

Annual Comprehensive Financial Report
City of Cape Coral, Florida
Fiscal Year Ended September 30, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Cape Coral, Florida
For the Fiscal Year Ended
September 30, 2022



Prepared by:

Financial Services Department



CITY OF CAPE CORAL, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
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OUR VISION

Cape Coral will thoughtfully grow into a vibrant and inclusive community that encourages residential character, creates economic opportunity, and ensures respect for its unique environment.

OUR MISSION

Provide services and resources that enhance the quality of life for those who live, learn, work, and play in our city.

Introductory Section



City of Cape Coral

April 26, 2023

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

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

We are pleased to present to you the Annual Comprehensive Financial Report of the City of Cape Coral, Florida (the City) for the fiscal year ended September 30, 2022. 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, 2022, 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 208,026 (University of Florida, Bureau of Economic and Business Research, 2022.) making it the most populated city in Southwest Florida and the eighth most populous in the state.



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

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. Formal legal appropriation by the City Council is at the department level for the general fund and at the fund level for all other funds to allow the degree of flexibility provided by the City policy. 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 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

With 6,500 businesses, the city's year-round population of over 200,000 swells to roughly 250,000 during the winter months with seasonal residents, tourists, and European visitors. With a strong economy, Cape Coral has experienced the largest amount of growth throughout the last decade. Some of the major indicators are as follows:

- ◆ Unemployment Rates in Cape Coral: July 2.8%, August 2.7%, September 2.6% (fred.stlouisfed.org)
- ◆ YTD Vacancy Rate – Retail: 2.1%, Office: 2.0%, Industrial: 1.1 % (CoStar)
- ◆ Commercial construction values:

| | <u>2021</u> | <u>2022</u> | <u>Difference</u> | <u>% Change</u> |
|--------------|----------------------|----------------------|--------------------------|------------------------|
| Multi-family | 153,118,454 | 204,044,363 | 50,925,909 | 33% |
| Industrial | 199,342,370 | 224,023,430 | 24,681,060 | 12% |
| Other | <u>1,111,352,888</u> | <u>1,249,149,680</u> | <u>137,796,792</u> | <u>12%</u> |
| | 1,463,815,733 | 1,677,219,495 | 213,403,762 | 15% |

- ◆ Sales tax revenue generated from purchases made in the incorporated city-limits:

| <u>Year</u> | <u>Actual</u> | <u>Difference</u> | <u>% Change</u> |
|--------------------|----------------------|--------------------------|------------------------|
| 2018 | 4,792,088 | | |
| 2019 | 5,128,010 | 335,922 | 7% |
| 2020 | 4,763,637 | (364,373) | -7% |
| 2021 | 5,830,315 | 1,066,678 | 22% |
| 2022 | 7,776,884 | 1,946,569 | 33% |

Historical information and long-term trends can be viewed in the statistical section of this report.

There are many development projects in different phases that will have a great impact to our economy and fiscal health. Two luxury apartment complexes, Aspire Apartments, a 319 unit complex, and The Palms, a 285 unit complex, opened in the fall of 2022. There are several projects under construction, some of them are Oasis at Surfside, Marina Villas at Cape Harbor, and Bacino Vista Condominiums, they will provide 457 multi-family dwellings and should open in 2023. The Club on Pine Island, Springs at Coral Shores, Siesta Lakes, and Embers Lakes are in the planning and permitting stage and will provide 1,310 multi-family units in 2024.

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 \$10.6 million from prior year primarily due to an increase in tax revenues from property tax, sales tax, public service tax and fuel tax. Per financial policies and for the long-term health of the City's General Fund, there must be the following fund balance reserves: Budget Stabilization Reserve of between 2 to 3 months of expenditures, and Disaster Reserve Fund of \$8 million, among others.

The City of Cape Coral Asset Management Program is a comprehensive program including a summary of assets owned by the City coupled with the condition and future plans for those assets. The Asset Management Program's budgetary process encompasses the integration of revenues and expenditures along with program and policy issues included in the City's long-range planning process. This long-term plan is in the annually adopted budget document, which can be found at:

https://www.capecoral.gov/department/financial_services/office_of_management_and_budget.php#outer-2703.

The City of Cape Coral's 2022-2030 Strategic Plan is a management tool that helps the organization assess the current operating environment, anticipate changes, and envision the future. This plan provides a framework for decision-making and helps meet the community's future needs. The Cape Compass strategic plan document can be viewed online at www.capecoral.gov/strategicplan.

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 November 7, 2022 by Resolution 210-22.

MAJOR INITIATIVES

The 2023 Budget provides for an 11.1% reduction in the property tax rate, from 6.250 per \$1,000 of valuation to 5.5568, for all property owners while providing needed improvements in public safety and community investments. Certified property values for Cape Coral were published on July 1, 2022, by the Lee County Property Appraiser. The increase shows that overall total taxable values increased 23.82% from \$18.4 billion to \$22.7 billion including a growth component of \$1.3 billion. The 2023 Budget was crafted using a millage rate of 5.5568 yielding 10% more in property tax revenue over fiscal year 2022, resulting in estimated net property tax revenue of \$121.2 million for operations in the General Fund, an increase of over \$10 million. The 2023 Budget does not include new revenue sources; however, the City has several fee studies in process, to include Parks and Recreation Fees, Community Development Services Fees, and Building Fees that may affect service level cost recovery increases in later years.

The City's fiscal year 2023 Asset Management Plan (AMP) was budgeted at \$214 million, consisting of capital projects that are major initiatives for the community, highlighted by a \$60 million utility expansion project that will allow for residents to be connected to the City's water and sewer system.

Asset Management Program

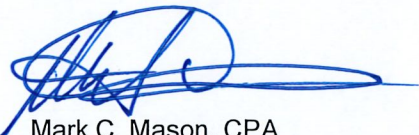
| | |
|------------------|------------------|
| Capital Projects | \$ 164,820,117 |
| Equipment | 7,229,040 |
| Software | 4,330,500 |
| Maintenance | 27,611,302 |
| Fleet | 8,435,218 |
| Land | <u>2,443,480</u> |
| | \$ 214,869,657 |

AWARDS & ACKNOWLEDGMENTS

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 annual comprehensive financial report for the fiscal year ended September 30, 2021. This is the 36th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement for Excellence is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



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**

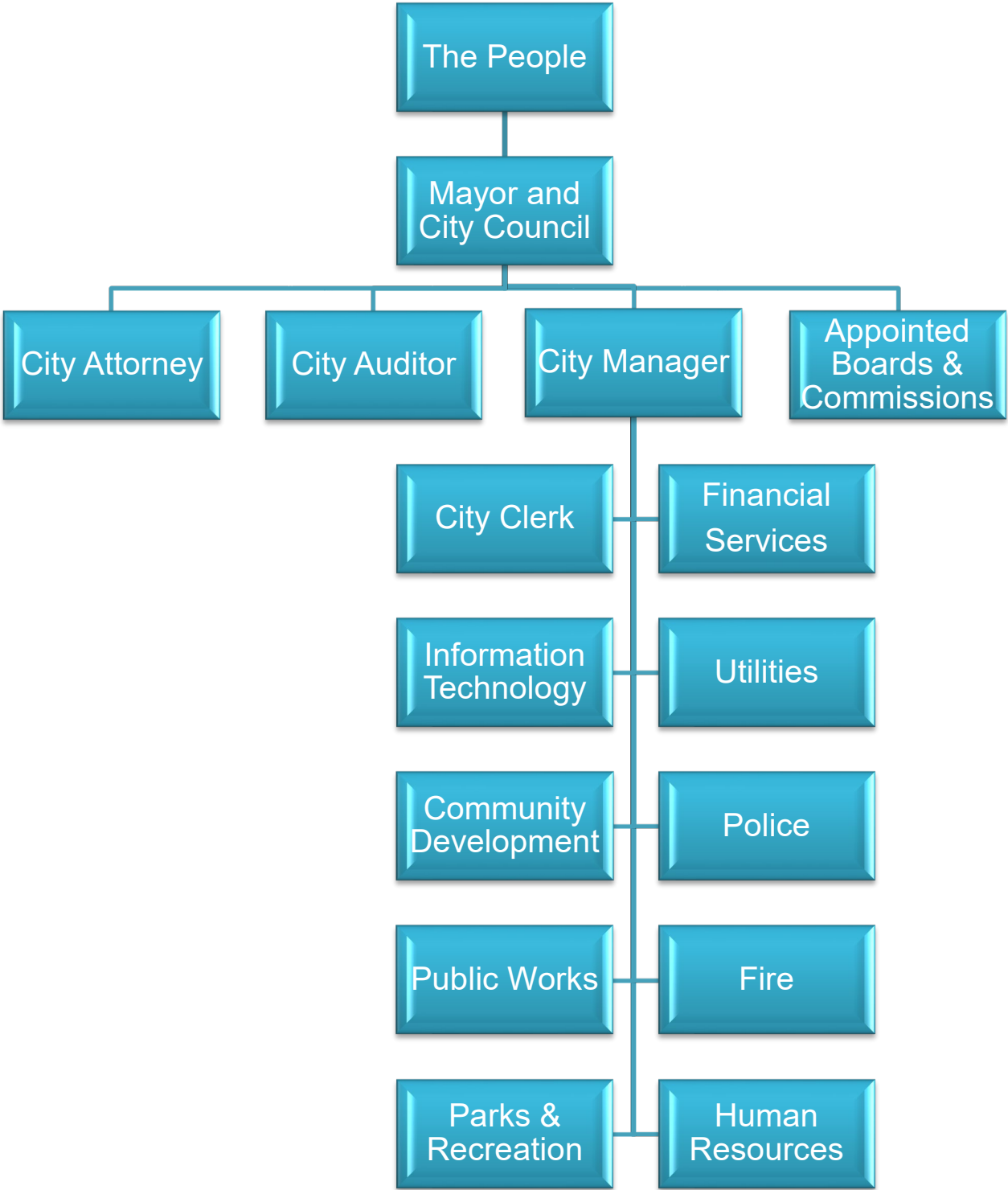
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



CITY OF CAPE CORAL, FLORIDA

City Council

John Gunter
Mayor

William (Bill) Steinke
District I

Dan Sheppard
District II

Tom Hayden
District III

Patty L. Cummings
District IV

Robert Welsh
District V

Keith Long
District VI

Jessica Cosden
District VII

Michael Ilczyszyn
Interim City Manager

Delores Menendez
City Attorney

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

Mark C. Mason, CPA
Financial Services Director

Financial Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 (the City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. 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*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), budgetary comparison schedule for the general fund and the pension and other postemployment benefit schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and budget and actual schedules, and 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* (the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The budget to actual schedules on pages 154-158 and 160, which are the responsibility of management, are presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
April 26, 2023

MD&A

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The MD&A provides an overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. 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

- For fiscal year 2022, the City's total net position increased by \$46.6 million or 5.7%. The governmental activities net position increased by \$24.7 million or 10.8% and the business-type activities net position increased by \$21.9 million or 3.7%. The analysis of these changes in net position related to governmental and business-type activities is further discussed on pages 7-8 of this MD&A.
- The governmental activities revenue increased \$19.0 million or 6.3%. In fiscal year 2022, the results of governmental activities produced an increase in net position of \$24.9 million, while in fiscal year 2021 governmental activities net position increased by \$67.8 million. The analysis of these changes and current year impacts related to governmental activities is further discussed on pages 10-11 of this MD&A.
- The business-type activities revenue decreased by \$12.3 million or 6.9%. In fiscal year 2022, the results of the business-type activities produced an increase in net position of \$22.1 million, while in fiscal year 2021 net position increased by \$38.2 million. The analysis of these changes and current year impacts related to business-type activities is further discussed on page 13 of this MD&A.
- The City's total expenses increased by \$66.1 million or 17.8%. The analysis of this change related to government-wide activities and changes in net position is further discussed on pages 11-12 of this MD&A.
- The General Fund, the primary operating fund, reflected on a current financial resource basis, reported an increase in fund balance of \$10.6 million, compared to an increase of \$25.8 million in fiscal year 2021. The analysis of these changes related to the General Fund is further discussed in the fund financial statement analysis section on page 14 of this MD&A.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

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

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

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

Fund Financial Statements

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

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

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

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

The City adopts an annual appropriated budget for the General Fund and Special Revenue Funds. Budgetary comparison statements for the general fund are presented on page 107 of the basic financial statements and other governmental funds are presented on pages 132-160 of the combining statements.

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

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

The Proprietary Fund financial statements provide separate information for the Water and Sewer Fund and for the Stormwater Fund, which are considered major funds. All Other Non-Major Enterprise Funds are combined into a single column on the Proprietary Fund financial statements, as well as the Internal Service Funds reported

in a single column. Individual fund data for the Non-Major Enterprise Funds and for the Internal Service Funds is found in the combining statements as supplemental financial data (see pages 162-164).

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

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

Other information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information including budgetary comparison information and the funding progress for pension and schedule of changes in total OPEB liability. Required supplementary information can be found on pages 107-120 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 | |
|----------------------------------|------------------------------------|-----------------|-------------------------------------|-----------------|-----------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current and other assets | \$ 375.9 | \$ 344.7 | \$ 270.5 | \$ 268.9 | \$ 646.4 | \$ 613.6 |
| Capital assets | 486.8 | 466.3 | 1,120.5 | 1,124.8 | 1,607.3 | 1,591.1 |
| Total assets | <u>862.7</u> | <u>811.0</u> | <u>1,391.0</u> | <u>1,393.7</u> | <u>2,253.7</u> | <u>2,204.7</u> |
| Deferred outflows of resources | 172.9 | 105.8 | 53.0 | 41.0 | 225.9 | 146.8 |
| Current and other liabilities | 42.6 | 44.5 | 41.9 | 34.7 | 84.5 | 79.2 |
| Noncurrent liabilities | 704.2 | 549.9 | 779.2 | 785.1 | 1,483.4 | 1,335.0 |
| Total liabilities | <u>746.8</u> | <u>594.4</u> | <u>821.1</u> | <u>819.8</u> | <u>1,567.9</u> | <u>1,414.2</u> |
| Deferred inflows of resources | 35.9 | 94.3 | 6.2 | 20.1 | 42.1 | 114.4 |
| Net position: | | | | | | |
| Net investment in capital assets | 317.0 | 267.5 | 476.4 | 434.6 | 793.4 | 702.1 |
| Restricted | 117.1 | 128.6 | 126.8 | 145.0 | 243.9 | 273.6 |
| Unrestricted | (181.2) | (168.0) | 13.5 | 15.2 | (167.7) | (152.8) |
| Total net position | <u>\$ 252.9</u> | <u>\$ 228.1</u> | <u>\$ 616.7</u> | <u>\$ 594.8</u> | <u>\$ 869.6</u> | <u>\$ 822.9</u> |

¹ The City implemented GASB *Statement No. 87 Leases* in fiscal year 2022.

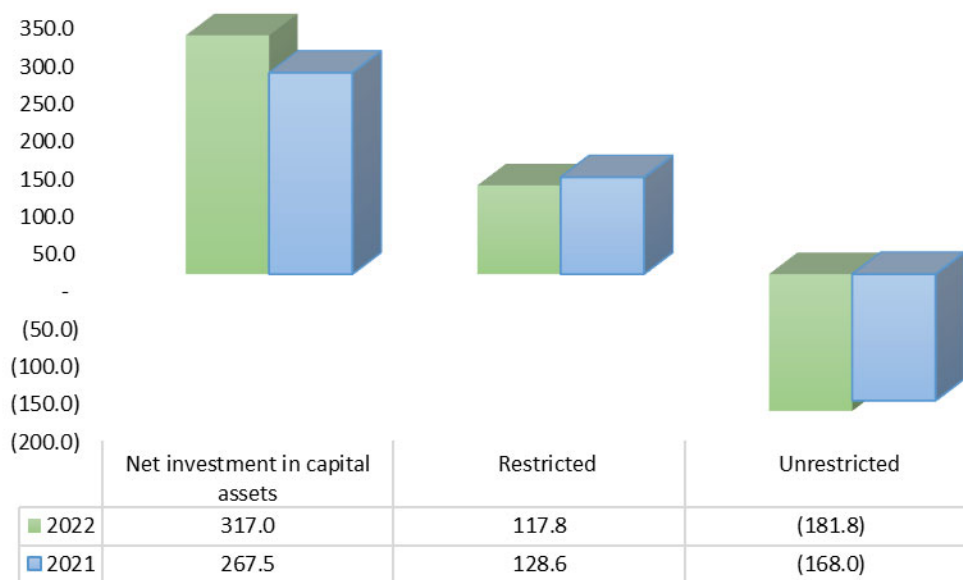
Net investment in capital assets is the largest portion of net position. This represents capital assets (land, buildings, improvements, equipment, infrastructure, and construction in progress), net of accumulated depreciation, and the outstanding related debt used to acquire the assets. Unamortized bond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

The City's total net investment in capital assets balance of \$793.4 million is an increase of \$91.3 million or 13.0%, over fiscal year 2021. 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.

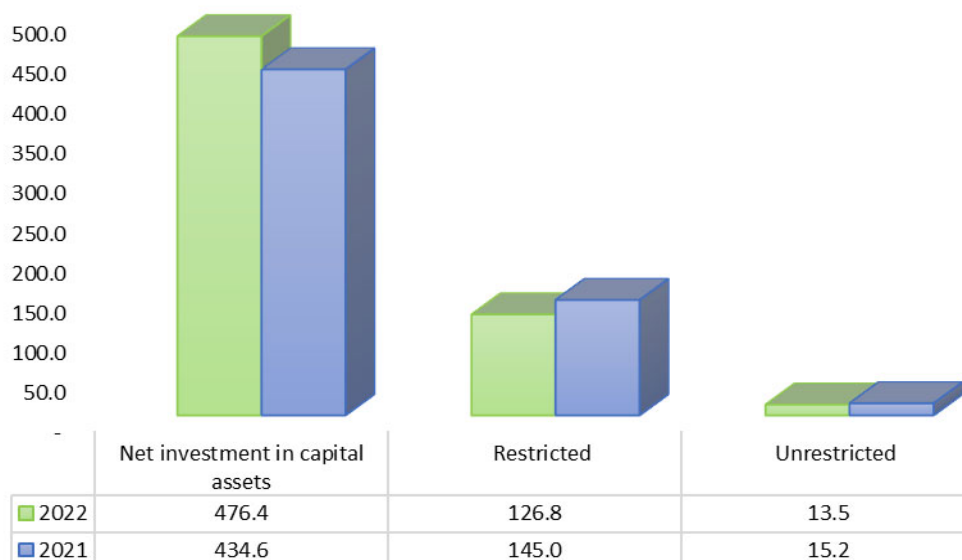
The total restricted net position of \$243.9 million (28.0% of total net position) represents resources subject to external restrictions on their use. There was an overall decrease of \$29.7 million or 10.9% during fiscal year 2022. Both governmental activities and business-type activities experienced decreases in their restricted net positions, \$11.5 million or 8.9%, and \$18.2 million or 12.6%, respectively.

The City's total unrestricted net position balance decreased as well during the fiscal year, from negative \$152.8 million to negative \$167.7 million, a change of \$14.9 million from the prior year.

Net Position – Governmental Activities Millions:



Net Position – Business Type Activities Millions:



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

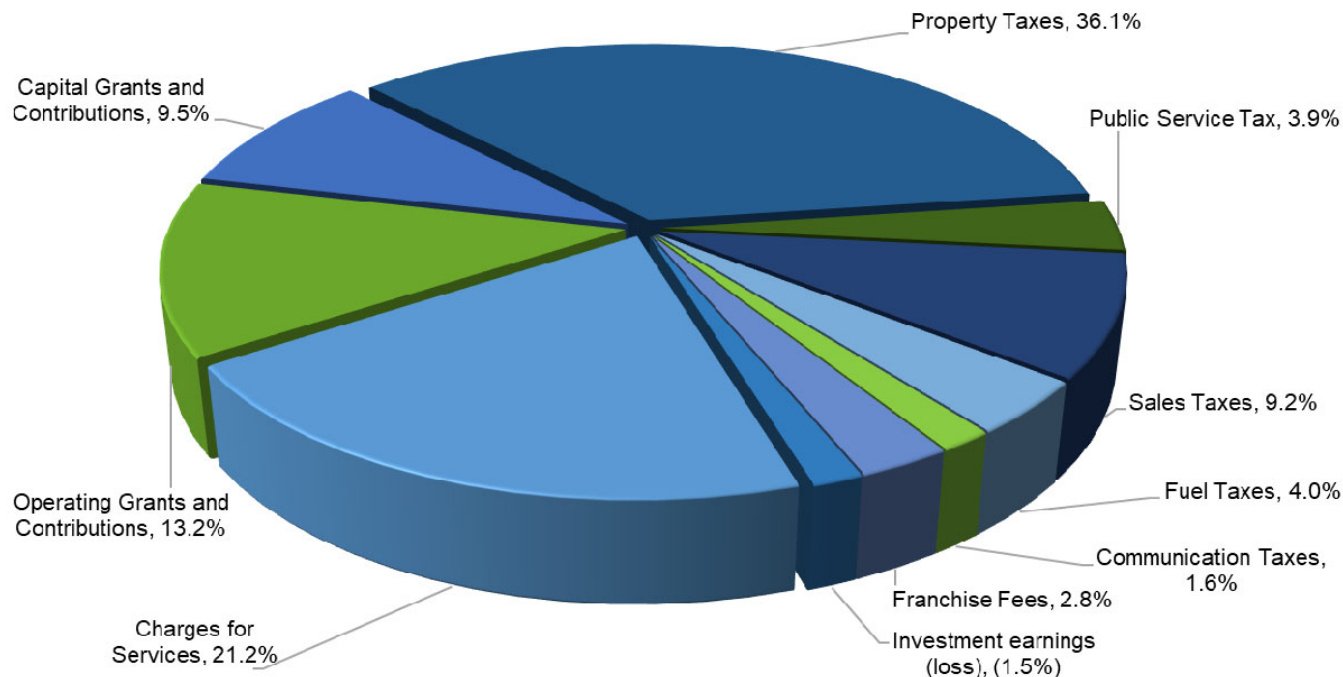
| | Governmental | | Business-type | | Total | |
|--|-------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|
| | Activities | | Activities | | | |
| | <u>2022¹</u> | <u>2021</u> | <u>2022¹</u> | <u>2021</u> | <u>2022¹</u> | <u>2021</u> |
| REVENUES: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 67.1 | \$ 44.9 | \$ 127.7 | \$ 119.9 | \$ 194.8 | \$ 164.8 |
| Operating Grants and Contributions | 42.3 | 56.3 | - | 0.2 | 42.3 | 56.5 |
| Capital Grants and Contributions | 30.1 | 30.4 | 42.7 | 48.1 | 72.8 | 78.5 |
| Property Taxes | 115.1 | 110.0 | - | - | 115.1 | 110.0 |
| Public Service Tax | 12.3 | 8.7 | - | - | 12.3 | 8.7 |
| Sales Taxes | 29.3 | 24.4 | - | - | 29.3 | 24.4 |
| Fuel Taxes | 12.8 | 11.9 | - | - | 12.8 | 11.9 |
| Alcohol and beverage | 0.1 | - | - | - | 0.1 | - |
| Communication Taxes | 5.2 | 4.8 | - | - | 5.2 | 4.8 |
| Franchise Fees | 9.0 | 7.4 | - | - | 9.0 | 7.4 |
| Investment earnings (loss) | (4.9) | 0.5 | (4.2) | 10.3 | (9.1) | 10.8 |
| Total Revenues | <u>318.4</u> | <u>299.3</u> | <u>166.2</u> | <u>178.5</u> | <u>484.6</u> | <u>477.8</u> |
| EXPENSES: | | | | | | |
| Program Activities | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | 70.2 | 57.7 | - | - | 70.2 | 57.7 |
| Public Safety | | | | | | |
| Police | 64.6 | 49.3 | - | - | 64.6 | 49.3 |
| Fire | 56.4 | 37.0 | - | - | 56.4 | 37.0 |
| Building | 11.8 | 8.9 | - | - | 11.8 | 8.9 |
| Public Works | 41.8 | 38.4 | - | - | 41.8 | 38.4 |
| Parks and Recreation | 22.8 | 23.6 | - | - | 22.8 | 23.6 |
| Community Development | 20.0 | 11.1 | - | - | 20.0 | 11.1 |
| Interest and fiscal charges | 6.2 | 6.1 | - | - | 6.2 | 6.1 |
| Business-type Activities: | | | | | | |
| Water and Sewer | - | - | 126.0 | 124.8 | 126.0 | 124.8 |
| Stormwater | - | - | 17.6 | 14.4 | 17.6 | 14.4 |
| Yacht Basin | - | - | 0.5 | 0.5 | 0.5 | 0.5 |
| Total Expenses | <u>293.8</u> | <u>232.1</u> | <u>144.1</u> | <u>139.7</u> | <u>437.9</u> | <u>371.8</u> |
| Increase (Decrease) in Net Position before transfers | 24.6 | 67.2 | 22.1 | 38.8 | 46.7 | 106.0 |
| Transfers, net | 0.2 | 0.6 | (0.2) | (0.6) | - | - |
| Change in Net Position | <u>24.8</u> | <u>67.8</u> | <u>21.9</u> | <u>38.2</u> | <u>46.7</u> | <u>106.0</u> |
| Net Position - beginning | <u>228.1</u> | <u>160.3</u> | <u>594.8</u> | <u>556.6</u> | <u>822.9</u> | <u>716.9</u> |
| Net Position - ending | <u>\$ 252.9</u> | <u>\$ 228.1</u> | <u>\$ 616.7</u> | <u>\$ 594.8</u> | <u>\$ 869.6</u> | <u>\$ 822.9</u> |

¹ The City implemented GASB Statement No. 87 Leases in fiscal year 2022.

Governmental Activities

The total net position of the City's governmental activities increased by \$24.8 million or 10.9%; the net investment in capital assets for governmental activities increased by \$49.5 million or 18.5% over the prior year.

Revenues by Source – Governmental Activities:



Total revenues for governmental activities increased \$19.0 million or 6.3%, during fiscal year 2022. Outlined below are explanations for the significant revenue changes within governmental activities.

Charges for services increased \$22.2 million or 49.4% primarily due to reclassifying \$18.2 million in Solid Waste Public Service Tax revenue from the other operating grants and contributions category to the charges for services category, based on the nature of the revenues. Lease revenue increased \$1.6 million due to implementation of GASB Statement No. 87. An additional increase of \$1.7 million was due to a one-time transfer in from the Charter School component unit for portable classrooms that will be owned and maintained by the City. Permitting revenues also increased in fiscal year 2022 by \$1.0 million or 10.2% to \$11.3 million, a result of the continued increase in housing demand.

Operating grants and contributions decreased \$14.0 million or 25.4% in fiscal year 2022. The reclassification of the Solid Waste Public Service tax revenue to the charges for services category resulted in a \$16.3 million decrease in this category from the prior fiscal year. This was partially offset by an increase in Fire Service Assessment revenue of \$1.8 million or 6.0%, which maintained the 62% cost recovery ratio for fire protection services. Other grant revenues decreased by \$1.2 million due to a reduction in federal reimbursements for Hurricane Irma cleanup.

Capital grants and contributions decreased slightly by \$0.3 million or 1.0%. Impact fees decreased overall by \$1.2 million or 3.9% from last fiscal year's \$29.4 million. Commercial impact fee revenue decreased by \$1.5 million or 36.6%, while residential impact fee revenue increased by \$0.3 million or 1.4%. Sidewalk grants from the Florida Department of Transportation increased by \$0.9 million or 74.7% due to an increase in grant eligible expenditures related to the Suntrail sidewalk project.

Property tax revenue for fiscal year 2022 increased \$5.1 million or 4.6%, to \$115.1 million, representing 36.1% of the total revenue from the City's governmental activities. Despite another drop in the millage rate to 6.250 mills, the increase in revenue was most likely due to the continuing increase in taxable assessed property values to an estimated \$18.4 billion.

Public Service Tax revenue from electricity purchased by residents and business owners increased \$3.6 million or 41.4% over last fiscal year. The increase was largely due to an amendment of the City's Code of Ordinances removing the first 500-kilowatt hours usage exemption from purchased electricity, and levying the tax on purchased natural gas and propane fuel. The amendment took effect April 1, 2022, and left the 7% tax rate unchanged.

Revenue from sales taxes, including the Local Government Half-cent and state-shared collections, increased by \$4.9 million or 20.1% over the prior fiscal year. Continued population growth of the City resulting in increased spending, as well as higher prices on consumer products, contributed to the increase.

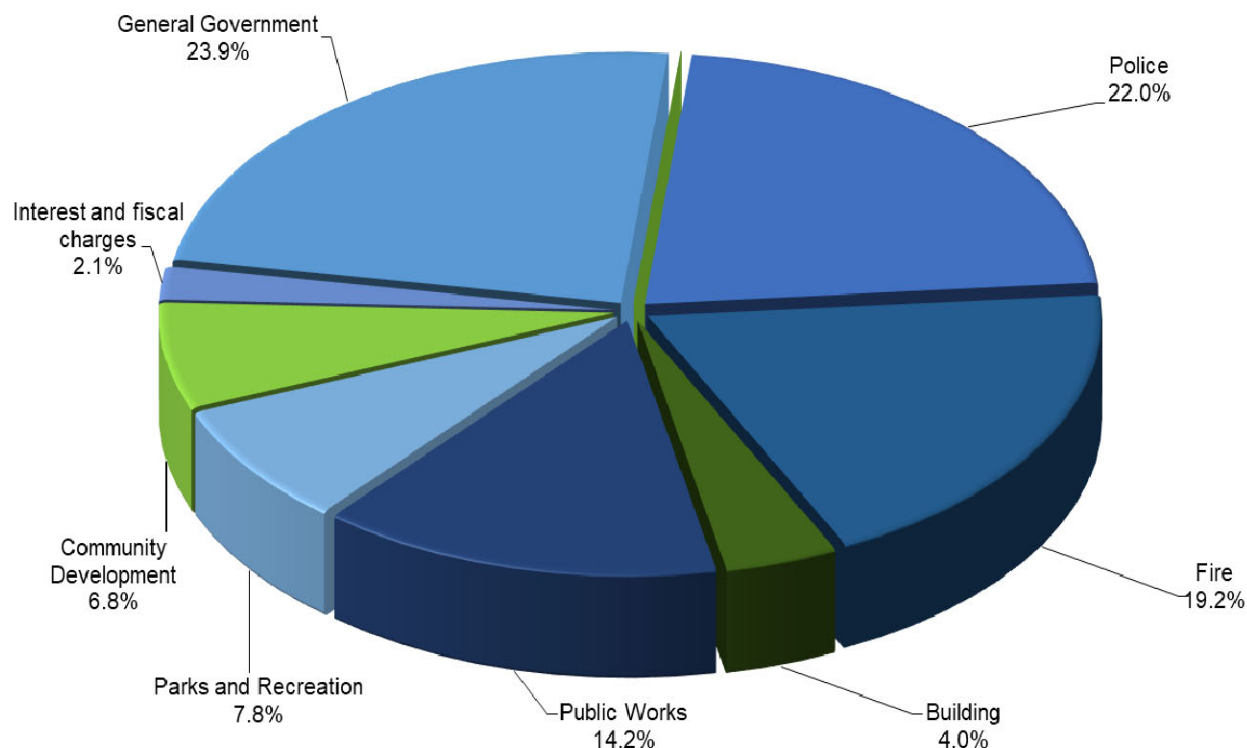
Fuel tax revenue includes state-shared collections on fuel sales, as well as rebates of fuel taxes paid by the City on its purchases. A modest increase of \$0.9 million or 7.6%, over the prior year was recorded by the City in fiscal year 2022.

Communications Services Tax revenue increased slightly by \$0.4 million or 8.3%. This tax replaced all local taxes on telephone and cable services in fiscal year 2001. The current rate of 5.5% was adopted January 1, 2019 and remained unchanged for fiscal year 2022.

Franchise fees increased \$1.6 million or 21.6%. Franchise fees are levied on corporations or individuals 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.

The City's investment portfolios at fiscal year end reflect unrealized losses of \$4.9 million, primarily a result of monetary policy changes implemented by the Federal Open Market Committee during 2022 and the ensuing market reaction. This is a decrease of \$5.4 million from the prior year. This is a common scenario for the public sector and the losses are only realized if the securities are sold.

Expenses by Program – Governmental Activities:



Total expenses for governmental activities increased \$61.7 million or 26.6% during fiscal year 2022. Outlined below are the explanations for the most significant expense changes within governmental activities.

General Government expenses increased \$12.5 million or 21.7%. Pension related expenditures increased \$3.0 million or 15.3% based on the fiscal year 2022 actuarial valuation. Loss on capital asset dispositions increased by \$4.5 million or 268.8% with dispositions on stopped projects related to the academic village and Chiquita boat lock. Facilities charges increased \$2.5 million or 162.8%, a result of higher personnel costs incurred in providing work order services. Salary and benefit expenses increased \$1.9 million or 8.5% primarily due to emergency pay related to Hurricane Ian of \$1.2 million combined with budgeted increases in salaries. Expenses related to computer software and licenses, and corresponding maintenance, warranty, and service plans increased \$1.1 million or 47.6% due to a change in the prepaid expense policy as well as the implementation of new permitting software, Energov. The Economic Development division was reclassified from the General Fund to its own special revenue fund at the beginning of the fiscal year, resulting in a \$0.4 million decrease of salary and operating expenses.

Public Safety – Police expenses increased \$15.3 million or 31.0%. Pension related expenditures increased \$13.7 million or 1349.7% based on the fiscal year 2022 actuarial valuation. Salary and benefit expenses increased \$1.5 million or 3.6% with budgeted increases in salaries and the addition of 17 full-time positions across departments. Other operating expenditures increased by \$0.1 million or 3.2% primarily due to increased fuel prices and fleet charges.

Public Safety – Fire expenses increased by \$19.4 million or 52.4%. Pension related expenditures increased \$10.1 million or 1228.9% based on the fiscal year 2022 actuarial valuation. Salary and benefit expenses increased \$8.2 million or 28.0% primarily due to a \$4.6 million increase in OPEB expense based on the actuarial valuation. The addition of ten full-time positions combined with budgeted increases in salaries contributed to the remaining balance. Operating expenses rose \$0.7 million or 15.4% during the fiscal year, primarily the result of \$0.5 million increase in facilities charges resulting from higher personnel costs, as well as higher fuel prices. Safety gear for six new firefighters, equipment, and uniforms for the departments contributed the remaining increase. Depreciation expense increased \$0.4 million.

Public Safety – Building expenses increased by \$2.9 million or 32.6%. Pension related expenditures increased \$1.2 million or 119.8% based on the fiscal year 2022 actuarial valuation. Salary and benefit expenses increased \$1.6 million or 29.4% primarily due to an increase in OPEB expense of \$0.7 million. The addition of nine customer service representatives and two plan review technicians, as well as budgeted increases in salaries contributed the balance of the increase. Other operating expenses increased \$0.1 million or 6.2% due to consulting services for the new permitting software and temporary labor contracted to address a backlog of pending building permits.

Public Works expenses increased by \$3.4 million or 8.9%. Pension related expenditures increased \$0.8 million or 325.9% based on the fiscal year 2022 actuarial valuation. Salary and benefit expenses decreased \$0.6 million or 9.0%, the combination of a decrease in OPEB expense of \$0.8 million based on the fiscal year 2022 actuarial valuation, and a budgeted increase in salaries of \$0.2 million. Other operating expenses increased \$3.2 million or 10.2%, of which \$0.3 million was attributable to fleet and facility charges resulting from increased costs of fleet and facility personnel. The bulk of the increase consisted of outside professional services of \$1.1 million for solid waste collection and disposal, a result of increased collection costs for waste removal. Maintenance of roads, bridges, street and traffic lights, and median beautification generated \$0.7 million of the increase in operating expenses.

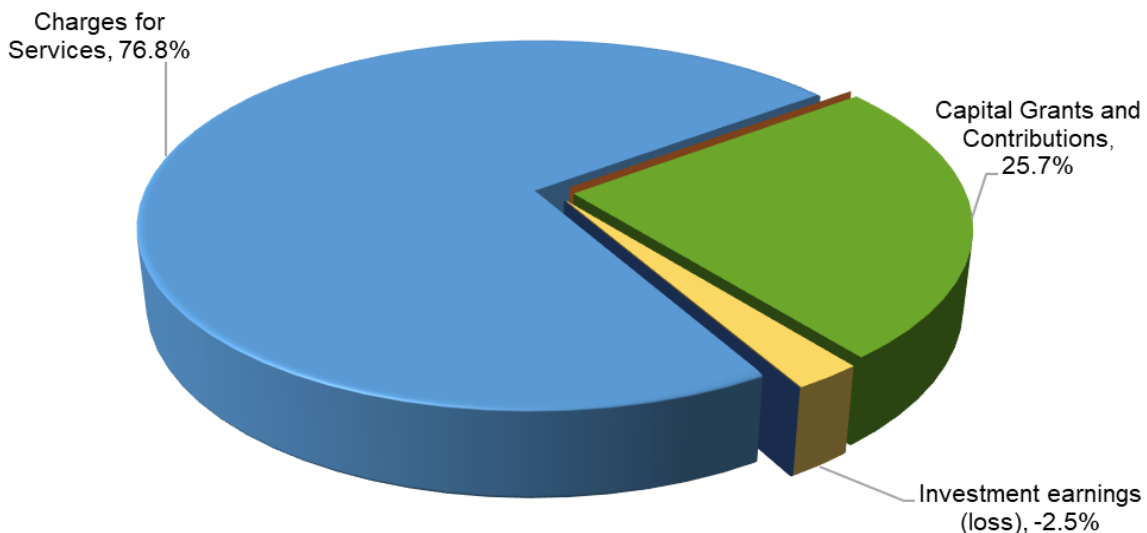
Parks and Recreation expenses decreased by \$0.8 million or 3.4%. Pension related expenditures increased \$1.0 million or 134.5% based on the fiscal year 2022 actuarial valuation. Salary and benefit expenses decreased \$1.8 million or 15.7% primarily due to the City outsourcing waterpark operations to a third-party management company.

Community Development expenses increased \$8.9 million or 80.2%. Pension related expenditures increased \$0.2 million or 38.8% based on the fiscal year 2022 actuarial valuation. Salary and benefit expenses decreased \$0.3 million or 6.8% primarily due to a decrease in OPEB expense based on the fiscal year 2022 actuarial valuation. Other operating expenses increased by \$9.0 million or 164.8% mainly a result of Community Redevelopment Agency spending on CRA programs. The CRA advanced \$10.4 million pursuant to a project assistance agreement to the developer of a mixed-use project planned in the CRA area. This was partially offset by a \$0.9 million decrease in spending on the CDBG COVID Mortgage Assistance Program as the economy continues to recover from the pandemic.

Business-type Activities

The net position of the City's business-type activities increased by \$21.9 million or 3.7%. There was increase in the business-type activities' net investment in capital assets of \$41.8 million, or 9.6% in comparison to prior year.

Revenues by Source – Business-type Activities:



Charges for services reported in business-type activities increased \$7.8 million or 6.5%. A portion of the change is due to a \$5.3 million increase in water and sewer revenues, related to increases in commodity and capacity charges, including flat rate charges due to an increase in population and housing demand. Stormwater revenues increased by \$2.6 million primarily a result of the increase in population and housing demand. Yacht Basin revenues decreased by \$0.1 million due to a decrease in Boat Docking Service Charges.

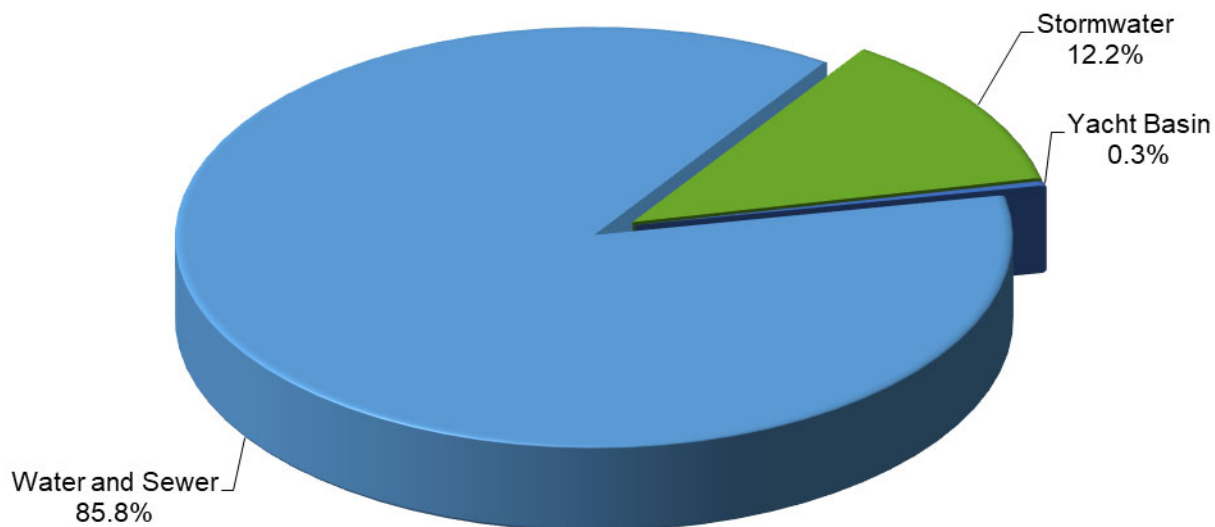
Operating grants and contributions reported in business-type activities decreased \$0.2 million or 100.0%, primarily due to a reduction in grant funds received from the Florida Department of Environmental Protection (FLDEP). Funding received for the Reclaimed Water Transmission River Crossing Project and the Cape Coral Reservoir and Pipeline Project decreased by \$0.1 million.

Capital grants and contributions reported in business-type activities decreased by \$5.4 million or 11.2%. The primary causes were decreases in Impact and CIAC revenues of \$2.6 million and special assessments of \$2.2 million. A decrease in developer contributions of \$0.6 million also contributed.

Investments reported in business-type activities resulted in a loss of \$4.2 million which is a decrease of \$14.5 million from the prior year's gain of \$10.3 million. This loss is primarily due to unrealized changes in the fair value of investments.

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Expenses by Program – Business-type Activities:



Water and Sewer expenses reported in business-type activities increased \$1.2 million or 1.0%. Salary and benefit expense increased by \$0.6 million or 2.6% with budgeted increases and the addition of one full time employee. Operating Expenses increased by \$0.6 million due to higher costs for fuel, chemicals and other items.

Stormwater expenses reported in business-type activities increased \$3.2 million or 22.2%. Salary and benefit expense increased by \$0.4 million or 5.3% with budgeted salary increases. Other operating expenses increased by \$2.8 million or 16.9% primarily due to higher costs for fuel, chemicals and other items.

Yacht basin expenses remained unchanged from fiscal year 2021.

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

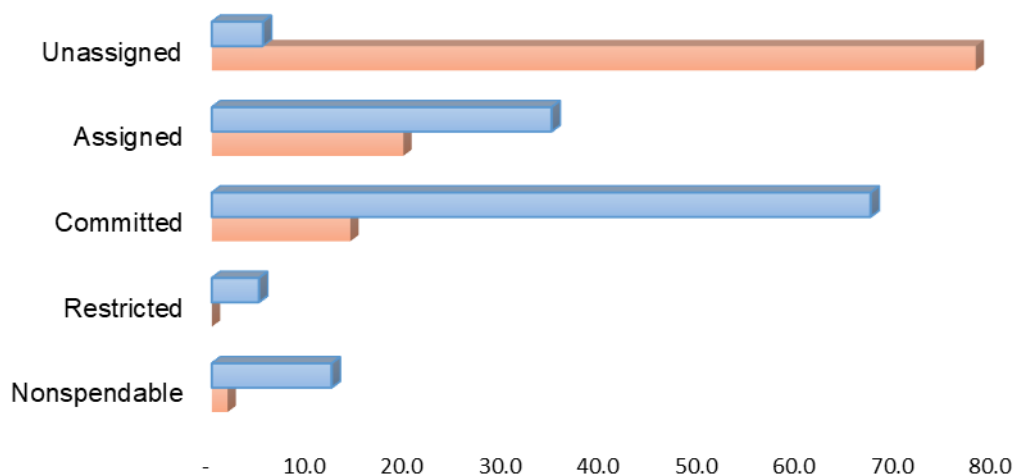
Governmental funds are comprised of the general fund, special revenue funds, debt service fund and the capital projects funds. Governmental funds use the current financial resources measurement focus that provides information on near-term inflows, outflows, and balances of spendable resources. The following 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 General Fund unassigned fund balance had decreased by \$72.6 million or 93.3%, mainly due to implementation of the City's updated financial management policy effective September 30, 2022. The policy required establishment of a Budget Stabilization Reserve in the initial amount of \$45.0 million, as well as increases in disaster reserves of \$2.0 million, and budgeted appropriations for subsequent years of \$15.9 million, all of which reduced unassigned fund balance and increased committed fund balance. The remaining decrease in unassigned fund balance was a result of \$10.4 million advanced to the CRA, now designated as nonspendable fund balance. Reimbursements for Hurricane Irma and COVID-19 recovery are considered committed when received, per financial policy, and accounted for \$10.0 million of the increase in committed fund balance during fiscal year 2022. These disaster reimbursements were also primarily responsible for the \$10.9 million increase in total fund balance to \$123.8 million at fiscal year end.

The *Solid Waste Fund* is used to account for the City's collection and payment of solid waste fees. This fund has a total fund balance of \$3.3 million compared to \$3.1 million last year. This was primarily due to an increase to the tax assessment resulting in additional revenues.

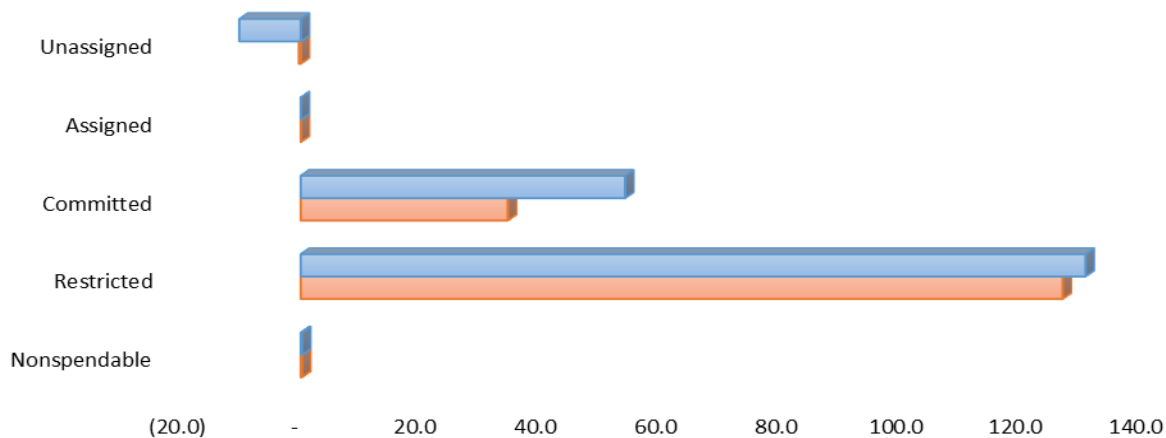
The *General Obligation Fund* is used to account for the voter approved \$60.0 million expansion of the City's parks and recreation amenities. The fund has a fund balance of \$18.5 million, a decrease of \$13.7 million or 42.6% compared to the prior year due to budgeted expenditures on parks projects.

**General Fund
Components of Fund Balance
September 30, 2022 and 2021
(Millions)**



| | Nonspendable | Restricted | Committed | Assigned | Unassigned |
|------|--------------|------------|-----------|----------|------------|
| 2022 | 12.2 | 4.8 | 67.1 | 34.6 | 5.2 |
| 2021 | 1.6 | - | 14.1 | 19.5 | 77.8 |

**All Other Governmental Funds
Components of Fund Balance
September 30, 2022 and 2021
(Millions)**



| | Nonspendable | Restricted | Committed | Assigned | Unassigned |
|------|--------------|------------|-----------|----------|------------|
| 2022 | 0.2 | 130.4 | 53.9 | - | (10.2) |
| 2021 | 0.2 | 126.6 | 34.4 | - | (0.3) |

Proprietary Funds

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

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

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

General Fund Budgetary Highlights

Original budget compared to final budget. The budgetary comparison schedule can be found on page 107. Four budget amendments were adopted by City Council for fiscal year 2022. Major changes to the budget as a result of those amendments include:

Revenues

- Fund balances brought forward from the end of fiscal year 2021 were \$113.3 million.
- Intergovernmental revenue was increased by \$0.8 million or 16.6% to include various grants for police, fire, and parks and recreation.
- Charges for services were increased \$0.9 million or 7.4% mainly to include additional public service tax revenue.

Expenditures

- General government expenditures were increased by \$9.9 million or 15.6% for expenses related to the local state of emergency declared due to Hurricane Ian.
- Police Public Safety expenditures were increased by \$1.7 million or 3.4% primarily for personnel and vehicles.
- Expenditures for Public Works were increased \$1.0 million or 7.1% mainly for alleyway improvements and a hurricane evacuation study.
- Fire Public Safety expenditures were increased by \$0.6 million mainly for new personnel and related equipment.
- Capital Outlay expenditures were increased by \$0.4 million or 5.0% mainly for vehicles and new software.

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

Revenue

- Tax revenue was \$11.3 million or 7.6% higher than the budgeted amount. Higher assessed property values resulted in additional ad valorem revenue, and an amendment to the City's ordinance on purchased electricity and propane gas created additional public service tax revenue. Higher than expected sales tax revenue in the wake of the post-pandemic economy was also a factor.
- Intergovernmental revenue exceeded budget by \$3.0 million primarily due to federal grant reimbursements related to COVID-19 economic relief.
- Franchise fee revenue was \$1.6 million or 21.1% more than budgeted and consisted of fees on electricity, natural gas, and solid waste.
- Other revenue was \$1.4 million more than budget primarily due to reimbursements for equipment costs related to sidewalk construction and information technology services provided by City employees to the Charter Schools.
- Fines and forfeitures revenue exceeded budget by \$0.7 million or 138.2%. This revenue line item includes several different fines and fees such as ordinance violation fines, filing fees, and tax billed penalties and is budgeted conservatively.

- Special Assessment revenue from the fire service assessment was \$0.9 million or 3.1% less than budget, net of discounts and collection costs.
- Unrealized investment losses were \$5.5 million under budget mainly due to significant changes in monetary policy by the Federal Open Market Committee during 2022 and the resulting market reaction.

Expenditures

- General Government expenditures were \$16.4 million or 22.4% less than the budgeted amount, mainly due to anticipated expenditures from Hurricane Ian that were not actually incurred until fiscal year 2023. The category four storm made landfall in Lee County directly west of the city two days before the 2022 fiscal year end, just after a special meeting by City Council declared a local state of emergency and amended the budget accordingly.
- Public Safety Police expenditures were \$1.4 million or 2.8% under budget primarily due to lower salary and health insurance costs.
- Public Safety Fire expenditures were \$0.3 or 0.8% under budget mainly due to lower health insurance and leave payout expenditures, as well as less spent in small equipment, despite higher than budget salaries, overtime and workers' compensation costs.
- Public Works expenditures were under budget by \$2.0 million or 13.5% primarily in the areas of salaries and related personnel costs, as well as maintenance on medians, streetlights, and bridges.
- Community Development expenditures were \$0.4 million or 6.5% under budget, mainly due to lower salaries and health insurance costs, and other professional services.
- Parks and Recreation expenditures were \$0.8 million or 8.7% less than budgeted, mainly due to less spending on contract and salaried employees, health insurance, as well as outside and other professional services, fuel, and communication services.
- Capital Outlay expenditures were \$3.9 million or 46.2% less than budgeted primarily due to lower spending on vehicles and equipment 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, 2022 and 2021:

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|----------------------------|-----------------|-----------------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 161.9 | \$ 159.3 | \$ 31.9 | \$ 31.6 | \$ 193.8 | \$ 190.9 |
| Buildings | 81.4 | 84.5 | 255.7 | 265.5 | 337.1 | 350.0 |
| Improvements other than buildings | 32.2 | 34.8 | 137.0 | 147.8 | 169.2 | 182.6 |
| Equipment | 19.4 | 18.4 | 10.6 | 10.7 | 30.0 | 29.1 |
| Right to use-Equipment ¹ | 0.2 | 0.3 | - | - | 0.2 | 0.3 |
| Intangible computer software | - | 0.1 | - | - | - | 0.1 |
| Infrastructure | 128.5 | 135.3 | 597.6 | 617.9 | 726.1 | 753.2 |
| Construction in progress | 63.2 | 33.6 | 87.7 | 51.3 | 150.9 | 84.9 |
| Total capital assets | <u>\$ 486.8</u> | <u>\$ 466.3</u> | <u>\$1,120.5</u> | <u>\$1,124.8</u> | <u>\$1,607.3</u> | <u>\$1,591.1</u> |

¹ The City implemented GASB Statement No. 87 Leases in fiscal year 2022, resulting in a restatement of beginning balances.

During fiscal year 2022, the City's total capital assets increased by \$15.6 million or 1.0%. Governmental assets increased overall by \$19.9 million or 4.3%, primarily due to an additional \$29.0 million in construction in progress. Business-type activities assets decreased \$4.3 million or 0.4% primarily due to asset depreciation.

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

- GOBOND Parks: Cultural Park, Gator Circle, and Sands Park.
- Water Reclamation Operations Building
- North 1 Utility Expansion Project
- Irrigation and Pump improvements
- City-wide software updates
- Sidewalk and road improvements
- Fire Station #12
- Fire Training Facility
- Police Training Facility

Additional information on the City's capital assets can be found in Note 6: 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 2022, the major rating institutions reaffirmed or assigns various ratings. Below is a summary of the bonds which were reviewed.

Fitch Ratings: Water and Sewer Revenue Bonds, Series 2015 affirmed "A+ Outlook Stable" on September 01, 2022.

At September 30, 2022, the City had \$852.7 million of outstanding debt (excluding compensated absences and other post employment benefits). General Obligation Bonds, which are secured solely by general fund revenues had an outstanding balance of \$37.4 million, or 4.4%, of the total outstanding debt. Revenue Bonds, which are secured solely by specified revenue sources, had an outstanding balance of \$441 million, or 51.8%, 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 \$37.9 million, or 4.4%, of the total outstanding debt. Notes from Direct Borrowing, which are collateralized by the net revenues of the water and sewer system, impact fees, special assessment revenue, and other specified revenues sources had an outstanding balance of \$336.2 million, or 39.4%, of the total outstanding debt. In addition Lease Payable, which are government-wide obligations had an outstanding balance of \$0.2 of the total outstanding debt.

The following is a schedule of outstanding debt as of September 30, 2022 and 2021:

| | Governmental | | Business-type | | Total | |
|---------------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | Activities | | Activities | | | |
| | 2022 ¹ | 2021 | 2022 ¹ | 2021 | 2022 ¹ | 2021 |
| General Obligation Debt- | | | | | | |
| Note from direct borrowing | \$ 37.4 | \$ 39.1 | \$ - | \$ - | \$ 37.40 | 39.1 |
| Revenue Bonds | 99.7 | 104.9 | 341.3 | 347.2 | 441.0 | 452.1 |
| Special Assessment- | | | | | | |
| Note from Direct Borrowing Debt | | | | | | |
| with Governmental Commitment | 54.4 | 57.9 | 281.8 | 303.5 | 336.2 | 361.4 |
| Notes from direct borrowings | - | - | 37.9 | 48.2 | 37.9 | 48.2 |
| Lease Payable | 0.2 | - | - | - | 0.2 | - |
| Total | <u>\$ 191.7</u> | <u>\$ 201.9</u> | <u>\$ 661.0</u> | <u>\$ 698.9</u> | <u>\$ 852.7</u> | <u>\$ 900.8</u> |

¹ The City implemented GASB Statement No. 87 Leases in fiscal year 2022.

The City's total debt decreased by \$48.1 million, or 5.3%, during the current fiscal year. The Governmental activities' decrease of \$10.2 million or 5.1% is due to scheduled debt payments. The Business-type activities' overall decreased by \$37.9 million or 5.4% is due to scheduled debt payments.

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, 2022 was as follows:

| Debt Ratios | General Obligation Bonded Debt Only |
|---|--|
| Debt Ratios | |
| Debt Per Capita (estimated population 208,053 as of September 30, 2022) | \$180 |
| Debt to Assess Taxable Value of Property as of September 30, 2022 (\$18,343,753,318) | 0.20% |

Additional information on the City's long-term debt and debt coverage can be found in Note 8: 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 2023 fiscal year:

- A five-year rolling budget plan was again used to develop the fiscal year 2023 budget, presenting fiscal years through 2027. Only fiscal year 2023 was formally approved by the City Council.
- The City's new 2030 strategic plan, Cape Compass, served as the foundation for developing the 2023 operating budget and the 2023 – 2028 capital spending plans. The six strategic priorities are:
 - City Services and Amenities – Deliver exceptional City services and high-quality amenities.
 - Communication and Transparency – Cultivate an engaged and informed community and workforce.
 - Economy, Education and Workforce – Create a community of prosperous residents, thriving neighborhoods and successful businesses.
 - Fiscal Sustainability – Maintain a financially sound government.
 - Infrastructure – Invest in resilient infrastructure.
 - Environmental Sustainability – Preserve Cape Coral's natural resources for current and future generations.
- The City continues to experience near record-breaking development activity and population growth and remains in good financial standing despite predictions of a national recession, high inflation, labor and material shortages, and fuel price volatility.
- The fiscal year 2023-2025 budget was adopted with an operating millage rate of 5.5568 and formulated to continue meeting the City's reserve requirements. This year's budget also addresses previously deferred maintenance while meeting the demand for services and new infrastructure. The Water and Sewer budget was prepared to support the continuing operations of the existing utility facilities including the water reclamation plants, reverse osmosis plants, and the existing collection, distribution, and transmission lines. The preparation of the annual budget is made in conjunction with the annual update of the rate sufficiency model which indicates no rate changes are required for the system.

- The stormwater utility fee is charged per equivalent residential unit (ERU). Based on the results of the Stormwater Cost Recovery study performed by an outside consultant, the rolling budget was adopted with an increase in the rate structure to \$135 per ERU and will be re-examined annually. The prior year rate was \$130.
- Non-enterprise recreational programs were moved from a special revenue fund to the general fund. Each program is supported by a certain level of user fees. The City has several fee studies in process, including one for Parks and Recreation Fees, to evaluate program costs and projected revenues and ensure the program costs are being recovered.
- The City's Fire Service Assessment is moving to a special revenue fund following the adoption of the budget due to its restricted nature and is proposed to remain the same at 62% yielding \$32.4 million in revenue.
- Impact fees are planned to be used for a fire training facility (Fire Impact Fee reserves) and a police training facility (Police Impact Fee reserves). All other impact fee revenues will be used to satisfy annual debt requirements.
- Gas tax funds have been budgeted in accordance with revenue estimates provided by the State of Florida and will support local road resurfacing, signalization, and small-scale intersection improvements.
- Water, sewer, and irrigation utility capital expansion fees are used to pay for the expansion of the City's utility system including the cost of transmission lines. These fees are also used to pay applicable debt service and/or will be used to offset the borrowing requirements associated with the expansion of the utility plants and related facilities.
- Funds were awarded under the American Rescue Plan Act (ARPA) which are planned to be spent in fiscal years 2023 and 2024 to fund utility infrastructure improvements in the CRA district totaling \$25 million.

REQUEST FOR INFORMATION

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

Basic Financial Statements

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF NET POSITION
September 30, 2022

| | Primary Government | | | Component Unit |
|--|--------------------------------|---------------------------------|-----------------------|--|
| | Governmental Activities | Business-type Activities | Total | Cape Coral Charter School Authority |
| ASSETS | | | | |
| Cash and investments | \$ 353,276,881 | \$ 99,424,895 | \$ 452,701,776 | \$ 11,128,926 |
| Interest receivable | 312,245 | 124,426 | 436,671 | - |
| Accounts receivable, net | 2,091,706 | 12,030,742 | 14,122,448 | - |
| Intergovernmental receivable | 11,294,574 | 56,347 | 11,350,921 | 737,622 |
| Note receivable | 24,989 | - | 24,989 | - |
| Lease receivable | 6,370,299 | 44,700 | 6,414,999 | - |
| Due from component unit | 1,071,296 | - | 1,071,296 | - |
| Internal balances | (1,243,263) | 1,243,263 | - | - |
| Inventories | 996,849 | 3,947,956 | 4,944,805 | - |
| Prepaid items | 1,833,537 | 59,443 | 1,892,980 | 57,414 |
| Unamortized bond insurance | 2,664 | 275,746 | 278,410 | - |
| Restricted: | | | | |
| Cash and investments | - | 151,477,456 | 151,477,456 | - |
| Interest receivable | - | 374,019 | 374,019 | - |
| Accounts receivable, net | - | 90,485 | 90,485 | - |
| Intergovernmental receivable | - | 42,613 | 42,613 | - |
| Assessments receivable, net | - | 1,205,174 | 1,205,174 | - |
| Capital assets (net of depreciation and amortization): | | | | |
| Land and construction in progress | 225,126,944 | 119,512,333 | 344,639,277 | - |
| Other capital assets, net of depreciation and amortization | 261,657,013 | 1,001,036,694 | 1,262,693,707 | 7,537,502 |
| Total assets | <u>862,815,734</u> | <u>1,390,946,292</u> | <u>2,253,762,026</u> | <u>19,461,464</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Loss on refunding | 6,184,057 | 20,081,584 | 26,265,641 | - |
| Pension related | 116,312,858 | 19,726,608 | 136,039,466 | 4,596,975 |
| OPEB related | 50,398,965 | 13,198,352 | 63,597,317 | - |
| Total deferred outflows of resources | <u>172,895,880</u> | <u>53,006,544</u> | <u>225,902,424</u> | <u>4,596,975</u> |
| LIABILITIES | | | | |
| Accounts payable and other accrued liabilities | 13,673,317 | 5,602,031 | 19,275,348 | 647,084 |
| Retainage payable | 1,221,315 | 2,878,148 | 4,099,463 | - |
| Accrued payroll | 8,511,616 | 1,840,939 | 10,352,555 | 362,976 |
| Accrued interest payable | 38,294 | 463,974 | 502,268 | - |
| Deposits | 964,119 | 2,737,711 | 3,701,830 | - |
| Intergovernmental payable | 4,921,708 | - | 4,921,708 | - |
| Unearned revenue | 3,794,918 | 25,830,597 | 29,625,515 | 52,786 |
| Total OPEB liability | 9,587,709 | 2,510,804 | 12,098,513 | - |
| Noncurrent liabilities | | | | |
| Due within one year: | | | | |
| Compensated absences | 86,804 | 519,254 | 606,058 | 145,123 |
| Leases payable | 167,825 | - | 167,825 | 1,469,544 |
| Claims liability | 5,238,212 | - | 5,238,212 | - |
| Bonds and notes payable | 17,959,322 | 28,748,745 | 46,708,067 | - |
| Due in more than one year: | | | | |
| Compensated absences | 11,401,229 | 2,866,420 | 14,267,649 | 739,715 |
| Leases payable | 12,748 | - | 12,748 | 4,439,759 |
| Claims liability | 9,187,088 | - | 9,187,088 | - |
| Bonds and notes payable | 173,585,133 | 632,327,917 | 805,913,050 | - |
| Net pension liability | 213,172,005 | 43,704,093 | 256,876,098 | 6,485,183 |
| Total pension liability | 2,194,712 | - | 2,194,712 | - |
| Total OPEB liability | 271,190,493 | 71,018,668 | 342,209,161 | - |
| Total liabilities | <u>746,908,567</u> | <u>821,049,301</u> | <u>1,567,957,868</u> | <u>14,342,170</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Gain on refunding | 1,623 | - | 1,623 | - |
| Pension related | 8,775,933 | 709,358 | 9,485,291 | 7,007,438 |
| OPEB related | 20,760,662 | 5,436,749 | 26,197,411 | - |
| Leases | 6,339,715 | 45,072 | 6,384,787 | - |
| Total deferred inflows of resources | <u>35,877,933</u> | <u>6,191,179</u> | <u>42,069,112</u> | <u>7,007,438</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 316,970,393 | 476,407,460 | 793,377,853 | 1,628,199 |
| Restricted for: | | | | |
| Community redevelopment agency | - | - | - | - |
| General government | 1,851,287 | - | 1,851,287 | - |
| Public safety | 21,057,958 | - | 21,057,958 | - |
| Public works | 52,569,261 | - | 52,569,261 | - |
| Parks and recreation | 7,158,541 | - | 7,158,541 | - |
| Community development | 3,602,151 | - | 3,602,151 | - |
| Fire services | 4,791,524 | - | 4,791,524 | - |
| Debt service | 4,614,123 | 93,106,067 | 97,720,190 | - |
| Deposits | - | 2,505,000 | 2,505,000 | - |
| Capital improvements | 21,550,565 | 25,000,836 | 46,551,401 | - |
| Renewal and replacement | - | 6,204,987 | 6,204,987 | - |
| Unrestricted | (181,240,689) | 13,488,006 | (167,752,683) | 1,080,632 |
| Total net position | <u>\$ 252,925,114</u> | <u>\$ 616,712,356</u> | <u>\$ 869,637,470</u> | <u>\$ 2,708,831</u> |

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

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2022

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit Cape Coral Charter School Authority |
|---|-----------------------|-------------------------|--|--|---|---|-----------------------|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Primary Government Business-type Activities | Total | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 70,163,483 | \$ 18,541,630 | \$ 3,321,810 | \$ - | \$ (48,300,043) | \$ - | \$ (48,300,043) | \$ - |
| Public safety: | | | | | | | | |
| Police | 64,624,915 | 3,424,119 | 2,636,782 | 2,898,169 | (55,665,845) | - | (55,665,845) | - |
| Fire | 56,351,131 | 611,115 | 32,007,082 | 1,825,658 | (21,907,276) | - | (21,907,276) | - |
| Building | 11,767,161 | 11,736,729 | - | - | (30,432) | - | (30,432) | - |
| Public works | 41,777,518 | 23,953,025 | - | 19,916,362 | 2,091,869 | - | 2,091,869 | - |
| Parks and recreation | 22,759,195 | 7,102,971 | 761,400 | 5,494,908 | (9,399,916) | - | (9,399,916) | - |
| Community development | 20,006,185 | 1,694,703 | 3,535,324 | - | (14,776,158) | - | (14,776,158) | - |
| Interest on long-term debt | 6,197,290 | - | - | - | (6,197,290) | - | (6,197,290) | - |
| Total governmental activities | <u>293,646,878</u> | <u>67,064,292</u> | <u>42,262,398</u> | <u>30,135,097</u> | <u>(154,185,091)</u> | <u>-</u> | <u>(154,185,091)</u> | <u>-</u> |
| Business-type activities: | | | | | | | | |
| Water and sewer | 126,031,222 | 101,692,336 | - | 42,448,824 | - | 18,109,938 | 18,109,938 | - |
| Stormwater | 17,560,240 | 25,216,173 | - | 262,835 | - | 7,918,768 | 7,918,768 | - |
| Yacht basin | 510,925 | 834,932 | - | - | - | 324,007 | 324,007 | - |
| Total business-type activities | <u>144,102,387</u> | <u>127,743,441</u> | <u>-</u> | <u>42,711,659</u> | <u>-</u> | <u>26,352,713</u> | <u>26,352,713</u> | <u>-</u> |
| Total primary government | <u>\$ 437,749,265</u> | <u>\$ 194,807,733</u> | <u>\$ 42,262,398</u> | <u>\$ 72,846,756</u> | <u>(154,185,091)</u> | <u>26,352,713</u> | <u>(127,832,378)</u> | <u>-</u> |
| Component unit: | | | | | | | | |
| Cape Coral Charter School Authority | <u>\$ 28,822,801</u> | <u>\$ 1,667,004</u> | <u>\$ 3,785,928</u> | <u>\$ 1,831,173</u> | | | | <u>(21,538,696)</u> |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Florida education finance program | | | | | - | - | - | 22,924,749 |
| Property taxes, levied for general purpose | | | | | 111,520,612 | - | 111,520,612 | - |
| Property taxes, levied for debt service | | | | | 832,824 | - | 832,824 | - |
| Property taxes, other (CRA and All Hazards) | | | | | 2,693,558 | - | 2,693,558 | - |
| Public service tax | | | | | 12,291,927 | - | 12,291,927 | - |
| Sales | | | | | 29,260,198 | - | 29,260,198 | - |
| Fuel | | | | | 12,778,832 | - | 12,778,832 | - |
| Alcohol and beverage | | | | | 84,262 | - | 84,262 | - |
| Communication | | | | | 5,165,407 | - | 5,165,407 | - |
| Franchise | | | | | 9,035,573 | - | 9,035,573 | - |
| Investment earnings (loss) | | | | | (4,912,296) | (4,223,085) | (9,135,381) | 25,996 |
| Transfers, net | | | | | 229,401 | (229,401) | - | - |
| Total general revenues and transfers | | | | | <u>178,980,298</u> | <u>(4,452,486)</u> | <u>174,527,812</u> | <u>22,950,745</u> |
| Change in net position | | | | | 24,795,207 | 21,900,227 | 46,695,434 | 1,412,049 |
| Net position - beginning | | | | | <u>228,129,907</u> | <u>594,812,129</u> | <u>822,942,036</u> | <u>1,296,782</u> |
| Net position - ending | | | | | <u>\$ 252,925,114</u> | <u>\$ 616,712,356</u> | <u>\$ 869,637,470</u> | <u>\$ 2,708,831</u> |

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

CITY OF CAPE CORAL, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2022

| | General | Solid Waste | General Obligation | Other Non-Major Governmental | Total Governmental Funds |
|--|-----------------------|---------------------|----------------------|------------------------------|--------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 117,514,933 | \$ 5,503,794 | \$ 21,020,663 | \$ 168,978,578 | \$ 313,017,968 |
| Interest receivable | 158,663 | 7,429 | - | 115,183 | 281,275 |
| Accounts receivable, net | 3,059,194 | - | - | 28,445 | 3,087,639 |
| Intergovernmental receivable | 7,475,595 | 65,016 | - | 3,753,966 | 11,294,577 |
| Notes receivable | 24,989 | - | - | - | 24,989 |
| Lease receivable | 857,910 | - | - | 5,512,389 | 6,370,299 |
| Due from other funds | 1,436,509 | - | - | - | 1,436,509 |
| Advances to other funds | 10,350,000 | - | - | - | 10,350,000 |
| Inventories | 56,617 | - | - | 96,932 | 153,549 |
| Prepaid items | 1,773,140 | - | - | 60,397 | 1,833,537 |
| Total assets | <u>\$ 142,707,550</u> | <u>\$ 5,576,239</u> | <u>\$ 21,020,663</u> | <u>\$ 178,545,890</u> | <u>\$ 347,850,342</u> |
| LIABILITIES | | | | | |
| Accounts payable and other accrued liabilities | 3,153,520 | 2,226,428 | 2,186,267 | 2,266,095 | 9,832,310 |
| Accrued retainage | - | - | 351,248 | 870,067 | 1,221,315 |
| Accrued payroll | 7,502,355 | 10,310 | - | 701,527 | 8,214,192 |
| Due to other funds | - | - | - | 1,436,509 | 1,436,509 |
| Deposits | 112,444 | - | - | 851,675 | 964,119 |
| Intergovernmental payables | 4,752,674 | - | - | 169,034 | 4,921,708 |
| Unearned revenue | 147,511 | - | - | 3,647,410 | 3,794,921 |
| Advances from other funds | - | - | - | 10,350,000 | 10,350,000 |
| Total liabilities | <u>15,668,504</u> | <u>2,236,738</u> | <u>2,537,515</u> | <u>20,292,317</u> | <u>40,735,074</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - grant reimbursement | 1,939,475 | - | - | 283,209 | 2,222,684 |
| Unavailable revenue - other | 336,925 | - | - | - | 336,925 |
| Unavailable revenue - lease | 851,368 | - | - | 5,488,347 | 6,339,715 |
| Total deferred inflows of resources | <u>3,127,768</u> | <u>-</u> | <u>-</u> | <u>5,771,556</u> | <u>8,899,324</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 12,179,757 | - | - | 157,329 | 12,337,086 |
| Restricted | 4,791,524 | 3,339,501 | 18,483,148 | 108,639,849 | 135,254,022 |
| Committed | 67,123,613 | - | - | 53,912,708 | 121,036,321 |
| Assigned | 34,629,010 | - | - | - | 34,629,010 |
| Unassigned | 5,187,374 | - | - | (10,227,869) | (5,040,495) |
| Total fund balances | <u>123,911,278</u> | <u>3,339,501</u> | <u>18,483,148</u> | <u>152,482,017</u> | <u>298,215,944</u> |
| Total liabilities, deferred inflows of resources | <u>\$ 142,707,550</u> | <u>\$ 5,576,239</u> | <u>\$ 21,020,663</u> | <u>\$ 178,545,890</u> | <u>\$ 347,850,342</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, 2022

| | | |
|--|----|-------------|
| Fund balances - total governmental funds | \$ | 298,215,944 |
|--|----|-------------|

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 | \$ 745,238,793 | |
| Accumulated depreciation | <u>(259,073,689)</u> | 486,165,104 |

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

| | | |
|--|--------------------|-----------|
| Net position of internal service funds | \$ 5,146,240 | |
| Cross-over to enterprise funds | <u>(1,243,263)</u> | 3,902,977 |

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

2,664

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

(38,294)

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

6,184,057

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.

113,030,224

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.

(8,657,892)

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.

(1,623)

Deferred outflows related to OPEB 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.

47,707,273

Deferred inflows related to OPEB 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.

(19,651,886)

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

2,559,609

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 leases payable | \$ (191,725,028) | |
| Total OPEB liability | (265,782,485) | |
| Net pension liability | (205,899,372) | |
| Total pension liability | (2,194,712) | |
| Compensated absences | <u>(10,891,446)</u> | (676,493,043) |
| Total net position of governmental activities | <u>\$</u> | <u>252,925,114</u> |

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

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

| | General | Solid Waste | General Obligation Fund | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|---------------------|-------------------------|--------------------------|--------------------------|
| REVENUES | | | | | |
| Taxes | \$ 159,145,878 | \$ - | \$ - | \$ 15,481,742 | \$ 174,627,620 |
| Special assessments | 28,644,398 | - | - | 21,939 | 28,666,337 |
| Licenses and permits | 51,545 | - | - | 12,558,391 | 12,609,936 |
| Franchise fees | 9,035,573 | - | - | - | 9,035,573 |
| Intergovernmental | 8,244,108 | - | - | 8,903,490 | 17,147,598 |
| Charges for services | 12,779,473 | 18,245,152 | - | 11,533,290 | 42,557,915 |
| Fines and forfeitures | 1,278,922 | - | - | 235,148 | 1,514,070 |
| Impact fees | - | - | - | 28,227,963 | 28,227,963 |
| Rent and royalties | 564,475 | - | - | 1,472,484 | 2,036,959 |
| Investment earnings (loss) | (2,703,032) | (123,488) | 200,788 | (1,772,863) | (4,398,595) |
| Contributions and donations | 28,966 | - | - | 1,950,100 | 1,979,066 |
| Other revenue | 1,923,103 | 407,629 | - | 890,422 | 3,221,154 |
| Total revenues | <u>218,993,409</u> | <u>18,529,293</u> | <u>200,788</u> | <u>79,502,106</u> | <u>317,225,596</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 57,002,541 | - | - | 799,968 | 57,802,509 |
| Public safety: | | | | | |
| Police | 49,015,337 | - | - | 189,327 | 49,204,664 |
| Fire | 39,597,184 | - | - | 924,827 | 40,522,011 |
| Building | - | - | - | 9,259,453 | 9,259,453 |
| Public works | 13,053,046 | 18,103,820 | - | 4,892,518 | 36,049,384 |
| Parks and recreation | 8,120,880 | - | - | 12,202,893 | 20,323,773 |
| Community development | 5,424,020 | - | - | 12,360,335 | 17,784,355 |
| Capital outlay | 4,485,701 | 185,709 | 13,905,654 | 24,032,743 | 42,609,807 |
| Debt service: | | | | | |
| Principal | 50,695 | - | - | 13,163,098 | 13,213,793 |
| Interest and fiscal charges | 406 | - | - | 6,524,432 | 6,524,838 |
| Bond issuance costs | - | - | - | 35,286 | 35,286 |
| Total expenditures | <u>176,749,810</u> | <u>18,289,529</u> | <u>13,905,654</u> | <u>84,384,880</u> | <u>293,329,873</u> |
| Excess revenues over (under) expenditures | <u>42,243,599</u> | <u>239,764</u> | <u>(13,704,866)</u> | <u>(4,882,774)</u> | <u>23,895,723</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 524,525 | - | - | 68,870,458 | 69,394,983 |
| Transfers out | (35,796,254) | - | - | (36,882,155) | (72,678,409) |
| Issuance of debt | 3,486,500 | - | - | 33,500 | 3,520,000 |
| Proceeds on sale of capital assets | 156,550 | - | - | 44,200 | 200,750 |
| Total other financing sources (uses) | <u>(31,628,679)</u> | <u>-</u> | <u>-</u> | <u>32,066,003</u> | <u>437,324</u> |
| Net change in fund balances | 10,614,920 | 239,764 | (13,704,866) | 27,183,229 | 24,333,047 |
| Fund balances - beginning, as restated | 113,296,358 | 3,099,737 | 32,188,014 | 125,298,788 | 273,882,897 |
| Fund balances - ending | <u>\$ 123,911,278</u> | <u>\$ 3,339,501</u> | <u>\$ 18,483,148</u> | <u>\$ 152,482,017</u> | <u>\$ 298,215,944</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, 2022

Net change in fund balances - total governmental funds: \$ 24,333,047

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

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

| | | |
|----------------|---------------------|------------|
| Capital outlay | \$ 42,609,807 | |
| Depreciation | <u>(19,268,732)</u> | 23,341,075 |

| | | |
|---|--|-------------|
| The net effect on net position for various miscellaneous transactions involving capital assets (disposals, transfers, donations). | | (2,763,752) |
|---|--|-------------|

| | | |
|---|--|-------------|
| Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities. | | (1,953,598) |
|---|--|-------------|

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, 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 | \$ 13,213,793 | |
| Issuance of debt | (3,520,000) | |
| Unamortized bond insurance cost | <u>(190)</u> | 9,693,603 |

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 | \$ (186,244) | |
| OPEB related | (8,883,318) | |
| Pension related | <u>(21,327,250)</u> | (30,396,812) |

| | | |
|---|--|-----------|
| Internal service funds are used by management to charge the cost of certain activities to the individual funds. | | 2,214,096 |
|---|--|-----------|

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 | | 327,548 |
| Change in net position - governmental activities | | <u><u>\$ 24,795,207</u></u> |

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

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022

| | 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 | \$ 59,585,191 | \$ 38,168,045 | \$ 1,671,659 | \$ 99,424,895 | \$ 40,258,914 |
| Interest receivable | 96,162 | 25,991 | 2,273 | 124,426 | 30,970 |
| Accounts receivable, net | 12,008,876 | 19,348 | 2,518 | 12,030,742 | 75,363 |
| Lease receivable | - | - | 44,700 | 44,700 | - |
| Intergovernmental receivable | - | 56,347 | - | 56,347 | - |
| Inventories | 3,947,956 | - | - | 3,947,956 | - |
| Prepaid items | 58,285 | 1,158 | - | 59,443 | 843,300 |
| Restricted: | | | | | |
| Cash and investments | 151,477,456 | - | - | 151,477,456 | - |
| Interest receivable | 374,019 | - | - | 374,019 | - |
| Intergovernmental receivable | 42,613 | - | - | 42,613 | - |
| Assessments receivable, net | 1,678 | - | - | 1,678 | - |
| Total restricted assets | 151,895,766 | - | - | 151,895,766 | - |
| Total current assets | 227,592,236 | 38,270,889 | 1,721,150 | 267,584,275 | 41,208,547 |
| Noncurrent assets: | | | | | |
| Unamortized bond insurance | 275,746 | - | - | 275,746 | - |
| Restricted: | | | | | |
| Accounts receivable, net | 90,485 | - | - | 90,485 | - |
| Assessments receivable | 1,203,496 | - | - | 1,203,496 | - |
| Total restricted assets | 1,293,981 | - | - | 1,293,981 | - |
| Capital assets: | | | | | |
| Land | 25,255,963 | 6,578,833 | 20,555 | 31,855,351 | - |
| Buildings | 387,577,214 | 1,916,446 | 76,695 | 389,570,355 | 907,624 |
| Improvements other than buildings | 338,755,640 | 33,125,147 | 96,990 | 371,977,777 | 63,796 |
| Equipment | 38,150,421 | 10,350,835 | 41,710 | 48,542,966 | 2,270,215 |
| Infrastructure | 902,908,271 | 17,936,398 | 286,049 | 921,130,718 | - |
| Intangible computer software | - | - | - | - | 705,245 |
| Construction in progress | 82,112,643 | 5,544,339 | - | 87,656,982 | - |
| Less accumulated depreciation | (696,789,157) | (33,179,079) | (216,886) | (730,185,122) | (3,328,027) |
| Total capital assets, net | 1,077,970,995 | 42,272,919 | 305,113 | 1,120,549,027 | 618,853 |
| Total noncurrent assets | 1,079,540,722 | 42,272,919 | 305,113 | 1,122,118,754 | 618,853 |
| Total assets | 1,307,132,958 | 80,543,808 | 2,026,263 | 1,389,703,029 | 41,827,400 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Loss on refunding | 20,081,584 | - | - | 20,081,584 | - |
| Pension related | 15,267,572 | 4,376,841 | 82,195 | 19,726,608 | 3,282,634 |
| OPEB related | 9,922,899 | 3,218,978 | 56,475 | 13,198,352 | 2,691,692 |
| Total deferred outflows of resources | 45,272,055 | 7,595,819 | 138,670 | 53,006,544 | 5,974,326 |

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

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
September 30, 2022

| | 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 | \$ 5,285,095 | \$ 309,233 | \$ 7,703 | \$ 5,602,031 | \$ 3,841,007 |
| Accrued retainage | 2,776,184 | 101,964 | - | 2,878,148 | - |
| Accrued payroll | 1,473,792 | 360,839 | 6,308 | 1,840,939 | 297,424 |
| Accrued interest payable | 463,974 | - | - | 463,974 | - |
| Deposits | 2,717,711 | - | 20,000 | 2,737,711 | - |
| Unearned revenue | 25,830,597 | - | - | 25,830,597 | - |
| Compensated absences | 380,345 | 138,909 | - | 519,254 | 86,804 |
| Total OPEB liability | 1,887,695 | 612,366 | 10,743 | 2,510,804 | 512,057 |
| Claims liability | - | - | - | - | 5,238,212 |
| Debt: | | | | | |
| Revenue bonds | 4,760,000 | - | - | 4,760,000 | - |
| Special assessment debt | 8,235,000 | - | - | 8,235,000 | - |
| Notes - direct borrowings | 15,753,745 | - | - | 15,753,745 | - |
| Total debt | 28,748,745 | - | - | 28,748,745 | - |
| Total current liabilities | 69,564,138 | 1,523,311 | 44,754 | 71,132,203 | 9,975,504 |
| Noncurrent liabilities: | | | | | |
| Compensated absences | 2,206,111 | 649,948 | 10,361 | 2,866,420 | 509,784 |
| Total OPEB liability | 53,393,869 | 17,320,917 | 303,882 | 71,018,668 | 14,483,660 |
| Claims liability | - | - | - | - | 9,187,088 |
| Net pension liability | 33,825,147 | 9,696,846 | 182,100 | 43,704,093 | 7,272,633 |
| Debt: | | | | | |
| Revenue bonds | 336,585,117 | - | - | 336,585,117 | - |
| Special assessment debt | 29,681,298 | - | - | 29,681,298 | - |
| Notes - direct borrowings | 266,061,502 | - | - | 266,061,502 | - |
| Total debt | 632,327,917 | - | - | 632,327,917 | - |
| Total noncurrent liabilities | 721,753,044 | 27,667,711 | 496,343 | 749,917,098 | 31,453,165 |
| Total liabilities | 791,317,182 | 29,191,022 | 541,097 | 821,049,301 | 41,428,669 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension related | 549,013 | 157,389 | 2,956 | 709,358 | 118,041 |
| OPEB related | 4,087,504 | 1,325,982 | 23,263 | 5,436,749 | 1,108,776 |
| Leases | - | - | 45,072 | 45,072 | - |
| Total deferred inflows of resources | 4,636,517 | 1,483,371 | 71,291 | 6,191,179 | 1,226,817 |
| NET POSITION | | | | | |
| Net investment in capital assets | 433,963,392 | 42,138,956 | 305,112 | 476,407,460 | 618,853 |
| Restricted for: | | | | | |
| Debt service | 93,106,067 | - | - | 93,106,067 | - |
| Deposits | 2,505,000 | - | - | 2,505,000 | - |
| Capital improvements | 25,000,836 | - | - | 25,000,836 | - |
| Renewal and replacement | 6,204,987 | - | - | 6,204,987 | - |
| Unrestricted | (4,328,968) | 15,326,278 | 1,247,433 | 12,244,743 | 4,527,387 |
| Total net position | \$ 556,451,314 | \$ 57,465,234 | \$ 1,552,545 | \$ 615,469,093 | \$ 5,146,240 |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds | | | | 1,243,263 | |
| Net position of business-type activities | | | | <u>\$ 616,712,356</u> | |

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

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2022

| | 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 | \$ 100,397,963 | \$ 22,852,519 | \$ 834,932 | \$ 124,085,414 | \$ 50,118,784 |
| Other revenue | 1,294,373 | 153,654 | - | 1,448,027 | - |
| State grant stormwater management | - | 2,210,000 | - | 2,210,000 | 3,381,888 |
| Total operating revenues | <u>101,692,336</u> | <u>25,216,173</u> | <u>834,932</u> | <u>127,743,441</u> | <u>53,500,672</u> |
| OPERATING EXPENSES | | | | | |
| Salaries, wages and employee benefits | 32,395,366 | 10,480,658 | 278,589 | 43,154,613 | 9,622,396 |
| Contractual services, materials and supplies | 30,893,502 | 4,568,064 | 162,352 | 35,623,918 | 13,282,927 |
| Claims and claims adjustments | - | - | - | - | 31,420,243 |
| Depreciation | 42,791,477 | 2,564,635 | 37,592 | 45,393,704 | 190,446 |
| Total operating expenses | <u>106,080,345</u> | <u>17,613,357</u> | <u>478,533</u> | <u>124,172,235</u> | <u>54,516,012</u> |
| Operating income (loss) | <u>(4,388,009)</u> | <u>7,602,816</u> | <u>356,399</u> | <u>3,571,206</u> | <u>(1,015,340)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment earnings (loss) | (3,744,651) | (439,387) | (39,047) | (4,223,085) | (513,701) |
| Interest expense | (19,834,286) | - | - | (19,834,286) | - |
| Debt service costs | (41,088) | - | - | (41,088) | - |
| Gain (loss) on sale of capital assets | 140,401 | 33,675 | (9,978) | 164,098 | 11,434 |
| Total nonoperating revenues (expenses) | <u>(23,479,624)</u> | <u>(405,712)</u> | <u>(49,025)</u> | <u>(23,934,361)</u> | <u>(502,267)</u> |
| Income (loss) before contributions and transfers | <u>(27,867,633)</u> | <u>7,197,104</u> | <u>307,374</u> | <u>(20,363,155)</u> | <u>(1,517,607)</u> |
| Capital contributions | | | | | |
| Special assessments | 32,468,817 | - | - | 32,468,817 | - |
| Developer contributions | 43,375 | 262,835 | - | 306,210 | - |
| Impact fees and contribution in aid of construction | 9,936,632 | - | - | 9,936,632 | - |
| Total capital contributions | <u>42,448,824</u> | <u>262,835</u> | <u>-</u> | <u>42,711,659</u> | <u>-</u> |
| Transfers | | | | | |
| Transfers in | 858,493 | - | - | 858,493 | 3,516,614 |
| Transfers out | (106,373) | (866,521) | (115,000) | (1,087,894) | (3,787) |
| Total transfers | <u>752,120</u> | <u>(866,521)</u> | <u>(115,000)</u> | <u>(229,401)</u> | <u>3,512,827</u> |
| Change in net position | 15,333,311 | 6,593,418 | 192,374 | 22,119,103 | 1,995,220 |
| Total net position - beginning | 541,118,003 | 50,871,816 | 1,360,171 | 593,349,990 | 3,151,020 |
| Total net position - ending | <u>\$ 556,451,314</u> | <u>\$ 57,465,234</u> | <u>\$ 1,552,545</u> | <u>\$ 615,469,093</u> | <u>\$ 5,146,240</u> |
| Change in net position of business-type activities | | | | \$ 22,119,103 | |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds | | | | (218,876) | |
| Change in net position of business-type activities | | | | <u>\$ 21,900,227</u> | |

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

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2022

| | 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 | \$ 112,649,499 | \$ 25,236,677 | \$ 787,964 | \$ 138,674,140 | \$ 53,456,673 |
| Cash payments for claims | - | - | - | - | (30,480,021) |
| Cash payments to suppliers | (28,184,211) | (4,568,425) | (123,859) | (32,876,495) | (12,208,202) |
| Cash payments to employees | (28,180,267) | (8,780,177) | (136,264) | (37,096,708) | (6,986,299) |
| Cash payments for interfund services | (8,248,079) | - | (42,339) | (8,290,418) | - |
| Net cash provided by operating activities | <u>48,036,942</u> | <u>11,888,075</u> | <u>485,502</u> | <u>60,410,519</u> | <u>3,782,151</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING | | | | | |
| Transfers in | 858,493 | - | - | 858,493 | - |
| Transfers out | (106,373) | (866,521) | (115,000) | (1,087,894) | - |
| Net cash provided (used) by noncapital financing activities | <u>752,120</u> | <u>(866,521)</u> | <u>(115,000)</u> | <u>(229,401)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED | | | | | |
| Acquisition and construction of capital assets | (40,706,235) | (2,644,617) | - | (43,350,852) | (59,789) |
| Proceeds on sale of capital assets | 140,401 | 33,675 | - | 174,076 | 12,151 |
| Principal payments on long-term debt | (36,633,016) | - | - | (36,633,016) | - |
| Collection of special assessments | 37,094,525 | - | - | 37,094,525 | - |
| Transfer out for the acquisition of capital assets | - | - | - | - | (3,787) |
| Impact fees | 7,614,184 | - | - | 7,614,184 | - |
| Contribution in aid of construction | 2,307,791 | - | - | 2,307,791 | - |
| Interest paid | (19,946,866) | - | - | (19,946,866) | - |
| Transfer in for acquisition of capital assets | - | - | - | - | 3,516,614 |
| Net cash provided (used) by capital and related financing activities | <u>(50,129,216)</u> | <u>(2,610,942)</u> | <u>-</u> | <u>(52,740,158)</u> | <u>3,465,189</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Investment Earnings | (8,246,563) | (450,182) | (40,047) | (8,736,792) | (521,033) |
| Net cash used by investing activities | <u>(8,246,563)</u> | <u>(450,182)</u> | <u>(40,047)</u> | <u>(8,736,792)</u> | <u>(521,033)</u> |
| Net increase (decrease) in cash and investments | (9,586,717) | 7,960,430 | 330,455 | (1,295,832) | 6,726,307 |
| Cash and investments - beginning | 220,649,364 | 30,207,615 | 1,341,204 | 252,198,183 | 33,532,607 |
| Cash and investments - ending | <u>\$ 211,062,647</u> | <u>\$ 38,168,045</u> | <u>\$ 1,671,659</u> | <u>\$ 250,902,351</u> | <u>\$ 40,258,914</u> |
| CLASSIFIED AS: | | | | | |
| Cash and investments | \$ 59,585,191 | \$ 38,168,045 | \$ 1,671,659 | \$ 99,424,895 | \$ 40,258,914 |
| Restricted cash and investments | 151,477,456 | - | - | 151,477,456 | - |
| Total cash and investments | <u>\$ 211,062,647</u> | <u>\$ 38,168,045</u> | <u>\$ 1,671,659</u> | <u>\$ 250,902,351</u> | <u>\$ 40,258,914</u> |

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

CITY OF CAPE CORAL, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
For the Year Ended September 30, 2022

| | 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 CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | |
| Operating income (loss) | \$ (4,388,009) | \$ 7,602,816 | \$ 356,399 | \$ 3,571,206 | \$ (1,015,340) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | |
| Depreciation expense | 42,791,477 | 2,564,635 | 37,592 | 45,393,704 | 190,446 |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable, net | (1,466,040) | (1,049) | (2,267) | (1,469,356) | (43,999) |
| Accounts receivable, leases | - | - | (44,700) | (44,700) | - |
| Intergovernmental receivable | - | 21,546 | - | 21,546 | - |
| Inventories | (1,779,077) | - | - | (1,779,077) | - |
| Prepaid items | (9,961) | 516 | - | (9,445) | (71,914) |
| (Increase) decrease in deferred outflows: | | | | | |
| Pension related | (10,598,990) | (3,015,510) | (59,397) | (13,673,897) | (2,349,568) |
| OPEB related | 457,031 | 16,122 | (10,631) | 462,522 | (206,114) |
| Increase (decrease) in liabilities: | | | | | |
| Accounts payable and other accrued liabilities | (3,749,750) | (870) | (3,847) | (3,754,467) | 1,146,639 |
| Accrued payroll | 724,264 | 155,371 | 1,432 | 881,067 | 132,325 |
| Compensated absences | 127,837 | 36,010 | 6,644 | 170,491 | (16,334) |
| Total OPEB liability | 1,739,566 | 1,245,912 | 78,153 | 3,063,631 | 2,174,554 |
| Net pension liability | 22,533,727 | 6,404,336 | 126,962 | 29,065,025 | 5,015,925 |
| Claims liability | - | - | - | - | 940,222 |
| Deposits | (296,447) | - | - | (296,447) | - |
| Unearned revenue | 12,719,650 | - | - | 12,719,650 | - |
| Increase (decrease) in deferred inflows: | | | | | |
| Pension earnings | (8,222,182) | (2,555,674) | (42,798) | (10,820,654) | - |
| Leases | - | - | 45,072 | 45,072 | - |
| Pension related | - | 155,436 | 2,923 | 158,359 | (1,634,975) |
| OPEB related | (2,546,154) | (741,522) | (6,035) | (3,293,711) | (479,716) |
| Total adjustments | 52,424,951 | 4,285,259 | 129,103 | 56,839,313 | 4,797,491 |
| Net cash provided by operating activities | <u>\$ 48,036,942</u> | <u>\$ 11,888,075</u> | <u>\$ 485,502</u> | <u>\$ 60,410,519</u> | <u>\$ 3,782,151</u> |

Supplemental disclosure of noncash investing, capital, and financing activities:

Water and Sewer decrease in fair value of investments of \$9,113,582.
Water and Sewer recognized \$43,375 in developer contributions.
Water and Sewer had \$932,105 of capital-related accounts payable.
Stormwater decrease in fair value of investments of \$504,399.
Stormwater recognized \$262,835 in developer contributions.
Yacht Basin decrease in fair value of investments of \$5,708.
Internal Service Funds decrease in fair value of investments of \$601,614.

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, 2022

| | Pension Trust Funds |
|---|--------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 36,937,931 |
| Receivables | |
| Member contributions | 621 |
| Employer contributions | 1,505,357 |
| Due from brokers | 1,308,283 |
| Interest receivable | 365,733 |
| Total receivables | <u>3,179,994</u> |
| Investments, at fair value: | |
| Certificates of deposit | 379,393 |
| US Government Obligations and | |
| Federal Agency Guaranteed Securities | 19,556,082 |
| Mortgage Backed Securities | 7,478,826 |
| Collateralized Mortgage Obligations | 2,532,665 |
| Corporate Bonds | 10,226,740 |
| Foreign Bonds | 462,420 |
| Stocks | 107,847,067 |
| Mutual and ETF funds | |
| Equity | 132,900,640 |
| Balanced | 31,179,525 |
| Pooled/common/commingled funds | |
| Fixed income | 75,873,875 |
| Equity | 146,840,174 |
| Private Equity | 25,327,831 |
| Real Estate | 201,203,773 |
| Infrastructure | 9,999,271 |
| Total investments | <u>771,808,282</u> |
| Prepaid expenses | 850 |
| Total assets | <u>811,927,057</u> |
| LIABILITIES | |
| Accounts payable | 635,711 |
| Due to broker for securities purchased | 1,045,472 |
| Prepaid contributions | 8,145 |
| Total liabilities | <u>1,689,328</u> |
| NET POSITION RESTRICTED FOR PENSIONS | <u><u>\$ 810,237,729</u></u> |

City of Cape Coral, Florida
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2022

| | Pension Trust Funds |
|---|--------------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 35,861,101 |
| Plan members | 10,235,095 |
| Member buybacks | 342,944 |
| State of Florida | 3,789,937 |
| Total contributions | <u>50,229,077</u> |
| Investment income (expenses) | |
| Investment income | 19,607,209 |
| Net appreciation (depreciation) in fair | (125,067,905) |
| Less: investment expenses | (2,910,687) |
| Net Investment Income (Loss) | <u>(108,371,383)</u> |
| Total additions | <u>(58,142,306)</u> |
| DEDUCTIONS | |
| Benefits and refunds | 44,227,970 |
| Administrative expenses | 655,286 |
| Total deductions | <u>44,883,256</u> |
| Net increase in net position | (103,025,562) |
| Net position - beginning | 913,263,291 |
| Net position - ending | <u><u>\$ 810,237,729</u></u> |

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

Notes to Financial Statements

City of Cape Coral
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

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City of Cape Coral
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

NOTE I. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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

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

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

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

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

The Cape Coral Charter School Authority was audited by independent auditors for the fiscal year ended June 30, 2022, and their report dated October 12, 2022, was previously issued under separate

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

2. Related Organization

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

3. Summary of Significant Accounting Policies

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

Basic Financial Statements

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

1. Accrual:

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

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

2. Modified Accrual:

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

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

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

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

Basis of Presentation

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

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

The following major funds are used by the City:

1. Governmental Funds:

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

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

- a. General Fund** is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.
- b. Solid Waste** is used to account for the City's collection and payment of solid waste fees.
- c. General Obligation Fund** is used to account for parks capital projects paid for by general obligation debt.

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. Four internal service funds are utilized: 1) The Risk Management Fund is used to account for the City's risk management activity for workers compensation, auto liability, property and contents losses, and general liability. 2) The Facilities Management Fund is used to account for the costs of operation for the repair and maintenance of city owned/leased buildings. 3) 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. 4) The Self-Funded Health Insurance Fund is used to account for the self-funded medical insurance plan. The internal

service funds have been included within governmental-type activities in the government-wide financial statements because they primarily benefit governmental funds.

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

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

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

3. Other Funds:

Additionally, the City reports the following funds:

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

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

1. Cash and Investments

The City maintains a cash and investment pool for use by all City funds, excluding pension funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and equity in pooled cash and investments. Investment earnings (which include realized and unrealized gains and losses as well as interest income) are distributed monthly to the respective funds based on the fund's cash balance. The investment earnings on the City's equity in pooled cash and investments are reported as part of the investing activities in the Statement of Cash Flows.

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

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

2. Receivables and Payables

During fiscal year 2022, numerous transactions occurred between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

The other governmental funds accounts receivable includes false alarms, lot mowing assessments, 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 \$205,323,086 for business-type activities.

Intergovernmental Receivable - The General Fund intergovernmental receivable includes communication service tax, half cent tax, recycling revenues, police task force reimbursements, occupational tax, alcoholic beverage license fees, state fuel tax rebate, and property tax revenues. Intergovernmental receivables also include grant reimbursements from the Florida Department of Transportation, Florida Department of Emergency Management, other granting agencies, and a receivable due from component unit – Cape Coral Charter School Authority, on September 30, 2022, of \$1,071,296.

The other governmental funds intergovernmental receivables are for pending receipt of the August and September 2022 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 from the Florida Department of Transportation and the Community Development Block Grant (CDBG).

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

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

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

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

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

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

5. Financed Purchase Obligations

In the government-wide financial statements and proprietary fund financial statements, financed purchase obligations and the related cost of assets acquired are reflected in the Statement of Net Position. For financed purchase obligations originating in governmental funds, an expenditure for the asset and an offsetting other financial source are reflected in the fund financial statements in the year of inception.

6. Leases

The City is a lessee for noncancelable leases of land, building, office space and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the City is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Payments due under the lease contracts include fixed payments, plus for many of the City's leases, variable payments. For certain leases that include variable payments, those payments include the City's proportionate share of property taxes. For office equipment leases for which the City has elected not to separate lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present values of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Amounts expected to be payable by the City under residual value guarantees.
- The exercise price of a purchase option if it is reasonably certain the option will be executed.
- Payments of penalties for terminating the lease if the lease term reflects the City exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property and equipment leases across the City. These are used to maximize operational flexibility in terms of managing the assets used in the City's operations.

The lease payments are discounted using the interest rate implicit on the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate issued. The incremental borrowing rate is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

Variable payments that depend on an index or rate (such as the Consumer Price Index or a market interest rate) are initially measured using the index or rate as of the commencement of the lease term.

The City is a lessor for noncancelable leases of land, building and office space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the term of the lease.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lease.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of lease receivable.

7. 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 assets 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 assets 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 reimbursements for fiscal services from the Charter School Authority and grant reimbursements. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available.
3. Leases – deferred inflow/outflow of resources is initially measured as the initial amount of the lease receivable or payable, adjusted for lease payments received or made at or before the lease commencement date, recognizing the deferred revenue/expenditure over the term of the lease.
4. Pension Investment earnings - Difference between projected and actual earnings on investments. These amounts will be recognized as reductions in pension expense in future years.
5. 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.
6. Assumptions - Changes in actuarial assumptions about future economic or demographic factors.
7. Benefit payments subsequent to measurement date.

8. Compensated Absences

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

9. 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. At fiscal year-end, \$14,483,660 of internal service funds total OPEB liability is included in the governmental activities total. The remainder of the total OPEB liability in the governmental activities is generally liquidated by the general fund. At fiscal year-end, \$7,272,633 of internal service funds net

pension liability is included in the governmental activities total. The remainder of the net pension liability in the governmental activities is generally liquidated by the general fund.

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

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

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

11. 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.

12. Special Assessments

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

13. 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 officer contracts, and tower lease payments.

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

Unearned revenue recorded in the water and sewer enterprise fund is related to funds received from the American Rescue Plan Act (ARPA) that will be used in fiscal year 2023 and 2024 to fund utility infrastructure improvements in the CRA district.

14. 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 \$2,264,413 for fiscal year 2022. These amounts are eliminated in the Statement of Activities. The enterprise funds that received these services were charged \$5,781,581 for fiscal year 2022. These amounts are recorded as revenue in the General Fund and operating expenses in the enterprise funds.

15. 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, 2022 was \$1,901,563. The State of Florida's contribution to the Municipal Firefighters' Plan for the year ended September 30, 2022 was \$1,888,374. The City recognized these on-behalf payments from the

state as revenues and expenditures in the governmental fund financial statements.

16. 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 210-22) approved by City Council. Assigned fund balance also includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted nor committed.

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

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

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

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

17. 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.

18. 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.

19. Restatement of Prior Year’s Net Position and Fund Balance

Effective October 1, 2021 the City reclassified the Seawalls and City Centrum Business Park funds from Special Revenue Funds to the General Fund. The funds no longer meet the criteria established in GASB statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments and Governmental Accounting, Auditing and Financial Reporting (GAAFR) that required the funds to be recorded as special revenue funds.

| | Fund Statements | |
|----------------------------|------------------------|-------------------------------|
| | General | Other Governmental |
| Fund balance | \$ 113,023,381 | \$ 102,861,634 |
| Restatement: | | |
| Seawalls | 14,248 | (14,248) |
| City Centrum Business Park | 258,729 | (258,729) |
| Restated fund balance | <u>\$ 113,296,358</u> | <u>\$ 102,588,657</u> |

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20. Revenue Recognition – Grants

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

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

21. Change in Accounting Principle

During the fiscal year ended September 30, 2022, the City implemented GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This pronouncement did not require the restatement of the September 30, 2021 net position however, beginning balances for capital assets and long-term liabilities were established to recognize the right-to-use assets and related lease liabilities as required by GASB 87.

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 6.2971 mills per \$1,000 of assessed taxable property value consists of 6.250 mills to finance general governmental services and 0.0471 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, 2022. Property tax revenue is recognized in the fiscal year for which the taxes are levied. On May 1st of each year, unpaid taxes become a lien on the property. The past due tax certificates are sold at public auction prior to June 1st, and the proceeds collected are remitted to the City.

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

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1) Compliance with Finance-Related Legal and Contractual Provisions

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

2) Deficit Fund Balance/Net Position

The following individual funds had deficit fund balances as of September 30, 2022:

| <u>Fund</u> | <u>Type</u> | <u>Amount</u> |
|--|------------------|---------------|
| Community Redevelopment Agency (CRA) ¹ | Governmental | \$ 9,750,915 |
| Community Development Block Grant ² | Governmental | 249,819 |
| HUD Neighborhood Stabilization ² | Governmental | 210,564 |
| Residential Construction Mitigation Program ³ | Governmental | 568 |
| Facilities Management ⁴ | Internal Service | 12,647,830 |
| Fleet Management ⁴ | Internal Service | 1,778,654 |

¹ In advance of future year tax revenues.

² The deficit is due to a sidewalk capital project partially funded by CDBG pending a transfer in from the Transportation Capital Improvements fund.

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

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

NOTE IV. DETAILED NOTES

1. Cash and Investments

As of September 30, 2022 the City had the following cash and investment amounts:

| <u>Category</u> | <u>Fair Value</u> |
|------------------------------------|-----------------------|
| Checking and savings accounts | \$ 54,310,301 |
| Cash on hand | 28,215 |
| Cash with fiscal agent | 3,532 |
| LGIP- FL Prime (SBA) | 139,295,716 |
| Intergovernmental Investment Pools | 167,897,561 |
| Money Market Funds | 589,913 |
| Investments | 242,053,995 |
| Total | <u>\$ 604,179,233</u> |

A. Cash and Cash Equivalents

The City maintains a cash and investment pool that is available for use by all funds except for monies legally restricted. Investment earnings (which include realized and unrealized gains and losses as well as interest income) are distributed monthly to the individual funds based on the fund's average cash balance as a percentage of 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 23-22 amending the City's investment policy was adopted on March 16, 2022.

The fair values of the City's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in the fair values of those instruments.

As of September 30, 2022, interest receivable on the City's investment portfolio amounted to \$810,690.

As of September 30, 2022, 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 | \$ 36,734,707 | 2.42 |
| Federal Agencies - Bond/Note | 23,573,950 | 1.96 |
| US Treasury - Bond/Note | 174,758,523 | 2.60 |
| Municipal - Bond/Note | 6,986,815 | 3.55 |
| LGIP- Florida Prime (SBA) | 139,295,716 | 0.13 |
| Intergovernmental Investment Pool-FL Class | 67,944,936 | 0.13 |
| Intergovernmental Investment Pool-FL Safe | 99,952,625 | 0.10 |
| Money Market Funds | 589,913 | 0.07 |
| Total Fair Value | <u>\$549,837,185</u> | |
| Portfolio Weighted Average Duration | | 1.12 |

C. Fair Value of Investments

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

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As of September 30, 2022, the City had the following investment measurements by security type:

| Investment Type | Amount | Quoted Prices in Active Markets for Identical Assets | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|----------------------|---|--|--|
| Corporate Notes | \$ 36,734,707 | \$ - | \$ 36,734,707 | \$ - |
| Federal Agencies - Bond/Note | 23,573,950 | - | 23,573,950 | - |
| US Treasuries - Bond/Note | 174,758,523 | - | 174,758,523 | - |
| Municipal Bond/Note | 6,986,815 | - | 6,986,815 | - |
| Total | \$242,053,995 | \$ - | \$ 242,053,995 | \$ - |
| Cash Equivalents Measured at Amortized Cost | | | | |
| Money Market Funds | 589,913 | | | |
| Total Cash Equivalents Measured at Amortized Cost | \$ 589,913 | | | |
| Investments Measured at Net Asset Value (NAV) | | | | |
| Florida Prime | 139,295,716 | | | |
| Florida Safe | 99,952,625 | | | |
| Florida Class | 67,944,936 | | | |
| Total Cash Equivalents and Investments | \$549,837,185 | | | |

D. Interest Rate Risk

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

E. Credit Risk

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

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

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

State and/or Local Government Taxable and/or Tax-Exempt Debt must be rated at least a minimum "Aa" by Moody's and "AA" by Standard & Poor's for long-term debt or rated at least "VMIG2" by Moody's or "A-2" by Standard & Poor's for short-term debt, Registered Investment companies (Mutual Funds) must be rated AAAM by Standard & Poor's or the equivalent by another rating agency and are in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. In addition, the Financial Services Director may invest in other types of mutual funds provided such funds are registered under the Federal Investment Company Act of 1940, invest exclusively in the securities specifically permitted under this investment policy, and are similarly diversified.

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

As of September 30, 2022, the City had the following credit exposure as a percentage of total investments:

| Security Type | Credit Risk Note | | Amounts |
|------------------------------|----------------------------------|---------------------------|----------------|
| | S&P Credit Rating | % of Portfolio | |
| Corporate Notes | AAA | 0.08% | \$ 475,333 |
| Corporate Notes | AA+ | 0.37% | 2,024,644 |
| Corporate Notes | AA- | 0.27% | 1,484,878 |
| Corporate Notes | AA | 2.04% | 11,230,544 |
| Corporate Notes | A+ | 2.75% | 15,093,876 |
| Corporate Notes | A | 1.17% | 6,425,432 |
| Federal Agencies - Bond/Note | AA+ | 4.29% | 23,573,950 |
| US Treasuries - Bond/Note | AA+ | 31.78% | 174,758,523 |
| Municipal Bond/Note | AA | 0.78% | 4,293,062 |
| Municipal Bond/Note | AAA | 0.49% | 2,693,753 |
| LGIP | AAAM | 55.87% | 307,193,277 |
| Money Market Funds | AAAM | 0.11% | 589,913 |
| Total | | 100.00% | \$549,837,185 |

As of September 30, 2022, the City's investment deposit in FL Prime, FL Class, and FL Asset Fund Trust (FL Safe) investment pool was \$139,295,716, \$67,944,936, \$99,952,625 respectively. These qualify as 2a7-like external investment pools. As of September 30, 2022, 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, 2022, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

G. Concentration of Credit Risk

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio. A maximum of 60% of available funds may be invested in FL Prime, a maximum of 100% of available funds may be

invested in United States Government Securities, a maximum of 50% of available funds may be invested in United States Government Agencies with no more than 25% of available funds may be invested in an individual United States Government agency, a maximum of 80% of available funds may be invested in Federal Instrumentalities with no more than 25% of available funds may be invested in any one issuer. A maximum of 10% of available funds may be invested in non-negotiable interest-bearing time certificates of deposit with no more than 5% of available funds may be deposited with any one issuer, a maximum of 25% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements with no more than 10% of available funds may be invested with any one institution.

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

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

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

Pension Trust Funds:

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

A. Cash and Cash Equivalents

As of September 30, 2022, the carrying amount of the pension funds' cash and cash equivalents was \$36,937,931.

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 – March 15, 2022; Police Pension – August 23, 2022; and Fire Pension – November 29, 2022.

As of September 30, 2022, interest, and dividend receivable on the pension funds' investment portfolio amounted to \$365,733.

As of September 30, 2022, 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 | \$ 11,956,897 | 3.26% | N/A |
| Investments: | | | |
| Stock | 54,877,433 | 14.94% | N/A |
| Pooled/Common/Commingled Funds | 144,670,193 | 39.40% | N/A |
| Partnerships | 155,715,853 | 42.40% | N/A |
| Total | <u>\$ 367,220,376</u> | <u>100.00%</u> | |

Police Officers' Pension Investments

| Security Type | Fair Value | Percentage of Portfolio | Weighted Average Maturity (years) |
|--|-----------------------|--------------------------------|--|
| Cash and Cash Equivalents | \$ 5,634,068 | 2.59% | N/A |
| Investments: | | | |
| Federal agency securities | 10,763,084 | 4.96% | 4.84 |
| Mortgage Backed Securities | 4,163,784 | 1.91% | |
| Collateralized Mortgage Obligations | 1,473,786 | 0.68% | |
| Corporate Bonds | 5,772,154 | 2.65% | |
| Foreign Bonds | <u>494,765</u> | <u>0.23%</u> | |
| Subtotal MBS, CMO, and Corporate Bonds and Foreign Bonds | 11,904,489 | | 7.55 |
| Certificate of Deposit | 379,393 | 0.17% | 0.06 |
| Balanced | 21,932,536 | 10.08% | N/A |
| Equity | 98,047,043 | 45.05% | N/A |
| Pooled/Common/Commingled Funds: | | | |
| Equity | 21,415,688 | 9.84% | N/A |
| Real Estate | 34,246,106 | 15.74% | N/A |
| Private Equity | <u>13,266,054</u> | <u>6.10%</u> | N/A |
| Total | <u>\$ 217,588,461</u> | <u>100.00%</u> | |

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Firefighters' Pension Investments

| Security Type | Fair Value | Percentage of Portfolio | Weighted Average Maturity (years) |
|--|-----------------------|-------------------------|-----------------------------------|
| Cash and Cash Equivalents | \$ 19,346,966 | 8.64% | N/A |
| Investments: | | | |
| Federal Agency Securities | 8,792,998 | 3.93% | 11.04 |
| Mortgage Backed Securities | 3,315,042 | 1.48% | |
| Collateralized Mortgage Obligations | 1,058,879 | 0.47% | |
| Corporate Bonds | 4,454,586 | 1.98% | |
| Foreign Bonds | 462,420 | 0.21% | |
| Subtotal MBS, CMO, and Corporate Bonds | 9,290,927 | | 13.90 |
| Stock | 52,474,869 | 23.43% | N/A |
| Mutual Funds: | | | |
| Balanced | 9,246,989 | 4.13% | N/A |
| Equity | 34,853,597 | 15.56% | N/A |
| Pooled/Common/Commingled Funds: | | | |
| Equity | 25,021,803 | 11.18% | N/A |
| Infrastructure | 9,999,271 | 4.47% | N/A |
| Real Estate | 40,001,603 | 17.86% | N/A |
| Private Equity | 11,400,170 | 5.09% | N/A |
| Private Credit | 3,508,183 | 1.57% | N/A |
| Total | <u>\$ 223,937,376</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, 2022.

D. Credit Risk

As of September 30, 2022, 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 | 2.60% | 2.52% |
| AA+ | N/A | 44.10% | 55.87% |
| AA | N/A | 0.13% | 0.18% |
| AA- | N/A | 1.78% | 1.62% |
| A+ | N/A | 1.66% | 1.25% |
| A | N/A | 1.26% | 1.10% |
| A- | N/A | 8.27% | 10.19% |
| BBB+ | N/A | 12.13% | 9.08% |
| BBB | N/A | 1.82% | 1.52% |
| BBB- | N/A | 0.72% | 0.85% |
| not rated | 100.00% | 25.53% | 15.82% |
| Total | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

The following lists investments that represent 5% or more of the Plan's fiduciary net position as of September 30, 2022:

General Employees' Pension Investments

| Investment | Amount |
|--|-----------------------|
| Wilmington Trust for ClearBridge Large Cap | \$ 34,696,786 |
| Fidelity Core Plus Commingled Pool | 40,678,050 |
| Arrowstreet international Equity | 23,943,686 |
| Wells Fargo Emerging Markets Equity Fund | 21,784,471 |
| Total | <u>\$ 121,102,993</u> |

Police Officers' Pension Investments

| Investment | Amount |
|---|----------------------|
| American Core Reality Fund | \$ 27,048,377 |
| Rhumblin Russell 1000 Pooled Index Fund | 21,415,688 |
| Total | <u>\$ 48,464,065</u> |

Firefighters' Pension Investments

| Investment | Amount |
|---|----------------------|
| ARA Core Property Fund | \$ 27,048,377 |
| Rhumblin Russell 1000 Pooled Index Fund | 23,185,927 |
| Total | <u>\$ 50,234,304</u> |

The following lists investments that represent 5% or more of the Plan's Investment as of September 30, 2022:

Firefighters' Pension Investments

| Investment | Amount |
|---|----------------------|
| ARA Core Property Fund | \$ 27,048,377 |
| Rhumblin Russell 1000 Pooled Index Fund | 23,185,927 |
| JP Morgan Special Situation Property Fund | 10,581,383 |
| Total | <u>\$ 60,815,687</u> |

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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, 2022:

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 | \$ 54,877,433 | \$ 54,877,433 | \$ - | \$ - |
| Investment Measured at Net Asset Value (NAV) | | | | |
| Pooled/common/commingled funds | \$ 144,670,193 | | | |
| Partnerships | 155,715,853 | | | |
| Total Investments Measured at the NAV | 300,386,046 | | | |
| Total Investments Measured at Fair Value | \$ 355,263,479 | | | |
| Investments Measured at Amortized Cost | | | | |
| Money Market Funds and Short-Term Cash | 11,956,897 | | | |
| Total cash, cash equivalents, and investments | \$ 367,220,376 | | | |

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 | \$ 10,763,084 | \$ - | \$ 10,763,084 | \$ - |
| Mortgage Backed Securities | 4,163,784 | - | 4,163,784 | - |
| Collateralized Mortgage Obligations | 1,473,786 | - | 1,473,786 | - |
| Corporate Bonds | 5,772,154 | - | 5,772,154 | - |
| Foreign Bonds | 494,765 | - | 494,765 | - |
| Certificates of Deposit | 379,393 | - | 379,393 | - |
| Mutual Funds: | | | | |
| Balanced | 21,932,536 | 21,932,536 | - | - |
| Equity | 98,047,043 | 98,047,043 | - | - |
| | \$ 143,026,545 | \$ 119,979,579 | \$ 23,046,966 | \$ - |
| Investment Measured at Net Asset Value (NAV) | | | | |
| Pooled/common/commingled funds | | | | |
| Equity Index Funds | \$ 21,415,688 | | | |
| Real Estate Commingled Funds | 34,246,106 | | | |
| Private Equity | 13,266,054 | | | |
| Total Investments Measured at the NAV | 68,927,848 | | | |
| Total Investments Measured at Fair Value | 211,954,393 | | | |
| Investments Measured at Amortized Cost | | | | |
| Money Market Funds and Other | | | | |
| Short-Term Cash | 5,634,068 | | | |
| Total cash, cash equivalents, and investments | \$ 217,588,461 | | | |

Firefighters' Pension Investments

| | | 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) |
| | Fair Value | | | |
| Investment by Fair Value Level | | | | |
| U.S. Government Obligations and | | | | |
| Federal Agency Securities | \$ 8,792,998 | \$ - | \$ 8,792,998 | \$ - |
| Mortgage Backed Securities | 3,315,042 | - | 3,315,042 | - |
| Collateralized Mortgage Obligations | 1,058,879 | - | 1,058,879 | - |
| Corporate Bonds | 4,454,586 | - | 4,454,586 | - |
| Foreign Bonds | 462,420 | - | 462,420 | - |
| Stocks | 52,474,869 | 52,474,869 | - | - |
| Mutual Funds: | | | | |
| Balanced | 9,246,989 | 9,246,989 | - | - |
| Equity | 34,853,597 | 34,853,597 | - | - |
| | <u>\$ 114,659,380</u> | <u>\$ 96,575,455</u> | <u>\$ 18,083,925</u> | <u>\$ -</u> |
| Investment Measured at Net Asset Value (NAV) | | | | |
| Pooled/common/commingled funds | | | | |
| Equity Index Funds | \$ 25,021,803 | | | |
| Infrastructure | 9,999,271 | | | |
| Real Estate | 40,001,603 | | | |
| Private Equity | 11,400,170 | | | |
| Private Credit | 3,508,183 | | | |
| Total Investments Measured at the NAV | <u>89,931,030</u> | | | |
| Total Investments Measured at Fair Value | <u>204,590,410</u> | | | |
| Investments Measured at Amortized Cost | | | | |
| Money Market Funds | | | | |
| and Other Short-Term Cash | 19,346,966 | | | |
| Total cash, cash equivalents, and investments | <u>\$ 223,937,376</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

| | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
|---------------------------------------|-----------------------|---------------------------------|---------------------------------|-------------------------------------|
| Pooled/Common/Commingled Funds | | | | |
| Equity | \$ 56,481,257 | \$ - | Daily | Daily |
| Fixed Income | 56,868,571 | - | Daily | Daily |
| Real Estate | 31,320,365 | 77,100 | Quarterly | 30 days/45 days/Quarterly |
| Total Pooled/Common/Commingled Funds | <u>144,670,193</u> | <u>77,100</u> | | |
| Partnerships | | | | |
| Equity | 23,943,686 | - | Daily | Daily |
| Farmland | 15,572,248 | - | Annually | 5 Months |
| Infrastructure | 16,188,245 | - | None | None |
| Multi-Asset Class Solutions (MACS) | 10,563,515 | - | Monthly/ Quarterly | 30 days/ Quarterly |
| Private Debt/Alt Fixed Income | 19,005,303 | 8,321,370 | None | None |
| Private Equity | 49,692,384 | 11,240,898 | None | None |
| Real Estate | 20,750,472 | 22,167,363 | None | None |
| Total Partnerships | <u>155,715,853</u> | <u>41,729,631</u> | | |
| Total Investments Measured at the NAV | <u>\$ 300,386,046</u> | | | |

Police Officers' Pension Investments

| | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Notice Period</u> |
|---------------------------------------|----------------------|---------------------------------|---------------------------------|----------------------|
| Pooled/Common/Commingled Funds | | | | |
| Equity Index Funds | \$ 21,415,688 | \$ - | Daily | Daily |
| Real Estate Commingled Funds | 34,246,106 | 3,243,342 | Quarterly | Daily |
| Private Equity | 13,266,054 | 15,200,000 | None | None |
| Total Investments Measured at the NAV | <u>\$ 68,927,848</u> | | | |

Firefighters' Pension Investments

| | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Notice Period</u> |
|---------------------------------------|----------------------|---------------------------------|---------------------------------|----------------------|
| Pooled/Common/Commingled Funds | | | | |
| Equity Index Funds | \$ 25,021,803 | \$ - | Daily | Daily |
| Infrastructure Funds | 9,999,271 | - | Daily | Daily |
| Real Estate Commingled Funds | 40,001,603 | 7,379,934 | Quarterly | 30 Days/Daily |
| Private Equity | 11,400,170 | 12,600,930 | None | None |
| Private Credit | 3,508,183 | 1,448,594 | None | None |
| Total Investments Measured at the NAV | <u>\$ 89,931,030</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, 2022, 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 which are designed to reduce concentration of credit risk of the pension funds' investment portfolio.

2. Restricted Cash and Investments

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

| | Water and Sewer |
|---------------------------------------|----------------------------|
| Debt service | \$ 95,536,714 |
| Capital improvements | 47,230,755 |
| Renewal and replacement | 6,204,987 |
| Deposits | 2,505,000 |
| Total restricted cash and investments | <u>\$ 151,477,456</u> |

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3. Accounts and Assessments Receivable

The composition of accounts and assessments receivable as of September 30, 2022 is as follows:

Governmental activities:

| | General Fund | Solid Waste | Other Governmental Funds | Total |
|---|----------------------|------------------|--------------------------|---------------------|
| Unrestricted: | | | | |
| Interest | \$ 158,663 | \$ 7,429 | \$ 115,183 | \$ 281,275 |
| Gross assessments receivable ¹ | 54,450 | 967 | 9,126 | 64,543 |
| Less: allowance for uncollectibles | (54,450) | (967) | (9,126) | (64,543) |
| Intergovernmental | 7,475,595 | 65,016 | 3,753,966 | 11,294,577 |
| Gross accounts receivable | 3,059,194 | - | 309,873 | 3,369,067 |
| Less: allowance for uncollectibles | - | - | (281,428) | (281,428) |
| Notes Receivable | 24,989 | - | - | 24,989 |
| Lease receivable ⁴ | 857,910 | - | 5,512,389 | 6,370,299 |
| Total net unrestricted | <u>\$ 11,576,351</u> | <u>\$ 72,445</u> | <u>\$ 9,409,983</u> | <u>\$21,058,779</u> |

¹ The amortized assessment is collected pursuant to the Uniform Assessment Collection Act under Florida Statutes 197.3632 and 197.3635. The Uniform Assessment Collection Act authorizes the collection of non-ad valorem assessments on the same bill as ad valorem taxes. The uniform collection method offers the City the greatest assurance of collecting all of its billed special assessment revenue. For financial statement reporting, the receivable is recorded at the time of the levy which is each year when the assessment is billed on the tax roll and the enforceable legal claim arises. The total original tax billed assessment for all projects is \$1,217,856. As of September 30, 2022, 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 | \$ 96,162 | \$ 25,991 | \$ 2,273 | \$ 124,426 | \$ 30,970 |
| Intergovernmental | - | 56,347 | - | 56,347 | - |
| Gross accounts receivable | 12,694,694 ¹ | 75,408 | 2,518 | 12,772,620 | 75,380 |
| Less: allowance for uncollectibles | (685,818) ² | (56,060) | - | (741,878) | (17) |
| Lease receivable ⁴ | - | - | 44,700 | 44,700 | - |
| Total net unrestricted | <u>12,105,038</u> | <u>101,686</u> | <u>49,491</u> | <u>12,256,215</u> | <u>106,333</u> |
| Restricted: | | | | | |
| Interest | 374,019 | - | - | 374,019 | - |
| Intergovernmental | 42,613 | - | - | 42,613 | - |
| Gross accounts receivable | 92,132 ³ | - | - | 92,132 | - |
| Less: allowance for uncollectibles | (1,647) ² | - | - | (1,647) | - |
| Gross assessments receivable | 1,249,123 ³ | - | - | 1,249,123 | - |
| Less: allowance for uncollectibles | (43,949) ² | - | - | (43,949) | - |
| Total net restricted | <u>1,712,291</u> | <u>-</u> | <u>-</u> | <u>1,712,291</u> | <u>-</u> |
| Total net receivables | <u>\$ 13,817,329</u> | <u>\$ 101,686</u> | <u>\$ 49,491</u> | <u>\$13,968,506</u> | <u>\$ 106,333</u> |

¹ Includes unbilled receivables of \$5,651,873.20

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

³ The City monitors the accounts on a monthly basis. As of September 30, 2022, the delinquent amounts were \$43,948.86 for assessments and \$1,247.77 for CIAC loans.

⁴ The City implemented GASB Statement No. 87 Leases in Fiscal Year 2022.

4. Lease Receivables

The City leases, land, building, and infrastructure to third parties. As of September 30, 2022, the City's lease receivables were valued at \$6,414,999 and the deferred inflow of resources associated with these leases that will be recognized as revenue over the term of the leases was \$6,384,787. The lease receivables for governmental and business-type activities at September 30, 2022 were as follows:

GOVERNMENTAL ACTIVITIES

| | |
|---|---------------------|
| Land leases - annual lease payments totaling \$89,453 plus interest at a rate ranging from 0.316% to 1.177%, due dates ranging from 10/1/2022 to 09/30/2051. | \$ 715,265 |
| Building leases - annual lease payments totaling \$1,439,518 plus interest at a rate of 1.059%, due dates ranging from 10/1/2022 to 6/30/2026. | 5,512,389 |
| Infrastructure leases - annual lease payments totaling \$39,945 plus interest at a rate ranging from 0.387% to 0.743%, due dates ranging from 10/1/2022 to 1/31/2028. | 142,645 |
| Total Governmental Activities Lease Receivables | <u>\$ 6,370,299</u> |

BUSINESS-TYPE ACTIVITIES

| | |
|--|------------------|
| Building lease - annual lease payments totaling \$46,338 plus interest at a rate of 0.529%, due dates ranging from 10/1/2022 to 9/23/2023. | <u>\$ 44,700</u> |
|--|------------------|

The payments for the lease receivables are expected to be received in the subsequent years as follows:

| Fiscal Year | Governmental Activities | | Business-Type Activities | |
|-------------|-------------------------|-------------------|--------------------------|---------------|
| | Principal | Interest | Principal | Interest |
| 2023 | \$ 1,571,424 | \$ 55,097 | \$ 44,700 | \$ 118 |
| 2024 | 1,536,827 | 38,925 | - | - |
| 2025 | 1,542,745 | 22,874 | - | - |
| 2026 | 1,190,307 | 6,980 | - | - |
| 2027 | 40,272 | 1,691 | - | - |
| 2028-2032 | 72,705 | 7,295 | - | - |
| 2033-2037 | 94,019 | 5,981 | - | - |
| 2038-2042 | 100,514 | 4,486 | - | - |
| 2043-2047 | 122,271 | 2,729 | - | - |
| 2048-2051 | 99,215 | 785 | - | - |
| | <u>\$ 6,370,299</u> | <u>\$ 146,843</u> | <u>\$ 44,700</u> | <u>\$ 118</u> |

5. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2022 is as follows:

Due to/from other funds:

| Receivable Fund | Payable Fund | Purpose for Balance | Amount |
|----------------------------|--|------------------------------|---------------------|
| General | Other governmental funds (CDBG) | Awaiting grant reimbursement | \$ 660,468 |
| | Other governmental funds (RCMP) | Awaiting grant reimbursement | 568 |
| | Other governmental funds (HUD NSP) | Awaiting grant reimbursement | 210,564 |
| | Other governmental funds (Golf Course) | Operations | 564,909 |
| | | | <u>\$ 1,436,509</u> |

Advances to/from other funds:

| Receivable Fund | Payable Fund | Purpose for Balance | Amount |
|----------------------------|---|----------------------------|-----------------------------|
| General | Other governmental funds (CRA) ¹ | The Cove at 47th | <u>\$ 10,350,000</u> |
| Total | | | <u><u>\$ 11,786,509</u></u> |

¹ Annual payments will be made at 1.5% interest for a 10 year period.

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Interfund Transfers:

| Transfers In | | | | | |
|-----------------------|----------------------|----------------------------|-----------------------|----------------------------|---------------|
| Transfers Out | General Fund | Other Governmental Funds | Water and Sewer Funds | Internal Service Funds | Total |
| General Fund | \$ - | \$ 32,278,932 ⁴ | \$ 708 ⁹ | \$ 3,516,614 ¹¹ | \$ 35,796,254 |
| Other Governmental | 507,053 ¹ | 36,375,102 ⁵ | - | - | 36,882,155 |
| Water & Sewer | 8,736 ² | 97,637 ⁶ | - | - | 106,373 |
| Stormwater | 8,736 ³ | - | 857,785 ¹⁰ | - | 866,521 |
| Yacht Basin | - | 115,000 ⁷ | - | - | 115,000 |
| Internal Service Fund | - | 3,787 ⁸ | - | - | 3,787 |
| Total | \$ 524,525 | \$ 68,870,458 | \$ 858,493 | \$ 3,516,614 | \$ 73,770,090 |

¹ Other governmental fund (Road Impact) transferred \$507,053 to the general fund for budgetary established levels for the cost of general administrative services.

² Enterprise fund (Water & Sewer) transferred \$8,736 to the general fund for the reimbursement of expenses related to a rescue task force team.

³ Enterprise fund (Stormwater) transferred \$8,736 to the general fund for the reimbursement of expenses related to a rescue task force team.

⁴ General fund transferred \$8,386,966 to other governmental funds (Debt Service) for annual debt service payments.

General fund transferred \$7,083,832 to other governmental fund (Parks & Recreation Programs) for budgetary established support of annual operations.

General fund transferred \$6,832,000 to other governmental fund (Transportation Capital Improvements) for road resurfacing, median landscaping, alley resurfacing and sidewalk capital projects.

General fund transferred \$2,621,785 to other governmental fund (P&R Capital Projects) for multiple capital projects at City parks.

General fund transferred \$2,553,602 to the community redevelopment agency for established Tax Increment Financing (TIF) funding.

General fund transferred \$1,544,000 to other governmental fund (Economic Development) for budgetary established support of annual operations.

General fund transferred \$1,370,499 to other governmental fund (Golf Course) for budgetary established support of annual operations.

General fund transferred \$976,911 to other governmental fund (Computer System) for the Tyler HCM project.

General fund transferred \$688,039 to other governmental fund (Fire Capital Projects) for Fire Station #13.

General fund transferred \$182,971 to other governmental fund (Waterpark) for budgetary established support of annual operations.

General fund transferred \$38,327 to other governmental fund (Alarm Fees) for budgetary established support of annual operations.

⁵ Other governmental fund (Building Code) transferred \$10,000,000 to other governmental fund (Building capital Projects) for the department of community development administration building.

Other governmental fund (Six Cent Gas Tax) transferred \$6,000,000 to other governmental fund (Transportation Capital Improvements) for road resurfacing capital projects.

Other governmental fund (Road Impact) transferred \$5,106,103 to other governmental fund (Debt Service) for annual debt service payments.

Other governmental fund (Five Cent Gas Tax) transferred \$3,200,000 to other governmental fund (Transportation Capital Improvements) for sidewalks, bike paths and median curbing.

Other governmental fund (Fire Imp Fee Fund) transferred \$3,090,090 to other governmental fund (Fire Capital Projects) for the fire training facility.

Other governmental fund (Park Impact) transferred \$2,725,832 to other governmental fund (Debt Service) for annual debt service payments.

Other governmental fund (CRA) transferred \$2,655,469 to other governmental fund (CRA Capital Projects) for capital projects ongoing in the CRA district.

Other governmental fund (Charter School Capital Maintenance) transferred \$1,875,000 to other governmental fund (Debt Service) for annual debt service payments.

Other governmental fund (CRA) transferred \$877,048 to other governmental fund (Debt Service) for annual debt service payments.

Other governmental fund (Fire Impact) transferred \$339,608 to other governmental fund (Debt Service) for annual debt service payments.

Other governmental fund (Six Cent Gas Tax) transferred \$275,000 to other governmental fund (Transportation Capital Improvements) for the N2 UEP lift paving program.

Other governmental fund (Police Protection Impact Fee Fund) transferred \$208,593 to other governmental fund (Police Capital Projects) for the police training facility.

Other governmental fund (Building) transferred \$22,359 to other governmental fund (Debt Service) for annual debt for annual debt service payments.

⁶ Enterprise fund (Water & Sewer) transferred \$97,637 to other governmental fund (Debt Service) for annual debt service payments.

⁷ Other enterprise fund (Yacht Basin) transferred \$115,000 to other governmental funds (Parks & Recreation Programs) for budgetary established support of annual operations.

⁸ Internal service fund (Fleet Maintenance) transferred \$3,787 to other governmental fund (Building Code) for the fair market value of capital assets transferred between funds.

⁹ General fund transferred \$708 to enterprise fund (Water and Sewer) for the fair market value of capital assets transferred between funds.

¹⁰ Enterprise fund (Stormwater) transferred \$629,315 to enterprise fund (Water & Sewer) for SRF Clean Water N2.

Enterprise fund (Stormwater) transferred \$228,470 to enterprise fund (Water & Sewer) for SRF Clean Water SW 6/7.

¹¹ General fund transferred \$2,000,000 to internal service fund (Fleet Maintenance) to fund expenses related to public works administration.

General fund transferred \$1,203,525 to internal service fund (Facilities Management) based on budget remaining to fund operations at the end of the fiscal year.

General fund transferred \$313,089 to internal service fund (Fleet Maintenance) based on budget remaining to fund operations at the end of the fiscal year.

6. Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

| | Beginning Balance ¹ | Increases | Decreases | Ending Balance |
|--|-----------------------------------|---------------|----------------|-------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | | | | |
| Governmental | \$ 159,313,017 | \$ 2,591,687 | \$ - | \$ 161,904,704 |
| Construction in progress | | | | |
| Governmental | 33,596,664 | 33,147,481 | (3,521,905) | 63,222,240 |
| Total construction in progress | 33,596,664 | 33,147,481 | (3,521,905) | 63,222,240 |
| Total capital assets, not being depreciated | 192,909,681 | 35,739,168 | (3,521,905) | 225,126,944 |
| Capital assets, being depreciated: | | | | |
| Buildings | | | | |
| Governmental | 145,734,186 | 572,840 | (70,592) | 146,236,434 |
| Internal Service | 907,624 | - | - | 907,624 |
| Total buildings | 146,641,810 | 572,840 | (70,592) | 147,144,058 |
| Improvements other than buildings | | | | |
| Governmental | 82,074,327 | 3,276,094 | (2,727,636) | 82,622,785 |
| Internal Service | 63,796 | - | - | 63,796 |
| Total improvements other than buildings | 82,138,123 | 3,276,094 | (2,727,636) | 82,686,581 |
| Equipment | | | | |
| Governmental | 55,105,736 | 5,936,597 | (1,801,613) | 59,240,720 |
| Internal Service | 2,287,985 | 59,788 | (77,558) | 2,270,215 |
| Total equipment | 57,393,721 | 5,996,385 | (1,879,171) | 61,510,935 |
| Right to use - equipment | | | | |
| Governmental | 347,655 | - | - | 347,655 |
| Intangible computer software | | | | |
| Governmental | 3,291,307 | - | - | 3,291,307 |
| Internal Service | 705,245 | - | - | 705,245 |
| Total intangible computer software | 3,996,552 | - | - | 3,996,552 |
| Infrastructure | | | | |
| Governmental | 227,683,286 | 689,662 | - | 228,372,948 |
| Total capital assets, being depreciated | 518,201,147 | 10,534,981 | (4,677,399) | 524,058,729 |
| Less accumulated depreciation for: | | | | |
| Buildings | | | | |
| Governmental | (61,423,114) | (3,648,289) | - | (65,071,403) |
| Internal Service | (679,709) | (16,037) | - | (695,746) |
| Total buildings | (62,102,823) | (3,664,326) | - | (65,767,149) |
| Improvements other than buildings | | | | |
| Governmental | (47,263,653) | (3,203,232) | - | (50,466,885) |
| Internal Service | (63,795) | - | - | (63,795) |
| Total improvements other than buildings | (47,327,448) | (3,203,232) | - | (50,530,680) |
| Equipment | | | | |
| Governmental | (37,217,055) | (4,808,191) | 1,753,440 | (40,271,806) |
| Internal Service | (1,765,672) | (174,409) | 76,840 | (1,863,241) |
| Total equipment | (38,982,727) | (4,982,600) | 1,830,280 | (42,135,047) |
| Right to use - equipment | | | | |
| Governmental | - | (172,168) | - | (172,168) |
| Total right to use - equipment | - | (172,168) | - | (172,168) |
| Intangible computer software | | | | |
| Governmental | (3,236,190) | (32,271) | - | (3,268,461) |
| Internal Service | (705,245) | - | - | (705,245) |
| Total intangible computer software | (3,941,435) | (32,271) | - | (3,973,706) |
| Infrastructure | | | | |
| Governmental | (92,418,385) | (7,404,581) | - | (99,822,966) |
| Total accumulated depreciation | (244,772,818) | (19,459,178) | 1,830,280 | (262,401,716) |
| Total capital assets, being depreciated, net | 273,428,329 | (8,924,197) | (2,847,119) | 261,657,013 |
| Governmental activities capital assets, net | \$ 466,338,010 | \$ 26,814,971 | \$ (6,369,024) | \$ 486,783,957 |

(continued on next page)

| | Beginning Balance | Increases | Decreases ¹ | Ending Balance |
|--|-------------------------|-----------------------|------------------------|-------------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | | | | |
| Water and Sewer | \$ 25,129,935 | \$ 126,028 | \$ - | \$ 25,255,963 |
| Stormwater | 6,463,425 | 115,408 | - | 6,578,833 |
| Yacht Basin | 20,555 | - | - | 20,555 |
| Total land | <u>31,613,915</u> | <u>241,436</u> | <u>-</u> | <u>31,855,351</u> |
| Construction in progress | | | | |
| Water and Sewer | 47,520,970 | 34,591,673 | - | 82,112,643 |
| Stormwater | 3,820,370 | 1,723,969 | - | 5,544,339 |
| Total construction in progress | <u>51,341,340</u> | <u>36,315,642</u> | <u>-</u> | <u>87,656,982</u> |
| Total capital assets, not being depreciated | <u>82,955,255</u> | <u>36,557,078</u> | <u>-</u> | <u>119,512,333</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | | | | |
| Water and Sewer | 387,503,791 | 73,423 | - | 387,577,214 |
| Stormwater | 1,916,446 | - | - | 1,916,446 |
| Yacht Basin | 77,988 | - | (1,293) | 76,695 |
| Total buildings | <u>389,498,225</u> | <u>73,423</u> | <u>(1,293)</u> | <u>389,570,355</u> |
| Improvements other than buildings | | | | |
| Water and Sewer | 338,308,257 | 447,383 | - | 338,755,640 |
| Stormwater | 33,125,147 | - | - | 33,125,147 |
| Yacht Basin | 864,337 | - | (767,347) | 96,990 |
| Total improvements other than buildings | <u>372,297,741</u> | <u>447,383</u> | <u>(767,347)</u> | <u>371,977,777</u> |
| Equipment | | | | |
| Water and Sewer | 37,837,405 | 2,091,443 | (1,778,427) | 38,150,421 |
| Stormwater | 9,563,275 | 866,161 | (78,601) | 10,350,835 |
| Yacht Basin | 41,710 | - | - | 41,710 |
| Total equipment | <u>47,442,390</u> | <u>2,957,604</u> | <u>(1,857,028)</u> | <u>48,542,966</u> |
| Infrastructure | | | | |
| Water and Sewer | 902,012,967 | 895,304 | - | 902,908,271 |
| Stormwater | 17,673,564 | 262,834 | - | 17,936,398 |
| Yacht Basin | 286,049 | - | - | 286,049 |
| Total Infrastructure | <u>919,972,580</u> | <u>1,158,138</u> | <u>-</u> | <u>921,130,718</u> |
| Total capital assets, being depreciated | <u>1,729,210,936</u> | <u>4,636,548</u> | <u>(2,625,668)</u> | <u>1,731,221,816</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | | | | |
| Water and Sewer | (122,349,604) | (9,644,542) | - | (131,994,146) |
| Stormwater | (1,619,104) | (170,580) | - | (1,789,684) |
| Yacht Basin | (20,134) | (3,914) | 948 | (23,100) |
| Total buildings | <u>(123,988,842)</u> | <u>(9,819,036)</u> | <u>948</u> | <u>(133,806,930)</u> |
| Improvements other than buildings | | | | |
| Water and Sewer | (211,172,112) | (9,776,961) | - | (220,949,073) |
| Stormwater | (12,618,643) | (1,277,886) | - | (13,896,529) |
| Yacht Basin | (813,794) | (15,188) | 757,714 | (71,268) |
| Total improvements other than buildings | <u>(224,604,549)</u> | <u>(11,070,035)</u> | <u>757,714</u> | <u>(234,916,870)</u> |
| Equipment | | | | |
| Water and Sewer | (30,548,002) | (2,268,178) | 1,733,514 | (31,082,666) |
| Stormwater | (6,160,316) | (733,680) | 78,601 | (6,815,395) |
| Yacht Basin | (32,246) | (4,125) | - | (36,371) |
| Total equipment | <u>(36,740,564)</u> | <u>(3,005,983)</u> | <u>1,812,115</u> | <u>(37,934,432)</u> |
| Infrastructure | | | | |
| Water and Sewer | (291,661,476) | (21,101,796) | - | (312,763,272) |
| Stormwater | (10,294,981) | (382,490) | - | (10,677,471) |
| Yacht Basin | (71,783) | (14,364) | - | (86,147) |
| Total Infrastructure | <u>(302,028,240)</u> | <u>(21,498,650)</u> | <u>-</u> | <u>(323,526,890)</u> |
| Total accumulated depreciation | <u>(687,362,195)</u> | <u>(45,393,704)</u> | <u>2,570,777</u> | <u>(730,185,122)</u> |
| Total capital assets, being depreciated, net | <u>1,041,848,741</u> | <u>(40,757,156)</u> | <u>(54,891)</u> | <u>1,001,036,694</u> |
| Business-type activities capital assets, net | <u>\$ 1,124,803,996</u> | <u>\$ (4,200,078)</u> | <u>\$ (54,891)</u> | <u>\$ 1,120,549,027</u> |

¹ The City implemented GASB Statement No. 87 Leases in Fiscal Year 2022 resulting in a restatement of beginning balances.

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

Governmental activities:

| | |
|--|----------------------|
| General Government | \$ 4,844,964 |
| Public Safety: | |
| Police | 1,868,047 |
| Fire | 2,496,052 |
| Building | 94,592 |
| Public Works | 5,804,133 |
| Community Development | 1,664,714 |
| Parks and Recreation | 2,496,230 |
| Internal Service | 190,446 |
| Total depreciation expense - governmental activities | <u>\$ 19,459,178</u> |

Business-type activities:

| | |
|---|----------------------|
| Water and Sewer | \$ 42,791,477 |
| Stormwater | 2,564,635 |
| Yacht Basin | 37,592 |
| Total depreciation expense - business-type activities | <u>\$ 45,393,704</u> |

7. Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities on September 30, 2022 are as follows:

Governmental activities:

| | General Fund | Solid Waste | General Obligation Fund | Other Governmental Funds | Total |
|--|-------------------------|------------------------|--|---|----------------------|
| Accounts payable and other accrued liabilities | \$ 3,153,520 | \$ 2,226,428 | \$ 2,186,267 | \$ 2,266,095 | \$ 9,832,310 |
| Retainage payable | - | - | 351,248 | 870,067 | 1,221,315 |
| Intergovernmental payable | 4,752,674 | - | - | 169,034 | 4,921,708 |
| Total | <u>\$ 7,906,194</u> | <u>\$ 2,226,428</u> | <u>\$ 2,537,515</u> | <u>\$ 3,305,196</u> | <u>\$ 15,975,333</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 | \$ 5,285,095 | \$ 309,233 | \$ 7,703 | \$ 5,602,031 | \$ 3,841,007 |
| Retainage payable | 2,776,184 | 101,964 | - | 2,878,148 | - |
| Total | <u>\$ 8,061,279</u> | <u>\$ 411,197</u> | <u>\$ 7,703</u> | <u>\$ 8,480,179</u> | <u>\$ 3,841,007</u> |

8. Long-term Debt at September 30, 2022 is comprised of the following:

General Obligation Debt

General Obligation Note-Direct Borrowings

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

\$ 8,505,000

General Obligation Revenue Bonds

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

24,150,000

32,655,000

4,780,887

Plus unamortized premium

\$ 37,435,887

General Long-term Debt

Revenue Bonds

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

\$ 37,330,000

\$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%.

53,520,000

90,850,000

8,901,064

Plus unamortized premium

\$ 99,751,064

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%.

\$ 3,080,480

\$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%. 1,260,000

\$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%. 2,552,000

\$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%. 3,647,000

\$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%. 28,955,000

\$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%. 11,343,024

\$3,520,000 Special Obligation Refunding Revenue Note, Series 2022 was issued to finance the acquisition of various vehicles and equipment for the City's Fire and Police Departments. Principal and interest on the obligation is secured by non-ad valorem funds budgeted and appropriated by City Council. Principal is paid quarterly through 2027 with interest paid quarterly at 2.63%. 3,520,000
\$ 54,357,504

Lease Payable

On July 19, 2019, the City entered into a 33 month lease as lessee for the use of a Canon copier. An initial lease liability was recorded in the amount of \$10,845. As of September 30, 2022, the value of the lease liability is \$6,924. The City is required to make monthly fixed payments of \$332. The lease has an interest rate of 0.7430%. The estimated useful life was 33 months as of the contract commencement. The value of the right to use asset as of September 30, 2022 is \$10,844 with accumulated amortization of \$3,873. \$ 6,924

On October 4, 2018, the City entered into a 24 month lease as lessee for 80 golf carts and 80 global positioning systems. An initial lease liability was recorded in the amount of \$243,052. As of September 30, 2022, the value of the lease liability is \$126,666. The City is required to make monthly fixed payments of \$9,774. The lease has an interest rate of 0.5290%. The estimated useful life was 24 months as of the contract commencement. The value of the right to use asset as of September 30, 2022 is \$243,052 with accumulated amortization of \$121,022. 126,665

On September 25, 2020, the City entered into a 23 month lease as lessee for the use of a Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$23,440. As of September 30, 2022, the value of the lease liability is \$11,746. The City is required to make monthly fixed payments of \$982. The lease has an interest rate of 0.5290%. The vehicles estimated useful life was 23 months as of the contract commencement. The value of the right to use asset as of September 30, 2022 is \$23,440 with accumulated amortization of \$11,818. The lease has a guaranteed residual value payment of \$8,200.

11,746

On September 25, 2020, the City entered into a 23 month lease as lessee for the use of a Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$23,440. As of September 30, 2022, the value of the lease liability is \$11,746. The City is required to make monthly fixed payments of \$982. The lease has an interest rate of 0.5290%. The vehicles estimated useful life was 23 months as of the contract commencement. The value of the right to use asset as of September 30, 2022 is \$23,440 with accumulated amortization of \$11,818. The lease has a guaranteed residual value payment of \$8,200.

11,746

On September 25, 2020 the City entered into a 23 month lease as lessee for the use of a Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$23,440. As of September 30, 2022, the value of the lease liability is \$11,746. The City is required to make monthly fixed payments of \$982. The lease has an interest rate of 0.5290%. The vehicles estimated useful life was 23 months as of the contract commencement. The value of the right to use asset as of September 30, 2022 is \$23,440 with accumulated amortization of \$11,818. The lease has a guaranteed residual value payment of \$8,200.

11,746

On September 25, 2020, the City entered into a 23 month lease as lessee for the use of a Harley-Davidson motorcycle. An initial lease liability was recorded in the amount of \$23,440. As of September 30, 2022, the value of the lease liability is \$11,746. The City is required to make monthly fixed payments of \$982. The lease has an interest rate of 0.5290%. The vehicles estimated useful life was 23 months as of the contract commencement. The value of the right to use asset as of September 30, 2022 is \$23,440 with accumulated amortization of \$11,818. The lease has a guaranteed residual value payment of \$8,200.

11,746

| | |
|----|---------|
| \$ | 180,573 |
|----|---------|

Enterprise Long-term Debt

Revenue Bonds

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

\$ 72,415,000

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

Plus unamortized premium

| | |
|----|-------------|
| | 243,820,000 |
| | 316,235,000 |
| | 25,110,117 |
| \$ | 341,345,117 |

Notes from Direct Borrowings

| | |
|---|-----------------------|
| <p>\$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.</p> | \$ 56,560,000 |
| <p>\$10,600,000 Water and Sewer Refunding Revenue Bonds (Notes-Direct Borrowing), Series 2020, to finance, on an interim basis, various costs and expenses relating to the design and planning for the water, wastewater, and irrigation water utility capital improvements to be acquired, constructed and equipped within the North 1 assessment area. Principal and interest on the obligation is secured by water and sewer funds. Principal is paid in 2023 and interest paid semiannually at 0.764%.</p> | 10,600,000 |
| <p>\$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.</p> | 327,772 |
| <p>\$7,224,652 State Revolving Fund Loan Agreement #7516L 01 (Pine Island Water) payable to the State with principal and interest payable semiannually at 2.93% through December 2023. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.</p> | 48,003 |
| <p>\$35,848,122 State Revolving Fund Loan Agreement #7516L 02 (Southwest 1 Water) payable to the State with principal and interest payable semiannually at 2.93% through June 2024. The security is a lien on the net revenues of the water and sewer system and impact fees and is junior and subordinate to the water and sewer revenue bonds.</p> | 469,680 |
| <p>\$12,401,582 State Revolving Fund Loan Agreement DW#360103 (Southwest 6 & 7 Drinking Water) payable to the State with principal and interest payable semiannually at 2.12% through 2036. The current principal amount includes actual draws and a 2% loan service fee. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p> | 9,404,950 |
| <p>\$54,662,273 State Revolving Fund Loan Agreement WW#360100 (Southwest 6 & 7 Clean Water) payable to the State with principal and interest payable semiannually at rates ranging from 1.93% to 2.42% through 2036. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p> | 40,867,220 |
| <p>\$97,000,000 State Revolving Fund Loan Agreement WW#360120 (North 2 Clean Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.00% to 0.72% through 2041. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p> | 92,923,251 |
| <p>\$124,436,105 State Revolving Fund Loan Agreement DW#360130 (North 2 Drinking Water) was awarded. A payable to the State with principal and interest payable semiannually at rates ranging from 0.30% to 1.48% through 2041. The current principal amount includes actual draws and capitalized interest. The security is a lien on the special assessment proceeds, sewer expansions fees, irrigation expansion fees, capital facility expansion charges and net revenues of the water and sewer system. The lien is junior and subordinate to the water and sewer revenue bonds.</p> | 70,614,371 |
| | <u>\$ 281,815,247</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%.

Less unamortized discount
Total Special Assessment Debt

| | |
|-----------|-------------------|
| \$ | 38,225,000 |
| | (308,702) |
| <u>\$</u> | <u>37,916,298</u> |

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Governmental Activities

| Year Ending September 30, | General Obligation Debt | | Revenue Bonds | | Notes from Direct Borrowings | | Lease Payable | |
|------------------------------|-------------------------|---------------------|----------------------|----------------------|------------------------------|---------------------|-------------------|---------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | \$ 2,045,000 | \$ 1,241,430 | \$ 4,935,000 | \$ 3,974,981 | \$ 10,979,322 | \$ 1,011,908 | \$167,825 | \$ 560 |
| 2024 | 2,120,000 | 1,167,111 | 5,175,000 | 3,728,231 | 9,107,187 | 802,626 | 12,748 | 14 |
| 2025 | 2,190,000 | 1,089,980 | 7,155,000 | 3,469,481 | 6,253,717 | 611,046 | - | - |
| 2026 | 2,275,000 | 1,010,170 | 7,515,000 | 3,111,731 | 6,364,363 | 489,221 | - | - |
| 2027 | 2,360,000 | 927,212 | 7,890,000 | 2,735,981 | 6,295,822 | 365,143 | - | - |
| 2028-2032 | 10,375,000 | 2,754,356 | 28,500,000 | 8,955,305 | 15,357,093 | 464,819 | - | - |
| 2033-2037 | 11,290,000 | 1,007,063 | 26,365,000 | 3,650,902 | - | - | - | - |
| 2038-2042 | - | - | 3,315,000 | 263,075 | - | - | - | - |
| | <u>32,655,000</u> | <u>9,197,322</u> | <u>90,850,000</u> | <u>29,889,687</u> | <u>54,357,504</u> | <u>3,744,763</u> | <u>180,573</u> | <u>574</u> |
| Unamortized premium | 4,780,887 | - | 8,901,064 | - | - | - | - | - |
| Total | <u>\$ 37,435,887</u> | <u>\$ 9,197,322</u> | <u>\$ 99,751,064</u> | <u>\$ 29,889,687</u> | <u>\$ 54,357,504</u> | <u>\$ 3,744,763</u> | <u>\$ 180,573</u> | <u>\$ 574</u> |

Business-type Activities

| Year Ending September 30, | Revenue Bonds | | Notes from Direct Borrowings | | Special Assessment Debt | |
|------------------------------|-----------------------|-----------------------|------------------------------|----------------------|-------------------------|---------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | \$ 4,760,000 | \$ 14,238,938 | \$ 15,753,745 | \$ 3,914,761 | \$ 8,235,000 | \$ 1,052,513 |
| 2024 | 4,995,000 | 14,000,938 | 30,135,082 | 3,595,163 | 8,450,000 | 862,725 |
| 2025 | 5,240,000 | 13,751,188 | 19,596,817 | 3,208,194 | 8,155,000 | 651,475 |
| 2026 | 5,510,000 | 13,489,188 | 19,867,943 | 2,836,693 | 6,910,000 | 420,200 |
| 2027 | 5,785,000 | 13,213,688 | 20,247,903 | 2,457,683 | 4,850,000 | 222,750 |
| 2028-2032 | 61,665,000 | 60,070,690 | 79,236,787 | 7,395,807 | 1,625,000 | 61,050 |
| 2033-2037 | 99,700,000 | 40,873,776 | 61,427,868 | 3,109,175 | - | - |
| 2038-2042 | 128,580,000 | 16,654,400 | 35,549,102 | 568,043 | - | - |
| | <u>316,235,000</u> | <u>186,292,806</u> | <u>281,815,247</u> | <u>27,085,519</u> | <u>38,225,000</u> | <u>3,270,713</u> |
| Unamortized discount | - | - | - | - | (308,702) | - |
| Unamortized premium | 25,110,117 | - | - | - | - | - |
| Total | <u>\$ 341,345,117</u> | <u>\$ 186,292,806</u> | <u>\$ 281,815,247</u> | <u>\$ 27,085,519</u> | <u>\$ 37,916,298</u> | <u>\$ 3,270,713</u> |

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

| | Beginning Balance¹ | Additions | Reductions | Ending Balance | Due Within One Year |
|--|--|---------------------|------------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| Revenue bonds payable | \$ 95,545,000 | \$ - | \$ (4,695,000) | \$ 90,850,000 | \$ 4,935,000 |
| Bond discount and premium | 9,439,773 | - | (538,709) | 8,901,064 | - |
| Total revenue bonds payable | 104,984,773 | - | (5,233,709) | 99,751,064 | 4,935,000 |
| Notes from direct borrowings | 57,949,215 | 3,520,000 | (7,111,711) | 54,357,504 | 10,979,322 |
| General Obligation-note from direct borrowing | 39,093,012 | - | (1,657,125) | 37,435,887 | 2,045,000 |
| Leases Payable | 347,655 | - | (167,083) | 180,572 | 167,825 |
| Claims liability | 13,485,078 | 4,493,376 | (3,553,154) | 14,425,300 | 5,238,212 |
| Compensated absences | 11,318,122 | 258,570 | (88,658) | 11,488,034 | 86,804 |
| Total Governmental Activities | <u>\$ 227,177,855</u> | <u>\$ 8,271,946</u> | <u>\$ (17,811,440)</u> | <u>\$ 217,638,361</u> | <u>\$ 23,452,163</u> |
| Business-type activities: | | | | | |
| Water and Sewer | | | | | |
| Revenue bonds payable | \$ 320,770,000 | \$ - | \$ (4,535,000) | \$ 316,235,000 | \$ 4,760,000 |
| Bond discount and premium | 26,449,034 | - | (1,338,917) | 25,110,117 | - |
| Total revenue bonds payable | 347,219,034 | - | (5,873,917) | 341,345,117 | 4,760,000 |
| Notes from Direct Borrowings | 303,548,263 | - | (21,733,016) | 281,815,247 | 15,753,745 |
| Special Assessment Bonds | 48,229,123 | - | (10,312,825) | 37,916,298 | 8,235,000 |
| Compensated absences | 2,458,619 | 506,506 | (378,669) | 2,586,456 | 380,345 |
| Total Water and Sewer | <u>701,455,039</u> | <u>506,506</u> | <u>(38,298,427)</u> | <u>663,663,118</u> | <u>29,129,090</u> |
| Stormwater | | | | | |
| Compensated absences | 752,849 | 153,431 | (117,423) | 788,857 | 138,909 |
| Total Stormwater | <u>752,849</u> | <u>153,431</u> | <u>(117,423)</u> | <u>788,857</u> | <u>138,909</u> |
| Yacht Basin | | | | | |
| Compensated absences | 3,717 | 6,644 | - | 10,361 | - |
| Total Yacht Basin | <u>3,717</u> | <u>6,644</u> | <u>-</u> | <u>10,361</u> | <u>-</u> |
| Total Business-type | | | | | |
| Long-term debt | 672,547,386 | - | (36,580,841) | 635,966,545 | 28,748,745 |
| Bond discount, premium and deferred amount on refunds | 26,449,034 | - | (1,338,917) | 25,110,117 | - |
| Total bonds and notes payable | 698,996,420 | - | (37,919,758) | 661,076,662 | 28,748,745 |
| Compensated absences | 3,215,185 | 666,581 | (496,092) | 3,385,674 | 519,254 |
| Total Business-type | <u>\$ 702,211,605</u> | <u>\$ 666,581</u> | <u>\$ (38,415,850)</u> | <u>\$ 664,462,336</u> | <u>\$ 29,267,999</u> |

¹ The City implemented GASB statement No. 87 Leases in Fiscal Year 2022, resulting in a restatement of beginning balances.

² 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 \$54,357,504 contain the following provisions in an event of default:

Special Obligation Revenue Bonds (Note), Series 2012

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

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%.

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.

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.

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.

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.

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.

Special Obligation Refunding Revenue (Note), Series 2022

If any additional indebtedness of the City that is secured by a covenant to budget and appropriate Non-Ad Valorem Revenues is accelerated upon an event of default, the Noteholder shall have the same right to accelerate the payments. If any payment required to be made by the City hereunder or under the Series 2022 Note is more than fifteen (15) days past due, the City will pay to the Noteholder a late charge equal to six percent (6%) of the payment amount which is past due.

Business-Type Notes-Direct Borrowings:

The City's total outstanding notes from direct borrowings related to business-type activities of \$281,815,247 contains event of default provisions:

Water & Sewer Refunding Revenue Bonds (Note), Series 2015A

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

Water & Sewer Revenue Note, Series 2020

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

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

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

1. State Revolving Fund Loan Agreement #67516P
2. State Revolving Fund Loan Agreement #7516L 01
3. State Revolving Fund Loan Agreement #7516L 02

4. State Revolving Fund Loan Agreement DW#360103
5. State Revolving Fund Loan Agreement WW#360100
6. State Revolving Fund Loan Agreement WW#360120
7. 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.

9. Conduit Debt Obligation

To provide financing of the construction of a new building that will house 80 residential-style assisted living suites and 48 memory support assisted living suites, as well as converting existing space to provide an additional skilled nursing dining space, 24 rental independent living units and 20 skilled nursing beds within the City, the City of Cape Coral Health Facilities Authority has issued a series of Senior Housing Revenue Bonds, Series 2015. These bonds do not constitute a debt or pledge of the full faith and credit of the City, and accordingly, they have not been reported in the accompanying financial statements. On September 30, 2022, Health Facility Revenue Bonds outstanding aggregated \$75,145,000.

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10. Construction and Other Significant Commitments

Construction Commitments - As of September 30, 2022, major outstanding construction commitments (in excess of \$1 million) were as follows:

| | <u>Spent To Date</u> | <u>Remaining Commitment</u> |
|--|--------------------------|---------------------------------|
| Governmental activities: | | |
| Other Governmental Funds: | | |
| Fire Station #12 ¹ | \$ 2,985,909 | \$ 262,909 |
| Transportation Fund: | | |
| Road Improvements ² | 12,461,961 | 3,263,306 |
| Debt Service Fund | | |
| Park Improvements ³ | 11,429,577 | 12,019,560 |
| Total governmental activities | <u>26,877,447</u> | <u>15,545,775</u> |
| Business-type activities: | | |
| Water & Sewer Fund: | | |
| Utility Extension Program - North 2 ⁴ | 1,297,484 | 2,050,032 |
| Utility Extension Program - North 1 ⁴ | 3,600,876 | 1,920,024 |
| Nicholas/Country Club Repipe ⁴ | 12,227,903 | 3,478,078 |
| Reuse River Crossing ⁶ | 12,972,912 | 18,934,266 |
| CRA Utility ⁷ | 771,082 | 7,761,249 |
| Southwest 5MG Storage Tank & Pump ⁶ | 6,944,748 | 1,025,618 |
| Raw Water Well ⁵ | 3,132,628 | 5,503,734 |
| Palm Tree Blvd Phase 1 ⁴ | - | 14,123,511 |
| US 41 Conveyance ⁵ | 405,088 | 899,182 |
| Road Resurfacing Adj ⁵ | 5,272,260 | 743,809 |
| Ground Storage Tank ⁵ | 279,943 | 893,460 |
| Facility Refurbs ⁵ | 1,345,300 | - |
| Operations Building ⁶ | 20,207,847 | 4,281,713 |
| Total business-type activities | <u>68,458,071</u> | <u>61,614,676</u> |
| Total | <u>\$ 95,335,518</u> | <u>\$ 77,160,451</u> |

¹ Projects are being funded by General Fund.

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

³ Projects are being funded by General Obligation debt proceeds.

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

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

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

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

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

| | |
|---|----------------------|
| General Fund | \$ 12,019,560 |
| Transportation Capital Improvement Fund | 3,263,306 |
| Non-Major Governmental Funds | 262,909 |
| Total encumbrances | <u>\$ 15,545,775</u> |

11. Fund Balances

Fund balances for governmental funds at September 30, 2022 are as follows:

| | General | Solid Waste | General Obligation Bond | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|---------------------|-------------------------------|--------------------------------|--------------------------------|
| Nonspendable: | | | | | |
| Inventory | \$ 56,617 | \$ - | \$ - | \$ 96,932 | \$ 153,549 |
| Prepaid Items | 1,773,140 | - | - | 60,397 | 1,833,537 |
| Advances to other funds | 10,350,000 | - | - | - | 10,350,000 |
| Restricted: | | | | | |
| General government | - | - | - | 1,851,287 | 1,851,287 |
| Public safety | - | - | - | 21,057,958 | 21,057,958 |
| Public works | - | 3,339,501 | - | 49,229,760 | 52,569,261 |
| Parks and recreation | - | - | - | 7,158,541 | 7,158,541 |
| Community development | - | - | - | 3,602,151 | 3,602,151 |
| Capital outlay | - | - | 18,483,148 | 21,126,029 | 39,609,177 |
| Debt service | - | - | - | 4,614,123 | 4,614,123 |
| Fire services fund | 4,791,524 | - | - | - | 4,791,524 |
| Committed: | | | | | |
| General government | - | - | - | 2,310,702 | 2,310,702 |
| Public safety | - | - | - | 62,222 | 62,222 |
| Public works | - | - | - | 4,896,177 | 4,896,177 |
| Parks and recreation | - | - | - | 5,983,304 | 5,983,304 |
| Capital outlay | - | - | - | 40,660,303 | 40,660,303 |
| Sale proceeds of surplus property | 1,167,894 | - | - | - | 1,167,894 |
| FEMA reimbursements - Hurricane Irma | 7,351,547 | - | - | - | 7,351,547 |
| COVID reimbursement from county | 5,491,374 | - | - | - | 5,491,374 |
| Disaster reserve | 8,000,000 | - | - | - | 8,000,000 |
| Budget stabilization reserve | 45,112,798 | - | - | - | 45,112,798 |
| Assigned: | | | | | |
| General government | 6,071,281 | - | - | - | 6,071,281 |
| Hurricane Ian | 7,965,512 | - | - | - | 7,965,512 |
| Facilities building study | 200,000 | - | - | - | 200,000 |
| Parks and recreation operations | 92,645 | - | - | - | 92,645 |
| Parks and recreation | 100,000 | - | - | - | 100,000 |
| Golf course | 860,275 | - | - | - | 860,275 |
| Bridge fund | 1,000,000 | - | - | - | 1,000,000 |
| Subsequent year's budget appropriations of fund balance | 18,339,297 | - | - | - | 18,339,297 |
| Unassigned | 5,187,374 | - | - | (10,227,869) | (5,040,495) |
| Total fund balances | <u>\$ 123,911,278</u> | <u>\$ 3,339,501</u> | <u>\$ 18,483,148</u> | <u>\$ 152,482,017</u> | <u>\$ 298,215,944</u> |

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12. Segment Information

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

STATEMENT OF NET POSITION

ASSETS

| | |
|---|--------------------|
| Current assets: | |
| Cash and investments | \$ 51,237,562 |
| Interest receivable | 96,162 |
| Accounts receivable, net | 12,008,876 |
| Inventories | 3,947,956 |
| Prepaid items | 58,285 |
| Restricted: | |
| Cash and investments | 98,055,614 |
| Interest receivable | 13,556 |
| Total restricted assets | <u>98,069,170</u> |
| Total current assets | <u>165,418,011</u> |
| Noncurrent assets: | |
| Unamortized bond insurance costs | 54,350 |
| Advances to other funds | <u>2,105,827</u> |
| Total restricted assets | <u>2,160,177</u> |
| Capital assets: | |
| Land and construction in progress | 96,670,147 |
| Other capital assets, net of depreciation | <u>421,194,928</u> |
| Capital assets, net | <u>517,865,075</u> |
| Total noncurrent assets | <u>520,025,252</u> |
| Total assets | <u>685,443,263</u> |

Deferred Outflows of Resources

| | |
|--------------------------------------|----------------------|
| Loss on refunding | 19,643,658 |
| Pension related | 15,267,572 |
| OPEB related | 9,922,899 |
| Total deferred outflows of resources | <u>\$ 44,834,129</u> |

LIABILITIES

| | |
|--|--------------------|
| Current liabilities: | |
| Accounts payable and other accrued liabilities | \$ 4,186,910 |
| Accrued retainage | 1,281,785 |
| Accrued payroll | 1,473,792 |
| Accrued interest payable | 4,955 |
| Deposits | 2,608,420 |
| Unearned revenue | 25,439,699 |
| Compensated absences | 380,345 |
| Total OPEB Liability | 1,887,695 |
| Debt: | |
| Revenue bonds | 4,535,000 |
| Notes | <u>7,836,317</u> |
| Total debt | <u>12,371,317</u> |
| Total current liabilities | <u>49,634,918</u> |
| Noncurrent liabilities: | |
| Compensated absences | 2,206,112 |
| Total OPEB Liability | 53,393,869 |
| Net pension liability | 33,825,147 |
| Debt: | |
| Revenue bonds | 339,901,572 |
| Notes | <u>56,560,000</u> |
| Total debt | <u>396,461,572</u> |
| Total noncurrent liabilities | <u>485,886,700</u> |
| Total liabilities | <u>535,521,618</u> |

Deferred Inflows of Resources

| | |
|---|------------------|
| OPEB related | 4,087,504 |
| Deferred inflows of pension assumptions | <u>549,013</u> |
| Total deferred inflows of resources | <u>4,636,517</u> |

NET POSITION

| | |
|----------------------------------|-----------------------|
| Net investment in capital assets | 127,015,336 |
| Restricted for: | |
| Capital improvement | (25,439,699) |
| Debt service | 3,903,957 |
| Deposits | 2,505,000 |
| Unrestricted | <u>82,134,663</u> |
| Total net position | <u>\$ 190,119,257</u> |

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

| | |
|--------------------------|--------------------|
| Charges for services | \$ 100,397,961 |
| Other revenue | 1,161,150 |
| Total operating revenues | <u>101,559,111</u> |

OPERATING EXPENSES

| | |
|--|-------------------|
| Salaries, wages and employee benefits | 32,395,365 |
| Contractual services, materials and supplies | 30,745,726 |
| Depreciation | 23,304,300 |
| Total operating expenses | <u>86,445,391</u> |
| Operating income | <u>15,113,720</u> |

NONOPERATING REVENUES (EXPENSES)

| | |
|--|---------------------|
| Investment earnings | (1,785,235) |
| Interest expense | (16,024,188) |
| Debt service costs | (3,669) |
| Gain on sale of capital assets | 141,109 |
| Total nonoperating revenues (expenses) | <u>(17,671,983)</u> |
| Income (loss) before contributions and transfers | <u>(2,558,263)</u> |

Capital Contributions

| | |
|-----------------------------|---------------|
| Developer contributions | 43,375 |
| Total capital contributions | <u>43,375</u> |

Transfers

| | |
|--------------------------------|-----------------------|
| Transfers in | 31,244,061 |
| Transfers out | <u>(18,559,134)</u> |
| Total transfers | <u>12,684,927</u> |
| Change in net assets | 10,170,039 |
| Total net position - beginning | <u>179,949,218</u> |
| Total net position - ending | <u>\$ 190,119,257</u> |

Condensed Statement of Cash Flows

| | |
|--|-----------------------|
| New cash provided (used) by: | |
| Operating activities | \$ 50,932,894 |
| Nonoperating financing activities | 12,684,927 |
| Capital and related financing activities | (60,724,367) |
| Investing activities | <u>(1,930,200)</u> |
| Net increase (decrease) | 963,254 |
| Beginning cash and investments | <u>148,329,922</u> |
| Ending cash and investments | <u>\$ 149,293,176</u> |
| Classified As: | |
| Cash and investments | \$ 51,237,562 |
| Restricted cash and investments | <u>98,055,614</u> |
| | <u>\$ 149,293,176</u> |

13. Future Revenues that are Pledged

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

| Pledged Revenue | Total Principal and Interest Outstanding | Current Year Principal and Interest Paid | Current Year Revenue | Coverage |
|---------------------------------|---|---|-----------------------------|-----------------|
| Special Assessment ¹ | \$ 276,552,684 | \$ 26,662,106 | \$ 29,923,025 | 112% |
| Half-cent Sales Tax | 3,210,217 | 2,488,690 | 21,483,314 | 863% |
| Gas Tax | 2,608,144 | 2,616,622 | 10,635,360 | 406% |

¹ Includes collections for the (6) 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) | \$ 171,060 | |
| Historical Non Ad-Valorem Revenue Debt (000) | \$ 218,730 | |
| Legally Available Non-Ad Valorem Revenues (000) | | \$ 138,626 |
| Average of current and prior year | | \$ 137,477 (A) |
| Maximum Annual Debt Service (MADS) | | \$ 18,978 (B) |
| MADS coverage (A ÷ B) | | 7.24 |
| MADS required coverage | | 1.50 |
| Governmental Revenues | | \$ 313,163 (C) |
| Governmental Revenues percentage (B ÷ C) | | 6.06% |
| Required Coverage | | not to exceed 20% |

| | | |
|--|------------|------------|
| Water & Sewer Debt (000) | \$ 576,372 | |
| Operating Revenue (000) | | \$ 101,559 |
| Operating Expenses (net of depreciation) (000) | | (56,091) |
| Net Operating Revenues (000) | | \$ 45,468 |
| Interest Income (000) ¹ | | 345 |
| Net Revenues Available for Debt Service (000) | | \$ 45,813 |
| Capital Expansion Fees (000) | | 15,376 |
| Net Revenues and Expansion Fees Available for Debt Service (000) | | \$ 61,189 |

Test 1

| | |
|---|-----------|
| Net Revenues Available for Debt Service (000) | \$ 45,813 |
| Annual Debt Service (Senior Lien) (000) | \$ 28,050 |
| Calculated Coverage Factor | 1.63 |
| Required Coverage | 1.00 |

Test 2

| | |
|---|-----------|
| Net Revenues & Expansion Fees (000) | \$ 61,189 |
| Annual Debt Service (Senior Lien) (000) | \$ 28,050 |
| Calculated Coverage Factor | 2.18 |
| Required Coverage | 1.00 |

Test 3

| | |
|---|-----------|
| Net Revenues after Senior Lien Debt Service (000) | \$ 33,139 |
| Annual Debt Service (Subordinate) (000) | \$ 6,203 |
| Calculated Coverage Factor | 5.34 |

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

14. Tax Revenue - as of September 30, 2022 is as follows:

| | General Fund | Other Governmental Funds | Total |
|----------------------|-----------------------|---|----------------------|
| Taxes: | | | |
| Property | \$ 111,520,612 | \$ 3,526,382 | \$115,046,994 |
| Public service | 10,971,927 | 1,320,000 | 12,291,927 |
| Sales | 29,260,198 | - | 29,260,198 |
| Fuel | 2,143,472 | 10,635,360 | 12,778,832 |
| Alcohol and beverage | 84,262 | - | 84,262 |
| Communication | 5,165,407 | - | 5,165,407 |
| Total | \$ 159,145,878 | \$ 15,481,742 | \$174,627,620 |

15. Intergovernmental Revenue - as of September 30, 2022 is as follows:

| | General Fund | Other Governmental Funds | Total |
|---|---------------------|---|----------------------|
| Governmental activities: | | | |
| Operating Grants and State Shared Revenues | | | |
| Parks and Recreation | \$ 161,420 | \$ 685,497 | \$ 846,917 |
| Public Safety: Police | 455,068 | - | 455,068 |
| Public Safety: Fire | 106,988 | - | 106,988 |
| Federal disaster relief - Irma | 2,986,512 | - | 2,986,512 |
| State disaster relief - Irma | 17,422 | - | 17,422 |
| On-Behalf Police Pension | 1,901,563 | - | 1,901,563 |
| On-Behalf Fire Pension | 1,889,081 | - | 1,889,081 |
| Capital Grants | | | |
| Community Development | - | 3,537,282 | 3,537,282 |
| Public Safety: Police | 726,054 | - | 726,054 |
| Public Works | - | 4,680,711 | 4,680,711 |
| Total | \$ 8,244,108 | \$ 8,903,490 | \$ 17,147,598 |

16. Investment earnings - as of September 30, 2022 is as follows:

| | Governmental Funds | Enterprise Funds | Internal Service Funds | Total |
|--|-------------------------------|-----------------------------|-----------------------------------|-----------------------|
| Investment income | \$ 2,281,303 | \$ 3,124,940 | \$ 156,540 | \$ 5,562,783 |
| Unrealized gain (loss) on investments | (6,697,813) | (11,548,015) | (670,241) | (18,916,069) |
| Interest on advances | - | 108,075 | - | 108,075 |
| Interest billed on assessment, contribution in aid of construction, impact fee, CFEC and UCEF loans | 1,880 | 4,083,590 | - | 4,085,470 |
| Interest received from tax collector | 16,035 | 8,325 | - | 24,360 |
| Total | \$ (4,398,595) | \$ (4,223,085) | \$ (513,701) | \$ (9,135,381) |

17. Other Revenue – as of September 30, 2022 is as follows:

| | General Fund | Solid Waste | Other Governmental Funds | Total |
|---|---------------------|--------------------|---|--------------------|
| State Housing Program Income (SHIP) | \$ - | \$ - | \$ 221,858 | \$ 221,858 |
| CDBG Program Income | - | - | 132,629 | 132,629 |
| Blue Cross Blue Shield wellness payment | 150,000 | - | - | 150,000 |
| School impact administrative fee | 394,366 | - | - | 394,366 |
| Lee County Tax Collector Refund of Estimated Fee | 51,238 | - | 15,389 | 66,627 |
| Sales of surplus material | 10,494 | - | - | 10,494 |
| Purchase card rebate | 16,663 | 96,000 | 7,255 | 119,918 |
| Police confiscation | - | - | 406,895 | 406,895 |
| Insurance recovery | 148,072 | - | - | 148,072 |
| Reimbursements - General Government | 330,030 | - | - | 330,030 |
| Reimbursements - Public Works | 494,212 | - | 4,737 | 498,949 |
| Reimbursements - Planning | 29,367 | - | - | 29,367 |
| Reimbursements - Public Safety | 29,996 | - | - | 29,996 |
| Vendor rebate | 413 | - | 23 | 436 |
| Staff uniforms | - | - | 68 | 68 |
| LCEC equity sharing | 173,781 | - | - | 173,781 |
| Reimbursement of City paid expenses | - | 308,070 | - | 308,070 |
| Other | 94,471 | 3,559 | 101,568 | 199,598 |
| | <u>\$ 1,923,103</u> | <u>\$ 407,629</u> | <u>\$ 890,422</u> | <u>\$3,221,154</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. Prior to fiscal year 2022 the City had two internal service funds to account for and finance its uninsured risks of loss, the workers compensation insurance fund and the property and liability insurance fund. In fiscal year 2022 they were combined into one risk management fund which continues to operate in the same manner, providing coverage 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 Risk Management fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in this fiscal year, nor has the City had any settlements in excess of insurance coverage in the past three years.

The workers compensation division allocates the cost of providing claims service and claims payment by charging a premium to each applicable fund based on the state mandated rate per \$100 rate of salary by employee classification. The property and liability division charges 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 and is administered by Blue Cross and Blue Shield of Florida. Coverage under the plan is available to employees and retirees of the City of Cape Coral and provides comprehensive medical benefits to employees and their dependents. The plan is funded through contributions from the City, employees, and retirees with specific and aggregate reinsurance coverages underwritten by Blue Cross and Blue Shield of Florida.

The claims liabilities reported in the risk management and self-funded health insurance funds on September 30, 2022, are based on requirements of Governmental Accounting Standards Board (GASB) 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 amounts in fiscal years 2021 and 2022 were:

| | Beginning-of-Fiscal-Year Claims Liability | Current-Year Claims and Changes in Estimates | Claims Payments | End-of-Fiscal Year Claims Liability |
|------------------------------|--|---|----------------------------|--|
| Workers Compensation | | | | |
| 2021 - 2022 | \$ 6,589,664 | \$ 1,869,646 | \$ (1,993,390) | \$ 6,465,920 |
| 2020 - 2021 | 5,303,079 | 2,868,665 | (1,582,080) | 6,589,664 |
| Property and Casualty | | | | |
| 2021 - 2022 | \$ 5,107,414 | \$ 2,185,031 | \$ (1,396,600) | \$ 5,895,845 |
| 2020 - 2021 | 4,023,359 | 2,178,952 | (1,094,897) | 5,107,414 |
| Self-funded Health Insurance | | | | |
| 2021 - 2022 | \$ 1,788,000 | \$ 27,202,402 | \$ (26,926,867) | \$ 2,063,535 |
| 2020 - 2021 | 1,194,993 | 24,512,441 | (23,919,434) | 1,788,000 |

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, 2022. The monies in the account are held by the state on a first come, first served basis. In the future, the City may define a project that would be eligible for reimbursement from these funds. However, the funds held by the state may be depleted at that time.

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

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

3. Pension Plans

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

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

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

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

| | Municipal General Employees' | Municipal Police Officers' | Municipal Firefighters' | Restoration General Employees' | Total |
|---|---|---|------------------------------------|---|----------------|
| Net pension liability | \$113,812,742 | \$64,421,012 | \$ 78,642,344 | \$ - | \$ 256,876,098 |
| Total pension liability | - | - | - | 2,194,712 | 2,194,712 |
| Deferred outflows of resources related to pensions | 51,371,379 | 35,529,675 | 47,076,618 | 2,061,794 | 136,039,466 |
| Deferred inflows of resources related to pensions | 1,847,281 | 534,424 | 3,321,383 | 3,782,203 | 9,485,291 |
| Pension expense | 28,014,046 | 20,791,423 | 18,006,907 | (39,157) | 66,773,219 |

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(A) Defined Benefit Plans

(1) Municipal General Employees' Pension Plan

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

| | |
|---|--------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 800 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 195 |
| Active Plan Members | 880 |
| Total | <u>1,875</u> |

Plan Description – General Employees' Pension Plan

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

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

The Plan's financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by CliftonLarsonAllen LLP. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2022. As the plan administrator, Ferrell B. Jenne at Foster and Foster can provide a copy of the financial statements are upon request. She can be contacted at Ferrell.jenne@foster-foster.com.

Benefits Provided - General Employees' Pension Plan

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

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

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

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

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

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

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

Normal retirement age – normal retirement age is defined as:

- a. If hired prior to October 1, 2013 – The earlier of attaining age 60, regardless of the number of years of credited service, 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 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, 2022, the Plan had 109 active members enrolled in DROP, and the total amount of accrued benefits was \$26,600,446.

Investments – General Employees' Pension Plan

Rate of Return: For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 11.45%.

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, 2022, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

| | <u>9/30/2022</u> |
|---|------------------------------|
| Total pension liability | <u>\$ 482,090,027</u> |
| Plan fiduciary net position | <u>(368,277,285)</u> |
| Net pension liability | <u><u>\$ 113,812,742</u></u> |
| Net position as a percentage of the total pension liability | <u><u>76.39%</u></u> |

Actuarial Assumptions - General Employees' Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions applied to all measurement periods.

| | |
|---------------------------|---------------|
| Inflation | 2.00% |
| Salary Increases | Service based |
| Discount Rate | 6.85% |
| Investment Rate of Return | 6.85% |

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, 2021 valuation were based on Milliman's July 1, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments based on plan demographics.

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 2022 the inflation rate assumption of the investment advisor was 2.30%.

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, 2022 are summarized in the following table:

| Asset Class | Long-term Expected Real Rate of Return |
|------------------------------------|---|
| U.S. Equities | 6.11% |
| Developed Non-US Equities | 6.49% |
| Emerging Market Equities | 8.12% |
| US Core Fixed Income | 0.53% |
| Multi Asset Class Solutions (MACS) | 3.49% |
| Real Estate | 3.72% |
| Private Equity | 9.93% |
| Private Credit | 5.06% |
| Infrastructure | 5.16% |
| Farmland | 5.68% |

Discount Rate - General Employees' Pension Plan

The discount rate used to measure the total pension liability was changed from 7.00% at the beginning of the measurement period to 6.85%. 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 6.85%, 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 5.85% | Current Discount Rate 6.85% | 1% Increase 7.85% |
|-----------------------|-----------------------|-----------------------------------|----------------------|
| Net pension liability | <u>\$ 173,813,510</u> | <u>\$ 113,812,742</u> | <u>\$ 64,556,952</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, 2021 | \$ 453,283,410 | \$ 413,899,317 | \$ 39,384,093 |
| Changes for the year: | | | |
| Service cost | 11,267,191 | - | 11,267,191 |
| Interest | 31,774,326 | - | 31,774,326 |
| Differences between expected and actual experience | (2,442,275) | - | (2,442,275) |
| Changes of Assumptions | 9,234,795 | - | 9,234,795 |
| Contributions - Employer | - | 17,419,260 | (17,419,260) |
| Contributions - Employee | - | 5,669,300 | (5,669,300) |
| Contributions - Buy Back | 235,906 | 235,906 | - |
| Net Investment Income | - | (47,359,021) | 47,359,021 |
| Benefit payments, including refunds of employee contributions | (21,263,326) | (21,263,326) | - |
| Administrative Expenses | - | (324,151) | 324,151 |
| Net changes | <u>28,806,617</u> | <u>(45,622,032)</u> | <u>74,428,649</u> |
| Balances at September 30, 2022 | <u>\$ 482,090,027</u> | <u>\$ 368,277,285</u> | <u>\$ 113,812,742</u> |

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

For the year ended September 30, 2022, the City recognized pension expense of \$28,014,046. On September 30, 2022, 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 | \$ 1,293,702 | \$ 1,847,281 |
| Changes in assumptions | 13,389,705 | - |
| Difference between projected and actual earnings on investments | 36,687,972 | - |
| Total | <u>\$51,371,379</u> | <u>\$ 1,847,281</u> |

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

| Year ended September 30, | |
|--------------------------|---------------|
| 2023 | \$ 16,184,245 |
| 2024 | 10,017,695 |
| 2025 | 8,043,601 |
| 2026 | 15,278,554 |
| 2027 | - |
| thereafter | - |

(2) Municipal Police Officers' Pension Plan

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

| | |
|--|-------------------|
| Inactive Plan Members or Beneficiaries | |
| Currently Receiving Benefits | 161 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 45 |
| Active Plan Members | <u>245</u> |
| Total | <u><u>451</u></u> |

Plan Description – Police Officers' Pension Plan

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

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

The Plan's financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by CliftonLarsonAllen LLP. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2022. As the plan administrator, Amber McNeill at Resource Centers can provide a copy of the financial statements are upon request. She can be contacted at amber@resourcecenters.com.

Benefits Provided - Police Officers' Pension Plan

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

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

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

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

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

Normal Retirement Age - normal retirement age is defined as:

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

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

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

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

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

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

Vesting

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

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

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. At the time of the termination of employment at the end of the DROP period, the member will be receiving the monthly benefit, and within 120 months of termination, will receive the account balance in a lump sum or in another option form. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2022, the Plan had 33 active members enrolled in DROP, and the total amount of accrued benefits was \$24,161,298.

Investments – Police Officers' Pension Plan

Rate of Return: For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was negative 12.37%.

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, 2022, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

| | <u>9/30/2022</u> |
|---|-------------------------|
| Total pension liability | <u>\$ 282,502,863</u> |
| Plan fiduciary net position | <u>(218,081,851)</u> |
| Net pension liability | <u>\$ 64,421,012</u> |
| Net position as a percentage of the total pension liability | <u>77.20%</u> |

Actuarial Assumptions – Police Officers' Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions applied to all measurement periods.

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

Mortality rates were based on the following:

Mortality Rate Healthy Active Lives:

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

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

Mortality Rate Healthy Retiree Lives:

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

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

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Disabled Lives:

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

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

- The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.
- 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 2022 the inflation rate assumption of the investment advisor was 2.44%. 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, 2022 are summarized in the following table:

| Asset Class | Long-term Expected Real Rate of Return |
|-------------------------|---|
| US Large Cap Equity | 4.10% |
| US Small/Mid Cap Equity | 4.55% |
| International Equity | 4.64% |
| U.S. Direct Real Estate | 3.54% |
| Absolute Return | 3.04% |
| Private Equity | 7.40% |
| US Fixed Income | 1.05% |

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

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

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

| | 1% Decrease 6.00% | Discount Rate 7.00% | 1% Increase 8.00% |
|-----------------------|-----------------------|------------------------|----------------------|
| Net pension liability | <u>\$ 100,563,926</u> | <u>\$ 64,421,012</u> | <u>\$ 35,111,631</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, 2021 | \$ 261,131,977 | \$ 246,191,062 | \$ 14,940,915 |
| Changes for the year: | | | |
| Service cost | 7,172,552 | - | 7,172,552 |
| Interest | 18,633,030 | - | 18,633,030 |
| Share Plan Allocation | 654,121 | - | 654,121 |
| Changes in Benefit Terms | 3,241,056 | - | 3,241,056 |
| Differences between expected and actual experience | 2,194,299 | - | 2,194,299 |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 8,856,305 | (8,856,305) |
| Contributions - State | - | 1,901,563 | (1,901,563) |
| Contributions - Employee | - | 2,233,678 | (2,233,678) |
| Contributions - Buy Back | 194,703 | 194,703 | - |
| Net Investment Income | - | (30,453,611) | 30,453,611 |
| Benefit payments, including refunds of employee contributions | (10,718,875) | (10,718,875) | - |
| Administrative Expenses | - | (122,974) | 122,974 |
| Net changes | 21,370,886 | (28,109,211) | 49,480,097 |
| Balances at September 30, 2022 | \$ 282,502,863 | \$ 218,081,851 | \$ 64,421,012 |

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, 2022, the City recognized pension expense of \$20,791,423. On September 30, 2022, 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 | \$ 5,943,642 | \$ 534,424 |
| Changes in Assumptions | 7,634,100 | - |
| Difference between projected and actual earnings on investments | 21,951,933 | - |
| Total | \$ 35,529,675 | \$ 534,424 |

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, | |
| 2023 | 9,962,314 |
| 2024 | 7,041,043 |
| 2025 | 5,811,721 |
| 2026 | 11,814,456 |
| 2027 | 365,717 |
| thereafter | - |

(3) Municipal Firefighters' Pension Plan

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

| | |
|---|-------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 148 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 11 |
| Active Plan Members | <u>214</u> |
| Total | <u><u>373</u></u> |

Plan Description – Firefighters' Pension Plan

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

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

The Plan's financial statements and related notes to the financial statements were audited in accordance with auditing standards generally accepted in the United States of America by CliftonLarsonAllen LLP. It was their opinion that the financial statements were presented fairly in all material respects as of September 30, 2022. As the plan administrator, Ferrell B. Jenne at Foster and Foster can provide a copy of the financial statements are upon request. She can be contacted at Ferrell.jenne@foster-foster.com.

Benefits Provided - Firefighters' Pension Plan

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

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

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

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

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

Normal retirement age – normal retirement ages is defined as:

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

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

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

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

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

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

Vesting

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

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

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

Deferred Retirement Option Plan (DROP)

Members who qualify for normal retirement may enroll in DROP. Members who enroll in DROP may remain active employees for up to five years. Upon enrollment, members' monthly benefits accrue until such time that they leave the DROP program. Payment shall be made from the DROP account within 120 months after termination of employment. Additionally, upon enrollment, members are no longer eligible for disability or pre-retirement death benefits, nor can they receive any additional years of credited service. As of September 30, 2022, the Plan had 13 active members enrolled in DROP, and the total amount of accrued benefits was \$22,499,497.

Investments – Firefighters' Pension Plan

Rate of Return: For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investments expense, was negative 12.10%.

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, 2022, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of that date.

| | <u>9/30/2022</u> |
|---|-------------------------|
| Total pension liability | \$ 302,520,937 |
| Plan fiduciary net position | (223,878,593) |
| Net pension liability | <u>\$ 78,642,344</u> |
| Net position as a percentage of the total pension liability | <u>74.00%</u> |

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions applied to all measurement periods.

- Inflation 2.25%
- Salary Increases 6.75%
- Investment Rate of Return 6.75%
- Mortality rates were based on the use of PubS.H-2010 set forward one year for active and retiree lives, PubG.H-2010 for beneficiary lives except males set back one year. Disabled lives are 80% PubG.H-2010 and 20% PubS.H-2010.
- The above rates are those outlined in Milliman’s July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.
- 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, 2022 are summarized in the following table:

| <u>Asset Class</u> | <u>Long-term Expected Real Rate of Return</u> |
|---------------------------|--|
| US Large Cap Equity | 4.10% |
| US Small/Mid Cap Equity | 4.55% |
| International Equity | 4.64% |
| U.S. Direct Real Estate | 3.54% |
| Absolute Return | 3.04% |
| Private Equity | 7.40% |
| US Fixed Income | 1.05% |

- The discount rate used to measure the total pension liability changed from 7.00% at the beginning of the measurement period to 6.75%. 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 6.75%, 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 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
|-----------------------|-----------------------|-----------------------------------|----------------------|
| Net pension liability | <u>\$ 121,573,003</u> | <u>\$ 78,642,344</u> | <u>\$ 44,106,216</u> |

Changes in the Net Pension Liability – Firefighters' Pension Plan

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|--------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances at September 30, 2021 | \$ 279,628,835 | \$ 253,172,912 | \$ 26,455,923 |
| Changes for the year: | | | |
| Service cost | 7,458,923 | - | 7,458,923 |
| Interest | 19,626,774 | - | 19,626,774 |
| Change in Excess State Money | 286,716 | - | 286,716 |
| Changes of Benefit Terms | - | - | - |
| Differences between expected and actual experience | (2,550,003) | - | (2,550,003) |
| Changes of Assumptions | 10,208,423 | - | 10,208,423 |
| Contributions - Employer | - | 9,585,536 | (9,585,536) |
| Contributions - State | - | 1,888,374 | (1,888,374) |
| Contributions - Employee | - | 2,137,414 | (2,137,414) |
| Contributions - Buy Back | 107,038 | 107,038 | - |
| Net Investment Income | - | (30,558,751) | 30,558,751 |
| Benefit payments, including refunds of employees contributions | (12,245,769) | (12,245,769) | - |
| Administrative Expenses | - | (208,161) | 208,161 |
| Net changes | <u>22,892,102</u> | <u>(29,294,319)</u> | <u>52,186,421</u> |
| Balances at September 30, 2022 | <u>\$ 302,520,937</u> | <u>\$ 223,878,593</u> | <u>\$ 78,642,344</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, 2022, the City recognized pension expense of \$18,006,907. At September 30, 2022, 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 | \$ 874,074 | \$ 2,820,972 |
| Changes in Assumptions | 23,073,832 | 500,411 |
| Difference between projected and actual earnings on investments | 23,128,712 | - |
| Total | <u>\$ 47,076,618</u> | <u>\$ 3,321,383</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,

| | |
|------------|------------|
| 2023 | 10,172,306 |
| 2024 | 8,785,495 |
| 2025 | 8,746,156 |
| 2026 | 12,615,222 |
| 2027 | 2,341,996 |
| thereafter | 1,094,060 |

(4) Restoration General Employees’ Pension Plan

At October 1, 2022, the Plan’s membership consisted of the following:

| | |
|--|--------------|
| Inactive Plan Members or Beneficiaries | |
| Currently Receiving Benefits | 800 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 195 |
| Active Plan Members | <u>880</u> |
| Total | <u>1,875</u> |

Plan Description – Restoration General Employees’ Pension Plan

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

Benefits Provided – Restoration General Employees’ Pension Plan

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

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

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

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

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

The City’s total pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the total pension was determined by an actuarial valuation as October 1, 2021.

Actuarial Assumptions – Restoration General Employees’ Pension Plan

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to October 1, 2022 using the following actuarial assumptions.

- | | |
|--------------------|---------------|
| • Inflation | 2.00% |
| • Salary Increases | Service based |
| • Discount Rate | 4.77% |

Administrative Expenses - \$15,000 annually.

Discount Rate – 4.77% per year, determined annually based on the rate published in the S&P Municipal Bond 20 Year High Grade Index based on the weekly rate closest to but no later than the measurement date.

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

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

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

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

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

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

The following presents the total pension liability of the City, calculated using the discount rate of 4.77%, 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 3.77% | Current Discount Rate 4.77% | 1% Increase 5.77% |
|-----------------------|----------------------|-----------------------------------|----------------------|
| Net pension liability | <u>\$ 2,710,609</u> | <u>\$ 2,194,712</u> | <u>\$ 1,804,354</u> |

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

For the year ended September 30, 2022, the City recognized pension expense of -\$39,157. At September 30, 2022, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 2,061,794 | \$ 2,122,960 |
| Changes in Assumptions | - | 1,659,243 |
| Total | <u>\$ 2,061,794</u> | <u>\$ 3,782,203</u> |

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

| | |
|------------|-----------|
| 2023 | (184,149) |
| 2024 | (184,149) |
| 2025 | (184,149) |
| 2026 | (184,149) |
| 2027 | (184,149) |
| thereafter | (799,664) |

(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 FY2022, the City contributed \$152,802 and the employees contributed \$104,159.

4. Other Postemployment Benefits (OPEB)

Plan Description – City of Cape Coral OPEB Plan

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

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

Health-Related Benefits

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

Survivorship Benefits

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

Life Insurance Benefits

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

Retiree Contributions for Medical and Prescription Benefits

Retired employees of the City are required to pay the health insurance premiums to maintain their coverage. An exception is made for employees hired before their respective "Break Date" and who have accrued at least 5 years of service with the City. These retirees are eligible upon retirement to continue coverage in the City's medical and prescription program at no cost to the retiree. Employees hired after their respective "Break Date", who retire having accrued at least 10 years of continuous service with the City at retirement,

are entitled to a service-based subsidy toward the total premium contribution required for continued coverage in the City's program. Amount of this subsidy may change from time to time as the costs of insurance change.

Participant Data

At October 1, 2021 the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Retirees (Medical and/or Life Insurance) | 783 |
| Active plan members | 1,780 |
| Total | <u>2,563</u> |

Total OPEB Liability

| | <u>Total OPEB Liability</u> |
|---|------------------------------------|
| Balance as of September 30, 2020 for FYE 2021 | \$ 329,347,346 |
| Changes: | |
| Service cost | 10,871,523 |
| Interest | 7,798,633 |
| Experience Losses/(Gains) | 2,243,449 |
| Changes in assumptions | 15,551,925 |
| Benefit payments | (11,505,202) |
| Net Changes | <u>24,960,328</u> |
| Balance as of September 30, 2021 for FYE 2022 | <u>\$ 354,307,674</u> |

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|-----------------------|-----------------------|-----------------------|
| | 1.19% | 2.19% | 3.19% |
| Total OPEB Liability | <u>\$ 415,123,434</u> | <u>\$ 354,307,674</u> | <u>\$ 306,451,469</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 | Healthcare Cost Trend Rate | 1% Increase |
|----------------------|-----------------------|----------------------------|-----------------------|
| | 2.94% | 3.94% | 4.94% |
| Total OPEB Liability | <u>\$ 314,704,179</u> | <u>\$ 354,307,674</u> | <u>\$ 403,684,043</u> |

Deferred Inflows/Outflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of \$23,715,538. 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 | \$ 1,869,541 | \$ 18,755,445 |
| Changes of assumptions | 49,629,263 | 7,441,966 |
| Benefit payments subsequent to measurement date | 12,098,513 | - |
| Total | <u>\$ 63,597,317</u> | <u>\$ 26,197,411</u> |

As of September 30, 2022, \$12,098,513 included in the current portion of the OPEB payable will be amortized to expense in fiscal year 2022. Amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,

| | |
|-------|----------------------|
| 2023 | \$ 5,045,381 |
| 2024 | 8,063,012 |
| 2025 | 6,261,207 |
| 2026 | 2,965,896 |
| 2027 | 2,965,894 |
| Total | <u>\$ 25,301,390</u> |

Actuarial Methods and Assumptions

| | |
|----------------------------|---------------------------------------|
| Cost Method | Entry Age Normal |
| Salary Increases | 2.40% |
| Discount Rate* | 2.19% (20-year municipal GO AA index) |
| Healthcare Cost Trend Rate | 3.94% |

*Prior year discount rate was 2.41%

The total OPEB liability at September 30, 2022 was based on October 1, 2021 valuation data using the following actuarial assumptions:

| | |
|---|-------|
| Medical Trend Assumptions | |
| Rate of inflation | 2.5% |
| Rate of growth in real income/GDP per capita | 1.4% |
| Extra Trend due to Technology and other factors | 1.0% |
| Expected Health Share of GDP in 2031 | 19.0% |
| Health Share of GDP Resistance Point | 20.0% |
| Year for Limiting Cost Growth to GDP Growth | 2075 |

Trends used in projecting Part B premiums through year 2030 are based on current law forecasts represented in the 2021 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds dated August 31, 2021. After 2030 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.

On September 28, 2022 Hurricane Ian, which was a category 4 hurricane, directly hit the city. The community experienced high winds, strong storm surges, flooding, and damage to multiple properties. Catastrophic damage to properties within the city of Cape Coral was less than 0.1% of all properties. With two days before the fiscal year end, the material damage to City assets required the impairment of: Yacht Club piers and facility, Harbor Master building, 10 vehicles, and two trailers; there was more damage identified to City assets, but nothing that met the requirement for impairment. The City expects to receive its forecasted revenues with no material decrease in assessed taxable values for the upcoming fiscal year.

6. Subsequent Events

On November 2, 2022, the City sold the Seven-Island properties, a 47 acre tract of land to Gulf Gateway Resort and Marina LLC. The plan is to develop a resort marina village with mixed-use developments including a hotel, restaurants, and a community center. The developer provided a \$1 million deposit in an escrow account recorded in the General Fund's balance sheet, which will be applied toward the purchase price at closing no later than 36 months. The City and the developer will need to enter into a development agreement within 12 months after this sale.

In February 2023, the City advertised for proposals for an \$8 million Special Obligation Revenue Note for the construction of a new Fire Station. This new debt will be secured by a covenant to budget and appropriate from the City's legally available non-ad valorem revenues. Closing is expected to be March 30, 2023, the first payment will be made on November 1, 2023.



CITY OF CAPE CORAL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 147,702,634 | \$ 147,877,634 | \$ 159,145,878 | \$ 11,268,244 |
| Special assessments | 29,284,666 | 29,574,666 | 28,644,398 | (930,268) |
| Licenses and permits | 158,173 | 158,173 | 51,545 | (106,628) |
| Franchise fees | 7,461,312 | 7,461,312 | 9,035,573 | 1,574,261 |
| Intergovernmental | 4,495,941 | 5,243,632 | 8,244,108 | 3,000,476 |
| Charges for services | 11,722,443 | 12,590,215 | 12,779,473 | 189,258 |
| Fines and forfeitures | 536,915 | 536,915 | 1,278,922 | 742,007 |
| Rent and royalties | 478,884 | 478,884 | 564,475 | 85,591 |
| Investment earnings | 2,800,000 | 2,800,000 | (2,703,032) | (5,503,032) |
| Contributions and donations | - | - | 28,966 | 28,966 |
| Other revenue | 446,485 | 488,368 | 1,923,103 | 1,434,735 |
| Total revenues | <u>205,087,453</u> | <u>207,209,799</u> | <u>218,993,409</u> | <u>11,783,610</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 63,542,384 | 73,452,192 | 57,002,541 | 16,449,651 |
| Public Safety: | | | | |
| Police | 48,761,026 | 50,413,201 | 49,015,337 | 1,397,864 |
| Fire | 39,249,013 | 39,898,173 | 39,597,184 | 300,989 |
| Public works | 14,092,682 | 15,098,700 | 13,053,046 | 2,045,654 |
| Parks and recreation | 8,928,064 | 8,893,705 | 8,120,880 | 772,825 |
| Community development | 5,677,339 | 5,803,044 | 5,424,020 | 379,024 |
| Capital outlay | 7,939,243 | 8,338,164 | 4,485,701 | 3,852,463 |
| Debt service: | | | | |
| Principal | - | - | 50,695 | (50,695) |
| Interest and fiscal charges | - | - | 406 | (406) |
| Total expenditures | <u>188,189,751</u> | <u>201,897,179</u> | <u>176,749,810</u> | <u>25,147,369</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>16,897,702</u> | <u>5,312,620</u> | <u>42,243,599</u> | <u>36,930,979</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 849,422 | 849,421 | 524,525 | (324,896) |
| Transfers out | (36,508,283) | (45,159,772) | (35,796,254) | 9,363,518 |
| Proceeds on sale of capital assets | - | - | 156,550 | 156,550 |
| Issuance of debt | - | - | 3,486,500 | 3,486,500 |
| Reserves | (71,892,864) | (55,142,793) | - | 55,142,793 |
| Total other financing sources (uses) | <u>(107,551,725)</u> | <u>(99,453,144)</u> | <u>(31,628,679)</u> | <u>67,824,465</u> |
| Net change in fund balance | (90,654,023) | (94,140,524) | 10,614,920 | 104,755,444 |
| Budgetary fund balance - beginning as restated | 10,513,366 | (15,571,137) | 113,296,358 | (128,867,495) |
| Budgetary fund balance - ending | <u>\$ (80,140,657)</u> | <u>\$ (109,711,661)</u> | <u>\$ 123,911,278</u> | <u>\$ (24,112,051)</u> |

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

CITY OF CAPE CORAL, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|-----------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 147,702,634 | \$ 147,877,634 | \$ 159,145,878 | \$ 11,268,244 |
| Special assessments | 29,284,666 | 29,574,666 | 28,644,398 | (930,268) |
| Licenses and permits | 158,173 | 158,173 | 51,545 | (106,628) |
| Franchise fees | 7,461,312 | 7,461,312 | 9,035,573 | 1,574,261 |
| Intergovernmental | 4,495,941 | 5,243,632 | 8,244,108 | 3,000,476 |
| Charges for services | 11,722,443 | 12,590,215 | 12,779,473 | 189,258 |
| Fines and forfeitures | 536,915 | 536,915 | 1,278,922 | 742,007 |
| Rent and royalties | 478,884 | 478,884 | 429,136 | (49,748) |
| Investment earnings | 2,800,000 | 2,800,000 | (2,703,032) | (5,503,032) |
| Contributions and donations | - | - | 28,966 | 28,966 |
| Other revenue | 446,485 | 488,368 | 1,923,103 | 1,434,735 |
| Total revenues | <u>205,087,453</u> | <u>207,209,799</u> | <u>218,858,070</u> | <u>11,648,271</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 63,542,384 | 73,452,192 | 57,002,541 | 16,449,651 |
| Public Safety: | | | | |
| Police | 48,761,026 | 50,413,201 | 49,015,337 | 1,397,864 |
| Fire | 39,249,013 | 39,898,173 | 39,597,184 | 300,989 |
| Public works | 14,092,682 | 15,098,700 | 13,053,046 | 2,045,654 |
| Parks and recreation | 8,928,064 | 8,893,705 | 8,120,880 | 772,825 |
| Community development | 5,677,339 | 5,803,044 | 5,424,020 | 379,024 |
| Capital outlay | 7,939,243 | 8,338,164 | 4,485,701 | 3,852,463 |
| Debt service: | | | | |
| Principal | - | - | 50,695 | (50,695) |
| Interest and fiscal charges | - | - | 406 | (406) |
| Total expenditures | <u>188,189,751</u> | <u>201,897,179</u> | <u>176,749,810</u> | <u>25,147,369</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>16,897,702</u> | <u>5,312,620</u> | <u>42,108,260</u> | <u>36,795,640</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 849,422 | 849,421 | 524,525 | (324,896) |
| Transfers out | (36,508,283) | (45,159,772) | (35,796,254) | 9,363,518 |
| Leases | - | - | 135,339 | 135,339 |
| Proceeds on sale of capital assets | - | - | 156,550 | 156,550 |
| Issuance of debt | - | - | 3,486,500 | 3,486,500 |
| Reserves | (71,892,864) | (55,142,793) | - | 55,142,793 |
| Total other financing sources (uses) | <u>(107,551,725)</u> | <u>(99,453,144)</u> | <u>(31,493,340)</u> | <u>67,959,804</u> |
| Net change in fund balance | (90,654,023) | (94,140,524) | 10,614,920 | 104,755,444 |
| Budgetary fund balance - beginning as restated | 10,513,366 | (15,571,137) | 113,296,358 | (128,867,495) |
| Budgetary fund balance - ending | <u>\$ (80,140,657)</u> | <u>\$ (109,711,661)</u> | <u>\$ 123,911,278</u> | <u>\$ (24,112,051)</u> |

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**
September 30, 2022

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, park recreational facilities impact fee, community redevelopment agency (CRA), all hazards, alarm fee, Del Prado Mall parking lot, lot mowing, economic development, parks and recreation programs, waterpark, golf course, building, Community Development Block Grant, HUD Neighborhood Stabilization, local housing assistance, Residential Construction Mitigation Program, debt service, and solid waste. Capital projects are budgeted over the length of the project except for the Disaster Improvement Fund. The budget to actual comparison for the general fund is presented on page pages 107 of the required supplementary information. The budget to actual comparison for other governmental funds are presented on pages 132-155 of the combining statements.

Budgetary Information

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

1. During July, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. On or before September 30 the budget is legally enacted by City Council through passage of an ordinance as required by City Charter, and an ordinance for setting the millage is passed as required by the State of Florida.
4. The City Manager can authorize changes within a fund. However, any other revisions require approval of the City Council. Various supplemental appropriations were approved by the Council during the fiscal year ended September 30, 2022.
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, leases, insurance damage claims, and the sale of capital assets. Estimated cash balances from previous fiscal years that are available to support the annual operating budget are included in the adopted budget reflected as Balances Forward. Consistent with guidance by the State of Florida, the use of reserves is reported as expenditures in the budget. Annual appropriated budgets are adopted for the general, certain special revenue, and the debt service fund. Project-length financial plans and budgets are adopted for the capital projects funds except for the Disaster Improvement Fund.
6. Expenditures may not legally exceed appropriations at the fund level.
7. Beginning with the first amendment for the 2008 fiscal year, all available cash (not including capital projects) is now included within the budget. This has the affect of causing the budget to be greater than would have been the case in prior years even though expenditures may be less.

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL GENERAL EMPLOYEES
Last 10 Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 11,267,191 | \$ 10,641,085 | \$ 9,702,591 | \$ 8,754,130 | \$ 8,645,641 | \$ 7,581,291 | \$ 6,787,332 | \$ 6,345,174 | \$ 6,326,371 | \$ 5,871,342 |
| Interest | 31,774,326 | 30,358,419 | 28,657,931 | 27,287,081 | 25,456,382 | 23,613,678 | 21,003,661 | 19,926,291 | 18,821,859 | 17,724,278 |
| Differences Between Expected and Actual Experience | (2,442,275) | (31,155) | 5,174,809 | 95,516 | 6,086,590 | 4,417,837 | 3,893,760 | (867,289) | - | - |
| Changes of Assumptions ² | 9,234,795 | 7,514,792 | 10,824,849 | 10,496,250 | - | 5,853,087 | 14,374,009 | - | - | - |
| Contributions - Buy Back | 235,906 | 393,905 | 649,586 | 672,804 | 52,107 | 116,662 | 73,024 | 248,187 | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (21,263,326) | (19,091,659) | (18,156,986) | (17,200,561) | (15,636,445) | (13,516,268) | (12,979,936) | (11,406,026) | (10,426,554) | (9,350,092) |
| Net Change in Total Pension Liability | 28,806,617 | 29,785,387 | 36,852,780 | 30,105,220 | 24,604,275 | 28,066,287 | 33,151,850 | 14,246,337 | 14,721,676 | 14,245,528 |
| Total Pension Liability - Beginning | 453,283,410 | 423,498,023 | 386,645,243 | 356,540,023 | 331,935,748 | 303,869,461 | 270,717,611 | 256,471,274 | 241,749,598 | 227,504,070 |
| Total Pension Liability - Ending (a) | <u>\$ 482,090,027</u> | <u>\$ 453,283,410</u> | <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 | \$ 17,419,260 | \$ 17,357,852 | \$ 18,959,393 | \$ 22,477,239 | \$ 20,688,397 | \$ 18,745,018 | \$ 16,703,284 | \$ 15,896,933 | \$ 14,847,599 | \$ 11,946,344 |
| Contributions - Employee | 5,669,300 | 5,393,563 | 5,288,866 | 5,049,654 | 4,819,442 | 4,575,819 | 4,110,347 | 3,900,545 | 3,740,529 | 3,377,905 |
| Contributions - Buy Back | 235,906 | 393,905 | 649,586 | 672,804 | 52,107 | 116,662 | 73,024 | 248,187 | - | - |
| Net Investment Income | (47,359,021) | 69,178,549 | 22,790,668 | 11,709,295 | 17,805,569 | 27,633,022 | 17,442,740 | (2,670,840) | 17,248,123 | 18,720,913 |
| Benefit Payments, Including Refunds of Employee Contributions | (21,263,326) | (19,091,659) | (18,156,986) | (17,200,561) | (15,636,445) | (13,516,268) | (12,979,936) | (11,406,026) | (10,426,554) | (9,350,092) |
| Administrative Expenses | (324,151) | (293,393) | (308,498) | (288,372) | (279,364) | (211,781) | (178,584) | (219,890) | (209,604) | (145,987) |
| Net Change in Plan Fiduciary Net Position | (45,622,032) | 72,938,817 | 29,223,029 | 22,420,059 | 27,449,706 | 37,342,472 | 25,170,875 | 5,748,909 | 25,200,093 | 24,549,083 |
| Plan Fiduciary Net Position - Beginning | 413,899,317 | 340,960,500 | 311,737,471 | 289,317,412 | 261,867,706 | 224,525,234 | 199,354,359 | 193,605,450 | 168,405,357 | 143,856,274 |
| Plan Fiduciary Net Position - Ending (b) | <u>368,277,285</u> | <u>413,899,317</u> | <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>\$ 113,812,742</u> | <u>\$ 39,384,093</u> | <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 | 76.39% | 91.31% | 80.51% | 80.63% | 81.15% | 78.89% | 73.89% | 73.64% | 75.49% | 69.66% |
| Covered Payroll ¹ | \$ 55,123,814 | \$ 52,100,221 | \$ 50,759,722 | \$ 48,175,089 | \$ 45,670,445 | \$ 43,023,377 | \$ 38,839,907 | \$ 43,059,029 | \$ 36,210,403 | \$ 33,074,042 |
| Net Pension Liability as a Percentage of Covered Payroll | 206.47% | 75.59% | 162.60% | 155.49% | 147.19% | 162.86% | 204.29% | 165.73% | 173.61% | 221.76% |

Notes to Schedule:

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

² *Changes of Assumptions:*

For measurement date 9/30/2022:

- The assumed rate of investment return was reduced from 7.00% to 6.85% per year, net of investment-related expenses.
- Assumed salary increase rates, withdrawal rates, and retirement rates were adjusted to better align with recent plan experience

For measurement date 9/30/2022, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL GENERAL EMPLOYEES
Last 10 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 |
|-------------------|-------------------------------------|---|----------------------------------|------------------------------|--|
| 2022 | \$ 17,419,260 | \$ 1,741,926 | \$ - | \$ 55,123,814 | 31.60% |
| 2021 | 17,357,852 | 17,357,852 | - | 52,100,221 | 33.32% |
| 2020 | 18,959,393 | 18,959,393 | - | 50,759,722 | 37.35% |
| 2019 | 22,477,239 | 22,465,625 | 11,614 | 48,175,089 | 46.63% |
| 2018 | 20,676,783 | 20,688,397 | (11,614) | 45,670,445 | 45.30% |
| 2017 | 18,745,018 | 18,745,018 | - | 43,023,377 | 43.57% |
| 2016 | 16,709,229 | 16,703,284 | 5,945 | 38,839,907 | 43.01% |
| 2015 | 15,890,988 | 15,896,933 | (5,945) | 43,059,029 | 36.92% |
| 2014 | 14,847,599 | 14,847,599 | - | 36,210,403 | 41.00% |
| 2013 | 11,946,344 | 11,946,344 | - | 33,074,042 | 36.12% |

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

Notes to Schedule

Valuation Date: 10/01/20

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 - 3.0% per year compounded annually, net of investment expense

Salary - a full year based on the current average assumption of 6.14%.

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

Healthy Active Lives:

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

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

Healthy Retiree Lives

Female: PubG.H-2010 for Healthy Retirees.

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

Beneficiary Lives

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

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

Disabled Lives:

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

Disability Rates:

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

Payroll Increase:

1.14% per year for amortization of the UAAL.

Withdrawal:

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

Retirement:

| Less than five years of Credited Service | |
|---|---------------------------|
| Age | Probability of Retirement |
| 50-59 | 3.00% |
| 60 | 50.00% |
| 61-64 | 33.00% |
| 65-66 | 50.00% |
| 67+ | 100.00% |
| Twenty-five or more years of Credited Service | |
| Age | Probability of Retirement |
| Less than 60 | 75.00% |
| 60+ | 100.00% |

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

Salary Increases:

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

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

Asset Valuation Method:

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

SCHEDULE OF INVESTMENT RETURNS MUNICIPAL GENERAL EMPLOYEES

Last 10 Fiscal Years

| Fiscal Year Ended | Actuarially Determined Contribution |
|-------------------|-------------------------------------|
| 9/30/2022 | -11.45% |
| 9/30/2021 | 20.23% |
| 9/30/2020 | 7.27% |
| 9/30/2019 | 3.99% |
| 9/30/2018 | 6.72% |
| 9/30/2017 | 12.13% |
| 9/30/2016 | 8.66% |
| 9/30/2015 | -1.36% |
| 9/30/2014 | 10.04% |
| 9/30/2013 | 12.71% |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL POLICE OFFICERS'
Last 9 Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 7,172,552 | \$ 6,182,570 | \$ 5,375,282 | \$ 4,746,107 | \$ 4,936,597 | \$ 4,788,378 | \$ 4,597,357 | \$ 4,181,795 | \$ 4,249,385 | \$ 3,943,745 |
| Interest | 18,633,030 | 17,157,941 | 16,239,285 | 15,544,850 | 14,366,974 | 13,168,259 | 11,714,484 | 11,186,338 | 10,547,735 | 9,908,025 |
| Change in Excess State Money | - | - | - | - | - | (1,653,314) | 379,832 | 256,415 | 209,437 | - |
| Share Plan Allocation | 654,121 | 441,462 | 394,476 | 351,146 | 187,505 | 1,735,860 | - | - | - | - |
| Changes of Benefit Terms ² | 3,241,056 | - | - | - | 680,569 | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 2,194,299 | 3,985,200 | 2,196,396 | (2,672,118) | 3,478,195 | 2,007,169 | 2,017,708 | (2,507,874) | - | - |
| Contributions - Buy Back | 194,703 | 208,750 | 28,058 | 25,462 | 99,776 | 190,028 | 105,656 | - | - | - |
| Changes of Assumptions ³ | - | 7,384,383 | 4,072,864 | 5,410,152 | - | - | 6,709,188 | - | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (10,718,875) | (9,414,023) | (8,538,361) | (7,641,017) | (7,719,306) | (6,783,071) | (6,370,968) | (6,551,123) | (6,427,849) | (5,378,316) |
| Net Change in Total Pension Liability | 21,370,886 | 25,946,283 | 19,768,000 | 15,764,582 | 16,030,310 | 13,453,309 | 19,153,257 | 6,565,551 | 8,578,708 | 8,473,454 |
| Total Pension Liability - Beginning | 261,131,977 | 235,185,694 | 215,417,694 | 199,653,112 | 183,622,802 | 170,169,493 | 151,016,236 | 144,450,685 | 135,871,977 | 127,398,523 |
| Total Pension Liability - Ending (a) | <u>\$ 282,502,863</u> | <u>\$ 261,131,977</u> | <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 | \$ 8,856,305 | \$ 7,998,998 | \$ 7,349,653 | \$ 6,393,072 | \$ 7,917,299 | \$ 7,111,509 | \$ 6,875,656 | \$ 6,995,863 | \$ 6,660,536 | \$ 6,260,750 |
| Contributions - State | 1,901,563 | 1,687,523 | 1,639,195 | 1,594,562 | 1,429,657 | 1,323,470 | 1,256,354 | 1,132,937 | 1,085,959 | 1,002,434 |
| Contributions - Employee | 2,233,678 | 2,111,724 | 1,994,280 | 1,691,707 | 1,622,967 | 1,701,463 | 1,553,768 | 1,454,685 | 1,326,883 | 1,414,151 |
| Contributions - Buy Back | 194,703 | 208,751 | 28,058 | 25,462 | 99,776 | 190,028 | 105,656 | - | - | - |
| Net Investment Income | (30,453,611) | 44,544,230 | 13,927,953 | 4,770,054 | 11,534,774 | 17,760,238 | 10,749,925 | 128,262 | 10,828,135 | 13,788,213 |
| Benefit Payments, Including Refunds of Employee Contributions | (10,718,875) | (9,419,561) | (8,532,822) | (7,651,072) | (7,719,306) | (6,783,071) | (6,370,968) | (6,551,123) | (6,427,849) | (5,378,316) |
| Administrative Expenses | (122,974) | (107,188) | (114,403) | (127,399) | (116,691) | (105,797) | (112,350) | (132,861) | (112,882) | (92,544) |
| Net Change in Plan Fiduciary Net Position | (28,109,211) | 47,024,477 | 16,291,914 | 6,696,386 | 14,768,476 | 21,197,840 | 14,058,041 | 3,027,763 | 13,360,782 | 16,994,688 |
| Plan Fiduciary Net Position - Beginning | 246,191,062 | 199,166,585 | 182,874,671 | 176,178,285 | 161,409,809 | 140,211,969 | 126,153,928 | 123,126,165 | 109,765,383 | 92,770,695 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 218,081,851</u> | <u>\$ 246,191,062</u> | <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>\$ 64,421,012</u> | <u>\$ 14,940,915</u> | <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 | 77.20% | 94.28% | 84.68% | 84.89% | 88.24% | 87.90% | 82.40% | 83.54% | 85.24% | 80.79% |
| Covered Payroll ¹ | \$ 22,319,733 | \$ 21,135,358 | \$ 19,936,330 | \$ 16,920,926 | \$ 16,230,230 | \$ 17,014,603 | \$ 15,813,229 | \$ 18,006,886 | \$ 12,835,801 | \$ 13,471,634 |
| Net Pension Liability as a Percentage of Covered Payroll | 288.63% | 70.69% | 180.67% | 192.32% | 144.64% | 130.55% | 189.45% | 138.07% | 166.13% | 193.79% |

Notes to Schedule:

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

² *Changes of benefit terms:*

For measurement date 09/30/2022, amounts reported as changes of benefit terms resulted from Ordinance 98-22

³ *Changes of assumptions:*

For measurement date 09/30/2022, amounts reported as changes of assumptions resulted from lowering the investment return from 7.25% to 7.00%, net of investment related expenses.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL POLICE EMPLOYEES
Last 10 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 |
|-------------------|-------------------------------------|---|----------------------------------|------------------------------|--|
| 2022 | \$ 10,187,698 | \$ 10,103,747 | \$ 83,951 | \$ 22,319,733 | 45.27% |
| 2021 | 9,161,107 | 9,245,058 | (83,951) | 21,135,358 | 43.74% |
| 2020 | 8,773,241 | 8,594,372 | 178,869 | 19,936,330 | 43.11% |
| 2019 | 9,307,391 | 7,636,488 | 1,670,903 | 16,920,926 | 45.13% |
| 2018 | 8,656,859 | 9,159,451 | (502,592) | 16,230,230 | 56.43% |
| 2017 | 7,582,575 | 8,352,433 | (769,858) | 17,014,603 | 49.09% |
| 2016 | 7,433,901 | 7,752,178 | (318,277) | 15,813,229 | 49.02% |
| 2015 | 7,613,340 | 7,872,385 | (259,045) | 18,006,896 | 43.72% |
| 2014 | 7,537,058 | 1,537,058 | 6,000,000 | 12,835,801 | 11.97% |
| 2013 | 7,137,272 | 7,137,272 | - | 13,471,634 | 52.98% |

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

Notes to Schedule

Valuation Date: 10/1/2020

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method.

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

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

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

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

Normal Retirement:

| % Retiring During the Year | |
|----------------------------|---------|
| >= 25 Years of Service | |
| Age | Rate |
| 25 | 50.00% |
| 26 | 100.00% |
| 27+ | 100.00% |

Early Retirement:

| % Retiring During the Year | |
|----------------------------|---------|
| 10-24 Years of Service | |
| Age | Rate |
| 40-44 | 2.00% |
| 45-49 | 5.00% |
| 50 | 50.00% |
| 51-54 | 25.00% |
| 55+ | 100.00% |

Disability Rates:

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

It is assumed that 75% of Disability Retirements are service-related.

The above rates are consistent with average Florida municipal special risk retirement programs.

Interest Rate:

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

Asset Smoothing Methodology:

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

Termination Rates:

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

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

Salary Increases:

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

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

Final Year Salary Load:

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

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

Payroll Growth Assumption:

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

**SCHEDULE OF INVESTMENT RETURNS
MUNICIPAL POLICE EMPLOYEES**

Last 10 Fiscal Years

| Fiscal Year Ended | Actuarially Determined Contribution |
|----------------------|---|
| 9/30/2022 | -12.37% |
| 9/30/2021 | 22.35% |
| 9/30/2020 | 7.62% |
| 9/30/2019 | 2.69% |
| 9/30/2018 | 7.10% |
| 9/30/2017 | 12.59% |
| 9/30/2016 | 8.47% |
| 9/30/2015 | 10.00% |
| 9/30/2014 | 9.77% |
| 9/30/2013 | 14.48% |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL FIREFIGHTERS'
Last 10 Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 7,458,923 | \$ 6,390,591 | \$ 5,758,437 | \$ 4,820,664 | \$ 4,578,362 | \$ 4,266,311 | \$ 4,009,132 | \$ 4,102,490 | \$ 3,832,937 | \$ 3,552,305 |
| Interest | 19,626,774 | 18,670,799 | 17,469,387 | 16,655,584 | 15,851,720 | 15,178,381 | 13,798,633 | 12,898,695 | 12,184,828 | 11,567,933 |
| Change in Excess State Money ² | 286,716 | 213,807 | 166,023 | 131,691 | 70,874 | - | - | - | (1,825,958) | - |
| Changes of Benefit Terms | - | - | - | (52,873) | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | (2,550,003) | 391,112 | (1,111,697) | 734,135 | 201,394 | 1,557,771 | (260,997) | 1,438,736 | - | - |
| Changes of Assumptions ³ | 10,208,423 | 8,344,442 | 5,369,128 | 12,355,862 | - | (3,502,874) | 8,638,016 | - | 2,832,093 | - |
| Contributions - Buy Back | 107,038 | 36,121 | 29,976 | 163,001 | 83,609 | - | 179,583 | 33,685 | - | - |
| Benefit Payments, Including Refunds of | | | | | | | | | | |
| Employee Contributions | (12,245,769) | (11,848,601) | (11,303,750) | (10,728,745) | (10,200,707) | (7,933,230) | (7,159,967) | (6,376,309) | (7,469,627) | (7,714,523) |
| Net Change in Total Pension Liability | 22,892,102 | 22,198,271 | 16,377,504 | 24,079,319 | 10,585,252 | 9,566,359 | 19,204,400 | 12,097,297 | 9,554,273 | 7,405,715 |
| Total Pension Liability - Beginning | 279,628,835 | 257,430,564 | 241,053,060 | 216,973,741 | 206,388,489 | 196,822,130 | 177,617,730 | 165,520,433 | 155,966,160 | 148,560,445 |
| Total Pension Liability - Ending (a) | 302,520,937 | 279,628,835 | 257,430,564 | 241,053,060 | 216,973,741 | 206,388,489 | 196,822,130 | 177,617,730 | 165,520,433 | 155,966,160 |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Contributions - Employer | \$ 9,585,536 | \$ 8,850,286 | \$ 9,833,400 | \$ 10,249,919 | \$ 10,095,728 | \$ 8,759,719 | \$ 8,424,472 | \$ 7,706,894 | \$ 6,047,404 | \$ 7,365,990 |
| Contributions - State | 1,888,374 | 1,742,556 | 1,646,987 | 1,578,326 | 1,456,689 | 1,445,431 | 1,449,699 | 1,306,968 | 1,521,432 | 1,529,756 |
| Contributions - Employee | 2,137,414 | 1,952,919 | 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 | 107,038 | 36,121 | 29,976 | 163,001 | 83,609 | - | 179,583 | 33,685 | - | - |
| Net Investment Income | (30,558,751) | 43,850,239 | 13,999,209 | 5,963,226 | 12,332,387 | 17,336,661 | 13,139,913 | (460,924) | 10,951,006 | 14,442,471 |
| Benefit Payments, Including Refunds of | | | | | | | | | | |
| Employee Contributions | (12,245,769) | (11,848,601) | (11,303,750) | (10,728,745) | (10,200,707) | (7,933,230) | (7,159,967) | (6,376,309) | (7,469,627) | (7,714,523) |
| Administrative Expenses | (208,161) | (154,589) | (140,915) | (130,419) | (145,017) | (161,973) | (152,949) | (164,111) | (103,859) | (84,490) |
| Net Change in Plan Fiduciary Net Position | (29,294,319) | 44,428,931 | 15,846,085 | 8,750,958 | 15,146,203 | 20,897,214 | 17,173,402 | 3,384,955 | 12,261,976 | 16,781,096 |
| Plan Fiduciary Net Position - Beginning | 253,172,912 | 208,743,981 | 192,897,896 | 184,146,938 | 169,000,735 | 148,103,521 | 130,930,119 | 127,545,164 | 115,283,188 | 98,502,092 |
| Plan Fiduciary Net Position - Ending (b) | \$ 223,878,593 | \$ 253,172,912 | \$ 208,743,981 | \$ 192,897,896 | \$ 184,146,938 | \$ 169,000,735 | \$ 148,103,521 | \$ 130,930,119 | \$ 127,545,164 | \$ 115,283,188 |
| Net Pension Liability - Ending (a) - (b) | \$ 78,642,344 | \$ 26,455,923 | \$ 48,686,583 | \$ 48,155,164 | \$ 32,826,803 | \$ 37,387,754 | \$ 48,718,609 | \$ 46,687,611 | \$ 37,975,269 | \$ 40,682,972 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 74.00% | 90.54% | 81.09% | 80.02% | 84.87% | 81.88% | 75.25% | 73.71% | 77.06% | 73.92% |
| Covered Payroll ¹ | \$ 21,374,150 | \$ 19,529,190 | \$ 17,816,392 | \$ 16,556,504 | \$ 15,235,145 | \$ 14,509,395 | \$ 13,056,409 | \$ 14,588,691 | \$ 12,722,509 | \$ 12,097,174 |
| Net Pension Liability as a Percentage of Covered Payroll | 367.93% | 135.47% | 273.27% | 290.85% | 215.47% | 257.68% | 373.14% | 320.03% | 298.49% | 336.30% |

Notes to Schedule:

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

² *Changes in Excess State Money:*

The Excess State Monies Reserve as of September 30, 2013 will be available to the City to offset the Fiscal 2014 contributions.

- For valuation dates on and after October 1, 2013 and until such time that the Retirement Plan reaches 80% funded (based on the ratio of the Actuarial Value of Assets to Actuarial Accrued Liability) all future State Monies in excess of the current \$1,314,942 frozen amount will be split as follows:
 - 50% will be available to defray the City's contribution requirement
 - 50% will go towards accelerating the pay down of the Unfunded Actuarial Accrued Liability (UAAL)

³ *Changes of Assumptions:*

For measurement date 9/30/2022, amounts reported as changes of assumptions from an actuarial experience study:

- A reduction in the investment return assumption from 7.00% to 6.75%.
- A reduction in the assumed rates of disability at all ages by 25%.
- A change in the assumed rates for salary increases from a flat 7.50% to a service based schedule.
- A reduction in the assumed rates of retirement for members younger than age, 56, in addition to members retiring with less than 27 years of Credited Service

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CONTRIBUTIONS
MUNICIPAL FIRE EMPLOYEES
Last 10 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 |
|-------------------|-------------------------------------|--|----------------------------------|------------------------------|--|
| 2022 | \$ 11,010,833 | \$ 11,187,194 | \$ (176,361) | \$ 21,374,150 | 52.34% |
| 2021 | 10,310,977 | 10,379,035 | (68,058) | 19,529,190 | 53.15% |
| 2020 | 11,254,948 | 11,314,365 | (59,417) | 17,816,392 | 63.51% |
| 2019 | 11,697,566 | 11,564,864 | 132,702 | 16,556,504 | 69.85% |
| 2018 | 11,496,375 | 11,481,544 | 14,831 | 15,235,145 | 75.36% |
| 2017 | 10,015,294 | 10,139,905 | (124,611) | 14,509,395 | 69.89% |
| 2016 | 9,655,384 | 9,806,793 | (151,409) | 13,056,409 | 75.11% |
| 2015 | 9,013,862 | 9,013,862 | - | 14,588,691 | 61.79% |
| 2014 | 9,104,319 | 9,188,304 | (83,985) | 12,722,509 | 72.22% |
| 2013 | 8,680,932 | 8,680,932 | - | 12,097,174 | 71.76% |

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

² Including amounts from Excess State Money Reserve.

Notes to Schedule

Valuation Date: 10/1/2020

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

Methods and assumptions used to determine contribution rates:

| | |
|------------------------------|---|
| Funding Method: | Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the Sponsor funding requirement: Interest - half a year based on the 7.25% assumption. Salary - a full year, based on the current 7.50% assumption |
| Mortality: | Active and retiree lives use PubS.H-210 set forward one year, beneficiary lives use PubG.H-2010 except males set back one year. Disabled lives are 80% PubG.H-210/20% PubS.H-210. |
| Interest Rate: | 7.25% per year, compounded annually, net of investment related expenses. We will continue to monitor this assumption against the expected asset allocation and future returns by asset class |
| Normal Retirement: | For Members with less than 25 years of Credited Service: 2% for ages 40-49, 40% for ages 50-51, 15% for ages 52-55, 25% for ages 56-59 and 100% for ages 60 and above. For Members with at least 25 years of Credited Service: 100%. |
| Early Retirement: | Age 40 and completion of 10 years of credited service. |
| Disability: | See table below. It is assumed that 75% of Disability Retirements are service-related. This assumption is based on the experience study dated November 30, 2017 |
| Termination : | 4.00% for Members with less than 5 years of Credited Service; 1.00% for Members with at least 5 years of Credited Service. The assumption is based on the experience study dated November 30, 2017 |
| Benefit Cap Index: | 1.00% assumption each year beginning in 2018. |
| Asset Smoothing Methodology: | The Actuarial Value of Assets is brought forward using the historical four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value of Assets. |

Salary Increases: 7.50% per year. We will continue to monitor this assumption to ensure it is in line with actual plan experience

| | | |
|-------------------------|--|------------|
| Final Year Salary Load: | Years of Credited Service as of February 7, 2012 | Assumption |
| | 0 | No load |
| | Less than 10 years | 5.00% |
| | 10 or more years | 10.00% |

Payroll Growth: 1.41% per year.

| | | |
|------------------------|-----|--|
| Disability Rate Table: | Age | % Becoming Disabled During the Year |
| | 20 | 0.10% |
| | 30 | 0.10% |
| | 35 | 0.10% |
| | 40 | 0.20% |
| | 45 | 0.40% |
| | 50 | 0.90% |
| | 55 | 1.80% |
| | 60 | 3.20% |
| | 65 | 5.60% |

SCHEDULE OF INVESTMENT RETURNS
MUNCIPAL FIRE EMPLOYEES
Last 10 Fiscal Years

| Fiscal Year Ended | Actuarially Determined Contribution |
|----------------------|---|
| 9/30/2022 | -12.10% |
| 9/30/2021 | 21.11% |
| 9/30/2020 | 7.26% |
| 9/30/2019 | 3.23% |
| 9/30/2018 | 7.28% |
| 9/30/2017 | 11.64% |
| 9/30/2016 | 9.99% |
| 9/30/2015 | -0.36% |
| 9/30/2014 | 9.48% |
| 9/30/2013 | 14.44% |

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CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' PENSION RESTORATION
Last 3 Fiscal Years

| | 2022 | 2021 | 2020 |
|--|---------------|---------------|---------------|
| Total Pension Liability | | | |
| Interest | \$ 144,991 | \$ 79,957 | \$ - |
| Changes of Benefit Terms | - | - | 3,736,313 |
| Differences Between Expected and Actual Experience | (2,388,326) | 2,650,881 | - |
| Changes of Assumptions | (1,493,967) | (425,922) | - |
| Benefits Paid by Employer | (34,713) | (74,502) | - |
| Net Change in Total Pension Liability | (3,772,015) | 2,230,414 | 3,736,313 |
| Total Pension Liability - Beginning | 5,966,727 | 3,736,313 | - |
| Total Pension Liability - Ending | 2,194,712 | 5,966,727 | 3,736,313 |
| Covered Employee Payroll | \$ 54,275,577 | \$ 52,632,964 | \$ 50,097,008 |
| Net Pension Liability as a Percentage of Covered Payroll | 4.04% | 11.34% | 7.46% |

Notes to Schedule:

Plan became effective as of April 20, 2020.

Changes of Assumptions:

For measurement date 9/30/2022, amounts reported as changes of assumptions resulted from:

- The Discount Rate increased from 2.43% to 4.77%
- Assumed salary increase rates, withdrawal rates, and retirement rates were adjusted to better align with recent plan experience
- The Entry Age Cost Allocation Method was changed to spread costs over a period beginning with the Member's date of hire instead of the first valuation date following date of hire.

The plan is not prefunded, so no assets are available to offset the total pension liability

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
Fiscal Year 2022

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total OPEB Liability | | | | | |
| Service cost | \$ 10,871,523 | \$ 9,623,726 | \$ 7,695,292 | \$ 8,055,888 | \$ 8,600,831 |
| Interest | 7,798,633 | 8,260,798 | 10,458,834 | 9,731,792 | 8,916,244 |
| Changes in assumptions | 15,551,925 | 16,476,563 | 66,958,465 | (13,273,023) | (18,105,757) |
| Experience Losses/(Gains) | 2,243,449 | - | (46,888,614) | - | - |
| Benefit payments | (11,505,202) | (10,812,769) | (10,246,178) | (9,489,255) | (8,472,549) |
| Net Changes | 24,960,328 | 23,548,318 | 27,977,799 | (4,974,598) | (9,061,231) |
| Total OPEB Liability, beginning | 329,347,346 | 305,799,028 | 277,821,229 | 282,795,827 | 291,857,058 |
| Total OPEB Liability, ending | <u>\$ 354,307,674</u> | <u>\$ 329,347,346</u> | <u>\$ 305,799,028</u> | <u>\$ 277,821,229</u> | <u>\$ 282,795,827</u> |
| Covered employee payroll | \$113,353,508 | \$105,707,947 | \$101,978,134 | \$ 94,597,857 | \$ 89,470,659 |
| Total OPEB liability as a percentage of covered employee payroll | 312.57% | 311.56% | 299.87% | 293.69% | 316.08% |

Other items:

This information is required for 10 years, however, only 5 years of information is available as GASB Statement 75 was implemented beginning in Fiscal Year 2018, limiting the data available.

Notes to Schedule:

Benefit changes: None

Changes of assumptions: The discount rate was changed as follows:

| | |
|----------------|-------|
| Discount Rate: | |
| 9/30/2018 | 3.50% |
| 9/30/2019 | 3.83% |
| 9/30/2020 | 2.75% |
| 9/30/2021 | 2.41% |
| 9/30/2022 | 2.19% |

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.
- Park Recreational Facilities Impact Fee Fund – used to account for impact fees which are used to provide recreational park 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.
- Economic Development Fund – to support the economic development office of the City of Cape Coral.
- Parks and Recreation Fund – is used to account for the recreational programs for individuals of various ages, skill levels, interests, social needs, and economic capabilities, that collectively enhance the overall quality of life within the City.
- Waterpark Fund –used to account for the operations of the City's Sun Splash Family Water Park and Aquatic Facility.
- Golf Course Fund – used to account for the operations of the year-round municipal golf facility which includes the clubhouse, greens, and restaurant operations.

- Building Fund – used to account for the activities of the building and permitting services of the Department of Community Development as related to the construction of buildings and related structures within the City of Cape Coral.
- Community Redevelopment Agency (CRA) Fund – used to account for the activities of the community redevelopment agency.
- Community Development Block Grant (CDBG) Fund – used to account for monies received from the U.S. Department of Housing and Urban Development for community development.
- HUD Neighborhood Stabilization Fund – used to account for monies received from the U.S. Department of Housing and Urban Development to provide targeted emergency assistance to the City to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within the community.
- State Housing Initiative Partnership (S.H.I.P.) Fund – used to account for monies received from the State Housing Initiatives Partnership Program to provide assistance to low and moderate income families for the purpose of obtaining affordable housing in the City.
- Residential Construction Mitigation Program Fund – used to account for monies received from the Florida Division of Emergency Management Residential Construction Mitigation Program (RCMP) to improve the wind resistance of residences.
- Debt Service Fund – Used to account for the City's debt service.

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.
- Charter School Building Maintenance Fund – used to account for maintenance at City owned Charter School buildings.
- Transportation Capital Improvements Fund – used to account for transportation related capital projects
- Parks Capital Improvements Fund - used to account for the improvements at various parks.
- Building Capital Improvements Fund – used to account for improvements at various City buildings.
- Other Capital Improvements Fund - used to account for the following projects:
 - Fire Station Construction – used to account for the design and construction of fire stations and training facility.
 - CRA – used to account for capital improvements in the CRA district including replacement of walking paths, landscaping, Lafayette Street lights and Vincennes Boulevard parking lot.
 - Public Works Capital Improvements Fund – used to account for the various capital improvements including sign and building replacement, and project planning.
 - Academic Village – used to account for the improvement of the academic village.
 - Computer System – used to account for enhancements and upgrades to various computer systems.
 - Police Training Facility – used to help train and prepare the police department for real world situations.



CITY OF CAPE CORAL, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

| | 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 | \$ 10,983,033 | \$ 36,537,963 | \$ 12,024,343 | \$ 13,669 | \$ 523,336 |
| Interest receivable | 5,408 | 49,120 | 16,441 | - | - |
| Accounts receivable, net | - | - | - | - | - |
| Intergovernmental receivable | 1,679,867 | - | - | - | 8,506 |
| Lease receivable | - | - | - | - | - |
| Inventories | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Total assets | <u>12,668,308</u> | <u>36,587,083</u> | <u>12,040,784</u> | <u>13,669</u> | <u>531,842</u> |
| LIABILITIES | | | | | |
| Accounts payable and other accrued liabilities | 18,812 | - | - | 1,101 | 1,500 |
| Accrued retainage | - | - | - | - | - |
| Accrued payroll | 6,819 | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Intergovernmental payables | - | - | - | - | 31,614 |
| Unearned revenue | - | - | - | - | 33,991 |
| Advances from other funds | - | - | - | - | - |
| Total liabilities | <u>25,631</u> | <u>-</u> | <u>-</u> | <u>1,101</u> | <u>67,105</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | |
| Unavailable revenue - grant reimbursements | - | - | - | - | - |
| Deferred Inflow - lease | - | - | - | - | - |
| Total Deferred Inflow of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | 12,040,784 | 12,568 | 464,737 |
| Public works | 12,642,677 | 36,587,083 | - | - | - |
| Parks and recreation | - | - | - | - | - |
| Community development | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Debt Service | - | - | - | - | - |
| Committed | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances (deficit) | <u>12,642,677</u> | <u>36,587,083</u> | <u>12,040,784</u> | <u>12,568</u> | <u>464,737</u> |
| Total liabilities and fund balances | <u>\$ 12,668,308</u> | <u>\$ 36,587,083</u> | <u>\$ 12,040,784</u> | <u>\$ 13,669</u> | <u>\$ 531,842</u> |

| Special Revenue | | | | | | | | |
|----------------------------------|---|----------------|--------------|----------------------------------|---------------|-------------------------|----------------------------|--------------|
| Criminal Justice Education | Park Recreational Facilities Impact Fee | All Hazards | Alarm Fee | Del Prado Mail Parking Lot | Lot Mowing | Economic Development | Parks and Recreation | Waterpark |
| \$ 77,103 | \$ 7,158,043 | \$ 1,749,656 | \$ 36,723 | \$ 187,379 | \$ 5,664,089 | \$ 2,142,394 | \$ 3,762,146 | \$ 1,145,897 |
| - | 9,600 | 2,357 | - | - | - | - | - | - |
| - | - | - | 27,251 | - | 194 | - | - | 1,000 |
| - | - | 35,045 | - | 11 | 21,136 | 22,205 | 117,577 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 60,675 | - |
| - | - | 325 | 584 | - | - | 14,925 | 19,297 | - |
| 77,103 | 7,167,643 | 1,787,383 | 64,558 | 187,390 | 5,685,419 | 2,179,524 | 3,959,695 | 1,146,897 |
| - | 9,102 | 21,818 | 65 | 828 | 264,161 | 1,506 | 121,549 | 2,070 |
| - | - | - | - | - | 4,013 | - | - | - |
| - | - | 51,098 | 1,687 | - | 15,276 | 12,899 | 232,526 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 86,779 | 18,174 |
| - | - | - | - | - | - | - | 50,584 | - |
| - | - | - | - | - | 692,354 | 298,907 | 51,626 | - |
| - | - | - | - | - | - | - | - | - |
| - | 9,102 | 72,916 | 1,752 | 828 | 975,804 | 313,312 | 543,064 | 20,244 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | 325 | 584 | - | - | 14,925 | 79,972 | - |
| - | - | - | - | - | - | 1,851,287 | - | - |
| 77,103 | - | 1,714,142 | - | - | - | - | - | - |
| - | 7,158,541 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 62,222 | - | - | - | - | - |
| - | - | - | - | 186,562 | 4,709,615 | - | - | - |
| - | - | - | - | - | - | - | 3,336,659 | 1,126,653 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 77,103 | 7,158,541 | 1,714,467 | 62,806 | 186,562 | 4,709,615 | 1,866,212 | 3,416,631 | 1,126,653 |
| \$ 77,103 | \$ 7,167,643 | \$ 1,787,383 | \$ 64,558 | \$ 187,390 | \$ 5,685,419 | \$ 2,179,524 | \$ 3,959,695 | \$ 1,146,897 |

CITY OF CAPE CORAL, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
September 30, 2022

| | Special Revenue | | | | | |
|--|---------------------|---------------------|--------------------------------|-----------------------------------|--------------------------------|--------------------------------------|
| | Golf Course | Building | Community Redevelopment Agency | Community Development Block Grant | HUD Neighborhood Stabilization | State Housing Initiative Partnership |
| ASSETS | | | | | | |
| Cash and investments | \$ 2,419,352 | \$ 9,741,734 | \$ 601,604 | \$ - | \$ - | \$ 3,602,213 |
| Interest receivable | - | 13,297 | 2,593 | - | - | - |
| Accounts receivable, net | - | - | - | - | - | - |
| Intergovernmental receivable | - | - | - | 428,100 | - | - |
| Lease receivable | - | - | - | - | - | - |
| Inventories | 36,257 | - | - | - | - | - |
| Prepaid items | - | 9,263 | 1,003 | 15,000 | - | - |
| Total assets | <u>2,455,609</u> | <u>9,764,294</u> | <u>605,200</u> | <u>443,100</u> | <u>-</u> | <u>3,602,213</u> |
| LIABILITIES | | | | | | |
| Accounts payable and other accrued liabilities | 104,526 | 52,931 | 71 | 30,968 | - | 62 |
| Accrued retainage | - | - | - | - | - | - |
| Accrued payroll | 44,106 | 288,418 | 6,044 | 1,483 | - | - |
| Due to other funds | 564,909 | - | - | 660,468 | 210,564 | - |
| Deposits | 200 | 746,522 | - | - | - | - |
| Intergovernmental payables | - | 86,836 | - | - | - | - |
| Unearned revenue | 185,619 | 2,384,913 | - | - | - | - |
| Advances from other funds | - | - | 10,350,000 | - | - | - |
| Total liabilities | <u>899,360</u> | <u>3,559,620</u> | <u>10,356,115</u> | <u>692,919</u> | <u>210,564</u> | <u>62</u> |
| DEFERRED INFLOW OF RESOURCES | | | | | | |
| Unavailable revenue - grant reimbursements | - | - | - | - | - | - |
| Deferred Inflow - lease | - | - | - | - | - | - |
| Total Deferred Inflow of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | 36,257 | 9,263 | 1,003 | 15,000 | - | - |
| Restricted | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | 6,195,411 | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Community development | - | - | - | - | - | 3,602,151 |
| Capital outlay | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - |
| Committed | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Parks and recreation | 1,519,992 | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - |
| Unassigned | - | - | (9,751,918) | (264,819) | (210,564) | - |
| Total fund balances (deficit) | <u>1,556,249</u> | <u>6,204,674</u> | <u>(9,750,915)</u> | <u>(249,819)</u> | <u>(210,564)</u> | <u>3,602,151</u> |
| Total liabilities and fund balances | <u>\$ 2,455,609</u> | <u>\$ 9,764,294</u> | <u>\$ 605,200</u> | <u>\$ 443,100</u> | <u>\$ -</u> | <u>\$ 3,602,213</u> |

| Capital Projects | | | | | | | | Total |
|---|-----------------|-------------------------|---|---|----------------------------------|-------------------------------------|----------------------------------|-----------------------------------|
| Residential Construction Mitigation Program | Debt Service | Disaster Improvement | Charter School Building Maintenance | Transportation Capital Improvements | Parks Capital Improvements | Building Capital Improvements | Other Capital Improvements | Nonmajor Governmental Funds |
| \$ - | \$ 4,614,037 | \$ 115,094 | \$ 2,298,937 | \$ 29,667,619 | \$ 1,880,817 | \$ 9,765,845 | \$ 21,712,339 | \$ 168,978,578 |
| - | - | - | 3,201 | - | - | 13,089 | 77 | 115,183 |
| - | - | - | - | - | - | - | - | 28,445 |
| - | 86 | - | - | 1,441,433 | - | - | - | 3,753,966 |
| - | - | - | 5,512,389 | - | - | - | - | 5,512,389 |
| - | - | - | - | - | - | - | - | 96,932 |
| - | - | - | - | - | - | - | - | 60,397 |
| - | 4,614,123 | 115,094 | 7,814,527 | 31,109,052 | 1,880,817 | 9,778,934 | 21,712,416 | 178,545,890 |
| - | - | - | 15,478 | 1,201,896 | 80,459 | - | 337,192 | 2,266,095 |
| - | - | - | - | 665,183 | - | - | 200,871 | 870,067 |
| - | - | - | - | 41,171 | - | - | - | 701,527 |
| 568 | - | - | - | - | - | - | - | 1,436,509 |
| - | - | - | - | - | - | - | - | 851,675 |
| - | - | - | - | - | - | - | - | 169,034 |
| - | - | - | - | - | - | - | - | 3,647,410 |
| - | - | - | - | - | - | - | - | 10,350,000 |
| 568 | - | - | 15,478 | 1,908,250 | 80,459 | - | 538,063 | 20,292,317 |
| - | - | - | - | 283,209 | - | - | - | 283,209 |
| - | - | - | 5,488,347 | - | - | - | - | 5,488,347 |
| - | - | - | 5,488,347 | 283,209 | - | - | - | 5,771,556 |
| - | - | - | - | - | - | - | - | 157,329 |
| - | - | - | - | - | - | - | - | 1,851,287 |
| - | - | - | - | - | - | - | - | 21,057,958 |
| - | - | - | - | - | - | - | - | 49,229,760 |
| - | - | - | - | - | - | - | - | 7,158,541 |
| - | - | - | - | - | - | - | - | 3,602,151 |
| - | 4,614,123 | - | - | 12,109,574 | - | - | 9,016,455 | 21,126,029 |
| - | - | - | - | - | - | - | - | 4,614,123 |
| - | - | - | 2,310,702 | - | - | - | - | 2,310,702 |
| - | - | - | - | - | - | - | - | 62,222 |
| - | - | - | - | - | - | - | - | 4,896,177 |
| - | - | - | - | - | - | - | - | 5,983,304 |
| - | - | 115,094 | - | 16,808,019 | 1,800,358 | 9,778,934 | 12,157,898 | 40,660,303 |
| (568) | - | - | - | - | - | - | - | (10,227,869) |
| (568) | 4,614,123 | 115,094 | 2,310,702 | 28,917,593 | 1,800,358 | 9,778,934 | 21,174,353 | 152,482,017 |
| \$ - | \$ 4,614,123 | \$ 115,094 | \$ 7,814,527 | \$ 31,109,052 | \$ 1,880,817 | \$ 9,778,934 | \$ 21,712,416 | \$ 178,545,890 |

CITY OF CAPE CORAL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022

| | Special Revenue | | | | | |
|---|-----------------|-----------------------|--------------------------------|--------------------------|-----------------------------------|---------------------------------|
| | Gas Tax | Road Impact Fee | Public Safety Impact Fee | Do the Right Thing | Police Confiscation Federal | Police Confiscation State |
| REVENUES | | | | | | |
| Taxes | \$ 10,635,360 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | 138,723 |
| Impact fees | - | 16,898,402 | 5,862,176 | - | - | - |
| Rent and royalties | - | - | - | - | - | - |
| Investment earnings (loss) | (75,577) | (844,174) | (282,077) | 47 | 1,912 | 1,575 |
| Contributions and donations | - | - | - | 4,520 | - | - |
| Other revenue | - | - | - | 123 | 406,895 | - |
| Total revenues | 10,559,783 | 16,054,228 | 5,580,099 | 4,690 | 408,807 | 140,298 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety: | | | | | | |
| Police | - | - | 26,672 | 17,568 | 21,764 | 2,028 |
| Fire | - | - | 28,283 | - | - | - |
| Building | - | - | - | - | - | - |
| Public works | 412,350 | 167,096 | - | - | - | - |
| Parks and recreation | - | - | - | - | - | - |
| Community development | - | - | - | - | - | - |
| Capital outlay | - | 92,793 | 1,584,674 | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - |
| Total expenditures | 412,350 | 259,889 | 1,639,629 | 17,568 | 21,764 | 2,028 |
| Excess revenues over (under) expenditures | 10,147,433 | 15,794,339 | 3,940,470 | (12,878) | 387,043 | 138,270 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (9,475,000) | (5,613,156) | (3,638,291) | - | - | - |
| Refunding bonds issued | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - |
| Proceeds on sale of capital assets | - | - | - | - | - | - |
| Total other financing sources (uses) | (9,475,000) | (5,613,156) | (3,638,291) | - | - | - |
| Net change in fund balances | 672,433 | 10,181,183 | 302,179 | (12,878) | 387,043 | 138,270 |
| Fund balances (deficit) - beginning as restated | 11,970,244 | 26,405,900 | 11,738,605 | 25,446 | 166,170 | 326,467 |
| Fund balances (deficit) - ending | \$ 12,642,677 | \$ 36,587,083 | \$ 12,040,784 | \$ 12,568 | \$ 553,213 | \$ 464,737 |

| Special Revenue | | | | | | | | |
|----------------------------------|---|----------------|--------------|----------------------------------|---------------|-------------------------|----------------------------|--------------|
| Criminal Justice Education | Park Recreational Facilities Impact Fee | All Hazards | Alarm Fee | Del Prado Mall Parking Lot | Lot Mowing | Economic Development | Parks and Recreation | Waterpark |
| \$ - | \$ - | \$ 1,115,514 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | 21,939 | - | - | - | - |
| - | - | - | - | - | - | 827,415 | - | - |
| - | - | - | - | - | - | - | 592,997 | - |
| - | - | - | 94,958 | - | 4,655,804 | - | 3,448,081 | 84,946 |
| 30,017 | - | - | - | 10 | 35,190 | - | 16,450 | - |
| - | 5,467,385 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 227 | (164,828) | (41,512) | 95 | 2,457 | 35,734 | 5,664 | 6,951 | - |
| - | - | - | - | - | - | - | 78,415 | 4,338 |
| - | - | 23 | - | 338 | 15,222 | - | 95,592 | 6,058 |
| 30,244 | 5,302,557 | 1,074,025 | 95,053 | 24,744 | 4,741,950 | 833,079 | 4,238,486 | 95,342 |
| - | - | - | - | - | - | 481,856 | - | - |
| 12,582 | - | - | 108,713 | - | - | - | - | - |
| - | - | 896,544 | - | - | - | - | - | - |
| - | - | - | - | 8,647 | 3,795,546 | - | - | - |
| - | 23,726 | - | - | - | - | - | 8,981,701 | 285,865 |
| - | - | - | - | - | - | - | - | - |
| - | 652,245 | 6,400 | - | - | - | 29,011 | 189,433 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 12,582 | 675,971 | 902,944 | 108,713 | 8,647 | 3,795,546 | 510,867 | 9,171,134 | 285,865 |
| 17,662 | 4,626,586 | 171,081 | (13,660) | 16,097 | 946,404 | 322,212 | (4,932,648) | (190,523) |
| - | - | - | 38,327 | - | - | 1,544,000 | 7,198,832 | 182,971 |
| - | (2,725,832) | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 42,000 | 2,200 |
| - | (2,725,832) | - | 38,327 | - | - | 1,544,000 | 7,240,832 | 185,171 |
| 17,662 | 1,900,754 | 171,081 | 24,667 | 16,097 | 946,404 | 1,866,212 | 2,308,184 | (5,352) |
| 59,441 | 5,257,787 | 1,543,386 | 38,139 | 170,465 | 3,763,211 | - | 1,108,447 | 1,132,005 |
| \$ 77,103 | \$ 7,158,541 | \$ 1,714,467 | \$ 62,806 | \$ 186,562 | \$ 4,709,615 | \$ 1,866,212 | \$ 3,416,631 | \$ 1,126,653 |

CITY OF CAPE CORAL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
For the Year Ended September 30, 2022

| | Special Revenue | | | | | |
|---|---------------------|---------------------|--------------------------------|-----------------------------------|--------------------------------|--------------------------------------|
| | Golf Course | Building | Community Redevelopment Agency | Community Development Block Grant | HUD Neighborhood Stabilization | State Housing Initiative Partnership |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ 1,578,044 | \$ - | \$ - | \$ - |
| Special assessments | - | - | - | - | - | - |
| Licenses and permits | - | 11,730,976 | - | - | - | - |
| Intergovernmental | - | - | - | 1,400,016 | - | 2,137,266 |
| Charges for services | 3,249,501 | - | - | - | - | - |
| Fines and forfeitures | 8,075 | 5,247 | - | - | - | - |
| Impact fees | - | - | - | - | - | - |
| Rent and royalties | - | - | 8,925 | - | - | - |
| Investment earnings (loss) | 6,750 | (231,981) | (32,886) | (14) | - | - |
| Contributions and donations | - | - | - | - | - | - |
| Other revenue | 5,297 | 1,632 | 12 | 132,629 | - | 221,858 |
| Total revenues | <u>3,269,623</u> | <u>11,505,874</u> | <u>1,554,095</u> | <u>1,532,631</u> | <u>-</u> | <u>2,359,124</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety: | | | | | | |
| Police | - | - | - | - | - | - |
| Fire | - | - | - | - | - | - |
| Building | - | 9,259,453 | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Parks and recreation | 2,911,601 | - | - | - | - | - |
| Community development | - | - | 10,873,228 | 1,198,286 | 29,274 | 259,547 |
| Capital outlay | 7,962 | 74,611 | 46,806 | 678,498 | - | - |
| Debt service: | | | | | | |
| Principal | 116,387 | - | - | - | - | - |
| Interest and fiscal charges | 896 | - | - | - | - | - |
| Bond issuance costs | - | - | - | - | - | - |
| Total expenditures | <u>3,036,846</u> | <u>9,334,064</u> | <u>10,920,034</u> | <u>1,876,784</u> | <u>29,274</u> | <u>259,547</u> |
| Excess revenues over (under) expenditures | <u>232,777</u> | <u>2,171,810</u> | <u>(9,365,939)</u> | <u>(344,153)</u> | <u>(29,274)</u> | <u>2,099,577</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 1,370,499 | 3,787 | 2,553,602 | - | - | - |
| Transfers out | - | (10,022,359) | (3,532,517) | - | - | - |
| Refunding bonds issued | - | - | - | - | - | - |
| Issuance of debt | - | - | - | - | - | - |
| Proceeds on sale of capital assets | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>1,370,499</u> | <u>(10,018,572)</u> | <u>(978,915)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>1,603,276</u> | <u>(7,846,762)</u> | <u>(10,344,854)</u> | <u>(344,153)</u> | <u>(29,274)</u> | <u>2,099,577</u> |
| Fund balances (deficit) - beginning as restated | <u>(47,027)</u> | <u>14,051,436</u> | <u>593,939</u> | <u>94,334</u> | <u>(181,290)</u> | <u>1,502,574</u> |
| Fund balances (deficit) - ending | <u>\$ 1,556,249</u> | <u>\$ 6,204,674</u> | <u>\$ (9,750,915)</u> | <u>\$ (249,819)</u> | <u>\$ (210,564)</u> | <u>\$ 3,602,151</u> |

| Capital Projects | | | | | | | | Total Nonmajor Governmental Funds |
|---|-----------------|-------------------------|---------------------------------|---------------------------------------|----------------------------------|-------------------------------------|----------------------------------|--|
| Residential Construction Mitigation Program | Debt Service | Disaster Improvement | Charter School Bldg Maint | Transportation Capital Projects | Parks Capital Improvements | Building Capital Improvements | Other Capital Improvements | |
| \$ - | \$ 832,824 | \$ - | \$ 1,320,000 | \$ - | \$ - | \$ - | \$ - | \$ 15,481,742 |
| - | - | - | - | - | - | - | - | 21,939 |
| - | - | - | - | - | - | - | - | 12,558,391 |
| - | - | - | - | 4,680,711 | 92,500 | - | - | 8,903,490 |
| - | - | - | - | - | - | - | - | 11,533,290 |
| - | 1,436 | - | - | - | - | - | - | 235,148 |
| - | - | - | - | - | - | - | - | 28,227,963 |
| - | - | - | 1,463,559 | - | - | - | - | 1,472,484 |
| - | 52,999 | - | 8,202 | - | - | (221,066) | (1,361) | (1,772,863) |
| - | - | - | 1,697,980 | 164,847 | - | - | - | 1,950,100 |
| - | 6 | - | - | 4,737 | - | - | - | 890,422 |
| - | 887,265 | - | 4,489,741 | 4,850,295 | 92,500 | (221,066) | (1,361) | 79,502,106 |
| - | - | - | - | - | - | - | - | - |
| - | 754 | - | 278,178 | - | - | - | 39,180 | 799,968 |
| - | - | - | - | - | - | - | - | 189,327 |
| - | - | - | - | - | - | - | - | 924,827 |
| - | - | - | - | - | - | - | - | 9,259,453 |
| - | - | - | - | 485,368 | - | - | 23,511 | 4,892,518 |
| - | - | - | - | - | - | - | - | 12,202,893 |
| - | - | - | - | - | - | - | - | 12,360,335 |
| - | - | - | 25,861 | 13,695,110 | 906,941 | - | 6,042,398 | 24,032,743 |
| - | - | - | - | - | - | - | - | - |
| - | 13,046,711 | - | - | - | - | - | - | 13,163,098 |
| - | 6,523,536 | - | - | - | - | - | - | 6,524,432 |
| - | 35,286 | - | - | - | - | - | - | 35,286 |
| - | 19,606,287 | - | 304,039 | 14,180,478 | 906,941 | - | 6,105,089 | 84,384,880 |
| - | (18,719,022) | - | 4,185,702 | (9,330,183) | (814,441) | (221,066) | (6,106,450) | (4,882,774) |
| - | - | - | - | - | - | - | - | - |
| - | 19,430,553 | - | - | 16,307,000 | 2,621,785 | 10,000,000 | 7,619,102 | 68,870,458 |
| - | - | - | (1,875,000) | - | - | - | - | (36,882,155) |
| - | - | - | - | - | - | - | - | - |
| - | 33,500 | - | - | - | - | - | - | 33,500 |
| - | - | - | - | - | - | - | - | 44,200 |
| - | 19,464,053 | - | (1,875,000) | 16,307,000 | 2,621,785 | 10,000,000 | 7,619,102 | 32,066,003 |
| - | 745,031 | - | 2,310,702 | 6,976,817 | 1,807,344 | 9,778,934 | 1,512,652 | 27,183,229 |
| (568) | 3,869,092 | 115,094 | - | 21,940,776 | (6,986) | - | 19,661,701 | 125,298,788 |
| \$ (568) | \$ 4,614,123 | \$ 115,094 | \$ 2,310,702 | \$ 28,917,593 | \$ 1,800,358 | \$ 9,778,934 | \$ 21,174,353 | \$ 152,482,017 |

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, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|---------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Fuel taxes | \$ 9,448,137 | \$ 9,448,137 | \$ 10,635,360 | \$ 1,187,223 |
| Investment earnings (loss) | - | - | (75,577) | (75,577) |
| Prior year cash balance | 14,881,022 | 14,881,022 | - | (14,881,022) |
| Total revenues | <u>24,329,159</u> | <u>24,329,159</u> | <u>10,559,783</u> | <u>(13,769,376)</u> |
| EXPENDITURES | | | | |
| Public works | <u>1,608,231</u> | <u>1,782,319</u> | <u>412,350</u> | <u>1,369,969</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>22,720,928</u> | <u>22,546,840</u> | <u>10,147,433</u> | <u>(12,399,407)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (9,475,000) | (9,475,000) | (9,475,000) | - |
| Reserves | <u>(13,245,928)</u> | <u>(13,071,840)</u> | <u>-</u> | <u>13,071,840</u> |
| Total other financing sources (uses) | <u>(22,720,928)</u> | <u>(22,546,840)</u> | <u>(9,475,000)</u> | <u>13,071,840</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>672,433</u> | <u>\$ 672,433</u> |
| Fund balances - beginning | | | <u>11,970,244</u> | |
| Fund balances - ending | | | <u>\$ 12,642,677</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ROAD IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|---------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Impact fees | \$ 13,272,529 | \$ 13,397,529 | \$ 16,898,402 | \$ 3,500,873 |
| Investment earnings (loss) | 79,942 | 79,942 | (844,174) | (924,116) |
| Prior year cash balance | 26,647,375 | 26,647,375 | - | (26,647,375) |
| Total revenues | <u>39,999,846</u> | <u>40,124,846</u> | <u>16,054,228</u> | <u>(24,070,618)</u> |
| EXPENDITURES | | | | |
| Public works | 199,088 | 224,088 | 167,096 | 56,992 |
| Capital outlay | - | 100,000 | 92,793 | 7,207 |
| Total expenditures | <u>199,088</u> | <u>324,088</u> | <u>259,889</u> | <u>64,199</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>39,800,758</u> | <u>39,800,758</u> | <u>15,794,339</u> | <u>(24,006,419)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (5,908,055) | (5,908,055) | (5,613,156) | 294,899 |
| Reserves | <u>(33,892,703)</u> | <u>(33,892,703)</u> | - | 33,892,703 |
| Total other financing sources (uses) | <u>(39,800,758)</u> | <u>(39,800,758)</u> | <u>(5,613,156)</u> | <u>34,187,602</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>10,181,183</u> | <u>\$ 10,181,183</u> |
| Fund balances - beginning | | | <u>26,405,900</u> | |
| Fund balances - ending | | | <u>\$ 36,587,083</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PUBLIC SAFETY IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|---------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Impact fees | \$ 4,413,650 | \$ 4,413,650 | \$ 5,862,176 | \$ 1,448,526 |
| Investment earnings (loss) | 30,157 | 30,157 | (282,077) | (312,234) |
| Prior year cash balance | 10,052,188 | 10,052,188 | - | (10,052,188) |
| Total revenues | <u>14,495,995</u> | <u>14,495,995</u> | <u>5,580,099</u> | <u>(8,915,896)</u> |
| EXPENDITURES | | | | |
| Public safety: | | | | |
| Police | 40,890 | 40,890 | 26,672 | 14,218 |
| Fire | 68,474 | 68,474 | 28,283 | 40,191 |
| Capital outlay | <u>1,949,729</u> | <u>1,949,729</u> | <u>1,584,674</u> | <u>365,055</u> |
| Total expenditures | <u>2,059,093</u> | <u>2,059,093</u> | <u>1,639,629</u> | <u>419,464</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>12,436,902</u> | <u>12,436,902</u> | <u>3,940,470</u> | <u>(8,496,432)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (3,638,546) | (3,638,546) | (3,638,291) | 255 |
| Reserves | <u>(8,798,356)</u> | <u>(8,798,356)</u> | <u>-</u> | <u>8,798,356</u> |
| Total other financing sources | <u>(12,436,902)</u> | <u>(12,436,902)</u> | <u>(3,638,291)</u> | <u>8,798,611</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>302,179</u> | <u>\$ 302,179</u> |
| Fund balances - beginning | | | <u>11,738,605</u> | |
| Fund balances - ending | | | <u>\$ 12,040,784</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
DO THE RIGHT THING SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|-----------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Investment earnings | \$ - | \$ - | \$ 47 | \$ 47 |
| Contributions and donations | 8,000 | 8,000 | 4,520 | (3,480) |
| Other revenue | - | - | 123 | 123 |
| Prior year cash balance | 23,606 | 23,606 | - | (23,606) |
| Total revenues | <u>31,606</u> | <u>31,606</u> | <u>4,690</u> | <u>(26,916)</u> |
| EXPENDITURES | | | | |
| Public safety: police | <u>8,000</u> | <u>19,000</u> | <u>17,568</u> | <u>1,432</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>23,606</u> | <u>12,606</u> | <u>(12,878)</u> | <u>(25,484)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Reserves | <u>(23,606)</u> | <u>(12,606)</u> | <u>-</u> | <u>12,606</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(12,878)</u> | <u>\$ (12,878)</u> |
| Fund balances - beginning | | | <u>25,446</u> | |
| Fund balances - ending | | | <u>\$ 12,568</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - FEDERAL SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Investment earnings | \$ 3,000 | \$ 3,000 | \$ 1,912 | \$ (1,088) |
| Other revenue | - | - | 406,895 | 406,895 |
| Prior year cash balance | 126,231 | 126,231 | - | (126,231) |
| Total revenues | <u>129,231</u> | <u>129,231</u> | <u>408,807</u> | <u>279,576</u> |
| EXPENDITURES | | | | |
| Public safety: police | <u>27,818</u> | <u>27,818</u> | <u>21,764</u> | <u>6,054</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>101,413</u> | <u>101,413</u> | <u>387,043</u> | <u>285,630</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Reserves | <u>(101,413)</u> | <u>(101,413)</u> | <u>-</u> | <u>101,413</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>387,043</u> | <u>\$ 387,043</u> |
| Fund balances - beginning | | | <u>166,170</u> | |
| Fund balances - ending | | | <u>\$ 553,213</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
POLICE CONFISCATION - STATE SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Fines and forfeitures | \$ - | \$ 2,100 | \$ 138,723 | \$ 136,623 |
| Investment earnings | - | - | 1,575 | 1,575 |
| Total revenues | - | 2,100 | 140,298 | 138,198 |
| EXPENDITURES | | | | |
| Public safety: police | - | 2,100 | 2,028 | 72 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | 138,270 | 138,270 |
| Net change in fund balances | \$ - | \$ - | 138,270 | \$ 138,270 |
| Fund balances - beginning | | | 326,467 | |
| Fund balances - ending | | | \$ 464,737 | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CRIMINAL JUSTICE EDUCATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|---------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Fines and forfeitures | \$ 21,000 | \$ 21,000 | \$ 30,017 | \$ 9,017 |
| Investment earnings | - | - | 227 | 227 |
| Prior year cash balance | 48,712 | 48,712 | - | (48,712) |
| Total revenues | <u>69,712</u> | <u>69,712</u> | <u>30,244</u> | <u>(39,468)</u> |
| EXPENDITURES | | | | |
| Public safety: police | 25,215 | 25,215 | 12,582 | 12,633 |
| Excess (deficiency) of revenues over (under) expenditures | 44,497 | 44,497 | 17,662 | (26,835) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Reserves | (44,497) | (44,497) | - | 44,497 |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | 17,662 | <u>\$ 17,662</u> |
| Fund balances - beginning | | | 59,441 | |
| Fund balances - ending | | | <u>\$ 77,103</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARK RECREATIONAL FACILITIES IMPACT FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Impact fees | \$ 4,019,575 | \$ 4,706,575 | \$ 5,467,385 | \$ 760,810 |
| Investment earnings (loss) | - | - | (164,828) | (164,828) |
| Prior year cash balance | 4,058,505 | 4,058,505 | - | (4,058,505) |
| Total revenues | <u>8,078,080</u> | <u>8,765,080</u> | <u>5,302,557</u> | <u>(3,462,523)</u> |
| EXPENDITURES | | | | |
| Parks and recreation | 60,294 | 72,294 | 23,726 | 48,568 |
| Capital outlay | - | 675,000 | 652,245 | 22,755 |
| Total expenditures | <u>60,294</u> | <u>747,294</u> | <u>675,971</u> | <u>71,323</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>8,017,786</u> | <u>8,017,786</u> | <u>4,626,586</u> | <u>(3,391,200)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (2,726,111) | (2,726,111) | (2,725,832) | 279 |
| Reserves | <u>(5,291,675)</u> | <u>(5,291,675)</u> | <u>-</u> | <u>5,291,675</u> |
| Total other financing sources (uses) | <u>(8,017,786)</u> | <u>(8,017,786)</u> | <u>(2,725,832)</u> | <u>5,291,954</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>1,900,754</u> | <u>\$ 1,900,754</u> |
| Fund balances - beginning | | | <u>5,257,787</u> | |
| Fund balances - ending | | | <u>\$ 7,158,541</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL HAZARDS SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Property taxes | \$ 1,186,038 | \$ 1,186,038 | \$ 1,115,514 | \$ (70,524) |
| Investment earnings (loss) | - | - | (41,512) | (41,512) |
| Other revenue | - | - | 23 | 23 |
| Prior year cash balance | 1,519,625 | 1,519,625 | - | (1,519,625) |
| Total revenues | <u>2,705,663</u> | <u>2,705,663</u> | <u>1,074,025</u> | <u>(1,631,638)</u> |
| EXPENDITURES | | | | |
| Public safety: fire | 985,933 | 1,001,107 | 896,544 | 104,563 |
| Capital outlay | 55,284 | 9,285 | 6,400 | 2,885 |
| Total expenditures | <u>1,041,217</u> | <u>1,010,392</u> | <u>902,944</u> | <u>107,448</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,664,446</u> | <u>1,695,271</u> | <u>171,081</u> | <u>(1,524,190)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Reserves | <u>(1,664,446)</u> | <u>(1,695,271)</u> | <u>-</u> | <u>1,695,271</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>171,081</u> | <u>\$ 171,081</u> |
| Fund balances - beginning | | | <u>1,543,386</u> | |
| Fund balances - ending | | | <u>\$ 1,714,467</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALARM FEE SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|-----------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 80,000 | \$ 81,144 | \$ 94,958 | \$ 13,814 |
| Investment earnings | - | - | 95 | 95 |
| Total revenues | <u>80,000</u> | <u>81,144</u> | <u>95,053</u> | <u>13,909</u> |
| EXPENDITURES | | | | |
| Public safety: police | <u>105,927</u> | <u>119,471</u> | <u>108,713</u> | <u>10,758</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(25,927)</u> | <u>(38,327)</u> | <u>(13,660)</u> | <u>24,667</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>25,927</u> | <u>38,327</u> | <u>38,327</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>24,667</u> | <u>\$ 24,667</u> |
| Fund balances - beginning | | | <u>38,139</u> | |
| Fund balances - ending | | | <u>\$ 62,806</u> | |

CITY OF CAPE CORAL, FLORIDA
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, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Special assessments | \$ 39,965 | \$ 39,965 | \$ 21,939 | \$ (18,026) |
| Fines and forfeitures | - | - | 10 | 10 |
| Investment earnings | - | - | 2,457 | 2,457 |
| Other revenue | - | - | 338 | 338 |
| Prior year cash balance | 166,317 | 166,317 | - | (166,317) |
| Total revenues | <u>206,282</u> | <u>206,282</u> | <u>24,744</u> | <u>(181,538)</u> |
| EXPENDITURES | | | | |
| Public works | 22,544 | 22,544 | 8,647 | 13,897 |
| Excess (deficiency) of revenues over (under) expenditures | <u>183,738</u> | <u>183,738</u> | <u>16,097</u> | <u>(167,641)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Reserves | <u>(183,738)</u> | <u>(183,738)</u> | - | 183,738 |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | 16,097 | <u>\$ 16,097</u> |
| Fund balances - beginning | | | <u>170,465</u> | |
| Fund balances - ending | | | <u>\$ 186,562</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
LOT MOWING SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 3,919,862 | \$ 4,561,168 | \$ 4,655,804 | \$ 94,636 |
| Fines and forfeitures | - | - | 35,190 | 35,190 |
| Investment earnings | - | - | 35,734 | 35,734 |
| Other revenue | - | - | 15,222 | 15,222 |
| Prior year cash balance | 2,492,510 | 2,492,510 | - | (2,492,510) |
| Total revenues | <u>6,412,372</u> | <u>7,053,678</u> | <u>4,741,950</u> | <u>(2,311,728)</u> |
| EXPENDITURES | | | | |
| Public works | 3,764,470 | 4,500,062 | 3,795,546 | 704,516 |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,647,902</u> | <u>2,553,616</u> | <u>946,404</u> | <u>(1,607,212)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Reserves | <u>(2,647,902)</u> | <u>(2,553,616)</u> | <u>-</u> | <u>2,553,616</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>946,404</u> | <u>\$ 946,404</u> |
| Fund balances - beginning | | | <u>3,763,211</u> | |
| Fund balances - ending | | | <u>\$ 4,709,615</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Business taxes | \$ 990,600 | \$ 990,600 | \$ - | \$ (990,600) |
| Licenses and permits | - | 127,358 | 827,415 | 700,057 |
| Investment earnings | - | - | 5,664 | 5,664 |
| Total revenues | <u>990,600</u> | <u>1,117,958</u> | <u>833,079</u> | <u>(284,879)</u> |
| EXPENDITURES | | | | |
| General Government | 883,871 | 1,011,229 | 481,856 | 529,373 |
| Capital outlay | 35,000 | 35,000 | 29,011 | 5,989 |
| Total expenditures | <u>918,871</u> | <u>1,046,229</u> | <u>510,867</u> | <u>535,362</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>71,729</u> | <u>71,729</u> | <u>322,212</u> | <u>250,483</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,544,000 | 1,544,000 | 1,544,000 | - |
| Reserves | (1,615,729) | (1,615,729) | - | 1,615,729 |
| Total other financing sources (uses) | <u>(71,729)</u> | <u>(71,729)</u> | <u>1,544,000</u> | <u>1,615,729</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>1,866,212</u> | <u>\$ 1,866,212</u> |
| Fund balances - beginning | | | <u>-</u> | |
| Fund balances - ending | | | <u>\$ 1,866,212</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
PARKS AND RECREATION SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 655,201 | \$ 714,347 | \$ 592,997 | \$ (121,350) |
| Charges for services | 3,821,115 | 3,091,115 | 3,448,081 | 356,966 |
| Fines and forfeitures | 11,220 | 11,220 | 16,450 | 5,230 |
| Investment earnings | - | - | 6,951 | 6,951 |
| Contributions and donations | 60,840 | 60,840 | 78,415 | 17,575 |
| Other revenue | 454,350 | 154,350 | 95,592 | (58,758) |
| Total revenues | <u>5,002,726</u> | <u>4,031,872</u> | <u>4,238,486</u> | <u>206,614</u> |
| EXPENDITURES | | | | |
| Parks and recreation | 11,425,709 | 10,869,382 | 8,981,701 | 1,887,681 |
| Capital outlay | 155,000 | 361,322 | 189,433 | 171,889 |
| Total expenditures | <u>11,580,709</u> | <u>11,230,704</u> | <u>9,171,134</u> | <u>2,059,570</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(6,577,983)</u> | <u>(7,198,832)</u> | <u>(4,932,648)</u> | <u>2,266,184</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 6,577,983 | 7,198,832 | 7,198,832 | - |
| Proceeds of Sale of Capital Assets | - | - | 42,000 | 42,000 |
| Total other financing sources (uses) | <u>6,577,983</u> | <u>7,198,832</u> | <u>7,240,832</u> | <u>42,000</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | 2,308,184 | <u>\$ 2,308,184</u> |
| Fund balances - beginning | | | <u>1,108,447</u> | |
| Fund balances - ending | | | <u>\$ 3,416,631</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
WATERPARK SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 1,355,744 | \$ 39,129 | \$ 84,946 | \$ 45,817 |
| Contributions and donations | - | - | 4,338 | 4,338 |
| Other revenue | 1,286,510 | 43,485 | 6,058 | (37,427) |
| Total revenues | <u>2,642,254</u> | <u>82,614</u> | <u>95,342</u> | <u>12,728</u> |
| EXPENDITURES | | | | |
| Parks and recreation | <u>3,113,264</u> | <u>287,763</u> | <u>285,865</u> | <u>1,898</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(471,010)</u> | <u>(205,149)</u> | <u>(190,523)</u> | <u>14,626</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 645,106 | 182,971 | 182,971 | - |
| Transfers out | (174,096) | - | - | - |
| Proceeds on sale of capital assets | - | 22,178 | 2,200 | (19,978) |
| Total other financing sources (uses) | <u>471,010</u> | <u>205,149</u> | <u>185,171</u> | <u>(19,978)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(5,352)</u> | <u>\$ (5,352)</u> |
| Fund balances - beginning | | | <u>1,132,005</u> | |
| Fund balances - ending | | | <u>\$ 1,126,653</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GOLF COURSE SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|--------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Charges for services | \$ 2,370,330 | \$ 2,515,471 | \$ 3,249,501 | \$ 734,030 |
| Fines and forfeitures | - | - | 8,075 | 8,075 |
| Investment earnings | - | - | 6,750 | 6,750 |
| Contributions and donations | 22,000 | 22,000 | - | (22,000) |
| Other revenue | 148,900 | 148,900 | 5,297 | (143,603) |
| Total revenues | <u>2,541,230</u> | <u>2,686,371</u> | <u>3,269,623</u> | <u>583,252</u> |
| EXPENDITURES | | | | |
| Parks and recreation | 3,075,324 | 3,261,504 | 2,911,601 | 349,903 |
| Capital outlay | 841,000 | 795,366 | 7,962 | 787,404 |
| Debt service: | | | | |
| Principal | - | - | 116,387 | (116,387) |
| Interest and fiscal charges | - | - | 896 | (896) |
| Total expenditures | <u>3,916,324</u> | <u>4,056,870</u> | <u>3,036,846</u> | <u>1,020,024</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,375,094)</u> | <u>(1,370,499)</u> | <u>232,777</u> | <u>1,603,276</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>1,375,094</u> | <u>1,370,499</u> | <u>1,370,499</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>1,603,276</u> | <u>\$ 1,603,276</u> |
| Fund balances - beginning | | | <u>(47,027)</u> | |
| Fund balances - ending | | | <u>\$ 1,556,249</u> | |

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, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|---------------------|--------------------------|-----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Licenses and permits | \$ 8,992,693 | \$ 8,992,693 | \$ 11,730,976 | \$ 2,738,283 |
| Fines and forfeitures | 18,000 | 18,000 | 5,247 | (12,753) |
| Investment earnings (loss) | - | - | (231,981) | (231,981) |
| Other revenue | 500 | 500 | 1,632 | 1,132 |
| Prior year cash balance | 14,636,610 | 14,636,610 | - | (14,636,610) |
| Total revenues | <u>23,647,803</u> | <u>23,647,803</u> | <u>11,505,874</u> | <u>(12,141,929)</u> |
| EXPENDITURES | | | | |
| Public safety: building | 9,812,016 | 10,329,867 | 9,259,453 | 1,070,414 |
| Capital outlay | 88,758 | 88,758 | 74,611 | 14,147 |
| Total expenditures | <u>9,900,774</u> | <u>10,418,625</u> | <u>9,334,064</u> | <u>1,084,561</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>13,747,029</u> | <u>13,229,178</u> | <u>2,171,810</u> | <u>(11,057,368)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | 3,787 | 3,787 |
| Transfers out | (10,022,147) | (10,022,147) | (10,022,359) | (212) |
| Reserves | (3,724,882) | (3,207,031) | - | 3,207,031 |
| Total other financing sources (uses) | <u>(13,747,029)</u> | <u>(13,229,178)</u> | <u>(10,018,572)</u> | <u>3,210,606</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(7,846,762)</u> | <u>\$ (7,846,762)</u> |
| Fund balances - beginning | | | <u>14,051,436</u> | |
| Fund balances - ending | | | <u>\$ 6,204,674</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|--------------------|--------------------------|---|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Property taxes | \$ 1,374,131 | \$ 1,576,131 | \$ 1,578,044 | \$ 1,913 |
| Rent and royalties | 37,654 | 37,654 | 8,925 | (28,729) |
| Investment earnings (loss) | 26,500 | 26,500 | (32,886) | (59,386) |
| Other revenue | - | - | 12 | 12 |
| Prior year cash balance | - | 685,371 | - | (685,371) |
| Total revenues | <u>1,438,285</u> | <u>2,325,656</u> | <u>1,554,095</u> | <u>(771,561)</u> |
| EXPENDITURES | | | | |
| Community development | 12,034,469 | 11,574,840 | 10,873,228 | 701,612 |
| Capital outlay | - | 47,000 | 46,806 | 194 |
| Total expenditures | <u>12,034,469</u> | <u>11,621,840</u> | <u>10,920,034</u> | <u>701,806</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(10,596,184)</u> | <u>(9,296,184)</u> | <u>(9,365,939)</u> | <u>(69,755)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 12,829,253 | 12,829,253 | 2,553,602 | (10,275,651) |
| Transfers out | <u>(2,233,069)</u> | <u>(3,533,069)</u> | <u>(3,532,517)</u> | <u>552</u> |
| Total other financing sources (uses) | <u>10,596,184</u> | <u>9,296,184</u> | <u>(978,915)</u> | <u>(10,275,099)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(10,344,854)</u> | <u>\$ (10,344,854)</u> |
| Fund balances - beginning | | | <u>593,939</u> | |
| Fund balances - ending | | | <u>\$ (9,750,915)</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|------------------|--------------------------|-------------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative)¹ |
| REVENUES | | | | |
| Intergovernmental | \$ 1,070,603 | \$ 1,070,603 | \$ 1,400,016 | \$ 329,413 |
| Investment earnings (loss) | - | - | (14) | (14) |
| Other revenue | - | 193,818 | 132,629 | (61,189) |
| Total revenue | <u>1,070,603</u> | <u>1,264,421</u> | <u>1,532,631</u> | <u>268,210</u> |
| EXPENDITURES | | | | |
| Community development | 1,070,603 | 1,057,736 | 1,198,286 | (140,550) |
| Capital outlay | - | 206,685 | 678,498 | (471,813) |
| Total expenditures | <u>1,070,603</u> | <u>1,264,421</u> | <u>1,876,784</u> | <u>(612,363)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>(344,153)</u> | <u>(344,153)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(344,153)</u> | <u>\$ (344,153)</u> |
| Fund balances - beginning | | | <u>94,334</u> | |
| Fund balances - ending | | | <u>\$ (249,819)</u> | |

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

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, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------|--------------------------|--------------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) ¹ |
| EXPENDITURES | | | | |
| Community development | \$ - | \$ - | \$ 29,274 | \$ (29,274) |
| Excess (deficiency) of revenues over (under) expenditures | - | - | (29,274) | (29,274) |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | (29,274) | <u>\$ (29,274)</u> |
| Fund balances - beginning | | | (181,290) | |
| Fund balances - ending | | | <u>\$ (210,564)</u> | |

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

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, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|------------------|--------------------------|-------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 1,240,819 | \$ 1,931,663 | \$ 2,137,266 | \$ 205,603 |
| Other revenue | 380,937 | - | 221,858 | 221,858 |
| Total revenues | <u>1,621,756</u> | <u>1,931,663</u> | <u>2,359,124</u> | <u>427,461</u> |
| EXPENDITURES | | | | |
| Community development | <u>1,621,756</u> | <u>1,931,663</u> | <u>259,547</u> | <u>1,672,116</u> |
| Total expenditures | <u>1,621,756</u> | <u>1,931,663</u> | <u>259,547</u> | <u>1,672,116</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>2,099,577</u> | <u>2,099,577</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | 2,099,577 | <u>\$ 2,099,577</u> |
| Fund balances - beginning | | | <u>1,502,574</u> | |
| Fund balances - ending | | | <u>\$ 3,602,151</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, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|---------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Property taxes | \$ 831,204 | \$ 831,204 | \$ 832,824 | \$ 1,620 |
| Fines and forfeitures | - | - | 1,436 | 1,436 |
| Rent and royalties | 1,492,875 | - | - | - |
| Investment earnings | - | - | 52,999 | 52,999 |
| Other revenue | - | 33,500 | 6 | (33,494) |
| Prior year cash balance | 4,545,118 | 4,545,118 | - | (4,545,118) |
| Total revenues | <u>6,869,197</u> | <u>5,409,822</u> | <u>887,265</u> | <u>(4,522,557)</u> |
| EXPENDITURES | | | | |
| General government | 756 | 756 | 754 | 2 |
| Debt service: | | | | |
| Principal | 16,641,044 | 16,648,169 | 13,046,711 | 3,601,458 |
| Interest and fiscal charges | 5,578,651 | 5,578,651 | 6,523,536 | (944,885) |
| Bond issuance costs | - | 223,500 | 35,286 | 188,214 |
| Total expenditures | <u>22,220,451</u> | <u>22,451,076</u> | <u>19,606,287</u> | <u>2,844,789</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(15,351,254)</u> | <u>(17,041,254)</u> | <u>(18,719,022)</u> | <u>(1,677,768)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 17,451,039 | 19,141,039 | 19,430,553 | 289,514 |
| Issuance of debt | - | - | 33,500 | 33,500 |
| Reserves | (2,099,785) | (2,099,785) | - | 2,099,785 |
| Total other financing sources (uses) | <u>15,351,254</u> | <u>17,041,254</u> | <u>19,464,053</u> | <u>2,422,799</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>745,031</u> | <u>\$ 745,031</u> |
| Fund balances - beginning | | | <u>3,869,092</u> | |
| Fund balances - ending | | | <u>\$ 4,614,123</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
CHARTER SCHOOL BUILDING MAINTENANCE FUND
For the Year Ended September 30, 2022

| | Prior Years Actual | Current Year Actual | Total Actual to Date | Project Authorization |
|--|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | | |
| Electric utility taxes | \$ - | \$ 1,320,000 | \$ 1,320,000 | \$ - |
| Intergovernmental | - | - | - | 1,320,000 |
| Charges for services | - | - | - | 56,275 |
| Rents and royalties | - | - | - | 1,500,000 |
| Investment earnings | - | 8,202 | 8,202 | - |
| Contributions and donations | - | 1,697,980 | 1,697,980 | 1,697,980 |
| Total revenues | - | 3,026,182 | 3,026,182 | 4,574,255 |
| EXPENDITURES | | | | |
| General Government | - | 278,178 | 278,178 | 1,320,000 |
| Capital outlay | - | 25,861 | 25,861 | 1,754,255 |
| Total expenditures | - | 304,039 | 304,039 | 3,074,255 |
| Excess (deficiency) of revenues over (under) expenditures | - | 2,722,143 | 2,722,143 | 1,500,000 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (1,875,000) | (1,875,000) | (1,500,000) |
| Leases | - | 1,463,559 | 1,463,559 | - |
| Total other financing sources (uses) | - | (411,441) | (411,441) | (1,500,000) |
| Net change in fund balances | \$ - | 2,310,702 | \$ 2,310,702 | \$ - |
| Fund balances - beginning | | - | | |
| Fund balances - ending | | \$ 2,310,702 | | |

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, 2022

| | Prior Years Actual | Current Year Actual | Total Actual to Date | Project Authorization |
|--|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 18,126,324 | \$ 4,680,711 | \$ 22,807,035 | \$ 24,840,209 |
| Rent and royalties | 4,367 | - | 4,367 | - |
| Investment earnings | 8,505,757 | - | 8,505,757 | 116,231 |
| Contributions and donations | 1,390,168 | 164,847 | 1,555,015 | 900,000 |
| Other revenue | 4,839,026 | 4,737 | 4,843,763 | 4,082,889 |
| Unassigned balance | - | - | - | 1,562,535 |
| Total revenues | <u>32,865,642</u> | <u>4,850,295</u> | <u>37,715,937</u> | <u>31,501,864</u> |
| EXPENDITURES | | | | |
| General government | 583 | - | 583 | - |
| Public works | 4,800,515 | 485,368 | 5,285,883 | 7,587,271 |
| Capital outlay | 248,270,354 | 13,695,110 | 261,965,464 | 392,735,366 |
| Debt Service: interest and fiscal charges | 805,049 | - | 805,049 | - |
| Total expenditures | <u>253,876,501</u> | <u>14,180,478</u> | <u>268,056,979</u> | <u>400,322,637</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(221,010,859)</u> | <u>(9,330,183)</u> | <u>(230,341,042)</u> | <u>(368,820,773)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 180,559,693 | 16,307,000 | 196,866,693 | 202,826,410 |
| Transfers out | (22,865,471) | - | (22,865,471) | (10,034,140) |
| Issuance of debt | 84,987,594 | - | 84,987,594 | 175,946,419 |
| Proceeds on sale of capital assets | 269,819 | - | 269,819 | 82,084 |
| Total other financing sources (uses) | <u>242,951,635</u> | <u>16,307,000</u> | <u>259,258,635</u> | <u>368,820,773</u> |
| Net change in fund balances | <u>\$ 21,940,776</u> | <u>6,976,817</u> | <u>\$ 28,917,593</u> | <u>\$ -</u> |
| Fund balances - beginning | | <u>21,940,776</u> | | |
| Fund balances - ending | | <u>\$ 28,917,593</u> | | |

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, 2022

| | Prior Years Actual | Current Year Actual | Total Actual to Date | Project Authorization |
|--|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 1,865,353 | \$ 92,500 | \$ 1,957,853 | \$ 2,771,498 |
| Investment earnings | 2,228,950 | - | 2,228,950 | 90,500 |
| Contributions and donations | 45,037 | - | 45,037 | 62,949 |
| Other revenue | 128,182 | - | 128,182 | - |
| Unassigned balance | - | - | - | 3,253,613 |
| Total revenues | <u>4,267,522</u> | <u>92,500</u> | <u>4,360,022</u> | <u>6,178,560</u> |
| EXPENDITURES | | | | |
| Parks and recreation | 396,458 | - | 396,458 | 969,850 |
| Capital outlay | 51,150,460 | 906,941 | 52,057,401 | 57,789,293 |
| Total expenditures | <u>51,546,918</u> | <u>906,941</u> | <u>52,453,859</u> | <u>58,759,143</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(47,279,396)</u> | <u>(814,441)</u> | <u>(48,093,837)</u> | <u>(52,580,583)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 22,461,255 | 2,621,785 | 25,083,040 | 19,725,321 |
| Transfer out | (11,996,193) | - | (11,996,193) | (6,711,150) |
| Issuance of debt | 36,735,161 | - | 36,735,161 | 39,566,412 |
| Proceeds on sale of capital assets | 72,187 | - | 72,187 | - |
| Total other financing sources (uses) | <u>47,272,410</u> | <u>2,621,785</u> | <u>49,894,195</u> | <u>52,580,583</u> |
| Net change in fund balances | <u>\$ (6,986)</u> | <u>1,807,344</u> | <u>\$ 1,800,358</u> | <u>\$ -</u> |
| Fund balances - beginning | | <u>(6,986)</u> | | |
| Fund balances - ending | | <u>\$ 1,800,358</u> | | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
BUILDING CAPITAL IMPROVEMENTS FUND
For the Year Ended September 30, 2022

| | Prior Years Actual | Current Year Actual | Total Actual to Date | Project Authorization |
|--|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | | |
| Investment earnings (loss) | \$ - | \$ (221,066) | \$ (221,066) | \$ - |
| EXPENDITURES | | | | |
| Capital outlay | - | - | - | 10,000,000 |
| Excess (deficiency) of revenues over (under) expenditures | - | (221,066) | (221,066) | (10,000,000) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 10,000,000 | 10,000,000 | 10,000,000 |
| Net change in fund balances | <u>\$ -</u> | <u>9,778,934</u> | <u>\$ 9,778,934</u> | <u>\$ -</u> |
| Fund balances - beginning | | <u>-</u> | | |
| Fund balances - ending | | <u><u>\$ 9,778,934</u></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, 2022

| | Prior Years Actual | Current Year Actual | Total Actual to Date | Project Authorization |
|--|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 8,159,828 | \$ - | \$ 8,159,828 | \$ 8,351,490 |
| Investment earnings | 1,514,073 | (1,361) | 1,512,712 | 42,680 |
| Other revenue (loss) | 1,748,548 | - | 1,748,548 | 1,347,806 |
| Unassigned balance | - | - | - | 798,565 |
| Total revenues | <u>11,422,449</u> | <u>(1,361)</u> | <u>11,421,088</u> | <u>10,540,541</u> |
| EXPENDITURES | | | | |
| General government | 1,147,288 | 39,180 | 1,186,468 | 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 | 29,640 | 23,511 | 53,151 | 660,454 |
| Parks and recreation | 557,541 | - | 557,541 | 19,375 |
| Community development | 86,487 | - | 86,487 | 906,055 |
| Transportation | 1,826,826 | - | 1,826,826 | 5,052,693 |
| Capital outlay | 142,336,361 | 6,042,398 | 148,378,759 | 187,243,081 |
| Debt service: interest and fiscal charges | 1,585,471 | - | 1,585,471 | 628,994 |
| Total expenditures | <u>155,591,092</u> | <u>6,105,089</u> | <u>161,696,181</u> | <u>209,347,890</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(144,168,643)</u> | <u>(6,106,450)</u> | <u>(150,275,093)</u> | <u>(198,807,349)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 75,547,061 | 7,619,102 | 83,166,163 | 108,130,970 |
| Transfer out | (4,400,989) | - | (4,400,989) | (3,429,289) |
| Issuance of debt | 92,684,272 | - | 92,684,272 | 94,105,668 |
| Total other financing sources (uses) | <u>163,830,344</u> | <u>7,619,102</u> | <u>171,449,446</u> | <u>198,807,349</u> |
| Net change in fund balances | <u>\$ 19,661,701</u> | <u>1,512,652</u> | <u>\$ 21,174,353</u> | <u>\$ -</u> |
| Fund balances - beginning | | <u>19,661,701</u> | | |
| Fund balances - ending | | <u>\$ 21,174,353</u> | | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SOLID WASTE FUND
For the Year Ended September 30, 2022

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|--------------------------|----------------------|
| | Original | Final | (Budgetary Basis) | Final Budget |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| Intergovernmental | \$ 9,649,081 | \$ 19,270,000 | \$ - | \$ (19,270,000) |
| Charges for services | - | - | 18,245,152 | 18,245,152 |
| Investment earnings (loss) | - | - | (123,488) | (123,488) |
| Other revenue | - | - | 407,629 | 407,629 |
| Prior year cash balance | 5,342,887 | 5,342,887 | - | (5,342,887) |
| Total revenues | <u>14,991,968</u> | <u>24,612,887</u> | <u>18,529,293</u> | <u>(6,083,594)</u> |
| EXPENDITURES | | | | |
| Public works | 8,511,402 | 18,149,518 | 18,103,820 | 45,698 |
| Capital outlay | 34,000 | 192,900 | 185,709 | 7,191 |
| Total expenditures | <u>8,545,402</u> | <u>18,342,418</u> | <u>18,289,529</u> | <u>52,889</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>6,446,566</u> | <u>6,270,469</u> | <u>239,764</u> | <u>(6,030,705)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Reserves | (6,446,566) | (6,270,469) | - | 6,270,469 |
| Total other financing sources (uses) | <u>(6,446,566)</u> | <u>(6,270,469)</u> | <u>-</u> | <u>6,270,469</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>239,764</u> | <u>\$ 239,764</u> |
| Fund balances - beginning | | | <u>3,099,737</u> | |
| Fund balances - ending | | | <u>\$ 3,339,501</u> | |

CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL OBLIGATION FUND

From Inception and For the Year Ended September 30, 2022

| | Prior Years Actual | Current Year Actual | Total Actual to Date | Project Authorization |
|--|-----------------------|------------------------|-------------------------|--------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ 1,131,250 |
| Investment earnings | - | 200,788 | 200,788 | - |
| Total revenues | <u>-</u> | <u>200,788</u> | <u>200,788</u> | <u>1,131,250</u> |
| EXPENDITURES | | | | |
| Parks and recreation | 124,217 | - | 124,217 | 214,518 |
| Capital outlay | 8,307,200 | 13,905,654 | 22,212,854 | 46,899,921 |
| Total expenditures | <u>8,431,417</u> | <u>13,905,654</u> | <u>22,337,071</u> | <u>47,114,439</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(8,431,417)</u> | <u>(13,704,866)</u> | <u>(22,136,283)</u> | <u>(45,983,189)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 10,838,140 | - | 10,838,140 | 16,201,899 |
| Issuance of debt | 29,781,291 | - | 29,781,291 | 29,781,290 |
| Total other financing sources (uses) | <u>40,619,431</u> | <u>-</u> | <u>40,619,431</u> | <u>45,983,189</u> |
| Net change in fund balances | <u>\$ 32,188,014</u> | <u>(13,704,866)</u> | <u>\$ 18,483,148</u> | <u>\$ -</u> |
| Fund balances - beginning | | <u>32,188,014</u> | | |
| Fund balances - ending | | <u>\$ 18,483,148</u> | | |

PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for activity that provides goods or services to other funds, departments or agencies of the primary government and its component units on a cost-reimbursement basis.

- Risk Management Fund – used to account for self-insurance of workers compensation and risk management activity for auto liability, property and contents loss, and general liability.
- Facilities Management – used to account for the costs of operation for the repair and maintenance of city owned/leased buildings and equipment. Such costs are billed to other departments.
- Fleet Management – used to account for the costs of operation for the repair and maintenance of city owned/leased vehicles and equipment. Such costs are billed to other departments.
- Self-funded Health Insurance – used to account for the self-funded medical health insurance plan and the on-site employee health clinic.

CITY OF CAPE CORAL, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2022

| | Risk Management | Facilities Management | Fleet Management | Self-funded Health Insurance | Total |
|--|------------------------|------------------------------|-------------------------|-------------------------------------|---------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 27,007,899 | \$ 2,361,549 | \$ 3,845,948 | \$ 7,043,518 | \$ 40,258,914 |
| Interest receivable | 21,525 | - | - | 9,445 | 30,970 |
| Accounts receivable, net | - | - | - | 75,363 | 75,363 |
| Prepaid items | 812,076 | 15,610 | 15,614 | - | 843,300 |
| Total current assets | 27,841,500 | 2,377,159 | 3,861,562 | 7,128,326 | 41,208,547 |
| Noncurrent assets: | | | | | |
| Capital assets (net of accumulated depreciation) | | | | | |
| Buildings | 4,114 | 261,388 | 642,122 | - | 907,624 |
| Improvements other than buildings | - | - | 63,797 | - | 63,797 |
| Equipment | 56,469 | 920,370 | 1,293,376 | - | 2,270,215 |
| Intangible computer software | - | - | 705,245 | - | 705,245 |
| Less accumulated depreciation | (47,088) | (1,035,759) | (2,245,180) | - | (3,328,027) |
| Total capital assets, net | 13,495 | 145,999 | 459,360 | - | 618,854 |
| Total noncurrent assets | 13,495 | 145,999 | 459,360 | - | 618,854 |
| Total assets | 27,854,995 | 2,523,158 | 4,320,922 | 7,128,326 | 41,827,401 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related | 179,799 | 2,137,050 | 888,723 | 77,062 | 3,282,634 |
| OPEB related | 163,000 | 1,800,376 | 679,219 | 49,097 | 2,691,692 |
| Total deferred outflows of resources | 342,799 | 3,937,426 | 1,567,942 | 126,159 | 5,974,326 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable and other accrued liabilities | 633,670 | 113,126 | 230,508 | 2,863,704 | 3,841,008 |
| Accrued payroll | 16,828 | 206,414 | 66,758 | 7,424 | 297,424 |
| Compensated absences | 4,049 | 60,913 | 17,615 | 4,227 | 86,804 |
| Total OPEB liability | 31,008 | 342,497 | 129,212 | 9,340 | 512,057 |
| Claims liability | 3,174,677 | - | - | 2,063,535 | 5,238,212 |
| Total current liabilities | 3,860,232 | 722,950 | 444,093 | 4,948,230 | 9,975,505 |
| Noncurrent liabilities: | | | | | |
| Compensated absences | 22,371 | 346,842 | 124,357 | 16,214 | 509,784 |
| Total OPEB liability | 877,082 | 9,687,599 | 3,654,794 | 264,185 | 14,483,660 |
| Claims liability | 9,187,088 | - | - | - | 9,187,088 |
| Net pension liability | 398,345 | 4,734,609 | 1,968,960 | 170,719 | 7,272,633 |
| Total noncurrent liabilities | 10,484,886 | 14,769,050 | 5,748,111 | 451,118 | 31,453,165 |
| Total liabilities | 14,345,118 | 15,492,000 | 6,192,204 | 5,399,348 | 41,428,670 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension related | 6,465 | 76,847 | 31,958 | 2,771 | 118,041 |
| OPEB related | 67,144 | 741,623 | 279,788 | 20,221 | 1,108,776 |
| Total deferred inflows of resources | 73,609 | 818,470 | 311,746 | 22,992 | 1,226,817 |
| NET POSITION | | | | | |
| Net investment in capital assets | 13,495 | 145,999 | 459,360 | - | 618,854 |
| Unrestricted | 13,765,572 | (9,995,885) | (1,074,446) | 1,832,145 | 4,527,386 |
| Total net position | \$ 13,779,067 | \$ (9,849,886) | \$ (615,086) | \$ 1,832,145 | \$ 5,146,240 |

CITY OF CAPE CORAL, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2022

| | Risk Management | Facilities Management | Fleet Management | Self-funded Health Insurance | Total |
|--|------------------------|------------------------------|-------------------------|-------------------------------------|---------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 9,592,883 | \$ 6,656,992 | \$ 4,467,231 | \$ 29,401,678 | \$ 50,118,784 |
| Other revenue | 1,312,124 | (522) | 2,306 | 2,067,980 | 3,381,888 |
| Total operating revenues | 10,905,007 | 6,656,470 | 4,469,537 | 31,469,658 | 53,500,672 |
| OPERATING EXPENSES | | | | | |
| Salaries, wages and employee benefits | 469,397 | 7,156,398 | 1,852,562 | 144,039 | 9,622,396 |
| Contractual services, materials and supplies | 2,840,049 | 2,078,874 | 2,746,782 | 5,617,222 | 13,282,927 |
| Claims and claims adjustments | 4,217,841 | - | - | 27,202,402 | 31,420,243 |
| Depreciation | 5,790 | 83,544 | 101,112 | - | 190,446 |
| Total operating expenses | 7,533,077 | 9,318,816 | 4,700,456 | 32,963,663 | 54,516,012 |
| Operating income (loss) | 3,371,930 | (2,662,346) | (230,919) | (1,494,005) | (1,015,340) |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment earnings (loss) | (356,463) | 853 | 4,965 | (163,056) | (513,701) |
| Gain (loss) on disposal of capital assets | (717) | 1,100 | 11,051 | - | 11,434 |
| Total nonoperating revenues (expenses) | (357,180) | 1,953 | 16,016 | (163,056) | (502,267) |
| Income (loss) before transfers | 3,014,750 | (2,660,393) | (214,903) | (1,657,061) | (1,517,607) |
| Transfers | | | | | |
| Transfers in | - | 1,203,525 | 2,313,089 | - | 3,516,614 |
| Transfers out | - | - | (3,787) | - | (3,787) |
| Total transfers | - | 1,203,525 | 2,309,302 | - | 3,512,827 |
| Change in net position | 3,014,750 | (1,456,868) | 2,094,399 | (1,657,061) | 1,995,220 |
| Total net position - beginning | 10,764,317 | (8,393,018) | (2,709,485) | 3,489,206 | 3,151,020 |
| Total net position - ending | \$ 13,779,067 | \$ (9,849,886) | \$ (615,086) | \$ 1,832,145 | \$ 5,146,240 |

CITY OF CAPE CORAL, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2022

| | Risk Management | Facility Management | Fleet Management | Self-funded Health Insurance | Total |
|---|------------------------|----------------------------|-------------------------|-------------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | |
| Cash received from customers | \$ 10,905,207 | \$ 6,663,574 | \$ 4,469,978 | \$ 31,417,914 | \$ 53,456,673 |
| Cash payments for claims | (3,553,154) | - | - | (26,926,867) | (30,480,021) |
| Cash payments to suppliers | (2,306,457) | (2,057,439) | (2,668,042) | (5,176,264) | (12,208,202) |
| Cash payments to employees | (423,529) | (4,662,799) | (1,773,212) | (126,759) | (6,986,299) |
| Net cash provided (used) by operating activities | <u>4,622,067</u> | <u>(56,664)</u> | <u>28,724</u> | <u>(811,976)</u> | <u>3,782,151</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING | | | | | |
| Acquisition and construction of capital assets | - | - | (59,789) | - | (59,789) |
| Transfer out for the acquisition of capital assets | - | - | (3,787) | - | (3,787) |
| Transfer in from the sale of capital assets | - | 1,203,525 | 2,313,089 | - | 3,516,614 |
| Gain (loss) on capital asset disposition | - | 1,100 | 11,051 | - | 12,151 |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>1,204,625</u> | <u>2,260,564</u> | <u>-</u> | <u>3,465,189</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | |
| Investment earnings (loss) | (360,212) | 853 | 4,965 | (166,639) | (521,033) |
| Net cash provided by investing activities | <u>(360,212)</u> | <u>853</u> | <u>4,965</u> | <u>(166,639)</u> | <u>(521,033)</u> |
| Net increase in cash | 4,261,855 | 1,148,814 | 2,294,253 | (978,615) | 6,726,307 |
| Cash and investments - beginning | 22,746,044 | 1,212,735 | 1,551,695 | 8,022,133 | 33,532,607 |
| Cash and investments - ending | <u>\$ 27,007,899</u> | <u>\$ 2,361,549</u> | <u>\$ 3,845,948</u> | <u>\$ 7,043,518</u> | <u>40,258,914</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET | | | | | |
| Operating income (loss) | \$ 3,371,930 | \$ (2,662,346) | \$ (230,919) | \$ (1,494,005) | \$ (1,015,340) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation expense | 5,790 | 83,544 | 101,112 | - | 190,446 |
| (Increase) decrease in assets: | | | | | |
| Accounts receivable, net | 200 | 7,104 | 441 | (51,744) | (43,999) |
| Prepaid items | (76,405) | 2,227 | 2,264 | - | (71,914) |
| (Increase) decrease in deferred outflows: | | | | | |
| Pension related | (111,406) | (1,599,683) | (585,843) | (52,636) | (2,349,568) |
| OPEB related | (696) | (244,248) | 36,592 | 2,238 | (206,114) |
| Increase (decrease) in liabilities: | | | | | |
| Accounts payable and other accrued liabilities | 609,997 | 19,208 | 76,476 | 440,958 | 1,146,639 |
| Accrued payroll | 4,399 | 101,370 | 22,224 | 4,332 | 132,325 |
| Compensated absences | 8,361 | (16,399) | (6,972) | (1,324) | (16,334) |
| Total OPEB liability | 70,888 | 2,003,243 | 91,693 | 8,730 | 2,174,554 |
| Net pension liability | 232,932 | 3,434,934 | 1,236,416 | 111,643 | 5,015,925 |
| Claims liability | 664,687 | - | - | 275,535 | 940,222 |
| Increase (decrease) in deferred inflows: | | | | | |
| Pension related | (122,028) | (932,743) | (537,084) | (43,120) | (1,634,975) |
| OPEB related | (36,582) | (252,875) | (177,676) | (12,583) | (479,716) |
| Total adjustments | <u>1,250,137</u> | <u>2,605,682</u> | <u>259,643</u> | <u>682,029</u> | <u>4,797,491</u> |
| Net cash provided by operating activities | <u>\$ 4,622,067</u> | <u>\$ (56,664)</u> | <u>\$ 28,724</u> | <u>\$ (811,976)</u> | <u>\$ 3,782,151</u> |

Supplemental disclosure of noncash investing, capital and financing activities:
Risk Management decrease in fair value of investments of \$418,229.
Self Insurance Fund decrease in fair value of investments \$183,385.

FIDUCIARY FUNDS

Pension Trust Funds

Account for activities of firefighters', police officers' and the general employees' pension funds, which accumulate resources for pension benefits and disability payments to qualified retirees.

City of Cape Coral, Florida

COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2022

| | Pension Trust Funds | | | Total Pension Trust Funds |
|--|------------------------------|----------------------------|-------------------------|---------------------------|
| | Municipal General Employees' | Municipal Police Officers' | Municipal Firefighters' | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 11,956,897 | \$ 5,634,068 | \$ 19,346,966 | \$ 36,937,931 |
| Receivables: | | | | |
| Member contributions | 621 | - | - | 621 |
| Employer contributions | 1,404,570 | 100,787 | - | 1,505,357 |
| Due from brokers | 84,113 | 956,435 | 267,735 | 1,308,283 |
| Investment receivable | 62,360 | 144,925 | 158,448 | 365,733 |
| Total receivables | 1,551,664 | 1,202,147 | 426,183 | 3,179,994 |
| Investments, at fair value: | | | | |
| Certificates of deposit | - | 379,393 | - | 379,393 |
| US Government Obligations and Federal Agency Guaranteed Securities | - | 10,763,084 | 8,792,998 | 19,556,082 |
| Mortgage Backed Securities | - | 4,163,784 | 3,315,042 | 7,478,826 |
| Collateralized Mortgage Obligations | - | 1,473,786 | 1,058,879 | 2,532,665 |
| Corporate Bonds | - | 5,772,154 | 4,454,586 | 10,226,740 |
| Foreign Bonds | - | - | 462,420 | 462,420 |
| Stocks | 54,877,433 | 494,765 | 52,474,869 | 107,847,067 |
| Mutual and ETF funds | | | | |
| Equity | - | 98,047,043 | 34,853,597 | 132,900,640 |
| Balanced | - | 21,932,536 | 9,246,989 | 31,179,525 |
| Pooled/common/commingled funds | | | | |
| Fixed income | 75,873,875 | - | - | 75,873,875 |
| Equity | 97,556,107 | 21,415,688 | 27,868,379 | 146,840,174 |
| Private Equity | - | 13,266,054 | 12,061,777 | 25,327,831 |
| Real Estate | 126,956,064 | 34,246,106 | 40,001,603 | 201,203,773 |
| Infrastructure | - | - | 9,999,271 | 9,999,271 |
| Total investments | 355,263,479 | 211,954,393 | 204,590,410 | 771,808,282 |
| Prepaid expenses | - | 850 | - | 850 |
| Total assets | 368,772,040 | 218,791,458 | 224,363,559 | 811,927,057 |
| LIABILITIES | | | | |
| Accounts payable | 353,328 | 74,540 | 207,843 | 635,711 |
| Due to broker for securities purchased | 141,427 | 626,922 | 277,123 | 1,045,472 |
| Prepaid contributions | - | 8,145 | - | 8,145 |
| Total liabilities | 494,755 | 709,607 | 484,966 | 1,689,328 |
| NET POSITION RESTRICTED FOR PENSIONS | \$ 368,277,285 | \$ 218,081,851 | \$ 223,878,593 | \$ 810,237,729 |

City of Cape Coral, Florida

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2022

| | Pension Trust Funds | | | Total Pension Trust Funds |
|---|------------------------------|----------------------------|-------------------------|---------------------------|
| | Municipal General Employees' | Municipal Police Officers' | Municipal Firefighters' | |
| ADDITIONS | | | | |
| Contributions: | | | | |
| Employer | \$ 17,419,260 | \$ 8,856,305 | \$ 9,585,536 | \$ 35,861,101 |
| Plan members | 5,669,300 | 2,428,381 | 2,137,414 | 10,235,095 |
| Member buybacks | 235,906 | - | 107,038 | 342,944 |
| State of Florida | - | 1,901,563 | 1,888,374 | 3,789,937 |
| Total contributions | 23,324,466 | 13,186,249 | 13,718,362 | 50,229,077 |
| Investment income (expense): | | | | |
| Investment income | 6,756,317 | 7,636,340 | 5,214,552 | 19,607,209 |
| Net appreciation (depreciation) in fair | (52,840,699) | (37,179,224) | (35,047,982) | (125,067,905) |
| Less: investment expenses | (1,274,639) | (910,727) | (725,321) | (2,910,687) |
| Net Investment Income (Loss) | (47,359,021) | (30,453,611) | (30,558,751) | (108,371,383) |
| Total additions | (24,034,555) | (17,267,362) | (16,840,389) | (58,142,306) |
| DEDUCTIONS | | | | |
| Benefits and refunds | 21,263,326 | 10,718,875 | 12,245,769 | 44,227,970 |
| Administrative expenses | 324,151 | 122,974 | 208,161 | 655,286 |
| Total deductions | 21,587,477 | 10,841,849 | 12,453,930 | 44,883,256 |
| Net increase in net position | (45,622,032) | (28,109,211) | (29,294,319) | (103,025,562) |
| Net position - beginning | 413,899,317 | 246,191,062 | 253,172,912 | 913,263,291 |
| Net position - ending | \$ 368,277,285 | \$ 218,081,851 | \$ 223,878,593 | \$ 810,237,729 |

Statistical Section

STATISTICAL SECTION (Unaudited)

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

| <u>Contents</u> | <u>Page</u> |
|--|--------------------|
| Financial Trends | 168 |
| 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 | 173 |
| 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 | 178 |
| 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 | 182 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | |
| Operating Information | 183 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |

Source: Unless otherwise noted, the information in these schedules was obtained from the Comprehensive Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

CITY OF CAPE CORAL, FLORIDA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

Schedule 1

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 211,168,912 | \$ 211,573,951 | \$ 206,045,063 | \$ 215,610,383 | \$ 226,821,441 | \$ 244,770,705 | \$ 259,385,054 | \$ 276,393,691 | \$ 267,501,395 | \$ 316,970,393 |
| Restricted | 33,449,825 | 33,522,887 | 39,172,890 | 49,389,716 | 53,759,601 | 71,209,165 | 82,675,046 | 87,759,451 | 128,609,536 | 117,195,410 |
| Unrestricted | (45,992,918) | (41,654,894) | (129,177,798) | (133,595,277) | (129,318,499) | (238,304,065) | (209,199,090) | (207,075,890) | (167,668,618) | (181,240,689) |
| Total governmental activities net position | 198,625,819 | 203,441,944 | 116,040,155 | 131,404,822 | 151,262,543 | 77,675,805 | 132,861,010 | 157,077,252 | 228,442,313 | 252,925,114 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | 370,704,547 | 362,080,880 | 361,707,442 | 374,994,099 | 371,601,686 | 420,502,966 | 458,982,283 | 464,780,619 | 434,630,800 | 476,407,460 |
| Restricted | 47,174,719 | 66,696,901 | 92,631,969 | 89,937,196 | 101,978,014 | 77,224,216 | 64,806,405 | 97,781,941 | 144,962,165 | 126,816,890 |
| Unrestricted | 23,014,260 | 16,979,433 | (26,625,585) | (17,705,952) | (8,257,372) | (31,086,868) | (16,607,742) | (5,927,012) | 15,219,164 | 13,488,006 |
| Total business-type activities net position | 440,893,526 | 445,757,214 | 427,713,826 | 447,225,343 | 465,322,328 | 466,640,314 | 507,180,946 | 556,635,548 | 594,812,129 | 616,712,356 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 581,873,459 | 573,654,831 | 567,752,505 | 590,604,482 | 598,423,127 | 665,273,671 | 718,367,337 | 741,174,310 | 702,132,195 | 793,377,853 |
| Restricted | 80,624,544 | 100,219,788 | 131,804,859 | 139,326,912 | 155,737,615 | 148,433,381 | 147,481,451 | 185,541,392 | 273,571,701 | 244,012,300 |
| Unrestricted | (22,978,658) | (24,675,461) | (155,803,383) | (151,301,229) | (137,575,871) | (269,390,933) | (225,806,832) | (213,002,902) | (152,449,454) | (167,752,683) |
| Total primary government net position | \$ 639,519,345 | \$ 649,199,158 | \$ 543,753,981 | \$ 578,630,165 | \$ 616,584,871 | \$ 544,316,119 | \$ 640,041,956 | \$ 713,712,800 | \$ 823,254,442 | \$ 869,637,470 |

CITY OF CAPE CORAL, FLORIDA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

| | Schedule 2 | | | | | | | | | |
|---|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 35,750,067 | \$ 43,386,715 | \$ 52,344,411 | \$ 51,588,399 | \$ 71,064,097 | \$ 71,403,749 | \$ 56,136,504 | \$ 65,318,687 | \$ 57,652,564 | \$ 70,163,483 |
| Public safety: | | | | | | | | | | |
| Police | 40,883,574 | 34,265,016 | 37,755,665 | 37,862,679 | 35,940,818 | 37,171,888 | 42,334,344 | 54,927,640 | 49,308,836 | 64,624,915 |
| Fire | 33,280,113 | 29,089,119 | 34,071,631 | 29,941,799 | 27,531,173 | 29,341,496 | 33,884,575 | 36,570,740 | 36,956,056 | 56,351,131 |
| Building | 2,557,567 | 2,995,300 | 3,134,523 | 3,804,593 | 5,315,723 | 5,729,880 | 7,281,966 | 9,155,572 | 8,891,596 | 11,767,161 |
| Public works | 14,216,303 | 16,905,388 | 18,101,671 | 18,268,298 | 18,415,038 | 21,523,769 | 19,131,947 | 20,707,629 | 38,352,779 | 41,777,518 |
| Parks and recreation | 17,457,679 | 17,069,459 | 17,024,031 | 17,997,257 | 15,928,133 | 20,381,690 | 24,242,652 | 22,739,835 | 23,629,879 | 22,759,195 |
| Community development | 7,978,824 | 6,640,062 | 5,559,972 | 6,979,622 | 8,362,954 | 7,342,215 | 8,976,196 | 10,083,847 | 11,109,315 | 20,006,185 |
| Interest on long-term debt | 11,169,234 | 10,953,024 | 10,223,210 | 9,641,749 | 8,628,106 | 8,578,175 | 8,453,675 | 7,293,468 | 6,142,575 | 6,197,290 |
| Total governmental activities expenses | 163,293,361 | 161,304,083 | 178,215,114 | 176,084,396 | 191,186,042 | 201,472,862 | 200,441,859 | 226,797,418 | 232,043,600 | 293,646,878 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 117,610,480 | 98,202,689 | 101,071,789 | 99,123,629 | 113,611,296 | 111,524,023 | 110,944,079 | 116,276,689 | 124,822,818 | 126,031,222 |
| Stormwater | 13,744,777 | 13,572,941 | 13,270,032 | 13,029,277 | 13,912,403 | 14,312,734 | 14,097,707 | 12,386,918 | 14,517,890 | 17,560,240 |
| Yacht basin | 372,930 | 992,058 | 345,457 | 372,349 | 323,196 | 471,313 | 560,728 | 434,734 | 455,013 | 510,925 |
| Golf course ¹ | 2,599,938 | 2,710,132 | 2,450,043 | 2,790,829 | 2,457,563 | 3,086,272 | - | - | - | - |
| Total business-type activities expenses | 134,328,125 | 115,477,820 | 117,137,321 | 115,316,084 | 130,304,458 | 129,394,342 | 125,602,514 | 129,098,341 | 139,795,721 | 144,102,387 |
| Total primary government expenses | <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> | <u>\$ 371,839,321</u> | <u>\$ 437,749,265</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 14,451,088 | \$ 9,820,161 | \$ 11,911,283 | \$ 11,008,789 | \$ 10,814,798 | \$ 12,887,037 | \$ 12,091,075 | \$ 15,963,210 | \$ 15,451,746 | \$ 18,541,630 |
| Public safety: | | | | | | | | | | |
| Police | 683,428 | 831,945 | 938,606 | 1,244,054 | 1,107,582 | 1,203,878 | 2,410,679 | 2,597,112 | 2,571,194 | 3,424,119 |
| Fire | 181,491 | 231,567 | 312,388 | 288,432 | 489,918 | 407,676 | 514,556 | 501,004 | 615,516 | 611,115 |
| Building | 29,218 | 4,022,162 | 4,875,890 | 6,411,115 | 7,625,904 | 9,104,243 | 8,954,673 | 9,113,305 | 10,638,710 | 11,736,729 |
| Public works | 2,948,171 | 4,036,205 | 6,130,223 | 3,151,358 | 3,725,324 | 3,828,797 | 4,592,729 | 4,938,259 | 4,831,903 | 23,953,025 |
| Parks and recreation | 5,397,502 | 5,740,866 | 5,873,336 | 5,397,864 | 5,553,828 | 5,718,774 | 8,643,667 | 5,686,306 | 8,757,042 | 7,102,971 |
| Community development | 2,113,420 | 1,515,921 | 1,679,724 | 1,408,377 | 2,653,407 | 2,822,241 | 2,716,929 | 2,121,287 | 1,986,452 | 1,694,703 |
| Operating grants and contributions | 4,126,255 | 16,150,059 | 16,222,090 | 29,559,152 | 30,599,539 | 30,797,279 | 45,075,047 | 35,558,002 | 56,257,486 | 42,262,398 |
| Capital grants and contributions | 7,108,832 | 7,306,283 | 9,505,165 | 8,416,807 | 12,353,016 | 14,398,409 | 16,606,019 | 18,193,878 | 30,397,563 | 30,135,097 |
| Total governmental activities program revenues | 37,039,405 | 49,655,169 | 57,448,705 | 66,885,948 | 74,923,316 | 81,168,334 | 101,605,374 | 94,672,363 | 131,507,612 | 139,461,787 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 76,690,422 | 73,603,154 | 76,614,078 | 80,067,263 | 82,880,688 | 85,104,961 | 87,484,498 | 90,863,045 | 97,013,105 | 101,692,336 |
| Stormwater | 12,352,001 | 12,329,090 | 12,317,747 | 13,123,358 | 14,589,855 | 18,558,103 | 19,578,122 | 20,463,395 | 21,931,905 | 25,216,173 |
| Yacht basin | 394,553 | 992,314 | 562,119 | 588,539 | 669,484 | 687,066 | 731,151 | 741,800 | 925,027 | 834,932 |
| Golf course ¹ | 2,192,097 | 2,308,820 | 2,218,021 | 2,126,888 | 1,952,198 | 2,440,346 | - | - | - | - |
| Operating grants and contributions | 6,904,337 | 6,571,091 | 9,989,134 | 1,122,668 | 278,376 | 497,240 | 803,491 | 1,217,722 | 166,762 | - |
| Capital grants and contributions | 15,329,046 | 29,123,990 | 22,957,693 | 27,669,127 | 45,983,423 | 46,952,564 | 40,686,916 | 50,271,652 | 48,167,652 | 42,711,659 |
| Total business-type activities program revenues | 113,862,456 | 124,928,459 | 124,658,792 | 124,697,843 | 146,354,024 | 154,240,280 | 149,284,178 | 163,557,614 | 168,204,451 | 170,455,100 |
| Total primary government program revenues | <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> | <u>\$ 299,712,063</u> | <u>\$ 309,916,887</u> |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (126,253,956) | \$ (111,648,914) | \$ (120,766,409) | \$ (109,198,448) | \$ (116,262,726) | \$ (120,304,528) | \$ (98,836,485) | \$ (132,125,055) | \$ (100,535,988) | \$ (154,185,091) |
| Business-type activities | (20,465,669) | 9,450,639 | 7,521,471 | 9,381,759 | 16,049,566 | 24,845,938 | 23,681,664 | 34,459,273 | 28,408,730 | 26,352,713 |
| Total primary government net expense | <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> | <u>\$ (72,127,258)</u> | <u>\$ (127,832,378)</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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes, levied for general purpose | \$ 68,969,220 | \$ 71,451,329 | \$ 77,445,321 | \$ 75,239,444 | \$ 79,463,250 | \$ 87,094,669 | \$ 93,758,005 | \$ 97,354,823 | \$ 102,829,432 | \$ 111,520,612 |
| Property taxes, levied for debt service | - | - | - | - | - | - | - | 890,520 | 4,789,152 | 832,824 |
| Property taxes, other (CRA and All Hazards) | 690,036 | 755,178 | 900,184 | 1,094,755 | 1,344,219 | 1,632,023 | 1,823,177 | 2,116,284 | 2,352,659 | 2,693,558 |
| Public service tax | - | 7,229,414 | 7,168,083 | 7,250,872 | 7,103,228 | 7,135,139 | 7,874,558 | 8,283,000 | 8,657,041 | 12,291,927 |
| Sales | 15,345,034 | 16,792,598 | 18,336,760 | 18,136,627 | 18,646,222 | 20,194,344 | 20,678,121 | 20,040,384 | 24,359,362 | 29,260,198 |
| Fuel | 8,630,419 | 9,092,366 | 9,716,679 | 10,222,671 | 10,496,714 | 10,738,730 | 10,786,583 | 10,597,558 | 11,914,185 | 12,778,832 |
| Alcohol and beverage | 59,659 | 72,845 | 69,298 | 67,005 | 78,660 | 71,954 | 74,391 | 82,980 | 89,310 | 84,262 |
| Communication | 6,280,373 | 5,773,054 | 5,489,539 | 5,168,297 | 5,319,563 | 4,626,232 | 4,884,741 | 4,892,611 | 4,808,291 | 5,165,407 |
| Franchise | 6,096,685 | 6,520,354 | 6,549,306 | 6,622,099 | 6,433,799 | 6,534,366 | 7,018,299 | 7,199,932 | 7,425,743 | 9,035,573 |
| Investment earnings | 142,344 | 246,807 | 494,208 | 1,044,202 | 1,057,749 | 1,506,682 | 5,505,156 | 4,166,330 | 514,908 | (4,912,296) |
| Transfers | 5,683 | (4,180) | 163,837 | (282,857) | 6,177,043 | (639,421) | 2,602,824 | 716,875 | 595,293 | 229,401 |
| Total governmental activities | 106,219,453 | 117,929,765 | 126,333,215 | 124,563,115 | 136,120,447 | 138,894,718 | 155,005,855 | 156,341,297 | 168,335,376 | 178,980,298 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 334,105 | - | - | 9,846,901 | 8,224,462 | 5,370,071 | 18,476,627 | 15,514,781 | 10,268,244 | (4,223,085) |
| Gain on sale of capital assets | - | - | - | - | - | - | - | 197,423 | 94,900 | - |
| Transfers | (5,683) | 4,180 | (163,837) | 282,857 | (6,177,043) | 639,421 | (2,602,824) | (716,875) | (595,293) | (229,401) |
| Total business-type activities | 328,422 | 4,180 | (163,837) | 10,129,758 | 2,047,419 | 6,009,492 | 15,873,803 | 14,995,329 | 9,767,851 | (4,452,486) |
| Total primary government | \$ 106,547,875 | \$ 117,933,945 | \$ 126,169,378 | \$ 134,692,873 | \$ 138,167,866 | \$ 144,904,210 | \$ 170,879,658 | \$ 171,336,626 | \$ 178,103,227 | \$ 174,527,812 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (20,034,503) | \$ 6,280,851 | \$ 5,566,806 | \$ 15,364,667 | \$ 19,857,721 | \$ 18,590,190 | \$ 56,169,370 | \$ 24,216,242 | \$ 67,799,388 | \$ 24,795,207 |
| Business-type activities | (20,137,247) | 9,454,819 | 7,357,634 | 19,511,517 | 18,096,985 | 30,855,430 | 39,556,467 | 49,454,602 | 38,176,581 | 21,900,227 |
| Total primary government | \$ (40,171,750) | \$ 15,735,670 | \$ 12,924,440 | \$ 34,876,184 | \$ 37,954,706 | \$ 49,445,620 | \$ 95,725,837 | \$ 73,670,844 | \$ 105,975,969 | \$ 46,695,434 |

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Nond spendable | \$ 1,234,458 | \$ 1,165,609 | \$ 879,483 | \$ 842,608 | \$ 1,361,649 | \$ 797,831 | \$ 678,397 | \$ 339,486 | \$ 1,640,535 | \$ 12,179,757 |
| Restricted | - | - | - | - | - | - | - | - | - | 4,791,524 |
| Committed | 5,504,998 | 4,502,186 | 6,169,213 | 7,946,254 | 11,446,344 | 8,615,344 | 20,153,572 | 15,034,294 | 14,128,519 | 67,123,613 |
| Assigned | 712,650 | 199,927 | 1,281,341 | 469,442 | 1,134,329 | 2,237,766 | 602,548 | - | 19,434,402 | 34,629,010 |
| Unassigned | 18,315,850 | 30,501,100 | 46,494,247 | 41,286,873 | 36,568,335 | 26,505,262 | 49,868,704 | 71,819,063 | 77,819,925 | 5,187,374 |
| Total General Fund | <u>\$ 25,767,956</u> | <u>\$ 36,368,822</u> | <u>\$ 54,824,284</u> | <u>\$ 50,545,177</u> | <u>\$ 50,510,657</u> | <u>\$ 38,156,203</u> | <u>\$ 71,303,221</u> | <u>\$ 87,192,843</u> | <u>\$ 113,023,381</u> | <u>\$ 123,911,278</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nond spendable | \$ 92,302 | \$ 110,351 | \$ 93,869 | \$ 88,095 | \$ 98,890 | \$ 103,595 | \$ 135,939 | \$ 132,856 | \$ 154,066 | \$ 157,329 |
| Restricted | 33,624,557 | 34,216,824 | 37,988,089 | 46,671,710 | 53,051,681 | 69,986,603 | 80,568,713 | 85,624,344 | 126,593,970 | 130,462,498 |
| Committed | 12,190,444 | 13,312,428 | 22,320,327 | 19,074,472 | 29,299,004 | 16,625,680 | 15,329,721 | 19,027,365 | 34,389,205 | 53,912,708 |
| Unassigned | (307,694) | (369,155) | (108,446) | (157,390) | (202,173) | (441,087) | (763,527) | (1,612,608) | (277,725) | (10,227,869) |
| Total All Other Governmental Funds | <u>\$ 45,599,609</u> | <u>\$ 47,270,448</u> | <u>\$ 60,293,839</u> | <u>\$ 65,676,887</u> | <u>\$ 82,247,402</u> | <u>\$ 86,274,791</u> | <u>\$ 95,270,846</u> | <u>\$ 103,171,957</u> | <u>\$ 160,859,516</u> | <u>\$ 174,304,666</u> |

CITY OF CAPE CORAL, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

Schedule 4

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 99,974,746 | \$ 111,166,784 | \$ 119,108,217 | \$ 117,196,480 | \$ 122,451,856 | \$ 131,493,091 | \$ 139,879,576 | \$ 144,258,160 | \$ 159,799,432 | \$ 174,627,620 |
| Special assessments | 147,915 | 10,080,686 | 13,449,945 | 20,930,885 | 22,641,361 | 22,857,608 | 24,421,883 | 26,076,554 | 27,003,070 | 28,666,337 |
| Licenses and permits | 3,396,297 | 4,015,563 | 4,876,346 | 7,251,734 | 8,452,874 | 9,890,576 | 9,834,129 | 10,161,251 | 11,372,086 | 12,609,936 |
| Franchise fees | 6,096,685 | 6,520,354 | 6,549,306 | 6,622,099 | 6,433,799 | 6,534,366 | 7,018,299 | 7,199,932 | 7,425,743 | 9,035,573 |
| Intergovernmental | 7,559,867 | 6,452,157 | 8,455,219 | 6,967,431 | 10,083,547 | 7,124,612 | 17,711,304 | 10,258,795 | 30,460,083 | 17,147,598 |
| Charges for services | 13,310,111 | 13,988,879 | 14,773,565 | 14,020,091 | 15,173,625 | 17,660,274 | 21,240,864 | 21,542,012 | 24,659,080 | 42,557,915 |
| Fines and forfeitures | 811,365 | 746,712 | 819,205 | 841,830 | 1,067,476 | 968,608 | 853,851 | 823,857 | 1,039,333 | 1,514,070 |
| Impact fees | 2,668,632 | 3,981,431 | 5,553,426 | 8,510,926 | 12,403,864 | 14,555,217 | 15,231,581 | 17,963,254 | 29,387,753 | 28,227,963 |
| Rent and royalties | 3,287,898 | 3,763,481 | 4,079,452 | 4,110,301 | 3,512,705 | 3,875,352 | 4,008,325 | 3,859,764 | 3,360,695 | 2,036,959 |
| Investment earnings | 267,079 | 469,754 | 1,013,354 | 960,991 | 962,872 | 1,398,445 | 4,674,239 | 3,638,138 | 492,908 | (4,398,595) |
| Contributions and donations | 253,646 | 264,250 | 277,742 | 242,727 | 338,145 | 280,020 | 530,398 | 453,575 | 78,910 | 1,979,066 |
| Other revenue | 3,954,928 | 2,343,858 | 5,621,385 | 1,926,213 | 1,599,434 | 2,074,324 | 2,574,980 | 1,887,918 | 2,254,048 | 3,221,154 |
| Total revenues | 141,729,169 | 163,793,909 | 184,577,162 | 189,581,708 | 205,121,558 | 218,712,493 | 247,979,429 | 248,123,210 | 297,333,141 | 317,225,596 |
| Expenditures | | | | | | | | | | |
| General government | 28,029,485 | 36,664,982 | 40,382,204 | 45,579,202 | 53,777,415 | 66,604,588 | 53,835,554 | 55,473,008 | 52,226,189 | 57,802,509 |
| Public safety: | | | | | | | | | | |
| Police | 35,511,381 | 29,742,744 | 31,974,963 | 34,745,411 | 34,921,546 | 36,893,957 | 38,175,923 | 43,486,435 | 45,562,755 | 49,204,664 |
| Fire | 28,462,946 | 24,848,816 | 26,028,314 | 26,574,399 | 27,520,189 | 31,188,734 | 31,523,736 | 33,606,194 | 35,584,248 | 40,522,011 |
| Building | 2,557,567 | 2,689,712 | 2,929,952 | 3,405,018 | 4,238,583 | 5,108,187 | 5,524,032 | 7,767,384 | 8,013,736 | 9,259,453 |
| Public works | 8,932,540 | 11,788,826 | 12,540,223 | 12,322,752 | 13,879,757 | 16,164,425 | 13,888,893 | 15,130,991 | 32,835,662 | 36,049,384 |
| Parks and recreation | 13,560,974 | 13,756,920 | 14,603,776 | 15,281,586 | 16,587,509 | 17,589,379 | 21,742,395 | 20,009,334 | 20,992,431 | 20,323,773 |
| Community development | 7,101,799 | 5,691,090 | 5,979,224 | 6,709,083 | 6,893,028 | 7,340,488 | 7,542,901 | 8,118,342 | 8,586,796 | 17,784,355 |
| Capital outlay | 6,029,345 | 6,921,521 | 10,676,484 | 19,389,174 | 16,267,397 | 32,333,090 | 24,860,257 | 27,816,354 | 24,894,016 | 42,609,807 |
| Debt service: | | | | | | | | | | |
| Principal | 8,530,114 | 8,844,063 | 9,497,601 | 11,292,837 | 11,806,372 | 11,942,674 | 12,761,711 | 17,095,898 | 14,849,339 | 13,213,793 |
| Interest and fiscal charges | 11,178,064 | 10,813,779 | 10,342,261 | 9,722,762 | 9,311,497 | 8,593,724 | 8,469,641 | 7,248,344 | 6,045,360 | 6,524,838 |
| Bond issuance cost | - | 101,611 | 483,913 | - | 440,620 | 39,873 | 38,423 | 129,421 | 208,083 | 35,286 |
| Total expenditures | 149,894,215 | 151,864,064 | 165,438,915 | 185,022,224 | 195,643,913 | 233,799,119 | 218,363,466 | 235,881,705 | 249,798,615 | 293,329,873 |
| Excess of revenues under expenditures | (8,165,046) | 11,929,845 | 19,138,247 | 4,559,484 | 9,477,645 | (15,086,626) | 29,615,963 | 12,241,505 | 47,534,526 | 23,895,723 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 23,960,633 | 27,265,208 | 31,887,089 | 31,052,126 | 48,438,259 | 69,718,917 | 60,069,144 | 53,364,535 | 67,977,078 | 69,394,983 |
| Transfers out | (23,954,950) | (27,259,388) | (31,723,252) | (34,657,646) | (43,261,216) | (71,447,191) | (57,466,320) | (52,647,660) | (67,369,785) | (72,678,409) |
| Refunding bonds issued | - | (21,371,001) | - | - | - | - | - | - | - | - |
| Issuance of debt | - | 26,733,000 | 66,965,000 | - | 62,595,000 | 7,912,705 | 10,200,000 | 45,888,990 | 29,998,012 | 3,520,000 |
| 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 | 21,064 | - | - | - | - | - | - | - | - | - |
| Proceeds on sale of capital assets | 26,696 | 226,810 | 443,662 | 149,977 | 1,438,701 | 575,130 | 394,321 | 2,195,827 | 2,124,999 | 200,750 |
| Total other financing sources | 53,443 | 341,860 | 12,340,606 | (3,455,543) | 7,058,350 | 6,759,561 | 13,197,145 | 11,549,228 | 32,730,304 | 437,324 |
| Net change in fund balances | \$ (8,111,603) | \$ 12,271,705 | \$ 31,478,853 | \$ 1,103,941 | \$ 16,535,995 | \$ (8,327,065) | \$ 42,813,108 | \$ 23,790,733 | \$ 80,264,830 | \$ 24,333,047 |
| Debt service as a percentage of noncapital expenditures | 13.70% | 13.56% | 12.82% | 12.69% | 11.77% | 10.19% | 10.97% | 11.70% | 9.29% | 7.87% |

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 |
| 2013 | \$ 268,273 | \$ 278,123 | \$ 16,388 | \$ 489,485 | \$ 1,616,363 | \$ 637,875 | \$ 1,471,406 | \$ 351,599 |
| 2014 | 366,857 | 378,990 | 22,333 | 642,240 | 2,571,011 | 1,859,278 | 5,736,228 | 891,280 |
| 2015 | 584,514 | 601,536 | 35,446 | 1,041,410 | 3,290,520 | 2,177,497 | 611,600 | 1,046,984 |
| 2016 | 838,224 | 868,136 | 51,154 | 1,559,473 | 5,193,939 | 2,584,665 | 7,097,253 | 1,234,697 |
| 2017 | 1,214,515 | 1,257,401 | 74,096 | 2,751,820 | 7,106,032 | 4,437,182 | 8,048,763 | 2,895,091 |
| 2018 | 1,488,434 | 1,538,112 | 90,670 | 2,737,325 | 8,700,676 | 366,760 | 9,301,674 | 4,846,618 |
| 2019 | 1,476,290 | 1,465,584 | 86,402 | 2,640,320 | 9,562,986 | 3,986,461 | 9,825,174 | 5,159,005 |
| 2020 | 1,604,044 | 1,662,737 | 97,981 | 3,445,350 | 11,153,142 | 3,756,081 | 9,470,446 | 5,148,820 |
| 2021 | 2,772,201 | 2,871,598 | 169,897 | 5,746,710 | 17,827,347 | 3,297,426 | 10,777,845 | 6,684,900 |
| 2022 | 2,793,781 | 2,898,169 | 170,226 | 5,467,385 | 16,898,402 | 3,082,212 | 7,030,178 | 5,263,883 |

¹ Fire, Police and Advanced Life Support are component business units of Public Safety.

CITY OF CAPE CORAL, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Schedule 6

| Fiscal Year | Real Property | Personal Property | Less: Tax Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Gross Actual Value | Just Value as a Percentage of Actual Value |
|-------------|-------------------|-------------------|---------------------------|------------------------------|-----------------------|--------------------|--|
| 2013 | \$ 11,961,674,078 | \$ 489,976,001 | \$ 3,548,255,036 | \$ 8,903,395,043 | 7.96 | \$ 12,451,650,079 | 71.50 |
| 2014 | 13,290,907,759 | 475,478,158 | 4,246,067,858 | 9,520,318,059 | 7.71 | 13,766,385,917 | 69.16 |
| 2015 | 14,859,472,913 | 473,544,133 | 5,002,060,301 | 10,330,956,745 | 7.71 | 15,333,017,046 | 67.38 |
| 2016 | 16,141,195,874 | 460,315,173 | 5,481,003,861 | 11,120,507,186 | 6.96 | 16,601,511,047 | 66.98 |
| 2017 | 18,033,222,081 | 458,569,377 | 6,446,420,411 | 12,045,371,047 | 6.75 | 18,491,791,458 | 65.14 |
| 2018 | 19,881,805,283 | 476,068,474 | 7,163,540,104 | 13,194,333,653 | 6.75 | 20,357,873,757 | 64.81 |
| 2019 | 20,913,001,536 | 490,938,025 | 7,103,505,624 | 14,300,433,937 | 6.75 | 21,403,939,561 | 66.81 |
| 2020 | 22,133,020,884 | 520,299,312 | 7,237,070,286 | 15,416,249,910 | 6.55 | 22,653,320,196 | 68.05 |
| 2021 | 23,347,653,273 | 536,453,956 | 7,305,298,240 | 16,578,808,989 | 6.68 | 23,884,107,229 | 69.41 |
| 2022 | 26,336,421,236 | 565,174,730 | 8,557,842,648 | 18,343,753,318 | 6.30 | 26,901,595,966 | 68.19 |

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 | |
| 2013 | 7.9570 | 0.0000 | 7.9570 | 3.6506 | 7.584 | 1.7161 | 20.9078 |
| 2014 | 7.7070 | 0.0000 | 7.7070 | 4.1506 | 7.598 | 1.4580 | 20.9136 |
| 2015 | 7.7070 | 0.0000 | 7.7070 | 4.1506 | 7.416 | 1.4144 | 20.6880 |
| 2016 | 6.9570 | 0.0000 | 6.9570 | 4.1506 | 7.285 | 1.4424 | 19.8350 |
| 2017 | 6.7500 | 0.0000 | 6.7500 | 4.0506 | 6.989 | 1.4612 | 19.2508 |
| 2018 | 6.7500 | 0.0000 | 6.7500 | 4.0506 | 6.679 | 1.4872 | 18.9668 |
| 2019 | 6.7500 | 0.0000 | 6.7500 | 4.0506 | 6.401 | 1.3377 | 18.5393 |
| 2020 | 6.4903 | 0.0600 | 6.5503 | 4.0506 | 6.147 | 1.3131 | 18.0610 |
| 2021 | 6.3750 | 0.3000 | 6.6750 | 4.0506 | 6.058 | 1.3131 | 18.0967 |
| 2022 | 6.2500 | 0.0471 | 6.2971 | 3.8623 | 5.891 | 1.2838 | 17.3342 |

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 | 2022 | | | 2013 | | |
|-------------------------------------|-------------------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value ¹ | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Lee County Electric Co-op | \$ 186,182,508 | 1 | 1.02 % | - | | - % |
| Uptown at Liberty Park Apartments | 52,124,383 | 2 | 0.28 | - | | - |
| Savona Cape Coral Owner LLC | 48,250,161 | 3 | 0.26 | - | | - |
| FKH SFR C1 LP | 39,004,669 | 4 | 0.21 | - | | - |
| Progress Residential Borrower | 37,064,427 | 5 | 0.20 | - | | - |
| Coralina Apartments LLC | 29,335,737 | 6 | 0.16 | - | | - |
| Corona Property Holdings LLC | 29,173,495 | 7 | 0.16 | 25,953,852 | 1 | 0.29 |
| GRE Coralwood LP Stiles Corporation | 26,331,954 | 8 | 0.14 | - | | - |
| Freeman & Hasselwander Resort | 25,422,673 | 9 | 0.14 | 19,283,677 | 2 | 0.22 |
| Atrium at Liberty Park LLC | 21,657,790 | 10 | 0.12 | - | | - |
| Federal National Mortgage Assn | - | | - | 18,317,881 | 3 | 0.21 |
| GRE Coralwood LP | - | | - | 15,905,839 | 4 | 0.18 |
| Target Corporation | - | | - | 13,625,282 | 5 | 0.15 |
| Lowes Home Centers Inc | - | | - | 13,269,259 | 6 | 0.15 |
| Wal-Mart Stores Incorporated | - | | - | 12,207,149 | 7 | 0.14 |
| Coral Pointe Investment LLC | - | | - | 12,198,066 | 8 | 0.14 |
| International Capital | - | | - | 10,020,190 | 9 | 0.11 |
| Cole MT Cape Coral FL LLC | - | | - | 9,309,675 | 10 | 0.10 |
| Total | <u>\$ 494,547,797</u> | | <u>2.69 %</u> | <u>\$ 150,090,870</u> | | <u>1.69 %</u> |

¹ Source: Lee County Property Appraiser

Total taxable assessed value of Cape Coral for 2022 \$ 18,330,252,698

Total taxable assessed value of Cape Coral for 2013 \$ 8,903,395,043

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 |
| 2013 | \$ 70,844,314 | \$ 68,242,587 | 96.33 % | \$ 8,807 | \$ 68,251,394 | 96.34 % |
| 2014 | 73,373,091 | 70,741,212 | 96.41 | 59,151 | 70,800,363 | 96.49 |
| 2015 | 79,620,684 | 76,697,068 | 96.33 | 20,398 | 76,717,466 | 96.35 |
| 2016 | 77,436,922 | 74,492,236 | 96.20 | 27,601 | 74,519,837 | 96.23 |
| 2017 | 81,306,255 | 78,383,386 | 96.41 | 6,066 | 78,389,452 | 96.41 |
| 2018 | 89,061,752 | 85,842,852 | 96.39 | 16,338 | 85,859,190 | 96.40 |
| 2019 | 96,527,929 | 93,018,718 | 96.36 | 50,465 | 93,069,183 | 96.42 |
| 2020 | 100,054,568 | 96,330,843 | 96.28 | 26,656 | 96,357,499 | 96.30 |
| 2021 | 105,689,907 | 101,761,080 | 96.28 | 23,840 | 101,784,920 | 96.31 |
| 2022 | 114,641,994 | 110,352,088 | 96.26 | - | 110,352,088 | 96.26 |

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.

CITY OF CAPE CORAL, FLORIDA
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 | Special Assessment | Capital Lease | Lease Payable ⁷ | Revenue Bonds ² | Notes Payable ³ | Special Assessment ⁴ | | | |
| 2013 | \$ - | \$ 221,515,976 | \$ 2,840,017 | \$ - | \$ 2,840,017 | \$ - | \$ 469,565,055 | \$ 5,780,734 | \$ 140,579,667 | \$ 843,121,466 | 21.99 % | 1,452 |
| 2014 | - | 213,730,572 | 2,256,647 | - | 2,256,647 | - | 461,361,073 | 35,859,855 | 130,219,029 | 845,683,823 | 21.03 | 1,357 |
| 2015 | - | 203,703,427 | 13,675,000 | 1,500,000 | 1,664,283 | - | 457,847,790 | 68,925,322 | 118,933,390 | 866,249,212 | 20.68 | 1,348 |
| 2016 | - | 194,470,804 | 12,092,000 | 1,405,000 | 1,062,786 | - | 447,666,810 | 69,578,289 | 107,587,751 | 833,863,440 | 18.87 | 1,241 |
| 2017 | - | 191,054,422 | 10,474,000 | 1,130,000 | 452,014 | - | 437,229,120 | 67,859,047 | 98,580,423 | 806,779,026 | 16.45 | 1,130 |
| 2018 | - | 180,949,932 | 16,466,205 | 855,000 | 273,460 | - | 449,733,033 | 77,847,479 | 85,175,423 | 811,300,532 | 15.70 | 1,083 |
| 2019 | 10,200,000 | 170,507,652 | 14,072,452 | 575,000 | 91,912 | - | 436,364,140 | 148,234,456 | 72,314,773 | 852,360,385 | 15.61 | 1,032 |
| 2020 | 9,625,000 | 110,522,914 | 66,678,554 | 290,000 | - | - | 352,911,586 | 272,155,685 | 59,841,948 | 872,025,687 | 15.40 | 1,004 |
| 2021 | 39,093,012 | 104,984,773 | 57,949,215 | - | - | - | 347,219,034 | 303,548,263 | 48,229,123 | 901,023,420 | 15.34 | 1,002 |
| 2022 | 37,435,887 | 99,751,064 | 52,393,504 | - | - | 180,573 | 341,345,117 | 281,815,247 | 37,916,298 | 850,837,690 | 11.43 | 912 |

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.

⁷ Beginning with FY 2022 GASB 87 Implementation

CITY OF CAPE CORAL, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING¹
Last Ten Fiscal Years

Schedule 11

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund ⁴ | Total | Percentage of Estimated Actual Taxable Property ² | Per Capita ³ |
|----------------|--------------------------------|---|--------------|---|----------------------------|
| 2019 | \$ 10,200,000 | \$ 10,913,557 | \$ (713,557) | 0.00% | (3.77) |
| 2020 | 9,625,000 | 6,173,366 | 3,451,634 | 0.02% | 18.53 |
| 2021 | 39,093,012 | 3,848,325 | 35,244,687 | 0.21% | 174.89 |
| 2022 | 37,435,887 | 4,614,123 | 32,821,764 | 0.18% | 157.76 |

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 Various debt issuances are included in amounts.

CITY OF CAPE CORAL, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2022

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 | \$ 248,822,500 ¹ | 30.644% ² | \$ 76,249,167 |
| City direct debt | | | <u>189,761,028 ³</u> |
| Total direct and overlapping debt | | | <u><u>\$ 266,010,195</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) | \$ 18,343,753,318 |
| by the total taxable valuation of Lee County. | \$ 59,860,306,000 ¹ |

³ Source: City of Cape Coral, Financial Services Department
(see Schedule 10 governmental activities).

CITY OF CAPE CORAL, FLORIDA
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Schedule 13

| Water and Sewer Revenue Debt | | | | | | | | Stormwater Revenue Debt | | |
|------------------------------|---------------------------------|---------------------------------|---------------------------|--|---------------|---------------|-----------------------|---------------------------------|---------------------------------|--------------------------|
| Fiscal Year | Operating Revenues ¹ | Operating Expenses ² | Revenue for Debt Services | Debt Service Requirements ³ | | Total | Coverage ⁴ | Less: | | Net Available |
| | | | | Principal | Interest | | | Operating Revenues ⁵ | Operating Expenses ² | Revenue for Debt Service |
| 2013 | \$ 75,862,707 | \$ 36,213,510 | \$ 39,649,197 | \$ 6,755,000 | \$ 22,379,635 | \$ 29,134,635 | 1.36 | \$ 12,379,372 | \$ 12,221,417 | \$ 157,955 |
| 2014 | 73,678,329 | 38,138,225 | 35,540,104 | 7,825,000 | 21,964,200 | 29,789,200 | 1.19 | 12,393,540 | 12,071,965 | 321,575 |
| 2015 | 77,043,774 | 40,442,926 | 36,600,848 | 8,395,000 | 21,018,222 | 29,413,222 | 1.24 | 12,404,199 | 11,744,731 | 659,468 |
| 2016 | 80,312,234 | 41,931,221 | 38,381,013 | 9,580,000 | 19,264,647 | 28,844,647 | 1.33 | 13,213,160 | 11,304,048 | 1,909,112 |
| 2017 | 83,094,497 | 45,152,483 | 37,942,014 | 9,960,000 | 18,888,604 | 28,848,604 | 1.32 | 14,688,168 | 12,006,814 | 2,681,354 |
| 2018 | 84,148,677 | 50,029,458 | 34,119,219 | 10,215,000 | 10,308,822 | 20,523,822 | 1.66 | 18,689,276 | 12,403,435 | 6,285,841 |
| 2019 | 88,528,491 | 53,550,943 | 34,977,548 | 10,760,000 | 17,162,753 | 27,922,753 | 1.25 | 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 | 1.66 | 20,753,651 | 10,505,048 | 10,248,603 |
| 2021 | 96,534,334 | 32,757,215 | 63,777,119 | 11,405,000 | 16,580,750 | 27,985,750 | 2.28 | 22,017,854 | 11,913,287 | 10,104,567 |
| 2022 | 101,559,112 | 56,091,402 | 45,467,710 | 11,825,000 | 16,225,112 | 28,050,112 | 1.62 | 24,776,786 | 15,048,722 | 9,728,064 |

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.

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 |
|----------------|-------------------------|---------------------------------|--|----------------------------|-----------------------------------|-----------------------------------|
| 2013 | 156,486 | \$ 3,833,281,056 | \$ 24,496 | 44 | 15,399 | 6.5 |
| 2014 | 160,831 | 4,020,935,831 | 25,001 | 43 | 15,583 | 6.0 |
| 2015 | 163,602 | 4,187,883,996 | 25,598 | 44 | 19,839 | 5.2 |
| 2016 | 168,425 | 4,418,461,450 | 26,234 | 45 | 19,414 | 4.8 |
| 2017 | 179,804 | 4,904,513,708 | 27,277 | 45 | 19,598 | 3.6 |
| 2018 | 183,365 | 5,167,409,065 | 28,181 | 45 | 24,337 | 3.0 |
| 2019 | 189,343 | 5,460,273,434 | 28,838 | 46 | 23,733 | 2.9 |
| 2020 | 186,294 | 5,662,219,836 | 30,394 | 46 | 21,994 | 11.3 |
| 2021 | 201,526 | 5,874,684,426 | 29,151 | 45 | 24,575 | 3.9 |
| 2022 | 208,053 | 7,445,800,764 | 35,788 | 45 | 24,671 | 2.5 |

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 | 2022 | | | 2013 | | |
|-------------------------------|-----------|------|---|-----------|------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment ² |
| Lee County School District | 2,360 | 1 | 2.75 % | 2,416 | 1 | 3.31 % |
| City of Cape Coral | 1,850 | 2 | 2.16 | 1,505 | 3 | 2.06 |
| Publix Super Market | 1,440 | 3 | 1.68 | 1,160 | 4 | 1.59 |
| Cape Coral Hospital | 1,200 | 4 | 1.40 | 1,617 | 2 | 2.22 |
| Lee Physician Group | 1,125 | 5 | 1.31 | - | - | .00 |
| Wal-Mart/Sam's Club | 990 | 6 | 1.16 | 400 | 6 | .55 |
| Gulf Coast Village | 240 | 7 | 0.28 | 381 | 8 | .52 |
| Sun Splash Family Water Park | 220 | 8 | 0.26 | - | - | .00 |
| Target | 205 | 9 | 0.24 | - | - | .00 |
| Home Depot | 205 | 10 | 0.24 | 399 | 7 | .55 |
| Lowes Home Improvement Center | 205 | - | 0.24 | 321 | 9 | .44 |
| Hope Hospice | - | - | - | 240 | 10 | .33 |
| Regional VA Clinic | - | - | - | 530 | 5 | .73 |

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/PROGRAM¹
Last Ten Fiscal Years

Schedule 16

| Function/Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | 128 | 128 | 138 | 144 | 145 | 142 | 156 | 144 | 149 | 205 |
| Public Safety: | | | | | | | | | | |
| Police | 336 | 334 | 334 | 339 | 342 | 334 | 357 | 368 | 371 | 389 |
| Fire | 205 | 206 | 210 | 212 | 222 | 217 | 227 | 228 | 246 | 255 |
| Building | 29 | 29 | 36 | 48 | 48 | 51 | 54 | 58 | 69 | 106 |
| Public Works ² | 132 | 137 | 140 | 145 | 150 | 152 | 159 | 73 | 73 | 82 |
| Community Development | 53 | 54 | 57 | 56 | 57 | 54 | 58 | 57 | 61 | 121 |
| Parks and Recreation | 193 | 197 | 209 | 209 | 210 | 146 | 211 | 145 | 208 | 221 |
| Water and Sewer | 236 | 266 | 279 | 289 | 300 | 298 | 302 | 310 | 311 | 312 |
| Stormwater | 96 | 96 | 96 | 96 | 96 | 96 | 97 | 99 | 100 | 107 |
| Yacht Basin | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 |
| Golf Course | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| Water Park ³ | 62 | 62 | 62 | 62 | 62 | 62 | 61 | 61 | 61 | 0 |
| Total | <u>1,505</u> | <u>1,544</u> | <u>1,596</u> | <u>1,635</u> | <u>1,667</u> | <u>1,587</u> | <u>1,716</u> | <u>1,578</u> | <u>1,684</u> | <u>1,833</u> |

¹ Source: City of Cape Coral's Budget Department.

² Beginning in FY2013 Transportation was reported in Public Works.

³ As of FY 2022 the Waterpark is managed by ProParks

CITY OF CAPE CORAL, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM¹
Last Ten Fiscal Years

Schedule 17

| Function/Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------|-----------|-----------|-----------|---------|---------|---------|---------|---------|------------------|
| Police | | | | | | | | | | |
| Number of sworn officers | 212 | 226 | 226 | 231 | 234 | 260 | 260 | 274 | 274 | 289 |
| Total calls received ¹ | 269,161 | 261,436 | 275,478 | 275,688 | 285,479 | 277,286 | 276,069 | 271,221 | 276,927 | 295,526 |
| Number of crime scenes processed by evidence technician | 814 | 827 | 950 | 784 | 1,356 | 1,524 | 1,610 | 1,405 | 1,179 | 537 |
| Traffic citations issued (all units) | 10,277 | 10,277 | 8,806 | 8,845 | 11,913 | 11,752 | 11,445 | 10,808 | 10,836 | 17,755 |
| Vice, intelligence and narcotics arrests | 820 | 906 | 835 | 678 | 755 | 956 | 739 | 695 | 263 | 746 |
| Fire | | | | | | | | | | |
| Number of firefighters and officers | 191 | 191 | 198 | 196 | 205 | 206 | 213 | 213 | 231 | 239 |
| Calls for service | 19,652 | 19,672 | 20,321 | 18,643 | 20,471 | 20,401 | 21,500 | 21,942 | 26,212 | 28,300 |
| Inspections | 6,757 | 5,599 | 8,092 | 9,342 | 8,138 | 7,261 | 6,882 | 9,814 | 7,989 | 5,969 |
| Public Works | | | | | | | | | | |
| Tons of debris collected and disposed of | 154 | 74 | 160 | 214 | 417 | 850 | 451 | 375 | 279 | 992 ² |
| Lane miles of road surface restored | 15 | 59 | 21 | 399 | 134 | 130 | 101 | 218 | 180 | 90 |
| Community Development | | | | | | | | | | |
| Contacts (counter and telephone) | 48,520 | 49,758 | 51,023 | 53,045 | 47,882 | 62,120 | 61,961 | 58,908 | 87,658 | 87,602 |
| Certificates of use | 610 | 596 | 585 | 590 | 592 | 574 | 614 | 591 | 693 | 1,255 |
| Sign permits issued | 250 | 259 | 645 | 296 | 272 | 197 | 332 | 214 | 247 | 275 |
| Parks and Recreation | | | | | | | | | | |
| Programs held at art studio | 413 | 390 | 435 | 438 | 250 | 270 | 370 | 364 | 342 | 474 |
| Sessions held for aquatics | 133 | 128 | 127 | 126 | 103 | 98 | 101 | 88 | 85 | 39 |
| Senior centers memberships | 758 | 707 | 751 | 804 | 787 | 643 | 752 | 501 | 178 | 56 |
| Transportation program-total miles driven | 87,197 | 115,000 | 85,173 | 94,519 | 105,103 | 107,832 | 95,254 | 61,783 | 81,781 | 50,141 |
| Transportation | | | | | | | | | | |
| Signs made | 4,620 | 4,178 | 5,695 | 4,527 | 4,527 | 4,527 | 4,527 | 4,175 | 5,367 | 5,277 |
| Centerline miles of roadway striped annually | 389 | 493 | 767 | 355 | 355 | - | 423 | 119 | 321 | 201 |
| Water and Sewer | | | | | | | | | | |
| Finished water pumped to system (millions of gallons) | 3,435 | 3,516 | 3,644 | 3,679 | 4,694 | 4,505 | 4,238 | 4,360 | 4,613 | 4,715 |
| Dry tons of bio-solids generated | 1,772 | 1,789 | 1,763 | 1,970 | 1,970 | 1,970 | 2,416 | 2,600 | 2,691 | 2,845 |
| Stormwater Utility | | | | | | | | | | |
| Cubic yards dredged from canals | 41,073 | 28,945 | 45,605 | 54,635 | 16,361 | 17,726 | 26,512 | 18,762 | 8,470 | 28,677 |
| Swale requests received | 409 | 247 | 346 | 356 | 521 | 514 | 720 | 801 | 1,387 | 945 |
| Swale regraded (Square Feet) | 1,516,353 | 1,541,520 | 1,326,156 | 1,121,325 | 900,370 | 748,099 | 835,267 | 661,454 | 443,601 | 424,887 |
| Building Division | | | | | | | | | | |
| Total inspections | 35,877 | 64,686 | 83,536 | 63,071 | 72,307 | 85,122 | 86,156 | 84,758 | 122,712 | 131,670 |
| Permits issued | 19,983 | 19,300 | 22,019 | 26,973 | 27,984 | 38,937 | 31,111 | 39,506 | 43,133 | 42,742 |
| Yacht Basin | | | | | | | | | | |
| Average annual slip rentals | 90 | 76 | 69 | 85 | 92 | 84 | 87 | 86 | 86 | 103 |
| Golf Course | | | | | | | | | | |
| Rounds played | 61,974 | 58,735 | 57,390 | 55,808 | 46,678 | 55,688 | 53,728 | 44,268 | 59,051 | 62,229 |
| Waterpark | | | | | | | | | | |
| Admissions | 107,699 | 113,358 | 116,293 | 86,174 | 87,969 | 96,220 | 91,371 | 45,564 | 112,702 | - ³ |

¹ Source: City of Cape Coral's Department Directors
² Includes Collections at Bulk Site Pilot Program
³ As of FY 2022 the Waterpark is managed by ProParks

CITY OF CAPE CORAL, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹
Last Ten Fiscal Years

Schedule 18

| Function/Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Stations | 10 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 12 |
| Public Works | | | | | | | | | | |
| Paved alleys (miles) | 12 | 12 | 12 | 12 | 11 | 11 | 11 | 11 | 11 | 11 |
| Sidewalks (miles) | 194 | 202 | 209 | 215 | 220 | 226 | 236 | 266 | 280 | 295 |
| Parks and Recreation | | | | | | | | | | |
| City owned developed parks | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 |
| Number of developed acres | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 | 409 |
| City owned undeveloped parks | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Number of undeveloped acres | 1,095 | 1,095 | 1,098 | 1,100 | 1,101 | 1,101 | 1,131 | 1,143 | 1,150 | 1,163 |
| City owned senior centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| City owned boat launches, locks, and lifts ³ | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Transportation | | | | | | | | | | |
| Paved streets (lane miles) ² | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 | 3,047 | 3,042 | 3,042 | 3,042 | 3,041 |
| Water and Sewer | | | | | | | | | | |
| Number of water connections | 55,790 | 56,522 | 58,899 | 61,522 | 62,692 | 64,225 | 67,071 | 69,748 | 69,748 | 72,972 |
| Number of sewer connections | 54,222 | 54,678 | 56,215 | 59,904 | 61,208 | 62,842 | 65,272 | 67,418 | 67,418 | 71,769 |
| Miles of water distribution | 853 | 856 | 907 | 907 | 907 | 908 | 906 | 908 | 908 | 908 |
| Stormwater | | | | | | | | | | |
| Stormwater drainage pipes (miles) | 514 | 517 | 519 | 516 | 540 | 540 | 543 | 543 | 544 | 545 |
| Swales (miles) | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 8,363 | 3,363 |
| Catch basins | 22,767 | 22,894 | 22,940 | 22,931 | 23,733 | 23,733 | 24,072 | 24,095 | 24,107 | 24,153 |
| Yacht Basin | | | | | | | | | | |
| Boat slips ⁴ | 112 | 112 | 112 | 107 | 107 | 107 | 107 | 107 | 107 | 103 |
| 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 Source: City of Cape Coral's Department Directors.

² Year 2013 Cartegraph report excluded bike paths and vacations of roads and included road widening and new roads.

³ Year 2013 included both improved and unimproved boat launches.

⁴ Year 2016 includes only boat slips that are available for rent. It does not include slips used by law enforcement.

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 City of Cape Coral, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

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

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

governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

Report on Compliance and Other Matters

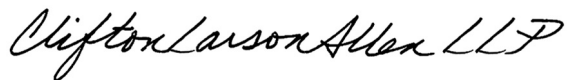
As part of obtaining reasonable assurance about whether City of Cape Coral, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
April 26, 2023



**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

Opinion on 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 identified as subject to audit 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, 2022. The City's major federal program 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 \$726,354 in federal awards which is not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program and State Project," did not include the operations of the Authority because the Authority's financial statements were audited separately.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program and state project for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-003 and 2022-004. Our opinion on each major federal program and state project is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

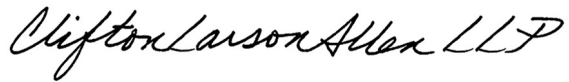
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003 and 2022-004, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Fort Myers, Florida
April 26, 2023

City of Cape Coral, Florida
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
For the Year Ended September 30, 2022

| Federal Agency/Program Title | Federal ALN Number | Federal or Pass Through Grant Number | Expenditures | Passed through to Subrecipients |
|--|-----------------------------------|---|---------------------|--|
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT: | | | | |
| Community Planning and Development: | | | | |
| CDBG Entitlement Grant Cluster¹ | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | B21MC120027 | \$ 798,822 | \$ 746,723 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B20MC120027 | 233,549 | 221,302 |
| Community Development Block Grants/Entitlement Grants | 14.218 | B19MC120027 | 35,783 | - |
| Community Development Block Grants/Entitlement Grants | 14.218 | B18MC120027 | (1,155) | (1,155) |
| Community Development Block Grants/Entitlement Grants | 14.218 | B17MC120027 | 37 | - |
| Community Development Block Grants/Entitlement Grants | 14.218 | B15MC120027 | 256 | - |
| COVID-19 Community Development Block Grants/Entitlement Grants | 14.218 | B20MW120027 | 337,679 | 24,585 |
| Neighborhood Stabilization Program (NSP-1) | 14.218 | B08MN120003 | 14,638 | - |
| Neighborhood Stabilization Program (NSP-3) | 14.218 | B11MN120003 | 14,638 | - |
| Total U.S. Department of Housing and Urban Development | | | <u>1,434,247</u> | <u>991,455</u> |
| U.S. DEPARTMENT OF JUSTICE: | | | | |
| Office of Justice Programs (OJP): | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program - (JAGC) FY22 | 16.738 | 2021-JAGC-LEE-1-3B-006 | 100,000 | |
| Edward Byrne Memorial Justice Assistance Grant Program - (JAGC) FY21 | 16.738 | 15PBJA-21-GG-01366-JAGX | 19,200 | |
| | | | <u>119,200</u> | |
| STOP School Violence | 16.839 | 2019-YS-BX-0023 | 21,410 | |
| Equitable Sharing Program | 16.922 | FL0360200 | 21,763 | |
| <i>Passed-Through State of Florida, Office of the Attorney General:</i> | | | | |
| Crime Victim Assistance | 16.575 | VOCA-2021-CCPD-00108 | 134,419 | |
| Office of Community Oriented Policing Services | | | | |
| COPS Hiring Program | 16.710 | 2020ULWX0032 | 236,852 | |
| Total U.S. Department of Justice | | | <u>533,644</u> | |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES: | | | | |
| Administration for Children and Families: | | | | |
| <i>Passed-Through State of Florida, Agency for Persons with Disabilities:</i> | | | | |
| Social Services Block Grant | 93.667 | 1035 | 231,214 | |
| U.S. DEPARTMENT OF HOMELAND SECURITY: | | | | |
| Federal Emergency Management Agency | | | | |
| COVID-19 - Assistance to Firefighters Grant | 97.044 | AFG | 10,082 | |
| <i>Passed-Through State of Florida, Division of Emergency Management:</i> | | | | |
| Emergency Management Performance Grants | 97.042 | 2021-22 | 4,955 | |
| <i>Passed-Through State of Florida, Division of Emergency Management:</i> | | | | |
| Hazard Mitigation Grant Program - (Wastewater Lift Station #120) | 97.039 | 4337-244-R | 85,253 | |
| Hazard Mitigation Grant Program - (Public Works Bldg) | 97.039 | 4337-101-R | 21,436 | |
| Hazard Mitigation Grant Program - (Sunsplash) | 97.039 | 4337-193-R | 21,613 | |
| Hazard Mitigation Grant Program - (Weir 7) | 97.039 | 4337-270-R | 124,779 | |
| | | | <u>253,081</u> | |
| Total U.S. Department of Homeland Security | | | <u>268,118</u> | |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| Federal Highway Administration: | | | | |
| <i>Passed-Through State of Florida, Department of Transportation:</i> | | | | |
| Highway Planning and Construction Cluster | | | | |
| Highway Planning and Construction - Trafalgar Elementary Sidewalks | 20.205 | 441478-1-58-01 | 30 | |
| National Highway Traffic Safety Administration: | | | | |
| <i>Passed-Through State of Florida, Department of Transportation:</i> | | | | |
| Highway Safety Cluster | | | | |
| National Priority Safety Programs - FDOT DRE Call Out 2022 | 20.616 | M5X-2022-00130 | 4,524 | |
| National Priority Safety Programs - FDOT Impaired DE 2021-22 | 20.616 | M5HVE-2022-00110 | 67,000 | |
| | | | <u>71,524</u> | |
| Speed and Aggressive Driving 2022 | 20.600 | SC-2022-00008 | 86,500 | |
| Pipeline and Hazardous Materials Safety Administration: | | | | |
| Technical Assistance Grants (TAG) | 20.710 | 693JK321NF0008 | 47,062 | |
| Total U.S. Department of Transportation | | | <u>205,116</u> | |
| U.S. DEPARTMENT OF INTERIOR | | | | |
| Fish and Wildlife Service | | | | |
| <i>Passed-Through State of Florida, Fish and Wildlife Conservation Commission:</i> | | | | |
| Sport Fish Restoration Program | | | | |
| D&D Property Boat Ramp Improvements | 15.605 | 17201 | 67,500 | |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u>\$ 2,739,839</u> | <u>\$ 991,455</u> |

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

City of Cape Coral, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (continued)**

For the Year Ended September 30, 2022

| State Agency/Program Title | CSFA Number | State Contract/ Grant Number | State Expenditures | Passed through to Subrecipients |
|---|----------------|---------------------------------|-----------------------|---------------------------------------|
| STATE OF FLORIDA, FLORIDA HOUSING FINANCE CORPORATION: | | | | |
| State Housing Initiatives Partnership Program (S.H.I.P.) | 40.901 | N/A | \$ 259,547 | \$ 205,000 |
| STATE OF FLORIDA, AGENCY FOR PERSONS WITH DISABILITIES: | | | | |
| Association for the Development of the Exceptional: Agency for Health Care Administration Transportation Services | 67.062 | 1035 | 144,932 | |
| STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION | | | | |
| Highway Planning and Construction Cluster | | | | |
| Highway Planning and Construction - Suntrail Non-Motorized Bike Path | 55.038 | 440236-1-54-01 | 2,995,839 | |
| STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION | | | | |
| Water Restoration Assistance | | | | |
| Reclaimed Water Transmission River Crossing Project | 37.039 | LP36011 | 41,727 | |
| ADM-56 US 41 Conveyance | | | | |
| Cape Coral Reservoir and Pipeline Project | 37.039 | LP36014 | 166,078 | |
| Statewide Surface Water and Wastewater Projects ³ | | | | |
| North 2 UEP - Catch Basin Replacement (Cental) | 500000 | 37.039 | NS021 | 500,000 |
| North 2 UEP - Catch Basin Replacement (East) | 800000 | 37.039 | NS031 | 800,000 |
| North 2 UEP - Catch Basin Replacement and Bioswales (West) | 910000 | 37.039 | NS032 | 910,000 |
| | | | 2,210,000 | |
| Total State of Florida, Department of Environmental Protection | | | 2,417,805 | |
| TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE | | | 5,818,123 | 205,000 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE | | | \$ 8,557,962 | \$ 1,196,455 |

The notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

¹ Included in the Passed through to Subrecipients for CDBG are amounts related to HUD approved subrecipients that are departments of the City of Cape Coral.

² American Rescue Plan Act funding has been received, but there have been no expenditures to date.

³ Includes expenditures in the amount of \$2,210,000 for FLDEP grant contract agreements NS021, NS031 and NS032 which were incurred between August 30, 2017 through June 30, 2021 which were not previously reported on the City's Schedule of State Financial Assistance in the actual periods incurred and were included in the City's current year expenses for the program.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**
September 30, 2022

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) is a supplementary schedule to the City's basic financial statements and is presented for purposes of additional analysis. The Schedule is required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes.

The Schedule includes all federal financial assistance programs and state projects administered by the City of Cape Coral and included in the City's Annual Comprehensive Financial Report. It specifically excludes federal financial assistance programs and state projects received by the discretely presented component unit, the Cape Coral Charter School Authority.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. SUBRECIPIENTS

Of the federal expenditures presented in the Schedule, the City of Cape Coral provided federal awards to subrecipients as follows:

| Program Title | Federal ALN Number | Amount Provided to Subrecipients |
|---|-------------------------------|---|
| Community Development Block Grants / Entitlement Grants | 14.218 | \$ 991,455 |
| Total | | <u>\$ 991,455</u> |

Of the state expenditures presented in the Schedule, the City of Cape Coral provided state financial assistance to subrecipients as follows:

| Program Title | Federal CSFA Number | Amount Provided to Subrecipients |
|---|--------------------------------|---|
| State Housing Initiatives Partnership Program (S.H.I.P.) | 40.901 | \$ 205,000 |
| Total | | <u>\$ 205,000</u> |

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

September 30, 2022

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance expenditures are included in the City's basic financial statements as follows:

| | <u>Expenditures</u> |
|--|----------------------------|
| General Fund | \$ 732,004 |
| Special Revenue Funds: | |
| Community Development Block Grant (CDBG) | 1,404,971 |
| HUD Neighborhood Stabilization | 29,276 |
| Parks and Recreation - Special Populations | 231,214 |
| Department of Justice Joint Law Enforcement Operations | 21,763 |
| Capital Improvement Funds: | |
| Transportation - Sidewalk Construction | 30 |
| Parks and Recreation - Boat Ramp Improvement | 67,500 |
| Fire - Generator Project | 43,049 |
| Water and Sewer - Lift Station | 85,253 |
| Water and Sewer - Weir | 124,779 |
| | <u><u>\$ 2,739,839</u></u> |

State financial assistance expenditures are included in the City's basic financial statements as follows:

| | <u>Expenditures</u> |
|---|----------------------------|
| Special Revenue Funds: | |
| Parks and Recreation - Special Populations & Transportation | \$ 144,932 |
| Local Housing Assistance Fund - State Housing | |
| Initiatives Partnership Program (S.H.I.P.) | 259,547 |
| Capital Improvement Funds: | |
| Transportation - Sidewalk Construction | 2,995,839 |
| Cape Coral Reservoir and Pipeline Project | 166,078 |
| Reclaimed Water Transmission River Crossing Project | 41,727 |
| North 2 - Catch Basin Replacement | 2,210,000 |
| | <u><u>\$ 5,818,123</u></u> |

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

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)? X yes 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)? yes X no

Identification of Major Federal Programs

| Assistance Listing Number | Name of Federal Program or Cluster |
|--|---|
| 14.218 | CDBG Cluster |
| Dollar threshold used to distinguish between Type A and Type B programs: | \$ <u>750,000</u> |
| Auditee qualified as low-risk auditee? | <u> </u> yes <u> X </u> no |

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

Section I – Summary of Auditors’ Results (Continued)

State Financial Assistance Section

1. Internal control over major state projects:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

2. Type of auditors’ report issued on compliance for state projects: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements? _____ yes X no

Identification of Major State Projects

CSFA Number(s)

37.039
55.038

Name of State Project

Statewide Surface Water Restoration Projects
Florida Shared-Use Nonmotorized (SUN) Trail
Network Program

Dollar threshold used to distinguish between Type A and Type B state projects: \$ 750,000

Section II – Financial Statement Findings

2022-001 EnerGov System Implementation

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, 2022**

Condition: In February 2022, the City implemented a new EnerGov module for permitting and licensing fee transaction processing. We noted the following related to the permitting and licensing internal controls and processes:

- Workflows and controls were not properly set up to require approvals within the system for adjustments or modifications to permit rates and fees.
- Noted instances of end user controls not properly set up that would prevent an employee from processing transactions without proper authorization and approval within the system.
- The Development Services and Public Works utility permitting departments have policies in place requiring documentation within permit files for any changes to rates or fees including documentation of approval received for adjustments to rates and fees when required. Noted instances of transactions and adjustments lacking documentation of changes made or approval received for adjustments within the permit file as required; however, there were no errors or inappropriate transactions noted.
- Noted the Development Services and Public Works Departments allowed for an informal transition period following system implementation where normal procedures for documentation were lessened or, in some cases, waived to help eliminate backlog and allow for expedited processing of transactions.
- Noted absence of regular review procedures in place for review of transaction history reports and system audit logs for user changes or deletions made to permit rates and fees by department supervisors to detect potential errors or unauthorized changes made.
- An absence of formal documented user policies and procedures for the EnerGov system. Formal department policies and procedures specific to the system were not put in place prior to the implementation date; however, were subsequently put in place after the system was already in use.

Effect: A lack of structured and documented internal controls could result in circumvention of the internal control environment and result in errors or unauthorized transactions impacting the City's financial statements.

Cause: The City did not establish and document structured processes and procedures prior to the system implementation or within a timely period following the implementation. End user controls were not properly set up within the system at the time of implementation through the end of the year.

Repeat Finding: No

Recommendation: We recommend that the City establish policies and procedures over internal controls related to the EnerGov system and continue tailoring end user controls, system roles and workflows to ensure transactions are properly authorized and documented. We also recommend that the Development Services Department put procedures in place for regular review of change history reports and system audit logs showing all alterations and deletions of fees made by users to detect potential errors or unauthorized transactions made.

Views of responsible officials and planned corrective actions: Management will provide additional oversight to ensure that policies and procedures are being followed. Additionally, existing policies and procedures will be reviewed and revised for any changes necessary due to implementation of the EnerGov system.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

2022-002 Financial Reporting – Schedule of Expenditures of Federal Awards and State Financial Assistance

Type of Finding: Significant Deficiency 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 prior years' financial statements and schedule of expenditures of federal awards and state financial assistance did not properly account for the Florida Department of Environmental Protection Statewide Surface Water and Wastewater Projects (CSFA 37.039) grant program in the amount of \$2,210,000 for grant contracts NS021, NS031, NS032, which were incurred during periods from March 2018 to June 2021. The City reported the related revenues in the 2022 financial statements and the related expenditures in the 2022 schedule of expenditures of federal awards and state financial assistance.

Effect: The 2022 financial statements are misstated for amounts related to prior periods.

Cause:

The City's internal controls did not prevent or detect the error.

Repeat Finding: No

Recommendation: We recommend that the City implement policies and procedures for grant programs to ensure all grant-related contracts and awards are communicated to the Financial Services Department for recording and tracking of expenditures and revenue for recordkeeping.

Views of responsible officials and planned corrective actions: We will begin requiring annual grant training for anyone authorized to submit grant applications. Additionally, the City's Grant Policy is being updated to address this condition and written procedures will be distributed to ensure end users are correctly recording grant eligible expenditures on the general ledger.

Section III – Findings and Questioned Costs – Major Federal Programs

2022-003 Reporting

Federal Agency: U.S Department of Housing and Urban Development

Federal Program Name: Community Development Block Grant

Federal Award Identification Number and Year: B21MC120027, various

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

Assistance Listing Number: 14.218

Grant Award Number: B21MC120027

Award Period: October 1, 2021 through September 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance, 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. Entities receiving CDBG or CDBG-CV funding are required to submit the IDIS PR-29 Cash on Hand Quarterly Report every quarter, within 30 days of the end of the quarter. Additionally, entities receiving NSP-1 or NSP-3 funding are required to submit each quarter the Quarterly Performance Report.

Condition: CDBG and CDBG-CV Cash on Hand Quarterly Reports were not submitted timely, within 30 days of period end to the U.S. Department of Housing and Urban Development, as required.

Questioned Costs: None

Context: During our testing, we reviewed all four quarterly CDBG Cash on Hand Quarterly Reports and all four quarterly CDBG-CV Cash on Hand Quarterly Reports. We also reviewed all four Quarterly Performance Reports for NSP-1 and NSP-3 program for the period. We noted that all CDBG Cash on Hand Quarterly Reports and CDBG-CV Cash on Hand Quarterly Reports reviewed were not submitted within 30 days of period end, as required. The fourth quarter Cash On Hand reports were not submitted to date at the time of review. We also noted all four Quarterly Performance Reports for NSP-1 and NSP-3 were not submitted timely within 30 days of period end, as required, with three of the four reports unsubmitted at the time of review.

Cause: Policies and procedures were not established to ensure the timely filing of reports.

Repeat Finding: No

Effect: The City was not in compliance with the reporting requirements as specified in the grant agreement.

Recommendation: We recommend that the City design processes and procedures to ensure that all reports are submitted timely as required by grant agreements. We recommend the City develop an internal compliance checklist that includes required reports and due dates to be maintained for tracking and record keeping purposes to assist in monitoring compliance.

Views of responsible officials: For a period of time, City staff could not access the federal system, however, this issue has since been resolved. Finance will keep a calendar of all reporting deadlines and follow up with responsible departments prior to the due date to ensure reports are submitted on time.

**CITY OF CAPE CORAL, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2022**

2022-004 Allowable Costs, Activities and Period of Performance

Federal Agency: U.S Department of Housing and Urban Development

Federal Program Name: Community Development Block Grant

Assistance Listing Number: 14.218

Federal Award Identification Number and Year: B21MC120027, various

Award Period: October 1, 2021 through September 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

Criteria: The contract award start date is October 1, 2021. Expenditures incurred prior to the contract start date are not eligible for reimbursement under this contract agreement.

Condition: Expenditures incurred prior to the grant contract's period of performance per the contract agreement were improperly charged to the grant prior to the contract's stated start date of October 1, 2021.

Questioned Costs: None

Context: Our sample of four transactions during the first month of the contract period identified one transaction in the amount of \$101 charged to the program outside of the period of performance.

Cause: The City's internal controls did not prevent or detect the error.

Repeat Finding: No

Effect: The City was not in compliance with period of performance requirements as specified in the grant agreement.

Recommendation: We recommend the City establish procedures for the accrual of grant-related reimbursements to ensure expenditures are invoiced within the appropriate contract dates as specified by the agreements.

Views of responsible officials: Management will ensure that grant expenditures processed after the end of the fiscal year are thoroughly reviewed to ensure they are recorded in the correct fiscal year.

Section IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Rule 10.554(1)(I)4, Rules of the Florida Auditor General.

Management Letter



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Cape Coral, Florida (the City), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated April 26, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent 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 April 26, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. No findings were made in the preceding financial audit report.

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions 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 review of financial information provided by same.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

The specific information required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, related to the Cape Coral Community Redevelopment Agency is included in the Cape Coral Community Redevelopment Agency's management letter that is issued separately.

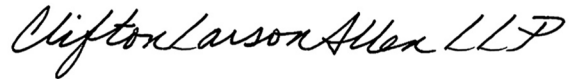
Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Honorable Mayor and
Members of the City Council
City of Cape Coral, Florida
Page 3

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, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

CliftonLarsonAllen

Fort Myers, Florida
April 26, 2023



Independent Accountants' Report



INDEPENDENT ACCOUNTANTS' REPORT

City of Cape Coral, Florida
and the Florida Auditor General
Cape Coral, Florida

We have examined City of Cape Coral, Florida's (the City) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Fort Myers, Florida
April 26, 2023



