highways and streets | 1,323,719 | 0 | 1,323,719 |
| Capital projects | 11,168,597 | 0 | 11,168,597 |
| Debt service | 2,428,214 | 1,104,990 | 3,533,204 |
| Utilities System Projects | 0 | 4,761,895 | 4,761,895 |
| CRA District | 1,128,800 | 0 | 1,128,800 |
| Recreation | 6,784,667 | 0 | 6,784,667 |
| Public Safety | 425,839 | 0 | 425,839 |
| Other Purposes | 196 | 0 | 196 |
| Non-expendable | 900,607 | 0 | 900,607 |
| Unrestricted | <u>(127,667)</u> | <u>22,652,706</u> | <u>22,525,039</u> |
| Total net position | <u>\$ 103,159,103</u> | <u>\$ 102,805,845</u> | <u>\$ 205,964,948</u> |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

| | Expenses | Indirect Expenses Allocation | Program Revenues | | |
|---|----------------------|------------------------------------|-------------------------|--|--|
| | | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <u>Functions/Programs</u> | | | | | |
| Governmental Activities: | | | | | |
| General government | \$ 7,393,992 | \$ (3,152,425) | \$ 1,985,553 | \$ 706,888 | \$0 |
| Public Safety | 11,389,201 | 0 | 40,956 | 109,355 | 266,881 |
| Transportation | 3,354,659 | 79,115 | 311,583 | 0 | 184,809 |
| Economic environment | 448,226 | 15,000 | 0 | 0 | 1,538,849 |
| Recreation | 6,411,214 | 253,780 | 3,659,186 | 1,289,267 | 168,438 |
| Interest on long-term debt | 206,720 | 0 | 0 | 0 | 0 |
| Total Governmental Activities | 29,204,012 | (2,804,530) | 5,997,278 | 2,105,510 | 2,158,977 |
| Business-type Activities: | | | | | |
| Water and wastewater | 16,408,677 | 2,207,445 | 19,706,633 | 2,871 | 1,138,094 |
| Sanitation/refuse | 3,632,506 | 410,360 | 3,874,264 | 1,614 | 0 |
| Building Fund | 976,323 | 152,625 | 1,481,800 | 3,190 | 0 |
| Marina Fund | 360,423 | 34,100 | 438,786 | 11,188 | 0 |
| Total Business-type Activities | 21,377,929 | 2,804,530 | 25,501,483 | 18,863 | 1,138,094 |
| Total Functions/Programs | \$ 50,581,941 | \$0 | \$ 31,498,761 | \$ 2,124,373 | \$ 3,297,071 |

General Revenues:
Property taxes
Utility taxes and gas taxes
Sales Taxes
Investment earnings
Miscellaneous revenue
Total general revenues
Change in net position
Net Position - Beginning
Net Position - Ending

See Accompanying Notes.

Net (Expense) Revenue and
Changes in Net Position

| Governmental Activities | Business-type Activities | Total |
|----------------------------|-----------------------------|----------------|
| \$ (1,549,126) | \$0 | \$ (1,549,126) |
| (10,972,009) | 0 | (10,972,009) |
| (2,937,382) | 0 | (2,937,382) |
| 1,075,623 | 0 | 1,075,623 |
| (1,548,103) | 0 | (1,548,103) |
| (206,720) | 0 | (206,720) |
| (16,137,717) | 0 | (16,137,717) |
| 0 | 2,231,476 | 2,231,476 |
| 0 | (166,988) | (166,988) |
| 0 | 356,042 | 356,042 |
| 0 | 55,451 | 55,451 |
| 0 | 2,475,981 | 2,475,981 |
| (16,137,717) | 2,475,981 | (13,661,736) |
| 11,538,370 | 0 | 11,538,370 |
| 4,468,282 | 0 | 4,468,282 |
| 44,211 | 44,128 | 88,339 |
| 1,134,549 | 181,098 | 1,315,647 |
| - | - | - |
| 6,785,738 | 2,701,207 | 9,486,945 |
| 96,373,365 | 100,104,638 | 196,478,003 |
| - | - | - |
| \$ 103,159,103 | \$ 102,805,845 | \$ 205,964,948 |

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

| ASSETS | General | Debt Service Fund | Community Redevelopment Agency Fund | P G I Canal Maintenance Fund |
|--|------------------------|-------------------------|--|---------------------------------------|
| Cash and cash equivalents | \$8,021,001 | \$0 | \$1,158,275 | \$ 4,785,330 |
| Accounts receivable (net of allowance of \$ 38,236) | 633,151 | 0 | 0 | 0 |
| Restricted cash and equivalents | 223,172 | 0 | 2,428,214 | 0 |
| Due from other governments | 272,878 | 0 | 0 | 38,027 |
| Inventories | 82,754 | 0 | 0 | 0 |
| Prepaid items | 13,507 | 0 | 0 | 4,737 |
| Total assets | <u>\$9,246,463</u> | <u>\$0</u> | <u>\$3,586,489</u> | <u>\$ 4,828,094</u> |

See Accompanying Notes.

| Capital Project Fund | 1% Local Option Sales Tax | Other Governmental Funds | Total Governmental Funds |
|----------------------------|---------------------------------|--------------------------------|--------------------------------|
| <u>\$ 1,161,490</u> | <u>\$ 9,988,140</u> | <u>\$ 8,138,769</u> | <u>\$ 33,253,005</u> |
| 0 | 0 | 0 | 633,151 |
| 0 | 0 | 0 | 2,651,386 |
| 0 | 231,079 | 601,283 | 1,143,267 |
| 0 | 0 | 0 | 82,754 |
| <u>794,084</u> | <u>0</u> | <u>525</u> | <u>812,853</u> |
| <u><u>\$ 1,955,574</u></u> | <u><u>\$ 10,219,219</u></u> | <u><u>\$ 8,740,577</u></u> | <u><u>\$ 38,576,416</u></u> |

(Continued)

CITY OF PUNTA GORDA, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021
(Continued)

| LIABILITIES AND FUND BALANCES | General | Debt Service Fund | Community Redevelopment Agency Fund | P G I Canal Maintenance Fund |
|--|---------------------|-------------------------|--|---------------------------------------|
| Accounts payable | \$ 327,753 | \$0 | \$ 12,206 | \$ 12,597 |
| Retainage payable | 0 | 0 | 0 | 33,277 |
| Accrued liabilities | 348,314 | 0 | 0 | 13,734 |
| Due to other governments | 4,625 | 0 | 0 | 0 |
| Unearned revenue | 113,942 | 0 | 17,269 | 0 |
| Total liabilities | <u>794,634</u> | <u>0</u> | <u>29,475</u> | <u>59,608</u> |
| Fund balances | | | | |
| Nonspendable: | | | | |
| Inventories and prepaids | 96,261 | 0 | 0 | 4,737 |
| Permanent fund principal | 0 | 0 | 0 | 0 |
| Restricted for: | | | | |
| Police programs | 109,035 | 0 | 0 | 0 |
| Transportation/Mobility | 0 | 0 | 0 | 0 |
| Recreation | 0 | 0 | 0 | 4,763,749 |
| CRA district | 0 | 0 | 1,128,800 | 0 |
| CRA district debt service | 0 | 0 | 2,428,214 | 0 |
| Capital projects | 0 | 0 | 0 | 0 |
| Other purposes | 196 | 0 | 0 | 0 |
| Committed for: | | | | |
| Damages and one-time expenditures | 0 | 0 | 0 | 0 |
| Assigned to: | | | | |
| Subsequent years' budget | 5,379,627 | 0 | 0 | 0 |
| Unassigned | 2,866,710 | 0 | 0 | 0 |
| Total fund balances | <u>8,451,829</u> | <u>0</u> | <u>3,557,014</u> | <u>4,768,486</u> |
| Total liabilities and fund balances | <u>\$ 9,246,463</u> | <u>\$0</u> | <u>\$ 3,586,489</u> | <u>\$ 4,828,094</u> |

See Accompanying Notes.

| Capital Project Fund | 1% Local Option Sales Tax | Other Governmental Funds | Total Governmental Funds |
|----------------------------|---------------------------------|--------------------------------|--------------------------------|
| \$ 70,632 | \$ 125,631 | \$ 255,986 | \$ 804,805 |
| 12,772 | 3,077 | 2,431 | 51,557 |
| 0 | 0 | 13,028 | 375,076 |
| 0 | 0 | 0 | 4,625 |
| 0 | 0 | 1,252,624 | 1,383,835 |
| <u>83,404</u> | <u>128,708</u> | <u>1,524,069</u> | <u>2,619,898</u> |
| 794,084 | 0 | 525 | 895,607 |
| 0 | 0 | 5,000 | 5,000 |
| 0 | 0 | 316,804 | 425,839 |
| 0 | 0 | 1,323,719 | 1,323,719 |
| 0 | 0 | 2,020,918 | 6,784,667 |
| 0 | 0 | 0 | 1,128,800 |
| 0 | 0 | 0 | 2,428,214 |
| 1,078,086 | 10,090,511 | 0 | 11,168,597 |
| 0 | 0 | 0 | 196 |
| 0 | 0 | 3,549,542 | 3,549,542 |
| 0 | 0 | 0 | 5,379,627 |
| 0 | 0 | 0 | 2,866,710 |
| <u>1,872,170</u> | <u>10,090,511</u> | <u>7,216,508</u> | <u>35,956,518</u> |
| <u>\$ 1,955,574</u> | <u>\$ 10,219,219</u> | <u>\$ 8,740,577</u> | <u>\$38,576,416</u> |



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CITY OF PUNTA GORDA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2021
(Continued)

| | |
|---|----------------|
| Total fund balance - governmental funds (page 28) | \$ 35,956,518 |
| Amounts reported for governmental activities in the statement of net position (page 22) are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Total Capital Assets \$90,304,243 less amount included in internal services \$340,096 | 89,964,147 |
| Deferred outflows of resources related to pension liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$1,784,189 less Internal Service Fund \$10,427 | 1,773,762 |
| Deferred outflows of resources related to OPEB liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$1,540,552 less Internal Service Fund \$60,584 | 1,479,968 |
| Internal service funds are used by management to charge the costs of information technology systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | 475,654 |
| Cumulative effect of business type portion of internal services | 55,788 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Total debt and long-term liabilities \$11,696,198 less amount included in internal services \$20,988. | (11,675,210) |
| Pension plans when unfunded are a liability on the statement of net position but are not a financial use. Total Pension Plans payable (\$2,040,964) less amount included in internal services \$14,124. | 2,055,088 |
| Other Post Employment Benefit plans when unfunded are a liability on the statement but are not a financial use. Total OPEB Plans payable \$8,727,993 less amount included in internal services \$343,236. Plus Actuarial Fees non-current \$6,670. | (8,391,427) |
| Deferred inflows of resources related to pension liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$7,533,556 less Internal Service Fund \$95,083. | (7,438,473) |
| Deferred inflows of resources related to OPEB liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting. Total \$1,141,607 less Internal Service Fund \$44,895 | (1,096,712) |
| Net position of governmental activities (page 22) | \$ 103,159,103 |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021

| | General | Debt Service Fund | Community Redevelopment Agency Fund | P G I Canal Maintenance Fund |
|--|-------------------|-------------------------|--|---------------------------------------|
| Revenues | | | | |
| Taxes | \$ 15,113,779 | \$0 | \$0 | \$0 |
| Permits, fees and special assessments | 1,557,689 | 0 | 0 | 2,873,564 |
| Intergovernmental revenues | 2,886,184 | 0 | 1,538,849 | 0 |
| Charges for services | 411,014 | 0 | 0 | 0 |
| Judgments, fines and forfeits | 106,273 | 0 | 0 | 0 |
| Miscellaneous | 3,907,104 | 0 | 343,843 | 11,904 |
| Total revenues | 23,982,043 | 0 | 1,882,692 | 2,885,468 |
| Expenditures | | | | |
| Current | | | | |
| General government | 6,120,520 | 0 | 0 | 0 |
| Public safety | 11,720,216 | 0 | 0 | 0 |
| Transportation | 1,027,098 | 0 | 0 | 0 |
| Economic environment | 0 | 0 | 307,973 | 0 |
| Recreation | 1,479,995 | 0 | - | 2,559,471 |
| Capital outlay | 604,000 | 0 | 5,658 | 9,342 |
| Debt service | | | | |
| Principal retirement | 0 | 1,295,000 | 0 | 0 |
| Interest and fiscal charges | 0 | 206,720 | 0 | 0 |
| Total expenditures | 20,951,829 | 1,501,720 | 313,631 | 2,568,813 |
| Excess expenditures (over) under revenues | 3,030,214 | (1,501,720) | 1,569,061 | 316,655 |

See Accompanying Notes.

| Capital Project Fund | 1% Local Option Sales Tax | Other Governmental Funds | Total Governmental Funds |
|----------------------------|---------------------------------|--------------------------------|--------------------------------|
| \$0 | \$ 3,736,999 | \$ 892,873 | \$ 19,743,651 |
| 0 | 0 | 1,405,751 | 5,837,004 |
| 0 | 0 | 1,282,288 | 5,707,321 |
| 0 | 0 | 284,645 | 695,659 |
| 0 | 0 | 0 | 106,273 |
| 74 | 12,301 | 46,348 | 4,321,574 |
| 74 | 3,749,300 | 3,911,905 | 36,411,482 |
| 0 | 0 | 0 | 6,120,520 |
| 0 | 0 | 0 | 11,720,216 |
| 0 | 0 | 1,707,120 | 2,734,218 |
| 3,600 | 568 | 0 | 312,141 |
| - | 0 | 1,754,464 | 5,793,930 |
| 667,203 | 565,739 | 72,090 | 1,924,032 |
| 0 | 0 | 0 | 1,295,000 |
| 0 | 0 | 0 | 206,720 |
| 670,803 | 566,307 | 3,533,674 | 30,106,777 |
| (670,729) | 3,182,993 | 378,231 | 6,304,705 |

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2021
(Continued)

| | <u>General</u> | <u>Debt Service Fund</u> | <u>Community Redevelopment Agency Fund</u> | <u>P G I Canal Maintenance Fund</u> |
|--|----------------------------|----------------------------------|--|---|
| Expenditures (continued) | | | | |
| Excess expenditures (over) under revenues | <u>3,030,214</u> | <u>(1,501,720)</u> | <u>1,569,061</u> | <u>316,655</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 502,008 | 1,501,720 | 838,628 | 0 |
| Transfers out | <u>(2,924,130)</u> | <u>0</u> | <u>(1,501,720)</u> | <u>(16,350)</u> |
| Total other financing sources (uses) | <u>(2,422,122)</u> | <u>1,501,720</u> | <u>(663,092)</u> | <u>(16,350)</u> |
| Net change in fund balances | 608,092 | 0 | 905,969 | 300,305 |
| Fund balances, October 1, 2020 | <u>7,843,737</u> | <u>0</u> | <u>2,651,045</u> | <u>4,468,181</u> |
| Fund balances, September 30, 2021 | <u><u>\$ 8,451,829</u></u> | <u><u>\$0</u></u> | <u><u>\$3,557,014</u></u> | <u><u>\$ 4,768,486</u></u> |

See Accompanying Notes.

| <u>Capital Project Fund</u> | <u>1% Local Option Sales Tax</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------|--|---|---|
| <u>(670,729)</u> | <u>3,182,993</u> | <u>378,231</u> | <u>6,304,705</u> |
| 1,973,380 | 0 | 459,000 | 5,274,736 |
| <u>0</u> | <u>(90,000)</u> | <u>(742,536)</u> | <u>(5,274,736)</u> |
| <u>1,973,380</u> | <u>(90,000)</u> | <u>(283,536)</u> | <u>0</u> |
| 1,302,651 | 3,092,993 | 94,695 | 6,304,705 |
| <u>569,519</u> | <u>6,997,518</u> | <u>7,121,813</u> | <u>29,651,813</u> |
| <u>\$ 1,872,170</u> | <u>\$10,090,511</u> | <u>\$ 7,216,508</u> | <u>\$35,956,518</u> |

CITY OF PUNTA GORDA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2021

Net change in fund balances -- total governmental funds (page 34) \$ 6,304,705

Amounts reported for governmental activities in the statement of activities (page 24) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and capital asset adjustments were over capital outlays in the current period. Expensed items decrease net position in the statement of activities, but are not financial uses in governmental funds. (2,434,667)

Repayment of the principal of long-term debt \$1,295,000 consumes the current financial resources of governmental funds. This transaction has no effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and accrued interest. 1,295,000

Some expenditures reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, ie Compensated absences \$58,999. 58,999

Internal service funds are used by management to charge the costs of information technology systems to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (56,135)

Changes in net pension obligations are only reported in the Statement of Activities. 2,299,537

Changes in net OPEB obligations are only reported in the Statement of Activities. (681,701)

Change in net position of governmental activities (page 24) \$ 6,785,738

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|--|-----------------------|-----------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 14,933,035 | \$ 14,993,035 | \$ 15,113,779 | \$ 120,744 |
| Permits, fees and special assessments | 1,438,430 | 1,506,430 | 1,557,689 | 51,259 |
| Intergovernmental revenue | 2,075,190 | 2,663,489 | 2,886,184 | 222,695 |
| Charges for services | 384,785 | 384,785 | 411,014 | 26,229 |
| Judgments, fines and forfeits | 24,500 | 24,500 | 106,273 | 81,773 |
| Miscellaneous | 3,729,665 | 3,754,387 | 3,907,104 | 152,717 |
| Total revenues | 22,585,605 | 23,326,626 | 23,982,043 | 655,417 |
| Expenditures | | | | |
| Current | | | | |
| General government | 6,191,705 | 6,889,352 | 6,120,520 | 768,832 |
| Public safety | 11,838,235 | 12,262,170 | 11,720,216 | 541,954 |
| Transportation | 1,064,070 | 1,064,070 | 1,027,098 | 36,972 |
| Recreation | 1,557,785 | 1,587,339 | 1,479,995 | 107,344 |
| Capital Outlay | 664,000 | 1,531,608 | 604,000 | 927,608 |
| Total expenditures | 21,315,795 | 23,334,539 | 20,951,829 | 2,382,710 |
| Excess revenues over (under) expenditures | 1,269,810 | (7,913) | 3,030,214 | 3,038,127 |
| Other financing sources (uses) | | | | |
| Transfers in | 378,555 | 676,770 | 502,008 | (174,762) |
| Transfers out | (10,504,205) | (10,750,707) | (2,924,130) | 7,826,577 |
| Loan Proceeds | 7,825,150 | 7,825,150 | 0 | (7,825,150) |
| Total other financing uses | (2,300,500) | (2,248,787) | (2,422,122) | (173,335) |
| Net change in fund balances | \$ (1,030,690) | \$ (2,256,700) | 608,092 | \$ 2,864,792 |
| Fund balances, October 1, 2020 | | | 7,843,737 | |
| Fund balances, September 30, 2021 | | | <u>\$ 8,451,829</u> | |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND
For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | \$ 1,541,465 | \$ 1,541,465 | \$ 1,538,849 | \$ (2,616) |
| Miscellaneous | 376,675 | 376,675 | 343,843 | (32,832) |
| Total revenues | <u>1,918,140</u> | <u>1,918,140</u> | <u>1,882,692</u> | <u>(35,448)</u> |
| Expenditures | | | | |
| Economic environment | 330,130 | 646,055 | 307,973 | 338,082 |
| Capital outlay | 0 | 290,183 | 5,658 | 284,525 |
| Total expenditures | <u>330,130</u> | <u>936,238</u> | <u>313,631</u> | <u>622,607</u> |
| Excess revenues over expenditures | <u>1,588,010</u> | <u>981,902</u> | <u>1,569,061</u> | <u>587,159</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 840,055 | 840,055 | 838,628 | (1,427) |
| Transfers out | (1,501,720) | (1,501,720) | (1,501,720) | 0 |
| Total other financing uses | <u>(661,665)</u> | <u>(661,665)</u> | <u>(663,092)</u> | <u>(1,427)</u> |
| Net change in fund balances | <u>\$ 926,345</u> | <u>\$ 320,237</u> | 905,969 | <u>\$ 585,732</u> |
| Fund balances, October 1, 2020 | | | <u>2,651,045</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 3,557,014</u> | |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
P G I CANAL MAINTENANCE SPECIAL REVENUE FUND
For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with |
|---------------------------------------|---------------------|---------------------|---------------------|--|
| | Original | Final | | Final Budget - Positive (Negative) |
| Revenues | | | | |
| Permits, fees and special assessments | \$ 2,862,465 | \$ 2,862,465 | \$ 2,873,564 | \$ 11,099 |
| Intergovernmental revenues | 0 | 1,000,510 | 0 | (1,000,510) |
| Miscellaneous | | | | |
| Interest | 15,500 | 15,500 | 11,904 | (3,596) |
| Total revenues | <u>2,877,965</u> | <u>3,878,475</u> | <u>2,885,468</u> | <u>(993,007)</u> |
| Expenditures | | | | |
| Current | | | | |
| Recreation | 2,914,925 | 3,248,721 | 2,559,471 | 689,250 |
| Capital Outlay | 8,243,000 | 9,180,962 | 9,342 | 9,171,620 |
| Total expenditures | <u>11,157,925</u> | <u>12,429,683</u> | <u>2,568,813</u> | <u>9,860,870</u> |
| Revenues over/(under) expenditures | <u>(8,279,960)</u> | <u>(8,551,208)</u> | <u>316,655</u> | <u>8,867,863</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 7,825,150 | 7,825,150 | 0 | (7,825,150) |
| Transfers out | 0 | (16,350) | (16,350) | 0 |
| Total other financing uses | <u>7,825,150</u> | <u>7,808,800</u> | <u>(16,350)</u> | <u>(7,825,150)</u> |
| Net change in fund balance | <u>\$ (454,810)</u> | <u>\$ (742,408)</u> | 300,305 | <u>\$ 1,042,713</u> |
| Fund balances, October 1, 2020 | | | <u>4,468,181</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 4,768,486</u> | |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

| | Business-type Activities Enterprise Funds | |
|---|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 10,741,400 | \$1,039,090 |
| Accounts and refund receivable (net of allowance of \$306,883) | 841,631 | 225,027 |
| Due from other governments | 0 | 0 |
| Inventories | 117,651 | 0 |
| Prepaid items | 8,520 | 2,507 |
| Restricted cash and cash equivalents | 23,228,138 | 0 |
| Total current assets | 34,937,340 | 1,266,624 |
| NONCURRENT ASSETS | | |
| Capital assets, net of accumulated depreciation | 89,786,319 | 1,792,857 |
| Prepaid rent | 72,943 | 0 |
| Total noncurrent assets | 89,859,262 | 1,792,857 |
| Total assets | 124,796,602 | 3,059,481 |
| DEFERRED OUTFLOWS | | |
| Deferred outflows related to pensions/OPEB | 836,320 | 201,487 |

See Accompanying Notes.

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|----------------|--------------------|--|
| Building Fund | Marina Fund | Total | |
| \$2,082,614 | \$ 679,656 | \$ 14,542,760 | \$ 616,150 |
| 0 | 44,875 | 1,111,533 | 152 |
| 0 | 2,283 | 2,283 | 0 |
| 0 | 0 | 117,651 | 0 |
| 0 | 21,517 | 32,544 | 0 |
| <u>19,853</u> | <u>28,093</u> | <u>23,276,084</u> | <u>0</u> |
| <u>2,102,467</u> | <u>776,424</u> | <u>39,082,855</u> | <u>616,302</u> |
| 107,806 | 41,296 | 91,728,278 | 340,096 |
| <u>0</u> | <u>0</u> | <u>72,943</u> | <u>0</u> |
| <u>107,806</u> | <u>41,296</u> | <u>91,801,221</u> | <u>340,096</u> |
| <u>2,210,273</u> | <u>817,720</u> | <u>130,884,076</u> | <u>956,398</u> |
| <u>106,812</u> | <u>0</u> | <u>1,144,619</u> | <u>71,011</u> |

(Continued)

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021
(Continued)

| LIABILITIES AND FUND EQUITY | Business-type Activities Enterprise Funds | |
|---|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| | CURRENT LIABILITIES | |
| Payable from current assets | | |
| Accounts payable | 1,009,771 | 265,790 |
| Retainage payable | 29,099 | 381 |
| Notes payable | 30,678 | 0 |
| Current portion of revenue notes payable | 787,917 | 0 |
| Accumulated unused compensated absences | 27,035 | 7,527 |
| Accrued liabilities | 1,412,363 | 27,940 |
| Due to other Governments | 391,447 | 0 |
| Total payable from current assets | 3,688,310 | 301,638 |
| Payable from restricted assets | | |
| Customer deposits | 37,960 | 0 |
| Total payable from restricted assets | 37,960 | 0 |
| Total current liabilities | 3,726,270 | 301,638 |
| NONCURRENT LIABILITIES | | |
| Revenue notes payable | 16,034,201 | 0 |
| Accrued compensated absences | 243,313 | 67,741 |
| Pension/OPEB benefits payable | 3,931,100 | 944,508 |
| Total noncurrent liabilities | 20,208,614 | 1,012,249 |
| Total liabilities | 23,934,884 | 1,313,887 |
| DEFERRED INFLOWS | | |
| Deferred inflows related to pensions/OPEB | 2,188,142 | 532,180 |
| NET POSITION | | |
| Net investment in capital assets | 72,347,642 | 1,792,476 |
| Restricted for debt service | 1,104,990 | 0 |
| Utilities systems projects | 4,761,895 | 0 |
| Unrestricted | 21,295,369 | (377,575) |
| Total net position | \$ 99,509,896 | \$1,414,901 |
| Cumulative adjustment for internal service fund activities | | |
| Net position of business-type activities | | |

See Accompanying Notes.

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|-------------------|-----------------------|--|
| Building Fund | Marina Fund | Total | |
| 265,291 | 26,461 | 1,567,313 | 15,717 |
| 2,966 | 0 | 32,446 | 0 |
| 0 | 0 | 30,678 | 0 |
| 0 | 0 | 787,917 | 0 |
| 3,221 | 0 | 37,783 | 2,099 |
| 21,187 | 0 | 1,461,490 | 17,712 |
| 0 | 0 | 391,447 | 0 |
| <u>292,665</u> | <u>26,461</u> | <u>4,309,074</u> | <u>35,528</u> |
| 19,853 | 28,092 | 85,905 | 0 |
| <u>19,853</u> | <u>28,092</u> | <u>85,905</u> | <u>0</u> |
| <u>312,518</u> | <u>54,553</u> | <u>4,394,979</u> | <u>35,528</u> |
| 0 | 0 | 16,034,201 | 0 |
| 28,992 | 0 | 340,046 | 18,889 |
| 480,474 | 0 | 5,356,082 | 357,360 |
| <u>509,466</u> | <u>0</u> | <u>21,730,329</u> | <u>376,249</u> |
| <u>821,984</u> | <u>54,553</u> | <u>26,125,308</u> | <u>411,777</u> |
| <u>321,432</u> | <u>0</u> | <u>3,041,754</u> | <u>139,978</u> |
| 104,840 | 41,296 | 74,286,254 | 340,096 |
| 0 | 0 | 1,104,990 | 0 |
| 0 | 0 | 4,761,895 | 0 |
| <u>1,068,829</u> | <u>721,871</u> | <u>22,708,494</u> | <u>135,558</u> |
| <u>\$1,173,669</u> | <u>\$ 763,167</u> | 102,861,633 | <u>\$ 475,654</u> |
| | | (55,788) | |
| | | <u>\$ 102,805,845</u> | |

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

| | Business-type Activities Enterprise Funds | |
|---|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| Operating revenue | | |
| Charges for services | \$ 19,706,633 | \$ 3,836,704 |
| Licenses and permits | 0 | 37,560 |
| Operating grants | 2,871 | 1,614 |
| Miscellaneous | 93,141 | 26,742 |
| | <u>19,802,645</u> | <u>3,902,620</u> |
| Total operating revenues | | |
| | <u>19,802,645</u> | <u>3,902,620</u> |
| Operating expenses | | |
| Personnel services | 5,873,550 | 1,322,113 |
| Contractual services | 557,127 | 1,504,529 |
| Materials and supplies | 1,436,909 | 173,770 |
| Utilities | 1,031,392 | 1,435 |
| Depreciation | 5,311,356 | 373,915 |
| Insurance | 413,786 | 31,304 |
| Administrative charges | 2,617,940 | 435,635 |
| Repairs and maintenance | 532,720 | 197,264 |
| Travel and training | 20,299 | 308 |
| Rent | 66,304 | 1,530 |
| | <u>17,861,383</u> | <u>4,041,803</u> |
| Total operating expenses | | |
| | <u>17,861,383</u> | <u>4,041,803</u> |
| Operating income | | |
| | <u>1,941,262</u> | <u>(139,183)</u> |
| Nonoperating revenues (expenses) | | |
| Interest income | 38,820 | 2,201 |
| Insurance proceeds | 3,787 | 0 |
| Interest expense and fiscal charges | (739,396) | 0 |
| Gain (loss) on disposition of capital assets | 17,081 | 0 |
| | <u>(679,708)</u> | <u>2,201</u> |
| Total nonoperating revenues (expenses) | | |
| | <u>(679,708)</u> | <u>2,201</u> |
| Income (loss) before transfers and contributions | | |
| | <u>1,261,554</u> | <u>(136,982)</u> |
| Totals carried forward | | |
| | <u>1,261,554</u> | <u>(136,982)</u> |

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|----------------|-------------------|--|
| Building Fund | Marina Fund | Total | |
| \$ 52,004 | \$ 438,786 | \$24,034,127 | \$ 1,832,710 |
| 1,429,796 | 0 | 1,467,356 | 0 |
| 3,190 | 11,188 | 18,863 | (133) |
| 17,485 | 22,862 | 160,230 | 1,440 |
| <u>1,502,475</u> | <u>472,836</u> | <u>25,680,576</u> | <u>1,834,017</u> |
| 787,057 | 0 | 7,982,720 | 658,568 |
| 21,261 | 207,893 | 2,290,810 | 731,112 |
| 13,455 | 8,366 | 1,632,500 | 114,125 |
| 4,451 | 64,795 | 1,102,073 | 10,240 |
| 21,701 | 10,804 | 5,717,776 | 197,308 |
| 9,119 | 12,658 | 466,867 | 12,668 |
| 254,590 | 36,100 | 3,344,265 | 0 |
| 2,728 | 35,226 | 767,938 | 80,267 |
| 7,995 | 0 | 28,602 | 18,192 |
| 2,747 | 18,597 | 89,178 | 85,772 |
| <u>1,125,104</u> | <u>394,439</u> | <u>23,422,729</u> | <u>1,908,252</u> |
| <u>377,371</u> | <u>78,397</u> | <u>2,257,847</u> | <u>(74,235)</u> |
| 2,243 | 864 | 44,128 | 0 |
| 0 | 0 | 3,787 | 0 |
| 0 | 0 | (739,396) | 0 |
| 0 | 0 | 17,081 | (2,233) |
| <u>2,243</u> | <u>864</u> | <u>(674,400)</u> | <u>(2,233)</u> |
| <u>379,614</u> | <u>79,261</u> | <u>1,583,447</u> | <u>(76,468)</u> |
| <u>379,614</u> | <u>79,261</u> | <u>1,583,447</u> | <u>(76,468)</u> |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

(Continued)

| | Business-type Activities Enterprise Funds | |
|----------------------------------|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| Totals brought forward | <u>1,261,554</u> | <u>(136,982)</u> |
| Capital grants and contributions | <u>1,138,094</u> | <u>0</u> |
| Change in net position | 2,399,648 | (136,982) |
| Total net position - beginning | <u>97,110,248</u> | <u>1,551,884</u> |
| Total net position - ending | <u>\$99,509,896</u> | <u>\$ 1,414,902</u> |

Adjustment to reflect the consolidation of internal service fund
activities related to enterprise funds
Change in net position of business-type activities (page 24)

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|-------------------|---------------------|--|
| Building Fund | Marina Fund | Total | |
| <u>379,614</u> | <u>79,261</u> | <u>1,583,447</u> | <u>(76,468)</u> |
| <u>0</u> | <u>0</u> | <u>1,138,094</u> | <u>0</u> |
| 379,614 | 79,261 | 2,721,541 | (76,468) |
| <u>794,055</u> | <u>683,906</u> | | <u>552,122</u> |
| <u>\$ 1,173,669</u> | <u>\$ 763,167</u> | | <u>\$ 475,654</u> |
| | | <u>(20,334)</u> | |
| | | <u>\$ 2,701,207</u> | |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021

| | Business-type Activities Enterprise Funds | |
|--|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 19,806,126 | \$ 3,832,660 |
| Cash received from Operating Grants | 2,871 | 1,614 |
| Cash payments to suppliers for goods and services | (6,565,780) | (2,317,165) |
| Cash payments to employees for services | (5,931,364) | (1,379,453) |
| Other receipts | 85,222 | 64,302 |
| Net cash provided (used) by operating activities | 7,397,075 | 201,958 |
| CASH FLOWS USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition of property, plant and equipment | (2,742,480) | (1,004,410) |
| Sale of property, plant and equipment | 18,976 | 0 |
| Principal paid on debt | (1,118,520) | 0 |
| Interest and fiscal charges paid | (733,106) | 0 |
| New debt | 2,042,777 | 0 |
| Contributions | 1,138,094 | 0 |
| Intergovernmental | 261,131 | 0 |
| Insurance proceeds | 3,787 | 0 |
| Net cash provided (used) in capital and related financing activities | (1,129,341) | (1,004,410) |
| Totals carried forward | 6,267,734 | (802,452) |

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|----------------|--------------------|--|
| Building Fund | Marina Fund | Total | |
| \$ 1,481,702 | \$ 440,036 | \$ 25,560,524 | \$ 1,832,710 |
| 3,190 | 15,232 | 22,907 | (133) |
| (102,668) | (387,657) | (9,373,270) | (1,052,500) |
| (919,606) | 0 | (8,230,423) | (640,861) |
| 17,485 | 22,862 | 189,871 | 1,288 |
| <u>480,103</u> | <u>90,473</u> | <u>8,169,609</u> | <u>140,504</u> |
| (61,616) | (6,814) | (3,815,320) | (22,098) |
| 0 | 0 | 18,976 | 152 |
| 0 | 0 | (1,118,520) | 0 |
| 0 | 0 | (733,106) | 0 |
| 0 | 0 | 2,042,777 | 0 |
| 0 | 0 | 1,138,094 | 0 |
| 0 | 0 | 261,131 | 0 |
| 0 | 0 | 3,787 | 0 |
| <u>(61,616)</u> | <u>(6,814)</u> | <u>(2,202,181)</u> | <u>(21,946)</u> |
| <u>418,487</u> | <u>83,659</u> | <u>5,967,428</u> | <u>118,558</u> |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2021
(Continued)

| | Business-type Activities Enterprise Funds | |
|---|--|-------------------------------|
| | Water and Wastewater Utility | Sanitation/ Refuse Fund |
| Totals brought forward | 6,267,734 | (802,452) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received | <u>38,820</u> | <u>2,201</u> |
| Net cash provided by investing activities | <u>38,820</u> | <u>2,201</u> |
| Net increase (decrease) in cash and cash equivalents | 6,306,554 | (800,251) |
| Balances - beginning of the year | <u>27,662,984</u> | <u>1,839,341</u> |
| Balances - end of year | <u>\$ 33,969,538</u> | <u>\$ 1,039,090</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 1,941,262 | \$ (139,183) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 5,311,356 | 373,915 |
| Net (increase) decrease in: | | |
| Receivables | 81,823 | (4,044) |
| Inventories | (23,886) | - |
| Prepays | 13,813 | (2,507) |
| Net increase (decrease) in: | | |
| Accounts payable | 120,770 | 31,117 |
| Accrued liabilities | 26,410 | 8,435 |
| Customer deposits | 7,015 | 0 |
| Change in net pension/OPEB liability | (1,967,305) | (532,926) |
| Change in deferred outflows related to pensions/OPEB | 277,870 | 79,202 |
| Change in deferred inflows related to pensions/OPEB | <u>1,607,947</u> | <u>387,949</u> |
| Net cash provided by (used) in operating activities | <u>\$ 7,397,075</u> | <u>\$ 201,958</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | | |
| Disposal of fully depreciated capital assets | \$ 90,075 | \$0 |

See Accompanying Notes.

| Business-type Activities Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|--|-------------------|----------------------|--|
| Building Fund | Marina Fund | Total | |
| 418,487 | 83,659 | 5,967,428 | 118,558 |
| <u>2,243</u> | <u>864</u> | <u>44,128</u> | <u>0</u> |
| <u>2,243</u> | <u>864</u> | <u>44,128</u> | <u>0</u> |
| 420,730 | 84,523 | 6,011,556 | 118,558 |
| <u>1,681,737</u> | <u>623,226</u> | <u>31,807,288</u> | <u>497,592</u> |
| <u>\$ 2,102,467</u> | <u>\$ 707,749</u> | <u>\$ 37,818,844</u> | <u>\$ 616,150</u> |
| | | | |
| \$ 377,371 | \$ 78,397 | \$ 2,257,847 | \$ (74,235) |
| 21,701 | 10,804 | 5,717,776 | 197,308 |
| 2,825 | 8,999 | 89,603 | (152) |
| 0 | 0 | (23,886) | 0 |
| 0 | (4,523) | 6,783 | 0 |
| 213,677 | 501 | 366,065 | (124) |
| 139 | 0 | 34,984 | 1,103 |
| (2,923) | (3,705) | 387 | 0 |
| (424,707) | 0 | (2,924,938) | (98,780) |
| 61,471 | 0 | 418,543 | 18,196 |
| <u>230,549</u> | <u>0</u> | <u>2,226,445</u> | <u>97,188</u> |
| <u>\$ 480,103</u> | <u>\$ 90,473</u> | <u>\$ 8,169,609</u> | <u>\$ 140,504</u> |
| | | | |
| \$0 | \$0 | \$0 | \$ 113,581 |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2021

| | <u>Pension Funds</u> |
|---|------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 2,202,880 |
| Receivables: Investment income | 97,889 |
| Investments, at fair value | |
| U.S. Bonds and Bills | 8,918,123 |
| Federal Agency Guaranteed Securities | 6,962,849 |
| Corporate Bonds | 5,168,396 |
| Stocks | 3,612,698 |
| Mutual Funds | |
| Fixed Income | 10,510,278 |
| Equity | 58,429,706 |
| Pooled/Common/Commingled Funds: | |
| Real Estate | <u>8,667,412</u> |
| Total investments at fair value | <u>102,269,462</u> |
| Total assets | <u>104,570,231</u> |
| LIABILITIES | |
| Payables | |
| Refunds of Member Contributions | 9,136 |
| Investment & Admin Expenses | 40,454 |
| DROP Distributions | <u>181,548</u> |
| Total liabilities | <u>231,138</u> |
| NET POSITION RESTRICTED FOR PENSIONS | <u><u>\$ 104,339,093</u></u> |

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year September 30, 2021

| | Pension Funds |
|--|------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 2,730,343 |
| Plan members | 670,874 |
| State | 470,621 |
| Total contributions | 3,871,838 |
| Investment earnings | |
| Net appreciation in fair value of investments | 13,844,601 |
| Interest and dividends | 3,004,929 |
| Less investment expense ¹ | (199,281) |
| Net investment income | 16,650,249 |
| Total additions | 20,522,087 |
| DEDUCTIONS | |
| Benefit payments, including refunds of member contributions | 4,278,704 |
| Lump sum DROP and share distributions | 543,628 |
| Administrative expense | 147,932 |
| Total deductions | 4,970,264 |
| Net increase in net position | 15,551,823 |
| Net position restricted for pensions | |
| Beginning of year | 88,787,270 |
| End of year | \$ 104,339,093 |

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

See Accompanying Notes.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

I. Organization and Summary of Significant Accounting Policies

Organization

The City of Punta Gorda, Florida (the City) was created by authority granted under the laws of Florida 5085 (1901). The City operates under a form of government which is comprised of an elected City Council (five members), of which one of those members serves as Mayor. The City provides the following services: public safety, sanitation, right of way maintenance, parks and grounds maintenance, streets and roads, canal maintenance, planning and zoning, water and wastewater services, general administrative services, marina services and the Herald Court Centre retail space with parking garage.

The City has adopted Statement of Governmental Accounting Standards Board Number 14, "Financial Reporting Entity" (GASB 14). This statement requires the financial statements of the City (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable.

Under criteria established by GASB 14 component units are to be either blended with the primary government or presented discretely. For a component unit to be blended it must meet one or both of the following two situations: (1) The board of the component unit is "substantively the same" as that of the primary government or (2) The component unit serves the primary government exclusively, or almost exclusively. The Community Redevelopment Agency meets both of these criteria in that the CRA board is the five City Council members plus an additional two at large members, and the CRA exists for the exclusive benefit of the primary government. The Punta Gorda Isles (PGI) and Burnt Store Isles (BSI) Canal Maintenance Assessment Districts are blended since they meet the necessary criteria in that these districts are "to be governed by a board of five members, who shall be the members of the City Council of the City of Punta Gorda". Also, the districts exist to maintain the City owned seawalls, and maintain navigability of canals within the city limits. This maintenance is almost exclusively for the benefit of the City. The pension plans of the City are reported as Fiduciary Funds. All changes in the pension plans must be approved by the City Council, and the pension plans were created for the exclusive benefit of the City.

The legal authority for the CRA is City ordinance #989-90. The legal authority for PGI and BSI is City ordinance 1159-96. The legal authority for the General Employee, Police and Firefighters' Pension Funds is City ordinances #910-88, #836-86 and #837-86 respectively.

Separate Financial Statements are not prepared for the component units, except as required for the CRA under Florida Statute 163.387.

The following is a summary of the more significant accounting policies used in the preparation of these financial statements.

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these 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.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

I. Organization and Summary of Significant Accounting Policies, Continued

A. Government-wide and fund financial statements, continued

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrated the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for grants which are recognized if eligibility requirements have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

I. Organization and Summary of Significant Accounting Policies, Continued

B. Measurement focus, basis of accounting, and financial statement presentation, continued

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 required to be accounted for in another fund.

The Debt Service Fund accounts for the accumulation of funds from specific revenue sources related to a specific debt. The CRA Fund transfers tax increment financing to make debt payments on Herald Court Centre loan.

The Community Redevelopment Agency (CRA) Fund accounts for the resources received from the City and County tax increment financing to repay debt used in the revitalization of the downtown Punta Gorda area and lease proceeds that support CRA capital maintenance.

The P G I Canal Maintenance Fund accounts for assessments to properties in the P G I Canal Maintenance district to be utilized for the repair and upkeep of City-owned seawalls and maintain navigability of canals located in Punta Gorda Isles subdivision.

The Capital Projects Fund accounts for major projects or equipment purchases using various funding sources such as grants, contributions, and transfers from the General Fund or special revenue funds. This fund uses a project length budget.

The 1% Local Option Sales Tax Fund accounts for projects paid for by the taxpayer approved additional 1% sales tax revenues. This fund uses a project length budget.

The City reports the following major proprietary funds:

The Water and Wastewater Utility accounts for the activities of providing customers with potable water and wastewater disposal services.

The Sanitation/Refuse accounts for the collection and disposal of solid waste.

The Building Fund accounts for collection of building related permits and fees.

The Marina Fund accounts for the management and revenues of the City's marina located in Laishley Park.

Additionally, the City reports the following funds:

Internal service fund accounting for information technology services provided to other departments or agencies of the City.

The Fiduciary Funds represent the Pension Trust Funds which account for the activities of the City's retirement system, which accumulate resources for pension benefit payments made to qualified general and public safety employees.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

I. Organization and Summary of Significant Accounting Policies, Continued

B. Measurement focus, basis of accounting, and financial statement presentation, continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Water and Wastewater Utility Enterprise Fund, Sanitation/Refuse Enterprise Fund, and the City's Internal Services fund are charges to customers for sales and services. The Building Fund's revenues are permits and fees collected which are directly related to the building activity in the City. The predominant revenue source for the Marina Fund is slip rental. The Water and Wastewater Utility also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds 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 nonoperating revenues and expenses.

C. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, cash on deposit with financial institutions, and funds on deposit in the Local Government Surplus Funds Trust Fund Investment Pool administered by the Florida State Board of Administration. The City maintains pooled cash for substantially all City funds except for restricted cash and investments held with trustees. Equity in pooled cash is an accounting and investment tool employed by the City by which the City is able to invest large amounts of idle cash for short periods of time thereby maximizing earning potential. The pooled cash is included with cash and cash equivalents. Interest income is allocated based upon the proportionate balance of each fund's equity in pooled cash and investments. For the purposes of the statement of cash flows, the City considers highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

GASB Statement No. 79, an amendment to GASB Statement No. 31 and GASB Statement No. 40 calls for investment reporting at fair value at Balance Sheet date. Since the difference between fair value and cost is minimal at Balance Sheet date, investments are stated at cost, or amortized cost, which approximates fair value. Investments held by the City's Pension Trust Funds are carried at fair value.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

I. Organization and Summary of Significant Accounting Policies, Continued

D. Accounts receivable and accrued revenues

Accounts receivable in the Water and Wastewater Utility Enterprise Fund do not include amounts for unbilled services for usage due to the immateriality of amount at September 30, 2021.

E. Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

F. Inventories

Inventories consisting primarily of expendable supplies held for consumption are stated at average cost. For its governmental fund type inventories, the City utilizes the consumption method of accounting, which provides that expenditures are recognized when inventory is used. Inventories in the Enterprise Fund are valued at the lower of cost (average cost method) or market.

G. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings | 30-40 |
| Improvements other than buildings | 10-40 |
| Public domain infrastructure | 20-50 |
| System infrastructure | 10-40 |
| Machinery and equipment | 5-20 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

I. Organization and Summary of Significant Accounting Policies, Continued

H. Accumulated compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from City service if they meet certain criteria. The accumulated compensated absences are accrued when incurred and are reported as long-term liabilities in the Statement of Net Position.

The pay or salary rates in effect at the balance sheet date were used in the accrual calculation.

These compensated absences are paid out of the various funds that have payroll, and their accumulated liabilities.

I. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Principal payments of long-term debt are reported as debt service expenditures.

J. Fund equity

In the fund financial statements, governmental funds report non-expendable, restricted, committed, assigned, and unassigned fund balances. Non-expendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes by constraints placed on the use of resources by creditors, grantors, contributors, or laws and regulations are restricted fund balances. Committed fund balances are amounts that can only be used for specific purposes as formally imposed by the City Council through a resolution. Assigned fund balances are for an intended use as established by the City Council. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. When both restricted and unrestricted fund balance is available for the same purpose, restricted funds will be used first. Also, unrestricted fund balance order for expenditures of the same purpose will be committed, assigned, and unassigned.

The City has established an unassigned fund balance minimum for the General Fund of 9.0% of total General Fund expenditures plus \$120,460 from health insurance savings. Also the City Council established a \$3.1 million minimum for the Utilities Fund.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

I. Organization and Summary of Significant Accounting Policies, Continued

K. Intragovernmental allocation of administrative expenses

The General Fund incurs certain administrative expenses for other funds including accounting, legal, personnel administration and other services. The funds that receive these services were charged \$3,152,425 for fiscal year 2021. For the government-wide financial statements these "Indirect Expenses" have been backed out to avoid double counting.

L. New accounting standards

Beginning with fiscal year 2013, the City implemented GASB Statement No. 63; *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements. This statement requires a Statement of Net Position (rather than net assets) format which segregates deferred inflows and deferred outflows from assets and liabilities respectively. Specific Items required to be broken out as deferred inflows or deferred outflows are discussed in GASB Statements 53 and 60. These items are Derivative Investments and Service Concession Arrangements respectively. None of these items affect the City at this time. The other portion of GASB Statement 63 is nomenclature. Statement No. 64; *Derivative Instruments: Application of Hedge Accounting Termination Provisions* is not applicable to the City of Punta Gorda. Fiscal year 2014, the City implemented GASB No. 67 which amended No. 25, and fiscal year 2015 the City implemented GASB 68 which amended No. 27. In fiscal year 2017, the City implemented GASB Statements 71, 73, 78 and 82. These statements amended or clarified GASB statements 67 and 68. These changes affect how pension plans are reported. GASB statement number 79, "Certain External Investment and Pool Participants" and GASB 72, "Fair Value Measurement and Application" were also implemented in fiscal year 2017. In fiscal year 2018 GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" and Statement No. 85, "Omnibus 2017" were implemented. In fiscal year 2019 GASB Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements" was implemented. In fiscal year 2020 GASB Statement No. 83, "Certain Asset Retirement Obligations" was implemented. In fiscal year 2021, GASB Statement No. 84, "Fiduciary Activities", GASB Statement No. 90, "Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61" and Implementation Guide No. 2019-2, "Fiduciary Activities" were implemented.

II. Reconciliation of government-wide and fund financial statements

A. 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 "long-term liabilities, including noncurrent liabilities, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$11,675,210 difference are as follows:

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

II. Reconciliation of government-wide and fund financial statements, Continued

| | |
|--|--------------|
| Noncurrent liabilities | \$11,696,198 |
| Less: Internal Service Fund accumulated unused compensated absences included in Internal Service Fund consolidation | (20,988) |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities - Noncurrent liabilities | \$11,675,210 |

B. 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 and reported as depreciation expense.” Expensed items decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial uses. In the governmental funds, the proceeds from the sale of capital assets increase financial resources. However, in the statement of activities, all gains and losses resulting from sales, disposals and trade-in of capital assets are reported. The details of this \$2,434,667 difference are as follows

| | |
|--|--------------------|
| Capital outlay | \$ 1,924,032 |
| Depreciation expense | (4,194,281) |
| Net effect of misc. capital transactions (disposal, sale, trade-in of assets) | (164,418) |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | \$ (2,434,667) |

Another element of that reconciliation states that “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.” The details of this \$1,185,094 difference are as follows:

| | |
|--|------------------|
| Principal repayments: | |
| Capital Improvement revenue notes | \$ 1,295,000 |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | \$ 1,295,000 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

III. Stewardship, compliance, and accountability

A. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. All encumbrances lapse at year-end. There were no outstanding encumbrances at September 30, 2021.

B. Budgets and budgetary accounting

The City follows these procedures in establishing the budgetary data presented in the financial statements:

1. On or before the fifteenth day of August, the City Manager submits to the City Council a proposed operating budget for the fiscal year then commencing. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. On or before September 30th, the budget is legally enacted for the General, most Special Revenue, Enterprise and Internal Service Funds through passage of a resolution. Project-length financial plans are adopted for the Capital Project Fund, 1% Local Option Sales Tax Fund, and the Utilities Capital Project Fund.
4. Budget amounts are presented as originally adopted or as amended by the City Council. Unused appropriations lapse at year-end. Any revisions altering the budgeted amounts of total expenditures of any fund must be approved by the City Council. The City Manager can amend the budget within existing appropriations by fund. Supplemental appropriations approved by Council for the fiscal year ended September 30, 2021 totaled \$6,398,332.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

C. Interfund transactions

Exchanges of equal or almost equal value between funds of the primary government are treated as interfund services provided and used. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as transfers in or out.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds

A. Cash and Investments

Deposits - The City's deposits policy allows deposits to be held in demand deposit and money market accounts. Florida Statutes require all depositories used by the City to be qualified financial institutions. All depositories used by the City are institutions designated as qualified depositories by the State Treasurer.

At September 30, 2021 the carrying amounts of the City's deposits were \$29,434,007 and the bank balances were \$29,519,328. The City's deposits are comprised of cash held in a financial institution. These deposits were entirely covered by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act (Florida Statutes Chapter 280).

Under this Act, financial institutions qualified as public depositories place with the State Board of Administration securities which have a fair value equal to 50% of the average daily balances for each month of all public deposits in excess of any applicable deposit insurance. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

At September 30, 2021, petty cash for all funds was \$1,400.

Investments - Florida Statutes, the City's Investment Policy and various bond covenants authorize investments in money market accounts, savings accounts, repurchase agreements, the Local Government Surplus Funds Trust Fund Investment Pool administered by the Florida State Board of Administration, obligations of the U.S. Government and government agencies unconditionally guaranteed by the U.S. Government. Certificates of deposit, savings accounts and bank balances whose value exceeds the amount of federal depository insurance are collateralized pursuant to the Florida Security for Public Deposits Act of the State of Florida. All financial institutions used by the City are institutions designated as qualified depositories by the State Treasurer.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

A. Cash and Investments, continued

Interest Rate Risk, Credit Risk, Concentration of credit risk and Custodial Credit Risk.
The City holds no investments at this time.

The Local Government Surplus Funds Trust Fund is governed by Ch. 19-7 of the Florida Administrative Code, which identifies the Rules of the State Board of Administration. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration.

The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operations procedures consistent with the requirements for a 2a-7 fund.

Since 2a-7 like pools are similar to money market funds where shares are owned in the fund rather than the actual underlying investments, disclosures for foreign currency risk, custodial credit risk and concentration of credit risk are not applicable. For credit quality risk the State Pool is not rated by a nationally recognized statistical rating agency. The pool funds are reported by the City as cash equivalents.

Additionally, to comply with GASB Statement No. 79 requirements, Florida PRIME is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate as a qualifying external investment pool. Thus, this pool operates essentially as a money market fund. Florida PRIME has a Standard & Poor's rating of AAAM at September 30, 2021 and is measured at amortized cost. There are currently no limitations as to the frequency of redemptions; however, Florida PRIME has the ability to impose restrictions on withdrawals should a material event occur. Detailed information on the withdrawal restrictions that may be imposed and Florida PRIME's responsibilities should such an event occur is described in Section 218.409(8)(a), Florida Statutes. GASB Statement No. 79 amends GASB Statement No. 31, and the value of the pool is at amortized cost. The amount of the investment was \$44,903,979.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

B. Restricted Assets – All Funds

Restricted assets of the Enterprise Funds were comprised of the following at September 30, 2021:

| Water and Wastewater Utility Fund, Building Fund, Marina Fund | Cash and Cash Equivalents |
|---|---------------------------------|
| Water System Capacity Escrow Account - reserved to pay for future expansion of the water treatment system | \$ 3,153,648 |
| Wastewater System Capacity Escrow Account - reserved to pay for future expansion of the sewage treatment system | 1,638,925 |
| State Revolving Loan Fund Reserve - maintained at the level required by the loan documents | 1,104,990 |
| Water, Building and Marina Deposit Escrow Accounts - escrow accounts established for maintaining customer deposits for utility service and building permits | 85,906 |
| Utilities Construction Account - reserved for payment of the costs of new projects and major repairs of existing assets | 15,741,562 |
| Utilities Renewal and Replacement Fund | 1,500,000 |
| Special Assessments - District #4 - established to account for assessments levied for utility expansion | 51,053 |
| | \$ 23,276,084 |

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

B. Restricted Assets – All Funds, continued

Restricted assets of the General Fund was comprised of the following at September 30, 2021:

| | |
|----------------------------|-------------------|
| Cash and Cash Equivalents | |
| Law enforcement activities | \$ 109,035 |
| Other purposes | 196 |
| Unearned revenue | <u>113,942</u> |
| | <u>\$ 223,173</u> |

C. Interfund Asset/Liabilities/Transfers

| | <u>Asset</u> | <u>Liability</u> |
|---|------------------|------------------|
| Cumulative effect of internal service funds | <u>\$ 55,788</u> | <u>\$ 55,788</u> |
| Statement of Net Position | <u>\$ 55,788</u> | <u>\$ 55,788</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

C. Interfund Asset/Liabilities/Transfers, continued

The interfund transfer from General Fund to CRA is the amount of incremental tax revenue received in the district. The transfer from the General Fund to the Additional Five Cent Gas Tax Fund was for the paving program. The transfer from the General Fund to the Capital Project Fund was for public works capital projects. The transfer from the CRA Fund to the Debt Fund was for debt service on Herald Court Centre (parking garage). The transfer from the 1% Sales Tax Fund to the General Fund is for capital project management. The Nonmajor Governmental transfers out are impact fees transferred to Capital Project Fund and transfers from Special Use Fund to the General Fund and the Capital Projects Fund for contributions to comprehensive plan update and Ponce Park improvements, and transfers from the Buckley's Pass Assessments to the General Fund.

For government-wide statement reporting purposes all transfers between major and nonmajor governmental funds have been eliminated.

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|-----------------------------|---------------------|---------------------|
| Governmental Funds | | |
| General Fund | \$ 502,008 | \$ 2,924,130 |
| Debt Service Fund | 1,501,720 | 0 |
| 1% Sales Tax | 0 | 90,000 |
| Community Redevelopment | 838,628 | 1,501,720 |
| Capital Projects Fund | 1,973,380 | 0 |
| PGI Canal Maintenance Fund | 0 | 16,350 |
| Nonmajor Governmental funds | 459,000 | 742,536 |
| Net Governmental Funds | <u>\$ 5,274,736</u> | <u>\$ 5,274,736</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

D. Capital assets

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

| | Beginning Balance | Reclass/ Increases | Reclass/ Decreases | Ending Balance |
|---|----------------------|-----------------------|-----------------------|----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 16,365,573 | \$0 | \$0 | \$ 16,365,573 |
| Construction in progress | 2,900,948 | 1,249,788 | (2,291,415) | 1,859,321 |
| Total capital assets, not being depreciated | <u>19,266,521</u> | <u>1,249,788</u> | <u>(2,291,415)</u> | <u>18,224,894</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 26,357,686 | 92,531 | (360,380) | 26,089,837 |
| Improvements other than buildings | 13,030,074 | 618,710 | (23,120) | 13,625,664 |
| Infrastructure | 114,874,291 | 1,109,810 | 0 | 115,984,101 |
| Vehicles and equipment | 14,166,350 | 1,137,268 | (611,312) | 14,692,306 |
| Total capital assets, being depreciated | <u>168,428,401</u> | <u>2,958,319</u> | <u>(994,812)</u> | <u>170,391,908</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (9,540,665) | (699,508) | 225,933 | (10,014,240) |
| Improvements other than buildings | (7,321,050) | (644,477) | 23,120 | (7,942,407) |
| Infrastructure | (67,190,084) | (1,818,599) | 0 | (69,008,683) |
| Vehicles and equipment | (10,726,619) | (1,229,005) | 608,395 | (11,347,229) |
| Total accumulated depreciation | <u>(94,778,418)</u> | <u>(4,391,589)</u> | <u>857,448</u> | <u>(98,312,559)</u> |
| Total capital assets, being depreciated, net | <u>73,649,983</u> | <u>(1,433,270)</u> | <u>(137,364)</u> | <u>72,079,349</u> |
| Governmental activities capital assets, net | <u>\$ 92,916,504</u> | <u>\$ (183,482)</u> | <u>\$ (2,428,779)</u> | <u>\$ 90,304,243</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

D. Capital assets, continued

| | Beginning Balance | Reclass/ Increases | Reclass/ Decreases | Ending Balance |
|---|----------------------|-----------------------|-----------------------|----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 5,403,346 | \$0 | \$0 | \$ 5,403,346 |
| Construction in progress | 1,082,756 | 2,382,275 | (926,951) | 2,538,080 |
| Total capital assets, not being depreciated | <u>6,486,102</u> | <u>2,382,275</u> | <u>(926,951)</u> | <u>7,941,426</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 27,827,976 | 56,458 | 0 | 27,884,434 |
| Improvements other than buildings | 18,365,743 | 0 | (113,671) | 18,252,072 |
| System Infrastructure | 131,625,898 | 590,389 | 0 | 132,216,287 |
| Vehicles and equipment | 14,312,410 | 1,824,160 | (90,075) | 16,046,495 |
| Total capital assets, being depreciated | <u>192,132,027</u> | <u>2,471,007</u> | <u>(203,746)</u> | <u>194,399,288</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (24,168,868) | (420,414) | 0 | (24,589,282) |
| Improvements other than buildings | (15,486,749) | (348,648) | 111,776 | (15,723,621) |
| System Infrastructure | (57,749,462) | (3,527,328) | 0 | (61,276,790) |
| Vehicles and equipment | (7,691,431) | (1,421,386) | 90,074 | (9,022,743) |
| Total accumulated depreciation | <u>(105,096,510)</u> | <u>(5,717,776)</u> | <u>201,850</u> | <u>(110,612,436)</u> |
| Total capital assets, being depreciated, net | <u>87,035,517</u> | <u>(3,246,769)</u> | <u>(1,896)</u> | <u>83,786,852</u> |
| Business-type activities capital assets, net | <u>\$ 93,521,619</u> | <u>\$ (864,494)</u> | <u>\$ (928,847)</u> | <u>\$ 91,728,278</u> |

Depreciation expense was charged to programs of the City as follows:

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 1,505,085 |
| Public safety | 712,745 |
| Transportation | 960,049 |
| Recreation | 1,016,402 |
| Internal service funds | 197,308 |
| Total depreciation expense -- governmental activities | <u>\$ 4,391,589</u> |
| Business-type activities: | |
| Public utilities | \$ 5,311,356 |
| Sanitation/refuse collection | 373,915 |
| Building | 21,701 |
| Marina | 10,804 |
| Total depreciation expense -- business-type activities | <u>\$ 5,717,776</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

E. Long-Term Debt

The following is a summary of changes in bonded and other indebtedness of the City for the year ended September 30, 2021:

| | Governmental Activities - Long-Term Debt | | | | Total |
|------------------------------------|---|--------------------------------|-----------------------------|-------------------------|---------------|
| | Capital Improvement Revenue Notes | Pension Benefits Payable | OPEB Benefits Payable | Compensated Absences | |
| Debt payable at October 1, 2020 | \$ 12,261,000 | \$ 5,737,348 | \$ 8,691,060 | \$ 789,669 | \$ 27,479,077 |
| Debt issued | 0 | 0 | 0 | 0 | 0 |
| Debt retired | (1,295,000) | 0 | 0 | 0 | (1,295,000) |
| Additions | 0 | 3,921,977 | 103,117 | 23,250 | 4,048,344 |
| Deductions | 0 | (11,700,289) | (66,184) | (82,721) | (11,849,194) |
| September 30, 2021 (net) | \$ 10,966,000 | \$ (2,040,964) | \$ 8,727,993 | \$ 730,198 | \$ 18,383,227 |

Internal service funds predominantly service the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$2,603 of compensated absences, \$14,124 of pension benefits payable and \$343,236 of OPEB balances for internal service funds are included in the above amounts.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

E. Long-Term Debt

| Business-type Activities Long-Term Debt | | | | | |
|--|---|--------------------------------|-----------------------------|-------------------------|---------------|
| Water and Wastewater Utility Revenue Notes | Water and Wastewater Utility Notes | Pension Benefits Payable | OPEB Benefits Payable | Compensated Absences | Total |
| \$ 15,897,861 | \$ 30,678 | \$ 3,514,953 | \$ 4,766,067 | \$ 379,977 | \$ 24,589,536 |
| 2,042,777 | 0 | 0 | 0 | 0 | 2,042,777 |
| (1,118,520) | 0 | 0 | 0 | 0 | (1,118,520) |
| 0 | 0 | 691,229 | 273,293 | 37,763 | 1,002,285 |
| 0 | 0 | (3,851,534) | (37,926) | (39,911) | (3,929,371) |
| \$ 16,822,118 | \$ 30,678 | \$ 354,648 | \$ 5,001,434 | \$ 377,829 | \$ 22,586,707 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, continued

Bonds, notes, capital leases and accrued compensated absences payable at September 30, 2021 are comprised of the following:

Governmental Activities

Revenue Notes - Direct Borrowings

\$24,000,000 Line of Credit, this non-revolving line of credit was issued to fund the seawall repairs needed as a result of Hurricane Irma. The line of credit was issued on May 9, 2018, to be repaid from FEMA & State Disaster reimbursements expected in FY 2019 or beyond and PGI Canal Maintenance District assessments. Interest is payable semi-annually at 79% of LIBOR plus 84 basis points. As of September 30, 2018 the outstanding balance was \$9,250,000.00. Additional draws of \$6,610,000 were taken in FY 2019. All \$15,860,000 was repaid prior to September 30, 2019. The unused line of credit remaining and available is \$8,140,000 \$0

\$12,261,000 Revenue Note, Series 2020, this note was used to refund the \$20,030,000 Revenue Note, Series 2012 at a more favorable rate. The note was issued on April 28, 2020 to be repaid with tax increment revenues from the CRA pursuant to the interlocal agreement. In the event and to the extent that the designated revenues are insufficient, non-ad valorem revenues through a covenant to budget and appropriate, or by amendment, shall be used. Interest is payable semi-annually. The annual interest is 1.78% effective July 1, 2020. Principal is payable annually beginning on January 1, 2021 with final maturity on January 1, 2028. \$ 10,966,000

| | |
|---|---------------------|
| Total revenue notes payable | 10,966,000 |
| Less current maturities | <u>(1,361,000)</u> |
| Noncurrent portion, revenue notes payable | <u>\$ 9,605,000</u> |

The City's outstanding notes from direct borrowings related to governmental activities of \$10,966,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make a payment.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, Continued

Business-type Activities

Water and Wastewater Utility Revenue Notes - Direct Borrowings

\$5,193,111 Revenue Notes, two notes were combined after project completion; these notes were issued on March 15, 2000 and are to be repaid by the Water and Wastewater Utility Fund, payable to a State of Florida agency; collateralized by specific revenues pledged for repayment of this loan after payment for operations and maintenance expense as well as senior obligations. Interest is payable semi-annually at 3.36% per annum. Principal is payable semi-annually. Both principal and interest payments commenced on February 15, 2002 with final maturity scheduled and paid for August 15, 2021. the debt proceeds were used to build Aquifer Storage and Retrieval wells and pumps at the Water Treatment Plant. \$0

\$17,588,970 Revenue Note for the construction of a Groundwater Reverse Osmosis Water Treatment Plant. State Revolving Fund Loan Agreement DW080310 final loan amount of \$17,937,336. Note is collateralized by specific revenues pledged for repayment from the water system operation and impact fees. The interest is payable semi-annually at the following per annum rates: 1.18% up to \$7,388,585 and 1.34% for amounts over. Principal is payable semi-annually. Both principal and interest payments will commence November 15, 2020 and semi-annually thereafter on May 15 and November 15 of each year until all amounts due have been fully paid.

| | |
|---|---------------|
| | 16,822,118 |
| Total revenue notes payable | 16,822,118 |
| Less current maturities | (787,917) |
| Noncurrent portion, revenue notes payable | \$ 16,034,201 |

Water and Wastewater Utility Notes Payable

Noninterest-bearing advance from a local governmental agency, payable upon collection of specified sewer impact fees anticipated to be collected in the future. \$ 30,678

The City's outstanding notes from direct borrowings related to business-type activities of \$16,822,118 contain a provision that in an event of default, such as failing to make any semiannual loan payment for more than 30 days, then the agency shall cause to establish rates and collect fees and charges for use of the Water and Wastewater System in order to fulfill the agreements.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

E. Long-Term Debt, continued

The annual requirements to amortize all debts outstanding as of September 30, 2021 are as follows:

| Year Ending September 30 | Governmental Activities Long-Term Debt | | Business-type Activities Long-Term Debt | | |
|-----------------------------|---|------------|---|--------------|---|
| | Notes from Direct Borrowings | | Notes from Direct Borrowings | | |
| | Capital Improvement Revenue Notes | | Water and Wastewater Utility Revenue Notes | | Water and Wastewater Utility Notes |
| | Principal | Interest | Principal | Interest | |
| 2022 | \$ 1,361,000 | \$ 183,082 | \$ 787,917 | \$ 211,676 | \$ 30,678 |
| 2023 | 1,426,000 | 158,278 | 797,976 | 201,617 | 0 |
| 2024 | 1,494,000 | 132,290 | 808,164 | 191,429 | 0 |
| 2025 | 1,561,000 | 105,100 | 818,483 | 181,110 | 0 |
| 2026 | 1,632,000 | 76,682 | 828,933 | 170,659 | 0 |
| 2027-2031 | 3,492,000 | 62,852 | 4,306,177 | 691,787 | 0 |
| 2032-2036 | 0 | 0 | 4,588,288 | 409,676 | 0 |
| 2037-2041 | 0 | 0 | 3,886,180 | 112,191 | 0 |
| Total | \$ 10,966,000 | \$ 718,284 | \$ 16,822,118 | \$ 2,170,145 | \$ 30,678 |

| | Compensated Absences | | Pensions Payable | OPEB Payable | Totals |
|--------------------------|----------------------|-----------------------|---------------------|-----------------|---------------|
| | Current Portion | Noncurrent Portion | | | |
| Governmental Activities | \$ 73,020 | \$ 657,178 | \$ (2,040,964) | \$ 8,727,993 | \$ 7,417,227 |
| Business-type Activities | 37,783 | 340,046 | 354,648 | 5,001,434 | \$ 5,733,911 |
| | \$ 110,803 | \$ 997,224 | \$ (1,686,316) | \$ 13,729,427 | \$ 13,151,138 |

The amounts included in governmental activities for internal service funds are \$2,099 current portion of compensated absences, \$18,889 noncurrent portion compensated absences, \$14,124 pension benefits payable and \$343,236 of OPEB benefits payable.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

F. Property Taxes

Property taxes are levied on November 1 of each year, and are due and payable upon receipt of the notice of levy. The Charlotte County, Florida, Tax Collector's office bills and collects property taxes on behalf of the City. The tax rate to finance general governmental services for the fiscal year ended September 30, 2021 was \$3.4337 per \$1,000 of assessed taxable property value. Property tax revenues are recognized currently in the fiscal year for which the taxes are levied. On May 1 of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1, and the proceeds thus collected are remitted to the City. There were no delinquent or uncollected property taxes at year-end.

No accruals for property tax levy becoming due in November 2021 are included in the accompanying general purpose financial statements since such taxes do not meet the criteria of (NCGA) Interpretation No. 3 and GASB Interpretation No. 5. The property tax calendar is as follows:

| | |
|-----------------------|--|
| July 1 | Assessment roll validated |
| September 30 | Millage ordinance approved |
| October 1 | Beginning of fiscal year for which tax is to be levied |
| November 1 | Tax bills rendered and due |
| November 1 - March 31 | Property taxes due with various discount rates |
| April 1 | Taxes delinquent |
| June 1 | Tax certificates sold by County |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems

The City has three defined benefit pension plans which cover substantially all full-time employees. They are the General Employees' Pension Plan, Municipal Police Officers' Pension Plan and Municipal Firefighters' Pension Plan, all of which are single-employer, contributory plans. Benefit provisions and employer and employee obligations to contribute to the plans are established by State Statutes and City Ordinances. The City accounts for the plans as pension trust funds, and are included as part of the City's reporting entity. Stand-alone financial reports are not issued.

The City also has 3 former employees participating in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:
www.dms.myflorida.com/workforce_operations/retirement/publications.

Plan Descriptions

(a) General Employees' Pension Plan

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- 1) Two City Council appointees,
- 2) Two members of the system elected by a majority of the other covered General Employees, and
- 3) A fifth member elected by the other four and appointed by Council.

The Plan is closed as of July 27, 2011.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Plan Membership as of October 1, 2020:

| | |
|---|------------|
| Inactive plan members or beneficiaries currently receiving benefits | 153 |
| Inactive plan members entitled to but not yet receiving benefits | 14 |
| Active plan members | <u>61</u> |
| | <u>228</u> |

Current membership as of September 30, 2021 is comprised of the following:

| | |
|-----------------------------|-----|
| Retirees receiving benefits | 120 |
| Vested terminated employees | 15 |
| Beneficiaries | 11 |
| DROP | 26 |
| Active employees | |
| Fully-vested | 52 |
| Non-vested | 0 |

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Eligibility: Age 60 and 5 years of credited service.

Benefit Amount: 3.00% of average final compensation times credited service.

Early Retirement:

Eligibility: Age 55 and 5 years of credited service.

Benefit Amount: Accrued benefit, deferred to age 60 or payable immediately and reduced 1/15th per year prior to age 60.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Vesting (Termination):

Less than 5 years of credited service: Refund of member contributions.

5 years or more: Accrued benefit payable at age 60, or reduced benefit payable at age 55, or refund of member contributions.

Disability:

Eligibility: Totally and permanently disabled, as determined by the Board. Members are covered after ten (10) years of credited service.

Benefit Amount: 3.00% of average final compensation times credited service, but not less than 60% of average final compensation for service related disabilities. Benefits are payable for life.

Pre-Retirement Death Benefits:

Less than 10 years of credited service: Prior to eligibility for early or normal retirement refund of member contributions. After becoming eligible for retirement, accrued benefit, payable for 10 years.

At least 10 years of credited service: Beneficiary receives the accrued benefit payable for 10 years when the member would have been eligible for normal or early (reduced) retirement.

Contributions

Employee: 8.10% of total pay. When a member's accrued benefit is 100% of AFC, the Member may elect to continue making member contributions and accrue a higher AFC or to discontinue member contributions and freeze his benefit.

City: Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past liability, as provided in Part VII of Chapter 112, Florida Statutes. The City Contribution cannot be less than 12% of payroll.

Investments

Investment Policy:

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

| Asset Class | Target Allocation |
|---------------------------|-------------------|
| Domestic Equity | 35.00% |
| International Equity | 15.00% |
| Broad Market Fixed Income | 35.00% |
| Fixed Income (Non-Core) | 5.00% |
| Real Estate | 10.00% |
| Total | 100.00% |

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Rate of Return:

For the year ended September 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.49 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of normal or early retirement requirements.

Participation: Not to exceed 84 months.

Rate of Return: At member's election:

(1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or

(2) 6.50% per annum compounded monthly.

Members may elect to change form of return one time.

The DROP balance as of September 30, 2021 is \$2,687,293.

Net Pension Liability

The measurement date is September 30, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021. The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2021 were as follows:

| | | |
|--|----|--------------|
| Total Pension Liability | \$ | 58,882,351 |
| Plan Fiduciary Net Position | | (58,196,141) |
| Sponsor's Net Pension Liability | \$ | 686,210 |
| Plan Fiduciary Net Position as a percentage of Total Pension Liability | | 98.83% |

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 measurement periods.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

| | |
|---------------------------|---------------|
| Inflation | 2.50% |
| Salary Increases | Service Based |
| Discount Rate | 6.75% |
| Investment Rate of Return | 6.75% |

Mortality Rates Healthy Active Lives:

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

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

Mortality Rates Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rates Healthy Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

All rates are projected generationally with Mortality Improvement Scale MP-2018. We felt this assumption sufficiently accommodates future mortality improvements.

The assumed rates of mortality are mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS actuarial valuation report for non-special risk employees, with appropriate adjustments based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated June 9, 2014.

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

For 2021 the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

| Asset Class | Long Term Expected Real Rate of Return ¹ |
|---------------------------|--|
| Domestic Equity | 7.50% |
| International Equity | 8.50% |
| Broad Market Fixed Income | 2.50% |
| Fixed Income (Non-Core) | 2.50% |
| Real Estate | 4.50% |

¹Source AndCo Consulting

Discount Rate:

The discount rate used to measure the total pension liability was 6.75 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 sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN NET PENSION LIABILITY

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balances at September 30, 2020 | \$ 57,696,421 | \$ 50,743,817 | \$ 6,952,604 |
| Changes for a Year: | | | |
| Service Cost | 684,299 | 0 | 684,299 |
| Interest | 3,838,686 | 0 | 3,838,686 |
| Differences between Expected and Actual Experience | (314,450) | 0 | (314,450) |
| Changes of assumptions | 0 | 0 | 0 |
| Changes of benefit terms | 0 | 0 | 0 |
| Contributions - Employer | 0 | 1,831,665 | (1,831,665) |
| Contributions - Employee | 0 | 265,337 | (265,337) |
| Contributions - Buy Back | 0 | 0 | 0 |
| Net Investment Income | 0 | 8,440,710 | (8,440,710) |
| Benefit Payments, including Refunds of Employee Contributions | (3,022,605) | (3,022,605) | 0 |
| Administrative Expense | 0 | (62,783) | 62,783 |
| Net Changes | 1,185,930 | 7,452,324 | (6,266,394) |
| Balances at September 30, 2021 | <u>\$ 58,882,351</u> | <u>\$ 58,196,141</u> | <u>\$ 686,210</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

| | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|---------------------------------|----------------------|-----------------------------------|----------------------|
| Sponsor's Net Pension Liability | \$ 6,790,421 | \$ 686,210 | \$ (4,493,559) |

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of \$(17,531).

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences Between Expected and Actual Experience | \$0 | \$ 168,883 |
| Changes of assumptions | 506,615 | 0 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 0 | 4,450,828 |
| Total | <u>\$ 506,615</u> | <u>\$ 4,619,711</u> |

Other 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 | \$ (802,317) |
| 2023 | (1,037,757) |
| 2024 | (1,263,250) |
| 2025 | (1,009,772) |
| 2026 | 0 |
| Thereafter | 0 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Valuation Date: 10/01/2019

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

Mortality Rate: *Healthy Active lives:*
Female: PubG.H-2010 (Above Median) for Employees, White Collar, Scale BB.
Male: PubG.H-2010 for Employees, set back one year.

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

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

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

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

Termination Rates: See service based table below. These rates were adopted based on the June 9, 2014 experience study.

Disability Rates: See table below (assumes none are line-of-duty).

Retirement Age: See table below. These rates were adopted based on the June 9, 2014 experience study.

Early Retirement: See table below. These rates were adopted based on the June 9, 2014 experience study.

Interest Rate: 6.75% (prior year 7.00%) net of fees through 2023 and 6.50%(prior year 6.75%) thereafter. This is supported by the target asset allocation of the trust and the expected long-term return by asset class and contemplates a change in the asset allocation after 2023.

Salary Increases: See the service based table below. Final salary in year of retirement is increased to account for additional non-regular compensation (determined individually). This assumption was adopted based on results of the June 9, 2014 experience study.

Payroll Increase: None.

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.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(a) General Employees' Pension Plan, continued

Decrement Rate Tables:

| Age | % Becoming Disabled During the Year | % Retiring During the Year |
|-------|---|-------------------------------|
| 20 | 0.14% | |
| 30 | 0.18% | |
| 40 | 0.30% | |
| 50 | 1.00% | |
| 55-56 | 1.00% | 10.0% |
| 57-59 | 1.00% | 2.5% |
| 60 | | 50.0% |
| 61-64 | | 25.0% |
| 65+ | | 100.0% |

| Service | Expected Salary Increase | Expected Termination Rate |
|---------|-----------------------------|---------------------------------|
| 0 | 6.0% | 18.0% |
| 1 | 6.0% | 10.0% |
| 2 | 5.5% | 9.0% |
| 3 | 4.5% | 8.0% |
| 4 | 4.5% | 7.0% |
| 5-9 | 4.0% | 3.0% |
| 10-14 | 4.0% | 3.0% |
| 15-19 | 4.0% | 2.0% |
| 20+ | 4.0% | 1.0% |

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- 1) Two City Council appointees,
- 2) Two members of the system elected by a majority of the other covered Police Officers, and
- 3) A fifth member elected by the other four Members.

Plan Membership as of October 1, 2020:

| | |
|---|-----------|
| Inactive plan members or beneficiaries currently receiving benefits | 38 |
| Inactive plan members entitled to but not yet receiving benefits | 10 |
| Active plan members | <u>35</u> |
| | <u>83</u> |

Current membership as of September 30, 2021 is comprised of the following:

| | |
|-----------------------------|----|
| Retirees receiving benefits | 29 |
| Vested terminated employees | 5 |
| Vested Due Refund | 4 |
| Beneficiaries | 1 |
| Disability benefits | 6 |
| DROP | 4 |
| Active employees | |
| Fully-vested | 18 |
| Non-vested | 15 |

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Punta Gorda Police Officer's Retirement System prepared by Foster & Foster Actuaries and Consultants.

Normal Retirement:

Eligibility: Members hired before December 18, 2013: Earlier of age 45 and the completion of 20 years of credited service, or age 55.

Members Hired on and after December 18, 2013: Earlier of age 55 and the completion of 10 years of credited service or 25 years of credited service regardless of age.

Benefit Amount: Members hired before December 18, 2013: 3.50% of average final compensation times credited service.

Members hired on and after December 18, 2013: 3.00% of average final compensation times credited service.

Form of Benefit: 10 Year certain and life thereafter (options available).

Early Retirement:

Eligibility: Age 45 and 10 years of credited service.

Benefit Amount: Accrued benefit, reduced 3.00% per year early.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Vesting (Termination):

Less than 5 years: Refund of member contributions.

5 years or more: Accrued benefit payable at age 45 or later, on a reduced basis if to commence prior to normal retirement date or refund of member contributions.

Disability:

Eligibility:

a) 10 years of service for non-service related; coverage from date of hire for service-incurred.

b) Total and permanent disability prior to normal retirement date.

Benefit amount: 3.50% of average final compensation (AFC) times credited service if hired before December 18, 2013, 3.00% after that date, but not less than 60% of AFC for service-incurred disabilities.

Pre-Retirement Death Benefits:

Service-Incurred with Spouse or Dependent Child: To Spouse: 60% of Member's Average Final Compensation (AFC). To each Child (if no spouse): 15% of Member's AFC. Overall maximum benefit to children is 60% of AFC.

Non-Service-Incurred or No Spouse or Children: Value of accrued pension benefit paid to designated beneficiary.

Chapter 185 Share Plan:

Each year, 50% of State Monies received in excess of \$200,000 is allocated to the Share Plan.

Contributions

Employee: 8.00% of total pay.

Premium Tax: 0.85% tax on premiums for casualty insurance policies.

City: Remaining amount necessary for payment of normal (current year's) cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes.

Investments

Investment Policy:

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

| Asset Class | Target Allocation |
|-----------------------|-------------------|
| Domestic Equity | 45.00% |
| International Equity | 15.00% |
| Domestic Fixed Income | 35.00% |
| Real Estate | 5.00% |
| Total | 100.00% |

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Rate of Return:

For the year ended September 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.48 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: Satisfaction of normal or early retirement requirements (earlier of age 55, or age 45 with 20 years of credited service).

Participation: Not to exceed 60 months.

Rate of Return: At member's election:

- (1) Actual net rate of investment return (total return net of brokerage commissions, management fees and transaction costs) credited each fiscal quarter, or
- (2) 6.50% per annum compounded monthly.

Members may elect to change form of return one time during the period of DROP participation.

The DROP balance as of September 30, 2021 is \$257,762.

Net Pension Liability

The measurement date is September 30, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2021 were as follows:

| | | |
|--|----|------------------|
| Total Pension Liability | \$ | 23,439,026 |
| Plan Fiduciary Net Position | | (24,114,919) |
| Sponsor's Net Pension Liability | \$ | <u>(675,893)</u> |
| Plan Fiduciary Net Position as a percentage of Total Pension Liability | | 102.88% |

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:

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

| | |
|---------------------------|---------------|
| Inflation | 2.50% |
| Salary Increases | Service Based |
| Discount Rate | 7.00% |
| Investment Rate of Return | 7.00% |

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

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

The above assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.

75% of active Member deaths are assumed to be service related.

The most recent actuarial experience study used to review the other significant assumptions was dated June 19, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2021 the inflation rate assumption of the investment advisor was 2.50%. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

| Asset Class | Long Term Expected Real Rate of Return ¹ |
|-----------------------|--|
| Domestic Equity | 7.50% |
| International Equity | 8.50% |
| Domestic Fixed Income | 2.50% |
| Real Estate | 4.50% |
| Total | |

¹ Source: AndCo Consulting

Discount Rate:

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

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balances at September 30, 2020 | \$ 22,065,039 | \$ 20,355,902 | \$ 1,709,137 |
| Changes for a Year: | | | |
| Service Cost | 617,383 | 0 | 617,383 |
| Interest | 1,547,149 | 0 | 1,547,149 |
| Share Plan Allocation | 11,719 | 0 | 11,719 |
| Differences between Expected and Actual Experience | 358,336 | 0 | 358,336 |
| Changes of assumptions | 0 | 0 | 0 |
| Contributions - Employer | 0 | 562,748 | (562,748) |
| Contributions - State | 0 | 223,437 | (223,437) |
| Contributions - Employee | 0 | 200,603 | (200,603) |
| Net Investment Income | 0 | 3,982,940 | (3,982,940) |
| Benefit Payments, including Refunds of Employee Contributions | (1,160,600) | (1,160,600) | 0 |
| Administrative Expense | - | (50,111) | 50,111 |
| Net Changes | 1,373,987 | 3,759,017 | (2,385,030) |
| Balances at September 30, 2021 | \$ 23,439,026 | \$ 24,114,919 | \$ (675,893) |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

| | Current Discount | | |
|---------------------------------|------------------|--------------|----------------|
| | 1% Decrease | Rate | 1% Increase |
| | 6.00% | 7.00% | 8.00% |
| Sponsor's Net Pension Liability | \$ 2,085,931 | \$ (675,893) | \$ (2,967,874) |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of \$142,111.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 320,552 | \$ 57,691 |
| Changes of assumptions | 247,653 | 71,670 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 0 | 2,434,529 |
| Total | \$ 568,205 | \$ 2,563,890 |

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 | \$ (369,190) |
| 2023 | (496,608) |
| 2024 | (616,714) |
| 2025 | (513,173) |
| 2026 | 0 |
| Thereafter | 0 |

Valuation Date: 10/01/2019

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

Methods and assumptions used to determine contribution rates can be found in the October 1, 2019 Actuarial Valuation for the City of Punta Gorda Police Officers' Retirement System prepared by Foster & Foster Actuaries and Consultants.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

Methods and assumptions used to determine contribution rates:

| | |
|--------------------|---|
| Funding Method: | Frozen entry age actuarial cost method. |
| Mortality: | <p><i>Healthy Active Lives</i>: Female: PubS.H-2010 (Below Median) for Employees, set forward one year. Male: PubS.H-2010 (Below Median) for Employees, set forward one year</p> <p><i>Healthy Retiree Lives</i>: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 for Healthy Retirees, set forward one year.</p> <p><i>Beneficiary Lives</i>: Female: PubG.H-2010 for Healthy Retirees Male: PubG.H-2010 for Healthy Retirees, set back one year</p> <p><i>Disabled Lives</i>: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees</p> <p>All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel that this assumption sufficiently accommodates future mortality improvements.</p> <p>The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.</p> |
| Termination Rates: | 75% of active deaths are assumed to be service-incurred. See table below. This assumption was adopted as a result of the June 19, 2019 experience study. |
| Disability Rates: | See table below. It is assumed that 75% of disablements and active member deaths are service related. |
| Retirement Age: | 100% at 25 years of service, otherwise 50% at first eligibility, 20% for next four years of eligibility, and 100% at 5 years first eligibility. This assumption was adopted as a result of the June 19, 2019 experience study. |
| Early Retirement: | Commencing upon a member's eligibility for early retirement, members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year. |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(b) Municipal Police Officers' Pension Plan, continued

| | |
|-------------------------|---|
| Interest Rate: | 7.00% per year, compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class. |
| Salary Increases: | See table later in this section. This assumption was adopted as a result of the June 19, 2019 experience study. Final salary in year of retirement is increased individually to account for additional non-regular compensation. |
| Payroll Growth: | 0.86% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes. |
| Asset Valuation Method: | All assets are valued at fair 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. |

| Termination and Disability Rate Table: | <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Age</th> <th style="text-align: center;">% Becoming Disabled During the Year</th> <th style="text-align: center;">% Terminating During the Year</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">20</td><td style="text-align: center;">0.03%</td><td style="text-align: center;">11.6%</td></tr> <tr><td style="text-align: center;">25</td><td style="text-align: center;">0.03%</td><td style="text-align: center;">11.0%</td></tr> <tr><td style="text-align: center;">30</td><td style="text-align: center;">0.04%</td><td style="text-align: center;">9.8%</td></tr> <tr><td style="text-align: center;">35</td><td style="text-align: center;">0.05%</td><td style="text-align: center;">7.8%</td></tr> <tr><td style="text-align: center;">40</td><td style="text-align: center;">0.07%</td><td style="text-align: center;">5.3%</td></tr> <tr><td style="text-align: center;">45</td><td style="text-align: center;">0.10%</td><td style="text-align: center;">3.3%</td></tr> <tr><td style="text-align: center;">50</td><td style="text-align: center;">0.18%</td><td style="text-align: center;">1.4%</td></tr> <tr><td style="text-align: center;">55</td><td style="text-align: center;">0.36%</td><td style="text-align: center;">0.6%</td></tr> <tr><td style="text-align: center;">60</td><td style="text-align: center;">0.90%</td><td style="text-align: center;">0.5%</td></tr> <tr><td style="text-align: center;">65+</td><td style="text-align: center;">2.22%</td><td style="text-align: center;">0.0%</td></tr> </tbody> </table> | Age | % Becoming Disabled During the Year | % Terminating During the Year | 20 | 0.03% | 11.6% | 25 | 0.03% | 11.0% | 30 | 0.04% | 9.8% | 35 | 0.05% | 7.8% | 40 | 0.07% | 5.3% | 45 | 0.10% | 3.3% | 50 | 0.18% | 1.4% | 55 | 0.36% | 0.6% | 60 | 0.90% | 0.5% | 65+ | 2.22% | 0.0% |
|--|---|----------------------------------|--|----------------------------------|----|-------|-------|----|-------|-------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|----|-------|------|-----|-------|------|
| Age | % Becoming Disabled During the Year | % Terminating During the Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | 0.03% | 11.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 | 0.03% | 11.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30 | 0.04% | 9.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | 0.05% | 7.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 40 | 0.07% | 5.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 45 | 0.10% | 3.3% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50 | 0.18% | 1.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 55 | 0.36% | 0.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 60 | 0.90% | 0.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 65+ | 2.22% | 0.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Salary Scale Table: | <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">Salary Scale</th> </tr> <tr> <th style="text-align: center;">Service</th> <th style="text-align: center;">Rate</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">0-4</td><td style="text-align: center;">7.50%</td></tr> <tr><td style="text-align: center;">5-9</td><td style="text-align: center;">5.50%</td></tr> <tr><td style="text-align: center;">10-14</td><td style="text-align: center;">5.00%</td></tr> <tr><td style="text-align: center;">15+</td><td style="text-align: center;">4.50%</td></tr> </tbody> </table> | Salary Scale | | Service | Rate | 0-4 | 7.50% | 5-9 | 5.50% | 10-14 | 5.00% | 15+ | 4.50% |
|---------------------|---|--------------|--|---------|------|-----|-------|-----|-------|-------|-------|-----|-------|
| Salary Scale | | | | | | | | | | | | | |
| Service | Rate | | | | | | | | | | | | |
| 0-4 | 7.50% | | | | | | | | | | | | |
| 5-9 | 5.50% | | | | | | | | | | | | |
| 10-14 | 5.00% | | | | | | | | | | | | |
| 15+ | 4.50% | | | | | | | | | | | | |

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan

Plan Description:

The Plan is a single-employer defined benefit pension plan administered by the Plan's Board of Trustees comprised of:

- a) Two City Council appointees,
- b) Two members of the system elected by a majority of the other covered Firefighters, and
- c) A fifth member elected by the other four and appointed by Council.

All Firefighters as of the effective date, and all future new Firefighters, shall become members of this system as a condition of employment.

Plan Membership as of October 1, 2020:

| | |
|---|-----------|
| Inactive plan members or beneficiaries currently receiving benefits | 20 |
| Inactive plan members entitled to but not yet receiving benefits | 4 |
| Active plan members | <u>26</u> |
| | <u>50</u> |

Current membership as of September 30, 2021 is comprised of the following:

| | |
|-----------------------------|----|
| Retirees receiving benefits | 14 |
| Vested terminated employees | 2 |
| Vested Due Refund | 1 |
| Beneficiaries | 1 |
| Disability benefits | 5 |
| DROP | 2 |
| Active employees | |
| Fully-vested | 21 |
| Non-vested | 5 |

Benefits Provided

The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the October 1, 2020 Actuarial Valuation Report for the City of Punta Gorda 's Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.

Normal Retirement:

Eligibility: Earlier of age 55 or the completion of 25 years of credited service.

Benefit Amount: 3.50% of average final compensation times credited service for members hired before 10/1/2012. 3.00% of average final compensation times credited service for members hired on and after 10/01/2012. Form of Benefit: 10 year certain and life thereafter (options available).

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Early Retirement:

Eligibility: Age 45 and 10 years of credited service.

Benefit Amount: Accrued benefit, reduced 3.00% per year early.

Vesting (Termination):

Less than 5 years of Credited Service: Refund of member contributions.

5 years or more: Accrued benefit payable at age 45 or later, on an actuarially reduced basis if to commence prior to normal retirement date or Refund of member contributions.

Disability:

Eligibility: a) 10 years of service for non-service related; coverage from date of hire for service-incurred.

b) Total and permanent disability prior to normal retirement date.

Benefit Amount: 3.50% (3.00% if hired on or after 10/1/2012) of average final compensation (AFC) times credited service, but not less than 60% of AFC for service related disabilities, or 25% of AFC for non-service related disabilities.

Death Benefits:

Pre-Retirement Service-Incurred with Spouse or Dependent Child:

To Spouse: 60% of member's average final compensation (AFC).

To each Child (if no Spouse): 15% of Member's AFC. Overall maximum benefit to children is 60% of AFC.

Pre-Retirement Non-Service-Incurred or no Spouse or Children: Value of accrued pension benefit paid to designated beneficiary.

Chapter 175 Share Plan:

Allocation: Each year premium tax monies received pursuant to Chapter 175, Florida Statutes in excess of \$209,406 will be allocated to individual Member Share accounts based on full years of credited service with the City. Investment Earnings: Net rate of investment return, for each firefighter employed on the preceding September 30. Distribution: Lump sum payment at retirement, termination, disability, or death. Vesting Service Requirement: Same as for other benefits (see above).

Contributions

Employee: 8.00% of total pay for members hired on or after 10/01/2012. For members hired prior to 10/01/2012: 9.00% for the fiscal year ending 09/30/2014, 9.50% for each fiscal year thereafter. City: Remaining amount necessary for payment of Normal (current year's) cost and amortization of the accrued past service liability as provided in Part VII of Chapter 112, Florida Statutes. Notwithstanding the previous sentence, the City's total annual contribution shall be at least 12% of the covered payroll.

Premium Tax: 1.85% tax on premiums for insurance policies.

Investments

Investment Policy:

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

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

| Asset Class | Target Allocation |
|-----------------------|-------------------|
| Domestic Equity | 50.00% |
| International Equity | 15.00% |
| Domestic Fixed Income | 20.00% |
| Global Fixed Income | 5.00% |
| Real Estate | 10.00% |
| Total | 100.00% |

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 23.71 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility: 25 years of credited service with the City or normal retirement age.

Participation: Not to exceed 60 months.

The DROP balance as of September 30, 2021 is \$1,100,447.

Net Pension Liability

The measurement date is September 30, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2021 were as follows:

| | |
|---|----------------|
| Total Pension Liability | \$ 20,331,400 |
| Plan Fiduciary Net Position | (22,028,033) |
| Sponsor's Net Pension Liability | \$ (1,696,633) |
| Plan Fiduciary Net Position as a percentage of Total Pension Liability | 108.34% |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, 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:

| | |
|---------------------------|-------|
| Inflation | 2.50% |
| Salary Increases | 6.00% |
| Discount Rate | 7.60% |
| Investment Rate of Return | 7.60% |

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Retiree Lives:

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

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

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

Male: PubG.H-2010 (Below Median) for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel that this assumption sufficiently accommodates future mortality improvements.

The described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for special risk employees, with adjustments made based on plan demographics.

90% of active Member deaths are assumed to be service related.

The most recent actuarial experience study used to review the other significant assumptions was dated September 10, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2021 the inflation rate assumption of the investment advisor was 2.50%.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021 are summarized in the following table:

| <u>Asset Class</u> | <u>Long Term Expected Real Rate of Return¹</u> |
|-----------------------|---|
| Domestic Equity | 7.50% |
| International Equity | 8.50% |
| Domestic Fixed Income | 2.50% |
| Global Fixed Income | 3.50% |
| Real Estate | 4.50% |
| Total | |

¹Source AndCo Consulting

Discount Rate:

The discount rate used to measure the Total Pension Liability was 7.60 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 sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| | (a) | (b) | (a)-(b) |
| Balances at September 30, 2020 | \$ 18,278,111 | \$ 17,687,551 | \$ 590,560 |
| Changes for a Year: | | | |
| Service Cost | 595,529 | 0 | 595,529 |
| Interest | 1,409,144 | 0 | 1,409,144 |
| Share Plan Allocation | 37,778 | 0 | 37,778 |
| Differences between Expected and Actual Experience | 649,965 | 0 | 649,965 |
| Changes of assumptions | 0 | 0 | 0 |
| Contributions - Employer | 0 | 335,930 | (335,930) |
| Contributions - State | 0 | 247,184 | (247,184) |
| Contributions - Employee | 0 | 204,934 | (204,934) |
| Net Investment Income | 0 | 4,226,599 | (4,226,599) |
| Benefit Payments, including Refunds of Employee Contributions | (639,127) | (639,127) | 0 |
| Administrative Expense | 0 | (35,038) | 35,038 |
| Net Changes | 2,053,289 | 4,340,482 | (2,287,193) |
| Balances at September 30, 2021 | <u>\$ 20,331,400</u> | <u>\$ 22,028,033</u> | <u>\$ (1,696,633)</u> |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate.

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---------------------------------|-------------|--------------------------|----------------|
| | 6.60% | 7.60% | 8.60% |
| Sponsor's Net Pension Liability | \$ 639,765 | \$ (1,696,633) | \$ (3,657,666) |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of \$(128,601).

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$ 971,199 | \$0 |
| Changes of assumptions | 0 | 54,676 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 0 | 2,682,853 |
| Total | \$ 971,199 | \$ 2,737,529 |

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 | \$ (509,380) |
| 2023 | (436,600) |
| 2024 | (538,525) |
| 2025 | (390,153) |
| 2026 | 108,328 |
| Thereafter | 0 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Valuation Date: 10/01/2019

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

Methods and assumptions used to determine contribution rates:

Mortality: *Healthy Active Lives*: Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 for Employees, set forward one year.
Healthy Retiree Lives: Female: PubS.H-2010 for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year. *Beneficiary Lives*: Female: PubG.H-2010 for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year.
Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel that this assumption sufficiently accommodates future mortality improvements.
The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2020 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. 90% of active deaths are assumed to be service-incurred.

Termination Rates: See table below for sample rates applicable prior to 10 years of employment. In addition, all members are assumed to have a 1.0% rate for all ages after completing 10 or more years of employment. The assumption is based on the results of an experience study dated September 10, 2020

Disability Rates: See table below. It is assumed that 90% of disablements are service related. This assumption was developed from those used by other plans containing Florida Municipal Firefighters.

Retirement Age: See Table below for sample rates. The assumption is based on the results of an experience study dated September 10, 2020.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

| | |
|-------------------------|---|
| Early Retirement: | Commencing upon a member's eligibility for early retirement (age 45 with 10 years of credited service), members are assumed to retire with an immediate subsidized benefit at the rate of 2% per year. We feel that this assumption is reasonable based on the plan provisions. |
| Interest Rate: | 7.60% per year, compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class. |
| Salary Increases: | 6.0% per year up to the assumed retirement age. See Table below. Final salary in year of retirement is increased individually to account for additional non-regular compensation. We feel that this assumption is reasonable on a long term basis. |
| Payroll Growth: | 0.00% for purposes of amortizing the unfunded actuarial accrued liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes. |
| Asset Valuation Method: | All assets are valued at fair 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. |

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

(c) Municipal Firefighters' Pension Plan, continued

Assumption Tables

| % Terminating During the Year | | % Becoming Disabled During the Year | | Current Salary as % of Salary at age 55 | | % Retiring During the Year | |
|----------------------------------|------|--|-------|--|--------|-------------------------------|---------|
| Age | Rate | Age | Rate | Age | Rate | Years After First Eligible | Rate |
| 20 | 6.0% | 20 | 0.03% | 20 | 13.00% | <1 | 70.00% |
| 30 | 5.0% | 30 | 0.04% | 30 | 23.30% | 1-2 | 50.00% |
| 40 | 2.6% | 40 | 0.07% | 40 | 41.70% | 3+ | 100.00% |
| 50 | 0.8% | 50 | 0.18% | 50 | 74.70% | | |

(d) Florida Retirement System (FRS)

Plan Description:

The Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

The City had three employees that had been covered by the Florida Retirement System. All of the three employees have retired and the City hasn't any Net Pension Obligation going forward. The City does not anticipate that it will ever have any other employees under this plan.

As a result the Sponsor will recognize a Net Pension Obligation of \$0, Deferred Outflows of resources of \$0, a Deferred Inflows of Resources of \$0 and a net revenue of \$0 in the current year.

Annual Pension Costs and Net Pension Obligations

The City has no net pension obligations as all actuarially determined amounts are contributed each year. The City's annual pension costs for the General Employees' pension plan was \$1,831,665, Municipal Police Officers' pension plan \$562,748, Municipal Firefighters' pension plan \$335,930 for fiscal year ended September 30, 2021.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Pension balances at September 30, 2021 were as follows:

| | General Employees' Pension Plan | Municipal Police Officers' Pension Plan | Municipal Firefighters' Pension Plan | Total |
|---|---------------------------------------|--|--|-----------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,494,246 | \$ 635,527 | \$ 73,107 | \$ 2,202,880 |
| Receivables: Investment income | 70,726 | 27,163 | 0 | 97,889 |
| Investments, at fair value | | | | |
| U.S. Bonds and Bills | 6,250,512 | 2,667,611 | 0 | 8,918,123 |
| Federal Agency Guaranteed Securities | 4,873,900 | 2,088,949 | 0 | 6,962,849 |
| Corporate Bonds | 3,601,678 | 1,566,718 | 0 | 5,168,396 |
| Stocks | 3,612,698 | 0 | 0 | 3,612,698 |
| Mutual Funds | | | | |
| Fixed Income | 5,639,170 | 412,488 | 4,458,620 | 10,510,278 |
| Equity | 27,527,384 | 16,739,591 | 14,162,731 | 58,429,706 |
| Pooled/Common/Commingled Funds: Real Estate | 5,328,962 | 0 | 3,338,450 | 8,667,412 |
| Total investments at fair value | <u>56,834,304</u> | <u>23,475,357</u> | <u>21,959,801</u> | <u>102,269,462</u> |
| Total assets | <u>58,399,276</u> | <u>24,138,047</u> | <u>22,032,908</u> | <u>104,570,231</u> |
| LIABILITIES | | | | |
| Payables | | | | |
| Refunds of Member Contributions | 0 | 9,136 | 0 | 9,136 |
| Investment & Admin Expenses | 21,587 | 13,992 | 4,875 | 40,454 |
| DROP Distributions | 181,548 | 0 | 0 | 181,548 |
| Total liabilities | <u>203,135</u> | <u>23,128</u> | <u>4,875</u> | <u>231,138</u> |
| NET POSITION RESTRICTED FOR PENSIONS | <u>\$ 58,196,141</u> | <u>\$ 24,114,919</u> | <u>\$ 22,028,033</u> | <u>\$ 104,339,093</u> |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

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

| | General Employees' Pension Plan | Municipal Police Officers' Pension Plan | Municipal Firefighters' Pension Plan | Total |
|---|---------------------------------------|--|--|-----------------------|
| ADDITIONS | | | | |
| Contributions | | | | |
| Employer | \$ 1,831,665 | \$ 562,748 | \$ 335,930 | \$ 2,730,343 |
| Plan Members | 265,337 | 200,603 | 204,934 | 670,874 |
| State | 0 | 223,437 | 247,184 | 470,621 |
| Total contributions | <u>2,097,002</u> | <u>986,788</u> | <u>788,048</u> | <u>3,871,838</u> |
| Investment income | | | | |
| Net Increase in Fair Value of investments | 7,068,574 | 3,639,486 | 3,136,541 | 13,844,601 |
| Interest and dividends | 1,494,052 | 389,586 | 1,121,291 | 3,004,929 |
| Less investment expense ¹ | <u>(121,916)</u> | <u>(46,132)</u> | <u>(31,233)</u> | <u>(199,281)</u> |
| Net investment income (loss) | <u>8,440,710</u> | <u>3,982,940</u> | <u>4,226,599</u> | <u>16,650,249</u> |
| Total additions | <u>10,537,712</u> | <u>4,969,728</u> | <u>5,014,647</u> | <u>20,522,087</u> |
| DEDUCTIONS | | | | |
| Benefit payments, including refunds of member contributions | 2,506,152 | 1,160,600 | 611,952 | 4,278,704 |
| Lump sum DROP and share distributions | 516,453 | 0 | 27,175 | 543,628 |
| Administrative expense | <u>62,783</u> | <u>50,111</u> | <u>35,038</u> | <u>147,932</u> |
| Total deductions | <u>3,085,388</u> | <u>1,210,711</u> | <u>674,165</u> | <u>4,970,264</u> |
| Net increase (decrease) in net position | 7,452,324 | 3,759,017 | 4,340,482 | 15,551,823 |
| NET POSITION RESTRICTED FOR PENSIONS | | | | |
| Beginning of year | <u>50,743,817</u> | <u>20,355,902</u> | <u>17,687,551</u> | <u>88,787,270</u> |
| End of year | <u>\$ 58,196,141</u> | <u>\$ 24,114,919</u> | <u>\$ 22,028,033</u> | <u>\$ 104,339,093</u> |

¹Investment Related expenses include investment advisory, custodial and performance monitoring fees.

CITY OF PUNTA GORDA, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2021

IV. Detailed notes on all funds, Continued

G. Employee Retirement Systems, continued

Below is a summary of the pension plans.

| | Fiduciary Net Position | Pension Liabilities | Net Pension Liability | Deferred Outflows | Deferred Inflows | Pension Expense |
|---------------------------|---------------------------|------------------------|--------------------------|----------------------|---------------------|--------------------|
| General Employees Pension | \$ 58,196,141 | \$ 58,882,351 | \$ 686,210 | \$ 506,615 | \$ 4,619,711 | \$ (17,531) |
| Police Pension | 24,114,919 | 23,439,026 | (675,893) | 568,205 | 2,563,890 | 142,111 |
| Firefighters Pension | 22,028,033 | 20,331,400 | (1,696,633) | 971,199 | 2,737,529 | (128,601) |
| Total | \$ 104,339,093 | \$ 102,652,777 | \$ (1,686,316) | \$ 2,046,019 | \$ 9,921,130 | \$ (4,021) |

Defined Contribution Pension Plan

August 2011 the City closed the General Employees' Defined Benefit Plan to new entrants. As a replacement the City created a Defined Contribution Plan for new employees as well as current employees who had not joined the Defined Benefit Plan.

The Defined Contribution Plan is self directed by the employee regarding investment choices. The Plan is managed by ICMA, a large investment company used exclusively by Governmental entities.

Plan specifics are as follows:

- Vesting: 0 to 5 years 0%
5+ years 100%
- Contributions:
 - City match is 100% of employees' contribution up to 5% of includable wages
 - City match is 50% of employees' contribution from 5% to 10% of includable wages
 - Maximum City Match 7.5% of includable wages

Total Balance in the Plan as of September 30, 2021 is \$2,599,460, which includes City and Employee Contributions as well as earnings for the year. The amount of forfeitures in FY 2021 were \$31,945. The amount of the City contribution in FY 2021 was \$183,614, resulting in net pension expense of \$151,669. Thirty members are vested with a total account balance of \$1,494,118. This is included in the amount above. The total number of Plan members was seventy-four as of September 30, 2021.

H. Other Postemployment Benefits (OPEB)

Plan Description:

The City of Punta Gorda's Retiree Health Care Plan (Plan) is a single-employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and life insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

an OPEB plan administered through a trust.

Employees Covered by Benefit Terms.

At September 30, 2020, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive Plan Members, or Beneficiaries Currently Receiving Benefits | 15 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits | 0 |
| Active Plan Members | 288 |
| | 303 |

Benefits Provided:

A retired employee and his or her spouse and eligible dependents are eligible to continue health insurance identical to active employees if they meet the eligibility for retirement under the applicable retirement plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents.

Total OPEB Liability

The measurement date is September 30, 2021. The measurement period for the OPEB expense was October 1, 2020 to September 30, 2021. The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Total OPEB Liability was measured as of September 30, 2021.

Actuarial Assumptions:

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2020, updated to September 30, 2021, using the following actuarial assumptions:

| | |
|-------------------------|--------------------|
| Inflation Rate | 2.50% |
| Salary Increase Rate(s) | Varies By Service. |
| Discount Rate | 2.43% |
| Initial Trend Rate | 7.00% |
| Ultimate Trend Rate | 4.00% |
| Years to Ultimate | 54 |

Mortality:

All mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2019 Florida Retirement System (FRS) valuation report. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

Mortality-Active Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female above-median income employee table was used. For female special risk lives, the headcount-weighted PubS-2010 female (below-median income, for Police) employee table, set forward one year, was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male employee table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male (below-median income, for Police) employee table, set forward one year, was used.

Mortality-Inactive Healthy Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For female special risk lives, the headcount-weighted PubS-2010 female healthy retiree table, set forward one year, was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male healthy retiree table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male (below-median income, for Firefighters) healthy retiree table, set forward one year, was used.

Mortality-Disabled Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female disabled retiree table, set forward 3 years, was used. For female special risk lives, an 80% headcount-weighted PubG-2010 female disabled retiree, 20% headcount-weighted PubS-2010 female disabled retiree blended table was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male disabled retiree table, set forward 3 years, was used. For Male special risk lives, an 80% headcount-weighted PubG-2010 male disabled retiree, 20% headcount-weighted PubS-2010 male disabled retiree blended table was used.

Discount Rate:

Given the City's decision not to fund the program, all future benefit payments were discounted using a high quality municipal bond rate of 2.43%. The high quality municipal bond rate was based on the S & P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices on the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

| | Change in Total OPEB Liability | Increases and (Decreases) in Total OPEB Liability |
|--|--------------------------------|--|
| Reporting Period Ending September 30, 2020 | | \$ 13,457,126 |
| Changes for the Year: | | |
| Service Cost | | 1,023,128 |
| Interest | | 308,769 |
| Changes of assumptions | | (955,486) |
| Benefit Payments | | (104,110) |
| Net Changes | | 272,301 |
| Reporting Period Ending September 30, 2021 | | \$ 13,729,427 |

Changes in assumptions reflect a change in the discount rate from 2.14% for the reporting period ended September 30, 2020, to 2.43% for the reporting period ended September 30, 2021.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

| | 1% Decrease 1.43% | Current Discount Rate 2.43% | 1% Increase 3.43% |
|------------------------------|----------------------|-----------------------------------|----------------------|
| Total OPEB Liability (Asset) | \$ 17,404,491 | \$ 13,729,427 | \$ 10,988,338 |

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

The following presents the Total OPEB Liability of the Sponsor, as well as what the Sponsor's Total OPEB Liability would be if it were calculated using a healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease 3.00%-6.50% | Healthcare Cost Trend Rates 4.00%-7.50% | 1% Increase 5.00%-8.50% |
|------------------------------|----------------------------|---|----------------------------|
| Total OPEB Liability (Asset) | \$ 10,753,670 | \$ 13,729,427 | \$ 17,799,214 |

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

H. Other Postemployment Benefits (OPEB), continued

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

For the year ended September 30, 2021, the Sponsor will recognize OPEB Expense of \$1,428,921.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Experience | \$0 | \$ 426,597 |
| Changes of assumptions | 2,423,341 | 1,369,190 |
| Total | \$ 2,423,341 | \$ 1,795,787 |

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

| Year ended September 30: | |
|--------------------------|------------|
| 2022 | \$ 94,449 |
| 2023 | \$ 94,449 |
| 2024 | \$ 94,449 |
| 2025 | \$ 94,452 |
| 2026 | \$ 224,416 |
| Thereafter | \$ 25,339 |

I. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed expenses might constitute a contingent liability of the City. The City does not believe any such contingent liabilities are material.

The City is contingently liable with respect to litigation incidental to the ordinary course of its operations. In the opinion of management, based on the advice of legal counsel, the ultimate disposition of lawsuits will not have a material adverse effect on the financial position of the City.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

I. Contingencies-continued

The City of Punta Gorda entered into an intergovernmental agreement with The Peace River Manasota Regional Water Supply Management District in 2016 for the construction of the regional Integrated Loop System Phase I Interconnect project, along with Southwest Florida Water Management District (SWFWMD).

The City was to provide up to \$6 million dollars for the project, including a \$4 million pass-thru from the State of Florida. The City has provided the four million pass-thru as well as an initial payment of \$500,000. The total cost of the project was anticipated to be \$12 million. The total was to be split between SWFWMD and the City.

The City was presented an invoice before fiscal year end 2020 for \$1.5 million for the remainder of the project. The documentation provided did not support that the \$12 million had been spent at that time. As such the City has recorded an intergovernmental payable for \$391,447 for the portion that had supporting documentation and an accrued liability for \$1,108,553 for the unsupported portion. The \$1.5 million was recorded as an expense in contractual services in the Utilities Fund in fiscal year 2020, pending resolution of conflicting language in the contract.

On December 1, 2021, after the end of fiscal year 2021, the Punta Gorda City Council approved the payment of the \$1.5 million which had been recorded in fiscal year 2020. As such the liabilities recorded in fiscal year 2020 are still part of the liabilities recorded in the fiscal year 2021 Utilities Fund Statement of Net Position.

J. Risk Management

The City is a member of a local government liability risk pool.

The pool administers insurance activities relating to property, general, automobile, public officials' liability, workers' compensation, and auto physical damage. The pool assesses each member its pro rata share of the estimated amount required to meet current year losses, operating expenses and reinsurance costs (premiums).

To reduce its exposure to large losses on all types of insured events the pool uses reinsurance policies purchased from third-party carriers.

The City is a member of Public Risk Management (PRM) for the City's employee health plan. It is a self-funded HMO/PPO plan using the Blue Cross Blue Shield of Florida network, administered by Blue Cross Blue Shield of Florida. The fund is fully funded annually. The premiums for this coverage are paid by the various departments on a per employee coverage basis.

CITY OF PUNTA GORDA, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

IV. Detailed notes on all funds, Continued

K. Miscellaneous Revenue – Governmental Fund Types

At September 30, 2021, miscellaneous revenue consisted of the following:

| | |
|---------------------------------------|--------------|
| <u>General Fund</u> | |
| Interest | \$ 12,622 |
| Administrative Charges | 3,152,425 |
| Other | 742,057 |
| | 3,907,104 |
| <u>Community Redevelopment Agency</u> | |
| Interest | 4,290 |
| Other | 339,553 |
| | 343,843 |
| <u>P G I Canal Maintenance Fund</u> | |
| Interest | 6,876 |
| Other | 5,028 |
| | 11,904 |
| <u>Capital Project Fund</u> | |
| Other | 74 |
| | 74 |
| <u>1% Local Option Sales Tax</u> | |
| Interest | 10,545 |
| Other | 1,756 |
| | 12,301 |
| <u>Other Governmental Funds</u> | |
| Interest | 9,878 |
| Other | 36,470 |
| | 46,348 |
| | \$ 4,321,574 |

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information for Pension Plans

CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Municipal General Employees' Pension

| Year ended September 30: | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------------------|--------|-------|-------|-------|--------|-------|-------|-------|--------|--------|
| Annual Money-Weighted Rate of Return | | | | | | | | | | |
| Net of Investment Expense | 16.49% | 9.50% | 4.47% | 8.24% | 10.41% | 7.07% | 0.56% | 9.33% | 13.68% | 19.33% |

Municipal Police Officers' Pension

| Year ended September 30: | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------------------|--------|--------|-------|-------|--------|-------|--------|-------|--------|--------|
| Annual Money-Weighted Rate of Return | | | | | | | | | | |
| Net of Investment Expense | 19.48% | 12.19% | 4.06% | 9.54% | 10.94% | 7.83% | -1.39% | 9.74% | 12.92% | 15.65% |

Municipal Firefighters' Pension

| Year ended September 30: | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------------------|--------|--------|-------|--------|--------|-------|-------|-------|--------|--------|
| Annual Money-Weighted Rate of Return | | | | | | | | | | |
| Net of Investment Expense | 23.71% | 12.57% | 4.93% | 11.08% | 14.04% | 9.22% | 0.00% | 8.50% | 14.74% | 16.63% |

This information is required for 10 years.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

| Municipal General Employees' Pension | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 09/30/2017 | 09/30/2016 | 09/30/2015 | 09/30/2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | | |
| Service Cost | \$ 684,299 | \$ 768,708 | \$ 819,179 | \$ 810,496 | \$ 779,310 | \$ 824,917 | \$ 936,664 | \$ 1,073,877 |
| Interest | 3,838,686 | 3,787,283 | 3,667,114 | 3,612,714 | 3,518,739 | 3,370,301 | 3,249,754 | 3,082,449 |
| Share Plan Allocation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes of benefit terms | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Differences between Expected and Actual Experience | (314,450) | (34,975) | 320,344 | (129,908) | 257,764 | (602,266) | (688,753) | 0 |
| Changes of assumptions | 0 | 1,519,844 | - | 1,269,378 | 1,280,668 | 2,014,707 | 0 | 0 |
| Contributions - Buy Back | 0 | 0 | 51,388 | 120,000 | 30,496 | 0 | 15,736 | 0 |
| Benefit Payments, including Refunds of Employee Contributions | (3,022,605) | (3,359,536) | (2,822,186) | (3,446,926) | (2,521,363) | (1,745,206) | (1,947,218) | (1,773,467) |
| Net Change in Total Pension Liability | 1,185,930 | 2,681,324 | 2,035,839 | 2,235,754 | 3,345,614 | 3,862,453 | 1,566,183 | 2,382,859 |
| Total Pension Liability - Beginning | 57,696,421 | 55,015,097 | 52,979,258 | 50,743,504 | 47,397,890 | 43,535,437 | 41,969,254 | 39,586,395 |
| Total Pension Liability - Ending (a) | <u>\$ 58,882,351</u> | <u>\$ 57,696,421</u> | <u>\$ 55,015,097</u> | <u>\$ 52,979,258</u> | <u>\$ 50,743,504</u> | <u>\$ 47,397,890</u> | <u>\$ 43,535,437</u> | <u>\$ 41,969,254</u> |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - Employer | 1,831,665 | 1,831,619 | 1,759,599 | 1,733,431 | 1,712,254 | 1,675,103 | 1,891,929 | 1,956,900 |
| Contributions - Employee | 265,337 | 326,217 | 352,687 | 364,789 | 375,985 | 412,586 | 429,302 | 478,707 |
| Contributions - Buy Back | 0 | 0 | 51,388 | 120,000 | 30,496 | 0 | 15,736 | 0 |
| Net Investment income | 8,440,710 | 4,545,574 | 2,074,990 | 3,637,775 | 4,235,468 | 2,683,966 | 209,246 | 3,082,886 |
| Benefit Payments, Including Refunds of Employee Contributions | (3,022,605) | (3,359,536) | (2,822,186) | (3,446,926) | (2,521,363) | (1,745,206) | (1,947,218) | (1,773,467) |
| Administrative Expense | (62,783) | (64,246) | (61,776) | (71,028) | (61,037) | (71,349) | (42,525) | (32,788) |
| Net Change in Plan Fiduciary Net Position | 7,452,324 | 3,279,628 | 1,354,702 | 2,338,041 | 3,771,803 | 2,955,100 | 556,470 | 3,712,238 |
| Plan Fiduciary Net Position - Beginning | 50,743,817 | 47,464,189 | 46,109,487 | 43,771,446 | 39,999,643 | 37,044,543 | 36,488,073 | 32,775,835 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 58,196,141</u> | <u>\$ 50,743,817</u> | <u>\$ 47,464,189</u> | <u>\$ 46,109,487</u> | <u>\$ 43,771,446</u> | <u>\$ 39,999,643</u> | <u>\$ 37,044,543</u> | <u>\$ 36,488,073</u> |
| Net Pension Liability - Ending (a) - (b) | <u>\$ 686,210</u> | <u>\$ 6,952,604</u> | <u>\$ 7,550,908</u> | <u>\$ 6,869,771</u> | <u>\$ 6,972,058</u> | <u>\$ 7,398,247</u> | <u>\$ 6,490,894</u> | <u>\$ 5,481,181</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 98.83% | 87.95% | 86.27% | 87.03% | 86.26% | 84.39% | 85.09% | 86.94% |
| Covered Payroll ¹ | \$ 3,275,765 | \$ 4,031,904 | \$ 4,350,981 | \$ 4,503,565 | \$ 4,641,783 | \$ 5,093,648 | \$ 6,865,470 | \$ 5,909,963 |
| Net Pension Liability as a Percentage of Covered Payroll | 20.95% | 172.44% | 173.54% | 152.54% | 150.20% | 145.24% | 94.54% | 92.74% |

Notes to Schedule:

¹The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement Period which includes DROP payroll. The reported Covered Payroll number for the fiscal year 2014 was based on Pensionable Salary.

Changes of Assumptions:

For measurement date 09/30/2020, as a result of Chapter 2015-157, Laws of Florida, the assumed Rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS Valuation Report for non-special-risk employees, with appropriate adjustments made based on plan demographics. Additionally, the investment rate of return was lowered from 7.00% to 6.75% per year compounded annually, net of investment related expenses.

For Measurement date 09/30/2019 the inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant and the interest rate assumption was changed from 7.75% net of fees through 2023 and 7.25% thereafter to 7.50% net of fees through 2023 and 7.25% thereafter.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.25% to 7.00%.

For measurement date 09/30/2017, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality have been changed from those in the July 1, 2015 FRS valuation report to those used in the July 1, 2016 FRS valuation report. Additionally, the interest rate assumption was changed from 7.50% net of fees through 2023 and 7.25% thereafter to 7.25% net of fees through 2023 and 7.00% thereafter.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed Rates of mortality were changed to the assumptions used by the Florida Retirement System.

This information is required for 10 years, additional years' information will be provided once it is available.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

| Municipal Police Officers' Pension Measurement Date ² | 09/30/2021 | 09/30/2020 | 09/30/2019 | 09/30/2018 | 09/30/2017 | 09/30/2016 | 09/30/2015 | 09/30/2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | | |
| Service Cost | \$ 617,383 | \$ 622,313 | \$ 709,884 | \$ 593,416 | \$ 636,723 | \$ 555,746 | \$ 570,363 | \$ 526,910 |
| Interest | 1,547,149 | 1,482,295 | 1,501,423 | 1,448,738 | 1,360,108 | 1,263,445 | 1,286,569 | 1,210,004 |
| Change in Excess State Money | 0 | 0 | 0 | 0 | (134) | 0 | 0 | 0 |
| Share Plan Allocation | 11,719 | 11,385 | 630 | 2,156 | 0 | 0 | 0 | 0 |
| Differences between Expected and Actual Experience | 358,336 | 103,601 | (230,763) | (435,224) | 51,450 | (141,785) | (802,974) | 0 |
| Changes of assumptions | 0 | (143,341) | 990,613 | 0 | 0 | 377,986 | 164,476 | 0 |
| Contributions-Buy Back | 0 | 0 | 0 | 0 | 34,736 | 0 | 0 | 0 |
| Benefit Payments, including Refunds of Employee Contributions | (1,160,600) | (1,129,089) | (1,034,449) | (1,057,059) | (735,142) | (1,043,059) | (923,770) | (722,843) |
| Net Change in Total Pension Liability | 1,373,987 | 947,164 | 1,937,338 | 552,027 | 1,347,741 | 1,012,333 | 294,664 | 1,014,071 |
| Total Pension Liability - Beginning | 22,065,039 | 21,117,875 | 19,180,537 | 18,628,510 | 17,280,769 | 16,268,436 | 15,973,772 | 14,959,701 |
| Total Pension Liability - Ending (a) | <u>\$ 23,439,026</u> | <u>\$ 22,065,039</u> | <u>\$ 21,117,875</u> | <u>\$ 19,180,537</u> | <u>\$ 18,628,510</u> | <u>\$ 17,280,769</u> | <u>\$ 16,268,436</u> | <u>\$ 15,973,772</u> |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - Employer | 562,748 | 499,503 | 432,825 | 449,219 | 356,145 | 409,363 | 513,912 | 548,795 |
| Contributions - State | 223,437 | 222,769 | 201,260 | 204,311 | 194,170 | 189,149 | 174,722 | 173,165 |
| Contributions - Employee | 200,603 | 207,668 | 198,663 | 177,160 | 185,399 | 175,660 | 159,694 | 147,103 |
| Contributions-Buy Back | 0 | 0 | 0 | 0 | 34,736 | 0 | 0 | 0 |
| Net Investment income | 3,982,940 | 2,242,636 | 727,996 | 1,589,295 | 1,646,451 | 1,108,041 | (205,046) | 1,265,663 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,160,600) | (1,129,089) | (1,034,449) | (1,057,059) | (735,142) | (1,043,059) | (923,770) | (722,843) |
| Administrative Expense | (50,111) | (60,292) | (75,400) | (52,484) | (28,996) | (21,570) | (23,002) | (14,496) |
| Net Change in Plan Fiduciary Net Position | 3,759,017 | 1,983,195 | 450,895 | 1,310,442 | 1,652,763 | 817,584 | (303,490) | 1,397,387 |
| Plan Fiduciary Net Position - Beginning | 20,355,902 | 18,372,707 | 17,921,812 | 16,611,370 | 14,958,607 | 14,141,023 | 14,444,513 | 13,047,126 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 24,114,919</u> | <u>\$ 20,355,902</u> | <u>\$ 18,372,707</u> | <u>\$ 17,921,812</u> | <u>\$ 16,611,370</u> | <u>\$ 14,958,607</u> | <u>\$ 14,141,023</u> | <u>\$ 14,444,513</u> |
| Net Pension Liability - Ending (a) - (b) | <u>\$ (675,893)</u> | <u>\$ 1,709,137</u> | <u>\$ 2,745,168</u> | <u>\$ 1,258,725</u> | <u>\$ 2,017,140</u> | <u>\$ 2,322,162</u> | <u>\$ 2,127,413</u> | <u>\$ 1,529,259</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 102.88% | 92.25% | 87.00% | 93.44% | 89.17% | 86.56% | 86.92% | 90.43% |
| Covered Payroll ¹ | \$ 2,507,538 | \$ 2,595,853 | \$ 2,483,295 | \$ 2,214,507 | \$ 2,317,484 | \$ 2,195,754 | \$ 2,171,581 | \$ 1,838,786 * |
| Net Pension Liability as a Percentage of Covered Payroll | -26.95% | 65.84% | 110.55% | 56.84% | 87.04% | 105.76% | 97.97% | 83.17% |

Notes to Schedule:

¹The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

² Effective for the City's fiscal year ending 09/30/2017, the GASB 68 measurement date of the Pension Expense has been approved and changed from 09/30/2016 to 09/30/2017.

Changes of Assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees.

For measurement date 09/30/2019, amounts reported as changes of assumptions resulted from an Experience Study dated June 19, 2019, the Board approved the following changes to the assumptions and methods:

- 1.) Reduce Investment Return assumption from 7.75% to 7.00%.
- 2.) Amend assumed individual salary increases from a flat 6.0% per year to a service based table.
- 3.) Amend assumed rates of Retirement to be 100% at 25 years, otherwise 50% at first eligibility, 20% for next 4 years of eligibility and 100% at 5 years after first eligibility.
- 4.) Increase all expected termination rates by 25%.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 09/30/2015 the investment rate of return has been lowered from 8.00% to 7.75% per year, net of investment related expenses and the salary increase assumption has been lowered from 7.00% to 6.00%.

This information is required for 10 years, additional years' information will be provided once it is available.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Municipal Firefighters' Pension

| | 09/30/2021 | 09/30/2020 | 09/30/2019 | 09/30/2018 | 09/30/2017 | 09/30/2016 | 09/30/2015 | 09/30/2014 |
|--|-------------|------------|------------|------------|------------|------------|-------------|------------|
| Total Pension Liability | | | | | | | | |
| Service Cost | 595,529 | 514,933 | 460,863 | 461,830 | 455,334 | 411,823 | 353,613 | 433,718 |
| Interest | 1,409,144 | 1,300,260 | 1,208,636 | 1,128,827 | 1,065,754 | 997,747 | 1,018,193 | 949,706 |
| Share Plan Allocation | 37,778 | 6,365 | 0 | 0 | 0 | 15,001 | 37,775 | 38,240 |
| Changes of benefit terms | 0 | 0 | (5,618) | 0 | 0 | 0 | 0 | 0 |
| Differences between Expected and Actual Experience | 649,965 | 544,754 | 21,713 | 118,281 | 96,635 | (169,539) | (1,226,224) | 0 |
| Changes of assumptions | 0 | (82,015) | 0 | 0 | 0 | 202,057 | 324,227 | 0 |
| Benefit Payments, including Refunds of Employee Contributions | (639,127) | (563,033) | (563,033) | (782,099) | (838,640) | (407,546) | (430,563) | (540,379) |
| Net Change in Total Pension Liability | 2,053,289 | 1,721,264 | 1,122,561 | 926,839 | 779,083 | 1,049,543 | 77,021 | 881,285 |
| Total Pension Liability - Beginning | 18,278,111 | 16,556,847 | 15,434,286 | 14,507,447 | 13,728,364 | 12,678,821 | 12,601,800 | 11,720,515 |
| Total Pension Liability - Ending (a) | 20,331,400 | 18,278,111 | 16,556,847 | 15,434,286 | 14,507,447 | 13,728,364 | 12,678,821 | 12,601,800 |
| Plan Fiduciary Net Position | | | | | | | | |
| Contributions - Employer | 335,930 | 318,946 | 406,246 | 378,656 | 284,402 | 238,589 | 399,158 | 460,347 |
| Contributions - State | 247,184 | 215,771 | 198,399 | 158,594 | 197,070 | 224,407 | 247,181 | 247,646 |
| Contributions - Employee | 204,934 | 191,598 | 170,587 | 151,820 | 161,260 | 157,379 | 146,058 | 140,886 |
| Net Investment Income | 4,226,599 | 1,973,023 | 733,277 | 1,472,194 | 1,655,621 | 1,000,732 | (311) | 799,801 |
| Benefit Payments, Including Refunds of Employee Contributions | (639,127) | (563,033) | (563,033) | (782,099) | (838,640) | (407,546) | (430,563) | (540,379) |
| Administrative Expense | (35,038) | (39,250) | (28,965) | (26,283) | (22,956) | (25,679) | (27,006) | (39,889) |
| Net Change in Plan Fiduciary Net Position | 4,340,482 | 2,097,055 | 916,511 | 1,352,882 | 1,436,757 | 1,187,882 | 334,517 | 1,068,412 |
| Plan Fiduciary Net Position - Beginning | 17,687,551 | 15,590,496 | 14,673,985 | 13,321,103 | 11,884,346 | 10,696,464 | 10,361,947 | 9,293,535 |
| Plan Fiduciary Net Position - Ending (b) | 22,028,033 | 17,687,551 | 15,590,496 | 14,673,985 | 13,321,103 | 11,884,346 | 10,696,464 | 10,361,947 |
| Net Pension Liability - Ending (a) - (b) | (1,696,633) | 590,560 | 966,351 | 760,301 | 1,186,344 | 1,844,018 | 1,982,357 | 2,239,853 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 108.34% | 96.77% | 94.16% | 95.07% | 91.82% | 86.57% | 84.36% | 82.23% |
| Covered Payroll ¹ | 2,257,924 | 2,101,551 | 1,869,643 | 1,702,646 | 1,752,641 | 1,700,238 | 1,686,074 | 1,575,575 |
| Net Pension Liability as a Percentage of Covered Payroll | -75.14% | 28.10% | 51.69% | 44.65% | 67.69% | 108.46% | 117.57% | 142.16% |

Notes to Schedule:

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll. The reported Covered Payroll number for the fiscal year 2014 was based on Pensionable Salary.

Changes of Benefit terms:

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.1816, Florida Statutes. The Statutes state that, effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

Changes of Assumptions:

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Additionally, as approved by the Board as a result of an Experience Study performed on September 10, 2020, the following 1) The investment return assumption was reduced from 7.75% to 7.60%, net of investment related expenses. 2) The assumed Normal Retirement Date was amended to be 70% in the first year eligible for Normal Retirement, 50% in each of the next two years after eligibility and 100% at three years following first eligibility for Normal Retirement. Also, the assumption that if a Member is eligible for Normal Retirement on the valuation date, they will work one more year was eliminated. 3) The assumed rates of pre-retirement withdrawal were amended from an age-based table to one based upon age and service.

Effective for the City's fiscal year ending 09/30/2017, the GASB 68 measurement date of the Pension Expense has been approved and changed from 09/30/2019 to 09/30/2017.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.50%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For the year ending 09/30/2015 the investment rate of return has been lowered from 8.00% to 7.75% per year, net of investment related expenses.

This information is required for 10 years, additional years' information will be provided once it is available.

**CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CONTRIBUTIONS**

Municipal General Employees' Pension

| | 9/30/2021 | 9/30/2020 | 9/30/2019 | 9/30/2018 | 09/30/2017 | 09/30/2016 | 09/30/2015 | 09/30/2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-----------------|-------------------|---------------------|
| Actuarially Determined Contribution | \$ 1,359,765 | \$ 1,680,770 | \$ 1,658,215 | \$ 1,569,292 | \$ 1,452,020 | \$ 1,674,763 | \$ 1,886,773 | \$ 1,678,429 |
| Contributions in relation to the Actuarially Determined Contributions | 1,831,665 | 1,831,619 | 1,759,599 | 1,733,431 | 1,712,254 | 1,675,103 | 1,891,929 | 1,956,900 |
| Contribution Deficiency (Excess) | <u>\$ (471,900)</u> | <u>\$ (150,849)</u> | <u>\$ (101,384)</u> | <u>\$ (164,139)</u> | <u>\$ (260,234)</u> | <u>\$ (340)</u> | <u>\$ (5,156)</u> | <u>\$ (278,471)</u> |
| Covered Payroll ¹ | \$ 3,275,765 | \$ 4,031,904 | \$ 4,350,981 | \$ 4,503,565 | \$ 4,641,783 | \$ 5,093,648 | \$ 6,865,470 | \$ 5,909,963 |
| Contributions as a percentage of Covered Payroll | 55.92% | 45.43% | 40.44% | 38.49% | 36.89% | 32.89% | 27.56% | 33.11% |

¹The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

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

This information is required for 10 years, additional years' information will be provided once it is available.

Municipal Police Officers' Pension

| | 09/30/2021 | 09/30/2020 | 09/30/2019 | 09/30/2018 | 09/30/2017 | 09/30/2016 | 09/30/2015 | 09/30/2014 |
|---|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|-----------------|--------------------|
| Actuarially Determined Contribution | \$ 763,378 | \$ 701,658 | \$ 598,561 | \$ 638,368 | \$ 531,593 | \$ 576,560 | \$ 688,345 | \$ 704,255 |
| Contributions in relation to the Actuarially Determined Contributions | 774,467 | 710,887 | 633,455 | 651,374 | 550,315 | 598,512 | 688,634 | 721,959 |
| Contribution Deficiency (Excess) | <u>\$ (11,089)</u> | <u>\$ (9,229)</u> | <u>\$ (34,894)</u> | <u>\$ (13,006)</u> | <u>\$ (18,722)</u> | <u>\$ (21,952)</u> | <u>\$ (289)</u> | <u>\$ (17,704)</u> |
| Covered Payroll ¹ | \$ 2,507,538 | \$ 2,595,853 | \$ 2,483,295 | \$ 2,214,507 | \$ 2,317,484 | \$ 2,195,754 | \$ 2,171,581 | \$ 1,838,786 * |
| Contributions as a percentage of Covered Payroll | 30.89% | 27.39% | 25.51% | 29.41% | 23.75% | 27.26% | 31.71% | 39.26% |

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP Payroll.

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

This information is required for 10 years, additional years' information will be provided once it is available.

Municipal Firefighters' Pension

| | 09/30/2021 | 09/30/2020 | 09/30/2019 | 09/30/2018 | 09/30/2017 | 09/30/2016 | 09/30/2015 | 09/30/2014 |
|---|--------------------|--------------------|--------------------|--------------|-----------------|--------------|--------------|--------------------|
| Actuarially Determined Contribution | \$ 528,136 | \$ 476,763 | \$ 572,534 | \$ 537,250 | \$ 481,012 | \$ 447,995 | \$ 608,564 | \$ 609,088 |
| Contributions in relation to the Actuarially Determined Contributions | 545,336 | 528,352 | 604,645 | 537,250 | 481,472 | 447,995 | 608,564 | 669,753 |
| Contribution Deficiency (Excess) | <u>\$ (17,200)</u> | <u>\$ (51,589)</u> | <u>\$ (32,111)</u> | <u>\$ 0</u> | <u>\$ (460)</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ (60,665)</u> |
| Covered Payroll ¹ | \$ 2,257,924 | \$ 2,101,551 | \$ 1,869,643 | \$ 1,702,646 | \$ 1,752,641 | \$ 1,700,238 | \$ 1,686,074 | \$ 1,575,575 |
| Contributions as a percentage of Covered Payroll | 24.15% | 25.14% | 32.34% | 31.55% | 27.47% | 26.35% | 36.09% | 42.51% |

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP Payroll.

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

This information is required for 10 years, additional years' information will be provided once it is available.

CITY OF PUNTA GORDA, FLORIDA
EMPLOYEES' PENSION PLANS
SCHEDULE OF CHANGES IN THE SPONSOR'S TOTAL OPEB LIABILITY AND RELATED RATIOS

| | <u>09/30/2021</u> | <u>09/30/2020</u> | <u>09/30/2019</u> | <u>09/30/2018</u> |
|---|----------------------|----------------------|----------------------|---------------------|
| Total OPEB Liability | | | | |
| Service Cost | \$ 1,023,128 | \$ 748,017 | \$ 599,223 | \$ 667,471 |
| Interest | 308,769 | 413,802 | 387,624 | 345,039 |
| Differences Between Expected and Actual Experience | 0 | (548,483) | 0 | 0 |
| Changes of Assumptions | (955,486) | 2,095,723 | 1,269,335 | (1,039,741) |
| Benefit Payments | (104,110) | (124,132) | (114,937) | (105,933) |
| Net Change in Total OPEB Liability | <u>272,301</u> | <u>2,584,927</u> | <u>2,141,245</u> | <u>(133,164)</u> |
| Total OPEB Liability - Beginning | <u>13,457,126</u> | <u>10,872,199</u> | <u>8,730,954</u> | <u>8,864,118</u> |
| Total OPEB Liability - Ending | <u>\$ 13,729,427</u> | <u>\$ 13,457,126</u> | <u>\$ 10,872,199</u> | <u>\$ 8,730,954</u> |
| | | | | |
| Covered Payroll (projected) | \$ 17,776,485 | \$ 16,955,823 | \$ 15,791,818 | \$ 15,059,907 |
| Sponsor's Total OPEB Liability as a Percentage of Covered Payroll | 77.23% | 79.37% | 68.85% | 57.97% |

Notes to Schedule:

Covered employee payroll was projected one year forward from the valuation date for the reporting period ending September 30, 2021.

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

| | |
|---------|-------|
| FY 2021 | 2.43% |
| FY 2020 | 2.14% |
| FY 2019 | 3.58% |
| FY 2018 | 4.18% |
| FY 2017 | 3.64% |

This information is required for 10 years, additional years' information will be provided once it is available.

CITY OF PUNTA GORDA, FLORIDA

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Impact Fees – Used to account for the receipt and disbursement of impact fees for Parks, Transportation/Mobility and Public Safety.

Special Use Fund – This fund is used to track insurance, grants and other revenues received due to hurricanes and damaged property, with offsetting related repairs and other one-time expenditures.

Burnt Store Isles Canal Maintenance Assessment District – Accounts for funds to be utilized for the repair and upkeep of City-owned seawalls and maintain navigability of canals located in the Burnt Store Isles subdivision.

Five Cent Gas Tax – Legislation allows this tax to be used for road capital.

Six Cent Gas Tax – Legislation allows this tax to be used for transportation expenditures. These allowed uses include street sweeping, street lights, traffic lights, bridge maintenance and sidewalk repairs.

The Coastal and Heartland National Estuary Partnership – Accounts for revenues and expenditures attributable for the protection of the exceptional estuaries and water resources in a 5,416 square mile area that includes the Peace, Myakka, Caloosahatchee, and the Estero Rivers and the coastal waters of Dona and Roberts Bays, Lemon Bay, Charlotte Harbor, the Caloosahatchee, Pine Island Sound, and the Estero Bay.

Buckley's Pass Dredging Area – Accounts for the assessment funds of benefited properties to be utilized for the construction of Buckley's Pass, an additional access to Charlotte Harbor, and repayment of any interfund loans required for the project.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Gilchrist Intention – This fund accounts for assets donated by Albert W. Gilchrist, the interest on which shall be spent on right-of-way beautification.

CITY OF PUNTA GORDA, FLORIDA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2021

| | Special Revenue Funds | | | | |
|--|--------------------------|----------------------------|---------------------------------|----------------------------|-----------------------------|
| | Impact Fees Parks | Impact Fees Mobility | Impact Fees Public Safety | Special Use Fund | BSI Canal Maintenance |
| ASSETS: | | | | | |
| Cash and cash equivalents | \$ 471,056 | \$ 430,346 | \$ 316,804 | \$ 4,772,496 | \$ 1,033,382 |
| Due from other governments | 0 | 0 | 0 | 0 | 6,309 |
| Prepaid items | 0 | 0 | 0 | 0 | 525 |
| Total Assets | <u>\$ 471,056</u> | <u>\$ 430,346</u> | <u>\$ 316,804</u> | <u>\$ 4,772,496</u> | <u>\$ 1,040,216</u> |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 345 |
| Retainage payable | 0 | 0 | 0 | 0 | 2,431 |
| Accrued liabilities | 0 | 0 | 0 | 0 | 0 |
| Unearned revenue | 0 | 0 | 0 | 1,222,954 | 0 |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,222,954</u> | <u>2,776</u> |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventories and prepaids | 0 | 0 | 0 | 0 | 525 |
| Permanent fund principal | 0 | 0 | 0 | 0 | 0 |
| Restricted for: | | | | | |
| Public Safety | 0 | 0 | 316,804 | 0 | 0 |
| Transportation/Mobility | 0 | 430,346 | 0 | 0 | 0 |
| Recreation | 471,056 | 0 | 0 | 0 | 1,036,915 |
| Committed for: | | | | | |
| Damages or one-time expenditures | 0 | 0 | 0 | 3,549,542 | 0 |
| Total Fund Balances | <u>471,056</u> | <u>430,346</u> | <u>316,804</u> | <u>3,549,542</u> | <u>1,037,440</u> |
| Total Liabilities and Fund Balances | <u>\$ 471,056</u> | <u>\$ 430,346</u> | <u>\$ 316,804</u> | <u>\$ 4,772,496</u> | <u>\$ 1,040,216</u> |

| Special Revenue Funds | | | | Permanent Fund | Total Nonmajor Governmental |
|-----------------------|-------------------|---|------------------------------|--------------------------|-----------------------------|
| Five Cent Gas Tax | Six Cent Gas Tax | Coastal&Hrtlnd Natl Estuary Partnership | Buckley's Pass Dredging Area | Gilchrist Intention Fund | |
| \$ 41,084 | \$ 818,742 | \$ 165,311 | \$ 84,076 | \$ 5,472 | \$ 8,138,769 |
| 22,941 | 62,665 | 503,075 | 6,293 | 0 | 601,283 |
| 0 | 0 | 0 | 0 | 0 | 525 |
| <u>\$ 64,025</u> | <u>\$ 881,407</u> | <u>\$ 668,386</u> | <u>\$ 90,369</u> | <u>\$ 5,472</u> | <u>\$ 8,740,577</u> |
| \$0 | \$ 52,531 | \$ 202,823 | \$ 287 | \$0 | \$ 255,986 |
| 0 | 0 | 0 | 0 | 0 | 2,431 |
| 0 | 0 | 13,028 | 0 | 0 | 13,028 |
| 0 | 0 | 29,670 | 0 | 0 | 1,252,624 |
| <u>0</u> | <u>52,531</u> | <u>245,521</u> | <u>287</u> | <u>0</u> | <u>1,524,069</u> |
| 0 | 0 | 0 | 0 | 0 | 525 |
| 0 | 0 | 0 | 0 | 5,000 | 5,000 |
| 64,025 | 828,876 | 0 | 0 | 0 | 316,804 |
| 0 | 0 | 422,865 | 90,082 | 472 | 1,323,719 |
| 0 | 0 | 0 | 0 | 0 | 2,020,918 |
| 0 | 0 | 0 | 0 | 0 | 3,549,542 |
| <u>64,025</u> | <u>828,876</u> | <u>422,865</u> | <u>90,082</u> | <u>5,472</u> | <u>7,216,508</u> |
| <u>\$ 64,025</u> | <u>\$ 881,407</u> | <u>\$ 668,386</u> | <u>\$ 90,369</u> | <u>\$ 5,472</u> | <u>\$ 8,740,577</u> |

CITY OF PUNTA GORDA, FLORIDA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 September 30, 2021

| | Special Revenue Funds | | | | |
|---|-------------------------|----------------------------|---------------------------------|------------------------|-----------------------------|
| | Impact Fees Parks | Impact Fees Mobility | Impact Fees Public Safety | Special Use Fund | BSI Canal Maintenance |
| Revenues: | | | | | |
| Taxes | \$0 | \$0 | \$0 | \$0 | \$0 |
| Permits, fees and Special Assessments | 168,438 | 184,809 | 266,881 | 0 | 476,715 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 481 | 453 | 209 | 5,496 | 1,531 |
| Total revenues | <u>168,919</u> | <u>185,262</u> | <u>267,090</u> | <u>5,496</u> | <u>478,246</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Transportation | 0 | 0 | 0 | 0 | 0 |
| Recreation | 0 | 0 | 0 | 0 | 448,728 |
| Capital Outlay | 0 | 0 | 0 | 0 | 1,846 |
| Total expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>450,574</u> |
| Excess (deficiency) of revenue over expenditures | <u>168,919</u> | <u>185,262</u> | <u>267,090</u> | <u>5,496</u> | <u>27,672</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 0 | 0 | 0 | 0 | 0 |
| Transfers out | 0 | 0 | 0 | (452,165) | (1,816) |
| Total other financing sources (uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>(452,165)</u> | <u>(1,816)</u> |
| Net change in fund balances | 168,919 | 185,262 | 267,090 | (446,669) | 25,856 |
| Fund Balances, October 1, 2020 | <u>302,137</u> | <u>245,083</u> | <u>49,714</u> | <u>3,996,211</u> | <u>1,011,584</u> |
| Fund Balances, September 30, 2021 | <u>\$ 471,056</u> | <u>\$ 430,345</u> | <u>\$ 316,804</u> | <u>\$ 3,549,542</u> | <u>\$ 1,037,440</u> |

| Special Revenue Funds | | | | Permanent Fund | Total Nonmajor Governmental |
|-----------------------|-------------------|---|------------------------------|--------------------------|-----------------------------|
| Five Cent Gas Tax | Six Cent Gas Tax | Coastal&Hrtlnd Natl Estuary Partnership | Buckley's Pass Dredging Area | Gilchrist Intention Fund | |
| \$ 280,271 | \$ 612,602 | \$0 | \$0 | \$0 | \$ 892,873 |
| 0 | 0 | 0 | 308,908 | 0 | 1,405,751 |
| 0 | 0 | 1,282,288 | 0 | 0 | 1,282,288 |
| 0 | 284,645 | 0 | 0 | 0 | 284,645 |
| 294 | 28,668 | 9,209 | 0 | 7 | 46,348 |
| <u>280,565</u> | <u>925,915</u> | <u>1,291,497</u> | <u>308,908</u> | <u>7</u> | <u>3,911,905</u> |
| 830,447 | 876,673 | 0 | 0 | 0 | 1,707,120 |
| 0 | 0 | 1,303,390 | 2,346 | 0 | 1,754,464 |
| 0 | 70,244 | | 0 | 0 | 72,090 |
| <u>830,447</u> | <u>946,917</u> | <u>1,303,390</u> | <u>2,346</u> | <u>0</u> | <u>3,533,674</u> |
| (549,882) | (21,002) | (11,893) | 306,562 | 7 | 378,231 |
| 459,000 | 0 | 0 | 0 | 0 | 459,000 |
| 0 | 0 | 0 | (288,555) | 0 | (742,536) |
| <u>459,000</u> | <u>0</u> | <u>0</u> | <u>(288,555)</u> | <u>0</u> | <u>(283,536)</u> |
| (90,882) | (21,002) | (11,893) | 18,007 | 7 | 94,695 |
| <u>154,907</u> | <u>849,879</u> | <u>434,758</u> | <u>72,075</u> | <u>5,465</u> | <u>7,121,813</u> |
| <u>\$ 64,025</u> | <u>\$ 828,877</u> | <u>\$ 422,865</u> | <u>\$ 90,082</u> | <u>\$ 5,472</u> | <u>\$ 7,216,508</u> |

CITY OF PUNTA GORDA, FLORIDA
 PARK IMPACT FEE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2021

| | <u>Budgets</u> | | <u>Actual</u> | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|------------------|--------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | <u>(Negative)</u> |
| Revenues | | | | |
| Permits, fees and Special Assessments | \$ 105,895 | \$ 105,895 | \$ 168,438 | 62,543 |
| Miscellaneous | 550 | 550 | 481 | (69) |
| Total revenues | <u>106,445</u> | <u>106,445</u> | <u>168,919</u> | <u>62,474</u> |
| Expenditures | | | | |
| Total expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess revenues over expenditures | <u>106,445</u> | <u>106,445</u> | <u>168,919</u> | <u>62,474</u> |
| Other financing uses | | | | |
| Transfers out | <u>(105,000)</u> | <u>(284,806)</u> | <u>0</u> | <u>284,806</u> |
| Total other financing uses | <u>(105,000)</u> | <u>(284,806)</u> | <u>0</u> | <u>284,806</u> |
| Net change in fund balance | <u>\$ 1,445</u> | <u>\$(178,361)</u> | 168,919 | <u>\$ 347,280</u> |
| Fund balances, October 1, 2020 | | | <u>302,137</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 471,056</u> | |

CITY OF PUNTA GORDA, FLORIDA
MOBILITY IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|--------------------|---------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Permits, fees and Special Assessments | \$ 79,990 | \$ 79,990 | \$ 184,809 | \$ 104,819 |
| Miscellaneous | 410 | 410 | 453 | 43 |
| Total revenues | <u>80,400</u> | <u>80,400</u> | <u>185,262</u> | <u>104,862</u> |
| Expenditures | | | | |
| Total expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Revenues over (under) expenditures | <u>80,400</u> | <u>80,400</u> | <u>185,262</u> | <u>104,862</u> |
| Other financing uses | | | | |
| Transfers Out | <u>(161,869)</u> | <u>(309,350)</u> | <u>0</u> | <u>309,350</u> |
| Total other financing uses | <u>(161,869)</u> | <u>(309,350)</u> | <u>0</u> | <u>309,350</u> |
| Net change in fund balance | <u>\$ (81,469)</u> | <u>\$ (228,950)</u> | 185,262 | <u>\$ 414,212</u> |
| Fund balances, October 1, 2020 | | | <u>245,083</u> | |
| Fund balances, September 30, 2021 | | | <u>\$430,345</u> | |

CITY OF PUNTA GORDA, FLORIDA
PUBLIC SAFETY IMPACT FEE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|--------------------|--------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Permits, fees and Special Assessments | \$ 154,605 | \$ 154,605 | \$ 266,881 | \$ 112,276 |
| Miscellaneous | 535 | 535 | 209 | (326) |
| Total revenues | <u>155,140</u> | <u>155,140</u> | <u>267,090</u> | <u>111,950</u> |
| Expenditures | | | | |
| Total expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess revenues over expenditures | <u>155,140</u> | <u>155,140</u> | <u>267,090</u> | <u>111,950</u> |
| Other financing uses | | | | |
| Transfers out | <u>(185,370)</u> | <u>(185,370)</u> | <u>0</u> | <u>185,370</u> |
| Total other financing uses | <u>(185,370)</u> | <u>(185,370)</u> | <u>0</u> | <u>185,370</u> |
| Net change in fund balance | <u>\$ (30,230)</u> | <u>\$ (30,230)</u> | 267,090 | <u>\$ 297,320</u> |
| Fund balances, October 1, 2020 | | | <u>49,714</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 316,804</u> | |

CITY OF PUNTA GORDA, FLORIDA
SPECIAL USE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|------------------------------------|-----------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$0 | \$0 | \$0 | \$0 |
| Miscellaneous | 9,000 | 9,000 | 5,496 | (3,504) |
| Total revenues | <u>9,000</u> | <u>9,000</u> | <u>5,496</u> | <u>(3,504)</u> |
| Expenditures | | | | |
| Total expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Revenues over (under) expenditures | <u>9,000</u> | <u>9,000</u> | <u>5,496</u> | <u>(3,504)</u> |
| Other financing sources (uses) | | | | |
| Transfers out | <u>0</u> | <u>(959,934)</u> | <u>(452,165)</u> | <u>507,769</u> |
| Total other financing uses | <u>0</u> | <u>(959,934)</u> | <u>(452,165)</u> | <u>507,769</u> |
| Net change in fund balance | <u>\$ 9,000</u> | <u>\$ (950,934)</u> | <u>(446,669)</u> | <u>\$ 504,265</u> |
| Fund balances, October 1, 2020 | | | <u>3,996,211</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 3,549,542</u> | |

CITY OF PUNTA GORDA, FLORIDA
 B S I CANAL MAINTENANCE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Permits, fees and Special Assessments | 474,800 | 474,800 | 476,715 | 1,915 |
| Miscellaneous | 4,265 | 4,265 | 1,531 | (2,734) |
| Total revenues | <u>479,065</u> | <u>479,065</u> | <u>478,246</u> | <u>(819)</u> |
| Expenditures | | | | |
| Current | | | | |
| Recreation | 436,400 | 482,066 | 448,728 | 33,338 |
| Capital outlay | 310,000 | 312,178 | 1,846 | 310,332 |
| Total expenditures | <u>746,400</u> | <u>794,244</u> | <u>450,574</u> | <u>343,670</u> |
| Revenues over (under) expenditures | <u>(267,335)</u> | <u>(315,179)</u> | <u>27,672</u> | <u>342,851</u> |
| Other financing sources (uses) | | | | |
| Transfers Out | 0 | (1,816) | (1,816) | 0 |
| Total other financing uses | <u>0</u> | <u>(1,816)</u> | <u>(1,816)</u> | <u>0</u> |
| Net change in fund balance | <u>\$ (267,335)</u> | <u>\$ (316,995)</u> | 25,856 | <u>\$ 342,851</u> |
| Fund balances, October 1, 2020 | | | <u>1,011,584</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 1,037,440</u> | |

CITY OF PUNTA GORDA, FLORIDA
 FIVE CENT GAS TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|------------------------------------|------------------|---------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 246,000 | \$ 246,000 | \$ 280,271 | \$ 34,271 |
| Miscellaneous | 90 | 90 | 294 | 204 |
| Total revenues | <u>246,090</u> | <u>246,090</u> | <u>280,565</u> | <u>34,475</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | 700,000 | 852,517 | 830,447 | 22,070 |
| Total expenditures | <u>700,000</u> | <u>852,517</u> | <u>830,447</u> | <u>22,070</u> |
| Revenues over (under) expenditures | <u>(453,910)</u> | <u>(606,427)</u> | <u>(549,882)</u> | <u>56,545</u> |
| Other financing sources | | | | |
| Transfers in | 459,000 | 459,000 | 459,000 | 0 |
| Total other financing sources | <u>459,000</u> | <u>459,000</u> | <u>459,000</u> | <u>0</u> |
| Net change in fund balance | <u>\$ 5,090</u> | <u>\$ (147,427)</u> | (90,882) | <u>\$ 56,545</u> |
| Fund balances, October 1, 2020 | | | <u>154,907</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 64,025</u> | |

CITY OF PUNTA GORDA, FLORIDA
SIX CENT GAS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|------------------------------------|---------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 545,000 | \$ 545,000 | \$ 612,602 | \$ 67,602 |
| Charges for Services | 283,298 | 283,298 | 284,645 | 1,347 |
| Miscellaneous | 7,412 | 10,527 | 28,668 | 18,141 |
| Total revenues | <u>835,710</u> | <u>838,825</u> | <u>925,915</u> | <u>87,090</u> |
| Expenditures | | | | |
| Current | | | | |
| Transportation | 959,315 | 1,032,590 | 876,673 | 155,917 |
| Capital Outlay | 0 | 90,000 | 70,244 | 19,756 |
| Total expenditures | <u>959,315</u> | <u>1,122,590</u> | <u>946,917</u> | <u>175,673</u> |
| Revenues over (under) expenditures | <u>(123,605)</u> | <u>(283,765)</u> | <u>(21,002)</u> | <u>262,763</u> |
| Net change in fund balance | <u>\$ (123,605)</u> | <u>\$ (283,765)</u> | (21,002) | <u>\$ 262,763</u> |
| Fund balances, October 1, 2020 | | | <u>849,879</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 828,877</u> | |

CITY OF PUNTA GORDA, FLORIDA
 COASTAL AND HEARTLAND NATIONAL ESTUARY PARTNERSHIP FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|--------------------|---------------------|-------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenue | 872,500 | 1,706,337 | 1,282,288 | \$ (424,049) |
| Miscellaneous | 0 | 0 | 9,209 | 9,209 |
| Total revenues | <u>872,500</u> | <u>1,706,337</u> | <u>1,291,497</u> | <u>(414,840)</u> |
| Expenditures | | | | |
| Current | | | | |
| Recreation | 929,483 | 1,848,084 | 1,303,390 | 544,694 |
| Total expenditures | <u>929,483</u> | <u>1,848,084</u> | <u>1,303,390</u> | <u>544,694</u> |
| Net change in fund balances | <u>\$ (56,983)</u> | <u>\$ (141,747)</u> | (11,893) | <u>\$ 129,854</u> |
| Fund balances, October 1, 2020 | | | <u>434,758</u> | |
| Fund balances, September 30, 2021 | | | <u>\$ 422,865</u> | |

CITY OF PUNTA GORDA, FLORIDA
 BUCKLEY'S PASS DREDGING AREA
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 For the Fiscal Year Ended September 30, 2021

| | Budgets | | Actual | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------|--------------------|------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Permits, fees and Special Assessments | 304,090 | 304,090 | 308,908 | 4,818 |
| Total revenues | 304,090 | 304,090 | 308,908 | 4,818 |
| Expenditures | | | | |
| Current | | | | |
| Recreation | 5,000 | 5,000 | 2,346 | 2,654 |
| Total expenditures | 5,000 | 5,000 | 2,346 | 2,654 |
| Net change in fund balances | <u>\$ 299,090</u> | <u>\$ 299,090</u> | 306,562 | <u>\$ 7,472</u> |
| Other financing sources (uses) | | | | |
| Transfers out | (324,709) | (324,709) | (288,555) | 36,154 |
| Total other financing uses | (324,709) | (324,709) | (288,555) | 43,626 |
| Net change in fund balance | <u>\$ (324,709)</u> | <u>\$ (25,619)</u> | 18,007 | <u>\$ 43,626</u> |
| Fund balances, October 1, 2020 | | | 72,075 | |
| Fund balances, September 30, 2021 | | | <u>\$ 90,082</u> | |

INTERNAL SERVICE FUNDS

Internal Service Funds are operated on a cost-reimbursement basis used to account for the financing of services provided by one department or agency to other departments of the City. The City currently has one Internal Service Fund.

- Information Technology provides a central computer system and communications for the benefit of all City Departments.

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
September 30, 2021

| | <u>Information Technology</u> |
|---|-----------------------------------|
| ASSETS | |
| Current Assets | |
| Cash and cash equivalents | \$ 616,150 |
| Accounts receivable | 152 |
| Total current assets | <u>616,302</u> |
| Noncurrent Assets | |
| Capital assets, net of accumulated depreciation | <u>340,096</u> |
| Total noncurrent assets | <u>340,096</u> |
| Total assets | <u>956,398</u> |
| Deferred Outflows | |
| Deferred outflows related to pensions/OPEB | <u>71,011</u> |
| LIABILITIES AND FUND EQUITY | |
| Current Liabilities | |
| Accounts payable | 15,717 |
| Current portion compensated absences | 2,099 |
| Accrued liabilities | <u>17,712</u> |
| Total current liabilities | <u>35,528</u> |
| Noncurrent Liabilities | |
| Accrued compensated absences | 18,889 |
| Pension/OPEB benefits payable | <u>357,360</u> |
| Total noncurrent liabilities | <u>376,249</u> |
| Total liabilities | <u>411,777</u> |
| Deferred Inflows | |
| Deferred Inflows related to pensions/OPEB | <u>139,978</u> |
| NET POSITION | |
| Net investment in capital assets | 340,096 |
| Unrestricted | <u>135,558</u> |
| Total net position | <u><u>\$ 475,654</u></u> |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2021

| | <u>Information Technology</u> |
|---|-----------------------------------|
| Operating Revenues | |
| Charges for services | \$ 1,832,710 |
| Operating Grant | (133) |
| Miscellaneous | <u>1,440</u> |
| Total operating revenues | <u>1,834,017</u> |
| Operating Expenses | |
| Personnel services | 658,568 |
| Contractual services | 731,112 |
| Materials and supplies | 114,125 |
| Utilities | 10,240 |
| Depreciation | 197,308 |
| Insurance | 12,668 |
| Repairs and maintenance | 80,267 |
| Travel and training | 18,192 |
| Rent | <u>85,772</u> |
| Total operating expenses | <u>1,908,252</u> |
| Operating gain (loss) | <u>(74,235)</u> |
| Nonoperating revenues (expenses) | |
| Gain (Loss) on disposal of capital assets | <u>(2,233)</u> |
| Total nonoperating revenues (expenses) | <u>(2,233)</u> |
| Change in net position | (76,468) |
| Net position - beginning | <u>552,122</u> |
| Net position - ending | <u>\$ 475,654</u> |

CITY OF PUNTA GORDA, FLORIDA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Fiscal Year Ended September 30, 2021

| | <u>Information Technology</u> |
|---|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Cash received from services provided | \$ 1,832,710 |
| Cash received from operating grants | (133) |
| Cash payments to suppliers for goods and services | (1,052,500) |
| Cash payments to employees for services | (640,861) |
| Other receipts | 1,288 |
| Net cash provided by operating activities | <u>140,504</u> |
| CASH FLOWS (USED FOR) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Acquisition of property, plant, and equipment | (22,098) |
| Sale of equipment | 152 |
| Net cash used in capital and related financing activities | <u>(21,946)</u> |
| Net increase in cash and cash equivalents | 118,558 |
| Cash and cash equivalents at beginning of year | <u>497,592</u> |
| Cash and cash equivalents at end of year | <u>\$ 616,150</u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating gain (Loss) | \$ (74,235) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation | 197,308 |
| Net (increase) decrease in: | |
| Accounts receivable | (152) |
| Net increase (decrease) in: | |
| Accounts payable | (124) |
| Accrued liabilities | 1,103 |
| Change in net pension/OPEB liability | (98,780) |
| Change in deferred inflows related to pensions/OPEB | 18,196 |
| Change in deferred outflows related to pensions/OPEB | 97,188 |
| Net cash provided by operating activities | <u>\$ 140,504</u> |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | |
| Disposal of fully depreciated capital assets | \$ 113,581 |

STATISTICAL SECTION



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CITY OF PUNTA GORDA, FLORIDA

STATISTICAL SECTION
(Unaudited)

This part of the City of Statistical's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends | 138 |
| These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time. | |
| Revenue Capacity | 148 |
| These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes. | |
| Debt Capacity | 152 |
| 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. | |
| Table of Computation of Legal Debt Margin is omitted because the Constitution of the State of Florida (FS 200.181) and City of Punta Gorda set no legal debt limit. | |
| Demographic and Economic Information | 156 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments. | |
| Operating Information | 158 |
| These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs. | |

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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

| | Fiscal Year | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| Governmental activities | | | | |
| Net Investment in capital assets | \$ 79,126,131 | \$ 80,655,504 | \$ 77,868,024 | \$ 52,726,536 |
| Restricted | 24,160,639 | 17,958,953 | 16,616,812 | 10,408,669 |
| Unrestricted | (127,667) | (2,241,092) | (3,734,859) | (3,167,480) |
| Total governmental activities net position | <u>\$ 103,159,103</u> | <u>\$ 96,373,365</u> | <u>\$ 90,749,977</u> | <u>\$ 59,967,725</u> |
| Business-type activities | | | | |
| Net Investment in capital assets | \$ 74,286,254 | \$ 81,587,869 | \$ 80,802,208 | \$ 57,907,294 |
| Restricted | 5,866,885 | 1,613,353 | 1,374,755 | 807,509 |
| Unrestricted | 22,652,706 | 16,903,416 | 9,392,072 | 15,537,041 |
| Total business-type activities net position | <u>\$ 102,805,845</u> | <u>\$ 100,104,638</u> | <u>\$ 91,569,035</u> | <u>\$ 74,251,844</u> |
| Primary government | | | | |
| Net Investment in capital assets | \$ 153,412,385 | \$ 162,243,373 | \$ 158,670,232 | \$ 110,633,830 |
| Restricted | 30,027,524 | 19,572,306 | 17,991,567 | 11,216,178 |
| Unrestricted | 22,525,039 | 14,662,324 | 5,657,213 | 12,369,561 |
| Total primary government net position | <u>\$ 205,964,948</u> | <u>\$ 196,478,003</u> | <u>\$ 182,319,012</u> | <u>\$ 134,219,569</u> |

Per the Statement of Net Position

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| \$ 49,814,944 | \$ 37,664,271 | \$ 38,085,493 | \$ 45,244,762 | \$ 43,711,445 | \$ 41,531,906 |
| 8,245,109 | 6,195,576 | 5,923,953 | 5,112,090 | 4,945,700 | 6,870,015 |
| 2,399,857 | 9,363,493 | 3,775,599 | 3,017,663 | 2,466,809 | 2,320,145 |
| <u>\$ 60,459,910</u> | <u>\$ 53,223,340</u> | <u>\$ 47,785,045</u> | <u>\$ 53,374,515</u> | <u>\$ 51,123,954</u> | <u>\$ 50,722,066</u> |
| | | | | | |
| \$ 54,273,261 | \$ 52,611,061 | \$ 50,998,883 | \$ 50,177,751 | \$ 47,680,340 | \$ 44,351,423 |
| 382,212 | 377,561 | 375,436 | 374,737 | 3,534,634 | 4,314,817 |
| 16,778,165 | 11,938,979 | 7,330,018 | 7,996,830 | 5,486,147 | 5,427,068 |
| <u>\$ 71,433,638</u> | <u>\$ 64,927,601</u> | <u>\$ 58,704,337</u> | <u>\$ 58,549,318</u> | <u>\$ 56,701,121</u> | <u>\$ 54,093,308</u> |
| | | | | | |
| \$ 104,088,205 | \$ 90,275,332 | \$ 89,084,376 | \$ 95,422,513 | \$ 91,391,785 | \$ 85,883,329 |
| 8,627,321 | 6,573,137 | 6,299,389 | 5,486,827 | 8,480,334 | 11,184,832 |
| 19,178,022 | 21,302,472 | 11,105,617 | 11,014,493 | 7,952,956 | 7,747,213 |
| <u>\$ 131,893,548</u> | <u>\$ 118,150,941</u> | <u>\$ 106,489,382</u> | <u>\$ 111,923,833</u> | <u>\$ 107,825,075</u> | <u>\$ 104,815,374</u> |

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

| | Fiscal Year | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| Expenses | | | | |
| Governmental activities: | | | | |
| General government | \$ 4,241,567 | \$ 4,761,260 | \$ 4,853,807 | \$ 4,636,326 |
| Public safety | 11,389,201 | 11,575,010 | 10,914,000 | 9,815,931 |
| Transportation | 3,433,774 | 3,579,938 | 3,975,860 | 3,397,617 |
| Economic environment | 463,226 | 354,777 | 389,599 | 474,915 |
| Recreation | 6,664,994 | 6,512,467 | 5,090,823 | 4,249,795 |
| Interest on long-term debt | 206,720 | 357,397 | 761,752 | 402,358 |
| Total governmental activities expenses | <u>26,399,482</u> | <u>27,140,849</u> | <u>25,985,841</u> | <u>22,976,942</u> |
| Business-type activities: | | | | |
| Water and wastewater | 18,616,122 | 18,483,147 | 15,962,263 | 15,581,687 |
| Sanitation/refuse | 4,042,866 | 3,970,474 | 3,902,861 | 3,455,036 |
| Building Fund | 1,128,948 | 1,265,872 | 1,061,185 | 920,858 |
| Marina Fund | 394,523 | 402,981 | 377,956 | 457,960 |
| Total business-type activities expenses | <u>24,182,459</u> | <u>24,122,474</u> | <u>21,304,265</u> | <u>20,415,541</u> |
| Total primary government expenses | <u>\$ 50,581,941</u> | <u>\$ 51,263,323</u> | <u>\$ 47,290,106</u> | <u>\$ 43,392,483</u> |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | \$ 1,985,553 | \$ 1,899,885 | \$ 1,955,370 | \$ 1,905,119 |
| Public Safety | 40,956 | 38,656 | 32,157 | 45,945 |
| Transportation | 311,583 | 294,044 | 281,068 | 268,664 |
| Recreation | 3,659,186 | 4,261,074 | 5,897,890 | 3,448,788 |
| Operating grants and contributions | 2,105,510 | 2,311,466 | 2,094,557 | 1,674,741 |
| Capital grants and contributions | 2,158,977 | 2,279,628 | 25,683,250 | 1,723,012 |
| Total governmental activities program revenues | <u>10,261,765</u> | <u>11,084,753</u> | <u>35,944,292</u> | <u>9,066,269</u> |
| Business-type activities: | | | | |
| Charges for Services: | | | | |
| Water and Sewer | 19,706,633 | 19,102,732 | 18,238,239 | 17,749,168 |
| Sanitation/refuse | 3,874,264 | 3,746,490 | 3,693,988 | 3,550,236 |
| Building Fund | 1,481,800 | 939,086 | 1,201,603 | 1,077,971 |
| Marina Fund | 438,786 | 463,467 | 463,010 | 395,513 |
| Operating grants and contributions | 18,863 | 52,180 | 7,834 | 35,378 |
| Capital grants and contributions | 1,138,094 | 7,715,415 | 14,246,885 | 3,043,715 |
| Total business-type activities program revenues | <u>26,658,440</u> | <u>32,019,370</u> | <u>37,851,559</u> | <u>25,851,981</u> |
| Total primary government program revenues | <u>\$ 36,920,205</u> | <u>\$ 43,104,123</u> | <u>\$ 73,795,851</u> | <u>\$ 34,918,250</u> |

Fiscal Year

| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|----|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 3,580,902 | \$ 3,228,631 | \$ 3,703,548 | \$ 3,104,181 | \$ 3,700,758 | \$ 3,761,601 |
| | 9,929,664 | 7,636,743 | 9,855,648 | 9,545,036 | 8,963,993 | 8,831,471 |
| | 3,241,684 | 2,977,812 | 3,863,105 | 2,521,786 | 3,135,032 | 2,794,684 |
| | 762,373 | 517,709 | 268,170 | 369,530 | 315,774 | 247,121 |
| | 5,172,284 | 5,183,922 | 6,016,711 | 4,903,586 | 4,957,977 | 4,785,081 |
| | 388,313 | 410,793 | 452,138 | 511,552 | 861,963 | 961,431 |
| | <u>23,075,220</u> | <u>19,955,610</u> | <u>24,159,320</u> | <u>20,955,671</u> | <u>21,935,497</u> | <u>21,381,389</u> |
| | 14,483,381 | 14,126,622 | 14,778,240 | 14,178,055 | 14,502,662 | 14,535,733 |
| | 3,240,797 | 2,846,100 | 2,871,811 | 2,828,035 | 2,801,361 | 2,726,802 |
| | 848,188 | 661,928 | 790,186 | 617,141 | 578,421 | 538,982 |
| | 364,672 | 365,560 | 359,993 | 313,107 | 262,959 | 245,701 |
| | <u>18,937,038</u> | <u>18,000,210</u> | <u>18,800,230</u> | <u>17,936,338</u> | <u>18,145,403</u> | <u>18,047,218</u> |
| \$ | <u>42,012,258</u> | <u>37,955,820</u> | <u>42,959,550</u> | <u>38,892,009</u> | <u>40,080,900</u> | <u>39,428,607</u> |
| \$ | 1,866,062 | \$ 1,831,915 | \$ 1,800,456 | \$ 1,831,762 | \$ 1,610,489 | \$ 1,574,413 |
| | 32,397 | 57,365 | 17,073 | 18,000 | 13,109 | 12,730 |
| | 240,094 | 216,787 | 190,366 | 181,993 | 164,868 | 161,386 |
| | 3,465,713 | 3,353,743 | 3,025,733 | 3,026,325 | 3,027,570 | 3,027,944 |
| | 1,490,768 | 1,617,603 | 1,743,586 | 581,741 | 578,158 | 630,204 |
| | 3,115,504 | 1,372,064 | 1,211,809 | 2,423,487 | 2,066,261 | 1,224,478 |
| | <u>10,210,538</u> | <u>8,449,477</u> | <u>7,989,023</u> | <u>8,063,308</u> | <u>7,460,455</u> | <u>6,631,155</u> |
| | 17,983,634 | 16,073,754 | 15,224,890 | 14,787,349 | 14,725,171 | 14,718,754 |
| | 3,376,456 | 3,169,987 | 3,007,194 | 2,975,695 | 2,943,612 | 2,926,609 |
| | 1,018,537 | 952,712 | 938,682 | 720,922 | 700,241 | 498,327 |
| | 410,002 | 401,755 | 369,635 | 311,782 | 234,247 | 221,764 |
| | 5,726 | 0 | 0 | 30,312 | 0 | 5,349 |
| | <u>2,619,498</u> | <u>3,350,066</u> | <u>1,403,846</u> | <u>737,575</u> | <u>2,000,105</u> | <u>753,196</u> |
| | <u>25,413,853</u> | <u>23,948,274</u> | <u>20,944,247</u> | <u>19,563,635</u> | <u>20,603,376</u> | <u>19,123,999</u> |
| \$ | <u>35,624,391</u> | <u>32,397,751</u> | <u>28,933,270</u> | <u>27,626,943</u> | <u>28,063,831</u> | <u>25,755,154</u> |

City of Punta Gorda, Florida

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued)

| | Fiscal Year | | | |
|--------------------------------------|------------------------|-----------------------|----------------------|-----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| Net (Expense)/Revenue | | | | |
| Government activities | \$ (16,137,717) | \$ (16,056,096) | \$ 9,958,451 | \$ (13,910,673) |
| Business type activities | 2,475,981 | 7,896,896 | 16,547,294 | 5,436,440 |
| Total primary government net expense | <u>\$ (13,661,736)</u> | <u>\$ (8,159,200)</u> | <u>\$ 26,505,745</u> | <u>\$ (8,474,233)</u> |
| General Revenues and Other | | | | |
| Changes in Net Position | | | | |
| Government activities: | | | | |
| Property taxes | \$ 11,538,370 | \$ 11,032,152 | \$ 9,590,484 | \$ 8,898,730 |
| Utility taxes and gas taxes | 4,468,282 | 4,437,630 | 4,440,498 | 4,353,742 |
| Sales taxes | 5,738,043 | 4,794,177 | 4,872,371 | 4,711,876 |
| Investment earnings | 44,211 | 327,535 | 653,768 | 355,383 |
| Miscellaneous | 1,134,549 | 1,087,990 | 1,266,680 | 774,346 |
| Transfers | 0 | 0 | 0 | 0 |
| Total governmental activities | <u>22,923,455</u> | <u>21,679,484</u> | <u>20,823,801</u> | <u>19,094,077</u> |
| Business-type activities: | | | | |
| Investment earnings | 44,128 | 187,527 | 505,242 | 352,616 |
| Miscellaneous | 181,098 | 451,180 | 264,655 | 217,682 |
| Transfers | 0 | 0 | 0 | 0 |
| Total business-type activities | <u>225,226</u> | <u>638,707</u> | <u>769,897</u> | <u>570,298</u> |
| Total primary government | <u>\$ 23,148,681</u> | <u>\$ 22,318,191</u> | <u>\$ 21,593,698</u> | <u>\$ 19,664,375</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ 6,785,738 | \$ 5,623,388 | \$ 30,782,252 | \$ 5,183,404 |
| Business-type activities | 2,701,207 | 8,535,603 | 17,317,191 | 6,006,738 |
| Total primary government | <u>\$ 9,486,945</u> | <u>\$ 14,158,991</u> | <u>\$ 48,099,443</u> | <u>\$ 11,190,142</u> |

| Fiscal Year | | | | | |
|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| \$ (12,864,682) | \$ (11,506,133) | \$ (16,170,297) | \$ (12,892,363) | \$ (14,475,042) | \$ (14,750,234) |
| 6,476,815 | 5,948,064 | 2,144,017 | 1,627,297 | 2,457,973 | 1,076,781 |
| <u>\$ (6,387,867)</u> | <u>\$ (5,558,069)</u> | <u>\$ (14,026,280)</u> | <u>\$ (11,265,066)</u> | <u>\$ (12,017,069)</u> | <u>\$ (13,673,453)</u> |
| | | | | | |
| \$ 8,288,276 | \$ 7,762,213 | \$ 7,443,942 | \$ 7,113,559 | \$ 7,126,709 | \$ 6,239,901 |
| 4,324,289 | 4,108,696 | 3,976,441 | 3,944,839 | 3,839,081 | 3,732,770 |
| 4,454,904 | 4,142,913 | 3,776,880 | 3,430,409 | 3,194,173 | 3,016,077 |
| 144,617 | 53,246 | 39,818 | 13,322 | 19,477 | 32,632 |
| 4,355,310 | 875,852 | 1,948,105 | 640,795 | 697,490 | 1,135,495 |
| 0 | 1,508 | 26,592 | 0 | 0 | 0 |
| <u>21,567,396</u> | <u>16,944,428</u> | <u>17,211,778</u> | <u>15,142,924</u> | <u>14,876,930</u> | <u>14,156,875</u> |
| | | | | | |
| 151,448 | 52,141 | 39,298 | 12,192 | 18,180 | 23,047 |
| 204,973 | 224,567 | 247,355 | 208,708 | 131,660 | 145,985 |
| 0 | (1,508) | (26,592) | 0 | 0 | 0 |
| <u>356,421</u> | <u>275,200</u> | <u>260,061</u> | <u>220,900</u> | <u>149,840</u> | <u>169,032</u> |
| <u>\$ 21,923,817</u> | <u>\$ 17,219,628</u> | <u>\$ 17,471,839</u> | <u>\$ 15,363,824</u> | <u>\$ 15,026,770</u> | <u>\$ 14,325,907</u> |
| | | | | | |
| \$ 8,702,714 | \$ 5,438,295 | \$ 1,041,481 | \$ 2,250,561 | \$ 401,888 | \$ (593,359) |
| 6,833,236 | 6,223,264 | 2,404,078 | 1,848,197 | 2,607,813 | 1,245,813 |
| <u>\$ 15,535,950</u> | <u>\$ 11,661,559</u> | <u>\$ 3,445,559</u> | <u>\$ 4,098,758</u> | <u>\$ 3,009,701</u> | <u>\$ 652,454</u> |

City of Punta Gorda, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| General Fund | | | | |
| Non-expendable | \$ 96,261 | \$ 71,249 | \$ 118,765 | \$ 80,732 |
| Restricted | 109,231 | 75,838 | 63,260 | 45,797 |
| Assigned | 5,379,627 | 2,498,098 | 2,235,254 | 2,270,590 |
| Unassigned | 2,866,710 | 5,198,552 | 4,109,774 | 3,434,295 |
| Total general fund | <u>\$ 8,451,829</u> | <u>\$ 7,843,737</u> | <u>\$ 6,527,053</u> | <u>\$ 5,831,414</u> |
| All Other Governmental Funds | | | | |
| Non-expendable | \$ 804,346 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Restricted | 23,150,801 | 17,806,865 | 16,429,986 | 10,277,140 |
| Committed | 3,549,542 | 3,996,211 | 3,609,151 | 3,911,180 |
| Total all other governmental funds | <u>\$ 27,504,689</u> | <u>\$ 21,808,076</u> | <u>\$ 20,044,137</u> | <u>\$ 14,193,320</u> |

Fiscal year 2011 fund balance classifications have been revised due to the implementation of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

| Fiscal Year | | | | | |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| \$ 70,083 | \$ 63,499 | \$ 61,842 | \$ 61,943 | \$ 61,130 | \$ 69,198 |
| 66,499 | 66,264 | 56,057 | 43,040 | 39,272 | 35,665 |
| 2,318,195 | 1,811,189 | 1,339,579 | 1,484,576 | 1,396,255 | 650,152 |
| <u>2,896,557</u> | <u>2,365,335</u> | <u>2,171,940</u> | <u>1,470,469</u> | <u>1,200,223</u> | <u>1,390,377</u> |
| <u>\$ 5,351,334</u> | <u>\$ 4,306,287</u> | <u>\$ 3,629,418</u> | <u>\$ 3,060,028</u> | <u>\$ 2,696,880</u> | <u>\$ 2,145,392</u> |
| | | | | | |
| \$ 5,176 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| 8,103,351 | 5,994,579 | 4,502,135 | 5,069,050 | 4,901,428 | 6,829,350 |
| 4,403,815 | 1,465,661 | 1,535,901 | 550,584 | 783,674 | 911,220 |
| <u>\$ 12,512,342</u> | <u>\$ 7,465,240</u> | <u>\$ 6,043,036</u> | <u>\$ 5,624,634</u> | <u>\$ 5,690,102</u> | <u>\$ 7,745,570</u> |

City of Punta Gorda, Florida
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2021 | 2020 | 2019 | 2018 |
| Revenues | | | | |
| Taxes | \$ 19,743,651 | \$ 18,593,199 | \$ 13,040,379 | \$ 12,272,828 |
| Licenses and permits | 5,837,004 | 7,103,067 | 5,029,421 | 4,452,979 |
| Intergovernmental | 5,707,321 | 4,905,443 | 33,404,080 | 8,828,108 |
| Charges for services | 695,659 | 687,849 | 424,245 | 414,352 |
| Fines and forfeits | 106,273 | 36,234 | 108,278 | 49,974 |
| Miscellaneous | 4,321,574 | 4,551,965 | 7,833,982 | 5,329,201 |
| Total revenues | 36,411,482 | 35,877,757 | 59,840,385 | 31,347,442 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 6,120,520 | 6,069,926 | 6,256,517 | 5,827,076 |
| Public safety | 11,720,216 | 10,954,136 | 10,229,310 | 9,789,721 |
| Transportation | 2,734,218 | 2,532,148 | 2,937,941 | 2,675,045 |
| Economic environment | 312,141 | 354,887 | 387,198 | 503,464 |
| Recreation | 5,793,930 | 5,440,654 | 4,494,391 | 4,246,892 |
| Debt service: | | | | |
| Principal | 1,295,000 | 1,185,094 | 16,945,000 | 1,015,000 |
| Interest and other charges | 206,720 | 357,397 | 761,752 | 402,358 |
| Capital outlay | 1,924,032 | 5,943,986 | 17,891,820 | 13,976,828 |
| Total expenditures | 30,106,777 | 32,838,228 | 59,903,929 | 38,436,384 |
| Excess (deficiency) of revenues over (under) expenditures | 6,304,705 | 3,039,529 | (63,544) | (7,088,942) |
| Other financing sources (uses) | | | | |
| Transfers in | 5,274,736 | 5,324,647 | 28,013,972 | 13,817,124 |
| Transfers out | (5,274,736) | (5,324,647) | (28,013,972) | (13,817,124) |
| Issuance of debt | 0 | 41,094 | 6,610,000 | 9,250,000 |
| Total other financing sources (uses) | 0 | 41,094 | 6,610,000 | 9,250,000 |
| Net change in fund balances | \$ 6,304,705 | \$ 3,080,623 | \$ 6,546,456 | \$ 2,161,058 |
| Debt service as a percentage of noncapital expenditures | 5.33% | 5.74% | 42.15% ² | 5.79% |

¹ During FY 2013, (4) loans for the CRA district were refinanced resulting in the retirement of the four loans and new debt financing being issued as one loan. When calculating the debt service as a percentage of noncapital expenditures, the net change in principal plus all interest paid was used.

² During FY 2019, loans for the purpose of restoring seawalls to pre-IRMA conditions, were repaid when FEMA and FDEP reimbursed the City for the expenses incurred during the disaster.

| Fiscal Year | | | | | |
|---------------------|---------------------|-------------------|-------------------|---------------------------|-----------------------|
| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| \$ 11,636,110 | \$ 10,909,448 | \$ 10,543,202 | \$ 10,161,079 | \$ 10,195,386 | \$ 9,192,748 |
| 4,406,396 | 1,524,959 | 1,486,621 | 1,445,354 | 1,230,021 | 1,248,740 |
| 9,656,069 | 7,717,910 | 7,492,798 | 7,184,444 | 6,543,568 | 5,843,681 |
| 429,500 | 421,882 | 387,768 | 343,258 | 355,927 | 292,572 |
| 81,856 | 72,172 | 98,977 | 42,961 | 63,605 | 91,278 |
| 8,605,448 | 7,544,247 | 8,011,528 | 6,723,409 | 6,649,596 | 6,644,602 |
| <u>34,815,379</u> | <u>28,190,618</u> | <u>28,020,894</u> | <u>25,900,505</u> | <u>25,038,103</u> | <u>23,313,621</u> |
| 5,176,802 | 5,002,263 | 4,846,039 | 4,811,534 | 5,043,882 | 4,969,592 |
| 9,405,454 | 9,262,835 | 9,108,890 | 9,053,951 | 8,424,603 | 8,568,485 |
| 2,655,518 | 2,513,517 | 3,143,704 | 1,888,899 | 2,405,189 | 2,191,230 |
| 762,373 | 517,709 | 401,240 | 369,530 | 315,774 | 253,272 |
| 5,433,875 | 5,310,909 | 5,414,963 | 4,237,088 | 4,218,972 | 4,119,128 |
| 950,000 | 900,000 | 2,105,216 | 2,046,295 | 22,172,865 ¹ | 1,660,535 |
| 388,313 | 410,793 | 452,138 | 511,552 | 861,963 | 961,431 |
| 3,950,895 | 2,182,992 | 1,622,108 | 2,683,976 | 3,070,412 | 1,693,244 |
| <u>28,723,230</u> | <u>26,101,018</u> | <u>27,094,298</u> | <u>25,602,825</u> | <u>46,513,660</u> | <u>24,416,917</u> |
| <u>6,092,149</u> | <u>2,089,600</u> | <u>926,596</u> | <u>297,680</u> | <u>(21,475,557)</u> | <u>(1,103,296)</u> |
| 7,065,449 | 2,666,969 | 3,025,491 | 3,980,822 | 4,509,331 | 4,060,955 |
| (7,065,449) | (2,657,496) | (2,964,295) | (3,980,822) | (4,567,754) | (4,138,157) |
| 0 | 0 | 0 | 0 | 20,030,000 ¹ | 0 |
| 0 | 9,473 | 61,196 | 0 | 19,971,577 | (77,202) |
| <u>\$ 6,092,149</u> | <u>\$ 2,099,073</u> | <u>\$ 987,792</u> | <u>\$ 297,680</u> | <u>\$ (1,503,980)</u> | <u>\$ (1,180,498)</u> |
| <u>5.40%</u> | <u>5.62%</u> | <u>10.04%</u> | <u>11.16%</u> | <u>6.92% ¹</u> | <u>11.54%</u> |

City of Punta Gorda, Florida
 Just Value and Taxable Value of All Property
 Last Ten Fiscal Years

| <u>Fiscal Year Ended September 30,</u> | <u>Real Property</u> | <u>Personal Property</u> | <u>Less: Tax-Exempt Property</u> | <u>Total Taxable Assessed Value</u> | <u>Total Direct Tax Rate</u> |
|--|--------------------------|------------------------------|--|---|--------------------------------------|
| 2021 | \$3,981,561,400 | \$ 175,531,369 | \$ 673,662,047 | 3,483,430,722 | 3.4337 |
| 2020 | 3,816,920,298 | 165,214,842 | 656,784,224 | 3,325,350,916 | 3.4337 |
| 2019 | 3,579,196,820 | 165,735,428 | 636,253,869 | 3,108,678,379 | 3.1969 |
| 2018 | 3,349,072,869 | 161,058,431 | 622,275,656 | 2,887,855,644 | 3.1969 |
| 2017 | 3,132,857,200 | 185,081,357 | 632,635,398 | 2,685,303,159 | 3.1969 |
| 2016 | 2,945,135,176 | 182,943,467 | 614,313,894 | 2,513,764,749 | 3.1969 |
| 2015 | 2,815,013,377 | 188,769,555 | 605,534,870 | 2,398,248,062 | 3.1969 |
| 2014 | 2,700,515,874 | 202,436,500 | 594,728,298 | 2,308,224,076 | 3.1969 |
| 2013 | 2,640,313,961 | 199,879,382 | 581,427,730 | 2,258,765,613 | 3.2462 |
| 2012 | 2,748,747,297 | 196,395,091 | 577,549,653 | 2,367,592,735 | 2.7462 |

Source: Charlotte County Property Appraiser (DR 403)

Note: Property is assessed at market value. The Save Our Homes Amendment caps homesteaded property at a maximum increase in the taxable value to 3% per year. Tax rates are per \$1,000 of assessed value.

City of Punta Gorda, Florida
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

| Fiscal Year Ended September 30, | Total Direct Rate | | Overlapping Rates ^a | | | | Charlotte County School Board | Total Direct and Overlapping Rates |
|---------------------------------------|----------------------|--------|--------------------------------|--------|---------------------|--------|--|---|
| | Operating Millage | SWFWMD | WCIND | Other | Charlotte County | | | |
| 2021 | 3.4337 | 0.2669 | 0.0394 | 0.2000 | 6.3007 | 6.9520 | 17.1927 | |
| 2020 | 3.4337 | 0.2801 | 0.0394 | 0.2000 | 6.3007 | 7.1400 | 17.3939 | |
| 2019 | 3.1969 | 0.2955 | 0.0394 | 0.2000 | 6.3007 | 6.3480 | 16.3805 | |
| 2018 | 3.1969 | 0.3131 | 0.0394 | 0.2000 | 6.3007 | 6.5960 | 16.6461 | |
| 2017 | 3.1969 | 0.3317 | 0.0394 | 0.2000 | 6.3007 | 6.9270 | 16.9957 | |
| 2016 | 3.1969 | 0.3488 | 0.0394 | 0.2000 | 6.3007 | 7.2110 | 17.2968 | |
| 2015 | 3.1969 | 0.3658 | 0.0394 | 0.2000 | 6.3007 | 7.3650 | 17.4678 | |
| 2014 | 3.1969 | 0.3818 | 0.0394 | 0.2000 | 6.3007 | 7.5810 | 17.6998 | |
| 2013 | 3.2462 | 0.3928 | 0.0394 | 0.2000 | 6.2796 | 7.4910 | 17.6490 | |
| 2012 | 2.7462 | 0.3928 | 0.0394 | 0.2000 | 6.2796 | 7.3440 | 17.0020 | |

Source: Charlotte County Property Appraiser (Tax Roll Certification- Ad Valorem Rates)

Note: The City's operating millage rate is the only component of the Total Direct Rate for the last ten fiscal years

^a Overlapping rates are those of county governments that apply to property owners within the City of Punta Gorda

^b Effective with FY 2012, the Peace River Basin no longer exists as a taxable unit. The Regional Basin Boards v the District Boards for the funding of projects.

City of Punta Gorda, Florida

Principal Property Taxpayers

Last Ten Fiscal Years

(in millions)

| Rank Taxpayer/Type of Business | Taxable Assessed Value (in millions) | | | | | | | | | |
|--|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| 1 Florida Power & Light Co. Electric Utility | \$ 88.2 | \$ 68.0 | \$ 67.3 | \$ 59.8 | \$ 59.8 | \$ 49.2 | \$ 43.4 | \$ 43.0 | \$ 45.1 | \$ 40.7 |
| 2 Punta Gorda Medical Center, Inc./Bayfront Health Punta Gorda Hospital | 23.7 | 24.7 | 23.6 | 23.2 | 23.2 | 25.4 | 26.1 | 26.4 | 29.6 | 30.0 |
| 3 Wal-Mart Stores East LP | 16.2 | 15.8 | 15.5 | - | - | - | - | - | - | - |
| 4 Smartstop Self Storage REIT Inc | 14.1 | - | - | - | - | - | - | - | - | - |
| 5 JB Fishville Retail Land LLC?/TA Fishville, Shopping Center Fishermen's Village | 11.1 | 11.3 | 8.3 | 7.5 | 7.5 | 8.9 | 8.4 | 7.2 | 12.5 | 11.3 |
| 6 NM Imperial LLC Leasing | 8.7 | 7.2 | - | - | - | - | - | - | - | - |
| 7 Punta Gorda Resl Est Invest LLC/ Life Care Center | 8.7 | - | - | - | - | - | - | - | - | - |
| 8 Gettel PG Dealership | 8.5 | 10.0 | 8.0 | 6.2 | 6.2 | 5.4 | 5.3 | - | - | - |
| 9 AAA Innovation LLC | 7.4 | - | - | - | - | - | - | - | - | - |
| 10 Branch Burnt Store Associates LP | 7.3 | - | - | - | - | - | - | - | - | - |
| Punta Gorda Hotel Partners LLC/ Springhill Suites | - | 8.5 | - | - | - | - | - | - | - | - |
| Punta Gorda AAHotel, LLC PG Waterfront Hotel | - | 7.6 | 7.2 | 7.0 | 7.0 | 7.0 | 7.6 | 8.2 | 9.5 | 11.0 |
| Embarq Sprint-United Telephone Co. of FL Telephone Utility | - | 7.6 | 8.6 | 9.4 | 9.5 | 10.3 | 10.6 | 11.4 | 13.3 | 12.8 |
| Punta Gorda Leased Housing Assoc. Seven Palms Apartments | - | 7.3 | - | - | - | - | - | - | - | - |
| Wyern Hospitality, LLC | - | - | 6.8 | 7.2 | 7.2 | 7.4 | 7.3 | 6.8 | 7.8 | 7.9 |
| Home Depot USA, Inc | - | - | 6.1 | 6.1 | 6.2 | 6.5 | 6.5 | 6.9 | 7.1 | 7.2 |
| Isles Yacht Club Inc. | - | - | 6.0 | 5.9 | 5.9 | 5.7 | 5.7 | 5.7 | 5.2 | 5.7 |
| Harbor Resort Hotel, LLC Four Points by Sheraton | - | - | 5.8 | 5.9 | 5.0 | - | - | 7.6 | 5.3 | 5.8 |
| Colonial Realty, Limited-shopping center Shopping Center Burnt Store | - | - | - | - | - | 5.9 | 6.0 | 6.1 | 6.0 | 6.3 |
| Total | \$ 193.9 | \$ 168.0 | \$ 163.2 | \$ 138.2 | \$ 137.5 | \$ 131.7 | \$ 126.9 | \$ 129.3 | \$ 141.4 | \$ 138.7 |
| City Total Taxable Assessed Value | \$3,326.4 | \$3,326.4 | \$3,108.7 | \$2,890.0 | \$2,685.3 | \$2,513.8 | \$2,398.2 | \$2,308.2 | \$2,258.8 | \$2,367.6 |
| Principal Taxpayer's Percentage of total | 5.83% | 5.05% | 5.25% | 4.78% | 5.12% | 5.24% | 5.29% | 5.60% | 6.26% | 5.86% |

Source: Charlotte County Property Appraiser

City of Punta Gorda, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal year Ended September 30, | Taxes Levied for the Fiscal Year | Collections within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--|---|---|-------------------------------|--|----------------------------------|-------------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2021 | \$11,961,051 | \$11,538,370 | 96.47% | \$0 | \$11,538,370 | 96.47% |
| 2020 | 11,418,250 | 11,032,152 | 96.62% | 0 | 11,032,152 | 96.62% |
| 2019 | 9,938,126 | 9,589,999 | 96.50% | 485 | 9,590,484 | 96.50% |
| 2018 | 9,232,175 | 8,897,919 | 96.38% | 811 | 8,898,730 | 96.39% |
| 2017 | 8,584,633 | 8,286,481 | 96.53% | 1,795 | 8,288,276 | 96.55% |
| 2016 | 8,034,956 | 7,762,139 | 96.60% | 74 | 7,762,213 | 96.61% |
| 2015 | 7,684,073 | 7,443,084 | 96.86% | 858 | 7,443,942 | 96.87% |
| 2014 | 7,379,151 | 7,113,559 | 96.40% | 0 | 7,113,559 | 96.40% |
| 2013 | 7,332,405 | 7,126,709 | 97.19% | 0 | 7,126,709 | 97.19% |
| 2012 | 6,502,365 | 6,239,901 | 95.97% | 0 | 6,239,901 | 95.96% |

Source: City of Punta Gorda Finance Department and Charlotte County Tax Collector (DR 403)

**City of Punta Gorda, Florida
Outstanding Debt by Type
Last Ten Fiscal Years**

| Fiscal Year Ended September 30, | Governmental | Business-Type Activities | | | Total Primary Government | Ratio of Outstanding Debt to | |
|---------------------------------------|-----------------------------|----------------------------------|----------------------------------|-------------------|--------------------------------|------------------------------------|---------------|
| | Capital Revenue Notes | Water and Wastewater Bonds | Water and Wastewater Notes | Capital Leases | | Total Personal Income | Per Capita |
| 2021 | \$ 10,966,000 | \$0 | \$ 16,822,118 | \$0 | \$27,788,118 | 3.0% | \$ 1,415 |
| 2020 | 12,261,000 | 0 | 15,897,861 | 0 | 28,158,861 | 3.1%* | 1,446* |
| 2019 | 13,405,000 | 0 | 5,669,482 | 0 | 19,074,482 | 2.1% | 956 |
| 2018 | 23,740,000 | 0 | 5,998,434 | 0 | 29,738,434 | 3.8% | 1,581 |
| 2017 | 15,505,000 | 0 | 3,719,981 | 0 | 19,224,981 | 2.7% | 1,034 |
| 2016 | 16,455,000 | 0 | 1,677,272 | 0 | 18,132,272 | 2.7% | 1,017 |
| 2015 | 17,355,000 | 0 | 2,548,732 | 0 | 19,903,732 | 2.8% | 1,129 |
| 2014 | 19,460,217 | 0 | 3,392,401 | 0 | 22,852,618 | 3.3% | 1,302 |
| 2013 | 21,506,512 | 1,525,000 | 4,209,541 | 0 | 27,241,053 | 4.3% | 1,570 |
| 2012 | 23,649,684 | 2,980,000 | 5,000,987 | 98,886 | 31,729,557 | 4.9% | 1,847 |

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

*FY 2020 ratio of outstanding debt & per capita debt adjusted for 2020 US Census population data.

City of Punta Gorda, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

There has been no General Bonded Debt Outstanding for the past ten fiscal years.

City of Punta Gorda, Florida
 Direct and Overlapping Governmental Activities Debt
 As of September 30, 2021

| <u>Governmental Unit</u> | <u>Net Debt Outstanding</u> | <u>Percent Applicable to Punta Gorda ^a</u> | <u>Amount of Overlapping Debt Applicable to Punta Gorda ^a</u> |
|--|-----------------------------|---|--|
| Overlapping debt^b | | | |
| Charlotte County School Board | | | |
| Qualified Zone Academy Bonds | \$ 5,000,000 | 19.00% | \$ 950,000 |
| Qualified School Construction | 60,000,000 | 19.00% | 11,400,000 |
| | <u>65,000,000</u> | | <u>12,350,000</u> |
| Charlotte County | | | |
| General Obligation Debt | 18,080,000 | 19.00% | 3,435,200 |
| Revenue Bonds | 15,086,671 | 19.00% | 2,866,467 |
| Notes/Loans | 82,139,000 | 19.00% | 15,606,410 |
| | <u>115,305,671</u> | | <u>21,908,077</u> |
| Subtotal Overlapping Debt | | | 34,258,077 |
| City direct debt ^c | | | 10,966,000 |
| Total direct and overlapping debt | | | <u><u>45,224,077</u></u> |

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values in the City of Punta Gorda to total taxable assessed valuation of property in Charlotte County.

^b Source: Charlotte County Florida Schedule of Overlapping Debt FY 2021 (unaudited)

^c City of Punta Gorda ACFR Schedule of Outstanding Debt by Type

City of Punta Gorda, Florida
Pledged-Revenues Coverage
Last Ten Fiscal Years

Water & Sewer Utility Revenue Bonds

| Fiscal Year Ended September 30, | Pledged Revenues (a) | Less: Operating Expenses (b) | Net Available Revenue | Debt Service Requirements Coverage | |
|---------------------------------------|-------------------------|------------------------------------|-----------------------------|--|-----|
| 2021 | \$0 | \$0 | \$0 | \$0 | 0 |
| 2020 | 0 | 0 | 0 | 0 | 0 |
| 2019 | 0 | 0 | 0 | 0 | 0 |
| 2018 | 0 | 0 | 0 | 0 | 0 |
| 2017 | 0 | 0 | 0 | 0 | 0 |
| 2016 | 0 | 0 | 0 | 0 | 0 |
| 2015 | 0 | 0 | 0 | 0 | 0 |
| 2014 | Revenue Bonds Retired | | | | |
| 2013 | 16,766,618 | 10,119,087 | 6,647,531 | 1,565,031 | 4.2 |
| 2012 | 15,592,877 | 9,920,795 | 5,672,082 | 1,573,260 | 3.6 |

(a) Includes operating and nonoperating revenues, available impact fees and other pledged revenues.

(b) Excludes depreciation expense and the cost associated with Billing and Collection division.

**City of Punta Gorda, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years**

| <u>Fiscal year Ended September 30,</u> | <u>Population City of Punta Gorda (a)</u> | <u>Population Charlotte County (a)</u> | <u>Per Capita Income (b)</u> | <u>Total Personal Income City of Punta Gorda (in thousands)</u> | <u>Unemployment Rate (c)</u> |
|--|---|--|----------------------------------|---|----------------------------------|
| 2021 | 19,637 | 190,570 | \$ 46,684 | \$ 916,734 | 4.3% |
| 2020* | 19,471 | 186,847 | 47,303 | 921,037 | 5.4% |
| 2019 | 19,961 | 181,770 | 45,839 | 914,992 | 3.5% |
| 2018 | 18,811 | 177,987 | 41,310 | 777,082 | 3.9% |
| 2017 | 18,588 | 178,465 | 38,473 | 715,136 | 4.0% |
| 2016 | 17,835 | 173,115 | 37,745 | 673,182 | 5.6% |
| 2015 | 17,632 | 173,115 | 39,997 | 705,227 | 5.5% |
| 2014 | 17,556 | 164,739 | 39,457 | 692,707 | 6.2% |
| 2013 | 17,349 | 162,449 | 36,694 | 636,604 | 6.6% |
| 2012 | 17,177 | 160,511 | 37,424 | 642,832 | 9.1% |

Note: Information presented is the most current available.

^a **Source:** Bureau of Economic and Business Research (BEBR) of the University of Florida (except for FY 2010)

U.S. Bureau of Economic Analysis, Published November, 2016 for FY 2016

^b **Source:** FY 2011 through FY 2012, the source used for Per Capita Income and Total Personal Income of Punta Gorda was the Florida Statistical Abstract or U.S. Department of Labor, Bureau of Statistics.

FY 2013 through FY 2015 Federal Reserve Bank of St. Louis

FY 2016 through FY 2018, U.S. Department of Labor, Bureau of Statistics.

FY 2019 U.S. Census Bureau Quick Facts.

^c **Source:** U.S. Department of Labor, Bureau of Statistics

*Fiscal year 2020 population data have been updated to reflect the 2020 US Census.

City of Punta Gorda, Florida
Principal Employers
(Punta Gorda MSA)

| <u>Employer</u> | <u>Fiscal Year End 2021</u> | | | <u>Fiscal Year End 2012</u> | | |
|---|-----------------------------|-------------|---|-----------------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total MSA Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total MSA Employment</u> |
| Charlotte County School Board | 2,250 | 1 | 3.11% | 2,245 | 1 | 3.55% |
| Wal-Mart Associates, Inc. | 1,395 | 2 | 1.92% | 1,424 | 2 | 2.25% |
| Publix Super Markets, Inc. | 1,321 | 3 | 1.82% | 977 | 6 | 1.54% |
| Charlotte County Board of Commisioners | 1,301 | 4 | 1.80% | 997 | 4 | 1.58% |
| Fawcett Memorial Hospital | 1,000 | 5 | 1.38% | 716 | 7 | 1.13% |
| Bayfront Health Port Charlotte (fka Peace River Medical) | 900 | 6 | 1.24% | 1,067 | 3 | 1.69% |
| Charlotte County Sheriff's Office | 688 | 7 | 0.95% | 617 | 8 | 0.97% |
| Home Depot | 600 | 8 | 0.82% | 337 | 10 | 0.53% |
| Cheney Brothers | 590 | 9 | 0.82% | 0 | 0 | 0.00% |
| Bayfront Health Punta Gorda (fka Charlotte Regional) | 450 | 10 | 0.62% | 984 | 5 | 1.55% |
| Charlotte Correctional Institute | _____ | | _____ | 385 | 9 | 0.61% |
| Total Employed | <u>10,495</u> | | <u>14.48%</u> | <u>9,749</u> | | <u>15.40%</u> |

Note: Percentage calculation is number of employees divided by the total employed labor force as provided by the U.S. Department of Labor, Bureau of Labor Statistics.

Source: Charlotte County Clerk of the Circuit Court and County Comptroller

City of Punta Gorda, Florida
 Authorized Full-time Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | | | |
| City Council | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| City Manager's Office | 3.00 | 2.50 | 2.50 | 2.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.63 |
| Human Resources | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| City Clerk | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| Procurement | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 6.50 | 6.50 | 6.50 | 6.90 | 7.00 |
| Finance | 8.50 | 8.50 | 8.50 | 8.50 | 8.00 | 8.00 | 8.00 | 7.50 | 9.00 | 8.00 |
| Legal | 1.00 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Public Works | | | | | | | | | | |
| Public Works Administration | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Engineering | 4.50 | 4.50 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.80 | 4.80 | 4.90 |
| Right of Way Maint | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 14.00 | 14.00 |
| Parks and Grounds | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| Facilities Maintenance | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Police | 56.00 | 56.00 | 53.00 | 53.00 | 49.00 | 49.00 | 49.00 | 49.00 | 49.00 | 49.00 |
| Fire | 30.00 | 30.00 | 29.00 | 29.00 | 29.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 |
| Urban Design | | | | | | | | | | |
| (1) Urban Design/Growth Mgmt | 6.00 | 5.00 | 5.00 | 5.00 | 6.00 | 5.00 | 5.00 | 5.00 | 1.00 | 1.00 |
| Zoning & Code Compliance | 6.00 | 6.00 | 6.00 | 6.00 | 5.00 | 6.00 | 6.00 | 6.00 | 3.00 | 4.00 |
| Urban Design | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.80 | 6.80 |
| Punta Gorda Isles Canal Maintenance | 9.00 | 9.00 | 13.00 | 13.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Coastal & Heartland National | | | | | | | | | | |
| (2) Estuary Partnership | 6.00 | 6.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 0.00 | 0.00 | 0.00 |
| Utilities | | | | | | | | | | |
| Billing and Collections | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Utilities Administration | 7.00 | 7.00 | 6.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Water Treatment | 18.00 | 18.00 | 18.00 | 18.00 | 17.00 | 17.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| Wastewater Collection | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 |
| Wastewater Treatment | 15.75 | 15.75 | 15.75 | 15.50 | 15.00 | 15.00 | 14.00 | 13.50 | 13.50 | 13.50 |
| Water Distribution | 17.00 | 16.00 | 17.00 | 16.50 | 16.50 | 16.50 | 18.00 | 18.00 | 18.00 | 18.00 |
| Fleet Maintenance | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.60 | 1.60 |
| Sanitation/Refuse | 19.00 | 19.00 | 19.00 | 19.00 | 19.00 | 19.00 | 19.00 | 19.00 | 19.00 | 19.00 |
| Building | 10.50 | 9.50 | 9.50 | 9.00 | 8.00 | 8.00 | 6.56 | 6.56 | 5.00 | 4.87 |
| Information Technology | | | | | | | | | | |
| Information Technology (IT) | 7.00 | 7.00 | 6.00 | 6.00 | 5.00 | 5.00 | 5.00 | 5.00 | 4.00 | 4.00 |
| Total | 295.25 | 291.25 | 287.75 | 285.50 | 272.50 | 270.50 | 267.56 | 263.36 | 264.60 | 264.80 |

Source: City of Punta Gorda Amended Authorized Budget Position Summary

- (1) FY 2014 Growth Mgmt Admin, Code Compliance and Urban Design were restructured and merged between Urban Design and Zoning & Code Compliance.
- (2) FY 2015 began hosting the Coastal and Heartland National Estuary Partnership (CHNEP)

City of Punta Gorda, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

| Function/Program | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Calls for Service | 18,053 | 17,012 | 15,513 | 14,229 | 12,597 | 12,894 | 13,151 | 11,858 | 12,333 | 13,289 |
| Citations Issued | 3,523 | 5,197 | 5,839 | 7,007 | 4,435 | 7,194 | 7,901 | 10,567 | 9,842 | 8,562 |
| Traffic crashes | 707 | 633 | 710 | 676 | 604 | 595 | 582 | 493 | 441 | 444 |
| Narcotics arrests | 64 | 44 | 210 | 293 | 160 | 200 | 244 | 190 | 113 | 187 |
| Fire Department | | | | | | | | | | |
| Fires | 71 | 57 | 63 | 61 | 70 | 58 | 78 | 68 | 50 | 80 |
| EMS and Police assistance calls | 2,539 | 2,362 | 2,658 | 2,762 | 2,688 | 2,640 | 2,573 | 2,323 | 2,248 | 2,202 |
| Building | | | | | | | | | | |
| Building permits issued | 3,104 | 2,740 | 2,820 | 2,473 | 2,001 | 1,932 | 1,804 | 1,580 | 1,553 | 812 |
| Building inspections conducted | 5,376 | 4,850 | 6,288 | 5,885 | 5,969 | 6,316 | 5,279 | 4,139 | 3,806 | 2,575 |
| Dwelling units permitted | 312 | 113 | 142 | 164 | 128 | 246 | 120 | 100 | 99 | 57 |
| Streets and Highways | | | | | | | | | | |
| Streets resurfaced (<i>miles</i>) | 6.0 | 4.5 | 4.5 | 4.0 | 4.6 | 5.0 | 5.0 | 1.5 | 5.0 | 7.3 |
| New sidewalks (linear feet) | 0 | 2,670 | 220 | 425 | 0 | 0 | 1,090 | 350 | 2,084 | 6,020 |
| Water | | | | | | | | | | |
| New connections | 312 | 344 | 283 | 227 | 227 | 316 | 278 | 148 | 111 | 62 |
| Average daily consumption (<i>thousands of gallons</i>) | 5,480 | 5,365 | 4,842 | 5,085 | 5,165 | 4,687 | 4,442 | 4,364 | 4,352 | 4,261 |
| Peak daily consumption (<i>thousands of gallons</i>) | 8,386 | 9,904 | 8,002 | 7,328 | 7,072 | 6,969 | 6,481 | 5,318 | 6,067 | 6,216 |
| Water equivalent residential units (ERU) | 23,374 | 23,062 | 22,706 | 22,426 | 22,114 | 21,511 | 21,103 | 20,870 | 20,790 | 20,656 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (<i>thousands of gallons</i>) | 2,680 | 2,522 | 2,523 | 2,540 | 2,451 | 2,618 | 2,409 | 2,507 | 2,281 | 2,178 |
| Sewer equivalent residential units (ERU) | 17,809 | 17,567 | 17,242 | 16,935 | 16,602 | 16,228 | 15,904 | 15,694 | 15,557 | 15,422 |
| Solid waste collection | | | | | | | | | | |
| Solid waste collected (<i>tons per day</i>) | 30.4 | 33.8 | 30.5 | 32.0 | 28.5 | 27.8 | 24.8 | 23.9 | 23.5 | 24.7 |
| Recyclables collected (<i>tons per day</i>) includes yardwaste | 16.4 | 18.8 | 19.3 | 26.6 | 17.3 | 16.9 | 13.5 | 13.3 | 13.4 | 13.2 |
| Punta Gorda Isles Canal | | | | | | | | | | |
| Seawall replacement (feet) | 5,057 | 4,916 | 24,965 | 28,445 | 8,173 | 7,164 | 6,984 | 7,398 | 6,414 | 6,609 |
| Seawall cap replacement (feet) | - | - | - | 404 | 916 | 1,062 | 559 | 929 | 6,126 | 5,304 |
| Total miles of seawall | 92.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 | 91.0 |
| Total miles of canals | 46.0 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 | 45.5 |
| Burnt Store Isles Canal | | | | | | | | | | |
| Seawall replacement (feet) | 1,026 | 987 | 2,161 | - | 1,114 | 1,206 | 1,284 | 1,484 | 1,788 | 1,740 |
| Seawall cap replacement (feet) | - | - | - | 103 | 331 | 118 | 51 | 0 | 699 | 556 |
| Total miles of seawall | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| Total miles of canals | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |

Source: Various city departments monthly reports and ERU Total reports.

City of Punta Gorda, Florida
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

| <u>Function/Program</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sub-Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of Police Officers Authorized | 38 | 38 | 37 | 37 | 34 | 34 | 34 | 34 | 34 | 34 |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of Firefighters Authorized | 27 | 27 | 26 | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Streets and Highways | | | | | | | | | | |
| Streets (<i>miles</i>) | 120 | 120 | 116 | 116 | 116 | 116 | 116 | 116 | 116 | 116 |
| Unpaved streets (<i>miles</i>) | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| ¹ Streetlights | 1,850 | 1,850 | 800 | 800 | 720 | 720 | 720 | 720 | 720 | 720 |
| Traffic signal intersections | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Water | | | | | | | | | | |
| Water mains (<i>miles</i>) | 269 | 267 | 240 | 240 | 238 | 238 | 238 | 237 | 237 | 237 |
| Storage capacity (<i>thousands of gallons</i>) | 8,870 | 8,870 | 6,870 | 6,870 | 6,870 | 6,870 | 6,870 | 6,870 | 6,870 | 6,870 |
| Fire hydrants | 1,304 | 1,319 | 1,243 | 1,242 | 1,230 | 1,230 | 1,230 | 1,253 | 1,234 | 1,234 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (<i>miles</i>) | 138 | 138 | 129 | 129 | 129 | 130 | 130 | 130 | 130 | 130 |
| Treatment capacity (<i>millions</i>) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Solid waste collection | | | | | | | | | | |
| Collection trucks | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 120.0 | 120.0 | 120.0 | 120.0 | 120.0 | 120.0 | 110.8 | 104.0 | 104.0 | 104.0 |
| Number of Parks | 22 | 22 | 22 | 22 | 22 | 22 | 20 | 19 | 19 | 19 |

¹ Fiscal Year 2020 includes Streetlights and Highmast lights and excludes decorator lights.

Source: City of Punta Gorda Finance Department.

Note: No capital assets indicators are available for the general government function.

CITY OF PUNTA GORDA, FLORIDA
 SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS
 RELATED TO THE DEEPWATER HORIZON OIL SPILL
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

| <u>Source</u> | <u>Amount Received in the 2021 Fiscal Year</u> | <u>Amount Expended in the 2021 Fiscal Year</u> |
|--|--|--|
| British Petroleum: Class Action Lawsuit - Agreement No. DH011 | <u>\$ 156,932</u> | <u>\$ 156,932</u> |

Note: The above funds represent 100% of the City's funds received and expended in relation to the Deepwater Horizon Oil Spill. There were no other federal or state awards received by the City that are related to the Deepwater Horizon Oil Spill.



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

MANAGEMENT LETTER

Honorable Mayor and City Council
City of Punta Gorda, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Punta Gorda, Florida (the “City”), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 30, 2022.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Finding

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action has been taken to address the finding and recommendation made in the preceding annual financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there are no special district component units required to report to the City.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the City reported the following information regarding the Punta Gorda Isles ("PGI") and Burnt Store Isles ("BSI") Canal Maintenance Assessment Districts:

- a. The total number of District employees compensated in the last pay period of the District's fiscal year is 7 for each of PGI and BSI.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year is zero for each District.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency is \$622,910 for PGI and \$30,333 for BSI.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is zero for each District.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project is as follows:

PGI

1. IRMA Rip Rap PGI with a final budget of \$8,248,022
2. IRMA "D" PGI Canal Mat & Supp with a final budget of \$93,869

BSI

1. IRMA Rip Rap BSI with a final budget of \$312,178

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the City amends a final adopted budget under Section 189.016(6), Florida Statutes, as on pages 37 and 127 in the City's ACFR.

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 have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Ashley, Brown & Smith, CPAs

Punta Gorda, Florida
March 30, 2022



March 31, 2022

Memo to: City Council
Memo through: Gregory Murray, City Manager
Memo from: Kristin Simeone, Director of Finance
Regarding: Comments and recommendations from Auditors regarding our Financial Statements

AUDITORS' COMMENTS:

I. Prior year comments which continue to apply.

None.

II. Current year comments and recommendations.

None.

I agree with the management letter comments from the auditing firm of Ashley, Brown & Smith, CPAs.

Kristin Simeone, CPA
Director of Finance



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

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

To the Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the business-type activities, and the aggregate remaining fund information of the City of Punta Gorda, Florida (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, and have issued our report thereon dated March 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control over Financial Reporting , continued

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ashley, Brown & Smith CPA's, P.A.

Punta Gorda, Florida
March 30, 2022



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

**Report of Independent Accountant on Compliance with
Local Government Investment Policies and Gulf Coast Audits,
Requirements of Sections 218.415 and 288.8018, *Florida Statutes***

Honorable Mayor and City Council
City of Punta Gorda, Florida

Report on Compliance

We have examined the City of Punta Gorda, Florida's (the "City's") compliance with the local government investment policy requirements of 218.415, Florida Statutes, and Gulf Coast audits (Deepwater Horizon Oil Spill) requirements of 288.8018, Florida Statutes, during the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Scope

Our examination was conducted in accordance with AICPA Professional Standards, AT-C Section 315, promulgated by the American Institute of Certified Public Accountants and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

Opinion

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

The purpose of this report is to comply with the audit requirements of Sections 218.415 and 288.8018, Florida Statutes, and Rules of the Auditor General.

Ashley, Brown & Smith CPA's, P.A.

Punta Gorda, Florida
March 30, 2022



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

Independent Auditor's Report on Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill

Honorable Mayor and City Council
City of Punta Gorda, Florida

We have audited the financial statements of the City of Punta Gorda, Florida, (the "City") as of and for the year ended September 30, 2021, and have issued our report thereon dated March 30, 2022 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill is presented for the purposes of additional analysis and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ashley, Brown & Smith CPA's, P.A.

Punta Gorda, Florida
March 30, 2022

CITY OF PUNTA GORDA, FLORIDA

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021

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

Honorable Mayor and City Council
City of Punta Gorda, Florida:

Report on Compliance for Each Major Federal Awards Program

We have audited the City of Punta Gorda, Florida's (the "City") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of City's major federal award programs for the year ended September 30, 2021. The City's major federal award programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal award programs and state financial assistance 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 requirements of Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). The *Uniform Guidance* standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal award program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Awards Program

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs 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 awards program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal awards program and to test and report on internal control over compliance in accordance with the *Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal awards program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal awards program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal awards program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Ashley, Brown & Smith CPA's, P.A.

Punta Gorda, Florida
March 30, 2022

CITY OF PUNTA GORDA, FLORIDA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARD PROGRAMS
YEAR ENDED SEPTEMBER 30, 2021**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies)? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Award Programs

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

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

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

Identification of major federal award programs:

Major Federal Programs:

Department of the Environmental Protection Agency – National Estuary Program CFDA No.
66.456

Dollar threshold used to determine Type A programs:

Federal programs \$ 750,000

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

CITY OF PUNTA GORDA, FLORIDA

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

YEAR ENDED SEPTEMBER 30, 2021

Part II – Financial Statement Findings

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

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

Part III –Federal Award Programs - Findings and Questioned Costs

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

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

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

YEAR ENDED SEPTEMBER 30, 2021

Prior Year Audit Findings:

Federal Program: CFDA 66.468 – Drinking Water State Revolving Fund

Statement of Condition – 2020-001: During our fiscal year 2020 audit, we found that the City was unable to demonstrate the City’s compliance with Davis-Bacon Act (prevailing wage) requirements as set forth in the grant agreement.

Corrective Action: The City has increased its oversight over CEI consultants in order to ensure proper documentation demonstrating the City’s compliance with grant requirements is obtained.

CITY OF PUNTA GORDA, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

| FEDERAL AGENCY <i>Pass-through entity</i> Federal Program - Project Name | Federal CFDA Number | Grant/Contract/Identifying Number | Federal Expenditures |
|--|---------------------------|--------------------------------------|--------------------------|
| <u>DEPARTMENT OF THE INTERIOR</u> | | | |
| <i>Passed through the Florida Department of Environmental Protection</i> | | | |
| Clean Vessel Act | 15.616 | MV400 | \$ 6,188 |
| TOTAL DEPARTMENT OF THE INTERIOR | | | <u>6,188</u> |
| <u>DEPARTMENT OF JUSTICE</u> | | | |
| Bulletproof Vest Partnership Program | 16.607 | N/A | 440 |
| Body Worn Camera Policy and Implementation Program | 16.835 | 2019-BC-BX-0030 | 19,530 |
| <i>Passed through the Florida Department of Law Enforcement</i> | | | |
| Coronavirus Emergency Supplemental Funding Program | 16.034 | 2020-CESF-CHAR-1-C9-010 | 19,866 |
| Coronavirus Emergency Supplemental Funding Program | 16.034 | 2021-CERF-CHAR-1-5A-023 | 3,250 |
| | | | <u>23,116</u> |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2021-JAGD-CHAR-1-4R-023 | 1,522 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2020-JAGD-CHAR-1-5R-108 | 14,882 |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2020-DJ-BX-0404 | 5,136 |
| | | | <u>21,540</u> |
| TOTAL DEPARTMENT OF JUSTICE | | | <u>64,626</u> |
| <u>DEPARTMENT OF TRANSPORTATION</u> | | | |
| <i>Passed through the Florida Department of Transportation</i> | | | |
| National Priority Safety Program (NHTSA 405 Funds) | 20.616 | G1R66 | 17,744 |
| TOTAL DEPARTMENT OF TRANSPORTATION | | | <u>17,744</u> |
| <u>DEPARTMENT OF THE TREASURY</u> | | | |
| <i>Passed through the Florida Department of Transportation</i> | | | |
| <i>Passed through Charlotte County, Florida</i> | | | |
| Coronavirus Relief Fund | 21.019 | Y2278 | 39,769 |
| TOTAL DEPARTMENT OF THE TREASURY | | | <u>39,769</u> |
| <u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u> | | | |
| National Estuary Program | 66.456 | 00D22214 | 273,302 |
| National Estuary Program | 66.456 | 00D90019 | 517,021 |
| TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY | | | <u>790,323</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 918,650</u> |

The notes to Schedules of Expenditures of Federal Awards is an integral part of this schedule.

CITY OF PUNTA GORDA, FLORIDA

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal awards of the City of Punta Gorda, Florida (the “City”) for the year ended September 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“*Uniform Guidance*”). Because the Schedule presents only a selected portion of the operations of the City, the schedule is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The City’s reporting entity is defined in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2021. All federal award programs received directly from federal agencies, as well as federal award programs passed through other government agencies, are included in the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule is presented using the modified accrual basis of accounting, which is described in Note 1 to the City’s basic financial statements for the fiscal year ended September 30, 2021.

The City did not utilize the 10-percent de minimis indirect cost rate for reimbursement of grant expenditures as covered in 2 CFR 200.414 (f) Indirect Costs.

NOTE 3 – CONTINGENCIES

Grant monies received by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of September 30, 2021, there were no material questioned or disallowed costs as a result of grant audits in process or completed of which management was aware. Any adjustments to grant funding are recorded in the year the adjustment occurs.

NOTE 4 – SUBRECIPIENTS

Of the federal awards presented in the Schedule, the City did not provide any amounts to subrecipients.

NOTE 5 – MAJOR FEDERAL PROGRAM DETERMINATION

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



CITY OF PUNTA GORDA

FINANCE DEPARTMENT
326 WEST MARION AVENUE
PUNTA GORDA, FL 33950
(941) 575-3318
FAX: (941) 575-3386

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Kristin Simeone, who being duly sworn, deposes and says on oath that:

1. I am the Director of Finance for the City of Punta Gorda which is a local governmental entity of the State of Florida;
2. The City of Punta Gorda adopted Ordinance No. 1933-2020 implementing revised impact fees; and
3. The City of Punta Gorda has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Kristin Simeone
Director of Finance, City of Punta Gorda

STATE OF FLORIDA
COUNTY OF CHARLOTTE

SWORN TO AND SUBSCRIBED before me this 28th day of March, 2022.

G. Danielle Berhel
NOTARY PUBLIC
Print Name _____

Personally known or produced identification _____

Type of identification produced: _____

My Commission Expires:

