

Comprehensive Annual Financial Report

2020



The City of Cape Coral
Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Cape Coral, Florida
For the Fiscal Year Ended
September 30, 2020



Prepared by:

Financial Services Department



CITY OF CAPE CORAL, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
TABLE OF CONTENTS

Page

I. INTRODUCTORY SECTION

Letter of Transmittal	I
GFOA Certificate of Achievement	VII
Organizational Chart	VIII
List of City Officials	IX

II. FINANCIAL SECTION

Independent Auditors' Report	1
------------------------------------	---

A. MANAGEMENT'S DISCUSSION AND ANALYSIS5

B. BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Position	23
Statement of Activities	24

Fund Financial Statements

Balance Sheet – Governmental Funds	25
Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Net Position – Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	31
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Net Position – Fiduciary Funds	34
Statement of Changes in Net Position – Fiduciary Funds	34

Notes to the Financial Statements	35
--	-----------

C. REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund	115
Budgetary Comparison Schedule – Community Redevelopment Agency Special Revenue Fund	117
Notes to the Required Supplementary Information – Budget Comparisons	118
General Employees' Pension Plan	119
Municipal Police Officers' Pension Plan	122
Municipal Firefighters' Pension Plan	125
General Employees' Restoration Pension Plan	128
Schedule of Changes in Total OPEB Liability	129

**D. COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS AND
BUDGET AND ACTUAL SCHEDULES**

Combining Balance Sheet – Nonmajor Governmental Funds	134
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	138

TABLE OF CONTENTS

	Page
Budgetary Comparison Schedules	
Special Revenue Funds:	
Gas Tax	142
Road Impact Fee	143
Public Safety Impact Fee	144
Do the Right Thing	145
Police Confiscation – Federal	146
Police Confiscation – State	147
Criminal Justice Education	148
Seawalls	149
Park Recreational Facilities Impact Fee	150
City Centrum Business Park	151
All Hazards	152
Alarm Fee	153
Del Prado Mall Parking Lot	154
Lot Mowing	155
Parks and Recreation	156
Waterpark	157
Golf Course	158
Building	159
Community Development Block Grant (CDBG)	160
HUD Neighborhood Stabilization	161
State Housing Initiative Partnership (SHIP)	162
Residential Construction Mitigation Program	163
Parks Capital Improvements Fund	164
Other Capital Improvements Fund	165
Transportation Capital Improvements Fund	166
Debt Service Fund	167
Combining Statement of Net Position – Internal Service Funds	169
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	170
Combining Statement of Cash Flows – Internal Service Funds	171
Combining Statement of Changes in Assets and Liabilities – Agency Funds	173

III. STATISTICAL SECTION

Schedule 1:	Net Position by Component – Last Ten Fiscal Years	176
Schedule 2:	Changes in Net Position – Last Ten Fiscal Years	177
Schedule 3:	Fund Balances of Governmental Funds – Last Ten Fiscal Years	179
Schedule 4:	Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	180
Schedule 5:	Impact Fee Revenues – Last Ten Fiscal Years	181
Schedule 6:	Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	182
Schedule 7:	Property Tax Rates - Direct and Overlapping Governments – Last Ten Fiscal Years	183
Schedule 8:	Principal Property Taxpayers – Current Year and Nine Years Ago	184
Schedule 9:	Property Tax Levies and Collections – Last Ten Fiscal Years	185
Schedule 10:	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	186
Schedule 11:	Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	187
Schedule 12:	Direct and Overlapping Governmental Activities Debt – as of September 30, 2018	188
Schedule 13:	Pledged-Revenue Coverage – Last Ten Fiscal Years	189
Schedule 14:	Demographic and Economic Statistics – Last Ten Calendar Years	190
Schedule 15:	Principal Employers – Current Year and Nine Years Ago	191

TABLE OF CONTENTS

	Page
Schedule 16: Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	192
Schedule 17: Operating Indicators by Function/Program – Last Ten Fiscal Years	193
Schedule 18: Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	194
 IV. SINGLE AUDIT	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	195
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	197
Schedule of Findings and Questioned Costs	200
V. MANAGEMENT LETTER	207
VI. INDEPENDENT ACCOUNTANTS' REPORT	211



Introduction Section



City of Cape Coral

July 12, 2021

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

Dear Mayor and Members of City Council:

We are pleased to present to you the Comprehensive Annual Financial Report of the City of Cape Coral, Florida (the City) for the fiscal year ended September 30, 2020. Chapter 218.39, Florida Statutes and the City Charter require that a complete set of financial statements be published within nine months of fiscal year end and presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America and those standards applicable to audits performed in accordance with *Government Auditing Standards* by licensed independent certified public accountants.

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

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

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

In compliance with the laws of the State of Florida, the City's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The independent auditor has issued an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

PROFILE OF THE CITY

The City of Cape Coral, incorporated in 1970, is located on the southwest coast of Florida in Lee County, approximately 125 miles south of Tampa, at the mouth of the Caloosahatchee River. The City is the third largest city in Florida land-area wise, encompassing 120 square miles and the US Census estimates the population to be 187,307 (University of Florida, Bureau of Economic and Business Research, 2020.) making it the most populated city in Southwest Florida and tenth most populous in the state.



The City is principally a residential, recreational and vacation community, and is one of the nation's first master-planned, pre-platted communities. In addition to broad boulevards and paved streets, the City is interlaced with over 400 miles of waterways. These canals provide home sites with access to the Intra-Coastal Waterway and the Gulf of Mexico. City-owned recreational facilities include numerous parks, a youth center, a municipal golf course, a yacht club, a waterpark, and an ecological preserve. Because the tax burden rests mostly on residential properties, the City is actively seeking more aggressive economic development to encourage new construction and expansions to balance the tax burden more equitably between residential and commercial properties.

The City operates under a Council/City Manager form of government. Legislative authority is vested in an elected City Council consisting of eight members elected at large on a nonpartisan basis from districts. The City Council is responsible for all policy-making functions of the government and retains the services of a City Attorney, City Auditor and City Manager. The City Manager is responsible for the administration of the City.

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

The City Council is required to adopt a final budget no later than the close of the preceding fiscal year to which the budget applies. Amendments to the City's operating budget in which appropriations are increased or decreased, or transfers between funds, must be approved by City Council via ordinance changes and include public input. The City Charter authorizes the City Manager to transfer appropriations within an operating

department of the general fund and within the fund as a whole for all other funds. Transfers are reviewed and processed by the budget staff and approved by the City Manager when required by administrative policy.

LOCAL ECONOMY

New housing and commercial development in Cape Coral have maintained a steady revenue pattern from 2019 to 2020. New single-family residential building permits issued increased by 21.45% over last year with a total estimated dollar volume of \$470 million. The population continues to rise and has increased by over 21.4% since the 2010 U.S. census.

The number of new commercial building permits issued increased between 2019 to 2020. The value of these permits increased over \$28 million showing the commercial growth of developments taking place in the Cape.

Despite the economic woes caused by the pandemic over the past year (March 2020 to the present), the State of Florida and Southwest Florida in particular, have fared quite well. Many businesses deemed “essential” such as big box retailers (Walmart, Target, Sam’s Club and BJ’s), supermarkets and restaurants remained open. Since many of the residents in Cape Coral remained home, patronage of local markets and eateries was significant. Unemployment levels remained below the national and statewide levels; anywhere from 5 to 6.5 percent and as of December 2020 dropped to 4.8 percent.

Vacancy rates for retail and office space remained at the low single digit levels, 2.4 percent for retail and 3.3 percent for office. It should be noted that there’s been a surge of interest and development of medical offices in Cape Coral. A new 11,000 square foot emergency room clinic will soon open in the Northeast Cape, an 80-room rehabilitation hospital is in permitting and should break ground later this year along Pine Island Road and two new medical offices are expanding from Fort Myers. As Cape Coral’s population continues to grow, the establishment of more professional and medical office space will continue.

While there were only two new office buildings constructed in 2020, including Cabinet Genies new headquarters in the South Cape, industrial development began to take shape. Three new industrial buildings were constructed representing a total of 56,000 square feet of new space added to the inventory. It is anticipated that new warehouse and light industrial development will continue in the Cape.

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

- ◆ Enterprise Car Rental and Sales opened a new facility valued more than \$10 million.
- ◆ Fairfield Inn By Marriott will soon open a 109-room hotel valued at nearly \$20 million.
- ◆ Cape Coral Commons, a 60,000 square foot retail center broke ground and its estimated value is more than \$10 million.
- ◆ Crunch Fitness broke ground on a new fitness center valued at more than \$2 million.
- ◆ Tractor Supply Hardware completed construction of a new retail store valued at more than \$600,000.
- ◆ Springs at Cape Coral, a 292 multi-family development valued at nearly \$19 million is expected to be completed by summer 2021.
- ◆ Oasis at Surfside, phase I represents 220 multi-family units valued at \$17 million scheduled for completion by summer 2021.
- ◆ Cape at Savona, a 319-unit multi-family development valued at \$50 million was completed in the fall of 2020.
- ◆ Apartments at the Isles of Porto Vista is a 123-unit complex valued at \$9 million scheduled for completion in the spring of 2021.

The total taxable assessed property value in Cape Coral was \$ \$14,300,433,937, 15,416,249,910, and \$16,578,808,989 in fiscal years 2019, 2020 and 2021 (preliminary) respectively. The total taxable assessed property value increased 9.56% from fiscal year 2017 to 2018, 8.46% from fiscal year 2018 to 2019, 8.0% from fiscal year 2019 to 2020, and 7.38% from fiscal year 2020 to 2021. The total includes new construction of \$336,504,739, \$448,797,093, and \$565,571,496 in fiscal years 2019, 2020, and 2021 respectively.

The change in the taxable value of property on an annual basis is always a primary concern for the City as the receipts from the related ad valorem taxes provides the majority of the general fund's operating revenue. Fiscal year 2020 general fund ad valorem receipts of \$93,346,049 represents 53.1% of the total revenue sources for the general fund. Although ad valorem receipts are still the single largest source, the percentage of all sources had previously been approximately 62%. The General Fund's reliance on ad valorem taxes has been reduced through efforts to achieve revenue diversity which has been a primary focus of the City's strategic Plan. The City's revenue diversification initiative included the adoption of the Fire Service Assessment implemented in 2014 and generated \$27.1million along with the Public Service Tax, which generated \$8.3 million during fiscal year 2020. To help offset the Public Service Tax impact to citizens the City retained the Fire Service Assessment recovery rate at 62% for fiscal year 2020.

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

- ◆ Significant, remaining undeveloped residential and commercial property.
- ◆ Population estimates have Cape Coral at 187,307, which is 21.39% higher than our 2010 population of 154,305 (University of Florida, Bureau of Economic and Business Research, 2020) and growing. During the winter season, it is estimated that our population climbs over 210,000 with our part-time residents and renters joining us. These numbers will continue to drive housing, commercial development, investment, and jobs which brings continued stabilization to Cape Coral's economy.
- ◆ The Cape Coral Economic Development Master Plan was adopted in October 2017, establishing a solid blueprint with initiatives, objectives, and actions to grow and diversify the economy.
- ◆ Burnt Store Widening: The North Segment (Van Buren Parkway to Diplomat Parkway) and the Middle Segment (Diplomat Parkway to south of Tropicana Parkway) were completed in 2018 and 2020 respectively. The South Segment (Tropical Parkway to Pine Island Road) is under construction, expected to be completed in 2022. Since Burnt Store Road is a road of regional significance and a hurricane evacuation route, the Florida Department of Transportation awarded grant funding to assist with this widening effort. Burnt Store Road is under Lee County maintenance Responsibility.
- ◆ The Cape Coral City Council approved a formal partnership to find developers for the Seven Islands project in Northwest Cape Coral. The city is working with CBRE, the world's largest commercial real estate services and investment firm, on this long-range project. The Utilities Expansion Program (UEP) is moving forward as SW 6&7 and North 2 are complete and North 1 design is underway with construction slated to begin in summer 2022 and expected to continue through summer of 2025. North 1 will bring water, sewer, and irrigation to approximately 7,000 parcels.

LONG-TERM FINANCIAL PLANNING

A significant measure of the City's financial strength is the level of its fund balances (i.e. the accumulation of revenues exceeding expenditures). The general fund's fund balance increased by \$15,889,622 from prior year primarily due to the increase in ad valorem taxes and fire service assessments. There was also an increase in capital asset sales.

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

STRATEGIC PLANNING

Mission Statement

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

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

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

RELEVANT FINANCIAL POLICIES

The City has adopted a comprehensive set of financial management policies in the areas of operating management, debt management, accounts management, financial planning, and economic resources. These policies were reviewed and approved by the City Council on September 26, 2011 and were amended on October 26, 2015, December 12, 2016, and November 4, 2019 respectively as Resolution 129-15, Resolution 216-16 and Resolution 332-19.

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

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

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

MAJOR INITIATIVES

The millage rate for General Fund operations for FY 2020 was 6.4903; the FY 2021 Adopted rate was set at the rolled back rate of 6.375.

The current five- year CIP for all funds includes approximately \$181.1 million of capital improvements scheduled in FY2021, of which \$77.2 million is for the UEP, \$4.6 million for rolling stock, \$4.5 million for equipment, and 103.9 for improvements with the majority of this in the utility departments.

The UEP was restarted in FY 2012, the Southwest 6 and 7 areas are substantially completed. This included construction of water, sewer, and irrigation service capacity to nearly 7,000 lots including 3,500 households. The North 2 project is currently complete with respect to the utility's construction with 12 of 13 contracts reaching substantial completion and the final construction contract expected to achieve Substantial Completion during

March 2021. North 2 included construction costs of approximately \$230 million, the majority of which is financed through the State Revolving Fund (SRF) loan program. The North 2 area provides water, sewer, and irrigation service capacity to 8,900 lots including 3,400 improved parcels. Currently, 41% of improved parcels within North 2 have connected to the utilities systems. Tetra Tech was selected as the engineering consultant for the North 1 design which commenced in September of 2020 and should be completed in FY 2022. North 1 will include construction of water, sewer, and irrigation service capacity to nearly 7,000 lots including 3,400 improved parcels. Construction of North 1 is expected to begin at the end of FY 2022 and to take 3 years to complete.

The November 2018 election included a \$60 million General Obligation Parks & Recreation bond referendum, which was approved by the voters. Work started on small projects in FY 2019 along with designing new parks and facilities which will be constructed over the next 3 to 4 years.

In August 2013, City Council established a supplemental dedicated funding source for the provision of fire protection services and facilities through the imposition of non-ad valorem special assessment (Fire Service Assessment). The assessment was validated by the Circuit Court of the Twentieth Judicial Circuit in December 2013 and upheld on appeal by the Florida Supreme Court in May 2015.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cape Coral for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This is the 34th consecutive year that the City has achieved this prestigious award.

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

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

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated service of the Financial Services Department staff. Their continuing effort toward improving the accounting and financial reporting systems improves the quality of information reported to the City Council, State and Federal Agencies, and the citizens of the City of Cape Coral. We sincerely appreciate and commend them for their contributions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mark C. Mason', is written over a horizontal line.

Mark C. Mason, CPA
Financial Services Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cape Coral
Florida**

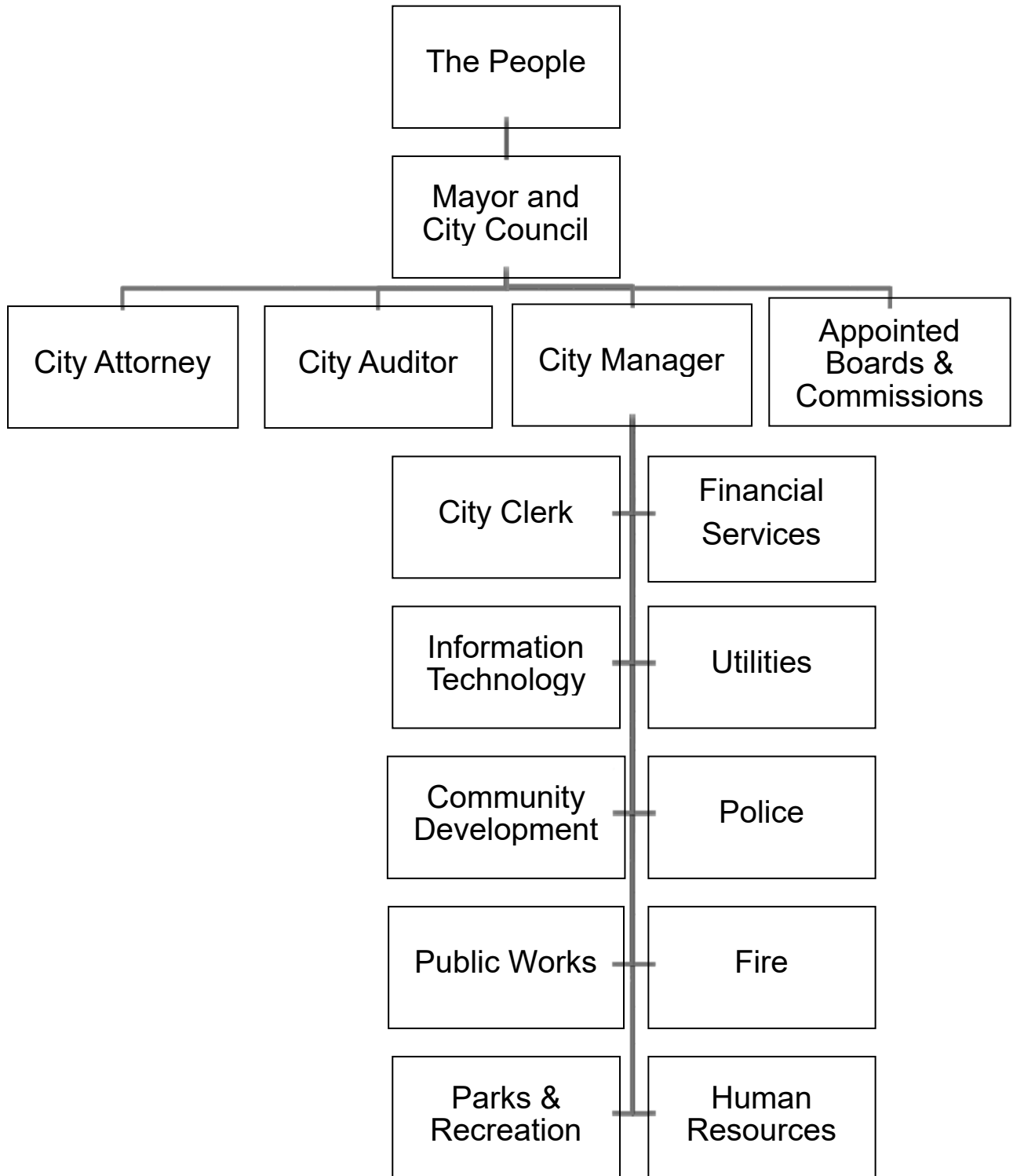
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



/

CITY OF CAPE CORAL, FLORIDA

List of City Officials**

Mayor

John Gunter

City Council

Gloria Raso Tate, District No. 1

Dan Sheppard, District No. 2

Tom Hayden, District No. 3

Jennifer Nelson, District No. 4

Robert Welsh, District No. 5

Rick Williams, District No. 6

Jessica Cosden, District No. 7

City Administration

Rob Hernandez, City Manager

Connie Barron, Assistant City Manager

Mark C. Mason, CPA, Financial Services Director

Vincent Cautero, AICP, Community Development Director

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

Michelle Hoffmann, Information Technology Services Director

Dolores Menendez, City Attorney

Anthony Sizemore, Chief of Police

Paul Clinghan, Public Works Director

Kerry Runyon, CPRP, Parks & Recreation Director

Jeffrey Pearson, Utilities Director

Ricardo Noguera, Economic Development Manager

Kimberly Bruns, City Clerk

Ryan W. Lamb, Fire Chief/Emergency Management Director

Lisa Sonogo, Human Resources Director

****City officials reflect current members as of date of printing.**

Financial Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Pension Trust Funds were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements and budget and actual schedules (except for the budget comparison schedules on pages 165 to 167) and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

The introductory section, the statistical section, and the budget comparison schedules on pages 165 to 167, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
July 12, 2021



Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Cape Coral's (the City) Management's Discussion and Analysis (MDA) is designed to focus on the current year's activities, resulting changes and current known facts. Please read this section in conjunction with the City's financial statements (beginning on page 23) and letter of transmittal.

The MDA provides an overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

HIGHLIGHTS

Financial Highlights

- At the close of fiscal year 2020, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$713.7 million (net position). Governmental and business-type assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$157.1 million and \$556.6 million, respectively.
- The City's total net position increased by \$73.6 million or 11.5%, in comparison to the prior year.
- The City had negative \$213.0 million of unrestricted net position.
- Total revenues increased \$7.7 million or 1.8% in comparison to the prior year.
- Total expenses increased \$29.9 million or 9.2% in comparison to the prior year.
- The City's governmental activities net position totaled \$157.1 million, which is an increase of \$24.2 million or 18.2% in comparison to the prior year. Unrestricted net position for governmental activities was negative \$207.1 million.
- The City's business-type activities reported total net position of \$556.6 million, which is an increase of \$49.4 million or 9.7% in comparison to the prior year. Unrestricted net position for business-type activities was negative \$5.9 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 23-24 of this report.

Fund Financial Statements

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

Governmental Funds - *Governmental Fund* Financial Statements (see pages 25-28) are prepared on a modified accrual basis using a current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

The total columns on the Governmental Funds and Proprietary Funds Financial Statements are not the same as the Governmental Activities column and the Business-type column on the Government-wide Financial Statement. The Governmental Funds total column requires reconciliation because of the different measurement focus (current financing resources versus total economic resources) which is reflected on the page following each statement (see pages 26 and 28). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column in the Government-wide Statements. The Proprietary Funds total column requires reconciliation because the internal service fund is consolidated as part of the governmental activities, but a portion of the internal service funds is for business-type activities. This reconciliation is a result of the surplus elimination (see pages 30-31).

Four of the City's Governmental Funds, the General Fund, the Transportation Capital Improvements Fund, the Community Redevelopment Agency Fund, and the Debt Service Fund are considered major funds and are shown separately on the financial statements. All other governmental funds are combined into a single column on the governmental fund's financial statements. Individual fund data for the nonmajor funds is found in the combining statements as supplemental financial data (see pages 134-141).

The City adopts an annual appropriated budget for the General Fund and Special Revenue Funds. Budgetary comparison statements for the general fund and community redevelopment agency fund are presented on pages 115-117 of the required supplementary information and other governmental funds are presented on pages 142-167 of the combining statements.

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

Proprietary Fund financial statements (see pages 29-33), like government-wide financial statements, are prepared on the full accrual basis. Proprietary Funds record both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the Proprietary Fund.

The Proprietary Fund financial statements provide separate information for the Water and Sewer Fund and for the Stormwater Fund, which are considered major funds. All Other Non-Major Enterprise Funds are combined into a single column on the Proprietary Fund financial statements, as well as the Internal Service Funds reported in a single column. Individual fund data for the Non-Major Enterprise Funds and for the Internal Service Funds is found in the combining statements as supplemental financial data (see pages 169-171).

Fiduciary Funds - The *Fiduciary Fund* financial statements (see page 34) are not presented as part of the Government-wide Financial Statements because the resources of these funds are not available to support the City's programs. Fiduciary (Pension Trust, Private-Purpose Trust and Agency) Funds represent trust responsibilities of the government; however, these assets are restricted as to purpose and do not represent discretionary assets of the government.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-114 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information including budgetary comparison information and the funding progress for pension and schedule of changes in total OPEB liability. Required supplementary information can be found on pages 115-130 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

City of Cape Coral, Florida

Summary of Net Position

(in millions)

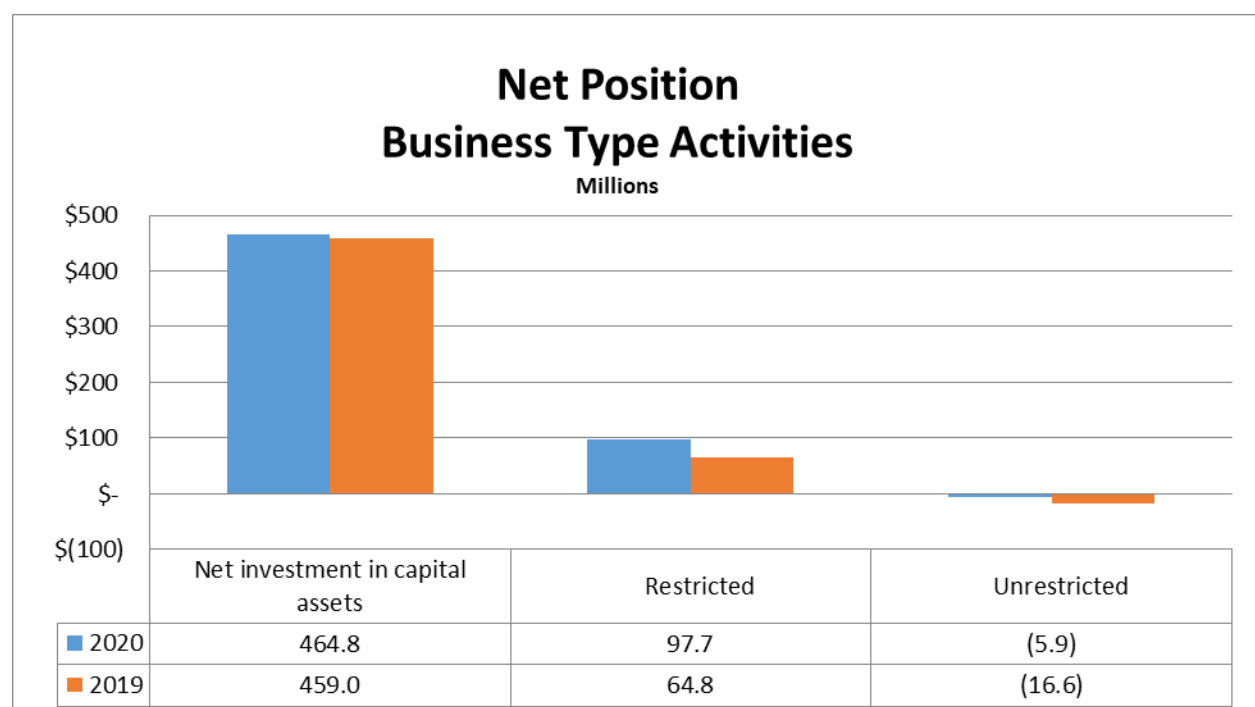
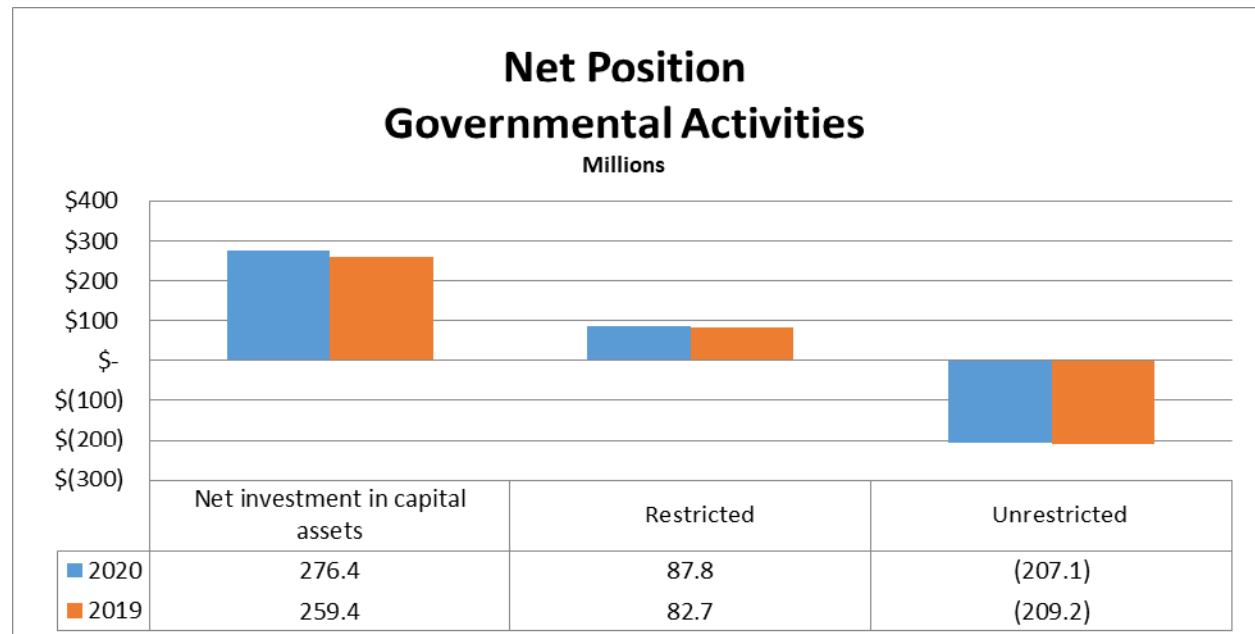
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 243.1	\$ 215.8	\$ 193.0	\$ 146.4	\$ 436.1	\$ 362.2
Capital assets	459.7	450.2	1,140.2	1,120.1	1,599.9	1,570.3
Total assets	<u>702.8</u>	<u>666.0</u>	<u>1,333.2</u>	<u>1,266.5</u>	<u>2,036.0</u>	<u>1,932.5</u>
Deferred outflows of resources	110.4	64.5	45.5	34.7	155.9	99.2
Current and other liabilities	19.1	16.9	27.8	38.7	46.9	55.6
Noncurrent liabilities	589.4	558.1	782.4	750.1	1,371.8	1,308.2
Total liabilities	<u>608.5</u>	<u>575.0</u>	<u>810.2</u>	<u>788.8</u>	<u>1,418.7</u>	<u>1,363.8</u>
Deferred inflows of resources	47.6	22.6	11.9	5.2	59.5	27.8
Net position:						
Net investment in capital assets	276.4	259.4	464.8	459.0	741.2	718.4
Restricted	87.8	82.7	97.7	64.8	185.5	147.5
Unrestricted	(207.1)	(209.2)	(5.9)	(16.6)	(213.0)	(225.8)
Total net position	<u>\$ 157.1</u>	<u>\$ 132.9</u>	<u>\$ 556.6</u>	<u>\$ 507.2</u>	<u>\$ 713.7</u>	<u>\$ 640.1</u>

Net investment in capital assets is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure, and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. Unamortized bond insurance costs "follow the debt" in calculating net asset components for the statement of net position. That is, if debt is capital-related, the unamortized amounts are included in the calculation of net investment in capital assets. If the debt is restricted for a specific purpose and the proceeds are unspent, the net proceeds impacts restricted net position. If the debt proceeds are not restricted for capital or other purposes, the unamortized costs are included in the calculation of unrestricted net position.

The net investment in capital assets balance of \$741.2 million increased \$22.8.0 million or 3.2% in comparison to the prior year. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position balance of \$185.5 million (26.0% of total net position) increased \$38.0 million or 25.8% in comparison to the prior year. This balance represents resources subject to external restrictions on their use. The governmental activities restricted net position increased \$5.1 or 6.2%. The business-type activities restricted net position increased \$32.8 million or 50.6%.

The unrestricted net position balance decreased from negative \$225.8 million to negative \$213.0 million which is a change of \$12.8 million from the prior year.

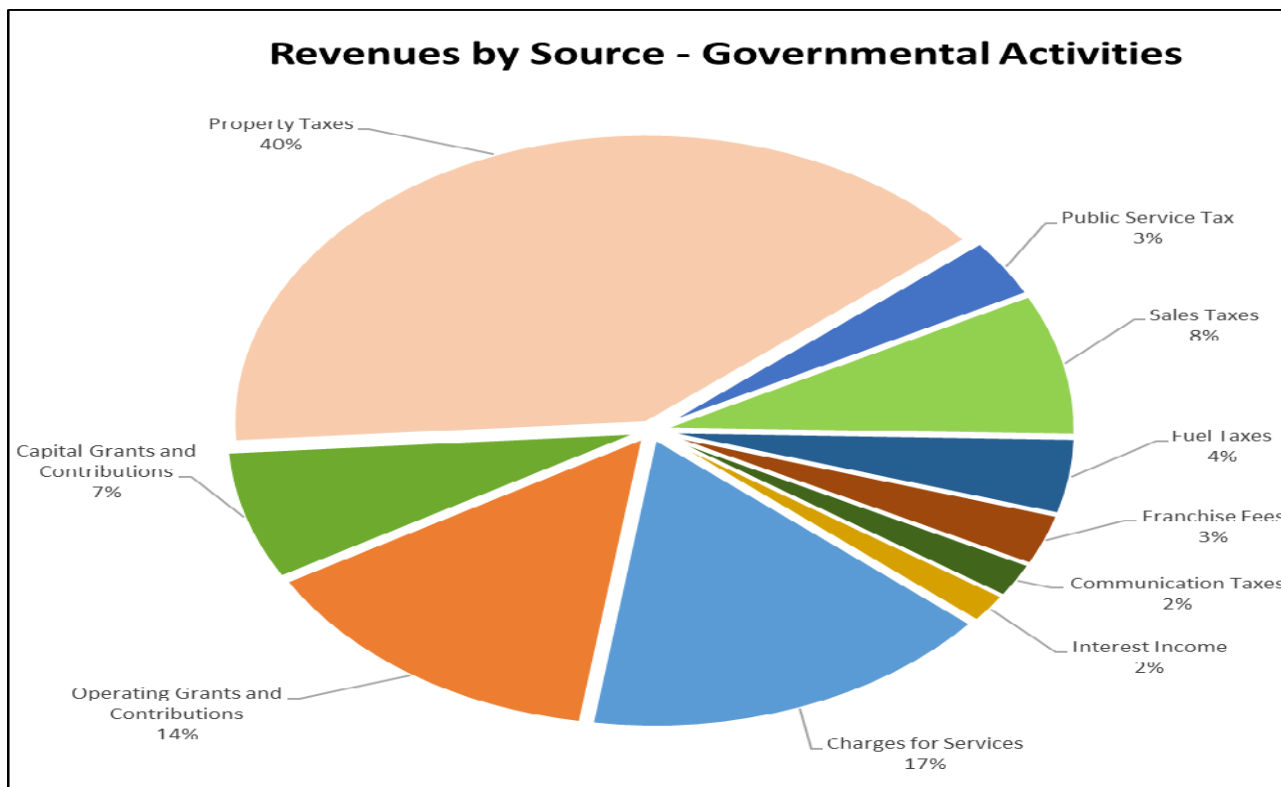


City of Cape Coral, Florida
Summary of Changes in Net Position
(in millions)

	Governmental		Business-type		Total	
	Activities		Activities			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
REVENUES:						
Program Revenues:						
Charges for Services	\$ 40.9	\$ 39.9	\$ 112.1	\$ 107.9	\$ 153.0	\$ 147.8
Operating Grants and Contributions	35.6	45.1	1.2	0.8	36.8	45.9
Capital Grants and Contributions	18.2	16.6	50.2	40.6	68.4	57.2
Property Taxes	100.4	95.6	-	-	100.4	95.6
Public Service Tax	8.3	7.9	-	-	8.3	7.9
Sales Taxes	20.0	20.7	-	-	20.0	20.7
Fuel Taxes	10.6	10.8	-	-	10.6	10.8
Franchise Fees	7.2	7.0	-	-	7.2	7.0
Communication Taxes	4.9	4.9	-	-	4.9	4.9
Interest Income	4.2	5.5	15.5	18.5	19.7	24.0
Gain on sale of capital assets	-	-	0.2	-	0.2	-
Total Revenues	<u>250.3</u>	<u>254.0</u>	<u>179.2</u>	<u>167.8</u>	<u>429.5</u>	<u>421.8</u>
EXPENSES:						
Program Activities						
Governmental Activities:						
General Government	65.3	56.1	-	-	65.3	56.1
Public Safety						
Police	54.9	42.3	-	-	54.9	42.3
Fire	36.6	33.9	-	-	36.6	33.9
Building	9.2	7.3	-	-	9.2	7.3
Public Works	20.7	19.1	-	-	20.7	19.1
Parks and Recreation	22.7	24.2	-	-	22.7	24.2
Community Development	10.1	9.0	-	-	10.1	9.0
Interest and fiscal charges	7.3	8.5	-	-	7.3	8.5
Business-type Activities:						
Water and Sewer	-	-	116.3	110.9	116.3	110.9
Stormwater	-	-	12.4	14.1	12.4	14.1
Yacht Basin	-	-	0.4	0.6	0.4	0.6
Total Expenses	<u>226.8</u>	<u>200.4</u>	<u>129.1</u>	<u>125.6</u>	<u>355.9</u>	<u>326.0</u>
Increase (Decrease) in Net Position before transfers	23.5	53.6	50.1	42.2	73.6	95.8
Transfers, net	0.7	2.6	(0.7)	(2.6)	-	-
Change in Net Position	<u>24.2</u>	<u>56.2</u>	<u>49.4</u>	<u>39.6</u>	<u>73.6</u>	<u>95.8</u>
Net Position - beginning	132.9	77.7	507.2	466.6	640.1	544.3
Restatement of net position	-	(1.0)	-	1.0	-	-
Net Position - ending	<u>\$ 157.1</u>	<u>\$ 132.9</u>	<u>\$ 556.6</u>	<u>\$ 507.2</u>	<u>\$ 713.7</u>	<u>\$ 640.1</u>

Governmental Activities

The net position of the City's governmental activities increased by \$24.2 million; the net investment in capital assets for governmental activities increased by \$17.0 million.



Total revenues for governmental activities decreased \$3.7 million or 1.5%, in comparison to prior year. Outlined below are the explanations for the significant revenue changes within governmental activities.

Charges for services increased \$1.0 million or 2.5%. Police revenues increased slightly by \$0.2 million or 9.0% due to increases in school resource officer service charge contracts, a cost-sharing agreement with Lee County to provide state-mandated resource officers in every school. Fire revenues decreased negligibly by less than \$0.001 million, or 2.6%, mainly in off duty service charges once again attributable to pandemic restrictions on public activities. Internal service fee revenue increased \$2.8 million or 47.0% mainly as a result of a change in the interfund revenue object code for revenues from the Waterpark, Building and CDBG funds. Prior to FY20 these transactions were identified as transfers however they are more appropriately presented as interfund service payments as reimbursement to the general fund for the cost of general administrative overhead costs. Parks and Recreation revenues decreased \$2.9 million or 34.2% as a result of the pandemic. Building permit revenue increased \$0.2 million or 2.2% due to an increase in single family home permits issued from 1,874 in FY19 to 2,276 in FY20 and Community Development revenues increased \$0.1 million or 27.9% due to an increase in commercial site plan fees. Licensing revenues increased by \$0.2 million or 13.0%. Also, insurance recoveries increased \$0.4 million or 36.6%.

Operating grants and contributions decreased by \$9.5 million or 21.1%. Reimbursements from the federal government for Hurricane Irma cleanup represented the majority of the decrease as we received \$12.1 million or 90.7% less in the current year. Reimbursements from Medicaid decreased by \$0.2 million due to decreased services provided due to the pandemic. Fire Service Assessment revenue contributed \$1.7 million of the overall increase. Fire grants increased \$0.1 million or 147.9% primarily due to the grant that provides smoke detectors for the hearing impaired. Increases are also attributable to \$0.1 million for payments from the state for fire pensions and \$0.1 million from the Florida Department of Transportation for state road lighting maintenance. Community development grants increased by \$0.4 million or 64.0% from the Community Development Block Grant, \$0.2 million or 343.7% for Neighborhood Stabilization Program, and \$0.1 million or 28.9% from the grant from the State Housing Initiative Partnership. Also contributing to the increase was \$0.6 million from the

Community Development Block Grant related to COVID. Sidewalk grants reported in operating grants decreased \$0.5 million as they are now reported in capital grants.

The majority of revenue in the Governmental Funds comes from Property Taxes. Property tax revenue for fiscal year 2020 increased \$4.8 million or 5.0% to \$100.4 million, despite a decrease in the millage rate. The millage rate dropped from 6.75 to 6.49, however taxable assessed property value increased 8.0% to \$15.4 billion.

Capital grants and contributions increased \$1.6 million or 9.6%. Impact fees increased by \$2.7 million or 17.9% due to an increase of both residential and commercial permits. Also, sidewalk grants from the Florida Department of Transportation decreased by \$0.7 million or 44.3%. There was also a decrease in Build America Bonds interest of \$0.4 million as the funding ended mid-year.

The Public Service Tax on electricity increased \$0.4 million or 5.1%. The tax remains unchanged at a rate of 7.0%, and is charged to residents and business owners who purchase electricity. The increase in revenue is likely due to increased use of electricity resulting from population growth.

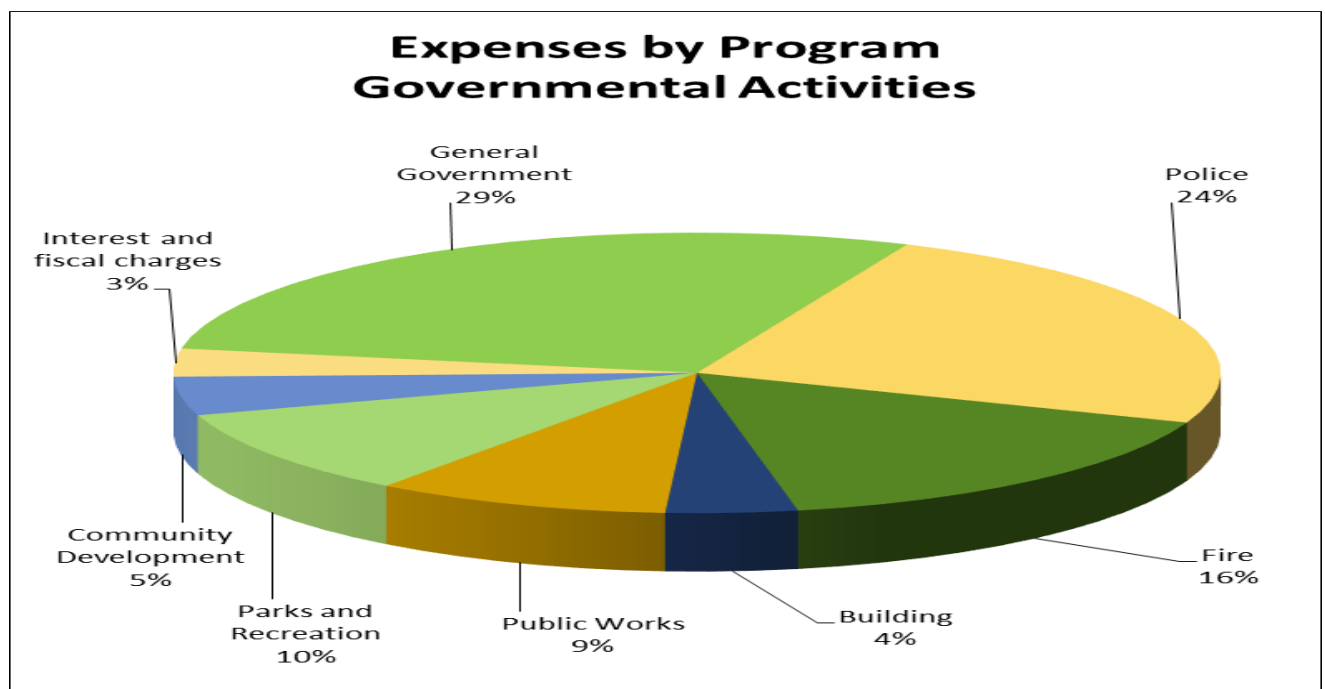
Revenues from the Local Government Half-cent Sales Tax and State Sales Tax revenue sharing programs decreased by \$0.6 million or 2.9%. The decrease is likely due to less consumer spending resulting from pandemic restrictions. State mandated COVID-19 pandemic directives initially required non-essential workers to remain home and non-essential businesses to close.

Fuel taxes decreased by \$0.2 million or 1.9%. Fuel taxes are based on the number of gallons sold irrespective of the cost per gallon. These tax revenues are allocated according to interlocal agreement with the county and the distribution formula is based primarily on population. The COVID-19 pandemic lock-down prohibited unnecessary travel for the last half of the fiscal year which resulted in fewer gallons sold.

Franchise fees increased \$0.2 million or 2.9%. Franchise fees are levied on a corporation or individual by the City in return for granting a privilege or permitting the use of public property subject to regulations. The City receives franchise fees for electricity, solid waste, and natural gas.

Communications Services Tax remained materially unchanged at \$4.9 million, likely since the tax rate of 5.5% remained unchanged. The Communications Services Tax replaced all local taxes on telephone and cable services in fiscal year 2001. The current rate was adopted January 1, 2019.

Interest income decreased by \$1.3 million or 23.6% reflecting the overall lower economic market conditions caused by COVID-19 pandemic restrictions.



Total expenses for governmental activities increased \$26.4 million or 13.2%. Outlined below are the explanations for the most significant expense changes within governmental activities.

General Government expenses increased \$9.2 million or 16.4%. Expenses related to the General, Police, and Fire pensions contributed the bulk of the increase, rising \$7.2 million or 24.5%. The City also implemented a Restoration Pension plan in April of 2020 resulting in a \$3.7 million increase in related expenses. Debt interest expense decreased 16.0% or \$2.7 million as a result of the refunding of the 2010 BABS gas tax bond and the special obligation bond. Warranty, maintenance and service plan expenses increased 4438.0% or \$0.8 million primarily due to new software maintenance agreements. Similarly, outside services increased by \$0.2 million or 10.0% due to consulting services related to the software implementation.

Public Safety – Police expenses increased \$12.6 million or 29.8%. Police department personnel costs increased \$4.8 million or 14.7% due to budgeted increases in compensation and benefits, part of a phased plan addressing pay inequities of the City's police department with other municipalities, as well as the reinstatement of 11 police officers in FY20. Expenses related to OPEB increased \$6.8 million or 2303.0%, with additional increases in pension related expenses of \$0.3 million. Small equipment spending increased 262.0% or \$0.9 million, mainly due to a department-wide upgrade in mobile radios. Safety equipment decreased by \$0.2 million due to budgeted reductions.

Public Safety – Fire expenses increased by \$2.7 million or 8.0%. Fire department personnel expenses increased by \$1.7 million or 6.2% with budgeted increases in compensation. Operation expenses increased \$0.4 million in budgeted small equipment purchases, or 85.6%. Fixed asset related depreciation expenses increased by \$0.3 million or 15.4% with the opening of Fire Station 2. Travel costs and training and seminars together decreased \$0.1 million, or 68.2%, an effect of prohibited travel and social distancing mandates due to COVID-19 restrictions. Pension expense increased by \$0.6 million or 784.6%, with a corresponding increase in pension related expenses of \$0.3 million or 344.7%. Conversely, there was a decrease in other post employment benefits expense of \$0.5 million or 42.9%.

Public Safety – Building expenses increased by \$1.9 million or 26.0%. Expenses related to salary increased by \$0.5 million or a 16.2% increase due to budgeted increases in compensation and for the addition of five new employees. Overtime costs decreased by \$0.2 million or 42.8% due to the additional employees. Other personnel costs increased \$0.1 million or 4.3% due to the increase in salaries and personnel. Self Insurance costs also increased by \$0.1 million or 223.2%. The interfund payment to the General Fund increased \$1.9 million as result of a change in the expense object code. These transactions were identified as interfund transfers prior to FY20, however they represent reimbursement to the General Fund for general administrative expenses and are more appropriately presented as operating costs. There was also an decrease in expenses related to OPEB of \$0.4 million or 32.1%. These were offset by a decrease in expenses related to pensions of \$0.1 million or 21.1%.

Public Works expenses increased by \$1.6 million or 8.4%. Personnel related expenses increased by \$0.5 million due to an increase in salary expense of \$0.3 million or 6.1% and an increase in expenses related to the self-funded health plan of \$0.2 million or 34.1%. Maintenance expenses increased by \$1.1 million with budgeted planned projects that included an increase in expenses related to median maintenance of \$0.3 million or 29.6%, building maintenance of \$0.3 million or 116.1%, roads and curb maintenance of \$0.1 million or 35.9%, street light power of \$0.1 million or 2.1%, fleet repairs of \$0.1 million or 17.4% and other operating expenses of \$0.2 million or 5.7%.

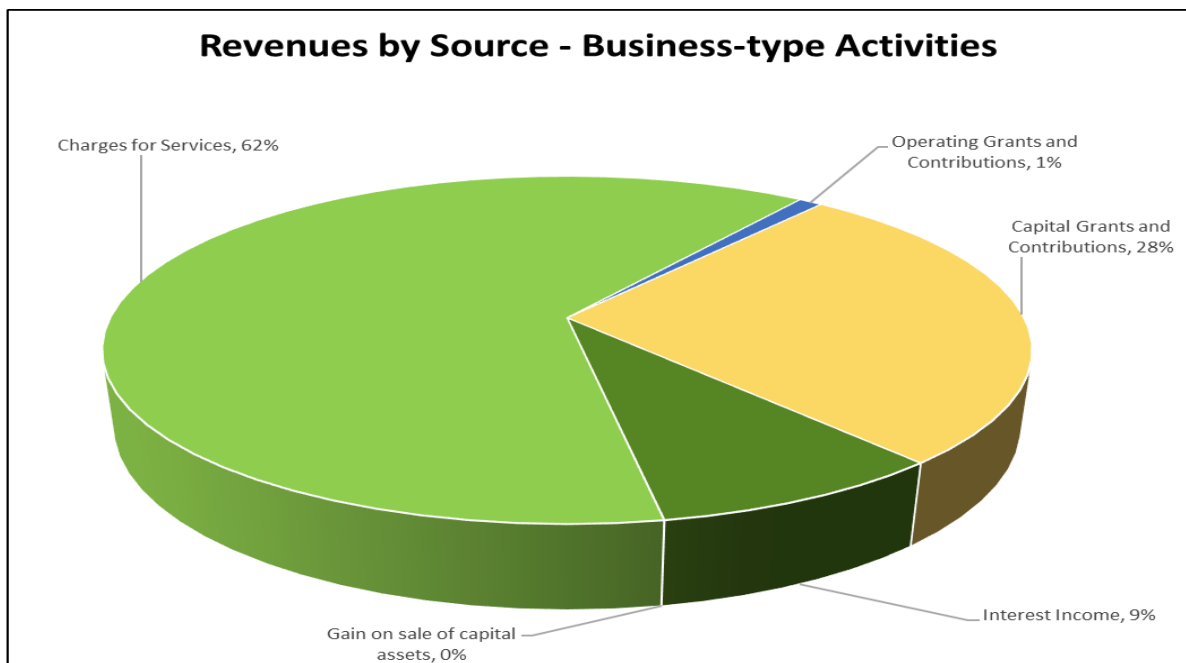
Parks and Recreation expenses decreased by \$1.5 million or 6.2%. The primary reason for the decrease is attributed to the effect of the COVID pandemic. Personnel expense decreased by \$0.6 million or 4.7%, the program expense in parks programs decreased by \$0.6 million or 38.5%, maintenance and repair costs decreased by \$0.6 million or 58.6%, and food and beverage costs decreased by \$0.1 million or 27.4%. These were offset by increases in facilities charges of \$0.6 million or 50.6% and self-insurance expense of \$0.2 million or 206.3%. The interfund payment to the General Fund from the Waterpark increased \$0.2 million as result of a change in the object code from interfund transfers, which more clearly identifies these expenses as reimbursement to the General Fund for general administrative costs. There was an increase in expenses related to pensions of \$0.1 million or 24.1%, There were decreases in OPEB expense of \$0.6 million or 212.8% and in leave payout of \$0.1 million or 74.6%.

Community Development expenses increased \$1.1 million or 12.2%. The primary reason is as a result of an increase in depreciation of \$0.4 million or 34.9% with new sidewalk projects as well as the completion of the streetscape project. Increased costs also include \$0.5 million from the Community Development Block Grant (CDBG) COVID payments and \$0.2 million from the Community Redevelopment Agency (CRA) economic incentives as a result of the COVID pandemic. As a result of the focus on the programs geared toward the pandemic, the State Housing Initiative Partnership (SHIP) grant programs expenses decreased by \$0.4 million or 43.3% this year. Personnel costs increased by \$0.2 million or 3.4% primarily from the budgeted increases in compensation. There were also increases in expenses for costs of computer equipment and accessories of \$0.1 million or 845.5% primarily related to a new software system and the CRA incurred small equipment costs of \$0.1 million or 602.1% for new holiday lights and decorations. The CRA had a decrease of \$0.1 million due to the streetscape project having been completed in FY19. There was also a decrease in OPEB of \$0.2 million or 416.5%. Expenses related to pension increased by \$0.3 million or 108.9%.

Interest and fiscal charges for governmental activities decreased in FY20 by \$1.2 million or 14.1% mainly as a result of a decrease in long term debt of \$8.0 million.

Business-type Activities

The net position of the City's business-type activities increased by \$49.4 million or 9.7%. There was an increase in the business-type activities' net investment in capital assets of \$10.0 million, or 2.2% in comparison to prior year.



Charges for services reported in business-type activities increased \$4.2 million or 3.9%. A portion of the change is due to a \$3.6 million increase in Water and Sewer revenues, related to commodity and capacity charges including flat rate charges due to an increase in population and housing demand. Additionally, meter installation fees increased by \$0.3 million as a result of new construction. Tax billed penalties increased by \$0.2 million related to assessment areas. Stormwater revenues increased by \$0.9 million primarily a result of the utility fee increasing from \$115 to \$119. These increases in revenues were offset by an increase to the allowance for uncollectible accounts by \$.2 million and a reduction to the financial year end revenue accrual by \$0.5 million due to the timing of billing cycles. Additionally, service pickup charges decreased by \$0.1 million as a result of COVID-19.

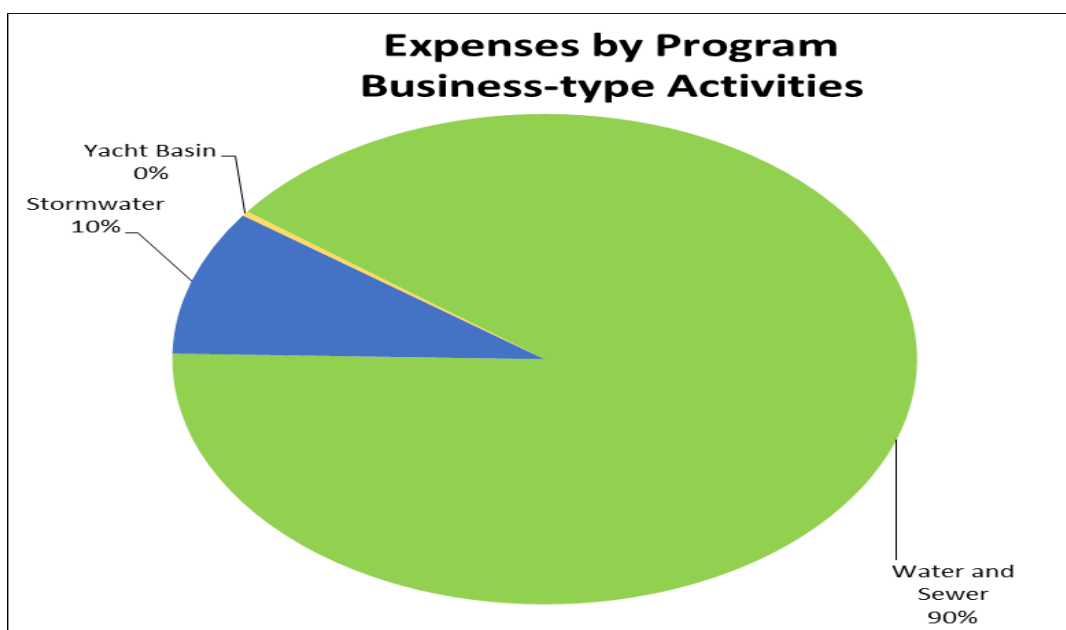
Operating grants and contributions reported in business-type activities increased \$0.4 million or 50.0%. The primary reason is due to grants received from the Department of Environmental Protection (FLDEP) for the Reclaimed Water Transmission River Crossing Project. Funding received from the FLDEP for Water and Sewer capital projects increased from \$.4 million in FY19 to \$1.0 million in FY20. This increase in revenues was offset

by a decrease in revenues related to the gain on sale of capital assets of \$.2 million as these revenues are now classified in the general revenues section as a gain on sale of capital assets.

Capital grants and contributions reported in business-type activities increased by \$9.6 million or 23.9%. The primary reason was due to an increase in special assessments of \$3.7 million combined with an increase in developer contributions of \$6.4 million. Special Assessments increased by \$.8 million related to the North 2 Special Assessment area. Additionally, no refunds were issued related to special assessments in FY20 however \$.8 million in refunds were issued in FY19 resulting in a net increase to revenues. The allowance for uncollectable revenue related to special assessments increased revenues by \$2.1 million. Developer contributions increased based on an increase in construction related to commercial development. These increases were offset by a decrease in impact and contribution in aid of construction \$.5 million due to a decrease in physical environment impact fees.

Interest income reported in business-type activities decreased \$3.0 million or 16.2%, due to a decrease in the fair value of investments of \$1.6 million with fluctuations in the market. Additionally, annual tax billed interest decreased by \$.8 million due to a reduction in receivables related to assessments as the balances were paid down. Bank investment income also decreased by \$.8 million due to a reduction in interest rates. These decreases were offset by an increase related to gains on investment sales of \$.2 million.

Gain on sale of capital assets increased by \$.2 million due to a reclassification in reporting from Operating Grants and Contributions section to the General Revenues section of the statement of activities.



Water and Sewer expenses reported in business-type activities increased \$5.4 million or 4.9%. There were multiple increases and decreases that resulted in this net increase. Operating expenses increased by \$4.4 million or 4.8%, which included a \$1.1 million increase in salaries, wages and employee benefits primarily as a result of an increase in pension expense of \$1.6 million combined with a decrease in Other Post Employment Benefit (OPEB) expenses of \$0.6 million and an increase related to salaries and leave payout of \$0.1 million. Both the pension expense and OPEB expenses are determined by a third-party actuary. Contractual services, materials and supplies increased by \$0.7 million or 2.5% primarily due to planned upgrade of City meters totaling \$2.1 million offset by a decrease in other planned activities of \$1.4 million as services were unavailable for a portion of the year due to COVID-19. Depreciation expense increased by \$2.6 million which is a 6.9% increase over the prior year. Additionally, expenses related to the allocation of internal service fund profit elimination increased by \$1.0 million primarily related to the self-funded health plan.

Stormwater expenses reported in business-type activities decreased \$1.7 million or 12.1%. Salary expenses decreased by \$1.3 million primarily due to a decrease in Other Post Employment Benefit expenses of \$1.0 million as the result of an increase in deferred inflows related to OPEB experience as well as a reduction of UAAL retirement expenses of \$0.3 million. Expenses related to contractual services and supplies decreased by \$0.7 million or 17.7% as services were unavailable a portion of the year due to COVID-19. These decreases in

expenses were offset by an increase in the expense related to allocation of internal service fund expenses of \$0.3 million primarily related to the self-funded health plan.

Other Enterprise funds expenses decreased \$0.2 million or 33.3%. The primary reason for the decrease is due to a decrease in contractual services and supplies of \$0.2 million as many services were unavailable for a portion of the year due to COVID-19.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

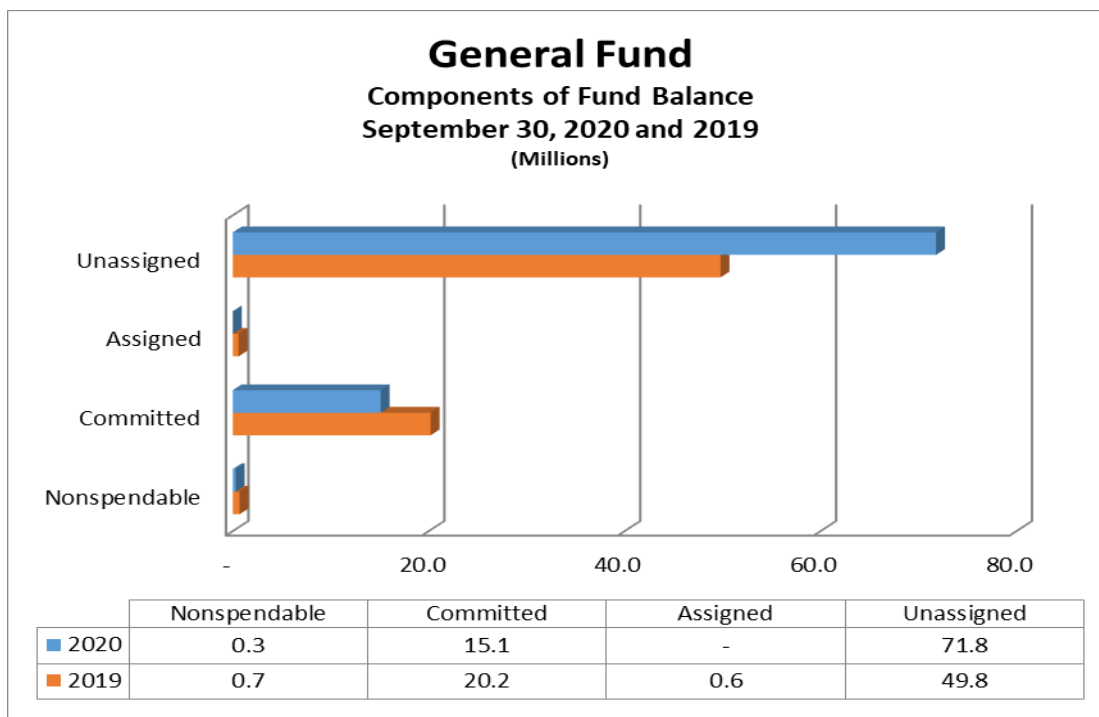
Governmental funds are comprised of the general fund, special revenue funds, debt service fund and the capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on near-term inflows, outflows, and balances of spendable resources. The following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

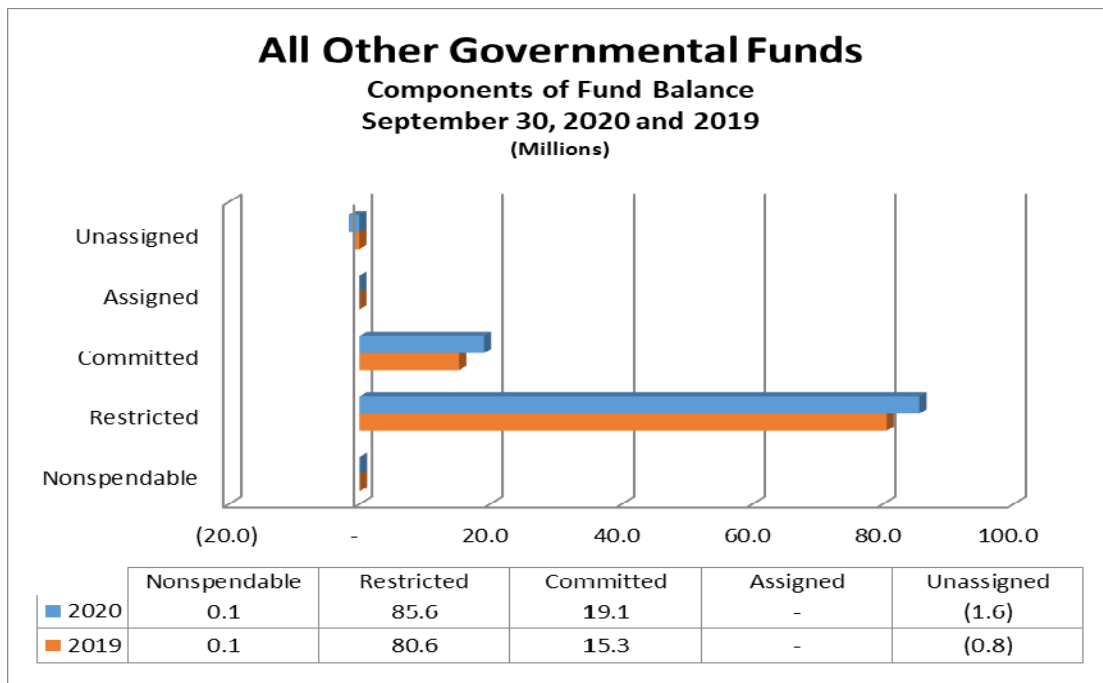
The *General Fund* is the chief operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. At the end of the current fiscal year, the City's general fund unassigned fund balance increased by \$22.0 million or 44.2% with a fund balance of \$71.8 million, while total fund balance reached \$87.2 million.

The *Transportation Capital Improvements Fund* is used to account for road improvements and related items including road resurfacing and median landscaping. This fund has a total fund balance of \$14.0 million. The fund balance increased by \$3.8 million or 37.3% in comparison to prior year. This was primarily due to closing completed projects on the books and transferring any remaining cash back to the funding source.

The *Community Redevelopment Agency Fund* is used to account for monies received from tax incremental revenue by certain taxing authorities in the community redevelopment area. The fund has a fund balance of \$1.1 million, an increase of \$.7 million or 192.6% compared to the prior year.

The *Debt Service Fund* is used to account for the accumulation of resources and for the payment of general long-term debt principal and interest. This fund has a total fund balance of \$6.1 million, a decrease in fund balance of \$4.6 million or 43.0% compared to prior year.





Proprietary Funds

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

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

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

General Fund Budgetary Highlights

Original budget compared to final budget. The budgetary comparison schedule can be found on pages 115-116. Two budget amendments were adopted by City Council for fiscal year 2020. Major changes to the budget as a result of those amendments include:

Revenues

- Balances brought forward of \$22,466,848 were utilized to fulfill capital purchases not completed by the end of FY19.
- Intergovernmental revenue was increased by \$3,486,127 to include various grants.
- Charges for services were increased \$431,683 to include fees related to Police Off Duty Service and School Resource Officer payments to the City's Police Department from other Charter Schools.
- Sales tax revenue was decreased by \$5,159,344 due to the unknown impact of the COVID-19 pandemic on the local economy.

Expenses

- General government was increased by \$1,488,623 to include additional legal, facility charges, computer hardware and computer software.
- Overall reserves were increased by \$6,691,737 as a result of additional revenues over amended expenditures.

- Fire Public Safety was increased by \$1,468,303 due to increased overtime, building improvements and capital outlay.
- Police Public Safety was increased by \$2,499,162 for salary increases and equipment replacements.
- Capital Outlay was increased by \$2,156,355 as a result of additional rolling stock replacements as well as building improvements.

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

Revenue

- Sales tax revenue was \$3,504,230 or 21.2% higher than budgeted. Budget was decreased with an amendment during FY20 due to the unknown economic impact of COVID-19 and related effects on local consumer spending on taxable goods and services.
- Interest revenue was \$1,328,126 or 150.3% more than budgeted as a result of an increase in cash and investment balances.
- Other revenue was \$2,066,619 million or 129.6% higher than the budgeted amount of \$1,594,703 primarily due to proceeds on sales of capital assets which are not budgeted for.
- Special Assessment revenue was \$1,034,126 or 4.1% higher than budgeted due to revenues from the fire service assessment.
- Licenses and permits were \$194,491 or 22.5% higher than budgeted, likely due to population growth.
- Franchise fee revenue was \$346,086 or 5.1% more than budgeted. Franchise fees are levied on a corporation or individual by the City in return for granting a privilege or permitting the use of public property subject to regulations. The City receives franchise fees for electricity, solid waste, and natural gas.
- Communications service tax revenue was \$364,093 or 8.0% higher than forecasted. This tax replaced all local taxes on telephone and cable services in fiscal year 2001.
- Fuel tax revenue is a component part of the state's municipal revenue sharing program and resulted in revenues that were \$303,545 or 25.1% higher than budgeted. Budget was decreased due to the unknown impact of COVID-19. Estimated revenue is conservatively budgeted at 95.0% of the state distribution.
- Fines and forfeitures revenue exceeded budget by \$214,933 or 46.0%. This revenue line item includes several different fines and fees such as ordinance violation fines, filing fees, and tax billed penalties.

Expenditures

- General Government expenditures were \$6,902,239 or 11.1% less than budgeted. The main areas that were overbudgeted included facilities charges, insurance expenditures, operating materials and supplies, and outside services.
- Public Safety Police expenditures were \$552,400 or 1.3% under budget primarily due to less leave payout expenditures being incurred.
- Public Safety Fire expenditures were \$1,103,786 or 3.2% under budget primarily due to fewer small equipment purchases.
- Public Works expenditures were under budget by \$3,690,009 or 23.9% despite planned increases in expenditures for median maintenance, building maintenance, roads and curb maintenance, and fleet repairs.
- Parks and Recreation expenditures were \$48,271 or 0.7% less than budgeted, mainly a result of closures of the waterpark and other recreational facilities mandated by COVID-19 pandemic restrictions.
- Community Development expenditures were \$4,729,865 or 2179.7% less than budgeted mainly in the area of bridge maintenance that was not incurred during the fiscal year.
- Capital Outlay expenditures were \$1,423,341 or 17.2% less than budgeted due to capital projects forgone during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following schedule reflects the City's net capital assets as of September 30, 2020 and 2019:

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Land	\$ 156.4	\$ 154.1	\$ 31.4	\$ 32.0	\$ 187.8	\$ 186.1
Buildings	83.7	83.9	275.3	286.3	359.0	370.2
Building Improvements	-	2.3	-	1.2	-	3.5
Improvements other than buildings	37.0	38.2	136.5	128.1	173.5	166.3
Equipment	16.7	18.0	11.5	11.0	28.2	29.0
Intangible computer software	-	0.1	-	-	-	0.1
Infrastructure	135.3	139.0	416.3	424.2	551.6	563.2
Construction in progress	30.6	14.6	269.2	237.3	299.8	251.9
Total capital assets	<u>\$ 459.7</u>	<u>\$ 450.2</u>	<u>\$1,140.2</u>	<u>\$1,120.1</u>	<u>\$1,599.9</u>	<u>\$1,570.3</u>

During fiscal year 2020, the City's total capital assets increased by \$29.6 million or by 1.9%. The overall increase is primarily a result of an increase in construction in progress by \$47.9 million. The construction in progress increase was mainly from our North 2 Utility Expansion Project and the completion of Fire Station #2. Additionally, there were land purchases of \$3.4 million offset by land sales of \$1.7 million, a decrease in building improvements of \$1.2 million due to a reclassification to improvements other than building, an increase of \$20.4 million in improvements other than building, \$7.3 in equipment and vehicle purchases and \$14.1 million in infrastructure spending. This was offset by depreciation of \$60.7 million.

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

- North 2 Utility Expansion Project
- GOBOND Parks: Festival Park, Crystal Lake and Lake Meade
- Police equipment
- Fire equipment
- City-wide software updates
- Sidewalk improvements
- Fire Station #2

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

Long Term Debt

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

During fiscal year 2020, the major rating institutions reaffirmed or assigns various ratings. Below is a summary of the bonds which were reviewed.

Fitch Ratings:	Special Obligation Revenue Bonds, Series 2011 and 2015 affirms "AA-/Outlook Stable" on July 30 th , 2020
Fitch Ratings:	Water & Sewer Revenue refunding Bonds, Series 2011, 2011A, & 2015 upgraded to A+ from A on September 23 rd , 2020.

At September 30, 2020, the City had \$872.3 million of outstanding debt (excluding compensated absences and other post employment benefits). Revenue bonds, which are secured solely by specified revenue sources, had an outstanding balance of \$463.6 million, or 53.1%, of the total outstanding debt. Special assessment debt which is collateralized by special assessments levied against the benefited property owners, had an outstanding balance of \$60.1 million, or 6.9%, of the total outstanding debt. Notes from Direct Borrowing, which are collateralized by the net revenues of the water and sewer system, impact fees, special assessment revenue, and other specified revenues sources had an outstanding balance of \$338.9 million, or 38.9%, of the total outstanding debt. Capital leases had no outstanding balance.

The following is a schedule of outstanding debt as of September 30, 2020 and 2019:

City of Cape Coral, Florida
Outstanding Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Debt- Note from direct borrowing	\$ 9.7	\$ 10.2	\$ -	\$ -	\$ 9.70	10.2
Revenue Bonds	110.7	150.2	352.9	358.4	463.6	508.6
Special Assessment- Note from Direct Borrowing Debt with Governmental Commitment	0.3	0.6	59.8	72.3	60.1	72.9
Notes from direct borrowings	66.7	34.4	272.2	226.2	338.9	260.6
Capital Leases	-	0.1	-	-	-	0.1
Total	\$ 187.4	\$ 195.5	\$ 684.9	\$ 656.9	\$ 872.3	\$ 852.4

The City's total debt increased by \$20.0 million, or 2.3%, during the current fiscal year. The Governmental activities' decrease of \$8.0 million or 4.1% is due to scheduled debt payments, refunding of the 2010B Gas Tax Bonds, and refunding of 2018 Special Obligation Revenue Note. The Business-type activities' overall increase of \$28.0 million or 4.3% is due to new issuance of SRF debt related to North 2 Utility Expansion Project (UEP).

The City's governmental activities issued \$10,200,000 in FY2019 of General Obligation debt to finance the acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. In FY2020, the General Obligation debt used \$5,463,164 of those proceeds to complete park improvements and land purchases. In addition, business-type activities issued \$56,272,594 of state revolving loans (SRF) for the Utility Expansion Project (UEP).

The ratio of net bonded debt to assessed valuation and the amount of general bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. This data for the City at September 30, 2020 was as follows:

Debt Ratios	General Obligation Bonded Debt Only
Debt Ratios	
Debt Per Capita (estimated population 186,294 as of September 30, 2020)	\$55
Debt to Assess Taxable Value of Property as of September 30, 2020 (\$15,416,249,910)	0.07%

Additional information on the City's long-term debt and debt coverage can be found in Note 7: Long-term Liabilities and Note 13: Future Revenues that are Pledged.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The following factors were considered in preparing the City's budget for the 2021 fiscal year:

- The FY2021 budget was again developed as part of a three-year rolling budget and included FY2022 and FY2023 with only FY2021 being formally approved by the City Council. Approval of the public service tax and imposition of the special assessment for fire services beginning in FY14 laid the foundation for addressing Economic and Financial Stability which is the primary goal of the City's strategic plan. The other goals of the City include Economic Development, Redevelopment, Infrastructure Improvements, Public Safety, and Improved City Image which all have a level of dependency upon the City's ability to achieve Economic and Financial Stability.
- The FY2021 budget provides continued funding of the capital and infrastructure needs of governmental activities which was reestablished in FY14. Not unlike the neglect of capital improvement needs, the organizational infrastructure had also been ignored. After seven years of pay freezes and pay reductions, the FY15 budget provided funding to start addressing employee pay issues. Provisions for salary increases were included in the budget as efforts continue to restore the organization infrastructure through salary range adjustments as well as addressing pay parity issues.
- As a result of property tax and state-shared revenue increases beyond the amounts forecasted, the FY2021 budget provided for several initiatives that support the strategic plan and the community as a whole. These initiatives include the continuation of streetlight funding for installing new streetlights primarily focusing on school bus stops; the design of a new fire station in central Cape Coral to replace an existing station, implementation of the General Obligation funded Parks Improvement, street paving and sidewalk improvements to name a few. These initiatives have been carried forward into the FY 2021 budget as the projects progress through their various stages of completion. COVID-19 was taken into account for the decrease in state-shared revenues.
- The FY2021- FY 2023 rolling budget was adopted with the roll-back operating millage rate of 6.3750. This was a reduction from FY2020 of .1153 mills. The FY2021 budget was formulated to continue meeting the City's reserve requirements. The focus of the FY2022 and FY2023 budgets and beyond will be to continue revenue diversification and reducing the reliance upon ad valorem tax revenues. Although the millage rate remained constant, ad valorem taxes remain less than 50.0% of the current revenue as opposed to 60-62% in previous years.
- The Water and Sewer budget was prepared to support the continuing operations of the existing utility facilities to include the water reclamation plants, reverse osmosis plants, and the existing collection, distribution, and transmission lines. The preparation of the annual budget is made in conjunction with the annual update of the rate sufficiency model which indicates no rate changes are required for the system.
- The stormwater utility fee is charged per equivalent residential unit (ERU). Based on the results of the Stormwater Cost Recovery study performed by an outside consultant, the rolling budget was adopted with an increase in the rate structure to \$125 per ERU and will be re-examined annually per Resolution 195-20. The prior year rate was \$119.
- Non-enterprise recreational programs are budgeted in a Special Revenue Fund. Each program is supported by a certain level of user fees. Program costs and projected revenues are evaluated annually to ensure the program costs are being recovered while maintaining a constant level of general fund support. Program fees will cover approximately 57.9% of the program expenditures.

- Impact Fee Funds: Impact Fees are planned to be used for a Fire Training Facility (Fire Impact Fee reserves) and a Police Training Facility (Police Impact Fee reserves). All other Impact Fee revenues will be used to satisfy annual debt requirements.
- Gas tax funds have been budgeted in accordance with revenue estimates provided by the State of Florida and will support local road resurfacing, signalization, and small-scale intersection improvements.
- Water, sewer, and irrigation utility capital expansion fees are used to pay for the expansion of the City's utility system including the cost of transmission lines. These fees are also used to pay applicable debt service and/or will be used to offset the borrowing requirements associated with the expansion of the utility plants and related facilities.
- The Building Fund provides for 57.88 full-time equivalent positions. As a result of an increase in permitting activity no subsidy has been required by the General Fund since FY10.

REQUEST FOR INFORMATION

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



Basic Financial Statements

City of Cape Coral, Florida

STATEMENT OF NET POSITION
September 30, 2020

	Primary Government			Component Unit
	Governmental	Business-type		Cape Coral Charter
	Activities	Activities	Total	School Authority
ASSETS				
Cash and investments	\$ 230,217,418	\$ 72,790,001	\$ 303,007,419	\$ 10,573,678
Interest receivable	420,537	175,468	596,005	-
Accounts receivable, net	2,348,820	9,915,489	12,264,309	60,532
Assessments receivable, net	43,311	-	43,311	-
Intergovernmental receivable	11,022,901	79,245	11,102,146	249,073
Note receivable	29,694	-	29,694	-
Due from component unit	185,799	-	185,799	-
Internal balances	(2,456,295)	2,456,295	-	-
Inventories	158,972	1,526,195	1,685,167	-
Prepaid items	1,071,291	1,400	1,072,691	40,141
Unamortized bond insurance	3,044	396,499	399,543	-
Restricted:				
Cash and investments	-	102,599,764	102,599,764	-
Interest receivable	-	296,125	296,125	-
Accounts receivable, net	-	117,308	117,308	-
Intergovernmental receivable	-	681,123	681,123	-
Assessments receivable, net	-	1,998,478	1,998,478	-
Capital assets (net of accumulated depreciation):				
Land and construction in progress	187,050,941	300,576,085	487,627,026	-
Other capital assets, net of depreciation	272,600,554	839,651,725	1,112,252,279	2,248,951
Total assets	<u>702,696,987</u>	<u>1,333,261,200</u>	<u>2,035,958,187</u>	<u>13,172,375</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	7,413,490	22,482,793	29,896,283	-
Pension related	52,457,930	9,202,236	61,660,166	3,965,573
OPEB related	50,525,063	13,854,477	64,379,540	-
Total deferred outflows of resources	<u>110,396,483</u>	<u>45,539,506</u>	<u>155,935,989</u>	<u>3,965,573</u>
LIABILITIES				
Accounts payable and other accrued liabilities	9,128,589	8,722,283	17,850,872	346,613
Retainage payable	581,215	8,021,452	8,602,667	-
Accrued payroll	5,112,464	804,986	5,917,450	245,573
Accrued interest payable	5,844	536,361	542,205	-
Deposits	1,000,282	2,860,916	3,861,198	-
Intergovernmental payable	193,672	-	193,672	-
Unearned revenue	3,048,139	4,572,140	7,620,279	50,920
Total OPEB liability	8,485,860	2,326,908	10,812,768	-
Noncurrent liabilities:				
Due within one year	18,275,075	24,917,368	43,192,443	233,220
Due in more than one year	190,736,563	663,367,266	854,103,829	921,116
Net pension liability	136,613,539	30,629,676	167,243,215	11,393,195
Total pension liability	3,736,313	-	3,736,313	-
Total OPEB liability	231,505,217	63,481,043	294,986,260	-
Total liabilities	<u>608,422,772</u>	<u>810,240,399</u>	<u>1,418,663,171</u>	<u>13,190,637</u>
DEFERRED INFLOWS OF RESOURCES				
Gain on refunding	4,865	-	4,865	-
Pension related	4,100,889	-	4,100,889	1,112,256
OPEB related	43,487,692	11,924,759	55,412,451	-
Total deferred inflows of resources	<u>47,593,446</u>	<u>11,924,759</u>	<u>59,518,205</u>	<u>1,112,256</u>
NET POSITION				
Net investment in capital assets	276,393,691	464,780,619	741,174,310	2,091,110
Restricted for:				
Community redevelopment agency	1,133,098	-	1,133,098	-
Public safety	15,112,738	-	15,112,738	-
Parks and recreation	6,863,360	-	6,863,360	-
Public works	36,935,704	-	36,935,704	-
Debt service	6,173,366	76,422,849	82,596,215	-
Community development	14,173,164	-	14,173,164	-
Capital improvements	7,368,021	15,014,630	22,382,651	1,697,980
Renewal and replacement	-	6,344,462	6,344,462	-
Unrestricted	(207,075,890)	(5,927,012)	(213,002,902)	(954,035)
Total net position	<u>\$ 157,077,252</u>	<u>\$ 556,635,548</u>	<u>\$ 713,712,800</u>	<u>\$ 2,835,055</u>

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

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
				Governmental Activities	Business-type Activities	
Primary government:						
Governmental activities:						
Public safety:						
Police	\$ 65,318,687	\$ 15,963,210	\$ 1,341,554	\$ (48,013,923)	\$ (48,013,923)	\$ -
Fire	54,927,640	2,597,112	2,512,540	(48,140,251)	(48,140,251)	-
Building	36,570,740	501,004	28,799,908	(6,664,657)	(6,664,657)	-
Public works	9,155,572	9,113,305	4,318	(37,949)	(37,949)	-
Parks and recreation	20,707,629	4,938,259	50,610	(3,383,824)	(3,383,824)	-
Community development	22,739,835	5,686,306	1,120,823	(12,356,672)	(12,356,672)	-
Interest on long-term debt	10,083,847	2,121,287	1,728,249	(6,234,311)	(6,234,311)	-
Total governmental activities	7,293,468	40,920,483	35,558,002	(7,293,468)	(7,293,468)	-
Business-type activities:						
Water and sewer	116,276,689	90,863,045	1,217,722	-	24,000,254	24,000,254
Stormwater	12,386,918	20,463,395	-	-	10,151,953	10,151,953
Yacht basin	434,734	741,800	-	-	307,066	307,066
Total business-type activities	129,098,341	112,068,240	1,217,722	-	34,459,273	34,459,273
Total primary government	\$ 355,695,759	\$ 152,988,723	\$ 36,775,724	(132,125,055)	(97,665,782)	-
Component unit:						
Cape Coral Charter School Authority	\$ 27,281,894	\$ 728,432	\$ 1,843,098	\$ -	-	\$ (23,116,651)
General revenues:						
Taxes:						
Florida education finance program				-	-	22,143,709
Property taxes, levied for general purpose				97,354,823	97,354,823	-
Property taxes, levied for debt service				890,520	890,520	-
Property taxes, other (CRA and All Hazards)				2,116,284	2,116,284	-
Public service tax				8,283,000	8,283,000	-
Sales				20,040,384	20,040,384	-
Fuel				10,597,558	10,597,558	-
Alcohol and beverage				82,980	82,980	-
Franchise				7,199,932	7,199,932	-
Communication				4,892,611	4,892,611	-
Interest income				15,514,781	15,514,781	140,063
Gain on sale of capital assets				197,423	197,423	-
Transfers, net				-	-	-
Total general revenues and transfers				156,341,297	171,336,626	22,283,772
Change in net position				24,216,242	73,670,844	(832,879)
Net position - beginning				132,861,010	640,041,946	3,667,934
Net position - ending				\$ 157,077,252	\$ 713,712,800	\$ 2,835,055

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

City of Cape Coral, Florida

**BALANCE SHEET
GOVERNMENTAL FUNDS**
September 30, 2020

	General	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 87,152,215	\$ 15,147,034	\$ 1,138,876	\$ 6,111,631	\$ 87,970,914	\$ 197,520,670
Interest receivable	194,038	-	2,420	-	165,104	361,562
Accounts receivable, net	2,076,875	-	-	-	37,987	2,114,862
Assessments receivable, net	30,856	-	-	-	12,455	43,311
Intergovernmental receivable	6,365,018	1,450,032	-	67,579	3,140,272	11,022,901
Notes receivable	29,694	-	-	-	-	29,694
Due from other funds	1,514,789	-	-	-	-	1,514,789
Inventories	29,036	-	-	-	129,936	158,972
Prepaid items	310,450	-	-	-	2,920	313,370
Total assets	<u>\$ 97,702,971</u>	<u>\$ 16,597,066</u>	<u>\$ 1,141,296</u>	<u>\$ 6,179,210</u>	<u>\$ 91,459,588</u>	<u>\$ 213,080,131</u>
LIABILITIES						
Accounts payable and other accrued liabilities	2,490,948	1,594,932	8,198	-	2,525,599	6,619,677
Accrued retainage	34,505	276,677	-	-	270,033	581,215
Accrued payroll	4,431,150	20,437	-	-	529,327	4,980,914
Due to other funds	-	-	-	-	1,514,789	1,514,789
Deposits	104,518	-	-	-	895,764	1,000,282
Intergovernmental payables	62,950	9,402	-	-	121,320	193,672
Unearned revenue	762,167	-	-	-	2,285,972	3,048,139
Total liabilities	<u>7,886,238</u>	<u>1,901,448</u>	<u>8,198</u>	<u>-</u>	<u>8,142,804</u>	<u>17,938,688</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - grant reimbursement	2,577,257	668,008	-	-	1,405,364	4,650,629
Unavailable revenue - other	46,633	-	-	-	11,802	58,435
Unavailable revenue - lease	-	-	-	67,579	-	67,579
Total deferred inflows of resources	<u>2,623,890</u>	<u>668,008</u>	<u>-</u>	<u>67,579</u>	<u>1,417,166</u>	<u>4,776,643</u>
FUND BALANCES						
Nonspendable	339,486	-	-	-	132,856	472,342
Restricted	-	6,700,013	1,133,098	6,111,631	71,679,602	85,624,344
Committed	15,034,294	7,327,597	-	-	11,699,768	34,061,659
Unassigned	71,819,063	-	-	-	(1,612,608)	70,206,455
Total fund balances	<u>87,192,843</u>	<u>14,027,610</u>	<u>1,133,098</u>	<u>6,111,631</u>	<u>81,899,618</u>	<u>190,364,800</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 97,702,971</u>	<u>\$ 16,597,066</u>	<u>\$ 1,141,296</u>	<u>\$ 6,179,210</u>	<u>\$ 91,459,588</u>	<u>\$ 213,080,131</u>

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

City of Cape Coral, Florida

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

September 30, 2020

Fund balances - total governmental funds	\$	190,364,800
--	----	-------------

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

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

Capital assets	\$	684,818,718	
Accumulated depreciation		<u>(226,057,656)</u>	458,761,062

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

Net position of internal service funds	\$	6,032,675	
Cross-over to enterprise funds		<u>(2,456,295)</u>	3,576,380

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

3,044

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

(5,844)

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

7,413,490

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

50,960,180

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

(4,100,889)

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

(4,865)

Deferred outflows related to OPEB.

48,021,793

Deferred inflows related to OPEB.

(41,333,090)

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

4,776,643

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

Bonds, notes, and capital leases payable	\$	(187,411,468)	
Total OPEB liability		(228,100,693)	
Net pension liability		(135,364,586)	
Compensated absences		<u>(10,478,705)</u>	(561,355,452)
Total net position of governmental activities	\$		<u><u>157,077,252</u></u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	General	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 97,354,823	\$ -	\$ 1,183,871	\$ 890,520	\$ 932,413	\$ 100,361,627
Public service	8,283,000	-	-	-	-	8,283,000
Sales	20,040,384	-	-	-	-	20,040,384
Fuel	1,511,540	-	-	-	9,086,018	10,597,558
Alcohol and beverage	82,980	-	-	-	-	82,980
Franchise	7,199,932	-	-	-	-	7,199,932
Communication	4,892,611	-	-	-	-	4,892,611
Special assessments	26,054,140	-	-	-	22,414	26,076,554
Licenses and permits	1,060,355	-	-	-	9,100,896	10,161,251
Intergovernmental	6,376,998	1,673,498	-	-	2,208,299	10,258,795
Charges for services	12,252,095	-	-	-	9,289,917	21,542,012
Fines and forfeitures	681,846	-	-	1,239	140,772	823,857
Impact fees	-	-	-	-	17,963,254	17,963,254
Rent and royalties	553,677	-	-	3,306,087	-	3,859,764
Interest income	2,212,049	-	31,601	2,241	1,392,247	3,638,138
Contributions and donations	17,864	323,530	-	-	112,181	453,575
Other revenue	1,440,646	30,860	12,569	-	403,843	1,887,918
Total revenues	<u>190,014,940</u>	<u>2,027,888</u>	<u>1,228,041</u>	<u>4,200,087</u>	<u>50,652,254</u>	<u>248,123,210</u>
EXPENDITURES						
Current:						
General government	55,353,203	-	-	2,407	117,398	55,473,008
Public safety:						
Police	43,324,830	-	-	-	161,605	43,486,435
Fire	32,960,020	-	-	-	680,856	33,640,876
Building	-	-	-	-	7,767,384	7,767,384
Public works	11,781,363	338,561	-	-	3,011,067	15,130,991
Parks and recreation	6,539,622	-	-	-	13,469,712	20,009,334
Community development	4,946,865	-	653,122	-	2,518,355	8,118,342
Capital outlay	6,847,817	9,388,946	-	-	11,579,591	27,816,354
Debt service:						
Principal	-	-	-	17,095,898	-	17,095,898
Interest and fiscal charges	-	-	-	7,248,344	-	7,248,344
Bond issuance costs	-	-	-	129,421	-	129,421
Total expenditures	<u>161,753,720</u>	<u>9,727,507</u>	<u>653,122</u>	<u>24,476,070</u>	<u>39,305,968</u>	<u>235,916,387</u>
Excess revenues over (under) expenditures	<u>28,261,220</u>	<u>(7,699,619)</u>	<u>574,919</u>	<u>(20,275,983)</u>	<u>11,346,286</u>	<u>12,206,823</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	7,401,271	11,510,253	1,972,825	14,666,174	17,814,012	53,364,535
Transfers out	(21,993,545)	-	(1,801,880)	(7,659,278)	(21,192,957)	(52,647,660)
Issuance of debt	-	-	-	45,888,990	-	45,888,990
Payment to refunded bond escrow agent	-	-	-	(37,252,464)	-	(37,252,464)
Proceeds on sale of capital assets	2,220,676	-	-	-	9,833	2,230,509
Total other financing sources (uses)	<u>(12,371,598)</u>	<u>11,510,253</u>	<u>170,945</u>	<u>15,643,422</u>	<u>(3,369,112)</u>	<u>11,583,910</u>
Net change in fund balances	15,889,622	3,810,634	745,864	(4,632,561)	7,977,174	23,790,733
Fund balances - beginning	71,303,221	10,216,976	387,234	10,744,192	73,922,444	166,574,067
Fund balances - ending	<u>\$ 87,192,843</u>	<u>\$ 14,027,610</u>	<u>\$ 1,133,098</u>	<u>\$ 6,111,631</u>	<u>\$ 81,899,618</u>	<u>\$ 190,364,800</u>

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

City of Cape Coral, Florida

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds:		\$ 23,790,733
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay	\$ 27,816,354	
Depreciation	<u>(18,685,480)</u>	9,130,874
The net effect on net position for various miscellaneous transactions involving capital assets (disposals, transfers, donations).		390,933
Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities.		(546,723)
The issuance of debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond insurance costs, premiums, discounts, capital leases and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal debt payments - governmental funds	\$ 17,095,898	
Issuance of debt	(45,888,990)	
Payment to refunded bond escrow agent	37,252,464	
Unamortized bond insurance	<u>(190)</u>	8,459,182
Vehicle lease payments received from Charter School.		(113,354)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term compensated absences	\$ (1,221,318)	
OPEB related	(6,857,785)	
Pension related	<u>(9,186,468)</u>	(17,265,571)
Internal service funds are used by management to charge the cost of certain activities to the individual funds.		415,292
Interest on long-term debt in the statement of activities is recognized as the interest accrues, regardless of when it is due. In the governmental funds, interest is recognized as an expenditure when it is due. Premiums, discounts, and other similar items are deferred and amortized in the statement of activities.		
Amortization of bond premiums, discounts, refunding gains and losses	<u>(45,124)</u>	(45,124)
Change in net position - governmental activities		<u><u>\$ 24,216,242</u></u>

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
ASSETS					
Current assets:					
Cash and investments	\$ 49,445,501	\$ 21,899,617	\$ 1,444,883	\$ 72,790,001	\$ 32,696,748
Interest receivable	147,731	24,736	3,001	175,468	58,975
Accounts receivable, net	9,875,272	40,217	-	9,915,489	419,757
Intergovernmental receivable	-	79,245	-	79,245	-
Inventories	1,526,195	-	-	1,526,195	-
Prepaid items	1,400	-	-	1,400	757,921
Restricted:					
Cash and investments	102,599,764	-	-	102,599,764	-
Interest receivable	296,125	-	-	296,125	-
Intergovernmental receivable	681,123	-	-	681,123	-
Assessments receivable, net	488,294	-	-	488,294	-
Total restricted assets	104,065,306	-	-	104,065,306	-
Total current assets	165,061,405	22,043,815	1,447,884	188,553,104	33,933,401
Noncurrent assets:					
Unamortized bond insurance	396,499	-	-	396,499	-
Restricted:					
Accounts receivable, net	117,308	-	-	117,308	-
Assessments receivable	1,510,184	-	-	1,510,184	-
Total restricted assets	1,627,492	-	-	1,627,492	-
Capital assets:					
Land	25,064,420	6,311,098	20,555	31,396,073	-
Buildings	387,503,791	1,916,446	77,988	389,498,225	907,624
Improvements other than buildings	325,263,133	24,423,336	864,337	350,550,806	63,796
Equipment	37,027,033	9,263,168	60,448	46,350,649	2,265,905
Infrastructure	680,194,595	17,283,895	286,049	697,764,539	-
Intangible computer software	-	-	-	-	705,245
Construction in progress	257,252,412	11,927,600	-	269,180,012	-
Less accumulated depreciation	(614,919,104)	(28,677,940)	(915,450)	(644,512,494)	(3,052,137)
Total capital assets, net	1,097,386,280	42,447,603	393,927	1,140,227,810	890,433
Total noncurrent assets	1,099,410,271	42,447,603	393,927	1,142,251,801	890,433
Total assets	1,264,471,676	64,491,418	1,841,811	1,330,804,905	34,823,834
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding	22,482,793	-	-	22,482,793	-
Pension related	7,082,076	2,085,444	34,716	9,202,236	1,497,750
OPEB related	10,603,181	3,205,136	46,160	13,854,477	2,503,270
Total deferred outflows of resources	40,168,050	5,290,580	80,876	45,539,506	4,001,020

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
LIABILITIES					
Current liabilities:					
Accounts payable and other accrued liabilities	\$ 8,373,521	\$ 323,054	\$ 25,708	\$ 8,722,283	\$ 2,508,912
Accrued retainage	7,765,330	256,122	-	8,021,452	-
Accrued payroll	631,113	169,670	4,203	804,986	131,550
Accrued interest payable	536,361	-	-	536,361	-
Deposits	2,840,916	-	20,000	2,860,916	-
Unearned revenue	4,572,140	-	-	4,572,140	-
Compensated absences	415,039	129,225	-	544,264	96,440
Total OPEB liability	1,780,841	538,314	7,753	2,326,908	420,433
Claims liability	-	-	-	-	3,329,296
Debt:					
Revenue bonds	4,270,000	-	-	4,270,000	-
Special assessment debt	9,600,000	-	-	9,600,000	-
Notes - direct borrowings	10,503,104	-	-	10,503,104	-
Total debt	24,373,104	-	-	24,373,104	-
Total current liabilities	51,288,365	1,416,385	57,664	52,762,414	6,486,631
Noncurrent liabilities:					
Compensated absences	2,213,853	608,191	9,107	2,831,151	503,594
Total OPEB liability	48,583,647	14,685,891	211,505	63,481,043	11,469,951
Claims liability	-	-	-	-	7,192,135
Net pension liability	23,572,717	6,941,406	115,553	30,629,676	4,985,266
Debt:					
Revenue bonds	348,641,586	-	-	348,641,586	-
Special assessment debt	50,241,948	-	-	50,241,948	-
Notes - direct borrowings	261,652,581	-	-	261,652,581	-
Total debt	660,536,115	-	-	660,536,115	-
Total noncurrent liabilities	734,906,332	22,235,488	336,165	757,477,985	24,150,946
Total liabilities	786,194,697	23,651,873	393,829	810,240,399	30,637,577
DEFERRED INFLOWS OF RESOURCES					
OPEB related	9,126,320	2,758,709	39,730	11,924,759	2,154,602
Total deferred inflows of resources	9,126,320	2,758,709	39,730	11,924,759	2,154,602
NET POSITION					
Net investment in capital assets	422,267,090	42,119,602	393,927	464,780,619	890,433
Restricted for:					
Debt service	76,422,849	-	-	76,422,849	-
Capital improvements	15,014,630	-	-	15,014,630	-
Renewal and replacement	6,344,462	-	-	6,344,462	-
Unrestricted	(10,730,322)	1,251,814	1,095,201	(8,383,307)	5,142,242
Total net position	\$ 509,318,709	\$ 43,371,416	\$ 1,489,128	\$ 554,179,253	\$ 6,032,675
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				2,456,295	
Net position of business-type activities				\$ 556,635,548	

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
OPERATING REVENUES					
Charges for services	\$ 89,253,252	\$ 20,295,348	\$ 741,800	\$ 110,290,400	\$ 37,935,109
Other revenue	1,609,793	168,047	-	1,777,840	1,422,024
Total operating revenues	90,863,045	20,463,395	741,800	112,068,240	39,357,133
OPERATING EXPENSES					
Salaries, wages and employee benefits	28,830,984	7,165,457	171,256	36,167,697	6,909,018
Contractual services, materials and supplies	26,645,532	3,339,591	209,310	30,194,433	10,043,708
Claims and claims adjustments	-	-	-	-	22,487,754
Depreciation	39,744,142	1,963,421	44,648	41,752,211	253,445
Total operating expenses	95,220,658	12,468,469	425,214	108,114,341	39,693,925
Operating income (loss)	(4,357,613)	7,994,926	316,586	3,953,899	(336,792)
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental revenue	1,217,722	-	-	1,217,722	-
Interest income	15,199,304	290,256	25,221	15,514,781	528,192
Interest expense	(20,661,847)	-	-	(20,661,847)	-
Debt service costs	(79,664)	-	-	(79,664)	-
Gain on sale of capital assets	81,750	96,127	19,546	197,423	(18,597)
Total nonoperating revenues (expenses)	(4,242,735)	386,383	44,767	(3,811,585)	509,595
Income (loss) before contributions and transfers	(8,600,348)	8,381,309	361,353	142,314	172,803
Capital contributions					
Special assessments	36,452,966	-	-	36,452,966	-
Developer contributions	5,366,438	2,075,476	-	7,441,914	-
Impact fees and contribution in aid of construction	6,376,772	-	-	6,376,772	-
Total capital contributions	48,196,176	2,075,476	-	50,271,652	-
Transfers					
Transfers in	228,471	-	-	228,471	-
Transfers out	(342,997)	(487,349)	(115,000)	(945,346)	-
Total transfers	(114,526)	(487,349)	(115,000)	(716,875)	-
Change in net position	39,481,302	9,969,436	246,353	49,697,091	172,803
Total net position - beginning	469,837,407	33,401,980	1,242,775	504,482,162	5,859,872
Total net position - ending	\$ 509,318,709	\$ 43,371,416	\$ 1,489,128	\$ 554,179,253	\$ 6,032,675
Change in net position of business-type activities				\$ 49,697,091	
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				(242,489)	
Change in net position of business-type activities				\$ 49,454,602	

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 90,660,047	\$ 20,435,507	\$ 741,924	\$ 111,837,478	\$ 38,957,467
Cash payments for claims	-	-	-	-	(21,837,258)
Cash payments to suppliers	(13,594,616)	(3,469,182)	(150,618)	(17,214,416)	(9,020,136)
Cash payments to employees	(26,437,856)	(8,026,315)	(153,761)	(34,617,932)	(6,048,701)
Cash payments for interfund services	(7,159,025)	-	(49,960)	(7,208,985)	-
Net cash provided by operating activities	43,468,550	8,940,010	387,585	52,796,145	2,051,372
CASH FLOWS FROM NONCAPITAL FINANCING					
Intergovernmental revenue	1,217,722	-	-	1,217,722	-
Transfers in	228,471	-	-	228,471	-
Transfers out	(342,997)	(487,349)	(115,000)	(945,346)	-
Net cash provided by (used by) noncapital financing activities	1,103,196	(487,349)	(115,000)	500,847	-
CASH FLOWS FROM CAPITAL AND RELATED					
Acquisition and construction of capital assets	(71,307,453)	(2,328,777)	(9,153)	(73,645,383)	(217,566)
Proceeds on sale of capital assets	81,750	96,127	19,546	197,423	13,725
Issuance of long-term debt	55,308,147	-	-	55,308,147	-
Principal payments on long-term debt	(26,906,365)	-	-	(26,906,365)	-
Collection of special assessments	46,653,585	-	-	46,653,585	-
Impact fees and contribution in aid of construction	6,376,597	-	-	6,376,597	-
Interest paid	(19,917,093)	-	-	(19,917,093)	-
Net cash provided (used) by capital and related financing activities	(9,710,832)	(2,232,650)	10,393	(11,933,089)	(203,841)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment Earnings	3,952,450	306,236	25,415	4,284,101	545,558
Net cash provided by investing activities	3,952,450	306,236	25,415	4,284,101	545,558
Net increase in cash and investments	38,813,364	6,526,247	308,393	45,648,004	2,393,089
Cash and investments - beginning	113,231,901	15,373,370	1,136,490	129,741,761	30,303,659
Cash and investments - ending	<u>\$ 152,045,265</u>	<u>\$ 21,899,617</u>	<u>\$ 1,444,883</u>	<u>\$ 175,389,765</u>	<u>\$ 32,696,748</u>
CLASSIFIED AS:					
Cash and investments	\$ 49,445,501	\$ 21,899,617	\$ 1,444,883	\$ 72,790,001	\$ 32,696,748
Restricted cash and investments	102,599,764	-	-	102,599,764	-
Total cash and investments	<u>\$ 152,045,265</u>	<u>\$ 21,899,617</u>	<u>\$ 1,444,883</u>	<u>\$ 175,389,765</u>	<u>\$ 32,696,748</u>

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET					
Operating income (loss)	\$ (4,357,613)	\$ 7,994,926	\$ 316,586	\$ 3,953,899	\$ (336,792)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	39,744,142	1,963,421	44,648	41,752,211	253,445
(Increase) decrease in assets:					
Accounts receivable, net	(287,824)	(33,948)	124	(321,648)	(399,665)
Intergovernmental receivable	-	6,058	-	6,058	-
Inventories	27,750	-	-	27,750	-
Prepaid items	20,600	-	-	20,600	(11,343)
(Increase) decrease in deferred outflows:					
Pension related	(449,149)	19,035	(4,618)	(434,732)	(138,752)
OPEB related	(8,883,571)	(2,643,441)	(38,664)	(11,565,676)	(2,108,027)
Increase (decrease) in liabilities:					
Accounts payable and other accrued liabilities	5,852,141	(129,591)	8,732	5,731,282	1,034,915
Accrued payroll	201,023	41,242	1,210	243,475	12,336
Compensated absences	431,059	105,319	2,575	538,953	70,770
Total OPEB liability	3,737,927	(5,949)	16,011	3,747,989	1,173,495
Net pension liability	2,111,640	132,290	18,173	2,262,103	588,180
Claims liability	-	-	-	-	650,495
Deposits	76,186	-	-	76,186	-
Unearned revenue	40	-	-	40	-
Increase (decrease) in deferred inflows:					
OPEB related	5,244,199	1,490,648	22,808	6,757,655	1,262,315
Total adjustments	47,826,163	945,084	70,999	48,842,246	2,388,164
Net cash provided by operating activities	<u>\$ 43,468,550</u>	<u>\$ 8,940,010</u>	<u>\$ 387,585</u>	<u>\$ 52,796,145</u>	<u>\$ 2,051,372</u>

Supplemental disclosure of noncash investing, capital and financing activities:

Water and Sewer increase in fair value of investments of \$959,618.
Water and Sewer recognized \$5,366,438 in developer contributions.
Water and Sewer had \$1,054,701 of capital related accounts payable.
Stormwater had a increase in fair value of investments of \$36,830.
Stormwater had \$71,879 of capital related accounts payable.
Stormwater recognized \$2,075,476 in developer contributions.
Yacht Basin had an increase in fair value of investments of \$6,820.
Internal Service Funds increase in fair value of investments of \$115,806.
Internal Service Funds had \$0 of capital related accounts payable.

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

City of Cape Coral, Florida

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2020

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 11,785,683	7,990,871
Receivables		
Member contributions	195,863	-
Employer contributions	494,523	-
Due from brokers	1,598,550	-
Additional city contributions	487,138	-
Interest receivable	559,255	16,722
Total receivables	3,335,329	16,722
Intergovernmental receivable	-	46,233
Investments, at fair value:		
Certificates of deposit	3,258,388	-
US Government Obligations and		
Federal Agency Guaranteed Securities	27,613,133	-
Mortgage Backed Securities	7,887,186	-
Collateralized Mortgage Obligations	6,290,341	-
Corporate Bonds	39,847,940	-
Foreign Bonds	1,706,161	-
Stocks	90,153,610	-
Mutual and ETF funds		
Equity	133,662,425	-
Bonded	29,009,643	-
Pooled/common/commingled funds		
Fixed income	64,861,865	-
Equity	142,369,141	-
Private Equity	10,096,370	-
Real Estate	73,588,996	-
Infrastructure	9,187,682	-
Partnerships	97,384,274	-
Total investments	736,917,155	-
Total assets	752,038,167	\$ 8,053,826
LIABILITIES		
Accounts payable	626,714	-
Due to broker for securities purchased	2,532,316	-
Prepaid contributions	8,071	-
Due to others	-	8,053,826
Total liabilities	3,167,101	\$ 8,053,826
NET POSITION RESTRICTED FOR PENSIONS	\$ 748,871,066	

City of Cape Coral, Florida

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2020

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 36,142,446
Plan members	9,092,382
Member buybacks	679,562
State of Florida	3,286,182
Total contributions	49,200,572
Investment income (expenses)	
Investment income	13,142,363
Net appreciation (depreciation) in fair	
value of investments	39,656,323
Less: investment expenses	(2,080,856)
Net Investment Income (Loss)	50,717,830
Total additions	99,918,402
DEDUCTIONS	
Benefits and refunds	37,993,558
Administrative expenses	563,816
Total deductions	38,557,374
Net increase in net position	61,361,028
Net position - beginning	687,510,038
Net position - ending	\$ 748,871,066

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

Notes to Financial Statements

City of Cape Coral
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

	Page
NOTE I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
1. Organization	36
2. Related Organization	37
3. Summary of Significant Accounting Policies	37
NOTE II. PROPERTY TAXES	46
NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
1. Compliance with Finance-Related Legal and Contractual Provisions.....	47
2. Deficit Fund Balance/Net Position	47
3. Expenditures in Excess of Appropriations	47
NOTE IV. DETAILED NOTES	
1. Cash and Investments.....	48
2. Restricted Cash and Investments	65
3. Accounts and Assessments Receivable	66
4. Interfund Receivables, Payables, and Transfers.....	67
5. Capital Assets.....	69
6. Accounts Payable and Other Accrued Liabilities.....	71
7. Long-term Liabilities	72
8. Defeased Debt Issues	81
9. Construction and Other Significant Commitments	82
10. Fund Balances.....	83
11. Segment Information	85
12. Future Revenues that are Pledged	87
13. Intergovernmental Revenue	88
14. Interest Income	88
15. Other Revenue	88
16. Operating, Building and Vehicle Leases	89
NOTE V. OTHER INFORMATION	
1. Risk Management.....	90
2. Chiquita Boat Lock-South Spreader Waterway.....	91
3. Pension Plans.....	91
4. Other Postemployment Benefits (OPEB)	110
5. Contingencies.....	113
6. Subsequent Event	114

City of Cape Coral
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2020

NOTE I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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

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

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

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

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

The Cape Coral Charter School Authority was audited by independent auditors for the fiscal year ended June 30, 2020, and their report dated December 28, 2020, was previously issued under

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

2. Related Organization

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

3. Summary of Significant Accounting Policies

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

Basic Financial Statements

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

The Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. Since, by definition the fiduciary funds' assets are being held for the benefit of a third-party (other local governments and other entities) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Since agency funds report only assets and liabilities, they do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

The focus of the GASB No. 34 model is on the City as a whole and the fund financial statements. The focus of the Fund Financial Statements is on the major funds of the governmental and business-type activities. Each presentation provides valuable information that can be analyzed to enhance the usefulness of the information.

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

The Government-wide Financial Statements and the Proprietary and Fiduciary Fund Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis of accounting.

1. Accrual:

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

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

2. Modified Accrual:

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

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables

and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and unearned revenue by recipient.

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

Basis of Presentation

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

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

The following major funds are used by the City:

1. Governmental Funds:

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

- a. General Fund** is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
- b. Transportation Capital Improvements Fund** is used to account for the following projects:
 - Road Resurfacing – paving residential streets.
 - Sidewalks – construction of sidewalks on Chiquita Boulevard South, Tropicana Parkway, and Chiquita Boulevard North. Engineering and design continue on the shared use trail (Sun Trail).
 - Other Transportation Capital Improvements – improvements to various roadways including miscellaneous road resurfacing, repaving Old Burnt Store Road, median landscaping, alley resurfacing, traffic control devices, turn lane improvements, and sidewalk/bike path resurfacing.
- c. Community Redevelopment Agency Fund** is used to account for monies received from tax incremental revenue by certain taxing authorities in the community redevelopment area.
- d. Debt Service Fund** is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

2. Proprietary Funds:

The City of Cape Coral maintains two different types of Proprietary Funds: Enterprise Funds and Internal Service Funds. Enterprise Funds are used to account for activity for which a fee is charged to external users for goods or services. In the government-wide financial statements the

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

The focus of Proprietary Fund measurement is based upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major Proprietary Funds of the City:

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

3. Other Funds:

Additionally, the City reports the following Funds:

- a. **Pension Trust Funds** are used to account for three defined benefit plans which accumulate resources for pension benefit payments to its employees/retirees.
- b. **Agency Funds** are used to account for the City's collection of school impact fees at the time of building permit issuance for the Lee County School Board and the collection of solid waste fees.

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

1. Cash and Investments

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City adopted Ordinance 63-13 on December 9, 2013 which amended the City's comprehensive investment policy. The investment policy applies to all cash and investments held or controlled by the City except for Pension Funds and funds related to the issuance of debt. The investment policy allows the City to invest surplus funds. For accounting and investment purposes, the City maintains a pooled cash and investments account (the "Pool"). This gives the City the ability to invest large amounts of cash to maximize earning potential. Interest income is allocated based upon each fund's proportionate balance in the pooled cash fund. All funds participate in the Pool. Each fund's individual equity in the Pool is considered to be a cash equivalent since the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. This methodology is also used in the statement of cash flows for the Proprietary Funds.

The City participates in three local government investment pools (LGIP), FL Prime administered by the Florida State Board of Administration (SBA), FL Class administered by Public Trust Advisors, and FL Asset Fund Trust (FLSAFE) administered by a five-member board of trustees. The SBA was

created by Section 218.405, Florida Statutes and FL Safe was created pursuant to Florida Statutes 163.01 and 218.415. The investment pools (Securities and Exchange Commission Rule 2a7-like external investment pools) operate under investment guidelines established by Section 215.47, Florida Statutes and are reported at amortized cost.

The City's investments are reported at fair value and are generally based on quoted market prices. The City measures and records its investment using fair value measurement guidelines established by the generally accepted accounting principles. The guidelines recognize a three-tier fair value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets
- Level 2: Significant other observable inputs
- Level 3: Significant unobservable inputs

FL Prime and FL SAFE are considered a qualifying external investment pool that meets all the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the City's position in the pool is the same as the value of the pool shares. The FL Prime and FL SAFE investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year, and as of September 30, 2020, FL Prime and FL SAFE contained certain floating and adjustable rate securities. FL Prime's portfolio investments represented 24.0% and FL SAFE's portfolio represents 58.0% at September 30, 2020.

In accordance with Governmental Accounting Standards Board Statement No. 79, Certain External Investment Pools and Pool Participants, as a participant in a qualifying external investment pool, the City should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the monies in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council."

The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days.

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

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

Detailed information on allowable investments and actual holdings can be found in Note IV Detailed Note 1: Cash and Investments.

2. Receivables and 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". Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Accounts Receivable - The General Fund accounts receivable includes gas, electric and solid waste franchise fees, public service tax, a deferred impact fee, and other miscellaneous receivables.

The Other Governmental Funds accounts receivable are for false alarm, lot mowing, purchasing card rebate, and miscellaneous receivables.

Assessments Receivable - the City levies a special assessment against benefited property owners for construction of water, wastewater, and irrigation utility extension, in certain areas of the City. In addition, the City levies a fire services assessment to fund fire-rescue services. The City utilizes the uniform collection method for collecting the assessments. The receivable reported is the assessment amount that has a lien and is unpaid. There are no unbilled receivables for governmental activities and \$275,289,963 for business-type activities.

Intergovernmental Receivable - The General Fund intergovernmental receivable includes communication service tax, half cent revenue, police task force reimbursements, occupational tax, firefighter's supplemental education, alcoholic beverage license, fuel tax rebate, Lee County Tax Collector, Florida Department of Transportation, Florida Department of Environmental Protection, Florida Department of Emergency Management, grant reimbursements and a receivable due from component unit - Cape Coral Charter School Authority, at September 30, 2020 of \$185,799. The Cape Coral Charter School reports at its fiscal year end, June 30, 2020, a receivable from the primary government of \$2,250.

The Transportation Capital Improvements Fund intergovernmental receivable is for pending reimbursements due from the State of Florida related to the local agency program agreement for sidewalk construction.

The Other Governmental Funds intergovernmental receivables are for pending receipt of the August and September 2020 fuel tax collections, Florida Medicaid reimbursement for special populations, and collections due from the Lee County Tax Collector and the Lee County Clerk of Courts. In addition, grant reimbursements are receivable for the Community Development Block Grant (CDBG) and HUD Neighborhood Stabilization.

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

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

3. Inventories and Prepaid Items

Inventories, consisting primarily of expendable supplies held for consumption, are stated at either weighted average or cost (first-in, first-out method). The City utilizes the consumption method of accounting, which provides that expenditures are recognized when inventory is used. The General Fund maintains inventories for fuel; Water and Sewer maintains inventories of materials and parts; Parks and Recreation programs maintain inventories consisting of concession and vending items, restaurant and food supplies, and items for resale. Both the Waterpark and Golf Course maintain a

restaurant inventory and an inventory of items available for resale.

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

4. Capital Assets

Capital assets include property, buildings, improvements other than buildings, equipment, infrastructure, and certain intangible assets. Infrastructure assets are defined as public domain capital assets such as roads, bridges, sidewalks, traffic signals, and similar items that are immovable and of value only to the governmental unit. Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities columns, as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and a useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

5. Deferred Outflows/Inflows of Resources

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

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

The City has the following deferred outflows/inflows:

1. Deferred charge (gain/loss) on refunding - reported in the government-wide statements of net position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price and amortized over the shorter of the life of the refunded or refunding debt.

2. Unavailable revenue - The sources of unavailable revenue are school resource officer revenue, grant reimbursements, and charter school bus leases. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available.
3. Investment earnings - Difference between projected and actual earnings on investments. These amounts will be recognized as reductions in pension expense in future years.
4. Experience - Differences between expected and actual experience with regard to economic or demographic factors. These amounts are amortized to pension and OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions.
5. Assumptions - Changes in actuarial assumptions about future economic or demographic factors.
6. Benefit payments subsequent to measurement date.

6. Compensated Absences

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

7. Long-term Obligations

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

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

In governmental funds the face amount of debt issued are reported as other financing sources. Issuance costs, bond premiums and discounts, whether or not withheld from the actual debt proceeds received, are reported as other financing sources (uses).

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

9. Utility Capital Expansion Fee (Impact Fee)

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

10. Special Assessments

The City levies the following special assessments against benefited property owners: Governmental Activities – fire rescue services; and Business-type Activities - construction of water, wastewater and irrigation utility extension.

11. Unearned Revenue

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

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

Water & Sewer has unearned revenue from water, sewer, and irrigation impact fees that have been collected from property owners in advance of the city installing services.

12. Intergovernmental Allocation of Administrative Expenses

The General Fund incurs certain administrative expenses for other funds, including accounting, legal, data processing, personnel administration, and other services. The governmental funds that received these services were charged \$2,533,368 for fiscal year 2020. These amounts are eliminated in the Statement of Activities. The Enterprise Funds that received these services were charged \$5,753,423 for fiscal year 2020. These amounts are recorded as revenue in the General Fund and operating expenses in the Enterprise Funds.

13. State Pension Contributions

The State of Florida makes contributions from taxes on casualty insurance premiums. The State of Florida's contribution to the Municipal Police Officers' Plan for the year ended September 30, 2020 was \$1,639,195. The State of Florida's contribution to the Municipal Firefighters' Plan for the year ended September 30, 2020 was \$1,646,987. The City recognized these on-behalf payments from the state as revenues and expenditures in the governmental fund financial statements.

14. Fund Balance

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

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

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

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

Assigned Fund Balance - Portion that reflects a government's intended use of resources. Such intent must be established by the Finance Director pursuant to the Financial Management Policies (Resolution 332-19) approved by City Council. Includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted or committed.

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

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

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

In the General Fund, the City strives to maintain an unassigned balance of two months operating expenditures of the general fund. This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan. Detailed information on fund balances can be found in Note 11: Fund Balances.

15. Net Position

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

16. Use of Estimates

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

NOTE II. PROPERTY TAXES

Property taxes are levied on November 1st of each year and are due and payable upon receipt of the notice of levy. The Lee County, Florida Tax Collector's office bills and collects property taxes on behalf of the City. The total tax rate of 6.5503 mills per \$1,000 of assessed taxable property value consists of 6.4903 mills to finance general governmental services and .06 mills to finance the debt service for

the General Obligation Bond approved for acquisition, construction and equipping various parks for the fiscal year ended September 30, 2020. Property tax revenue is recognized in the fiscal year for which the taxes are levied. On May 1st of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1st, and the proceeds collected are remitted to the City.

No accruals for the property tax levy becoming due in November 2021 are included in the accompanying financial statements since such taxes are levied for the subsequent fiscal year and are not considered earned or available at September 30, 2020.

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1) Compliance with Finance-Related Legal and Contractual Provisions

The City is not aware of any violations of finance-related legal and contractual provisions.

2) Deficit Fund Balance/Net Position

The following individual funds had deficit fund balances as of September 30, 2020:

<u>Fund</u>	<u>Type</u>	<u>Amount</u>
Golf Course ¹	Governmental	\$ 504,586
Community Development Block Grant ²	Governmental	972,625
HUD Neighborhood Stabilization ²	Governmental	85,060
Residential Construction Mitigation Program ³	Governmental	568
Facilities Management ⁴	Internal Service	8,230,842
Fleet Management ⁴	Internal Service	2,608,053

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

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

³ The deficit is a result of additional expenditures since the last draw.

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

3) Expenditures in Excess of Appropriations

The following individual funds had excess expenditures over appropriations as of September 30, 2020.

Governmental funds:

Road Impact Fee ¹	\$ 32,849
Do The Right Thing ²	73
Park Recreational Facilities Impact Fee ¹	2,673
HUD Neighborhood Stabilization ³	273,358
State Housing Initiative Partnership ³	432,871

¹Credit card fee expenditures were under budgeted.

²Public relations expenditures were under budgeted.

³Expenditures were budgeted in the year the funding was allocated and are not re-budgeted in subsequent years.

NOTE IV. DETAILED NOTES

1. Cash and Investments

As of September 30, 2020 the City had the following cash and investment amounts:

Category	Fair Value
Checking and savings accounts	\$ 27,817,514
Cash on hand	10,215
Cash with fiscal agent	5,661
LGIP- FL Prime (SBA)	67,548,999
Intergovernmental Investment Pools	109,466,073
Money Market Funds	3,191,935
Investments	205,557,657
Total	<u>\$ 413,598,054</u>

Reconciliation of cash and investments to the basic financial statements:

	Cash and Investments		
	Unrestricted	Restricted	Total
Governmental Funds	\$ 197,520,670	\$ -	\$ 197,520,670
Business-Type Activities -			
Enterprise Funds	72,790,001	102,599,764	175,389,765
Governmental Activities -			
Internal Service Funds	32,696,748	-	32,696,748
Agency Funds	7,990,871	-	7,990,871
Total	<u>\$ 310,998,290</u>	<u>\$ 102,599,764</u>	<u>\$ 413,598,054</u>

Governmental and Business-type Activities:

A. Cash and Cash Equivalents

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

B. Investment Portfolio

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City adopts a comprehensive investment policy by ordinance that establishes permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City's cash and investment assets. The investment policy applies to all cash and investments held or controlled by the City with the exception of Pension Funds and funds related to the issuance of debt. Ordinance 13-19 amending the City's investment policy was adopted on April 1, 2020.

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

- FL Prime
- United States Government Securities unconditionally guaranteed by the United States Government
- United States Government Agencies issued or guaranteed by the United States Government agencies
- Federal Instrumentalities issued or guaranteed by United States Government sponsored agencies

- Non-Negotiable Interest-Bearing Time Certificates of Deposit or Saving Accounts, in banks organized under the laws of the state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida
- Repurchase Agreements
- Commercial Paper of any United States company that is rated at the time of purchase
- Bankers' Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank
- State and/or Local Government Taxable and/or Tax-Exempt Debt
- Registered Investment Companies (Mutual Funds) that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R § 270.2a-7
- Intergovernmental Investment Pools that are authorized pursuant to the Florida Inter-Local Cooperation Act, as provided in Section 163.01, Florida Statutes Intergovernmental Investment Pools
- Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States
- Corporate Obligations issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and guaranteed by the United States Government
- Mortgage-Backed Securities (MBS) that are based on mortgages that are guaranteed by a government agency or GSE for payment
- Asset-Backed Securities (ABS) that are backed by financial assets
- Bond Funds

As of September 30, 2020, interest receivable on the City's investment portfolio amounted to \$908,852.

As of September 30, 2020, the City had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Weighted Average Duration (Years)
Corporate Notes	\$ 20,684,002	1.18
Federal Agencies - Bond/Note	85,942,594	1.96
US Treasury - Bond/Note	98,931,061	1.29
LGIP- Florida PRIME (SBA)	67,548,999	0.13
Intergovernmental Investment Pool-FL Class	68,979,289	0.13
Intergovernmental Investment Pool - FL Safe	40,486,784	0.10
Money Market Funds	3,191,935	0.07
Total Fair Value	<u>\$385,764,664</u>	
Portfolio Weighted Average Duration		0.88

C. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available: Market approach — This uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE. Cost approach — This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures. Income approach — This approach converts future amounts (such as cash flows) into a current discounted amount. Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs should be maximized in fair value measures, and unobservable inputs should be minimized.

GASB 72 *Fair Value Measurement and Application* establishes a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

Level 1 — Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 — These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.

Level 3 — These are unobservable inputs, such as a property valuation or an appraisal.

As of September 30, 2020, the City had the following investment measurements by security type:

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment By Fair Value Level	Fair Value			
Corporate Notes	\$ 20,684,002	\$ -	\$ 20,684,002	\$ -
Federal Agencies - Bond/Note	85,942,594	-	85,942,594	-
US Treasuries - Bond/Note	98,931,061	-	98,931,061	-
Total Investment By Fair Value Level	\$205,557,657	\$ -	\$ 205,557,657	\$ -
Cash Equivalents Measured at Amortized Cost				
LGIP - FL Prime	67,548,999			
Intergovernmental Investment Pool - FL Safe	40,486,784			
Money Market Funds	3,191,935			
Total Cash Equivalents Measured at Amortized Cost	\$111,227,718			
Cash Equivalents Measured at Net Asset Value (NAV)				
Intergovernmental Investment Pool - FL Class	68,979,289			
Total Cash Equivalents and Investments	\$385,764,664			
Other information for investments measured at the NAV or its equivalent is as follows:				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled/Common/Comingled Funds:				
FL Class	\$ 68,979,289	\$ -	Daily	1-Day
Total Investment Measured at NAV	\$ 68,979,289			

The FL Class investment pool seeks to generate competitive market returns in a manner that will provide safety of principal while meeting the liquidity needs of Participant. FL Prime (SBA) and FL Safe manage billions of dollars for Florida local governments and purchase investments consistent with Chapter 215.47, Florida Statutes. FL Prime and FL Safe currently meet all the necessary criteria to elect to measure all the investments at amortized cost. Thus, the pool operates essentially as a money market fund, but is classified as an external investment pool.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes states that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest in the monies entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council

With regard to liquidity fees, Chapter 218.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the FL Prime (SBA) or FL Safe.

At September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value within FL Prime and FL Safe.

D. Interest Rate Risk

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

The City utilizes "effective duration" as a measurement of interest rate risk and as of September 30, 2020 the investment portfolio had an effective duration of 0.88 years.

Included in the investment portfolio, the City has \$13,302,427 of Corporate Notes that have embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate.

The dollar weighted average days to maturity (WAM) of FL Prime at September 30, 2020, is 48 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of FL Prime at September 30, 2020, is 63 days.

E. Credit Risk

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

FL Prime

- Shall be rated AAAM by Standard & Poor's or the equivalent by another rating agency.

Commercial Paper

- Shall be rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper).
- If the commercial paper is backed by a letter of credit ("LOC"), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies.

Bankers' Acceptances

- At the time of purchase, the short-term paper is rated, at a minimum, "P-1" by Moody's Investors Services and "A-1" by Standard & Poor's.
- Issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System.

State and/or Local Government Taxable and/or Tax-Exempt Debt

- Rated at least a minimum "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt or rated at least "VMIG2" by Moody's or "A-2" by Standard & Poor's for short-term debt.

Registered Investment companies (Mutual Funds)

- Rated AAAM by Standard & Poor's or the equivalent by another rating agency.
- Are in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7.

- In addition, the Financial Services Director may invest in other types of mutual funds provided such funds are registered under the Federal Investment Company Act of 1940, invest exclusively in the securities specifically permitted under this investment policy, and are similarly diversified.

Intergovernmental Investment Pools

- Rated AAAm by Standard & Poor's or the equivalent by another rating agency.
- Are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

Corporate Notes

- Shall have a minimum long-term debt rating of "A" by Moody's and "A" by Standard & Poor's.

Asset-backed securities (ABS)

- Shall be Double-A rated or better by Standard & Poor's, or the equivalent by another rating agency.

Bond funds

- Shall be Double-A rated or better by Standard & Poor's, or the equivalent by another rating agency.

As of September 30, 2020, the City had the following credit exposure as a percentage of total investments:

<u>Security Type</u>	<u>S&P Credit Rating</u>	<u>% of Portfolio</u>	<u>Amounts</u>
Corporate Notes	AAA	0.52%	\$ 2,082,643
Corporate Notes	AA+	1.61%	6,210,300
Corporate Notes	AA-	0.62%	2,383,657
Corporate Notes	AA	1.42%	5,465,881
Corporate Notes	A+	0.98%	3,770,596
Corporate Notes	A	0.20%	770,925
Federal Agencies - Bond/Note	AA+	22.28%	85,942,594
US Treasuries - Bond/Note	AA+	25.65%	98,931,061
LGIP	AAAm	45.89%	177,015,072
Money Market Funds	AAAm	0.83%	3,191,935
Total		100.00%	\$ 385,764,664

As of September 30, 2020, the City's investment deposit in FL Prime, FL Class, and FL Asset Fund Trust (FL Safe) investment pool was \$67,548,999, \$68,979,289, and \$40,486,784 respectively. These qualify as 2a7-like external investment pools. As of September 30, 2020, all pools were rated AAAm by Standard & Poor's.

F. Custodial Credit Risk

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

As of September 30, 2020, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

G. Concentration of Credit Risk

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

FL Prime

- A maximum of 40% of available funds may be invested in FL Prime.

United States Government Securities

- A maximum of 100% of available funds may be invested in United States Government Securities.

United States Government Agencies

- A maximum of 50% of available funds may be invested in United State Government Agencies.
- No more than 25% of available funds may be invested in an individual United States Government agency.

Federal Instrumentalities

- A maximum of 80% of available funds may be invested in Federal Instrumentalities.
- No more than 25% of available funds may be invested in any one issuer.

Interest Bearing Time Deposit or Saving Accounts

- A maximum of 25% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit.
- No more than 15% of available funds may be deposited with any one issuer.

Repurchase Agreements

- A maximum of 25% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements.
- No more than 10% of available funds may be invested with any one institution.

Commercial Paper

- A maximum of 35% of available funds may be invested in prime commercial paper.
- No more than 10% of available funds may be invested with any one issuer.

Bankers' Acceptances

- A maximum of 30% of available funds may be directly invested in Bankers' acceptances.
- No more than 10% of available funds may be invested with any one issuer.

State and/or Local Government Taxable and/or Tax-Exempt Debt

- A maximum of 20% of available funds may be invested in taxable and tax-exempt debts.
- No more than 5% of available funds may be invested with any one issuer.

Registered Investment Companies (Mutual Funds)

- A maximum of 25% of available funds may be invested in mutual funds.
- No more than 10% of available funds may be invested with any one non-SEC Rule 2a-7 investment mutual fund.

Intergovernmental Investment Pools

- A maximum of 40% of available funds may be invested in intergovernmental investment pools.

Corporate Notes

- A maximum 35% of available funds may be directly invested in corporate notes.
- No more than 5% of available funds may be invested with any one issuer.

Corporate Obligations

- A maximum of 50% of available funds may be directly invested in corporate obligations.
- No more than 25% of available funds may be invested with any one issuer.

Mortgage-Backed Securities (MBS)

- A maximum of 20% of available funds may be invested in mortgage-backed securities.
- No more than 5% of available funds may be invested with any one MBS.

Asset-Backed Securities (ABS)

- A maximum of 20% of available funds may be invested in asset-backed securities.
- No more than 5% of available funds may be invested with any one ABS.

Bond Funds

- A maximum of 25% of available funds may be invested in bond funds.
- No more than 10% of available funds may be invested with any one bond fund.

Remainder of page intentionally left blank

As of September 30, 2020, the City had the following issuer concentration based on fair value:

Issuer	Fair Value	Percentage of Portfolio
Apple Inc	\$ 6,210,300	1.61%
Caterpillar Financial Services Corp	770,924	0.20%
Chevron Corp	4,230,336	1.10%
Cisco Systems Inc	1,360,548	0.35%
Exxon Mobil Corp	1,235,545	0.32%
Federal Farm Credit Banks Funding Corp	19,264,476	4.99%
Federal Home Loan Banks	32,164,694	8.34%
Federal Home Loan Mortgage Corp	20,996,106	5.44%
Federal National Mortgage Association	9,823,261	2.55%
Fhms K-013 A2	667,538	0.17%
Fhms K-026 A2	1,814,470	0.47%
Fhms K-030 A1	207,688	0.05%
First Amer:Trs Obg y	3,191,935	0.83%
Fn Ab5396	151,154	0.04%
Fn Ma1084	513,268	0.13%
G2 005301	246,289	0.06%
G2 794283	93,650	0.02%
Johnson & Johnson	541,041	0.14%
Microsoft Corp	1,541,603	0.40%
Pfizer Inc	1,023,109	0.27%
Toyota Motor Credit Corp	2,474,212	0.64%
U.S. Bancorp	1,296,384	0.34%
United States Treasury	98,931,061	25.65%
FL Class	68,979,289	17.88%
FL Safe	40,486,784	10.50%
FL Prime	67,548,999	17.51%
Total	<u>\$ 385,764,664</u>	<u>100.00%</u>

Pension Trust Funds:

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

A. Cash and Cash Equivalents

At September 30, 2020, the carrying amount of the Pension Funds' cash and cash equivalents was \$11,785,683.

B. Investment Portfolio

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

The revised investment policies were adopted as follows: General Pension – May 1, 2019; Police Pension – February 25, 2020; and Fire Pension – February 23, 2021.

As of September 30, 2020, interest and dividend receivable on the Pension Funds' investment portfolio amounted to \$559,255.

As of September 30, 2020, the City's Pension Funds had the following investment types and effective duration presented in terms of years:

General Employees' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 5,814,426	1.71%	N/A
Investments:			
Stock	51,091,363	15.02%	N/A
Pooled/Common/Commingled Funds	185,912,354	54.64%	N/A
Partnerships	97,384,274	28.63%	N/A
Total	<u>\$ 340,202,417</u>	<u>100.00%</u>	

Police Officers' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 2,362,998	1.18%	N/A
Investments:			
Federal agency securities	13,131,635	6.58%	5.61
Mortgage Backed Securities	3,328,902	1.67%	
Collateralized Mortgage Obligations	3,067,586	1.54%	
Corporate Bonds	18,140,249	9.09%	
Foreign Bonds	<u>844,002</u>	<u>0.42%</u>	
Subtotal MBS, CMO, and Corporate Bonds and Foreign Bonds	25,380,739		11.32
Certificate of Deposit	1,394,079	0.70%	
Balanced	19,278,449	9.66%	N/A
Equity	96,560,589	48.40%	N/A
Pooled/Common/Commingled Funds:			
Equity	21,388,455	10.72%	N/A
Real Estate	<u>20,035,882</u>	<u>10.04%</u>	<u>N/A</u>
Total	<u>\$ 199,532,826</u>	<u>100.00%</u>	

Firefighters' Pension Investments

Security Type	Fair Value	Percentage of Portfolio	Weighted Average Maturity (years)
Cash and Cash Equivalents	\$ 3,608,259	1.73%	N/A
Investments:			
Federal Agency Securities	14,481,498	6.93%	5.94
Mortgage Backed Securities	4,558,284	2.18%	
Collateralized Mortgage Obligations	3,222,755	1.54%	
Corporate Bonds	21,707,691	10.39%	
Foreign Bonds	<u>862,159</u>	<u>0.41%</u>	
Subtotal MBS, CMO, and Corporate Bonds	30,350,889		11.34
Certificate of Deposit	1,864,309	0.89%	
Stock	39,062,247	18.69%	N/A
Mutual Funds:			
Balanced	9,731,194	4.66%	N/A
Equity	37,101,836	17.75%	N/A
Pooled/Common/Commingled Funds:			
Equity	39,137,978	18.73%	N/A
Infrastructure	9,187,682	4.40%	
Real Estate	<u>24,441,703</u>	<u>11.70%</u>	<u>N/A</u>
Total	<u>\$ 208,967,595</u>	<u>100.00%</u>	

C. Interest Rate Risk

The investment policies for the pension funds do not address interest rate risk. The Pension Funds utilize “effective duration” as a measurement of interest rate risk and as of September 30, 2020.

D. Credit Risk

The Pension Funds’ investment policy permits the following investments, which are limited as described as follows:

Equity Securities

General Pension Funds:

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

Police and Fire Pension Funds:

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

Fixed Income Securities

General Pension Fund:

The fixed income portfolio shall comply with the following guidelines:

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

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

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

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

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

Police and Fire Pension Funds:

The fixed income portfolio shall comply with the following guidelines:

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

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

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

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

Cash Equivalent Securities

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

General Pension Fund:

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

Police and Fire Pension Funds:

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

Real Estate

General Pension Fund:

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

Police and Fire Pension Funds:

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

As of September 30, 2020, the Pension Funds had the following credit exposure as a percentage of total fixed income investments:

Standard & Poor's Credit Rating	General Employees'	Police Officers'	Firefighters'
AAA	N/A	2.46%	1.76%
AA+	N/A	41.93%	41.12%
AA	N/A	1.02%	1.02%
AA-	N/A	2.40%	1.72%
A+	N/A	2.44%	2.60%
A	N/A	9.87%	7.44%
A-	N/A	17.29%	19.22%
BBB+	N/A	14.63%	15.82%
BBB	N/A	1.24%	1.27%
BBB-	N/A	0.31%	0.39%
not rated	100.00%	6.41%	7.64%
Total	100.00%	100.00%	100.00%

The following lists investments that represent 5% or more of the Plan's fiduciary net position as of September 30, 2020:

General Employees' Pension Investments

<u>Investment</u>	<u>Amount</u>
Wilmington Trust for ClearBridge Large Cap	\$ 54,308,290
Fidelity Core Plus Commingled Pool	48,144,419
Arrowstreet international Equity	28,545,850
Wells Fargo Emerging Markets Equity Fund	27,534,418
Total	<u>\$ 158,532,977</u>

Police Officers' Pension Investments

<u>Investment</u>	<u>Amount</u>
American Core Reality Fund	\$ 19,350,230
Rhumblin Russell 1000 Pooled Index Fund	21,388,455
Total	<u>\$ 40,738,685</u>

Firefighters' Pension Investments

<u>Investment</u>	<u>Amount</u>
American Core Reality Fund	\$ 19,350,109
Rhumblin Russell 1000 Growth Pooled Index Fund	17,749,523
Rhumblin Russell 1000 Pooled Index Fund	21,388,455
Total	<u>\$ 58,488,087</u>

E. Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following recurring fair value measurements comprised of investments as of September 30, 2020:

General Employees' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
Investments:				
Stocks	\$ 51,091,363	\$ 51,091,363	\$ -	\$ -
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds	\$ 185,912,354			
Partnerships	97,384,274			
Total Investments Measured at the NAV	283,296,628			
Total Investments Measured at Fair Value	\$ 334,387,991			
Investments Measured at Amortized Cost				
Money Market Funds and Short-Term Cash	5,814,426			
Total cash, cash equivalents, and investments	\$ 340,202,417			

Police Officers' Pension Investments

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Obligations and				
Federal Agency Securities	\$ 13,131,635	\$ -	\$ 13,131,635	\$ -
Mortgage Backed Securities	3,328,902	-	3,328,902	-
Collateralized Mortgage Obligations	3,067,586	-	3,067,586	-
Corporate Bonds	18,140,249	-	18,140,249	-
Foreign Bonds	844,002	-	844,002	-
Mutual Funds:				
Balanced	19,278,449	19,278,449	-	-
Equity	96,560,589	96,560,589	-	-
	\$ 154,351,412	\$ 115,839,038	\$ 38,512,374	\$ -
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds				
Equity Index Funds	\$ 21,388,455			
Real Estate Commingled Funds	20,035,882			
Total Investments Measured at the NAV	41,424,337			
Total Investments Measured at Fair Value	195,775,749			
Investments Measured at Amortized Cost				
Money Market Funds and Other				
Short-Term Cash	2,362,998			
Certificate of Deposit	1,394,079			
Total cash, cash equivalents, and investments	\$ 199,532,826			

Firefighters' Pension Investments

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Obligations and Federal Agency Securities	\$ 14,481,498	\$ -	\$ 14,481,498	\$ -
Mortgage Backed Securities	4,558,284	-	4,558,284	-
Collateralized Mortgage Obligations	3,222,755	-	3,222,755	-
Corporate Bonds	21,707,691	-	21,707,691	-
Foreign Bonds	862,159		862,159	
Stocks	39,062,247	39,062,247	-	-
Mutual Funds:				
Balanced	9,731,194	9,731,194	-	-
Equity	37,101,836	37,101,836	-	-
	<u>\$ 130,727,664</u>	<u>\$ 85,895,277</u>	<u>\$ 44,832,387</u>	<u>\$ -</u>
Investment Measured at Net Asset Value (NAV)				
Pooled/common/commingled funds				
Equity Index Funds	\$ 39,137,978			
Infrastructure	9,187,682			
Real Estate Commingled Funds	24,441,703			
Total Investments Measured at the NAV	<u>72,767,363</u>			
Total Investments Measured at Fair Value	<u>203,495,027</u>			
Investments Measured at Amortized Cost				
Money Market Funds and Other Short-Term Cash	3,608,259			
Certificates of Deposit	1,864,309			
Total cash, cash equivalents, and investments	<u>\$ 208,967,595</u>			

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

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

General Employees' Pension Investments

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Pooled/Common/Commingled Funds				
Equity	\$ 81,842,708	-	Daily	Daily
Fixed Income	64,861,865	-	Daily	Daily
Private Equity	10,096,370	735,708	Daily	Daily
Real Estate	29,111,411	169,800	Quarterly	30 days/45 days/Quarterly
Partnerships				
Alternative (Hedge Fund/GTAA)	22,660,466	-	Monthly/Quarterly	30 Days/Quarterly
Real Estate	20,892,030	8,982,671	Daily	Daily
Farmland	11,850,703	1,200,000	Annually	5 Months
Equity	28,545,850	-	Daily	Daily
Private Equity	13,435,225	14,301,017	Daily	Daily
Total Investments Measured at the NAV	<u>\$ 283,296,628</u>			

Police Officers' Pension Investments

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Pooled/Common/Commingled Funds				
Equity Index Funds	\$ 21,388,445	\$ -	Daily	Daily
Real Estate Commingled Funds	20,035,882	46,503	Quarterly	Daily
Total Investments Measured at the NAV	<u>\$ 41,424,327</u>			

Firefighters' Pension Investments

	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Pooled/Common/Commingled Funds				
Equity Index Funds	\$ 39,137,978	\$ -	Daily	Daily
Infrastructure Funds	9,187,682	-	Daily	Daily
Real Estate Commingled Funds	24,441,703	40,630	Quarterly	30 Days/Daily
Total Investments Measured at the NAV	<u>\$ 72,767,363</u>			

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

F. Custodial Credit Risk

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

As of September 30, 2020, the Pension Funds' investment portfolio was held with a third-party custodian as required by Florida Statute.

G. Concentration of Credit Risk

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

Equity Securities

General Pension Fund:

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

Police and Fire Pension Funds:

- Investments in equity securities shall be limited to no more than 70% at market value of the Fund's total asset value.
- All equity investments shall be limited to fully and easily negotiable equity securities.

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

Fixed Income Securities

General Pension Fund:

- The average credit quality of the bond portfolio shall be "BBB" or higher.
- The duration of the fixed income portfolio shall not exceed 150% of the duration of the market index. The market Index is defined as the Barclays Aggregate Bond Index.
- At Least 70% of securities purchased at cost must be rated "BAA" or higher by Moody's or "BBB" or higher by Standard & Poor's rating services.
- No more than 30% at cost can be invested in non-investment grade/non-US fixed income commingled vehicles.
- No more than 10% at cost of an investment manager's total fixed income portfolio shall be invested in the securities of any single corporate issuer.
- No more than 20% of the market value of the investment manager's portfolio shall be invested in collateralized mortgage obligations (CMO's) with the following restrictions:
 - At least 90% at cost of all issues backed by mortgage securities issued, guaranteed, or fully insured by the Government National Mortgage Association (GNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal National Mortgage Association (FNMA) or that are rated "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
 - No more than 10% at cost of issues can be rated below "AAA" by Moody's or "AAA" by Standard & Poor's rating services.
 - No limit on fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.
 - Fixed income securities may be managed through the purchase of open-end, no-load mutual funds as long as these funds in aggregate adhere to the fixed income guidelines herein.
 - All approved institutions and dealers transacting in repurchase agreements are required to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement. The Board shall determine the approximate maturity date based on cash flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

Police and Fire Pension Funds:

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

- Futures contracts may be used on a non-leveraged basis for duration adjustment and yield curve - positioning purposes.
- There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.

Real Estate Funds

General Pension:

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

Police and Fire Pension Funds:

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

Hedge Fund of Funds

General Pension:

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

Cash Equivalent Securities

General Pension:

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

2. Restricted Cash and Investments

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

	Water and Sewer
Debt service	\$ 75,590,099
Capital improvements	18,013,707
Renewal and replacement	6,344,462
Deposits	2,651,496
Total restricted cash and investments	<u>\$ 102,599,764</u>

3. Accounts and Assessments Receivable

Governmental activities:

	General Fund	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Total
Unrestricted:						
Interest	\$ 194,038	\$ -	\$ 2,420	\$ -	\$ 165,104	\$ 361,562
Gross assessments receivable ¹	257,690	-	-	-	96,794	354,484
Less: allowance for uncollectibles	(226,834)	-	-	-	(84,339)	(311,173)
Intergovernmental	6,365,018	1,450,032	-	67,579	3,140,272	11,022,901
Gross accounts receivable	2,147,421	-	-	-	407,909	2,555,330
Less: allowance for uncollectibles	(70,546)	-	-	-	(369,922)	(440,468)
Notes Receivable	29,694	-	-	-	-	29,694
Total net unrestricted	<u>\$ 8,696,481</u>	<u>\$ 1,450,032</u>	<u>\$ 2,420</u>	<u>\$ 67,579</u>	<u>\$ 3,355,818</u>	<u>\$ 13,572,330</u>

¹ During FY2001, the City changed the method of collecting for new special assessments. The amortized assessment is collected pursuant to the Uniform Assessment Collection Act under Florida Statutes 197.3632 and 197.3635. The Uniform Assessment Collection Act authorizes the collection of non-ad valorem assessments on the same bill as ad valorem taxes. The uniform collection method offers the City the greatest assurance of collecting all of its billed special assessment revenue. For financial statement reporting, the receivable is recorded at the time of the levy which is each year when the assessment is billed on the tax roll and the enforceable legal claim arises. The total original tax billed assessment for all projects is \$1,217,856. As of September 30, 2020, there are no unbilled amounts.

Business-type activities:

	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	Governmental Activities - Internal Service Funds
Unrestricted:					
Interest	\$ 147,731	\$ 24,736	\$ 3,001	\$ 175,468	\$ 58,975
Intergovernmental	-	79,245	-	79,245	-
Gross accounts receivable	10,903,836 ¹	220,559	-	11,124,395	419,775
Less: allowance for uncollectibles	(1,028,564) ²	(180,342)	-	(1,208,906)	(18)
Total net unrestricted	<u>10,023,003</u>	<u>144,198</u>	<u>3,001</u>	<u>10,170,202</u>	<u>478,732</u>
Restricted:					
Interest	296,125	-	-	296,125	-
Intergovernmental	681,123	-	-	681,123	-
Gross accounts receivable	153,593	-	-	153,593	-
Less: allowance for uncollectibles	(36,285) ²	-	-	(36,285)	-
Gross assessments receivable ^{3,4}	4,035,883 ⁴	-	-	4,035,883	-
Less: allowance for uncollectibles	(2,037,405) ²	-	-	(2,037,405)	-
Total net restricted	<u>3,093,034</u>	<u>-</u>	<u>-</u>	<u>3,093,034</u>	<u>-</u>
Total net receivables	<u>\$ 13,116,037</u>	<u>\$ 144,198</u>	<u>\$ 3,001</u>	<u>\$ 13,263,236</u>	<u>\$ 478,732</u>

¹ Includes unbilled receivables of \$4,592,607.

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

³ During FY2001, the City changed the method of collecting for new special assessments. The amortized assessment is collected pursuant to the Uniform Assessment Collection Act under Florida Statutes 197.3632 and 197.3635. The Uniform Assessment Collection Act authorizes the collection of non-ad valorem assessments on the same bill as ad valorem taxes. The uniform collection method offers the City the greatest assurance of collecting all of its billed special assessment revenue. For financial statement reporting, the receivable is recorded at the time of the levy which is each year when the assessment is billed on the tax roll and the enforceable legal claim arises. The total assessment for all projects is \$597,745,914. As of September 30, 2020, the unbilled amount is \$275,289,963.

⁴ The City monitors the accounts on a monthly basis. As of September 30, 2020, the delinquent amounts were \$9,575 for assessments, \$1,702 for impact loans, and \$34,583 for CIAC loans.

4. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose for Balance</u>	<u>Amount</u>
General	Other governmental funds (Alarm Fee)	Operations	\$ 3,315
	Other governmental funds (CDBG)	Awaiting grant reimbursement	862,590
	Other governmental funds (RCMP)	Awaiting grant reimbursement	568
	Other governmental funds (HUD NSP)	Awaiting grant reimbursement	83,407
	Other governmental funds (Golf Course)	Operations	564,909
			<u>\$ 1,514,789</u>

Remainder of page intentionally left blank

Interfund Transfers:

Transfers Out	Transfers In						Total
	General Fund	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Water and Sewer	
General Fund	\$ -	\$ 5,332,000 ⁴	\$ 1,972,825 ⁶	\$ 6,792,230 ⁷	\$ 7,896,490 ¹¹	\$ -	\$ 21,993,545
Transportation Capital Improvements	-	-	-	-	-	-	-
CRA	-	-	-	895,825 ⁸	906,055 ¹²	-	1,801,880
Debt Service Fund	-	-	-	-	7,659,278 ¹³	-	7,659,278
Other Governmental	7,383,515 ¹	6,178,253 ⁵	-	6,881,189 ⁹	750,000 ¹⁴	-	21,192,957
Water & Sewer	8,878 ²	-	-	96,930 ¹⁰	237,189 ¹⁵	-	342,997
Stormwater	8,878 ³	-	-	-	250,000 ¹⁶	228,471 ¹⁸	487,349
Yacht Basin	-	-	-	-	115,000 ¹⁷	-	115,000
Total	\$ 7,401,271	\$ 11,510,253	\$ 1,972,825	\$ 14,666,174	\$ 17,814,012	\$ 228,471	\$ 53,593,006

- ¹ Other governmental fund (Gas Tax) transferred \$6,820,025 to the general fund for budgetary established levels to support public works services division's operations.
Other governmental fund (Road Impact) transferred \$333,128 to the general fund for budgetary established levels for the cost of general administrative services.
Other governmental fund (All Hazards) transferred \$194,167 to the general fund for reimbursement of incentive pays for hazmat response.
Other governmental fund (Police Confiscation State) transferred \$28,695 to the general fund for reimbursement of equipment purchased for drug abuse prevention and education.
- Other governmental fund (Alarm Fee) transferred \$7,500 to the general fund for budgetary established levels for the costs of general administrative services.
- ² Enterprise fund (Water & Sewer) transferred \$8,878 to the general fund for the reimbursement of expenses related to a rescue task force team.
- ³ Enterprise fund (Stormwater) transferred \$8,878 to the general fund for the reimbursement of expenses related to a rescue task force team.
- ⁴ General fund transferred \$5,332,000 to the transportation capital projects fund for road resurfacing, median landscaping, sidewalks and ally resurfacing.
- ⁵ Other governmental fund (Five Cent Gas Tax) transferred \$4,000,000 to the transportation capital improvements fund for road resurfacing.
Other governmental fund (Five Cent Gas Tax) transferred \$788,357 to the transportation capital improvements fund sidewalks and bike paths.
Other governmental fund (Five Cent Gas Tax) transferred \$600,000 to the transportation capital improvements fund for the Sun Trail project.
Other governmental fund (Six Cent Gas Tax) transferred \$500,000 to the transportation capital improvements fund for N1 and N2 non assessed items.
Other governmental fund (Six Cent Gas Tax) transferred \$200,000 to the transportation capital improvements fund for sidewalks.
Other governmental fund (Six Cent Gas Tax) transferred \$89,896 to the transportation capital improvements fund for transportation capital projects.
- ⁶ General fund transferred \$1,972,825 to the community redevelopment agency for established Tax Increment Financing (TIF) funding.
- ⁷ General fund transferred \$6,792,230 to the debt service fund for annual debt service payments.
- ⁸ Community redevelopment agency transferred \$895,825 to the debt service fund for annual debt service payments.
- ⁹ Other governmental fund (Road Impact) transferred \$3,619,342 to the debt service fund for annual debt service payments.
Other governmental fund (Fire Impact) transferred \$339,865 to the debt service fund for annual debt service payments.
Other governmental fund (Building) transferred \$22,197 to the debt service fund for annual debt service payments.
Other governmental fund (Waterpark) transferred \$174,097 to the debt service fund for annual debt service payments.
Other governmental fund (Park Impact) transferred \$2,725,688 to the debt service fund for annual debt service payments.
- ¹⁰ Enterprise fund (Water & Sewer) transferred \$96,930 to the debt service fund for annual debt service payments.
- ¹¹ General fund transferred \$5,705,000 to other governmental fund (Parks & Recreation Programs) for budgetary established support of annual operations.
General fund transferred \$1,166,549 to other governmental fund (Waterpark) for budgetary established support of annual operations.
General fund transferred \$550,000 to other governmental fund (Golf Course) for budgetary established support of annual operations.
General fund transferred \$314,806 to other governmental fund (Fire Capital Projects) for fire station #12.
General fund transferred \$102,000 to other governmental fund (City Centrum) for budgetary established support of annual operations.
General fund transferred \$37,703 to other governmental fund (P&R Capital Projects) for the WCIND D&D boat ramp project.
General fund transferred \$20,432 to other governmental fund (Alarm Fees) for budgetary established support of annual operations.
- ¹² Community redevelopment agency fund transferred \$906,055 to other governmental fund (CRA Streetscape) for the CRA streetscape project.
- ¹³ Debt service fund transferred \$4,674,381 to other governmental fund (Parks Capital Improvement Projects) to fund general obligation bond park improvements.
Debt service fund transferred \$2,984,897 to other governmental fund (Fire Capital Projects Fund) for Fire Station #2 construction.
- ¹⁴ Other governmental fund (Police Protection Imp Fee Fund) transferred \$750,000 to other governmental fund (Police Capital Projects) for the police training facility.
- ¹⁵ Enterprise fund (Water & Sewer) transferred \$237,189 to other governmental fund (Fire Capital Projects) for Fire Station #2 construction.
- ¹⁶ Enterprise fund (Stormwater) transferred \$250,000 to other governmental fund (Public Works Capital Projects) for the Chiquita boat lock.
- ¹⁷ Other enterprise fund (Yacht Basin) transferred \$115,000 to other governmental funds (Parks & Recreation Programs) for budgetary established support of annual operations.
- ¹⁸ Enterprise fund (Stormwater) transferred \$228,471 to enterprise fund (Water & Sewer) for SRF Clean Water SW 6/7.

5. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land				
Governmental	\$ 154,115,172	\$ 3,378,934	\$ (1,086,665)	\$ 156,407,441
Construction in progress				
Governmental	14,591,992	19,841,691	(3,790,183)	30,643,500
Total construction in progress	14,591,992	19,841,691	(3,790,183)	30,643,500
Total capital assets, not being depreciated	168,707,164	23,220,625	(4,876,848)	187,050,941
Capital assets, being depreciated:				
Buildings				
Governmental	140,241,832	1,102,670	(61,549)	141,282,953
Internal Service	907,624	-	-	907,624
Total buildings	141,149,456	1,102,670	(61,549)	142,190,577
Improvements other than buildings				
Governmental	79,236,661	1,921,102	(41,982)	81,115,781
Internal Service	63,796	-	-	63,796
Total improvements other than buildings	79,300,457	1,921,102	(41,982)	81,179,577
Equipment				
Governmental	50,417,744	3,783,999	(2,369,027)	51,832,716
Internal Service	2,064,472	291,518	(90,085)	2,265,905
Total equipment	52,482,216	4,075,517	(2,459,112)	54,098,621
Intangible computer software				
Governmental	3,194,494	-	-	3,194,494
Internal Service	705,245	-	-	705,245
Total intangible computer software	3,899,739	-	-	3,899,739
Infrastructure				
Governmental	217,069,790	3,272,551	(507)	220,341,834
Total capital assets, being depreciated	493,901,658	10,371,840	(2,563,150)	501,710,348
Less accumulated depreciation for:				
Buildings				
Governmental	(54,281,071)	(3,549,593)	(27,276)	(57,857,940)
Internal Service	(629,937)	(27,757)	-	(657,694)
Total buildings	(54,911,008)	(3,577,350)	(27,276)	(58,515,634)
Improvements other than buildings				
Governmental	(41,029,589)	(3,138,803)	28,175	(44,140,217)
Internal Service	(62,576)	(1,219)	-	(63,795)
Total improvements other than buildings	(41,092,165)	(3,140,022)	28,175	(44,204,012)
Equipment				
Governmental	(33,095,333)	(4,946,425)	2,256,047	(35,785,711)
Internal Service	(1,384,744)	(224,470)	(16,189)	(1,625,403)
Total equipment	(34,480,077)	(5,170,895)	2,239,858	(37,411,114)
Intangible computer software				
Governmental	(3,111,519)	(100,602)	-	(3,212,121)
Internal Service	(705,245)	-	-	(705,245)
Total intangible computer software	(3,816,764)	(100,602)	-	(3,917,366)
Infrastructure				
Governmental	(78,110,916)	(6,950,056)	(696)	(85,061,668)
Total accumulated depreciation	(212,410,930)	(18,938,925)	2,240,061	(229,109,794)
Total capital assets, being depreciated, net	281,490,728	(8,567,085)	(323,089)	272,600,554
Governmental activities capital assets, net	\$ 450,197,892	\$ 14,653,540	\$ (5,199,937)	\$ 459,651,495

(continued on next page)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land				
Water and Sewer	\$ 25,662,844	\$ 19,598	\$ (618,022)	\$ 25,064,420
Stormwater	6,362,023	-	(50,925)	6,311,098
Yacht Basin	20,555	-	-	20,555
Total land	<u>32,045,422</u>	<u>19,598</u>	<u>(668,947)</u>	<u>31,396,073</u>
Construction in progress				
Water and Sewer	226,324,000	49,911,694	(18,983,282)	257,252,412
Stormwater	10,930,623	996,977	-	11,927,600
Total construction in progress	<u>237,254,623</u>	<u>50,908,671</u>	<u>(18,983,282)</u>	<u>269,180,012</u>
Total capital assets, not being depreciated	<u>269,300,045</u>	<u>50,928,269</u>	<u>(19,652,229)</u>	<u>300,576,085</u>
Capital assets, being depreciated:				
Buildings				
Water and Sewer	387,498,422	5,369	-	387,503,791
Stormwater	1,916,446	-	-	1,916,446
Yacht Basin	77,988	-	-	77,988
Total buildings	<u>389,492,856</u>	<u>5,369</u>	<u>-</u>	<u>389,498,225</u>
Improvements other than buildings				
Water and Sewer	309,011,126	16,257,376	(5,369)	325,263,133
Stormwater	24,423,336	-	-	24,423,336
Yacht Basin	864,337	-	-	864,337
Total improvements other than buildings	<u>334,298,799</u>	<u>16,257,376</u>	<u>(5,369)</u>	<u>350,550,806</u>
Equipment				
Water and Sewer	34,727,299	2,902,159	(602,425)	37,027,033
Stormwater	9,127,725	617,097	(481,654)	9,263,168
Yacht Basin	51,296	9,152	-	60,448
Total equipment	<u>43,906,320</u>	<u>3,528,408</u>	<u>(1,084,079)</u>	<u>46,350,649</u>
Infrastructure				
Water and Sewer	671,427,775	8,805,544	(38,724)	680,194,595
Stormwater	15,211,719	2,072,176	-	17,283,895
Yacht Basin	286,049	-	-	286,049
Total Infrastructure	<u>686,925,543</u>	<u>10,877,720</u>	<u>(38,724)</u>	<u>697,764,539</u>
Total capital assets, being depreciated	<u>1,454,623,518</u>	<u>30,668,873</u>	<u>(1,128,172)</u>	<u>1,484,164,219</u>
Less accumulated depreciation for:				
Buildings				
Water and Sewer	(100,778,724)	(9,703,885)	(2,224,778)	(112,707,387)
Stormwater	(1,259,943)	(179,581)	-	(1,439,524)
Yacht Basin	(12,308)	(3,913)	-	(16,221)
Total buildings	<u>(102,050,975)</u>	<u>(9,887,379)</u>	<u>(2,224,778)</u>	<u>(114,163,132)</u>
Improvements other than buildings				
Water and Sewer	(194,898,323)	(9,180,591)	2,224,971	(201,853,943)
Stormwater	(10,507,659)	(860,616)	-	(11,368,275)
Yacht Basin	(783,416)	(15,188)	-	(798,604)
Total improvements other than buildings	<u>(206,189,398)</u>	<u>(10,056,395)</u>	<u>2,224,971</u>	<u>(214,020,822)</u>
Equipment				
Water and Sewer	(26,921,256)	(2,419,328)	465,165	(28,875,419)
Stormwater	(5,916,629)	(599,015)	568,917	(5,946,727)
Yacht Basin	(32,023)	(11,182)	-	(43,205)
Total equipment	<u>(32,869,908)</u>	<u>(3,029,525)</u>	<u>1,034,082</u>	<u>(34,865,351)</u>
Infrastructure				
Water and Sewer	(253,042,017)	(18,440,338)	-	(271,482,355)
Stormwater	(9,599,204)	(324,210)	-	(9,923,414)
Yacht Basin	(43,056)	(14,364)	-	(57,420)
Total Infrastructure	<u>(262,684,277)</u>	<u>(18,778,912)</u>	<u>-</u>	<u>(281,463,189)</u>
Total accumulated depreciation	<u>(603,794,558)</u>	<u>(41,752,211)</u>	<u>1,034,275</u>	<u>(644,512,494)</u>
Total capital assets, being depreciated, net	<u>850,828,960</u>	<u>(11,083,338)</u>	<u>(93,897)</u>	<u>839,651,725</u>
Business-type activities capital assets, net	<u>\$ 1,120,129,005</u>	<u>\$ 39,844,931</u>	<u>\$ (19,746,126)</u>	<u>\$ 1,140,227,810</u>

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

Governmental activities:

General Government	\$ 5,076,365
Public Safety:	
Police	1,692,843
Fire	2,058,901
Building	141,105
Public Works	5,238,179
Community Development	1,694,503
Parks and Recreation	2,783,584
Internal Service	253,445
Total depreciation expense - governmental activities	<u>\$ 18,938,925</u>

Business-type activities:

Water and Sewer	\$ 39,744,142
Stormwater	1,963,421
Yacht Basin	44,648
Total depreciation expense - business-type activities	<u>\$ 41,752,211</u>

6. Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities at September 30, 2020 are as follows:

Governmental activities:

	General Fund	Transportation Capital Improvements	Community Redevelopment Agency	Other Governmental Funds	Total
Accounts payable and other accrued liabilities	\$ 2,490,948	\$ 1,594,932	\$ 8,198	\$ 2,525,599	\$ 6,619,677
Retainage payable	34,505	276,677	-	270,033	581,215
Intergovernmental payable	62,950	9,402	-	121,320	193,672
Total	<u>\$ 2,588,403</u>	<u>\$ 1,881,011</u>	<u>\$ 8,198</u>	<u>\$ 2,916,952</u>	<u>\$ 7,394,564</u>

Business-type activities:

	Water and Sewer	Stormwater	Other Non-Major Yacht Basin	Total	Governmental Activities - Internal Service Funds
Accounts payable and other accrued liabilities	\$ 8,373,521	\$ 323,054	\$ 25,708	\$ 8,722,283	\$ 2,508,912
Retainage payable	7,765,330	256,122	-	8,021,452	-
Total	<u>\$ 16,138,851</u>	<u>\$ 579,176</u>	<u>\$ 25,708</u>	<u>\$ 16,743,735</u>	<u>\$ 2,508,912</u>

The following is a summary of changes in the City's Bonded and other indebtedness for the year ended September 30, 2020:

¹ The Community Redevelopment Agency's portion of the Special Obligation Revenue Bond, Series 2012 is \$1,570,830. The Community Redevelopment Agency's portion of the Special Obligation Revenue Note, Series 2020A is \$3,254,889.

72

Long-term Debt at September 30, 2020 is comprised of the following:

General Long-term Debt

General Obligation Debt

Note-Direct Borrowings

\$60,000,000 General Obligation Bonds, Series 2019 was approved to finance and refinance the cost of acquisition, construction and equipping of various parks, natural areas, recreational and athletic facilities, trails, boating, fishing and swimming facilities, and wildlife habitat and shoreline protection improvements, as generally described in the Referendum Ordinance. Principal is paid annually from March 2020 to March 2034 with interest paid semiannually at 2.74%. As of September 30, 2020, the City has only issued \$10,200,000.

\$ 9,670,000

Revenue Bonds

\$17,690,000 Special Obligation Revenue Bonds, Series 2011 issued to finance and refinance the cost of acquisition, construction, and equipping of various capital improvements to the City's Charter Schools. Principal and interest on the obligations are secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2021 with interest paid semiannually at rates ranging from 4.00% to 4.75%.

\$ 425,000

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

41,765,000

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

58,610,000

100,800,000

(5,568)

9,978,482

Less unamortized discount

Plus unamortized premium

\$ 110,772,914

Notes from Direct Borrowings

\$17,669,950 Special Obligation Revenue Bonds (Notes-Direct Borrowing), Series 2012 issued to refund \$12,928,555 of outstanding Series 2009 Special Obligation Revenue Notes plus accrued interest due on 4/01/2012 and \$4,500,000 of commercial paper obligations issued to finance and refinance the acquisition, construction and equipping of various capital improvements with the City. The City refunded the 2009 Series to reduce its debt service payment over 13 years by \$1,978,440 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,696,880. Principal and interest on the new obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.43%. The Community Redevelopment Agency's portion is \$1,570,830.

\$ 6,016,550

\$5,300,000 Capital Improvement Refunding Revenue Bonds (Notes-Direct Borrowing), Series 2014, issued to refund a portion of the City's outstanding Capital Improvement Revenue Bonds, Series 2005. The City refunded the 2005 Series to reduce its debt service payment over 11 years by \$355,537 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$316,378. Principal and interest on the obligations is secured by gas tax revenues and non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.31%.

2,455,000

\$21,433,000 Gas Tax Refunding Revenue Bonds (Notes-Direct Borrowing), Series 2014, issued to refund all of the City's outstanding Gas Tax Revenue Bonds, Series 2009. The City refunded the 2009 Series to reduce its debt service payment over 10 years by \$1,921,763 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,724,892. Principal and interest on the obligations is secured by gas tax revenues and non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2023 with interest paid semiannually at 2.20%.

7,493,000

\$13,675,000 Special Obligation Revenue Note, Series 2015 was issued to refund the City's outstanding Capital Improvement Revenue Bonds, Series 2005 and to finance the acquisition of various equipment and vehicles. The City refunded the 2005 Series to reduce its debt service payment over 10 years by \$878,414 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$803,758. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through 2024 with interest paid semiannually at 2.1%.

5,407,000

\$30,760,000 Special Obligation Refunding Revenue Note, Series 2020 was issued to refund the City's outstanding Gas Tax Revenue Bonds, Series 2010B. The City refunded these Bond Series to reduce its debt service payment over 11 years by \$9,189,373 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,990,874. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2030 with interest paid quarterly at 1.99%.

30,760,000

\$15,128,990 Special Obligation Refunding Revenue Note, Series 2020A was issued to finance the acquisition and construction of fire station #2 & #12 and to refinance the Special Obligation Revenue Note, Series 2018. The City refunded the note to reduce its debt service payment over 8 years by \$401,475 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$377,248. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2028 with interest paid quarterly at 1.51%.

14,547,004

\$ 66,678,554

Special Assessment -Direct Borrowings

\$1,500,000 Fire Protection Assessment Revenue Note, Series 2015 issued for the purpose of financing the acquisition of certain facilities, vehicles and other equipment of the City relating to fire protection and suppression services. Principal and interest on the obligations is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid annually through February 2021 with interest paid semiannually at a rate of 1.65%.

\$ 290,000

Proprietary Funds - Long-term Debt

Revenue Bonds

\$175,000,000 Water and Sewer Refunding Revenue Bonds, Series 2011, issued to refund on a current basis all of the City's outstanding Water and Sewer Revenue Bonds, Series 2009 and to refinance certain commercial paper obligations which were issued to finance, on an interim basis, a portion of the acquisition, construction and equipping of certain capital improvements to the City's water, wastewater, and irrigation water system. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution, and expansion fees. Principal is paid annually through 2041 with interest paid semiannually at rates ranging from 3.0% to 5.0%. The Series 2011 Bonds are issued in parity with the City's Water and Sewer Refunding Revenue Bonds, Series 2011A, Water and Sewer Refunding Revenue Bonds, Series 2015, and Water and Sewer Refunding Revenue Bonds, Series 2015A and Water and Sewer Refunding Revenue Bonds, Series 2017.

\$ 2,405,000

\$106,560,000 Water and Sewer Refunding Revenue Bonds, Series 2011A, issued to refinance \$107,438,000 of commercial paper obligations issued to finance on an interim basis, a portion of the cost of the acquisition, construction, and equipping of certain capital improvements to the City's water, wastewater, and irrigation water system. The bonds are secured by a pledge of and lien upon the water and sewer system's net revenues as defined by the Bond Resolution, and expansion fees. Principal is paid annually through 2042 with interest paid semiannually at rates ranging from 4.0% to 5.0%. The Series 2011A Bonds are issued in parity with the City's Water and Sewer Revenue Bonds, Series 2006, Water and Sewer Refunding Revenue Bonds, Series 2011, Water and Sewer Refunding Revenue Bonds, Series 2015, and Water and Sewer Refunding Revenue Bonds, Series 2015A.

1,865,000

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

72,415,000

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

248,355,000

325,040,000

27,871,586

\$ 352,911,586

Plus unamortized premium

Notes from Direct Borrowings

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

\$ 70,985,000

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

635,622

\$7,224,652 State Revolving Fund Loan Agreement #7516L 01 (Pine Island Water) payable to the State with principal and interest payable semiannually at 2.93% through December 2023. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.

139,920

\$35,848,122 State Revolving Fund Loan Agreement #7516L 02 (Southwest 1 Water) payable to the State with principal and interest payable semiannually at 2.93% through June 2024. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.	821,592
\$12,401,582 State Revolving Fund Loan Agreement DW#360103 (Southwest 6 & 7 Drinking Water) payable to the State with principal and interest payable semiannually at 2.12% through 2036. The current principal amount includes actual draws and a 2% loan service fee. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.	10,535,906
\$54,662,273 State Revolving Fund Loan Agreement WW#360100 (Southwest 6 & 7 Clean Water) payable to the State with principal and interest payable semiannually at rates ranging from 1.93% to 2.42% through 2036. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.	45,795,099
\$97,000,000 State Revolving Fund Loan Agreement WW#360120 (North 2 Clean Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.00% to 0.72% through 2042. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds. As of September 30, 2020 the City has drawn \$84,893,220.	84,893,220
\$124,436,105 State Revolving Fund Loan Agreement DW#360130 (North 2 Drinking Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.30% to 1.48% through 2042. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds. As of September 30, 2020 the City has drawn \$58,349,326.	58,349,326
	<u>\$ 272,155,685</u>

Special Assessment Debt with Government Commitment

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

\$101,155,000 Utility Improvement Refunding Assessment Bonds (Various Areas), Series 2017 was issued to refund all of the City's outstanding utility improvement special assessment debt. The City refunded the bonds to reduce its debt service payment over 20 years by \$10,850,993 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$9,939,840. Principal and interest on these bonds are secured by special assessment proceeds and to pay any deficiencies from the net revenue of its water and sewer system. Principal is paid annually through September 2028 with interest paid semiannually at rates ranging from 1.40% to 3.00%.	\$ 60,255,000
Less unamortized discount	(413,052)
Total Special Assessment Debt	<u>\$ 59,841,948</u>

Summary of Debt Service Requirements by Maturity

Governmental Activities

Year ending	General Obligation Debt						Special Assessment Debt					
	Note from Direct Borrowing						Notes from Direct borrowings					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
September 30,												
2021	\$ 575,000	\$ 257,081	\$ 5,255,000	\$ 4,471,419	\$ 8,729,339	\$ 1,297,478	\$ 290,000	\$ 2,393				
2022	590,000	241,120	4,695,000	4,209,731	8,910,711	1,115,849	-	-				
2023	610,000	224,680	4,935,000	3,974,981	8,180,322	930,214	-	-				
2024	625,000	207,761	5,175,000	3,728,231	8,577,187	738,750	-	-				
2025	640,000	190,430	7,155,000	3,469,481	5,543,717	565,613	-	-				
2026 - 2030	3,485,000	674,658	33,445,000	11,856,605	26,737,278	1,285,321	-	-				
2031 - 2035	3,145,000	175,289	27,700,000	5,825,426	-	-	-	-				
2036 - 2040	-	-	12,440,000	1,034,963	-	-	-	-				
2041 - 2045	-	-	-	-	-	-	-	-				
Unamortized discount	9,670,000	1,971,019	100,800,000	38,570,837	66,678,554	5,933,225	290,000	2,393				
Unamortized premium	-	-	(5,568)	-	-	-	-	-				
Total	\$ 9,670,000	\$ 1,971,019	\$ 110,772,914	\$ 38,570,837	\$ 66,678,554	\$ 5,933,225	\$ 290,000	\$ 2,393				

Business-type Activities

Year Ending	Revenue Bonds						Special Assessment Debt					
	Notes from Direct Borrowings						Notes from Direct Borrowings					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
September 30,												
2021	\$ 4,270,000	\$ 14,679,188	\$ 10,503,104	\$ 3,046,683	\$ 9,600,000	\$ 1,485,813						
2022	4,535,000	14,465,680	23,996,850	5,153,594	9,100,000	1,293,813						
2023	4,760,000	14,238,938	17,684,220	3,661,536	8,505,000	1,100,438						
2024	4,995,000	14,000,938	17,938,946	3,361,614	8,450,000	909,075						
2025	5,240,000	13,751,188	17,994,069	3,034,975	8,685,000	697,825						
2026 - 2030	39,355,000	64,550,440	86,048,399	9,636,568	15,915,000	788,388						
2031 - 2035	90,335,000	49,241,002	55,781,396	4,038,558	-	-						
2036 - 2040	116,395,000	27,166,100	42,208,701	964,619	-	-						
2041 - 2045	55,155,000	3,344,200	-	-	-	-						
Unamortized discount	325,040,000	212,093,474	272,155,685	32,898,147	60,255,000	6,275,352						
Unamortized premium	-	-	-	-	(413,052)	-						
Total	\$ 352,911,586	\$ 212,093,474	\$ 272,155,685	\$ 32,898,147	\$ 59,841,948	\$ 6,275,352						

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Governmental Funds					
Revenue bonds payable	\$ 139,620,000	\$ -	\$ (38,820,000)	\$ 100,800,000	\$ 5,255,000
Bond discount and premium	10,536,092	-	(563,178)	9,972,914	-
Total revenue bonds payable	150,156,092	-	(39,383,178)	110,772,914	5,255,000
Notes from direct borrowings	34,424,012	45,888,990	(13,634,448)	66,678,554	8,729,339
Special Assessment-note from direct borrowing	575,000	-	(285,000)	290,000	290,000
General Obligation-Note from direct borrowing	10,200,000	-	(530,000)	9,670,000	575,000
Capital Lease	91,912	-	(91,912)	-	-
Claims liability	9,870,936	22,487,754	(21,837,259)	10,521,431	3,329,296
Compensated absences	9,786,652	1,364,169	(72,082)	11,078,739	96,440
Total Governmental Funds	<u>\$ 215,104,604</u>	<u>\$ 69,740,913</u>	<u>\$ (75,833,879)</u>	<u>\$ 209,011,638</u>	<u>\$ 18,275,075</u>
Business-type activities:					
Water and Sewer					
Revenue bonds payable	\$ 329,110,000	\$ -	\$ (4,070,000)	\$ 325,040,000	\$ 4,270,000
Bond discount and premium	29,294,140	-	(1,422,554)	27,871,586	-
Total revenue bonds payable	358,404,140	-	(5,492,554)	352,911,586	4,270,000
Notes from Direct Borrowings	226,194,456	56,272,594	(10,311,365)	272,155,685	10,503,104
Special Assessment Bonds	72,314,773	-	(12,472,825)	59,841,948	9,600,000
Compensated absences	2,197,833	763,956	(332,897)	2,628,892	415,039
Total Water and Sewer	<u>659,111,202</u>	<u>57,036,550</u>	<u>(28,609,641)</u>	<u>687,538,111</u>	<u>24,788,143</u>
Stormwater					
Compensated absences	632,097	208,805	(103,486)	737,416	129,225
Total Stormwater	<u>632,097</u>	<u>208,805</u>	<u>(103,486)</u>	<u>737,416</u>	<u>129,225</u>
Yacht Basin					
Compensated absences	6,532	2,575	-	9,107	-
Total Yacht Basin	<u>6,532</u>	<u>2,575</u>	<u>-</u>	<u>9,107</u>	<u>-</u>
Total Business-type					
Long-term debt	627,619,229	56,272,594	(26,854,190)	657,037,633	24,373,104
Bond discount, premium and deferred amount on refunds	29,294,140	-	(1,422,554)	27,871,586	-
Total bonds and notes payable	656,913,369	56,272,594	(28,276,744)	684,909,219	24,373,104
Compensated absences	2,836,462	975,336	(436,383)	3,375,415	544,264
Total Business-type	<u>\$ 659,749,831</u>	<u>\$ 57,247,930</u>	<u>\$ (28,713,127)</u>	<u>\$ 688,284,634</u>	<u>\$ 24,917,368</u>

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

Governmental Notes-Direct Borrowings:

The City's total outstanding notes from direct borrowings related to governmental activities of \$66,678,554 contain a provision that in an event of default.

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

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

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

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

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

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

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

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

\$1,500,000 Fire Protection Assessment Revenue (Note), Series 2015

Upon the occurrence and during the continuation of any Event of Default, the Owner of any Notes issued hereunder may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the Laws of the State, or granted and contained in this Note Ordinance, and may enforce and compel the performance of all duties required by this Note Ordinance or by any applicable state or federal statutes to be performed by the City or by any officer thereof. Nothing herein, however, shall be construed to grant to any Owner of the Note any lien on any real property of the City.

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

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

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

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

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

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

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

Business-Type Notes-Direct Borrowings:

The City's total outstanding notes from direct borrowings related to business-type activities of \$272,155,685 contain a provision of an event of default.

\$90,740,000 Water & Sewer Refunding Revenue Bonds (Note), Series 2015A

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

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

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

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

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

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

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

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

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

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

Conduit Debt Obligation – To provide financing of the construction of a new building that will house 80 residential-style assisted living suites and 48 memory support assisted living suites, as well as converting existing space to provide an additional skilled nursing dining space, 24 rental independent living units and 20 skilled nursing beds within the City, the City of Cape Coral Health Facilities Authority has issued a series of Senior Housing Revenue Bonds, Series 2015. These bonds do not constitute a debt or pledge of the full faith and credit of the City, and accordingly, they have not been reported in the accompanying financial statements. At September 30, 2020, Health Facility Revenue Bonds outstanding aggregated \$77,350,000.

8. Defeased Debt Issues

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

Governmental Fund Debt:

Special Obligation Revenue Bonds, Series 2011	\$ 14,395,000
---	---------------

Water & Sewer Fund Debt:

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

9. Construction and Other Significant Commitments

Construction Commitments. As of September 30, 2020 major outstanding construction commitments (in excess of \$1 million) were as follows:

	Spent To Date	Remaining Commitment
Governmental activities:		
Other Governmental Funds:		
Fire Station #2 ¹	\$ 3,603,828	\$ 564,615
Tyler Technologies ¹	5,625,059	341,431
Transportation Fund:		
Road Improvements ²	8,786,732	2,220,688
Community Redevelopment Agency Fund:		
CRA Streetscape Project ³	12,501,441	490,464
Debt Service Fund		
Park Improvements ⁴	2,548,521	4,972,213
Total governmental activities	<u>33,065,581</u>	<u>8,589,411</u>
Business-type activities:		
Water & Sewer Fund:		
Utility Extension Program - North 2 ⁶	8,951,485	473,884
Fiber Optics (Forcemain Intercon) ⁵	2,166,171	171,918
Fire Sprinkler Conv ⁵	2,790,215	358,451
Reuse River Crossing ⁶	1,322,868	1,853,973
Reuse Main Ext (FGUA) ¹¹⁵	1,498,848	6,323,985
Southwest 5MG Storage Tank & Pump ⁶	623,736	569,290
Raw Water Well ⁵	973,550	120,420
Deep Injection Well ⁵	1,946,065	920,130
MCC Blower Conduit ¹⁶⁵	1,126,063	335,342
Operations Building ⁶	777,987	534,473
Stormwater Utility Fund:		
Drainage Improvements North 1 Utility Area ⁷	7,724,771	231,614
Drainage Improvements North 2 Utility Area ⁶	153,897,854	12,299,242
Total business-type activities	<u>183,799,613</u>	<u>24,192,722</u>
Total	<u>\$ 216,865,194</u>	<u>\$ 32,782,133</u>

¹ Projects are being funded by Other Governmental Funds

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

³ Projects are being funded by the appropriation of General Fund, community redevelopment agency, water and sewer, and stormwater utility reserves, and debt service proceeds.

⁴ Projects are being funded by General Obligation debt proceeds.

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

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

⁷ Projects are being funded by stormwater user fees, FDEP grant funds and State Revolving Fund loans with debt service being paid by special assessments and stormwater user fees.

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

Transportation Capital Improvements	\$ 867,226
Community Redevelopment Agency	490,464
Other governmental funds	5,878,260
Total encumbrances	<u>\$ 7,235,950</u>

10. Fund Balances

Fund balances for governmental funds at September 30, 2020 are as follows:

	General	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable						
Inventory	\$ 29,036	\$ -	\$ -	\$ -	\$ 129,936	\$ 158,972
Prepaid items	310,450	-	-	-	2,920	313,370
Total Nonspendable	339,486	-	-	-	132,856	472,342
Restricted						
Housing and community development	-	-	-	-	1,323,825	1,323,825
Building code enforcement	-	-	-	-	11,443,975	11,443,975
Law enforcement - forfeiture funds	-	-	-	-	604,238	604,238
Law enforcement - Do the Right Thing	-	-	-	-	18,523	18,523
Law enforcement training	-	-	-	-	55,236	55,236
Police projects	-	-	-	-	7,362,241	7,362,241
Fire projects	-	-	-	-	7,072,500	7,072,500
Seawalls	-	-	-	-	258,764	258,764
Parks GO bond projects	-	-	-	-	4,574,842	4,574,842
Parks other projects	-	-	-	-	2,288,517	2,288,517
Community redevelopment	-	-	1,133,098	-	-	1,133,098
Road resurfacing	-	4,608,575	-	-	-	4,608,575
Sidewalk / bikepath UEP	-	1,051,907	-	-	-	1,051,907
Other transportation projects	-	1,039,531	-	-	36,676,941	37,716,472
Debt service	-	-	-	6,111,631	-	6,111,631
Total Restricted	-	6,700,013	1,133,098	6,111,631	71,679,602	85,624,344

	General	Transportation Capital Improvements	Community Redevelopment Agency	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Committed						
Law enforcement - alarm fees	\$ -	\$ -	\$ -	\$ -	17,349	17,349
Lot mowing program	-	-	-	-	2,548,848	2,548,848
Del Prado mall parking lot	-	-	-	-	146,364	146,364
City centrum	-	-	-	-	4,733	4,733
Parks and recreation - parks programs	-	-	-	-	141,339	141,339
Waterpark	-	-	-	-	10,310	10,310
Road resurfacing project	-	4,912,251	-	-	-	4,912,251
Sidewalk / bikepath UEP	-	26,196	-	-	-	26,196
Other transportation projects	-	2,389,150	-	-	-	2,389,150
Parks projects	-	-	-	-	187,864	187,864
Fire projects	-	-	-	-	496,193	496,193
CRA projects	-	-	-	-	4,187,095	4,187,095
Capital projects	-	-	-	-	115,094	115,094
Police projects	-	-	-	-	746,353	746,353
Public works projects	-	-	-	-	1,225,017	1,225,017
Academic village	-	-	-	-	60,502	60,502
Computer system	-	-	-	-	1,812,707	1,812,707
Sale proceeds of surplus property	2,051,834	-	-	-	-	2,051,834
FEMA reimbursements - Hurricane Irma	4,438,460	-	-	-	-	4,438,460
Economic incentives	544,000	-	-	-	-	544,000
Capital equipment	1,500,000	-	-	-	-	1,500,000
Facilities maintenance	500,000	-	-	-	-	500,000
Disaster reserve	6,000,000	-	-	-	-	6,000,000
Total Committed	15,034,294	7,327,597	-	-	11,699,768	34,061,659
Unassigned	71,819,063	-	-	-	(1,612,608)	70,206,455
Total fund balances	\$ 87,192,843	\$ 14,027,610	\$ 1,133,098	\$ 6,111,631	\$ 81,899,618	\$ 190,364,800

11. Segment Information

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

STATEMENT OF NET POSITION

ASSETS

Current assets:	
Cash and investments	\$ 53,431,757
Interest receivable	147,731
Accounts receivable, net	9,875,272
Inventories	1,526,195
Prepaid items	1,400
Restricted:	
Cash and investments	39,825,754
Interest receivable	21,634
Intergovernmental receivable	529,981
Total restricted assets	<u>40,377,369</u>
Total current assets	<u>105,359,724</u>
Noncurrent assets:	
Unamortized bond insurance costs	100,264
Advances to other funds	2,569,279
Total restricted assets	<u>2,669,543</u>
Capital assets:	
Land and construction in progress	61,454,574
Other capital assets, net of depreciation	448,371,514
Capital assets, net	<u>509,826,088</u>
Total noncurrent assets	<u>512,495,631</u>
Total assets	<u>617,855,355</u>

Deferred Outflows of Resources

Loss on refunding	21,896,835
Pension related	7,082,076
OPEB related	10,603,181
Total deferred outflows of resources	<u>\$ 39,582,092</u>

LIABILITIES

Current liabilities:	
Accounts payable and other accrued liabilities	\$ 5,097,457
Accrued retainage	791,752
Accrued payroll	631,113
Accrued interest payable	10,043
Deposits	2,772,222
Unearned revenue	120
Compensated absences	415,039
Total OPEB Liability	1,780,841
Debt:	
Revenue bonds	11,405,000
Notes	151,512
Total debt	<u>11,556,512</u>
Total current liabilities	<u>23,055,099</u>
Noncurrent liabilities:	
Compensated absences	2,213,853
Total OPEB Liability	48,583,647
Net pension liability	23,572,717
Debt:	
Revenue bonds	412,491,586
Notes	484,109
Total debt	<u>412,975,695</u>
Total noncurrent liabilities	<u>487,345,912</u>
Total liabilities	<u>510,401,011</u>

Deferred Inflows of Resources	
OPEB related	9,126,320
Total deferred inflows of resources	<u>9,126,320</u>
NET POSITION	
Net investment in capital assets	104,369,073
Restricted for:	
Debt service	4,092,866
Capital improvement	31,275,281
Renewal and replacement	6,344,462
Unrestricted	<u>(8,171,566)</u>
Total net position	<u><u>\$ 137,910,116</u></u>

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

OPERATING REVENUES	
Charges for services	\$ 89,269,265
Other revenue	1,070,791
Total operating revenues	<u>90,340,056</u>
OPERATING EXPENSES	
Salaries, wages and employee benefits	28,830,984
Contractual services, materials and supplies	26,512,859
Depreciation	22,665,735
Total operating expenses	<u>78,009,578</u>
Operating income	<u>12,330,478</u>
NONOPERATING REVENUES (EXPENSES)	
Intergovernmental Revenue	1,144,639
Interest income	1,596,526
Interest expense	(16,600,900)
Debt service costs	(42,245)
Gain on sale of capital assets	101,348
(Loss) on sale of capital assets	<u>(19,598)</u>
Total nonoperating revenues (expenses)	<u>(13,820,230)</u>
Income (loss) before contributions and transfers	<u>(1,489,752)</u>
Capital Contributions	
Developer contributions	5,366,438
Total capital contributions	<u>5,366,438</u>
Transfers	
Transfers in	40,648,439
Transfers out	<u>(342,996)</u>
Total transfers	40,305,443
Change in net assets	44,182,129
Total net position - beginning	93,727,987
Total net position - ending	<u><u>\$ 137,910,116</u></u>
Condensed Statement of Cash Flows	
New cash provided (used) by:	
Operating activities	\$ 40,704,789
Nonoperating financing activities	40,305,443
Capital and related financing activities	(49,777,739)
Investing activities	<u>1,378,676</u>
Net increase (decrease)	32,611,169
Beginning cash and investments	60,646,342
Ending cash and investments	<u><u>\$ 93,257,511</u></u>

12. Future Revenues that are Pledged

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

Pledged Revenue	Total Principal and Interest Outstanding	Current Year Principal and Interest Paid	Current Year Revenue	Coverage
Special Assessment ¹	\$ 290,193,651	\$ 16,562,589	\$ 26,415,696	159.49%
Half-cent Sales Tax	8,254,143	2,531,294	82,980	3.28%
Gas Tax	7,825,068	4,452,752	9,086,018	204.05%

¹ Includes \$961,512 collected for the (4) SRF loans that are funded by special assessment proceeds but have a pledge of water and sewer net revenues and impact fees.

Covenant to Budget and Appropriate Debt (000)	\$ 196,196	
Historical Non Ad-Valorem Revenue Debt (000)	\$ 223,916	
Legally Available Non-Ad Valorem Revenues (000)		\$ 106,747
Average of current and prior year		\$ 112,050 (A)
Maximum Annual Debt Service (MADS)		\$ 20,878 (B)
MADS coverage (A ÷ B)		5.37
MADS required coverage		1.50
Governmental Revenues		\$ 247,199 (C)
Governmental Revenues percentage (B ÷ C)		8.45%
Required Coverage		not to exceed 20%

Water & Sewer Debt (000)	\$ 621,868	
Operating Revenue (000)		\$ 90,340
Operating Expenses (net of depreciation) (000)		(43,976)
Net Operating Revenues (000)		\$ 46,364
Interest Income (000) ¹		1,099
Net Revenues Available for Debt Service (000)		\$ 47,463
Capital Expansion Fees (000)		18,375
Net Revenues and Expansion Fees Available for Debt Service (000)		\$ 65,838

Test 1

Net Revenues Available for Debt Service (000)	\$ 47,463
Annual Debt Service (Senior Lien) (000)	\$ 27,921
Calculated Coverage Factor	1.70
Required Coverage	1.00

Test 2

Net Revenues & Expansion Fees (000)	\$ 65,838
Annual Debt Service (Senior Lien) (000)	\$ 27,921
Calculated Coverage Factor	2.36
Required Coverage	1.00

Test 3

Net Revenues after Senior Lien Debt Service (000)	\$ 37,917
Annual Debt Service (Subordinate) (000)	\$ 1,148
Calculated Coverage Factor	33.03

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

13. Intergovernmental Revenue – As of September 30, 2020 is as follows:

	<u>General Fund</u>	<u>Transportation Capital Improvements</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Governmental activities:				
Operating Grants and State Shared Revenues				
Parks and Recreation	\$ 33,380	\$ -	\$ 403,059	\$ 436,439
Community Development	-	-	-	-
Public Safety: Police	438,255	-	-	438,255
Public Safety: Fire	188,337	-	-	188,337
Public Works	-	-	321,315	321,315
Local shared revenue	101,843	-	-	101,843
State shared revenue	3,286,182	-	-	3,286,182
Federal disaster relief - Irma	2,198,143	-	-	2,198,143
State disaster relief - Irma	89,639	-	-	89,639
Capital Grants				
Parks and Recreation	-	-	230,684	230,684
Community Development	-	-	1,253,241	1,253,241
Public Safety: Police	41,219	-	-	41,219
Public Works	-	1,673,498	-	1,673,498
Total	<u>\$ 6,376,998</u>	<u>\$ 1,673,498</u>	<u>\$ 2,208,299</u>	<u>\$ 10,258,795</u>

14. Interest Income – As of September 30, 2020 is as follows:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Investment income	\$ 3,554,186	\$ 4,163,459	\$ 528,192	\$ 8,245,837
Interest on advances	-	145,587	-	145,587
Interest billed on assessment, contribution in aid of construction, impact fee, CFEC and UCEF loans	-	11,166,758	-	11,166,758
Interest received from tax collector	83,952	38,977	-	122,929
Total	<u>\$ 3,638,138</u>	<u>\$ 15,514,781</u>	<u>\$ 528,192</u>	<u>\$ 19,681,111</u>

15. Other Revenue – As of September 30, 2020 is as follows:

	<u>General Fund</u>	<u>Transportation Capital Improvements</u>	<u>Community Redevelopment Agency</u>	<u>Other Governmental Funds</u>	<u>Total</u>
NSP Program Income	\$ -	\$ -	\$ -	\$ 77,500	\$ 77,500
State Housing Program Income (SHIP)	-	-	-	116,922	116,922
CDBG Program Income	-	-	-	93,187	93,187
RCMP Program Income	-	-	-	4,016	4,016
Blue Cross Blue Shield Wellness Payment	150,000	-	-	-	150,000
School impact administrative fee	180,962	-	-	-	180,962
Lee County Electric Coop equity refund	40,937	-	-	-	40,937
Lee County Tax Collector Refund of Estimated Fee	75,332	-	-	23,241	98,573
CRA City Staffing reimbursement	100,000	-	-	-	100,000
Sales of surplus material	8,948	-	-	-	8,948
Purchase card rebate	76,380	-	34	1,581	77,995
Legal settlements	30,964	-	-	-	30,964
Insurance recovery	159,016	30,860	12,483	50,236	252,595
Reimbursements - Public Works	475,353	-	-	-	475,353
Reimbursements - Planning	36,684	-	-	-	36,684
Reimbursements - Public Safety	32,442	-	-	-	32,442
Staff uniforms	-	-	-	5,995	5,995
Other	73,628	-	52	31,165	104,845
	<u>\$ 1,440,646</u>	<u>\$ 30,860</u>	<u>\$ 12,569</u>	<u>\$ 403,843</u>	<u>\$ 1,887,918</u>

16. Operating, Building and Vehicle Leases

Operating Leases

The City currently has various lease agreements for copiers, fax machines, golf carts, and police vehicles. These leases are accounted for as operating leases. The leases are generally for a 2, 3 or 5-year term and include month to month renewal options after the initial lease term. The following schedule reflects the operating lease obligations for governmental activities and business-type activities for the next three years. Lease expense for fiscal year 2020 reported in the Governmental Activities and the Business-type Activities was \$182,093 and \$13,412 respectively.

Years Ending September 30,	Governmental Activities	Business-Type Activities	Total
2021	\$ 156,743	\$ 9,952	\$ 166,695
2022	10,793	4,002	14,795
2023	1,620	540	2,160
Total	<u>\$ 169,156</u>	<u>\$ 14,494</u>	<u>\$ 183,650</u>

Building Leases

The City of Cape Coral has entered into a master lease agreement with the Cape Coral Charter School Authority for the operation of two elementary, one middle school, and one high school. The current lease expiration is June 30, 2021. The lease may continue to renew for additional five-year terms unless terminated by the parties not less than 180 days prior to the expiration of the then current term. The lease amount of all four leases shall be equal to the debt service and the cost of commercial general liability insurance on the building. For fiscal year 2020, the lease payments totaled \$3,315,167 which included \$3,192,288 for debt service and \$122,879 for insurance. The insurance cost for fiscal year 2021 is estimated to be \$148,903. The insurance cost for subsequent years is not available.

The Charter School Authority accounts for this lease as an operating lease. The following schedule shows the debt portion of the lease payments that will be received from the Charter School Authority.

Year Ending September 30,	Amount
2021	3,194,813
	<u>\$ 3,194,813</u>

The construction cost of the charter school buildings was \$50,464,201. The accumulated depreciation as of September 30, 2020 was \$17,488,536 for a net carrying amount of \$32,975,665.

The City has in place an Interlocal Agreement with Lee County Emergency Medical Services for portions of various City owned fire stations. The lease, as amended FY 2019, states a base rent of \$12.97 per square foot of space occupied by Lee County. The base rent shall increase by 2% per calendar year. The agreement also states an initial term of five years that shall automatically renew on an annual basis. Though either party may terminate this agreement, written notice must be given no less than one year prior to the expiration of the initial term or any renewal term then in effect. Annual revenue under the amended agreement for fiscal year 2020 was \$ 124,762. The following schedule shows the annual income that will be received from Lee County.

Year Ending September 30,	Amount
2021	132,304
2022	134,950
2023	137,649
2024	140,402
	<u>\$ 545,306</u>

Vehicle Leases

The amount of the lease is the sum of the debt service for the buses, including all debt service-related costs. For fiscal year 2020, the lease payments totaled \$159,693. The current lease expiration is September 30, 2021.

The following schedule shows the debt portion of the lease payments that will be received from the Charter School Authority.

Year Ending September 30,	Amount
<u>2021</u>	<u>66,830</u>
	<u>\$ 66,830</u>

NOTE V. OTHER INFORMATION

1. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has two internal service funds (Risk Management Funds): the workers compensation insurance fund and the property and casualty insurance fund to account for and finance its uninsured risks of loss. Under this program, the funds provide coverage for up to a maximum of \$350,000 for each worker's compensation claim, \$100,000 for each general liability claim, and \$25,000 for each property damage claim. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in this fiscal year, nor has it had any settlements in excess of insurance coverage in the past three years.

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

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

The claims liabilities reported in the worker's compensation fund, property and casualty insurance fund, and self-funded health insurance fund at September 30, 2020 are based on requirements of Governmental Accounting Standards Board Statement No. 30, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be estimated. This includes claims that have been incurred but not reported (IBNR) and allocated loss adjustment expenses.

Changes in the funds' claims liability amount in fiscal years 2018, 2019 and 2020 were:

	Beginning-of-Fiscal-Year Claims Liability	Current-Year Claims and Changes in Estimates	Claims Payments	End-of-Fiscal Year Claims Liability
Workers Compensation				
2019 - 2020	\$ 5,730,656	\$ 830,934	\$ (1,258,511)	\$ 5,303,079
2018 - 2019	6,311,510	1,612,061	(2,192,915)	5,730,656
2017 - 2018	6,226,000	1,879,577	(1,794,067)	6,311,510
Property and Casualty				
2019 - 2020	\$ 2,735,723	\$ 1,810,881	\$ (523,245)	\$ 4,023,359
2018 - 2019	1,538,618	1,662,494	(465,389)	2,735,723
2017 - 2018	1,457,000	751,145	(669,527)	1,538,618
Self-funded Health Insurance				
2019 - 2020	\$ 1,404,557	\$ 19,845,939	\$ (20,055,503)	\$ 1,194,993
2018 - 2019	1,703,140	15,241,941	(15,540,524)	1,404,557
2017 - 2018	1,078,196	18,028,857	(17,403,913)	1,703,140

2. Chiquita Boat Lock-South Spreader Waterway

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

The City has received \$87,907 to date as of September 30, 2020. The monies in the account are held by the state on a first come, first served basis. In the future, the City may define a project that would be eligible for reimbursement from these funds. However, the funds held by the state may be depleted at that time.

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

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

3. Pension Plans

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

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

Assets are held separately and may be used only for the payment of benefits to the members of the respective plans. Each plan's financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee

contributions are due and a formal commitment has been made by the employer. Benefits and refunds are recognized when due and payable in accordance to the terms of each plan. The plans issue financial reports that include financial statements and required supplementary information. The reports may be obtained from the City of Cape Coral.

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

	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	Restoration General Employees'	Total
Net pension liability	\$ 82,537,523	\$ 36,019,109	\$ 48,686,583	\$ -	\$ 167,243,215
Total pension liability	-	-	-	3,736,313	3,736,313
Deferred outflows of resources related to pensions	24,797,187	16,495,707	20,367,272	-	61,660,166
Deferred inflows of resources related to pensions	-	1,603,272	2,497,617	-	4,100,889
Pension expense	24,943,536	10,544,897	11,673,221	3,736,313	50,897,967

Remainder of page intentionally left blank

City of Cape Coral, Florida

COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2020

	Pension Trust Funds			Total Pension Trust Funds
	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	
ASSETS				
Cash and cash equivalents	\$ 5,814,426	\$ 2,362,998	\$ 3,608,259	\$ 11,785,683
Receivables:				
Member contributions	187,552	-	8,311	195,863
Employer contributions	314,986	179,537	-	494,523
Due from brokers	321,609	448,437	828,504	1,598,550
Additions city contributions	487,138	-	-	487,138
Investment receivable	141,783	184,283	233,189	559,255
Total receivables	1,453,068	812,257	1,070,004	3,335,329
Investments, at fair value:				
Certificates of deposit	-	1,394,079	1,864,309	3,258,388
US Government Obligations and				
Federal Agency Guaranteed Securities	-	13,131,635	14,481,498	27,613,133
Mortgage Backed Securities	-	3,328,902	4,558,284	7,887,186
Collateralized Mortgage Obligations	-	3,067,586	3,222,755	6,290,341
Corporate Bonds	-	18,140,249	21,707,691	39,847,940
Foreign Bonds	-	844,002	862,159	1,706,161
Stocks	51,091,363	-	39,062,247	90,153,610
Mutual and ETF funds				
Equity	-	96,560,589	37,101,836	133,662,425
Balanced	-	19,278,449	9,731,194	29,009,643
Pooled/common/commingled funds				
Fixed income	64,861,865	-	-	64,861,865
Equity	81,842,708	21,388,455	39,137,978	142,369,141
Private Equity	10,096,370	-	-	10,096,370
Real Estate	29,111,411	20,035,882	24,441,703	73,588,996
Infrastructure	-	-	9,187,682	9,187,682
Partnerships	97,384,274	-	-	97,384,274
Total investments	334,387,991	197,169,828	205,359,336	736,917,155
Total assets	341,655,485	200,345,083	210,037,599	752,038,167
LIABILITIES				
Accounts payable	370,003	83,157	173,554	626,714
Due to broker for securities purchased	324,982	1,087,270	1,120,064	2,532,316
Prepaid contributions	-	8,071	-	8,071
Total liabilities	694,985	1,178,498	1,293,618	3,167,101
NET POSITION RESTRICTED FOR PENSIONS	\$ 340,960,500	\$ 199,166,585	\$ 208,743,981	\$ 748,871,066

City of Cape Coral, Florida

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2020

	Pension Trust Funds			Total Pension Trust Funds
	Municipal General Employees'	Municipal Police Officers'	Municipal Firefighters'	
ADDITIONS				
Contributions:				
Employer	\$ 18,959,393	\$ 7,349,653	\$ 9,833,400	\$ 36,142,446
Plan members	5,288,866	2,022,338	1,781,178	9,092,382
Member buybacks	649,586	-	29,976	679,562
State of Florida	-	1,639,195	1,646,987	3,286,182
Total contributions	24,897,845	11,011,186	13,291,541	49,200,572
Investment income (expense):				
Investment income	4,720,498	4,616,216	3,805,649	13,142,363
Net appreciation (depreciation) in fair value of investments	18,951,552	9,956,017	10,748,754	39,656,323
Less: investment expenses	(881,382)	(644,280)	(555,194)	(2,080,856)
Net Investment Income (Loss)	22,790,668	13,927,953	13,999,209	50,717,830
Total additions	47,688,513	24,939,139	27,290,750	99,918,402
DEDUCTIONS				
Benefits and refunds	18,156,986	8,532,822	11,303,750	37,993,558
Administrative expenses	308,498	114,403	140,915	563,816
Total deductions	18,465,484	8,647,225	11,444,665	38,557,374
Net increase in net position	29,223,029	16,291,914	15,846,085	61,361,028
Net position - beginning	311,737,471	182,874,671	192,897,896	687,510,038
Net position - ending	\$ 340,960,500	\$ 199,166,585	\$ 208,743,981	\$ 748,871,066

(A) Defined Benefit Plans

(1) Municipal General Employees' Pension Plan

At October 1, 2019, the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	759
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	165
Active Plan Members	<u>847</u>
Total	<u><u>1,771</u></u>

Plan Description – General Employees' Pension Plan

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

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

Benefits Provided - General Employees' Pension Plan

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

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

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

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

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

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

within five years of the normal retirement date and have at least 15 years of credited service as of October 1, 2013, the maximum benefit is exclusive of the COLA increase.

Normal retirement age – normal retirement age is defined as:

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

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

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

Vesting – General Employees' Pension Plan

Members are fully vested in their contributions.

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

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

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

Deferred Retirement Option Plan (Drop)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employee's for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment or the end of the DROP period, the member will begin receiving the monthly retirement benefit, and within 120 months of termination of employment the member will receive the account balance in a lump sum or in another optional form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2020, the Plan had 102 active members enrolled in DROP, and the total amount of accrued benefits was \$21,085,360.

Investments – General Employees' Pension Plan

Rate of Return: For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.27%.

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

Contributions and Funding

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

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

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

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

	9/30/2020
Total pension liability	\$ 423,498,023
Plan fiduciary net position	(340,960,500)
Net pension liability	<u>\$ 82,537,523</u>
Net position as a percentage of the total pension liability	<u>80.51%</u>

Actuarial Assumptions - General Employees' Pension Plan

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

Inflation	2.00%
Salary Increases	Service based
Discount Rate	7.15%
Investment Rate of Return	7.15%

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

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

Mortality Rate Healthy Retiree Lives:

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

Mortality Rate Beneficiary Lives:

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

Mortality Rate Disabled Lives:

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

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

The actuarial assumptions used in the October 1, 2019 valuation were based on the results of an actuarial experience study dated September 27, 2017.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2020 the inflation rate assumption of the investment advisor was 2.00%.

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, 2020 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
U.S. Equities	6.15%
Developed Non-US Equities	6.78%
Emerging Market Equities	8.65%
US Core Fixed Income	1.11%
Hedge Fund of Funds	3.19%
Multi Asset Class Solutions (MACS)	4.47%
Real Estate	4.33%
Private Equity	9.99%
Infrastructure	5.53%
Farmland	6.06%

Discount Rate - General Employees' Pension Plan

The discount rate used to measure the total pension liability was changed from 7.40% at the beginning of the measurement period to 7.15%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net pension liability	<u>\$ 134,674,338</u>	<u>\$ 82,537,523</u>	<u>\$ 39,577,176</u>

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019	\$ 386,645,243	\$ 311,737,471	\$ 74,907,772
Changes for the year:			
Service cost	9,702,591	-	9,702,591
Interest	28,657,931	-	28,657,931
Differences between expected and actual experience	5,174,809	-	5,174,809
Changes of assumptions	10,824,849	-	10,824,849
Contributions - Employer	-	18,959,393	(18,959,393)
Contributions - Employee	-	5,288,866	(5,288,866)
Contributions - Buy Back	649,586	649,586	-
Net Investment Income	-	22,790,668	(22,790,668)
Benefit payments, including refunds of member contribution	(18,156,986)	(18,156,986)	-
Administrative Expense	-	(308,498)	308,498
Net changes	36,852,780	29,223,029	7,629,751
Balances at September 30, 2020	\$ 423,498,023	\$ 340,960,500	\$ 82,537,523

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

For the year ended September 30, 2020, the City recognized pension expense of \$24,943,536. On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,450,512	\$ -
Changes in assumptions	13,366,762	-
Difference between projected and actual earnings on investments	5,979,913	-
Total	\$ 24,797,187	\$ -

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

Year ended September 30,	
2021	8,987,350
2022	9,436,917
2023	6,269,735
2024	103,185

(2) Municipal Police Officers' Pension Plan

At October 1, 2019 the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	145
Inactive Plan Members Entitled to but Not Yet	
Receiving Benefits	38
Active Plan Members	219
Total	<u>402</u>

Plan Description – Police Officers' Pension Plan

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

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

Benefits Provided - Police Officers' Pension Plan

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

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

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

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

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

Normal Retirement Age - normal retirement age is defined as:

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

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

Death and Disability - Upon the death of a vested member prior to normal retirement, the beneficiary will receive the member's monthly accrued benefit for 10 years certain and life, thereafter, beginning at the

member's normal retirement date. Upon the death of a non-vested member prior to retirement, the beneficiary will receive the member's accumulated contributions in lieu of any other benefits payable under the Plan.

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

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

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

Vesting

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

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

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment at the end of the DROP period, the member will be receiving the monthly benefit, and within 120 months of termination, will receive the account balance in a lump sum or in another option form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 20, 2020, the Plan had 31 active members enrolled in DROP, and the total amount of accrued benefits was \$17,042,765.

Investments – Police Officers' Pension Plan

Rate of Return: For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.62%.

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

Contributions - Police Officers' Pension Plan

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

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

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

	9/30/2020
Total pension liability	<u>\$ 235,185,694</u>
Plan fiduciary net position	<u>(199,166,585)</u>
Net pension liability	<u>\$ 36,019,109</u>
Net position as a percentage of the total pension liability	84.68%

Actuarial Assumptions – Police Officers' Pension Plan

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

- Inflation 2.25%
- Salary Increases 6.00% - 10.00%
- Discount Rate 7.25%
- Investment Rate of Return 7.25%

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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

- The actuarial assumptions used in the October 1, 2019 valuation were based on the results of an actuarial experience study dated November 25, 2019.
- The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. For 2020 the inflation rate assumption of the investment advisor was 2.16%. 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, 2020 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
US Large Cap Equity	4.90%
US Small / Mid Cap Equity	5.40%
International Equity	5.32%
U.S. Direct Real Estate	4.43%
Absolute Return	3.55%
US Aggregate Bond	0.75%

- The discount rate used to measure the total pension liability was changed from 7.50% at the beginning of the measurement period to 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension liability	<u>\$ 65,974,299</u>	<u>\$ 36,019,109</u>	<u>\$ 11,609,554</u>

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019	\$ 215,417,694	\$ 182,874,671	\$ 32,543,023
Changes for the year:			
Service cost	5,375,282	-	5,375,282
Interest	16,239,285	-	16,239,285
Change in Excess State Money	-	-	-
Share Plan Allocation	394,476	-	394,476
Changes in Benefit Terms	-	-	-
Differences between expected and actual experience	2,196,396	-	2,196,396
Changes of assumptions	4,072,864	-	4,072,864
Contributions - Employer	-	7,349,653	(7,349,653)
Contributions - State	-	1,639,195	(1,639,195)
Contributions - Employee	-	1,994,280	(1,994,280)
Contributions - Buy Back	28,058	28,058	-
Net Investment Income	-	13,927,953	(13,927,953)
Benefit payments, including refunds of member contributions	(8,538,361)	(8,532,822)	(5,539)
Administrative Expense	-	(114,403)	114,403
Net changes	19,768,000	16,291,914	3,476,086
Balances at September 30, 2020	\$ 235,185,694	\$ 199,166,585	\$ 36,019,109

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

For the year ended September 30, 2020, the City recognized pension expense of \$10,544,897. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,501,554.00	\$ 1,603,272.00
Changes in Assumptions	7,622,580	-
Difference between projected and actual earnings on investment	4,371,573	-
Total	\$ 16,495,707.00	\$ 1,603,272.00

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

Year ended September 30,	
2021	4,807,441
2022	4,705,079
2023	4,150,593
2024	1,229,322

(3) Municipal Firefighters' Pension Plan

At October 1, 2019 the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	147
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	11
Active Plan Members	192
Total	<u>350</u>

Plan Description – Firefighters' Pension Plan

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

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

Benefits Provided - Firefighters' Pension Plan

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

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

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

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

Payment options – the Plan offers a variety of payment options including the following: partial lump sum payouts, 10 certain and year life annuities, joint and survivor annuities, and social security options. For members who have not reached normal retire age as of June 16, 2014, the maximum benefit is capped at \$95,000 per year, exclusive of any cost of living increases.

Normal retirement age – normal retirement ages is defined as:

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

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

Death and disability - Upon the death of a vested member prior to retirement, the beneficiary will receive the member's monthly accrued benefit for life with 10 years certain beginning on the member's early or

normal retirement date. Upon the death of a non-vested member prior to retirement, the beneficiary will receive the member's accumulated contributions in lieu of any other benefits payable under the Plan. Active members who become totally and permanently disabled in the line of duty shall receive a normal retirement benefit with the minimum benefit equal to 66.67% of average final compensation. Any member who becomes totally and permanently disabled while not in the line of duty, shall receive a normal retirement benefit, based upon years of credited service as follows:

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

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

Vesting

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

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

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. Payment shall be made from the DROP account within 120 months after termination of employment. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2020, the Plan had 18 active members enrolled in DROP, and the total amount of accrued benefits was \$19,765,001.

Investments – Firefighters' Pension Plan

Rate of Return: For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investments expense, was 7.26%.

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

Contributions – Firefighters’ Pension Plan

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

Net Pension Liability of the City - Firefighters’ Pension Plan

The City’s net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

	9/30/2020
Total pension liability	\$ 257,430,564
Plan fiduciary net position	(208,743,981)
Net pension liability	<u>\$ 48,686,583</u>
Net position as a percentage of the total pension liability	<u>81.09%</u>

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

- Inflation 2.25%
- Salary Increases 7.50%
- Investment Rate of Return 7.25%
- Mortality rates were based on the PubS.H-2010 for Employees, set forward one year except male beneficiary lives set back one year. Disabled lives are 80% PubG.H-2010 and 20% PubS.H-2010.
- The actuarial assumptions used in the October 1, 2019 valuation were based on the results of an actuarial experience study used to review the other significant assumptions; the experience study was dated November 30, 2017.
- The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, Net of Pension Plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan’s target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
US Large Cap Stocks	4.90%
US Small / Mid Cap Stocks	5.40%
International Equity	4.32%
U.S. Direct Real Estate	4.43%
Absolute Return	3.55%
US Aggregate Bond	0.75%

- The discount rate used to measure the total pension liability was 7.25% and did not change from the previous period. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary

net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension liability	<u>\$ 83,135,429</u>	<u>\$ 48,686,583</u>	<u>\$ 20,827,939</u>

Changes in the Net Pension Liability – Firefighters' Pension Plan

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2019	\$ 241,053,060	\$ 192,897,896	\$ 48,155,164
Changes for the year:			
Service cost	5,758,437	-	5,758,437
Interest	17,469,387	-	17,469,387
Change In Excess State Money	166,023	-	166,023
Differences between expected and actual experience	(1,111,697)	-	(1,111,697)
Contributions - Employer	-	9,833,400	(9,833,400)
Contributions - State	-	1,646,987	(1,646,987)
Contributions - Employee	-	1,781,178	(1,781,178)
Contributions - Buy back	29,976	29,976	-
Net Investment Income	-	13,999,209	(13,999,209)
Benefit payments, including refunds of member contributions	(11,303,750)	(11,303,750)	-
Administrative Expense	-	(140,915)	140,915
Changes of assumptions	5,369,128	-	5,369,128
Other changes	-	-	-
Net changes	<u>16,377,504</u>	<u>15,846,085</u>	<u>531,419</u>
Balances at September 30, 2020	<u>\$ 257,430,564</u>	<u>\$ 208,743,981</u>	<u>\$ 48,686,583</u>

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

For the year ended September 30, 2020, the City recognized pension expense of \$11,673,221. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,307,081	\$ 996,384
Changes in assumptions	14,867,392	1,501,233
Difference between projected and actual earnings on investments	4,192,799	-
Total	<u>\$ 20,367,272</u>	<u>\$ 2,497,617</u>

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

Year ended September 30,	
2021	4,299,200
2022	4,062,153
2023	3,904,353
2024	2,517,542
2025	2,478,203
thereafter	608,204

(4) Restoration General Employees' Pension Plan

At October 1, 2019, the Plan's membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	759
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	165
Active Plan Members	<u>847</u>
Total	<u><u>1,771</u></u>

Plan Description – Restoration General Employees' Pension Plan

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

Benefits Provided – Restoration General Employees' Pension Plan

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

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

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

There are no assets available in the "Qualified Plan" to offset the Total Pension Liability.

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

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

Actuarial Assumptions – Restoration General Employees’ Pension Plan

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

Inflation	2.00%
Salary Increases	Service based
Discount Rate	2.14%

Administrative Expenses - \$15,000 annually.

Discount Rate – 2.14% per year, determined annually based on the rate published in the S&P Municipal Bond 20 Year High Grade Index based on the weekly rate closest to but no later than the measurement date.

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

Asset Valuation Method – Market Value of Assets. The plan is not prefunded.

Section 415 Limit - \$230,000 per year for someone beginning to receive benefits at age 62, in 2020 as a life annuity. This amount is indexed with assumed inflation at 2% per year.

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

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

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

The following presents the total pension liability of the City, calculated using the discount rate of 2.14%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 1.14%	Current Discount Rate 2.14%	1% Increase 3.14%
Net pension liability	<u>\$ 4,866,438</u>	<u>\$ 3,736,313</u>	<u>\$ 2,920,171</u>

Pension Expense– Restoration General Employees’ Pension Plan

For the year ended September 30, 2020, the City recognized pension expense of \$3,736,313.

(B) Defined Contribution Plan

(1) General Employees Defined Contribution Pension Plan

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

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

Normal retirement is age 55 (not to exceed age 65). The adoption agreement has the following provisions: immediate 100% vesting, requires contributions equal to 8% of earnings from the employee and contributions of 12% of earnings from the employer. During FY2020, the City contributed \$220,596 and the employees contributed \$146,579.

4. Other Postemployment Benefits (OPEB)

Plan Description – City of Cape Coral OPEB Plan

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

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

Health-Related Benefits

All retiring employees of the City may continue their participation in the group health insurance plan sponsored by the City and may choose among the same medical plan options available for active employees of the City, as required by State law, but may be subject to a premium payment depending on their date of employment with the City. Dependents of retirees may be covered at the retirees’ option the same as dependents of active employees, subject to premium payment. Prescription Drug coverage is automatically included in all the medical plan options. Covered retirees and their dependents are subject to all the same medical and prescription benefits and rules for coverage as are active employees. Retirees who are Medicare eligible must enroll for Parts A and B under Medicare to remain covered under the program. All medical coverage is secondary to Medicare for retirees and dependents who are Medicare eligible and enrolled. In addition, all current and future retirees hired before the applicable “Break Date” who are or become eligible for Medicare benefits and who remain on the City’s medical and prescription

program will receive a cash stipend equal to the Medicare Part B premium. The City does not pay a Medicare Part B subsidy for any employees hired after September 30, 2003.

Survivorship Benefits

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

Life Insurance Benefits

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

Retiree Contributions for Medical and Prescription Benefits

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

Participant Data

At October 1, 2019 the following employees were covered by the benefit terms:

Retirees (Medical and/or Life Insurance)	759
Inactive employees entitled to, but not yet receiving	-
Active plan members	1,433
Total	<u>2,192</u>

Total OPEB Liability

	Total OPEB Liability
Balance as of September 30, 2018 for FYE 2019	<u>\$ 277,821,229</u>
Changes:	
Service cost	7,695,292
Interest	10,458,834
Experience Losses/(Gains)	(46,888,614)
Changes in assumptions	66,958,465
Benefit payments	(10,246,178)
Net Changes	<u>27,977,799</u>
Balance as of September 30, 2019 for FYE 2020	<u><u>\$ 305,799,028</u></u>

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

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

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	<u>\$ 357,833,242</u>	<u>\$ 305,799,028</u>	<u>\$ 264,837,508</u>

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

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

	1% Decrease 3.00%	Healthcare Cost Trend Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	<u>\$ 272,147,598</u>	<u>\$ 305,799,028</u>	<u>\$ 347,839,895</u>

Deferred Inflows/Outflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$16,938,299. In addition, the City has deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 37,510,891
Changes of assumptions	53,566,772	17,901,560
Benefit payments subsequent to measurement date	10,812,768	
	<u>\$ 64,379,540</u>	<u>\$ 55,412,451</u>

As of September 30, 2020, \$10,812,768 included in the current portion of the OPEB payable will be amortized to expense in FY21. Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2021	(1,215,827)
2022	(1,215,827)
2023	(1,215,828)
2024	1,801,803
Total	<u>\$ (1,845,679)</u>

Actuarial Methods and Assumptions

Cost Method	Entry Age Normal
Salary Increases	2.40%
Discount Rate*	2.75% (20-year municipal GO AA index)
Healthcare Cost Trend Rate	4.00%

*Prior year discount rate was 3.83%

The total OPEB liability at September 30, 2020 was based on October 1, 2019 valuation data using the following actuarial assumptions:

Medical Trend Assumptions

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

Trends used in projecting Part B premiums through year 2025 are based on current law forecasts represented in the 2016 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds dated June 22, 2016. After 2025 the assumed Part B premium trend rates are the same as rates used for medical costs and contributions inflation.

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

5. Contingencies

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

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

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

6. Subsequent Event

State Revolving Fund Loan Agreement #DW103130 (North 2 Drinking Water) was awarded an additional \$17.9 million in November 2020 in amendment #4. Principal and interest are payable semiannually at rates of 0.30% excluding capitalized interest.

State Revolving Fund Loan Agreement #CW103120 (North 2 Drinking Water) was awarded an additional \$12 million in November 2020 in amendment #3. Principal and interest are payable semiannually at rates of 0.00% excluding capitalized interest.

The issuance of the Water & Sewer Revenue Bond, Series 2020 closed on 12/16/2020 for \$10.6M to fund the preliminary costs of engineering and design of the North 1 utilities extension project. The loan will be secured by the net water & sewer system revenues. The interest rate is 0.764% and matures 12/01/2023. This loan will be refunded into a bond in FY2023 with the construction costs to complete the North 1 utilities extension project.

During FY 2020, the Coronavirus (COVID-19) affected global markets, supply chains, businesses, and our communities. Specific to the City, COVID-19 may impact various parts of its 2021 operations and financial results. The full impact of COVID-19 is unknown and cannot be reasonably estimated.

Remainder of page intentionally left blank

Required
Supplementary
Information

City of Cape Coral, Florida

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 97,143,199	\$ 97,143,199	\$ 97,354,823	\$ 211,624
Utility	7,532,158	7,532,158	8,283,000	750,842
Sales	21,695,498	16,536,154	20,040,384	3,504,230
Fuel	1,832,188	1,207,995	1,511,540	303,545
Alcohol and beverage	26,480	26,480	82,980	56,500
Franchise	6,853,846	6,853,846	7,199,932	346,086
Communication	5,130,000	4,528,518	4,892,611	364,093
Special assessments	25,020,014	25,020,014	26,054,140	1,034,126
Licenses and permits	915,864	865,864	1,060,355	194,491
Intergovernmental	3,550,934	7,037,061	6,376,998	(660,063)
Charges for services	10,268,830	10,700,513	12,252,095	1,551,582
Fines and forfeitures	466,913	466,913	681,846	214,933
Rent and royalties	429,073	429,073	553,677	124,604
Interest income	883,923	883,923	2,212,049	1,328,126
Contributions and donations	-	17,118	17,864	746
Other revenue	1,629,568	1,594,703	3,661,322	2,066,619
Cash balances brought forward	42,732,996	65,199,844	-	(65,199,844)
Total revenues	226,111,484	246,043,376	192,235,616	(53,807,760)
EXPENDITURES				
Current:				
General government	60,766,819	62,255,442	55,353,203	6,902,239
Public Safety:				
Police	41,378,068	43,877,230	43,324,830	552,400
Fire	32,595,503	34,063,806	32,960,020	1,103,786
Other	5,487,816	5,487,816	-	5,487,816
Public works	15,407,205	15,471,372	11,781,363	3,690,009
Parks and recreation	7,318,093	6,587,893	6,539,622	48,271
Community development	217,000	217,000	4,946,865	(4,729,865)
Capital outlay	6,114,803	8,271,158	6,847,817	1,423,341
Total expenditures	169,285,307	176,231,717	161,753,720	14,477,997
Excess (deficiency) of revenues over (under) expenditures	56,826,177	69,811,659	30,481,896	(39,329,763)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,161,447	7,269,708	7,401,271	131,563
Transfers out	(19,419,287)	(25,842,293)	(21,993,545)	3,848,748
Reserves	(44,568,337)	(51,260,074)	-	51,260,074
Total other financing sources (uses)	(56,826,177)	(69,832,659)	(14,592,274)	55,240,385
Net change in fund balance	-	(21,000)	15,889,622	15,910,622
Budgetary fund balance - beginning	71,303,221	71,303,221	71,303,221	-
Budgetary fund balance - ending	\$ 71,303,221	\$ 71,282,221	\$ 87,192,843	\$ 15,910,622

City of Cape Coral, Florida

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2020

Explanation of differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

Actual revenue amounts (budgetary basis)	\$ 192,235,616
The net proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(2,220,676)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>\$ 190,014,940</u></u>
Actual other financing sources (uses) (budgetary basis)	\$ (14,592,274)
The net proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>2,220,676</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u><u>\$ (12,371,598)</u></u>

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

City of Cape Coral, Florida

BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,149,862	\$ 1,149,862	\$ 1,183,871	\$ 34,009
Interest income	3,200	3,200	31,601	28,401
Other revenue	-	-	12,569	12,569
Total revenues	<u>1,153,062</u>	<u>1,153,062</u>	<u>1,228,041</u>	<u>74,979</u>
EXPENDITURES				
Community development	<u>1,304,897</u>	<u>1,304,897</u>	<u>653,122</u>	<u>651,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,835)</u>	<u>(151,835)</u>	<u>574,919</u>	<u>726,754</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,961,522	1,961,522	1,972,825	11,303
Transfers out	<u>(1,809,687)</u>	<u>(1,809,687)</u>	<u>(1,801,880)</u>	<u>7,807</u>
Total other financing sources (uses)	<u>151,835</u>	<u>151,835</u>	<u>170,945</u>	<u>19,110</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>745,864</u>	<u>\$ 745,864</u>
Fund balances - beginning			<u>387,234</u>	
Fund balances - ending			<u>\$ 1,133,098</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – BUDGET COMPARISONS

September 30, 2020

Budgetary Basis

The City adopts an annual appropriated budget for the General Fund, the following Special Revenue Funds: gas tax, road impact fee, public safety impact fee, do the right thing, police confiscation-federal, police confiscation-state, criminal justice education, seawalls, park recreational facilities impact fee, community redevelopment agency (CRA), City Centrum business park, all hazards, alarm fee, Del Prado Mall parking lot, lot mowing, parks and recreation programs, waterpark, golf course, building, Community Development Block Grant, HUD Neighborhood Stabilization, local housing assistance, Residential Construction Mitigation Program, and debt service. Capital projects are budgeted over the length of the project except for the Disaster Improvement Fund. The budget to actual comparison for the general fund is presented on pages 113-114 of the required supplementary information. The budget to actual comparison for the community redevelopment agency (CRA) is presented on page 115 of the required supplementary information and other governmental funds are presented on pages 138-163 of the combining statements.

Budgetary Information

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

1. During July, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. On or before September 30 the budget is legally enacted by City Council through passage of an ordinance as required by City Charter, and an ordinance for setting the millage is passed as required by the State of Florida.
4. The City Manager can authorize changes within a fund. However, any other revisions require approval of the City Council. Various supplemental appropriations were approved by the Council during the fiscal year ended September 30, 2020.
5. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except for the reporting of encumbrances, capital leases, insurance damage claims, and the sale of capital assets. Estimated cash balances from previous fiscal years that are available to support the annual operating budget are included in the adopted budget reflected as Balances Forward. Consistent with guidance by the State of Florida, the use of reserves is reported as expenditures in the budget. Annual appropriated budgets are adopted for the general, certain special revenue, and the debt service fund. Project-length financial plans and budgets are adopted for the capital projects funds except for the Hurricane Charley Disaster Improvement Fund.
6. Expenditures may not legally exceed appropriations at the fund level.
7. Beginning with the first amendment for the 2008 fiscal year, all available cash (not including capital projects) is now included within the budget. This has the affect of causing the budget to be greater than would have been the case in prior years even though expenditures may be less.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL GENERAL EMPLOYEES
 Last 8 Fiscal Years

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

Notes to Schedule:

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

² *Changes of Assumptions:*

For measurement date 9/30/2020:

- The investment rate of return was lowered from 7.40% to 7.15% per year compounded annually, net of investment related expenses.

For measurement date 9/30/2017:

- As the result of an Experience Study dated September 27, 2017, the Board made changes to the following assumptions with this valuation of the Plan:

- Salary Increases
- Mortality Rates
- Disability Rates
- Normal and Early Retirement Rates
- Withdrawal Rates
- Investment Return

Details of the above assumptions can be found in the Actuarial Assumptions and Methods section of the 10/01/2017 Valuation report.

Other items:

This information is required for 10 years. However, only 8 years of information is available.

SCHEDULE OF CONTRIBUTIONS
MUNICIPAL GENERAL EMPLOYEES
 Last 8 Fiscal Years

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

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

Notes to Schedule

Valuation Date: 10/01/18

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

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

Interest - half a year based on the current 7.40% assumption.

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

Mortality Rates:

The following assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The following rates are those outlined in Milliman's July 1, 2016 FRS valuation report for non-special risk lives. We feel this assumption sufficiently accommodates future mortality improvements.

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 50% Annuitant White Collar / 50% Combined Healthy, Blue Collar, Scale BB.

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 100% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: 100% RP2000 Disabled Male setback four years.

Disability Rates:

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

Payroll Increase:

1.14% per year for amortization of the UAAL.

Withdrawal:

Less than five years of Credited Service	
Age	Probability of Retirement
Less than 25	15.00%
25-34	12.00%
35-44	10.00%
45+	8.00%

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

Retirement:

Less than five years of Credited Service	
Age	Probability of Retirement
50-59	3.00%
60	50.00%
61-64	33.00%
65-66	50.00%
67+	100.00%

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

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

Salary Increases:

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

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

Asset Valuation Method:

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

SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL GENERAL EMPLOYEES
 Last 8 Fiscal Years

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

Other items:

This information is required for 10 years. However, only 8 years of information is available.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS'
 Last 8 Fiscal Years

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

Notes to Schedule:¹ The covered payroll numbers shown are in compliance with GASB 82.² *Changes of benefit terms:*

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

³ *Changes of assumptions:*

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

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

Other items:

This information is required for 10 years. However, only 8 years of information is available.

City of Cape Coral, Florida

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE EMPLOYEES**
Last 8 Fiscal Years

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

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

Notes to Schedule

Valuation Date: 10/01/18

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

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

Interest - 7.50% Per Year, Compounded Annually, Net of Investment Related Expenses.

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

Mortality Rate:

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB.

Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BE

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.

The assumed rates of mortality 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 July 1, 2016 FRS actuarial valuation report for special risk employees. We feel this assumption sufficiently accommodates future mortality improvements.

Normal Retirement:

% Retiring During the Year

>= 25 Years of Service

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

Early Retirement:

% Retiring During the Year

10-24 Years of Service

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

Disability Rates:

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

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

Interest Rate:

7.50% per year compounded annually, net of investment related expenses. This assumption is supported by the Plan's investment policy and long-term expected returns by asset class.

Asset Smoothing Methodology:

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

Termination Rates:

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

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

Salary Increases:

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

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

Final Year Salary Load:

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

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

Payroll Growth Assumption:

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

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

Fiscal Year Ended	Actuarially Determined Contribution
9/30/2020	7.62%
9/30/2019	2.69%
9/30/2018	7.10%
9/30/2017	12.59%
9/30/2016	8.47%
9/30/2015	10.00%
9/30/2014	9.77%
9/30/2013	14.48%

Other items:

This information is required for 10 years. However, only 8 years of information is available.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL FIREFIGHTERS'
Last 8 Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability								
Service Cost	\$ 5,758,437	\$ 4,820,864	\$ 4,578,362	\$ 4,266,311	\$ 4,009,132	\$ 4,102,490	\$ 3,832,937	\$ 3,552,305
Interest	17,469,387	16,655,584	15,851,720	15,178,381	13,798,633	12,898,695	12,184,828	11,567,933
Change in Excess State Money ²	166,023	131,691	70,874	-	-	-	(1,825,958)	-
Changes of Benefit Terms	-	(52,873)	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(1,111,697)	734,135	201,394	1,557,771	(260,997)	1,438,736	-	-
Changes of Assumptions ³	5,369,128	12,355,862	-	(3,502,874)	8,638,016	-	2,832,093	-
Contributions - Buy Back	29,976	163,001	83,609	-	179,583	33,685	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,303,750)	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)	(6,376,309)	(7,469,627)	(7,714,523)
Net Change in Total Pension Liability	16,377,504	24,079,319	10,585,252	9,566,359	19,204,400	12,097,297	9,554,273	7,405,715
Total Pension Liability - Beginning	241,053,060	216,973,741	206,388,489	196,822,130	177,617,730	165,520,433	155,966,160	148,560,445
Total Pension Liability - Ending (a)	257,430,564	241,053,060	216,973,741	206,388,489	196,822,130	177,617,730	165,520,433	155,966,160
Plan Fiduciary Net Position								
Contributions - Employer	\$ 9,833,400	\$ 10,249,919	\$ 10,095,728	\$ 8,759,719	\$ 8,424,472	\$ 7,706,894	\$ 6,047,404	\$ 7,365,990
Contributions - State	1,646,987	1,578,326	1,456,689	1,445,431	1,449,699	1,306,968	1,521,432	1,529,756
Contributions - Employee	1,781,178	1,655,650	1,523,514	1,450,606	1,292,651	1,338,752	1,315,620	1,241,892
Contributions - Buy Back	29,976	163,001	83,609	-	179,583	33,685	-	-
Net Investment Income	13,999,209	5,963,226	12,332,387	17,336,661	13,139,913	(460,924)	10,951,006	14,442,471
Benefit Payments, Including Refunds of Employee Contributions	(11,303,750)	(10,728,745)	(10,200,707)	(7,933,230)	(7,159,967)	(6,376,309)	(7,469,627)	(7,714,523)
Administrative Expenses	(140,915)	(130,419)	(145,017)	(161,973)	(152,949)	(164,111)	(103,859)	(84,490)
Net Change in Plan Fiduciary Net Position	15,846,085	8,750,958	15,146,203	20,897,214	17,173,402	3,384,955	12,261,976	16,781,096
Plan Fiduciary Net Position - Beginning	192,897,896	184,146,938	169,000,735	148,103,521	130,930,119	127,545,164	115,283,188	98,502,092
Plan Fiduciary Net Position - Ending (b)	\$ 208,743,981	\$ 192,897,896	\$ 184,146,938	\$ 169,000,735	\$ 148,103,521	\$ 130,930,119	\$ 127,545,164	\$ 115,283,188
Net Pension Liability - Ending (a) - (b)	\$ 48,686,583	\$ 48,155,164	\$ 32,826,803	\$ 37,387,754	\$ 48,718,609	\$ 46,687,611	\$ 37,975,269	\$ 40,682,972
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.09%	80.02%	84.87%	81.88%	75.25%	73.71%	77.06%	73.92%
Covered Payroll ¹	\$ 17,816,392	\$ 16,556,504	\$ 15,235,145	\$ 14,509,395	\$ 13,056,409	\$ 14,588,691	\$ 12,722,509	\$ 12,097,174
Net Pension Liability as a Percentage of Covered Payroll	273.27%	290.85%	215.47%	257.68%	373.14%	320.03%	298.49%	336.30%

Notes to Schedule:

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

² Changes in Excess State Money:

The Excess State Monies Reserve as of September 30, 2013 will be available to the City to offset the Fiscal 2014 contributions.

- For valuation dates on and after October 1, 2013 and until such time that the Retirement Plan reaches 80% funded (based on the ratio of the Actuarial Value of Assets to Actuarial Accrued Liability) all future State Monies in excess of the current \$1,314,942 frozen amount will be split as follows:
 - 50% will be available to defray the City's contribution requirement
 - 50% will go towards accelerating the pay down of the Unfunded Actuarial Accrued Liability (UAAL)

³ Changes in benefit terms:

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

⁴ Changes of Assumptions:

For measurement date 09/30/2019, the investment return was lowered from 7.75% to 7.70% per year compounded annually, net of investment expenses.

For measurement date 9/30/2017, amounts reported as changes of assumptions resulted from:

- As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation to the rates used in the July 2, 2016 actuarial valuation for special risk lives.
- The assumptions for termination, normal retirement, disability were updated in accordance with the experience study dated November 30, 2017.
- Termination rates were changed from an age-based table to a service-based table.
- Normal retirement rates were reduced for members with less than 25 years of credited service. Additionally, the assumption that members currently eligible for normal retirement would retire with 100% probability was removed.
- Disability rates were doubled at each age.

For measurement date 09/30/2014 amounts reported as changes of assumptions were resulted from the following changes:

To comply with Chapter 112 Florida Statutes the payroll growth was limited to the ten year average rate of 4.41% (prior valuation used a 5.00% rate).

- As decided by the Board at the August 2, 2012 meeting the interest rate would be decreased from 8.00% down to 7.75% over a three year period. As such, the interest rate was decreased from 7.90% to 7.75% for the 2014 valuation.

Other items:

This information is required for 10 years. However, only 8 years of information is available.

City of Cape Coral, Florida

**SCHEDULE OF CONTRIBUTIONS
MUNICIPAL FIRE EMPLOYEES
Last 8 Fiscal Years**

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions ²	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2020	\$ 11,254,948	\$ 11,314,365	\$ (59,417)	\$ 17,816,392	63.51%
2019	11,697,566	11,564,864	1,011	16,556,504	69.85%
2018	11,496,375	11,481,544	14,831	15,235,145	75.36%
2017	10,015,294	10,139,905	(124,611)	14,509,395	69.89%
2016	9,655,384	9,806,793	(151,409)	13,056,409	75.11%
2015	9,013,862	9,013,862	-	14,588,691	61.79%
2014	9,104,319	9,188,304	(83,985)	12,722,509	72.22%
2013	8,680,932	8,680,932	-	12,097,174	71.76%

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

² Including amounts from Excess State Money Reserve.

Notes to Schedule

Valuation Date: 10/01/18

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement:
Interest - half a year based on the 7.70% assumption.
Salary - a full year, based on the current 7.50% assumption.

Mortality: *Healthy Active Lives:*
Female: RP2000 Generational, 100% Combined Healthy White Color, Scale BB.
Male: RP2000. Generational, 10% Combined Healthy White Colors / 90% Combined Healthy Blue Collar, Scale BB.
Healthy Inactive Lives:
Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.
Male: RP2000 Generational, 10% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.
Disabled Lives:
Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale.
Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale.
The assumed rates of mortality were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumption use in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in the July 1, 2016 FRS actuarial valuation report. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate: 7.70% per year, compounded annually, net of investment related expenses. We will continue to monitor this assumption against the expected asset allocation and future returns by asset class.

Normal Retirement: For Members with less than 25 years of Credited Service: 40% for ages 50-51, 15% for ages 52-55, 25% for ages 56-59, and 100% for ages 60 and above. For Members with at least 25 years of Credited Service: 100%. The assumption is based on the experience study dated November 30, 2017.

Early Retirement: Commencing at eligibility for Early Retirement (age 40 with 10 years of service), Members are assumed to retire with an immediate benefit at the rate of 2.00% per year. This assumption is based on the experience study dated November 30, 2017.

Disability: See table below. It is assumed that 75% of Disability Retirements are service-related. This assumption is based on the experience study dated November 30, 2017.

Termination : 4.00% for Members with less than 5 years of Credited Service; 1.00% for Members with at least 5 years of Credited Service. The assumption is based on the experience study dated November 30, 2017.

Benefit Cap Index: 1.00% assumption each year beginning in 2018.

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

Salary Increases: 7.50% per year. We will continue to monitor this assumption to ensure it is in line with actual plan experience.

Final Year Salary Load:

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

Payroll Growth:

1.41% per year.

Disability Rate Table:

Age	% Becoming Disabled During the Year
20	0.102%
30	0.116%
40	0.242%
50	0.858%

SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL FIRE EMPLOYEES
Last 10 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution
9/30/2020	7.26%
9/30/2019	3.23%
9/30/2018	7.28%
9/30/2017	11.64%
9/30/2016	9.99%
9/30/2015	-0.36%
9/30/2014	9.48%
9/30/2013	14.44%

Other items:

This information is required for 10 years. However, only 8 years of information is available.

Remainder of page intentionally left blank

City of Cape Coral, Florida

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION RESTORATION
 Last Fiscal Year

	<u>2020</u>
Total Pension Liability	
Service Cost	\$ -
Interest	-
Changes of Benefit Terms	3,736,313
Differences Between Expected and Actual Experience	
Changes of Assumptions	-
Benefits Paid by Employer	<u>-</u>
Net Change in Total Pension Liability	3,736,313
Total Pension Liability - Beginning	<u>-</u>
Total Pension Liability - Ending	<u><u>3,736,313</u></u>
Covered Payroll	\$ 50,097,008
Net Pension Liability as a Percentage of Covered Payroll	7.46%

Notes to Schedule:

Plan became effective as of April 20, 2020.

There are no assets available in the "Qualified Plan" to offset the Total Pension Liability.

City of Cape Coral, Florida

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
Fiscal Year 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 7,695,292	\$ 8,055,888	\$ 8,600,831
Interest	10,458,834	9,731,792	8,916,244
Changes in assumptions	66,958,465	(13,273,023)	(18,105,757)
Experience Losses/(Gains)	(46,888,614)	-	-
Benefit payments	(10,246,178)	(9,489,255)	(8,472,549)
Net Changes	27,977,799	(4,974,598)	(9,061,231)
Total OPEB Liability, beginning	277,821,229	282,795,827	291,857,058
Total OPEB Liability, ending	<u>\$ 305,799,028</u>	<u>\$ 277,821,229</u>	<u>\$ 282,795,827</u>
Covered employee payroll	\$ 101,978,134	\$ 94,597,857	\$ 89,470,659
Total OPEB liability as a percentage of covered employee payroll	299.87%	293.69%	316.08%

Other items:

This information is required for 10 years, however, only 3 years of information is available as this policy was implemented beginning in Fiscal Year 2018.

Notes to Schedule:

Benefit changes: None

Changes of assumptions: The discount rate was changed as follows:

Discount Rate:
9/30/2018 3.50%
9/30/2019 3.83%
9/30/2020 2.75%

There are no assets accumulated or earmarked for a separate trust for retiree benefits.



Combining Statements & Schedules

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

- Gas Tax Fund – used to account for the Local Option (6¢) and New Local Option (5¢) Taxes which are used for construction of new roads, reconstruction or resurfacing of existing paved roads, and related items.
- Road Impact Fee Fund – used to account for the impact fees that are used to provide new roads.
- Public Safety Impact Fee Fund – used to account for Police Protection, Advanced Life Support, and Fire & Rescue impact fees which are used for the purchase of capital improvements consisting of land, buildings, vehicles, and equipment for police protection services, advanced life support program and fire public safety facilities.
- Do The Right Thing Fund – this program is sponsored by the Police Department and rewards the youth population in the community for “doing the right thing”. This fund was established to account for the program donations that are used to offset the operating expenses of the program to include prizes and rewards for the program recipients.
- Police Confiscation-Federal Fund – used to account for monies received from federal confiscation cases and used to purchase equipment for the Police Department.
- Police Confiscation-State Fund – used to account for monies received from the sale of confiscated items in nonfederal cases and used to purchase equipment for the Police Department. This also includes the Police Evidence Fund.
- Criminal Justice Education Fund – used to account for monies received from the assessment of mandatory court costs and used for criminal justice education and training.
- Seawalls Fund – used to account for the collection of special assessments after the construction of seawalls.
- Park Recreational Facilities Impact Fee Fund – used to account for impact fees which are used to provide recreational park facilities.
- City Centrum Business Park Fund – is used to account for monies collected from agencies that occupy the facilities.
- All Hazards Fund – used to account for monies collected by Lee County in the All Hazards Protection District for the funding of shelters, emergency preparedness, and hazardous material response programs.
- Alarm Fee Fund – is used to account for fees and fines collected by the City in connection with initial installation and false alarms thereafter.
- Del Prado Mall Parking Lot Fund – is used to account for collection of special assessments for the Del Prado Mall parking lot.
- Lot Mowing Fund – is used to account for the mowing of vacant unimproved property.
- Parks and Recreation Fund – is used to account for the recreational programs for individuals of various ages, skill levels, interests, social needs, and economic capabilities, that collectively enhance the overall quality of life within the City.
- Waterpark Fund –used to account for the operations of the City's Sun Splash Family Water Park and Aquatic Facility.
- Golf Course Fund – used to account for the operations of the year-round municipal golf facility which includes the clubhouse, greens, and restaurant operations.

- Building Fund – used to account for the activities of the building and permitting services of the Department of Community Development as related to the construction of buildings and related structures within the City of Cape Coral.
- Community Development Block Grant (CDBG) Fund – used to account for monies received from the U.S. Department of Housing and Urban Development for community development.
- HUD Neighborhood Stabilization Fund – used to account for monies received from the U.S. Department of Housing and Urban Development to provide targeted emergency assistance to the City to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within the community.
- State Housing Initiative Partnership (S.H.I.P.) Fund – used to account for monies received from the State Housing Initiatives Partnership Program to provide assistance to low and moderate income families for the purpose of obtaining affordable housing in the City.
- Residential Construction Mitigation Program Fund – used to account for monies received from the Florida Division of Emergency Management Residential Construction Mitigation Program (RCMP) to improve the wind resistance of residences.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- Disaster Improvement Fund – used to account for the clean-up from local disasters.
- Parks Capital Improvements Fund - used to account for the improvements at various parks.
- Other Capital Improvements Fund - used to account for the following projects:
 - Fire Station Construction – used to account for the design and construction of fire stations.
 - CRA Streetscape – used to account for an improved streetscape on S.E. 47th Terrace.
 - Public Works Capital Improvements Fund – used to account for the various capital improvements including the sign/stripping building replacement, project planning, and enhancements to the Chiquita boat lock and Ceitus boat lift.
 - Academic Village – used to account for the improvement of the academic village.
 - Computer System – used to account for enhancements and upgrades to various computer systems.



COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Special Revenue					
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Police Confiscation Federal	Police Confiscation State
ASSETS						
Cash and investments	\$ 16,697,313	\$ 18,411,484	\$ 12,930,034	\$ 23,820	\$ 166,541	\$ 467,984
Interest receivable	38,501	38,568	28,678	35	348	979
Accounts receivable, net	-	-	-	-	-	-
Assessments receivable, net	-	-	-	-	-	-
Intergovernmental receivable	1,493,381	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	<u>18,229,195</u>	<u>18,450,052</u>	<u>12,958,712</u>	<u>23,855</u>	<u>166,889</u>	<u>468,963</u>
LIABILITIES						
Accounts payable and other accrued liabilities	-	-	-	5,332	-	-
Accrued retainage	-	-	-	-	-	-
Accrued payroll	2,306	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Intergovernmental payables	-	-	-	-	-	31,614
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>2,306</u>	<u>-</u>	<u>-</u>	<u>5,332</u>	<u>-</u>	<u>31,614</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - grant reimbursements	-	-	-	-	-	-
Unavailable revenue - other	-	-	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	18,226,889	18,450,052	12,958,712	18,523	166,889	437,349
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>18,226,889</u>	<u>18,450,052</u>	<u>12,958,712</u>	<u>18,523</u>	<u>166,889</u>	<u>437,349</u>
Total liabilities and fund balances	<u>\$ 18,229,195</u>	<u>\$ 18,450,052</u>	<u>\$ 12,958,712</u>	<u>\$ 23,855</u>	<u>\$ 166,889</u>	<u>\$ 468,963</u>

Special Revenue							
Criminal Justice Education	Seawalls	Park Recreational Facilities Impact Fee	City Centrum Business Park	All Hazards	Alarm Fee	Del Prado Mall Parking Lot	Lot Mowing
\$ 53,406	\$ 258,224	\$ 2,283,751	\$ 6,563	\$ 1,367,794	\$ 5,724	\$ 148,896	\$ 3,944,831
112	540	4,766	-	3,124	-	312	18,521
-	-	-	-	-	20,666	-	59
-	-	-	-	-	-	-	12,455
1,718	-	-	-	129,894	-	27	25,303
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
55,236	258,764	2,288,517	6,563	1,500,812	26,390	149,235	4,001,169
-	-	-	1,830	9,847	238	2,871	454,850
-	-	-	-	-	-	-	12,273
-	-	-	-	14,396	5,488	-	16,862
-	-	-	-	-	3,315	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	968,336
-	-	-	1,830	24,243	9,041	2,871	1,452,321
-	-	-	-	-	-	-	-
-	-	-	-	540	-	-	-
-	-	-	-	540	-	-	-
-	-	-	-	-	-	-	-
55,236	258,764	2,288,517	-	1,476,029	-	-	-
-	-	-	4,733	-	17,349	146,364	2,548,848
-	-	-	-	-	-	-	-
55,236	258,764	2,288,517	4,733	1,476,029	17,349	146,364	2,548,848
\$ 55,236	\$ 258,764	\$ 2,288,517	\$ 6,563	\$ 1,500,812	\$ 26,390	\$ 149,235	\$ 4,001,169

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2020

	Special Revenue					
	Parks and Recreation	Waterpark	Golf Course	Building	Community Development Block Grant	HUD Neighborhood Stabilization
ASSETS						
Cash and investments	\$ 630,689	\$ 116,851	\$ 255,292	\$ 13,648,918	\$ 17	\$ -
Interest receivable	-	-	-	30,053	-	-
Accounts receivable, net	5,000	7,944	-	4,318	-	-
Assessments receivable, net	-	-	-	-	-	-
Intergovernmental receivable	84,585	-	-	-	1,132,803	272,561
Inventories	57,146	23,021	49,769	-	-	-
Prepaid items	2,920	-	-	-	-	-
Total assets	<u>780,340</u>	<u>147,816</u>	<u>305,061</u>	<u>13,683,289</u>	<u>1,132,820</u>	<u>272,561</u>
LIABILITIES						
Accounts payable and other accrued liabilities	189,020	57,653	110,424	29,612	96,172	1,653
Accrued retainage	-	-	-	-	-	-
Accrued payroll	198,651	42,143	47,503	188,098	13,880	-
Due to other funds	-	-	564,909	-	862,590	83,407
Deposits	121,708	7,745	200	766,111	-	-
Intergovernmental payables	39,197	-	-	50,509	-	-
Unearned revenue	30,359	-	86,611	1,200,666	-	-
Total liabilities	<u>578,935</u>	<u>107,541</u>	<u>809,647</u>	<u>2,234,996</u>	<u>972,642</u>	<u>85,060</u>
DEFERRED INFLOW OF RESOURCES						
Unavailable revenue - grant reimbursements	-	-	-	-	1,132,803	272,561
Unavailable revenue - other	-	6,944	-	4,318	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>6,944</u>	<u>-</u>	<u>4,318</u>	<u>1,132,803</u>	<u>272,561</u>
FUND BALANCES						
Nonspendable	60,066	23,021	49,769	-	-	-
Restricted	-	-	-	11,443,975	-	-
Committed	141,339	10,310	-	-	-	-
Unassigned	-	-	(554,355)	-	(972,625)	(85,060)
Total fund balances (deficit)	<u>201,405</u>	<u>33,331</u>	<u>(504,586)</u>	<u>11,443,975</u>	<u>(972,625)</u>	<u>(85,060)</u>
Total liabilities and fund balances	<u>\$ 780,340</u>	<u>\$ 147,816</u>	<u>\$ 305,061</u>	<u>\$ 13,683,289</u>	<u>\$ 1,132,820</u>	<u>\$ 272,561</u>

State Housing Initiative Partnership	Residential Construction Mitigation Program	Capital Projects			Total Nonmajor Governmental Funds
		Disaster Improvement	Parks Capital Improvements	Other Capital Improvements	
\$ 1,374,541	\$ -	\$ 115,094	\$ 5,086,951	\$ 9,976,196	\$ 87,970,914
-	-	-	-	567	165,104
-	-	-	-	-	37,987
-	-	-	-	-	12,455
-	-	-	-	-	3,140,272
-	-	-	-	-	129,936
-	-	-	-	-	2,920
1,374,541	-	115,094	5,086,951	9,976,763	91,459,588
50,716	-	-	324,245	1,191,136	2,525,599
-	-	-	-	257,760	270,033
-	-	-	-	-	529,327
-	568	-	-	-	1,514,789
-	-	-	-	-	895,764
-	-	-	-	-	121,320
-	-	-	-	-	2,285,972
50,716	568	-	324,245	1,448,896	8,142,804
-	-	-	-	-	1,405,364
-	-	-	-	-	11,802
-	-	-	-	-	1,417,166
-	-	-	-	-	132,856
1,323,825	-	-	4,574,842	-	71,679,602
-	-	115,094	187,864	8,527,867	11,699,768
-	(568)	-	-	-	(1,612,608)
1,323,825	(568)	115,094	4,762,706	8,527,867	81,899,618
\$ 1,374,541	\$ -	\$ 115,094	\$ 5,086,951	\$ 9,976,763	\$ 91,459,588

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Special Revenue					
	Gas Tax	Road Impact Fee	Public Safety Impact Fee	Do the Right Thing	Police Confiscation Federal	Police Confiscation State
REVENUES						
Taxes						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel	9,086,018	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	321,315	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	71,879
Impact fees	-	11,153,142	3,364,762	-	-	-
Interest income	297,741	328,193	244,117	434	2,979	8,679
Contributions and donations	-	-	-	15,165	-	-
Other revenue	-	-	-	19	-	-
Total revenues	<u>9,383,759</u>	<u>11,802,650</u>	<u>3,608,879</u>	<u>15,618</u>	<u>2,979</u>	<u>80,558</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety:						
Police	-	-	17,157	15,173	10,965	25,000
Fire	-	-	53,036	-	-	-
Building	-	-	-	-	-	-
Public works	35,144	102,849	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Capital outlay	-	-	77,272	-	-	-
Total expenditures	<u>35,144</u>	<u>102,849</u>	<u>147,465</u>	<u>15,173</u>	<u>10,965</u>	<u>25,000</u>
Excess revenues over (under) expenditures	<u>9,348,615</u>	<u>11,699,801</u>	<u>3,461,414</u>	<u>445</u>	<u>(7,986)</u>	<u>55,558</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(12,998,277)	(3,952,471)	(1,089,865)	-	-	(28,695)
Proceeds on sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	<u>(12,998,277)</u>	<u>(3,952,471)</u>	<u>(1,089,865)</u>	<u>-</u>	<u>-</u>	<u>(28,695)</u>
SPECIAL ITEMS						
Net change in fund balances	(3,649,662)	7,747,330	2,371,549	445	(7,986)	26,863
Fund balances (deficit) - beginning	21,876,551	10,702,722	10,587,163	18,078	174,875	410,486
Fund balances (deficit) - ending	<u>\$ 18,226,889</u>	<u>\$ 18,450,052</u>	<u>\$ 12,958,712</u>	<u>\$ 18,523</u>	<u>\$ 166,889</u>	<u>\$ 437,349</u>

Special Revenue							
Criminal Justice Education	Seawalls	Park Recreational Facilities Impact Fee	City Centrum Business Park	All Hazards	Alarm Fee	Del Prado Mall Parking Lot	Lot Mowing
\$ -	\$ -	\$ -	\$ -	\$ 932,413	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	22,414	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	81,583	-	3,740,803
19,804	-	-	-	-	-	12	22,465
-	-	3,445,350	-	-	-	-	-
957	4,683	41,513	8	29,191	1	2,828	162,376
-	-	-	-	-	-	-	-
-	-	-	190	-	27	1,876	27,803
20,761	4,683	3,486,863	198	961,604	81,611	27,130	3,953,447
-	-	-	97,465	-	-	-	-
-	-	-	-	-	93,310	-	-
-	-	-	-	627,820	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	21,448	2,847,160
-	-	35,873	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	57,323	-	-	-
-	-	35,873	97,465	685,143	93,310	21,448	2,847,160
20,761	4,683	3,450,990	(97,267)	276,461	(11,699)	5,682	1,106,287
-	-	-	102,000	-	20,432	-	-
-	-	(2,725,688)	-	(194,167)	(7,500)	-	-
-	-	-	-	-	-	-	2,133
-	-	(2,725,688)	102,000	(194,167)	12,932	-	2,133
20,761	4,683	725,302	4,733	82,294	1,233	5,682	1,108,420
34,475	254,081	1,563,215	-	1,393,735	16,116	140,682	1,440,428
\$ 55,236	\$ 258,764	\$ 2,288,517	\$ 4,733	\$ 1,476,029	\$ 17,349	\$ 146,364	\$ 2,548,848

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2020

	Special Revenue					
	Parks and Recreation	Waterpark	Golf Course	Building	Community Development Block Grant	HUD Neighborhood Stabilization
REVENUES						
Taxes						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	9,100,896	-	-
Intergovernmental	403,059	-	-	-	930,356	-
Charges for services	2,278,950	1,124,723	2,063,858	-	-	-
Fines and forfeitures	14,560	-	10	12,042	-	-
Impact fees	-	-	-	-	-	-
Interest income	514	-	2,864	255,271	16	796
Contributions and donations	72,952	264	23,800	-	-	-
Other revenue	68,774	7,514	5,648	367	93,187	77,500
Total revenues	<u>2,838,809</u>	<u>1,132,501</u>	<u>2,096,180</u>	<u>9,368,576</u>	<u>1,023,559</u>	<u>78,296</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety:						
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Building	-	-	-	7,767,384	-	-
Public works	-	-	-	-	-	-
Parks and recreation	8,544,182	2,111,975	2,623,036	-	-	-
Community development	-	-	-	-	1,523,257	350,858
Capital outlay	119,788	-	5,495	71,961	276,057	-
Total expenditures	<u>8,663,970</u>	<u>2,111,975</u>	<u>2,628,531</u>	<u>7,839,345</u>	<u>1,799,314</u>	<u>350,858</u>
Excess revenues over (under) expenditures	<u>(5,825,161)</u>	<u>(979,474)</u>	<u>(532,351)</u>	<u>1,529,231</u>	<u>(775,755)</u>	<u>(272,562)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,820,000	1,166,549	550,000	-	-	-
Transfers out	-	(174,097)	-	(22,197)	-	-
Proceeds on sale of capital assets	7,700	-	-	-	-	-
Total other financing sources (uses)	<u>5,827,700</u>	<u>992,452</u>	<u>550,000</u>	<u>(22,197)</u>	<u>-</u>	<u>-</u>
SPECIAL ITEMS						
Net change in fund balances	2,539	12,978	17,649	1,507,034	(775,755)	(272,562)
Fund balances (deficit) - beginning	198,866	20,353	(522,235)	9,936,941	(196,870)	187,502
Fund balances (deficit) - ending	<u>\$ 201,405</u>	<u>\$ 33,331</u>	<u>\$ (504,586)</u>	<u>\$ 11,443,975</u>	<u>\$ (972,625)</u>	<u>\$ (85,060)</u>

State Housing Initiative Partnership	Residential Construction Mitigation Program	Capital Projects			Total Nonmajor Governmental Funds
		Disaster Improvement	Parks Capital Improvements	Other Capital Improvements	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 932,413
-	-	-	-	-	9,086,018
-	-	-	-	-	22,414
-	-	-	-	-	9,100,896
322,885	-	-	230,684	-	2,208,299
-	-	-	-	-	9,289,917
-	-	-	-	-	140,772
-	-	-	-	-	17,963,254
5,746	2	-	(5)	3,343	1,392,247
-	-	-	-	-	112,181
116,922	4,016	-	-	-	403,843
445,553	4,018	-	230,679	3,343	50,652,254
-	-	-	-	19,933	117,398
-	-	-	-	-	161,605
-	-	-	-	-	680,856
-	-	-	-	-	7,767,384
-	-	-	-	4,466	3,011,067
-	-	-	154,646	-	13,469,712
601,055	4,016	-	-	39,169	2,518,355
-	-	-	5,760,715	5,210,980	11,579,591
601,055	4,016	-	5,915,361	5,274,548	39,305,968
(155,502)	2	-	(5,684,682)	(5,271,205)	11,346,286
-	-	-	4,712,084	5,442,947	17,814,012
-	-	-	-	-	(21,192,957)
-	-	-	-	-	9,833
-	-	-	4,712,084	5,442,947	(3,369,112)
(155,502)	2	-	(972,598)	171,742	7,977,174
1,479,327	(570)	115,094	5,735,304	8,356,125	73,922,444
\$ 1,323,825	\$ (568)	\$ 115,094	\$ 4,762,706	\$ 8,527,867	\$ 81,899,618

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Fuel taxes	\$ 9,578,442	\$ 9,578,442	\$ 9,086,018	\$ (492,424)
Interest income	-	-	297,741	297,741
Prior year cash balance	31,519,761	20,392,718	-	(20,392,718)
Total revenues	<u>41,098,203</u>	<u>29,971,160</u>	<u>9,383,759</u>	<u>(20,587,401)</u>
EXPENDITURES				
Public works	<u>250,000</u>	<u>8,905,444</u>	<u>35,144</u>	<u>8,870,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,848,203</u>	<u>21,065,716</u>	<u>9,348,615</u>	<u>(11,717,101)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,409,921)	(4,122,834)	(12,998,277)	(8,875,443)
Reserves	(28,438,282)	(16,942,882)	-	16,942,882
Total other financing sources (uses)	<u>(40,848,203)</u>	<u>(21,065,716)</u>	<u>(12,998,277)</u>	<u>8,067,439</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(3,649,662)</u>	<u>\$ (3,649,662)</u>
Fund balances - beginning			<u>21,876,551</u>	
Fund balances - ending			<u>\$ 18,226,889</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 743,343	\$ 743,343	\$ 321,315	\$ (422,028)
Impact fees	6,344,050	6,344,050	11,153,142	4,809,092
Rent and royalties	7,062	7,062	-	(7,062)
Interest income	-	-	328,193	328,193
Prior year cash balance	9,187,079	10,673,815	-	(10,673,815)
Total revenues	<u>16,281,534</u>	<u>17,768,270</u>	<u>11,802,650</u>	<u>(5,965,620)</u>
EXPENDITURES				
Public works	55,000	70,000	102,849	(32,849)
Excess deficiency) of revenues over (under) expenditures	<u>16,226,534</u>	<u>17,698,270</u>	<u>11,699,801</u>	<u>(5,998,469)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,965,721)	(6,965,721)	(3,952,471)	3,013,250
Reserves	(9,260,813)	(10,732,549)	-	10,732,549
Total other financing sources (uses)	<u>(16,226,534)</u>	<u>(17,698,270)</u>	<u>(3,952,471)</u>	<u>13,745,799</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	7,747,330	<u>\$ 7,747,330</u>
Fund balances - beginning			<u>10,702,722</u>	
Fund balances - ending			<u>\$ 18,450,052</u>	

**There are no differences between Budgetary Revenues, Expenditures and
Other Financing Sources (Uses) and GAAP Revenues, Expenditures and
Other Financing Sources (Uses)**

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Impact fees	\$ 2,360,095	\$ 2,960,095	\$ 3,364,762	\$ 404,667
Interest income	28,387	28,387	244,117	215,730
Other revenue	-	(34,682)	-	34,682
Prior year cash balance	9,462,155	10,558,005	-	(10,558,005)
Total revenues	<u>11,850,637</u>	<u>13,511,805</u>	<u>3,608,879</u>	<u>(9,902,926)</u>
EXPENDITURES				
Public safety:				
Police	23,335	23,335	17,157	6,178
Fire	29,868	41,863	53,036	(11,173)
Capital outlay	53,778	77,272	77,272	-
Total expenditures	<u>106,981</u>	<u>142,470</u>	<u>147,465</u>	<u>(4,995)</u>
Excess deficiency) of revenues over (under) expenditures	<u>11,743,656</u>	<u>13,369,335</u>	<u>3,461,414</u>	<u>(9,907,921)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(339,865)	(1,089,865)	(1,089,865)	-
Reserves	(11,403,791)	(12,279,470)	-	12,279,470
Total other financing sources	<u>(11,743,656)</u>	<u>(13,369,335)</u>	<u>(1,089,865)</u>	<u>12,279,470</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,371,549</u>	<u>\$ 2,371,549</u>
Fund balances - beginning			<u>10,587,163</u>	
Fund balances - ending			<u>\$ 12,958,712</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DO THE RIGHT THING SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Interest income	\$ -	\$ -	\$ 434	\$ 434
Contributions and donations	8,000	15,100	15,165	65
Other revenue	-	-	19	19
Total revenues	<u>8,000</u>	<u>15,100</u>	<u>15,618</u>	<u>518</u>
EXPENDITURES				
Public safety: police	<u>8,000</u>	<u>15,100</u>	<u>15,173</u>	<u>(73)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	445	<u>\$ 445</u>
Fund balances - beginning			<u>18,078</u>	
Fund balances - ending			<u>\$ 18,523</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - FEDERAL SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Interest income	\$ 300	\$ 300	\$ 2,979	\$ 2,679
Prior year cash balance	211,522	174,378	-	(174,378)
Total revenues	<u>211,822</u>	<u>174,678</u>	<u>2,979</u>	<u>(171,699)</u>
EXPENDITURES				
Public safety: police	<u>37,826</u>	<u>37,826</u>	<u>10,965</u>	<u>26,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>173,996</u>	<u>136,852</u>	<u>(7,986)</u>	<u>(144,838)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(173,996)</u>	<u>(136,852)</u>	<u>-</u>	<u>136,852</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(7,986)</u>	<u>\$ (7,986)</u>
Fund balances - beginning			<u>174,875</u>	
Fund balances - ending			<u>\$ 166,889</u>	

**There are no differences between Budgetary Revenues, Expenditures and
Other Financing Sources (Uses) and GAAP Revenues, Expenditures and
Other Financing Sources (Uses)**

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - STATE SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 71,879	\$ 71,879
Interest income	100	100	8,679	8,579
Prior year cash balance	395,732	409,093	-	(409,093)
Total revenues	<u>395,832</u>	<u>409,193</u>	<u>80,558</u>	<u>(328,635)</u>
EXPENDITURES				
Public safety: police	<u>19,619</u>	<u>125,700</u>	<u>25,000</u>	<u>100,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>376,213</u>	<u>283,493</u>	<u>55,558</u>	<u>(227,935)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(28,694)	(28,695)	(1)
Reserves	(376,213)	(254,799)	-	254,799
Total other financing sources (uses)	<u>(376,213)</u>	<u>(283,493)</u>	<u>(28,695)</u>	<u>254,798</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>26,863</u>	<u>\$ 26,863</u>
Fund balances - beginning			<u>410,486</u>	
Fund balances - ending			<u>\$ 437,349</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CRIMINAL JUSTICE EDUCATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 19,804	\$ (196)
Interest income	-	-	957	957
Prior year cash balance	4,600	4,600	-	(4,600)
Total revenues	<u>24,600</u>	<u>24,600</u>	<u>20,761</u>	<u>(3,839)</u>
EXPENDITURES				
Public safety: police	<u>24,600</u>	<u>24,600</u>	<u>-</u>	<u>24,600</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	20,761	<u>\$ 20,761</u>
Fund balances - beginning			<u>34,475</u>	
Fund balances - ending			<u>\$ 55,236</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SEAWALLS SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Interest income	\$ -	\$ -	\$ 4,683	\$ 4,683
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	4,683	<u>\$ 4,683</u>
Fund balances - beginning			<u>254,081</u>	
Fund balances - ending			<u>\$ 258,764</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARK RECREATIONAL FACILITIES IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Impact fees	\$ 2,213,275	\$ 2,213,275	\$ 3,445,350	\$ 1,232,075
Interest income	-	-	41,513	41,513
Prior year cash balance	324,975	1,558,910	-	(1,558,910)
Total revenues	<u>2,538,250</u>	<u>3,772,185</u>	<u>3,486,863</u>	<u>(285,322)</u>
EXPENDITURES				
Parks and recreation	33,200	33,200	35,873	(2,673)
Excess (deficiency) of revenues over (under) expenditures	<u>2,505,050</u>	<u>3,738,985</u>	<u>3,450,990</u>	<u>(287,995)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,495,050)	(2,495,050)	(2,725,688)	(230,638)
Reserves	(10,000)	(1,243,935)	-	1,243,935
Total other financing sources (uses)	<u>(2,505,050)</u>	<u>(3,738,985)</u>	<u>(2,725,688)</u>	<u>1,013,297</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	725,302	<u>\$ 725,302</u>
Fund balances - beginning			<u>1,563,215</u>	
Fund balances - ending			<u>\$ 2,288,517</u>	

**There are no differences between Budgetary Revenues, Expenditures and
Other Financing Sources (Uses) and GAAP Revenues, Expenditures and
Other Financing Sources (Uses)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CITY CENTRUM BUSINESS PARK SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Interest income	\$ -	\$ -	\$ 8	\$ 8
Other revenue	-	-	190	190
Total revenues	-	-	198	198
EXPENDITURES				
General government	91,483	127,483	97,465	30,018
Excess (deficiency) of revenues over (under) expenditures	(91,483)	(127,483)	(97,267)	30,216
OTHER FINANCING SOURCES (USES)				
Transfers in	91,483	127,483	102,000	(25,483)
Net change in fund balances	\$ -	\$ -	4,733	\$ 4,733
Fund balances - beginning			-	
Fund balances - ending			\$ 4,733	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL HAZARDS SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 996,092	\$ 996,092	\$ 932,413	\$ (63,679)
Interest income	-	-	29,191	29,191
Prior year cash balance	1,248,165	1,404,543	-	(1,404,543)
Total revenues	<u>2,244,257</u>	<u>2,400,635</u>	<u>961,604</u>	<u>(1,439,031)</u>
EXPENDITURES				
Public safety: fire	799,591	808,104	627,820	180,284
Capital outlay	228,150	280,473	57,323	223,150
Total expenditures	<u>1,027,741</u>	<u>1,088,577</u>	<u>685,143</u>	<u>403,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,216,516</u>	<u>1,312,058</u>	<u>276,461</u>	<u>(1,035,597)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(93,600)	(194,167)	(194,167)	-
Reserves	(1,122,916)	(1,117,891)	-	1,117,891
Total other financing sources (uses)	<u>(1,216,516)</u>	<u>(1,312,058)</u>	<u>(194,167)</u>	<u>1,117,891</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>82,294</u>	<u>\$ 82,294</u>
Fund balances - beginning			<u>1,393,735</u>	
Fund balances - ending			<u>\$ 1,476,029</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALARM FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 90,000	\$ 83,000	\$ 81,583	\$ (1,417)
Interest income	-	-	1	1
Other revenue	-	-	27	27
Prior year cash balance	12,164	4,771	-	(4,771)
Total revenues	<u>102,164</u>	<u>87,771</u>	<u>81,611</u>	<u>(6,160)</u>
EXPENDITURES				
Public safety: police	<u>100,703</u>	<u>100,703</u>	<u>93,310</u>	<u>7,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,461</u>	<u>(12,932)</u>	<u>(11,699)</u>	<u>1,233</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,039	20,432	20,432	-
Transfers out	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,461)</u>	<u>12,932</u>	<u>12,932</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,233</u>	<u>\$ 1,233</u>
Fund balances - beginning			<u>16,116</u>	
Fund balances - ending			<u>\$ 17,349</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEL PRADO MALL PARKING LOT SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Special assessments	\$ 38,095	\$ 38,095	\$ 22,414	\$ (15,681)
Fines and forfeitures	-	-	12	12
Interest income	-	-	2,828	2,828
Other revenue	-	-	1,876	1,876
Prior year cash balance	116,655	140,249	-	(140,249)
Total revenues	<u>154,750</u>	<u>178,344</u>	<u>27,130</u>	<u>(151,214)</u>
EXPENDITURES				
Public works	<u>21,459</u>	<u>41,459</u>	<u>21,448</u>	<u>20,011</u>
Excess (deficiency) of revenues over (under) expenditures	<u>133,291</u>	<u>136,885</u>	<u>5,682</u>	<u>(131,203)</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(133,291)</u>	<u>(136,885)</u>	<u>-</u>	<u>136,885</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>5,682</u>	<u>\$ 5,682</u>
Fund balances - beginning			<u>140,682</u>	
Fund balances - ending			<u>\$ 146,364</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LOT MOWING SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 3,390,483	\$ 3,390,483	\$ 3,740,803	\$ 350,320
Fines and forfeitures	45,000	45,000	22,465	(22,535)
Interest income	-	-	162,376	162,376
Other revenue	-	-	29,936	29,936
Prior year cash balance	1,593,828	2,673,555	-	(2,673,555)
Total revenues	<u>5,029,311</u>	<u>6,109,038</u>	<u>3,955,580</u>	<u>(2,153,458)</u>
EXPENDITURES				
Public works	3,794,972	6,109,038	2,847,160	3,261,878
Excess (deficiency) of revenues over (under) expenditures	<u>1,234,339</u>	<u>-</u>	<u>1,108,420</u>	<u>1,108,420</u>
OTHER FINANCING SOURCES (USES)				
Reserves	<u>(1,234,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,108,420</u>	<u>\$ 1,108,420</u>
Fund balances - beginning			<u>1,440,428</u>	
Fund balances - ending			<u>\$ 2,548,848</u>	

**Explanation of differences between Budgetary Revenues, Expenditures
and Other Financing Sources (Uses) and GAAP Revenues, Expenditures
and Other Financing Sources (Uses)**

Actual revenue amounts (budgetary basis)	\$ 3,955,580
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(2,133)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 3,953,447</u>
Actual other financing sources (uses) (budgetary basis)	\$ -
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>2,133</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 2,133</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 643,006	\$ 151,006	\$ 403,059	\$ 252,053
Charges for services	3,703,687	2,177,982	2,278,950	100,968
Fines and forfeitures	11,800	11,800	14,560	2,760
Interest income	22,500	22,500	514	(21,986)
Contributions and donations	103,038	103,038	72,952	(30,086)
Other revenue	20,173	27,273	76,474	49,201
Total revenues	<u>4,504,204</u>	<u>2,493,599</u>	<u>2,846,509</u>	<u>352,910</u>
EXPENDITURES				
Parks and recreation	9,351,080	10,163,173	8,544,182	1,618,991
Capital outlay	228,900	192,983	119,788	73,195
Total expenditures	<u>9,579,980</u>	<u>10,356,156</u>	<u>8,663,970</u>	<u>1,692,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,075,776)</u>	<u>(7,862,557)</u>	<u>(5,817,461)</u>	<u>2,045,096</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>5,075,776</u>	<u>7,862,557</u>	<u>5,820,000</u>	<u>(2,042,557)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2,539</u>	<u>\$ 2,539</u>
Fund balances - beginning			<u>198,866</u>	
Fund balances - ending			<u>\$ 201,405</u>	

**Explanation of differences between Budgetary Revenues, Expenditures
and Other Financing Sources (Uses) and GAAP Revenues, Expenditures
and Other Financing Sources (Uses)**

Actual revenue amounts (budgetary basis)	\$ 2,846,509
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>(7,700)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 2,838,809</u>
Actual other financing sources (uses) (budgetary basis)	\$ 5,820,000
The proceeds from the sale of capital assets are budgetary revenues but are regarded as other financing sources, rather than revenue, for financial reporting purposes.	<u>7,700</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 5,827,700</u>

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
WATERPARK SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 2,407,918	\$ 965,318	\$ 1,124,723	\$ 159,405
Other revenue	11,826	11,826	7,514	(4,312)
Total revenues	<u>2,419,744</u>	<u>977,144</u>	<u>1,132,501</u>	<u>155,357</u>
EXPENDITURES				
Parks and recreation	2,779,472	2,093,964	2,111,975	(18,011)
Capital outlay	-	153,231	-	153,231
Total expenditures	<u>2,779,472</u>	<u>2,247,195</u>	<u>2,111,975</u>	<u>135,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(359,728)</u>	<u>(1,270,051)</u>	<u>(979,474)</u>	<u>290,577</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	533,826	1,444,149	1,166,549	(277,600)
Transfers out	(174,098)	(174,098)	(174,097)	1
Total other financing sources (uses)	<u>359,728</u>	<u>1,270,051</u>	<u>992,452</u>	<u>(277,599)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	12,978	<u>\$ 12,978</u>
Fund balances - beginning			<u>20,353</u>	
Fund balances - ending			<u>\$ 33,331</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GOLF COURSE SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 2,599,888	\$ 1,956,888	\$ 2,063,858	\$ 106,970
Fines and forfeitures	-	-	10	10
Interest income	-	-	2,864	2,864
Contributions and donations	22,000	22,000	23,800	1,800
Other revenue	-	-	5,648	5,648
Total revenues	<u>2,621,888</u>	<u>1,978,888</u>	<u>2,096,180</u>	<u>117,292</u>
EXPENDITURES				
Parks and recreation	3,074,292	2,754,292	2,623,036	131,256
Capital outlay	137,000	137,000	5,495	131,505
Total expenditures	<u>3,211,292</u>	<u>2,891,292</u>	<u>2,628,531</u>	<u>262,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(589,404)</u>	<u>(912,404)</u>	<u>(532,351)</u>	<u>380,053</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>589,404</u>	<u>912,404</u>	<u>550,000</u>	<u>(362,404)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>17,649</u>	<u>\$ 17,649</u>
Fund balances - beginning			<u>(522,235)</u>	
Fund balances - ending			<u>\$ (504,586)</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BUILDING SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental				
Licenses and permits	\$ 7,551,988	\$ 8,051,988	\$ 9,100,896	\$ 1,048,908
Fines and forfeitures	45,480	45,480	12,042	(33,438)
Interest income	2,735	2,735	255,271	252,536
Other revenue	100	100	367	267
Prior year cash balance	6,983,009	11,502,899	-	(11,502,899)
Total revenues	<u>14,583,312</u>	<u>19,603,202</u>	<u>9,368,576</u>	<u>(10,234,626)</u>
EXPENDITURES				
Public safety: building	8,021,209	8,437,459	7,767,384	670,075
Capital outlay	73,407	73,907	71,961	1,946
Total expenditures	<u>8,094,616</u>	<u>8,511,366</u>	<u>7,839,345</u>	<u>672,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,488,696</u>	<u>11,091,836</u>	<u>1,529,231</u>	<u>(9,562,605)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(22,199)	(22,199)	(22,197)	2
Reserves	(6,466,497)	(11,069,637)	-	11,069,637
Total other financing sources (uses)	<u>(6,488,696)</u>	<u>(11,091,836)</u>	<u>(22,197)</u>	<u>11,069,639</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,507,034	<u>\$ 1,507,034</u>
Fund balances - beginning			<u>9,936,941</u>	
Fund balances - ending			<u>\$ 11,443,975</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,248,144	\$ 2,523,860	\$ 930,356	\$ (1,593,504)
Interest income	-	-	16	16
Other revenue	-	10,292	93,187	82,895
Total revenue	<u>1,248,144</u>	<u>2,534,152</u>	<u>1,023,559</u>	<u>(1,510,593)</u>
EXPENDITURES				
Community development	1,248,144	2,534,152	1,523,257	1,010,895
Capital outlay	-	-	276,057	(276,057)
Total expenditures	<u>1,248,144</u>	<u>2,534,152</u>	<u>1,799,314</u>	<u>734,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(775,755)</u>	<u>(775,755)</u>
OTHER FINANCING SOURCES (USES)				
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(775,755)	<u>\$ (775,755)</u>
Fund balances - beginning			(196,870)	
Fund balances - ending			<u>\$ (972,625)</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
HUD NEIGHBORHOOD STABILIZATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Interest income	\$ -	\$ -	\$ 796	\$ 796
Other revenue	35,000	77,500	77,500	-
Total revenue	35,000	77,500	78,296	796
EXPENDITURES				
Community development	35,000	77,500	350,858	(273,358)
Net change in fund balances	\$ -	\$ -	(272,562)	\$ (272,562)
Fund balances - beginning			187,502	
Fund balances - ending			\$ (85,060)	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
STATE HOUSING INITIATIVE PARTNERSHIP SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 322,885	\$ 322,885
Interest income	-	-	5,746	5,746
Other revenue	142,091	168,184	116,922	(51,262)
Total revenues	<u>142,091</u>	<u>168,184</u>	<u>445,553</u>	<u>277,369</u>
EXPENDITURES				
Community development	<u>142,091</u>	<u>168,184</u>	<u>601,055</u>	<u>(432,871)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(155,502)</u>	<u>\$ (155,502)</u>
Fund balances - beginning			<u>1,479,327</u>	
Fund balances - ending			<u>\$ 1,323,825</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
RESIDENTIAL CONSTRUCTION MITIGATION PROGRAM SPECIAL REVENUE FUND
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 700	\$ 700	\$ -	\$ (700)
Interest income	-	-	2	2
Other revenue	4,016	4,016	4,016	-
Total revenues	<u>4,716</u>	<u>4,716</u>	<u>4,018</u>	<u>(698)</u>
EXPENDITURES				
Community development	<u>4,716</u>	<u>4,716</u>	<u>4,016</u>	<u>700</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>2</u>	<u>\$ 2</u>
Fund balances - beginning			<u>(570)</u>	
Fund balances (deficit) - ending			<u>\$ (568)</u>	

There are no differences between Budgetary Revenues, Expenditures and Other Financing Sources (Uses) and GAAP Revenues, Expenditures and Other Financing Sources (Uses)

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
PARKS CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2020

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
REVENUES				
Intergovernmental	\$ 1,634,669	\$ 230,684	\$ 1,865,353	\$ 2,711,998
Interest income	2,228,955	(5)	2,228,950	90,500
Contributions and donations	45,037	-	45,037	-
Other revenue	128,172	-	128,172	62,949
Unassigned balance	-	-	-	3,253,613
Total revenues	<u>4,036,833</u>	<u>230,679</u>	<u>4,267,512</u>	<u>6,119,060</u>
EXPENDITURES				
Parks and recreation	366,029	154,646	520,675	1,123,368
Capital outlay	50,533,966	5,760,715	56,294,681	70,356,389
Total expenditures	<u>50,899,995</u>	<u>5,915,361</u>	<u>56,815,356</u>	<u>71,479,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,863,162)</u>	<u>(5,684,682)</u>	<u>(52,547,844)</u>	<u>(65,360,697)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	27,787,311	4,712,084	32,499,395	32,505,435
Transfer out	(11,996,193)	-	(11,996,193)	(6,711,150)
Issuance of debt	36,735,161	-	36,735,161	39,566,412
Proceeds on sale of capital assets	72,187	-	72,187	-
Total other financing sources (uses)	<u>52,598,466</u>	<u>4,712,084</u>	<u>57,310,550</u>	<u>65,360,697</u>
Net change in fund balances	<u>\$ 5,735,304</u>	<u>(972,598)</u>	<u>\$ 4,762,706</u>	<u>\$ -</u>
Fund balances - beginning		<u>5,735,304</u>		
Fund balances - ending		<u>\$ 4,762,706</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2020

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
REVENUES				
Intergovernmental	\$ 8,159,828	\$ -	\$ 8,159,828	\$ 8,351,490
Interest income	1,512,260	3,343	1,515,603	42,680
Other revenue	1,703,863	-	1,703,863	1,190,697
Unassigned balance	-	-	-	798,565
Total revenues	<u>11,375,951</u>	<u>3,343</u>	<u>11,379,294</u>	<u>10,383,432</u>
EXPENDITURES				
General government	1,100,217	19,933	1,120,150	2,554,806
Public safety: police	8,021,478	-	8,021,478	5,605,574
Public safety: fire	-	-	-	5,926,858
Public safety: building	-	-	-	750,000
Public works	630	4,466	5,096	560,454
Parks and recreation	557,541	-	557,541	19,375
Community development	47,318	39,169	86,487	906,055
Transportation	1,826,826	-	1,826,826	5,052,693
Capital outlay	133,591,243	5,210,980	138,802,223	165,348,522
Debt service: interest and fiscal charges	1,585,471	-	1,585,471	628,994
Total expenditures	<u>146,730,724</u>	<u>5,274,548</u>	<u>152,005,272</u>	<u>187,353,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(135,354,773)</u>	<u>(5,271,205)</u>	<u>(140,625,978)</u>	<u>(176,969,899)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	55,427,615	5,442,947	60,870,562	91,231,394
Transfer out	(4,400,989)	-	(4,400,989)	(3,429,289)
Issuance of debt	92,684,272	-	92,684,272	89,167,794
Total other financing sources (uses)	<u>143,710,898</u>	<u>5,442,947</u>	<u>149,153,845</u>	<u>176,969,899</u>
Net change in fund balances	<u>\$ 8,356,125</u>	<u>171,742</u>	<u>\$ 8,527,867</u>	<u>\$ -</u>
Fund balances - beginning		<u>8,356,125</u>		
Fund balances - ending		<u>\$ 8,527,867</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TRANSPORTATION CAPITAL IMPROVEMENTS FUND**

From Inception and For the Year Ended September 30, 2020

	Prior Years Actual	Current Year Actual	Total Actual to Date	Project Authorization
REVENUES				
Intergovernmental	\$ 15,774,911	\$ 1,673,498	\$ 17,448,409	\$ 23,896,958
Rent and royalties	4,367	-	4,367	-
Interest income	8,505,757	-	8,505,757	116,231
Contributions and donations	1,066,638	323,530	1,390,168	900,000
Other revenue	4,798,852	30,860	4,829,712	4,082,889
Unassigned balance	-	-	-	1,562,535
Total revenues	<u>30,150,525</u>	<u>2,027,888</u>	<u>32,178,413</u>	<u>30,558,613</u>
EXPENDITURES				
General government	583	-	583	-
Public works	3,783,086	338,561	4,121,647	2,727,271
Capital outlay	227,441,417	9,388,946	236,830,363	360,512,319
Debt Service: interest and fiscal charges	805,049	-	805,049	-
Total expenditures	<u>232,030,135</u>	<u>9,727,507</u>	<u>241,757,642</u>	<u>363,239,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(201,879,610)</u>	<u>(7,699,619)</u>	<u>(209,579,229)</u>	<u>(332,680,977)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	149,716,644	11,510,253	161,226,897	166,686,614
Transfers out	(22,865,471)	-	(22,865,471)	(10,034,140)
Issuance of debt	84,987,594	-	84,987,594	175,946,419
Proceeds on sale of capital assets	257,819	-	257,819	82,084
Total other financing sources (uses)	<u>212,096,586</u>	<u>11,510,253</u>	<u>223,606,839</u>	<u>332,680,977</u>
Net change in fund balances	<u>\$ 10,216,976</u>	<u>3,810,634</u>	<u>\$ 14,027,610</u>	<u>\$ -</u>
Fund balances - beginning		<u>10,216,976</u>		
Fund balances - ending		<u>\$ 14,027,610</u>		

City of Cape Coral, Florida

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended September 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 841,744	\$ 841,744	\$ 890,520	\$ 48,776
Fines and forfeitures	443,413	443,413	1,239	(442,174)
Rent and royalties	2,909,570	33,669,570	3,306,087	(30,363,483)
Interest income	22,199	22,199	2,241	(19,958)
Prior year cash balance	345,966	10,744,191	-	(10,744,191)
Total revenues	<u>4,562,892</u>	<u>45,721,117</u>	<u>4,200,087</u>	<u>(41,521,030)</u>
EXPENDITURES				
General government	264,177	1,000	2,407	(1,407)
Debt service:				
Principal	14,712,982	14,712,982	17,095,898	(2,382,916)
Interest and fiscal charges	7,968,978	13,951,771	7,248,344	6,703,427
Bond issuance costs	-	86,499	129,421	(42,922)
Total expenditures	<u>22,946,137</u>	<u>28,752,252</u>	<u>24,476,070</u>	<u>4,276,182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,383,245)</u>	<u>16,968,865</u>	<u>(20,275,983)</u>	<u>(37,244,848)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	18,729,211	18,729,211	14,666,174	(4,063,037)
Transfers out	-	(4,674,381)	(7,659,278)	(2,984,897)
Issuance of debt	-	-	45,888,990	45,888,990
Payment to refunded bond escrow agent	-	(30,673,501)	(37,252,464)	(6,578,963)
Reserves	(345,966)	(350,194)	-	350,194
Total other financing sources (uses)	<u>18,383,245</u>	<u>(16,968,865)</u>	<u>15,643,422</u>	<u>32,612,287</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(4,632,561)</u>	<u>\$ (4,632,561)</u>
Fund balances - beginning			<u>10,744,192</u>	
Fund balances - ending			<u>\$ 6,111,631</u>	

**There are no differences between Budgetary Revenues, Expenditures and
Other Financing Sources (Uses) and GAAP Revenues, Expenditures and
Other Financing Sources (Uses)**

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for activity that provides goods or services to other funds, departments or agencies of the primary government and its component units on a cost-reimbursement basis.

- Workers Compensation Insurance Fund – used to account for self-insurance of workers compensation.
- Property and Casualty Insurance Fund – used to account for the City's risk management activity for auto liability, property and contents loss, and general liability.
- Facilities Management – used to account for the costs of operation for the repair and maintenance of city owned/leased buildings and equipment. Such costs are billed to other departments.
- Fleet Management – used to account for the costs of operation for the repair and maintenance of city owned/leased vehicles and equipment. Such costs are billed to other departments.
- Self-funded Health Insurance – used to account for the self-funded medical health insurance plan.

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020

	Workers Compensation Insurance	Property and Casualty Insurance	Facilities Management	Fleet Management	Self-funded Health Insurance	Total
ASSETS						
Current assets:						
Cash and investments	\$ 13,747,162	\$ 6,846,907	\$ 1,264,201	\$ 1,728,086	\$ 9,110,392	\$ 32,696,748
Interest receivable	28,532	12,373	-	-	18,070	58,975
Accounts receivable, net	-	-	9,659	-	410,098	419,757
Prepaid items	117,979	639,942	-	-	-	757,921
Total current assets	<u>13,893,673</u>	<u>7,499,222</u>	<u>1,273,860</u>	<u>1,728,086</u>	<u>9,538,560</u>	<u>33,933,401</u>
Noncurrent assets:						
Capital assets (net of accumulated depreciation)						
Buildings	2,057	2,058	261,388	642,121	-	907,624
Improvements other than buildings	-	-	-	63,796	-	63,796
Equipment	77,964	11,103	919,973	1,256,865	-	2,265,905
Intangible computer software	-	-	-	705,245	-	705,245
Less accumulated depreciation	(50,028)	(12,852)	(870,042)	(2,119,215)	-	(3,052,137)
Total capital assets, net	<u>29,993</u>	<u>309</u>	<u>311,319</u>	<u>548,812</u>	<u>-</u>	<u>890,433</u>
Total assets	<u>13,923,666</u>	<u>7,499,531</u>	<u>1,585,179</u>	<u>2,276,898</u>	<u>9,538,560</u>	<u>34,823,834</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	66,952	69,432	853,024	471,146	37,196	1,497,750
OPEB related	91,161	87,621	1,553,543	717,510	53,435	2,503,270
Total deferred outflows of resources	<u>158,113</u>	<u>157,053</u>	<u>2,406,567</u>	<u>1,188,656</u>	<u>90,631</u>	<u>4,001,020</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other accrued liabilities	25,899	629	153,285	315,380	2,013,719	2,508,912
Accrued payroll	2,303	5,370	82,537	38,729	2,611	131,550
Compensated absences	-	4,747	71,305	15,193	5,195	96,440
Total OPEB liability	15,311	14,716	260,923	120,508	8,975	420,433
Claims liability	1,017,164	1,117,139	-	-	1,194,993	3,329,296
Total current liabilities	<u>1,060,677</u>	<u>1,142,601</u>	<u>568,050</u>	<u>489,810</u>	<u>3,225,493</u>	<u>6,486,631</u>
Noncurrent liabilities:						
Compensated absences	1,761	16,458	359,776	110,390	15,209	503,594
Total OPEB liability	417,701	401,476	7,118,313	3,287,622	244,839	11,469,951
Claims liability	4,285,915	2,906,220	-	-	-	7,192,135
Net pension liability	222,851	231,105	2,839,291	1,568,213	123,806	4,985,266
Total noncurrent liabilities	<u>4,928,228</u>	<u>3,555,259</u>	<u>10,317,380</u>	<u>4,966,225</u>	<u>383,854</u>	<u>24,150,946</u>
Total liabilities	<u>5,988,905</u>	<u>4,697,860</u>	<u>10,885,430</u>	<u>5,456,035</u>	<u>3,609,347</u>	<u>30,637,577</u>
DEFERRED INFLOWS OF RESOURCES						
OPEB related	78,464	75,416	1,337,158	617,572	45,992	2,154,602
Total deferred inflows of resources	<u>78,464</u>	<u>75,416</u>	<u>1,337,158</u>	<u>617,572</u>	<u>45,992</u>	<u>2,154,602</u>
NET POSITION						
Net investment in capital assets	29,993	309	311,319	548,812	-	890,433
Unrestricted	7,984,417	2,882,999	(8,542,161)	(3,156,865)	5,973,852	5,142,242
Total net position	<u>\$ 8,014,410</u>	<u>\$ 2,883,308</u>	<u>\$ (8,230,842)</u>	<u>\$ (2,608,053)</u>	<u>\$ 5,973,852</u>	<u>\$ 6,032,675</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended September 30, 2020

	Workers Compensation Insurance	Property and Casualty Insurance	Facilities Management	Fleet Management	Self-funded Health Insurance	Total
OPERATING REVENUES						
Charges for services	\$ 3,847,442	\$ 3,854,588	\$ 5,293,393	\$ 4,022,055	\$ 20,917,631	\$ 37,935,109
Other revenue	229,408	9,365	45,624	49,515	1,088,112	1,422,024
Total operating revenues	<u>4,076,850</u>	<u>3,863,953</u>	<u>5,339,017</u>	<u>4,071,570</u>	<u>22,005,743</u>	<u>39,357,133</u>
OPERATING EXPENSES						
Salaries, wages and employee benefits	69,473	285,497	4,520,210	1,877,029	156,809	6,909,018
Contractual services, materials and supplies	660,971	2,260,528	1,390,466	2,203,984	3,527,759	10,043,708
Claims and claims adjustments	830,934	1,810,881	-	-	19,845,939	22,487,754
Depreciation	13,104	206	134,264	105,871	-	253,445
Total operating expenses	<u>1,574,482</u>	<u>4,357,112</u>	<u>6,044,940</u>	<u>4,186,884</u>	<u>23,530,507</u>	<u>39,693,925</u>
Operating income (loss)	<u>2,502,368</u>	<u>(493,159)</u>	<u>(705,923)</u>	<u>(115,314)</u>	<u>(1,524,764)</u>	<u>(336,792)</u>
NONOPERATING REVENUES (EXPENSES)						
Interest income	245,637	115,848	-	-	166,707	528,192
Gain (loss) on disposal of capital assets	3,100	-	(20,201)	(1,496)	-	(18,597)
Total nonoperating revenues (expenses)	<u>248,737</u>	<u>115,848</u>	<u>(20,201)</u>	<u>(1,496)</u>	<u>166,707</u>	<u>509,595</u>
Income (loss) before transfers	<u>2,751,105</u>	<u>(377,311)</u>	<u>(726,124)</u>	<u>(116,810)</u>	<u>(1,358,057)</u>	<u>172,803</u>
Change in net position	2,751,105	(377,311)	(726,124)	(116,810)	(1,358,057)	172,803
Total net position - beginning	5,263,305	3,260,619	(7,504,718)	(2,491,243)	7,331,909	5,859,872
Total net position - ending	<u>\$ 8,014,410</u>	<u>\$ 2,883,308</u>	<u>\$ (8,230,842)</u>	<u>\$ (2,608,053)</u>	<u>\$ 5,973,852</u>	<u>\$ 6,032,675</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2020

	Workers Compensation Insurance	Property and Casualty Insurance	Facility Management	Fleet Management	Self-funded Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 4,076,954	\$ 3,864,011	\$ 5,337,537	\$ 4,079,182	\$ 21,599,783	\$ 38,957,467
Cash payments for claims	(1,258,510)	(523,245)	-	-	(20,055,503)	(21,837,258)
Cash payments to suppliers	(640,577)	(2,312,637)	(1,291,110)	(2,145,283)	(2,630,529)	(9,020,136)
Cash payments to employees	(233,621)	(216,341)	(3,727,998)	(1,742,476)	(128,265)	(6,048,701)
Net cash provided (used) by operating activities	<u>1,944,246</u>	<u>811,788</u>	<u>318,429</u>	<u>191,423</u>	<u>(1,214,514)</u>	<u>2,051,372</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING						
Acquisition and construction of capital assets	(27,922)	-	(22,932)	(166,712)	-	(217,566)
Gain (loss) on capital asset disposition	3,100	-	7,700	2,925	-	13,725
Net cash provided (used) by capital and related financing activities	<u>(24,822)</u>	<u>-</u>	<u>(15,232)</u>	<u>(163,787)</u>	<u>-</u>	<u>(203,841)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment Earnings	249,083	119,812	-	-	176,663	545,558
Net cash provided by investing activities	<u>249,083</u>	<u>119,812</u>	<u>-</u>	<u>-</u>	<u>176,663</u>	<u>545,558</u>
Net increase in cash	2,168,507	931,600	303,197	27,636	(1,037,851)	2,393,089
Cash and investments - beginning	11,578,655	5,915,307	961,004	1,700,450	10,148,243	30,303,659
Cash and investments - ending	<u>\$ 13,747,162</u>	<u>\$ 6,846,907</u>	<u>\$ 1,264,201</u>	<u>\$ 1,728,086</u>	<u>\$ 9,110,392</u>	<u>\$ 32,696,748</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET						
Operating income (loss)	\$ 2,502,368	\$ (493,159)	\$ (705,923)	\$ (115,314)	\$ (1,524,764)	\$ (336,792)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	13,104	206	134,264	105,871	-	253,445
(Increase) decrease in assets:						
Accounts receivable, net	105	58	(1,478)	7,611	(405,961)	(399,665)
Prepaid items	3,499	(51,885)	15,610	21,433	-	(11,343)
(Increase) decrease in deferred outflows:						
Pension related	14,079	(9,238)	(70,501)	(38,211)	(34,881)	(138,752)
OPEB related	(71,930)	(74,723)	(1,317,460)	(600,269)	(43,645)	(2,108,027)
Increase (decrease) in liabilities:						
Accounts payable and other accrued liabilities	16,895	(224)	83,744	37,269	897,231	1,034,915
Accrued payroll	(2,135)	2,113	25,909	10,667	(24,218)	12,336
Compensated absences	(11,448)	1,890	64,745	12,856	2,727	70,770
Total OPEB liability	(88,436)	66,471	977,925	229,179	(11,644)	1,173,495
Net pension liability	(39,326)	36,345	307,408	167,438	116,315	588,180
Claims liability	(427,577)	1,287,636	-	-	(209,564)	650,495
Increase (decrease) in deferred inflows:						
OPEB related	35,048	46,298	804,186	352,893	23,890	1,262,315
Total adjustments	<u>(558,122)</u>	<u>1,304,947</u>	<u>1,024,352</u>	<u>306,737</u>	<u>310,250</u>	<u>2,388,164</u>
Net cash provided by operating activities	<u>\$ 1,944,246</u>	<u>\$ 811,788</u>	<u>\$ 318,429</u>	<u>\$ 191,423</u>	<u>\$ (1,214,514)</u>	<u>\$ 2,051,372</u>

Supplemental disclosure of noncash investing, capital and financing activities:
Worker's Compensation Insurance increase in fair value of investments of \$62,720
Property and Casualty Insurance increase in fair value of investments of \$23,864
Self Insurance Fund increase in fair value of investments \$29,222

FIDUCIARY FUNDS

AGENCY FUNDS

Agency Funds are used to account for assets held in an agency capacity for others and therefore cannot be used to support the City's own programs.

- School Impact Fee Fund – used to account for the City's collection of school impact fees for the Lee County School Board at the time of building permit issuance.
- Solid Waste Fund – used to account for the City's collection of solid waste fees.

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended September 30, 2020

	Balance September 30, 2019	Additions	Reductions	Balance September 30, 2020
School Impact Fee Fund				
Assets				
Cash and investments	\$ 637,463	\$ 6,959,256	\$ 4,948,734	\$ 2,647,985
Interest receivable	1,760	5,539	1,760	5,539
Total assets	<u>\$ 639,223</u>	<u>\$ 6,964,795</u>	<u>\$ 4,950,494</u>	<u>\$ 2,653,524</u>
Liabilities				
Due to others	\$ 639,223	\$ 6,920,829	\$ 4,906,528	\$ 2,653,524
Total liabilities	<u>\$ 639,223</u>	<u>\$ 6,920,829</u>	<u>\$ 4,906,528</u>	<u>\$ 2,653,524</u>
 Solid Waste Fund				
Assets				
Cash and investments	\$ 4,027,682	\$ 15,335,244	\$ 14,020,040	\$ 5,342,886
Interest receivable	11,127	11,183	11,127	11,183
Intergovernmental receivable	48,889	15,259,055	15,261,711	46,233
Total assets	<u>\$ 4,087,698</u>	<u>\$ 30,605,482</u>	<u>\$ 29,292,878</u>	<u>\$ 5,400,302</u>
Liabilities				
Due to others	\$ 4,087,698	\$ 30,820,344	\$ 29,507,740	\$ 5,400,302
Total liabilities	<u>\$ 4,087,698</u>	<u>\$ 30,820,344</u>	<u>\$ 29,507,740</u>	<u>\$ 5,400,302</u>
 Total All Agency Funds				
Assets				
Cash and investments	\$ 4,665,145	\$ 22,294,500	\$ 18,968,774	\$ 7,990,871
Interest receivable	12,887	16,722	12,887	16,722
Intergovernmental receivable	48,889	15,259,055	15,261,711	46,233
Total assets	<u>\$ 4,726,921</u>	<u>\$ 37,570,277</u>	<u>\$ 34,243,372</u>	<u>\$ 8,053,826</u>
Liabilities				
Due to others	\$ 4,726,921	\$ 37,741,173	\$ 34,414,268	\$ 8,053,826
Total liabilities	<u>\$ 4,726,921</u>	<u>\$ 37,741,173</u>	<u>\$ 34,414,268</u>	<u>\$ 8,053,826</u>



Statistical Schedules

STATISTICAL SECTION (Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	176
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	181
These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, the property tax.	
Debt Capacity	186
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. The City has no legal debt margin and therefore it is not reported in these schedules.	
Demographic and Economic Information	190
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	193
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Source: Unless otherwise noted, the information in these schedules was obtained from the Comprehensive Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

City of Cape Coral, Florida

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 210,969,144	\$ 211,308,256	\$ 211,168,912	\$ 211,573,951	\$ 206,045,063	\$ 215,610,383	\$ 226,821,441	\$ 244,770,705	\$ 259,385,054	\$ 276,393,691
Restricted	37,703,162	38,954,956	33,449,825	33,522,887	39,172,890	49,389,716	53,759,601	71,209,165	82,675,046	87,759,451
Unrestricted	(9,190,305)	(31,602,890)	(45,992,918)	(41,654,894)	(129,177,798)	(133,595,277)	(129,318,499)	(238,304,065)	(209,199,090)	(207,075,890)
Total governmental activities net position	239,482,001	218,660,322	198,625,819	203,441,944	116,040,155	131,404,822	151,262,543	77,675,805	132,861,010	157,077,252
Business-type activities										
Net investment in capital assets	371,543,292	373,653,297	370,704,547	362,080,880	361,707,442	374,994,099	371,601,686	420,502,966	458,982,283	464,780,619
Restricted	56,239,059	62,417,416	47,174,719	66,696,901	92,631,969	89,937,196	101,978,014	77,224,216	64,806,405	97,781,941
Unrestricted	42,002,781	24,960,060	23,014,260	16,979,433	(26,625,585)	(17,705,952)	(8,257,372)	(31,086,868)	(16,607,742)	(5,927,012)
Total business-type activities net position	469,785,132	461,030,773	440,893,526	445,757,214	427,713,826	447,225,343	465,322,328	466,640,314	507,180,946	556,635,548
Primary government										
Net investment in capital assets	582,512,436	584,961,553	581,873,459	573,654,831	567,752,505	590,604,482	598,423,127	665,273,671	718,367,337	741,174,310
Restricted	93,942,221	101,372,372	80,624,544	100,219,788	131,804,859	139,326,912	155,737,615	149,433,381	147,481,451	185,541,392
Unrestricted	32,812,476	(6,642,830)	(22,978,658)	(24,675,461)	(155,803,383)	(151,301,229)	(137,575,871)	(269,390,933)	(225,806,832)	(213,002,902)
Total primary government net position	\$ 709,267,133	\$ 679,691,095	\$ 639,519,345	\$ 649,199,158	\$ 543,753,981	\$ 578,630,165	\$ 616,584,871	\$ 544,316,119	\$ 640,041,956	\$ 713,712,800

City of Cape Coral, Florida
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

Schedule 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 32,639,906	\$ 31,642,181	\$ 35,750,067	\$ 43,386,715	\$ 52,344,411	\$ 51,586,399	\$ 71,064,097	\$ 71,403,749	\$ 56,136,504	\$ 65,318,687
Public safety:										
Police	43,046,173	38,563,123	40,883,574	34,265,016	37,755,665	37,862,679	35,940,818	37,171,888	42,334,344	54,927,640
Fire	31,336,823	32,509,360	33,280,113	29,089,119	34,071,631	29,941,799	27,531,173	29,341,496	33,884,575	36,570,740
Building	2,284,267	2,382,927	2,557,567	2,995,300	3,134,523	3,804,593	5,315,723	5,729,880	7,281,966	9,155,572
Public works	19,250,191	16,844,612	14,216,303	16,905,388	18,101,671	18,266,298	18,415,038	21,523,769	19,131,947	20,707,629
Parks and recreation	16,556,468	18,101,675	17,457,679	17,069,459	17,024,031	17,997,257	15,928,133	20,381,690	24,242,652	22,738,835
Community development	9,141,207	10,294,730	7,978,824	6,640,062	5,559,972	6,976,622	8,362,954	7,342,215	8,976,196	10,083,847
Interest on long-term debt	11,431,053	11,532,722	11,169,234	10,953,024	10,223,210	9,641,749	8,628,106	8,578,175	8,453,675	7,293,468
Total governmental activities expenses	<u>165,686,088</u>	<u>161,871,330</u>	<u>163,293,361</u>	<u>161,304,083</u>	<u>178,215,114</u>	<u>176,084,396</u>	<u>191,186,042</u>	<u>201,472,862</u>	<u>200,441,869</u>	<u>226,797,418</u>
Business-type activities:										
Water and sewer	89,819,589	98,718,563	117,610,480	98,202,689	101,071,789	99,123,629	113,611,296	111,524,023	110,944,079	116,276,689
Stormwater	10,488,428	13,694,526	13,744,777	13,572,941	13,270,032	13,029,277	13,912,403	14,312,734	14,097,707	12,386,918
Yacht basin	312,368	340,445	372,930	982,058	345,457	372,349	323,196	471,313	560,728	434,734
Golf course ¹	2,533,787	2,631,840	2,569,938	2,710,132	2,450,043	2,790,829	2,457,563	3,086,272	-	-
Total business-type activities expenses	<u>103,154,172</u>	<u>115,385,374</u>	<u>134,328,125</u>	<u>115,477,820</u>	<u>117,137,321</u>	<u>115,316,084</u>	<u>130,304,458</u>	<u>129,394,342</u>	<u>125,602,514</u>	<u>128,098,341</u>
Total primary government expenses	<u>\$ 268,840,260</u>	<u>\$ 277,256,704</u>	<u>\$ 297,621,486</u>	<u>\$ 276,781,903</u>	<u>\$ 295,352,435</u>	<u>\$ 291,400,480</u>	<u>\$ 321,490,500</u>	<u>\$ 330,867,204</u>	<u>\$ 326,044,373</u>	<u>\$ 355,895,759</u>
Program Revenues										
Governmental activities:										
Charges for services:	\$ 11,243,424	\$ 12,700,342	\$ 14,451,088	\$ 9,820,161	\$ 11,911,283	\$ 11,008,789	\$ 10,814,798	\$ 12,887,037	\$ 12,091,075	\$ 15,963,210
General government										
Public safety:										
Police	726,795	857,660	683,428	831,945	938,606	1,244,054	1,107,582	1,203,878	2,410,679	2,597,112
Fire	182,658	178,483	181,491	231,567	312,388	286,432	489,918	407,676	514,556	501,004
Yacht basin	140,044	36,891	29,218	4,022,162	4,875,890	6,411,115	7,625,504	9,104,243	8,954,673	9,113,305
Public works	7,023	1,063,713	2,948,171	4,036,205	6,130,223	3,151,358	3,725,324	3,828,797	4,592,729	4,838,259
Parks and recreation	5,379,904	5,391,333	5,397,502	5,740,866	5,873,336	5,397,368	5,553,828	5,718,774	8,643,667	5,686,306
Community development	1,110,747	1,955,527	2,113,420	1,515,921	1,679,724	1,408,377	2,653,407	2,822,241	2,716,929	2,121,287
Operating grants and contributions	5,408,078	5,311,553	4,126,255	16,150,059	16,222,090	29,559,152	30,599,539	30,797,279	45,075,047	35,558,002
Capital grants and contributions	13,778,035	9,750,682	7,108,832	7,306,283	9,505,165	8,416,807	12,353,016	14,398,409	16,606,019	18,193,878
Total governmental activities program revenues	<u>37,976,708</u>	<u>37,246,164</u>	<u>37,039,495</u>	<u>49,655,169</u>	<u>57,448,705</u>	<u>66,885,948</u>	<u>74,923,316</u>	<u>81,188,334</u>	<u>101,605,374</u>	<u>94,672,363</u>
Business-type activities:										
Charges for services:										
Water and sewer	65,052,190	71,111,199	76,690,422	73,603,154	76,614,078	80,067,263	82,880,688	85,104,961	87,484,498	90,863,045
Stormwater	12,435,730	11,356,728	12,352,001	12,329,090	12,317,747	13,123,358	14,589,555	18,558,103	19,578,122	20,463,395
Yacht basin	345,013	338,006	394,553	982,314	562,119	588,539	669,484	687,066	731,151	741,800
Golf course ¹	2,111,811	2,205,965	2,192,097	2,308,820	2,218,021	2,126,888	1,952,196	2,440,346	-	-
Operating grants and contributions	7,961,102	7,517,135	6,904,337	6,571,091	9,989,134	1,122,668	278,376	497,240	803,491	1,217,722
Capital grants and contributions	15,062,288	12,624,199	15,329,046	29,123,990	22,957,693	27,669,127	45,983,423	46,952,564	40,686,916	50,271,652
Total business-type activities program revenues	<u>102,968,134</u>	<u>105,153,232</u>	<u>113,862,456</u>	<u>124,928,459</u>	<u>124,658,792</u>	<u>124,697,843</u>	<u>146,354,024</u>	<u>154,240,280</u>	<u>149,284,178</u>	<u>163,557,614</u>
Total primary government program revenues	<u>\$ 140,944,842</u>	<u>\$ 142,399,396</u>	<u>\$ 150,901,861</u>	<u>\$ 174,583,628</u>	<u>\$ 182,107,497</u>	<u>\$ 191,583,791</u>	<u>\$ 221,277,340</u>	<u>\$ 235,408,614</u>	<u>\$ 250,889,552</u>	<u>\$ 258,229,977</u>
Net (Expense)/Revenue										
Governmental activities	\$ (127,709,380)	\$ (124,625,166)	\$ (126,253,956)	\$ (111,648,914)	\$ (120,766,409)	\$ (109,198,448)	\$ (116,262,726)	\$ (120,304,528)	\$ (98,836,485)	\$ (132,125,055)
Business-type activities	(186,039)	(10,232,142)	(20,465,669)	9,450,639	7,521,471	9,381,759	16,049,566	24,845,938	23,681,664	34,459,273
Total primary government net expense	<u>\$ (127,895,419)</u>	<u>\$ (134,857,308)</u>	<u>\$ (146,719,625)</u>	<u>\$ (102,198,275)</u>	<u>\$ (113,244,938)</u>	<u>\$ (99,816,689)</u>	<u>\$ (100,213,160)</u>	<u>\$ (95,458,590)</u>	<u>\$ (75,154,821)</u>	<u>\$ (97,665,782)</u>

Source: City of Cape Coral, Financial Services Department

City of Cape Coral, Florida
CHANGES IN NET POSITION (continued)
 Last Ten Fiscal Years
 (accrual basis of accounting)

Schedule 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 68,455,753	\$ 66,300,746	\$ 68,969,220	\$ 71,451,329	\$ 77,445,321	\$ 75,239,444	\$ 79,463,250	\$ 87,094,669	\$ 93,758,005	\$ 97,354,823
Property taxes, levied for debt service	-	-	-	-	-	-	-	-	-	890,520
Property taxes, other (CRA and All Hazards)	815,195	685,764	690,036	755,178	900,184	1,094,755	1,344,219	1,632,023	1,823,177	2,116,284
Public service tax	-	-	-	7,229,414	7,168,083	7,250,872	7,103,228	7,135,139	7,874,558	8,283,000
Sales	14,000,513	14,210,873	15,345,034	16,792,598	18,336,760	18,136,627	18,646,222	20,194,344	20,678,121	20,040,384
Fuel	8,322,095	8,090,870	8,630,419	9,092,366	9,716,679	10,222,671	10,496,714	10,738,730	10,786,583	10,697,588
Alcohol and beverage	59,456	72,585	59,659	72,845	69,298	67,005	78,660	71,954	74,391	82,980
Franchise	6,527,368	6,333,907	6,096,685	6,520,354	6,549,306	6,622,099	6,433,799	6,534,366	7,018,299	7,199,932
Communication	5,927,483	6,017,787	6,280,373	5,773,054	5,489,539	5,168,297	5,319,563	4,626,232	4,884,741	4,892,611
Interest income	2,053,012	2,055,480	142,344	246,807	494,208	1,044,202	1,057,749	1,506,682	5,505,156	4,166,330
Transfers	103,677	35,485	5,683	(4,180)	163,837	(282,857)	6,177,043	(639,421)	2,602,824	716,875
Total governmental activities	106,264,552	103,803,487	106,219,453	117,929,765	126,333,215	124,563,115	136,120,447	138,894,718	155,005,855	156,341,297
Business-type activities:										
Interest income	1,056,065	1,513,268	334,105	-	-	9,846,901	8,224,462	5,370,071	18,476,627	15,614,781
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	197,423
Transfers	(103,677)	(35,485)	(5,683)	4,180	(163,837)	282,857	(6,177,043)	639,421	(2,602,824)	(716,875)
Total business-type activities	952,388	1,477,783	328,422	4,180	(163,837)	10,129,758	2,047,419	6,009,492	15,873,803	14,995,329
Total primary government	\$ 107,216,940	\$ 105,281,270	\$ 106,547,875	\$ 117,933,945	\$ 126,169,378	\$ 134,692,873	\$ 138,167,866	\$ 144,904,210	\$ 170,879,658	\$ 171,336,626
Change in Net Position										
Governmental activities	\$ (21,444,828)	\$ (20,821,679)	\$ (20,034,503)	\$ 6,280,851	\$ 5,566,806	\$ 15,364,667	\$ 19,857,721	\$ 18,590,190	\$ 56,169,370	\$ 24,216,242
Business-type activities	766,348	(18,754,359)	(20,137,247)	9,454,819	7,357,634	19,511,517	18,096,985	30,855,430	39,556,467	49,454,602
Total primary government	\$ (20,678,480)	\$ (29,576,038)	\$ (40,171,750)	\$ 15,735,670	\$ 12,924,440	\$ 34,876,184	\$ 37,954,706	\$ 49,445,620	\$ 95,725,837	\$ 73,670,844

¹ Beginning in FY2019 the Golf Course was reclassified from a business-type activity to a governmental activity.

City of Cape Coral, Florida

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 3

	2011	2012 ¹	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 120,906	\$ 1,463,946	\$ 1,234,458	\$ 1,165,609	\$ 879,483	\$ 842,608	\$ 1,361,649	\$ 797,831	\$ 678,397	\$ 339,486
Committed	5,400,000	5,644,358	5,504,998	4,502,186	6,169,213	7,946,254	11,446,344	8,615,344	20,153,572	15,034,294
Assigned	-	1,531,752	712,650	199,927	1,281,341	469,442	1,134,329	2,237,766	602,548	-
Unassigned	29,053,164	21,156,596	18,315,850	30,501,100	46,494,247	41,286,873	36,568,335	26,505,262	49,868,704	71,819,063
Total General Fund	\$ 34,574,070	\$ 29,796,652	\$ 25,767,956	\$ 36,368,822	\$ 54,824,284	\$ 50,545,177	\$ 50,510,657	\$ 38,156,203	\$ 71,303,221	\$ 87,192,843
All Other Governmental Funds										
Nonspendable	\$ 81,190	\$ 87,732	\$ 92,302	\$ 110,351	\$ 93,869	\$ 88,095	\$ 98,890	\$ 103,595	\$ 135,939	\$ 132,856
Restricted	31,357,530	38,799,815	33,624,557	34,216,824	37,988,089	46,671,710	53,051,681	69,986,603	80,588,713	85,624,344
Committed	11,188,786	11,278,188	12,190,444	13,312,428	22,320,327	19,074,472	29,299,004	16,625,680	15,329,721	19,027,365
Unassigned	(912,669)	(483,219)	(307,694)	(369,155)	(108,446)	(157,390)	(202,173)	(441,087)	(763,527)	(1,612,608)
Total All Other Governmental Funds	\$ 41,714,837	\$ 49,682,516	\$ 45,599,609	\$ 47,270,448	\$ 60,293,839	\$ 65,676,887	\$ 82,247,402	\$ 86,274,791	\$ 95,270,846	\$ 103,171,957

¹ Fund balance classifications have been revised due to the implementation of GASB 54 in fiscal year 2011.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSLast Ten Fiscal Years
(modified accrual basis of accounting)**Schedule 4**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 104,107,863	\$ 101,712,522	\$ 106,071,431	\$ 117,687,138	\$ 125,657,523	\$ 123,818,579	\$ 128,885,655	\$ 138,027,457	\$ 146,897,875	\$ 151,458,092
Special assessments	118,546	138,165	147,915	10,080,686	13,449,945	20,930,885	22,641,361	22,857,608	24,421,883	26,076,554
Licenses and permits	2,625,516	2,992,430	3,396,297	4,015,563	4,876,346	7,251,734	8,452,874	9,890,576	9,834,129	10,161,251
Intergovernmental	16,052,198	9,429,635	7,559,867	6,452,157	8,455,219	6,967,431	10,083,547	7,124,612	17,711,304	10,258,795
Charges for services	12,256,283	13,423,461	13,310,111	13,988,879	14,773,565	14,020,091	15,173,625	17,660,274	21,240,864	21,542,012
Fines and forfeitures	1,259,226	1,041,971	811,365	746,712	819,205	841,830	1,067,476	968,608	853,851	823,857
Impact fees	1,616,405	1,664,828	2,668,632	3,981,431	5,553,426	8,510,926	12,403,864	14,555,217	15,231,581	17,963,254
Rent and royalties	318,964	276,311	3,287,898	3,763,481	4,079,452	4,110,301	3,512,705	3,875,352	4,008,325	3,859,764
Interest income	888,074	1,042,212	267,079	469,754	1,013,354	960,991	962,872	1,398,445	4,674,239	3,638,138
Contributions and donations	270,191	288,975	253,646	264,250	277,742	242,727	338,145	280,020	530,398	453,575
Other revenue	1,392,160	3,740,640	3,954,928	2,343,858	5,621,385	1,926,213	1,599,434	2,074,324	2,574,980	1,887,918
Total revenues	140,305,426	135,751,150	141,729,169	163,793,909	184,577,162	189,581,708	205,121,558	218,712,493	247,979,429	248,123,210
Expenditures										
General government	25,984,632	22,925,185	28,029,485	36,664,982	40,382,204	45,579,202	53,777,415	66,604,588	53,835,554	55,473,008
Public safety:										
Police	35,940,838	33,576,378	35,511,381	29,742,744	31,974,963	34,745,411	34,921,546	36,893,957	38,175,923	43,486,435
Fire	26,542,275	27,711,702	28,462,946	24,848,816	26,028,314	26,574,399	27,520,189	31,188,734	31,523,736	33,606,194
Building	2,284,267	2,382,927	2,557,567	2,689,712	2,929,952	3,405,018	4,238,583	5,108,187	5,524,032	7,767,384
Other	-	-	-	-	-	-	-	-	-	-
Public works	15,365,368	11,599,377	8,932,540	11,788,826	12,540,223	12,322,752	13,879,757	16,164,425	13,888,893	15,130,991
Parks and recreation	13,642,352	13,753,583	13,560,974	13,756,920	14,603,776	15,281,586	16,587,509	17,589,379	21,742,395	20,009,334
Community development	8,765,773	9,475,576	7,101,799	5,691,090	5,979,224	6,709,083	6,893,028	7,340,488	7,542,901	8,118,342
Capital outlay	27,951,051	11,394,393	6,029,345	6,921,521	10,676,484	19,389,174	16,267,397	32,333,090	24,860,257	27,816,354
Debt service:										
Principal	6,409,810	6,894,790	8,530,114	8,844,063	9,497,601	11,292,837	11,806,372	11,942,674	12,761,711	17,095,898
Interest and fiscal charges	9,930,304	8,880,760	11,178,064	10,813,779	10,342,261	9,722,762	9,311,497	8,593,724	8,469,641	7,248,344
Bond issuance cost	-	-	-	101,611	483,913	-	440,620	39,873	38,421	129,421
Total expenditures	172,816,670	148,594,671	149,894,215	151,864,064	165,438,915	185,022,224	195,643,913	233,799,119	218,363,466	235,881,705
Excess of revenues under expenditures	(31,911,244)	(12,843,521)	(8,165,046)	11,929,845	19,138,247	4,559,484	9,477,645	(15,086,626)	29,615,963	12,241,505
Other Financing Sources (Uses)										
Transfers in	14,451,468	22,957,260	23,960,633	27,265,208	31,887,089	31,052,126	48,438,259	69,718,917	60,069,144	53,364,535
Transfers out	(14,347,791)	(10,813,421)	(23,954,950)	(27,259,388)	(31,723,252)	(34,657,646)	(43,261,216)	(71,447,191)	(57,466,320)	(52,647,660)
Refunding bonds issued	-	-	-	(21,371,001)	-	-	-	-	-	-
Issuance of debt	11,725,289	3,696,691	-	26,733,000	66,965,000	-	62,595,000	7,912,705	10,200,000	45,888,990
Premium on debt	-	-	-	-	4,260,306	-	8,041,561	-	-	-
Payment to escrow agent to refund bonds	-	-	-	(5,252,769)	(59,492,199)	-	(70,193,955)	-	-	(37,252,464)
Insurance damage claims	-	8,602	21,064	-	-	-	-	-	-	-
Proceeds on sale of capital assets	156,585	184,650	26,696	226,810	443,662	149,977	1,438,701	575,130	394,321	2,195,827
Total other financing sources	11,985,551	16,033,782	53,443	341,860	12,340,606	(3,455,543)	7,058,350	6,759,561	13,197,145	11,549,228
Net change in fund balances	\$ (19,925,693)	\$ 3,190,261	\$ (8,111,603)	\$ 12,271,705	\$ 31,478,853	\$ 1,103,941	\$ 16,535,995	\$ (8,327,065)	\$ 42,813,108	\$ 23,790,733
Debt service as a percentage of noncapital expenditures	11.28%	11.50%	13.70%	13.56%	12.82%	12.69%	11.77%	10.19%	10.97%	11.70%

City of Cape Coral, Florida

IMPACT FEE REVENUE
Last Ten Fiscal Years

Schedule 5

Fiscal Year	Governmental Activities					Business-type activities		
	Fire ¹	Police ¹	Advanced Life Support ¹	Park Recreational Facilities	Road	Water	Wastewater	Irrigation
2011	\$ 130,077	\$ 134,811	\$ 7,979	\$ 231,920	\$ 1,111,618	\$ 2,984,685	\$ 860,269	\$ 245,332
2012	183,159	190,337	11,215	344,535	935,581	531,665	720,771	246,754
2013	268,273	278,123	16,388	489,485	1,616,363	637,875	1,471,406	351,599
2014	366,857	378,990	22,333	642,240	2,571,011	1,859,278	5,736,228	891,280
2015	584,514	601,536	35,446	1,041,410	3,290,520	2,177,497	611,600	1,046,984
2016	838,224	868,136	51,154	1,559,473	5,193,939	2,584,665	7,097,253	1,234,697
2017	1,214,515	1,257,401	74,096	2,751,820	7,106,032	4,437,182	8,048,763	2,895,091
2018	1,488,434	1,538,112	90,670	2,737,325	8,700,676	366,760	9,301,674	4,846,618
2019	1,476,290	1,465,584	86,402	2,640,320	9,562,986	3,986,461	9,825,174	5,159,005
2020	1,604,044	1,662,737	97,981	3,445,350	11,153,142	3,756,081	9,470,446	5,148,820

¹ Fire, Police and Advanced Life Support are component business units of Public Safety.

City of Cape Coral, Florida

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Schedule 6

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2011	\$ 11,309,920,029	\$ 548,894,939	\$ 2,970,431,592	\$ 8,888,383,376	7.97	\$ 11,858,814,968	74.95
2012	11,207,273,819	487,302,713	3,127,986,516	8,566,590,016	7.96	11,694,576,532	73.25
2013	11,961,674,078	489,976,001	3,548,255,036	8,903,395,043	7.96	12,451,650,079	71.50
2014	13,290,907,759	475,478,158	4,246,067,858	9,520,318,059	7.71	13,766,385,917	69.16
2015	14,859,472,913	473,544,133	5,002,060,301	10,330,956,745	7.71	15,333,017,046	67.38
2016	16,141,195,874	460,315,173	5,481,003,861	11,120,507,186	6.96	16,601,511,047	66.98
2017	18,033,222,081	458,569,377	6,446,420,411	12,045,371,047	6.75	18,491,791,458	65.14
2018	19,881,805,283	476,068,474	7,163,540,104	13,194,333,653	6.75	20,357,873,757	64.81
2019	20,913,001,536	490,938,025	7,103,505,624	14,300,433,937	6.75	21,403,939,561	66.81
2020	22,133,020,884	520,299,312	7,237,070,286	15,416,249,910	6.55	22,653,320,196	68.05

Source: Lee County Property Appraiser

City of Cape Coral, Florida

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years

Schedule 7

Fiscal Year	City of Cape Coral			Overlapping Rates			Total Direct and Overlapping Rates
	General Government Services	General Obligation Debt Service	Total	General County	School Board	Other ¹	
2011	7.9702	0.0000	7.9702	3.6506	8.015	1.7474	21.3832
2012	7.9570	0.0000	7.9570	3.6506	7.854	1.7980	21.2597
2013	7.9570	0.0000	7.9570	3.6506	7.584	1.7161	20.9078
2014	7.7070	0.0000	7.7070	4.1506	7.598	1.4580	20.9136
2015	7.7070	0.0000	7.7070	4.1506	7.416	1.4144	20.6880
2016	6.9570	0.0000	6.9570	4.1506	7.285	1.4424	19.8350
2017	6.7500	0.0000	6.7500	4.0506	6.989	1.4612	19.2508
2018	6.7500	0.0000	6.7500	4.0506	6.679	1.4872	18.9668
2019	6.7500	0.0000	6.7500	4.0506	6.401	1.3377	18.5393
2020	6.4903	0.0600	6.5503	4.0506	6.147	1.3131	18.0610

¹ Other consists of Lee County Capital Improvement, Lee County All Hazards, Lee County Library, and Lee County Unincorporated MSTU.

City of Cape Coral, Florida

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Schedule 8

Taxpayer	2020			2011		
	Taxable Assessed Value ¹	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable City Assessed Value
Uptown at Liberty Park LLC	\$ 45,046,056	1	0.29 %	-		- %
Gulf Care Inc	42,435,904	2	0.28	-		-
Corona Property Holdings LLC	29,221,617	2	0.19	-		-
Progress Residential Borrower	25,675,216	4	0.17	-		-
PBV Pine Island Comm'l LLC	23,659,509	5	0.15	-		-
GRE Coralwood LP Stiles Corporation	22,839,897	6	0.15	-		-
Freeman & Hasselwander Resort	21,010,474	7	0.14	-		-
Cryptical Cove LLC	16,527,160	8	0.11	-		-
Cerberus SFR Holdings II L P	16,196,029	9	0.11	-		-
Coral Walk FL LLC	14,430,277	10	0.09	-		-
Tarpon Land LP	-		-	\$ 49,332,640	1	0.56
Corona Property Holdings LLC	-		-	20,284,724	2	0.23
GRE Coralwood LP	-		-	17,845,156	3	0.20
Thieman Enterprises LLC	-		-	16,605,035	4	0.19
Lowes Home Centers Inc	-		-	14,056,562	5	0.16
Coral Pointe Investment LLC	-		-	10,977,139	6	0.12
Dodge Cape Coral LLC	-		-	10,211,921	7	0.11
Eugene A. Larken JR TR	-		-	10,091,700	8	0.11
Federal National Mortgage Assn	-		-	9,361,999	9	0.11
Target Corporation	-		-	9,076,596	10	0.10
Total	<u>\$ 257,042,139</u>		<u>1.68 %</u>	<u>\$ 167,843,472</u>		<u>1.89 %</u>

¹ Source: Lee County Property Appraiser

Total taxable assessed value of Cape Coral for 2020 \$ 15,416,249,910

Total taxable assessed value of Cape Coral for 2011 \$ 8,888,383,376

City of Cape Coral, Florida

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year of the Levy ¹		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 71,017,898	\$ 67,864,550	95.56	\$ 259,349	\$ 68,123,899	95.92
2012	68,164,357	65,633,185	96.29	327,091	65,960,276	96.77
2013	70,844,314	68,242,587	96.33	131,529 ³	68,374,116	96.51
2014	73,373,091	70,741,212	96.41	4,446	70,745,658	96.42
2015	79,620,684	76,697,068	96.33	45,764 ³	76,742,832	96.39
2016	77,436,922	74,492,236	96.20	(2,274)	74,489,962	96.19
2017	81,306,255	78,383,386	96.41	49,434	78,432,820	96.47
2018	89,061,752	85,842,852	96.39	76,578	85,919,430	96.47
2019	96,527,929	93,018,718	96.36	40,300	93,059,018	96.41
2020	100,054,568	96,346,049	96.29		96,346,049	96.29

¹ Source: City of Cape Coral, Financial Services Department

² Source: Lee County Property Appraiser

Property taxes are levied on November 1st of each year, and are due and payable upon receipt of the notice of the levy. A 4% discount is allowed if the taxes are paid in November, with the discount declining by 1% each month thereafter. Accordingly, taxes collected will not be 100% of tax levy. Taxes become delinquent on April 1st of each year, and tax certificates for the full amount of any unpaid taxes and assessments are sold at public auction prior to June 1st of each year, and the proceeds collected are remitted to the City.

³ Includes refunds and corrections from tax collector.

RATIOS OF OUTSTANDING DEBT BY TYPE¹
Last Ten Fiscal Years

Schedule 10

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income ⁵	Per Capita ⁶
	General Obligation Bonds	Revenue Bonds	Notes Payable	Commercial Paper Obligation	Special Assessment	Capital Lease	Revenue Bonds ²	Notes Payable ³	Special Assessment ⁴	Commercial Paper Obligation			
2011	\$ -	\$ 232,050,024	\$ -	\$ 4,200,000	\$ -	\$ -	\$ 374,472,392	\$ 11,982,083	\$ 160,510,947	\$ 107,438,000	\$ 890,653,446	23.14	1,531
2012	-	229,435,647	3,414,530	-	-	3,414,530	477,416,707	8,935,129	150,750,308	-	873,366,851	24.70	1,523
2013	-	221,515,976	2,840,017	-	-	2,840,017	469,565,055	5,780,734	140,579,667	-	843,121,466	21.99	1,452
2014	-	213,730,572	2,256,647	-	-	2,256,647	461,361,073	35,859,855	130,219,029	-	845,683,823	21.03	1,357
2015	-	203,703,427	13,675,000	-	1,500,000	1,664,283	457,847,790	68,925,322	118,933,390	-	866,249,212	20.68	1,348
2016	-	194,470,804	12,092,000	-	1,405,000	1,062,786	447,666,810	69,578,289	107,587,751	-	833,863,440	18.87	1,241
2017	-	191,054,422	10,474,000	-	1,130,000	452,014	437,229,120	67,859,047	98,580,423	-	806,779,026	16.45	1,130
2018	-	180,949,932	16,466,205	-	855,000	273,460	449,733,033	77,847,479	85,175,423	-	811,300,532	15.70	1,083
2019	10,200,000	170,507,652	14,072,452	-	575,000	91,912	436,364,140	148,234,456	72,314,773	-	852,360,385	15.61	1,032
2020	9,670,000	110,772,914	66,678,554	-	290,000	-	352,911,586	272,155,685	59,841,948	-	872,320,687	15.41	1,006

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² Includes debt paid only from water and sewer net revenues.

³ Includes debt paid only from water and sewer net revenues and impact fees.

⁴ Utility special assessments are paid only by the benefited property owners.

⁵ See Schedule 14 for personal income and population data.

⁶ Includes all governmental activities debt and only the business-type activities general obligation bonds and debt paid from stormwater net revenues.

City of Cape Coral

RATIOS OF GENERAL BONDED DEBT OUTSTANDING¹
Last Ten Fiscal Years

Schedule 11

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Property ²	Per Capita ³
2011 ⁴	\$ -	\$ -	\$ -	0.00%	-
2012 ⁴	-	-	-	0.00%	-
2013 ⁴	-	-	-	0.00%	-
2014 ⁴	-	-	-	0.00%	-
2015 ⁴	-	-	-	0.00%	-
2016 ⁴	-	-	-	0.00%	-
2017 ⁴	-	-	-	0.00%	-
2018 ⁴	-	-	-	0.00%	-
2019	10,200,000	9,659,677	540,323	0.00%	2.85
2020	9,670,000	4,574,976	5,095,024	0.02%	27.35

¹ Details regarding the City's outstanding debt can be found in the notes to the financial statements.

² See Schedule 6 for property value data.

³ See Schedule 14 for population data.

⁴ No General Obligation Debt between FY 2009 and FY 2018.

City of Cape Coral, Florida

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2020

Schedule 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lee County	\$ 175,895,000 ¹	29.500% ²	\$ 51,889,025
City direct debt			<u>187,411,468 ³</u>
Total direct and overlapping debt			<u><u>\$ 239,300,493</u></u>

¹ Source: Lee County Clerk of Court, Finance Division.

² Determined by dividing:

Taxable assessed valuation of the City of Cape Coral (see Schedule 6)	\$ 15,416,249,910
by the total taxable valuation of Lee County.	\$ 52,258,352,000

³ Source: City of Cape Coral, Financial Services Department
(see Schedule 10 governmental activities).

⁴ Source: Lee County Property Appraiser

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Schedule 13

Fiscal Year	Water and Sewer Revenue Debt					Stormwater Revenue Debt				
	Operating Revenues ¹	Operating Expenses ²	Revenue for Debt Services	Principal	Interest ³	Coverage ⁴	Operating Revenues ⁵	Operating Expenses ⁵	Debt Service	Interest ⁶
						Total			Principal	
2011	\$ 67,236,758	\$ 32,982,527	\$ 34,254,231	\$ 4,035,000	\$ 14,211,052	\$ 18,246,052	\$ 12,625,482	\$ 9,393,954	\$ 3,231,528	\$ 48,906
2012	71,703,204	34,483,112	37,220,092	5,640,000	22,290,563	27,930,563	11,544,704	12,243,641	(698,937)	27,250
2013	75,862,707	36,213,510	39,649,197	6,755,000	22,379,635	29,134,635	12,379,372	12,221,417	157,955	-
2014	73,678,329	38,138,225	35,540,104	7,825,000	21,964,200	29,789,200	12,393,540	12,071,965	321,575	-
2015	77,043,774	40,442,926	36,600,848	8,395,000	21,018,222	29,413,222	12,404,199	11,744,731	659,468	-
2016	80,312,234	41,931,221	38,381,013	9,580,000	19,264,647	28,844,647	13,213,160	11,304,048	1,909,112	-
2017	83,094,497	45,152,483	37,942,014	9,960,000	18,888,604	28,848,604	14,688,168	12,006,814	2,681,354	-
2018	84,148,677	50,029,458	34,119,219	10,215,000	10,308,822	20,523,822	18,689,276	12,403,435	6,285,841	-
2019	88,528,491	53,550,943	34,977,548	10,760,000	17,162,753	27,922,753	20,092,980	12,520,639	7,572,341	-
2020	90,340,056	43,976,164	46,363,892	10,760,000	17,162,753	27,922,753	20,753,651	10,505,048	10,248,603	-

¹ Includes interest income, excludes ad valorem taxes, and proceeds from sale of capital assets.

² Excludes depreciation expense, interest expense, bond discount amortization, and takes in account the bond springing resolution adjustments.

³ Includes senior debt with a pledge of net revenues and expansion fees of the utility system.

⁴ Bond covenant requires net revenues adequate to pay at least 100% of the annual debt service on all outstanding bonds becoming due in such fiscal year.

⁵ Includes interest income.

⁶ Includes only debt being funded by the net revenues of the system.

⁷ Includes a \$978,611 one-time adjustment to reconcile the receivable to the Lee County Tax Collector outstanding amount.

⁸ 2012 is the final year of debt service payment.

City of Cape Coral, Florida

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Schedule 14

Fiscal Year	Population ¹	Personal Income ²	Per Personal Income ¹	Median Age ¹	School Enrollment ³	Unemployment Rate ⁴
2011	154,305	\$ 3,848,366,700	\$ 24,940	43	15,305	11.3
2012	155,158	3,536,205,978	22,791	43	15,246	10.5
2013	156,486	3,833,281,056	24,496	44	15,399	6.5
2014	160,831	4,020,935,831	25,001	43	15,583	6.0
2015	163,602	4,187,883,996	25,598	44	19,839	5.2
2016	168,425	4,418,461,450	26,234	45	19,414	4.8
2017	179,804	4,904,513,708	27,277	45	19,598	3.6
2018	183,365	5,167,409,065	28,181	45	92,941	3.0
2019	189,343	5,460,273,434	28,838	46	95,589	2.9
2020	186,294	5,662,219,836	30,394	46	94,740	11.3

¹ Source: City of Cape Coral Economic Development Office

² Determined by multiplying population by per capita personal income.

³ Source: School District of Lee County

⁴ Source: Florida Department of Economic Opportunity

City of Cape Coral, Florida

PRINCIPAL EMPLOYERS¹
Current Year and Nine Years Ago

Schedule 15

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment ²
Lee County School District	2,301	1	2.68 %	2,233	1	2.96 %
Lee Memorial Health System	1,726	2	2.01	900	4	1.19
City of Cape Coral	1,434	3	1.67	1,860	2	2.47
Publix Super Market	1,359	4	1.59	1,510	3	2.00
Sam's/Wal-Mart	819	5	0.96	600	5	0.80
Home Depot	580	6	0.68	420	6	0.56
Regional VA Clinic	533	7	0.62	-	-	-
Gulf Coast Village	448	8	0.52	250	-	0.33
Lowes Home Improvement Center	372	9	0.43	250	8	0.33
Cape Coral Charter School	344	10	0.40	-	-	-
The Breeze Corporation	-		-	350	7	0.46
Gulf Coast Village	-		-	250	9	0.33
Century 21				300	10	0.40

Source: City of Cape Coral, Economic Development Office

¹ The data shows only employees working in the City of Cape Coral and does not include other jobs with the same employer located throughout Lee County.

City of Cape Coral, Florida

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 16

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	119	185	128	128	138	144	145	142	156	144
Public Safety:										
Police	344	336	336	334	334	339	342	334	357	368
Fire	206	206	205	206	210	212	222	217	227	228
Building	27	28	29	29	36	48	48	51	54	58
Public Works ¹	150	78	132	137	140	145	150	152	159	73
Community Development	59	57	53	54	57	56	57	54	58	57
Parks and Recreation	190	180	193	197	209	209	210	146	211	145
Water and Sewer	260	218	236	266	279	289	300	298	302	310
Stormwater	113	104	96	96	96	96	96	96	97	99
Yacht Basin	2	2	3	3	3	3	3	3	2	3
Golf Course	36	32	32	32	32	32	32	32	32	32
Waterpark	64	60	62	62	62	62	62	62	61	61
Total	1,570	1,486	1,505	1,544	1,596	1,635	1,667	1,587	1,716	1,578

¹ Beginning in FY2013 Transportation was reported in Public Works.

² Source: City of Cape Coral's Budget Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 17

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Number of sworn officers	216	219	212	226	226	231	234	260	260	274
Total calls received ¹	192,289	239,686	269,161	261,436	275,478	275,688	285,479	277,286	276,069	271,221
Number of crime scenes processed by evidence technician	704	635	814	827	950	784	1,356	1,524	1,610	1,405
Traffic citations issued (all units)	18,256	9,797	10,277	10,277	8,806	8,845	11,913	11,752	11,445	10,808
Vice, intelligence and narcotics arrests	893	719	820	906	835	678	755	956	739	695
Fire										
Number of firefighters and officers	192	192	191	191	198	196	205	206	213	213
Calls for service	18,718	19,372	19,652	19,672	20,321	18,643	20,471	20,401	21,500	21,942
Inspections	5,274	7,978	6,757	5,599	8,092	9,342	8,138	7,261	6,882	9,814
Public Works										
Tons of debris collected and disposed of	614	112	154	74	160	214	417	850	451	375
Lane miles of road surface restored	42	34	15	59	21	399	134	130	101	218
Community Development										
Contacts (counter and telephone)	52,715	59,292	48,520	49,758	51,023	53,045	47,882	62,120	61,961	58,908
Certificates of use	643	602	610	596	585	590	592	574	614	591
Sign permits issued	260	251	250	259	645	296	272	197	332	214
Parks and Recreation										
Programs held at art studio	366	486	413	390	435	438	250	270	370	364
Sessions held for aquatics	89	114	133	128	127	126	103	98	101	88
Senior centers memberships	917	751	758	707	751	804	787	643	752	501
Transportation program-total miles driven	76,730	94,533	87,197	115,000	85,173	94,519	105,103	107,832	95,254	61,783
Transportation										
Signs made	3,133	3,745	4,620	4,178	5,695	4,527	4,527	4,527	4,527	4,175
Centerline miles of roadway striped annually	705	555	389	493	767	355	355	-	423	119
Water and Sewer										
Finished water pumped to system (millions of gallons)	3,519	3,542	3,435	3,516	3,644	3,679	4,694	4,505	4,238	4,360
Dry tons of bio-solids generated	6,889	1,906	1,772	1,789	1,763	1,970	1,970	1,970	2,416	2,600
Stormwater Utility										
Cubic yards dredged from canals	90,073	38,325	41,073	28,945	45,605	54,635	16,361	17,726	26,512	18,762
Swale requests received	652	711	409	247	346	356	521	514	720	801
Swale regraded (Square Feet)	2,080,663	1,311,430	1,516,353	1,541,520	1,326,156	1,121,325	900,370	748,099	835,267	661,454
Building Division										
Total inspections	46,573	33,779	35,877	64,686	83,536	63,071	72,307	85,122	86,156	84,758
Permits issued	12,237	13,603	19,983	19,300	22,019	26,973	27,984	38,937	31,111	39,506
Yacht Basin										
Average annual slip rentals	69	69	90	76	69	85	92	84	87	86
Golf Course										
Rounds played	60,751	62,550	61,974	58,735	57,390	55,808	46,678	55,688	53,728	44,268
Waterpark										
Admissions	131,364	113,267	107,699	113,358	116,293	86,174	87,969	96,220	91,371	45,564

¹ FY2010 and FY2011 actual counts can not be determined due to system software error.

² Source: City of Cape Coral's Department Directors

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Schedule 18

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	10	10	10	10	11	11	11	11	11	11
Public Works										
Paved alleys (miles)	12	12	12	12	12	12	11	11	11	11
Sidewalks (miles)	190	194	194	202	209	215	220	226	236	266
Parks and Recreation										
City owned developed parks	30	34	34	34	34	34	34	34	34	34
Number of developed acres	401	405	409	409	409	409	409	409	409	409
City owned undeveloped parks	20	24	24	24	24	24	24	24	24	24
Number of undeveloped acres	1,086	1,094	1,095	1,095	1,098	1,100	1,101	1,101	1,131	1,143
City owned senior centers	2	2	2	2	2	2	2	2	2	2
City owned boat launches, locks, and lifts ²	10	11	22	22	22	22	22	22	22	22
Transportation										
Paved streets (lane miles) ¹	3,123	3,157	3,047	3,047	3,047	3,047	3,047	3,047	3,042	3,042
Water and Sewer										
Number of water connections	55,343	55,591	55,790	56,522	58,899	61,522	62,692	64,225	67,071	69,748
Number of sewer connections	54,069	54,193	54,222	54,678	56,215	59,904	61,208	62,842	65,272	67,418
Miles of water distribution	849	849	853	856	907	907	907	908	906	908
Stormwater										
Stormwater drainage pipes (miles)	519	510	514	517	519	516	540	540	543	543
Swales (miles)	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363
Catch basins	22,994	22,725	22,767	22,894	22,940	22,931	23,733	23,733	24,072	24,095
Yacht Basin										
Boat slips ³	108	93	112	112	112	107	107	107	107	107
Golf Course										
City owned golf courses	1	1	1	1	1	1	1	1	1	1
Waterpark										
City owned waterpark facilities	1	1	1	1	1	1	1	1	1	1

¹ Year 2013 Cartograph report excluded bike paths and vacations of roads and included road widening and new roads.

² Year 2013 included both improved and unimproved boat launches.

³ Year 2016 includes only boat slips that are available for rent. It does not include slips used by law enforcement.

⁴ Source: City of Cape Coral's Department Directors

Single Audit



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cape Coral, Florida (City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 12, 2021. The financial statements of the discretely presented component unit as of and for the year ended June 30, 2020 were audited by us. We issued a separate report dated December 28, 2020. Therefore, this report does not include reporting on the internal control over financial reporting or compliance and other matters included in that separately issued report. The financial statements of the Municipal General Employees' Pension Plan, the Municipal Police Officers' Pension Plan, and the Municipal Firefighters' Pension Plan were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, 2020-002 and 2020-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
July 12, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Cape Coral, Florida's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Cape Coral Charter School Authority (Authority) which expended \$546,436 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2020. Our audit, described below, did not include the operations of the Authority because the Authority's financial statements were audited separately.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits. Those standards, the Uniform Guidance and Chapter 10.550, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

Opinion on Each Major Federal Program and State Project

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and Chapter 10.550 and which are described in the accompanying schedule of findings and questioned costs as items 2020-004 and 2020-005. Our opinion on each major federal program and state project is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal programs and state projects and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-004 and 2020-005, that we consider to be significant deficiencies.

City Management's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City Management's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
July 12, 2021

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? X yes no

 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

3. Noncompliance material to financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes X no

 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? X yes none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of Major Federal Programs

CFDA Number

20.205
14.218

Name of Federal Program or Cluster

Highway Planning and Construction Cluster
CDBG Entitlement Grant Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes X no

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance Section

1. Internal control over major state projects:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes x none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? X yes _____ no

Identification of Major State Projects

CSFA Number(s)

40.901
37.039

Name of State Project

State Housing Initiatives Partnership Program
Statewide Surface Water Restoration and
Wastewater Projects

Dollar threshold used to distinguish between Type A and Type B state projects:

\$ 575,081

Section II – Financial Statement Findings

2020-001 ERP Transaction Approval

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City’s ability to ensure financial transactions are authorized and accurate. City management is responsible for establishing and maintaining internal controls for the proper recording of all the City’s transactions.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section II – Financial Statement Findings (Continued)

Condition: During 2020, the City implemented a new ERP system, Munis by Tyler Technologies. We noted during the following audit related to internal controls and processes:

- Instances of disbursements without electronic departmental approval workflow set up in Munis.
- Instances of disbursements that were processed and paid without an approval workflow for the correct departmental supervisor.
- Instances of disbursements where the invoices were not properly approved by the appropriate supervisors and were instead approved by the accounts payable personnel as an override to the workflow internal control process.
- An absence of documented policies, procedures and control structure for processing disbursements, including establishing proper workflow assignments and structure.

Effect: A lack of structured and documented internal controls could result in circumvention of the internal control environment and result in inappropriate disbursements being made by the City.

Cause: The City's did not establish and document structured processes and procedures before or during the system implementation.

Repeat Finding: No

Recommendation: We recommend that the City establish policies and procedures over internal controls related to workflow approvals in the Munis system, and continue tailoring the workflow roles to ensure disbursements are routed to the proper designated reviewers and only those reviewers who have responsibility over that transaction. .

Views of responsible officials and planned corrective actions: Management will evaluate the City's existing accounts payable workflows for appropriate approval levels and correct where necessary. Internal control policies will be updated accordingly.

2020-002 Grant Revenue Recognition

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City's ability to ensure financial transactions are authorized and accurate. City management is responsible for establishing and maintaining internal controls for the proper recording of all the City's transactions in the financial statements.

Condition: The City reported revenue related to the Coronavirus Relief Fund grant in the 2020 financial statements, but the grant agreement was not executed until 2021, and therefore the revenue was not earned in 2020. As a result, the City recorded an audit adjustment to the financial statements to correct the misstatement.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section II – Financial Statement Findings (Continued)

Effect: The proposed audit adjustment was recorded by management to the correct the financial statements in an amount of \$2,818,454.

Cause: The City's internal controls failed to prevent or detect the error.

Repeat Finding: 2019-001

Recommendation: We recommend that the City implement policies and procedures to ensure that all revenues reported in the financial statements have a corresponding grant award that supports recognition in the proper period financial statements.

Views of responsible officials and planned corrective actions: The internal policies for revenue recognition will be updated effective fiscal year 2021.

2020-003 Financial Reporting – Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework states that control activities are a component of internal control. Control activities are policies and procedures established to ensure that management directives are carried out, and consist of two elements, a policy that establishes what should be done and the procedure that implements the policy. COSO Framework states that control activities must be in place for there to be adequate internal control procedures over financial reporting. Internal control procedures affect the City's ability to ensure financial transactions are authorized and accurate. City management is responsible for establishing and maintaining internal controls for the proper recording of all the City's transactions in the financial statements.

Condition: The City's schedule of expenditures of federal awards and state financial assistance (SEFA) contain multiple errors that required management to adjust the SEFA and the financial statements, as follows:

- Federal grant revenues and expenditures related to the Land and Water Conservation Fund State and Local Assistance Program that were incurred during 2020 were recorded incorrectly by the City. The revenue recorded as state grant revenue and the related expenditures were omitted from the SEFA.
- State grant expenditures related to the Florida Shared-Use Nonmotorized (SUN) Trail Program that were incurred during 2020 were recorded incorrectly by the City on the SEFA under a Federal award program.

Effect: Grant revenues and expenditures were not properly presented in the financial statements.

Cause: The City's internal controls failed to prevent or detect the errors.

Repeat Finding: No

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section II – Financial Statement Findings (Continued)

Recommendation: We recommend that the City implement policies and procedures to ensure that all grant-related revenues and expenditures reported in the financial statements have a corresponding grant award supporting coding and classification as a federal or state award and that those awards be reconciled against the SEFA each year.

Views of responsible officials and planned corrective actions: Management will provide staff the necessary training to determine grant accruals as well as the implication of full accrual versus modified accrual grant revenues. Staff will prepare and obtain approval for a grants administration policy that will provide the procedures for the administration of grants and SEFA reporting.

Section III – Findings and Questioned Costs – Major Federal Programs

2020-004 Subrecipient Monitoring

Federal Agency: U.S Department of Housing and Urban Development

Federal Program Title: Community Development Block Grant

CFDA Number: 14.218

Award Period: October 1, 2019 through September 30, 2020

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting, Other Matter

Criteria: CFR §200.331 Requirements for pass-through entities requires that each pass-through entity must clearly identify and communicate certain information related to the subaward to subrecipient entities.

Condition: During our testing, we noted that the City did not communicate all required information of CFR §200.331 to a subrecipient entity.

Questioned Costs: None

Context: The City failed to communicate all the required information of CFR §200.331 to one subrecipient.

Cause: The City correctly used a developer agreement as required by HUD, but did not make supplemental communication to the developer once the City determined them to be a subrecipient.

Repeat Finding: No

Effect: The subrecipient may not be informed of all of their obligations as a subrecipient required under the grant.

Recommendation: We recommend that the City design processes and procedures to ensure that all entities that the City considers to be a subrecipient execute agreements containing the necessary items as required by the Uniform Guidance and that a standard contract be created that contains all the required information.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Views of responsible officials and planned corrective actions: We intend to include in a proposed grant administration policy, a requirement to summarize this information in a one-page document that will be transmitted to a sub-recipient or vendor, as necessary.

2020-005 Reporting

Federal Agency: U.S Department of Housing and Urban Development

Federal Program Title: Community Development Block Grant

CFDA Number: 14.218

Award Period: October 1, 2019 through September 30, 2020

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting, Other Matter

Criteria: 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of monitoring and reporting program performance.

Condition: During our testing, we noted that the City's quarterly financial reports were not filed with the U.S. Department of Housing and Urban Development.

Questioned Costs: None

Context: The City failed to complete and file the required reports during 2020.

Cause: The City did not adjust their policies and procedures when the U.S. Department of Housing and Urban Development changed their reporting requirements for fiscal year 2020, and the City was unaware that reports were required to be filed.

Repeat Finding: No

Effect: The City was not in compliance with reporting requirements of the grant agreement.

Recommendation: We recommend that the City design controls to ensure that all reporting requirements are followed and review and approval is sufficiently performed prior to submission.

Views of responsible officials and planned corrective actions: The City has implemented procedures to ensure that quarterly reports are filed within the timeframe required.

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(l)4, Rules of the Florida Auditor General.



Management Letter



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Cape Coral, Florida (City) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated July 12, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated July 12, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Honorable Mayor and
Members of the City Council

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The City does not have any special district component units.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the City Council, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
July 12, 2021

**CITY OF CAPE CORAL, FLORIDA
PRIOR YEAR FINDINGS STATUS
YEAR ENDED SEPTEMBER 30, 2020**

	Current Year Status			Current Year Finding #	2019 Finding #
	Cleared	Partially Cleared	Not Cleared		
2020-001 Audit Adjustments			X	2020-001	2019-001



Independent Accountant's Report



INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Cape Coral, Florida's (City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2020.

This report is intended solely for the information and use of the City and the Auditor General of the State of Florida, and is not intended to be, and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
July 12, 2021



